L.E.K.

Special Report

The Implications of US Population Shifts for Building and Construction

September 2021

Contents

Executive summary 2

Pre-COVID-19: Decline in overall and local movement and the migration to the South and the West 5

COVID-19 impact on migration 7

Work from home and suburbanization 9

The growth of secondary urban markets 12

Continued migration to Southern and Western states 14

Immigration uncertainty 16

Conclusion 17

Authors 18

About L.E.K. Consulting

L.E.K. Consulting is a global management consulting firm that uses deep industry expertise and rigorous analysis to help business leaders achieve practical results with real impact. We are uncompromising in our approach to helping clients consistently make better decisions, deliver improved business performance and create greater shareholder returns. The firm advises and supports global companies that are leaders in their industries — including the largest private- and public-sector organizations, private equity firms, and emerging entrepreneurial businesses. Founded in 1983, L.E.K. employs more than 1,600 professionals across the Americas, Asia-Pacific and Europe.

For more information, go to www.lek.com.

Executive summary

Recent U.S. Census releases have focused attention on the U.S. population. COVID-19 has led to new population shifts and reinforced other existing trends, but some trends go against many popular beliefs: The perceived shift from cities has been mitigated, and some markets have seen prices rise faster than in suburban markets (e.g., the Midwest). Despite the headlines, fewer people moved in 2020 compared to prior years, although domestic migration still has significant impact: Between 2010 and 2019, domestic migration to the South was close to the size of Houston.[1] Building and construction players need to understand these and other changes and determine how to adapt to new and continuing shifts in population. At a time of high asset prices and material shortages, a precision-based understanding of where growth is coming from is particularly important.

When the pandemic took hold in the U.S., new, short-term population shifts occurred as some people moved away from areas with higher infection rates. But as the federal government and the states responded to the crisis, and vaccine development created more stability, additional migration patterns emerged. As the COVID-19 pandemic unfolded, L.E.K. Consulting identified the following six new or existing migration trends (which are laid out in more detail in subsequent sections of this report).

The population continues to rise, but at a slower rate. The U.S. population grew 7.4% between 2010 and 2020, which was lower than the 9.7% growth of the prior decade and the second-lowest growth after 1930-40 (7.3%). While growth is slower, this is still a meaningful increase that will have an impact on building and construction demand.

Fewer people have been moving, particularly locally, but this trend appears to be changing. Move rates are still lower, historically; only 9.3% of the population moved during 2020, compared to 12% in 2011-12. The biggest decrease has been in local, in-county movement, while out-of-county rates have faced a smaller loss. In addition, the number of people saying they are planning to move in 2021 has increased by 20% compared with the prior year,[2] indicating that population migration may become more economically important.

The population continues to shift to the West and the South. This is nothing new. Between 2010 and 2019, the South gained 2.1 million residents through domestic migration, the equivalent of a large city. The West gained 0.3 million. This trend has continued during the pandemic.

More people are moving to the suburbs and outer rings. More people are migrating to the suburbs — a trend that is expected to continue — with 28% of movers citing work from home as a cause of their move. An analysis of 19 cities showed that 70% of the bestselling communities for real estate sales were more than 30 miles from downtown. In addition, suburban rental markets have generally seen faster growth than urban markets. (There are always exceptions, which is why local data is critical. For example, Midwest cities have seen faster urban price growth.)

Secondary cities are gaining in popularity. Movement has also increased to secondary cities. Early in the pandemic, suburban home prices grew faster than urban prices, but this trend has now reversed, with urban markets, primarily driven by secondary urban markets, growing fastest on a per-square-foot basis in the first quarter of 2021.

Immigration has been curtailed. Even before the pandemic, net immigration rates had fallen from ~1.05 million in 2016 to ~0.60 million in 2019 and continued to fall in 2020. States (e.g., California) that have had relatively higher immigration rates to counterbalance domestic migration are facing lower or declining population growth as a result of tighter immigration policies. The Biden administration has reversed some policies of the previous administration, such as raising the number of refugees accepted from 15,000 in 2020 to 62,500 in 2021. It has also endorsed the U.S. Citizenship Act of 2021, which would allow approximately 11 million undocumented immigrants and their spouses and children to become eligible for Lawful Prospective Immigrant (LPI) status. It is not clear, however, whether and when this legislation will be passed by Congress.[3] Without a major change in immigration policies, immigration rates are likely to remain low.

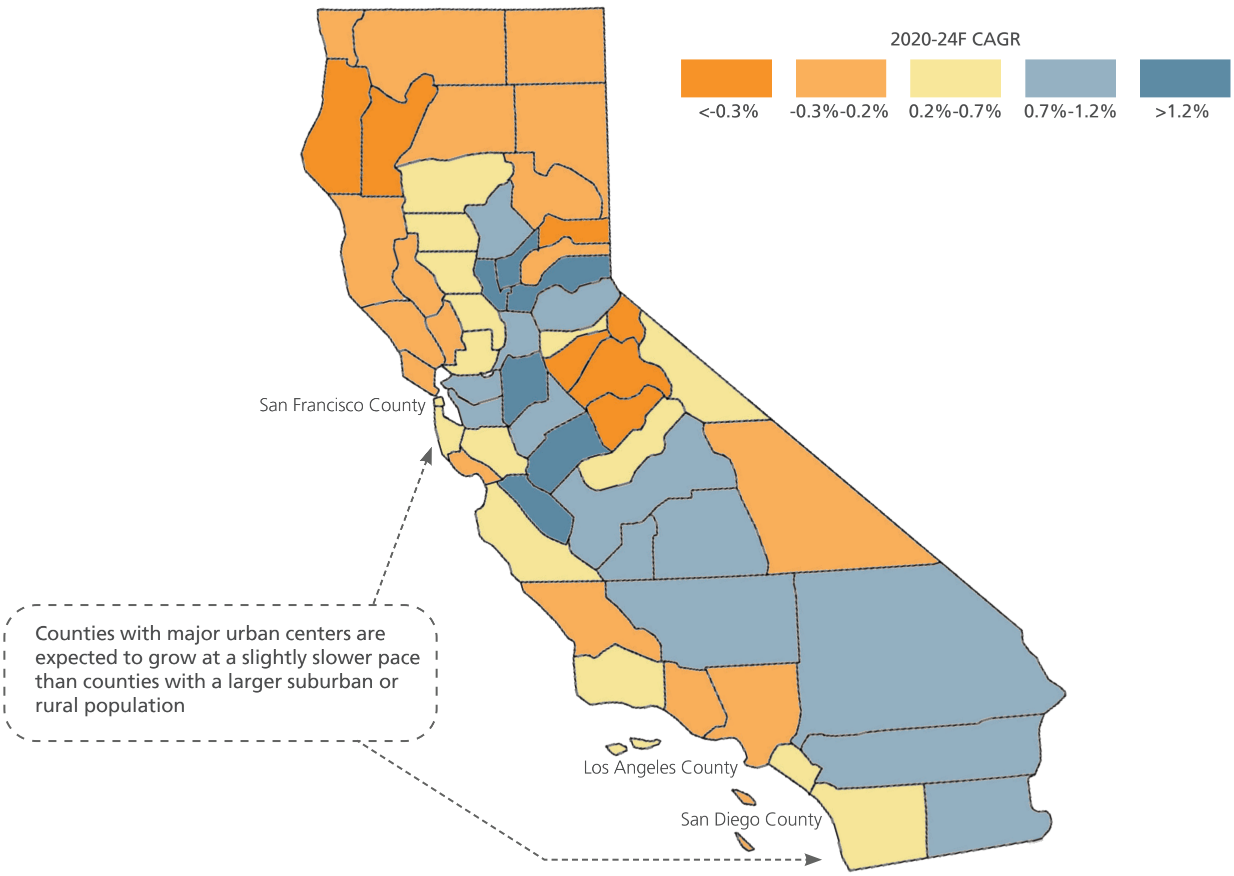
Given these changes, building and construction players should address the following key questions.

1. Have we fully factored in population impact in planning and valuations?

At a time when asset prices are relatively high, small differences in population growth can help make forecast growth rates more precise. For instance, a 2020 L.E.K. analysis and forecast of population growth in California showed counties with population growth ranging from less than 0.3% to greater than 1.2% (see Figure 1).

