



US construction market overview



Welcome to the Q1 construction market overview report that forecasts the impact of current market trends and looks at the opportunities and challenges faced within the U.S. construction industry.

Rachel Personius
Associate Director, U.S.

Comparative construction cost index

Through CBI's comprehensive tracking of labor rates, material pricing, and market activity, we've created a comparative cost index with Washington, DC as the base 100. Below is a snapshot of some interesting projects currently in progress.

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Raleigh, NC

VinFast, the Vietnamese automaker, is breaking ground on a \$4 billion electric vehicle assembly plant in Chatham County. Operations are due to start in 2025. The facility is set to produce 150,000 vehicles each year, and will generate more than 7,500 jobs.

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Stanton Springs, GA

American automaker Rivian continues to work on their \$5 billion electric vehicle project. They expect to employ 7,500 people in their 16 million square foot factory when they begin production in 2026.

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Terre Haute, IN

Entek, a manufacturer of battery components, began construction of its battery production facility in September 2023. The \$1.5 billion project covers 1.4 million square feet and is expected to generate over 640 high-wage jobs by the end of 2027.

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State College, PA

A new structure is coming to Penn State. The Palmer Museum of Art, in The Arboretum, will span a remarkable 73,000 square feet. The new facility will encompass 20 galleries, areas dedicated to education and events, a museum store and café. There will also be a sculpture path and outdoor terraces.

Powering the future: the growth of electric vehicle plants

Investment in North American electric vehicle (EV) plants is key for economic growth. The U.S. Energy Department (DOE) supports the Biden-Harris EV charging plan with a \$15 billion investment in grants and loans. This funding aims to revamp existing U.S. automobile and manufacturing plants for EVs, batteries, and materials. It aligns with Biden's target for EVs to constitute at least 50% of new car sales by 2030, achieve carbon-neutral electricity by 2025, and establish a carbon-neutral economy by 2050.

Large manufacturers like GM, Honda, and Toyota are transforming U.S. plants for EV production. Startups like Rivian and Lucid could also benefit. The focus on light, medium, and heavy-duty EV components is expected to maintain high-quality jobs in plant conversion.

Currie & Brown's expertise in complex EV manufacturing projects ensures a deep understanding of operational requirements and industry trends across all lifecycle stages. Our professionals can address any gaps in your program, guiding your team to leverage the advantages of advancing construction program reliability.



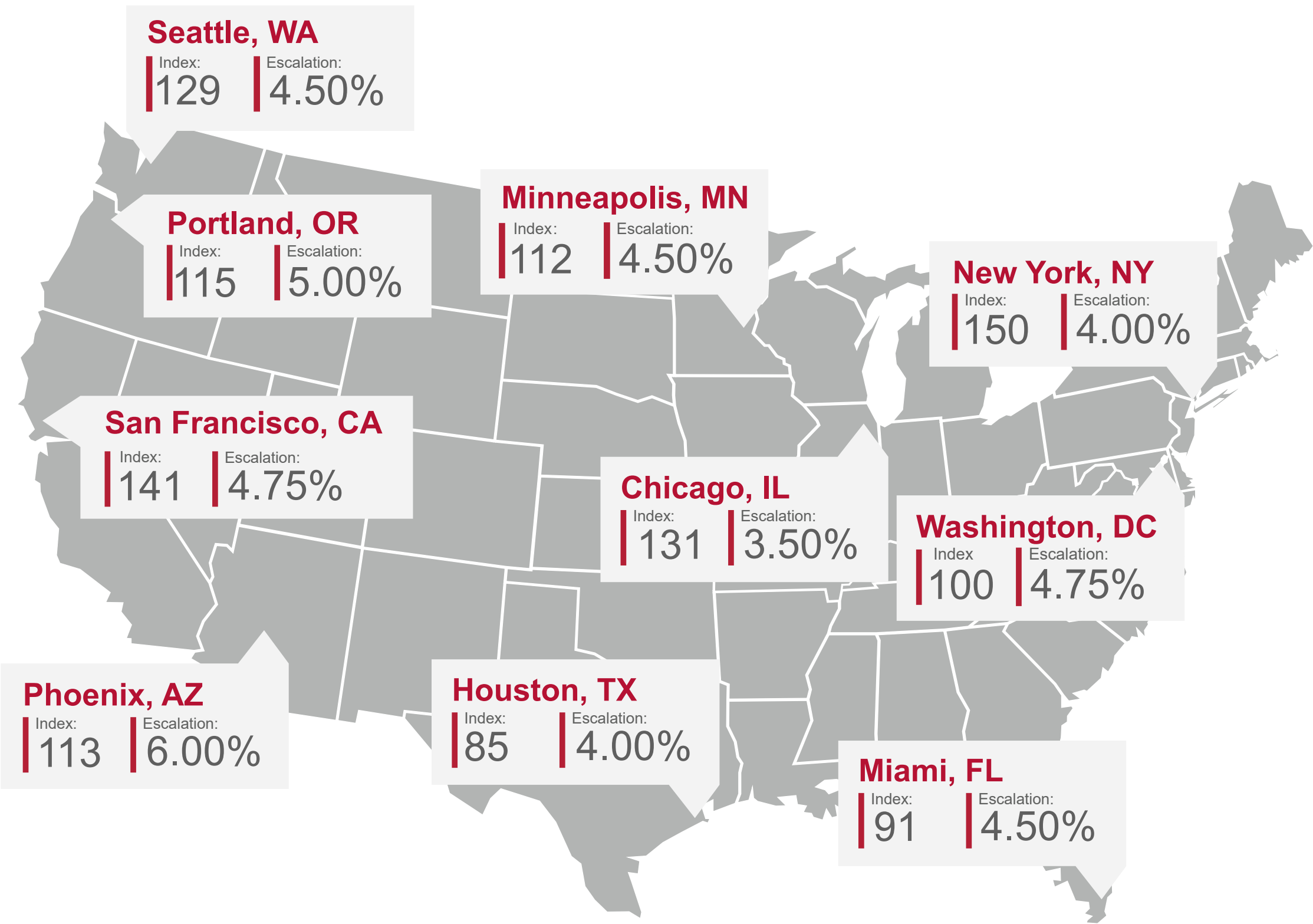
“The pace of the U.S. electric vehicle (EV) market is increasing, placing more demand on an already stretched supply chain. The Inflation Reduction Act of 2022 has injected government funding, further propelling this growth. Competing industrial market sectors such as datacenters and semiconductor are placing huge strains on resources, particularly for MEP trades, to meet this demand.”

