



# Quarterly Construction Metrics Index

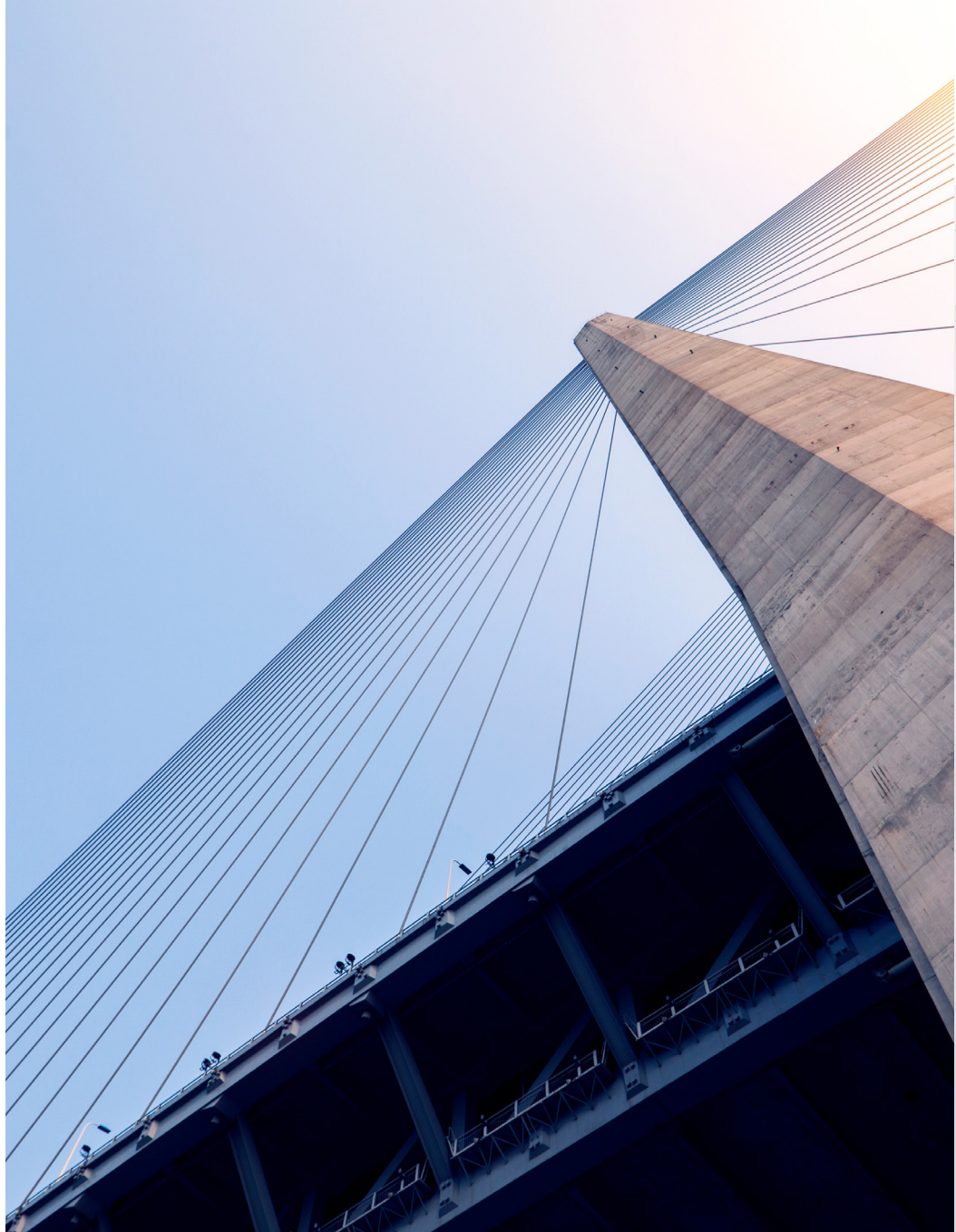
Q2 - 2023





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# About the Index

Welcome to the *Trimble Viewpoint Quarterly Construction Metrics Index: Q2 2023*, which highlights construction project statistics, contract values, hiring metrics, and cash flows metrics.