More precise estimates of population growth can yield more precise plans and valuations.

Figure 1
Projected population growth by California county (2020-24F)



Source: U.S. Census; L.E.K. research, interviews and analysis

2. How can we better expose our company to growth areas?

Suburbs, secondary cities, the South and the West are all expected to experience above-average population growth. Texas and Florida alone are expected to account for 32% of single-family home building permits while the whole of the Northeast and Midwest will account for 21%. Building and construction players should place greater focus on geographic expansion and investment in growth areas.

3. Have we translated current and expected population changes to the territory level?

Too often, sales force territories and branch locations are determined by perceived levels of demand and an assessment of the competitive market. While these factors are important, companies can extrapolate from population trends more precisely and adjust territories and plans accordingly. For example, we worked with a distributor to develop detailed profiles and maps of optimal geographic distribution routes and locations based on the concentration of localized demand for multiple markets.

Building and construction distribution players must also apply a greater level of precision and data science in setting branch catchments/territories and in using changing population data to optimize the location of greenfield sites. The structure and set of services provided by these branches may need to be further adapted, depending on whether they are serving more urban, suburban or rural markets.

4. Are we pushing our channel or installation partners with new data?

Manufacturers need to use a more precise understanding of local markets to challenge channel partners. For example, one manufacturer armed its sales force with local data in order to educate and challenge distributors to increase their rate of growth. In the same way, distributors can challenge installers.

5. Are we investing sufficiently in production builder relationships?

A shift to outer suburbs and secondary markets favors production builders and large developments. These accounts are often challenging to penetrate, requiring companies to invest in salespeople and systems that can nurture new relationships. Other potential changes include building a more dedicated and resourced national builders account group.

6. Have we adapted our products to shifts in population, particularly to the outer rings?

Building product manufacturers will need to pay close attention to how new master planned communities and other developments serving outer-ring suburban or secondary urban markets are evolving. History provides an example: After the 1918 pandemic, many people moved south for light and air and opted for homes with modernist architecture.[4]

Much in the same vein of previous pandemic-driven transformation, L.E.K. expects changes in master planned community and building design to unfold in the coming months and years. For instance, one new community had a denser design with seven homes per acre (compared to five in many communities), reduced grass area and 60% greater patio volume, in part reflecting a need for more affordable and sustainable suburban housing solutions. This change in community design has product implications, particularly in outdoor living. While this community may not be representative of all outer-ring developments, design evolutions will have implications for building-products manufacturers and distributors, requiring additional data gathering and relationship building with production builders to better understand the evolution.

These population migration patterns have significant implications for players in the building and construction value chain. Recognizing and then getting ahead of these trends can create advantages in the marketplace.

Pre-COVID-19: Decline in overall and local movement and the migration to the South and the West

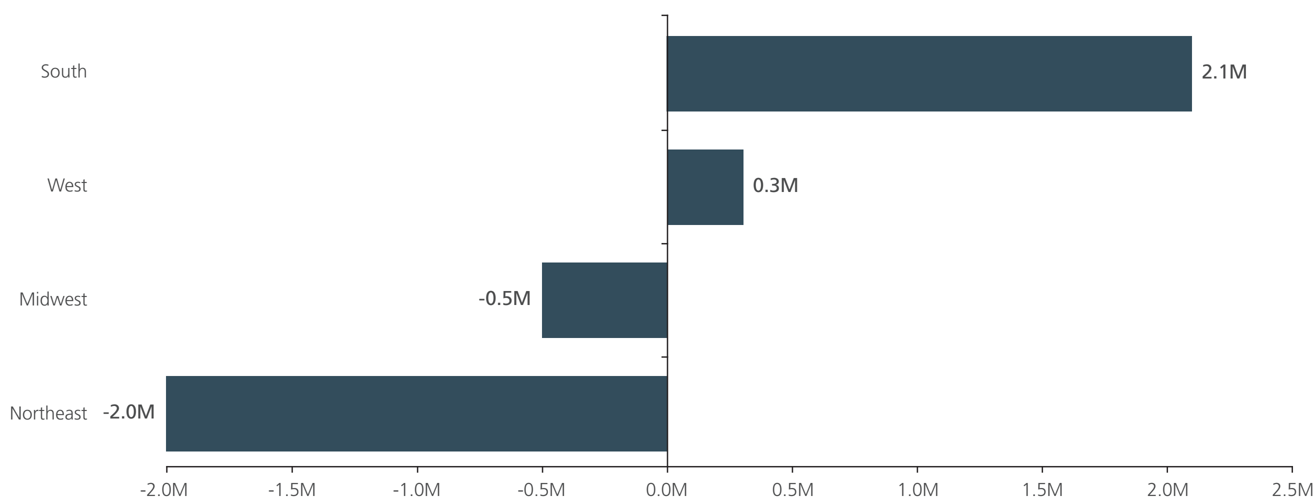
Prior to COVID-19, Americans had been moving less. The average homeowner had been in the same residence for 12.8 years in 2019 compared to 8.7 years in 2010.[5] And in 2019, 9.8% of Americans moved to a new residence in a single year compared to 18.6% in 1985-86.[6] Until COVID-19, migration had been a lesser factor in the housing market than in prior decades.

Although the number of people moving has fallen, many patterns of movement have changed. Some of the biggest decreases in recent years have been for in-county moves. Between 2006 and 2007, 8.6% of people moved within a county and 1.7% moved to a different state. Between 2018 and 2019, 5.4% of people moved within a county and 1.3% moved to a different state. Demographic and economic factors were significant parts of this lower local mobility.

In 2019-20, 19% of 20-to-24-year-olds moved compared to 29% in 2005-06, which suggests they were reaching life milestones (e.g., household formation) later than prior generations, as well as other factors such as millennials' inability to afford household moves or purchases.[7]

However, not all migration patterns have changed, as movement between counties and states has been more stable, hovering in the range of 3%-4% since 2007.[8] Domestic migration was characterized by a shift from Northern to Southern or Western states, in particular from the Northeast to the South. As mentioned earlier, between 2010 and 2019, the South added 2.1 million people through domestic migration, but the Northeast lost 2 million (see Figure 2).

Figure 2
Domestic migration trends (2010-19)

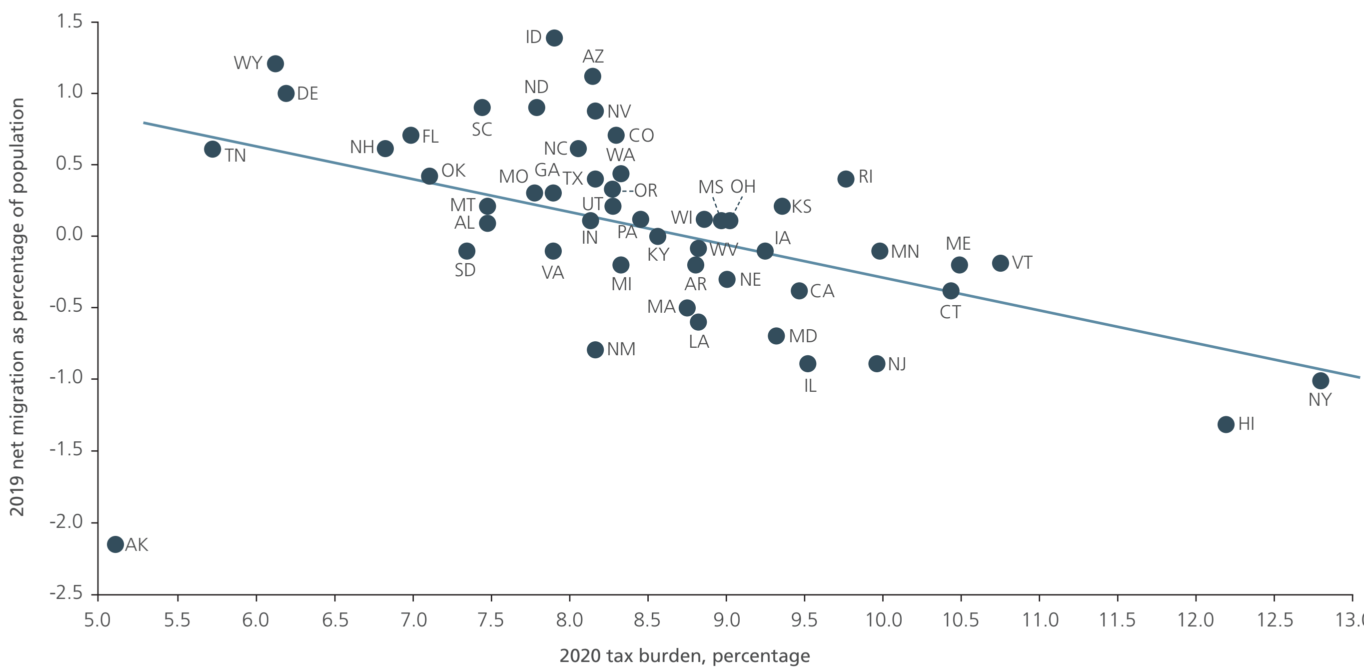


Source: U.S. Census

To put that in context, over a period of seven years the South added the equivalent of a major city and the Northeast lost one. At the same time, while there has been long-term movement to the South and West, there is also movement within regions, in part driven by individuals and companies seeking lower costs, including lower tax rates.

