

The Northeast is one of the country's largest and most diverse markets. The finance, life sciences, and healthcare sectors all constitute large – but not outsized – segments of the economy here. This diversity is reflected in the region's construction market: whether broken down by state or by sector, there is no clear standout. Boston leads in life sciences and biotech, while New York is a global leader in finance. Philadelphia is a mix of the two, as it enjoys proximity to these markets but with a significantly lower cost of living.

The region is notable for its surprisingly robust high-speed rail network, exemplified by Amtrak's Northeast Corridor connecting Washington DC and Boston. With nearly \$2 billion in funding allocated from the 2021 Infrastructure Investment and Jobs Act, these funds will be directed toward upgrading stations and tracks. These improvements will

hopefully spill over into the surrounding communities, whether they be large cities or small towns.

Construction here has long struggled with a labor shortage. The pandemic forced many older workers into retirement, and the industry has had difficulty replacing them. The market has added workers since 2017, even as volume has declined. This is still going on today, indicating that there is still a shortage of skilled labor. The effective 20-year gap in skills creation across the industry is resulting in more efforts to promote careers in the sector across the board starting at STEM level and promotion of apprenticeships. There is an acceleration in the adoption of technology to help offset this gap and contractors are also taking a more conservative approach to the number of projects they can take on.

NORTHEAST

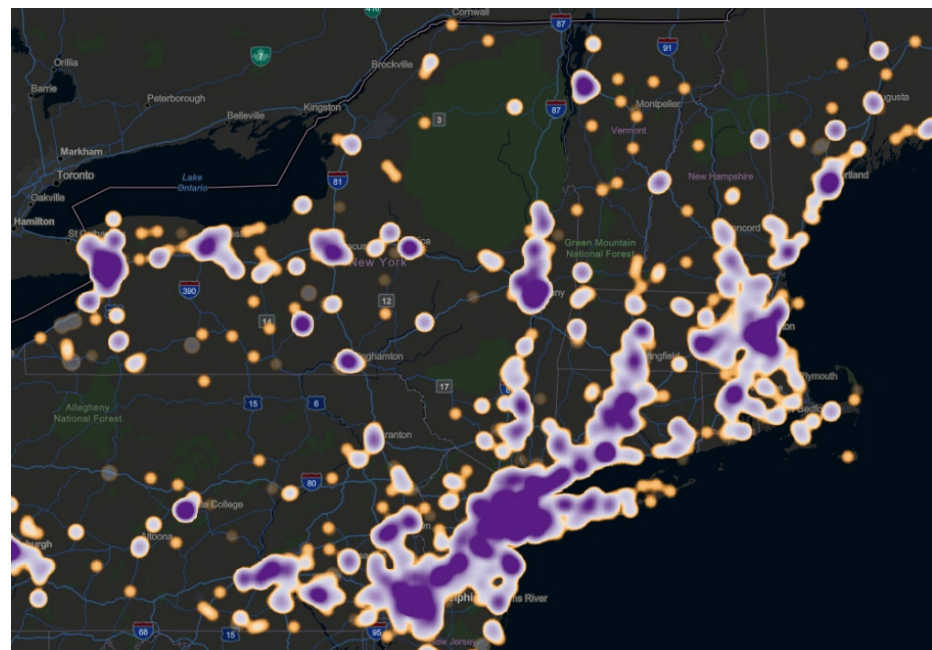
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Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)								
	2017	2018	2019	2020	2021	2022	2023	2024
Total	-3.4%	-2.6%	1.4%	-0.8%	-3.1%	-4.6%	-0.5%	-3.9%
Residential	-1.1%	-7.5%	-3.6%	2.8%	15.3%	7.4%	-12.6%	-9.6%
Commercial	2.8%	1.3%	0.1%	-4.0%	-10.6%	-7.5%	3.5%	-8.7%
Manufacturing	-13.9%	-3.0%	5.1%	-10.7%	-1.2%	9.9%	27.4%	2.3%
Healthcare	2.5%	-3.8%	0.6%	-2.2%	-5.0%	-8.3%	-1.5%	-1.0%
Education	2.5%	0.1%	2.0%	-1.0%	-15.8%	-16.4%	1.2%	2.5%
Other Struct*	6.0%	1.0%	-0.2%	4.7%	-12.3%	-12.5%	-2.1%	-0.7%
Infrastructure	-15.6%	-1.5%	8.6%	-2.1%	-7.8%	-13.5%	11.3%	0.2%

