

Salt Lake City, UT

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

The construction market in Salt Lake City has consistently outperformed forecasts since the year began. As 2022 wears on, the pandemic housing boom here is looking less like a blip and more like the start of a sustained trend. The residential sector grew by more than 20% in 2020 and 2021 and is set to stay at similar levels through at least 2024. Other sectors have not changed much in that time. The residential boom has not been enough to offset the city's population growth, and rent has gone up by as much as 10% per year in some neighborhoods. As residential volume catches up, however, we expect this trend to reverse.

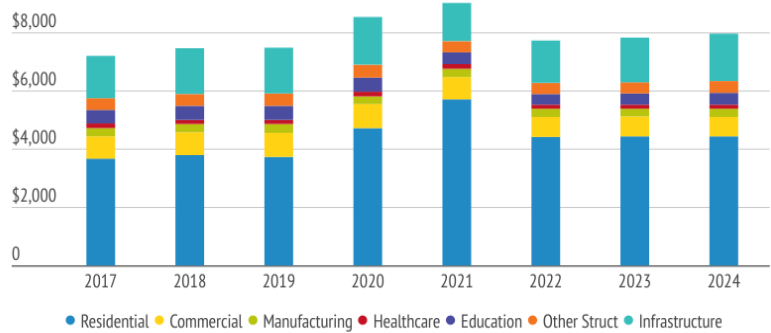
Thanks to its status as Utah's capital, Salt Lake City enjoys relative insulation from economic shocks. Approximately one in five workers are employed by state, municipal, or federal governments. Another one in five works in transportation in some capacity. These industries are uniquely positioned to benefit from a shift away from brick-and-mortar stores and towards online commerce. Government employees are not at the whims of booms and recessions in the same way that the private sector is, and the logistics sector has enjoyed constant, sustained demand for the past decade. These factors keep a significant chunk of workers employed, and these workers can stimulate demand for the remainder of the economy.

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

Sector	HISTORIC FORECAST								
	2017	2018	2019	2020	2021	2022	2023	2024	
Total Increase	8.1%	3.9%	0.1%	16.7%	9.0%	-11.4%	-2.3%	3.1%	
Residential	14.1%	3.1%	-1.0%	28.1%	22.1%	-9.5%	-4.5%	1.7%	
Commercial	3.9%	4.0%	2.9%	5.1%	-9.1%	-14.1%	-9.1%	-4.9%	
Manufacturing	-12.4%	-2.3%	6.6%	-5.6%	2.0%	4.7%	4.2%	-8.3%	
Healthcare	10.0%	0.3%	-2.2%	7.4%	0.7%	-14.6%	-4.9%	8.6%	
Education	5.7%	0.9%	3.8%	2.7%	-14.1%	-16.1%	1.0%	4.1%	
Other Struct*	9.7%	0.3%	0.6%	10.3%	-11.4%	-12.4%	-2.7%	1.2%	
Infrastructure	1.4%	9.4%	-1.0%	6.8%	-4.9%	-18.4%	8.0%	13.7%	

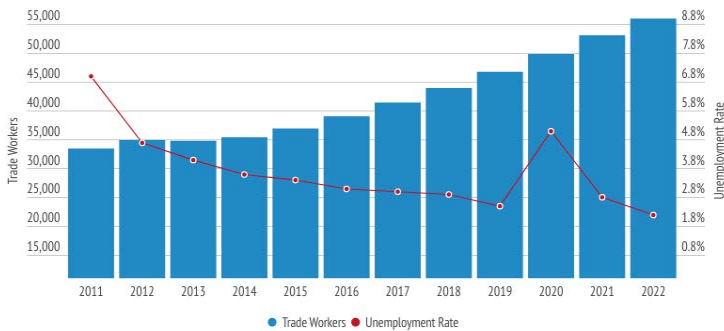
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



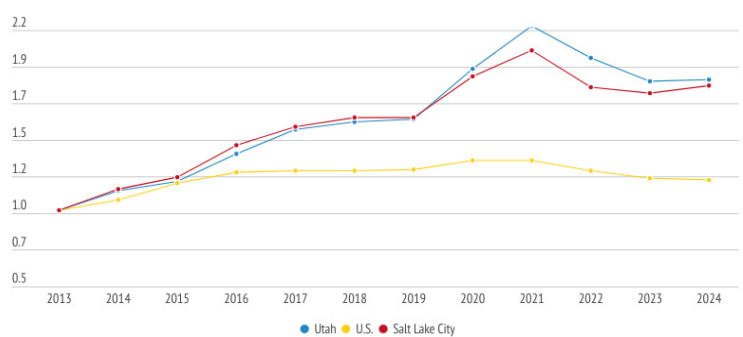
SOURCE: IHS-Markit

Regional Construction Employment



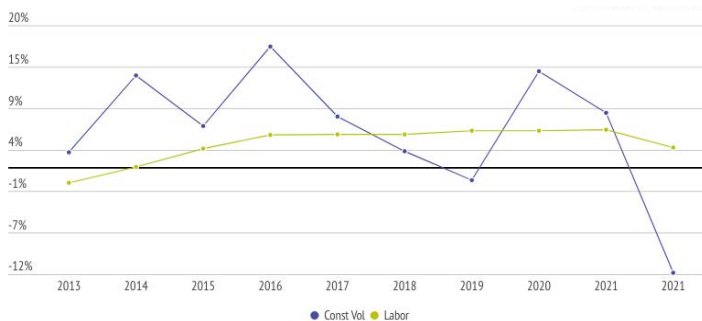
SOURCE: U.S. Bureau of Labor Statistics

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 Lake Park Commerce Center	West Valley City	0.4B
DFCM Construction - UU/ UHealth West Valley Health and Community Center	West Valley City	335M
SMS: RFP - West Valley Health and Community Center Hospital, Outpatient, and Educational Campus Energy Modeling Services	West Valley City	300M
Holy Trinity Cathedral Greek Orthodox Church Area Redevelopment	Salt Lake City	300M
North Capitol Building - Bid Package #2 - Building Demolition and Shoring	Salt Lake City	219M
DFCM Construction-Capitol Hill Complex North Capitol Building	Salt Lake City	219M
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Centennial Towers Master Plan	Sandy	200M

SOURCE: ReedConnect