

SECTION 2

GENERAL CONSTRUCTION INDUSTRY DATA



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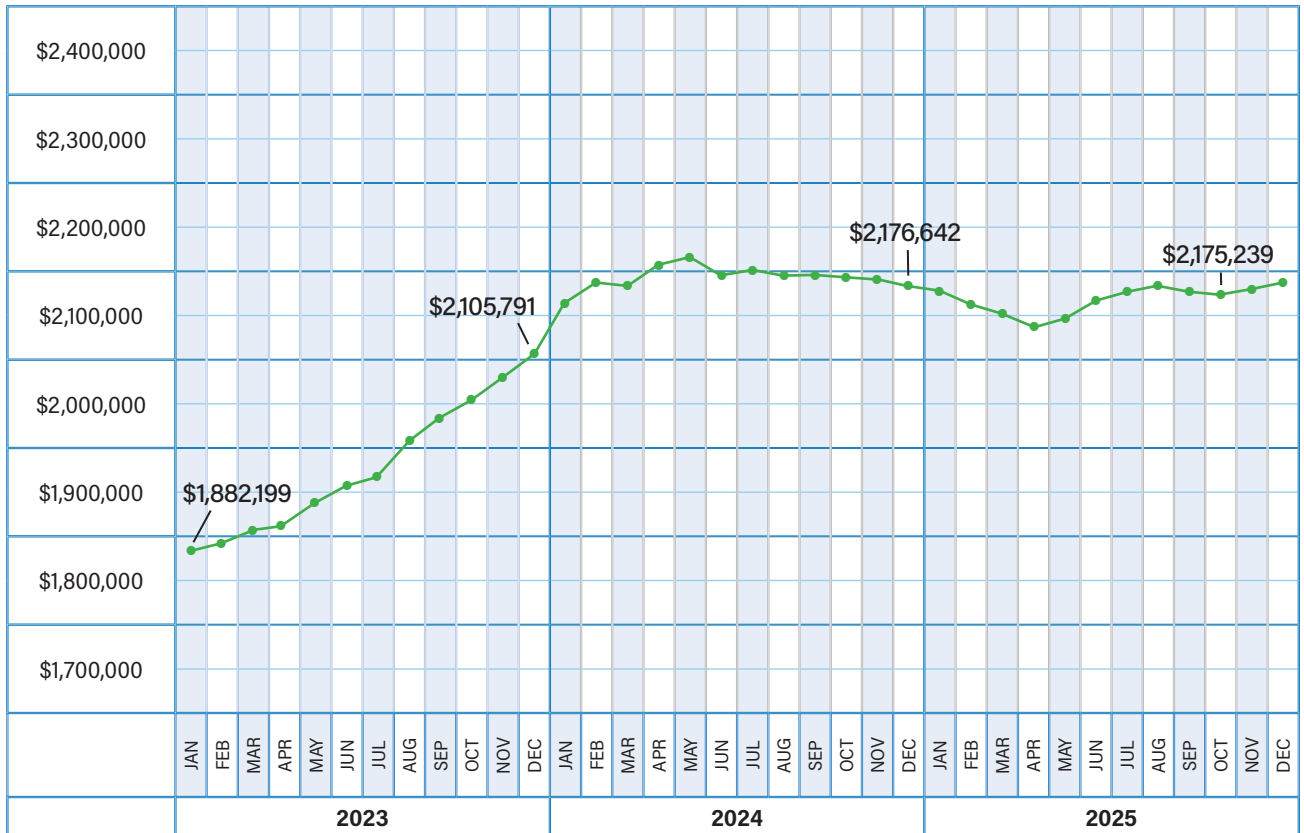
The big drivers of change in the construction economy in 2025 were the imposition of tariffs that, according to Ken Simonson, chief economist for the Associated General Contractors (AGC), led to many owners delaying or cancelling projects. In addition, the tariffs caused cost increases for a variety of materials and machinery. “The only market segment for which activity exceeded expectations—which were already higher than for any other project type—was data centers,” says Simonson. Nonetheless, overall contractor sentiment was positive in 2025, according to the AGC of America/Sage Construction Hiring and Business Outlook Survey.

Census Data and Association Forecasts

From 2023 through 2025, total U.S. construction spending showed steady growth overall, though with some moderation as the cycle progressed, according to the U.S. Census Bureau. In 2024, construction outlays reached about \$2.15 trillion, up roughly 6.5% from the \$2.02 trillion spent in 2023, reflecting robust activity across private and public sectors and a rebound in residential work. **C1**

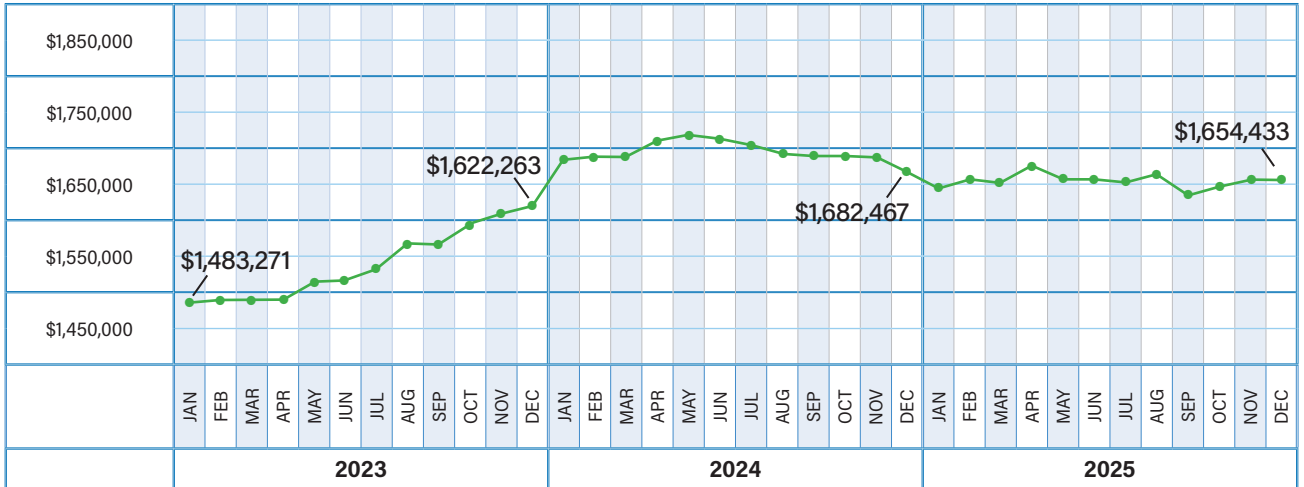
By early 2025, monthly data revealed continued but slower expansion, with total spending in De-

Chart C1 – Annual Rate of Total Construction Spending
Monthly Spending (in millions of dollars)



Source: U.S. Census Bureau

Chart C2 – Annual Rate of Private Construction Spending
(in millions of dollars)



Source: U.S. Census Bureau

December 2024 about 4.3% above December 2023.

