

Honolulu, HI

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

2021 will be a year that Honolulu will be glad to put behind it. The city's construction market underperformed forecasts by a fair margin, as the lingering effects of the pandemic on the tourism industry are still being felt. Fortunately, the market's fundamentals have not changed much: people still want to go to Honolulu for business and leisure. The city is still roughly equidistant from the two largest economies on Earth, and it is still a great place to do business. The last two years are shaping up to be an anomaly rather than the start of a new trend. Tourism and leisure are the biggest drivers of Honolulu's

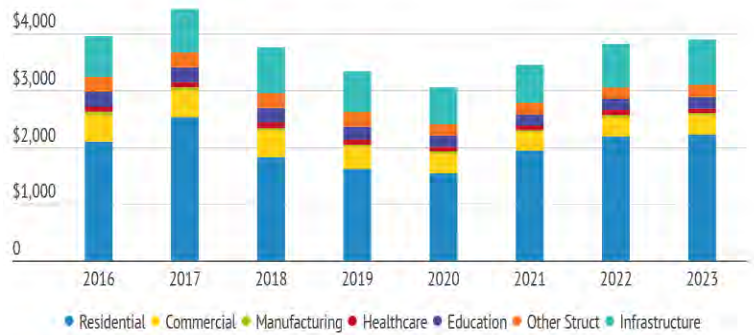
economy, and the hospitality sector employs more than 20% of the labor force. The city is home to the largest airport in all of Hawaii and acts as the gateway to the islands. This makes it a convenient location for businesses looking to expand into the Pacific. These businesses – combined with the military and education sectors – kept the local economy afloat over the last two years. Unemployment is still relatively high – particularly in the hospitality sector – but is improving. Construction employment is above pre-pandemic levels: indicative of an active market in the future.

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 %	12.2%	-15.3%	-11.2%	-8.6%	13.2%	10.6%	2.0%		
Residential	Y-O-Y %	21.0%	-28.1%	-11.5%	-4.9%	26.2%	13.1%	1.4%		
Commercial	Y-O-Y %	0.9%	-0.7%	-16.2%	-9.8%	-5.6%	1.0%	-1.0%		
Manufacturing	Y-O-Y %	-5.9%	0.2%	-22.7%	-8.4%	0.7%	4.9%	2.8%		
Healthcare	Y-O-Y %	-3.1%	-2.8%	-3.0%	-5.7%	-3.0%	4.9%	3.0%		
Education	Y-O-Y %	-2.0%	-1.7%	-11.8%	-14.0%	-0.6%	2.8%	1.4%		
Other Struct*	Y-O-Y %	1.5%	0.6%	1.0%	-19.8%	-4.1%	4.2%	2.9%		
Infrastructure	Y-O-Y %	6.6%	5.1%	-11.5%	-10.6%	5.1%	13.0%	4.7%		

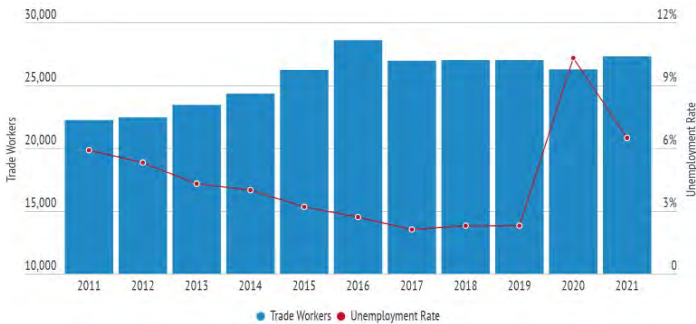
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



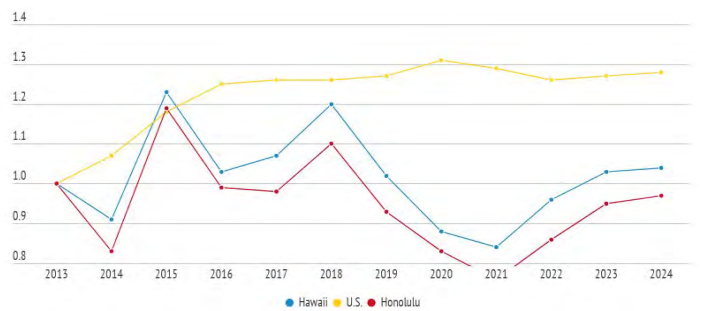
SOURCE: IHS-Markit

Regional Construction Employment



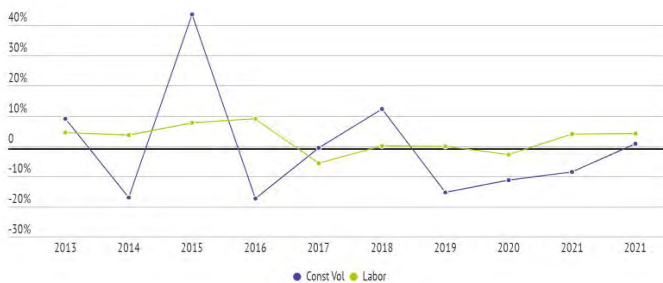
SOURCE: U.S. Bureau of Labor Statistics

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
Honolulu Rail Transit Project - P3	Honolulu	\$9.1B
SMS: Waterfront Multiple Award Construction Contract Primarily for the Shipyard	Joint Base Pearl Hbr Hickam	\$8.0B
Hunt Kalaeloa	Kapolei	\$1.3B
Queen's Medical Center Expansion	Honolulu	\$1.0B
SMS: Design-Build/Design-Bid-Build Waterfront Multiple Award Construction	Joint Base Pearl Hbr Hickam	\$995m
Live Work Play Aiea	Aiea	\$767m
The Park Ward Village Mixed-Use	Honolulu	\$620m
Waikapu Country Town	Wailuku	\$600m
The Park on Keeaumoku	Honolulu	\$600m
Oahu Jail - State of Hawaii - Department of Public Safety	Honolulu	\$525m

SOURCE: ReedConnect