

Nashville, TN

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

Nashville had one of the fastest-growing economies in the 2010s, leading many to call it a modern-day boomtown. In 2017, an average of 100 people moved to the city every day. All of this has conveniently segued into a booming construction industry, which seemed to peak last year. This year, things are set to taper off. The residential market is still quite large and usually accounts for about half of all volume each year. The next largest sector is infrastructure, thanks in part to the growing role of the automotive industry. The Nashville metro area is made up of dozens of disparate communities tied together by dozens of highways.

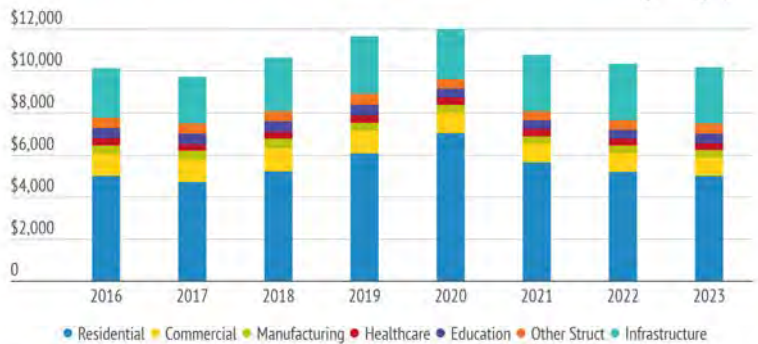
In anticipation of a declining market, Nashville's construction industry has been holding steady for the last few years. It added a few workers – likely young people who just finished apprenticeships – but has for the most part not changed since 2018. The city's unemployment rate has been steadily declining throughout 2020 and 2021 and is finally roughly where it was before the pandemic. All of these workers should encourage spending and could drive growth in the local economy.

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

Sector	HISTORIC FORECAST							
	2016	2017	2018	2019	2020	2021	2022	2023
Total Increase	Y-O-Y %	-4.0%	9.6%	5.0%	-12.2%	-3.9%	-1.6%	
Residential	Y-O-Y %	-6.0%	10.9%	15.9%	-19.8%	-8.0%	-4.0%	
Commercial	Y-O-Y %	5.0%	3.3%	-10.8%	-8.0%	-0.2%	-1.2%	
Manufacturing	Y-O-Y %	-4.0%	5.3%	-15.3%	0.2%	-4.8%	2.3%	
Healthcare	Y-O-Y %	-5.8%	6.1%	-3.1%	-3.0%	-2.3%	0.2%	
Education	Y-O-Y %	1.1%	-0.8%	-13.1%	-4.3%	1.7%	3.1%	
Other Struct*	Y-O-Y %	2.2%	7.0%	-12.1%	-4.9%	5.1%	4.4%	
Infrastructure	Y-O-Y %	-5.5%	8.0%	-4.8%	1.9%	0.3%	0.4%	

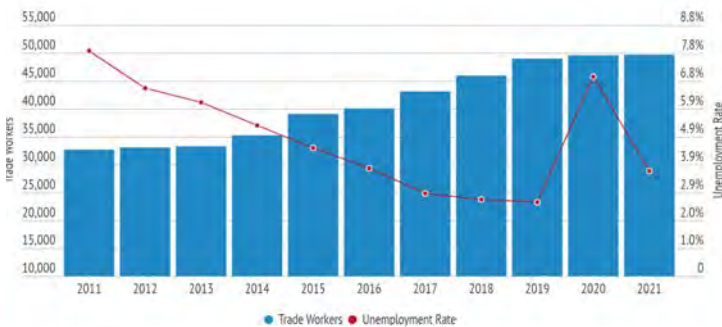
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



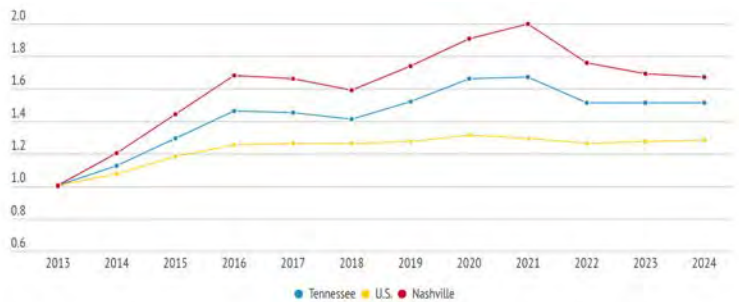
SOURCE: IHS-Markit

Regional Construction Employment



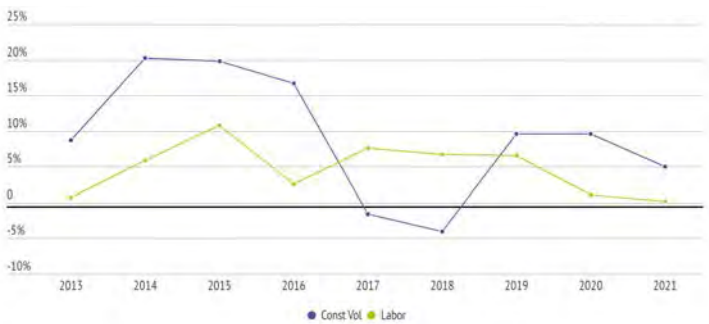
SOURCE: U.S. Bureau of Labor Statistics

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
Blue Oval City Manufacturing Facility - Ford Motor Company	Stanton	5.6B
June Lake Mixed Use Development	Thompsons Station	2.4B
Auto Battery Cell Plant / Spring Hill	Spring Hill	2,300M
General Motors Plant Expansion	Spring Hill	2,000M
FedEx Express Renovation / Memphis	Memphis	1,500M
FedEx World Hub Modernization - Future Sections	Memphis	1,473M
SkyHarbour Jet Hangars - Nashville International Airport	Nashville	1,400M
Oracle River North Campus	Nashville	1,200M
Nashville Yards	Nashville	1,000M
Madison Town Center	Nashville	1,000M

SOURCE: ReedConnect