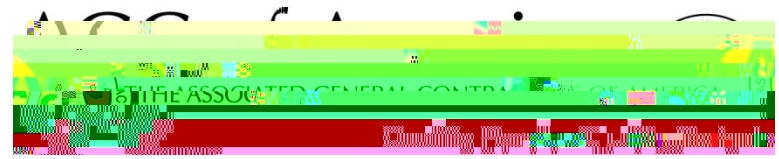


Current economic influences on construction

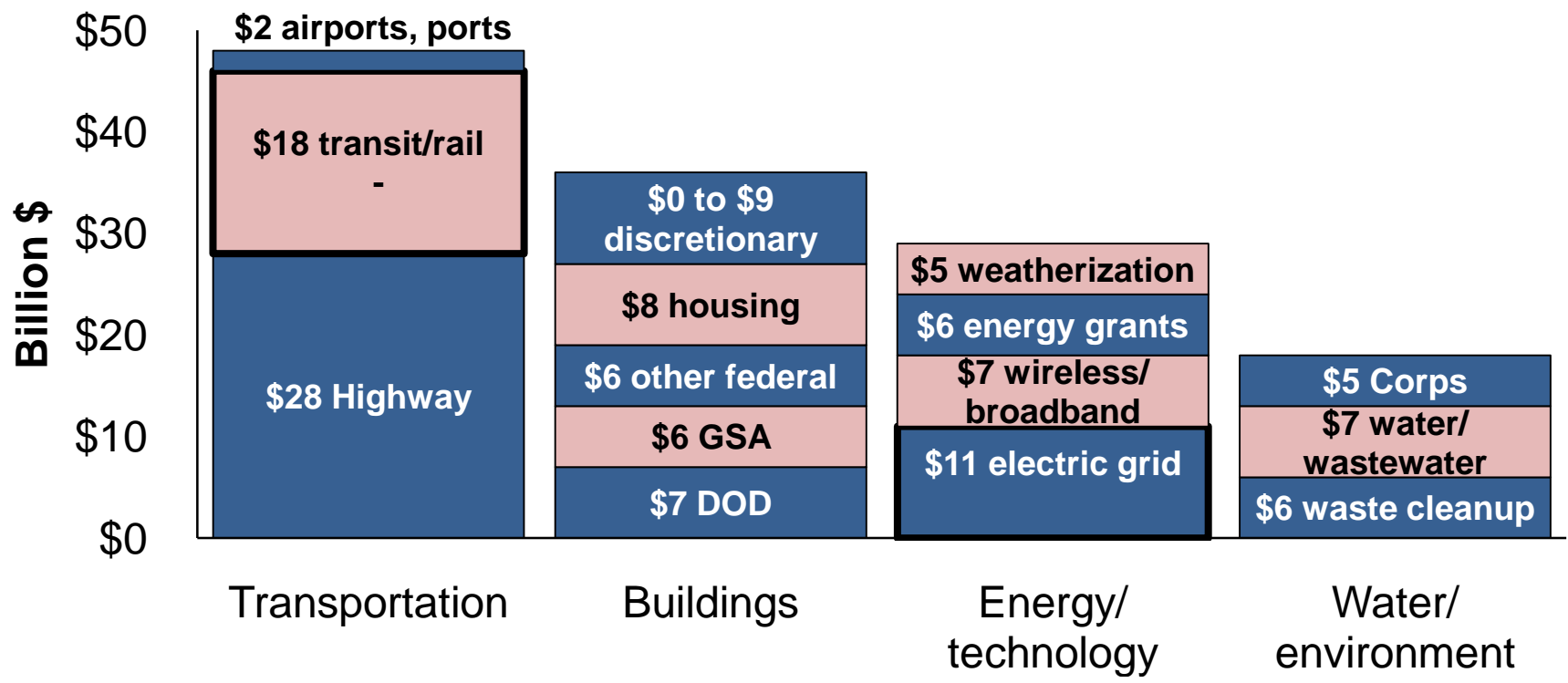
GDP, personal income: steady but modest gains

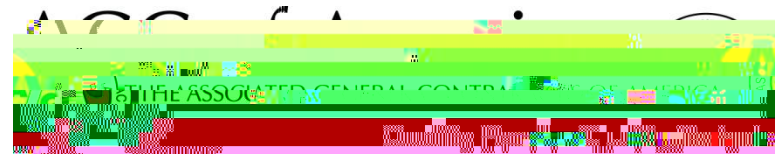
No upturn in office, retail, warehouse rent/occupancy

Loans for developers remain tight-to-unavailable



Construction-related stimulus funding (~\$135 bil.)





Stimulus timing, strings

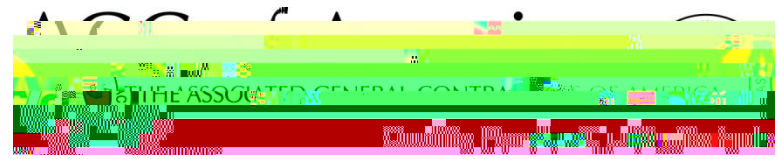
Timing road \$ spent fast; other \$ delayed due to:

New programs had to be designed

Buy American terms stopped use of funds

Other factors

Davis-Bacon



-

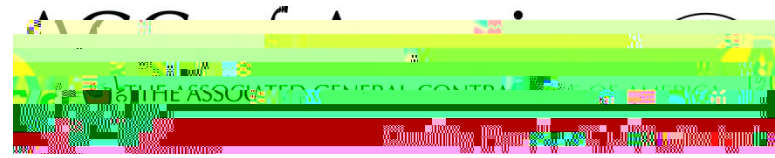
- _____

5-

6.2% payroll tax credit for workers hired 3/18-12/31/10

- demand for construction

Build America bonds: cheaper financing; more projects?

