Minneapolis-St. Paul, MN

U.S. Construction Market | Market Snapshot Q3 - 2021

CUMMING
Building Value Through Expertise

After a slow start to the year, 2021 is proving to be something of a boom for construction in the Twin Cities. This is due to the residential and infrastructure sectors seeing a lot more activity than expected, as well as a successful vaccine rollout. Construction employment has made almost a full recovery, as has the general unemployment rate. Many of the city's office workers have been able to adapt to remote work faster than anticipated.

Looking ahead, construction is expected to decline in the coming years. There doesn't appear to be a single cause, rather it seems due to a mix of contracting demand for residential and commercial construction. New houses are beginning to meet demand, and big projects are nearing completion.

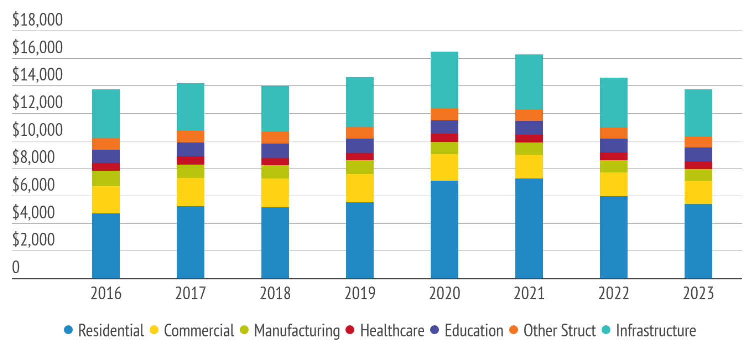
Total Construction Market Volume by Sector (x $1m, Nominalized 2012$)

Sector		2016	2017	2018	2019	2020	2021	2022	2023
Total (x $1m)		**13,728**	**14,180**	**13,989**	**14,627**	**16,481**	**16,281**	**14,576**	**13,727**
Residential		4,700	5,236	5,152	5,517	7,096	7,243	5,971	5,409
Commercial		1,973	2,043	2,094	2,035	1,909	1,754	1,728	1,671
Manufacturing		1,156	995	970	1,016	901	860	870	843
Healthcare		529	569	541	547	584	587	587	590
Education		980	1,018	1,027	1,017	995	992	988	1,003
Other Struct*		832	890	902	863	863	832	810	787
Infrastructure		3,557	3,429	3,304	3,631	4,134	4,011	3,621	3,425
Total Increase		**Y-O-Y %**	**3.3%**	**-1.3%**	**4.6%**	**12.7%**	**-1.2%**	**-10.5%**	**-5.8%**
Residential		Y-O-Y %	11.4%	-1.6%	7.1%	28.6%	2.1%	-17.6%	-9.4%
Commercial		Y-O-Y %	3.5%	2.5%	-2.8%	-6.2%	-8.1%	-1.5%	-3.3%
Manufacturing		Y-O-Y %	-13.9%	-2.5%	4.8%	-11.4%	-4.5%	1.1%	-3.1%
Healthcare		Y-O-Y %	7.6%	-4.9%	1.1%	6.7%	0.6%	0.0%	0.4%
Education		Y-O-Y %	3.8%	0.9%	-1.0%	-2.1%	-0.3%	-0.4%	1.4%
Other Struct*		Y-O-Y %	7.0%	1.3%	-4.3%	0.0%	-3.6%	-2.7%	-2.7%
Infrastructure		Y-O-Y %	-3.6%	-3.7%	9.9%	13.8%	-3.0%	-9.7%	-5.4%

SOURCE: IHS-Markit

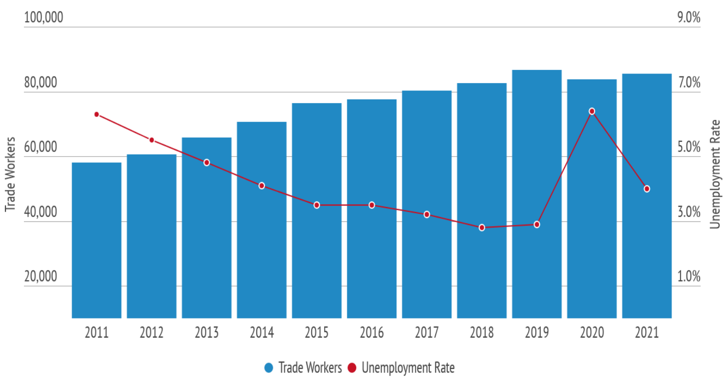
* This includes religious buildings, amusement, government communications and public recreation projects.

Annual Volume (x$1m, 2012$)

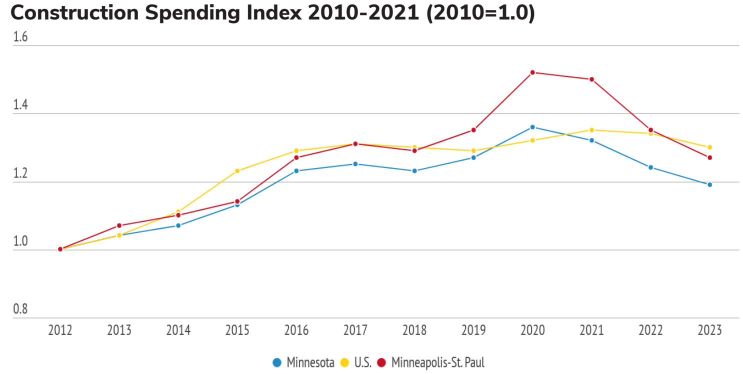


SOURCE: IHS-Markit

Regional Construction Employment

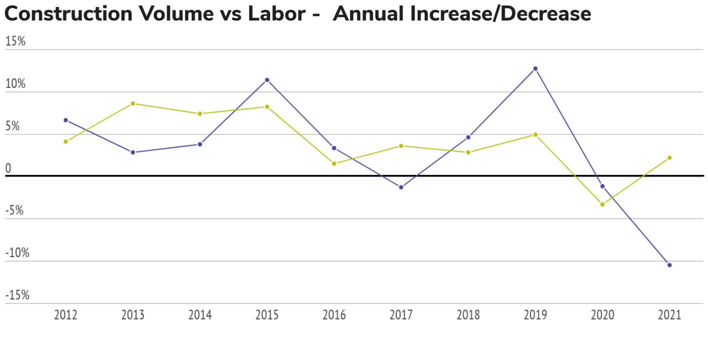


Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: IHS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
Bottineau Light Rail Transit Project / Blue Line Extension	Minneapolis	$1.5B
Highland Bridge / Ford Site Redevelopment	Saint Paul	$2m
RiverCentre Redevelopment	Saint Paul	$788m
United Soccer Stadium (Allianz Field) Urban Village Mixed-Use Development	Saint Paul	$500m
Rondo Land Bridge	Saint Paul	$459m
French Lake Open Industrial	Dayton	$403m
Rice Street Sears Redevelopment	Saint Paul	$350m
Cates Ranch Industrial Park	Medina	$324m
Upper Harbor Redevelopment - Phase 1	Minneapolis	$300m
Riversedge - Phase 3	Minneapolis	$288m

SOURCE: ReedConnect

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