

COVID-19 AND CONSTRUCTION

Current overview, outlook and the long-run implications

THURSDAY, APRIL 2, 2020



OUR MODERATOR



PAUL HART

Product Manager at ConstructConnect

- Collaborates with customers and colleagues to deliver world class software solutions to the construction industry
- He holds a B.A. in English from the University of Georgia and Master Recording Certificate from the Conservatory of Recording Arts & Sciences
- Prior to joining ConstructConnect, Paul served as Chief Audio Engineer at SonyTree Studios Nashville

BEFORE WE GET STARTED

- Interact with the presenters anytime—ask questions!
- Type questions in the “ask a question” area, click submit
- Slides will advance automatically throughout the event.
- Having trouble? Click “help” below the media player
- You will get a link to the On Demand version in 24 hours.
- Join the conversation on Twitter at [@ConstructConnx](#) and [@AGCofA](#)
- Visit our Delayed Project Reports to stay on top of the most recent project delays, postponements, and cancellations.

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LEARNING OBJECTIVES

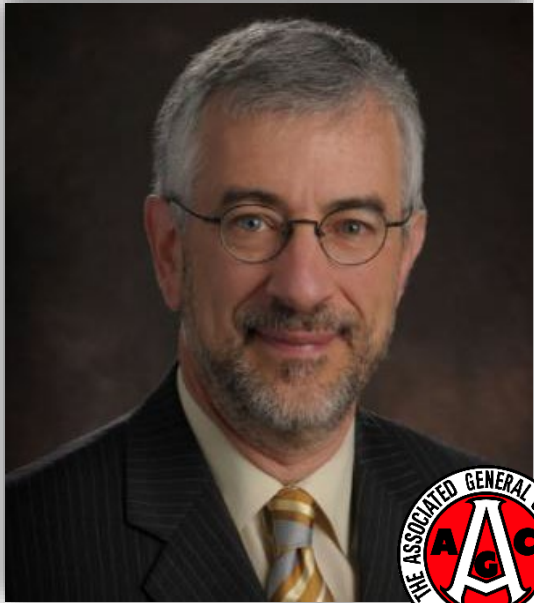
- Hear views on economic impact on construction projects, labor, companies, and the supply chain due to COVID-19
- Assess construction costs, focusing on potential labor implications and on material cost pressures that may arise from the current economic situation
- Gain insight into construction risks and opportunities based on forecasts for all segments of U.S. construction activity
- Determine, based on economists' discussions, industry sectors anticipating economic growth, as well as sectors anticipating decline



OUR SPEAKER

KEN SIMONSON

Chief Economist with AGC of America



- AGC Chief Economist since 2001; 2012-2013 President, National Association for Business Economics
- Writes *The Data DIGest* weekly construction economics bulletin with 50,000 subscribers
- BA in economics from the University of Chicago and MA in economics from Northwestern University

AGC Coronavirus Survey Summary

conducted March 23-26; 1640 responses

- State/local official or agency ordered **halt to work**: 18%
- Owner ordered **halt to current work**: 39%
- Have you experienced **project delays or disruptions** (total: 45%) due to:
 - **shortage of materials**, equipment or parts: 23%
 - **shortage of craftworkers** (incl. subs): 18%
 - **shortage of gov. workers** (for approvals, inspections, etc.): 16%
 - info that an infected individual has **potentially infected a jobsite**: 13%
- Have suppliers sent notice that **deliveries will be late or cancelled**: 35%

Source: Author

Likely short-term economic impacts on construction

- Disruptions to current work due to missing deliveries, workers, government approvals/inspections/etc.
 - Reduced/missed payments by financially distressed owners
 - Owners deferring/cancelling scheduled projects
 - Difficulty obtaining firm commitments for deliveries, workers, approvals for upcoming projects
-
- + Selected new projects to respond to crisis (healthcare, mfg., lodging)
 - + Substantial price reductions for fuel, other commodities

Source: Author

Likely long-term economic impacts on construction

- Slower rebound than for other sectors as owners, consumers await certainty and repair of balance sheets
 - Cutbacks in public budgets other than virus aftermath/preparedness work
 - Reduction in number of construction firms due to reduced work, cash flow
 - Possibly less demand than pre-crisis for offices, lodging, large sports and entertainment facilities
- + Slow rebound in many commodity prices

Source: Author

OUR SPEAKER

TODD CIGANEK

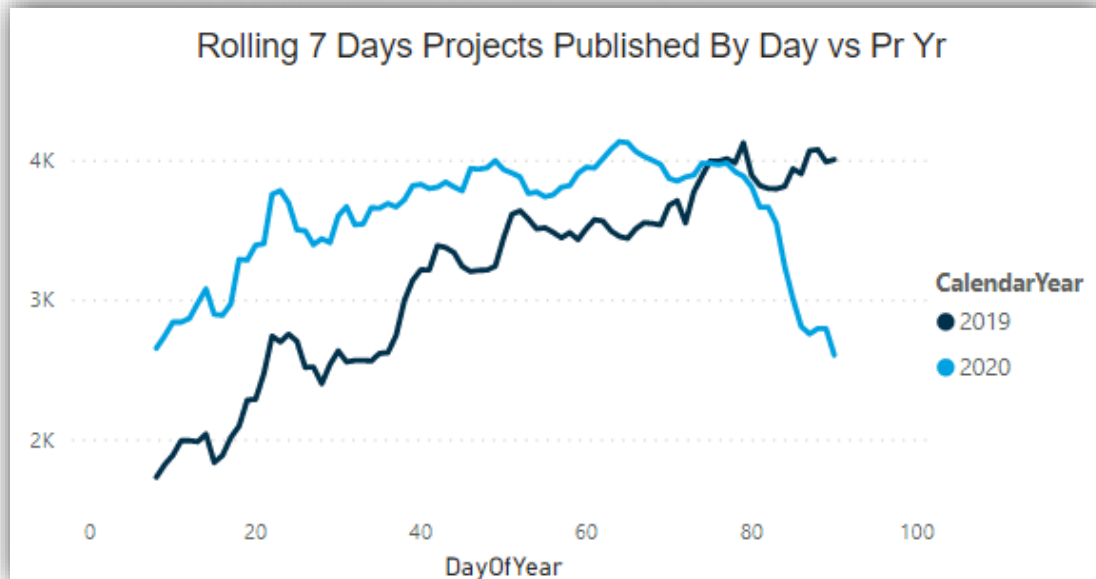
Executive VP, Information and Data Ops at ConstructConnect



- Todd Ciganek is responsible for the management of all editorial content operations for the U.S.-based and offshore research teams
- He joined the company in 2011 and brought with him more than 25 years of experience in operations management, strategic planning, and editorial content acquisition/development
- Todd is focused on optimizing ConstructConnect's data collection strategy and ensuring that our customers receive the best quality and most accurate construction project information available

