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The recent interest rate hike has tempered the Phoenix market and restrictions in residential properties caused by concern of water supply shortage may cool the market in the short to medium term. A number of large multiyear manufacturing plants, particularly in advanced manufacturing, continue to drive the construction market here. As a result, the labor market continues to grow and a shortage of qualified skilled blue- and white-collar workers maintains construction costs in the market. Phoenix still has a low cost of living compared to other major west coast areas, but it is showing a rise. The economic outlook has improved from late 2023, but impacts of new restrictions remain to be seen.

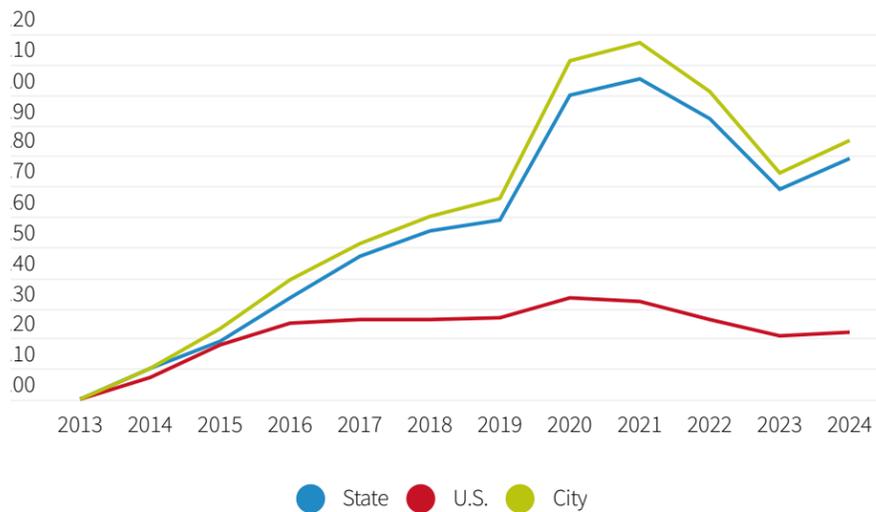
## Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	8.8%	6.0%	3.3%	27.2%	2.8%	-7.3%	-13.4%	6.7%
Residential	18.9%	6.6%	0.2%	49.2%	10.5%	-3.7%	-21.8%	8.2%
Commercial	3.9%	3.7%	2.8%	2.8%	-10.6%	-9.9%	-0.8%	-6.1%
Manufacturing	-12.1%	0.0%	8.8%	-4.3%	0.2%	12.0%	7.9%	-11.1%
Healthcare	11.2%	1.1%	5.4%	13.2%	0.2%	-8.6%	-7.5%	4.7%
Education	6.9%	6.2%	4.1%	0.4%	-16.1%	-17.5%	0.5%	3.9%
Other Structure*	7.0%	2.6%	1.7%	7.5%	-12.1%	-12.8%	-0.9%	1.8%
Infrastructure	-1.6%	7.6%	8.7%	12.7%	-3.8%	-15.4%	-0.5%	12.0%

