

PHILADELPHIA, PA

As a relatively steady market, Philadelphia will see a slowdown in construction volume over the next years, with positive year-on-year growth not expected until 2022 in most sectors. Commercial construction is expected to see a 22% decrease in construction volume this year, while the residential, manufacturing, and education markets are also expected to see double-digit declines. However, these sectors are all expected

to see annual growth in a few years, with the residential and education markets leading the way towards a strong overall volume recovery. Healthcare is expected to see only a minor decline before growing steadily in future years. Due to the delays in project schedules, a possible issue could be a high increase in escalation if a number of these projects hit the market at the same time.

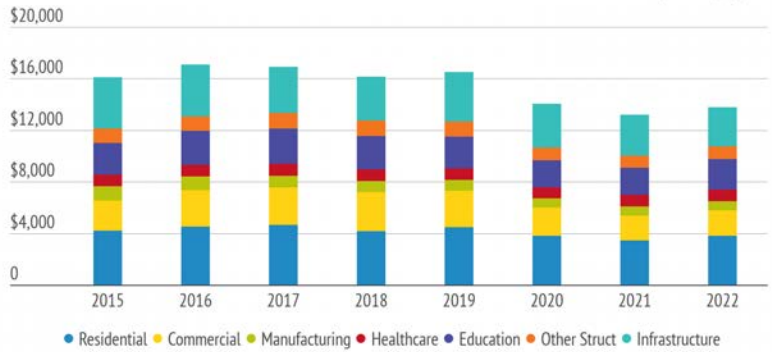
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2015	2016	2017	2018	2019	2020	2021	2022
Total (x \$1m)	16,103	17,096	16,896	16,165	16,492	14,045	13,205	13,767
Residential	4,196	4,503	4,632	4,171	4,472	3,807	3,429	3,805
Commercial	2,351	2,844	2,925	3,016	2,808	2,187	1,948	1,960
Manufacturing	1,121	1,062	919	870	862	713	723	728
Healthcare	881	886	924	878	877	849	868	900
Education	2,461	2,633	2,703	2,599	2,464	2,098	2,115	2,379
Other Struct*	1,094	1,138	1,212	1,235	1,194	1,016	959	964
Infrastructure	3,999	4,029	3,581	3,397	3,815	3,375	3,164	3,031
Total Increase	Y-O-Y %	6.2%	-1.2%	-4.3%	2.0%	-14.8%	-6.0%	4.3%
Residential	Y-O-Y %	7.3%	2.8%	-10.0%	7.2%	-14.9%	-9.9%	11.0%
Commercial	Y-O-Y %	21.0%	2.8%	3.1%	-6.9%	-22.1%	-11.0%	0.7%
Manufacturing	Y-O-Y %	-5.3%	-13.5%	-5.3%	-0.9%	-17.3%	1.5%	0.7%
Healthcare	Y-O-Y %	0.6%	4.3%	-5.0%	-0.1%	-3.2%	2.1%	3.7%
Education	Y-O-Y %	7.0%	2.7%	-3.9%	-5.2%	-14.9%	0.8%	12.5%
Other Struct*	Y-O-Y %	4.0%	6.5%	1.9%	-3.4%	-14.9%	-5.6%	0.4%
Infrastructure	Y-O-Y %	0.7%	-11.1%	-5.2%	12.3%	-11.5%	-6.3%	-4.2%

SOURCE: IHS-Markit

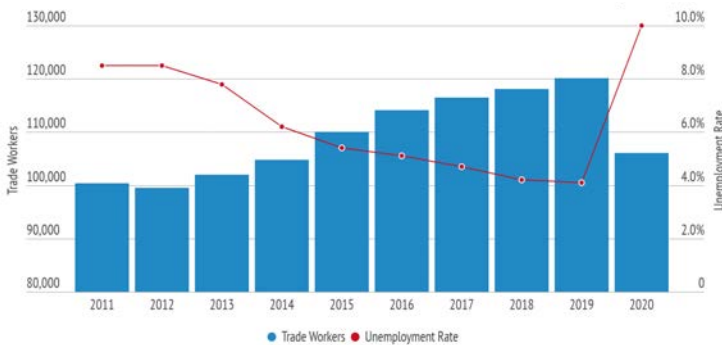
* This includes religious buildings, amusement, government communications and public recreation projects.

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



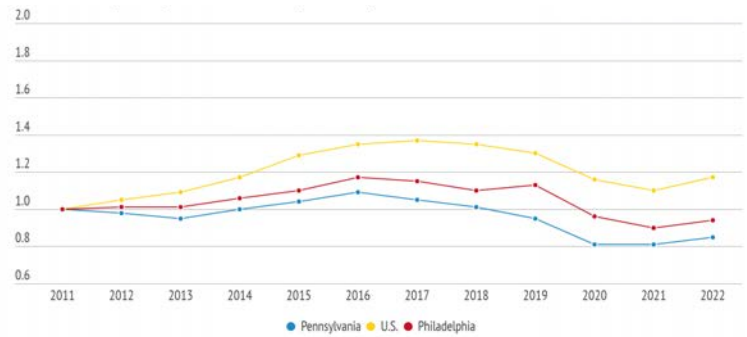
SOURCE: IHS-Markit

Regional Construction Employment



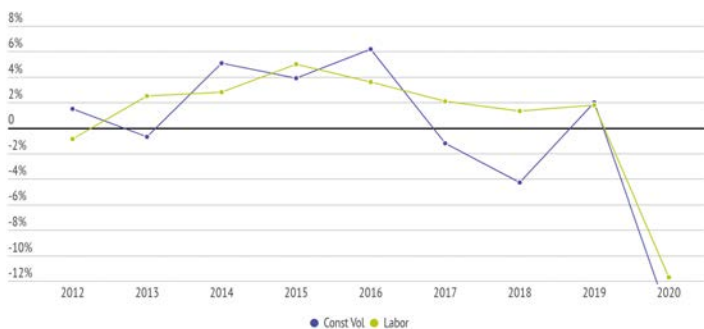
SOURCE: U.S. Bureau of Labor Statistics

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
Philadelphia 30th Street Station District Plan	Philadelphia	\$6.5B
CHOP New Inpatient Tower	Philadelphia	\$1.9B
SPTA Norristown High Speed Line	Norristown	\$1.2B
The Center for Breakthrough Medicines	King of Prussia	\$1.1B
King of Prussia Light Rail Extension and Stations	East Norriton	\$1.1B
Virtua Westampton Medical Campus	Westampton	\$1.0B
Philadelphia Int'l Airport Terminal	Philadelphia	\$858m
Jefferson University Health Specialty Care Pavilion	Philadelphia	\$762m
Route 30 Multi Residential Development	Exton	\$648m
City of Chester Riverfront Redevelopment	Chester Township	\$500m

SOURCE: ReedConnect