

Q2 2024

The Quarterly Construction Metrics Index



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About the Index

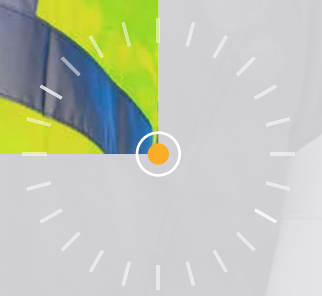
Welcome to the Trimble Quarterly Construction Metrics Index: Q2 2024, which highlights construction project statistics, contract values, hiring and cash flow metrics. All data was pulled from Trimble customer data. All data was inputted during the second quarter of 2024 and has been anonymized and aggregated to protect customer identities.

The stats have been analyzed and compared to data from the second quarter of 2023 to provide a high-level view of overall performance. The index is designed to give industry leaders early insights into the construction business landscape so that they can assess how their companies are tracking against industry averages.



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Audience Demographics

- All data—including for projects, contract values, hiring and cash flow—was aggregated from anonymized, real-time data from roughly 1,000+ Trimble customers.
- The data has been secured and masked to protect customer identities. It was entered into Trimble software management systems—Viewpoint Vista and Viewpoint Spectrum—during the second quarter of 2024 and compared to the second quarter of 2023.
- The data is sourced from Trimble North American clients, who are located in all 50 states and Canada.
- Some data, including contract values, may be slightly delayed since contractors often don't completely enter contract costs until well after a project begins.
- Data is categorized into three verticals, which companies self-identify in Trimble Viewpoint's system of record:



- › **General Contractors:** Includes prime contractors in the commercial, industrial, and custom residential markets who deliver vertical construction projects. They may or may not self-perform work across one or more trades.
- › **Heavy Highway/Civil:** Includes contractors who often serve as prime on horizontal construction projects such as roads and bridges, pipelines, energy, and other utility projects. They often self-perform work even when serving as prime; for example, paving.
- › **Specialty Contractors:** Includes all trade contractors such as electrical, mechanical, concrete, drywall, and landscaping. These firms typically serve as subcontractors on projects; but larger trade contractors, particularly electrical and mechanical, may also take on the role of prime contractor on certain projects.



「Executive Summary」



Executive Summary

The second quarter of 2024 showed promising results across the construction industry, with an increase in project starts (14.5%), contract values (7.8%) and net hiring (1%), along with a decrease in cash flow (15%), which means that contractors spent more money in Q2 2024 than they did in Q2 2023.

The increase in project starts was seen across all three verticals, with general contractors (16%) faring only slightly better than heavy highway and civil contractors (14.5%) and specialty contractors (14%).

The growth in project starts was mirrored by an increase in contract values, which grew industry-wide by 7.8%. Specialty contractors fared slightly better (8.6%) than general contractors (7.9%) and heavy highway/civil contractors (6.4%), though not by much.

On the labor front, industry net hiring continued to show modest gains. This was primarily seen by heavy highway and civil contractors who saw a net gain of 2.2%, while specialty contractors and general contractors saw minor net decreases. Regionally, the Pacific West (5.2%) and Plains region (5%) had the largest net hiring gains, while net hiring was flat in the Midwest and Southeast, and it decreased slightly in the Northeast.

Another positive sign came from the decrease in cash flow (15%) across the industry, meaning contractors spent 15% more money in Q2 2024 than in Q2 2023. This typically indicates that contractors spent more money on things like materials, hiring and other capital investments, which connects back to the increases seen in project starts and contract values.

By sector, general contractors spent 26% more money than in the prior year, while specialty contractors and heavy highway and civil contractors spent 55% and 45% less, respectively, compared to the same time period last year.

Project Trends

- New projects across the industry increased 14.5% compared to Q2 of 2023.
- New projects for general contractors increased 16% compared to Q2 of 2023.
- New projects for heavy highway and civil contractors increased 14.5% compared to Q2 of 2023.
- New projects for specialty contractors increased 14% compared to Q2 of 2023.

Potential Impact

The increase in projects across the industry and for each sector is a positive sign, demonstrating the overall strength of the construction industry. Interestingly, the increase in project starts was consistent across all three groups, showing that each sector seems to be faring about the same.



