

## YOUR CONVENTION CENTER EXPERTS

### RIDER LEVETT BUCKNALL

At Rider Levett Bucknall (RLB), our approach allows us to deliver successful outcomes to property and construction projects by tailoring our services to match client goals and needs. Our team specializes in creating, evaluating, and managing project controls that address the critical issues of time, cost, scope, and quality in the built environment.

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## DON'T MISS OUT ON FUTURE INSIGHTS!

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## CONVENTION CENTER OUTLOOK THINGS TO WATCH OUT FOR



### TRENDING

Recent trends in the exhibition industry are creating significant opportunities for convention centers in major cities, and renovations and expansions are rising. Vertical expansion is a growing solution, as many have chosen to expand vertically due to the lack of available land to expand in already dense, major markets. We often see several benefits of vertically stacking, such as providing an option for below-grade exhibition halls; an aesthetic and pedestrian-inclusive building envelope at street-level with a walkable street grid, and a reduced urban construction footprint. Decision-makers need to be acutely aware of the cost implications of this approach; however, with an understanding of the cost drivers, and how to effectively manage them, the benefits of stacked construction can pay off.

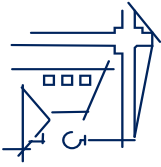
### OUTLOOK

The data shows strong growth for FY2022/23 as the industry continues to rebound from the effects of the Covid-19 pandemic. The Quarterly Total Index provided by The Center for Exhibition Industry Research (CEIR) - a measure of overall exhibition performance - recorded an Index of 92.0 in Q4 2023, registering just 8% below the same period in 2019, and a substantial gain compared to the last two years. The increased activity indicates a strong desire to connect face-to-face, and we expect these positive activity levels to continue through 2024.



### PROJECT CONSIDERATIONS

- Flexibility & Adaptability – Major shift in types of events, demographics, and medium: Consider **Operability** (walls) and **Futureproofing** (connectivity, broadcast, streaming).
- Wellness – Connectivity to the outdoors: Consider **Natural light**/ventilation, **Outdoor** decks, rooftops, and parks, **Operability** (“bring the outdoors in”).
- Sustainability – Balance with affordability: Consider Solar/Green Roofs, Geothermal, Low-Carbon Materiality, potential Offsets in **reduced energy costs** and **greater resiliency**.





**5.41%**  
National YOY  
Escalation Rate



**94%**  
% Attendance  
Compared to  
FY2021/22\*



**93%**  
% Events Compared  
to FY2021/22\*

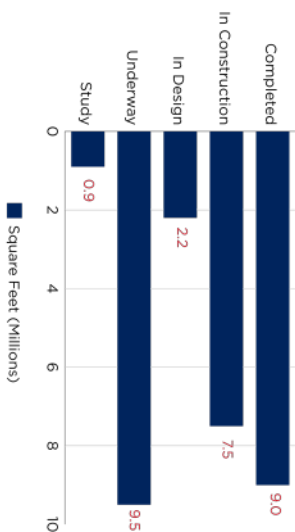
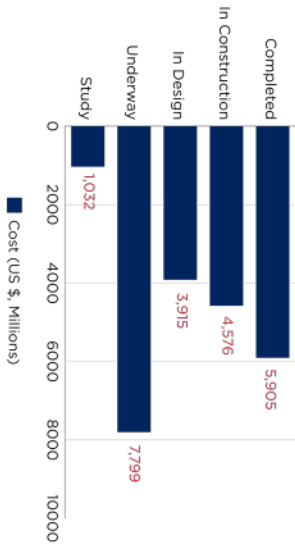
\*Attendance and events statistics based on FY2022/23 data

## CONVENTION CENTER MARKET INSIGHT



### ABOUT THE CHARTS

The chart on the left represents the **value** of the pipeline of major convention center projects from the 'study' phase to those 'recently completed'; the chart on the right represents the total **gross square-footage** of that same collection of major projects.



### WHAT THIS MEANS FOR THE CONVENTION CENTER SECTOR

FY2022/23 saw significant rebounds in both attendance and event numbers from the prior year and almost a full return to pre-pandemic levels. This strong interest in exhibitions and events has undoubtedly driven a very healthy pipeline of convention center development around the country, from intimate renovations to large scale expansions and new-builds. Fortunately, we are starting to see a continued easing of construction cost escalation, as the national YOY escalation rate drops to 5.41% for Q2 2024. We expect escalation to continue over the next 6 to 18 months, however at a slower pace than we have experienced over the past couple of years.

### CONVENTION CENTER CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE Q1-Q2 2024	APPROX. CHANGE Q2 2023-Q2-2024
Structural Steel	▲ 01%	▲ 1.4%
Ready-Mix Concrete	▲ 2.0%	▲ 7.4%
Copper	▲ 7.0%	▲ 2.8%
Vertical Transportation	▲ 1.6%	▲ 2.2%
Aluminum	▲ 0.2%	▼ -4.4%
Glass	▲ 0.1%	▲ 0.1%
Metal Panels	▲ 1.0%	▲ 13.0%
Metal Roofing	▲ 0.1%	▲ 2.0%