

FMI Consulting Report Projects Continued Design-Build Growth Despite Industry Challenges

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WASHINGTON, DC, UNITED STATES, April 13, 2023 /EINPresswire.com/ -- A recent report from [FMI Consulting](#)

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Lisa Washington, CEO, DBIA

forecasts continued growth of design-build over the next three years, despite recent industry challenges and market volatility. FMI's findings indicate that design-build is anticipated to account for 47% of construction spending and a 22.5% growth in total design-build spending by 2026.

“With the positive projections reported by FMI in this update, design-build will be integral to keeping our nation's infrastructure projects moving forward,” said [Design-Build Institute of America](#) (DBIA) Executive Director/CEO Lisa Washington, CAE.

Building on FMI's 2021 report on design-build utilization, the new survey reexamined the industry following the challenges of the past three years, including the COVID-19 pandemic, labor shortages and supply chain issues. The flexibility and collaboration inherent in design-build uniquely position the project delivery method to resist stagnation, and respondents overwhelmingly indicated that design-build project delivery – regardless of procurement approach – is better able to manage cost uncertainty. The projected decrease in design-bid-build alongside the growth in design-build demonstrates the industry is moving toward collaboration as a norm and an expectation.

Washington added, “Over the last three years, we've seen design-build withstand the uncertainty of a volatile market and continue to demonstrate optimal results. It is a delivery method that performs, even in the face of adversity. In fact, during times of crisis, the flexibility of design-build has helped communities recover more quickly and cost-effectively by delivering projects on time and on budget.”

FMI found that design-build continues to see usage in all sectors and regions of the United States, and the industry has witnessed extraordinary project outcomes and innovation across all sectors. The FMI Design-Build Market research report provides detailed geographic and sector data, including market analysis and projections. Here are just a few highlights:

- Overall, design-build is anticipated to represent up to 47% of construction spending in the assessed segments and geographies in 2026.
- Total growth in design-build construction spending is anticipated to be 22.5% from 2022 to 2026. Design-build is anticipated to account for \$1.9 trillion of construction spending in the assessed segments over the 2022 – 2026 forecast period.
- The majority of respondents (83%) indicated design-build can help them with supply chain issues over other delivery methods.
- Highway/street (18%), educational (13%) and manufacturing (14%) are anticipated to hold the greatest share of design-build spending through 2026.
- Together, the transportation and highway/street sectors are expected to represent 27% of design-build spending by 2026. These sectors include aviation, marine, land and street projects.
- Water/Wastewater was the smallest segment of spending but fastest growing – combined annual growth remains the highest.
- Over three-quarters of survey respondents believe that design-build facilitates greater utilization of prefabrication on projects.
- Competitive Best Value (CBV), Progressive Design-Build (PDB) and Qualifications-Based Selection (QBS) account for a majority of the procurement approaches. Respondents indicated CBV, PDB and QBS were better able to manage cost uncertainty in a volatile market environment than Low Bid. PDB was at the top with the majority of respondents indicating it is either moderately (31%), very (37%) or extremely (15%) well-suited to managing cost uncertainty.

For more information or to schedule an interview with a DBIA subject matter expert, contact Erin Looney at elooney@dbia.org or 850-443-0455.

[Download the full 2023 FMI report.](#)

Download the 2021 FMI report.

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