

The residential sector has emerged as a key driver of Sacramento's construction market. The city benefits from a number of factors: it is California's capital city and enjoys an abundance of government jobs. It is close enough to Silicon Valley to enjoy the economic benefits, but far enough from it that it is still more affordable. This has caused a rapid influx of new residents over the last ten years, briefly turning it into the fastest growing city in California.

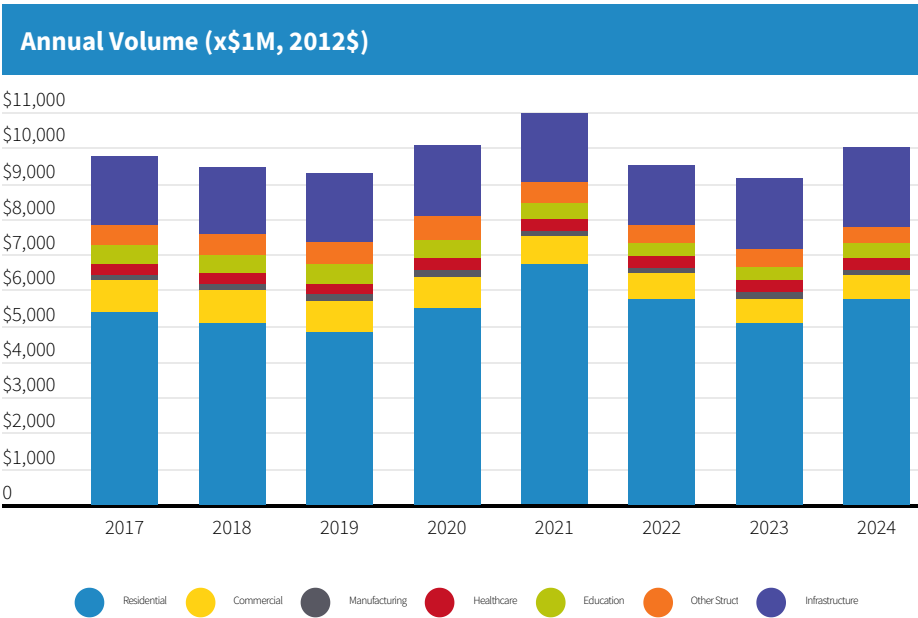
City officials have taken a proactive approach to accommodating these new residents – hence the large role of the residential sector – but have been met with mixed success. The construction market has been slowly adapting Sacramento's turn away from manufacturing and logistics and towards healthcare and tech. Of the ten largest projects in the market, four are healthcare and four are office and mixed-use.

# Sacramento, CA

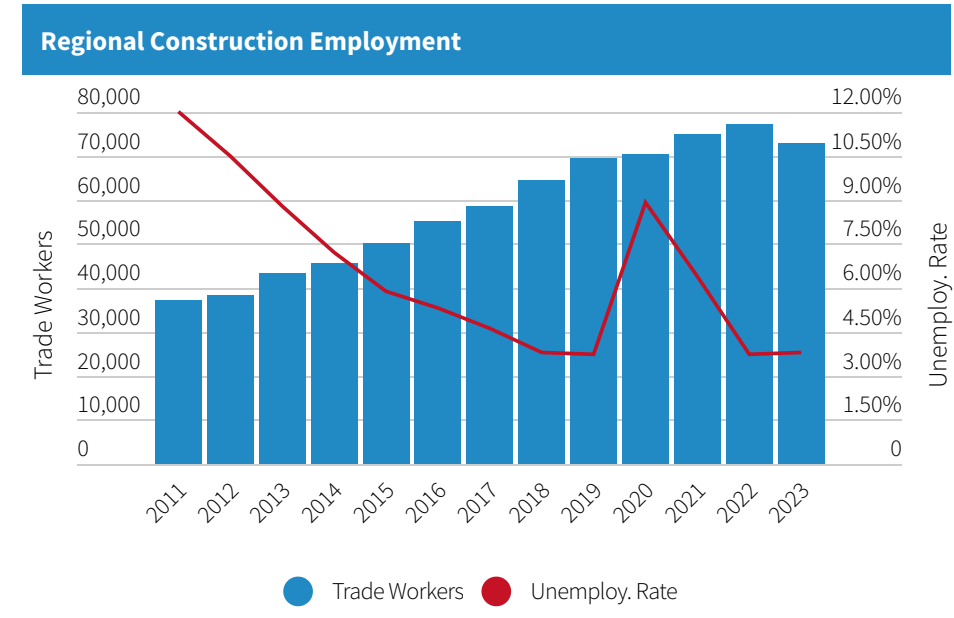
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Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)								
Sector	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	9.7%	-3.2%	-1.8%	8.3%	8.9%	-13.4%	-3.7%	9.5%
Residential	19.5%	-5.7%	-5.5%	14.6%	22.5%	-14.5%	-12.1%	13.5%
Commercial	3.8%	2.9%	-0.2%	-2.2%	-12.9%	-9.7%	-0.8%	-5.3%
Manufacturing	-15.0%	-3.0%	7.1%	-6.3%	1.3%	8.4%	6.7%	-10.1%
Healthcare	10.4%	-2.6%	1.3%	5.1%	-0.5%	-8.9%	3.6%	4.3%
Education	4.8%	2.6%	4.8%	-2.4%	-15.9%	-11.8%	1.1%	3.0%
Other Structure*	3.1%	1.8%	5.4%	7.5%	-15.1%	-13.4%	-2.0%	1.5%
Infrastructure	-4.1%	-1.9%	2.1%	3.0%	-2.5%	-14.2%	20.1%	10.5%

