

Texas alone contributes to just over 70% of construction spending in the Southern US, with much of that spending going to the Texas Triangle. Cities here have seen unprecedented growth over the last ten years, but thanks to its relatively flat terrain and plentiful land have not seen a corresponding rise in cost of living. Houston, Dallas-Fort Worth, Austin, and San Antonio have all grown out rather than up. The Dallas-Fort Worth Metroplex alone is about as big as New Jersey despite having about as many residents as Philadelphia. This has kept escalation here from rising too much, although it remains a bit above the national average. We expect it to remain steady over the coming years. Population growth should provide enough demand to offset a cooling economy. Whether a cooling market means a recession

is still hotly debated, but confidence in the market remains for now.

Attention in the rest of the South is mostly centered on New Orleans and Nashville. Both cities have seen a lot of new residents recently and are looking to capitalize on emerging industries like electric vehicle manufacturing. The Gulf Coast has long served as a hub for petrochemical operations, giving it a workforce with extensive experience processing and refining hazardous materials on a large scale. These skills transfer surprisingly well into manufacturing batteries and semiconductors. This, in turn, makes the area a good option for companies looking for a place to manufacture these products.

# SOUTH CENTRAL

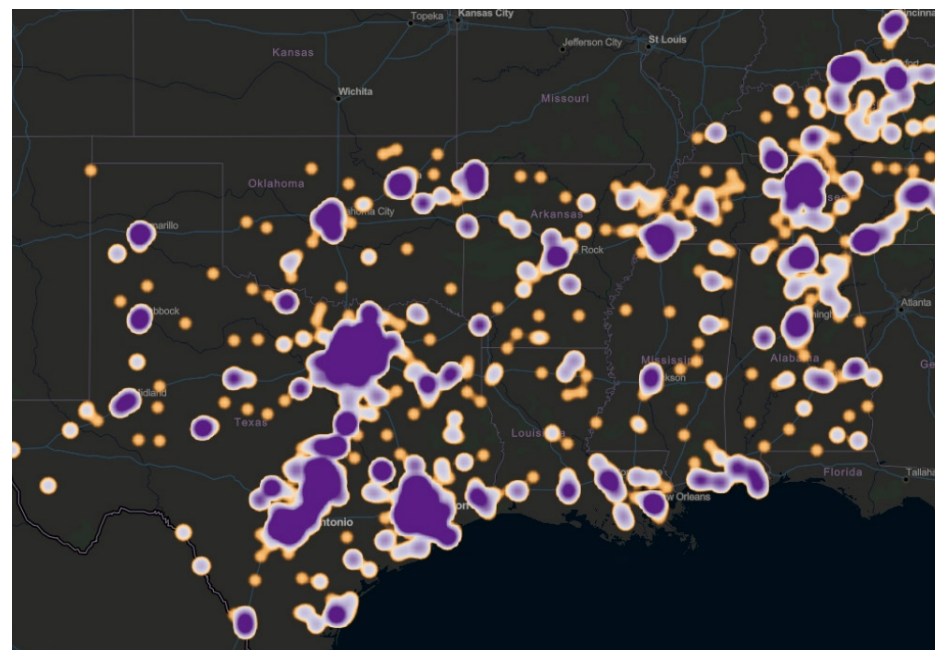
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## Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total	-1.9%	-0.7%	6.5%	7.7%	-2.9%	-5.2%	0.6%	3.2%
Residential	3.9%	-2.5%	4.4%	16.6%	7.9%	-0.5%	-8.6%	3.9%
Commercial	3.7%	2.2%	0.5%	1.5%	-11.1%	-6.0%	4.7%	-8.6%
Manufacturing	-13.4%	-1.7%	6.6%	-9.1%	-1.0%	11.5%	29.4%	2.6%
Healthcare	4.3%	-3.8%	5.0%	5.7%	-4.8%	-7.0%	-0.7%	2.2%
Education	3.0%	0.7%	3.7%	2.0%	-13.7%	-16.4%	0.6%	2.4%
Other Struct*	4.8%	1.1%	3.5%	11.2%	-14.5%	-13.2%	-0.8%	-0.3%
Infrastructure	-10.6%	0.1%	13.3%	4.0%	-9.1%	-11.3%	8.0%	8.1%

