

Raleigh, Durham, Chapel Hill, NC

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

The Research Triangle area was not hit as hard by the pandemic as many other cities in the Southeast. The market has averaged about 6% growth over the last two years, although 2022 is expected to be the end. The market should drop by about 8% this year, mainly due to the residential sector. Projects that began during the pandemic are set to wrap up this year, and concerns about inflation and eased restrictions mean that there are fewer newer projects to replace them. Our research predicts that the Research Triangle will remain steady, however, through 2024.

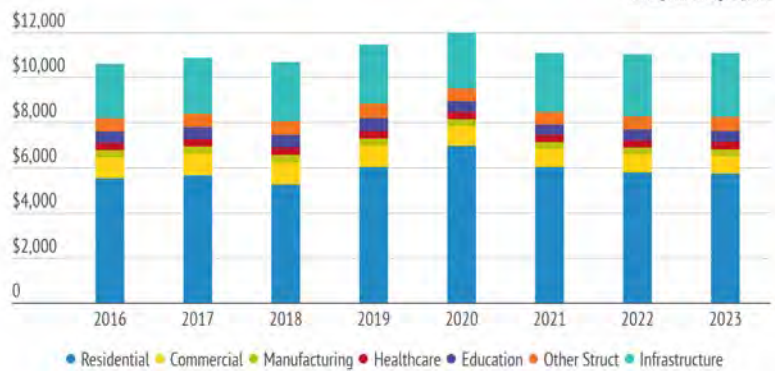
North Carolina appears to have returned to full employment. Unemployment was about 4% in January, although the Research Triangle is likely even better. The area is home to several high-profile manufacturing facilities – specifically a battery plant operated by Toyota and a manufacturing plant for supersonic business jets – and although these have not begun hiring, they are expected to add new jobs over the 2020s. Compared with this time last year, North Carolina has added 70,000 new jobs to its economy.

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

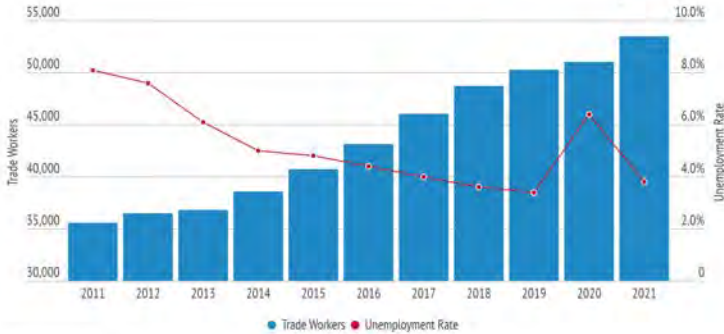
Sector	HISTORIC  FORECAST 							
	2016	2017	2018	2019	2020	2021	2022	2023
Total Increase	Y-O-Y %	2.7%	-1.7%	7.2%	5.1%	-7.9%	-0.6%	0.5%
Residential	Y-O-Y %	2.4%	-7.4%	15.4%	15.6%	-13.5%	-4.2%	-1.1%
Commercial	Y-O-Y %	3.5%	2.1%	-1.7%	-10.1%	-8.4%	-0.2%	-0.8%
Manufacturing	Y-O-Y %	-2.4%	7.1%	-10.8%	-1.1%	-1.2%	2.7%	2.1%
Healthcare	Y-O-Y %	-0.1%	4.1%	2.2%	-2.4%	-1.9%	0.5%	2.0%
Education	Y-O-Y %	3.4%	5.9%	-3.8%	-14.0%	-1.6%	5.8%	2.3%
Other Struct*	Y-O-Y %	2.5%	1.3%	6.7%	-12.3%	-4.0%	5.3%	4.8%
Infrastructure	Y-O-Y %	4.0%	5.5%	-0.4%	-3.3%	4.1%	4.6%	2.6%

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

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

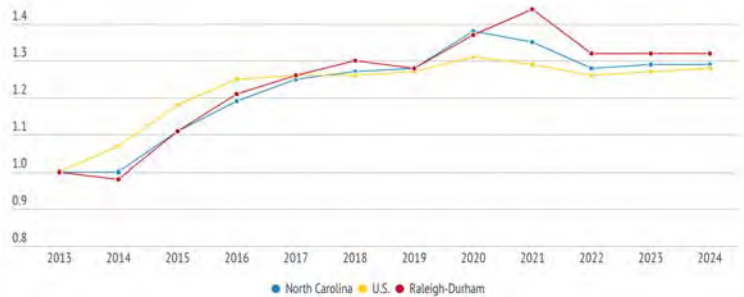


Regional Construction Employment



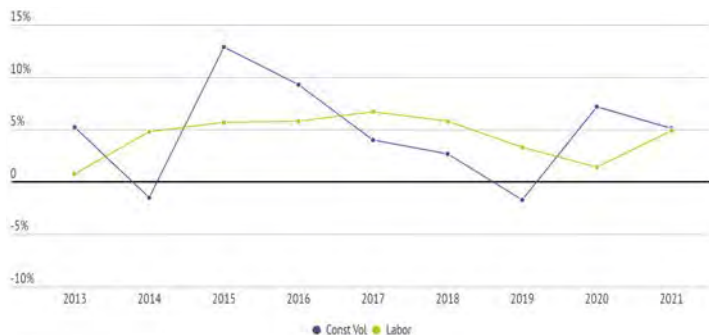
SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: BGS-Markit

Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

Top Regional Projects Sorted by Construction Value

Project	Location	Value
LYNX Silver Line Rail Trail	Charlotte	8.0B
Welcome Venture Park	Durham	8.0B
River District	Charlotte	3.0B
Downtown South and MLS Stadium Complex	Raleigh	2.2B
GateWay 85 Industrial Development	Gastonia	1.9B
Project Galaxy - Remaining Phases	Holly Springs	1.5B
Toyota Battery Plant at Greensboro Randolph Megasite	Liberty	1,300M
The Grounds At Concord	Concord	1,000M
Lane's Ferry Landing	Rocky Point	1,000M
Midtown Exchange	Raleigh	1,000M

SOURCE: ReedConnect