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Scott Hazelton
Director, S&P Global

US Construction Outlook

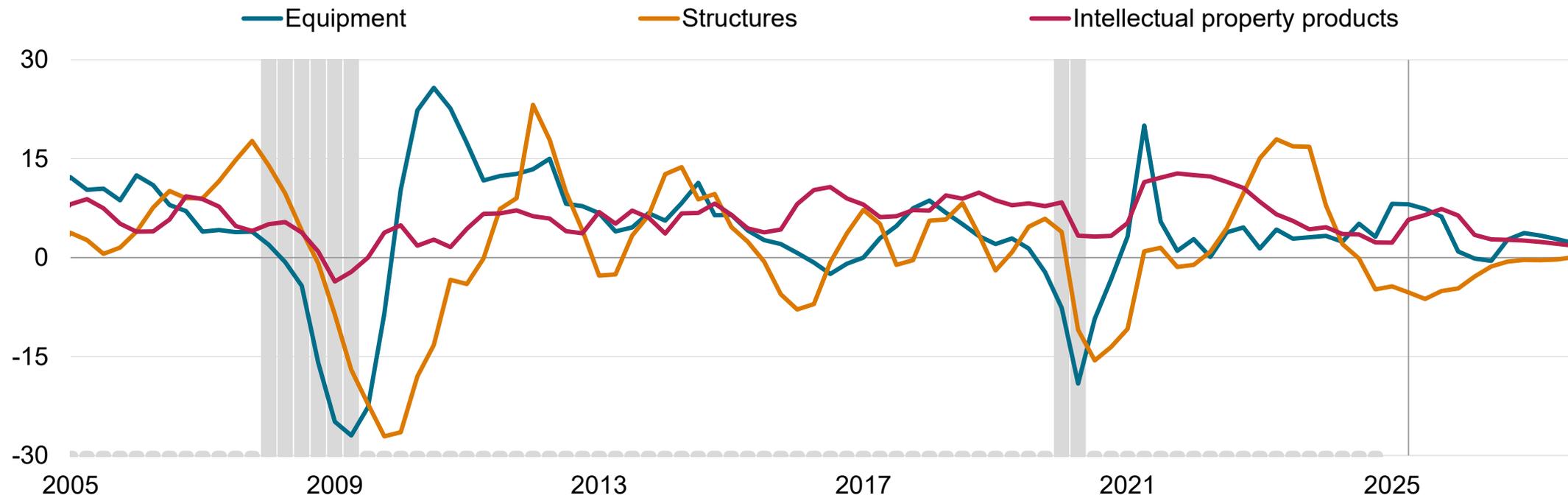
#WEMAKE2BUILD

Economic context: Below trend GDP growth limits demand for structures

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Real business fixed investment

Year-over-year percent change



Data compiled Jan. 27, 2026.

Sources: Bureau of Economic Analysis, S&P Global Market Intelligence.

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Leading indicators mixed; ABI weak but Dodge Momentum Index improving

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Architectural Billings Index (ABI)

Diffusion index (50 = neutral)



