SOUTHEAST

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The overall outlook for the Southeast remains largely unchanged since our last report. Over the last few decades, people have been moving here in droves, and this trend has only accelerated since 2020. The Southeast is uniquely dotted by dozens of small-to-midsized cities that have become attractive to remote workers. Accommodating all these new residents has been a longstanding challenge that will likely only become more complicated in the coming years.

Construction spending is up roughly 60% over the last decade, while the labor force has only grown by 45% over the same period, prompting substantial cost increases. The hospitality sector in the region has seen a lot of attention, with much of the spending in places like Miami or Orlando coming from the luxury end of the market. These cities already see more visitors each year than Paris and Venice combined, and the focus has shifted from attracting visitors to getting them to spend more. High-end residential, hospitality, and commercial spaces have emerged as key growth drivers. While this trend has been most prominent in Miami, it is beginning to extend into Orlando as tourism sector companies take note. We anticipate that this trend will spread throughout the Southeast in the coming years.

Below, we present more of our findings about the market.

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

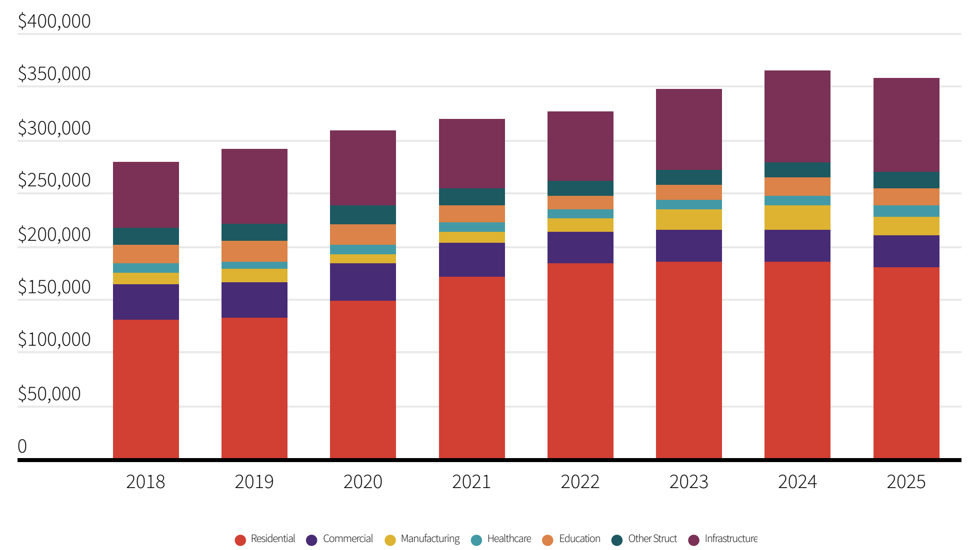
	2018	2019	2020	2021	2022	2023	2024	2025
Total	1.5%	4.0%	6.0%	3.6%	2.2%	6.6%	4.9%	-2.0%
Residential	0.6%	0.9%	12.2%	15.1%	7.5%	0.6%	-0.1%	-2.7%
Commercial	2.4%	1.0%	0.3%	-7.5%	-5.5%	2.5%	1.8%	-4.1%
Manufacturing	-1.4%	6.3%	-8.5%	3.4%	14.1%	59.3%	13.0%	-14.4%
Healthcare	-2.2%	5.1%	3.4%	0.7%	-3.1%	10.2%	9.0%	-0.4%
Education	1.6%	2.8%	0.3%	-13.5%	-15.4%	6.9%	14.0%	0.6%
Other Struct*	1.4%	2.2%	8.9%	-11.6%	-11.1%	2.4%	8.0%	-1.6%
Infrastructure	3.7%	12.2%	0.5%	-6.8%	-1.8%	16.3%	13.6%	2.6%

