

Q1 MARKET UPDATE

Real Estate & Construction

Q1 Overview

Q1 has opened with steady momentum across Real Estate and Construction, particularly in New York City's ground-up and affordable housing markets. Compared to Q4, activity has accelerated and compared to this time last year, vacancy levels are up, but importantly, growth is driving hiring rather than turnover.

Across all five boroughs of NYC, new construction and large-scale renovations remain active. Affordable housing and NYCHA-related projects continue to anchor demand. In 2025, resilience in affordable housing helped offset softness in other asset classes, and that trend has carried into 2026.

Employer confidence is split. Businesses with secure pipelines are hiring assertively. Those that lost bids late last year are moving more cautiously. The result is a two-speed market. Growth-focused contractors are expanding teams strategically, while others are maintaining stable headcount until visibility improves.

Hiring in Q1 is predominantly growth-led rather than replacement-based. Companies are building teams to deliver 2026 pipelines. Within NYC, demand is consistent across boroughs, while nationally, high-growth regions such as Texas and Florida continue to show strength following strong population-driven expansion last year.

Notable skill spikes include:

- DOB-licensed Superintendents
- Project Managers with proven leadership capability
- Professionals with NYCHA and affordable housing renovation experience
- Junior professionals with strong academic foundations and construction software proficiency

Delivery leadership and regulatory compliance expertise are commanding particular attention.

Demand Trends

Demand in Q1 has been strongest for licensed Superintendents, Senior Project Managers, Estimators and Preconstruction professionals, and junior Project Engineers and Assistant Project Managers.

Last year, senior field leadership and estimating functions were already difficult to source. That constraint has intensified slightly in early 2026, particularly where licensing requirements narrow the talent pool.

Interview-to-offer timelines have tightened. The average time-to-offer is approximately two weeks.

In competitive cases, clients are progressing strong talent rapidly once identified.

Multiple-offer situations are re-emerging, especially for licensed Superintendents and experienced mid-level Project Managers. Employers recognize that hesitation leads to missed hires.

Newly created roles outweigh backfills. With pipelines filling for 2026, companies are proactively expanding delivery capacity. Permanent hiring remains dominant; however, contract appetite is limited in this sector.

Key sector drivers include:

- Affordable housing expansion
- Increased regulatory scrutiny requiring licensed leadership
- Backlog stabilization following bid volatility in late 2025

Compensation

Base salaries are largely holding steady compared to 2025 levels. Broad inflationary jumps seen in previous cycles have moderated, but targeted premiums remain for licensed and hard-to-source professionals.

Pressure points are emerging at the junior level. Those with an additional year of experience and successful project completions are seeking progression into higher pay bands. Licensed Superintendents continue to command above-market packages due to supply constraints.

Bonus structures remain consistent with last year, typically tenure- and performance-linked and often fulfilled after twelve months. Benefits including healthcare, PTO, and 401k contributions continue to play a significant role in offer acceptance.

Counter-offers appear slightly less frequent than during peak hiring cycles. Where companies lack strong backlog visibility, they are less inclined or less able to compete aggressively.

Overall, compensation strategy in Q1 reflects discipline with selective flexibility where skill shortages are acute.

Candidate Behavior

Overall, sentiment in Q1 reflects cautious optimism.

Junior professionals are more open to exploring new opportunities, particularly when upward mobility feels constrained. Senior professionals are more inclined to stay with employers that are demonstrating strong pipeline visibility and consistent work.

Work stability is the dominant motivator. In 2025, progression and compensation were key drivers of movement. In early 2026, stability and security are equally, if not more, influential.

Risk appetite is selective. Professionals at slower firms are proactive. Those within thriving organizations are significantly harder to attract.

Hybrid policy has limited impact in this sector due to the site-led nature of most roles. Where office-based flexibility is offered, it is viewed positively but rarely decisive.

Professionals' priorities now include:

- Pipeline visibility
- Long-term career growth
- Project location and commute
- Competitive compensation
- Company culture

Dropouts most often occur after professionals complete active projects or wait to secure year-end bonuses.

Hiring Process Trends

The average time-to-offer currently sits at around two weeks.

Delays typically occur during internal approvals, permit-related uncertainty, or when individuals prefer to close out ongoing projects before moving.

Offer acceptance rates are strong when employers move decisively and communicate clearly. Companies that streamline interviews, provide rapid feedback, and present structured offers with clear pipeline visibility are securing higher acceptance rates.

In contrast, prolonged decision cycles or unclear project outlooks increase risk of disengagement.

Speed remains a competitive advantage. In a market constrained by licensed leadership availability, delayed decisions translate directly into lost hires.

Q2 Outlook

Looking ahead to Q2, competition for experienced and licensed leadership talent is expected to intensify.

Roles likely to remain hardest to secure include:

- DOB-licensed Superintendents
- Project Managers with affordable housing experience
- Senior Estimators

While overall salary inflation remains controlled compared to prior years, targeted increases will persist for credentials and project-critical roles.

Delaying hiring may result in higher compensation costs later in the year or missed talent altogether.

Sectors positioned for continued strength include affordable housing, large-scale residential renovation, and multifamily development across major metro areas.

Risk factors include financing delays, permit timelines, bid volatility, and broader interest rate shifts.

One area many firms continue to underestimate is retention. As the market regains momentum, organizations focused solely on external growth without reinforcing internal progression and communication may face avoidable attrition.

For hiring leaders, secure licensed leadership early, move before project awards are finalized, benchmark compensation against 2026 market data rather than legacy expectations, and invest in retention alongside growth hiring.

For professionals, prioritize pipeline visibility over short-term pay increases, assess leadership credibility and backlog strength carefully, and time transitions around project completion to maintain leverage.

Q1 signals acceleration without excess. The organizations planning ahead, hiring decisively, and reinforcing internal stability will be best positioned to win talent in Q2. In this market, clarity is currency.

KEY TRENDS



Growth-led hiring is driving the market



Affordable housing continues to anchor demand



Licensed leadership talent is increasingly scarce



Salaries are stabilizing, but targeted premiums remain



Speed in hiring is becoming a competitive advantage

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