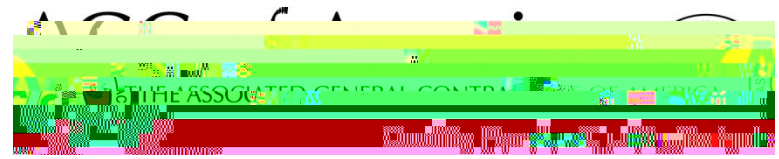


Economic impact of nonresidential construction

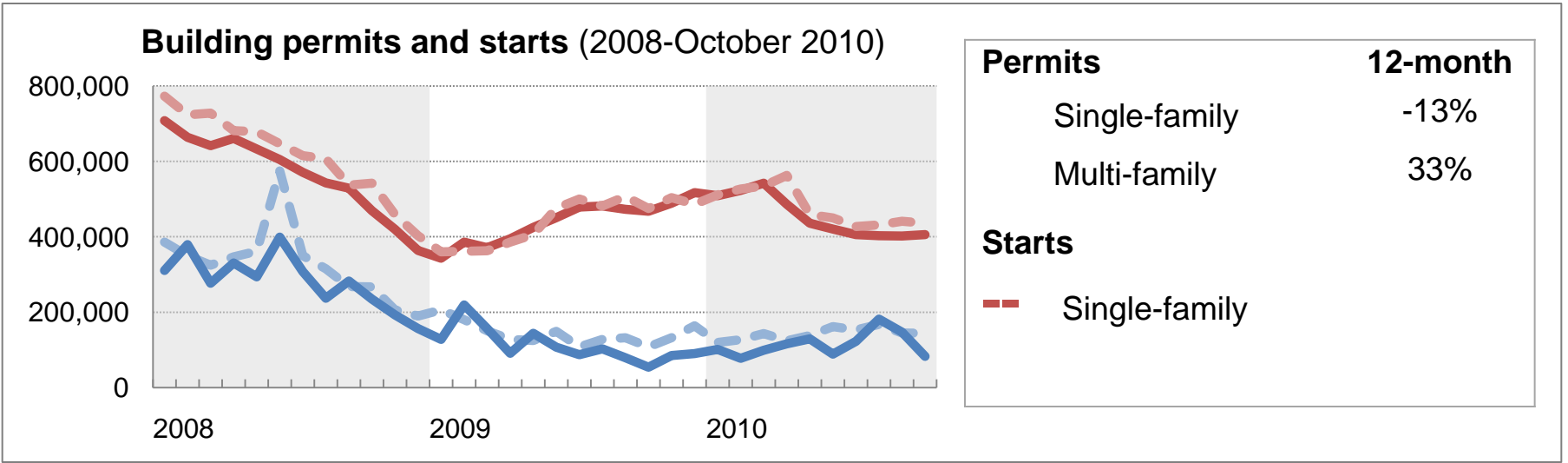
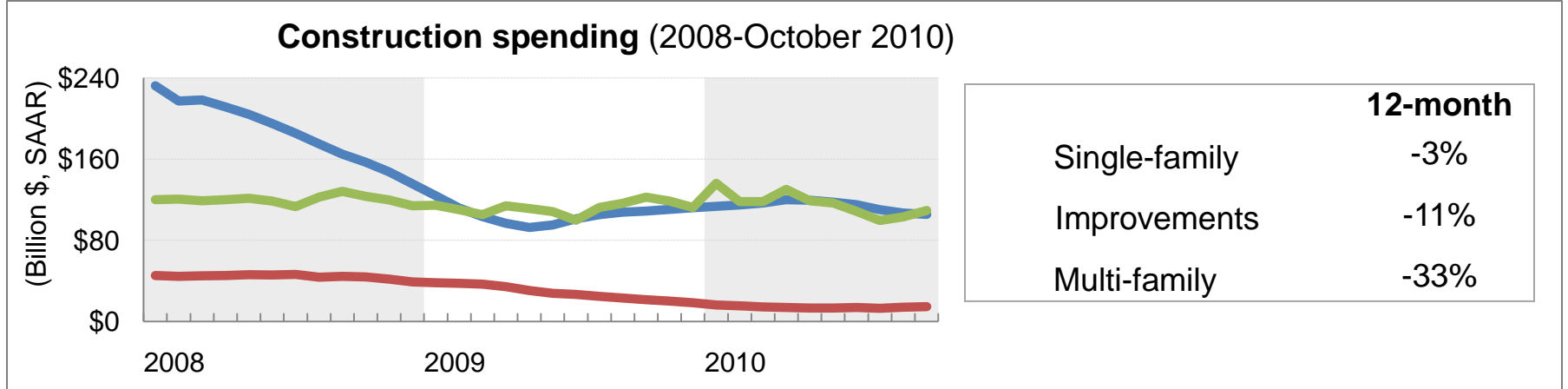
Jobs: 28,500 per \$1 billion

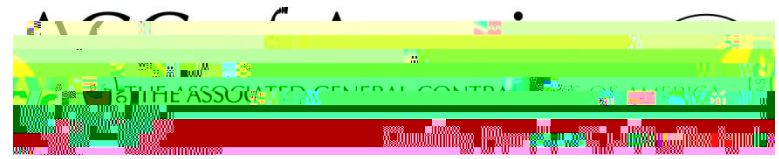
1/3 direct, onsite construction

1/6 indirect (quarries, mfg., services)



