

The Southeast has benefitted immensely from trends in where Americans live and work, and is today home to two of the country's fastest-growing cities. The largest of these is Atlanta – spending here has remained relatively constant over the last five years, but the market is seeing renewed attention from electric vehicle manufacturers. Two factories are already in the works – one for electric vehicle batteries and another for the vehicles themselves.

Miami, meanwhile, has been one of the most active markets in the country, with overall volume almost twice what it was in 2013. The area has been building high-rise condos, hotels, and offices at a breakneck pace, leaving contractors scrambling to keep up. We expect this trend to continue well into the 2020s. Cost escalation here is higher than in

other parts of the country, and supply-chain issues have increased the cost of a typical project by around 20%. This caused contractors to buy materials earlier than they normally would, which has in turn caused more of a project's cost to be paid upfront.

The rest of the market is centered around Washington DC and Orlando. Orlando is a fast-growing city, and this is reflected in the city's construction market as well. More people will come here in a typical year than will visit Paris and Venice together in order to see its theme parks and convention centers. This makes the need for new hotels and resorts nearly constant. The tourism industry is unsurprisingly the driver of the entire market, although city officials have recently made efforts to court tech companies leaving the West Coast.

SOUTHEAST

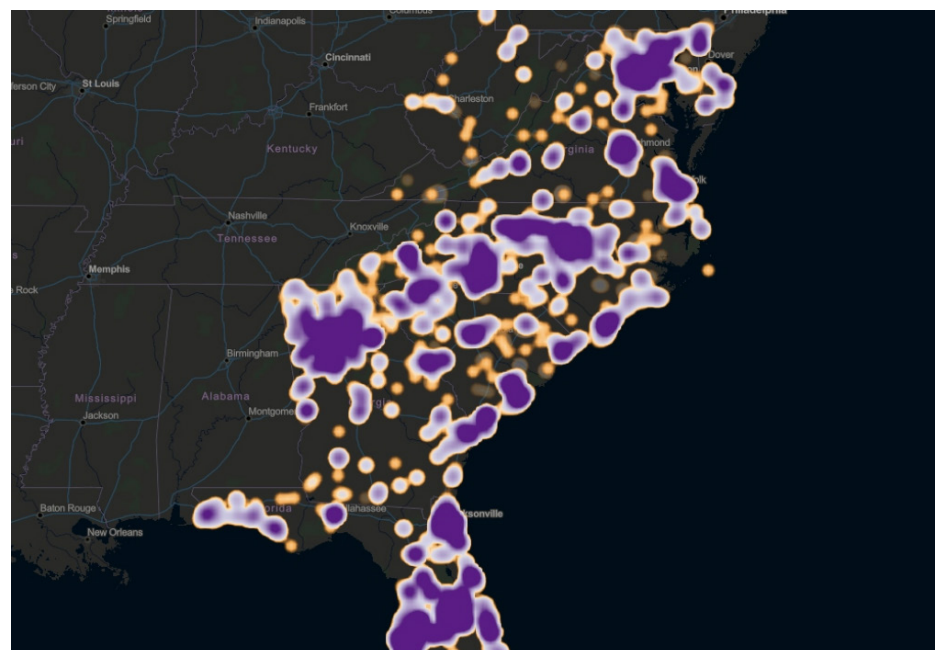
CONTACT: Mo Shehata
Senior Vice President, Cost Management
mshahata@cumming-group.com

| Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$) | | | | | | | | | |
|---|--------|-------|-------|-------|--------|--------|-------|-------|--|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Total | 2.5% | 1.0% | 4.1% | 5.9% | 0.8% | 0.3% | 4.8% | -3.4% | |
| Residential | 9.2% | 0.3% | 0.9% | 12.6% | 13.9% | 7.4% | 0.2% | -7.6% | |
| Commercial | 3.2% | 2.3% | 0.9% | 0.3% | -11.2% | -7.2% | 4.1% | -7.9% | |
| Manufacturing | -12.6% | -1.6% | 6.3% | -8.6% | -0.5% | 10.6% | 28.2% | 2.7% | |
| Healthcare | 6.0% | -2.3% | 5.1% | 3.4% | -3.8% | -4.6% | 3.3% | 0.2% | |
| Education | 4.1% | 1.5% | 2.7% | 0.3% | -15.6% | -16.1% | 2.8% | 3.0% | |
| Other Struct* | 5.8% | 1.3% | 1.7% | 8.9% | -13.8% | -13.2% | -1.2% | -0.8% | |
| Infrastructure | -6.9% | 2.1% | 12.0% | 0.5% | -9.2% | -7.0% | 14.9% | 4.8% | |

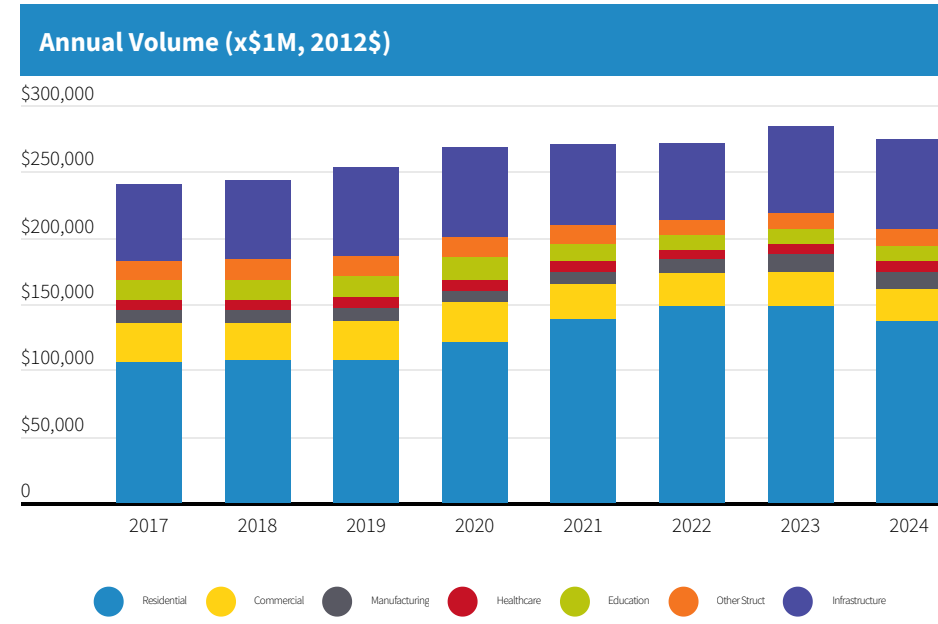
* This includes religious buildings, amusement, government communications, and public recreation projects.

