



2021

CONSTRUCTION OUTLOOK



Bill Popp, President and CEO

TODAY'S PRESENTATION

- 2020 Jobs data and forecast
- Population trends
- General construction permitting data
- Commercial permitting 2020 vs 2019
- A slightly deeper dive into Retail data



2020 EMPLOYMENT

-12,400 Jobs; -8.3%
10.0% Avg. Unemployment

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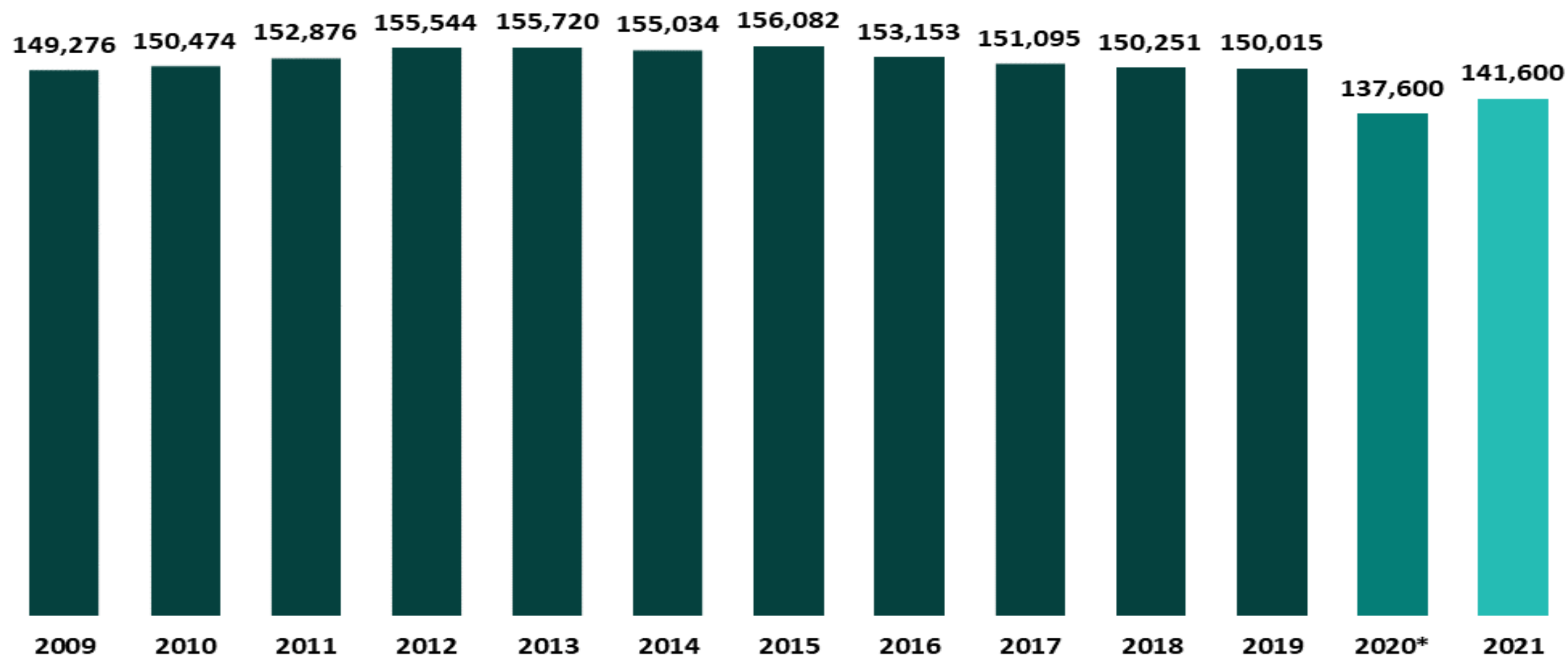
All data sourced from the State of Alaska Department of Labor. 2020 jobs data are based on preliminary estimates to be firmed up later this year.

Unemployment is based on 1st time claims, ongoing claims, and Pandemic Unemployment Assistance (PUA) data, U.S. Bureau of Labor Statistics.

