

ORLANDO, FL

Despite a blip in 2017, the Orlando market has seen growth over the last eight years, hitting double digits almost every year. While this is impressive, it also highlights the boom and bust market conditions in Florida — when a recession lands it is hit hard, but then bounces back just as hard when the market picks up. This year has seen a small decline in activity as the effects of market insecurity have revealed themselves once again. 2020 will also see a slight step back in construction activity before increases resume in 2021. Total construction lands in the \$12 billion range, with residential accounting for half of this, followed by infrastructure which accounts for 25% of the total volume. Non-residential construction looks to be steady over the coming years

and is expected to see minor increases moving forward before breaking the \$6 billion mark in 2022. Private development is the key driver for the market, far surpassing public spending, and it would appear that a large portion of project funding is being received from out-of-state areas such as Los Angeles and New York. Orlando has benefited from the influx of skilled trade, which continued to increase in Q3 with a high of almost 90,000 workers employed. This has helped to keep escalation at a reasonable average of 4.5%, despite construction spending way above the national average. Overall, the market is looking steady and promising for the region.

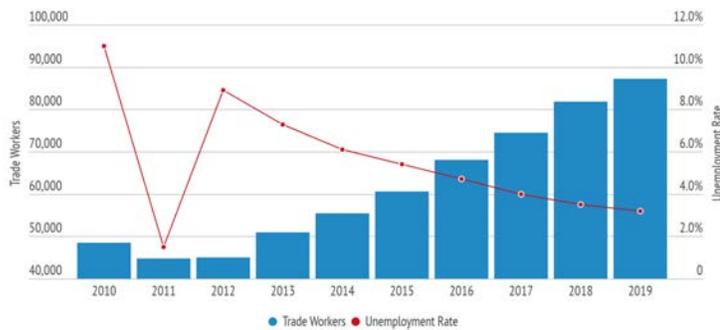
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2014	2015	2016	2017	2018	2019	2020	2021
Total (x \$1m)	8,142	9,844	11,464	11,349	12,359	12,129	11,762	12,107
Residential	3,239	4,371	5,216	5,242	6,136	5,475	5,463	5,860
Commercial	969	1,145	1,426	1,498	1,547	1,504	1,443	1,411
Manufacturing	178	245	240	212	203	222	218	215
Healthcare	291	302	334	346	351	354	362	374
Education	384	410	438	441	442	435	449	463
Other Struct*	491	578	633	677	691	666	618	590
Infrastructure	2,589	2,793	3,177	2,933	3,009	3,472	3,209	3,194
Total Increase	Y-O-Y %	20.9%	16.5%	-1.0%	8.9%	-1.9%	-3.0%	2.9%
Residential	Y-O-Y %	34.9%	19.3%	0.5%	17.1%	-10.8%	-0.2%	7.3%
Commercial	Y-O-Y %	18.2%	24.5%	5.0%	3.3%	-2.8%	-4.0%	-2.2%
Manufacturing	Y-O-Y %	37.1%	-1.9%	-11.9%	-3.8%	9.3%	-1.9%	-1.3%
Healthcare	Y-O-Y %	3.9%	10.6%	3.6%	-4.4%	7.1%	2.1%	3.4%
Education	Y-O-Y %	6.7%	6.6%	0.8%	0.2%	-1.5%	3.1%	3.2%
Other Struct*	Y-O-Y %	17.8%	9.6%	6.8%	2.2%	-3.6%	-7.3%	-4.5%
Infrastructure	Y-O-Y %	7.9%	13.8%	-7.7%	2.6%	15.4%	-7.6%	-0.5%

SOURCE: IHS-Markit

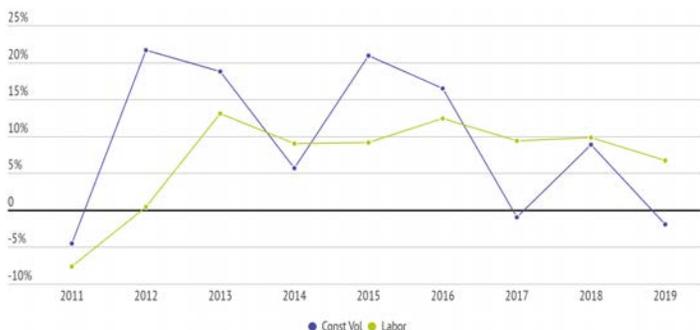
* This includes religious buildings, amusement, government communications and public recreation projects.

Regional Construction Employment



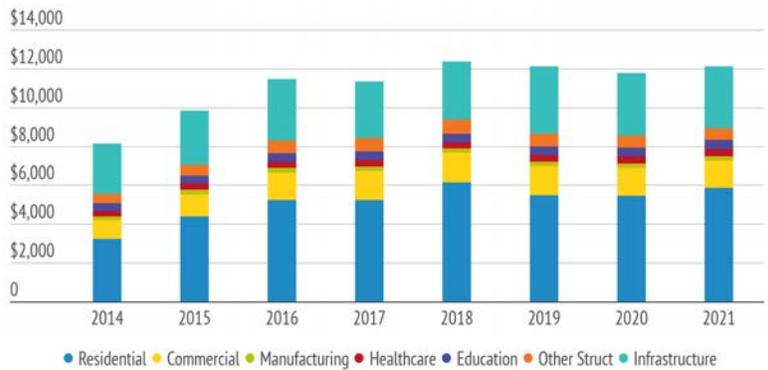
SOURCE: U.S. Bureau of Labor Statistics

Construction Volume vs Labor - Annual Increase/Decrease



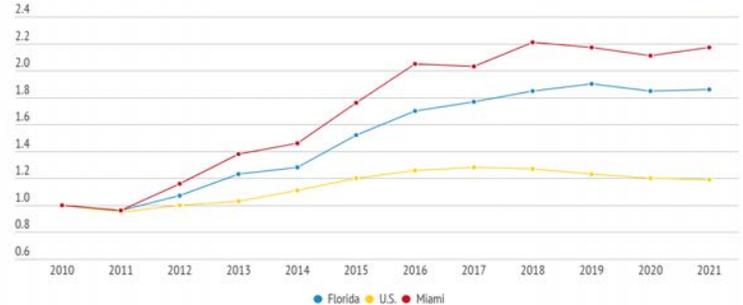
SOURCE: ReedConnect

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



SOURCE: IHS-Markit

Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: IHS-Markit

Top Regional Projects Sorted by Construction Value

Project	Location	Value
Kissimmee Park/FL's Turnpike Mixed-Use	Saint Cloud, FL	\$2.5B
Virgin Trains (Formerly The Brightline Express)	Orlando, FL	\$2.0B
Parkside Place	Sanford, FL	\$2.0B
Vertical Medical City Towers	Orlando, FL	\$1.1B
Silverleaf	Winter Garden, FL	\$1.1B
Vista Park	Orlando, FL	\$1.0B
O'Town West Mixed-Use	Orlando, FL	\$1.0B
The Grow	Orlando, FL	\$1.0B
River Cross	Oviedo, FL	\$650m
Kerina Parkside Planned Development	Orlando, FL	\$500m

SOURCE: ReedConnect