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## Steel prices rise again; manufacturing construction shows mixed trends; starts decline in January

**Steel prices** continue to rise sharply. On Thursday, a reader sent the following list of increases announced in January and February: tube up \$350 per ton (4 increases); plate, \$200 (2); rebar, \$70 (2); merchants, \$60. Investment analyst Timna Tanners of Wolfe Research wrote on Thursday, “mills have been reluctant so far to ramp up capacity, instead hiking prices 30% from lows before tariffs were announced.” In a separate note to investors regarding President Trump's announced restored 25% tariffs on all steel imports, she wrote, “panic buying ahead of the March 12 effective date has helped boost [hot rolled coil to around \$840 per short ton (st), per price reporting firm CRU], up from January lows at \$680/st, with some mills already at \$900/st. **Readers are invited to send price announcements** to [ken.simonson@agc.org](mailto:ken.simonson@agc.org).

The market for **manufacturing construction** is evolving. Eli Lilly and Company on Thursday [announced](#) plans to build “four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.” On Tuesday, [Wall Street Journal](#) columnist Dan Gallagher [wrote](#), “Apple announced plans Monday morning to spend more than \$500 billion in the U.S. over the next four years. The outlay will include money spent with domestic suppliers and on the opening of a manufacturing facility to produce the servers needed to support the company’s artificial-intelligence service, called Apple Intelligence. The company also said it plans to open a facility in Detroit to train ‘the next generation of U.S. manufacturers.’ Unclear, though, is how much of the planned spending is actually new. Apple has spent about \$1.1 trillion over the past four fiscal years on total operating expenses and capital expenditures—and Wall Street expects nearly \$1.3 trillion in total spending over the next four years, according to consensus estimates by Visible Alpha.” In contrast, Air Products on Monday [“announced](#) its decision to exit three projects”: a sustainable aviation fuel expansion project in Paramount, California; a facility to produce green liquid hydrogen in Massena, New York; and a project in Texas for the production of carbon monoxide.

Two recent reports show a decline in **construction starts** in January. ConstructConnect Chief Economist Michael Guckes said in a release [posted](#) on Tuesday, “Total construction in January...was more than 30% below the same level from the previous January”, with residential down 39%, nonresidential building down 36%, and civil down 16%.

“Total **construction starts** fell 6% in January [at] a seasonally adjusted annual rate,” Dodge Construction Network [reported](#) on February 21, with nonresidential building down 18%; residential down 1%, and nonbuilding up 4%. On a year-over-year basis, total construction starts were down 6% from January 2024, with nonresidential down 22%, residential down 2%, and nonbuilding up 17%. For the 12 months ending January 2025, total construction starts were up 4% from the 12 months ending January 2024. Residential starts were up 5%, nonresidential starts were flat, and nonbuilding starts rose 7%. “After robust data center starts in November and December, total office starts fell back in January to more historically typical levels and drove a sizable piece of the month-to-month decline,” stated Sarah Martin, associate director of forecasting...However, most nonresidential sectors saw weakness over the month.”

“We expect 63 gigawatts (GW) of new utility-scale **electric-generating capacity** to be added to the U.S. power grid in 2025 in our latest Preliminary Monthly Electric Generator Inventory report,” the Energy Information Administration [posted](#) in its “Today in Energy” report on Monday. “This amount represents an almost 30% increase from 2024 when 48.6 GW of capacity was installed, the largest capacity installation in a single year since 2002. Together, solar and battery storage account for 81% of the expected total capacity additions, with solar making up over 50% of the increase. In 2024, generators added a record 30 GW of utility-scale **solar** to the U.S. grid, accounting for 61% of capacity additions last year. We expect this trend will continue in 2025, with 32.5 GW of new utility-scale solar capacity to be added. Texas (11.6 GW) and California (2.9 GW) will account for almost half of the new utility-scale solar capacity addition in 2025. We expect five other states (Indiana, Arizona, Michigan, Florida, and New York) each to account for more than 1 GW of added solar capacity...In 2025, capacity growth from **battery storage** could set a record as we expect 18.2 GW...to be added to the grid. U.S. battery storage already achieved record growth in 2024 when power providers added 10.3 GW of new battery storage capacity. [We] expect 7.7 GW of **wind capacity** to be added to the U.S. grid. Last year, only 5.1 GW was added, the smallest wind capacity addition since 2014. Texas, Wyoming, and Massachusetts will account for almost half of 2025 wind capacity additions. Two large offshore wind plants are expected to come online this year: the 800-megawatt (MW) Vineyard Wind 1 in Massachusetts and the 715-MW Revolution Wind in Rhode Island...Developers plan to build 4.4 GW of new **natural gas-fired capacity** in the United States during 2025...Utah, Louisiana, Nebraska, North Dakota, and Tennessee account for more than 70% of these planned natural gas additions.”