

MINNEAPOLIS, MN

Minneapolis is beginning to see the effects of the projected plateau of the 2020 construction market. The sectors where this is most prevalent are the commercial and manufacturing sectors, where the 2020 predictions are expecting 10% declines. This is somewhat softened by the 2.8% increase in the infrastructure sector, which is Minneapolis' second-largest sector, trailing only residential. The residential sector is trending for a 2.5% decline.

Since 2010, the number of trade workers has been increasing

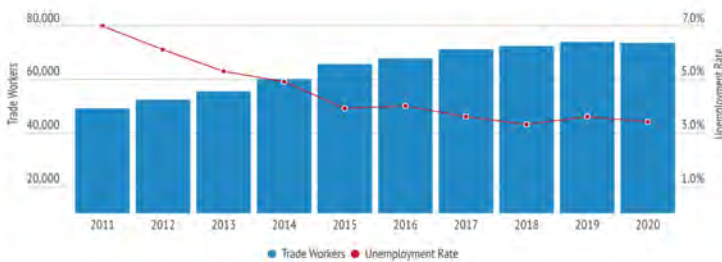
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2015	2016	2017	2018	2019	2020	2021	2022
Total (x \$1m)	12,260	13,626	14,069	13,661	14,782	14,335	13,013	12,580
Residential	3,691	4,590	5,114	4,982	5,802	5,659	4,717	4,640
Commercial	1,619	1,975	2,045	2,119	1,981	1,769	1,648	1,610
Manufacturing	1,209	1,158	995	949	942	849	848	846
Healthcare	518	530	570	533	549	563	572	569
Education	919	983	1,021	994	945	912	943	1,041
Other Struct*	805	833	891	902	864	782	768	759
Infrastructure	3,500	3,558	3,432	3,182	3,698	3,801	3,517	3,115
Total Increase	Y-O-Y %	11.1%	3.3%	-2.9%	8.2%	-3.0%	-9.2%	-3.3%
Residential	Y-O-Y %	24.4%	11.4%	-2.6%	16.5%	-2.5%	-16.6%	-1.6%
Commercial	Y-O-Y %	22.0%	3.5%	3.6%	-6.5%	-10.7%	-6.8%	-2.3%
Manufacturing	Y-O-Y %	-4.2%	-14.1%	-4.6%	-0.8%	-9.8%	-0.1%	-0.3%
Healthcare	Y-O-Y %	2.2%	7.6%	-6.5%	3.0%	2.5%	1.6%	-0.5%
Education	Y-O-Y %	7.0%	3.9%	-2.6%	-4.9%	-3.5%	3.4%	10.4%
Other Struct*	Y-O-Y %	3.5%	7.0%	1.2%	-4.2%	-9.5%	-1.8%	-1.3%
Infrastructure	Y-O-Y %	1.7%	-3.5%	-7.3%	16.2%	2.8%	-7.5%	-11.4%

SOURCE: IHS-Markit

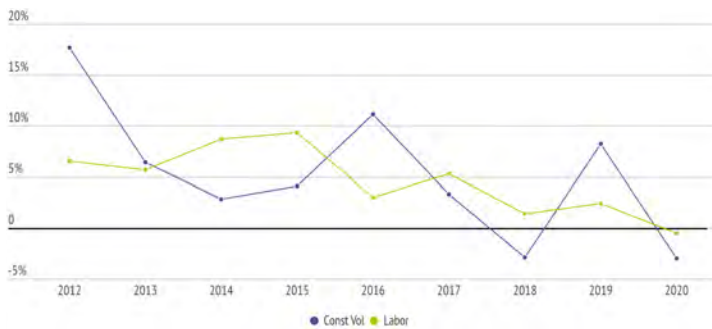
* This includes religious buildings, amusement, government communications and public recreation projects.

Regional Construction Employment



SOURCE: U.S. Bureau of Labor Statistics

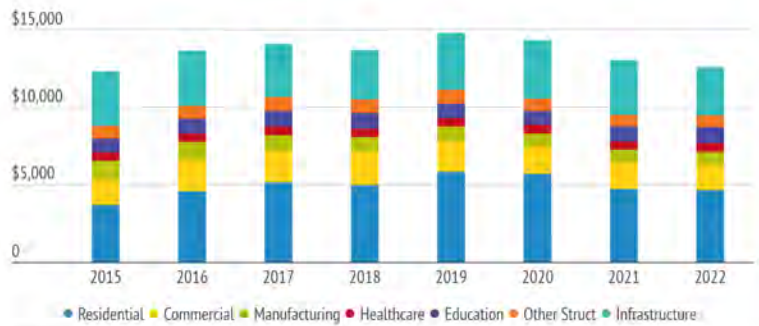
Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

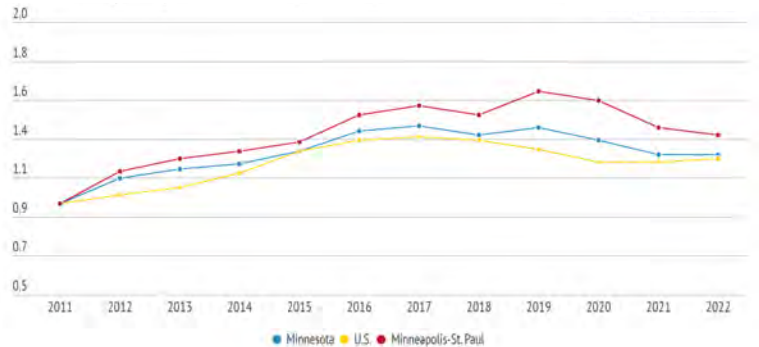
steadily year-on-year in the Minneapolis region and the unemployment rate has been in decline, although both of these trends are expected to plateau in 2020. Minneapolis is seeing some large and exciting new projects make progress, such as the Bottineau light rail extension, which is expected to need approximately 6,500 construction workers to build the new line from downtown to Brooklyn Park, and which also includes the construction of 11 new stations. Another one of Minneapolis' mega projects is the Ford Assembly Plant redevelopment project, which will develop a vacant 122-acre site in the Highland park area into hundreds of residential units along with office and retail space.

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
Bottineau Light Rail Extension	Minneapolis	\$1.5B
Ford Assembly Plant Redevelopment	Saint Paul	\$1.5B
Rice Creek Commons	Arden Hills	\$750m
United Soccer Stadium (Allianz Field)	Saint Paul	\$500m
The Rush Line BRT Project	Saint Paul	\$420m
White Bear Lake Road Improvements	White Bear Lake	\$400m
Rice Street Sears Redevelopment	Saint Paul	\$350m
St. Paul's Waterfront Mixed-Use	Minneapolis	\$280m
17th Avenue East Residential Development	Shakopee	\$261m
Oak Ridge	Chaska	\$252m

SOURCE: ReedConnect