An analysis of 2019-20 data found some level of relationship between tax rates and migration. States with a lower total tax burden are more likely to attract migration, while those with a higher tax burden are more likely to experience lower or falling population growth rates (see Figure 3).

Figure 3
Net tax burden* and migration



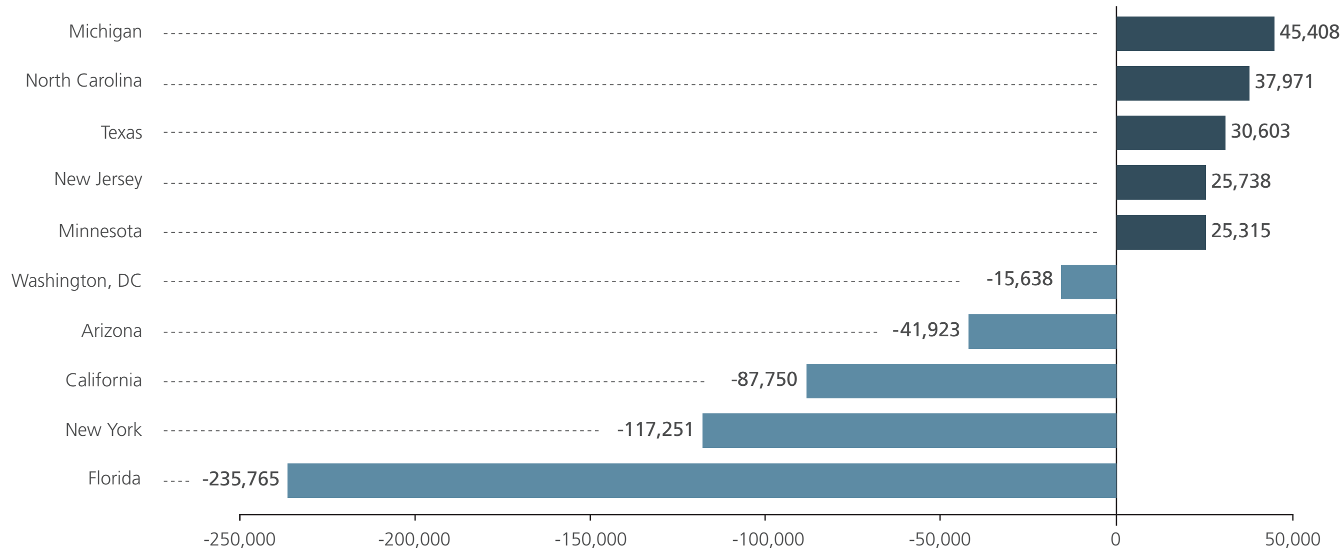
*2020 total tax burden calculated by WalletHub on the basis of property, income and sales/excise taxes; population movement based on latest available census data

Source: WalletHub; U.S. Census; L.E.K. research and analysis

COVID-19 impact on migration

Initially, COVID-19 led to a modest increase in total moves. An analysis of U.S. Postal Service (USPS) change of address forms shows that 15.9 million forms were filed from February to July 2020, compared to 15.4 million during the same time period in 2019, a 3.92% increase. While the total number of moves did not significantly change, COVID-19 shifted migration patterns as some people moved to escape the pandemic in cities. For instance, New Jersey saw an increase in population initially, following years of population movement out of the state, as some people left New York City. Florida experienced a decrease in population from February to July 2020, in part due to the rapid spread of COVID-19 in the state in midsummer (see Figure 4).

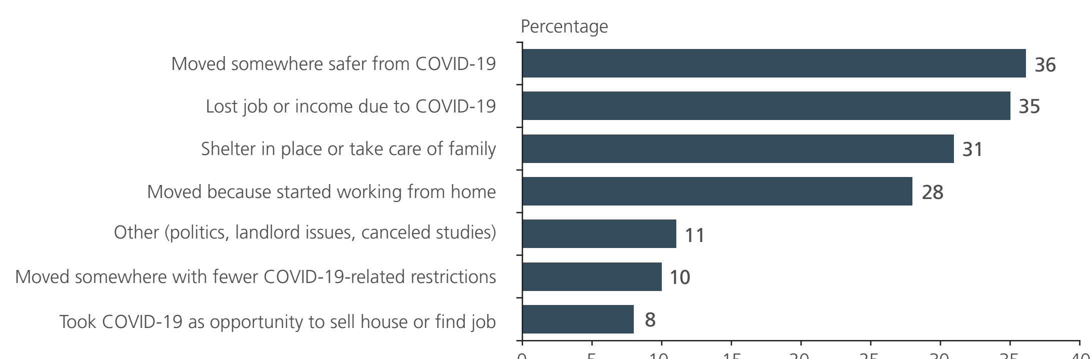
Figure 4
Top 10 states for net migration gain/loss in first part of pandemic (Feb.-July 2020)



Source: MyMove analysis of USPS change of address filings between Feb. 1, 2020, and July 31, 2020

Some of these 2020 population movements were driven by immediate safety, family or economic needs. A quarter of movers cited COVID-19 as the driving factor, with safety, lost job/income, and sheltering in place or taking care of family being the top three factors (see Figure 5). These factors became less important as the pandemic abated somewhat.

Figure 5
Reasons for moving for those who cited COVID-19 as key relocation driver (2020)

