

Lieberman says this year will be “more about the macroeconomic factors of labor shortages, materials prices and interest rates,” which increase construction costs and lower return on investments. “Leveraging new technologies and innovative building practices such as modularization will be key.” Noting life sciences as “the hottest market” in the area, he says a recent JLL Global Research report ranked Philadelphia as the fifth-largest cluster in the country and one of the fastest growing.

While the office sector is hurting, Lieberman says “the key to its turnaround will be integration of placemaking within the office environment” to attract employees back to the office. But while the Philadelphia area is generally “immune to booms and busts,” he notes that “the headwinds of rising interest rates and labor and materials costs will put pressure on the industry.”

Meanwhile, artificial intelligence is finally here. “Now that BIM is pretty much universally embraced,” Lieberman says, “AI design software is the next trend in optimization and value engineering.”

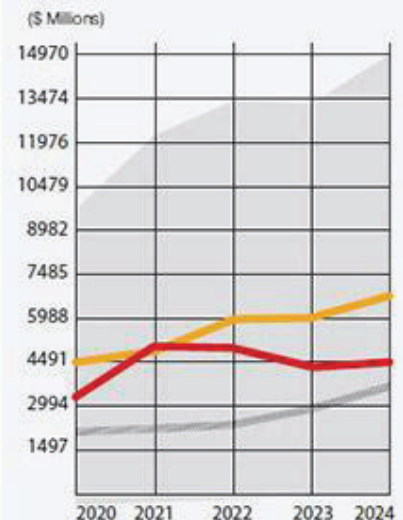
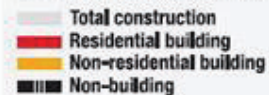


Total Construction Starts		Philadelphia-Camden-Wilmington			
	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024
TOTAL CONSTRUCTION					
(\$ Millions)	\$10,070	\$12,227	\$13,390	\$13,316	\$14,969
NON-RESIDENTIAL	\$4,567	\$4,898	\$5,983	\$6,028	\$6,778
Commercial and Manufacturing	\$2,601	\$3,033	\$3,812	\$3,258	\$2,803
Stores and Shopping Centers	\$153	\$246	\$317	\$382	\$398
Office and Bank Buildings	\$615	\$420	\$335	\$446	\$429
Hotels and Motels	\$38	\$145	\$49	\$109	\$123
Other Commercial Buildings	\$1,770	\$2,116	\$2,616	\$1,952	\$1,535
Manufacturing Buildings	\$25	\$105	\$495	\$370	\$319
Institutional	\$1,967	\$1,865	\$2,171	\$2,771	\$3,975
Education Buildings	\$1,170	\$663	\$1,153	\$1,179	\$1,353
Health-Care Facilities	\$441	\$594	\$449	\$942	\$1,872
Other Institutional Buildings	\$355	\$608	\$569	\$650	\$751
RESIDENTIAL	\$3,346	\$5,066	\$5,010	\$4,352	\$4,489
Single Family	\$1,507	\$1,967	\$1,582	\$1,669	\$1,806
Multifamily	\$1,839	\$3,099	\$3,428	\$2,683	\$2,683
TOTAL NON-BUILDING	\$2,156	\$2,263	\$2,397	\$2,936	\$3,702
Highways and Bridges	\$1,287	\$1,428	\$1,282	\$1,515	\$1,941
Other Public Works	\$377	\$400	\$304	\$496	\$567
Environmental Public Works	\$448	\$383	\$608	\$591	\$735
Electric Utilities	\$44	\$53	\$203	\$335	\$458

Total Picture

New Construction Contracts Expected to Dip Slightly This Year Before Rising 12% in 2024

The gains forecast for non-building and non-residential work in 2023 will be offset by weakness in residential activity.



*Construction starts in City Scoop provided by Dodge Data & Analytics, the premier project information source in the construction industry. For more construction starts or general information on Dodge products and services, call 1-800-393-6343 or visit the website at www.construction.com.