

Boston, MA

U.S. Construction Market | Market Snapshot Q4 - 2022

2022 has shaped up to be a return to normalcy for the Boston market. The economic center of the US has shifted towards the West Coast over the last 40 years, and construction volume in other parts of the country has been declining as a result. Fortunately, Boston has a robust education sector and has positioned itself as a key player in the life-sciences industry. Laboratories are operating across the city, which requires specialized equipment and workers who cannot be remote. This has in turn muted the effect of the pandemic's housing boom.

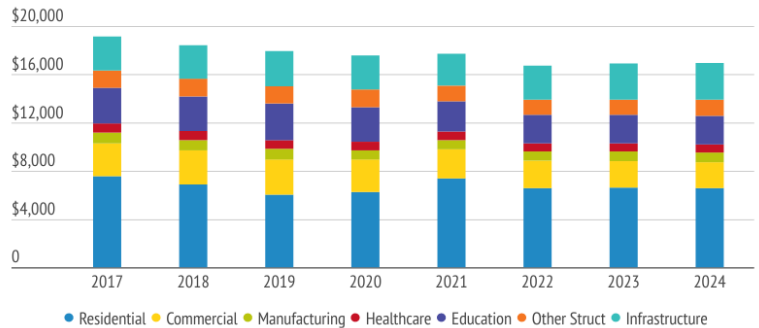
The overall market is expected to decline this year, but sizable growth is likely to come from the manufacturing sector. Unlike in other cities, this is not due to the reshoring of manufacturing jobs but rather to the role of life sciences in ending the COVID-19 pandemic. New vaccines will need to be developed, manufactured, and distributed alongside the work that has not been changed by the pandemic. In short, biotech companies in Boston will need to increase capacity, and fast.

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

Sector	HISTORIC FORECAST								
	2017	2018	2019	2020	2021	2022	2023	2024	
Total Increase	-0.1%	-3.7%	-2.7%	1.0%	0.6%	-4.5%	-8.8%	-0.9%	
Residential	2.6%	-8.6%	-12.5%	5.3%	18.3%	5.6%	-17.6%	-2.0%	
Commercial	2.5%	2.4%	2.4%	-3.1%	-11.9%	-13.4%	-7.1%	-5.2%	
Manufacturing	-14.0%	-3.3%	5.1%	-9.6%	-1.7%	4.3%	4.1%	-8.4%	
Healthcare	2.8%	-4.9%	-1.3%	-2.6%	-2.8%	-9.4%	-4.5%	3.7%	
Education	2.7%	-0.9%	5.1%	1.6%	-14.7%	-15.0%	-1.3%	0.4%	
Other Struct*	7.4%	0.6%	-2.2%	5.0%	-10.6%	-12.5%	-3.0%	-0.1%	
Infrastructure	-10.5%	-1.6%	5.7%	-2.4%	-2.6%	-11.7%	3.2%	5.1%	

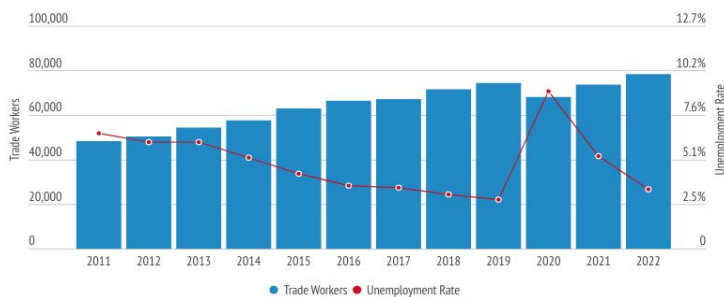
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



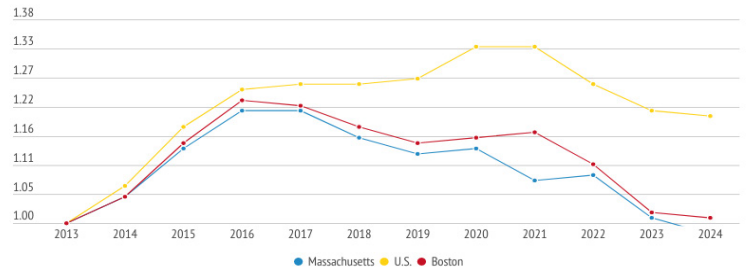
SOURCE: IHS-Markit

Regional Construction Employment



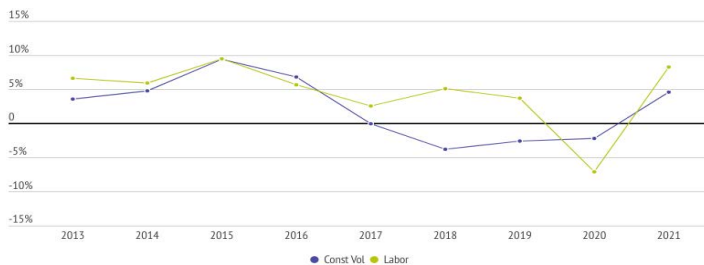
SOURCE: U.S. Bureau of Labor Statistics

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
Dorchester Bay City	Boston	5.0B
Massachusetts General Hospital / Clinical and Campus Services Building	Boston	1.9B
Mary Ellen McCormack Redevelopment	Boston	1.6B
Harbor Garage Redevelopment	Boston	1.2B
Harvard University Enterprise Research Campus	Boston	1.0B
Boston Flower Exchange Redevelopment / Exchange South End	Boston	1.0B
Boston Wharf Road Mixed-Use Building / Boston	Boston	0.7B
Seaport Circle Project - Parcel H	Boston	0.6B
Edison Power Plant Redevelopment - South Boston	Boston	0.6B
Design and Construction Phase Services North Station Draw 1 Bridge Replacement and Associated Track and Signal Upgrades	Boston	0.6B

SOURCE: ReedConnect