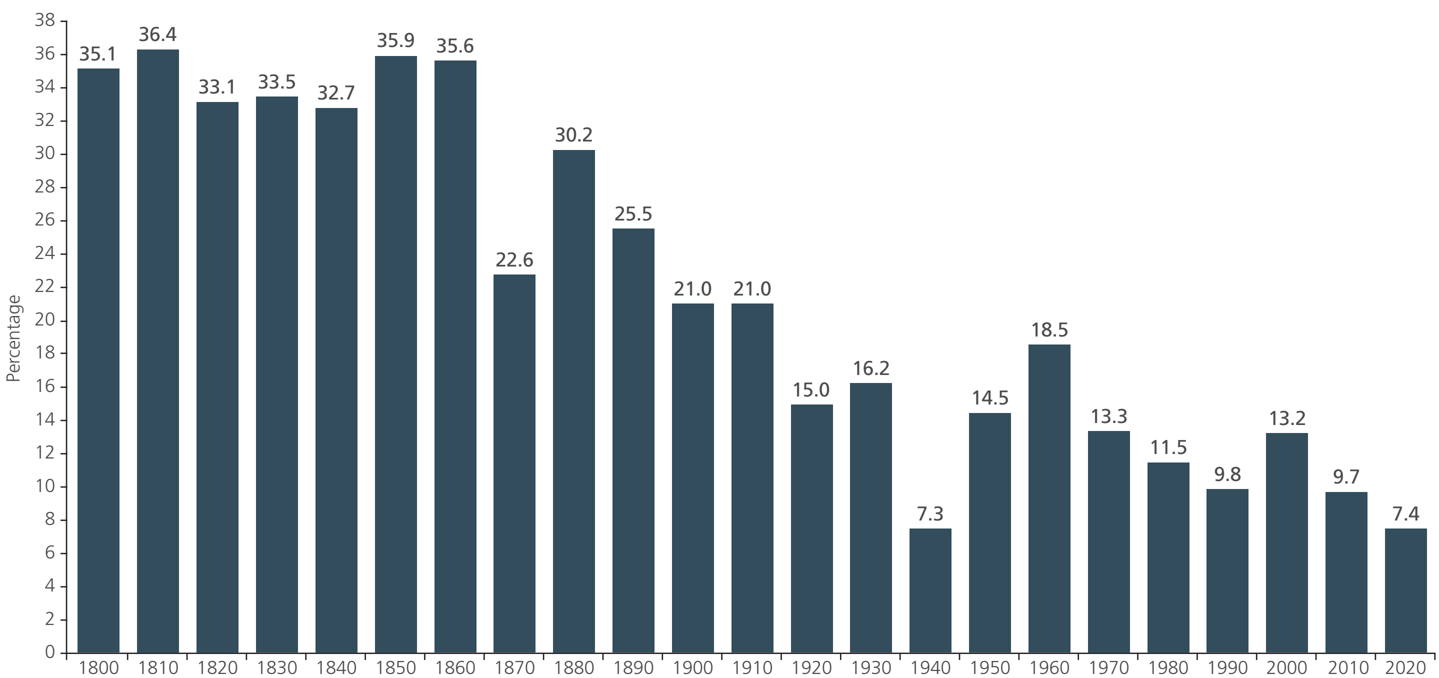


Source: HireAHelper survey based on 75,000 moves

In fact, reduced immigration, as well as lower economic activity and the closing of some parts of the economy, led to a low rate of overall population growth in 2020 and in the decade overall, which had the second-lowest growth rate since 1790 (see Figure 6).

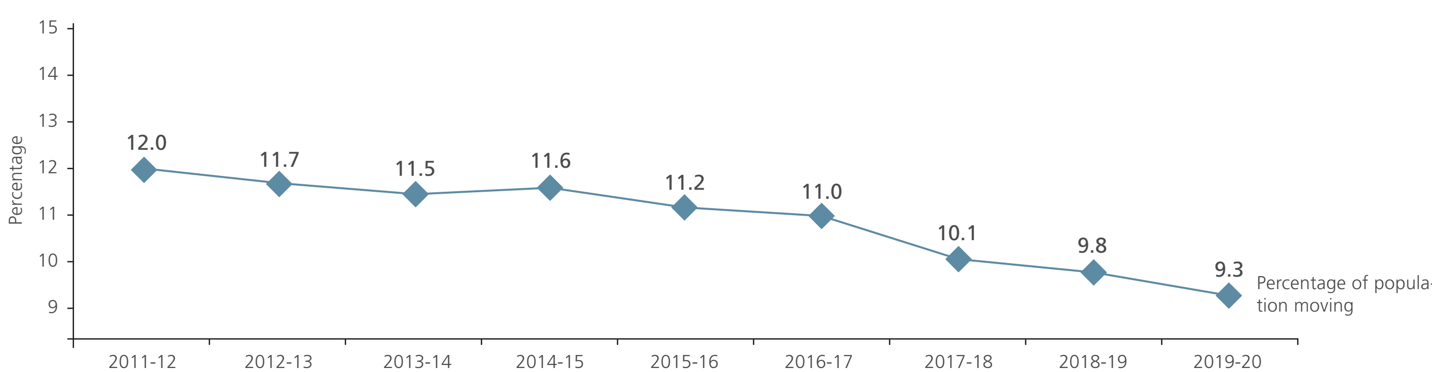
Similarly, reduced overall movement and the longer-term reduction in mobility continued into 2020 (see Figure 7).

Figure 6
Historical change in US population from prior decade (1790-2020)



Source: Brookings Institution, U.S. Census

Figure 7
Percentage of US population moving (2011-20)



Source: U.S. Census

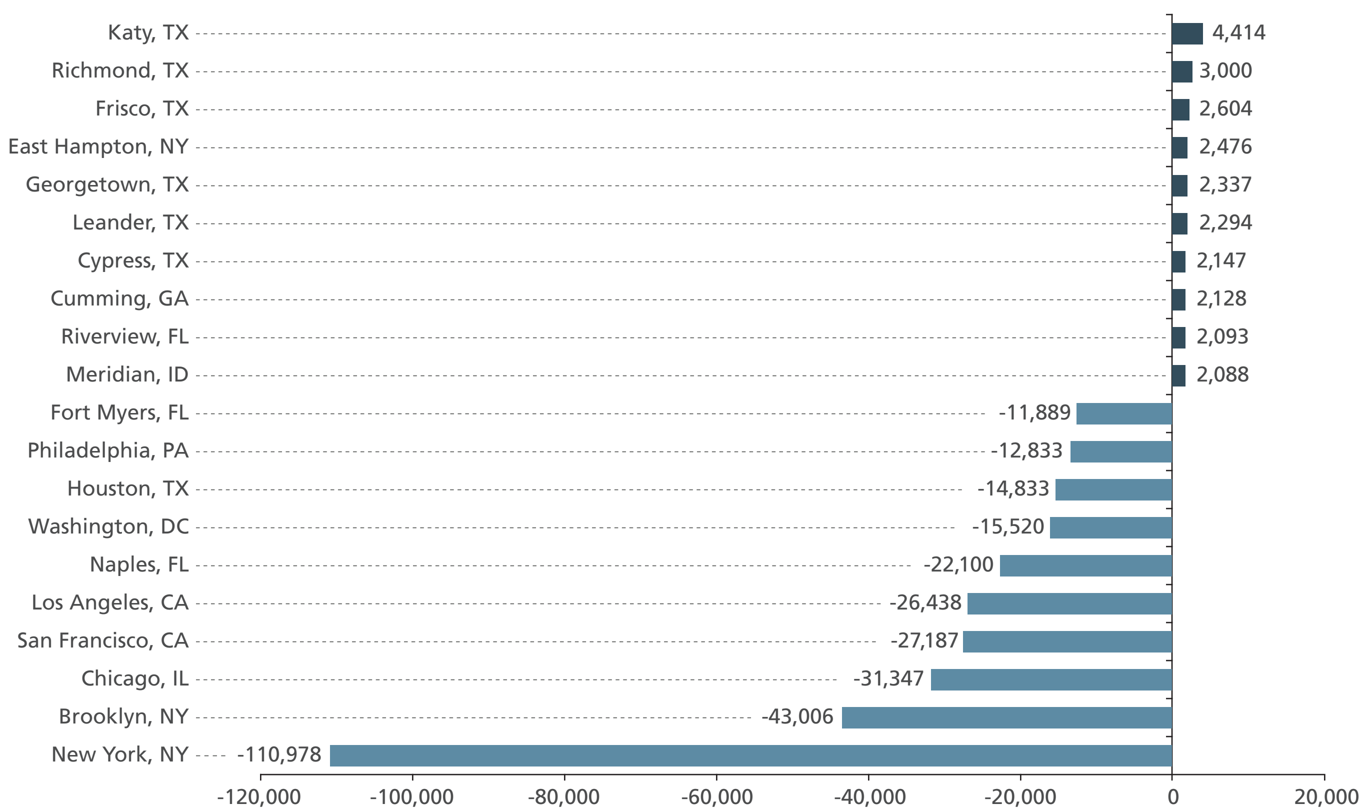
Work from home and suburbanization

While COVID-19 led to some migration to address the immediate challenges of the pandemic, the impact of negative COVID-19-related factors should not be overstated. An April 2021 survey found that 75% of movers claimed to have moved for positive reasons, such as being closer to family and friends or living in an area they have always dreamed of.[9] In addition, 28% of COVID-19-driven movers cited working from home as a cause of their move. This trend of working from home is likely to continue in some form, as 73% of employees believe that companies should embrace some level of working from home[10] — a recent survey even found that 65% of employees would take a pay cut of 5% to work remotely.[11]

It appears leaders are likely to accommodate this employee desire to work from home. A recent survey found that 82% of companies intended to permit remote working some of the time as employees return to the workplace.[12] The work-from-home trend has led to some population movement from urban to suburban areas. USPS change of address data shows that in the first months of the pandemic, people moved from densely populated areas: Manhattan, Brooklyn, San Francisco, Los Angeles, Naples, Washington, D.C., Houston and Philadelphia were the locations that lost the greatest number of people. Moreover, the number of people leaving big cities far exceeded the number moving to smaller cities such as Katy, Richmond and Frisco, Texas, which were the top three cities for population gains. This indicates that people relocated and spread out to a range of other locations (see Figure 8). Census data shows that COVID-19 has reinforced continued movement to the suburbs at the expense of cities (see Figure 9).