Additionally, look for a new statistic—copper prices—which is pulled from Trimble’s Construction Supply Chain group, which provides materials databases to help contractors find the best prices based on real-time product data. The price of copper may be considered a bellwether of materials costs in general; read on for more details.

The Construction Metrics Index is pulled from Trimble Viewpoint customer data and Trimble Construction Supply Chain data, inputted during the second quarter of 2023. It has been anonymized and aggregated to protect customer identities.

The stats have been analyzed and compared to data from the second quarter of 2022 for 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 own companies are tracking against industry averages.



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# Audience Demographics

- Data for copper pricing comes from Trimble's Construction Supply Chain group.
- All other data—including for project, contract values, hiring and cash flow—is aggregated from anonymized, real-time data from about 1,000 Trimble Viewpoint customers.
- The data has been secured and masked to protect customer identities. It was entered into Trimble Viewpoint's software management systems during the second quarter of 2023 and compared to the second quarter of 2022.
- The data is sourced from Trimble Viewpoint's 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

Statistics from the second quarter (April 1 through June 30) of 2023 followed a similar path of the past nine quarters, which all saw declines in project starts and contract values. Additionally, this past quarter also saw flat hiring rates and an increase in cash flow, indicating that contractors are holding onto cash. Put together, it could indicate that contractors are even less confident in the current business environment than they have been previously.

This lack of confidence in Q2 2023 starts from the number of new projects in the pipeline, which declined 35% across all verticals as compared to the second quarter of 2022. This was most pronounced with heavy highway and civil contractors, who saw a 60% decline in new projects, followed by general contractors (44% decline), and specialty contractors (20% decline).

Contract values followed a similar trajectory, decreasing 48% across the industry. Once again, heavy highway and civil contractors saw the largest decline (60%), followed by specialty contractors (45%) and general contractors (20%).

Unlike previous quarters, which saw modest gains in hiring—last quarter hiring was relatively flat, with small decreases across all three verticals and most regions. However, this isn't too surprising given the decreases seen in new projects and contract values; there may not be enough work to warrant hiring more people.

In a similar vein, most verticals continue to hold onto cash, which demonstrates that they're not confident in the current business environment, particularly general contractors. However, a decrease in cash flow for heavy highway and civil contractors was surprising, perhaps indicating that some of them are finally starting to receive more money from the Infrastructure Investment and Jobs Act to spend on large infrastructure projects.

New to the Q2 2023 Quarterly Construction Metrics Index is copper pricing. Copper is widely used across the mechanical, electrical, and plumbing industries and is a good bellwether for the cost for many products—particularly wire in the electrical industry, and copper pipe and fittings in plumbing. The consistency of copper pricing can be a good measure for the predictability of materials costs for a construction project based on the time of purchase.

More insights can be found in the *Q2 2023 Quarterly Construction Metric Index*, which represents data from the second quarter of 2023, compared to the prior year.

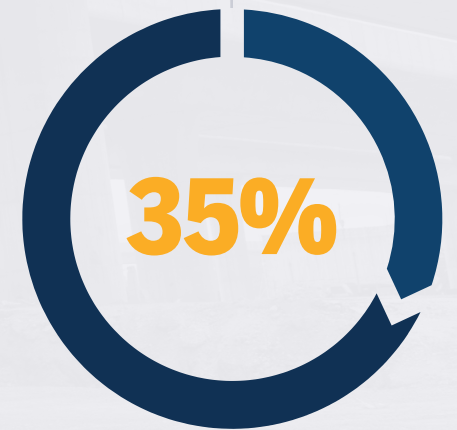


# Project Trends

- New projects starts across the industry decreased 35% compared to Q2 of 2022.
- New projects for heavy highway and civil contractors decreased 60% compared to Q2 of 2022.
- New projects for general contractors decreased 44% compared to Q2 of 2022.
- New projects for specialty contractors decreased 20% compared to Q2 of 2022.

