

Boston, MA

U.S. Construction Market | Market Snapshot Q1 - 2022

2021 stands as something of an anomaly for Boston. Much of the East Coast has seen its construction market decline over the last 20 years. This is primarily due to the rise of the West Coast as an economic power. Skilled workers 30 years ago would have lived in New York or Boston, while today they live in San Jose or San Francisco. This trend is common in many of the US' old cities on the East Coast, and Boston is no exception. Fortunately for Boston, it has a robust education and tourism sector, which remains largely unchanged by COVID.

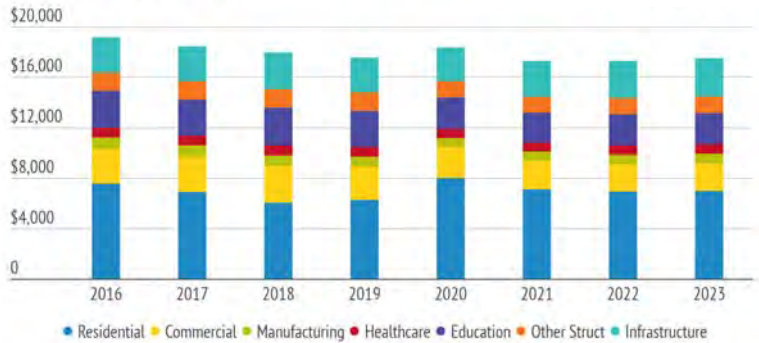
Thanks to a surprisingly active residential sector, the market reversed previous trends and grew by about 5%. Many of these projects are wrapping up, however, and the market should return to its gentle decline this year. It added trade workers in 2021, and by the end of the year, more of them were working than ever before. As the market is predicted to decline, however, we expect this to push labor costs down in the coming years.

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

Sector	2016	2017	2018	2019	2020	HISTORIC			FORECAST	
						2021	2022	2023	2024	2025
Total Increase	Y-O-Y %	-3.8%	-2.6%	-2.2%	4.6%	-5.9%	0.0%	1.1%		
Residential	Y-O-Y %	-8.7%	-12.1%	3.3%	28.4%	-11.1%	-3.0%	0.8%		
Commercial	Y-O-Y %	2.4%	2.3%	-7.3%	-10.9%	-7.5%	-0.2%	-1.1%		
Manufacturing	Y-O-Y %	-3.4%	5.1%	-13.5%	-2.1%	-2.8%	2.0%	1.5%		
Healthcare	Y-O-Y %	-5.0%	-1.3%	-2.8%	-1.5%	-1.5%	2.2%	1.8%		
Education	Y-O-Y %	-1.1%	4.5%	-4.3%	-13.3%	-3.7%	1.2%	0.9%		
Other Struct*	Y-O-Y %	0.6%	-2.0%	1.0%	-12.1%	-3.2%	6.1%	4.9%		
Infrastructure	Y-O-Y %	-1.6%	5.7%	-4.5%	-3.1%	5.9%	3.0%	1.6%		

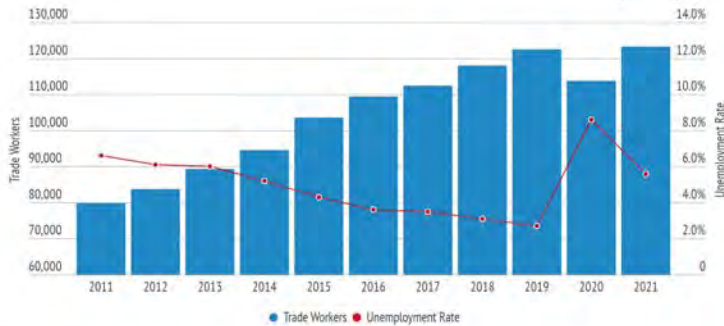
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



SOURCE: IHS-Markit

Regional Construction Employment



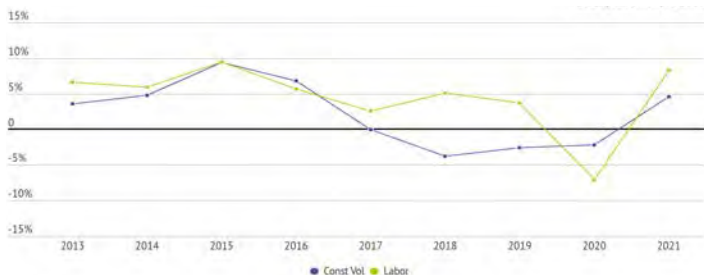
SOURCE: U.S. Bureau of Labor Statistics

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
Dorchester Bay City	Boston	5.0B
Vineyard Wind 1	New Bedford	2.8B
Massachusetts General Hospital / Clinical and Campus Services Building	Boston	1.9B
I-90 Allston Interchange Improvements Project - Phase 1 - (MassDOT)	Boston	1.7B
Mary Ellen McCormack Redevelopment	Boston	1.6B
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Bunker Hill Housing Redevelopment	Boston	1.4B
Harbor Garage Redevelopment	Boston	1.2B
Allston Multimodal Project - Massachusetts Department of Transportation (massDOT)	Brimfield	1.2B
South Coast Rail - Phase I	Boston	1.0B

SOURCE: ReedConnect