◀ HISTORIC FORECAST ▶

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

SOURCE: IHS-Markit

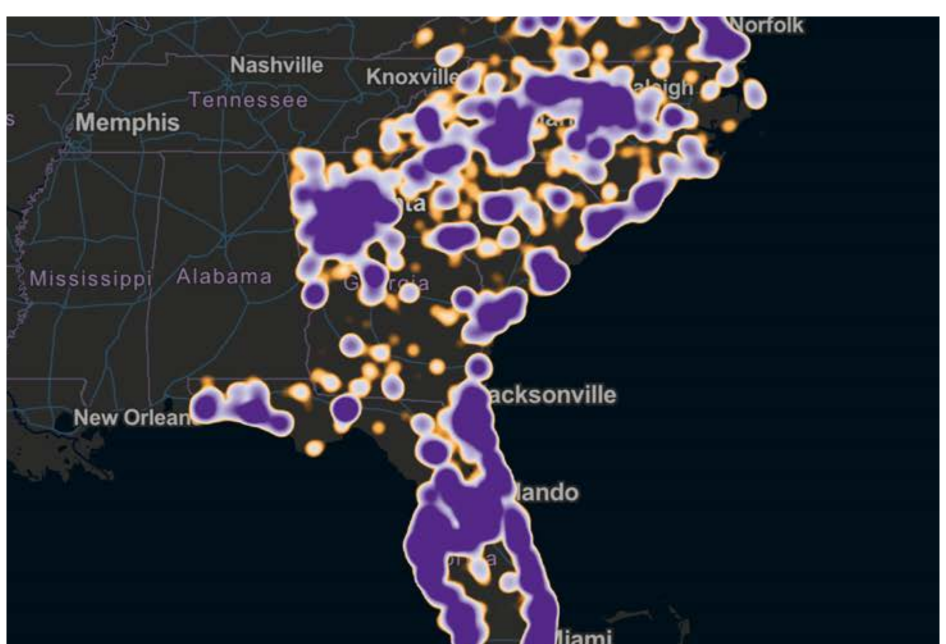
Annual Volume (x$1M, 2012$)



SOURCE: IHS-Markit

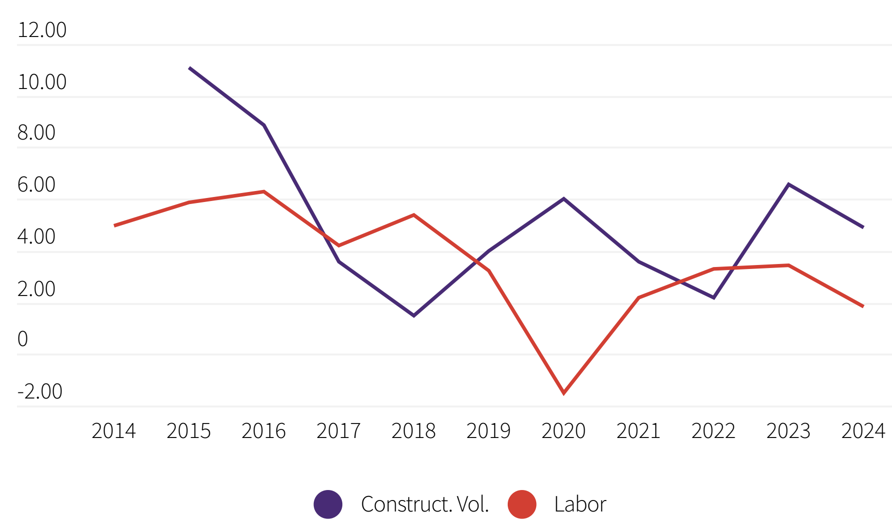
Regional Construction Employment

SOURCE: U.S. Bureau of Labor Statistics



SOURCE: BuildCentral

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: IHS-Markit and FRED

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value (x$1b)
Potomac Yard Mixed-Use Development	Alexandria, VA	$20B
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 Factory	Siler City, NC	$5B
Wolfspeed's Factory	Siler, NC	$5B
Hyundai Electric Vehicle Battery Plant	Kingston, GA	$5B
Rivian	Social Circle, GA	$5B

SOURCE: Build Central