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

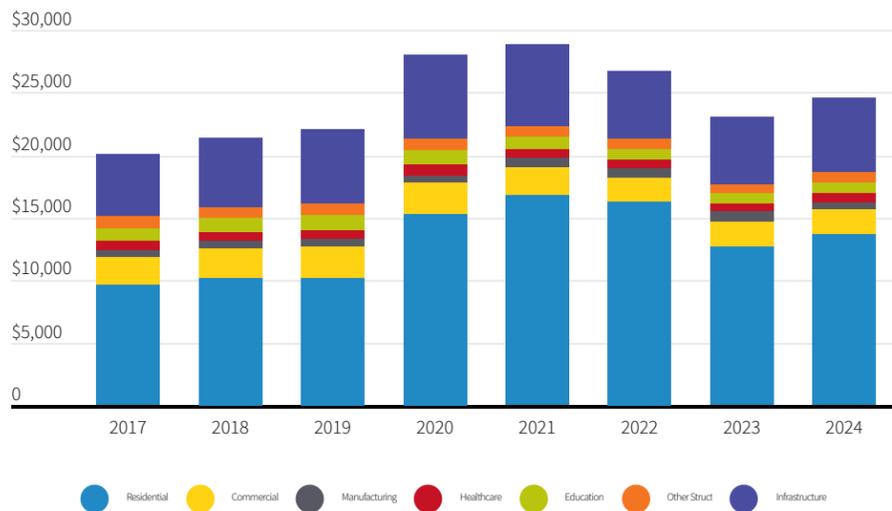
◀ HISTORIC FORECAST ▶

## Construction Spending Index 2013-2024 (2013=1.0)



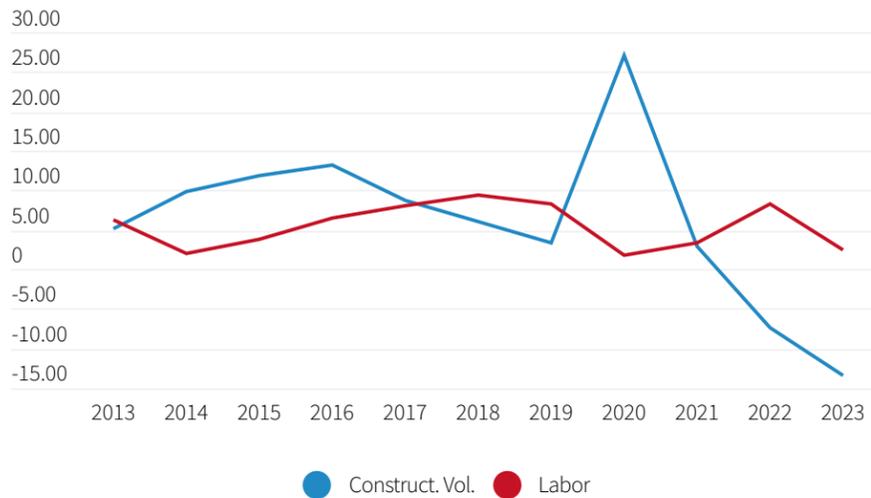
SOURCE: IHS-Market

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



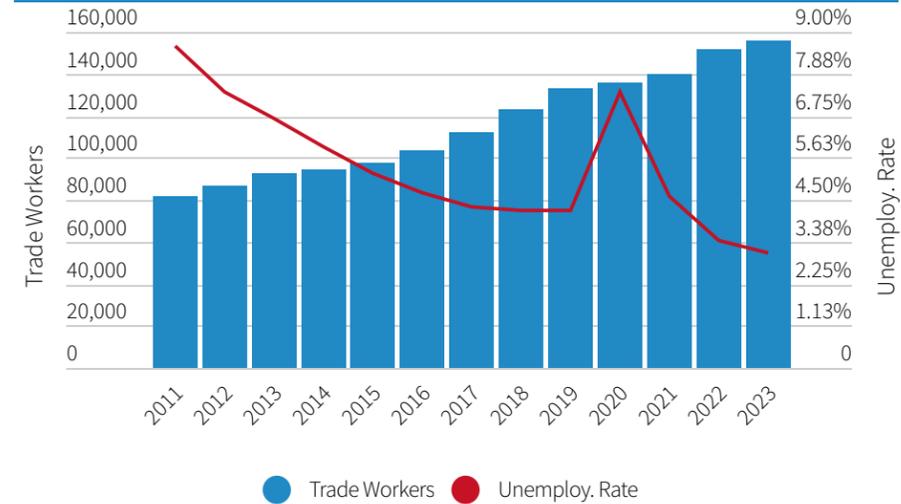
SOURCE: IHS-Market

## 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
Taiwan Semiconductor Manufacturing Company Wafer Plant	Phoenix	\$12B
LG Plant	Queen Creek	\$5.5B
Nacero Plant	Casa Grande	\$3.3B
IndiCap - Olive and Reems	Glendale	\$2B
Camelback 303	Glendale	\$1.5B
The KOREplex Facility	Buckeye	\$1.25B
American Battery Factory Manufacturing Facility	Pima County	\$1.2B
Meta Mesa Data Center Expansion	Mesa	\$1B
Optima McDowell Mountain Village	Scottsdale	\$1B
Google Data Center/Red Hawk Employment Opportunity District	Mesa	\$1B

SOURCE: ReedConnect