ConstructConnect's **FIRST APPEARANCE** Statistics

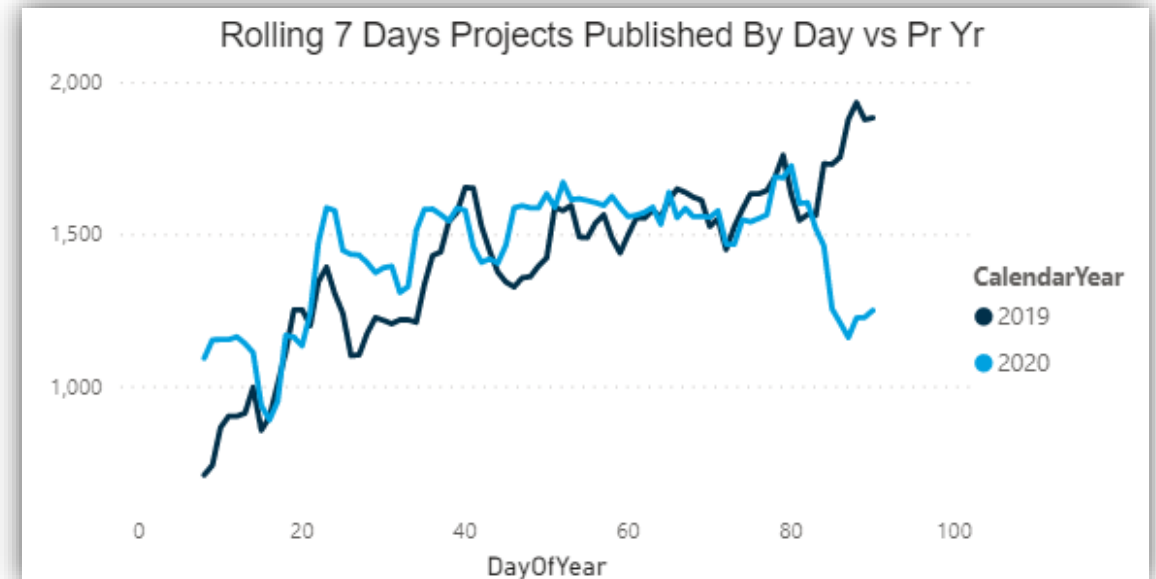
U.S. Buildings



Latest 7 days vs prior 7 days = -27%

Based on number of projects

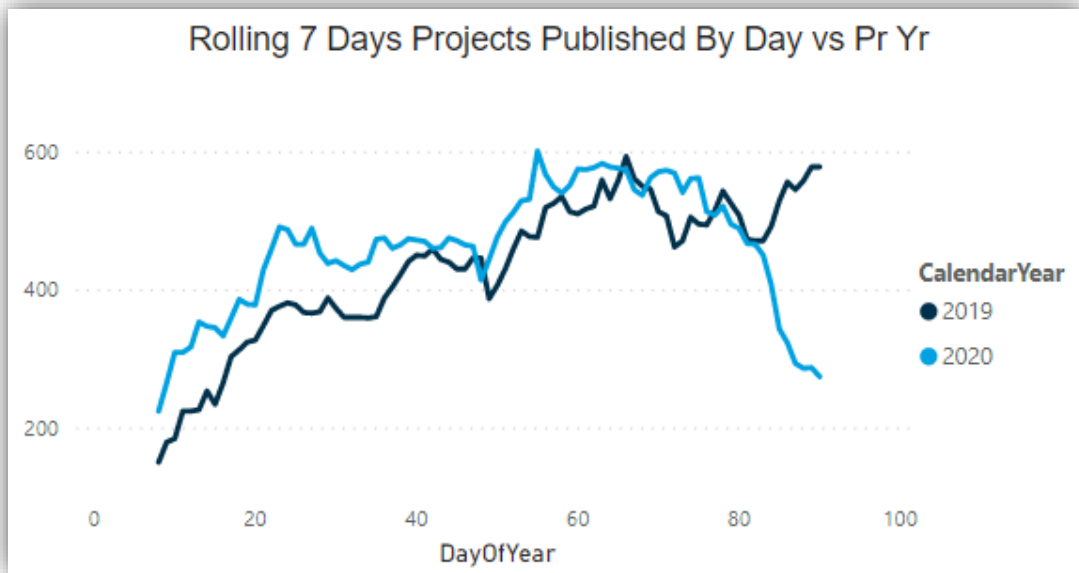
U.S. Civil



Latest 7 days vs prior 7 days = -18%

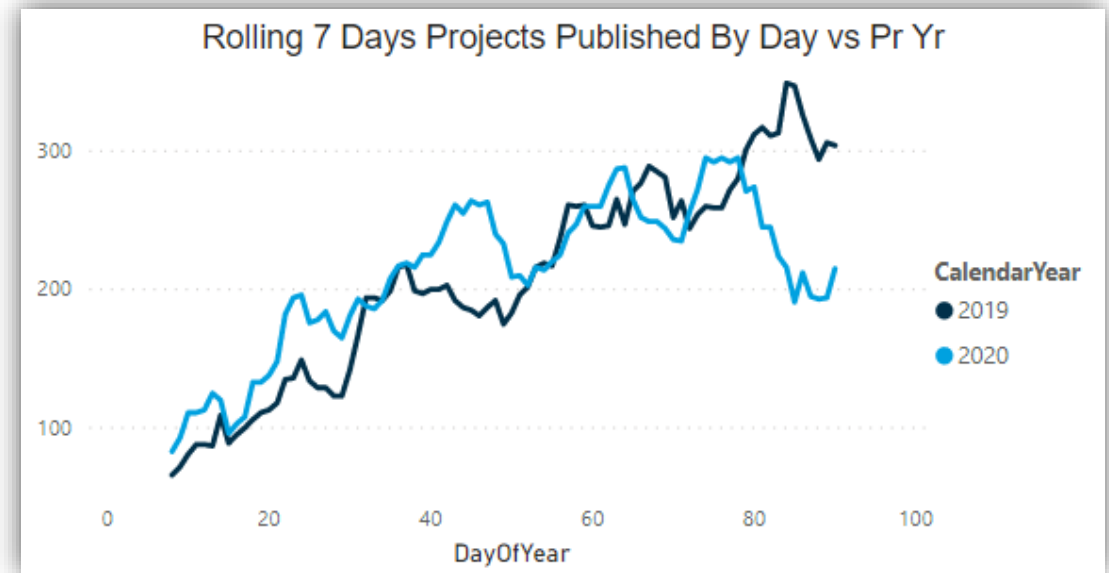
ConstructConnect's **FIRST APPEARANCE** Statistics

