

San Diego is one of many markets that benefits from the rising cost of living in Silicon Valley. It is still one of the most expensive markets in the country, but is quite affordable by California standards. Combined with a thriving life-sciences sector, the construction market here is set to grow through at least 2025.

The Residential sector is still the largest here, as San Diego is – like all of California – in a severe housing shortage. It is currently estimated that the area needs to double housing construction in order to accommodate all its residents. Statewide officials have made movements to address this in recent years, streamlining the approval process for new permits and encouraging multifamily development. It will take time for these efforts to bear fruit, but in San Diego we expect higher-density residential projects to enter the pipeline.

San Diego, CA

CONTACT: Brooks Rehkopf, Regional Director
brehkopf@cumming-group.com

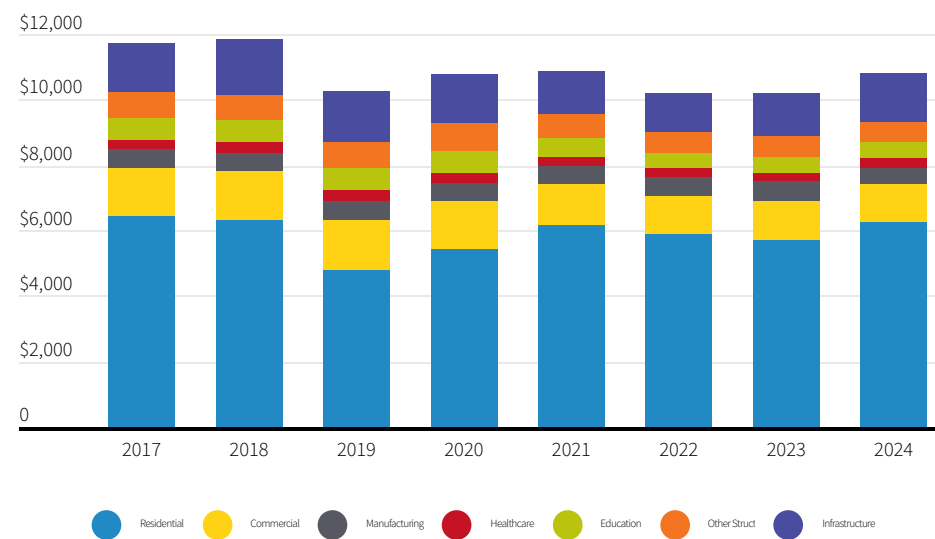
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	5.9%	1.0%	-13.3%	4.6%	1.3%	-6.3%	0.1%	6.0%
Residential	13.6%	-1.8%	-23.9%	13.0%	13.2%	-4.2%	-2.8%	9.7%
Commercial	2.9%	2.3%	0.7%	-4.0%	-12.2%	-8.4%	-0.2%	-5.3%
Manufacturing	-13.1%	-1.1%	7.8%	-5.9%	-2.3%	4.9%	5.9%	-9.0%
Healthcare	5.3%	0.8%	-3.7%	0.5%	-5.8%	-8.2%	-0.3%	5.0%
Education	2.6%	0.9%	4.3%	-3.4%	-16.3%	-14.0%	0.4%	3.1%
Other Structure*	6.5%	1.8%	1.4%	2.8%	-14.3%	-10.9%	-1.3%	1.3%
Infrastructure	-9.6%	12.5%	-8.2%	-3.7%	-9.6%	-12.4%	12.6%	10.7%

◀ HISTORIC FORECAST ▶

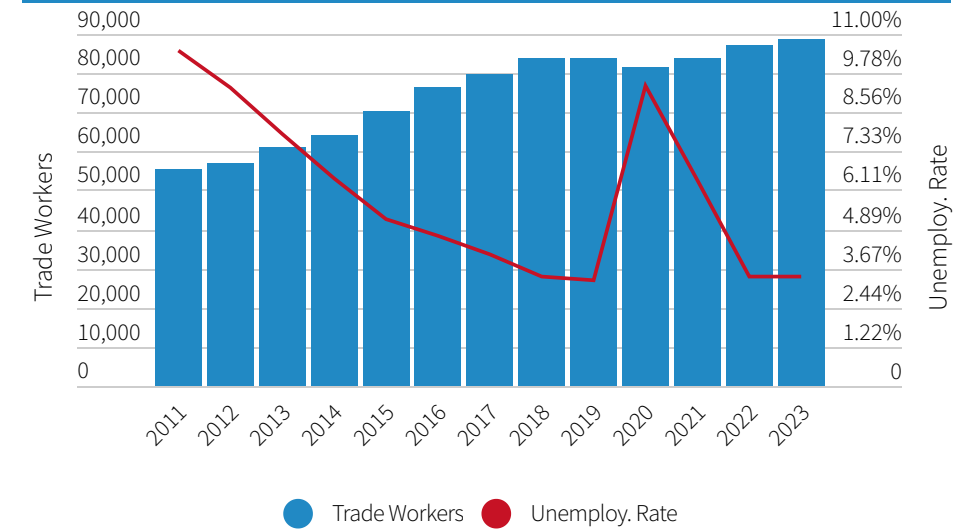
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



