AGC THE CONSTRUCTION ASSOCIATION

Data DIGest

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Construction spending edges up in April; ConstructConnect reports growth in year-to-date starts

Construction spending (not adjusted for inflation) totaled $2.17 trillion in April, up 0.4% from a downwardly revised March total and up 0.9% year-over-year (y/y), the Census Bureau reported today. Private residential construction rose 0.8% for the month and 1.7% y/y, with single-family down 2.9% y/y, multifamily up 1.1% and residential improvements up 7.5%. (Data for improvements are often revised by large amounts in either direction.) Private nonresidential spending fell 0.2% for the month and 2.1% y/y. Data center construction rose 1.9% for the month and 28% y/y; all other private nonresidential spending combined fell 0.3% and 2.7%, respectively. The largest private nonresidential segment—manufacturing construction—declined for the 14th month in a row, by 1.2% for the month and 18% y/y. Private power construction rose 0.6% in April and 6.0% y/y. Commercial construction slipped 0.7% for the month but rose 1.5% y/y (comprising warehouse, down 1.6% y/y; retail, up 5.9%; and farm, up 0.9%). Private office construction (excluding data centers) was flat in April and fell 5.5% y/y. (Census includes data center construction in private office in its press release but breaks it out in an Excel file under Historical Value-Private). Public construction spending rose 0.4% for the month and 3.7% y/y. Spending on the three largest public segments rose y/y: highway and street construction, up 3.9% y/y; public education, up 1.2%; and public transportation construction, up 2.4%.

For the first four months of 2026 combined compared to January-April 2025, the **value of construction starts**, not seasonally adjusted, climbed 11% year-to-date (YTD), ConstructConnect reported on Thursday. **Nonresidential building starts** jumped 36% YTD, with commercial up 72% (led by a 214% leap in combined office and data center starts), institutional up 13%, and industrial (manufacturing) down 9%. **Engineering (civil) starts** rose 13% YTD, with roads up 0.4%, water and sewage treatment up 20%, bridges up 13%, electric power infrastructure up 14.5%, and airports down 39%. **Residential starts** slumped 24% YTD, with single-family down 25% and apartments down 23%. "In particular the Data Center 'ecosystem' of subcategories consisting of Offices (data centers), Miscellaneous Civil (power generation), Power Infrastructure (power transmission), and Water and Sewage has risen by a collective 107% or $52.2 billion" YTD, Chief Economist Michael Guckes stated. "In short, over 85% of this year's nonresidential growth through April can be attributed to just these four subcategories that either direct or indirectly benefit from data center demand."

"Higher **prices for building materials** are boosting construction costs," the Wall Street Journal reported on Wednesday. "The data-center boom and disruptions at the world's second-largest copper mine have pushed the metal's prices to records. Lumber prices are up because of import taxes and sawmill closures. The Iran war has shocked fuel and chemical markets and boosted prices for resins and plastics as well as the costs of delivering materials such as wallboard and cement to work sites….Random Lengths' Framing **Lumber** Composite **Price**, the trade publication's gauge of on-the-spot prices, is up more than 30% from the December lows….Lumber buyers anticipate some relief later this year when the duties on Canadian imports are expected to drop to an average of roughly 25%, from about 35%....War has played a part in pushing **copper prices** to records, because the fighting choked off supplies of sulfuric acid needed to produce a big chunk of the world's copper. Meanwhile, disruptions at Freeport-McMoRan's huge Grasberg mine in Indonesia have traders betting that there will be a lot less copper to go around [. **Aluminum prices**] are near records on the London Metal Exchange and even more expensive in the U.S. because of Trump's 50% tariff."

"**Commercial real estate** property type trends are quite different, with low supply allowing retail and hotel to do well, while oversupply continues to hurt industrial and apartment, and office is hurting from slow demand growth," the Mueller – Chacon Real Estate Market Cycle Monitor for the first quarter of 2026 (1Q26) reported on Sunday. "The cycle monitor analyzes occupancy movements in five property types in 56 [metropolitan statistical areas]. Market cycle analysis should enhance investment-decision capabilities for investors and operators. The five property type cycle charts summarize almost 300 individual models that analyze occupancy levels and rental growth rates to provide the foundation for long-term investment success."