



2026 Edition



Construction Spending and Data Center Demand in the U.S. by 2031

A Report by Merlo America

Powered by BiltData.ai

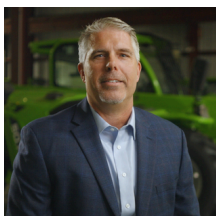
A Note From Merlo

August 2026

Welcome! Merlo is a global leader in the manufacture of telehandlers, attachments, and specialty equipment. With more than 60 years of performance, Merlo's reputation as a family-owned company is built on its history of innovation.

Merlo America is an extension of this forward-looking mentality; our Economic Forecast series is just one way we provide real-world insights and market intelligence to our Dealer Partners.

Beyond the competitive advantage our dealers get from these data points, our goal is to further our mission of Building Future Leaders. Shaping the construction industry starts with helping everyone better prepare the next generation for coming growth and the skills of tomorrow.



Cole Renken

A handwritten signature of Cole Renken in black ink.

*General Manager,
Merlo America*

\$1.026

**National
Residential
Construction
Spend**

\$92B

**Commercial
Construction
Spending
in New York**

\$7.1B

**Infrastructure
Spending in
California**

How to Use This Data

1. Smarter Strategic Planning

Tracking expected growth or retractions across regions or market segments over the next several years will help equipment dealers and firms better plan fleet expansion, functionality gaps, and skilled labor shortages to support future projects.

2. Fleet Utilization Improvements

Rental fleets can use this data to make better assumptions around demand and utilization. Specifically, firms should be planning around the expected increase in residential construction and the diverse attachment needs of a residential project, from site prep to finish installations. A versatile fleet with various attachments could be the difference over the next 5 years.

3. Evaluate Expansion Priorities

If you find yourself in or near a top-growing metropolitan statistical area, it's important to know where to best expand your operation, either as a dealer or construction firm. Look to our regional reports to better understand what growth is headed your way.

4. Set Benchmark Expectations

These are predictions. Extremely thoughtful and intentional predictions, but predictions nonetheless. Return to these numbers periodically to see if trends have changed or shifting conditions have resulted in changed expectations. We will be regularly updating our insights as well.



The construction industry is a cornerstone of the U.S. economy, and understanding where growth is headed is crucial for businesses in the sector. Whether you are a rental company, construction equipment dealer, agricultural equipment dealer or contractor, these insights can help you see where the work is—and where equipment will be needed most.

Merlo America, a leading provider of innovative construction equipment solutions, has unveiled an economic forecast pointing to opportunity across the construction, agriculture and data center sectors. Developed in collaboration with predictive sales intelligence firm BiltData.ai, the report projects a robust 5.1% compound annual growth rate (CAGR) in U.S. construction spending from \$2.22 trillion in 2026 to \$2.85 trillion in 2031.

With pockets of demand accelerating nationwide, Merlo America is using these insights to strategically expand its dealer network — providing partners with the tools, technology and foresight to win in high-growth markets.

