



2024

**INDUSTRY
REPORT**

**Construction
Market
Outlook &
Technology
Trends**

Executive Summary

The U.S. construction market for 2024 seems uncertain based on many leading indicators. GCPay asked 120 general contractors, specializing in commercial construction, what their 2023 project portfolio looked like and what they expect for 2024.

This report goes into detail on what 2023 produced and what changes general contractors expect in 2024.

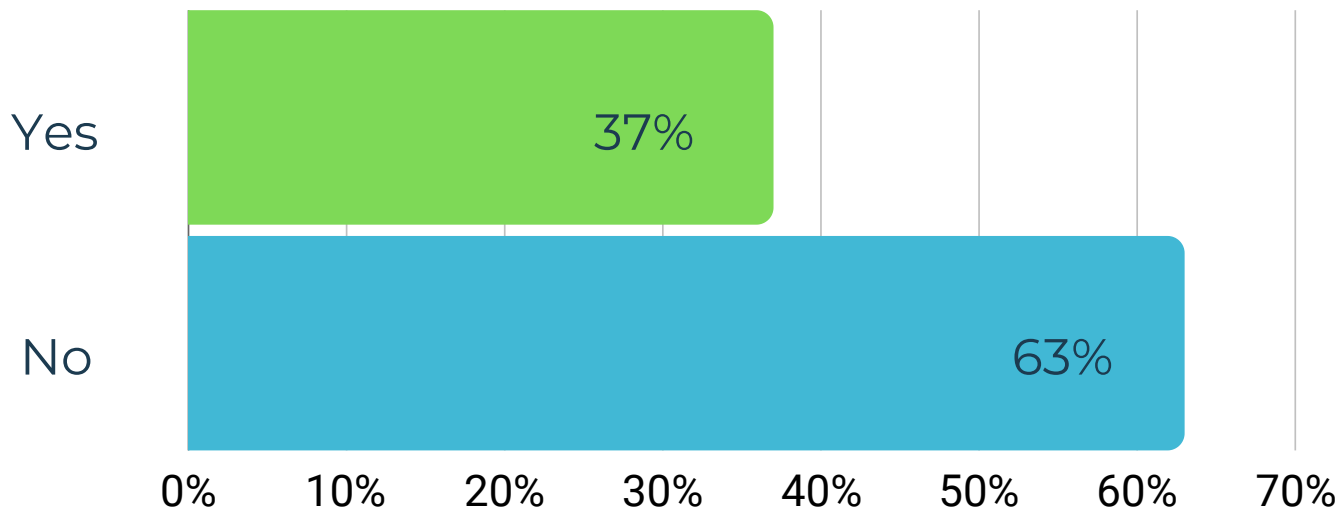
In addition to the market outlook, learn about software technology challenges and what key trends are being experienced by many general contractors.



