

# Nashville, TN

U.S. Construction Market | Market Snapshot Q1 - 2021

All in all, the construction market in Nashville proved robust throughout 2020. The overall market grew by 10.2% last year, driven mainly by the residential, healthcare, and infrastructure sectors. Overall, the city of Nashville was spared the worst of the COVID-19-related recession. Unemployment spiked to 15.7% in April but has since fallen to 5.5%. This is lower than the national average of 6.2%. The overall number of construction workers grew slightly throughout the last year, seemingly unaffected by the pandemic. The market is expected to contract in the coming

years, with only the education sector seeing growth. However, Nashville is expected to see a lot of investment in housing, offices, and manufacturing in the near future. At the top of the list is a new mixed-use development and an expansion of a General Motors plant outside the city center. Of the ten largest projects in the Nashville metro area, only two are within the city of Nashville itself. Over the next few years, we expect price pressure to decline modestly, as a relatively static labor pool is confronted with a decrease in overall construction volume.

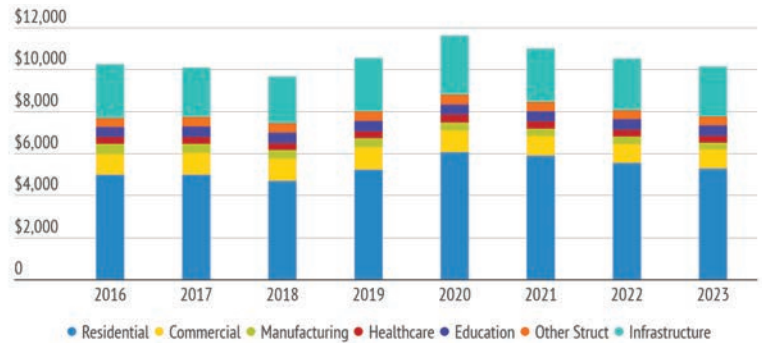
## Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total (x \$1m)</b>	<b>10,243</b>	<b>10,085</b>	<b>9,677</b>	<b>10,546</b>	<b>11,620</b>	<b>11,001</b>	<b>10,531</b>	<b>10,152</b>
Residential	4,977	4,974	4,663	5,206	6,040	5,868	5,518	5,249
Commercial	976	1,030	1,081	1,079	1,059	960	930	916
Manufacturing	485	429	412	430	375	348	342	336
Healthcare	317	333	314	331	358	350	334	327
Education	482	497	503	499	503	477	487	494
Other Struct*	429	463	474	465	482	446	432	427
Infrastructure	2,579	2,359	2,230	2,536	2,802	2,553	2,487	2,403
<b>Total Increase</b>	<b>Y-O-Y %</b>	<b>-1.5%</b>	<b>-4.0%</b>	<b>9.0%</b>	<b>10.2%</b>	<b>-5.3%</b>	<b>-4.3%</b>	<b>-3.6%</b>
Residential	Y-O-Y %	0.0%	-6.2%	11.6%	16.0%	-2.8%	-6.0%	-4.9%
Commercial	Y-O-Y %	5.6%	4.9%	-0.2%	-1.8%	-9.4%	-3.1%	-1.5%
Manufacturing	Y-O-Y %	-11.5%	-4.0%	4.4%	-12.7%	-7.4%	-1.5%	-1.9%
Healthcare	Y-O-Y %	5.0%	-5.7%	5.3%	8.2%	-2.2%	-4.7%	-2.1%
Education	Y-O-Y %	3.2%	1.1%	-0.6%	0.7%	-5.2%	2.1%	1.5%
Other Struct*	Y-O-Y %	8.1%	2.3%	-1.9%	3.7%	-7.4%	-3.2%	-1.1%
Infrastructure	Y-O-Y %	-8.5%	-5.4%	13.7%	10.5%	-8.9%	-2.6%	-3.4%

SOURCE: IHS-Markit

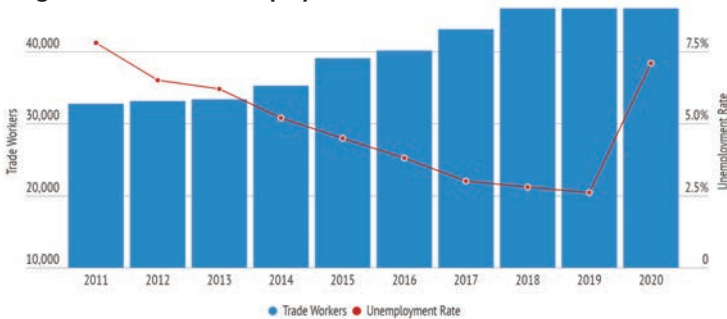
\* This includes religious buildings, amusement, government communications and public recreation projects.

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



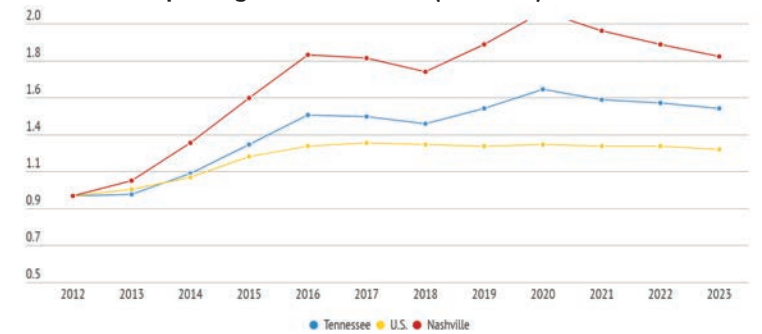
SOURCE: IHS-Markit

## Regional Construction Employment



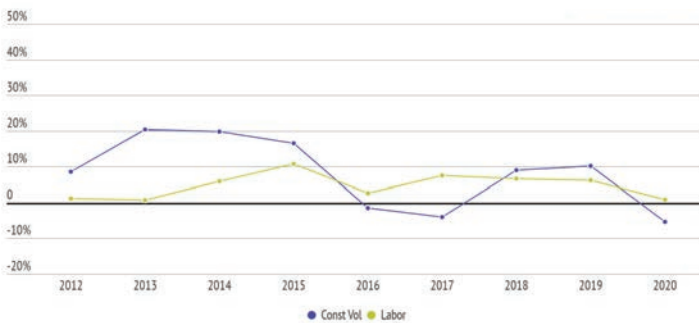
SOURCE: U.S. Bureau of Labor Statistics

## 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
Envision Edgehill Apartments	Nashville	\$0.5B
Demonbreun Hill Development	Nashville	\$0.5B
Church Street Mixed Use	Nashville	\$1m
Neuhoff Mixed-Use	Nashville	\$500m
North Edge	Nashville	\$361m
RiverNorth Nashville	Nashville	\$351m
Clari Park	Murfreesboro	\$350m
Buchanan Point	Nashville	\$350m
OneC1TY Development	Nashville	\$332m
Avalon Square / Franklin	Franklin	\$320m

SOURCE: ReedConnect