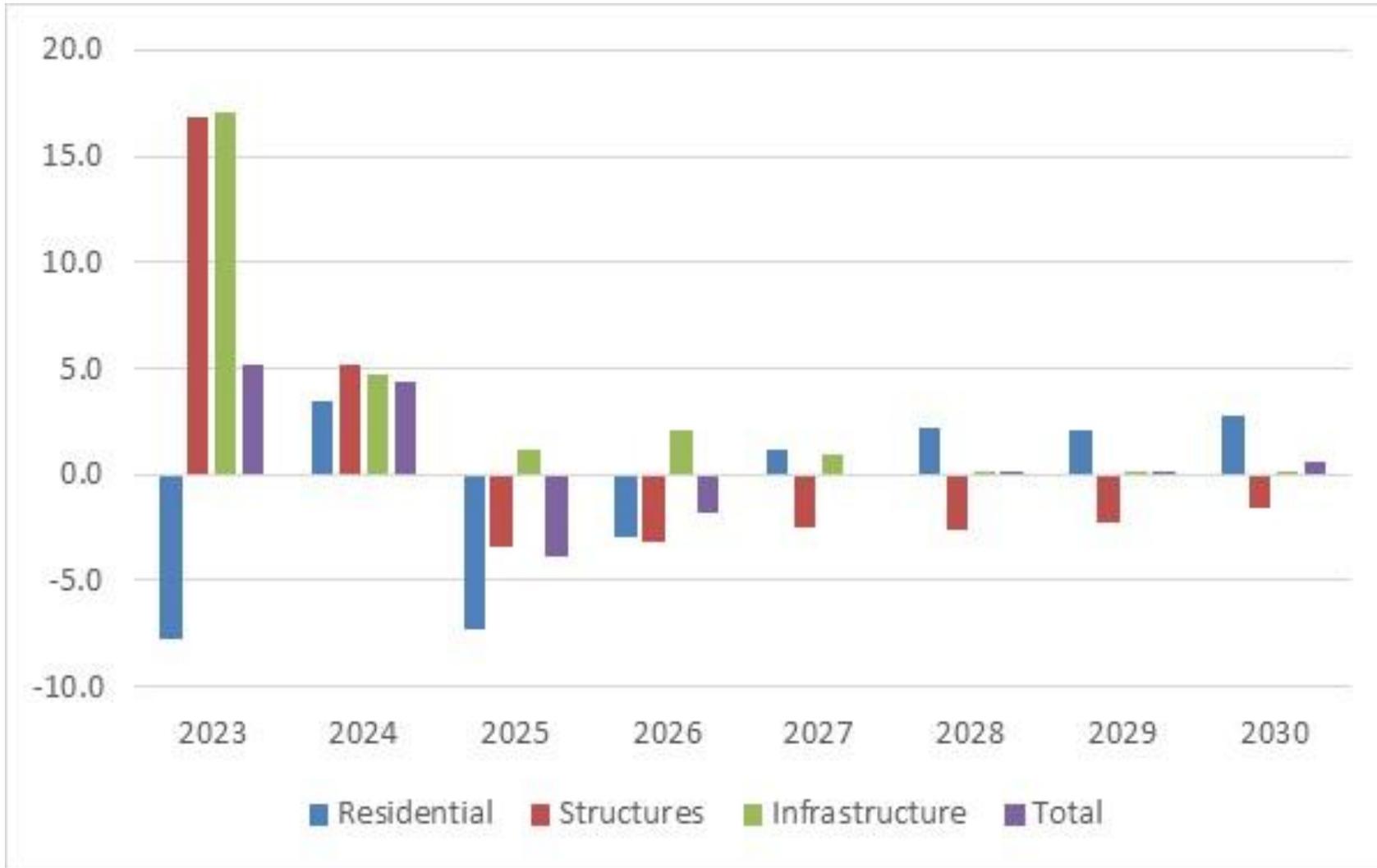
Data compiled Jan. 21, 2026.

Source: American Institute of Architects.

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Non-residential structural and infrastructure growth have faded

