

For immediate release:

US Construction remains positive but skills and labor shortages need to be tackled

RICS / AAACE Commercial Property Monitor, Q3 2024 – United States

- **Infrastructure remains the strongest area of activity in US construction**
- **Credit conditions believed to be improving**
- **Skills shortages hampering projects**
- **Investment uncertainty due to coming Presidential Election and geopolitical instability in this quarter**

The Royal Institution of Chartered Surveyors (RICS) and American Association of Cost Engineering (AAACE) USA Construction Monitor for Q3 2024 found that construction sentiment remained positive at +19% (net balance), while workloads were firmly positive throughout each sector, and in particular infrastructure (+34%).

Sentiment towards credit conditions saw clear improvements looking ahead at the three month and twelve-month marks - +22% and +36%, respectively. This is likely due to perceptions that the Federal Reserve is increasingly willing to cut interest rates over the next few months. However, many respondents from across the country noted the uncertainty surrounding the upcoming US Presidential Election, as well as geopolitical instability negatively impacting investment decisions with a “wait and see” approach taken in this quarter before the election.

Skills shortages continue to stifle projects, with a particularly acute shortage of skilled tradespeople noted. Alongside this, quantity surveyors, site managers, and even unskilled labor continues to be identified with shortages. Indeed, both skills and general labor shortages are viewed as two critical elements causing project delays.

This quarter, the Monitor asked respondents about recruitment outside the country, given the shortages faced domestically. Just under half of respondents said that they witnessed increases in global recruitment, whilst only 30% said they were aware of government measures to enable more international professionals to fill skills gaps.

Overall, the US construction sector remains on a growth path, and post-election, should be afforded greater certainty among investors. Endemic skills and labor shortages are the top issues that the next US Government must confront, should the sector retain its positive momentum.

AAACE President, Scott A. Galbraith, PE CFCC, said: “As we move through the fourth quarter, the outlook for the construction industry remains cautiously optimistic based on the Q3 Construction Monitor findings. Credit conditions are expected to improve, providing much-needed support for projects across sectors. Infrastructure continues to drive safety and sustainability, underscoring its critical role in shaping a resilient future. The positive expectations across the industry reflect the commitment of

professionals in our field to adapt and innovate, ensuring continued progress and growth despite the challenges ahead."

About RICS

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure.

Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

About AACE

Established in 1956, AACE International is the Association for the Advancement of Cost Engineering. Together with the AACE International Certification Institute, it serves over 10,000 members and certificants in 100 countries. Cost Engineering is a field of study using integrated means and methods to enable sound decision-making in enterprise asset management. AACE's Body of Knowledge is developed, refined, and deployed by industry professionals worldwide.

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