

Honolulu, HI

U.S. Construction Market | Market Snapshot Q2 - 2022

The recovery in Hawaii is almost complete, spurred on by record levels of government spending. The US Navy is set to spend billions over the coming years to modernize the base at Pearl Harbor. The state of Hawaii has allocated nearly \$350 million in funds for improvements to the neighborhood around Honolulu's Aloha Stadium and upgrades to road and rail infrastructure across the state. All of this is predicted to bring construction spending in 2022 roughly in-line with pre-pandemic levels, and the market is set to grow throughout the 2020s.

Honolulu's economy depends on tourists and business travelers.

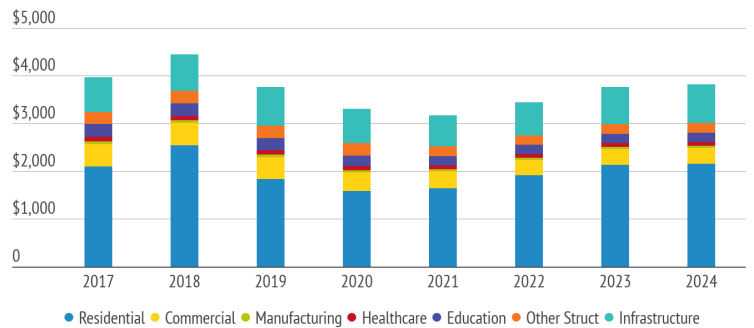
Fortunately, it is still a place famous across the world for its natural beauty. Tourism – particularly from Asia – is set to rebound with the increase in flights from Tokyo to Honolulu. Business travel is also making headway, and container ships are increasingly lining the berths at Honolulu's port. Capacity will only expand as the local economy grows. Thanks to its location in the middle of the Pacific, Honolulu's isolation has spared it the worst effects of the pandemic, although inflation and supply-chain issues are more pressing concerns here than on the mainland. Still, there are many reasons to be optimistic.

Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2017	2018	2019	2020	HISTORIC		FORECAST		
					2021	2022	2023	2024	
Total Increase	Y-O-Y %	12.2%	-15.4%	-12.1%	-4.1%	8.3%	9.5%	1.6%	
Residential	Y-O-Y %	21.0%	-28.0%	-13.3%	3.8%	16.0%	11.8%	1.1%	
Commercial	Y-O-Y %	0.9%	-0.7%	-16.2%	-9.9%	-5.6%	0.2%	-0.9%	
Manufacturing	Y-O-Y %	-5.9%	0.2%	-22.7%	-4.8%	1.0%	2.4%	2.3%	
Healthcare	Y-O-Y %	-3.2%	-2.8%	-3.2%	-4.9%	-5.3%	2.6%	2.4%	
Education	Y-O-Y %	-2.0%	-1.7%	-11.8%	-14.2%	-0.3%	1.0%	0.9%	
Other Struct*	Y-O-Y %	1.5%	0.6%	1.0%	-20.6%	-7.7%	3.1%	2.8%	
Infrastructure	Y-O-Y %	6.6%	5.1%	-11.8%	-9.1%	6.4%	12.8%	3.9%	

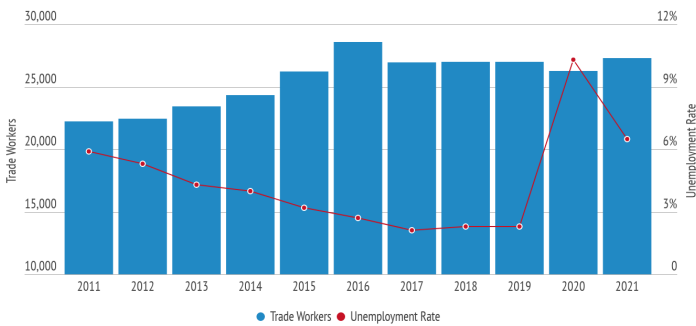
* This includes religious buildings, amusement, government communications, and public recreation projects.

Annual Volume (x\$1M, 2012\$)



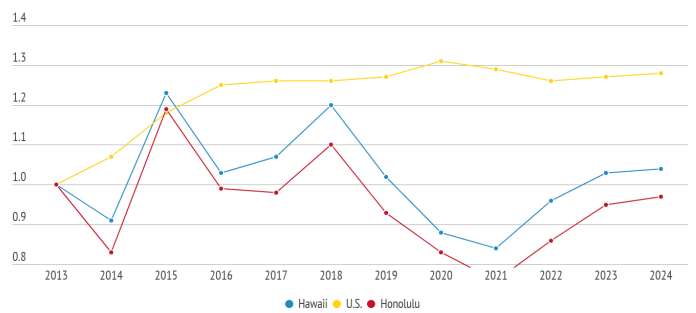
SOURCE: IHS-Markit

Regional Construction Employment



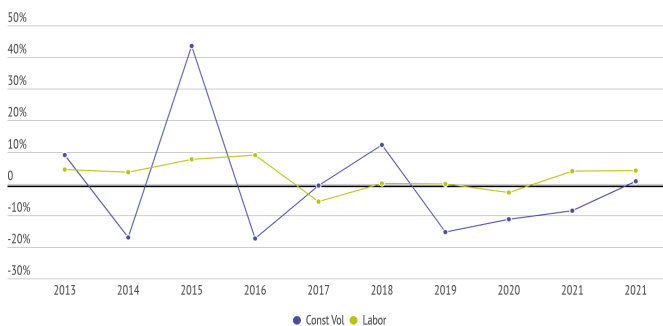
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2023 (2013=1.0)



SOURCE: IHS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
Dry Dock 3 Replacement	Honolulu	\$8.0B
Waterfront Contract Primarily for the Shipyard Infrastructure Optimization Program	Joint Base Pearl Hbr Hickam	\$8.0B
Queen's Medical Center Expansion	Honolulu	\$1.0B
DB/DBB WF MACC, Various Locations, State of Hawaii and Wake Island	Joint Base Pearl Hbr Hickam	\$1.0B
Live Work Play Aiea	Aiea	\$767m
New Rental Car Facility at Daniel K. Inouye International Airport - State of Hawaii	Honolulu	\$670m
The Park Ward Village Mixed-Use	Honolulu	\$620m
Waikapu Country Town	Wailuku	\$600m
The Park on Keeaumoku	Honolulu	\$600m
Oahu Jail - State of Hawaii - Department of Public Safety	Honolulu	\$525m

SOURCE: ReedConnect