2021 FORECAST: +4,000 JOBS



ANC EMPLOYMENT 2009-2020 & 2021 FORECAST



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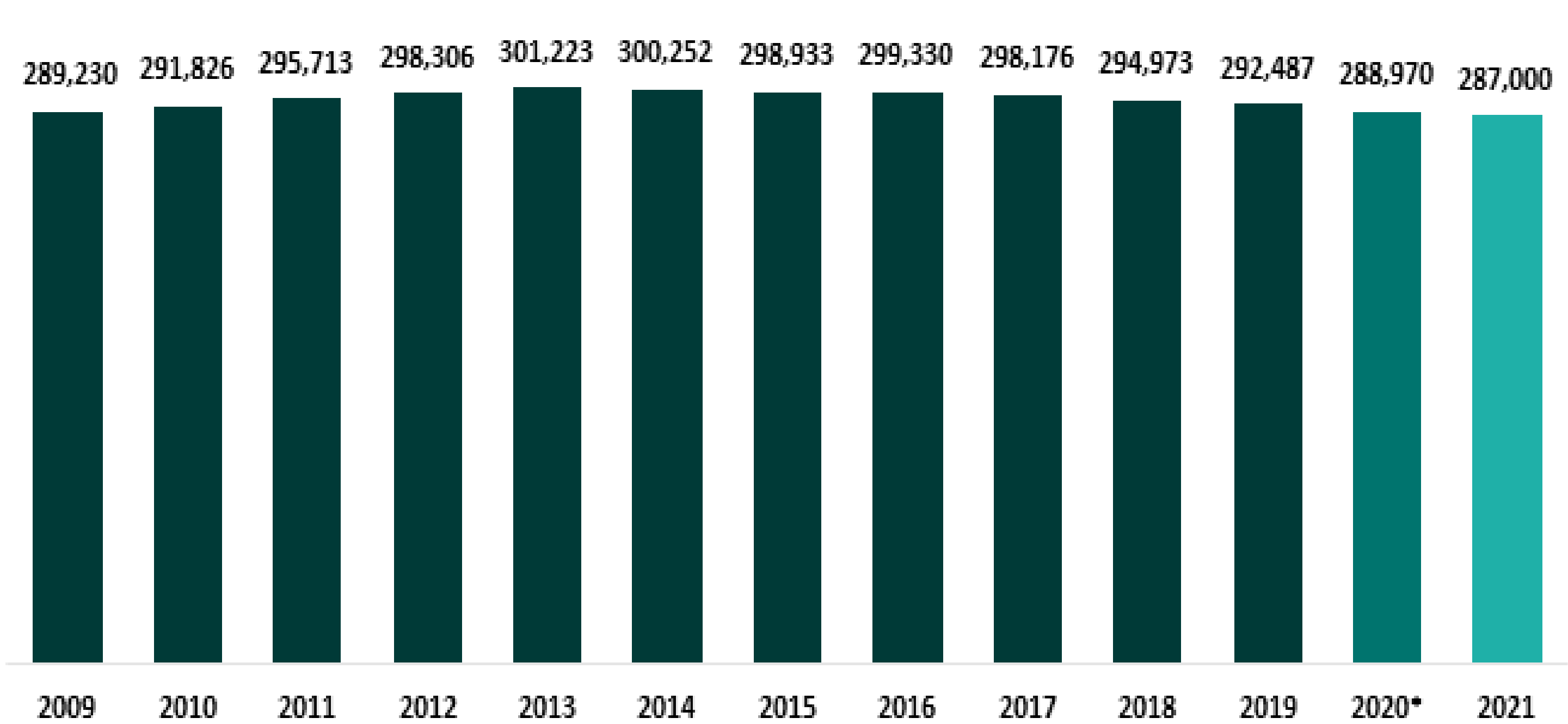


*Employment estimate is preliminary. All figures for calendar year based on monthly averages.