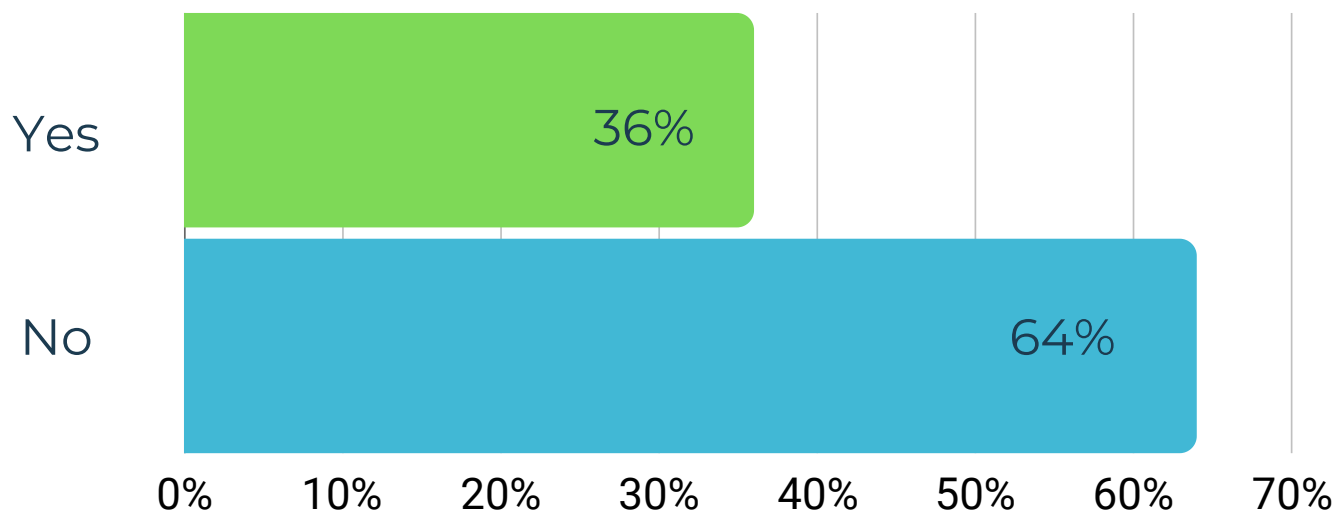
Market Outlook

General contractors have been paying close attention to industry reports as economists and market experts have alluded to an unknown forecast for construction projects. 2023 was the beginning of macro indicators that typically lead to a softer industry (interest rate increases, inflation, etc.). GCPay asked general contractors to forecast project starts and delays for 2024.

Have you seen less project starts in 2023?



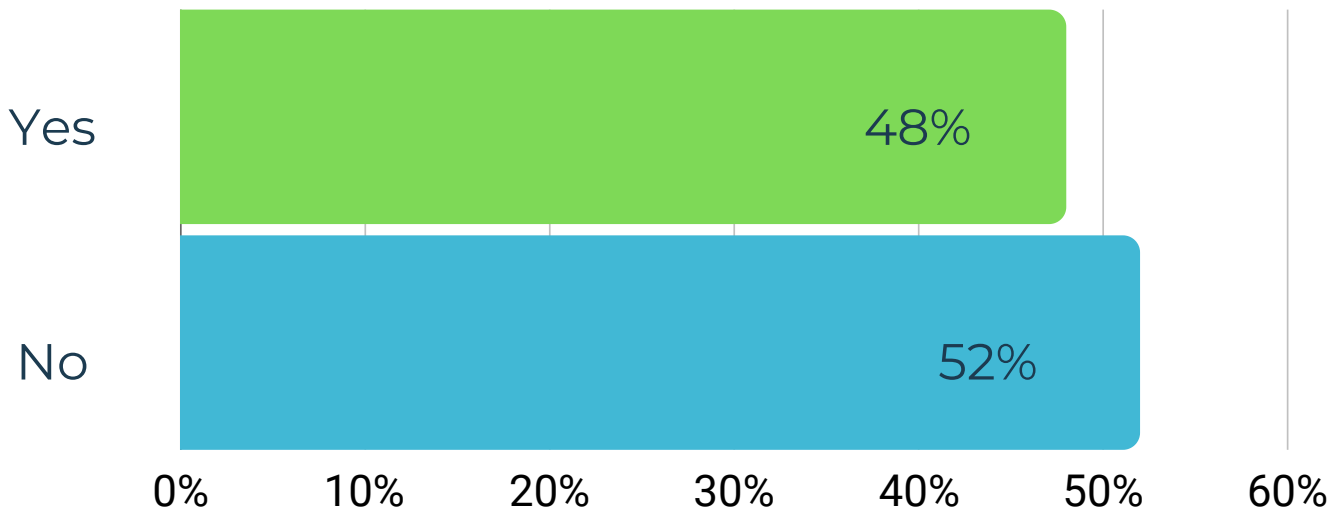
Do you anticipate less starts continuing in 2024?