New home sales have also increased more quickly in markets that are farther from urban centers. An analysis of 19 major cities showed that 70% of the bestselling communities were more than 30 miles from downtown. Some of these markets have seen significant growth. For instance, sales in communities more than 30 miles from downtown grew faster than sales in communities closer to downtown (e.g., 10-15 miles, 15-20 miles) in Houston, Dallas, Boston, Virginia Beach, Philadelphia, Miami, Los Angeles, Riverside/San Bernardino, Phoenix, San Francisco, New York, Richmond and San Diego.[13]

Figure 8
Top 20 metros for population gain/loss following onset of COVID-19

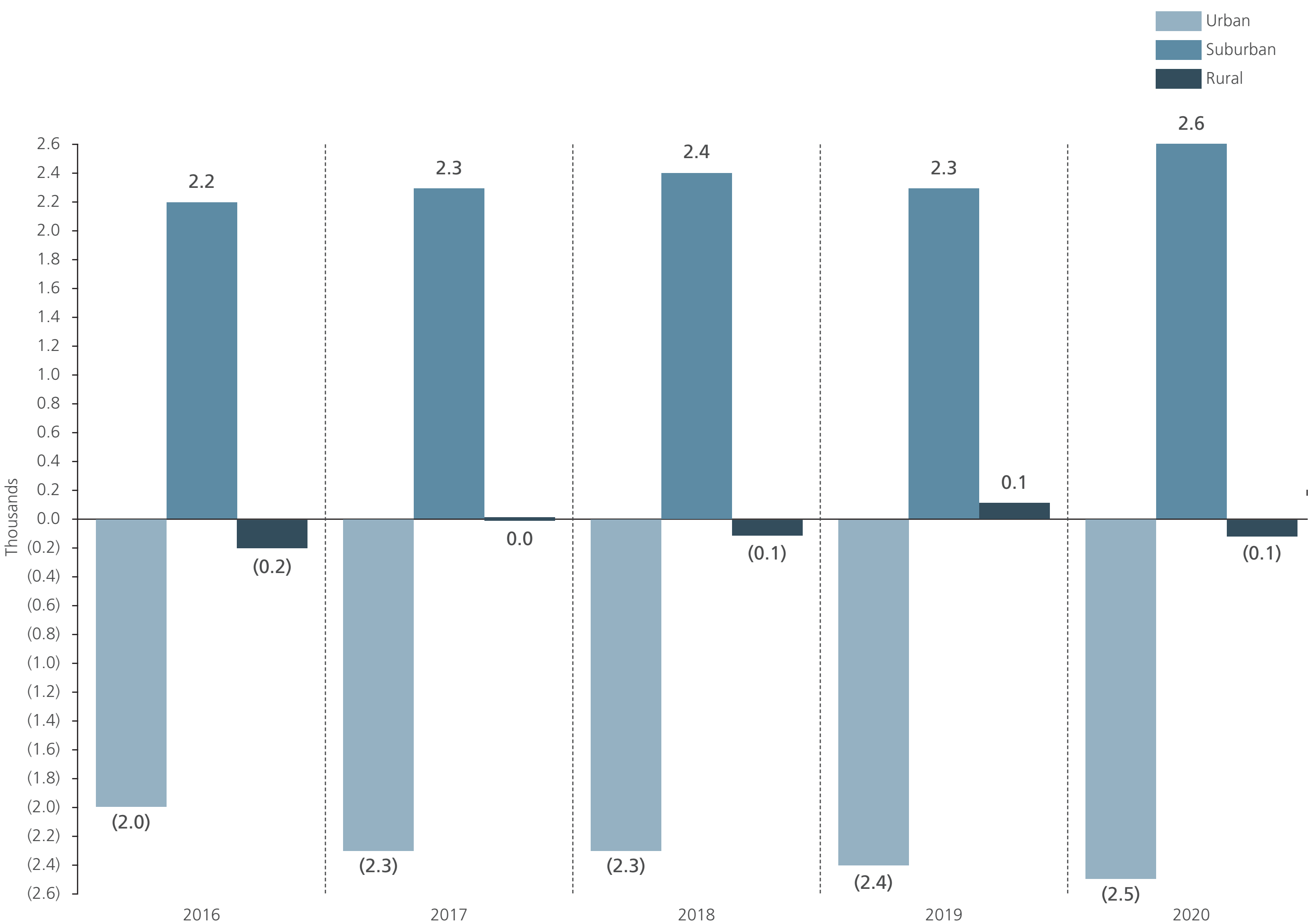


Source: MyMove analysis of USPS change of address filings between Feb. 1, 2020, and July 31, 2020

In 2020, 48% of millennials reported living in the suburbs versus 44% in 2019.[14] One driver of this movement is a desire for more space. A recent survey found that the top reason for considering a move was "more affordable housing," and the second reason was "a bigger home with a yard."[15] These answers indicate a continued migration shift to larger, more affordable properties in suburban or secondary market areas.

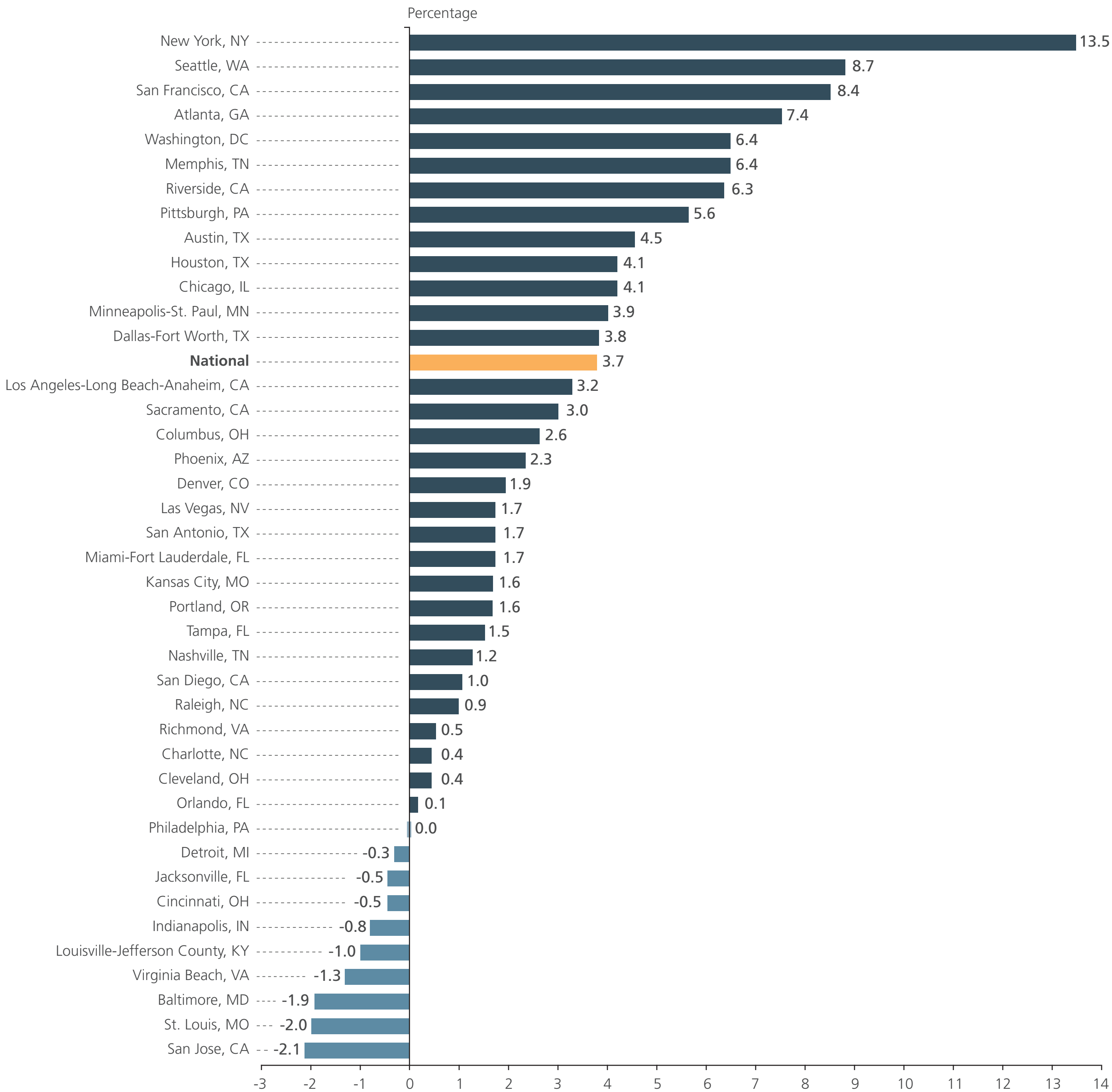
The shift to suburbanization is also demonstrated by the difference in rental growth rates between urban and suburban markets for the same cities. Across major metros, suburban rental rates grew faster than urban rental rates by an average of 3.7% year on year, but there were significant differences by metro, with a few cities showing faster growth in urban rental rates (see Figure 10).