Single- vs. multi-family, 2008-10, seasonally adjusted annual rate (SAAR)



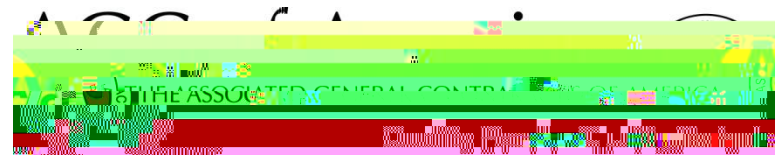


Housing outlook

SF:

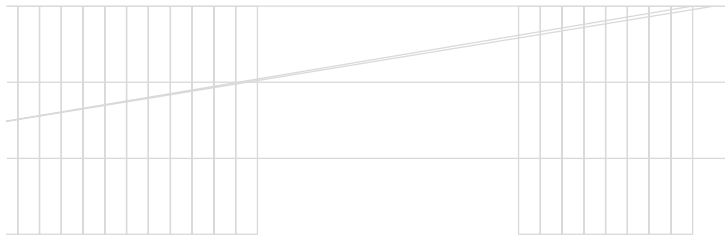
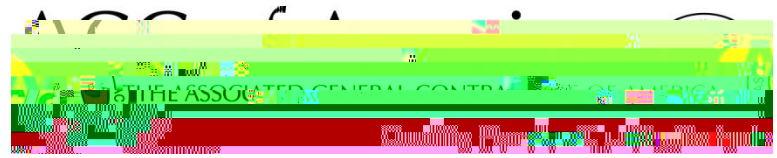
MF:

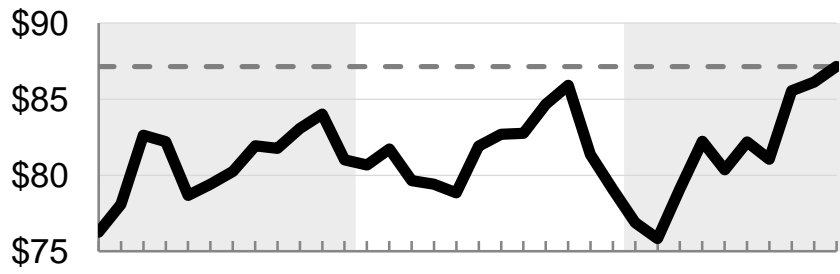
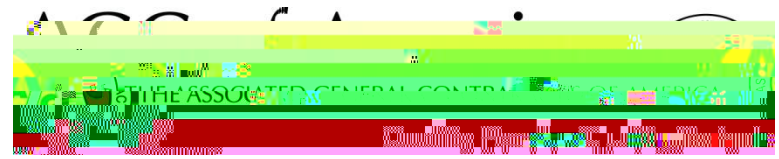
- Rental demand should rise as more people get jobs or move to military base realignment sites
- Condo market continues