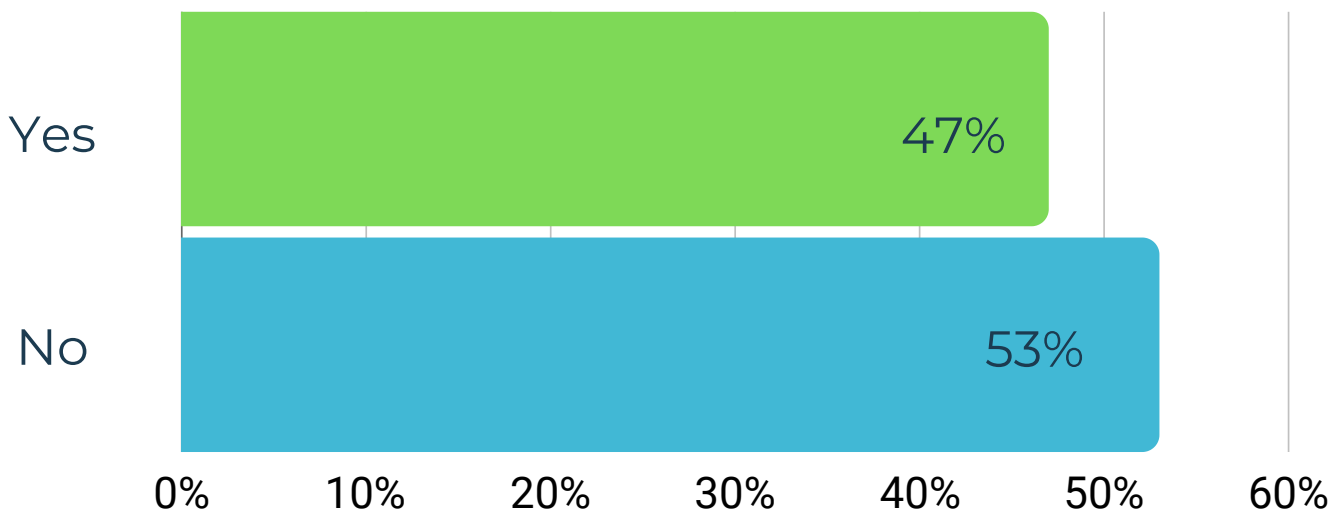
Market Outlook

According to the general contractors who participated in our survey, 2023 wasn't as bad as some predicted and the forecast for 2024 remains similar (lack of growth or decline). The majority of participants mentioned a normal 2023 regarding project starts and delays, and they anticipate the same levels continuing into 2024.

Have you seen more project delays in 2023?



Do you anticipate more delays continuing in 2024?



Subcontractor Challenges

GCPay asked questions related to subcontractor challenges that affected general contractors project management and payment processes. Even though only 39% of respondents indicated problems finding subcontractors, ongoing issues such as labor shortage and material availability remain issues that affect GC project management.

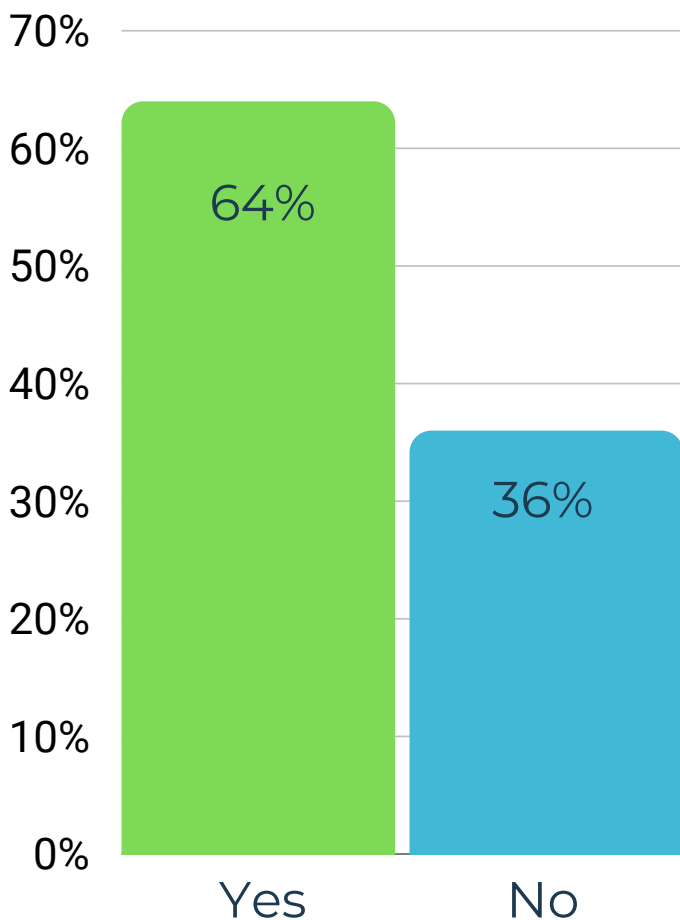
Do you struggle to find subcontractors?



