

Input prices rise at fastest rate since January 2023; small majority of metros adds construction jobs

Input prices for new nonresidential construction rose 0.4% in November, not seasonally adjusted, and 3.6% year-over-year (y/y), according to producer price index (PPI) data the Bureau of Labor Statistics (BLS) [posted](#) on Wednesday. The y/y change was the largest since January 2023. In contrast, the **PPI for new nonresidential building construction**, a measure of what contractors say they would charge to construct a new building, was unchanged for the month and rose only 2.7% y/y. AGC posted tables and a chart of PPI changes relevant to construction. There were notable y/y increases in the PPIs for aluminum mill shapes (28%) and fabricated structural metal bar joists and rebar (17%), a major building material. Although PPIs exclude foreign producers' prices, some domestic producers were quick to raise prices once tariffs took effect. Tariffs on aluminum and steel from most countries increased from 25% to 50% on June 4. Readers are invited to consult AGC's Tariff Resource Center for the latest details and to send information about project timing, materials price changes, and supply chains to ken.simonson@agc.org.

Construction employment, not seasonally adjusted, rose from November 2024 to November 2025 in 188 (53%) of the 360 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 122 (34%), and was unchanged in 50, according to an analysis AGC [released](#) on Thursday. (For most metros, BLS posts only combined totals for mining, logging, and construction; AGC treats these totals as construction-only.) Houston-Pasadena-The Woodlands added the most construction jobs (5,700 jobs, 2%), followed by Washington, D.C.-Md. (5,600, 11%); Kansas City, Mo.-Kans. (5,200, 8%); and Minneapolis-St. Paul-Bloomington, Minn.-Wis. (5,000, 5%). The largest percentage gains—12%—occurred in Kankakee, Ill. (200 jobs) and Owensboro, Ky. (300), followed by 11% gains in Wilmington, N.C. (1,500) and Washington, D.C.-Md. The largest job loss occurred in New York City (-8,600 jobs, -6%), followed by Riverside-San Bernardino-Ontario, Calif. (-8,500, -7%); Las Vegas-Henderson-North Las Vegas (-7,000, -9%); Los Angeles-Long Beach-Glendale (-6,900, -5%); and Nassau County-Suffolk County, N.Y. (-5,600, -7%). The largest percentage loss, -9%, was in Las Vegas-Henderson-North Las Vegas and Newark, N.J. (-3,800 jobs); followed by 8% losses in Hanford-Corcoran, Calif. (-100 jobs); Grants Pass, Ore. (-100); and Bellingham, Wash. (-100).

"Contractors are anticipating 2025 **construction support staff wage increases** to average 4.0% by year end, down from the 2024 actual increase of 4.4%," construction pay consultant PAS [reported](#) on January 2, based on a survey of 239 companies in September and October. "Unless construction conditions change, we think 2026 support staff increases will mimic 2025 activity."

"Overall **economic activity** increased at a slight to modest pace in eight of the 12 Federal Reserve districts, with three districts reporting no change and one reporting a modest decline," the Federal Reserve [reported](#) on Wednesday in its latest Beige Book, which covers information gathered from mid-November to January 5. "This marks an improvement over the last three report cycles where a majority of districts reported little change." The report is issued eight times a year and "characterizes regional economic conditions and prospects based on a variety of mostly qualitative information, gathered directly" from sources in the 12 districts, which are identified by their headquarters cities. **Construction-relevant comments** were mixed: "Several manufacturing and construction contacts noted increased confidence among businesses despite lingering uncertainty." Also, "Some construction and professional and business services firms added staff driven by new projects and robust backlogs" (Cleveland) "Consumer spending and construction and real estate demand rose slightly" (Chicago) "Multifamily construction activity slowed moderately, attributed to a combination of stalling rent growth and rising expenses." (Boston) "contacts in construction and leisure and hospitality reported more pronounced declines" in employment than other sectors. Also, "Construction activity remained weak across the district." (New York) "contacts reported ongoing development for industrial, flex, and some retail space. Contacts were unsure whether the office market had hit bottom yet in Philadelphia. New plans for multifamily construction appear to have slowed" (Philadelphia) "Input costs like steel and aluminum were stable, and other nonlabor construction costs increased minimally." Also, "new construction expanded modestly, particularly technologically-integrated warehousing." (Atlanta)