CUMMING
Building Value Through Expertise

ORLANDO, FL

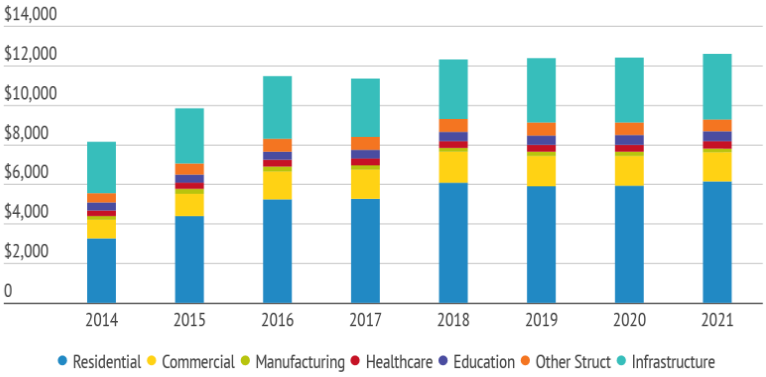
The last five years have been extremely successful for the Orlando market, which has seen an impressive increase in volume of over 50%. As with many markets, growth is expected to level out between 2018 and 2022, with, importantly, no clear sounds of market contraction. In 2019, most sectors are remaining flat, with the exception of healthcare and infrastructure, both of which interestingly follow a similar five-year growth cycle. Although residential looks to contract slightly, it should be considered that last year home building was at its highest level in more than a decade — almost doubling since 2014. At a reported $2.8 billion, the airport expansion continues to draw in labor and is Orlando's most expensive public works project. Themed entertainment and hospitality work will continue at pace, with multiple projects in the pipeline. Unlike many other cities, Orlando has benefited from the influx of skilled trade and had a labor force high of 84,500 as of January 2019. This has helped to keep escalation at a reasonable average of 4.5%, despite construction spending way above the national average. A further basepoint on the effect of this is a recent "2019 Outlook Survey" by AGC, where almost 80% of respondents stated they would be increasing their headcount, but only 22% said they would place higher prices in bids.

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

Sector	2014	2015	2016	2017	2018	2019	2020	2021
Total (x $1m)	**8,143**	**9,847**	**11,471**	**11,337**	**12,302**	**12,361**	**12,387**	**12,582**
Residential	3,242	4,375	5,222	5,248	6,084	5,896	5,923	6,133
Commercial	969	1,145	1,425	1,497	1,549	1,531	1,505	1,468
Manufacturing	179	245	240	213	211	209	207	207
Healthcare	291	302	334	346	331	348	365	378
Education	384	409	436	439	455	486	495	503
Other Struct	491	579	634	665	672	635	605	587
Infrastructure	2,588	2,793	3,179	2,929	3,001	3,256	3,288	3,307
Total Increase	**Y-O-Y %**	**20.9%**	**16.5%**	**-1.2%**	**8.5%**	**0.5%**	**0.2%**	**1.6%**
Residential	Y-O-Y %	35.0%	19.4%	0.5%	15.9%	-3.1%	0.5%	3.5%
Commercial	Y-O-Y %	18.1%	24.5%	5.0%	3.5%	-1.1%	-1.7%	-2.4%
Manufacturing	Y-O-Y %	37.2%	-2.0%	-11.4%	-1.0%	-0.8%	-0.7%	-0.4%
Healthcare	Y-O-Y %	4.0%	10.7%	3.5%	-4.3%	5.1%	4.8%	3.6%
Education	Y-O-Y %	6.5%	6.6%	0.7%	3.6%	6.8%	2.0%	1.5%
Other Struct	Y-O-Y %	17.8%	9.5%	5.0%	1.0%	-5.4%	-4.8%	-3.0%
Infrastructure	Y-O-Y %	7.9%	13.8%	-7.9%	2.5%	8.5%	1.0%	0.6%

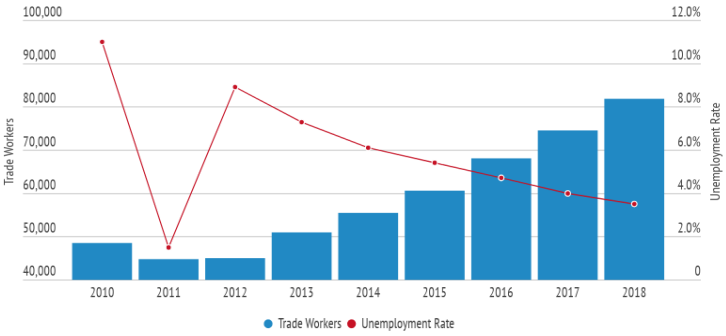
SOURCE: IHS-Markit

Annual Volume (x$1m, 2012$)



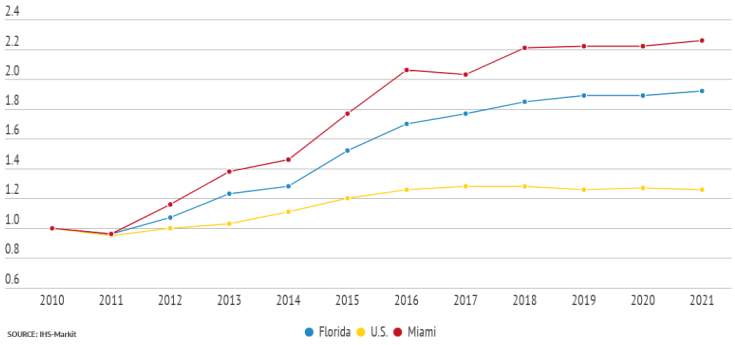
SOURCE: IHS-Markit

Regional Construction Employment



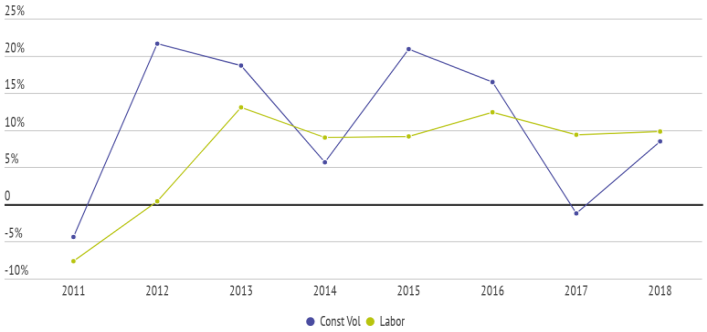
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: IHS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
Orlando Airport Expansion	Orlando, FL	$2.8B
Interstate 4	Orlando, FL	$2.3B
The Brightline Express Project	Orlando, FL	$2.0B
Avalon Park Town Center Master Plan	Orlando, FL	$2.0B
Vertical Medical City Towers	Orlando, FL	$1.1B
Flamingo Crossings West	Winter Garden, FL	$1.0B
The Boardwalk at O-Town	Orlando, FL	$1.0B
The Grow	Orlando, FL	$1.0B
Westwood Boulevard Resort	Orlando, FL	$814M
Lake Mary Wellness and Tech Park	Heathrow, FL	$750M

SOURCE: ReedConnect

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