

# Engineers & Surveyors Institute (ESI)

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**Erin McLaughlin**

*June 8, 2021*

The ACEC logo features the letters 'ACEC' in a large, white, serif font. Above the letters is a thin, white, curved line that arches over the top of the text. The logo is positioned in the lower-left quadrant of the image, overlaid on a photograph of a modern building at dusk.

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

# Introduction

## Erin McLaughlin

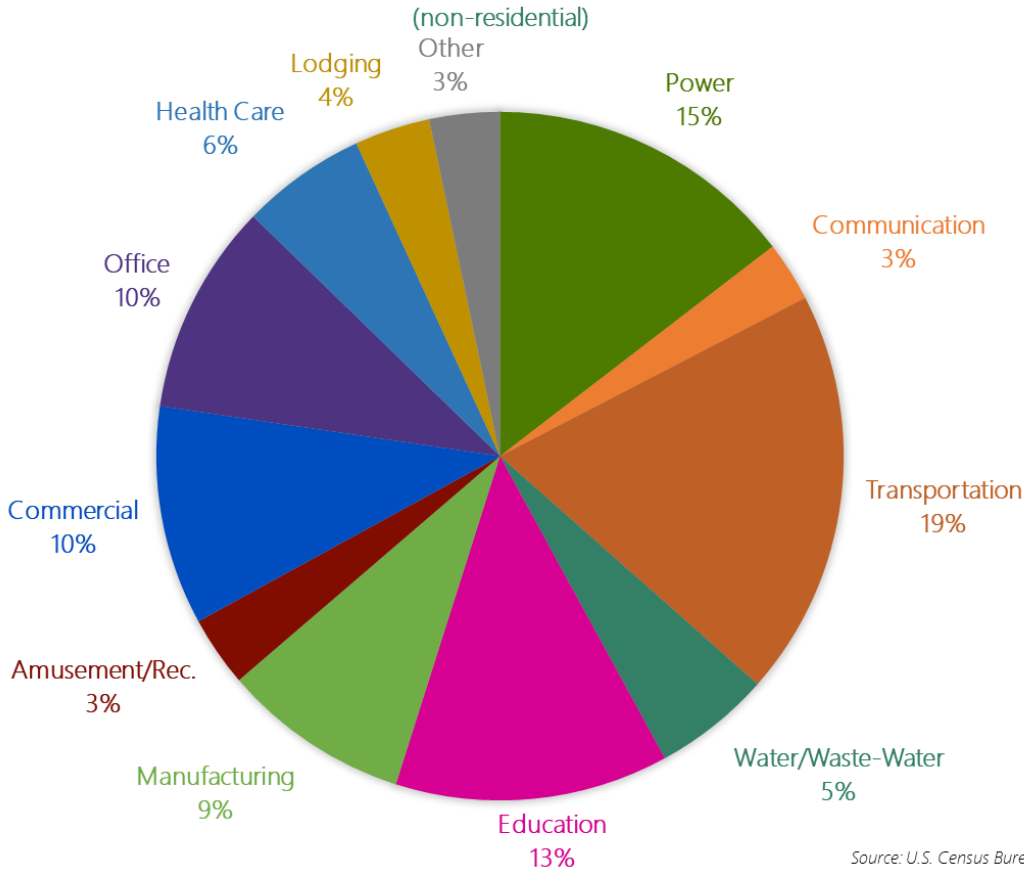
*Vice President, Private Market Resources*

American Council of Engineering Companies (ACEC)

- Lead ACEC's analysis of private market and economic trends, and connects these to policy implications for the engineering industry
- Joined ACEC in 2017
- 18 years with A/E and CRE firms
- MS / Transportation Planning  
MBA / Management  
BA / American-Urban Studies
- Certificate in Economic Measurement
- Former President of CREW (Commercial Real Estate Women) Northern Virginia



# 2020 U.S. Construction Put in Place by Project Type



Source: U.S. Census Bureau

# Construction Put in Place – Annual Numbers 2020 vs. 2019

Construction Put in Place	2020	2019	% Change
<b>Total Construction</b>	<b>\$1.430 T</b>	<b>\$1.365 T</b>	<b>+4.8%</b>
Residential (private)	\$607.9 B	\$544.4 B	+11.7%
Private (non-residential)	\$471.5 B	\$486.3 B	-3.0%
Public	\$351.0 B	\$334.4 B	+5.0%