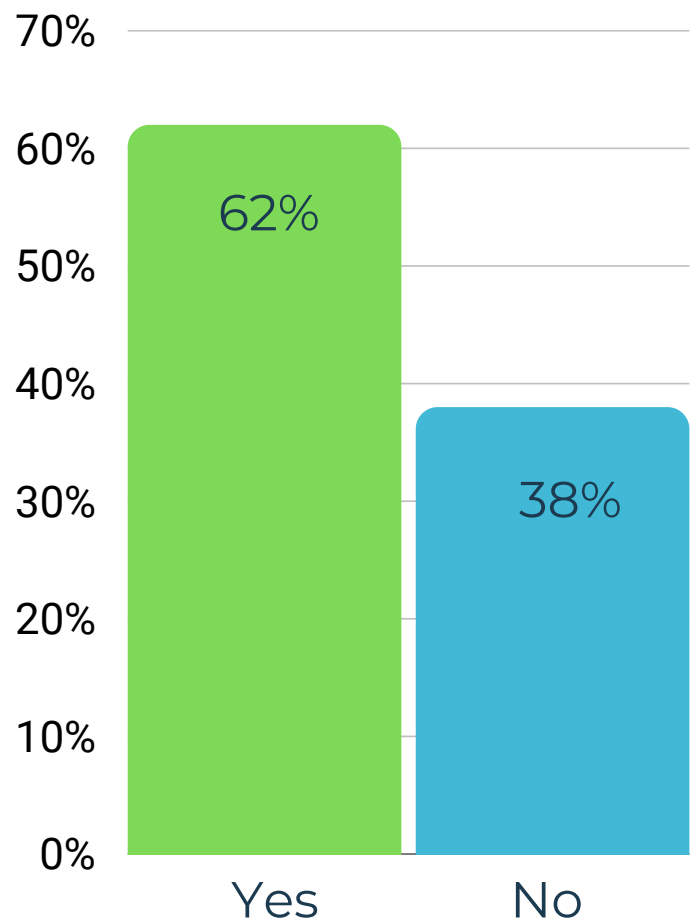
Subcontractor Challenges

64% of respondents indicated labor shortages created delays in projects during 2023 and 62% of respondents indicated material shortages caused project delays in 2023. These issues continue to plague general contractors in multiple sectors and the expectation for 2024 is for them to remain.

Do subcontractors create delays due to labor shortages?



Do subcontractors create delays due to material shortages?

