

New York, NY

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

COVID has left its mark on New York. Even as the pandemic seems to recede, its effects will be felt for a long time. This year, the market is set to contract again as return-to-office plans are finally enacted after months in limbo. This is expected to cut demand for the residential sector by almost 20%, while the pandemic's effect on commerce, infrastructure, and healthcare are expected to keep those sectors suppressed as well. Work-from-home policies in New York mean that the pandemic's burden has been felt disproportionately by low-wage earners who cannot be remote. This will likely have different economic consequences from other cities, although it is too early to say exactly what they will be.

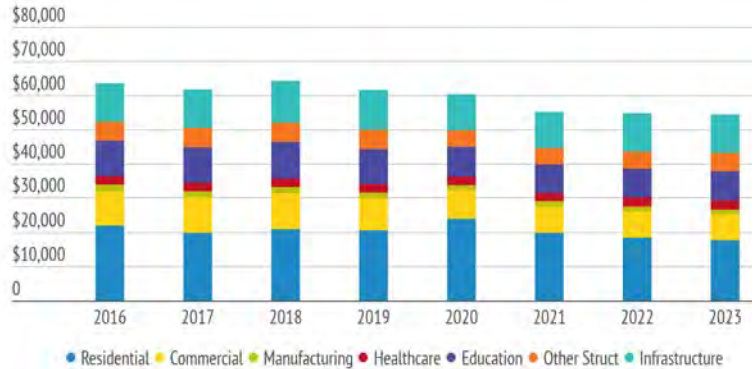
The New York market is set to see a weak but consistent decline each year going forward. Construction employment decreased in 2021 in a departure from trends in other markets. This will further complicate the recovery and will keep costs up even as demand wanes. America's economic center has undeniably shifted towards California, taking skilled workers with it. As population growth slows, so will demand for new construction. The market will likely shift to renovations rather than new developments, similar to those along the Great Lakes. Until then, there is plenty to do.

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

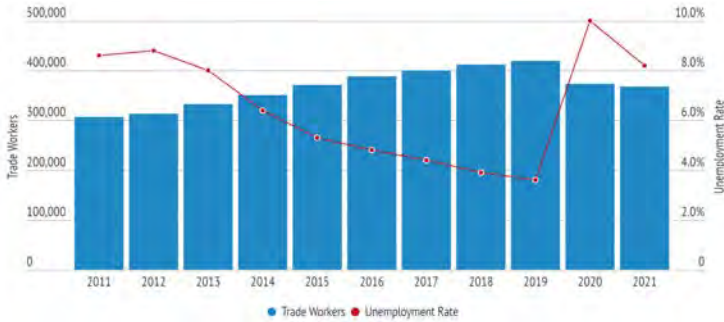
Sector	HISTORIC ○ ○ FORECAST								
	2016	2017	2018	2019	2020	2021	2022	2023	
Total Increase	Y-O-Y %	-2.8%	3.9%	-4.0%	-2.1%	-8.6%	-0.7%	-0.7%	
Residential	Y-O-Y %	-9.4%	5.7%	-1.8%	16.1%	-17.2%	-7.3%	-4.2%	
Commercial	Y-O-Y %	2.0%	1.0%	-9.2%	-11.8%	-7.1%	0.1%	-1.2%	
Manufacturing	Y-O-Y %	-4.4%	4.0%	-16.9%	-1.6%	-2.2%	2.6%	1.3%	
Healthcare	Y-O-Y %	-2.5%	1.9%	-1.6%	-3.0%	-2.9%	2.4%	1.2%	
Education	Y-O-Y %	1.2%	2.3%	-4.9%	-14.1%	-3.9%	1.8%	1.6%	
Other Struct*	Y-O-Y %	1.1%	-1.7%	1.5%	-13.4%	-2.9%	5.3%	4.1%	
Infrastructure	Y-O-Y %	0.7%	8.2%	-3.9%	-10.5%	1.0%	5.2%	1.1%	

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

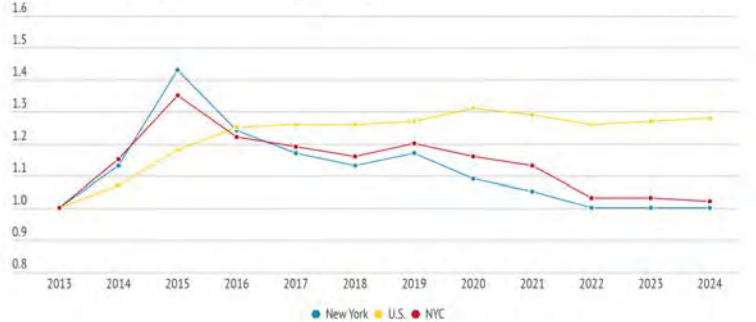
Annual Volume (x\$1M, 2012\$)



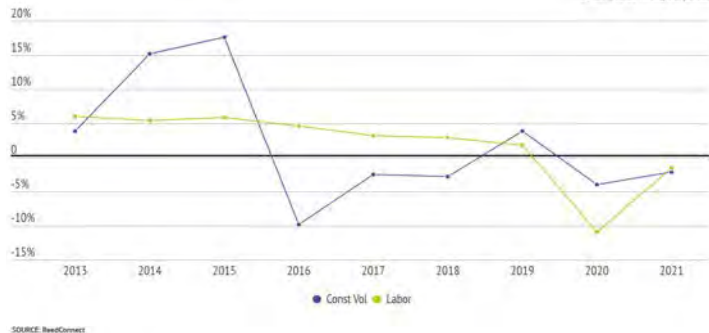
Regional Construction Employment



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
Gateway Tunnel - Rail Tunnel Between New Jersey and New York - (PANYNJ)	New York	29.1B
Nextgeneration NYCHA Permanent Affordability Commitment Together (Pact) Sites	Brooklyn	24.0B
Phase 2 of the Second Avenue Subway Project - MTA - New York City Transit	New York	17.0B
Phase 3 of the Second Avenue Subway Project - MTA - New York City Transit	New York	14.2B
Hudson River Tunnel Project	New York	11.6B
AirTrain LaGuardia Project - Port Authority of New York and New Jersey	La Guardia Arpt	8.0B
RFQ D/B - Design-build Program for the NYC Borough Based Jails System, Detention Facilities	New York	6.6B
John F. Kennedy International Airport Terminal Six Expansion	Jamaica	3.8B
Tunnel to Replace I-81 Viaduct - New York State Department of Transportation	Syracuse	3.6B
Fordham Landing Project / Bronx Waterfront Mixed-Use Development	Bronx	3.5B

SOURCE: ReedConnect