

The Northwest stands out from other markets in its commitment to sustainability. Oregon and Washington – two of the region’s largest states in terms of construction volume – have both made ambitious pledges to become carbon neutral by 2050. Meeting this deadline will require the construction market to adapt to meet the needs of regulators. So far, this has taken the form of infrastructure spending – Seattle and Portland are both extending their light-rail networks to make their cities more walkable and environmentally friendly.

Cities on the other end of the Rocky Mountains, like Denver, have instead chosen to invest in mixed-use projects so that residents can walk as much as possible. This

effort has been tempered by longer-than-expected lead times and a labor pool that has struggled to keep pace with demand.

Over the past few years, remote work has pushed construction spending out of the region’s major metro areas. As a result, cities like Everett, Bend, and Fort Collins have seen an uptick in new residents. Remote workers here can enjoy salaries competitive in Denver or Seattle and a small city cost of living. Many of these smaller cities are changing their zoning laws to accommodate this growth. The Biden administration has also taken a keen interest in intercity rail connections – which will likely spur development in smaller urban areas throughout the decade.

NORTHWEST

CONTACT: **Nick Mata**, Regional Director
nmata@cumming-group.com

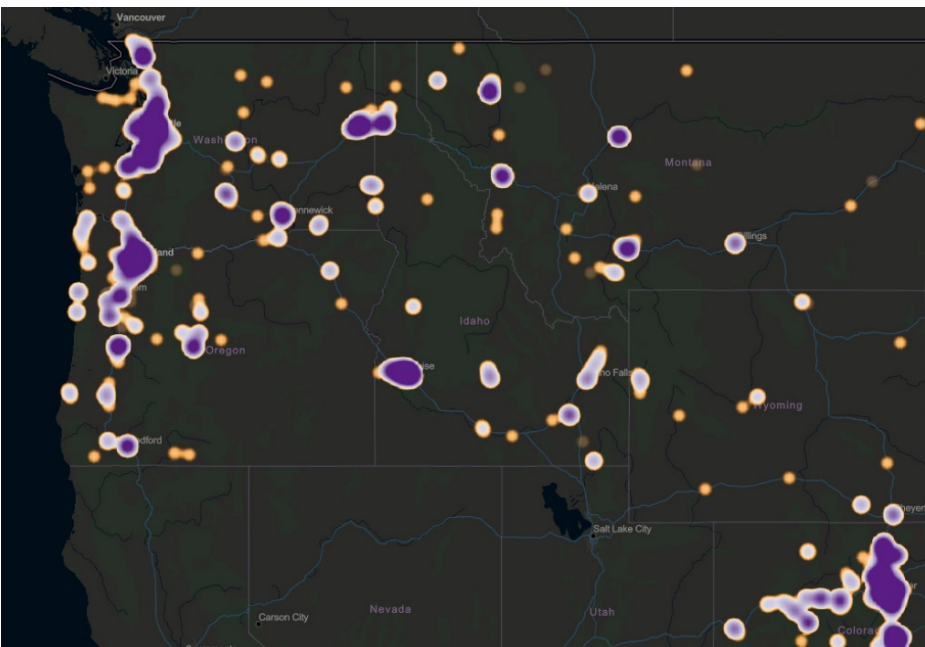
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total	6.9%	3.5%	-5.5%	6.2%	6.4%	-7.3%	-12.4%	4.1%
Residential	12.7%	3.8%	-11.1%	11.2%	19.0%	-6.4%	-22.2%	6.3%
Commercial	4.4%	2.4%	1.0%	0.5%	-10.8%	-6.9%	3.8%	-8.5%
Manufacturing	-14.0%	-1.8%	6.6%	-9.6%	-3.2%	10.0%	28.6%	2.8%
Healthcare	8.6%	0.0%	0.0%	3.9%	-4.0%	-7.9%	-4.7%	0.9%
Education	4.1%	1.4%	3.0%	-2.6%	-13.3%	-14.2%	3.4%	2.5%
Other Struct*	7.0%	2.3%	1.4%	9.4%	-12.2%	-12.1%	-1.6%	-0.2%
Infrastructure	-2.1%	5.3%	1.4%	0.2%	-8.9%	-10.9%	2.2%	5.7%

◀ HISTORIC FORECAST ▶

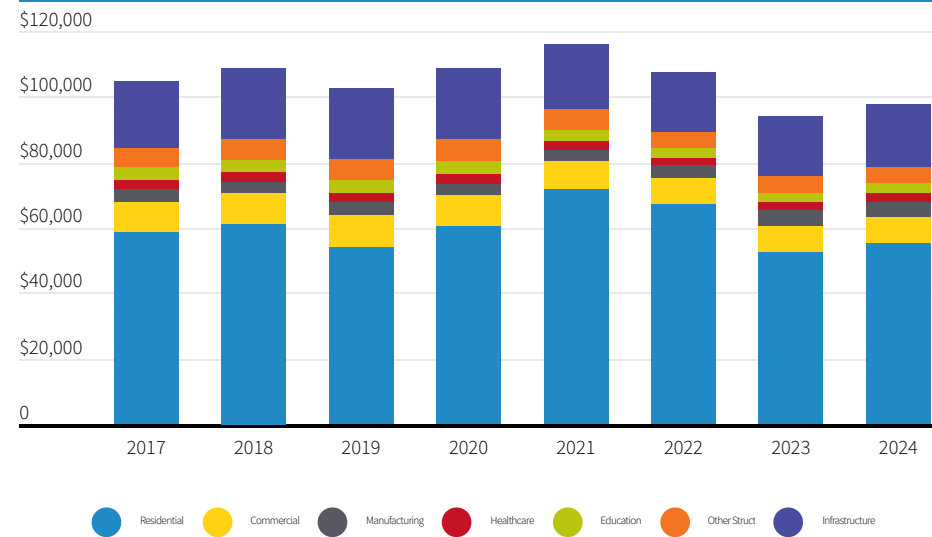
* This includes religious buildings, amusement, government communications, and public recreation projects.

