

Sacramento, CA

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

Sacramento is the fastest-growing city in California. On a typical day, 16 people move there. All these people need a place to live, work, and spend their free time. City officials are taking a proactive approach to accommodating these new residents and have tried hard to rein in new developments before all available land is filled with suburban sprawl. These efforts have so far had mixed results and the area remains mostly suburban. City officials are hoping that Sacramento can retain its population by offering residents something they cannot get elsewhere in California: more affordable housing and shorter commutes.

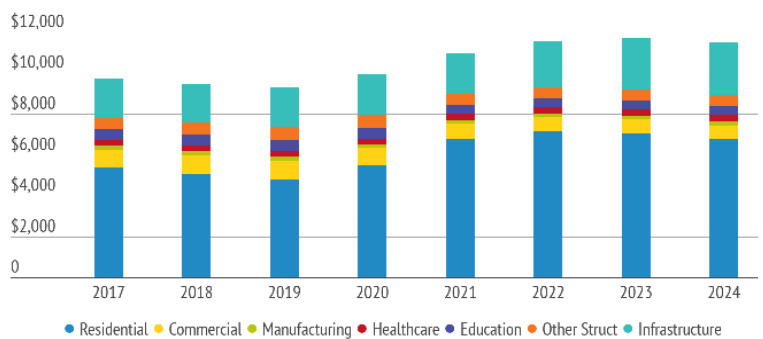
The construction industry has so far done a good job of building new housing, with the residential sector making up more than half of all new developments. The city is set to pivot to the infrastructure sector in the next two years, as roads and bridges across the area need to be modernized. There are also incentives for green energy and mixed-use developments in the pipeline. To meet this demand, contractors in Sacramento have been drawing in labor from nearby markets.

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

Sector	HISTORIC FORECAST							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	9.7%	-3.1%	-1.9%	8.4%	7.1%	-9.8%	0.5%	7.8%
Residential	19.5%	-5.6%	-5.6%	14.1%	7.0%	-8.8%	-5.6%	1.4%
Commercial	5.8%	2.9%	-0.2%	-7.5%	-1.5%	-13.6%	-1.5%	-3.8%
Manufacturing	-15.0%	-5.0%	7.1%	-6.5%	1.5%	4.2%	5.4%	-8.0%
Healthcare	10.4%	-2.6%	1.5%	5.1%	0.8%	-9.9%	-1.4%	5.7%
Education	4.8%	2.6%	4.8%	-2.5%	-16.4%	-10.2%	-0.4%	7.2%
Other Struct*	5.1%	1.7%	5.4%	7.4%	-15.6%	-14.7%	-2.6%	1.6%
Infrastructure	-4.1%	-1.9%	2.1%	3.0%	2.0%	-11.9%	16.9%	9.8%

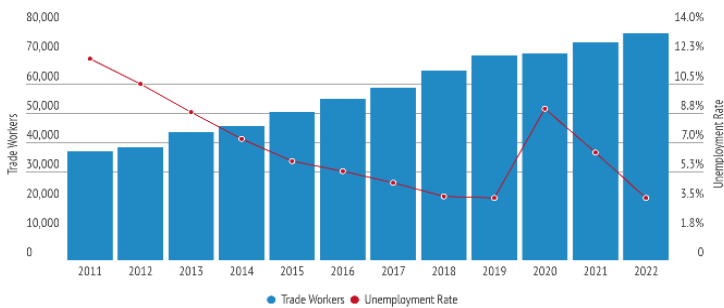
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



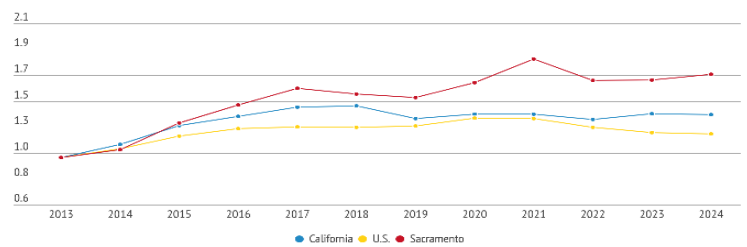
SOURCE: IHS-Markit

Regional Construction Employment



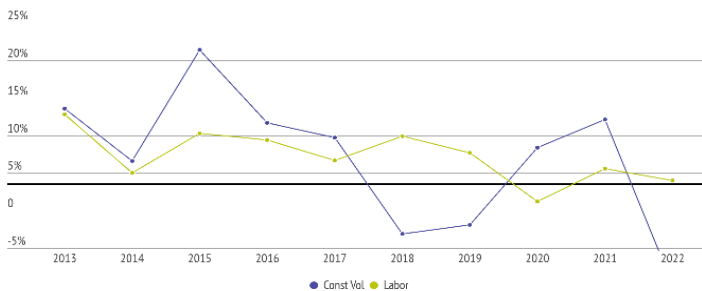
SOURCE: U.S. Bureau of Labor Statistics

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
California Hospital Tower - UC-Davis Medical Center	Sacramento	3.8B
RFQ D/B - Replacement Hospital Tower (RHT)	Sacramento	2.0B
Horizontal Construction Contracts For Southwestern Border Security & Immigration Enforcement Improvements	Sacramento	1.8B
Delta Shores - Future Sections	Sacramento	1.5B
Mather South Mixed Use Development	Sacramento	1.3B
Aggie Square Mixed Use Project Phase 1 - University of California	Sacramento	1.1B
Sacramento Kings Sleep Train Arena / CA Northstate University Teaching Hospital & Campus	Sacramento	1.0B
Aging in Place Acres	Folsom	0.9B
Easton Research Park West	Rancho Cordova	0.8B

SOURCE: ReedConnect