◀ HISTORIC FORECAST ▶

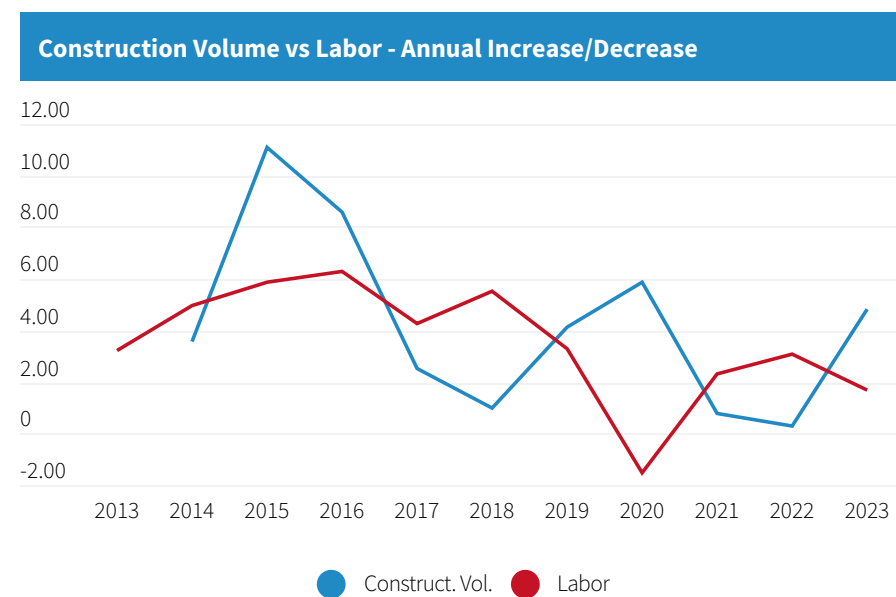
SOURCE: IHS-Markit



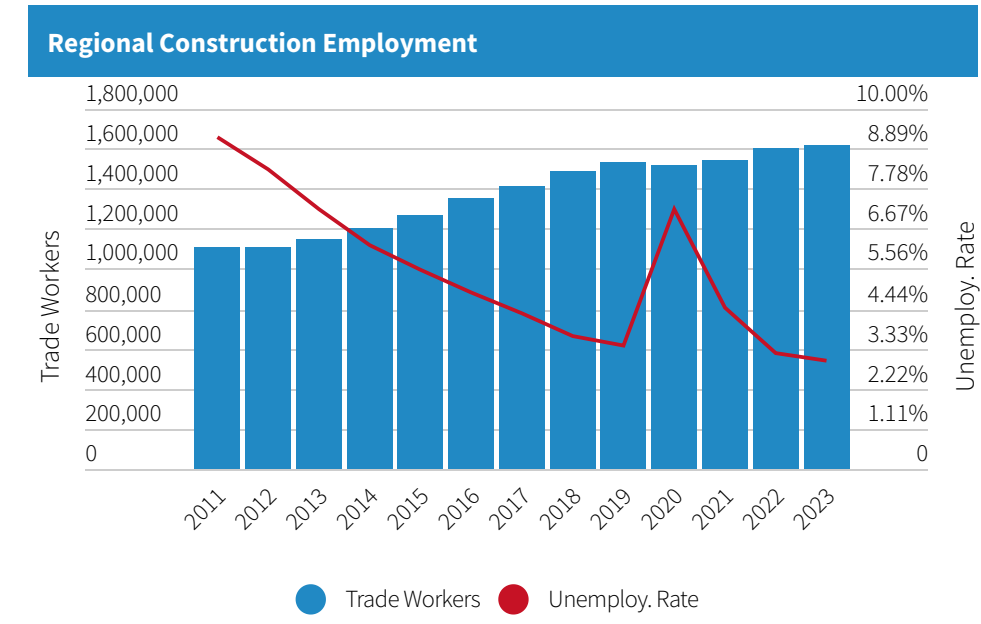
SOURCE: BuildCentral



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 |
| Global Villages or Gwinnett Place Mall Redevelopment | Duluth, GA | \$10B |
| Burnham Place at Union Station | Washington, DC | \$8.5B |
| ATL Next - Hartsfield-Jackson Airport Expansion | Atlanta, GA | \$6B |
| Hyundai Electric Vehicle Manufacturing Plant | Ellabell, GA | \$5.5B |
| Baltimore Peninsula | Baltimore, MD | \$5.5B |
| Wolfspeed's Factory | Siler, NC | \$5B |
| Hyundai Electric Vehicle Battery Plant | Kingston, GA | \$5B |
| Project Tera Electric Vehicle Plant | Atlanta, GA | \$5B |
| VinFast Manufacturing Plant | Moncure, NC | \$4B |
| American Dream Miami | Miami Lakes, FL | \$4B |

SOURCE: Build Central