Overall, the trend from 2023 to 2025 showed solid growth in construction spending, with strong increases in 2023 to 2024.

By early 2025, monthly data revealed continued but slower expansion, with total spending in December 2024 about 4.3% above December 2023. Forecasts made in early 2025 projected total construction spending to rise by around 3 to 4% for the full year 2025, reaching roughly \$2.23 trillion, although some estimates later hinted at modest contraction depending on economic conditions.

Overall, the trend from 2023 to 2025 showed solid growth in construction spending, with the strongest increases in 2023 to 2024 and more tempered growth in 2025 as market conditions evolved. **C2**

Private construction spending in the United States showed growth from 2023 to 2024 also, followed by signs of flattening in 2025. According to U.S. Census Bureau data, total private construction, including both residential and nonresidential work, was about \$1.57 trillion in 2023 and increased to roughly \$1.66 trillion in 2024. That's an approximate 5.6% year-over-year gain as both housing and non-housing segments expanded. Residential private spending

rose about 5.9% and nonresidential private was up about 5.3% in that period.

By 2025, more recent Census monthly estimates showed private construction at a seasonally adjusted annual rate near \$1.65 trillion in October 2025, indicating that while spending remained elevated, annual growth had eased compared with the strong increases in 2024. In some months, year-over-year private activity was flat or slightly lower as high interest rates and economic uncertainty restrained momentum.

Overall, private construction spending grew solidly in 2023–24 but showed signs of plateauing through 2025 amid broader market pressures. **C3**

From 2023 through 2025, total public construction spending in the U.S. has steadily increased. In 2023, public construction outlays were lower than in subsequent years. By 2024, spending climbed to about \$483 billion at a seasonally adjusted annual rate, roughly 9% above 2023 levels, driven by highway, educational, and other government projects as a result of the Infrastructure Investment and Jobs Act enacted in 2021.

In 2025, public construction maintained a slight upward trend: monthly estimates show the annu-

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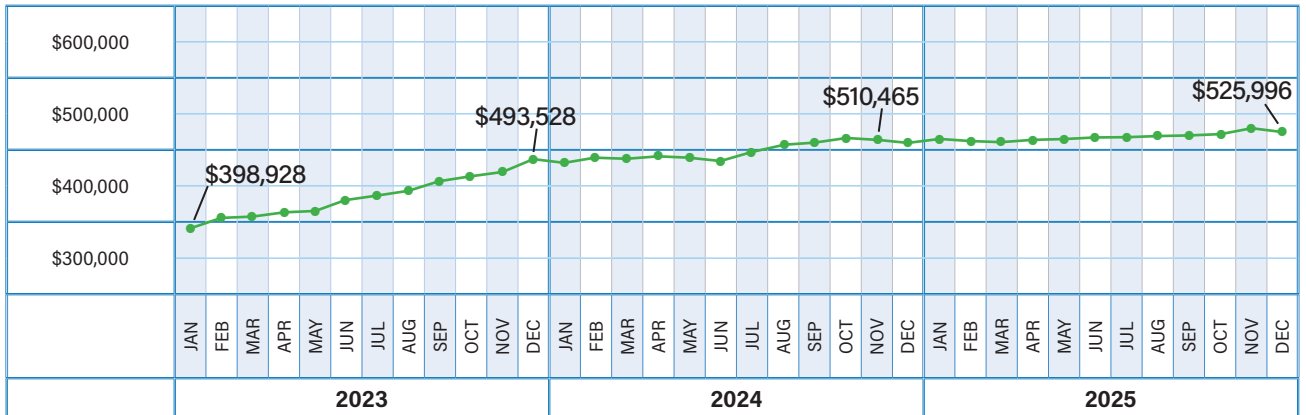
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Chart C3 – Annual Rate of Public Construction Spending
(in millions of dollars)



Source: U.S. Census Bureau

alized public construction exceeding \$520 billion in mid-2025, reflecting continued investment in infrastructure and government buildings. However, according to Simonson, the Trump administration’s cancellation, suspension, or refusal to award billions of dollars of contracts dampened the growth.

Overall, from 2023 to 2025, public construction spending has grown moderately as federal, state, and local governments sustained capital investment in schools, highways, and other public assets.^{C4}

On the residential side, the National Association of Home Builder’s (NAHB) analysis shows diverging trends in U.S. housing starts in 2024 and 2025. Shaped by persistent affordability challenges, total housing starts in 2024 ended the year at about 1.36 million units, a 3.9% decline from 2023. Single-family starts, though, grew roughly 6.5% as builders responded to ongoing demand and limited resale inventory. Multifamily starts, by contrast, fell sharply in 2024.

Entering 2025, builder expectations were for slightly positive single-family activity, but actual data through mid-year revealed mixed results. Early in the year, strong February starts briefly lifted annualized totals, but by spring and early summer, overall starts weakened as multifamily production dropped and single-family starts flattened or declined amid sustained elevated interest rates and affordability pressures. NAHB forecasts for 2025 reflect this softening. Total housing starts for 2025 were 1.36 million, down 0.6% from the 1.37 million total in 2024. Single-family starts in 2025 totaled 943,000, down 6.9% from the previous year. Multifamily starts ended the year up 17.4% compared with 2024.^{C5}

From 2023 through 2025, remodeling market activity remained positive but moderated, according

to the NAHB/Westlake Royal Remodeling Market Index. In 2023 and 2024, the RMI fluctuated around the mid-60s, dipping into the low 60s during parts of 2024 before rising to 68 in the fourth quarter of 2024, suggesting stronger remodeler confidence and demand late in the year.

In 2025, readings indicate the remodeling market continued to expand but at a slower pace than earlier in the cycle. RMI figures, such as 59 in the second quarter and around 60 to 64 in later quarters, remained above the 50 threshold that signals growth.