Canada Buildings



Latest 7 days vs prior 7 days = **-39%**

Canada Civil



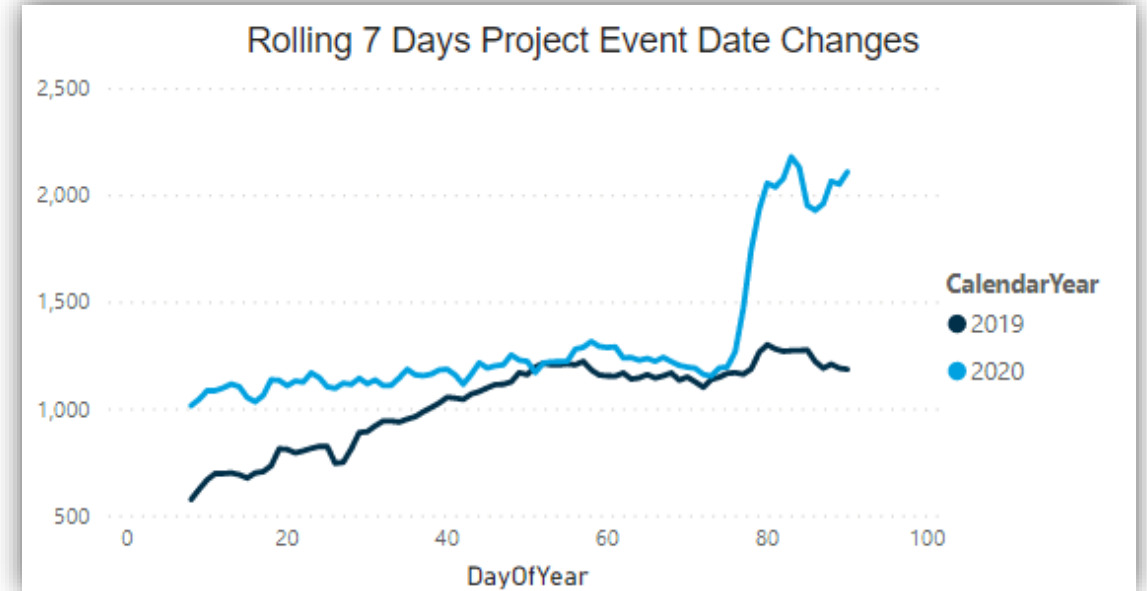
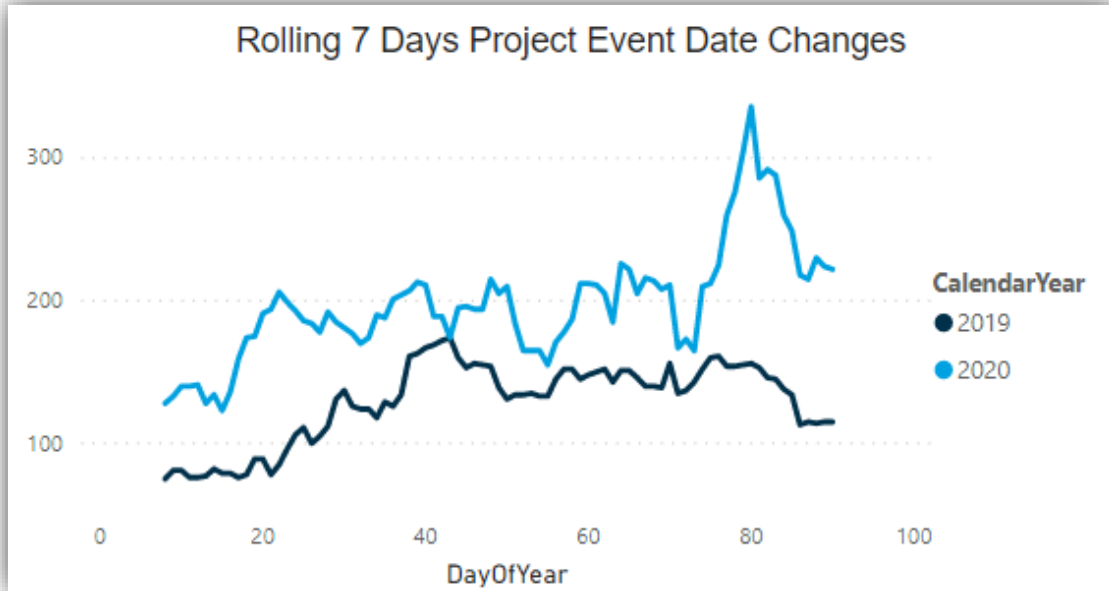
Latest 7 days vs prior 7 days = **-4%**

Based on number of projects

ConstructConnect's **CHANGED STATUS** Statistics

U.S. Pre-Bid Meeting Date

U.S. Bid Date



Latest 7 days vs same 7 days a year ago = +93%

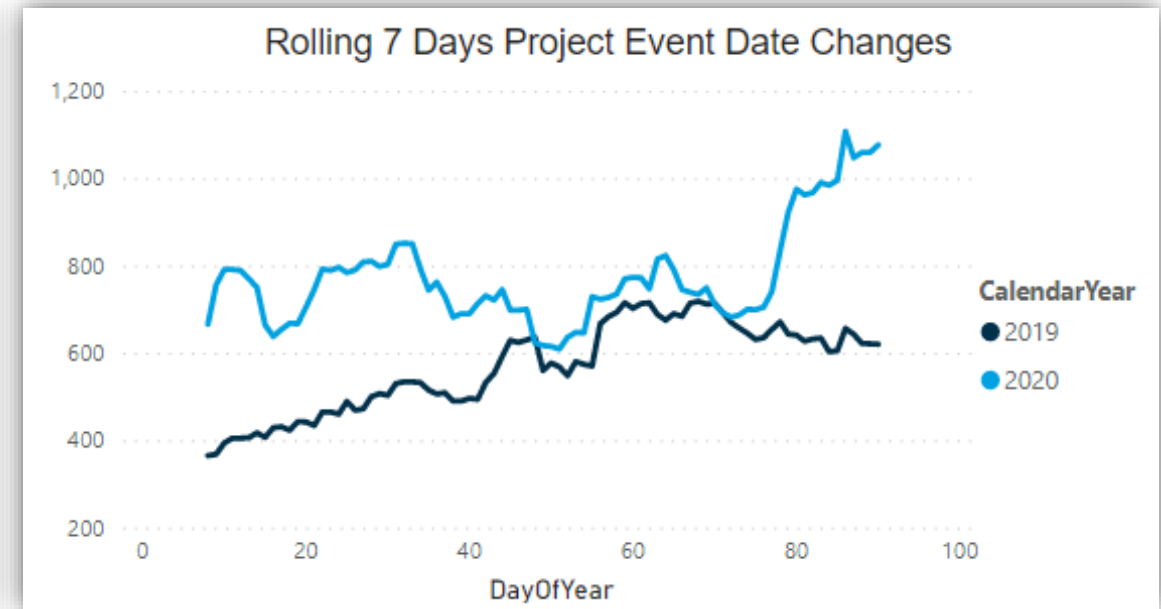
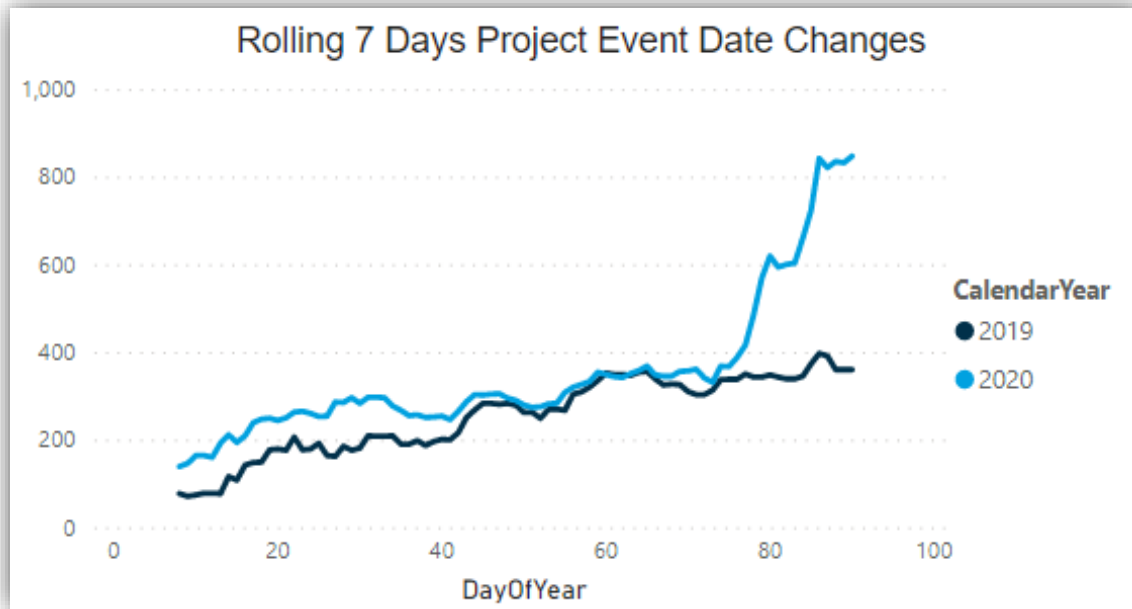
Latest 7 days vs same 7 days a year ago = +89%