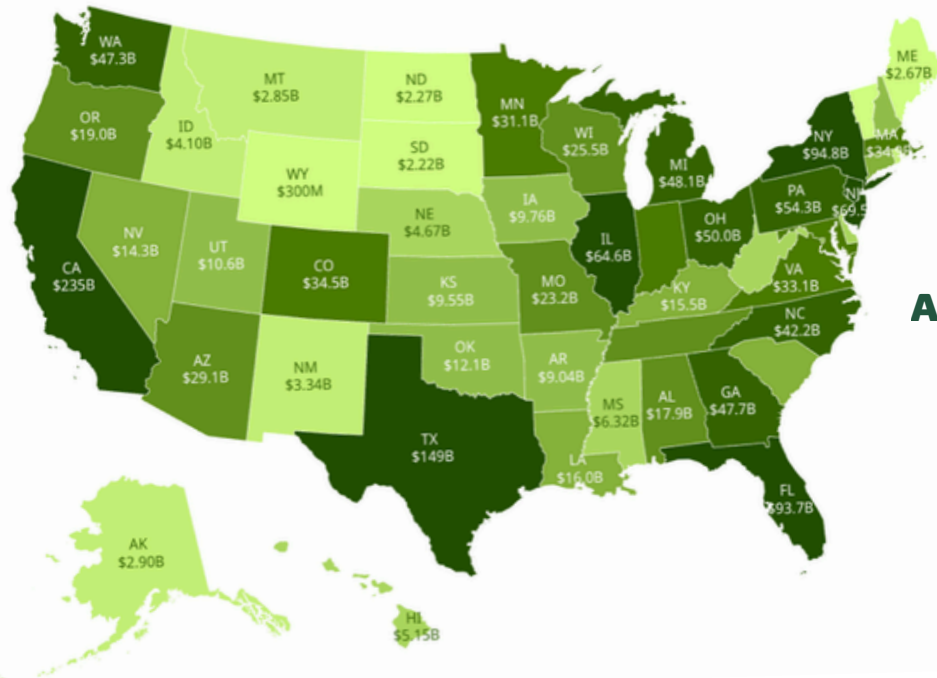
Data Driven Decision Making

Underpinning the report is BiltData's advanced forecasting methodology — which combines public data, industry trends and geospatial modeling into actionable market intelligence. With easy-to-navigate dashboards and market heat maps, users of its data gain a clear view of where to focus and grow. As demand for reliable, multifunctional machines increases, Merlo America's advanced telehandlers and utility tractors are positioned to play a key role on construction sites, farms and data campuses across the country as demand increases.

Interactive Construction Spending Forecast Tool

To request access to the MERLO America interactive forecast tool, please visit: <https://www.merlo.com/usa/en/> The tool enables dynamic visualizations of construction spending, agricultural employment and data centers throughout the United States.

National Construction Spending Trends



**Five States
Account for 42%
of Total U.S.
Construction
Spending**

By 2031, U.S. construction spending is projected to reach \$2.85 trillion, up from \$2.22 trillion in 2026. Here's how it breaks down by sector in 2031:

- **Residential (Homes)**
 - **\$1.026 trillion (36%)**
- **Commercial (Stores/Offices)**
 - **\$741 billion (26%)**
- **Industrial (Factories/Data Centers)**
 - **\$684 billion (24%)**
- **Infrastructure (Roads/Bridges)**
 - **\$399 billion (14%)**

In 2031, California, Texas, Florida, New York, and New Jersey will continue to drive a significant portion of U.S. construction growth, collectively accounting for about 42% of the projected construction spending.

California's tech and infrastructure projects, Texas' booming population and business-friendly environment, Florida's real estate surge, New York's massive urban redevelopment, and New Jersey's proximity to major markets fuel their ascent. Each state's unique strengths—tech innovation, population growth, and infrastructure needs position them as key players in the construction and data center boom.

