

# Sacramento, CA

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

Sacramento is expected to see sustained growth into the 2020s – despite a contracting residential sector. Instead, this growth is expected to come from robust investment in infrastructure and healthcare. Similar to the national capital, Sacramento's status as California's capital city means sustained demand for government facilities and insulation from economic shocks. Around one in five workers is a government employee of some kind – and therefore enjoy higher-than-average wages and steady employment. Trade workers in Sacramento grew by almost 10% over 2021, as the city likely pulled workers from nearby markets that were still stagnant.

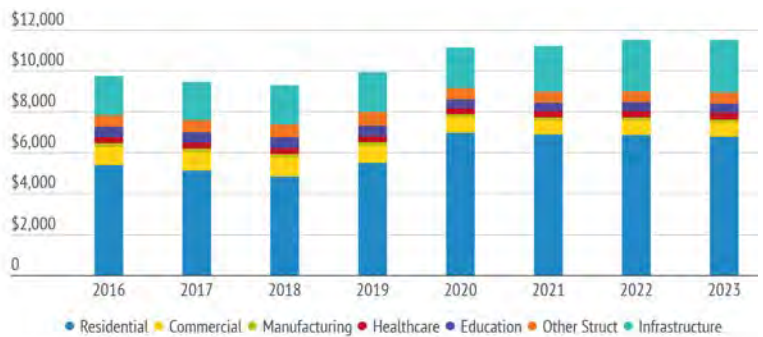
Thanks to its status as California's capital, Sacramento brings workers from across the country to its myriad government agencies. To retain this talent, it has invested in green energy and mixed-use developments. Many city agencies are hoping that they can compete with Silicon Valley by offering employees something that they cannot get in San Francisco or Cupertino: affordable, mixed-use housing and short commute times.

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

Sector	HISTORIC FORECAST								
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Total Increase</b>	Y-O-Y %	-2.9%	-1.8%	6.8%	12.3%	0.7%	2.5%	0.1%	
Residential	Y-O-Y %	-5.3%	-5.5%	13.8%	27.2%	-1.4%	-0.2%	-1.4%	
Commercial	Y-O-Y %	2.9%	-0.2%	-5.9%	-14.0%	-7.3%	1.1%	-0.4%	
Manufacturing	Y-O-Y %	-3.1%	7.1%	-10.5%	-2.3%	-0.5%	3.7%	1.6%	
Healthcare	Y-O-Y %	-2.5%	1.4%	3.5%	0.8%	2.5%	3.7%	2.0%	
Education	Y-O-Y %	2.7%	4.9%	-4.8%	-17.5%	-2.6%	2.0%	2.8%	
Other Struct*	Y-O-Y %	1.7%	5.4%	5.5%	-17.2%	-3.8%	3.6%	2.8%	
Infrastructure	Y-O-Y %	-1.7%	2.3%	1.4%	3.1%	12.9%	10.7%	2.7%	

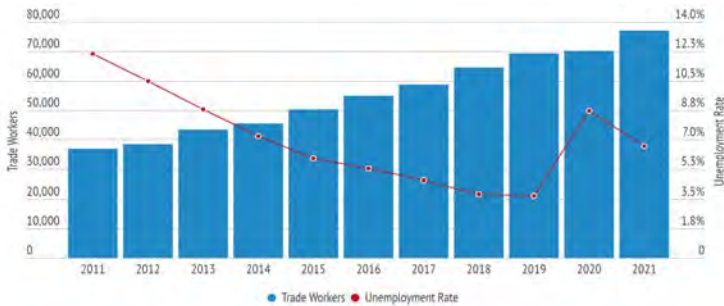
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



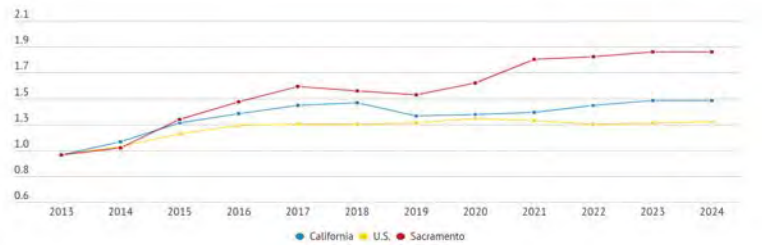
SOURCE: IHS-Markit

## Regional Construction Employment



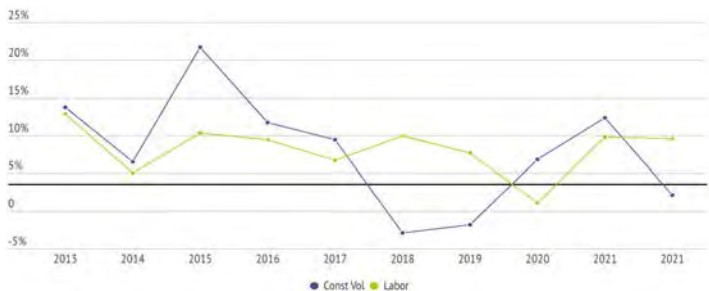
SOURCE: U.S. Bureau of Labor Statistics

## 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
Upper Westside Master Plan	Sacramento	4.0B
SMS: RFQ - Commissioning Services - Hospital Bed Replacement Tower (RHT) (California Tower)	Sacramento	2.0B
RFQ D/B - Replacement Hospital Tower (RHT)	Sacramento	2.0B
Delta Shores - Future Sections	Sacramento	1.9B
Horizontal Construction Contracts For Southwestern Border Security & Immigration Enforcement	Sacramento	1.8B
Replacement of the Existing California State Capitol Annex	Sacramento	1.4B
Mather South Mixed Use Development	Sacramento	1.3B
Aggie Square Mixed Use Project Phase 1 - University of California	Sacramento	1.1B
Sacramento Kings Sleep Train Arena / Teaching Hospital and Campus	Sacramento	1.0B
Aging in Place Acres	Folsom	0.9B

SOURCE: ReedConnect