Based on number of projects

ConstructConnect's **CHANGED STATUS** Statistics

Canada Bid Date

Canada Start Date



Latest 7 days vs same 7 days a year ago = +135%

Latest 7 days vs same 7 days a year ago = +73%

Based on number of projects

ConstructConnect's Pre-Bid information

318 Projects with Mandatory Pre-Bid Meetings March 18th to 20th

- 290 of those projects updated (91.2%)
- 183 Held Meeting as scheduled (63.1%)
- 41 meeting dates were extended (14.1%)
- 48 meetings were cancelled (16.5%)

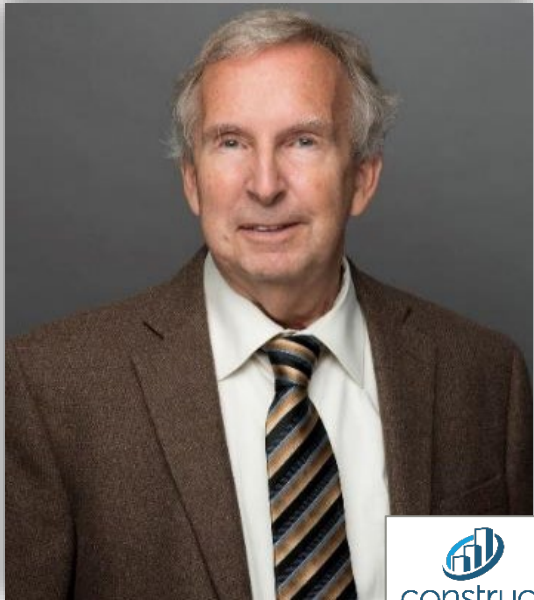
Bid Dates were also checked on those 290 projects

- 232 of the bid dates remained the same (80%)
- 30 extended bid dates (10.3%)
- 28 of the bids were cancelled (9.7%)

OUR SPEAKER

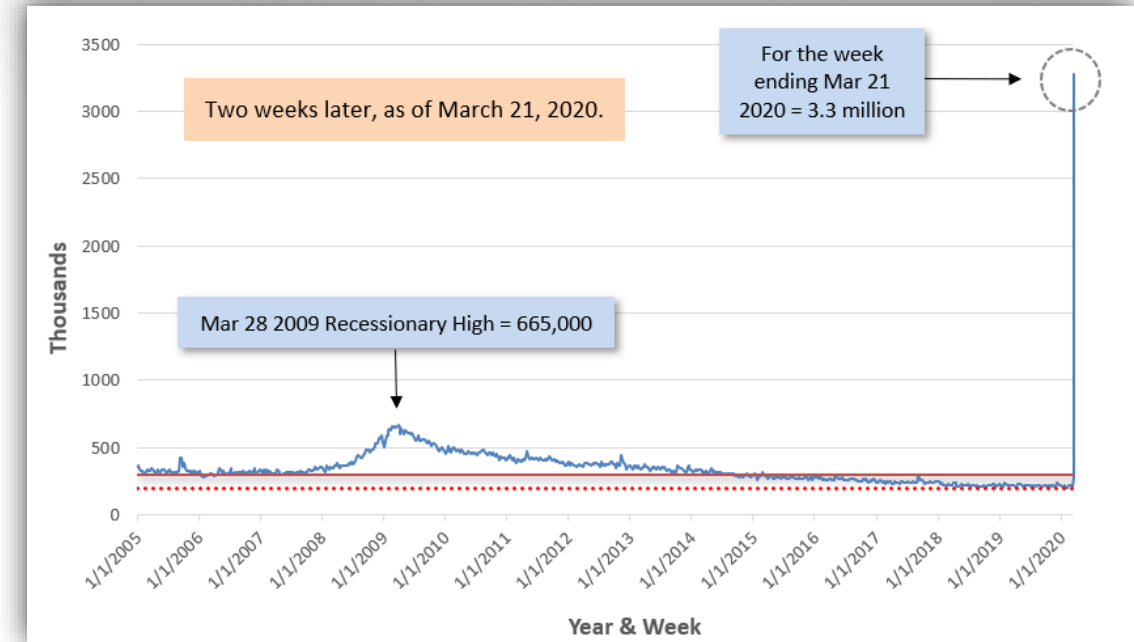
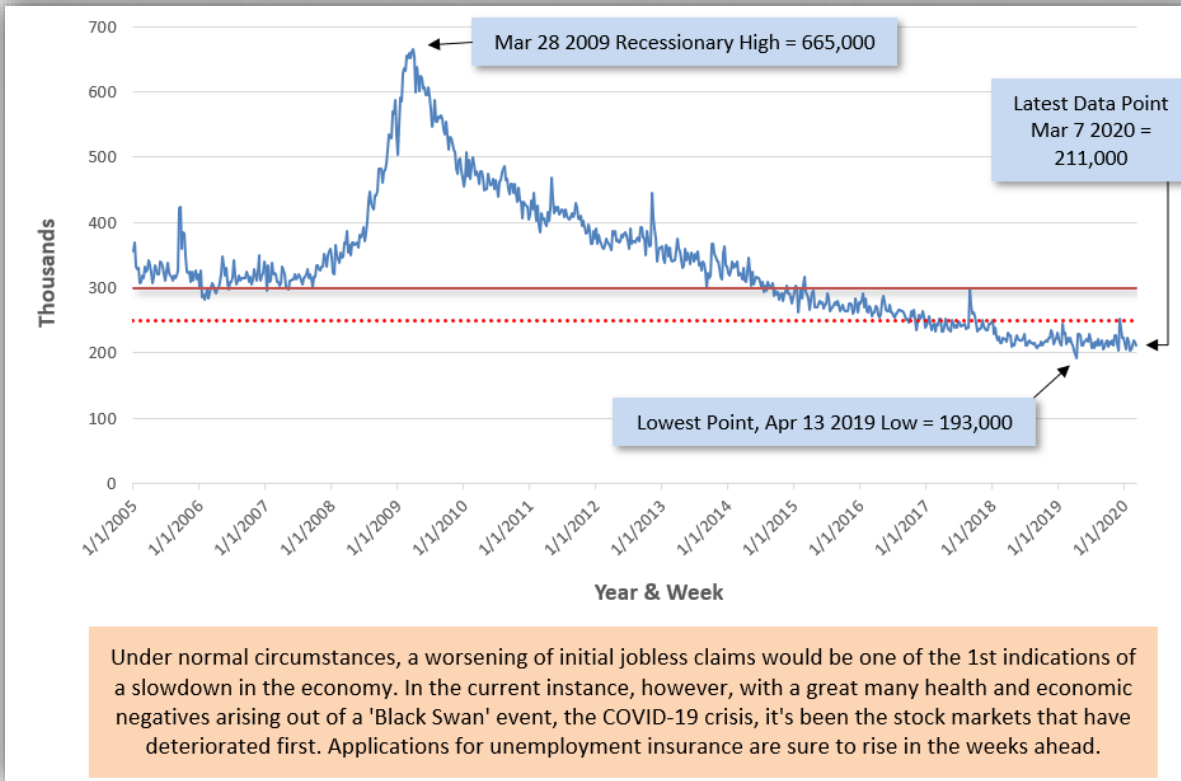
ALEX CARRICK