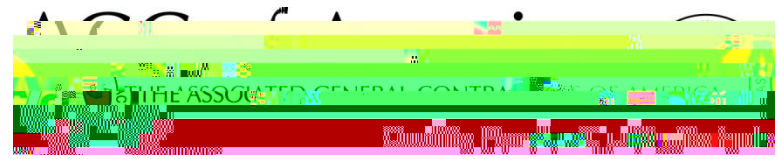


Nonres totals (billion \$, SAAR), share & 12-month change

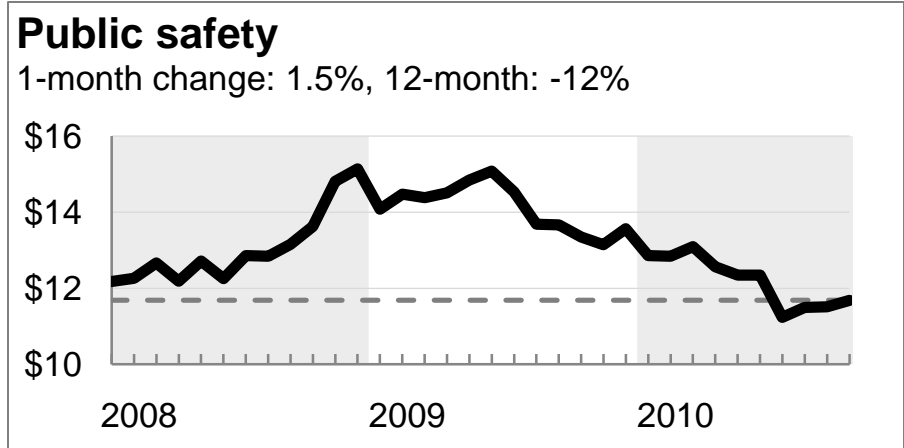
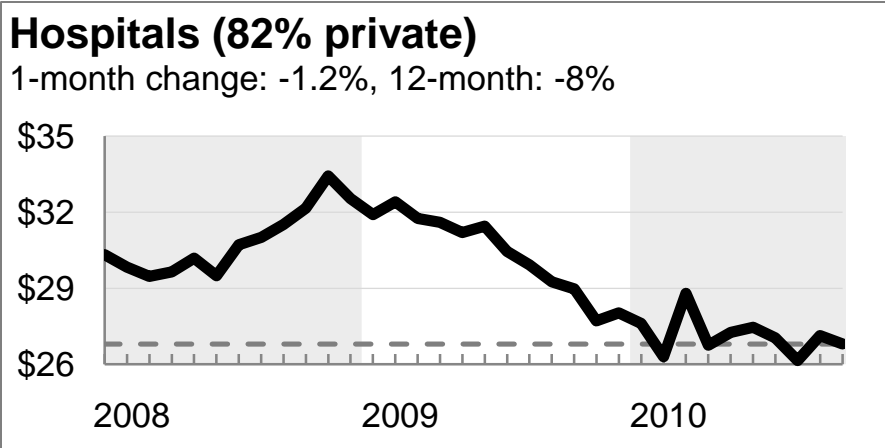
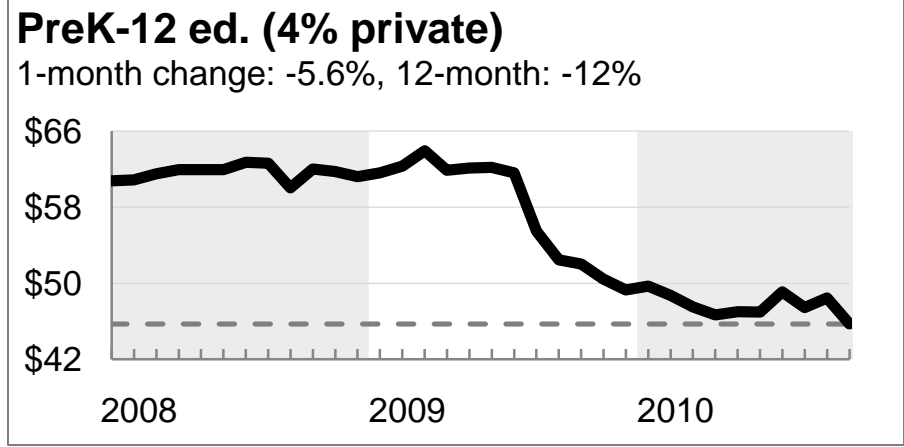
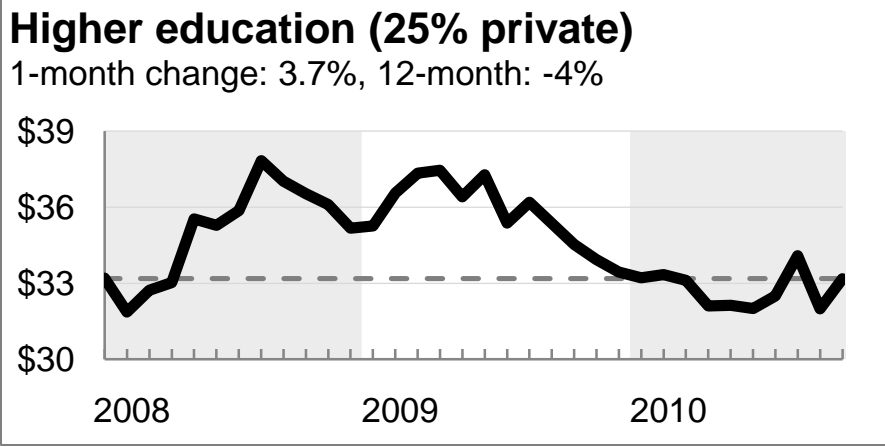
	<u>10/10 Total</u>	<u>Share</u>	<u>10/09-10/10</u>
Nonresidential	\$562 billion	100%	- 10%
Educational	88	16	- 8
Highway and street	87	16	+ 1
Power	84	15	- 4
Health care	40	7	- 8
Transportation	40	7	+ 1
Commercial	39	7	- 15
Office	35	6	- 26
Manufacturing	35	6	- 37
Sewage and waste disposal	27	5	+ 13
Amusement and recreation	18	3	- 2
Communication	18	3	- 8
Other (water, public safety; lodging; conservation; religious): 9% of total			

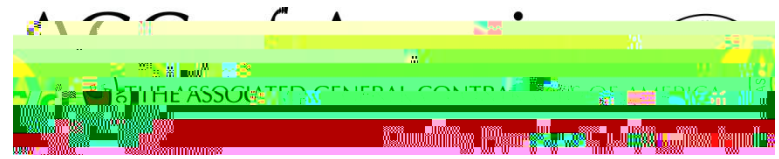




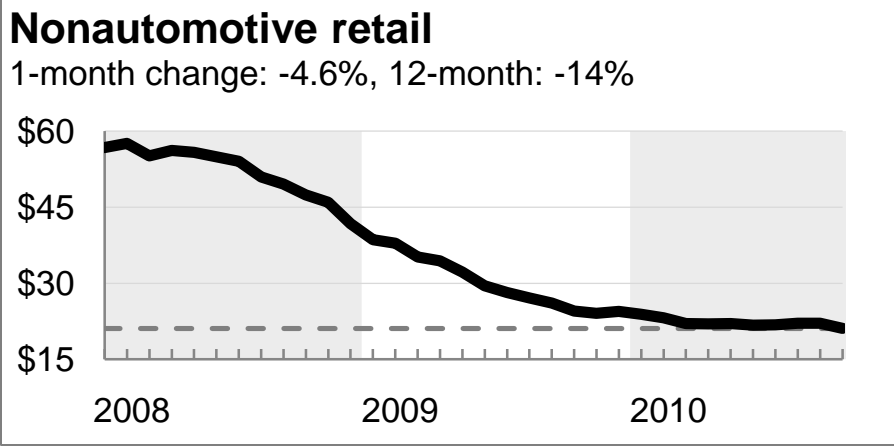


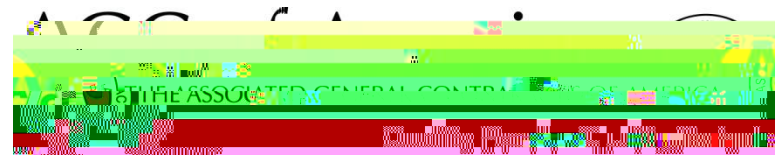
Construction spending: institutional (private + state/local)



