

# Seattle, WA

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

Seattle is going all-in on sustainability. Its government has pledged to get all of its energy needs from renewable sources by 2030 and become completely carbon-neutral by 2050. Both dates are approaching fast. Fortunately for us in the construction industry, this push presents a great opportunity. City officials have made major investments in green energy, tram and light-rail networks, and mixed-use developments. Seattle's new ice hockey team, the Kraken, even plays on recycled rainwater from the roof of their arena. The goal is to position Seattle as a leader in sustainable development and to grow expertise that can be exported across the country and beyond.

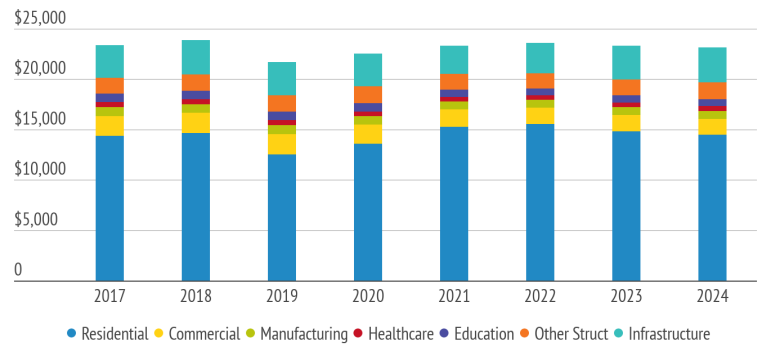
Seattle is just old enough to have grown around its streetcar lines, so incorporating mass transit into this plan is comparatively easy. Much of the city's construction volume lies in the residential sector, and around 40% of that volume is in renovations. This will probably only increase in the coming years, as many homes will need to comply with new environmental standards. The labor market has grown steadily here to meet much of this demand, but it has not been enough to keep labor costs constant.

## 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>2.1%</b>	<b>-9.2%</b>	<b>3.9%</b>	<b>3.4%</b>	<b>1.2%</b>	<b>-1.1%</b>	<b>-0.7%</b>	
Residential	Y-O-Y %	1.9%	-14.7%	8.7%	12.5%	1.8%	-4.6%	-2.5%	
Commercial	Y-O-Y %	3.1%	1.1%	-4.1%	-10.0%	-5.5%	-1.7%	-2.0%	
Manufacturing	Y-O-Y %	-3.8%	7.9%	-16.0%	-5.8%	0.4%	2.6%	3.7%	
Healthcare	Y-O-Y %	-1.9%	-2.4%	1.4%	-3.8%	-4.5%	3.2%	2.4%	
Education	Y-O-Y %	2.5%	2.9%	-8.1%	-8.4%	-3.4%	0.3%	1.2%	
Other Struct*	Y-O-Y %	4.1%	-1.2%	7.5%	-10.4%	-3.7%	5.4%	5.1%	
Infrastructure	Y-O-Y %	3.9%	-3.8%	-1.8%	-13.1%	7.7%	12.4%	3.6%	

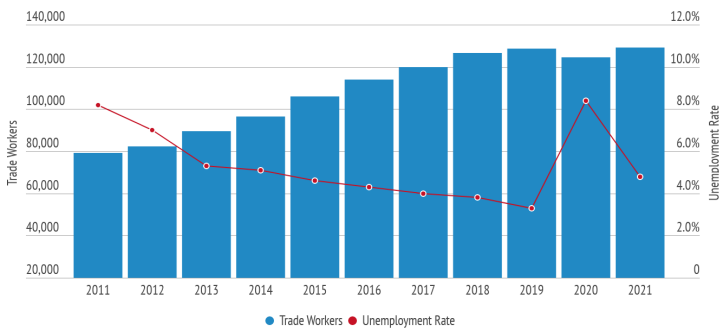
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



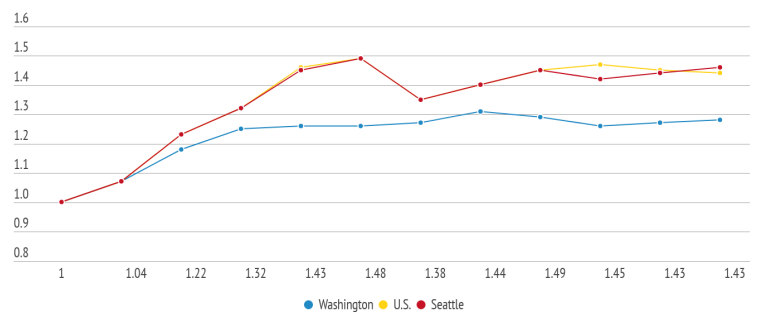
SOURCE: IHS-Markit

## Regional Construction Employment



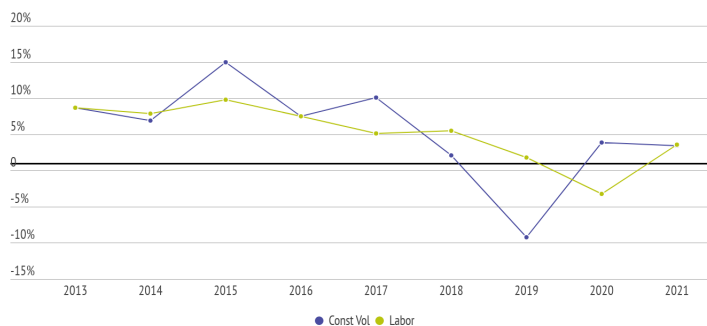
SOURCE: U.S. Bureau of Labor Statistics

## Construction Spending Index 2013-2023 (2013=1.0)



SOURCE: ReedConnect

## Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

## Top Regional Projects Sorted by Construction Value

Project	Location	Value
Point Ruston Public Market	Seattle	\$1.4B
New Medical Tower Building - Harborview Medical Center	Seattle	\$952m
SR 520, I-5 to Montlake - I/C and Bridge Replacement -	Bellevue	\$775m
SeaTac Airport International Arrivals Terminal Building	SeaTac	\$774m
I-405/Renton to Bellevue - Corridor Widening and Electronic Toll Lane	Renton	\$705m
New Western State Hospital	Lakewood	\$611m
Harvest (Woodinville Wine Village)	Woodinville	\$600m
Cloudvue	Bellevue	\$600m
Auburn 18 Business Park New Buildings	Auburn	\$537m
I-405/SR 522 to SR 527 - Widening and Express Toll Lane	Bothell	\$510m

SOURCE: ReedConnect