Source: U.S. Census Bureau

# Construction Put in Place – April 2021

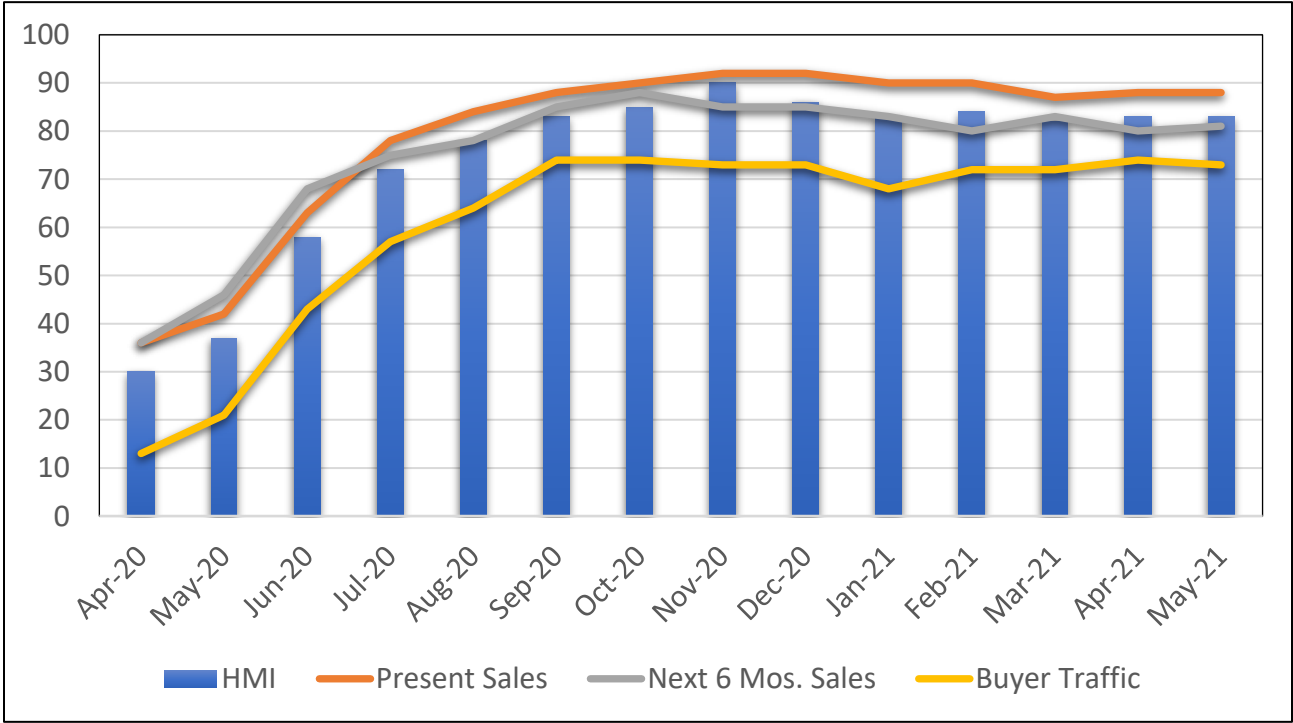
	April 2021	April 2020	% Change
<b>Total Construction</b>	<b>\$1.524 T</b>	<b>\$1.388 T</b>	<b>+9.8%</b>
Residential (private)	\$729.2 B	\$562.3 B	+29.7%
Private (non-residential)	\$451.4 B	\$474.3 B	-4.8%
Public	\$343.5 B	\$351.3 B	-2.2%

Source: U.S. Census Bureau

# Public Construction Put in Place – YOY Change, June 2020-April 2021

Month	2021	2020	YOY % Change
April	\$343.5 B	\$351.3 B	-2.2%
March	\$343.9 B	\$360.4 B	-4.6%
February	\$351.3 B	\$352.4 B	-0.3%
January	\$361.5 B	\$351.3 B	+2.9%
Month	2020	2019	YOY % Change
December	\$352.8 B	\$342.6 B	+3.0%
November	\$347.6 B	\$337.1 B	+3.1%
October	\$344.8 B	\$332.6 B	+3.7%
September	\$339.1 B	\$343.7 B	-1.3%
August	\$351.4 B	\$333.2 B	+5.5%
July	\$351.1 B	\$334.2 B	+5.1%
June	\$353.3 B	\$332.6 B	+6.2%