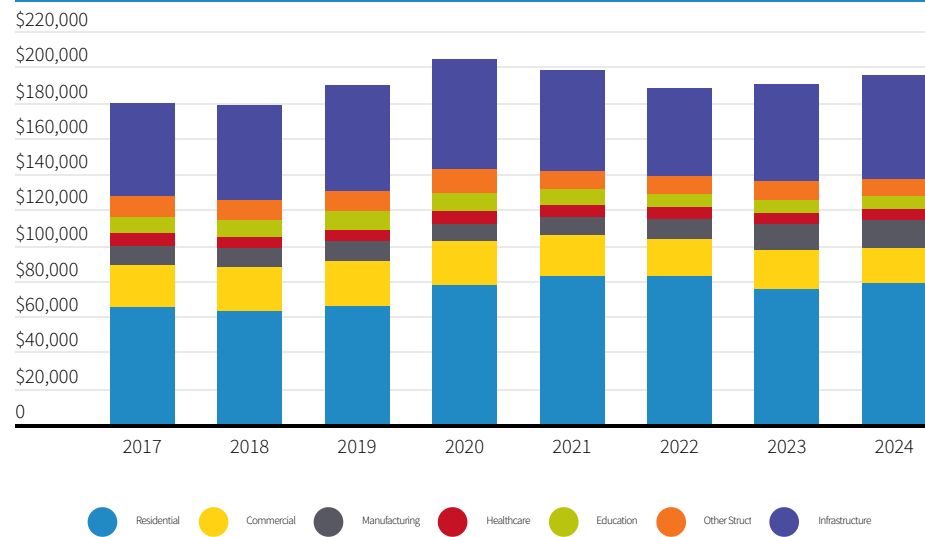
\* This includes religious buildings, amusement, government communications, and public recreation projects.

SOURCE: IHS-Markit



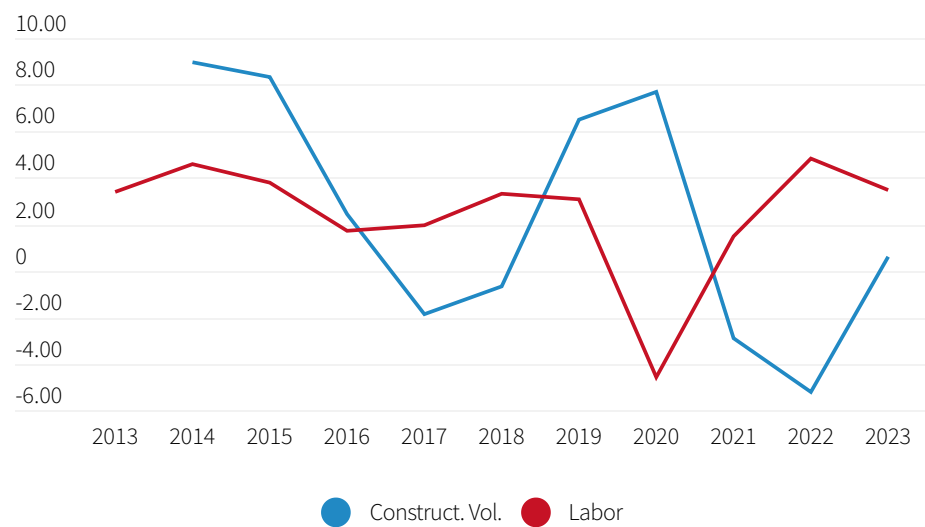
SOURCE: BuildCentral

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



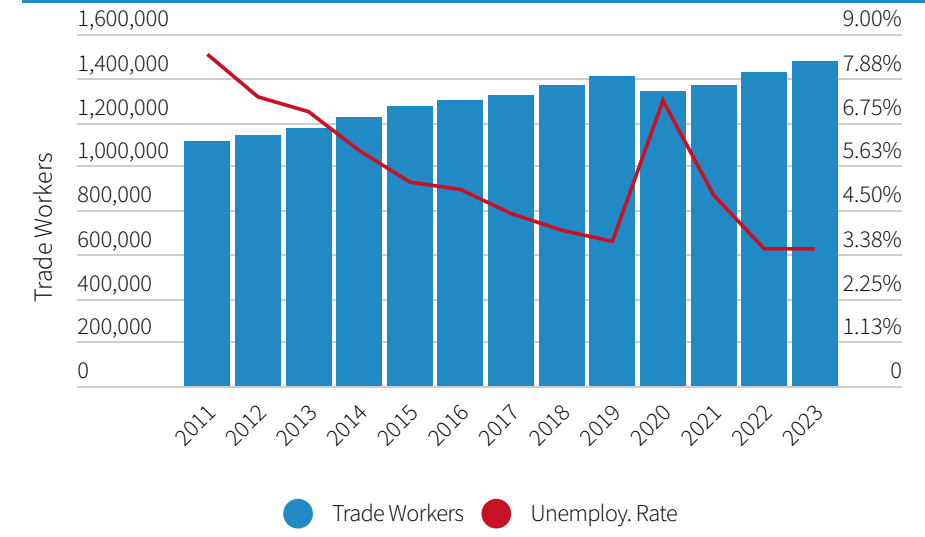
SOURCE: IHS-Markit

## 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
Legacy Drive Life Science Hub	Plano, TX	\$36B
Greenport Airport/World Trade Center Austin	Bastrop County, TX	\$19B
Samsung Austin Semiconductor Taylor Additional Chipmaking Facilities	Taylor, TX	\$16.7B
Formosa Petrochemical Sunshine Project	Saint James Parish, LA	\$9.4B
June Lake	Spring Hill, TN	\$6.639B
Uranium Processing Facility	Oak Ridge, TN	\$6.5B
Natural Gas Liquefaction Facility	Hackberry, LA	\$6B
BlueOvalSK Battery Park Facility	Glendale, KY	\$5.8B
Blue Oval City	Stanton, TN	\$5.6B

SOURCE: Build Central