

Nashville, TN

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

The outlook for the Nashville market has not changed significantly since our last report. After unprecedented growth, we expect construction to taper off in the coming years, as population growth slows. Other sectors are expected to remain relatively steady, as new residents need schools, hospitals, and roads. The number of trade workers has increased through 2021 to meet the peak in demand and it is unclear what will happen when it declines. Some will likely move throughout the region and push labor costs down there as well.

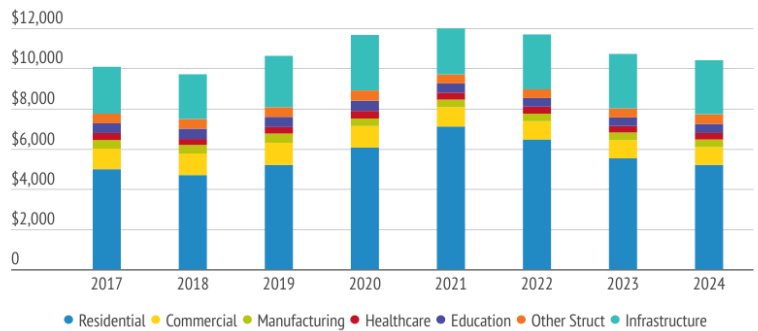
Nashville's economy grew so fast in the 2010s that it has become a modern-day boomtown. By 2016, it had more than \$2 billion in real estate under development. By 2017 more than 100 people were moving in every day. A lot of this growth took place outside the city of Nashville itself, which has created many disparate communities bound together by the existing highway network. This has kept housing costs from rising too much and schools and hospitals from being too overloaded, but providing key services across almost 20% of Tennessee will be a challenge.

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

Sector	HISTORIC FORECAST							
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-1.6%	-3.6%	9.4%	12.0%	6.9%	-13.2%	-13.4%	2.0%
Residential	0.0%	-5.4%	10.6%	18.2%	20.0%	-15.6%	-20.8%	2.6%
Commercial	5.5%	5.0%	3.2%	0.7%	-10.8%	-10.8%	-6.9%	-4.6%
Manufacturing	-11.6%	-3.9%	5.3%	-11.2%	1.7%	5.0%	4.2%	-8.9%
Healthcare	4.9%	-5.7%	6.0%	10.3%	-3.0%	-10.3%	-12.6%	2.3%
Education	3.0%	1.2%	2.5%	4.1%	-14.4%	-14.7%	1.4%	2.4%
Other Struct*	8.1%	2.3%	1.9%	9.5%	-10.1%	-11.0%	-3.3%	0.6%
Infrastructure	-8.8%	-5.5%	14.4%	10.5%	-5.6%	-10.7%	-3.7%	5.1%

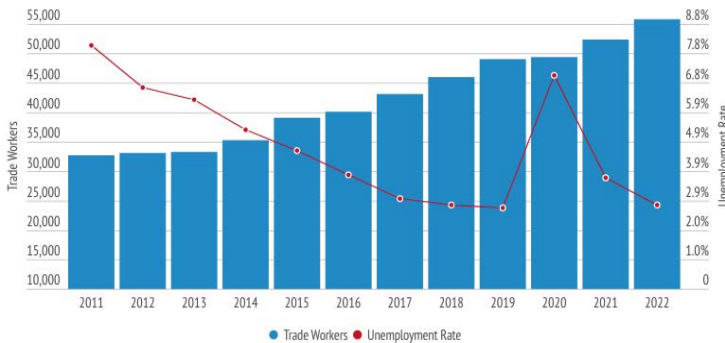
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



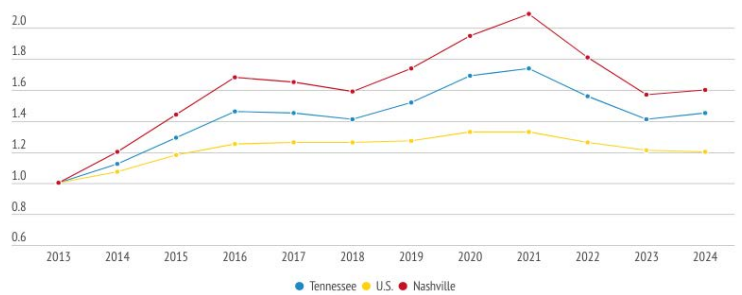
SOURCE: IHS-Markit

Regional Construction Employment



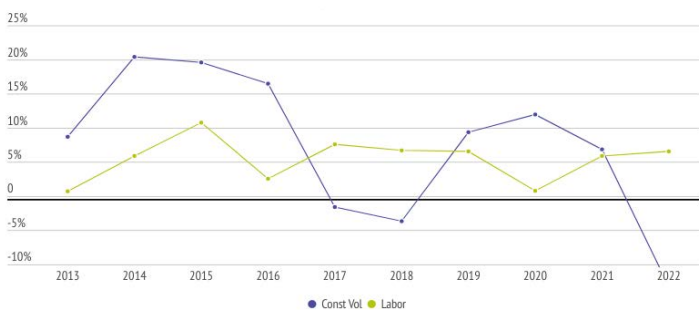
SOURCE: U.S. Bureau of Labor Statistics

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
The Riverside Mixed-Use Development	Nashville	2.5B
New Tennessee Titans Stadium	Nashville	2.1B
Oracle River North Campus	Nashville	1.2B
Nashville Yards	Nashville	1B
Madison Town Center	Nashville	1B
Broadway Mixed-Use Project and Beaman Automotive	Nashville	760M
Nashville Yards Entertainment Venue	Nashville	668M
Music City Baseball Stadium	Nashville	600M
Wedgewood-Houston Live Music Venue	Nashville	500M
Demonbreun Hill Mixed-Use Development	Nashville	500M

SOURCE: ReedConnect