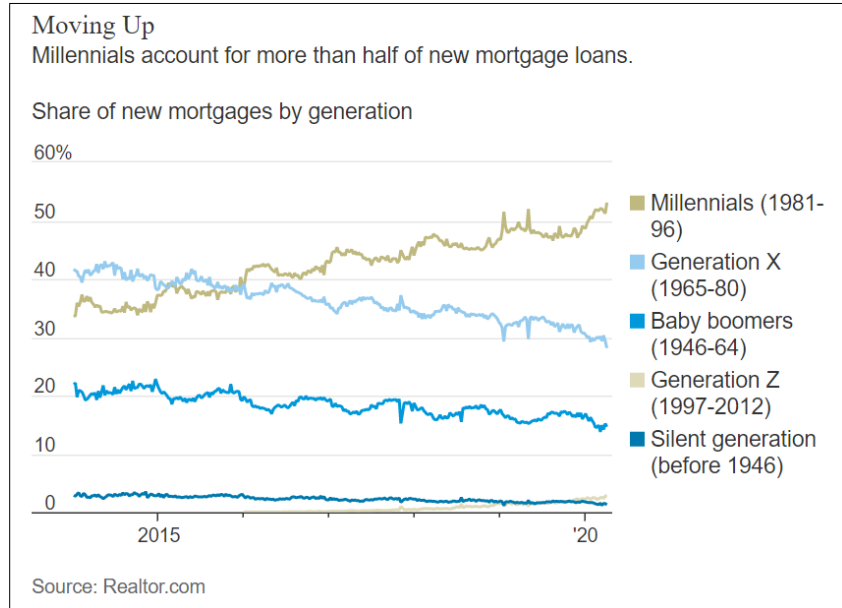
# Housing Market Index for Single-Family Residential



Source: NAHB/Wells Fargo

# Demographics: Millennials & Housing Growth

- **2019 Millennials accounted for largest share of all new home loans for the first time**
- Millennials (now mid 20s-late 30s) driving housing market
- Were slower to become homeowners compared to past generations (student loans, witness of housing crash in 2008-2009, etc.)
- **Suburban growth**—may be more like previous generations than once thought
- Also **in 2019 Millennials surpassed Baby Boomers as largest living adult generation**



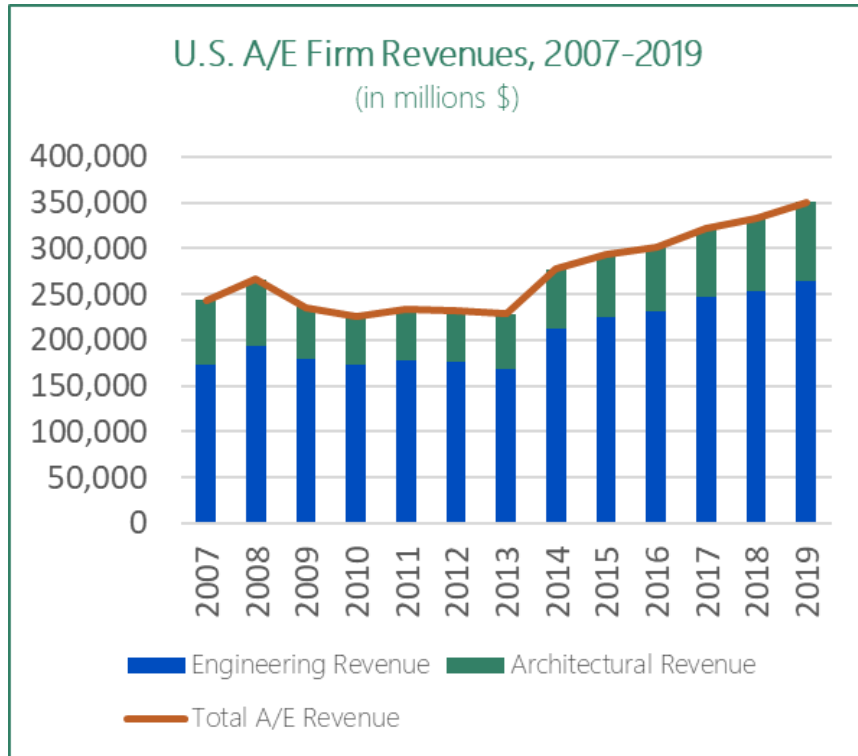
Sources: National Association of Realtors,  
WSJ, Pew Research Center