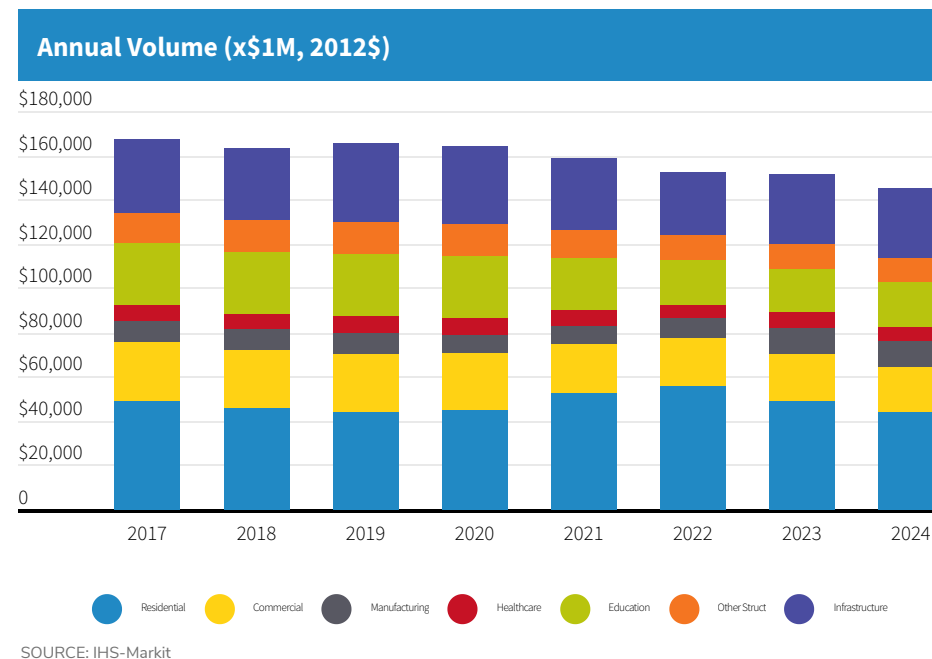
◀ HISTORIC FORECAST ▶

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

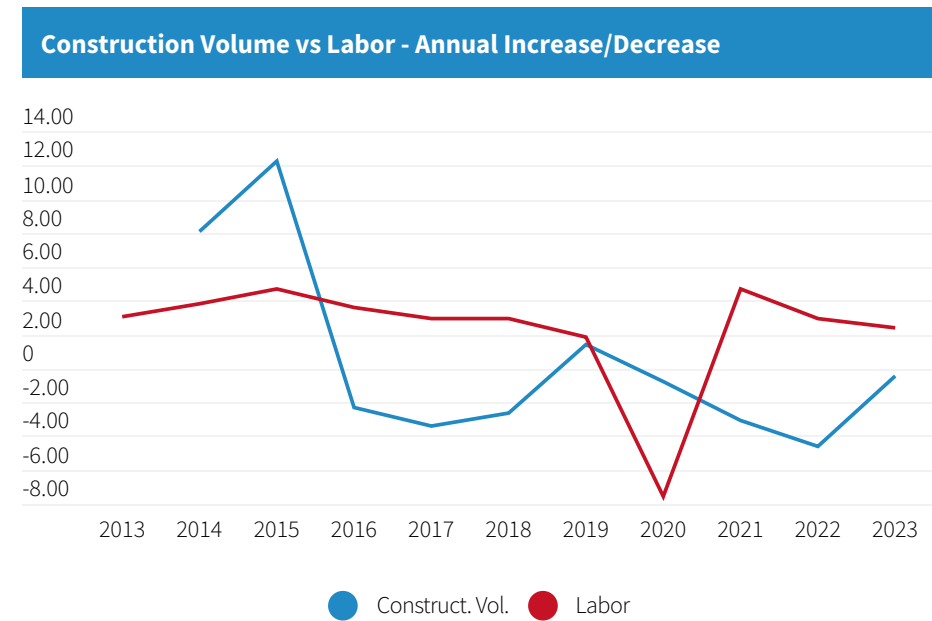
SOURCE: IHS-Markit



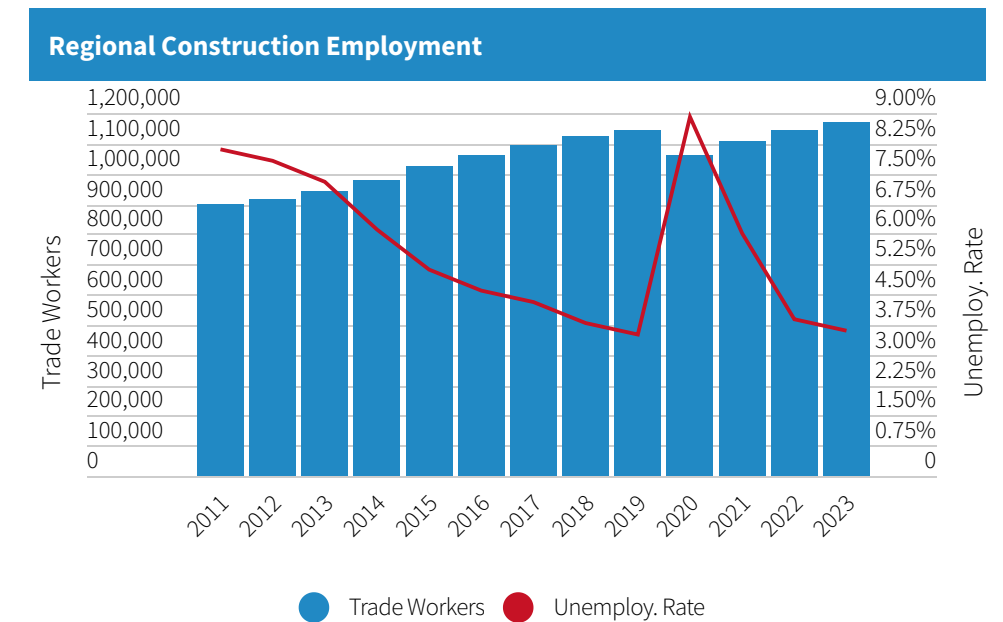
SOURCE: BuildCentral



SOURCE: IHS-Markit



SOURCE: IHS-Markit and FRED



SOURCE: U.S. Bureau of Labor Statistics

Top Regional Projects Sorted by Construction Value		
Project Name	Location	Value
Micron Chip Factory	Clay, NY	\$20B
Hudson Rail Yards Development	New York, NY	\$5B
Pacific Park Brooklyn	Brooklyn, NY	\$4.9B
Schuylkill Yards	Philadelphia, PA	\$3.5B
360 Tenth	New York, NY	\$3B
2 World Trade Center	New York, NY	\$2.8B
Westfield Data Center Campus	Westfield, MA	\$2.7B
Navy Yard Mixed-Use	Philadelphia, PA	\$2.5B
Riverton Mixed-Use Development	Sayreville, NJ	\$2.5B
Manhattan Detention Complex Expansion	New York, NY	\$2.13B

SOURCE: Build Central