

Chicago, IL

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

Chicago has one of the most diverse economies of any city in the country. This spared Chicago the fate of other cities in the Rust Belt, which saw dramatic declines in population and standard of living as manufacturing moved abroad. Instead, the construction market here has been declining due to demographics rather than economics. Cities on the West Coast experiencing unprecedented growth have a constant need for new residential, commercial, and infrastructure projects. This is simply not the case here. Chicago has instead focused on upgrading and modernizing existing facilities, with renovations making up a

large share of volume.

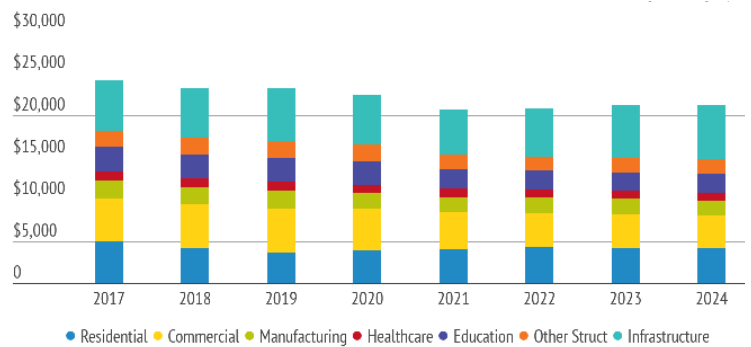
Chicago's residential sector experienced the same spike in demand in 2021 as many other markets. But because it is a small part of the overall market, this was not enough to offset downturns in other sectors. Combined with issues in the infrastructure and commercial sectors, the market declined in 2021 and 2022. Looking ahead, however, Chicago's position at the center of the nation's railroad and airline networks positions it to benefit from reshoring businesses.

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

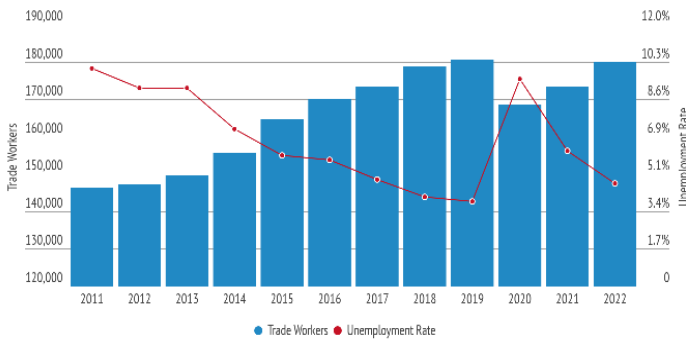
Sector	HISTORIC				FORECAST			
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-3.0%	-9.0%	-0.1%	-0.5%	-7.2%	-9.6%	-0.4%	-1.0%
Residential	-3.3%	-16.2%	-13.1%	7.7%	6.6%	-5.0%	-7.3%	-2.7%
Commercial	3.5%	1.9%	1.0%	-1.1%	-10.7%	-13.1%	-9.0%	-6.3%
Manufacturing	-13.0%	-2.7%	4.7%	-9.2%	-2.3%	3.8%	3.0%	-8.5%
Healthcare	3.7%	-5.1%	-1.6%	-1.3%	-5.2%	-9.4%	-3.0%	3.6%
Education	1.4%	-1.3%	0.3%	-1.0%	-16.2%	-15.4%	-0.9%	1.5%
Other Struct*	3.4%	0.3%	0.2%	3.4%	-14.2%	-12.8%	-3.4%	0.2%
Infrastructure	-9.0%	-1.7%	6.5%	-2.7%	-8.4%	-11.4%	8.1%	4.3%

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

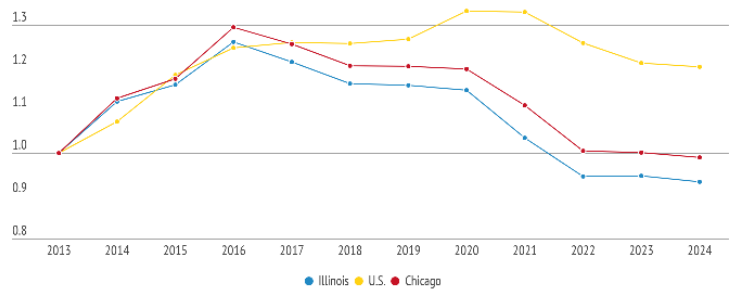
Annual Volume (x\$1M, 2012\$)



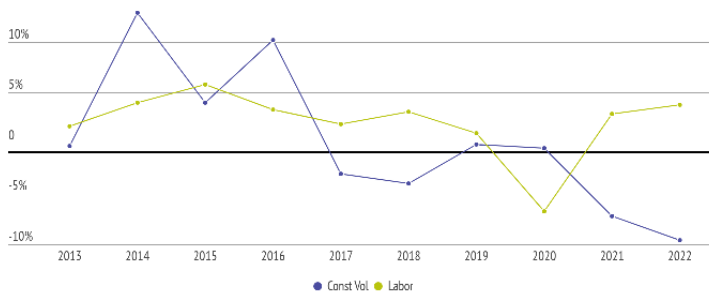
Regional Construction Employment



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
One Central Project	Chicago	20.0B
The 78	Chicago	7.0B
Lincoln Yards	Chicago	6.0B
Lincoln Yards - Future Phases	Chicago	5.7B
I-290 Eisenhower Expressway Expansion - Illinois Department of Transportation	Springfield	3.8B
Bronzeville Lakefront	Chicago	3.8B
Red Line Extension - 95th/Dan Ryan Terminal to 130th Street - Chicago Transit Authority (CTA)	Chicago	2.3B
The Red and Purple Modernization (RPM) Project Phase One - Chicago Transit Authority (CTA)	Houston	2.1B
Bally's Casino / Chicago	Chicago	1.7B
Chicago Spire	Chicago	1.5B

SOURCE: ReedConnect