Overall, NAHB analysis suggests the remodeling market grew steadily from 2023 into 2024, and while growth persisted through 2025, sentiment softened somewhat.^{C6}

According to U.S. Bureau of Labor Statistics (BLS) employment data, total construction employment remained elevated in both 2024 and 2025, reflecting ongoing demand for labor even as broader economic hiring softened. Payroll counts show construction employment at roughly 8.17 to 8.24 million workers through 2024, rising modestly from early-year levels and ending the year slightly above 2023 figures.

In 2025, construction jobs continued to trend upward overall, with monthly payroll employment around 8.28 to 8.30 million by late in the year, although gains were smaller than in prior years and hiring was subdued compared with the broader labor market.

These figures indicate steady construction employment growth across 2024 and 2025, albeit at a decelerating pace as elevated interest rates and economic uncertainty tempered hiring, even though employment numbers stayed near record levels for the sector.

Chart C4 – Seasonally Adjusted Rate of Housing Starts
(in thousands)

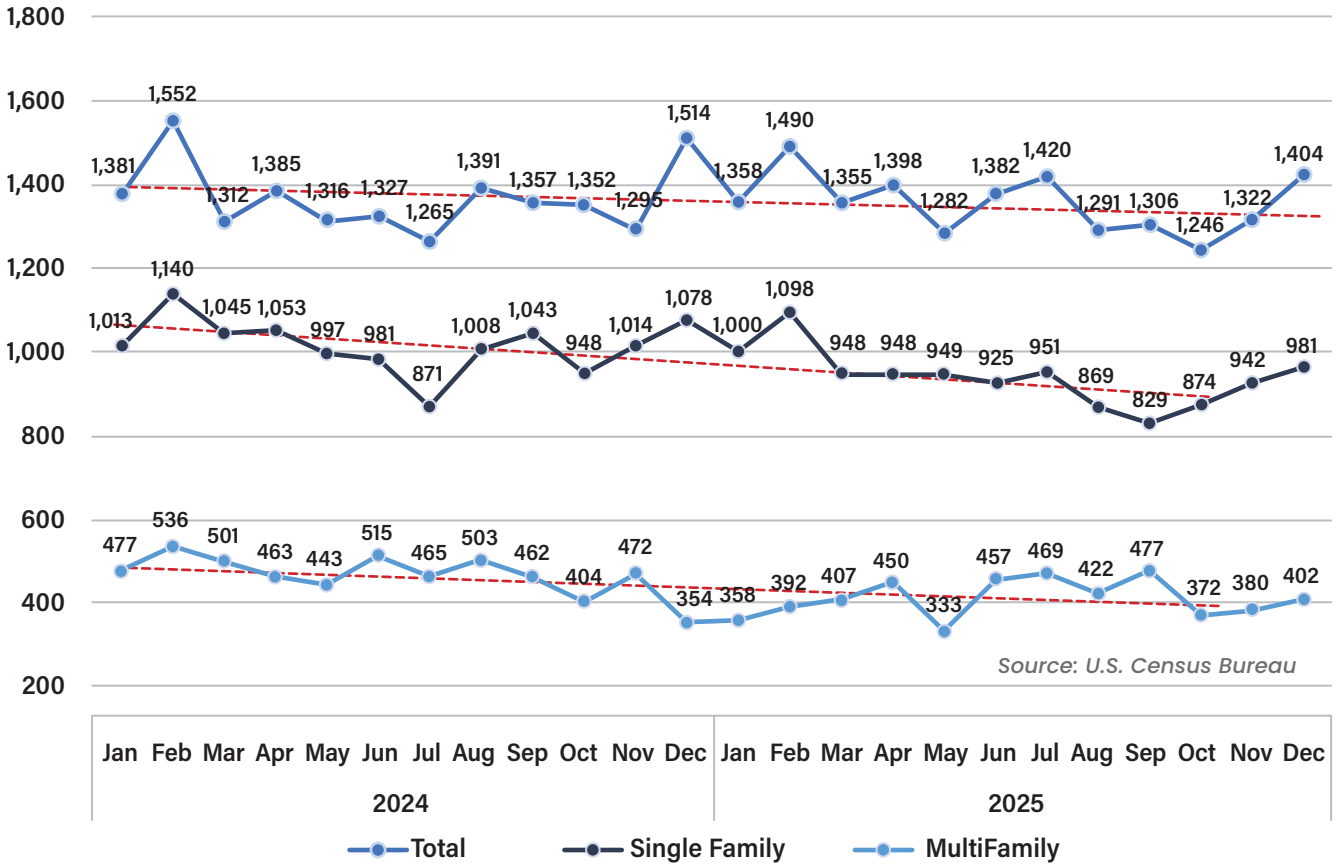


Chart C5 – NAHB Westlake Royal Remodeling Market Index
(current conditions)

