

Nashville, TN

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

Nashville's economy grew so fast in the 2010s that it has become a modern-day boomtown. By 2016, it had more than \$2 billion in real estate under development. By 2017 more than 100 people were moving in every day. A lot of this growth took place outside the city of Nashville itself, which has created many disparate communities bound together by the existing highway network. This has kept housing costs from rising too much and schools and hospitals from being too overloaded, but providing key services across almost 20% of Tennessee will be a challenge.

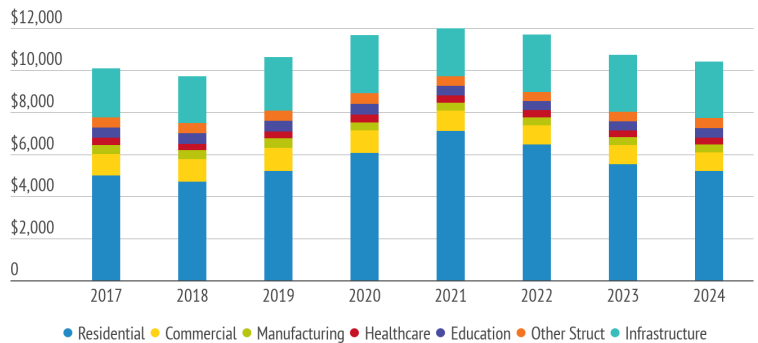
The Nashville market is expected to contract in the coming years. Population growth has slowed in recent years and new construction has cooled off alongside it. The pandemic housing boom offered a bit of respite, but these projects have finally wrapped up. Other sectors are expected to remain relatively steady, as new residents need schools, hospitals, and roads. The number of trade workers has increased through 2021 to meet the peak in demand and it is unclear what will happen when it declines. Some will likely move throughout the region and push labor costs down there as well.

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

Sector	2017	2018	2019	2020	HISTORIC				FORECAST			
					2021	2022	2023	2024	2021	2022	2023	2024
Total Increase	Y-O-Y %	-3.9%	9.6%	9.7%	5.3%	-4.8%	-8.2%	-2.9%				
Residential	Y-O-Y %	-5.9%	10.7%	16.7%	17.1%	-9.1%	-14.6%	-5.9%				
Commercial	Y-O-Y %	5.0%	3.3%	-3.2%	-10.4%	-5.5%	-0.7%	-1.1%				
Manufacturing	Y-O-Y %	-4.0%	5.3%	-15.3%	4.8%	-1.7%	-0.4%	1.6%				
Healthcare	Y-O-Y %	-5.8%	6.1%	7.5%	-3.4%	-3.4%	-3.7%	0.4%				
Education	Y-O-Y %	1.1%	2.5%	-0.8%	-13.6%	-2.1%	3.0%	2.7%				
Other Struct*	Y-O-Y %	2.2%	2.0%	7.1%	-12.0%	-5.1%	4.0%	4.1%				
Infrastructure	Y-O-Y %	-5.5%	14.6%	8.0%	-6.7%	6.2%	-0.8%	-0.5%				

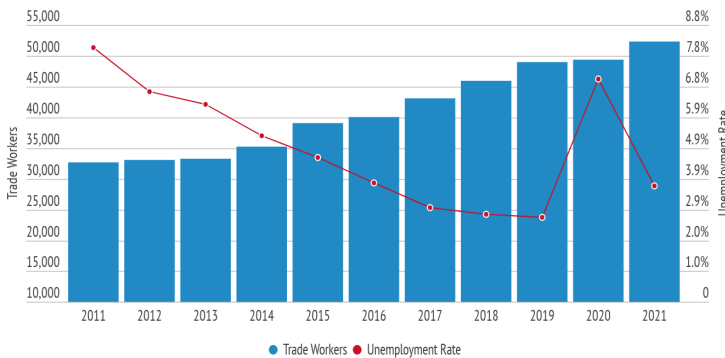
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



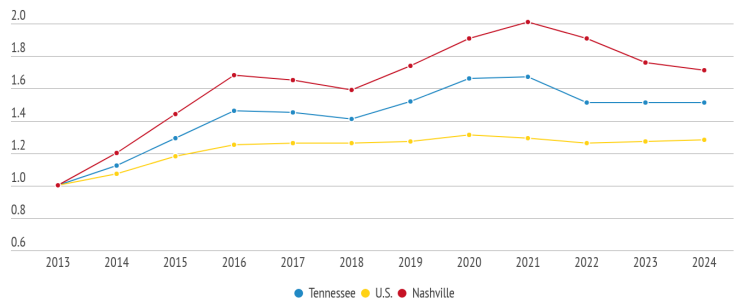
SOURCE: IHS-Markit

Regional Construction Employment



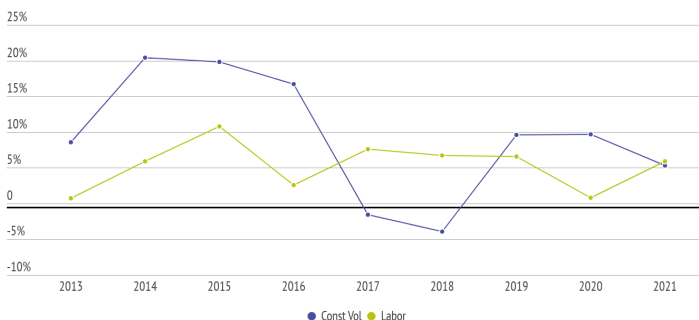
SOURCE: U.S. Bureau of Labor Statistics

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
Blue Oval City Manufacturing Facility - Ford Motor Company	Stanton	\$5.6B
The Riverside Mixed-Use Development	Nashville	\$2.5B
June Lake Mixed Use Development	Thompsons Station	\$2.4B
Auto Battery Cell Plant / Spring Hill	Spring Hill	\$2.3B
Nissan Stadium	Nashville	\$2.0B
FedEx World Hub Modernization - Future Sections	Memphis	\$1.5B
SkyHarbour Jet Hangars - Nashville International Airport	Nashville	\$1.4B
Oracle River North Campus	Nashville	\$1.2B
18 Main Pinch District Phase 1 and 2	Memphis	\$1.1B
Nissan Stadium Improvements - Metropolitan Government of Nashville and Davidson County	Nashville	\$1.0B

SOURCE: ReedConnect