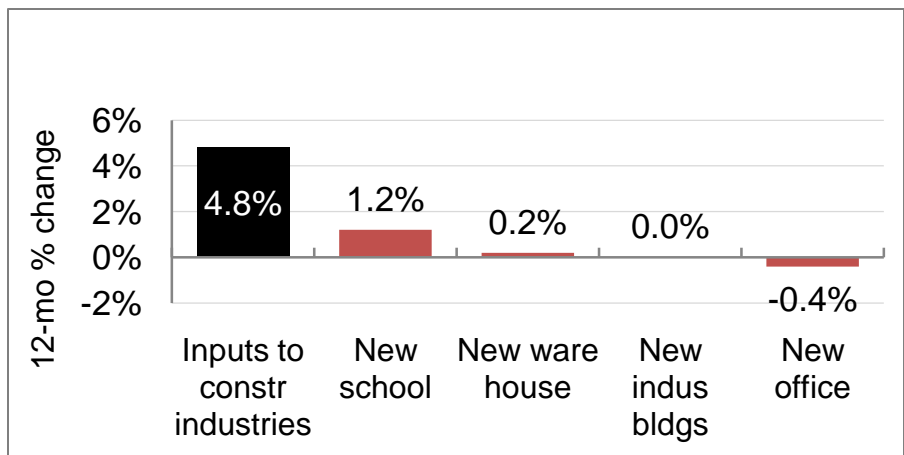
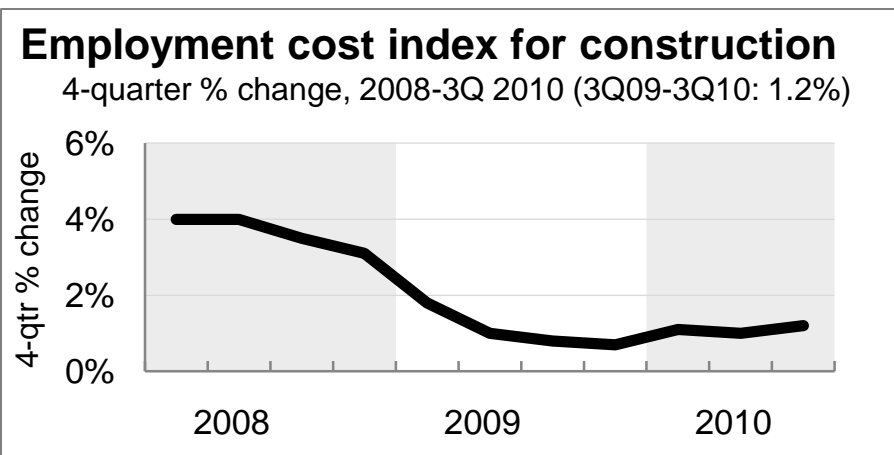
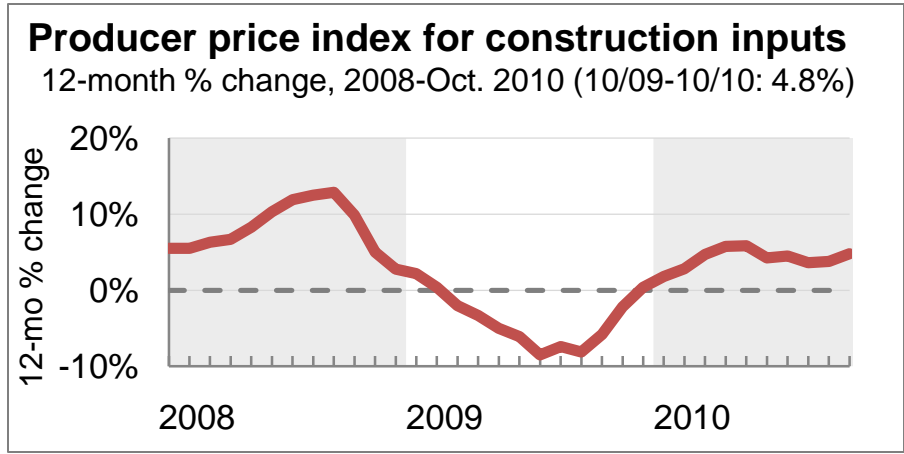
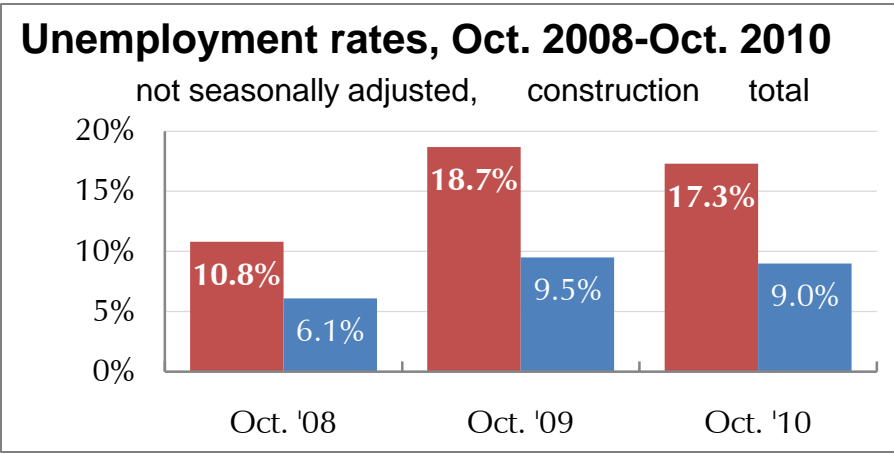