# A/E Revenues Peaked in 2019

Great Recession  
began in Q4 of 2008

- A/E revenues steadily increased since last recession, peaking in 2019 at \$350.47B
- The bottom was 2010
- Growth non-existent for four years (2009-2013)
- Of course not all recessions are the same



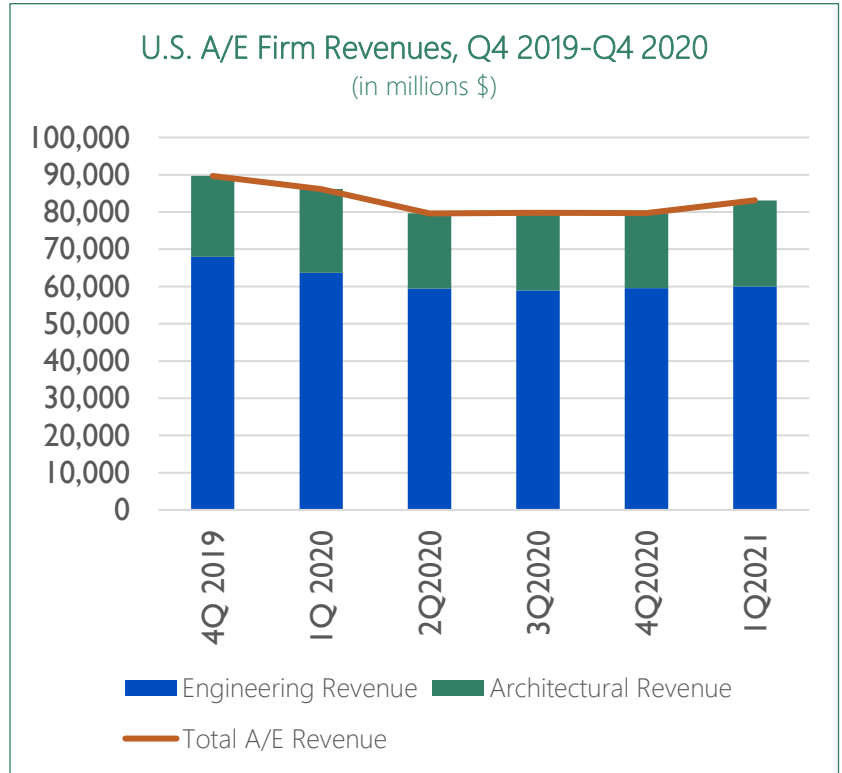
Source: U.S. Census Bureau

# Q1 2021 A/E Revenues Up

The U.S. Census Bureau's 'advance estimate' of **total A/E revenues for Q1 2021 is \$83.14B, a 4.3% increase from Q4 2020 (previous quarter).**

