

Portland, OR

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

Forecasts for Portland's construction market have been revised downwards since our last report. The residential sector – which accounts for just over half of the market – is expected to taper off next year without a corresponding increase in another sector to replace it. As the economic outlook becomes increasingly uncertain, many companies are reluctant to expand. This puts places like Portland, which is uniquely positioned to benefit from the government's push to grow its semiconductor manufacturing capacity, at a disadvantage. Fortunately, Portland has a diverse economy to fall back on.

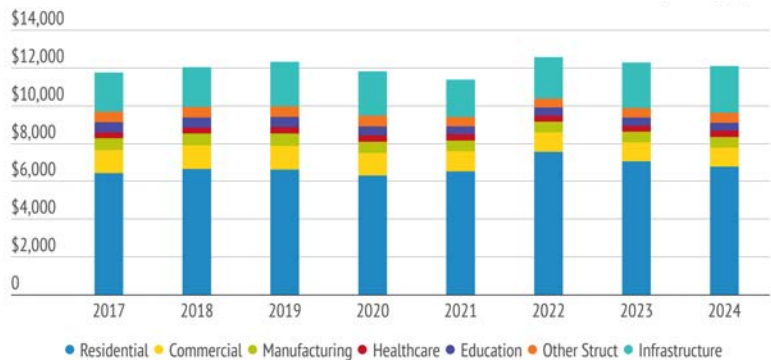
Portland has managed to successfully grow its tech sector through tax incentives and rising costs in the Bay Area. More than 1,200 tech companies operate here, leading some to call it "Silicon Forest." Increasingly, however, officials are directing more of their efforts to keeping its working population within the city limits. This broadly involves investing in transit and divesting from fossil fuels. Like in Sacramento to the south or Seattle to the north, the goal is to attract workers by offering them something that they cannot find in Silicon Valley – affordable housing and clean energy – and it seems to be working so far.

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

Sector	HISTORIC (2017-2020) / FORECAST (2021-2024)							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-3.5%	2.3%	2.4%	-2.8%	-3.3%	-9.4%	-1.4%	0.8%
Residential	-2.5%	3.5%	-0.4%	-4.3%	4.8%	-8.8%	-3.8%	0.5%
Commercial	5.3%	2.6%	1.3%	-0.9%	-10.6%	-12.6%	-8.2%	-4.9%
Manufacturing	-13.5%	-0.6%	6.2%	-10.4%	-1.8%	6.8%	3.3%	-8.0%
Healthcare	3.3%	-0.1%	3.5%	1.9%	-8.8%	-10.1%	-4.4%	4.0%
Education	2.7%	-0.7%	1.3%	-8.5%	-16.3%	-9.8%	1.3%	2.1%
Other Struct*	6.3%	-1.4%	0.8%	5.1%	-12.9%	-12.0%	-3.2%	1.1%
Infrastructure	-12.0%	1.6%	11.2%	1.5%	-15.5%	-13.6%	9.9%	6.8%

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

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



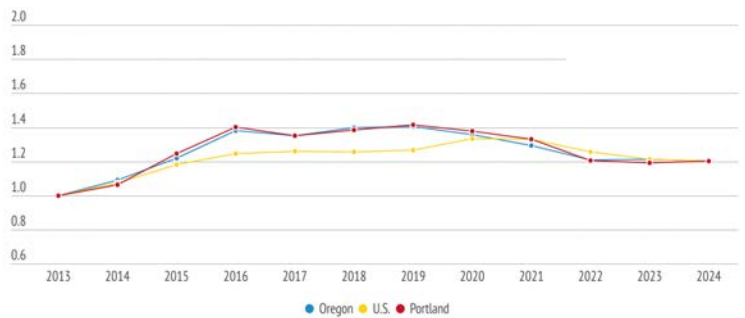
SOURCE: IHS-Markit

Regional Construction Employment



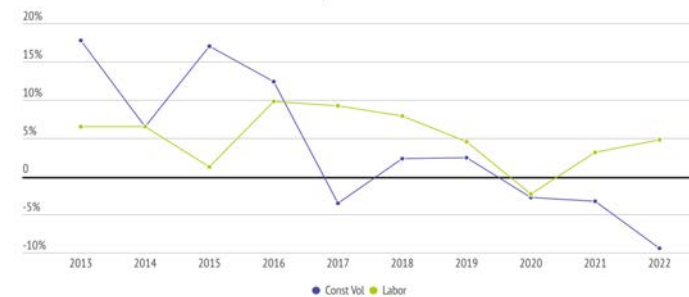
SOURCE: U.S. Bureau of Labor Statistics

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
Columbia River Crossing - Oregon Department of Transportation	Saint Helens	3.0B
The Broadway Corridor	Portland	1.1B
PDX TCORE - Western Terminal Expansion Package #27.2	Portland	1.0B
Portland International Airport Terminal Core Redevelopment (TCORE) CM/GC Services	Portland	1.0B
I-5 Rose Quarter Project - Early Work Package B - Retaining Walls	Portland	0.8B
Swan Lake Energy Storage	Pine Grove	0.8B
I-5 Rose Quarter Improvement Project	Portland	0.8B
2020 Bond - Modernization and Rebuilds of School - Portland Public Schools	Portland	745M
Intel Corporation Research and Design Mega Lab at Jones Farm	Hillsboro	700M
Portland VA Medical Center Seismic Retrofit Parking Garage	Portland	650M

SOURCE: ReedConnect