Figure 9
Annual change in urban, suburban and rural populations (2016-20)



Source: U.S. Census

Figure 10
Year-on-year increase in suburban vs. urban market rent growth (Dec. 2020)



Source: U.S. Census; L.E.K. research and analysis

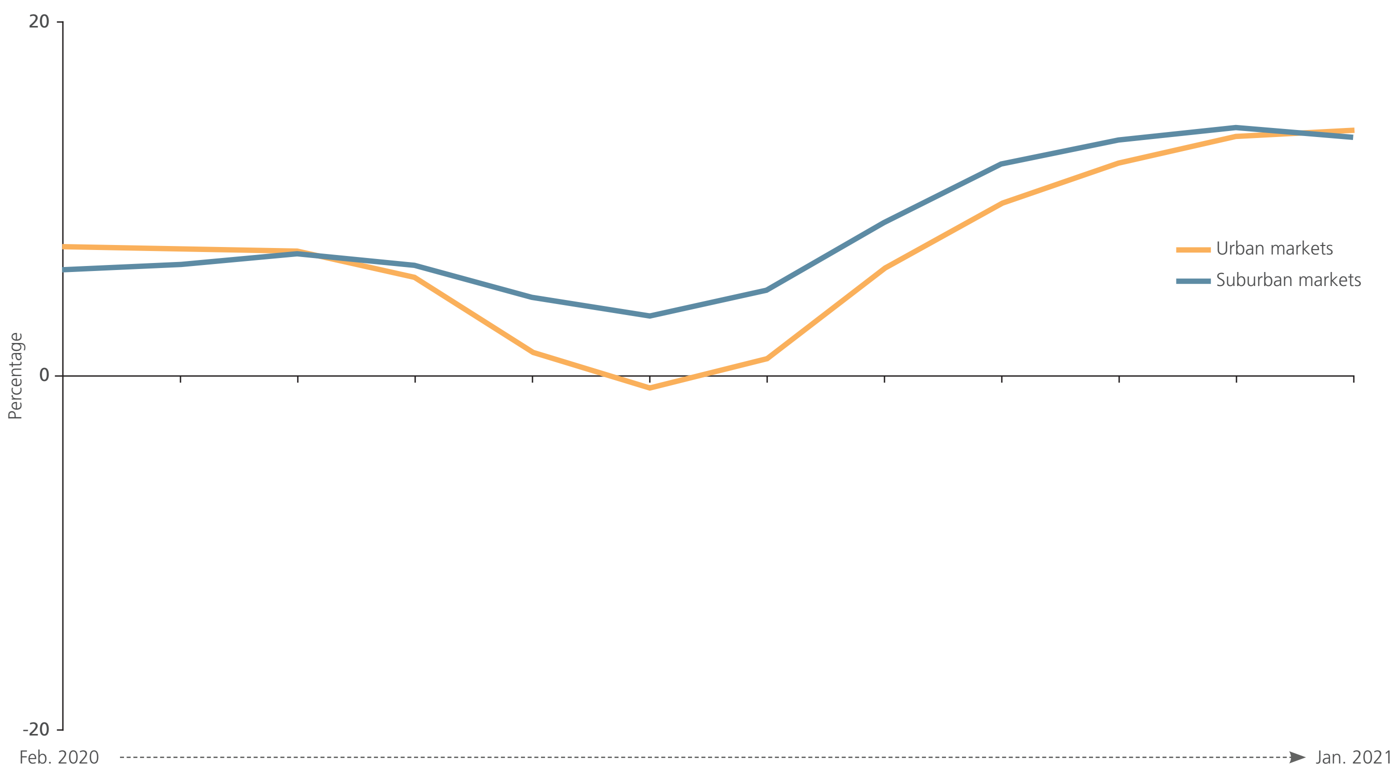
The growth of secondary urban markets

While there has been a move away from major urban markets, there has also been increased interest in secondary cities. Early in the pandemic, there was disproportionate interest in the suburbs, and the rate of price increases for suburban properties was significantly greater than the year-on-year price increases for urban properties. Over time, that gap narrowed as homebuyers sought out secondary urban markets (see Figure 11).

One major reason secondary cities have been desirable is their significantly lower prices. Across the top 10 inbound migration markets, the local average price was ~52.5% of the average price paid in the top outbound migration city.[16]

Pricing growth does, however, vary significantly by region. Suburban markets have seen faster price growth than urban markets through December 2020, but in the Midwest, urban price growth has exceeded suburban price growth in cities such as Cincinnati, Cleveland-Elyria, Columbus, Indianapolis-Carmel-Anderson, Kansas City and St. Louis. Similarly, larger cities on the coasts have seen suburban home pricing significantly outpace urban markets, including Atlanta-Sandy Springs-Roswell, Boston-Cambridge-Newton, New York-Newark-Jersey City, San Francisco-Oakland-Hayward and Seattle-Tacoma-Bellevue.[17]

Figure 11
Narrowing of gap between urban and suburban price increases (Feb. 2020-Jan. 2021)

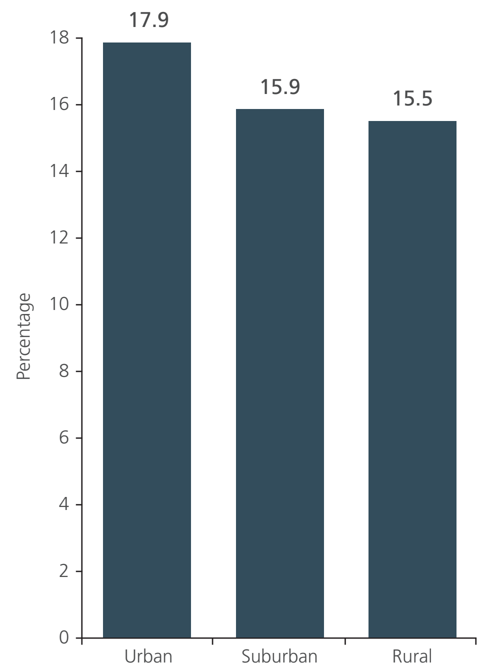


Source: Redfin, Bloomberg Businessweek

On average across the nation, the shift back to urban markets continued in late 2020 and early 2021. The share of for-sale page views for urban properties increased from 17.6% in December 2019 to 18.1% in December 2020.[18] In 2021, urban homes (including secondary urban) have continued to experience a faster growth in housing price per square foot than homes in suburban or rural areas (see Figure 12).

The dynamic between major cities and secondary cities/suburban areas continues to evolve, and many cities continue to enjoy robust housing price growth. A Harvard University study found that a 10 percentage point increase in other nearby cities leads to a 6 percentage point increase in home prices and a 2 percentage point increase in population within neighboring cities.[19] Relative levels of pricing growth between major cities and suburbs will continue to drive population movements. It is likely that the relative increase in suburban versus urban house prices led to a greater appetite for city buying, narrowing the initial price gap. Prior experience would indicate that any price recovery in major urban markets may subsequently encourage another round of movement to suburban and secondary city markets.

