

Input prices climb in January, driven by tariffs on key metals; spending slips in December from 2024

Input prices for new nonresidential construction rose 0.7% in January and 2.9% year over year (y/y), according to producer price index (PPI) data the Bureau of Labor Statistics (BLS) [posted](#) today. AGC posted [tables](#) and charts of construction-related PPIs. The y/y increase reflects sharp price gains for several key construction materials, including aluminum mill shapes (up 33.0%), steel mill products (up 20.7%), and copper and brass mill shapes (up 15.7%). These were the largest y/y increases for these inputs since 2022 (aluminum and steel) or 2023 (copper). Prices for construction machinery and equipment rose 4.7% over the past year. 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. A 50% tariff on products containing copper took effect on August 7. The overall increase was held down by a 12.3% y/y decline in the PPI for diesel fuel. BLS [posted](#) routine annual revisions to the relative weights (percentages of totals) for inputs to construction and for nonresidential building construction and subcontractors' "bid prices" (output price indexes for selected project types).

Tariffs on key construction inputs including steel, aluminum, copper and softwood lumber remain in place (because they were imposed under separate trade laws) following the Supreme Court's February 20th ruling that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose broad tariffs. President Trump replaced the IEEPA tariffs on Tuesday with a 10% tariff that will remain in effect for 150 days unless overturned by a later court ruling. See AGC's Tariff Resource [Center](#) for details. Readers are invited to send information about input price changes to ken.simonson@agc.org.

Construction spending (not adjusted for inflation) totaled \$2.17 trillion in December at a seasonally adjusted annual rate, up 0.3% from November but down 0.4% y/y, the Census Bureau [reported](#) today. Private **residential construction** rose 1.5% for the month but slipped 1.3% y/y, with single-family down 3.6% y/y, multifamily up 2.9%, and residential improvements unchanged. **Private nonresidential spending** fell 0.7% for the month and 1.8% y/y. The largest private nonresidential segment—manufacturing construction—declined for the 11th month in a row, by 2.5% for the month and 11.4% y/y. Commercial construction slid 0.4% for the month (comprising warehouse, down 0.5% for the month; retail, down 0.6%; and farm, up 0.9%). Private "office" construction rose 0.5% in December and 3.3% y/y (comprising data centers, up 1.3% and 29%, respectively, and other, down 0.2% and 13.6%, respectively). **Public construction spending** declined 0.5% from November but rose 3.5% y/y. Spending on the three largest public segments varied for the month: highway and street slipped 0.3% from November, educational fell 0.8%, and sewage and waste disposal increased 0.3%.

The **value of construction starts**, not seasonally adjusted, soared 28% y/y in January, ConstructConnect [reported](#) on Wednesday. **Nonresidential building starts** jumped 108% y/y, with commercial up 214% (led by a nearly 20-fold leap in combined office and data center starts), institutional up 21%, and industrial (manufacturing) up 43%. **Engineering (civil) starts** declined 4.6% y/y, with roads down 6%, water and sewage treatment up 26%, miscellaneous (power, etc.) up 48%, bridges down 24%, and airports down 74%. **Residential starts** slumped 28% y/y, with single-family down 18% y/y and apartments down 41%.

The number of **union members in construction firms** increased by 8.6% in 2025 from 916,000 (10.3% of industry employment) in 2024 to 995,000 (11.1%), BLS [reported](#) on February 18. Total **employees represented by unions** (including nonmembers whose jobs are covered by a union contract) rose by 8.5%, from 994,000 (11.2% of employment) to 1,078,000.

Fatal occupational industries in the construction industry declined from 1,075 in 2023 to 1,034 in 2024, a decrease of 3.4%, BLS [reported](#) by 2.6%, on February 19. The fatal injury incidence rate declined from 9.6 per 100,000 workers in 2023 to 9.2 in 2024. These are particularly encouraging trends in light of the increase in employment and the retirement of large numbers of experienced workers. There was also a 2.6% decrease, from 809 in 2023 to 788 in 2024, in fatal occupational injuries among construction trades workers, a total that includes construction workers in any industry. Fatal occupational injuries among construction managers declined by 7.1%, from 113 to 105.