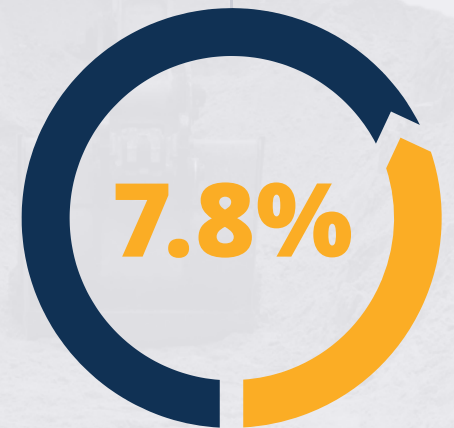
New projects across the industry **increased 14.5%** year-over-year

Contract Value Trends

- Contract values increased 7.8% across the industry compared to Q2 of 2023.
- Contract values for specialty contractors increased 8.6% compared to Q2 of 2023.
- Contract values for general contractors increased 7.9% compared to Q2 of 2023.
- Contract values for heavy highway and civil contractors increased 6.4% compared to Q1 of 2023.

Potential Impact

As project starts increase, contract values tend to follow, which was demonstrated in Q2 as contract values increased alongside project starts; albeit not as quickly. Specialty contractors fared slightly (8.6%) better than general contractors (7.9%) and heavy highway/civil contractors (6.4%).



Contract values across the industry **increased 7.8%** year-over-year

Hiring Trends

- Across the industry, net hiring increased 1% compared to Q2 of 2023.
- Heavy highway and civil contractor net hiring increased 2.2% compared to Q2 of 2023.
- Net hiring for specialty contractors decreased 2.6% compared to Q2 of 2023.
- Net hiring for general contractors decreased 1.6% compared to Q2 of 2023.

- Regionally:
 - › Pacific West net hiring increased 5.2% compared to Q2 of 2023.
 - › Plains region net hiring increased 5% compared to Q2 of 2023.
 - › Midwest net hiring was flat compared to Q2 of 2023.
 - › Southeast region net hiring was flat compared to Q2 of 2023.
 - › Northeast net hiring decreased 1.4% compared to Q2 of 2023.

Potential Impact

Industry-wide net hiring continues to show modest gains year-over-year, which is a benefit given the continued struggle to find qualified labor. This was primarily seen by heavy highway and civil contractors, who saw a net gain of 2.2%, while specialty contractors and general contractors saw minor net hiring decreases.

Regionally, the Pacific West and Plains region had the largest net hiring gains, while net hiring was flat in the Midwest and Southeast, and it decreased slightly in the Northeast.



Cash Flow Trends

- Cash flow across the industry decreased 15% compared to Q2 of 2023.
- Cash flow for general contractors decreased 26% compared to Q2 of 2023.
- Cash flow for specialty contractors increased 55% compared to Q2 of 2023.
- Cash flow for heavy highway/civil contractors increased 45% compared to Q2 of 2023.

Potential Impact

A decrease in cash flow means that contractors are spending money, which is generally seen as a positive sign, whereas an increase in cash flow typically indicates that contractors are holding onto cash due to trepidations about economic conditions and are not spending (or building) as much as anticipated.

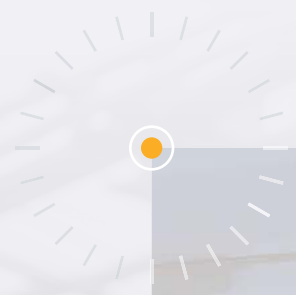
By sector, general contractors spent significantly (26%) more than in Q2 of 2023. In contrast, other construction verticals spent less and held onto more cash than the prior year, with specialty contractors increasing cash flow by 55% and heavy highway and civil contractors increasing cash flow by 45%.