Figure 12
Urban, suburban and rural median house price changes per square foot (Feb. 2021)



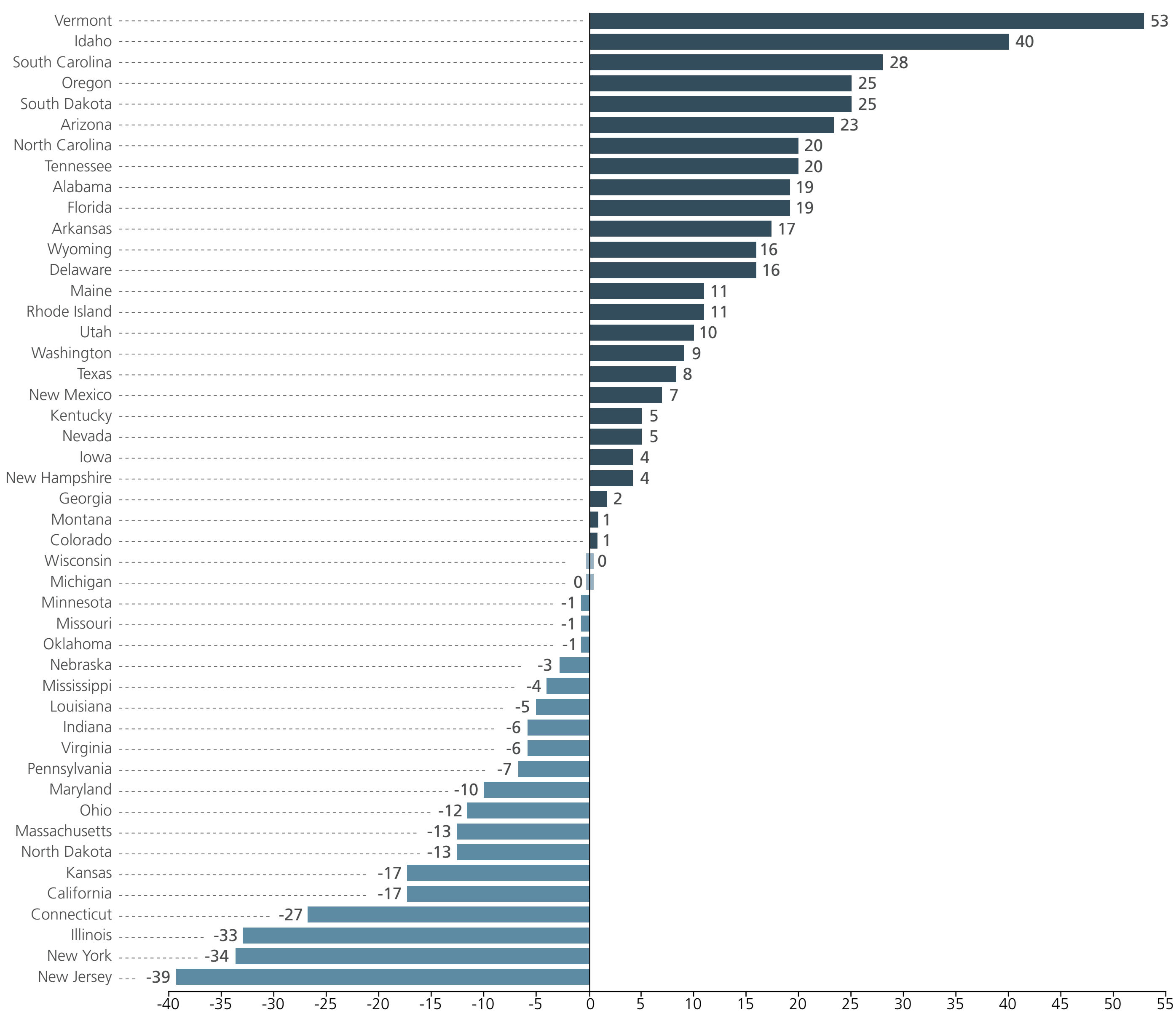
Source: U.S. Census

Continued migration to Southern and Western states

Migration to Western and Southern states continued in 2020, but with some variances, as some states have benefited from movement from urban centers (e.g., Vermont) while others have faced a population loss driven by pandemic or economic losses in specific industries — e.g., North Dakota (see Figure 13).

The movement to Western and Southern states is supported by surveys from other moving companies. The top inbound states were Idaho, Arizona, South Carolina, Tennessee and North Carolina, while the top outbound states were Illinois, New York, California, New Jersey and Maryland.[20]

Figure 13
Net migration by state in 2020



Source: United Van Lines

Pre-pandemic population migrations are continuing, but with the added dimension of a movement out of larger urban areas. The top five U.S. metro areas for net outbound moves during the first 11 months of the pandemic, and their top out-of-state destinations, also generally demonstrate a movement to the South and West, although within the West, cities such as San Diego and San Francisco have lost population to lower-cost but still relatively large metros (see Figure 14).

Census data from 2020 showed that the South continued to benefit from net domestic migration, with the Northeast and Midwest losing population. The West experienced a loss in 2020, although it should be noted that the West has occasionally seen net outbound domestic migration in a single year while showing a small level of positive growth over time. At the same time, the vast majority of census forms were mailed to households in the second half of March 2020 and completed in the weeks and months following through October, and hence will not reflect all the COVID-19-related migration impacts. Census data also shows that while all regions have experienced some population growth in 2010-20, growth has been significantly faster in the South and West, continuing prior trends (see Figure 15).

The continued shift to Western and Southern states is reinforced by projected growth in new construction in these markets and the smaller share of new construction in the Midwest and Northeast. The Northeast and Midwest will account for just 21% of 2021 single-family home building permits while accounting for 39% of the existing housing stock,[21] while Texas and Florida alone will account for 32% of single-family permits.[22]

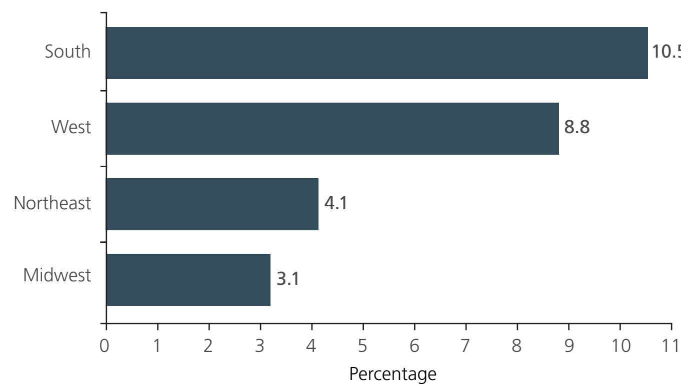
Long-term movement patterns to Southern and Western states will continue, but with a greater level of suburbanization and more emphasis on secondary markets.

Figure 14
Net migration by state in 2020

Metropolitan statistical area	Top destination	2nd destination	3rd destination
Chicago, IL	Phoenix, AZ	Dallas-Fort Worth, TX	Los Angeles, CA
New York, NY	Miami, FL	Los Angeles, CA	Atlanta, GA
Los Angeles, CA	Dallas-Fort Worth, TX	Phoenix, AZ	Austin, TX
San Diego, CA	Phoenix, AZ	Dallas-Fort Worth, TX	Seattle, WA
San Francisco, CA	Seattle, WA	Austin, TX	Portland, OR

Source: San Francisco Chronicle, Zillow

Figure 15
Growth in US regional populations (2010-20)



Source: U.S. Census

Immigration uncertainty

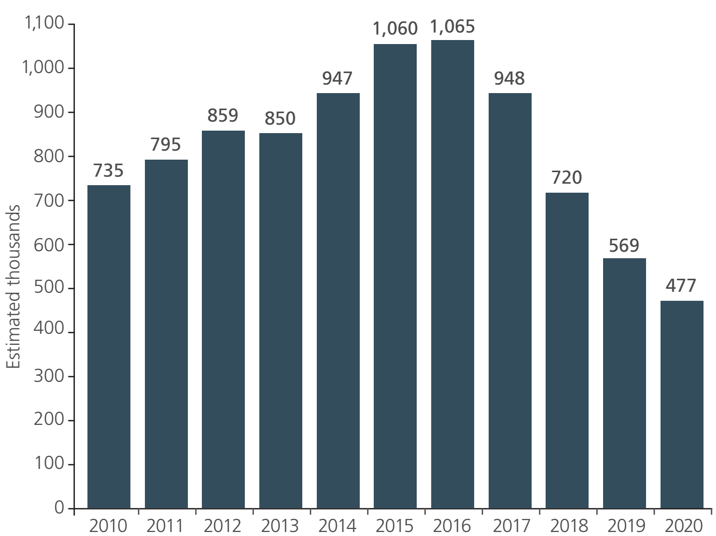
Prior to COVID-19, the U.S. rate of immigration had been declining, and this trend has continued in 2020 (see Figure 16).