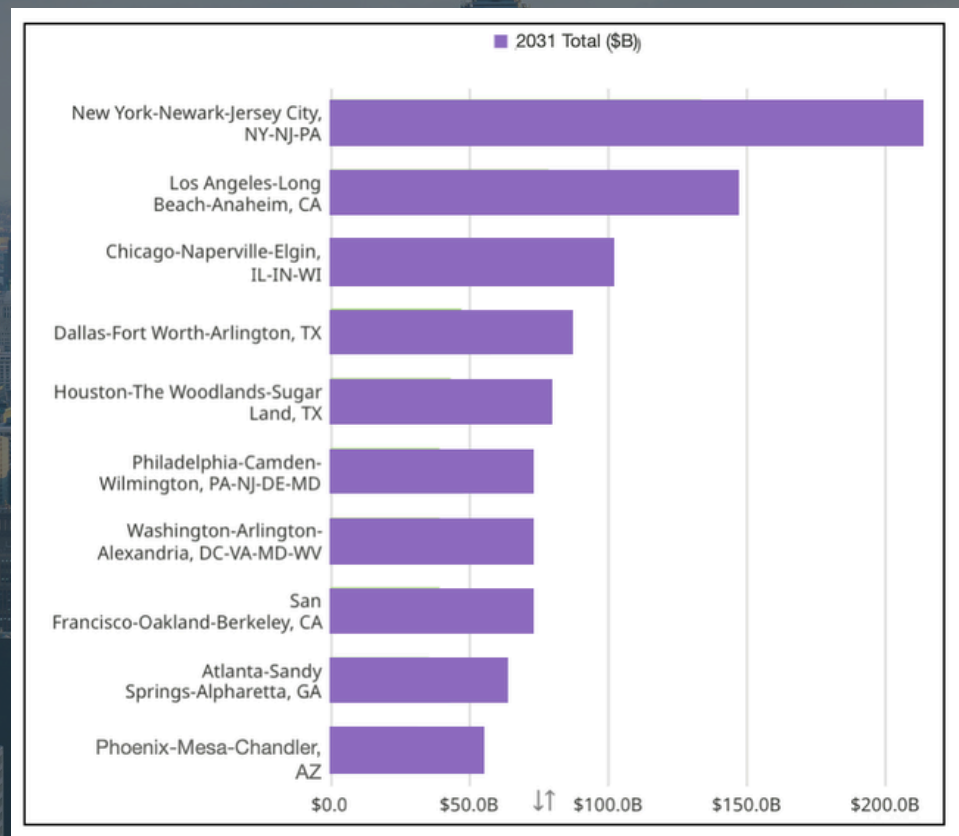
Top 5 States by Rank

1. **California**
2. **Texas**
3. **Florida**
4. **New York**
5. **New Jersey**

Third of Markets Dominate Two Thirds of Spending

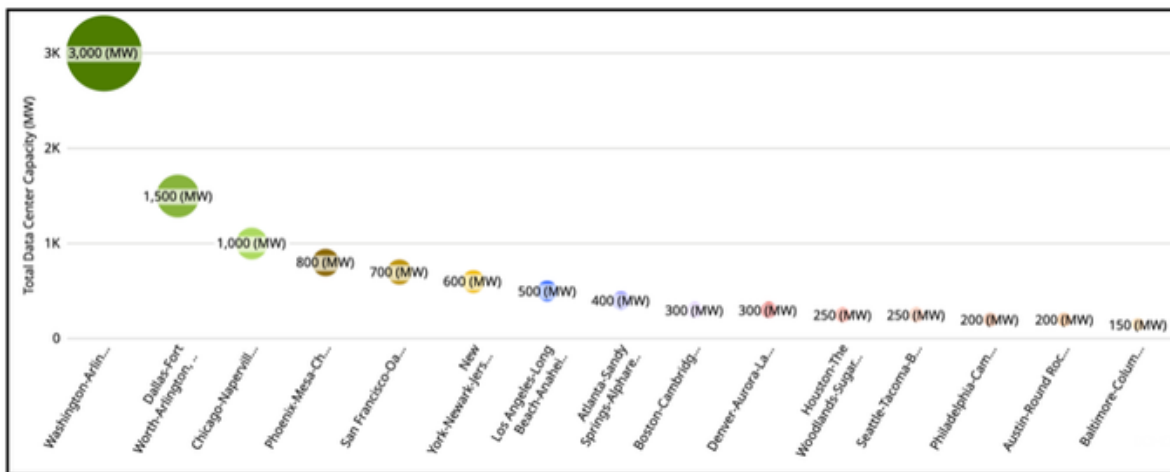
The top 10 Metropolitan Statistical Areas (MSAs) alone representing over one-third of the construction market in the entire United States. Leading the charge is the New York-Newark-Jersey City region, projected to achieve \$230 billion (8% of total) in spending by 2031, followed by Los Angeles, Chicago, Dallas-Fort Worth and Houston.

