

The construction market in Phoenix has been quite active recently – a notable departure from trends in other cities. Phoenix is different from other cities in the West in that it has a favorable location and low cost of living, although the increase in population is leading to an increase in costs. The city’s economy -- particularly the technology companies that officials have spent the better part of a decade courting -- and the growing population have generated steady demand for new construction projects.

The labor market continues to grow, and new construction projects are still well above pre-pandemic levels. A number of projects have seen an increase in costs through current shortages of labor and trades, although a general slowdown across the US should ease some of these pressures.

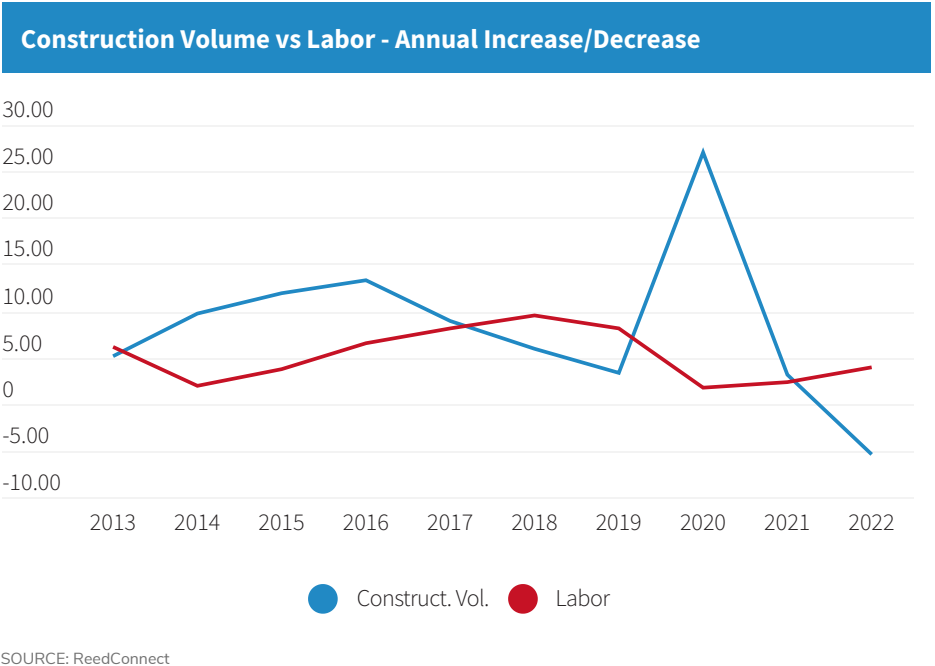
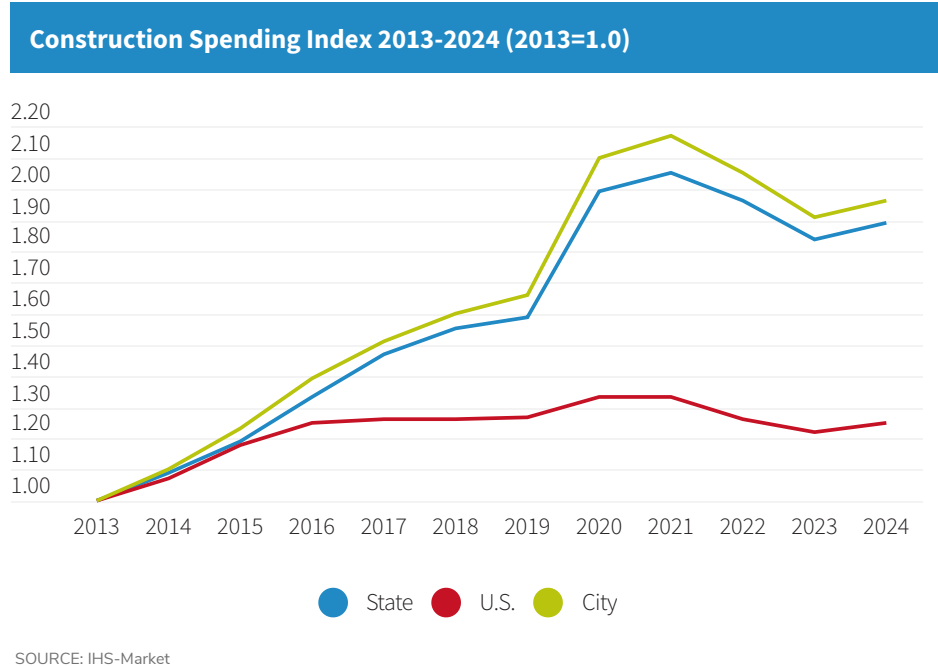
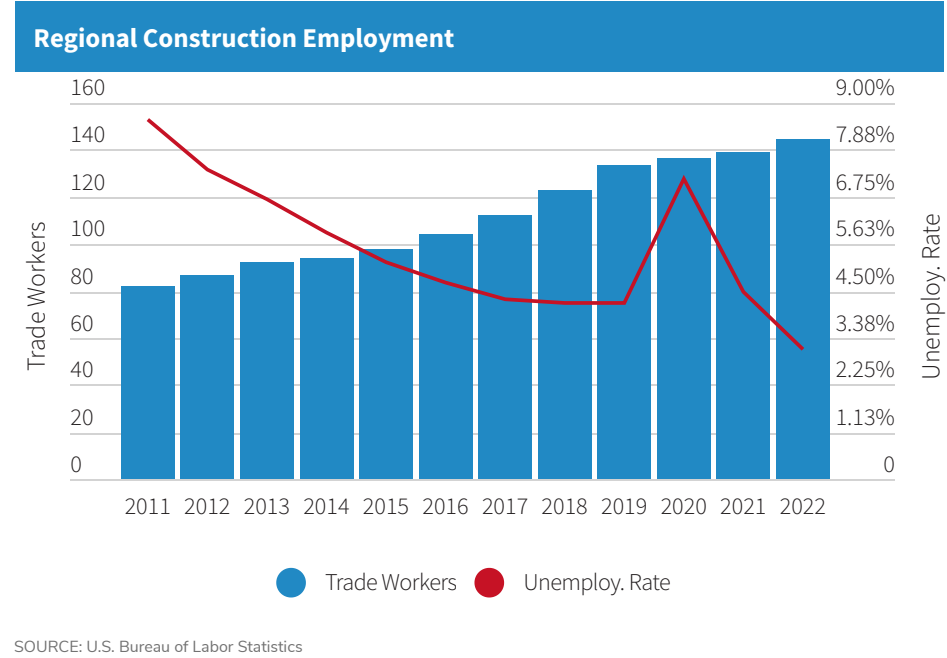
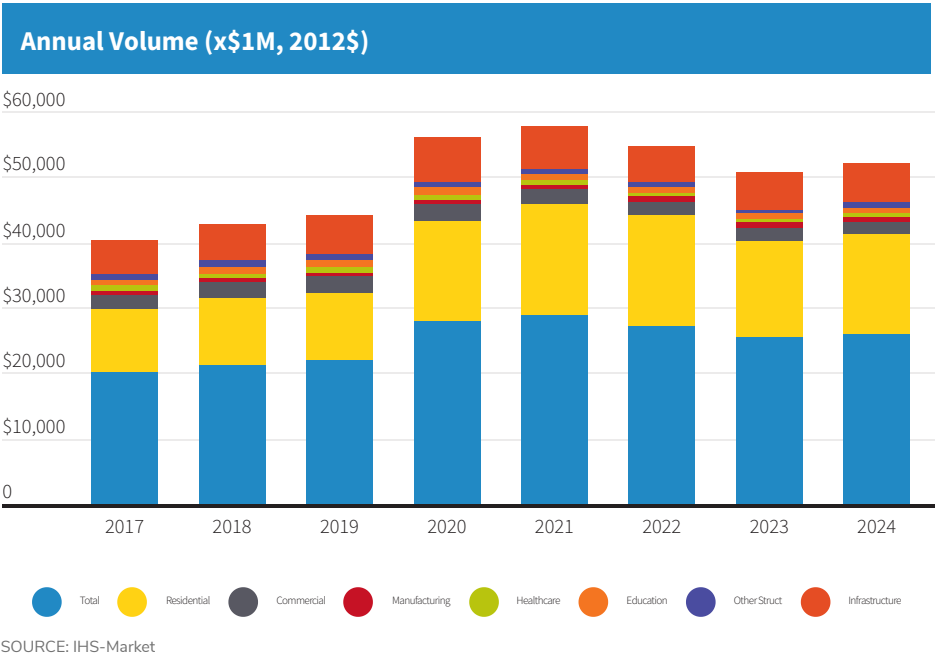
Phoenix, AZ

