

Honolulu, HI

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

The state of Hawaii has seen both an increase in government contracts and a decrease in construction jobs over the second half of 2022. We expect this to push costs up in the short term, but the number of new workers in the pipeline should be enough to fill the gap. In Honolulu, the Department of Permitting and Planning has around 8,000 permits waiting for approval. Furthermore, there are still many key projects in the pipeline. The US Navy has earmarked billions of dollars for upgrades to its base at Pearl Harbor. The state government has allocated another \$350 million for improvements to the neighborhood around Honolulu's Aloha Stadium and upgrades to road and rail

infrastructure across the state.

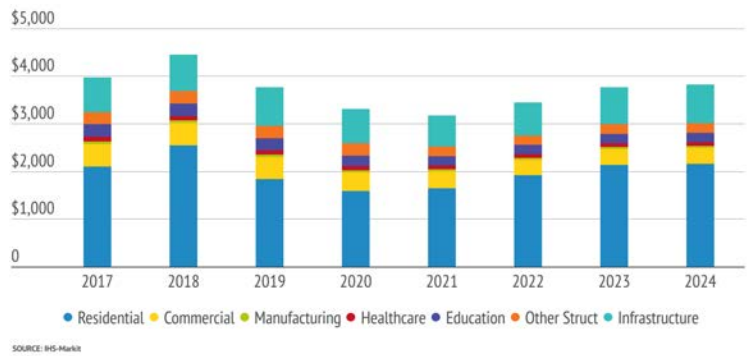
Honolulu's economy is set to benefit from both the return of leisure travel and the global pivot towards Asia. At the center of the Pacific, it is a convenient place for people in Asia to visit the beaches and to do business in the United States without hauling all the way across the Pacific. Thanks to its location in the middle of the Pacific, Honolulu's isolation has spared it the worst effects of the pandemic, although inflation and supply-chain issues are more pressing concerns there than on the mainland. Still, there are many reasons to be optimistic.

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

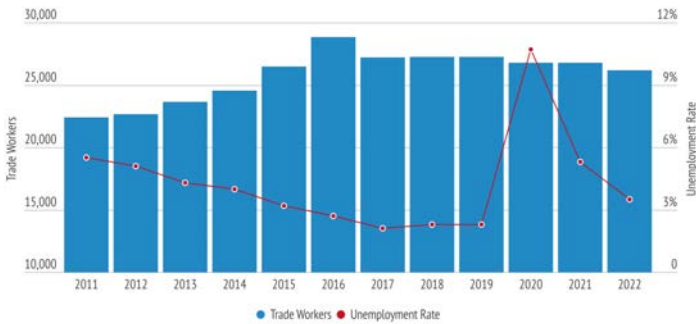
Sector	HISTORIC ○ ○ FORECAST							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-0.6%	12.5%	-15.4%	-10.5%	-4.8%	7.4%	6.1%	-2.0%
Residential	4.5%	21.5%	-28.2%	-12.4%	3.1%	26.9%	7.2%	-5.0%
Commercial	2.9%	0.8%	-0.8%	-13.7%	-14.3%	-13.3%	-3.9%	-2.5%
Manufacturing	-12.5%	-5.8%	0.1%	-18.4%	-6.0%	4.5%	7.7%	-5.8%
Healthcare	1.2%	-3.2%	-2.8%	-2.9%	-6.2%	-11.8%	0.6%	4.7%
Education	-0.8%	-2.1%	-2.0%	-9.0%	-12.9%	-12.9%	0.6%	1.3%
Other Struct*	5.9%	1.5%	0.5%	3.6%	-15.3%	-15.0%	-2.1%	0.7%
Infrastructure	-15.4%	6.6%	5.2%	-9.6%	-10.4%	-14.4%	12.6%	6.6%

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

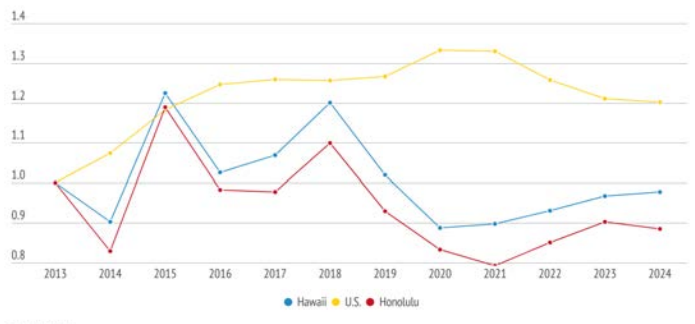
Annual Volume (x\$1M, 2012\$)



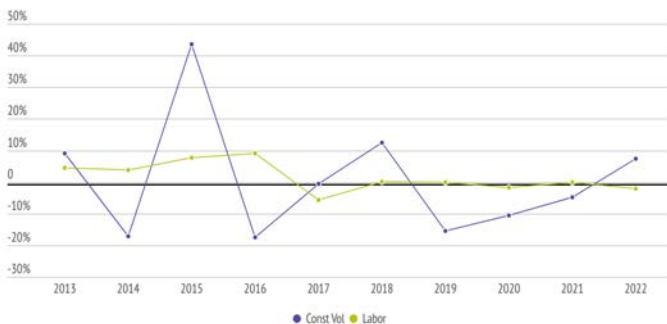
Regional Construction Employment



Construction Spending Index 2013-2023 (2013=1.0)



Construction Volume vs Labor - Annual Increase/Decrease



Top Regional Projects Sorted by Construction Value

Project	Location	Value
Dry Dock 3 Replacement	Honolulu	8.0B
Queen's Medical Center Expansion	Honolulu	1.0B
SMS: Design-Build/Design-Bid-Build Waterfront Multiple Award Construction Contract (DB/DBB WF MACC), Various Locations, State of Hawaii and Wake Island	Joint Base Pearl Hbr Hickam	1.0B
Live Work Play Aiea	Aiea	0.8B
New Rental Car Facility at Daniel K. Inouye International Airport - State of Hawaii	Honolulu	670M
The Park Ward Village Mixed-Use	Honolulu	620M
The Park on Keeaumoku	Honolulu	600M
Oahu Jail - State of Hawaii - Department of Public Safety	Honolulu	525M
Sky Ala Moana / Honolulu	Honolulu	510M
Queen's Medical Center West Oahu Expansion	Ewa Beach	500M

SOURCE: ReedConnect