

Portland, OR

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

2022 is shaping up to be a record year for Portland's construction industry. Residential construction, which accounts for just over half of the market – is expected to taper off in 2023 and 2024. In the 2010s Portland was one of many markets that couldn't build fast enough to meet its demand, and costs rose as a result. Many residential projects here are beginning to wrap up, and the market is moving on to things like infrastructure, education, and healthcare. It has added workers throughout the first months of 2022, which should push labor costs down in as the market cools.

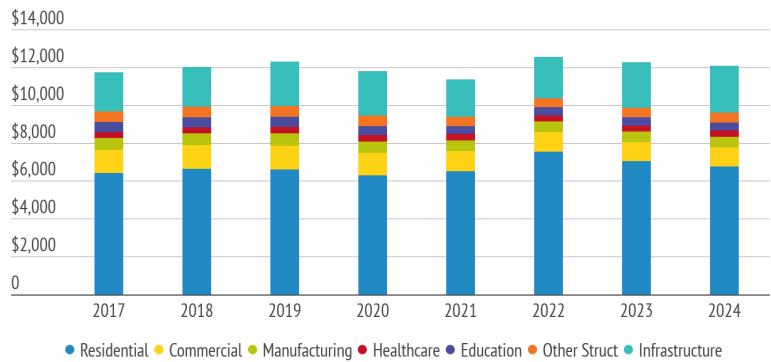
Portland has managed to successfully grow its tech sector through tax incentives and rising costs in the Bay Area. More than 1,200 tech companies operate in the city, leading some to call it "Silicon Forest." Increasingly, however, officials are directing more of their efforts to keeping its working population within the city limits. This broadly involves investing in transit and divesting from fossil fuels. Like in Sacramento to the south, the goal is to attract workers by offering them something that they cannot find in Silicon Valley – affordable housing and clean energy. It seems to be working so far.

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

Sector	HISTORIC 🕒 FORECAST 🔮							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	Y-O-Y %	2.4%	2.3%	-4.1%	-3.6%	10.5%	-2.3%	-1.7%
Residential	Y-O-Y %	3.6%	-0.5%	-4.7%	3.0%	16.3%	-6.8%	-3.8%
Commercial	Y-O-Y %	2.6%	1.3%	-4.8%	-8.9%	-4.8%	-2.1%	-2.2%
Manufacturing	Y-O-Y %	-0.8%	6.2%	-13.9%	0.2%	-0.6%	0.0%	1.8%
Healthcare	Y-O-Y %	-0.1%	3.4%	1.3%	-7.0%	-1.8%	1.2%	1.4%
Education	Y-O-Y %	-0.7%	1.4%	-10.6%	-11.9%	-2.0%	2.0%	1.8%
Other Struct*	Y-O-Y %	-1.5%	0.9%	2.0%	-15.4%	-3.4%	4.7%	4.5%
Infrastructure	Y-O-Y %	1.7%	10.9%	-0.1%	-14.5%	11.3%	9.4%	1.7%

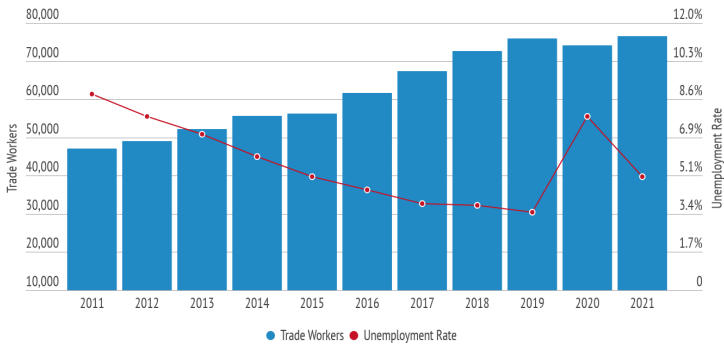
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



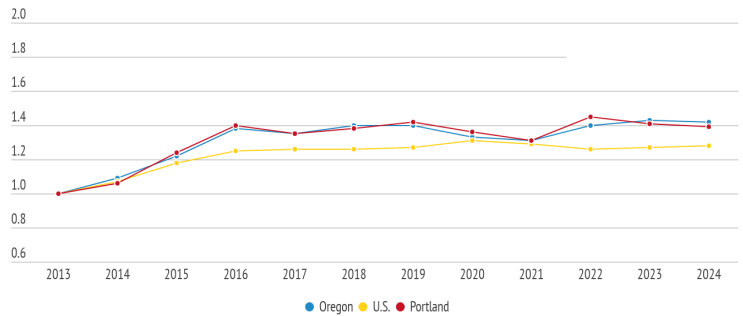
SOURCE: IHS-Markit

Regional Construction Employment



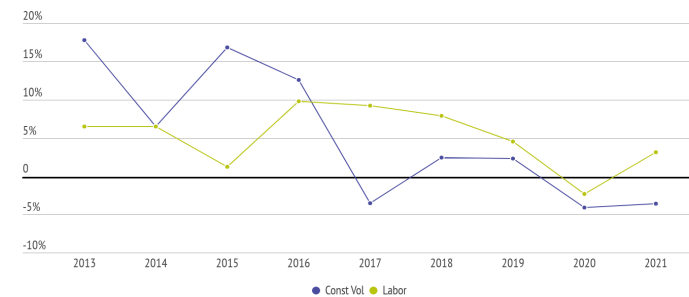
SOURCE: U.S. Bureau of Labor Statistics

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
Columbia River I-5 Bridge - Washington State Department of Transportation	Vancouver	\$4.5B
Columbia River Crossing - Oregon Department of Transportation	Saint Helens	\$3.0B
USPS Broadway Corridor	Portland	\$1.2B
The Broadway Corridor	Portland	\$1.1B
W. Terminal Expansion - Bid Package: #26.3 - Terrazzo	Portland	\$950m
W. Terminal Expansion - Drywall, Deplanning Finishes and Envelope	Portland	\$950m
W. Terminal Expansion - Bid Package: #26.1 - Masonry, Metals, Millwork, Painting & GS Well Bldgs	Portland	\$950m
Earthquake Ready Burnside Bridge - Multnomah County	Portland	\$850m
Vancouver Innovation Center	Vancouver	\$830m
I-5 Rose Quarter Project - Early Work Package B - Retaining Walls	Portland	\$800m

SOURCE: ReedConnect