

TALENT TRENDS

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CONSTRUCTION TRENDS TO WATCH IN 2021

After an unprecedented year in 2020, many are eager to look ahead to what 2021 holds. The construction industry has fared better than most industries in 2020, likely due in part to its essential status. What can we expect from this growing industry in 2021? There is reason to believe that the trends we have seen in 2020 will continue into 2021, with significant growth in the industry expected in the second half of the year. Here are the top trends our executive recruiters are following in 2021 as predictors of what is to come in construction.

Economic outlook is better than originally expected

While the construction industry wasn't immune to the hardships of the pandemic, most construction companies weathered the storm and are poised for a good year in 2021. Many companies still have a solid backlog as projects that were already in the works for 2020 have continued. [ABC](#) reported that construction backlog increased in December 2020, suggesting strong contractor optimism heading into 2021. Data from Dodge Data & Analytics suggests a 4% increase in construction starts in 2021 across all sectors.

4%

increase in
construction starts
expected in 2021

Source: Dodge Data & Analytics

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Economic outlook (continued)

In addition, the Federal Reserve has increased its overall economic outlook for 2021. Pairing the new Fed outlook with recent predictions about the construction industry gives more reason to be optimistic about the future of construction. Experts predict Q1 and Q2 of 2021 to be a recovery period, with significant growth in Q3.

Expect growth in some sectors

The most obvious sector for growth in 2021 is the continuation of expansion in warehouse and distribution center construction. According to the [AGC](#), alternate healthcare and water and sewer segments predict growth in the coming year as well.

We are following other trends that may lead to a bump in construction for less obvious sectors. As Forbes reported this summer, the rise in remote work has many employees moving from metropolitan areas to suburbs and rural areas. This may create demand for new, smaller office locations in these areas, leading to new office construction in 2021.

Along with construction, manufacturing is showing signs of a solid recovery headed into the new year. Expect onshoring and securing supply chains to continue in the manufacturing industry. This could lead to additional manufacturing facilities construction or spending to upgrade existing facilities.

Construction employment will remain strong

During a year with record-high unemployment rates, construction employment remained stronger than other industries. Despite the pandemic, over 1/3 of metropolitan areas added construction jobs in the past year, as reported by [ENR](#). Some localities, like Dallas, are seeing an even stronger construction employment picture than the national average. The [ABC's Construction Confidence Index](#) reported that in the next 6 months, a majority of firms plan to hire.

Though the construction industry will provide excellent job opportunities this year, we predict filling key positions will be a challenge. A labor shortage within the industry has been well documented for the past several years. Our role as recruiters serving the construction industry will be just as important, if not more important, in 2021 than in previous years. Companies that partner with a construction recruiting firm like ZSG, have greater access to the best talent and a higher likelihood of filling important positions quickly.

With recovery already underway, the 2021 outlook for construction is promising. Construction starts are expected to increase this year, giving rise to contractor optimism. The warehouse and distribution sector will build upon the growth experienced in 2020, with alternate healthcare, water and sewer, manufacturing, and small office construction expanding as well. Construction employment will improve in 2021 as project starts increase, providing excellent career opportunities for qualified candidates. The challenge for employers will be hiring the right talent to meet the opportunities of the year. The Executive Recruiters at ZSG specialize in construction recruiting and can help your team find and attract the top talent in the industry. Contact us to learn more about how we partner with leading companies in the construction industry.

