

Dodge Data & Analytics Releases 2021 Construction Outlook; Residential Roofing & Construction Expected to Recover in 2021

[Dodge Data & Analytics](#), the nation's leading construction research and analytics firm, is headquartered right here in Massachusetts, and consistently publishes intuitive findings related to key trends in the hard trades. Late last month, they released the [2021 Dodge Construction Outlook](#) report, which projected how they expect the industry to rebound in the new year. It's no surprise that the industry as a whole took a massive hit this year; building departments had to close their doors, manufacturing facilities were slowed to a snail's pace in most regions, and entire teams of technicians and engineers were put on unemployment as the entire country hunkered down for historic health and economic crises. The numbers are sobering: the construction industry as a whole dropped a whopping 14% from 2019 to 2020, to the tune of \$738 billion. The good news is, there's a light at the end of the tunnel!

Dodge anticipates that the construction industry will start to recover in 2021, but it will be an incremental process. "We see... slow growth continuing into the fourth quarter and quite frankly into the first three months of 2021," proposes Richard Branch, chief economist at Dodge. The analytics firm estimates that the industry as a whole will improve by 4% over the new year, with the residential sector making the biggest comeback - exceeding 2019 levels thanks to a number of economic and social conditions!

Dodge anticipates the dollar value of starts for residential buildings to increase by 5%, and the dollar value of single family housing starts to rise by an impressive 7%. This is by far the most noteworthy improvement coming from the housing construction industry. In fact, Dodge estimates that we will see single family housing starts reach \$254 billion in 2021 - [the highest they've been since 2007](#)! They also forecast the number of new single family dwelling construction projects to increase by 6%, growing to 928,000 in the new year. Dodge credits this to confidence on both the business and consumer ends, as both demographics are optimistic for a COVID vaccine to be finalized and distributed in early 2021. Fortifying the economy by passing a second stimulus will also boost consumer confidence, which in turn will bolster performance for businesses around the country.

In addition to positive developments coming from the public health and economic sectors, Dodge attributes the sunny outlook for the residential construction industry to cultural and social changes. The COVID pandemic changed our world in ways we never thought possible, and as much as we all wish we could forget the damage it caused, we must adapt as a community. As such, Dodge expects the historically low mortgage rates we've seen over the past year to join forces with the newly emphasised necessity for social distancing and more open, spacious living quarters. As employees and students alike are finding their workspaces and classrooms confined to their own abodes, this unique circumstance is driving demand for more new homes with more space to work remotely. "The pandemic is clearly opening up a whole new opportunity of living arrangements for those folks who have that flexibility to work from home," Branch noted.

Despite the economic downturn and labor market slump, the mortgage boom and cultural shift towards socially-distant dwellings are forecasted to compensate for those losses!

No matter what industry you work in, virtually everyone took a hit in 2020. Thankfully, brighter days are on the horizon, and although the nationwide rebound will be slow, we are confident that the worst is behind us. Whether you are looking forward to building a new home in 2021, or planning to replace or repair your existing roof after a financially tight 2020, Roof Wolf will be there to answer your call with GAF Certified roofing experts and the highest quality materials to keep you and your family warm and dry for years to come!