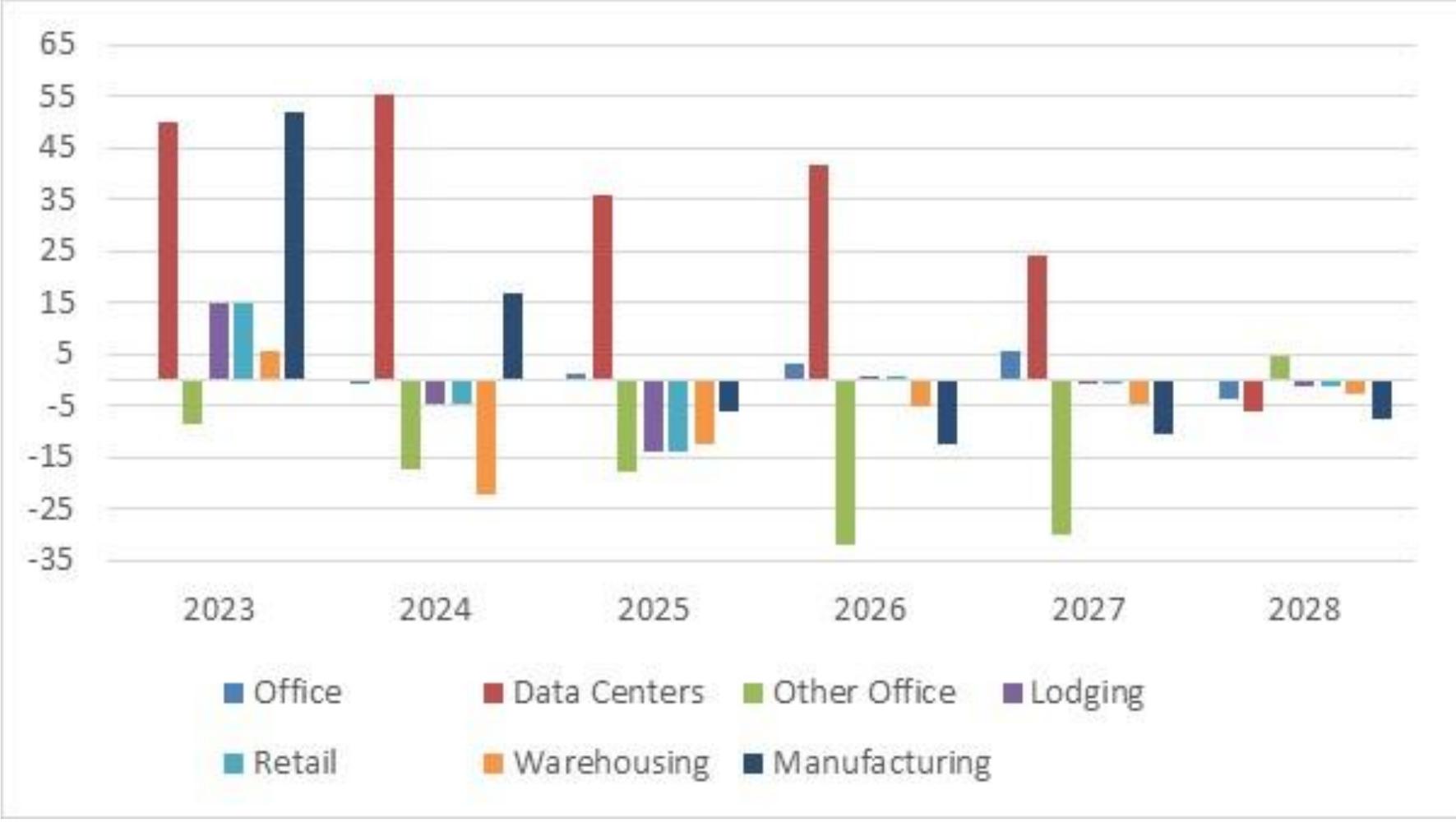
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- Housing market remains in affordability lock
- Influence of Investment in Infrastructure & Jobs Act (IIJA) waning – most of the stimulus component has been expended
- One Big Beautiful Bill Act (OBBBA) offers more to consumers and equipment manufacturers than to construction
- A high and increasing share of non-residential structural investment is for renovation

Supports for manufacturing dwindling; data centers cannot completely offset

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Biden-era manufacturing stimulus programs (Inflation Reduction, CHIPS Acts) are expiring, removing outsized growth for semiconductor and e-vehicle battery plants