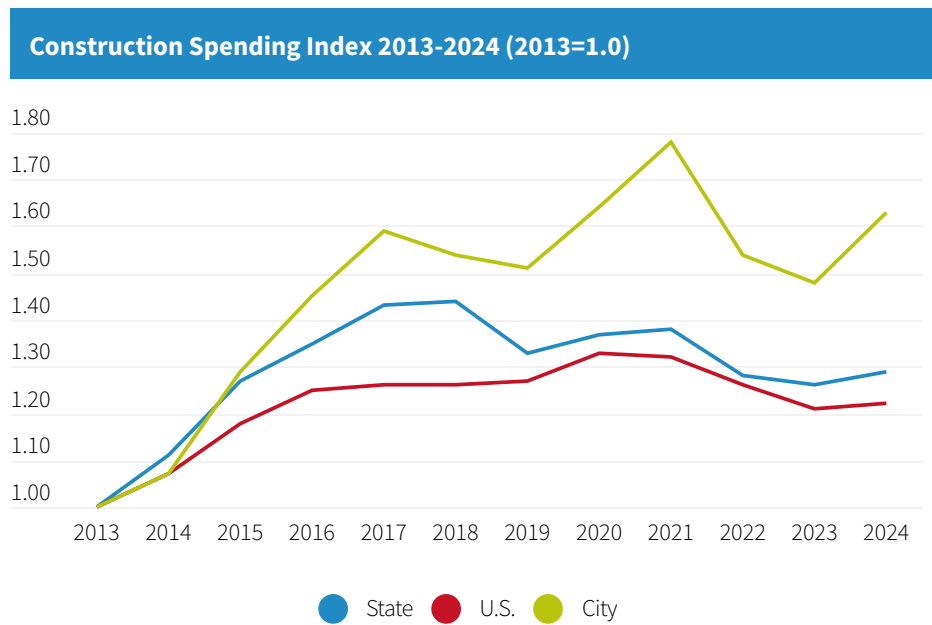
\* This includes religious buildings, amusement, government communications, and public recreation projects.



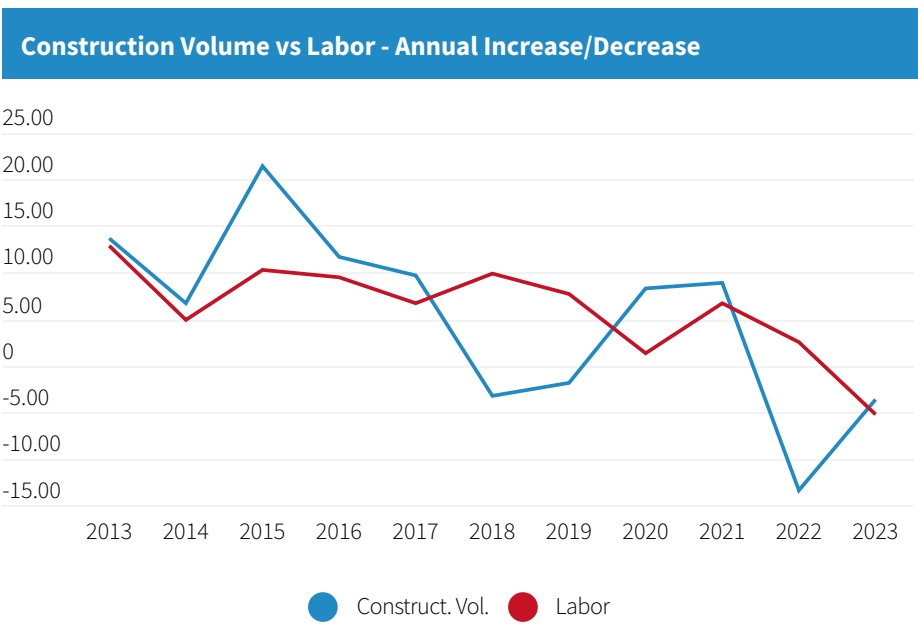
SOURCE: IHS-Market



SOURCE: U.S. Bureau of Labor Statistics



SOURCE: IHS-Market



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value		
Project Name	Location	Value
Downtown Sacramento Railyards Redevelopment	Sacramento	\$4.5B
UC Davis Medical Center California Tower	Sacramento	\$3.75B
Sacramento International Airport - SMF orward	Sacramento	\$1.3B
Aggie Square	Sacramento	\$1B
Richards Boulevard Office Complex	Sacramento	\$940M
California Northstate Teaching Hospital & Medical Center Phase I	Sacramento	\$755M
Project Elevate - Lifestyle Mixed-Use Development	Elk Grove	\$600M
48X Ambulatory Surgery Center	Sacramento	\$579M
Resources Building Renovation	Sacramento	\$460M
Kaiser Permanente Medical Center Replacement	Sacramento	> \$100M

SOURCE: ReedConnect