AGC THE CONSTRUCTION ASSOCIATION

Data DIGest

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Input prices rise 8.9% in August; DMI slips; ISM, Beige Book diverge on latest construction trends

Input prices for new nonresidential construction climbed 8.9% year-over-year (y/y) from August 2025 to August 2026, according to producer price index (PPI) data the Bureau of Labor Statistics posted on Thursday. AGC posted tables of construction-related PPIs. Strong global demand and tight supplies resulting from the Middle East conflicts drove the PPI for diesel fuel up 78% y/y and liquid asphalt up 16%. **Tariffs of up to 50%** imposed a year ago have pushed up metals and lumber prices. PPIs jumped 27% y/y for aluminum mill shapes; 23% for steel mill products and 21% for copper and brass mill shapes. Prices used to calculate PPIs are collected on the 13th of each month; since Aug. 13 the **retail price of diesel fuel** has soared 72 cents per gallon (14%), AAA reported today. President Trump imposed a 50% **tariff on Canadian cement** and other products on Aug. 19 but suspended the cement tariff on Tuesday for imports received after Sept. 14. Readers are invited to send ken.simonson@agc.org information about project timing, materials price changes and supply chains and to view AGC's Tariff Resource Center for up-to-date, detailed news about relevant tariffs.

The Dodge Momentum Index (DMI)—"a monthly measure based on the three-month moving **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year to 18 months"—dipped 0.4% in August from a downwardly revised July reading, Dodge Construction Network reported on Tuesday. Commercial planning rose 3.0% for the month, while institutional planning rose by 4.9%. "Commercial planning activity slowed down for data centers, retail stores and warehouses throughout August, while office buildings, parking garages and hotels picked up steam. On the institutional side, education, recreational, and public buildings saw a stronger planning pipeline, while healthcare activity slightly pulled back after four months of sustained planning growth. Year-over-year, the DMI was up 4.2% when compared to August 2025. The commercial portion of the index was up 2.3% and the institutional portion was up 7.8% over the same period. When removing data centers, the commercial segment would be down 18.9% from year-ago levels, given the surge in activity seen in late 2025."

"**Economic activity in the services sector** continued to expand in August" for the 26th month in a row, the Institute for Supply Management reported on September 3. However, construction respondents were alone (among 18 sectors) in reporting a decline in new orders, along with decreases in order backlogs (4 sectors) and business activity (4), slower supplier deliveries (14) and higher prices paid (15) but also an increase in employment (7) and inventories (11). **Items** significant for construction **reported up in price** include diesel fuel (6 months in a row), copper (9 months), copper-based products, freight and steel products (5). Construction-related **items reported in short supply** include steel, steel products (3) and wire and cable (3).

"**Economic activity** increased modestly since early July," the Federal Reserve reported on Sept. 2 in its latest Beige Book, which covers information gathered through Aug. 24. "Residential **construction** declined while nonresidential construction increased on balance, with some districts noting a high concentration of activity related to data center projects."

"The average **time** needed **to complete construction of a multifamily building** after obtaining authorization edged down in 2025, according to the 2025 Survey of Construction from the Census Bureau," the National Association of Home Builders posted on Monday. "On average, it took 18.9 months from permit to completion, about 0.7 months shorter than in 2024….The average time from permit to completion was…almost seven months longer than the period low of 12 months in 2013. Most of this long-term increase occurred during the construction phase. The average time from start to completion rose from 13.4 months in 2009 to 16.5 months in 2025, partly [because the] share of multifamily buildings with 50 units or more increased from 43% in 2009 to 57% in 2025, and larger buildings generally take longer to complete….In 2025, buildings with 20 or more units took the longest to build after obtaining authorization at 21.7 months, [while] 2-to-4-unit buildings were finished the fastest, averaging 14.9 months." Of the four regions, the Northeast had the longest time from authorization to completion at 21.9 months, followed by the West" (20.6 months), South (17.5) and Midwest (16.6).

Construction industry employment is projected to increase from 2025 to 2035 by 410,700 or 5.0%, exceeding the 3.5% increase in total employment, BLS posted on August 27 in releasing its annual 10-year projections by major sector and occupation. The largest projected employment increase among construction occupations is for laborers (109,300 jobs, 7.3%). The fastest projected percentage growth is for solar photovoltaic installers (36.5%, 11,300 jobs).