Denver, CO

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

CUMMING
Building Value Through Expertise

Denver's construction market has proven surprisingly robust and has outperformed forecasts throughout 2021. Now, as pandemic trends recede, the market is expected to see a plateau. In this regard, forecasts have not changed significantly since our previous report. The residential sector remains the largest by a significant margin and makes up more than half of all volume. Commercial and infrastructure are the next largest, as the city is a logistics hub for the Western US. Most of the Denver area's population lives outside of Denver itself, causing the city to invest in rail lines and highways to bring these communities together.

Denver's population growth has only accelerated throughout the 2010s. The 2020 census revealed that its population grew by almost 20% over the last ten years, making it one of the fastest-growing cities in the country. These new residents all need houses, schools, hospitals, and roads, and it is surprising that Denver's construction market looks closer to Chicago's than Atlanta's. The 2020s will likely be less active than the 2010s, as the kind of growth that the city has seen in the last ten years is not sustainable. Still, though, Denver has surprised forecasters before. It can certainly do it again.

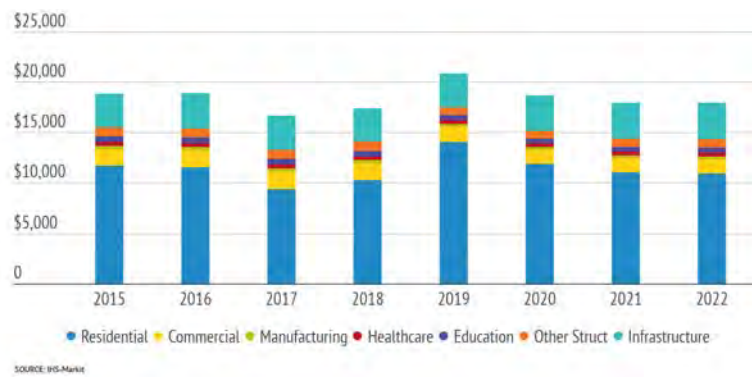
Total Construction Market Volume by Sector (x $1m, Nominalized 2012$)

HISTORIC | FORECAST

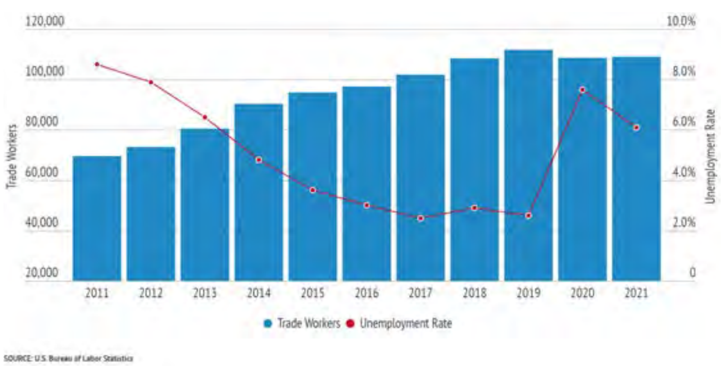
Sector	2016	2017	2018	2019	2020	2021	2022	2023
Total Increase	**Y-O-Y %**	**0.5%**	**-11.9%**	**4.3%**	**20.1%**	**-10.5%**	**-3.9%**	**0.0%**
Residential	Y-O-Y %	-1.4%	-19.1%	9.8%	36.7%	-15.5%	-7.0%	-0.7%
Commercial	Y-O-Y %	3.5%	2.9%	-3.0%	-9.5%	-7.3%	-0.9%	-1.7%
Manufacturing	Y-O-Y %	-2.9%	6.2%	-10.5%	-3.4%	-3.4%	2.8%	1.9%
Healthcare	Y-O-Y %	-1.8%	-3.5%	-0.4%	3.1%	-1.7%	-1.1%	0.9%
Education	Y-O-Y %	2.1%	4.7%	-5.4%	-11.3%	-3.7%	2.7%	2.2%
Other Struct*	Y-O-Y %	4.2%	-0.9%	5.2%	-14.9%	-3.7%	6.1%	4.9%
Infrastructure	Y-O-Y %	4.9%	-3.6%	-3.7%	2.7%	4.6%	1.3%	1.2%

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

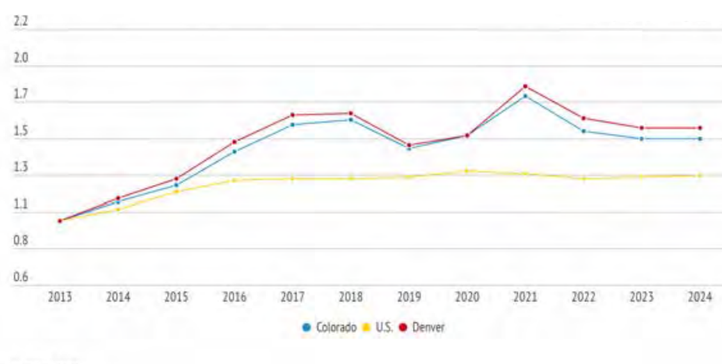
Annual Volume (x$1M, 2012$)



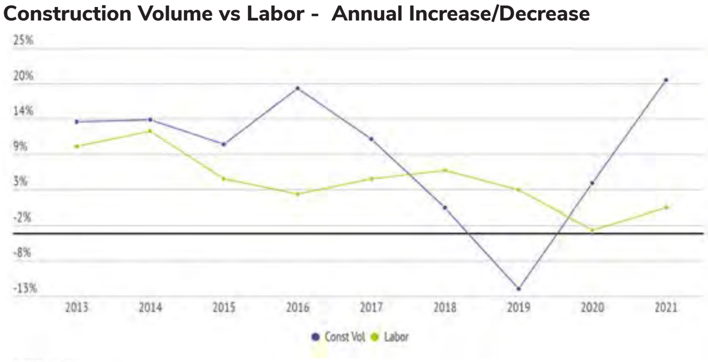
Regional Construction Employment



Construction Spending Index 2010-2021 (2010=1.0)



Construction Volume vs Labor - Annual Increase/Decrease



Top Regional Projects Sorted by Construction Value

Project	Location	Value
Hyperloop One / Rocky Mountain Hyperloop	Denver	43.6B
Northern Colorado Commuter Rail	Denver	2.8B
Lone Tree City Center At Ridgegate	Lone Tree	2.8B
Interstate 70 - Central 70 Project	Denver	1.2B
Northern Integrated Supply Project and Glade Reservoir	Fort Collins	1.1B
Cherry Creek West	Denver	1,000M
Parterre - Future Phases	Thornton	1,000M
Westerly Master Planned Community	Erie	750M
Diesel Commuter Rail Corridor - Regional Transportation District	Denver	710M
The Triangle Project RFQ	Denver	528M

SOURCE: ReedConnect

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