

Philadelphia is seeing a period of revitalization, with new projects breaking ground across the city. The market is still below its pre-pandemic level – and will probably remain so for a while – but there is still plenty to do. The city is seeing a mix of new residential, commercial, and cultural projects, as well as the expansion of citywide infrastructure such as its public transportation network. Things like a rising cost of living and a lack of available housing pose challenges for the market and have made it hard for young people to find their footing.

We expect the market to see modest growth over the next few years. This should provide some respite for the industry, and the number of trade workers has increased to keep pace. Philadelphia also stands to benefit from the potential reshoring of manufacturing, as it is a city with cheap land, abundant labor, and a low (albeit rising) cost of living. However, since the onset of the Covid-19 pandemic, record-high construction costs and delays have plagued the development and homebuilding industries. Costs rose by almost 10% in 2022 and should only begin to come down sometime this year.

Philadelphia, PA

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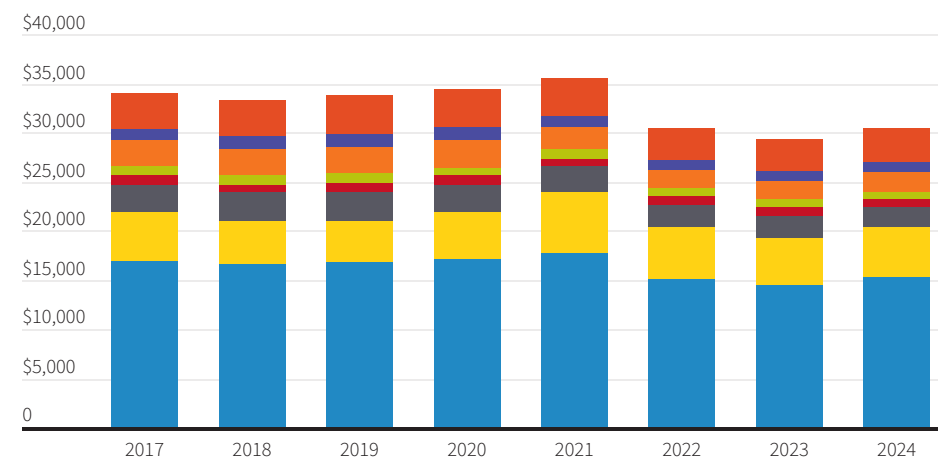
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-0.9%	-2.7%	1.7%	1.9%	3.2%	-14.4%	-3.7%	4.1%
Residential	3.6%	-9.0%	-5.3%	13.1%	32.9%	-17.3%	-9.1%	10.3%
Commercial	2.8%	1.8%	0.7%	-1.8%	-9.5%	-9.8%	-6.3%	-7.8%
Manufacturing	-13.5%	-3.1%	5.6%	-9.6%	-2.7%	5.3%	4.6%	-5.8%
Healthcare	4.3%	-3.8%	0.6%	-1.9%	-3.0%	-11.0%	-6.4%	4.2%
Education	2.5%	-0.4%	1.5%	-1.9%	-15.5%	-15.9%	-1.2%	4.0%
Other Structure*	6.9%	2.5%	1.3%	5.9%	-14.4%	-14.3%	-3.4%	1.6%
Infrastructure	-11.0%	-1.0%	10.7%	-1.8%	-1.3%	-17.0%	3.9%	7.1%

◀ HISTORIC FORECAST ▶

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

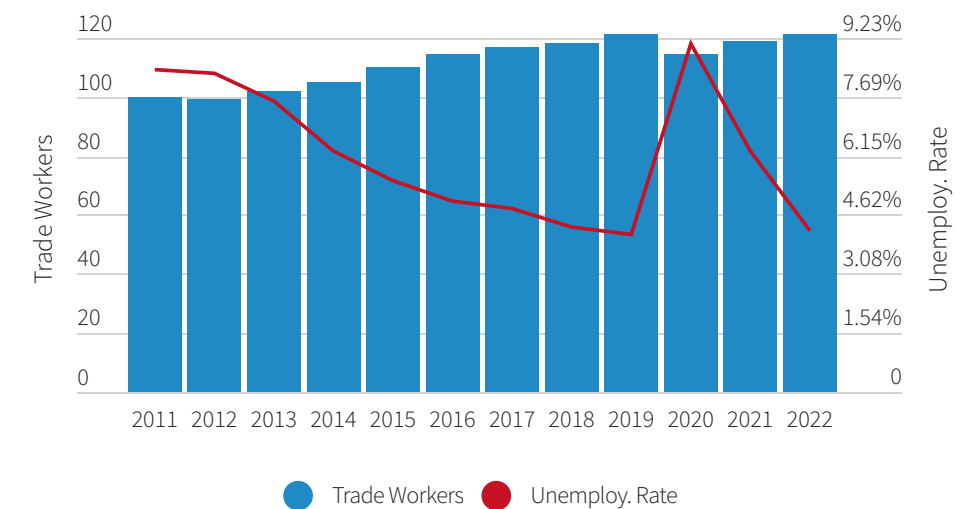
Annual Volume (x\$1M, 2012\$)



