

San Diego is sometimes called the “Birthplace of California,” as it was one of the first places settled by Europeans. It lived up to this moniker in many other ways, as when new residents moved to California in the 1950s, they filled all available land with sprawling, single-family houses. It is continuing to live up to its nickname today as well – with few good places on the periphery for new developments, developers are again turning their attention downtown. The only realistic way to house new residents is to build in higher density. San Diego has embraced this trend wholeheartedly.

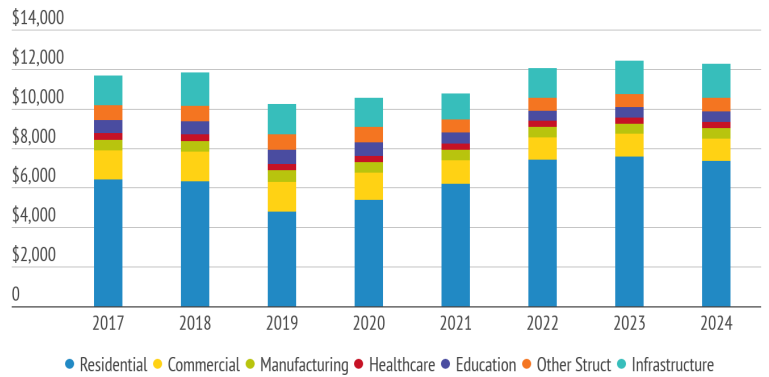
The city is in serious need of new housing, and the residential sector makes up more than half of all new construction. In a few years, it will need new schools, healthcare projects, roads, and everything else that makes a neighborhood a neighborhood. These will keep the market growing through the 2020s. The construction labor force here has grown steadily in anticipation. This should, fortunately, keep labor costs from changing too much in the coming years.

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 %	1.3%	-13.4%	2.9%	2.1%	11.9%	3.3%	-1.4%	
Residential	Y-O-Y %	-1.3%	-24.2%	12.2%	15.2%	19.8%	2.4%	-3.1%	
Commercial	Y-O-Y %	2.3%	0.8%	-7.7%	-14.1%	-5.7%	-0.1%	-0.5%	
Manufacturing	Y-O-Y %	-1.2%	7.8%	-9.6%	0.3%	-1.5%	0.0%	1.0%	
Healthcare	Y-O-Y %	0.9%	-3.6%	0.5%	-3.4%	-1.0%	3.4%	2.2%	
Education	Y-O-Y %	1.0%	4.4%	-5.7%	-17.1%	-4.8%	-0.6%	1.5%	
Other Struct*	Y-O-Y %	1.8%	1.5%	0.6%	-16.0%	-2.8%	3.1%	3.3%	
Infrastructure	Y-O-Y %	12.8%	-8.0%	-5.1%	-10.3%	14.1%	12.9%	1.9%	

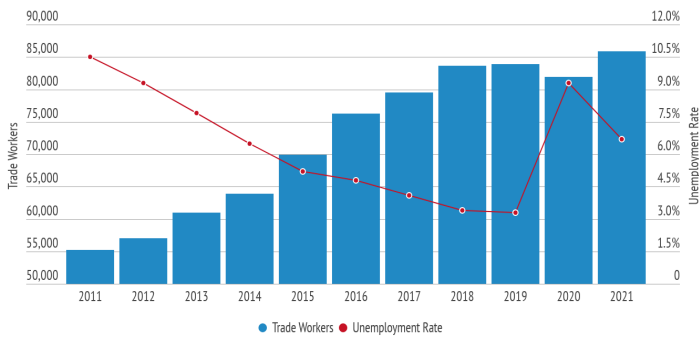
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



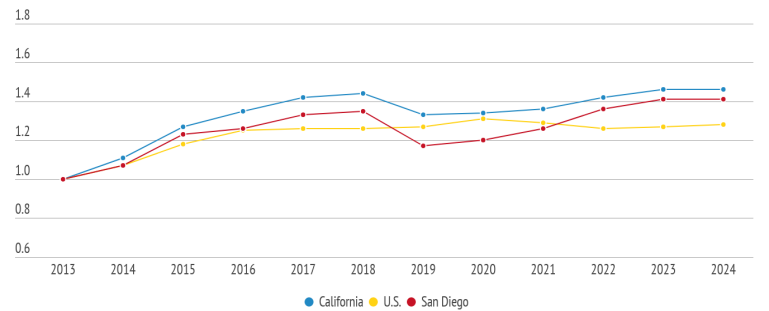
SOURCE: IHS-Markit

Regional Construction Employment



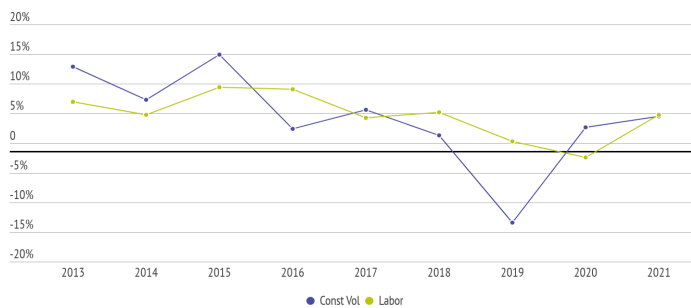
SOURCE: U.S. Bureau of Labor Statistics

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
Naval Base Point Loma Old Town Complex Redevelopment - SANDAG	San Diego	\$4.7B
Navy Old Town Complex Revitalization Project	San Diego	\$4.0B
2020 Bond/Measure - Convention Center Expansion - Measure C - City of San Diego	San Diego	\$3.8B
San Diego International Airport Terminal Replacement	San Diego	\$3.4B
Seaport San Diego Redevelopment - Protea Waterfront Development	San Diego	\$3.0B
Riverwalk Golf Club	San Diego	\$2.5B
East Village Quarter - Tailgate Park	San Diego	\$1.5B
San Vicente Energy Storage Facility / Lakeside	Lakeside	\$1.5B
Disposition and Development of East Village Quarter / Tailgate Park - Civic San Diego	San Diego	\$1.5B
Scripps Mercy Hospital San Diego	San Diego	\$1.3B

SOURCE: ReedConnect