Chief Economist at ConstructConnect



- North American Chief Economist since 1985 for ConstructConnect and CanaData
- Online analyses are a popular feature of the Daily Commercial News and Journal of Commerce
- BA in Economics from the University of Western Ontario and an MA in Economics from the University of Toronto

U.S. Initial Jobless Claims Weekly



Articles:

[The Economy under COVID-19: Notes from the Trenches](#)

[14 Sure Bets & Other Thoughts Concerning Our Unfolding World](#)

Data sources: Federal Reserve & Bank of Canada / Chart: ConstructConnect-CanaData

Stock Exchanges - Performance of Key Indices -

March 31, 2020

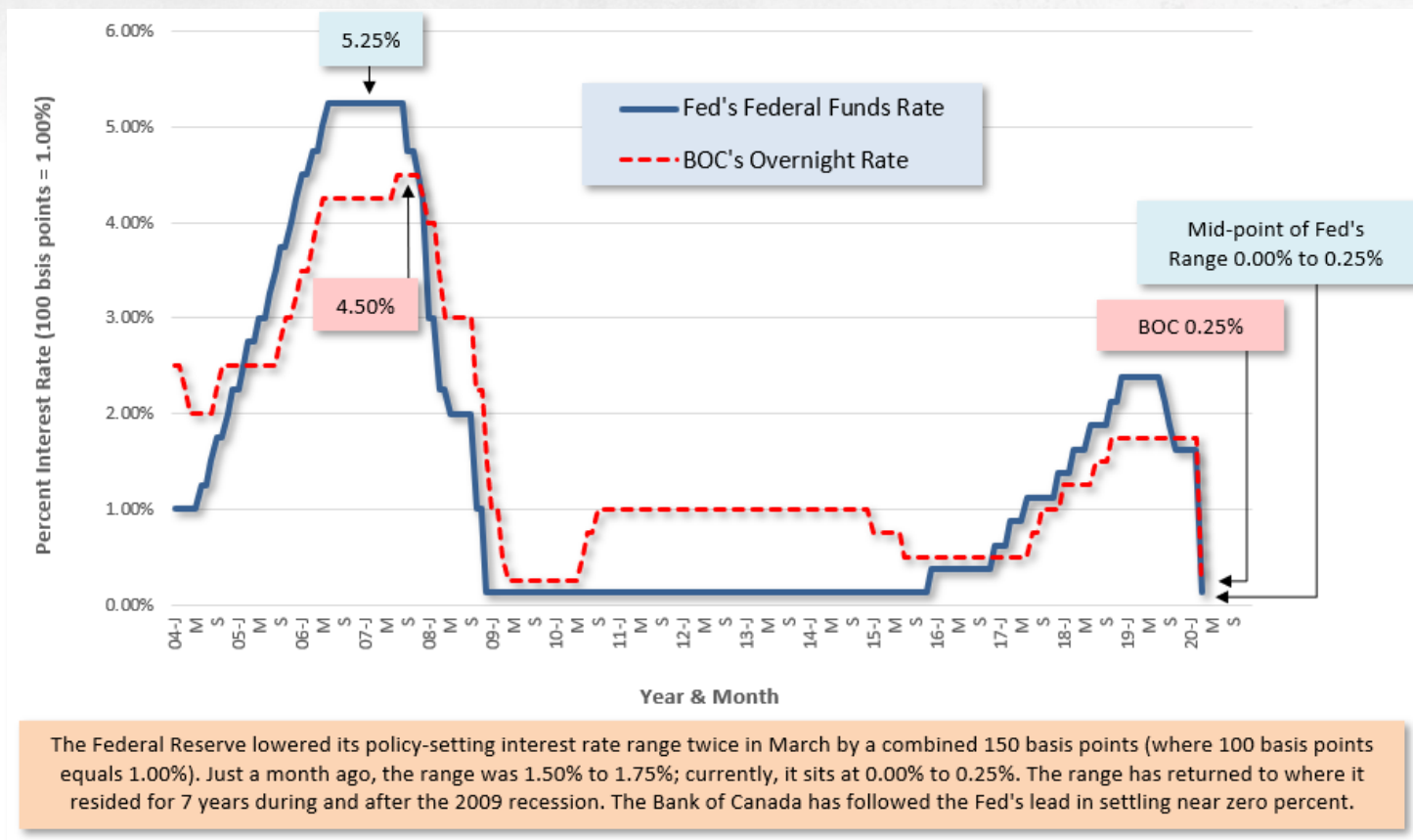
INDEX	52-week low	52-week high	Year ago Mar 29, 2019)	Month ago (Feb 28, 2020)	Latest month-end closing prices (Mar 31, 2020)	Per cent change, latest versus:			
						52-week low	52-week high	Year ago	Month ago
Dow Jones Industrials NYSE (^dji)	Mar 23 20 18,214	Jan 17 20 29,374	25,929	25,409	21,917	20.3%	-25.4%	-15.5%	-13.7%
S & P 500 NYSE (^gspc)	Mar 23 20 2,192	Jan 22 20 3,338	2,834	2,954	2,585	17.9%	-22.6%	-8.8%	-12.5%
NASDAQ (^ixic)	Mar 23 20 6,631	Jan 24 20 9,451	7,729	8,567	7,700	16.1%	-18.5%	-0.4%	-10.1%
S&P/TSX Composite TSX (^gsptse)	Mar 20 20 11,809	Jan 22 20 17,667	16,102	16,263	13,379	13.3%	-24.3%	-16.9%	-17.7%

NASDAQ has (barely) climbed out of 'bear' territory. The other 3 indices are down by about a quarter from their highs. Even after a steep slide, NASDAQ is even with last year.

