

# 2021 Construction Outlook for Subcontractors

## Risk and Opportunities

We developed the 2021 Autodesk Construction Outlook Risk & Opportunities report in partnership with Construction Analytics, LLC. It combines external economic data from sources such as Dodge Data & Analytics with Autodesk's own aggregated, anonymized BuildingConnected™ survey data to deliver the industry state of the industry. Our infographic highlights the top risks and opportunities for subcontractors uncovered in the report.



### Bid Activity Is Increasing

**36%**

spike in total bidding activity in January 2021 compared to a three-month pre-pandemic average.



**80%** of teams using BuildingConnected as a bid management solution are still able to turn around bids in the industry standard of seven days.

#### RISK Increasing Competition

While bidding activity is up, new projects are not up at the same rate. The spike in activity and increased competition will put pressure on subcontractors to deliver bids on time.

#### OPPORTUNITY Bid Management Technology

Technology can help to optimize a team's competitiveness as bid activity continues to rise.

### Project Restarts on the Rise

**6%**

increase in nonresidential projects

**10%**

increase in non-building infrastructure projects expected this year

**-10%**

Total starting backlog is down -10% for 2021 and projected -5% for 2022



#### RISK Subcontractor Default Risk

Defaults tend to rise when the construction industry moves from a period of reduced activity to a period of growth.

#### OPPORTUNITY Bid Analytics

Specialty contractors will need to be tactical in selecting projects – bid analytics tools will help teams make informed decisions about which projects to bid on.



### Supply Chain Uncertainty

**Over 75%**

of insured contractors are more concerned or much more concerned about supply chain and material delivery impacts and their effects on their subcontractors' ability to perform on their projects.\*



#### RISK Additional Project Delays

Materials availability issues and schedule delays could outweigh any decline in work available for bid.

#### OPPORTUNITY Closer Collaboration with GCs

To better understand supply chain uncertainty and mitigate risks, subcontractors and GCs should closely collaborate on communications and material monitoring and management plans.