SOURCE: IHS-Markit



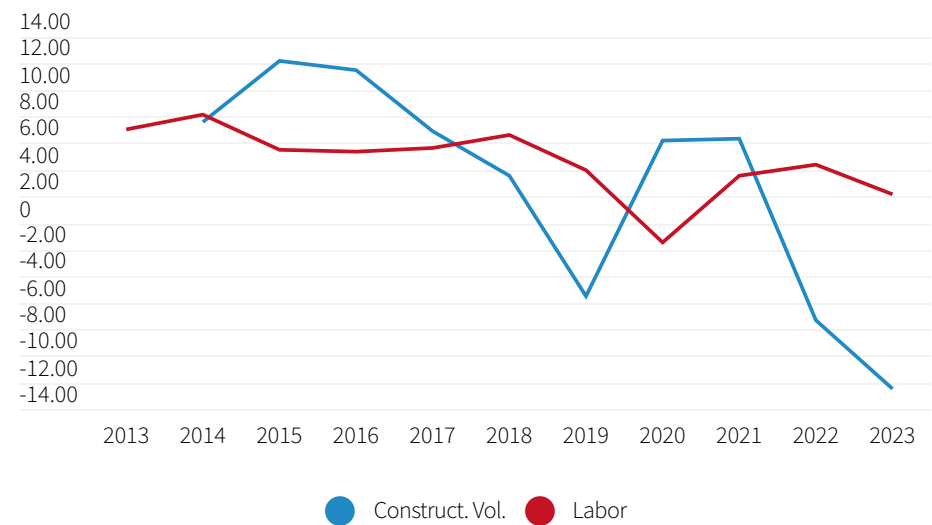
SOURCE: BuildCentral

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



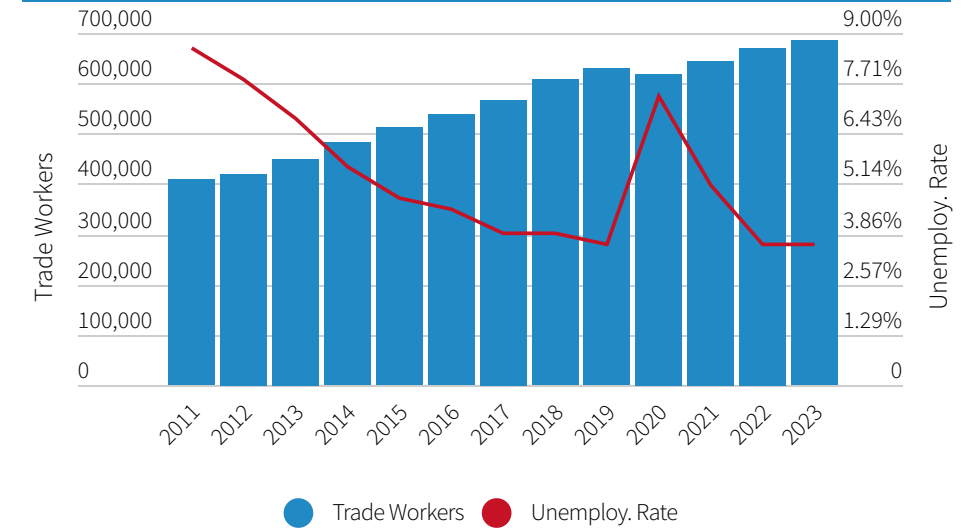
SOURCE: IHS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: IHS-Markit and FRED

Regional Construction Employment



SOURCE: U.S. Bureau of Labor Statistics

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
Susitna-Watana Hydroelectricity Plant	Talkeetna, AK	\$5.4B
Spring District	Bellevue, WA	\$2.3B
Vancouver Waterfront	Vancouver, WA	\$1.5B
Micron Technology Inc Industrial Development	Boise, ID	\$1.5B
Cherry Creek West Redevelopment	Denver, CO	\$1B
Portland Major League Baseball Stadium	Portland, OR	\$1B
Bellevue Square Expansion	Bellevue, WA	\$1B
Harborview Medical Center New Medical Tower	Seattle, WA	\$925M
Esterra Park	Redmond, WA	\$900M
Windler - Mixed-Use Development - Commercial Portion	Aurora, CO	\$846.912M

SOURCE: Build Central