Data sources: New York Stock Exchange (NYSE), Standard and Poor's (S & P), National Association of Security Dealers Automated Quotations (NASDAQ), Toronto Stock Exchange (TSE) and Reuters Table: ConstructConnect-CanaData

Central Bank Key Policy-Setting Interest Rates

Federal Reserve's Federal Funds Rate & Bank of Canada's Overnight Rate



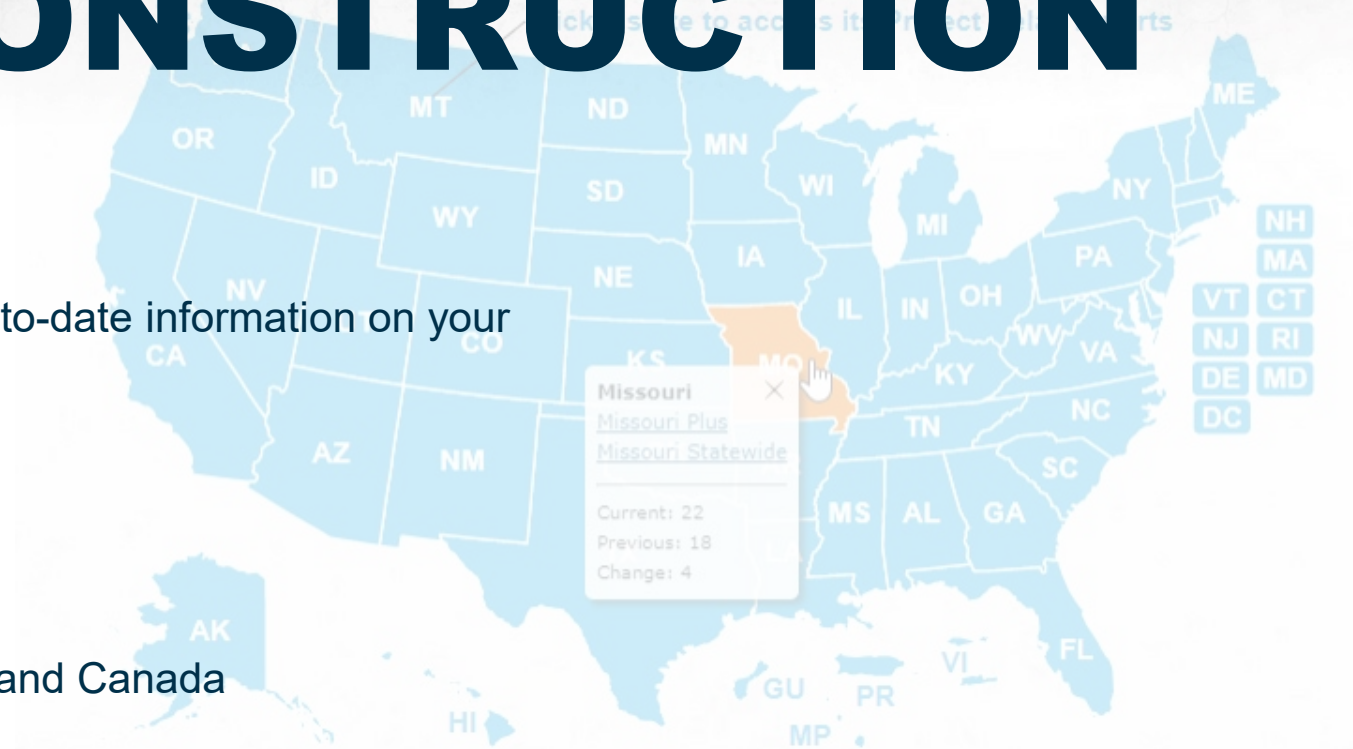
Latest data points are for March 31, 2020
 Data sources: Federal Reserve & Bank of Canada / Chart: ConstructConnect-CanaData

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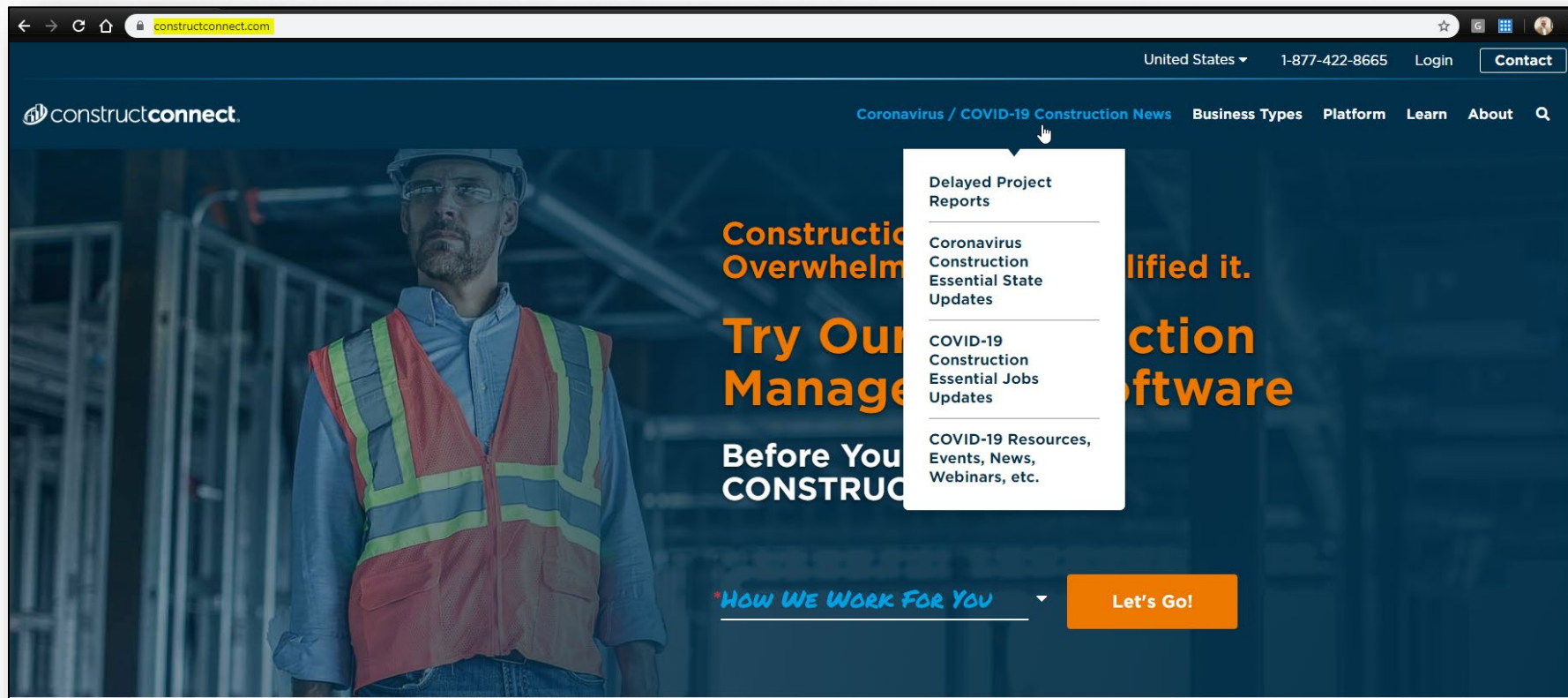


