

# Seattle, WA

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

Seattle is betting big on green energy. Its government has pledged to divest from fossil fuels by 2030 and become completely carbon neutral by 2050 – and both dates are fast approaching. The city has made big investments in trams, light-rail, and mixed-use developments to get residents out of their cars. The newly opened Climate Pledge Arena even recycles rainwater into ice for the Seattle Kraken to play on. This push for sustainability has potential for the construction industry: homes and businesses will need to be renovated to comply with new laws, and new structures will be built out of renewable materials to take advantage of tax credits.

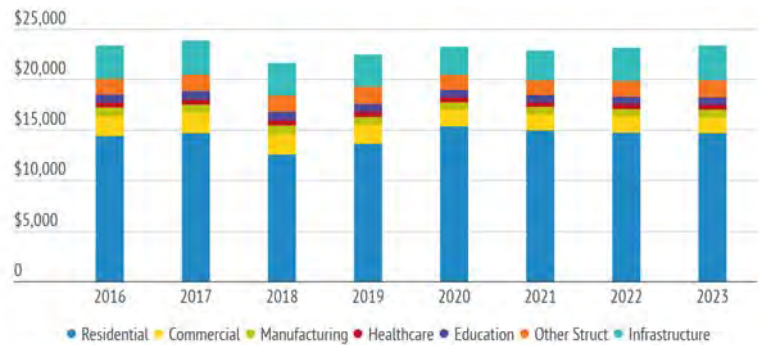
Much of Seattle's construction market comes from the residential sector. This is common for cities on the West Coast. What is less common is the city's dedication to mass transit. Seattle is just old enough to have grown around streetcar and rail lines. Although historically neglected, these are seeing renewed interest. Developments are again springing up around transit hubs. This draws in workers from the suburbs and spurs demand from all sorts of other sectors. To meet this demand, construction employment has steadily grown throughout 2021. This has outpaced volume, however, and should push labor costs down in the short term.

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

Sector	2016	2017	2018	2019	2020	HISTORIC			FORECAST	
						2021	2022	2023	2024	2025
<b>Total Increase</b>	Y-O-Y %	2.2%	-9.2%	3.8%	3.4%	-1.8%	1.4%	0.9%		
Residential	Y-O-Y %	1.9%	-14.7%	8.6%	12.7%	-2.3%	-1.6%	-0.5%		
Commercial	Y-O-Y %	3.1%	1.1%	-4.1%	-10.5%	-6.9%	-0.8%	-1.4%		
Manufacturing	Y-O-Y %	-3.8%	7.9%	-16.0%	-9.8%	-1.1%	6.6%	5.0%		
Healthcare	Y-O-Y %	-1.9%	-2.4%	1.4%	-4.1%	-2.5%	5.1%	2.8%		
Education	Y-O-Y %	2.5%	2.9%	-8.1%	-7.9%	-1.8%	1.8%	1.4%		
Other Struct*	Y-O-Y %	4.1%	-1.2%	7.5%	-10.9%	-4.3%	7.1%	6.0%		
Infrastructure	Y-O-Y %	3.9%	-3.8%	-1.8%	-12.7%	5.3%	12.8%	4.4%		

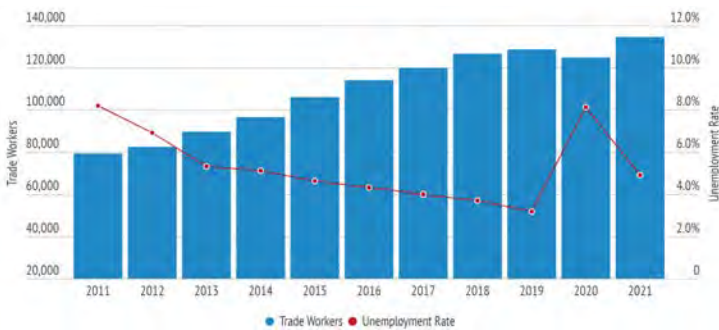
\* This includes religious buildings, amusement, government communications, and public recreation projects.

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



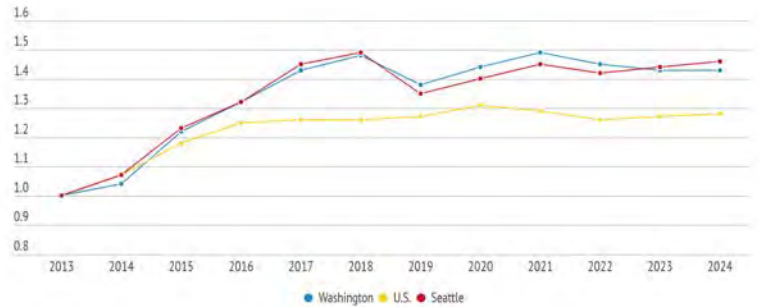
SOURCE: IHS Market

## Regional Construction Employment



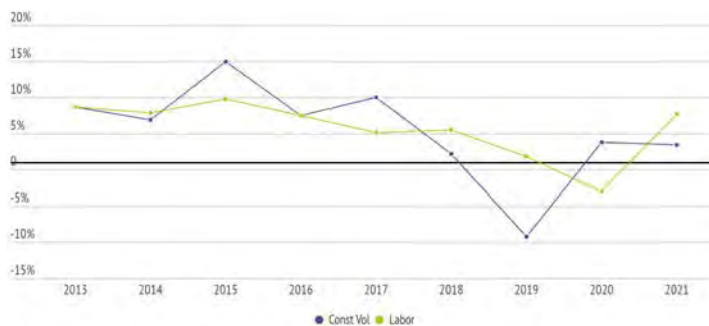
SOURCE: U.S. Bureau of Labor Statistics

## Construction Spending Index 2010-2021 (2010=1.0)



SOURCE: ReedConnect

## Construction Volume vs Labor - Annual Increase/Decrease



SOURCE: ReedConnect

## Top Regional Projects Sorted by Construction Value

Project	Location	Value
Columbia River I-5 Bridge - Washington State Department of Transportation	Vancouver	4.5B
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
Harborview Medical Center - New Medical Tower Building - 2020 Proposition 1 Bond	Seattle	952M
Snoqualmie Mill Redevelopment	Snoqualmie	865M
Shelton Hills Mixed-Use Development	Shelton	835M
RFQ Engineering - SR 520, I-5 to Montlake - I/C and Bridge Replacement	Bellevue	775M

SOURCE: ReedConnect