DHF CONSTRUCTION NEWS & GC INTELLIGENCE REPORT

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Philadelphia • Southeastern Pennsylvania • Mid-Atlantic Region

EXECUTIVE SUMMARY

The Mid-Atlantic construction market enters November 2026 with momentum concentrated in infrastructure, healthcare, power generation, utility upgrades, higher education, water/wastewater, and industrial development. While traditional office construction remains selective, contractors continue reporting healthy backlogs supported by public funding programs, institutional capital spending, and large-scale infrastructure investment.

The primary challenge facing contractors is no longer project acquisition. Instead, successful firms are differentiating through labor management, procurement strategies, subcontractor relationships, and schedule control. Long-lead electrical equipment, workforce shortages in key trades, and continued material-price volatility remain the most significant risks heading into 2027.

For general contractors in Philadelphia and Southeastern Pennsylvania, the strongest opportunities are expected to come from healthcare systems, educational institutions, municipal agencies, transportation authorities, water authorities, and utility providers.

MARKET SCORECARD

Category	Outlook
Infrastructure Construction	Strong
Healthcare Construction	Strong
Utility Construction	Strong
Water/Wastewater	Strong
Higher Education	Strong
Industrial & Logistics	Moderate-Strong
Multifamily Housing	Moderate
Traditional Office	Weak-Moderate
Contractor Backlog	Strong
Labor Availability	Tight
Material Escalation Risk	Moderate
Bid Opportunity Volume	High

CONSTRUCTION NEWS OF THE WEEK

Data Centers Continue to Drive Construction Growth

Artificial intelligence and cloud computing infrastructure remain among the fastest-growing construction sectors in North America. Developers continue investing heavily in mission-critical facilities requiring substantial quantities of:

- Structural steel
- Concrete
- Fireproofing
- Electrical infrastructure
- Mechanical systems
- Emergency power systems

Contractors active in this sector continue reporting some of the industry's strongest backlog conditions.

Utility & Energy Construction Expands

Utility providers continue investing in:

- Grid modernization
- Transmission improvements
- Substation construction
- Battery-storage installations
- Renewable energy support infrastructure
- Natural-gas generation upgrades

These projects are expected to create sustained demand for civil, electrical, concrete, and specialty-trade contractors through 2027.

Healthcare Construction Remains Resilient

Healthcare systems continue pursuing strategic capital improvements, including:

- Hospital expansions
- Ambulatory care facilities
- Surgical centers
- Behavioral-health campuses
- Medical-office buildings
- Emergency department renovations

Owners increasingly favor phased construction and design-assist delivery methods to minimize operational disruptions.

Institutional Capital Spending Returns

Colleges and universities continue reactivating deferred capital projects including:

- Science buildings
- STEM facilities
- Research laboratories
- Residence halls
- Athletic improvements
- Campus infrastructure

Higher education remains one of the most dependable institutional markets in the Mid-Atlantic region.

KEY MARKET THEMES

Theme #1: Backlogs Are Healthy

Most contractors continue reporting strong backlogs extending into 2027, particularly within:

- Utilities
- Infrastructure
- Healthcare
- Water/Wastewater
- Institutional construction
- Specialty trades

The challenge is executing awarded work rather than finding new opportunities.

Theme #2: Electrical Equipment Remains a Risk

Switchgear, transformers, electrical distribution equipment, and specialized controls continue presenting schedule risks.

Contractors should confirm lead times before committing to milestone schedules.

Theme #3: Procurement Is Becoming a Competitive Advantage

Contractors that secure major trade partners and long-lead materials earlier are consistently outperforming competitors.

Keys to success include:

- Early subcontractor engagement
- Design-assist procurement
- Alternative suppliers
- Early-release packages
- Escalation planning

Theme #4: Electrical Equipment Remains a Risk

Switchgear, transformers, electrical distribution equipment, and specialized controls continue presenting schedule risks.

Contractors should confirm lead times before committing to milestone schedules.

Theme #5: Owners Demand Cost Certainty

Developers and public agencies increasingly seek:

- GMP contracts
- Design-build delivery
- Value engineering
- Early trade participation
- Real-time budgeting

Cost predictability remains a major project-driver.

MARKET METRICS DASHBOARD

Sector Performance Rankings

Tier 1: Strongest Markets

- Data Centers
- Healthcare
- Infrastructure
- Water/Wastewater
- Utilities
- Higher Education

Tier 2: Stable Markets

- Industrial
- Warehousing
- Manufacturing
- Multifamily

Tier 3: Slower Markets

- Traditional Office
- Speculative Commercial Office

Contractor Confidence Index

Factor	Trend
Backlog	Positive
Hiring	Positive
New Opportunities	Positive
Material Risk	Negative
Labor Availability	Negative
Schedule Certainty	Neutral

MATERIAL PRICING DASHBOARD

Structural Steel

Trend: ▲ Moderate Upward Pressure

Drivers:

- Infrastructure demand
- Data center construction
- Utility projects

GC Recommendation: Lock fabrication and detailing earlier than historical norms.

Copper

Trend: ▲ Elevated Risk

Affected Trades:

- Electrical
- Mechanical
- Utility Contractors

Copper remains among the largest commodity pricing concerns.

Concrete

Trend: ► Stable

Strengths:

- Regional supply remains healthy
- Pricing more predictable than many sectors

Primary concerns remain transportation and energy costs.

Aluminum

Trend: ▲ Moderate Escalation

Impacted Systems:

- Curtain walls
- Storefront systems
- Architectural metal work

Gypsum & Interiors

Trend: ► Stable

Interior-finishes markets remain relatively balanced.