## Potential Impact

New project starts continued to decline last quarter, with 35% less projects as compared to the second quarter of 2022. Heavy highway and civil contractors fared the worst, but general contractors also saw fairly steep declines as well. Specialty contractors have continued to fare a little better given the flexible nature of their business, which tends to include routine service and maintenance visits.



New projects across the industry **decreased 35%** year-over-year

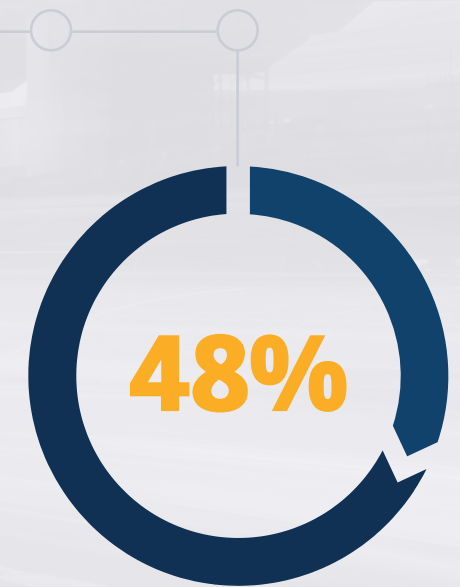
# Contract Value Trends

- Across the construction industry, contract values decreased 48% compared to Q2 of 2022.
- Heavy highway and civil contractors' contract values decreased 60% compared to Q2 of 2022.
- Specialty contractors' contract values decreased 45% compared to Q2 of 2022.
- General contractors' contract values decreased 20% compared to Q2 of 2022.

## Potential Impact

Contract values also saw substantial declines last quarter, which is typical when declines are seen with project starts since they are largely dependent on one another. Heavy highway and civil contractors saw the most pronounced declines, which was followed by specialty contractors and general contractors.

The fact that specialty contractors experienced a steeper decline in contract values could back up the theory that they are relying more on service vs. project work, which is more consistent but typically lower in value.



Contract values across the industry **decreased 48%** year-over-year



# Hiring Trends

- Across the construction industry, net hiring was flat compared to Q2 of 2022.
- Hiring for general contractors decreased 4.3% compared to Q2 of 2022.
- Hiring for heavy highway and civil contractors decreased 3.2% compared to Q2 of 2022.
- Hiring for specialty contractors decreased 1.8% compared to Q2 of 2022.

- Regionally:
  - › Southeast hiring increased 3% compared to Q2 of 2022.
  - › Midwest hiring increased 1.5% compared to Q2 of 2022.
  - › Pacific West decreased 1.5% compared to Q2 of 2022.
  - › Northeast hiring decreased 2.6% compared to Q2 of 2022.
  - › Plains hiring decreased 6.5% compared to Q2 of 2022.

## Potential Impact

For the past several quarters, hiring has been flat or slightly increasing so it's a bit disappointing to see hiring decreasing across all verticals and within many of the regions, particularly the Plains, which saw the biggest decline.

At the same time, a decrease in hiring shouldn't be too surprising given the steep declines seen in new projects and contract values, which could indicate that there simply isn't enough work to warrant an increase in hiring.



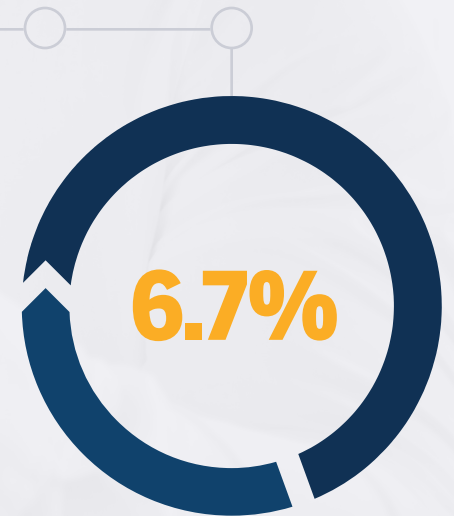
# Cash Flow Trends

- Cash flow across the industry increased 6.7% compared to Q2 of 2022.
- Cash flow for general contractors increased 14% compared to Q2 of 2022.
- Cash flow for specialty contractors increased 4.5% compared to Q2 of 2022.
- Cash flow for heavy highway and civil contractors decreased 9% compared to Q2 of 2022.

