Economy
Vaccination key to post-covid recovery

Source: CDC
States experiencing labor shortages tend to have lower vaccination rate

Source: CDC, BLS
Traffic to restaurants jumped as states lift some covid restrictions

Total time spent away from home compared to January 2020

Source: Google
Tennessee, West Virginia and South Carolina lead visits to restaurants
Total time spend at retail & Restaurants compared to January 2020

Source: Gogole
Job postings have surpassed the pre-recession levels...

Source: Burning Glass Technologies
Job postings surpassed the pre-covid levels in most states
Total job postings compared to January 2020
Less than stellar April job growth puzzled many

Non-farm Employment, Index 100 = Feb 2020

Source: BLS
South leads hospitality employment recovery but still below pre-covid levels

% Change in Leisure & Hospitality Employment Compared to March 2020
Supply chain constraints weights on construction hiring in April 2021
Percentage change in construction employment compared to March 2020

Source: BLS
Residential
Fear of missing out ignites housing affordability concern

Source: Redfin, Realtor.com
New single-family construction expected to slow

Permits - South Atlantic Permits

Permits - East South Central

Source: Census, PCA
Multi-family and rental construction expected to pick up, fuel by demographics & affordability

Source: Census, PCA
In the first quarter of 2021 US homeowners extracted about $50 billion

Total Home Equity Cashed Out by US Homeowners from Conventional Refinances ($ billions)

@lenkiefer Source: Freddie Mac Quarterly Refinance Statistics
Indicates the dollar volume of equity cashed-out through the refinancing of prime, first-lien conventional mortgages.
It is calculated using Freddie Mac’s estimate of prime, conventional mortgage originations volume, the refi share of originations
It does not include equity is taken out through the refinance of FHA or VA loans or through refinance loans originated in the subprime market.

Source: Freddie Mac, Leonard Kiefer Calculation
Housing and demographics are key to demand for cement

Source: PCA
Non-residential
Working from home is here to stay

Net Absorption of Office Space in the First Quarter of 2021

Source: JLL
Some office markets have higher risk profile than others
Risk profile generally lower in the South Atlantic region

Source: JLL, C&W, NAR
Apple’s East Coast HQ

Raleigh-Durham's Research Triangle Park will be the site of Apple's first East Coast campus, an estimated $1-billion development it promises to begin creating thousands of new jobs in machine learning, artificial intelligence, software engineering and other fields, the company announced April 26.
Warehouse constructions are active everywhere but especially strong in port cities.

<table>
<thead>
<tr>
<th>Market</th>
<th>Under Construction (SF)</th>
<th>Under Construction (% of Inventory)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas-Fort Worth</td>
<td>20M</td>
<td>3%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>18M</td>
<td>2%</td>
</tr>
<tr>
<td>Chicago</td>
<td>15M</td>
<td>2%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>14M</td>
<td>2%</td>
</tr>
<tr>
<td>Memphis</td>
<td>12M</td>
<td>1%</td>
</tr>
<tr>
<td>Houston</td>
<td>10M</td>
<td>1%</td>
</tr>
<tr>
<td>New York City Metro</td>
<td>10M</td>
<td>1%</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>8M</td>
<td>1%</td>
</tr>
<tr>
<td>Savannah</td>
<td>8M</td>
<td>1%</td>
</tr>
<tr>
<td>Kansas City</td>
<td>6M</td>
<td>1%</td>
</tr>
<tr>
<td>Detroit</td>
<td>6M</td>
<td>1%</td>
</tr>
<tr>
<td>Tampa Bay</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>South Florida</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Columbus</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Nashville</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Norfolk</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Charlotte</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Baltimore Metropolitan Area</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Omaha</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Raleigh-Durham</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Minneapolis-St. Paul</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Greenville Spartanburg</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Columbus</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Dayton</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Pensacola</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Charleston</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Richmond</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>4M</td>
<td>1%</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>4M</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Colliers International
ApiJect Systems Gigafactory

• Durham NC
• $785 million
• Project Start: February 2021
U.S. Hotel Rooms In Construction Will Likely Decline
January 2006 - October 2020

Source: STR, 2020 © CoStar Realty Information, Inc.
Miami Wilds

- **Water Park** – Approximately 20 Acres: Developers say it will be a best-in-class water park with a lazy river attraction, wave pools, slides, kiddie pools and a beach area (estimated cost of $43 million).

- **Family Lodge Hotel** – 200 rooms on approximately 4 acres: The boutique hotel has an estimated cost to build of $52 million.

- **Retail** – Approximately 3.5 Acres: The retail and restaurant village will have between 15,000 and 25,000 square feet of space. Cost to build is $4 million.

- **Parking** – Parking and drop off areas for 4,206 cars and 90 buses (including for Zoo Miami). Estimated cost to build is $13.5 million, paid for with the taxpayer grant.
Uncertainty related return to office weights on commercial cement consumption

Source: PCA
Public
Percent Change in State Tax Revenue from 2019 to 2020

United States: -1.8%
- Lower than -3%
- -3% to 0%
- 0% to 2%
- Greater than 2%

Source: Urban Institute
Population growth key to public construction and cement consumption

Source: PCA
Hampton Roads Bridge Tunnel Expansion

- Norfolk, Virginia
- $3.4 billion
- Start Date: October 2020
Howard Frankland Bridge

- Tampa/St Petersburg, Florida
- $865 million
- Project Start: November 2020
Demographics key to cement consumption

Total Cement Consumption - South Atlantic

Total Cement Consumption - East South Central

Source: PCA
Market Update
Southeast Region
David Lan, Senior Regional Economist
June 2021