Pictured below are the top 10 markets (metropolitan statistical areas) in the United States:



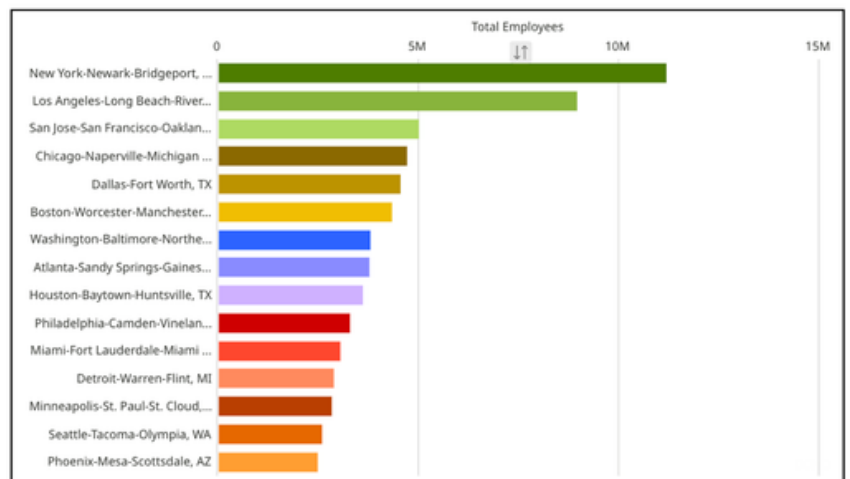
Data Center Demand Overview: Top 12 Markets Account for 73% of Data Center Capacity

Data centers are emerging as a powerful driver of construction and industrial activity. The top 12 metropolitan statistical areas are expected to account for nearly 73% of all U.S. data center capacity by 2031, spurred by demand for cloud computing, artificial intelligence and 5G infrastructure. These tech-heavy hubs are ripe for investment in equipment and skilled services; a growth wave MERLO America is prepared to ride.



Agriculture Still Matters: Top 40 Areas (10%) Account for +70% of Employment

Beyond urban expansion, the report identifies agricultural hotspots across 179 Bureau of Economic Analysis (BEA) economic areas. MERLO America's utility tractors and telehandlers are well-suited to serve these high-output zones, helping modernize operations and improve efficiency on farms and rural projects. Highlighted below are the top 15 markets.



Spotlight on Top Ten Markets

Below are the top 10 markets, ranked by projected 2031 construction spending. Each spotlight includes sector details, data center capacity, and what's driving growth in these markets.

1. New York-Newark-Jersey City, NY-NJ-PA

2031 Construction Spending: \$230 billion (~8% of U.S. total)

Residential: \$92B

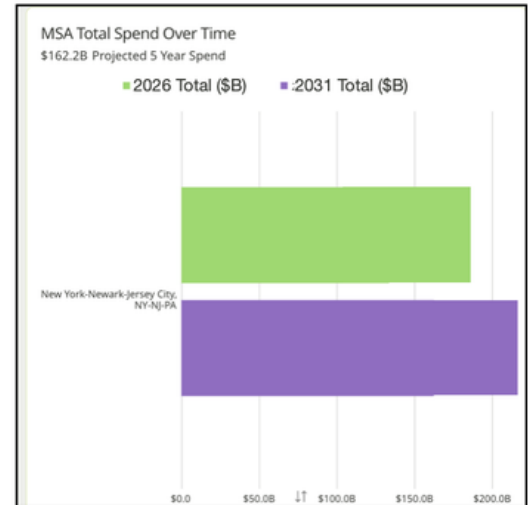
Industrial: \$46B

Commercial: \$69B

Infrastructure: \$23B

Data Center Capacity: ~3,000 MW

Growth Drivers: Finance/tech upgrades, AI data centers offsetting office declines, and infrastructure (subway/bridges) population stability and institution investments sustain momentum despite high costs.



✱ Key Insight:

New York's construction spending alone could rival the economy of a small country.