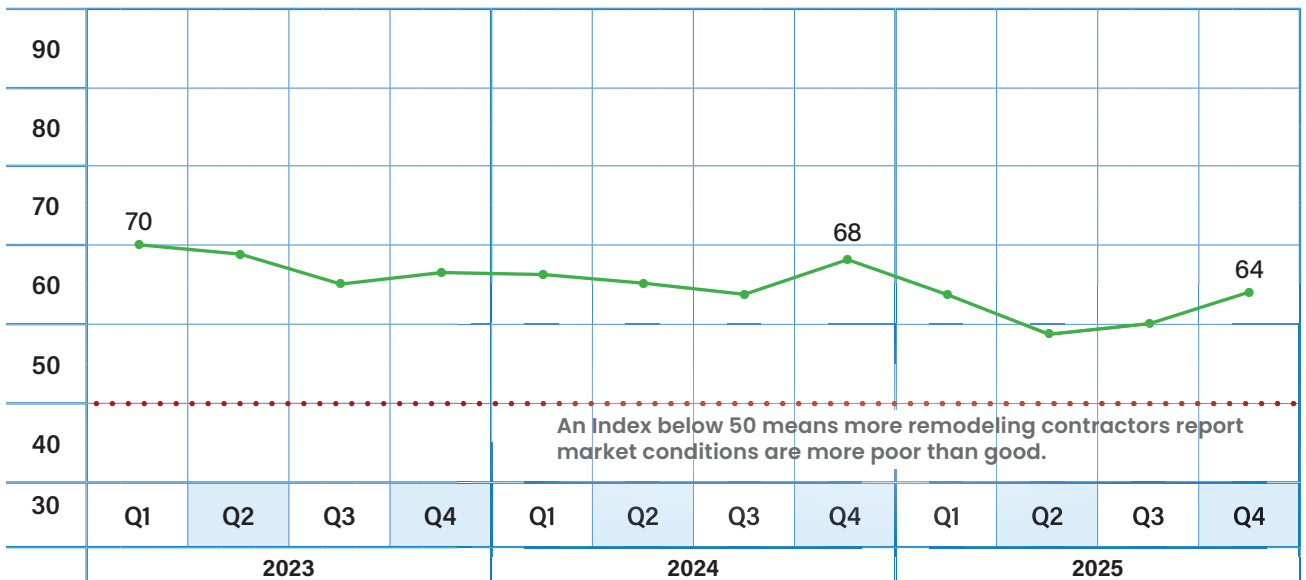
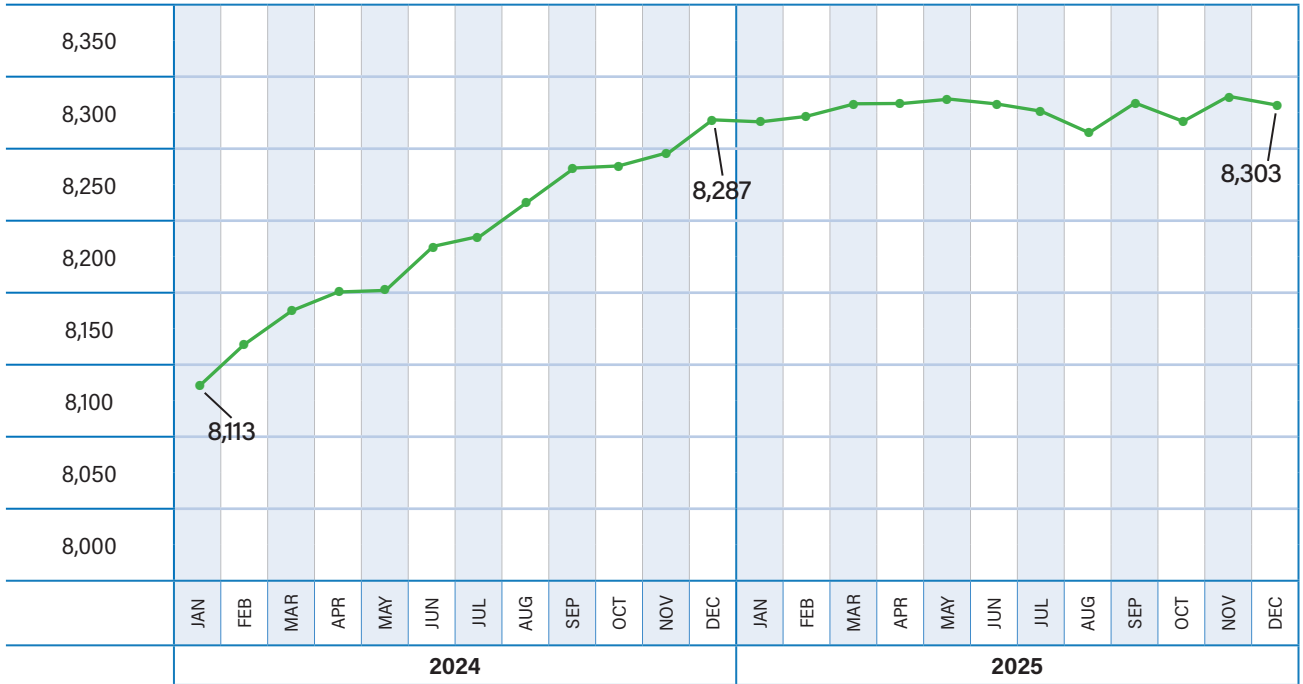


Chart C6 – Total Construction Employment 2024–2025
(in thousands)



Source: U.S. Bureau of Labor Statistics

CSI Survey Attitudes

From the end of November 2025 through the end of December 2025, Shield Wall Media surveyed more than 421 contractors, designers, manufacturers, and suppliers about the construction industry performance in 2025 and what they expect to see in 2026.

General analyses of the construction industry, such as what AGC provides, are extraordinarily helpful but there are niches within the industry—metal roofing, sheds and carports, cold-formed steel buildings—that move separately from the overall currents of the industry. The following charts show how the respondents feel about the industry through the lens of their businesses and market segments. **C7**

CSI survey results show that gross sales growth softened in 2025 compared with 2024, while expecta-

tations for 2026 point to a slightly more cautious but stable outlook. When comparing 2024 to 2025, 20.9% of respondents reported sales up significantly (more than 25%), while 27.2% saw sales up somewhat. The largest share (33.2%) reported sales were about the same, suggesting a normalization after stronger post-pandemic growth. Importantly, 18.8% experienced some level of decline, indicating uneven market conditions across firms.

Looking ahead to 2026, expectations reflect moderated optimism. Fewer respondents (17.0%) anticipate significant growth, but 29.1% expect modest gains, and 33.9% believe sales will remain flat. The share expecting declines remains similar to 2025 levels. Overall, survey takers appear to be planning for steady but restrained growth in 2026, balancing ongoing demand with tighter market conditions.

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Chart C7 – Gross Sales Growth 2024–25 vs. Expected Growth in 2026