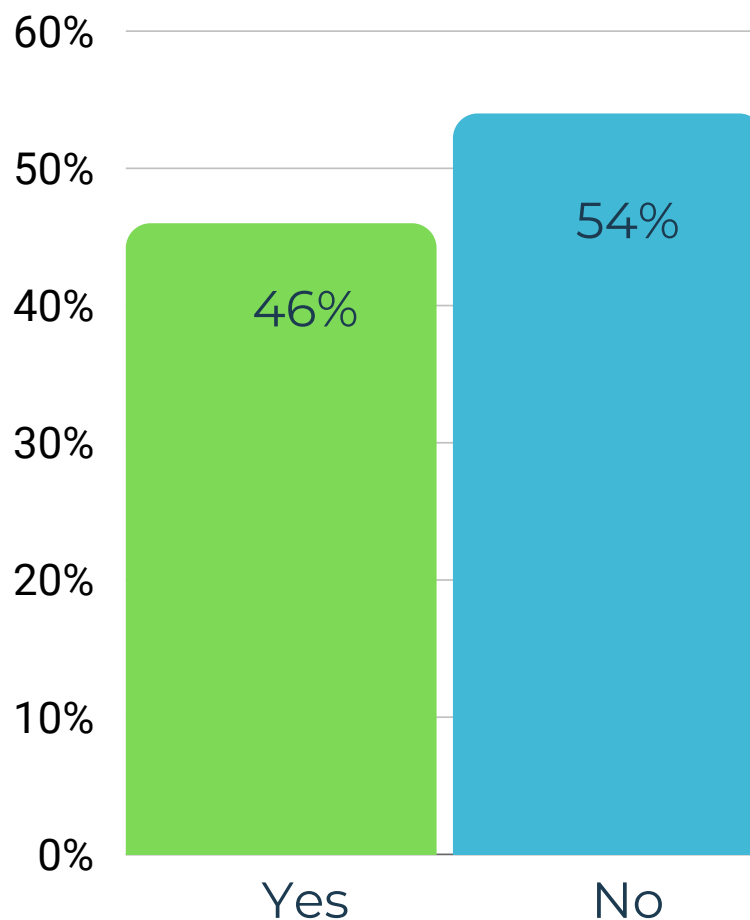


Subcontractor Challenges

Payment challenges related to subcontractor management included change orders for the majority (54%) of general contractors who responded to the survey.

Next, GCPay looks into software solutions and technology that helps general contractors manage subcontractor management, including payments.

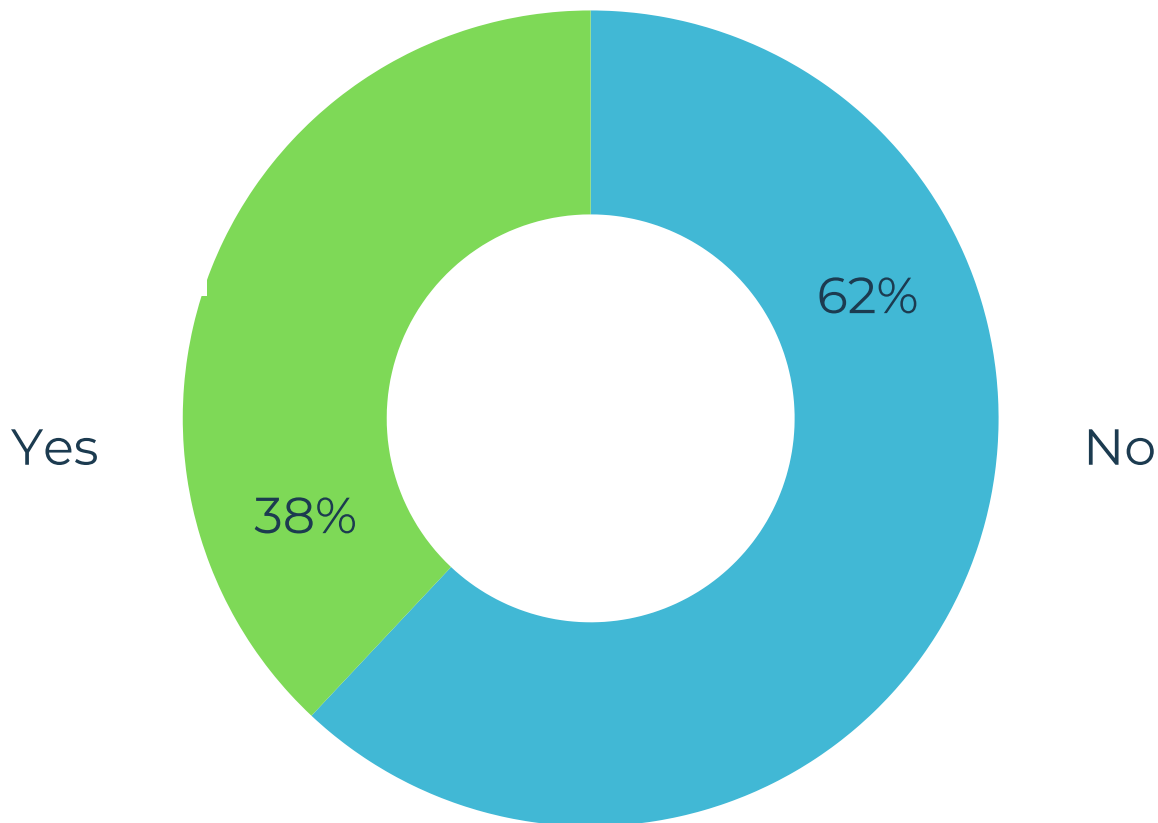
Do subcontractors create more change orders since the start of 2023?



