

Salt Lake City, UT

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

Salt Lake City's construction market is set to drop off sharply, contracting almost 17% from 2021. All sectors are expected to follow the same trend, with decreases ranging from just under 3% (in the manufacturing sector) to almost 23% (in the residential sector). Even so, the market is still better off than before the pandemic and continues to outperform the construction markets in other cities. In December, unemployment was less than 2% – the benchmark that economists consider “full employment” – and only 13,000 unemployment insurance claims were reported in the last week of January. The Bureau of Labor Statistics lists Utah as one of the country's leaders in getting

people back to work. Last year, Utah's economy grew more than any other state, and GDP is almost 20% larger than it was five years ago.

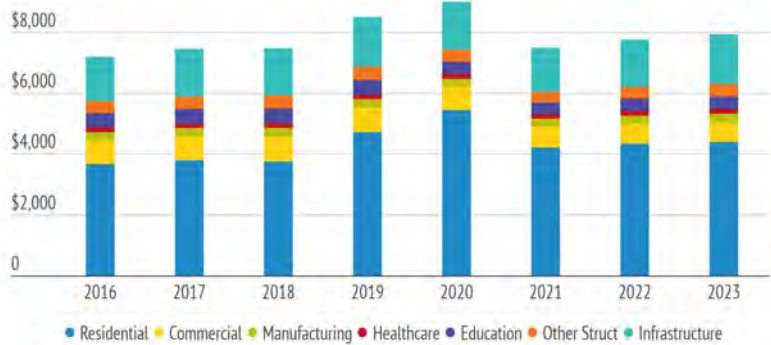
Even with a record-breaking 12,367 new rental units under construction and another 9,665 in the pipeline across the state, fewer than 2% of rental units remain vacant. This has increased rent by as much as 10% each year in some places. Last year, Salt Lake City had the tightest rental market in Utah's history. We expect this trend to reverse in 2023, however, and the increase in residential construction should ease the pain for all renters.

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

Sector	2016	2017	2018	2019	2020	HISTORIC			FORECAST	
						2021	2022	2023	2024	2025
Total Increase		3.8%	0.2%	13.8%	5.8%	-16.8%	3.5%	2.5%		
Residential		3.0%	-0.8%	25.6%	15.8%	-22.9%	3.0%	1.3%		
Commercial		4.0%	2.9%	0.6%	-8.1%	-8.9%	-2.3%	-1.3%		
Manufacturing		-2.4%	6.6%	-10.1%	-0.2%	-2.7%	2.2%	2.1%		
Healthcare		0.3%	-2.1%	5.8%	1.2%	-10.0%	3.5%	4.1%		
Education		-1.0%	3.9%	-1.7%	-15.2%	-5.3%	3.6%	4.0%		
Other Struct*		0.2%	0.7%	7.1%	-12.6%	-4.1%	5.2%	4.6%		
Infrastructure		9.4%	-0.9%	4.5%	-3.3%	-9.0%	7.5%	6.7%		

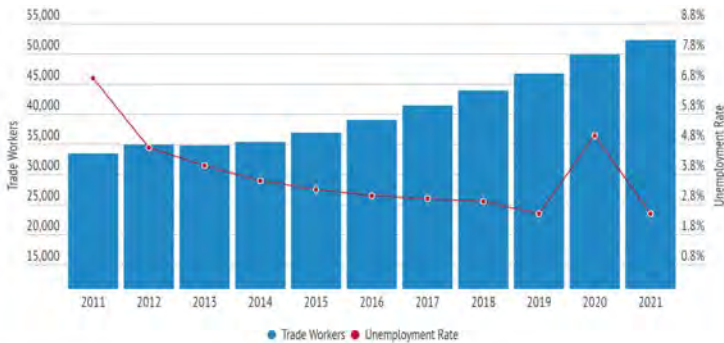
* This includes religious buildings, amusement, government communications, and public recreation projects.

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



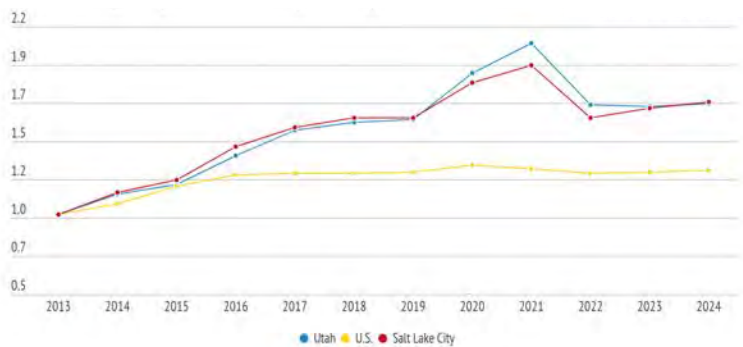
SOURCE: IHS-Markit

Regional Construction Employment



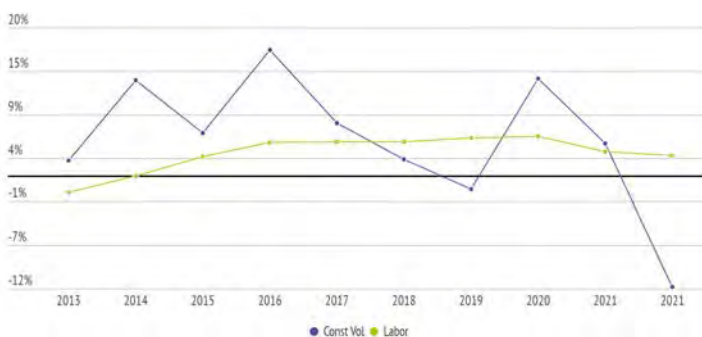
SOURCE: U.S. Bureau of Labor Statistics

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
Thanksgiving Station	Lehi	2.0B
Uinta Basin Railway	Vernal	1,500M
Sand Hollow Mesa	Hurricane	1,300M
Tech Ridge	St George	1,200M
Eagle Mountain Data Campus	Fairfield	1,200M
Olympic View Development	Park City	854M
SMS: Public Safety Communication Equipment NASPO Courtesy Posting	Salt Lake	800M
RFQ - SLC Dept. of Airports North Concourse Program, North Concourse Building and Central Tunnel	Salt Lake	737M
Salt Lake City Dept. of Airports North Concourse Program - Airside Civil Phase 2 - DP 20	Salt Lake	737M
SMS: Moab Remedial Action Contract - Moab UMTRA Project Completion	Moab	614M

SOURCE: ReedConnect