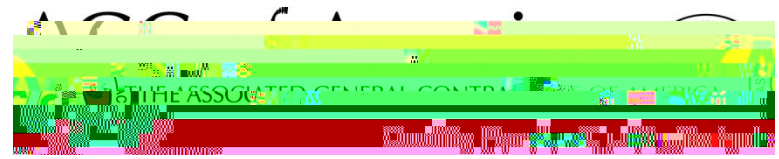
Construction spending: developer-financed (billion \$, SAAR)

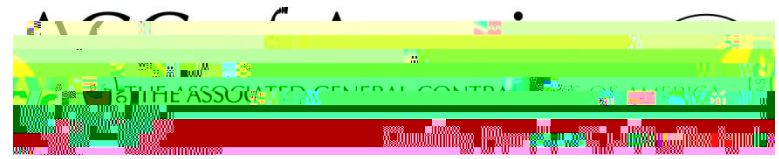




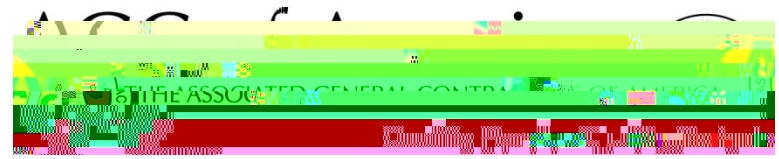
Construction employment, wages, costs and output prices





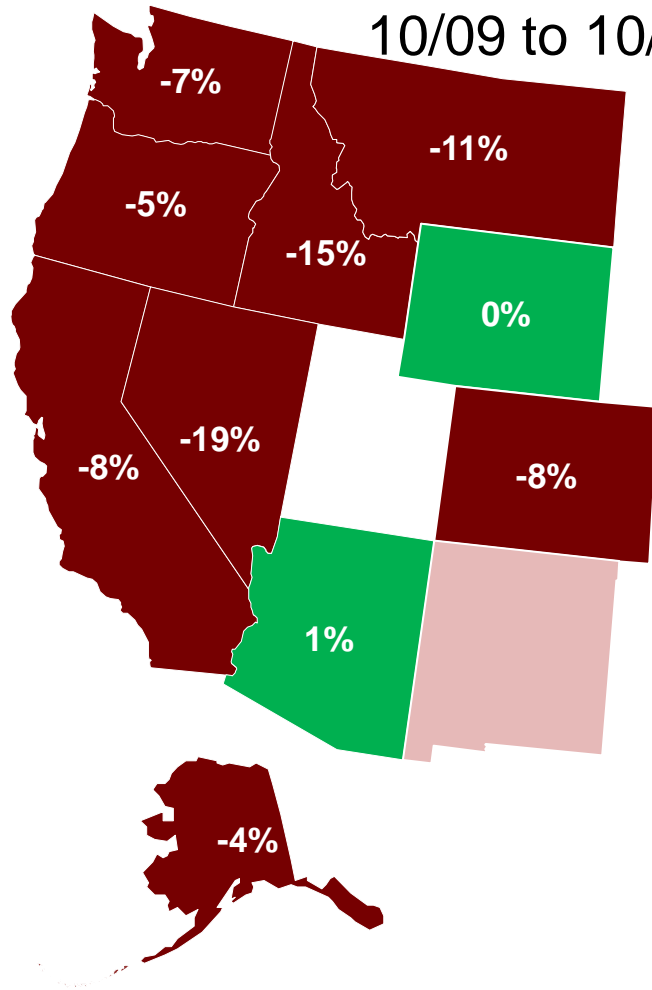


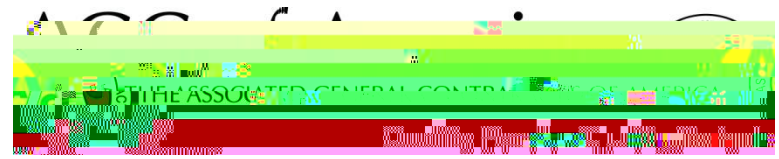
The main body of the document is a large, empty white space, likely intended for a detailed report or list of items. It is bounded by a thin red line at the top and another thin red line at the bottom.



