

Washington, D.C.

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

The District of Columbia has had mixed performance over the last few months. The area has seen a tightening in the life-sciences sector of the market, but commercial and multifamily construction made gains. The largest multifamily projects to break ground during the first six months were the \$329 million Reston Next Block D mixed-use project, the \$125 million Atworth College Park affordable housing project, and the \$95 million Pooks Hill Road apartments. The largest commercial projects to get started through the first six months were the \$940 million Digital Dulles Buildings 7 and 8 data center

projects, the \$400 million The Rose Gaming Resort, and the \$208 million Equinix data center.

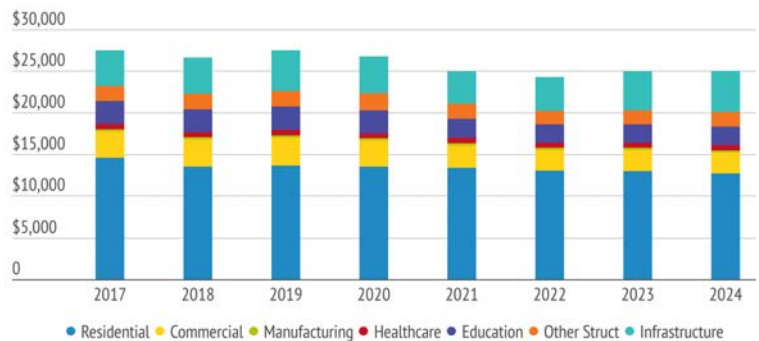
Washington DC is different from the rest of the country thanks to the high concentration of federal jobs. Federal workers aren't subject to economic fluctuations like the private sector – the Postal Service doesn't exactly lay off workers in recessions – so spending here remains relatively consistent. This, in turn, keeps demand high and other private sector employees working.

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

Sector	HISTORIC 🕒 🔮 FORECAST							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	0.9%	-3.2%	2.9%	-0.8%	-7.6%	-8.0%	-4.0%	1.3%
Residential	4.4%	-7.0%	0.4%	0.3%	-1.5%	-3.3%	-9.7%	0.8%
Commercial	1.2%	2.3%	2.8%	-2.2%	-14.6%	-15.3%	-6.0%	-4.2%
Manufacturing	-12.8%	-2.6%	6.9%	-7.9%	-1.6%	2.7%	4.1%	-7.7%
Healthcare	3.7%	-2.6%	3.3%	-2.6%	-6.6%	-10.2%	-1.1%	4.1%
Education	2.1%	1.0%	1.2%	-1.5%	-19.4%	-15.4%	1.2%	3.0%
Other Struct*	5.2%	1.7%	1.5%	11.7%	-13.6%	-15.0%	-3.4%	0.7%
Infrastructure	-11.3%	0.9%	11.8%	-6.7%	-11.3%	-12.0%	14.1%	5.6%

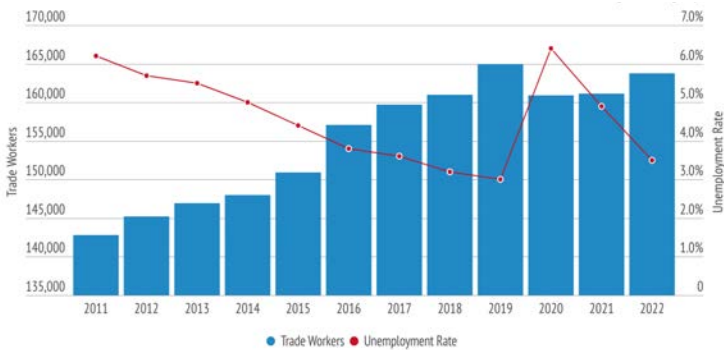
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



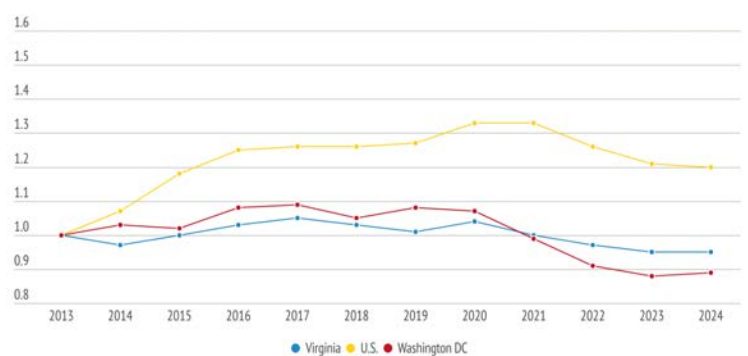
SOURCE: IHS-Markit

Regional Construction Employment



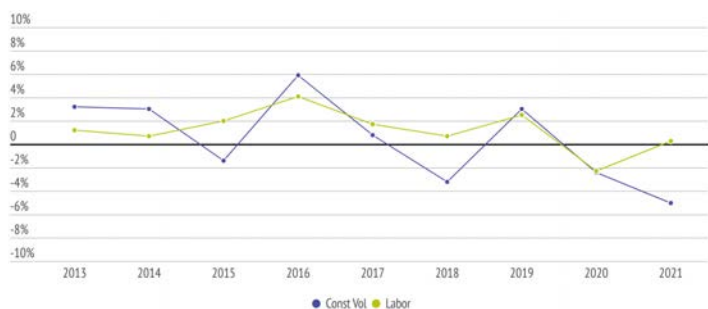
SOURCE: U.S. Bureau of Labor Statistics

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
Washington Commanders NFL Football Stadium Complex	Washington	3.0B
Poplar Point Waterfront Redevelopment	Washington	2.0B
Smithsonian Institution Campus Master Plan - Phase 1	Washington	2.0B
Long Bridge Operations Study	Washington	1.9B
The Stacks	Washington	1.0B
Inova Health Systems Hospital / Alexandria	Alexandria	1.0B
Hill East's Reservation 13	Washington	0.9B
PenPlace Amazon Arlington HQ2	Arlington	0.8B
McMillan Sand Filtration Plant Redevelopment	Washington	0.7B
Burnham Place at Union Station	Washington	0.7B

SOURCE: ReedConnect