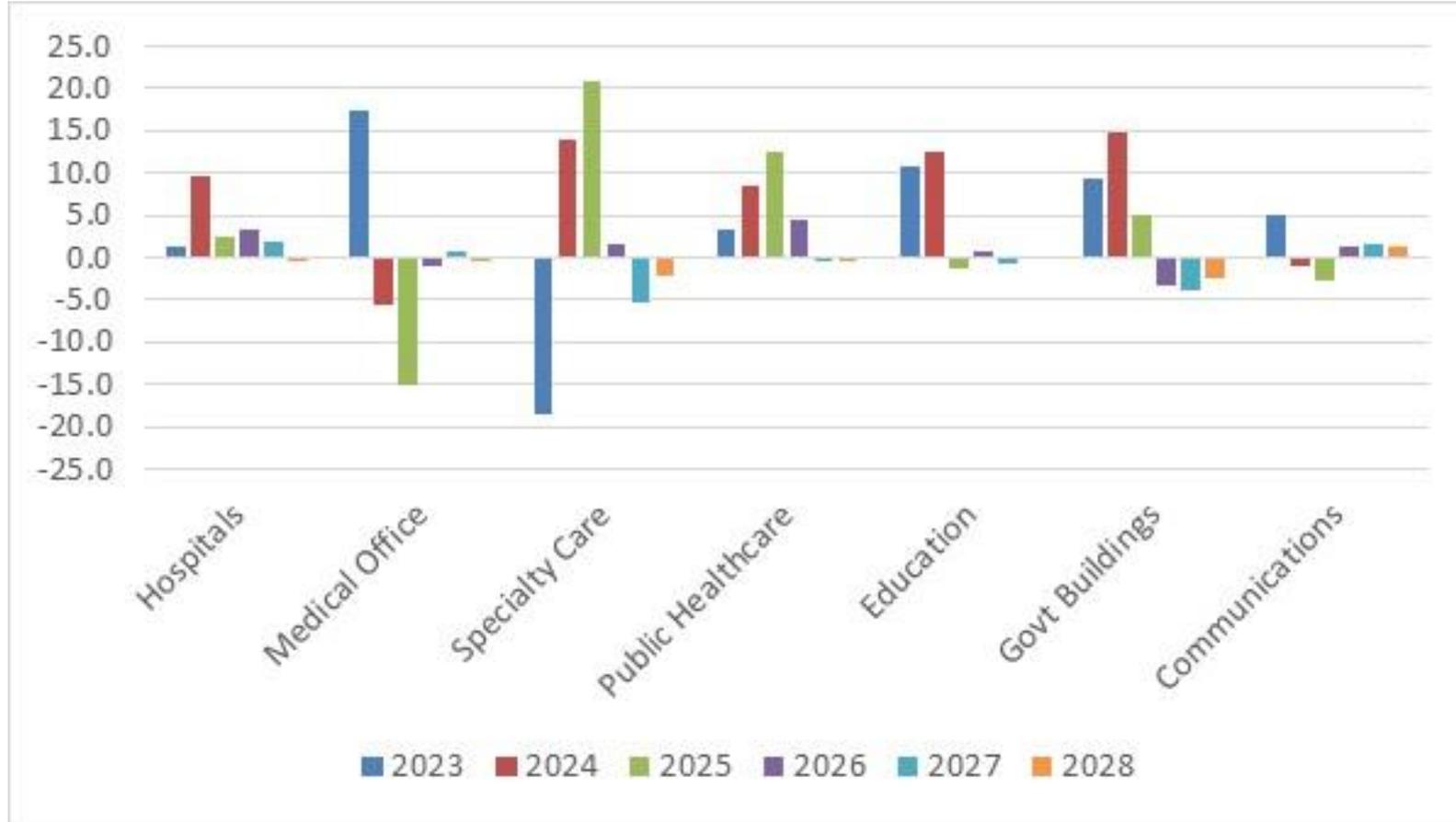
Data center growth has offset traditional office declines, but that may be ending

Warehousing is slowing from pandemic and supply chain era growth and is complicated by tariffs

Retail is mired in slow construction growth as e-commerce gains share

Institutional offers a narrowing range of potential

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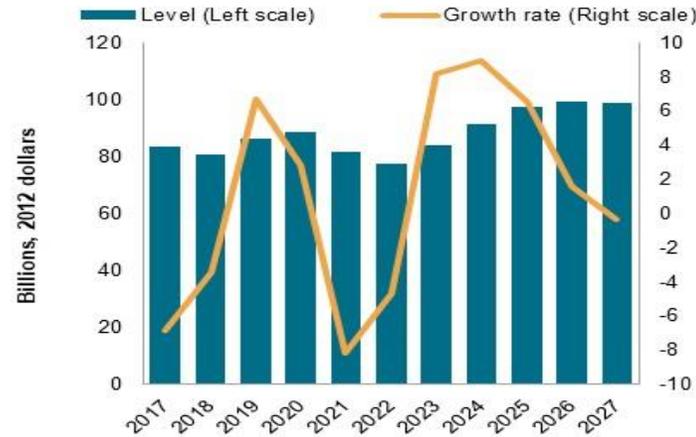


