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39 states add jobs year-over-year in March; first-quarter starts decline, ConstructConnect reports

Seasonally adjusted **construction employment** rose year-over-year (y/y) from March 2023 to March 2024 in 39 states, fell in 10 states and the District of Columbia, and was unchanged in Vermont, according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. California added the most construction employees (33,900 or 3.8%), followed by Texas (28,600, 3.5%) and Florida (23,000, 3.7%). Alaska again had the steepest percentage increase (16%, 2,700), followed by South Dakota (11%, 3,000) and Arkansas (9.7%, 6,000). The largest job losses again occurred in New York (-9,700, -2.5%) and Washington (-8,400, -3.6%), followed by Maryland (-4,700, -2.9%). The steepest percentage loss occurred in Washington, followed by Maryland and North Dakota (-2.9%, -800 jobs). **For the month**, construction employment rose in 36 states and D.C., fell in 13 states and was unchanged in Rhode Island. New York added the most jobs (9,500, 2.5%), followed by California (4,600, 0.5%) and Michigan (4,000, 2.0%). New York also had the largest percentage gain, followed by Wisconsin (2.2%, 3,100) and Minnesota (2.1%, 2,700). Oregon lost the most jobs (-2,300, 2.0%), followed by Colorado (-1,500, -0.8%). Oregon also had the largest percentage loss, followed by Wyoming (-0.9%, -200 jobs). (For D.C., Delaware, and Hawaii, BLS posts combined totals for mining, logging, and construction; AGC treats the changes as all from construction.)

The **value of construction starts** decreased 5.3% year-to-date in the first three months of 2024 compared to January-March 2023, ConstructConnect [reported](#) on Wednesday. **Nonresidential building starts** fell 14%, with institutional up 1.9%, commercial down 8.4%, and industrial (manufacturing) down 41%. **Engineering (civil) starts** rose 4.2%, with roads/highways down 5.1%, water/sewage up 9.0%, and power and miscellaneous up 22%. **Residential starts** dipped 1.3%, with single-family up 20% and multifamily down 28%.

Housing starts (units) in March decreased 15% from February and 4.3% y/y at a seasonally adjusted annual rate, the Census Bureau [reported](#) on Tuesday. Single-family starts fell 12% for the month but rose 21% y/y. Multifamily (five or more units) starts plummeted 21% for the month and 44% y/y. **Residential permits** declined 4.3% for the month but rose 1.5% y/y. Single-family permits decreased 5.7% from February but climbed 17% y/y. Multifamily permits were unchanged for the month but plunged 22% y/y. Multifamily units under construction declined for the fifth month in a row.

"**Economic activity** expanded slightly, on balance, since late February," the Federal Reserve [reported](#) on Wednesday in its latest Beige Book, which "characterizes regional economic conditions and prospects based on a variety of mostly qualitative information, gathered directly from each district's sources." **Reports on construction activity** varied among the 12 districts (identified by their headquarters cities). "Despite the improvements in labor supply, many districts described persistent **shortages of qualified applicants** for certain positions, including machinists, **trades workers**, and hospitality workers. Construction-related comments varied widely among districts: "Construction activity picked up a bit, primarily in the industrial market but also for retail and hospitality projects." (Boston) "Construction contacts reported sharply declining activity." (New York) "Nonresidential construction activity slowed slightly in the current period." (Philadelphia) "Reports from builders indicated that nonresidential construction increased modestly in recent weeks." (Cleveland) "Commercial contractors cited a lack of qualified candidates to fill positions as well as rising material and labor costs." (Richmond) "Nonresidential construction activity increased slightly, as some projects were still moving ahead despite high building and financing costs, notably for healthcare facilities and retail renovations." (Chicago) "A construction contact noted demand for transportation, municipal, and lodging projects remains high, while demand for retail and higher education construction projects has slowed." (St. Louis) "Construction starts in the district rose over year-ago levels, according to industry data. A majority of contacts also reported increased project activity, and future sentiment was even more optimistic." (Minneapolis) "contacts indicated development activity for new multifamily housing remains at a multi-year low due to subdued expectations for rent growth that challenge the profitability of new construction." (Kansas City) "Outlooks were mixed, with some commercial market segments expected to remain challenging either due to weak demand or the sizeable amount of new construction slated for delivery in the near term." (Dallas) "Commercial construction was stable overall, though a contact in California observed some slowing due to high financing costs." (San Francisco)

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