Software Technology Trends

General contractors have migrated to process automation via software technology significantly since COVID, when asked if the trend will continue, 62% of respondents mentioned that they are not likely to add more software technology in 2024.

Do you plan on adding software to further automate your subcontractor management or payment process?



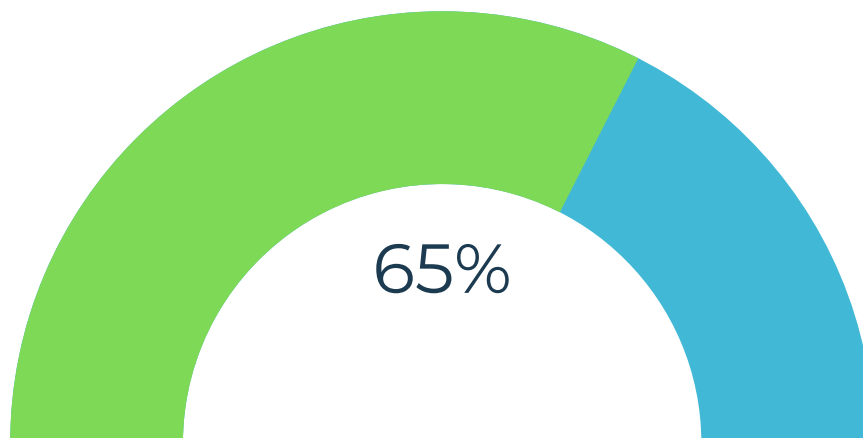
Why not? Over 70% of respondents that mentioned no plans to add more software, indicated the reason is because they've already automated their processes in recent years and don't want to add more technology to their suite of products.



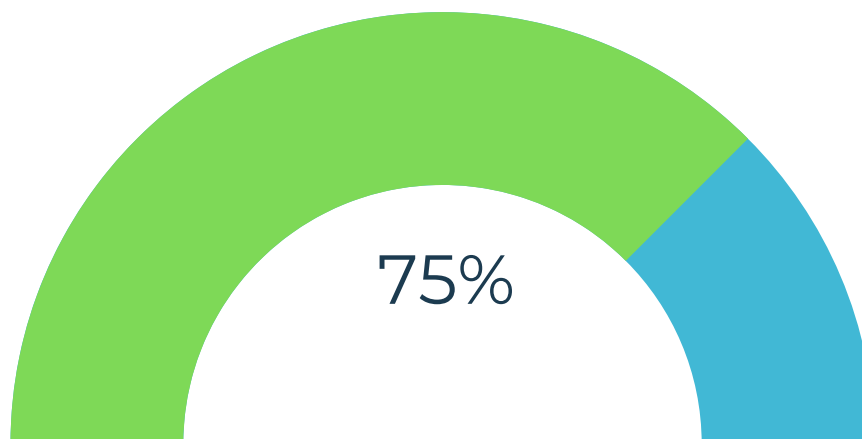
Software Technology Trends

One of the biggest take aways from the survey results was the amount of general contractors (65%) who admit to having software automation gaps, and the amount that are unwilling to add more software at this time unless they can consolidate their existing product suite.

General Contractors Who Admit Gaps in Subcontractor Management Automation



General Contractors Who Won't Add Automation Solutions Until Consolidating the Applications Already In Use



Executive Summary

Based on the results of this research, 2023 may have been a struggle for some general contractors who saw a decrease in project starts, however the majority of respondents maintained start levels to 2022, and even forecast similar levels in 2024.

The results are generally more optimistic than some reports attempting to forecast 2024 indicate.

However, software technology may have a steeper hill to climb in 2024, not due to general contractor need, but rather because focus has shifted to consolidating software applications before adding more fragmented services to product portfolios.



About the Author

Nick Overmann is the Product Marketing Manager at GCPay and conductor of the research study with general contractors across North America that produced this industry report.