2. Los Angeles-Long Beach-Anaheim, CA

2031 Construction Spending: \$144 billion (~5% of U.S. total)

Residential: \$57.6B

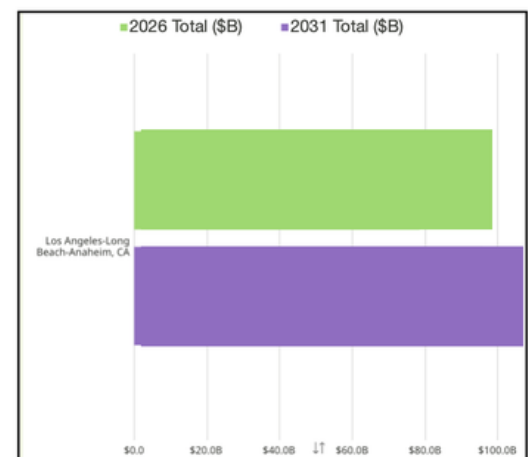
Industrial: \$28.8B

Commercial: \$43.2B

Infrastructure: \$14.4B

Data Center Capacity: ~1,000 MW

Growth Drivers: Population growth, entertainment sectors, and AI/data center; high-tech mfg. and port expansions fuel industrial/commercial, with residential driven by housing.



3. Chicago-Naperville-Elgin, IL-IN

2031 Construction Spending: \$100 billion (~3.5% of U.S. total)

Residential: \$40B

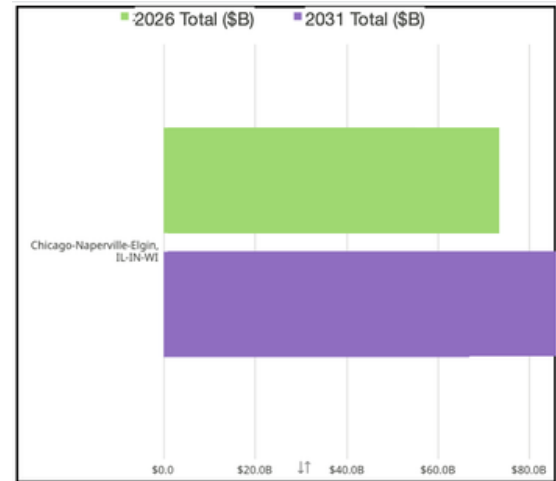
Industrial: \$20B

Commercial: \$30B

Infrastructure: \$10B

Data Center Capacity: ~4,500 MW

Growth Drivers: Central logistics hub boosts industrial/logistics projects; cloud/finance data centers expand amid AI demand.



* Key Insight:

Renown contractor, Clayco, is the GC for PsiQuantum quantum computing campus positioned to become the world's first utility-scale quantum computer



4. Dallas-Fort Worth-Arlington, TX

2031 Construction Spending: \$86 billion (~3% of U.S. total)

Residential: \$34.5B

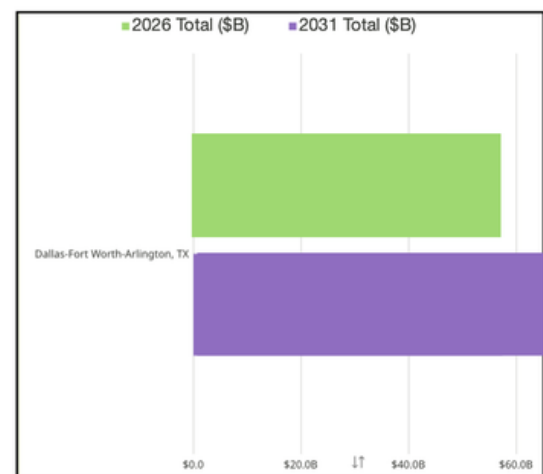
Industrial: \$17.2B

Commercial: \$25.8B

Infrastructure: \$8.6B

Data Center Capacity: ~6,000 MW

Growth Drivers: Business-friendly policies, population growth, and tech/AI boom.



* Key Insight:

Dallas is a leader in data center capacity among the top MSAs, making it a prime market for tech-driven projects.

