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Fewer metros post job gains; nonresidential starts are mixed; ABI hugs breakeven level

Construction employment, not seasonally adjusted, increased from November 2015 to November 2016 in 211 (59%) of the 358 metro areas (including divisions of larger metros) for which the Bureau of Labor Statistics (BLS) provides construction employment [data](#), decreased in 86 (24%) and was stagnant in 61, according to an AGC [release](#) and [map](#) on Tuesday. (BLS combines mining and logging with construction in most metros.) The number of areas with increases was the lowest for November since 2012. The largest percentage gains again occurred in Boise, Idaho (21%, 4,000 combined jobs), followed by El Centro, Calif. (17%, 600 combined jobs), Albany, Ore. (16%, 400 construction jobs) and Weirton-Steubenville, W. Va.-Ohio (16%, 300 combined jobs). As in October, Denver-Aurora-Lakewood (9,600 combined jobs, 10%) and Orlando-Kissimmee-Sanford (9,600 construction jobs, 15%) tied for the most jobs added; they were followed by Seattle-Bellevue-Everett (8,100 construction jobs, 9%) and Las-Vegas-Henderson-Paradise (7,900 construction jobs, 15%). The largest job losses again were in Houston-The Woodlands-Sugar Land (-12,700 construction jobs, -6%), followed by the Los Angeles-Long Beach-Glendale division (-4,400 construction jobs, -3%) and Orange-Rockland-Westchester, N.Y. (-3,400 combined jobs, -8%). The largest percentage decline was in Casper, Wyo. (-15%, -500 construction jobs), followed by Danville, Ill. (-14%, -100 combined jobs) and Wichita, Kan. (-12%, -2,100 combined jobs). (Not-seasonally-adjusted data should not be compared to other months.)

The value of nonresidential construction starts in November fell by 8.5% year-over-year (y/y), but the year-to-date (YTD) total for the first 11 months of 2016 combined increased 8.0% from the same period in 2015, ConstructConnect (formerly Reed Construction Data) [reported](#) on Friday. Heavy engineering (civil) starts plunged 18% y/y and inched up 0.6% YTD, while nonresidential building starts fell 3.1% y/y and increased 12% YTD. Within the building category, institutional starts declined 7.7% y/y and rose 13% YTD; commercial starts slipped 1.6% y/y but increased 12% YTD; and industrial starts leaped 64% y/y but shriveled by 18% YTD.

The Architecture Billings Index (ABI) score hovered just above the breakeven 50 mark in November (50.6, seasonally adjusted, following a 50.8 reading in October) after dipping below that level in August and September, the American Institute of Architects [reported](#) today. The ABI measures the percentage of surveyed architecture firms that reported higher billings than a month earlier less the percentage reporting lower billings; any score over 50 indicates billings growth. *The institute says the index “reflects the approximate 9-to-12 month lead time between architecture billings and construction spending.”* Scores rose for firms with all practice specialties (based on three-month moving averages): multifamily residential, 51.7, from 50.4 in October; mixed practice, 51.3, from 50.0; commercial/industrial, 50.4, from 50.1; and institutional, 49.5, from 49.4.

On Tuesday, the Census Bureau [released](#) state population estimates for July 1, 2016, along with small revisions for 2010-15. U.S. population totaled 323.1 million, a gain of 0.70% (2.2 million) from July 1, 2015 and slightly less than the increases in the previous five years (0.70-0.75%). An AGC [analysis](#) showed Utah was the fastest-growing state (2.0%, vs. 1.7%, 7th-fastest in 2015), followed by Nevada (2.0%, vs. 1.6%, 4th in 2015), Idaho (1.8%, vs. 1.2%, 12th in 2015), Florida (1.8%, vs. 1.8%, 5th in 2015), Washington (1.8%, vs. 1.5%, 8th in 2015) and Oregon (1.7%, vs. 1.4%, 10th in 2015). The growth rate accelerated the most in Idaho, Arizona (from 0.1% in 2015 to 0.6% in 2016), Utah and Washington. Texas again had the largest increase (433,000), followed by Florida (368,000) and California (256,000). Population declined in eight states (up from seven in 2014). Illinois lost the most residents (-37,508, its third consecutive annual decrease). West Virginia had the largest percentage loss (-1.2%, the fourth consecutive decline). California had the biggest slowdown in population growth, adding 57,000 fewer residents than in 2015. North Dakota had the biggest drop in growth rate, from 2.3% in 2015 (1st) to 0.1% (37th). *Population growth rates and changes in them over time can significantly affect demand for various types of construction, state and local revenues to fund projects, and the supply of workers.*

“In fall 2016, overall **postsecondary enrollments** decreased 1.4% from the previous fall,” the National Student Clearinghouse Research Center [reported](#) on Sunday. “Enrollments decreased among four-year for-profit institutions (-14.5%), two-year public institutions (-2.6%) and four-year private nonprofit institutions (-0.6%). Enrollments increased slightly among four-year public institutions (+0.2%).” The [Wall Street Journal](#) reported on Monday that the data showed “enrollment declined for the fifth straight year,” with a cumulative decline of 4.3 million or 21% since 2011. “Adding to the pain at many colleges is a dearth of new students fresh from high school. Colleges in mid-Atlantic and Midwestern states report the sharpest declines this year, reflecting the shift in population away from traditional industrial centers.... ‘These forces show no sign of slowing and will continue to challenge institutions in their planning,’ said Doug Shapiro, executive research director” of the center. *The differing rates of change by type of institution have multiple implications for construction demand, as four-year colleges and universities are more likely to have to have full-fledged campuses than for-profit and two-year colleges, which may occupy leased office or flex space.* The report also has data on **undergraduate majors**. *Construction trades were the choice for 7,418 students at four-year colleges in 2016 (down 0.6% from 2015) and 53,034 students at two-year colleges (up 4.0%).*