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Under COVID-19's Cloud

Tools to Navigate the Changing Construction Scenes

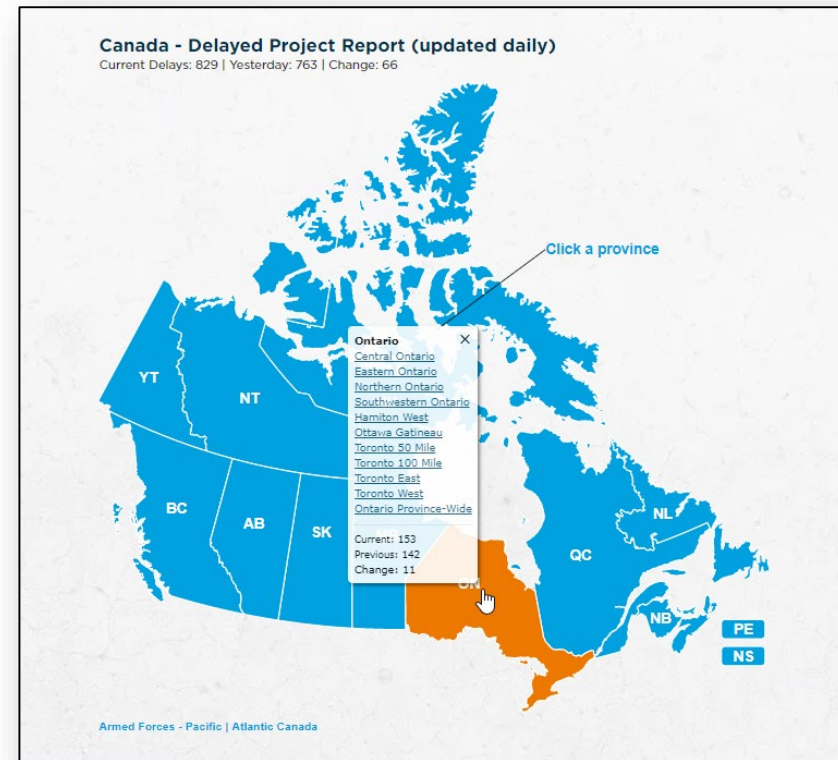
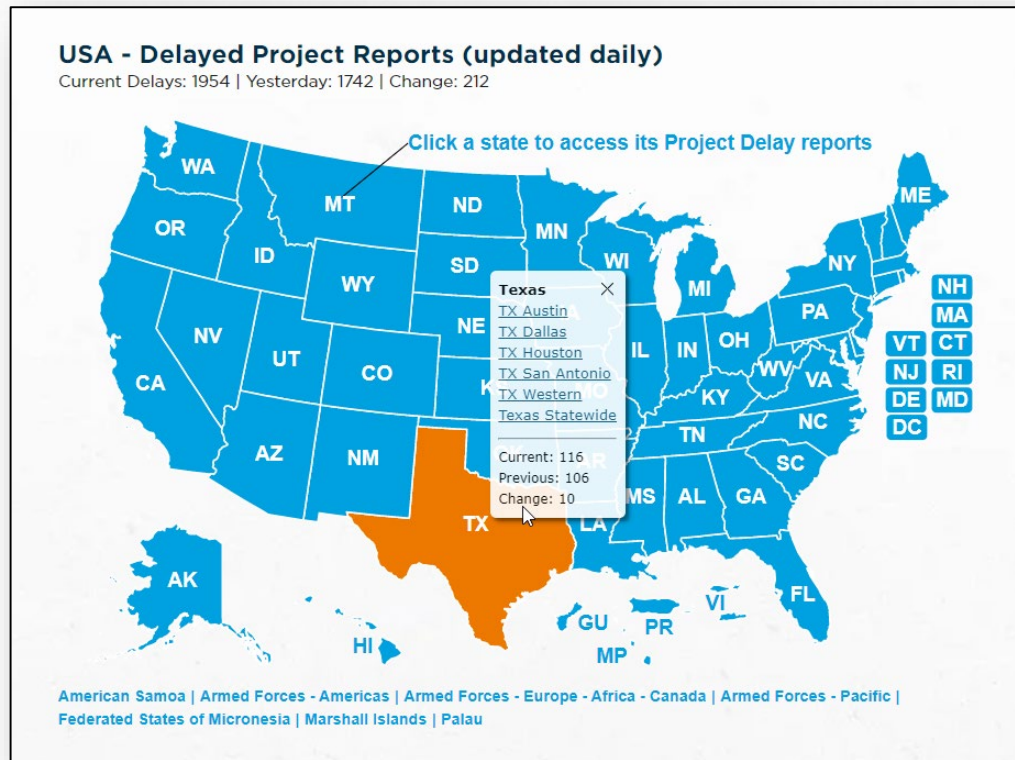
Go to ConstructConnect.com or and click on **Coronavirus/COVID-19 Construction News** tab



Under COVID-19's Cloud

Find up to date lists of delayed projects in your area

Delayed Projects Report





Under COVID-19's Cloud Find up to date lists of delayed projects in your area

Delayed Projects Report

NY - NEW YORK CITY													
DELAYED STATUS	REVISED BID DATE	PROJECT NAME	CATEGORY	STAGE	VALUE	LOCATION	PREBID MEETING	START DATE	TIMELINE DELAY	FREE ACCESS	PAYING SUBSCRIBERS		
Delayed	04/08/2020	2301 Street Pumping Station Upgrade	Water / Sewer	GC Bidding	\$38,700,000	Brooklyn, NY	03/21/2020	04/08/2020	<30 Days				
Delayed		B-1's Whitehall Club - South Avenue Ocean Island	Retail	Post-Bid	\$50,000,000	Staten Island, NY			Indefinite				
Delayed	03/04/2020	B-1's Whitehall Club #564 / Long Beach City	Retail	Post-Bid	\$6,000,000	Astoria, NY		07/20/2020	Indefinite				
Delayed		Boston Avenue Pump Station Expansion	Water / Sewer	Conceptual	\$2,000,000	Hempstead, NY	03/25/2020		<30 Days				
Delayed	04/19/2020	Bushwick District Health Center Exterior Renovation	Medical	GC Bidding	\$30,000,000	Brooklyn, NY	03/30/2020		30-60 Days				
Delayed	04/14/2020	Construction of 10th St. and 10th Ave. Bridge and Gates	Municipal	GC Bidding	\$487,000,000	Brooklyn, NY	03/27/2020	06/11/2020	<30 Days				
On Hold		City of Capital Projects - New York City Center of Technology Vertical Integrating Conveyor lift	Educational	Conceptual	\$149,000	Brooklyn, NY	03/27/2020		Indefinite				
Delayed	04/28/2020	Demolition and Site Preparation for Gateway Canal EDO Facility	Water / Sewer	Sub-Bidding	\$18,658,000	Brooklyn, NY	03/26/2020	04/28/2020	<30 Days				
Delayed	04/01/2020	Design/Build Typicals for Replacement of 1,000 Bridges for the New York State Thruway at Memorial Bridge	Bridges / Tunnels	GC Bidding	\$70,200,000	New York, NY	03/13/2020	03/16/2020	<30 Days				
Delayed	03/24/2020	Electrical Work for A/C Initiative, Exit Signs	Educational	Sub-Bidding	\$1,000,000	Adelphi Park, NY	03/09/2020	03/18/2020	<30 Days				
Delayed	03/24/2020	Electrical Work for AC Initiative, Exit Signs	Educational	Post-Bid	\$900,000	Brooklyn, NY	03/09/2020	03/09/2020	<30 Days				
Delayed	04/29/2020	For the Construction of Storm Sewer and Stormwater in North Beach Water Use - Sprague/Elm Gates	Water / Sewer	GC Bidding	\$30,000,000	Jamaica, NY		04/29/2020	<30 Days				
Delayed	04/16/2020	General Construction Job Order Contract for Region 3 State House	Municipal	Sub-Bidding	\$1,000,000	Flushing, NY	03/23/2020	04/16/2020	<30 Days				
N/A		Governor's Office of Storm Resilience for the New York State Thruway and HAZMAT Assessment	Clubhouse / Community Centers	GC Bidding	\$,098,574	Brooklyn, NY	03/26/2020	04/16/2020	Indefinite				