Source: Alaska Department of Labor and Workforce Development (2009-2019 employment); McKinley Research Group (2020 and 2021 employment)

ANCHORAGE POPULATION FORECAST

-1,970



Record high:
301,000 in 2013

2020: -3,500

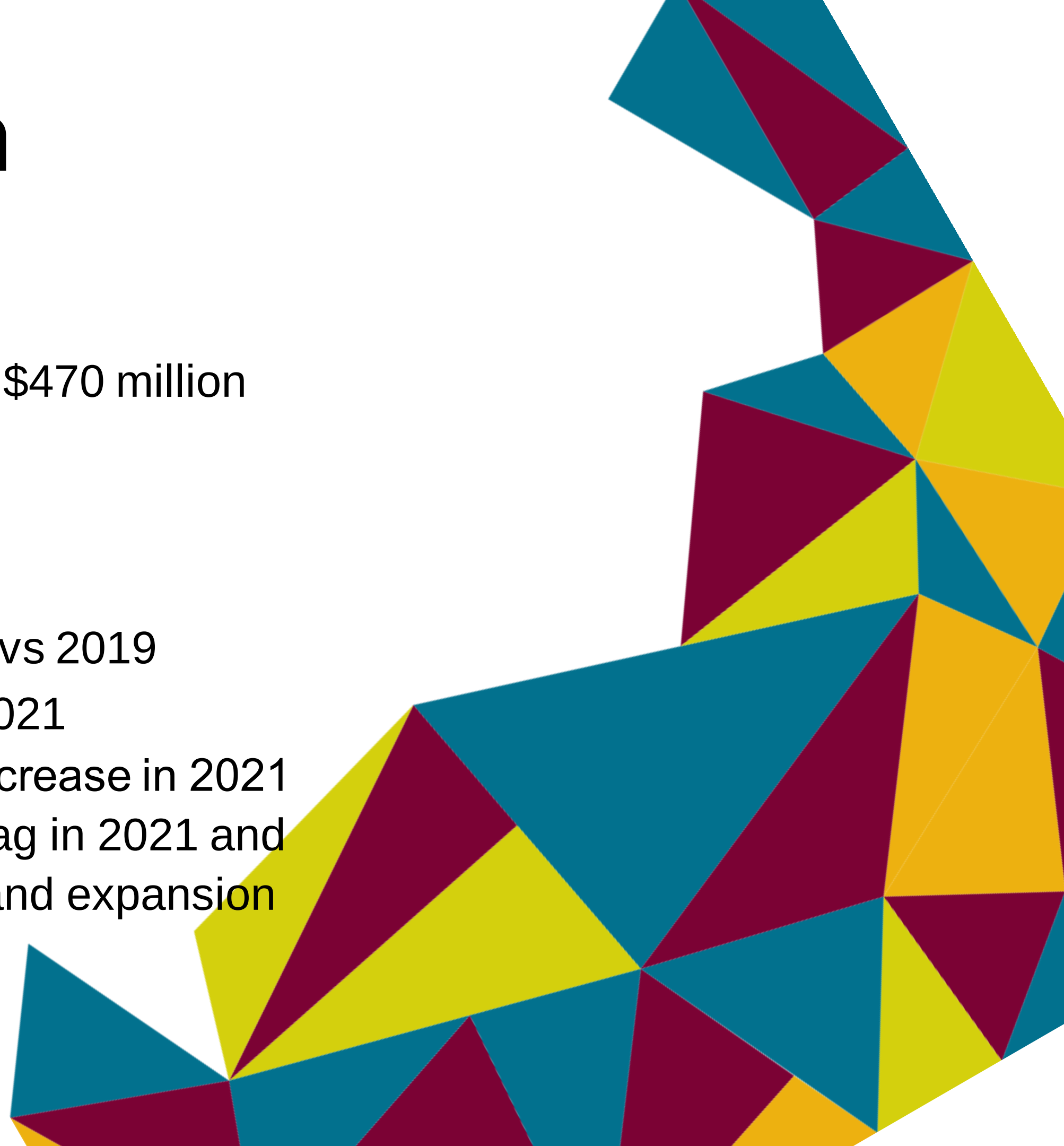
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Source: Alaska Department of Labor and Workforce Development (2009-2019); McKinley Research Group (2021 estimate)

Construction Sector Data-

- Total building permit values in 2020: \$470 million +6% over 2019.
 - Commercial down 23% vs 2019
 - Residential up 12% vs 2019
 - Government up sharply, doubling vs 2019
- Government permitting will lead in 2021
- Residential permitting expected to increase in 2021
- Commercial permitting expected to lag in 2021 and initially trending mainly in remodels and expansion of existing facilities