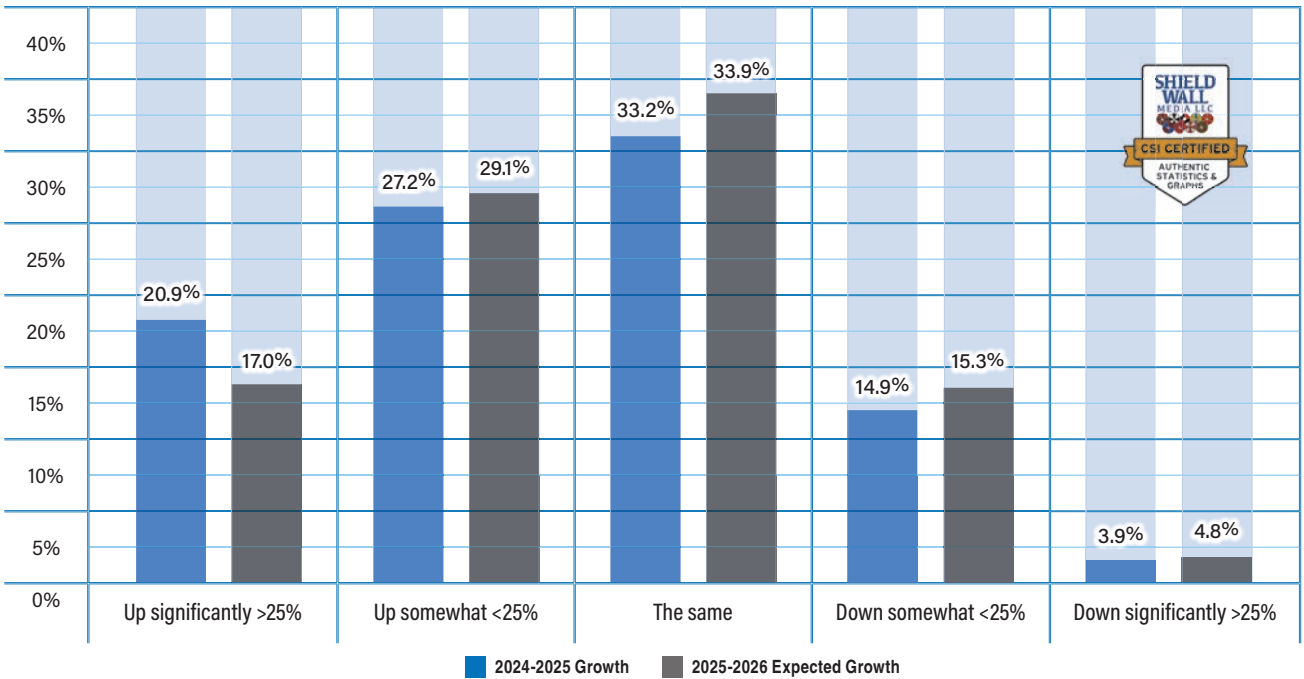
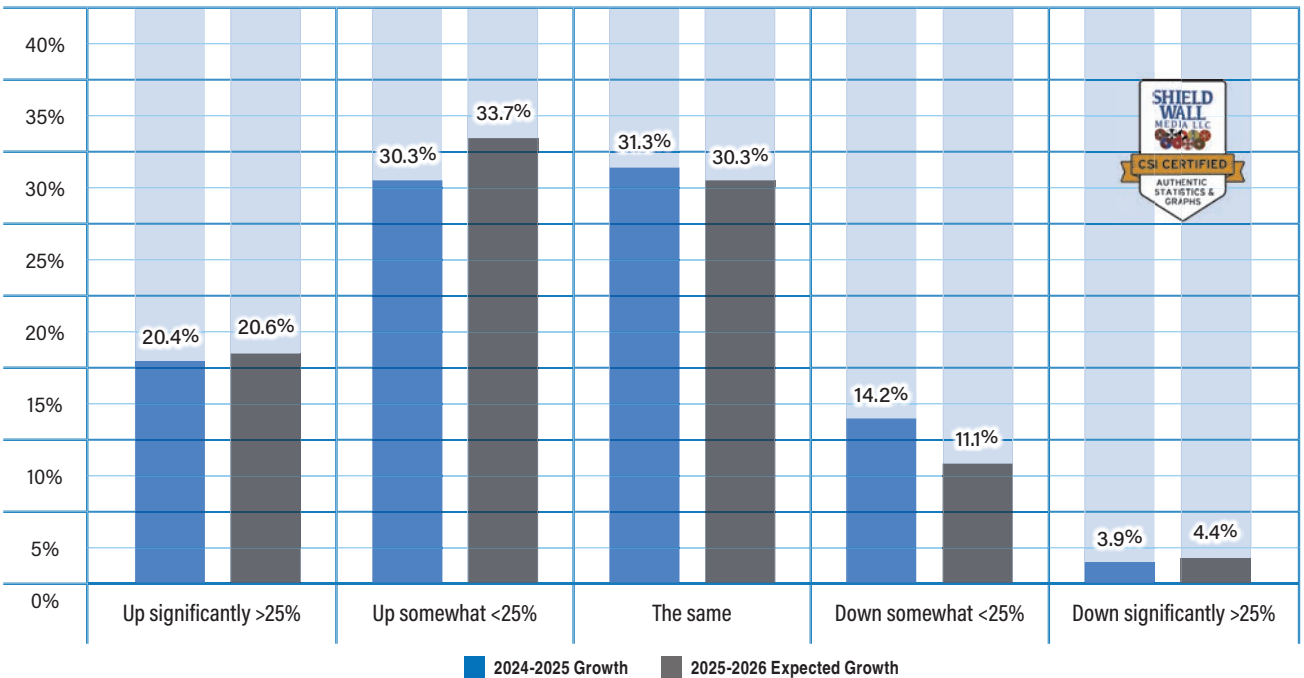


Chart C8 – Compare Profitability Growth 2024–25 vs Expected Growth in 2026



Mike Green, vice president of sales and marketing, Leland Industries, Toronto, Canada, says, “The North American market as a whole was soft in 2025. The economic uncertainty and changes with key trading partners had a negative affect on economic growth.” Leland works substantially in metal roofing, post-frame construction, and cold-formed metal buildings markets.

Robert Tiffin, national accounts manager for Silvercote points to a very specific reason for the meager growth. “There was no significant reduction in interest rates,” he says, “that inspired or unlocked a backlog of metal building orders.” **C8**

Profit growth in 2025 was more restrained than revenue growth and notably softer than 2024, reflecting continued pressure from costs, labor, and pricing discipline. Comparing 2024 to 2025, about 20.4% of respondents reported profits up significantly, while 30.3% saw profits up somewhat. The largest share (31.3) said profits were about the same, suggesting that many firms maintained margins but struggled to expand them. Meanwhile, just over 18% experienced some level of profit decline, underscoring the uneven impact of interest rates, tariffs, and competitive pricing.