Immigration continued to fall in 2020 at the time of U.S. Census data collection, but even if immigration fell to zero (i.e., fell by 477,000), the reduction would be similar to the 496,000 decrease in the level of immigration between 2016 and 2019. A permanent decrease in the level of immigration would, however, have a greater cumulative impact in certain states. Between 2010 and 2019, the top five states in terms of international migration were Florida (1,107,000), California (1,022,000), Texas (819,000), New York (698,000) and Massachusetts (362,000).[23] As noted above, some of these states are experiencing significant population growth (Florida, Texas) and reduced immigration is likely to diminish but by no means eliminate that growth, while reduced immigration would further exacerbate population loss in Massachusetts and California. Reduced immigration may have an even greater impact on the building and construction workforce given that as of 2018, around 30% of construction workers were immigrants, including 42% in California and 35% in Florida.[24] Reduced immigration in these markets is likely to have a negative impact on labor supply.

California provides a case study on this, as the state has seen slow total population growth and has recently experienced negative net domestic migration. This negative net domestic migration is offset by positive net international migration and natural population growth, leading to a slight increase in the population overall (see Figure 17).

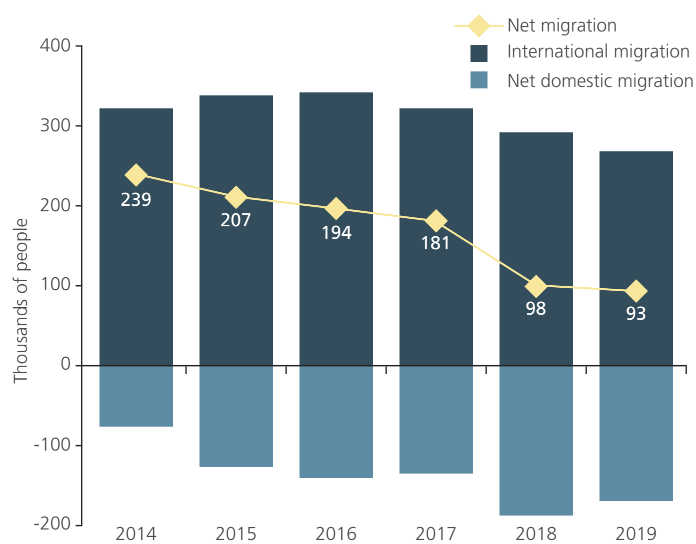
A permanent decrease in the rate of immigration, while not impacting U.S. population significantly given the changes since 2016, would have a disproportionate long-term effect on certain states.

Figure 16
Net migration to US (2010-20)



Source: Brookings Institution and William H. Frey analysis of U.S. Census population estimates, released May 4, 2021

Figure 17
Population flow in California (2014-19)*



*Census did not account for international migration out and provided a margin of error of ~0.1%
Source: U.S. Census; L.E.K. research, interviews and analysis

Conclusion

Population migration patterns have significant implications for building and construction players, and COVID-19 has both driven new patterns of migration and reinforced prior trends. As COVID-19 unfolded, six new or existing U.S. migration trends emerged, from slower population growth to falling immigration rates. Taking proactive measures to get ahead of these trends creates opportunities for a spectrum of players within the building and construction value chain, including:

- Considering population impact in planning and valuations and focusing on geographic expansion and investment in key areas of growth (e.g., Texas, Florida)
- Extrapolating from population trends in a precise manner and adjusting territories and plans accordingly
- Challenging channel partners by employing a more precise understanding of local markets
- Investing in sales capabilities (e.g., building a dedicated and resourced national builders account group) to nurture new relationships with production builders as more people move to the suburbs and secondary markets
- Paying close attention to the evolution of new master planned communities and other developments serving outer-ring suburban or secondary urban markets, as these design changes will create product implications in the future

Endnotes

[1]World Population Review, https://worldpopulationreview.com/us-cities

[2]NPD Group, 2021

[3]Center for Migration Studies, https://cmsny.org/citizenship-act-2021-explainer/

[4]CNU, https://www.cnu.org/publicsquare/2020/11/11/new-urban-design-post-pandemic-era

[5]The Wall Street Journal and Redfin, https://www.wsj.com/articles/housing-market-stays-tight-as-homeowners-stay-put-11611226802

[6]U.S. Census annual geographic mobility rates

[7]Brookings Institution, based on U.S. Census data, https://www.brookings.edu/blog/the-avenue/2020/12/15/just-before-covid-19-american-migration-hit-a-73-year-low/

[8]Ibid.

[9]Zillow, https://www.zillowgroup.com/news/mover-report/

[10]Cushman & Wakefield, https://www.cushmanwakefield.com/en/insights/covid-19/the-future-of-workplace

[11]Bloomberg, https://www.bloomberg.com/news/articles/2021-08-03/return-to-work-americans-willing-to-take-pay-cut-to-never-go-back-to-the-office

[12]Gartner, https://www.gartner.com/en/newsroom/press-releases/2020-07-14-gartner-survey-reveals-82-percent-of-company-leaders-plan-to-allow-employees-to-work-remotely-some-of-the-time

[13]L.E.K. analysis of Zonda data

[14]Business Insider, https://www.businessinsider.com/millennials-gen-z-leaving-cities-for-suburbs-amid-pandemic-2020-11

[15]Pew Research Center, https://www.pewresearch.org/social-trends/2020/07/29/prior-to-covid-19-urban-core-counties-in-the-u-s-were-gaining-vitality-on-key-measures/

[16]Zonda survey, December 2020

[17]L.E.K. analysis of Zonda data

[18]Zillow, https://www.zillow.com/research/2020-urban-suburban-report-28802/

[19]Harvard University, https://www.jchs.harvard.edu/sites/default/files/media-files/2021-02/harvard-jchs-schubert-house-prices-presentation-022621.pdf

[20]North American Moving Services, https://www.northamerican.com/migration-map

[21]U.S. Census, https://www.census.gov/housing/hvs/data/histtabs.html

[22]John Burns Real Estate Consulting Regional Analysis and Forecast, August 2021

[23]U.S. Census, https://www.census.gov/library/stories/2019/12/net-international-migration-projected-to-fall-lowest-levels-this-decade.html

[24]National Association of Home Builders, https://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=260375&channelID=311

Authors

About the Authors

Lucas Pain

Managing Director and Partner, Chicago

Lucas Pain is a Managing Director and Partner in L.E.K. Consulting's Chicago office, leads the firm's Global and Americas Building & Construction practice, and is a member of L.E.K.'s Americas Regional Management Committee. With more than 20 years of experience directing growth strategy engagements, Lucas works with building product and materials manufacturers, distributors, contractors, and other service providers in residential and nonresidential construction to identify high-potential growth opportunities and navigate industry challenges.

Gavin McGrath

Managing Director and Partner, Boston

Gavin McGrath is a Managing Director and Partner in L.E.K. Consulting's Boston office and a leader in the firm's Industrial Digital practice in the Americas region. Gavin's expertise spans the breadth of industrial digital issues, including digital products and business models, digital customer experience and ecommerce, IIoT/Industry 4.0, and digital readiness. He has a particular focus on building products, residential and commercial construction, and the built environment ecosystem. He has experience working with industrial and consumer firms pursuing growth and digital innovation, and supporting corporate clients and M&A professionals with strategy, organizational transformation and transaction support assignments.

Paul Bromfield

Managing Director and Partner, New York

Paul Bromfield is a Managing Director and Partner based in L.E.K. Consulting's New York office. Paul, a member of the firm's Industrials practice, focuses on the building products sector. With more than 20 years of experience, he has a strong record of helping companies accelerate growth and drive major change, including product and service innovation, multichannel strategy, digital acceleration, and diversification through M&A and new ventures. Paul brings particular expertise in growth strategy, marketing and sales, and organizational strategy.