5. Houston-Pasadena-The Woodlands, TX

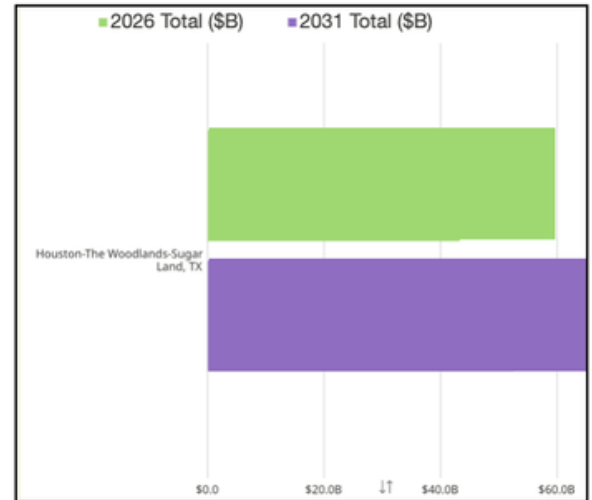
2031 Construction Spending: \$79 billion (~3% of U.S. total)

Residential: \$31.6B **Industrial:** \$15.8B

Commercial: \$23.7B **Infrastructure:** \$7.9B

Data Center Capacity: ~1,000 MW

Growth Drivers: Energy sector stability and population growth. Data centers add industrial resilience.



6. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

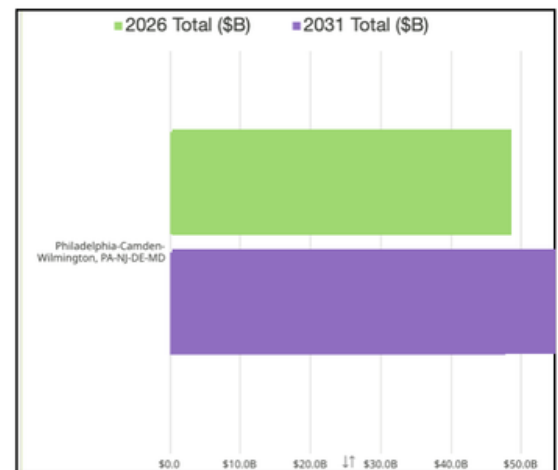
2031 Construction Spending: \$71 billion (~2.5% of U.S. total)

Residential: \$28.4B **Industrial:** \$14.2B

Commercial: \$21.3B **Infrastructure:** \$7.1B

Data Center Capacity: ~750 MW

Growth Drivers: Healthcare, education, and infrastructure upgrades fuel construction, with data centers supporting these industries, despite data centers capacity lagging other top markets.

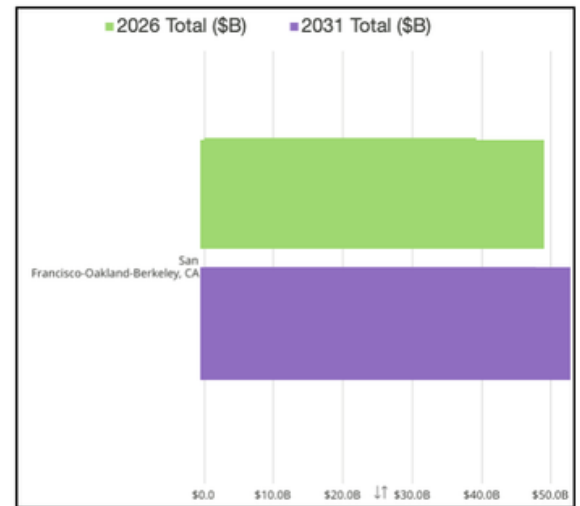


7. San Francisco-Oakland-Fremont, CA

2031 Construction Spending: \$71 billion (~2.5% of U.S. total)

Residential: \$28.4B **Industrial:** \$14.2B
Commercial: \$21.3B **Infrastructure:** \$7.1B
Data Center Capacity: ~3,500 MW

Growth Drivers: As the tech heart of the U.S., San Francisco's data centers are booming and driving innovation, while high demand keeps housing and offices growing.