Looking ahead to 2026, expectations suggest cautious stabilization rather than acceleration. About 21% of survey takers anticipate significant profit growth and 33.7% expect modest gains, while 30.3% foresee profits holding steady. Fewer than 16% expect declines. Overall, respondents appear realistic about margin pressures but modestly optimistic that operating conditions in 2026 will support steadier, incremental profit improvement rather than a sharp rebound. **C9**

Respondents expect uneven growth across individual construction market segments in 2026, with most projecting stability rather than strong growth. Residential and industrial segments generate the most balanced outlooks, with roughly four in ten respondents anticipating growth, and a similar share expecting activity to remain flat. This suggests cautious confidence, supported by steady demand but tempered by cost pressures and economic uncertainty.

Agricultural construction is viewed more conservatively. More than 46% of respondents expect agricultural activity to hold steady, while less than 40% expect the market to increase in 2026, making it the least optimistic segment in the survey.

Overall, the data indicates that respondents see 2026 as a year of selective opportunity rather than broad-based acceleration. Growth expectations are strongest outside the agricultural segment, while stability—not contraction—remains the dominant outlook across most markets.

Simonson reports, “The only market segment for which activity exceeded expectations [in 2025]—which were already higher than for any other project type—was data centers.” For 2026, those high expectations seem to be continuing.

Don Allen, executive director of the SFIA concurs. “The phenomenal growth of data centers has kept our industry strong,” he says. **T10**

A great way to measure optimism among businesses is to find out if they plan to expand operations. Survey respondents indicate strong interest in expansion—stronger than survey takers in the 2025 report—though most plans are weighted toward the

Chart C9 – Expected Growth by Market Segment 2026

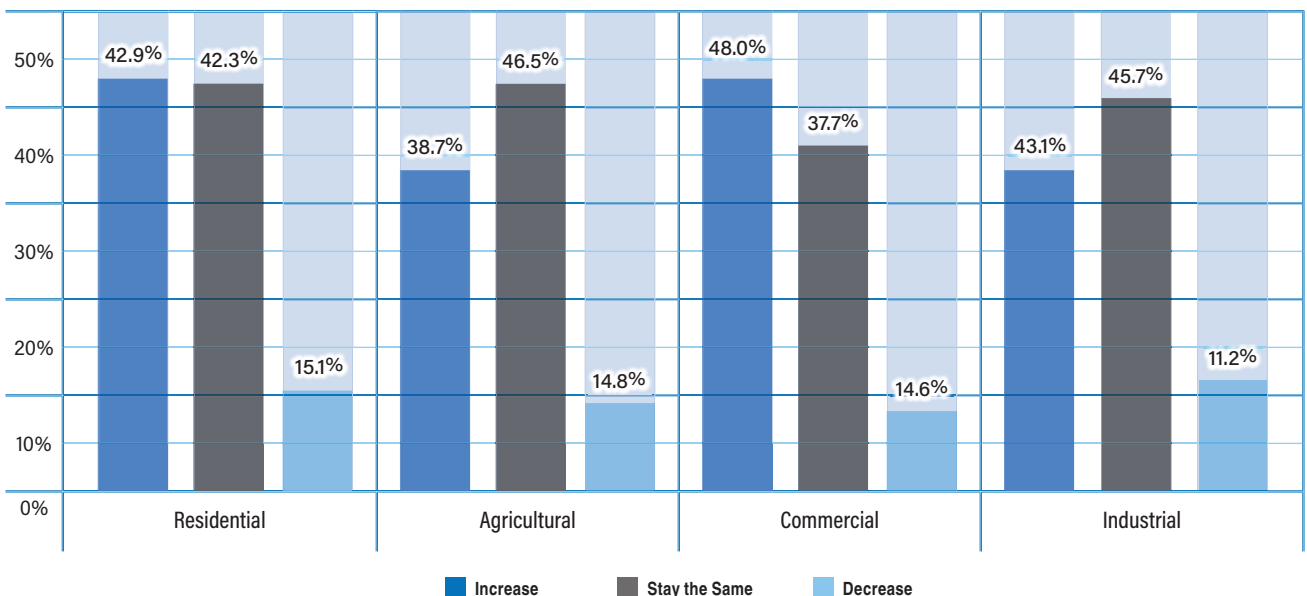
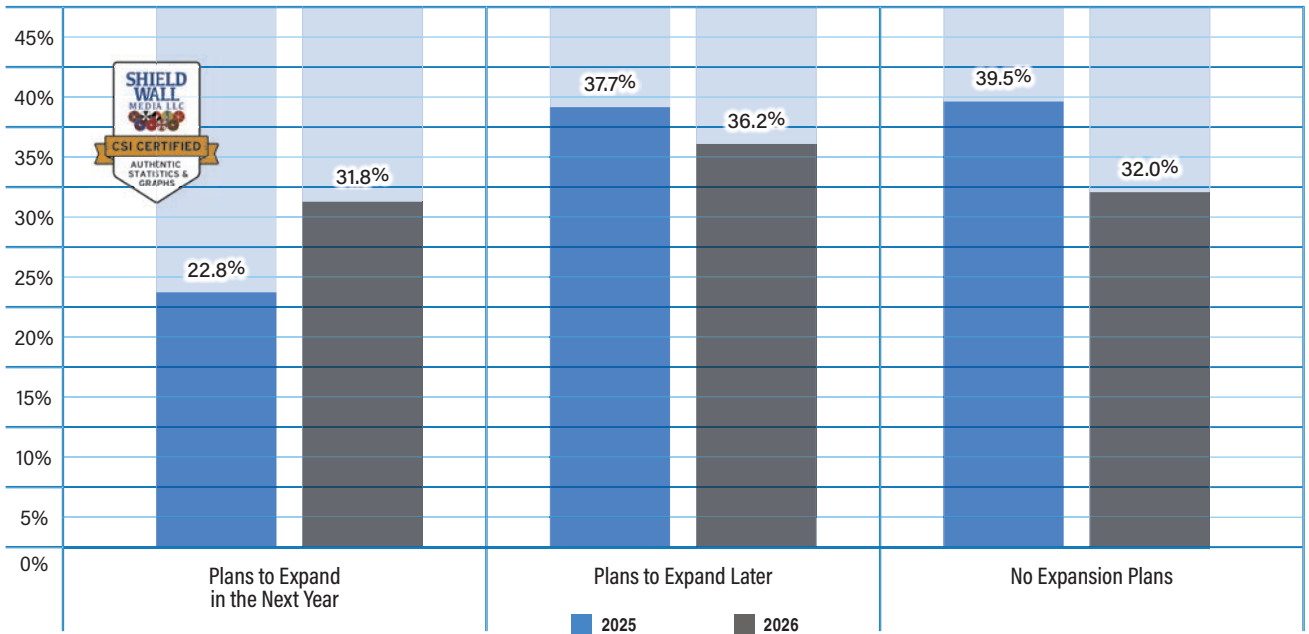


Chart C10 – Expansion Plans



long term rather than immediate action. Across all construction market segments, nearly 70% of respondents report intentions to expand their operations at some point, reflecting underlying confidence in future demand. However, fewer than a third plan to expand in the near term, suggesting a cautious approach to growth amid cost and labor uncertainties.