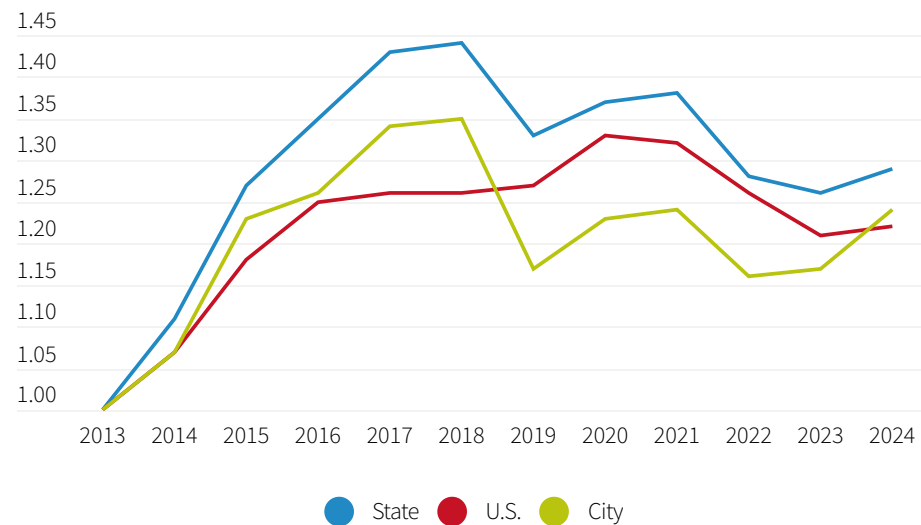
SOURCE: IHS-Market

Regional Construction Employment



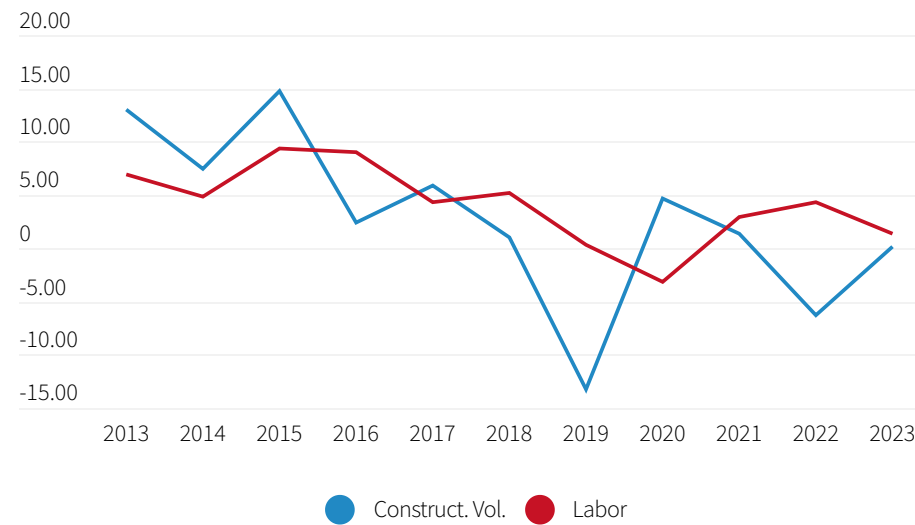
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2024 (2013=1.0)



SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
UCSD Health Hillcrest Campus Redevelopment: Parking Garage	San Diego	\$15B
San Diego International Airport Terminal 1 Replacement	San Diego	\$3.4B
San Diego State University Mission Valley Campus	San Diego	\$3B
Scripps Memorial Hospital La Jolla Replacement	San Diego	\$2B
San Diego Airport Expansion	San Diego	\$2B
I.D.E.A District	San Diego	\$1.8B
Tailgate Park Development - East Village Quarter	San Diego	\$1.5B
Central District Replacement Hospital - UC San Diego Hillcrest	San Diego	\$1.5B
Chula Vista Bayfront Development	Chula Vista	\$1.35B
Rady Children's Hospital Campus Expansion	San Diego	\$1.2B

SOURCE: ReedConnect