## Potential Impact

An increase in cash flow means that contractors are not spending money, which correlates with the fact that projects and contract values were also down this quarter. General contractors and specialty contractors held on to the most cash, while heavy highway and civil contractors spent more cash as compared to the same time period last year.

These stats mirror the earlier trends that show that most verticals are experiencing harder business environments, particularly general contractors. However, a decrease in cash flow for heavy highway and civil contractors is surprising, perhaps indicating that some of them are finally starting to receive more money from the Infrastructure Investment and Jobs Act to spend on large infrastructure projects.



Cash flow across the industry **increased 6.7%** year-over-year



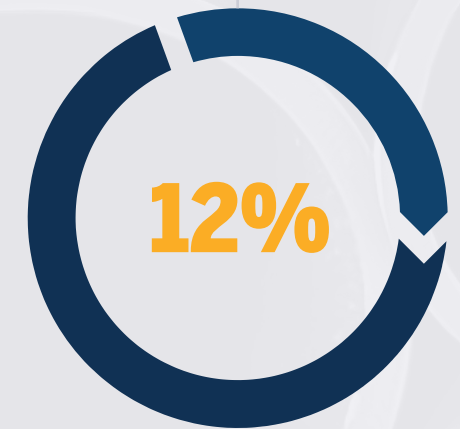
# Copper Pricing Trends

- The copper spot price per pound has been trending downward over the last 15 months. The price in Q2 2023 decreased 12% as compared to Q2 of 2022.
- The average copper spot price in Q2 2023 was \$3.83 and most days of the month fluctuated by no more than \$0.14 above or below the average price throughout the quarter. In Q2 2022, prices fluctuated more significantly, by \$0.19 vs \$0.14.
- The copper spot low and high prices were \$3.55 and \$4.12 respectively in Q2 2023. This contrasts to \$3.71 and \$4.80 in Q2 2022.

## Potential Impact

Copper prices increased significantly in 2021 (from \$3.55 at the beginning of 2021 to \$4.46 at the end of the year); and then dropped significantly in the second half of 2022 (\$4.47 to \$3.18). Now, in 2023, we are finally seeing copper prices stabilize.

The downward trend in Q2 2023 may be the continuation of a price correction due to post-COVID supply chain stabilization, as well as a decrease in demand for copper. This is evident from project starts—which are down 35% compared to Q2 of 2022—as well as hiring, which was flat in Q2.



The copper spot price per pound **decreased 12%** year-over-year



# 「Key Takeaways by Vertical」



# General Contractors

- New projects decreased 44% compared to Q2 of 2022
- Contract values decreased 20% compared to Q2 of 2022
- Hiring decreased 4.3% compared to Q2 of 2022
- Cash flow increased 14% compared to Q2 of 2022.