In last year's survey, only 22.8% expected to expand in 2025 compared to the 31.8% who thought they would expand in the next year. A smaller share of companies (32%) report no expansion plans at all. **C11**

Expansion of operations is one measure of optimism. Another is the types of resources businesses plan to add, whether it's human resources or capital expenditures.

Responses show that planned resource additions in 2026 are focused primarily on people and capacity rather than fixed assets. The most common planned increase is staffing, with many respondents indicating intentions to add field labor or professional roles to support growth needs. That's no surprise considering the ongoing skilled labor shortage in the construction industry, which seems

to have no end in sight.

Technology investments also rank high, reflecting continued emphasis on efficiency, data, and process improvement, as well as the potential integration of artificial intelligence into operations. Fewer firms plan to significantly expand facilities or equipment, suggesting caution around large capital expenditures amid economic uncertainty.

Overall, the data indicate that survey takers are prioritizing human capital and operational capability in 2026, favoring flexible investments that can scale with demand rather than heavy, long-term commitments. **C12**

The tight labor market is the single biggest challenge survey takers expect to face, with workforce availability and skilled labor shortages cited most frequently. While that is a universal issue in construction, there are elements that are particularly local. Todd Carlson, president, AJ Manufacturing, Bloomer, Wis., says, "Attracting qualified labor to fully staff operations remains a regional challenge as our community and surrounding area are the fastest growing in the state."

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Chart C11 – Plan to Increase in 2026

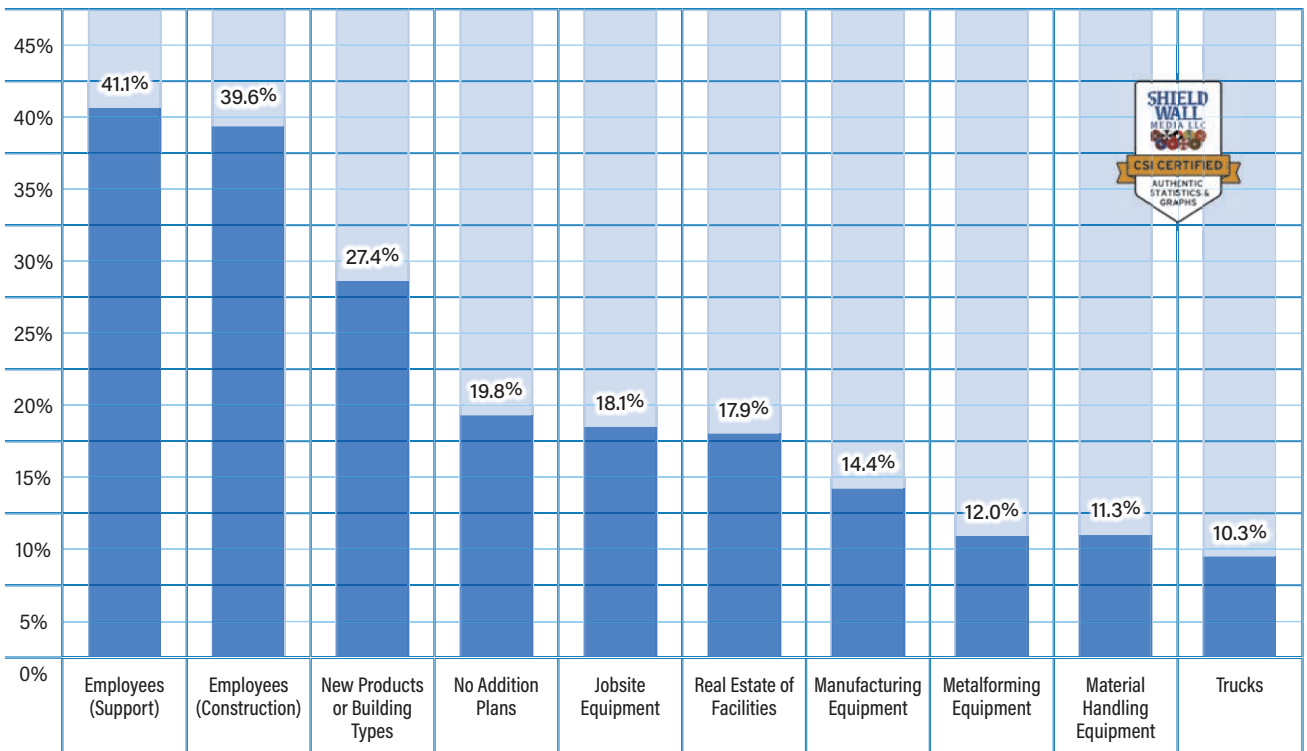
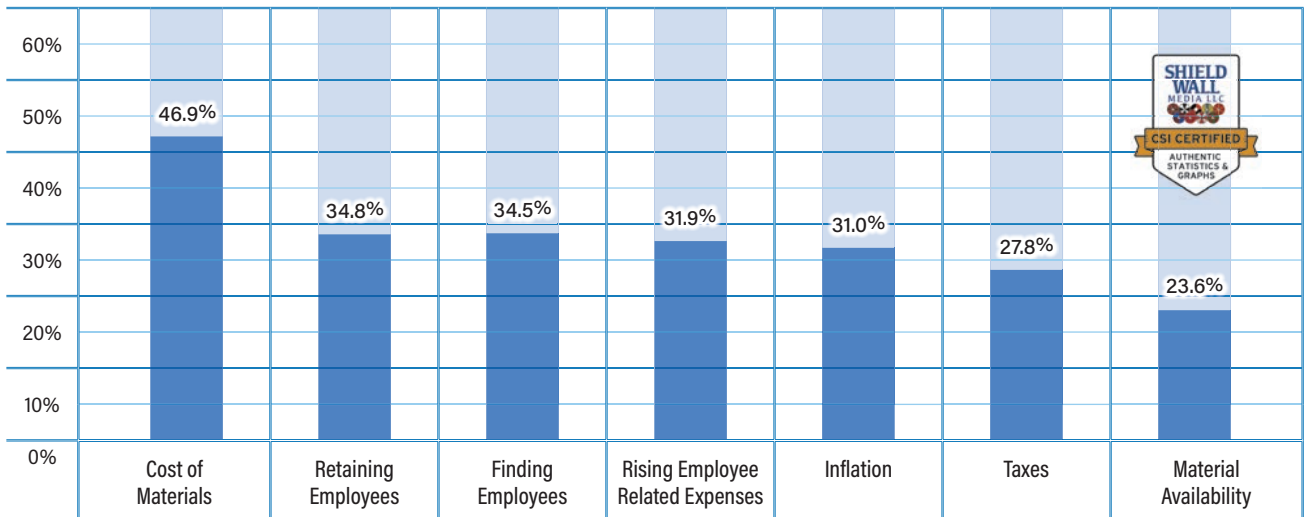