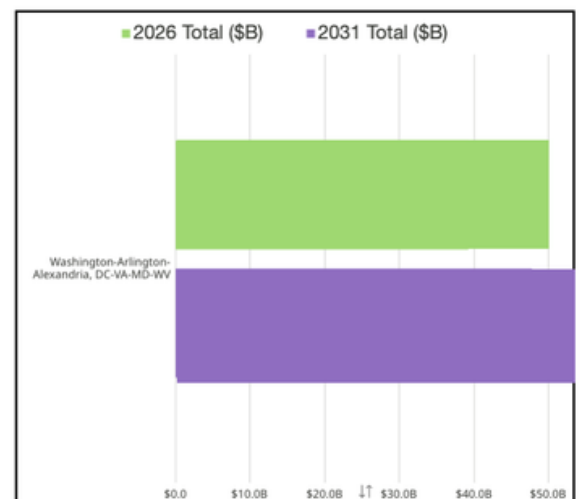


8. Washington-Arlington-Alexandria, DC-VA-MD-WV

2031 Construction Spending: \$71 billion (~2% of U.S. total)

Residential: \$28.4B **Industrial:** \$14.2B
Commercial: \$21.3B **Infrastructure:** \$7.1B
Data Center Capacity: ~12,000 MW

Growth Drivers: Government/tech sectors, fiber connectivity; data infrastructure dominates. Power deficits temper long-term forecast.

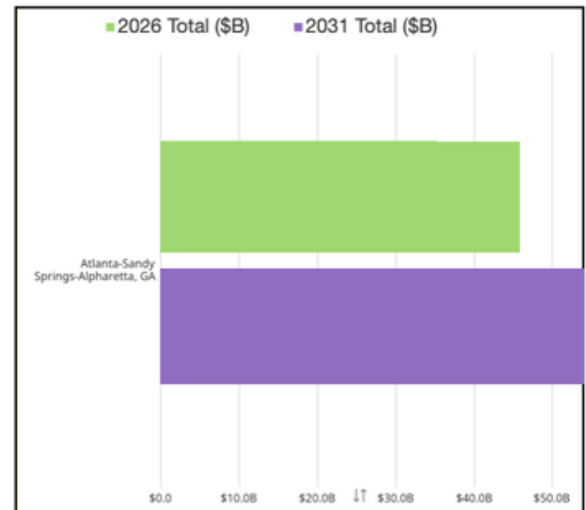


9. Atlanta-Sandy Springs-Roswell, GA

2031 Construction Spending: \$65 billion (~2% of U.S. total)

Residential: \$26B **Industrial:** \$13B
Commercial: \$19.5B **Infrastructure:** \$6.5B
Data Center Capacity: ~2,500 MW

Growth Drivers: Logistics/transportation hubs; data centers, population growth and multifamily construction.

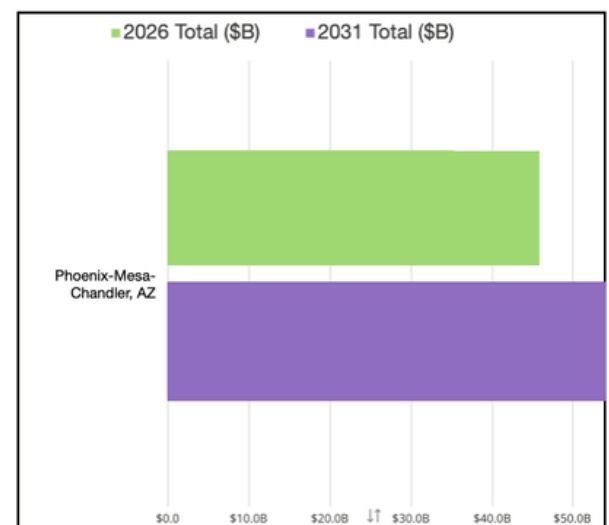


9. Phoenix-Mesa-Chandler, AZ

2031 Construction Spending: \$58 billion (2% of U.S. total)

Residential: \$23.2B **Industrial:** \$11.6B
Commercial: \$17.4B **Infrastructure:** \$5.8B
Data Center Capacity: ~4,000 MW

Growth Drivers: Affordable housing, high-tech manufacturing, data center boom.



