

# Portland, OR

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

Much like Seattle to the North, Portland is investing in green energy. Its government is taking a more modest approach and plans to cut emissions by 40% by 2030 and 80% by 2050. This broadly involves investing in transit (to take cars off the road) and divesting from fossil fuels. The city also sits at a beneficial location for many industries – with relatively low energy costs, access to air and land freight, and one of the largest ports in the country – and is increasingly looking to capitalize on companies moving away from Silicon Valley. This effort has generally succeeded, and today more than 1,200 tech companies operate in the city – giving it the nickname “Silicon Forest.”

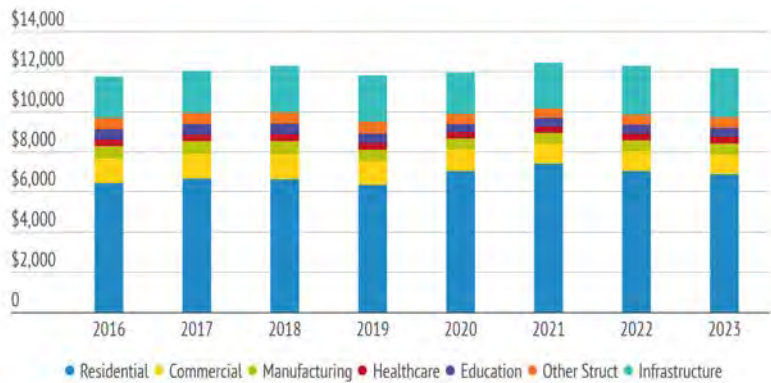
The city’s construction industry is expected to remain relatively stable, although 2022 is shaping up to be a high point. This is driven mainly by the residential sector. Portland’s recent popularity has driven down available housing, and in turn, spurred demand for new developments. The city simply cannot build fast enough. To this end, the construction market has taken in many workers from surrounding communities, roughly keeping pace with demand.

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

| Sector                | HISTORIC (2016-2021) FORECAST (2022-2023) |       |       |        |        |       |       |       |
|-----------------------|---|-------|-------|--------|--------|-------|-------|-------|
|                       | 2016                                      | 2017  | 2018  | 2019   | 2020   | 2021  | 2022  | 2023  |
| <b>Total Increase</b> | Y-O-Y %                                   | 2.4%  | 2.2%  | -3.9%  | 1.0%   | 4.4%  | -1.5% | -0.8% |
| Residential           | Y-O-Y %                                   | 3.5%  | -0.7% | -4.3%  | 10.9%  | 5.4%  | -5.0% | -2.3% |
| Commercial            | Y-O-Y %                                   | 2.6%  | 1.3%  | -4.8%  | -9.6%  | -7.0% | -1.1% | -1.5% |
| Manufacturing         | Y-O-Y %                                   | -0.8% | 6.2%  | -13.9% | -4.0%  | -2.6% | 3.5%  | 3.4%  |
| Healthcare            | Y-O-Y %                                   | -0.1% | 3.4%  | 1.2%   | -6.0%  | 1.3%  | 1.2%  | 0.7%  |
| Education             | Y-O-Y %                                   | -0.7% | 1.4%  | -10.6% | -11.2% | -0.7% | 3.3%  | 1.7%  |
| Other Struct*         | Y-O-Y %                                   | -1.5% | 0.9%  | 2.0%   | -15.5% | -2.7% | 5.4%  | 4.3%  |
| Infrastructure        | Y-O-Y %                                   | 1.7%  | 10.8% | -0.2%  | -11.8% | 12.0% | 6.1%  | 1.1%  |

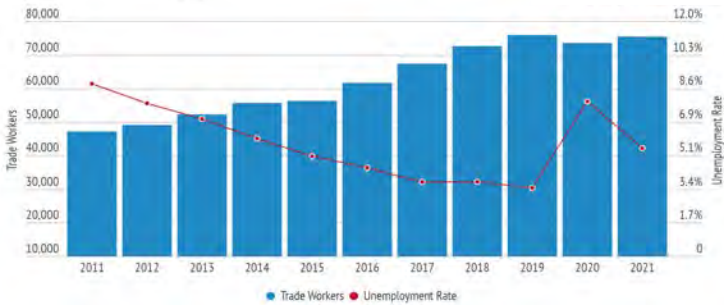
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



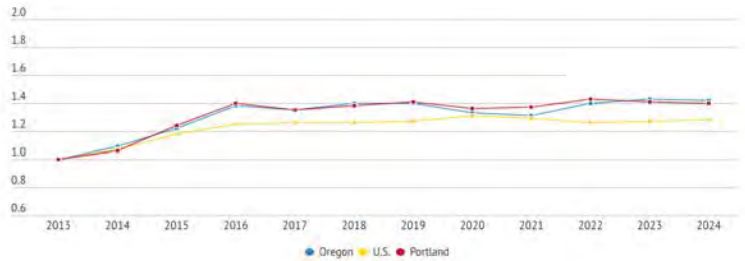
SOURCE: IHS-Markit

## Regional Construction Employment



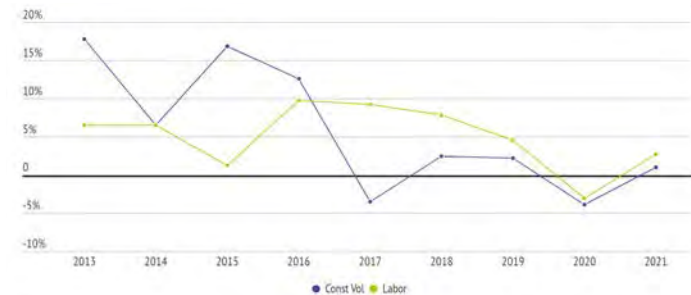
SOURCE: U.S. Bureau of Labor Statistics

## 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  |
|---|--------------|--------|
| RFQ Design - Heritage Renovation Project                                  | Eugene       | 6.5B   |
| Columbia River I-5 Bridge - Washington State Department of Transportation | Vancouver    | 4.5B   |
| Columbia River Crossing - Oregon Department of Transportation             | Saint Helens | 3.0B   |
| Sound Transit Lynnwood Link Extension - Northgate to NE 200th             | Lynnwood     | 2.8B   |
| X-Energy Reactor Nuclear Plant - Tri-Energy Partnership                   | Richland     | 2.4B   |
| The Goldendale Energy Storage - Columbia River Gorge                      | Goldendale   | 2.4B   |
| Horse Heaven Wind Farm  | Kennewick    | 1.7B   |
| Washington State Convention & Trade Center Expansion                      | Seattle      | 1,600M |
| Boardman to Hemingway Hemingway Transmission Line / B2H                   | Boardman     | 1,200M |
| USPS Broadway Corridor  | Portland     | 1,180M |

SOURCE: ReedConnect