State Construction Employment Change (U.S.: -2%)

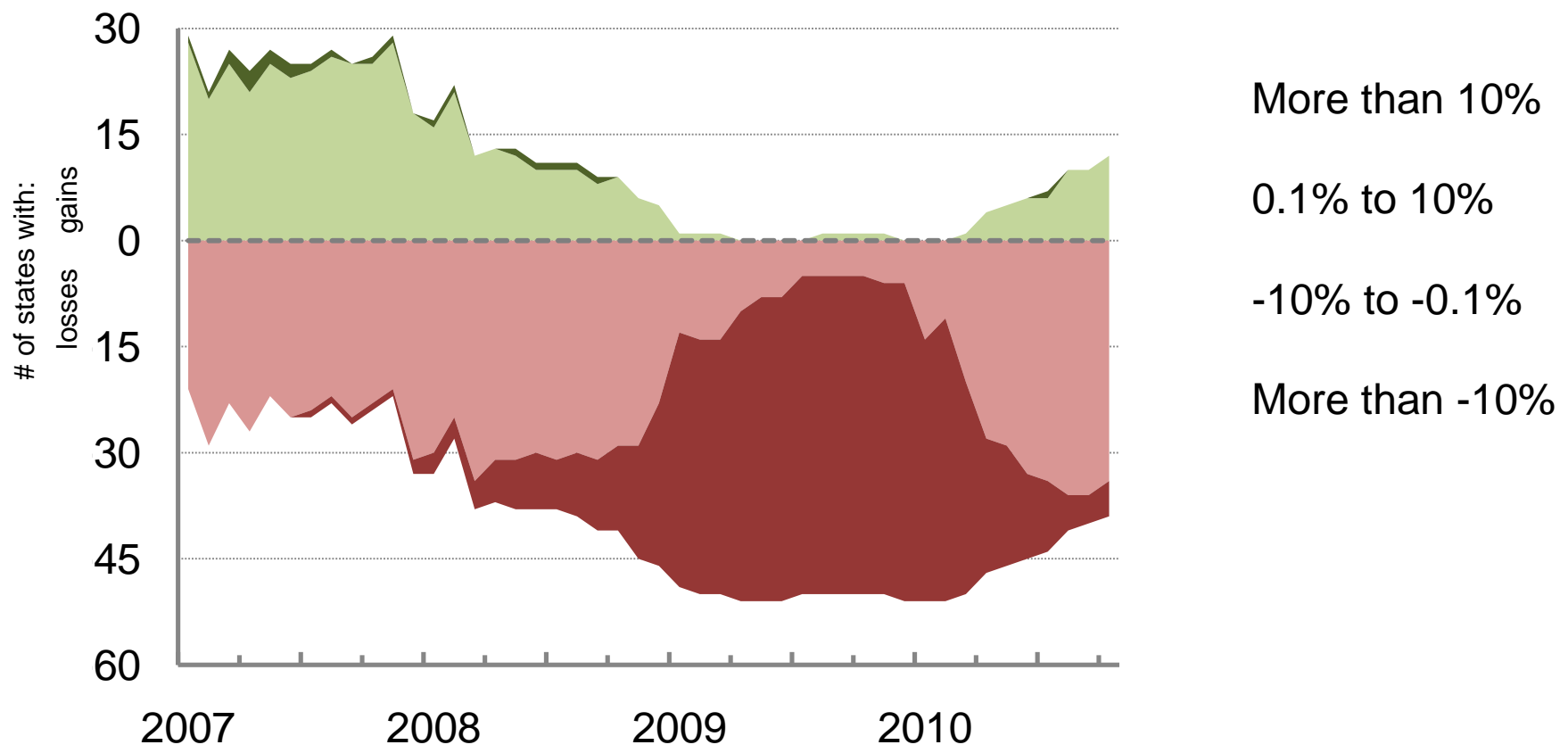
10/09 to 10/10 (seasonally adjusted)

