

# Sacramento, CA

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

Sacramento is the fastest-growing major city in California. All of the 58,000 people who moved here in the last 10 years need somewhere to live, work, and spend their free time. The construction industry has done a decent job of providing the first of these – residential construction routinely makes up most of the market – but in the coming years it will pivot to the other two. The first large investment is expected to come in the form of infrastructure. This sector is set to grow by almost 30% by 2024, driven by reinvestment in roads and bridges across the city. Other sectors remain below their pre-pandemic peaks, and it will take a while for them to recover. To meet this rising demand, Sacramento

has pulled construction workers from nearby markets.

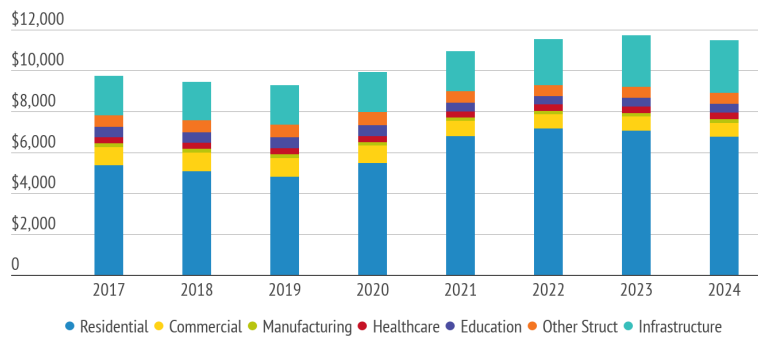
Sacramento is trying to be proactive in its approach to development, and officials are trying hard to rein in development on the periphery before all usable land is built upon. These efforts have had mixed results and the area remains mostly suburban. City agencies have invested in green energy and mixed-use developments. Many hope to offer prospective residents something they cannot get in the Bay Area or Los Angeles: affordable housing and short commutes.

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

Sector	HISTORIC  FORECAST								
	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Total Increase</b>	<b>Y-O-Y %</b>	<b>-2.9%</b>	<b>-1.8%</b>	<b>6.9%</b>	<b>10.4%</b>	<b>5.4%</b>	<b>1.6%</b>	<b>-2.2%</b>	
Residential	Y-O-Y %	-5.3%	-5.6%	14.0%	24.2%	5.6%	-1.5%	-4.4%	
Commercial	Y-O-Y %	2.9%	-0.2%	-5.9%	-13.9%	-6.6%	0.0%	-0.6%	
Manufacturing	Y-O-Y %	-3.1%	7.1%	-10.5%	1.9%	1.1%	0.5%	0.5%	
Healthcare	Y-O-Y %	-2.5%	1.4%	3.5%	0.7%	1.0%	2.7%	1.6%	
Education	Y-O-Y %	2.7%	4.9%	-4.8%	-17.9%	-3.3%	0.5%	2.6%	
Other Struct*	Y-O-Y %	1.7%	5.4%	5.5%	-17.3%	-5.2%	2.8%	2.8%	
Infrastructure	Y-O-Y %	-1.7%	2.2%	1.4%	1.5%	14.9%	11.8%	1.1%	

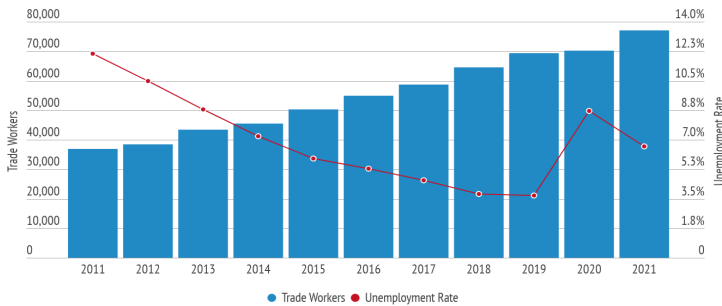
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



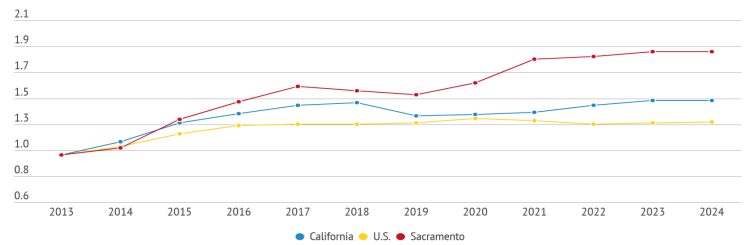
SOURCE: IHS-Markit

## Regional Construction Employment



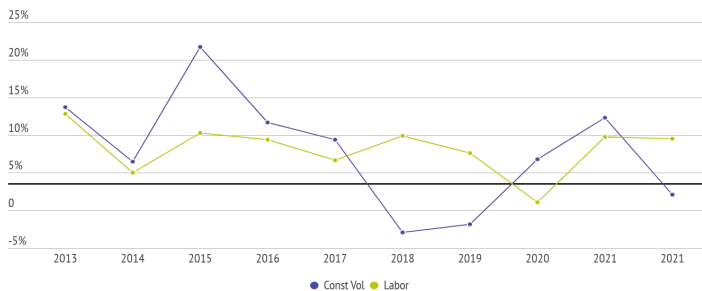
SOURCE: U.S. Bureau of Labor Statistics

## 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
Upper Westside Master Plan	Sacramento	\$4.0B
California Hospital Tower - UC-Davis Medical Center	Sacramento	\$3.8B
Placer Ranch - Placer County	Roseville	\$2.0B
SMS: RFQ - Commissioning Services - Hospital Bed Replacement Tower (RHT) (California Tower)	Sacramento	\$2.0B
RFQ D/B - Replacement Hospital Tower (RHT)	Sacramento	\$2.0B
Delta Shores - Future Sections	Sacramento	\$1.8B
Construction Contracts For Southwestern Border Security and Immigration Enforcement	Sacramento	\$1.8B
Replacement of the Existing California State Capitol Annex	Sacramento	\$1.4B
Mather South Mixed Use Development	Sacramento	\$1.3B
Aggie Square Mixed Use Project Phase 1 - University of California	Sacramento	\$1.1B

SOURCE: ReedConnect