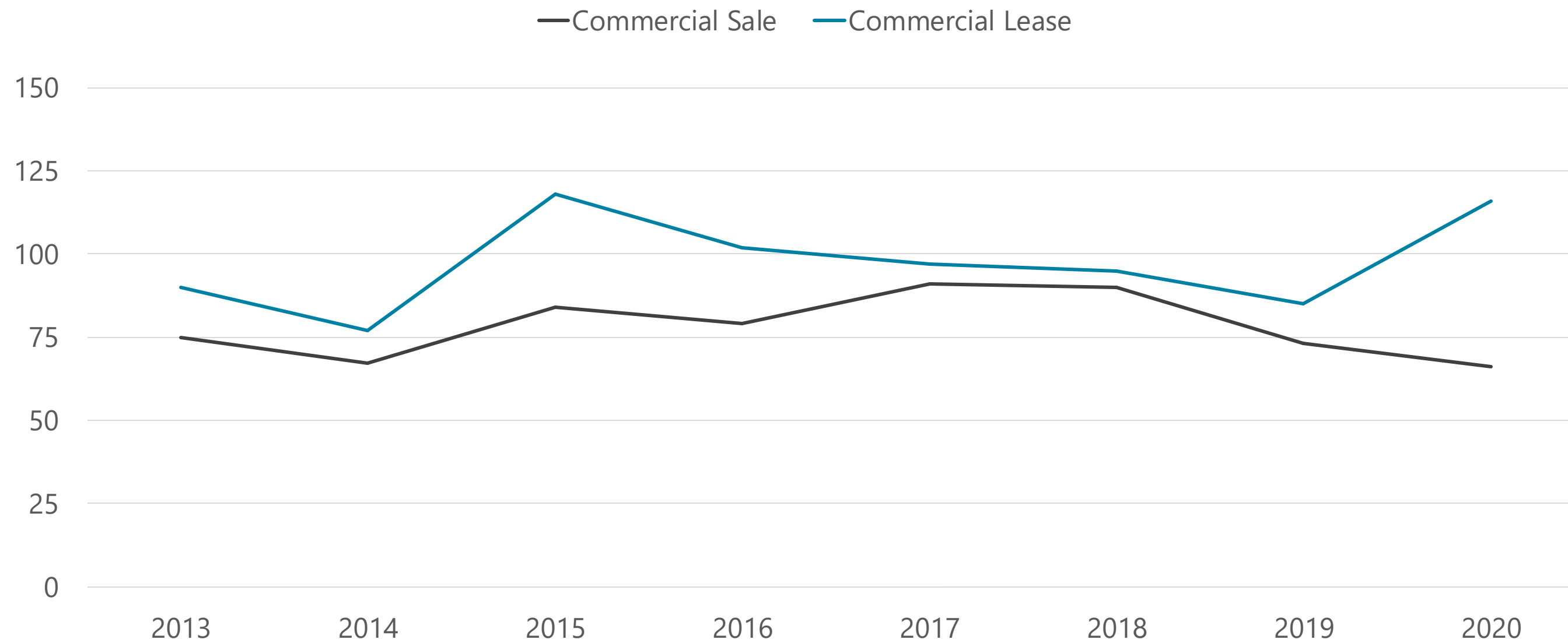


COMMERCIAL BUILDING PERMIT VOLUME

	2019	2020
Alterations	\$139.8 M	\$121.3 M
New Construction	\$84.5 M	\$78.1 M

**Municipality of Anchorage

2021 RETAIL – NUMBER OF LISTINGS ON MARKET



2021 RETAIL – AVERAGE LEASE RATES PER YEAR



GENERAL RETAIL LEASE RATES

- Class A \$2.85 – \$4.00/Sq. Ft. (NNN)
- Class B \$1.75 – \$2.25/Sq. Ft. (NNN)
- Class C \$1.25 – \$1.45/Sq. Ft. (NNN)

LANDLORD CONCESSIONS

- Free Rent
- Tenant Improvement Allowance
- Work with Lenders

EXISTING TENANTS

- Downsize
- Rent Abatement
- Reduce and Extend

THANK YOU!

All reports available at www.AEDCweb.com

