

For years, the construction industry in Philadelphia and across the country has suffered from a labor shortage — but with construction starts tailing off this year, the epicenter of pain has shifted. One form of labor shortage is arguably affecting commercial real estate more severely than any others: manufacturing and assembly plants that produce components critical to infrastructure and building operations.

Another element that building trades such as carpentry are newly embracing in Philadelphia is diversity. In the past four years, the Regional Council of Carpenters

has seen the share of women in its workforce grow from 14% to 22%, according to panelists from BISNOW, which is in keeping with a nationally observed trend. Building trades have put more resources into recruiting younger workers to training programs that can eventually lead to skilled union jobs, and increased funding and attention from the entities behind Everybody Builds will accelerate those initiatives. It will take time to bear fruit, and until then, it will remain difficult for developers to meet diversity standards sought by community groups and, for projects on city-owned land, mandated by the city itself.

Philadelphia, PA

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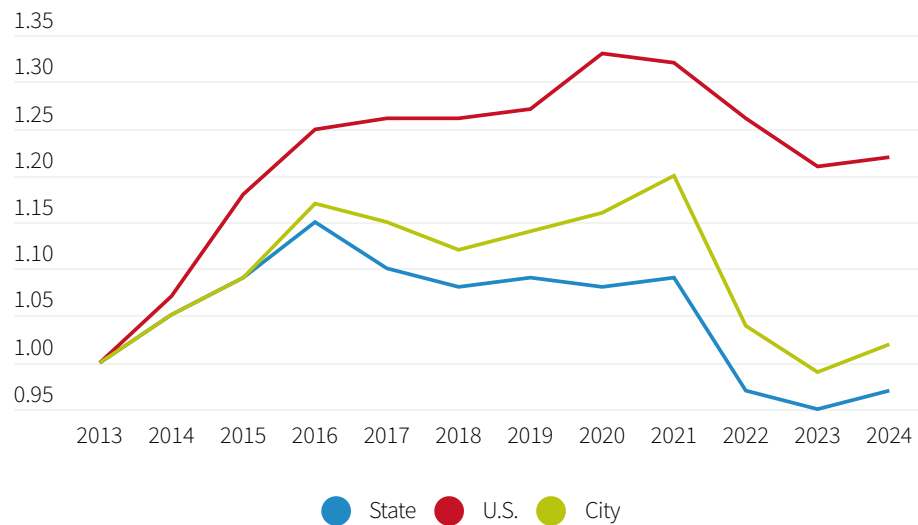
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	-0.9%	-3.1%	1.9%	1.9%	3.7%	-13.7%	-4.8%	3.6%
Residential	3.6%	-10.2%	-4.5%	12.9%	34.5%	-17.2%	-15.5%	11.0%
Commercial	2.8%	1.8%	0.7%	-1.8%	-9.5%	-8.1%	-1.3%	-7.7%
Manufacturing	-13.5%	-3.1%	5.6%	-9.6%	-2.7%	8.9%	6.1%	-11.5%
Healthcare	4.3%	-3.9%	0.5%	-1.9%	-2.9%	-10.0%	-2.9%	3.4%
Education	2.5%	-0.4%	1.5%	-1.9%	-15.5%	-15.2%	-1.0%	2.8%
Other Structure*	6.9%	2.5%	1.3%	5.9%	-14.4%	-13.5%	-2.8%	1.7%
Infrastructure	-10.9%	-1.4%	10.5%	-1.9%	-1.4%	-16.8%	3.4%	7.3%

◀ HISTORIC FORECAST ▶

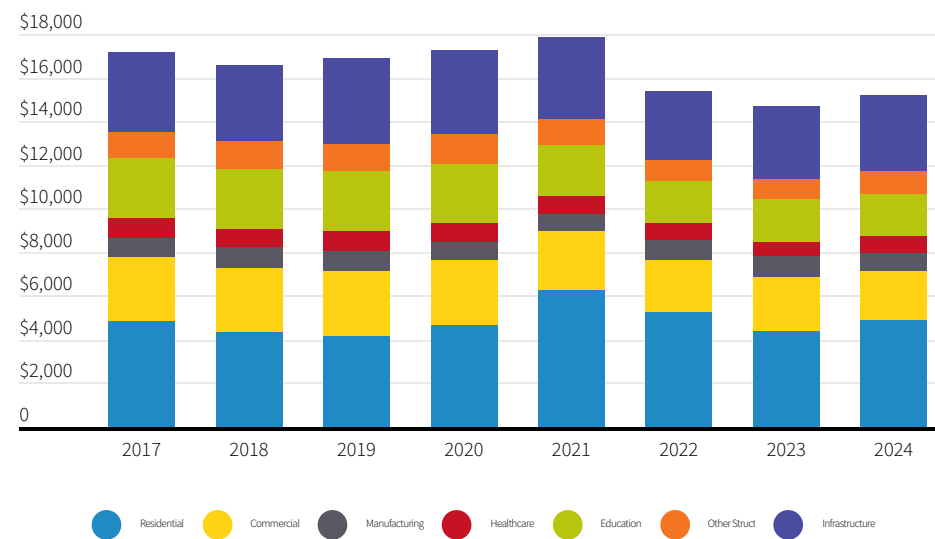
* This includes religious buildings, amusement, government communications, and public recreation projects.