Legend: Total (Blue), Residential (Yellow), Commercial (Grey), Manufacturing (Red), Healthcare (Green), Education (Orange), Other Struct (Purple), Infrastructure (Dark Red)

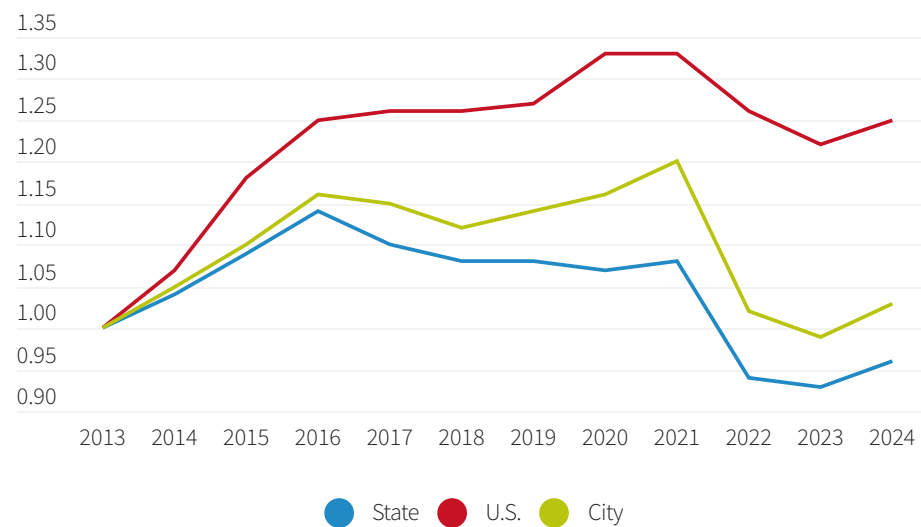
SOURCE: IHS-Market

Regional Construction Employment



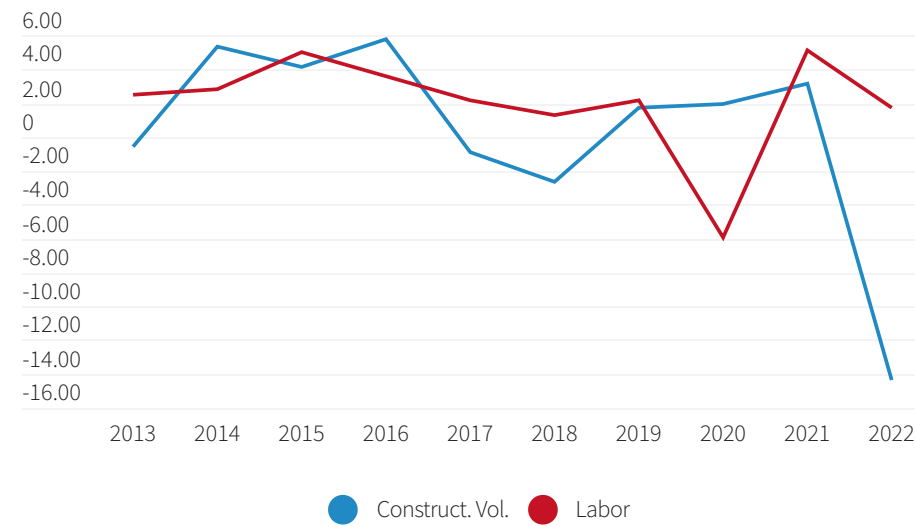
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2024 (2013=1.0)



SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
ExxonMobil Petrochemical Plant	Beaver	10.00B
I-78 Recon-Berks County Line to SR 100	Allentown	0.41B
PA-309 Warehouse Project	Center Valley	0.41B
Partnership 81	Ashley	0.29B
Air Products Redevelopment - Prologis Warehouses	Allentown	0.28B
Roadway and Bridge Reconstruction Between Milepost 12.02 and Milepost 14.01 in Beaver County	Chippewa Township	0.27B
Tower Place	Bethlehem	0.24B
401 & 403 Washington Street / Multi Residential	Conshohocken	0.23B
US 30 and PA 82 Interchange Imp	Coatesville	0.21B
SR 30 and Airport Rd Interchange Imp.	Coatesville	0.20B

SOURCE: ReedConnect