CONTACT: Jeff Mazmanian, Sr. Vice President, PM
jmazmanian@cumming-group.com

Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)								
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	8.9%	5.9%	3.4%	27.0%	3.1%	-5.5%	-7.0%	2.8%
Residential	19.0%	6.6%	0.3%	48.9%	10.7%	-0.1%	-11.9%	2.1%
Commercial	3.9%	3.7%	2.8%	2.8%	-10.6%	-11.6%	-5.9%	-6.4%
Manufacturing	-12.1%	0.0%	8.8%	-4.3%	0.2%	8.4%	5.8%	-5.7%
Healthcare	11.2%	1.1%	5.4%	13.1%	0.2%	-9.3%	-8.0%	2.8%
Education	6.9%	6.2%	4.1%	0.4%	-16.1%	-18.8%	-1.7%	5.3%
Other Structure*	7.0%	2.6%	1.7%	7.4%	-12.2%	-13.5%	-1.7%	1.8%
Infrastructure	-1.6%	7.5%	8.7%	12.5%	-3.0%	-15.3%	4.7%	8.5%

◀ HISTORIC FORECAST ▶

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



Top Regional Projects Sorted by Construction Value		
Project Name	Location	Value
Villages at Vigneto	Benson	4.00B
Rainbow Valley	Goodyear	2.00B
Rosemont Copper Mine	Corona de Tuc	1.90B
LogistiCenter at Copperwing	El Mirage	1.50B
KOREPlex Manufacturing Facility (Batteries)	Buckeye	1.25B
American Battery Factory Manufacturing Plant	Comobabi	1.20B
Nikola Corporation Hydrogen Production Facility	Buckeye	1.00B
Prologis 303 (Loop 303)	Litchfield Park	1.00B
Northern Arizona Healthcare Flagstaff Medical Center Expansion	Flagstaff	0.80B
Moonlight Ridge Mixed-Use Development / Maricopa	Maricopa	0.80B

SOURCE: ReedConnect