Forecast Methodology

BiltData.ai conducted a detailed examination of construction spending forecasts for MSAs (metropolitan statistical areas) from 2026 to 2031, expanded to include detailed data center rankings and capacities, as well as agricultural economic output, growth rates, and rankings, with a refined scoring mechanism to categorize each market's performance. The analysis, conducted in 2026, leverages the latest industry trends and data.

Construction Spending Forecast Methodology

The forecast builds on a national baseline of construction spending for 2026, growing at an annual rate of ~3.5% - 5% through 2031, subject to the geography, as suggested by industry outlooks from the American Institute of Architects (AIA), government data and other industry sources. Categories include residential, commercial, industrial (with a focus on data centers), and infrastructure, with allocations adjusted for each MSA based on population, economic activity, and historical trends.

Construction spending is defined as 'the total value of construction put in place', a standard metric used by U.S. government research departments. This encompasses new construction as well as additions, alterations, conversions, expansions, reconstructions, renovations, rehabilitations, and major replacements. Construction spending also includes related costs like labor, materials, architectural/engineering work, equipment rental, overhead, interest, and taxes paid during construction (excluding land acquisition, maintenance, or minor repairs).

Data Centers: Detailed Rankings and Economic Impact

Data centers are a critical component of industrial construction, particularly in tech-heavy MSAs, driven by demand for cloud computing, AI, and 5G infrastructure. Rankings are based on estimated data center capacity in megawatts (MW).

Agriculture: Employment Economic Output, Growth, and Rankings

Agriculture, while typically less significant in urban MSAs, is analyzed using BEA (Bureau of Economic Analysis) employment analysis and county-level farm income data from the USDA's National Agricultural Statistics Service (NASS) County-Level Cash Receipts, summed for each market's counties as a proxy for economic output.

Employment was divided into five sectors for analysis: Agriculture, Construction, Data Centers, Competition, and All Others. Employment was projected at the county level for 2026-2031 by BiltData.ai, which picks the best projection technique for each time series.

Counties were aggregated into BEA Economic Areas. BEA Economic Areas assign each county to an area that typically includes at least one MSA and rural counties surrounding it. Since much of the spending is from Agriculture, it was important to include these rural counties and not limit the analysis to MSAs. There are 179 BEA economic areas. CAGRs were computed for each sector by BEA area for 2026-2031.



Conclusion

The top MSAs will dominate construction spending, but growth is happening nationwide. From New York's \$230 billion to smaller markets, opportunities abound. Data centers, especially, are concentrated in a few key areas, making them hotspots for power generation and industrial projects and signals of long term prosperity. For construction equipment rental companies and dealers, the message is clear: know your market, spot the trends, and gear up for what's ahead. Merlo America is here to support you with the equipment and insights you need to thrive in these growing markets.

About Merlo America



Merlo America represents Merlo Group, a global leader in telehandler technology and design. Headquartered in South Carolina, Merlo America delivers innovative solutions in material handling, forestry, construction and agriculture, designed and manufactured in Italy. With a product line focused on versatility, innovation and operator-efficiency, Merlo products, attachments and technologies are used in industries ranging from agriculture and construction to forestry and rental. Backed by a robust dealer network and dedicated support team, Merlo America is committed to helping U.S. end-users do more with confidence.

About BiltData



BiltData provides predictive buyer intelligence for Merlo America. Drawing from analysis of 100M+ transactions in fleet ownership and acquisition, rental and product support, BiltData uncovers patterns that pave the way for measurable success. BiltData.ai provides complete intel, built in, to provide the industry's only alarm for ready to buy & rent that increases revenue +33% and challenges status quo data-sets.