

**SALT LAKE CITY, UT**

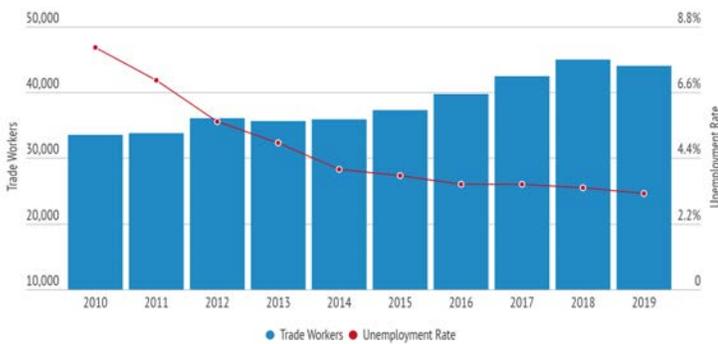
Salt Lake City had the highest rate of residential construction growth in the nation in 2018. Since then, it has seen a large decrease in the residential market, with this decrease continuing through Q4 2019 and Q1 2020. The education and manufacturing sectors are set to be the only two sectors with a positive impact on the market in Salt Lake City this quarter, with both expected to see continued growth over the next year. Commercial construction will experience a slight decrease in growth, but has a lot of potential for future developments. Looking ahead, this downturn should begin to rebound in

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

Sector	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total (x \$1m)</b>	5,597	6,532	7,082	7,261	7,091	7,022	6,691	6,643
Residential	2,388	3,089	3,556	3,636	3,582	3,495	3,305	3,327
Commercial	591	730	759	797	754	733	712	676
Manufacturing	343	332	291	278	278	276	266	264
Healthcare	130	136	149	147	143	149	149	150
Education	405	443	468	455	449	475	501	521
Other Struct*	350	376	413	419	417	406	392	383
Infrastructure	1,390	1,426	1,446	1,529	1,468	1,488	1,366	1,322
<b>Total Increase</b>	<b>Y-O-Y %</b>	<b>16.7%</b>	<b>8.4%</b>	<b>2.5%</b>	<b>-2.3%</b>	<b>-1.0%</b>	<b>-4.7%</b>	<b>-0.7%</b>
Residential	Y-O-Y %	29.4%	15.1%	2.3%	-1.5%	-2.4%	-5.4%	0.7%
Commercial	Y-O-Y %	23.5%	3.9%	5.0%	-5.4%	-2.8%	-2.9%	-4.9%
Manufacturing	Y-O-Y %	-3.3%	-12.4%	-4.4%	-0.1%	-0.8%	-3.3%	-0.9%
Healthcare	Y-O-Y %	4.7%	10.1%	-1.8%	-2.8%	4.4%	0.1%	0.8%
Education	Y-O-Y %	9.5%	5.6%	-2.8%	-1.4%	5.9%	5.3%	4.1%
Other Struct*	Y-O-Y %	7.3%	9.8%	1.5%	-0.4%	-2.7%	-3.4%	-2.5%
Infrastructure	Y-O-Y %	2.6%	1.4%	5.8%	-4.0%	1.4%	-8.2%	-3.2%

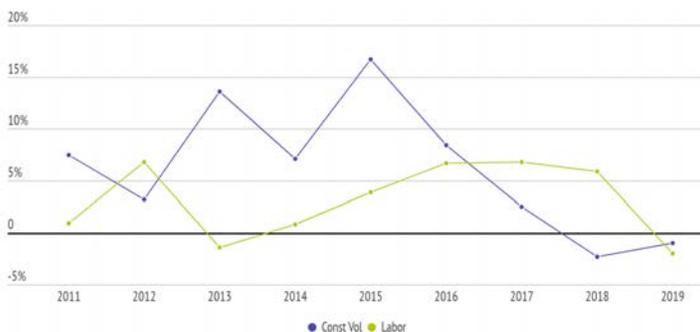
SOURCE: IHS-Markit \* This includes religious buildings, amusement, government communications and public recreation projects.

**Regional Construction Employment**



SOURCE: U.S. Bureau of Labor Statistics

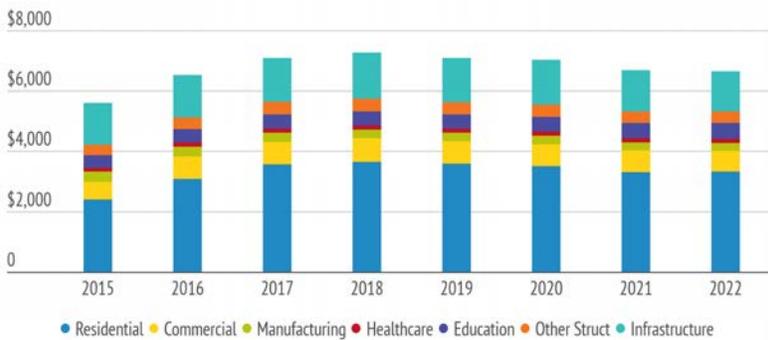
**Construction Volume vs Labor - Annual Increase/Decrease**



SOURCE: ReedConnect

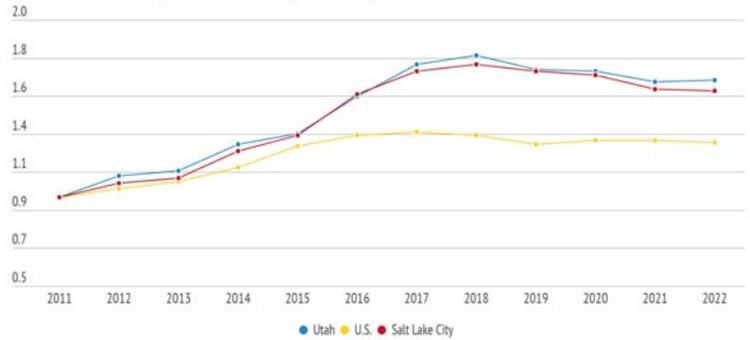
2020. There is healthy demand from both existing companies looking to expand and new enterprises entering the market, which in turn is fueling the need for Class A office space. The construction of the new 95 State office building at City Creek will add 500,000 square feet of new office space in late 2021. Over the next 18 to 24 months, demand for just-in-time flexible workspace will increase. These types of projects will add a further 300,000 – 400,000 square feet to the market. Projects such as the Utah State Prison and the Lake Park Commerce Center continue to take up much of the local construction labor force. Obvious issues for the future of 2020 include COVID-19 and the recent earthquake in Salt Lake City, both of which could continue to impact the industry in the coming months.

**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
The Cove	Hurricane	\$3,000m
Uinta Basin Railway	Vernal	\$2,000m
Thanksgiving Point	Lehi	\$1,800m
Lake Powell Pipeline	Washington	\$1,700m
Mayflower Mountain Resort	Park City	\$1,000m
Olympic View Development	Park City	\$854m
Ute Tribal Business Council	Fort Duchesne	\$756m
Airport North Concourse Program	Salt Lake City	\$737m
North Village Crossings	Heber City	\$660m
New Water Reclamation Facility	Salt Lake City	\$600m

SOURCE: ReedConnect