

Salt Lake City, UT

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

After expanding in 2020, construction in Salt Lake City is expected to remain in a state of equilibrium for the next few years. The overall construction market grew by 6.3% in 2020, but is expected to see an overall change of less than 1% throughout the next few years (with the exception of contracting by 6.4% this year). The city fared far better than others in the West during the pandemic and recession, with unemployment down to almost what it was in 2019. The total number of construction workers did not change significantly throughout the pandemic and is slightly above what it was in March of last year. This is impressive, especially compared to cities like Las Vegas, which

saw an unemployment rate of almost 35%. Government-related construction is expected to see a lot of attention in the future, as the city is in the process of building a new water reclamation facility and upgrading the Utah State Correctional Facility. There are also plans for a new data center and a new concourse for the Salt Lake City International Airport in the works. Salt Lake City makes up just over half of Utah's GDP, so it shouldn't be surprising that cost indices here are almost the same as the rest of Utah. These are quite a bit higher than the rest of the US, and we expect them to fall given the estimated decline in construction.

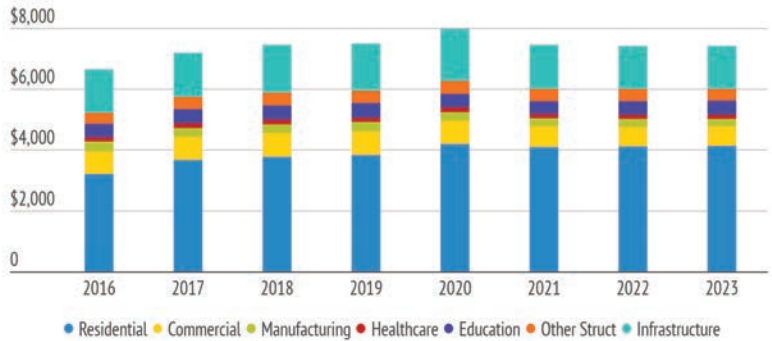
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

Sector	2016	2017	2018	2019	2020	2021	2022	2023
Total (x \$1m)	6,640	7,182	7,452	7,496	7,971	7,459	7,408	7,404
Residential	3,207	3,667	3,768	3,833	4,191	4,081	4,100	4,128
Commercial	730	758	789	777	770	699	659	639
Manufacturing	332	291	284	301	283	252	247	243
Healthcare	136	149	150	148	159	152	149	151
Education	442	467	471	470	435	415	445	456
Other Struct*	376	413	415	407	428	394	391	386
Infrastructure	1,418	1,437	1,574	1,559	1,705	1,466	1,417	1,400
Total Increase	Y-O-Y %	8.2%	3.8%	0.6%	6.3%	-6.4%	-0.7%	-0.1%
Residential	Y-O-Y %	14.4%	2.8%	1.7%	9.3%	-2.6%	0.5%	0.7%
Commercial	Y-O-Y %	4.0%	4.0%	-1.4%	-0.9%	-9.2%	-5.8%	-2.9%
Manufacturing	Y-O-Y %	-12.3%	-2.4%	6.1%	-6.2%	-11.0%	-1.8%	-1.4%
Healthcare	Y-O-Y %	10.1%	0.4%	-1.3%	7.7%	-4.5%	-2.1%	1.1%
Education	Y-O-Y %	5.6%	1.0%	-0.3%	-7.5%	-4.5%	7.2%	2.4%
Other Struct*	Y-O-Y %	9.8%	0.5%	-2.0%	5.4%	-8.1%	-0.7%	-1.2%
Infrastructure	Y-O-Y %	1.3%	9.6%	-1.0%	9.3%	-14.0%	-3.3%	-1.2%

SOURCE: IHS-Markit

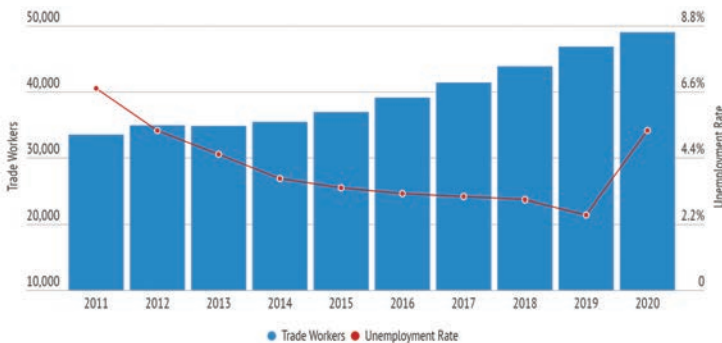
* This includes religious buildings, amusement, government communications and public recreation projects.

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



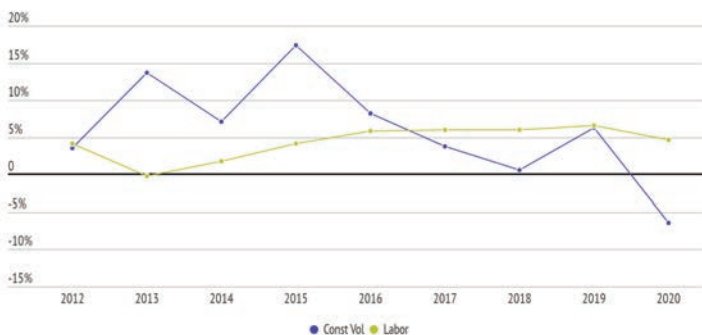
SOURCE: IHS-Markit

Regional Construction Employment



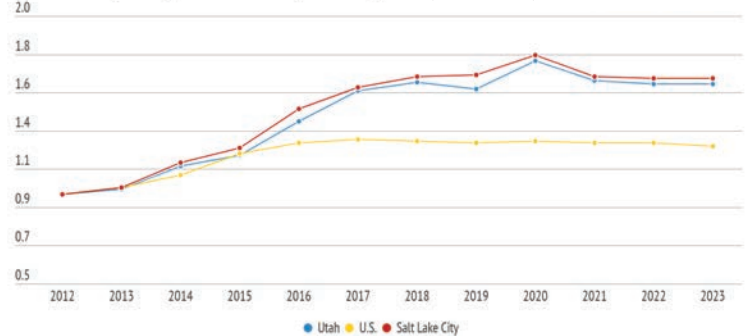
SOURCE: U.S. Bureau of Labor Statistics

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: IHS-Markit

Top Regional Projects Sorted by Construction Value

Project	Location	Value
SLC Airport North Concourse	Salt Lake City	\$737m
Van Winkle Crossing	Salt Lake City	\$165m
Kensington Tower	Salt Lake City	\$143m
MED X Building	Salt Lake City	\$129m
MED X Complex	Salt Lake City	\$129m
Main Street Mixed Use Tower	Salt Lake City	\$113m
Sydney and Slate Mixed Use Development	Salt Lake City	\$106m
9 th East Mixed-Use Development	Salt Lake City	\$100m
Salt Lake City Public Safety Building	Salt Lake City	\$98m
Holy Trinity Cathedral Area Redevelopment	Salt Lake City	\$95m

SOURCE: ReedConnect