Chart C12 – Top Challenges in 2025



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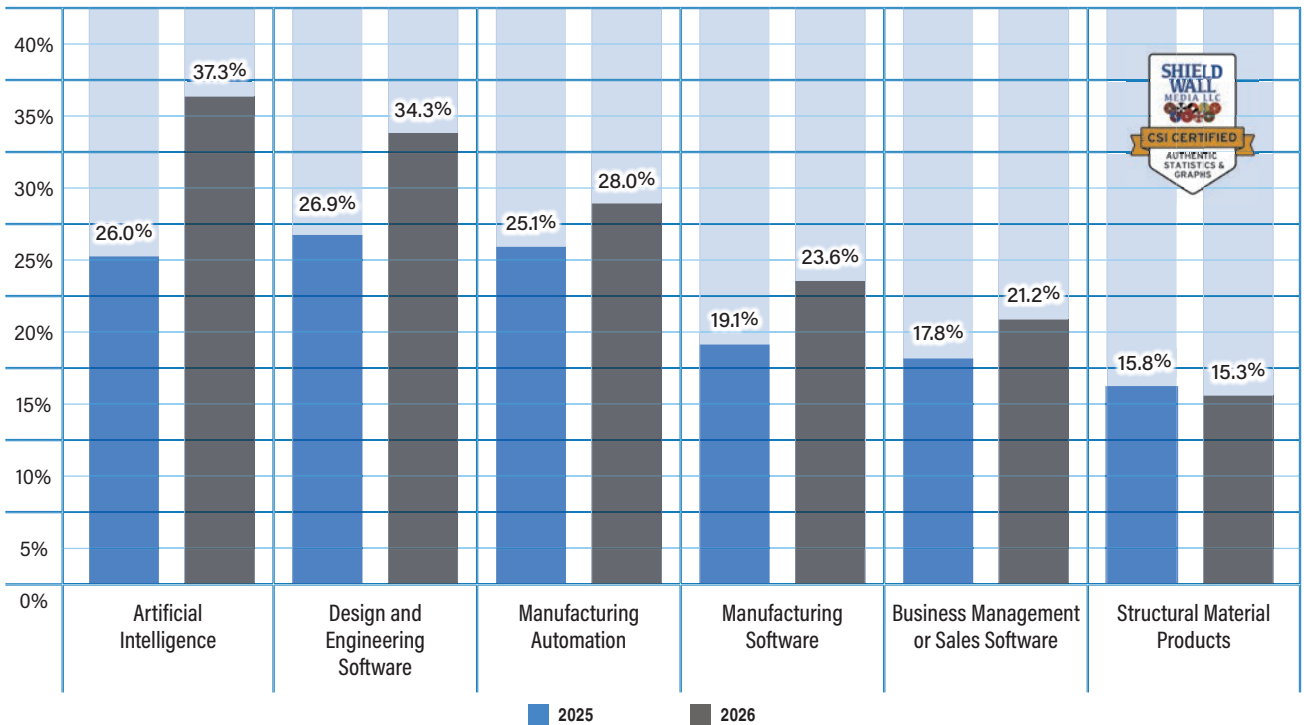
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Chart C13 – New Product or Technology Impact



Royden Wagler, director of sales and marketing, Smartbuild Systems, combines the challenge of finding labor with the need for improved technology. “Labor shortages continued across the industry,” he says, “pushing builders to look for ways to quote faster and reduce errors.”

Rising costs, including materials, wages, and operating expenses, remain a close second to labor issues, continuing to pressure margins. Economic uncertainty also ranks high, reflecting concerns about tariffs, interest rates, demand volatility, and the broader business climate.

Concerns about inflation remain a persistent concern among survey takers from year to year, and that is closely tied to interest rates. Simonson says, “Persistently high interest rates are also likely to deter investors and force issuers of municipal bonds to spend more of the bond proceeds on interest payments, leaving less for construction.”

Wagler adds that sustained high rates “slowed some agricultural and residential building starts, especially for customers financing new construction,” an issue likely to continue unless the Fed delivers some relief.

Overall, the results suggest that respondents see the coming period as less about chasing rapid growth and more about managing risk, controlling costs, and securing labor, with success depending on operational discipline rather than favorable market conditions. **C13**

Technology-driven efficiency gains are the most impactful force on their businesses, according to survey takers. They outweigh the influence of individual product innovations. The king of the pile in technology is artificial intelligence (AI), and that impact has increased dramatically since last year’s survey. Nearly 40% of respondents see AI as having an impact on their businesses now, compared to only 26% last year. Automation, digital tools, and software platforms—all AI related—rank highest in impact among respondents, reflecting strong interest in technologies that improve productivity, estimating accuracy, project management, and data visibility. These tools are viewed as essential for offsetting labor shortages and rising costs rather than as optional upgrades.

Advanced materials and new product innovations show a more mixed impact. While some respondents expect meaningful benefits—particularly from products that improve durability, installation speed, or sustainability—many rate their impact as moderate, suggesting incremental rather than transformative change. A smaller share anticipates little to no impact from new technologies or products, indicating that adoption barriers such as cost, training, or integration remain.

Overall, the graph underscores that CSI respondents believe process-improving technologies will have the greatest near-term impact, with product innovation playing a supporting, longer-term role.