- Private hospitals offer limited potential. Medical office buildings follow housing starts. Specialty care (rehab, elder care, outpatient services) and public healthcare to be constrained by federal reforms
- Education has less potential under current immigration policies
- Government building potential limited by workforce reductions
- Communications slowing from IJA (broadband) spending but still growing modestly

Infrastructure segmentation

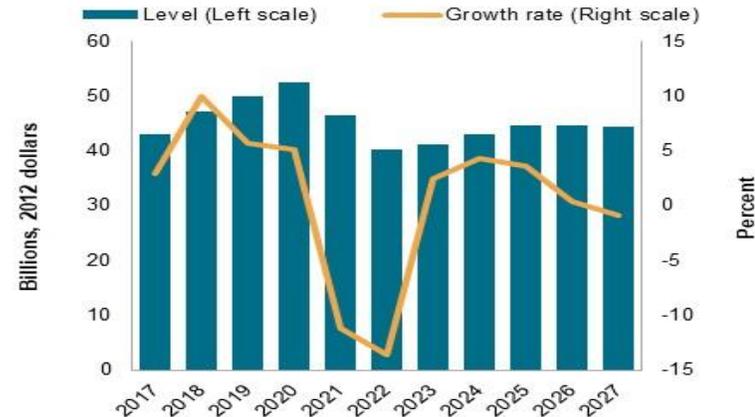
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Highways and streets construction



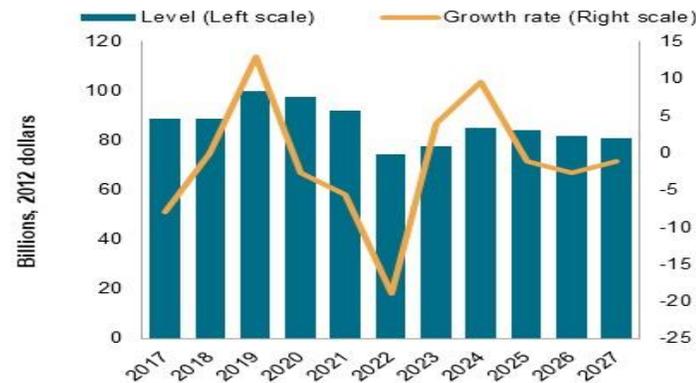
Data compiled August 2023.
Source: S&P Global Market Intelligence.
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Transportation construction



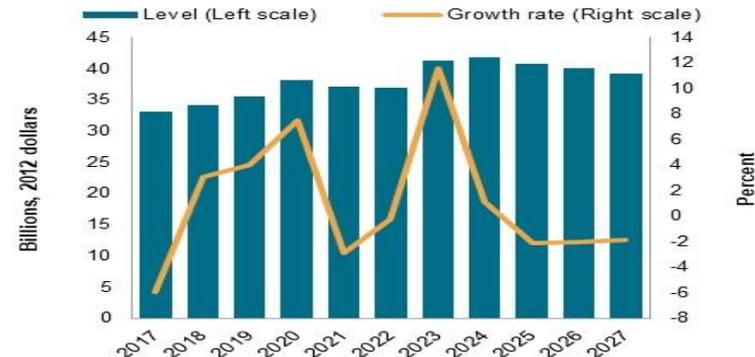
Data compiled August 2023.
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Power construction



Data compiled August 2023.
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Sewer and water construction



