

# San Diego, CA

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

San Diego is in many ways a microcosm of the rest of California. Decades of expansion and single-family zoning laws caused the city to grow outwards instead of upwards. Today, San Diego occupies an area about the size of Connecticut. Thanks to the mountains surrounding the city, however, land available for development is disappearing fast. This has caused developers to turn their focus to the city center and push for higher-density housing. Today, the residential sector makes up more than half of all construction volume in the city, with multifamily projects making up a larger and larger share each year. This trend is expected to continue.

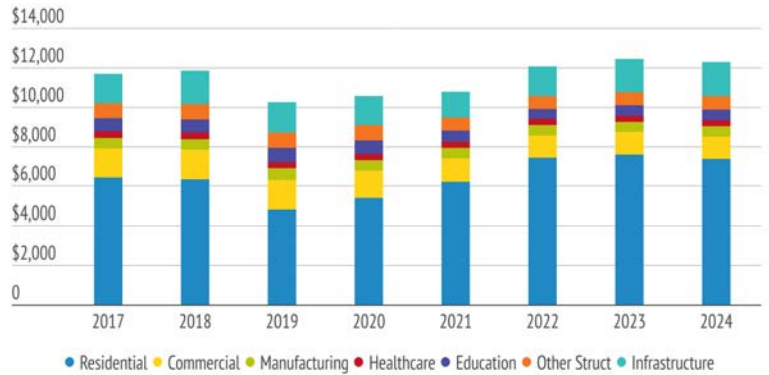
The residential sector is predicted to remain the largest through at least 2024. San Diego is in need of new housing, but it will soon be in serious need of new schools, offices, roads, and everything else that makes a neighborhood feel like a neighborhood. The construction labor force has been growing steadily in anticipation, which should be enough to offset increased demand and keep labor costs from rising too much.

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

Sector	HISTORIC  FORECAST							
	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Increase</b>	5.8%	1.1%	-13.4%	4.8%	3.4%	1.9%	6.2%	-1.8%
Residential	13.5%	-1.7%	-24.3%	13.5%	16.8%	10.3%	7.7%	-3.3%
Commercial	2.9%	2.3%	0.7%	-4.1%	-12.7%	-12.3%	-5.4%	-4.1%
Manufacturing	-13.1%	-1.1%	7.8%	-5.9%	-2.2%	0.9%	4.8%	-7.0%
Healthcare	5.3%	0.9%	-3.7%	0.5%	-5.2%	-8.2%	0.5%	4.3%
Education	2.6%	0.9%	4.3%	-3.5%	-16.7%	-12.5%	-0.9%	1.6%
Other Struct*	6.5%	1.8%	1.4%	2.7%	-14.8%	-12.5%	-3.1%	1.0%
Infrastructure	-9.6%	12.5%	-8.2%	-3.7%	-7.0%	-7.7%	17.0%	5.6%

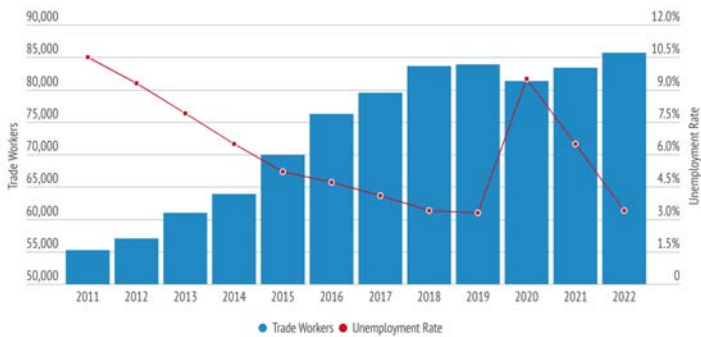
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



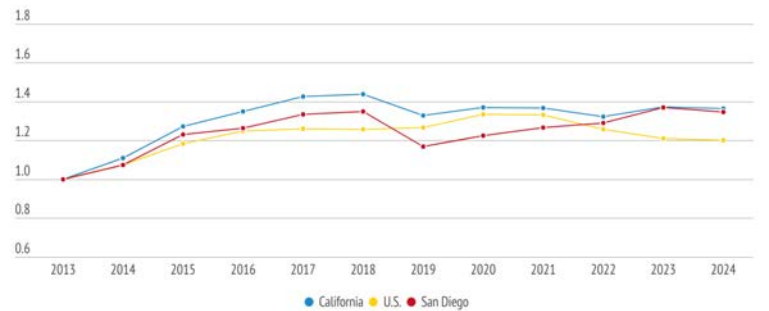
SOURCE: IHS-Markit

## Regional Construction Employment



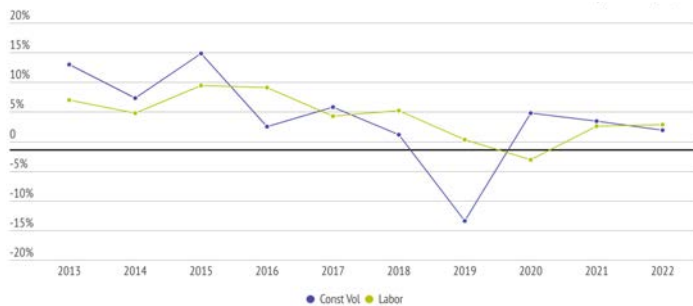
SOURCE: U.S. Bureau of Labor Statistics

## Construction Spending Index 2013-2023 (2013=1.0)



SOURCE: IHS-Markit

## Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

## Top Regional Projects Sorted by Construction Value

Project	Location	Value
Navy Old Town Complex Revitalization Project	San Diego	4.0B
2020 Bond/Measure - Convention Center Expansion - Measure C - City of San Diego	San Diego	3.8B
San Diego International Airport Terminal Replacement	San Diego	3.4B
Riverwalk Golf Club	San Diego	2.5B
East Village Quarter - Tailgate Park	San Diego	1.5B
San Vicente Energy Storage Facility / Lakeside	Lakeside	1.5B
Disposition and Development of East Village Quarter / Tailgate Park - Civic San Diego	San Diego	1.5B
Scripps Mercy Hospital San Diego	San Diego	1.3B
Chula Vista Bayfront Gaylord Pacific Hotel and Convention Center	Chula Vista	0.8B
SMS: Indefinite Delivery Indefinite Quantity Multiple Award Construction Contract	San Diego	0.5B

SOURCE: ReedConnect