**Key Takeaways** by Vertical

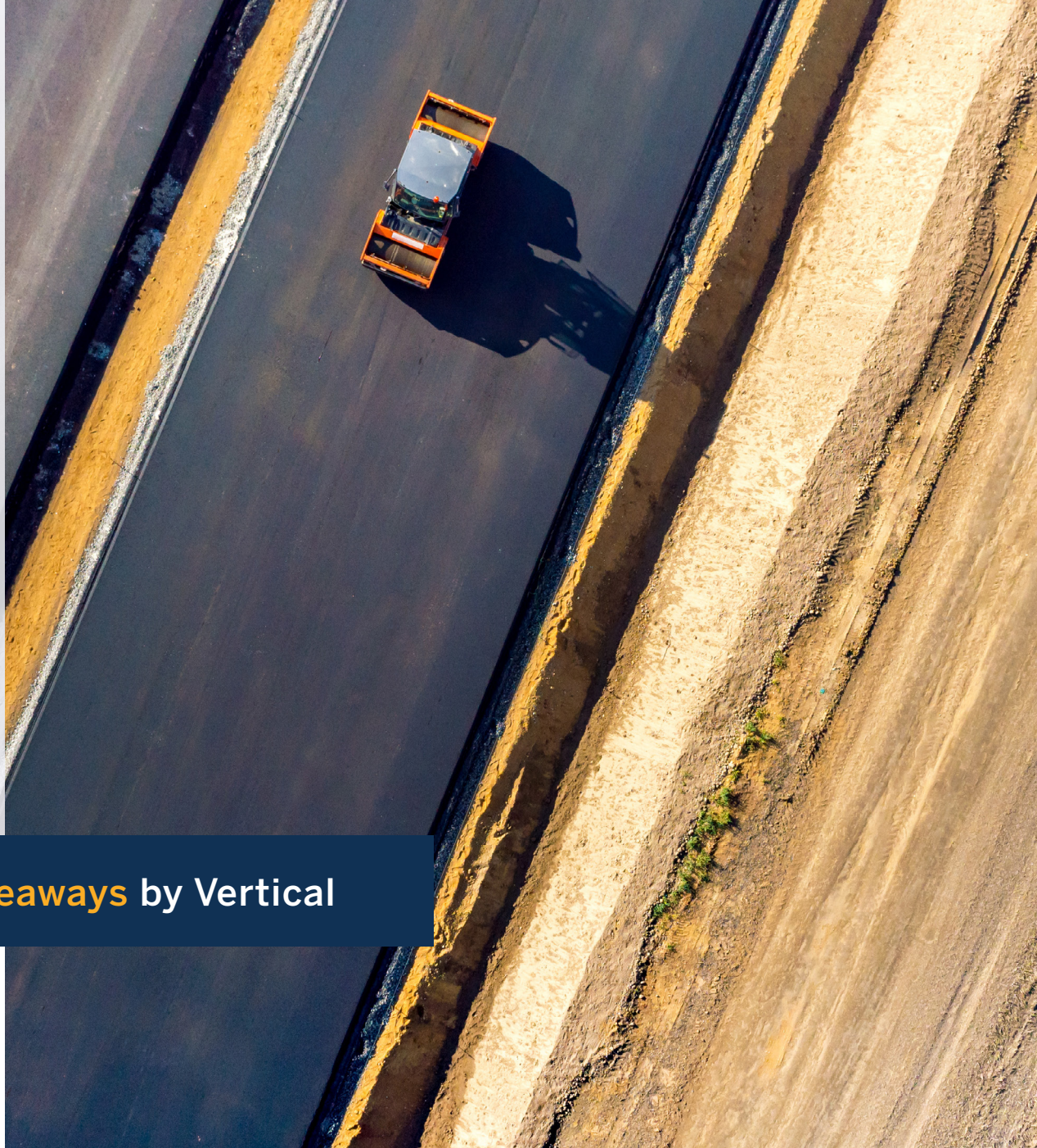


## Key Takeaways by Vertical

# Specialty Contractors

- New projects decreased 20% compared to Q2 of 2022
- Contract values decreased 45% compared to Q2 of 2022
- Hiring decreased 1.8% compared to Q2 of 2022
- Cash flow increased 4.5% compared to Q2 of 2022





## Key Takeaways by Vertical

# Heavy Highway and Civil Contractors

- New projects decreased 60% compared to Q2 of 2022
- Contract values decreased 60% compared to Q2 of 2022
- Hiring decreased 3.2% compared to Q2 of 2022
- Cash flow decreased 9% compared to Q2 of 2022



# Additional Resources

[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 Infrastructure Resource Center](#) — Keep up with the latest on the future of infrastructure in America and what the Bipartisan Infrastructure Law means for contractors' business and technology needs.







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Trimble Viewpoint, a Trimble division, is a leading global provider of integrated software solutions for the construction industry. Trimble Viewpoint software enables customers to integrate operations across the office, team and field to improve project profitability, enhance productivity, manage risk and effectively collaborate across the broad construction ecosystem. With nearly 8,000 clients, including more than 40 percent of the ENR 400, Trimble Viewpoint's innovations are transforming the construction industry by fully integrating operations across financial and HR systems, project management tools and mobile field solutions.

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