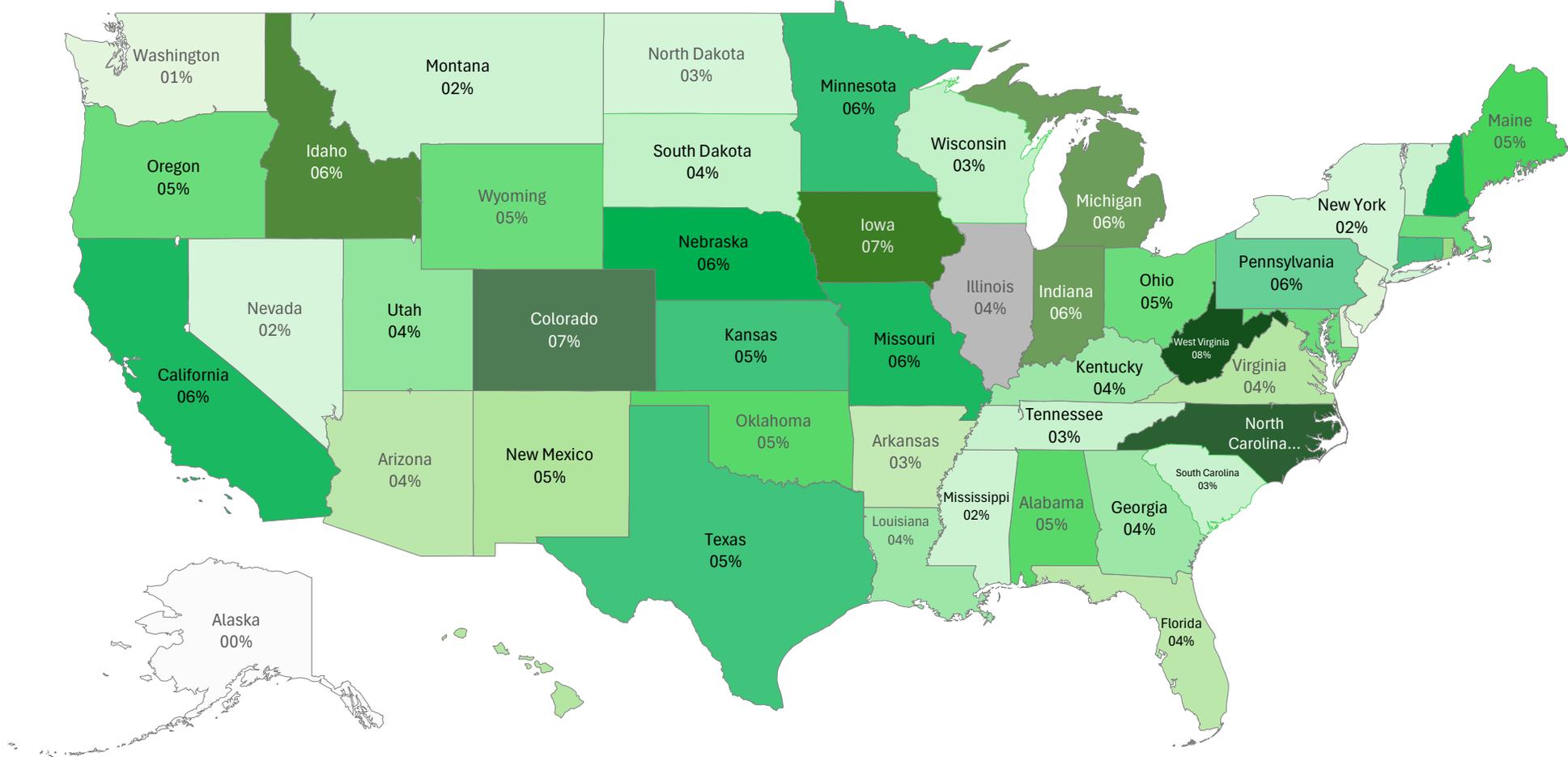
Data compiled August 2023.
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- IIJA included two Highway Bill re-authorizations plus \$680 billion stimulus. Growth is reverting to standard Highway Bill increases
- Transportation spending might have upside if air traffic control system is modernized
- Power could see short-term bump as OBBBA shortens green energy investment timing. Wild card is how future data centers are powered – on-site power is not counted in Census Power data
- Water construction could benefit from state/local PFAS mandates

In 2026, DC, West Virginia, and North Carolina expect over 7% growth.

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2026 Annual Construction GSP Growth Rate



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