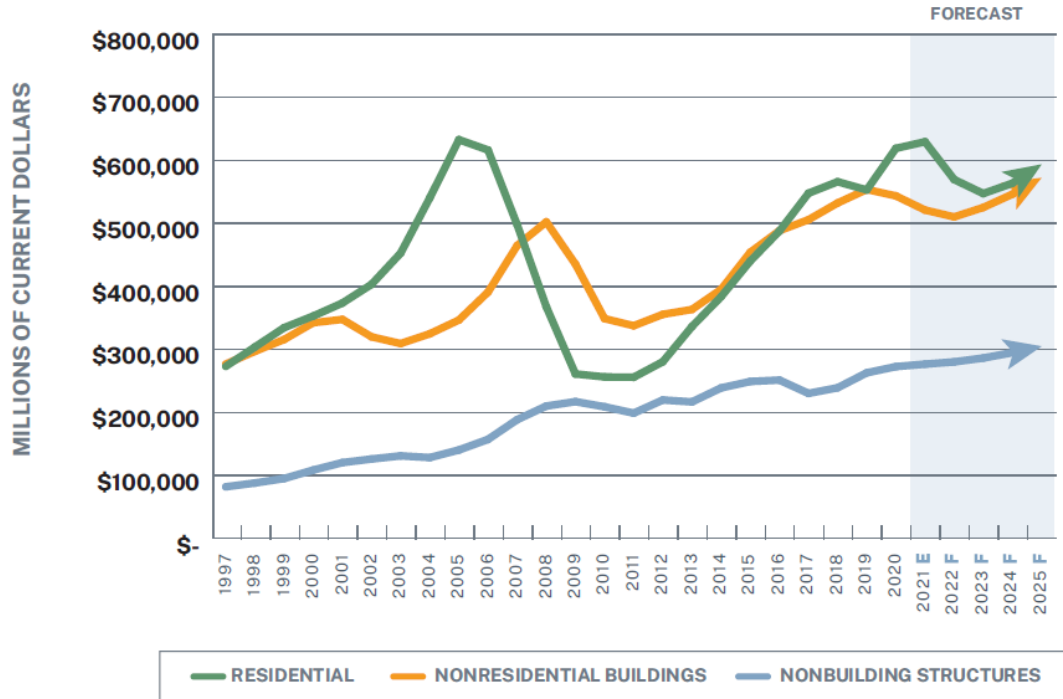
This is the first substantial increase since the COVID-19 recession began; A/E revenues were flat in Q3 and Q4 of last year, having declined about 11% during the recession.

This may signal the beginning of a slow growth back up to 2019 levels.



Source: U.S. Census Bureau

# Design/Construction Spending Outlook

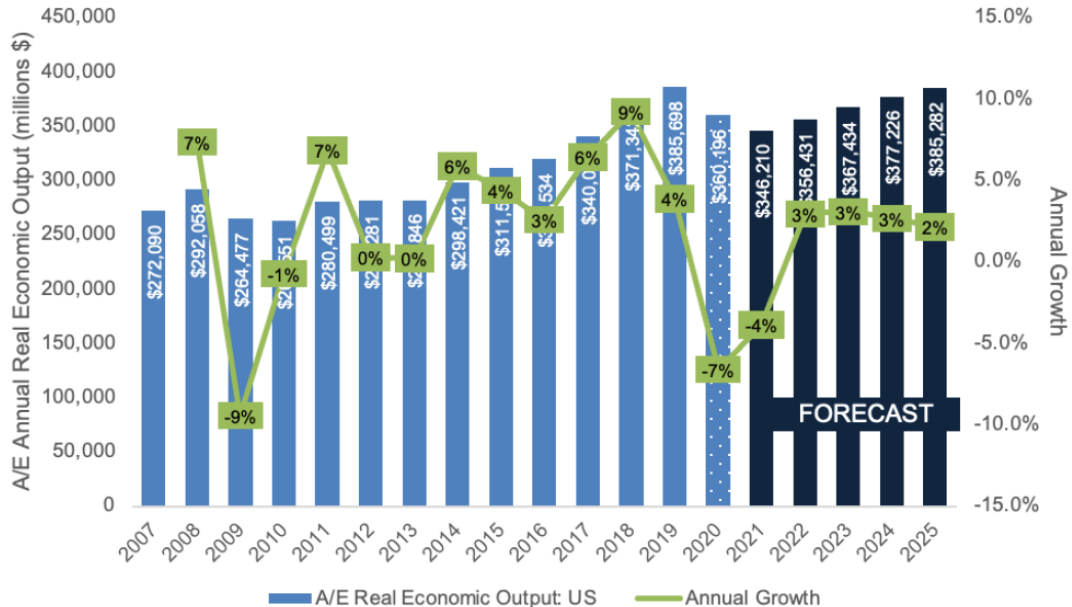


SOURCE: FMI FORECAST Q1 2021

Source: FMI, 4.8.21

# 2021 Expected to Decline Further

Engineering and Design Services Real Economic Output in the United States: History & Forecast (2000-2025)



Bureau of Economic Analysis (BEA), US Census Bureau, Rockport Analytics  
 Note: 2020 is preliminary and subject to revision

*\*This outlook does not include an infrastructure package.*