Cash flow across the industry **decreased 15%** year-over-year



「Key Takeaways by Vertical」



Key Takeaways by Vertical

General Contractors

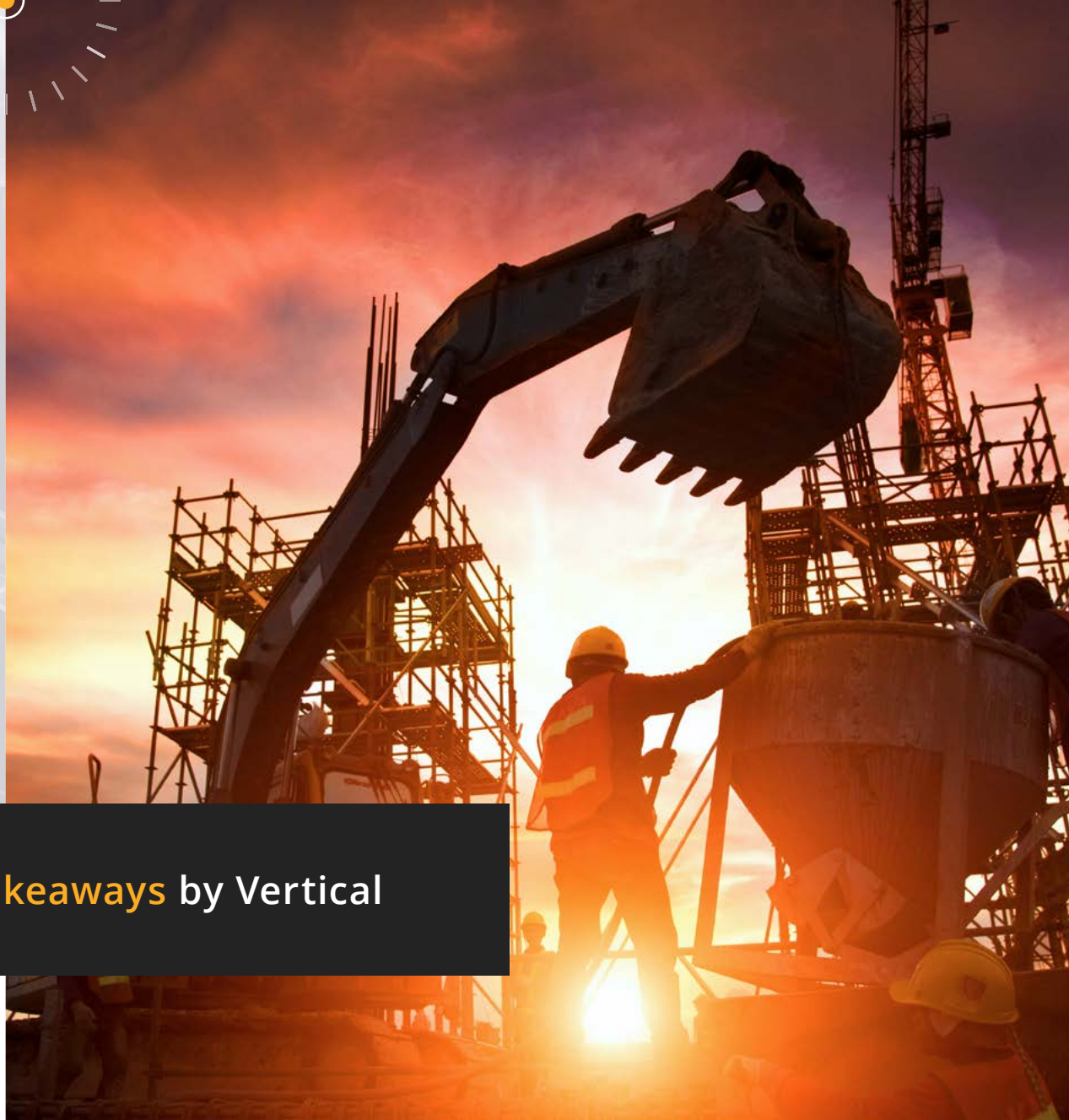
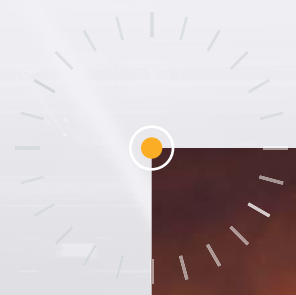
- New projects increased 16% as compared to Q2 2023
- Contract values increased 7.9% as compared to Q2 2023
- Hiring decreased 1.6% as compared to Q2 2023
- Cash flow decreased 26%, meaning they spent 26% more than they did in Q2 2023



Key Takeaways by Vertical

Specialty Contractors

- New projects increased 14% as compared to Q2 2023
- Contract values increased 8.6% as compared to Q2 2023
- Hiring decreased 2.6% as compared to Q2 2023
- Cash flow increased 55%, which means they held onto 55% more cash as compared to Q2 2023



Key Takeaways by Vertical

Heavy Highway and Civil Contractors

- New projects increased 14.5% as compared to Q2 2023
- Contract values increased 6.4% as compared to Q2 2023
- Hiring increased 2.2% as compared to Q2 2023
- Cash flow increased 45%, which means they held onto 45% more cash as compared to Q2 2023

Additional Resources

Trimble is here to help you run your business, manage through change, and get the most from your software investments. Here are a few more resources to help keep a finger on the pulse of the construction industry.

[Connected Construction Virtual Tour](#)—Step into a world of connected construction! Experience a self-guided virtual tour of a real connected construction site, from the office to the field.

[Related Content on Construction Industry Trends](#)—Our blog is always covering the most recent industry news, issues and hot topics. Subscribe to receive weekly updates.

[Trimble Trade Service's Copper Pricing](#)—Check the daily price of copper, a leading indicator of materials prices, on Trade Service.

[Construction Accounting Videos](#)—Surety bonds, certified payroll, progress billing, allocations ... dive deep with us on all things construction accounting!



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For more information, visit: construction.trimble.com

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