Getting detailed market studies, including supply chain capability, as part of the planning process is one of the keys to successful delivery of fast-track EV projects. The days of issuing an RFP and expecting a competitive landscape are gone. Planned supplier outreach, fair terms and conditions, and planning are crucial for owners to navigate the current demand.

Richard Anderson
Electric Vehicle Lead, USA

2024 Location indices and construction escalation

Examining nationwide construction costs, escalation values project the annual change in output costs from January to December 2024. CBI’s comparative construction cost index, with Washington DC as the base 100, tracks labor rates, material pricing, and market activity for each location. The infographic below looks at ongoing or upcoming projects in specific cities.



Trending up:



As per the Engineering News-Record, the annual increase in the Construction Cost Index (CCI) reached 2.6%, with the monthly component remaining constant.

The ongoing influence of the pandemic, combined with factors like labor supply and interest rates, continues to exert a consistent effect on construction costs. Industry experts note that material costs, a significant element of the CCI, remain elevated compared to pre-pandemic levels. These costs are expected to stay high in 2024 due to the sustained demand in the construction sector.



Trending down:



In 2024, the construction sector anticipates a persistent imbalance with demand exceeding the available labor supply. Factors include increased demand for home construction and repair, insufficient funding and appreciation for career and tech education, a retiring workforce, among others. To address this, companies are investing more in training and actively promoting construction careers to attract younger individuals.

Notes on Currie & Brown

Currie & Brown is a world-leading provider of cost management, project management and advisory services, covering the full range of public and private sectors. Our purpose is to add value that makes building a better future possible. We help clients navigate volatility and unpredictability, providing the certainty that enables better, more sustainable built environments for all. Our services reflect the complexity of physical assets' uses and integrated lifecycles, addressing every aspect, from concept, design and construction, to the assessment of best-value options for ongoing use, maintenance, operation and eventually deconstruction.

With principal offices in London, Dubai, Riyadh, Hong Kong, Mumbai, New York and Shanghai, we operate across 69 offices throughout the Americas, Asia Pacific, Europe, India and the Middle East. Currie & Brown has been a Sidara company since 2012.

Notes on methodology

This report is prepared by Currie & Brown to inform readers generally on construction matters. Our forecast provides guidance on the general level of construction cost escalation, using Currie & Brown's Americas escalation and location indices as current at end of Q4 2023.

The indices are baselined against Washington DC = 100. Our analysis draws on data collected internally from a range of major and medium-sized projects across all sectors of the market, together with direct engagement with contractors and practitioners across the industry, and other professional bodies and research organizations. Macro-economic data is drawn from official data sources such as FRED as referenced.

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