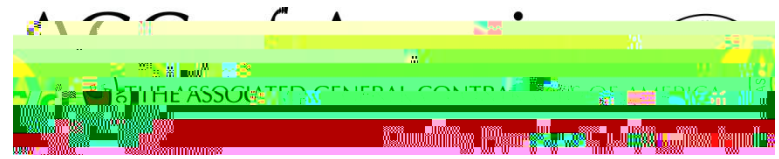




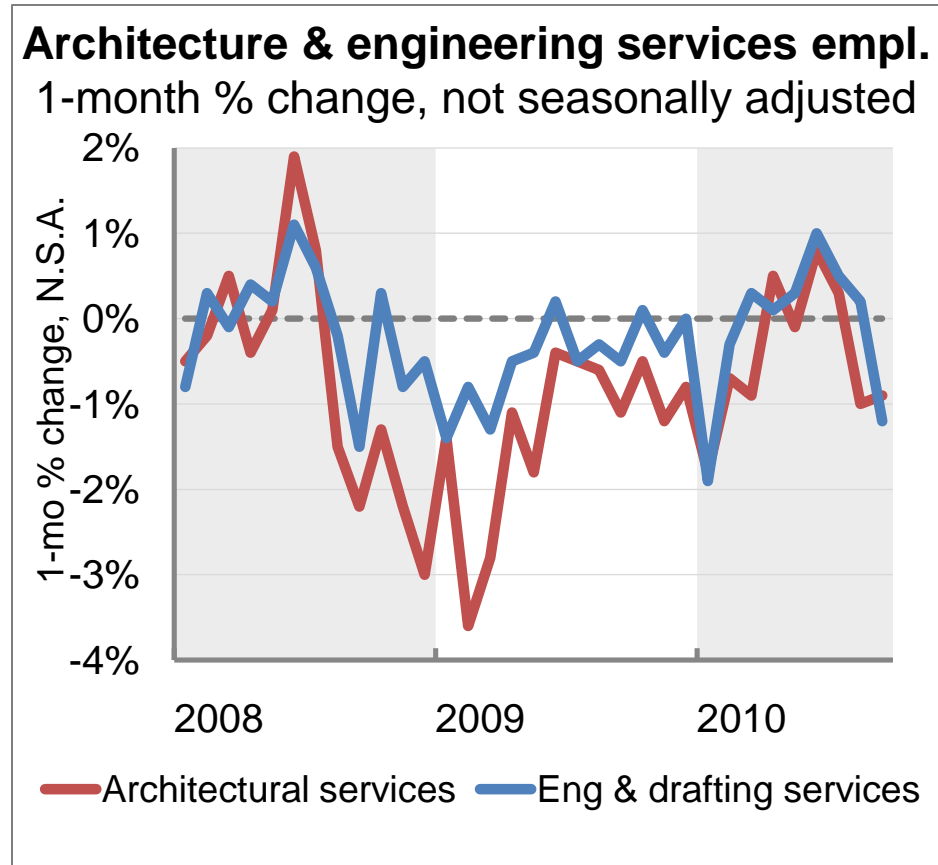
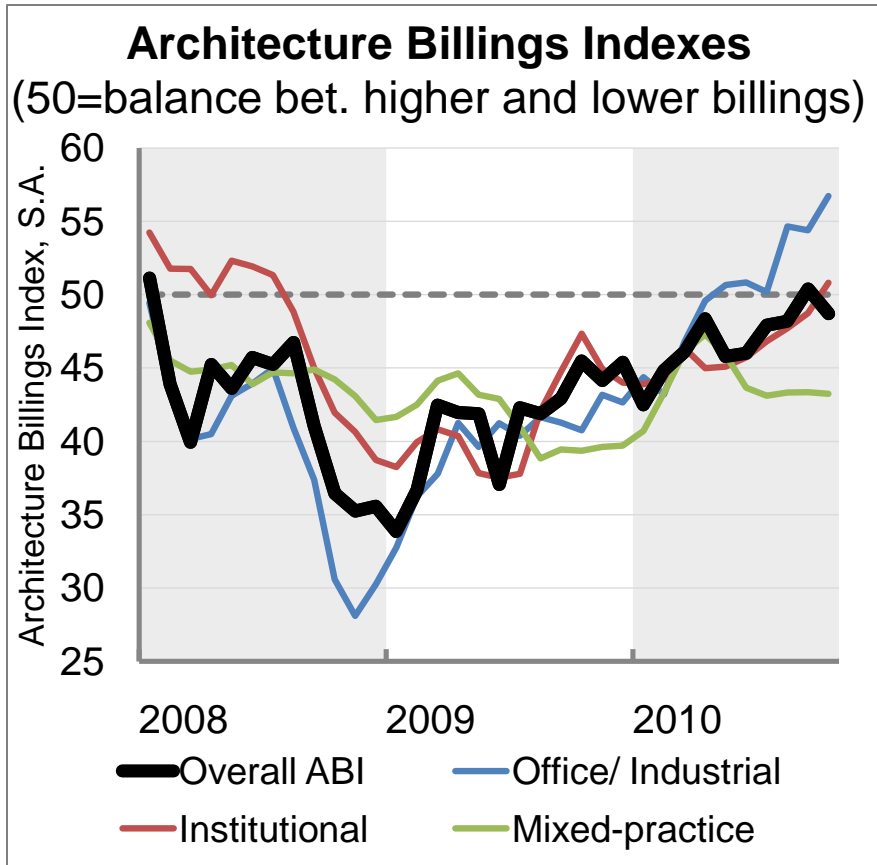
Number of states with 1-year gains or losses in construction employment

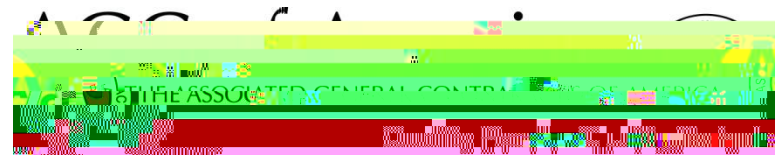
January 2007 to October 2010 (seasonally adjusted)





Predictors of construction demand





Summary for 2010

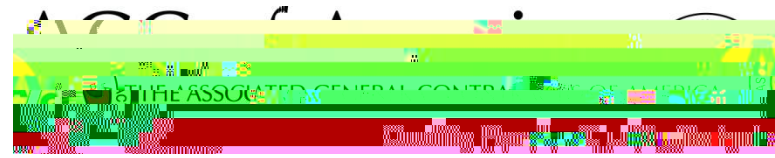
Nonres spending: -15% (more stimulus put in place, maybe gains in retail, higher ed, hospitals)

Res: +2 to -2% (SF up, MF down all year)

Total construction spending: -10% to -12%

Materials costs: +3% to +5%

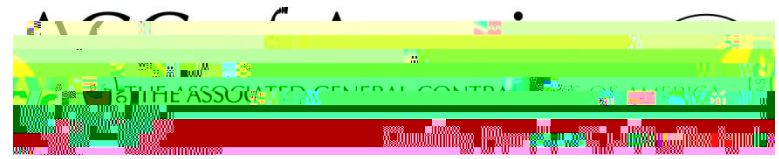
Labor costs: +1.5% or less



Summary for 2011

Nonres spending: 0 to +5% (less stimulus; weak state-local; more retail, hotel, higher ed, hospitals)

Res: +5 to +10% (SF up, MF leveling off)



AGC economic resources (email simonsonk@agc.org)

The Data DIGest: weekly 1-page email
(sign up: www.agc.org/datadigest)

PPI tables: emailed monthly

State and metro data, fact sheets

Stimulus info: www.agc.org/stimulus

Webinars

Feedback on stimulus, credit, costs

