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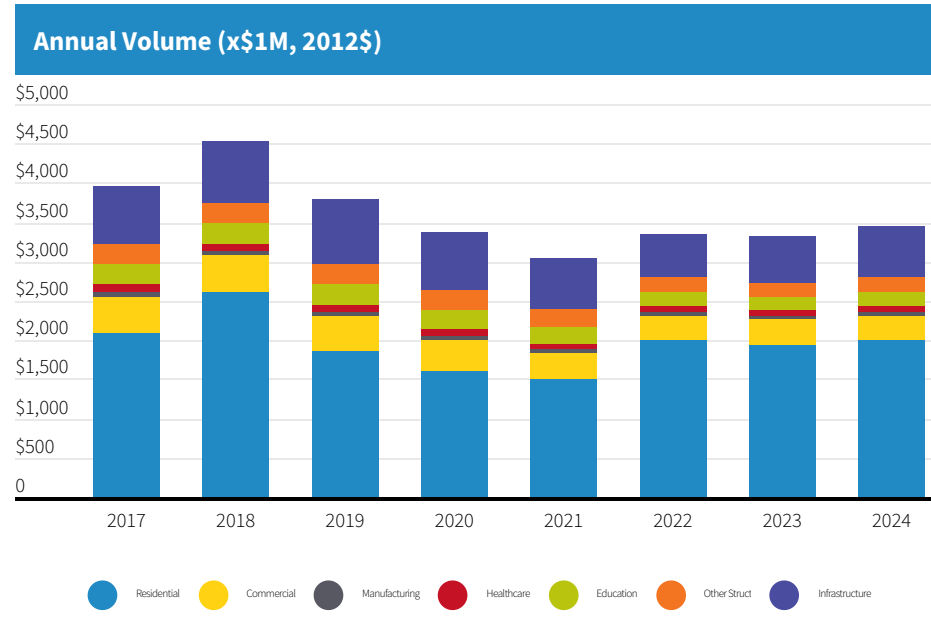
The construction market in Honolulu (and all of Hawaii for that matter) is set to benefit from the rebounding tourism sector, with activity close to 2019 levels and RevPAR up 6%. New projects are lagging for want of a permit, as the DPP has and continues to be challenged with approvals regularly taking over a year to secure. There are still almost 8,000 projects in various stages of permitting across the city.

Unemployment is effectively nil at 3.5% and the net out-migration to the mainland (during Covid) is still being felt. This will keep labor costs high

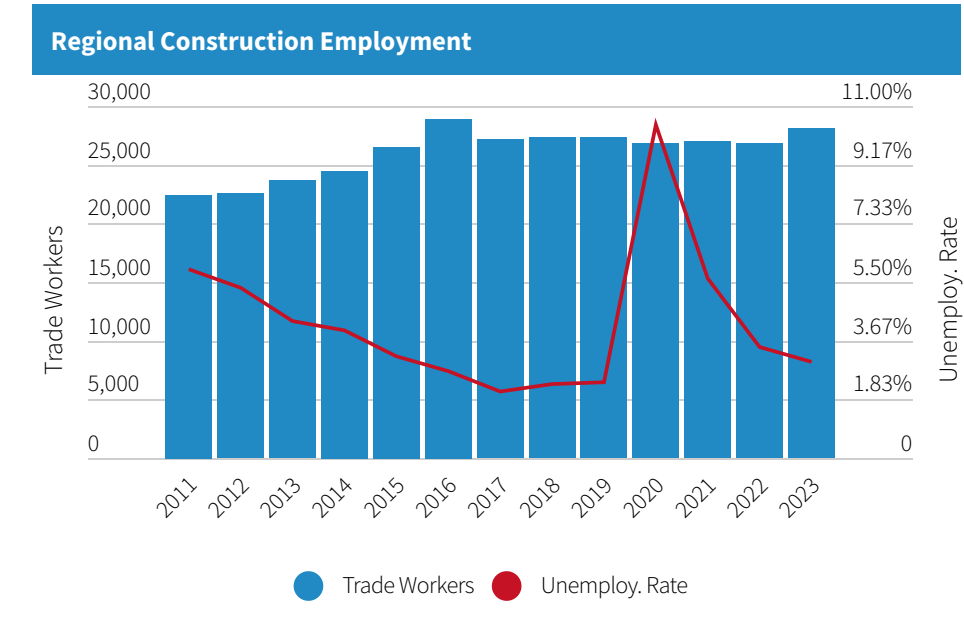
for the next few years, as new projects will have to compete for a smaller labor pool. The state's high cost of living and scarcity of developable land, however, have presented unique challenges, especially in affordable housing. The Fed high interest rate policy looms large; however, Hawaii is likely to avoid an outright recession. Major infrastructure project is one of the reasons that the Construction industry is so resilient with major Rail, HDOT and U.S. Navy projects (\$4B at Pearl Harbor) underway and in planning. The market continues to grow and should do so throughout the decade. There are many reasons to be optimistic.

Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)								
	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-0.8%	14.6%	-16.2%	-11.0%	-9.8%	9.8%	-0.6%	3.5%
Residential	4.2%	25.3%	-29.2%	-13.1%	-6.9%	33.9%	-3.3%	3.8%
Commercial	2.9%	0.8%	-0.8%	-13.6%	-13.9%	-8.9%	0.9%	-4.4%
Manufacturing	-12.5%	-5.8%	0.1%	-18.4%	-6.0%	6.9%	5.6%	-8.6%
Healthcare	1.2%	-3.0%	-2.7%	-3.2%	-6.5%	-11.5%	-2.4%	4.1%
Education	-0.8%	-2.1%	-2.0%	-8.9%	-12.4%	-14.7%	-0.8%	3.4%
Other Structure*	5.9%	1.5%	0.5%	3.7%	-14.8%	-14.0%	-1.8%	1.3%
Infrastructure	-15.5%	7.2%	5.4%	-10.2%	-12.1%	-17.4%	8.7%	8.6%

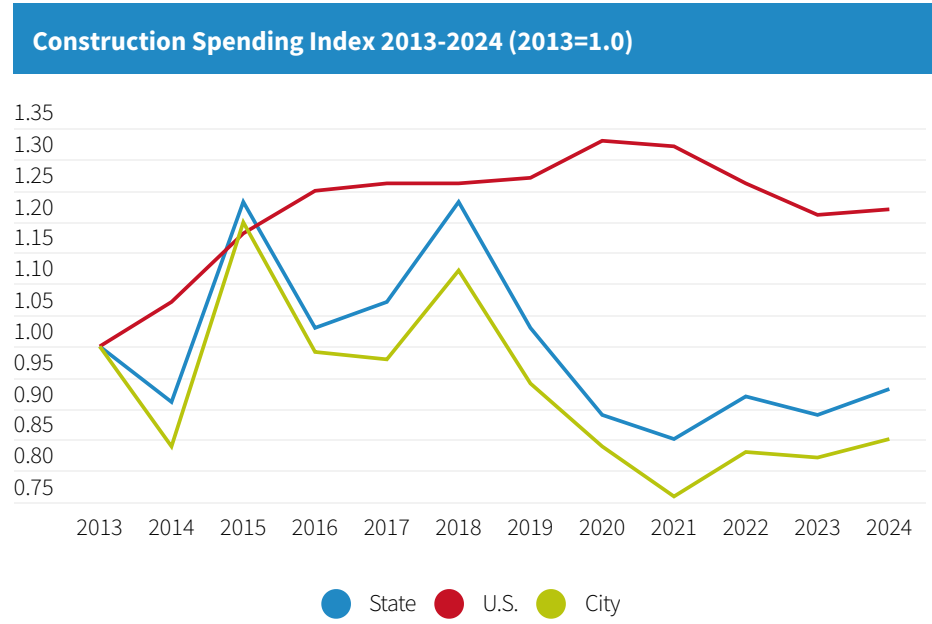
* This includes religious buildings, amusement, government communications, and public recreation projects.



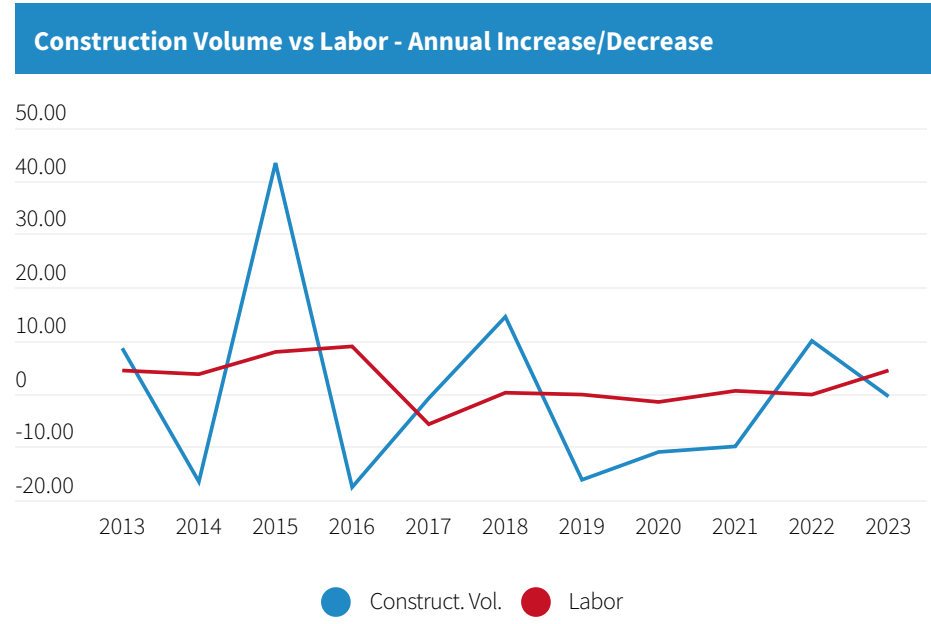
SOURCE: IHS-Market



SOURCE: U.S. Bureau of Labor Statistics



SOURCE: IHS-Market



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value		
Project Name	Location	Value
Koa Ridge	Waipahu	\$2B
Koa Ridge Makai	Waipahu	\$2B
TMT Telescope Observatory	Hilo	\$1.4B
Maui Research and Technology Redevelopment	Kihei	\$1.4B
Mayor Wright Homes Redevelopment	Honolulu	\$1.3B
Straub Medical Center Modernization & Reconstruction	Honolulu	\$1B
Kam Drive-in Towers	Aiea	\$800M
Honolulu International Airport Upgrades/Renovations	Honolulu	\$739M
Oahu Community Correctional Center Replacement	Aiea	\$525M
Queen's Medical Center - West Oahu Expansion	Ewa Beach	\$500M

SOURCE: ReedConnect