

New York, NY

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

The New York City economy has rebounded significantly from the depths of the covid recession. Supply chain issues and hyper escalation on materials pricing finally caught up with New York's construction market early this year, as increases were passed from contractor to client after they had filled their backlog of work previously depleted by the covid crisis. New York City construction activity has continued to remain strong into the third and fourth quarters of 2022 on the back of a saturated interiors market and is expected to remain steady at these high levels for at least the next quarter, when backlogs begin to recede, in line with debate from economists over whether the U.S. is heading towards a recession. The tourism sector has bounced back as well, although not fully to 2019 levels. The housing sector is expected to see renewed attention

even as overall volume declines. This will likely be felt more strongly in some boroughs than others thanks to the bifurcated nature of working from home.

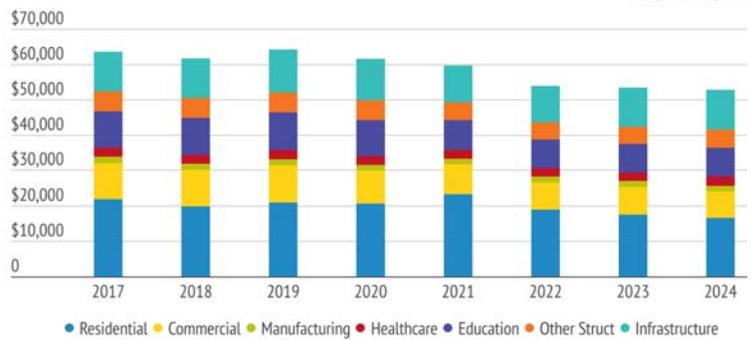
Meanwhile, New York is also expected to see a major influx of federal funding toward infrastructure projects because of the prior Bipartisan Infrastructure Law. Construction and real estate comprise 20% of New York City's GDP while providing 10% of jobs and 5% of wages. The largest proposed projects in each borough in the second quarter of 2022 include a 986,360-square-foot warehouse in the Bronx, a 749,356-square-foot mixed-use building in Brooklyn, and a 667,302-square-foot residential building in Manhattan.

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

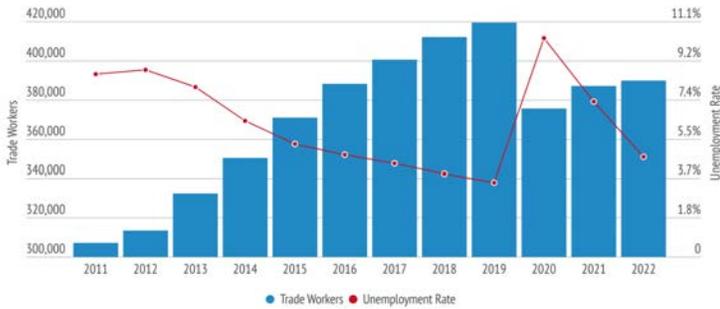
Sector	HISTORIC (2017-2021) FORECAST (2022-2024)							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-2.5%	-2.8%	3.7%	-1.6%	-2.6%	-8.2%	-9.7%	-2.9%
Residential	-1.5%	-9.5%	5.2%	-0.3%	14.0%	-0.9%	-21.4%	-7.3%
Commercial	3.2%	2.0%	1.1%	-5.1%	-10.8%	-12.5%	-7.5%	-5.4%
Manufacturing	-14.5%	-4.3%	3.9%	-13.3%	-0.6%	4.2%	4.3%	-8.7%
Healthcare	3.2%	-2.4%	1.9%	-2.0%	-4.6%	-9.1%	-3.6%	2.9%
Education	3.3%	1.2%	2.2%	-1.1%	-15.5%	-17.0%	-0.7%	1.7%
Other Struct*	6.9%	1.2%	-1.8%	4.4%	-11.2%	-13.1%	-3.5%	0.2%
Infrastructure	-15.7%	0.7%	8.2%	-2.2%	-9.3%	-12.4%	4.0%	2.3%

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

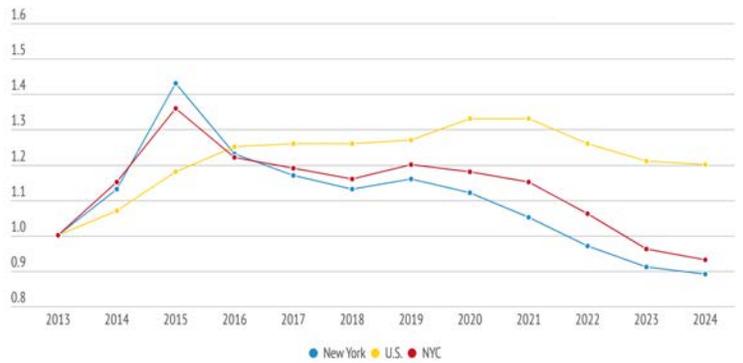
Annual Volume (x\$1M, 2012\$)



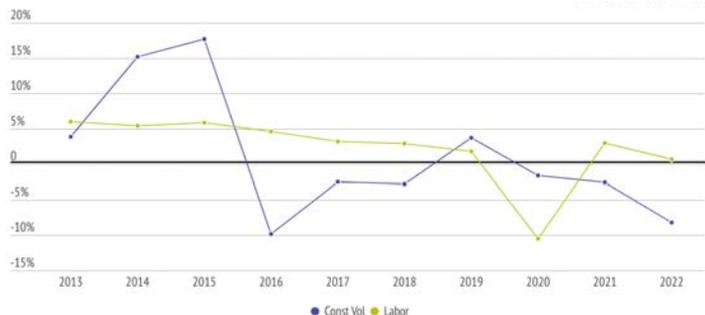
Regional Construction Employment



Construction Spending Index 2013-2023 (2013=1.0)



Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
Gateway Tunnel - Rail Tunnel Between New Jersey and New York - (PANYNJ)	New York	29.1B
Micron Technology at White Pine Commerce Center	Clay	20.0B
Phase 2 of the Second Avenue Subway Project - MTA - New York City Transit	New York	17.0B
Second Avenue Subway Phase 3 - MTA - New York City Transit	New York	14.2B
Hudson River Tunnel Project	New York	13.0B
SMS: Port Authority Bus Terminal Replacement Project on an As-Needed Basis During 2022 - 2027	New York	10.0B
JFK Intl Airport Redevelop. Expan. and Renov. Terminal 1 - Port Authority of New York & New Jersey	Jamaica	9.5B
RFQ D/B - Design-build Program for the NYC Borough Based Jails System, Detention Facilities in the Boroughs of Manhattan, Brooklyn, Queens, and the Bronx	New York	6.6B
Penn Station Megadevelopment	New York	5.0B
Champlain Hudson Power Express Project	Yonkers	4.5B

SOURCE: ReedConnect