Construction Spending Index 2013-2024 (2013=1.0)



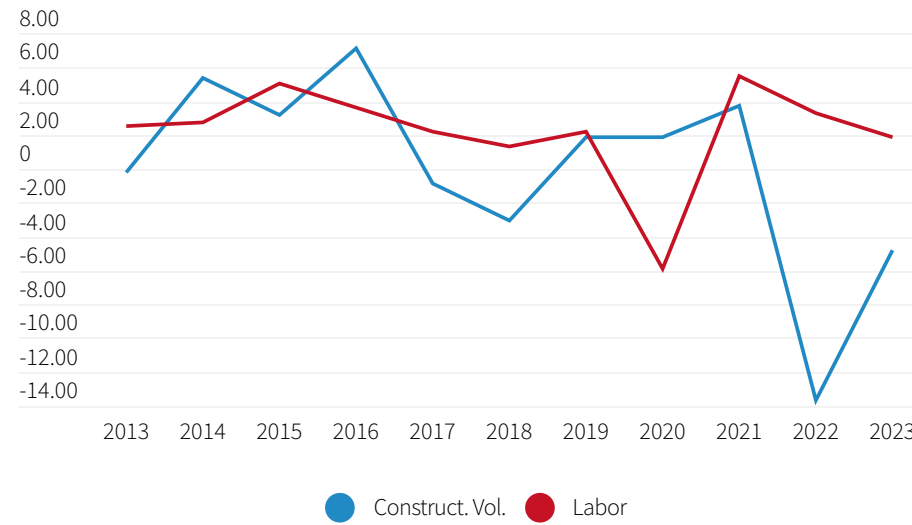
SOURCE: IHS-Market

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



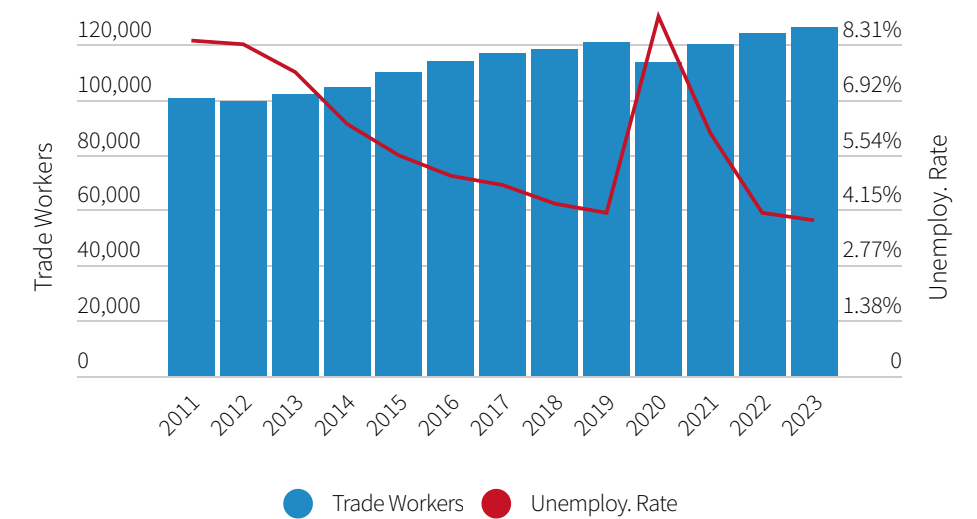
SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Regional Construction Employment



SOURCE: U.S. Bureau of Labor Statistics

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
Schuylkill Yards	Philadelphia	\$3.5B
Navy Yard Mixed-Use	Philadelphia	\$2.5B
Children's Hospital of Philadelphia New Tower & Inpatient Expansion	Philadelphia	\$1.9B
76 Place	Philadelphia	\$1.3B
Point Township Circular Manufacturing Facility	Northumberland	\$1.1B
New Pittsburgh International Airport Terminal	Pittsburgh	\$1.1B
Almono Hazelwood Development	Pittsburgh	\$900M
Moxie Freedom Power Plant	Berwick	\$850M
Freedom Square Mixed-Use Development	York	\$800M
Honickman Center	Philadelphia	\$762M

SOURCE: ReedConnect