Competitive subcontractor participation continues helping stabilize pricing.

Electrical Equipment

Trend: ▲ Highest Risk Category

Ongoing concerns include:

- Switchgear
- Transformers
- Distribution equipment
- Controls systems

Schedule impacts remain significant.

SUBCONTRACTOR COST TREND REPORT

Electrical Contractors

Expected Cost Trend: +5% to +10%

Major Risks:

- Labor shortages
- Copper pricing
- Procurement delays

Mechanical Contractors

Expected Cost Trend: +4% to +8%

Key Drivers:

- Equipment availability
- Refrigeration components
- Skilled labor shortages

Structural Steel Contractors

Expected Cost Trend: +4% to +8%

Challenges:

- Fabrication demand
- Shop capacity
- Transportation costs

Concrete Contractors

Expected Cost Trend: +3% to +5%

Most predictable major trade heading into 2027.

Fireproofing Contractors

Expected Cost Trend: +3% to +6%

Influencing Factors:

- Increased institutional demand
- Healthcare construction
- Data-center growth
- Labor competition

GCs should engage fireproofing contractors during design development whenever possible.

Roofing Contractors

Expected Cost Trend: +3% to +6%

Steady demand and labor availability continue affecting pricing.

LABOR AVAILABILITY OUTLOOK

Most Difficult Trades to Staff

1. Electricians

Demand from utility, healthcare, and data-center sectors continues tightening labor pools.

2. Mechanical Trades

HVAC, piping, and process-system installers remain in short supply.

3. Fireproofing Applicators

Growing institutional construction continues supporting strong demand.

4. Welders

Utility and industrial projects remain significant labor consumers.

5. Equipment Operators

Civil, utility, and transportation projects continue creating labor pressure.

Southeastern Pennsylvania Labor Forecast

Conditions remain healthier than many Sun Belt markets but continue tightening due to:

- Infrastructure spending
- Utility investments
- Institutional construction
- Industrial expansion

Contractors should expect wage growth and labor competition throughout 2027.

PHILADELPHIA & SOUTHEASTERN PA OPPORTUNITIES

Healthcare

Key Opportunities:

- Hospital renovations
- Hospital expansions
- Surgical centers
- Medical-office construction

Estimated Value Range: $10M-$250M

Higher Education

Opportunity Areas:

- Laboratory renovations
- Residence halls
- STEM facilities
- Research buildings

Estimated Value Range: $5M-$150M

Water & Wastewater

Projects to Watch:

- Treatment-facility upgrades
- Pump-station improvements
- Utility modernization
- Regulatory compliance projects

Estimated Value Range: $3M-$200M

Transportation

Opportunity Areas:

- Transit facilities
- Station renovations
- Bridge rehabilitation
- Maintenance facilities

Estimated Value Range: $2M-$100M+

Municipal Construction

Target Markets:

- Public-safety facilities
- Community centers
- Government offices
- Utility infrastructure

Industrial & Logistics

Growth Areas:

- Distribution centers
- Warehouse improvements
- Manufacturing modernization
- Cold-storage facilities

TOP 10 BIDS TO WATCH

Rank	Project Type	Estimated Value
#1	Regional Hospital Expansion	$100M+
#2	University Research Facility	$50M+
#3	Water Treatment Improvements	$40M+
#4	Transit Modernization Program	$30M+
#5	Municipal Public Safety HQ	$25M+
#6	School District Improvements	$20M+
#7	Logistics Facility Upgrade	$18M+
#8	Utility Infrastructure Program	$15M+
#9	Community College Modernization	$12M+
#10	Wastewater Expansion Project	$10M+

FIREPROOFING & SPECIALTY TRADES WATCH

Capacity Outlook

Specialty-trade participation remains healthy, although manpower availability is becoming more constrained on large institutional and data-center projects.

Pricing Outlook

Projected Fireproofing Escalation: +3% to +6%

Key Influences:

- Healthcare demand
- Institutional work
- Labor availability
- Regional capacity utilization

Inspection Trends

Authorities Having Jurisdiction (AHJs) and special inspectors continue emphasizing:

- Thickness verification
- Adhesion testing
- Repair documentation
- Quality-control reporting

Proper coordination can significantly reduce project closeout issues.

GC RECOMMENDATION

Bring fireproofing contractors into discussions during design development whenever possible.

Benefits include:

- Better budgeting
- Improved sequencing
- Reduced risk exposure
- Improved schedule reliability

GC ACTION PLAN

Business Development

- Increase healthcare pursuits
- Expand utility relationships
- Target public-sector opportunities
- Build institutional partnerships

Estimating

- Include escalation contingencies
- Verify procurement assumptions
- Confirm labor availability
- Price alternates proactively

Operations

- Lock major subcontracts early
- Monitor procurement weekly
- Track labor capacity monthly
- Validate supplier commitments

Risk Management

- Develop material contingency plans
- Protect schedule milestones
- Review procurement logs regularly
- Communicate risks early

OUTLOOK FOR Q1 2027

The Mid-Atlantic construction market remains fundamentally healthy entering 2027. Healthcare, infrastructure, utility, institutional, and water/wastewater markets continue providing opportunities for disciplined contractors.

While labor shortages, procurement delays, and material volatility remain challenges, firms that emphasize preconstruction, procurement planning, and subcontractor engagement are expected to outperform competitors.

Bottom Line: Backlogs remain strong. Opportunities remain abundant. Execution excellence will determine which contractors achieve the strongest margins and growth in 2027.