GEORGIA													
DELAYED STATUS	REVISED BID DATE	PROJECT NAME	CATEGORY	STAGE	VALUE	LOCATION	PREBID MEETING	START DATE	TIMELINE DELAY	FREE ACCESS	PAYING SUBSCRIBERS		
On Hold		207 Marietta Roadway Rehabilitation	Roads / Highways	GC Bidding	\$400,000	Conyers, GA	03/25/2020	03/26/2020	Indefinite				
Delayed	04/01/2020	2020 Repairing and Resurfacing Project	Roads / Highways	GC Bidding	\$2,000,000	McDonough, GA		04/08/2020	<30 Days				
On Hold		Access Control Gate and Fencing Installation for the Central Services Building	Municipal	Sub-Bidding	\$7,879	Augusta, GA			Indefinite				
Delayed	04/14/2020	Alternate Water Feed to Doreston	Water / Sewer	GC Bidding	\$300,000	Augusta, GA	03/26/2020	03/24/2020	<30 Days				
N/A		Animal Services Facility - Fulton County	Municipal	Design	\$32,500,000	Atlanta, GA	03/24/2019		30-60 Days				
On Hold		Bennis Ward Pool Replacement	Swimming Pools	Sub-Bidding	\$200,000	Augusta, GA		03/17/2020	30-60 Days				
N/A		Centennial Yards / Atlanta	Multi-Residential	Design	\$5,000,000,000	Atlanta, GA			60-90 Days				
N/A		Classroom Technology for the Glynn Academy Science Building	Educational	Sub-Bidding	\$200,000	Brunswick, GA	03/16/2020	04/01/2020	Indefinite				
Delayed	04/29/2020	Colnett Island Terminal Berth 2 - Upgrades	Water / Sewer	GC Bidding	\$2,000,000	Brunswick, GA	03/28/2020	04/29/2020	30-60 Days				
On Hold		Columbia County Alternative School	Educational	GC Bidding	\$700,000	Grovetown, GA	03/25/2020	03/16/2020	<30 Days				
On Hold		Control Building Access Control and Site Security Enhancements	Medical	GC Bidding	\$5,000,000	Dublin, GA		03/09/2020	Indefinite				
Delayed	05/01/2020	Cross Dock Truck Terminal - Atlanta	Municipal / Educational / Pre-Engineered Storage Building	GC Bidding	\$2,000,000	Atlanta, GA		04/01/2020	30-60 Days				
Delayed		Culpeper and Otter Creek Basins and Storm Water Ponds Within Interstate Highway Subdivision	Roads / Highways	GC Bidding		Kennesaw, GA			60-90 Days				
N/A		Distillery of Modern Art	Industrial	Final Planning	\$1,000,000	Chamblee, GA			60-90 Days				
Delayed	04/01/2020	Dodge State Prison Improvements	Jails / Prisons	GC Bidding	\$200,000	Cheshire, GA	03/17/2020	03/05/2020	<30 Days				

TX - HOUSTON													
DELAYED STATUS	REVISED BID DATE	PROJECT NAME	CATEGORY	STAGE	VALUE	LOCATION	PREBID MEETING	START DATE	TIMELINE DELAY	FREE ACCESS	PAYING SUBSCRIBERS		
On Hold		Houston Spur Drive Extension No.2 Reinforced Concrete Paving	Roads / Highways	GC Bidding	\$400,000	Fulshear, TX			Indefinite				
Delayed	03/05/2020	Restoration Phase 2 - Houston Northwest Area Engineer and Maintenance Facility - Bond	Warehouse / Distribution / Pre-Engineered Storage Building	GC Bidding	\$2,619,978	Houston, TX	03/24/2020	03/06/2020	<30 Days				
Delayed	05/04/2020	Replace Fuel Dispensers	Water / Sewer	Sub-Bidding	\$5,000	Pearland, TX	03/17/2020	04/05/2020	30-60 Days				
Delayed		RFQ - Facilities Condition Assessment	Municipal	Conceptual		Pearland, TX			<30 Days				
Delayed	04/21/2020	RFQ Construction Manager at Risk - Package 2 - New Child/Schooler Elementary	Educational	GC Bidding	\$35,500,000	Channahon, TX	02/27/2020	04/27/2020	<30 Days				
Delayed		RFQ Engineering - Engineering Services - Annual Stormwater Resilience Drainage Project	Water / Sewer	Design	\$300,000	Pasadena, TX	03/24/2020		<30 Days				
Delayed	03/06/2020	Roof Rehabilitation - Hurricane Area Engineer and Maintenance Office (AMO)	Municipal	GC Bidding	\$75,000	Huntsville, TX	03/10/2020	04/09/2020	30-60 Days				
Delayed	04/02/2020	Roofing Park Pavilion Demolition - PWS 4530	Highways / Athletic Fields	Sub-Bidding	\$30,000	Galleria, TX		04/04/2020	Indefinite				
Delayed	03/30/2020	Security System Installation and Maintenance / Repair Services	Municipal	Sub-Bidding		Houston, TX	03/18/2020	03/27/2020	<30 Days				
N/A		Shadow Creek Office Building	Office	Final Planning	\$1,040,000	Pearland, TX			90-180 Days				
N/A		Site Cleaning, Grubbing, and Excavation for Rehabilitation Treatment Plant Expansion	Water / Sewer	GC Bidding	\$900,000	Houston, TX		03/18/2020	Indefinite				
Delayed	04/02/2020	Southwest Plant Ground Storage Tank Replacement	Water / Sewer	GC Bidding	\$900,000	Pearland, TX	03/24/2020	03/24/2020	<30 Days				
N/A		Urban Plates Interior Renovation	Restaurant	Design	\$1,500,000	Houston, TX			Indefinite				
Delayed	04/07/2020	Waterline Rehabilitation Project (WWRP) Unit 2 Rehabilitation	Water / Sewer	GC Bidding	\$800,000	Conroe, TX	03/10/2020	03/07/2020	<30 Days				
Delayed	04/09/2020	Water, Sanitary Sewer, Storm Sewer, Potable Distribution and Sewer Section 10 - Berne Enclose all Joints	Water / Sewer	GC Bidding	\$800,000	Montgomery, TX		03/11/2020	<30 Days				

QUESTIONS & ANSWERS

