

YOUR CONVENTION CENTER EXPERTS

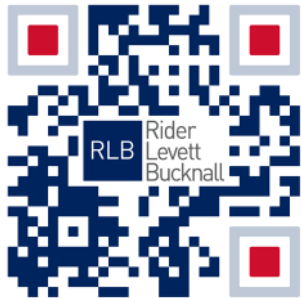
RIDER LEVETT BUCKNALL

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!

SCAN TO SUBSCRIBE



CONVENTION CENTER OUTLOOK THINGS TO WATCH OUT FOR



TRENDING

Post-pandemic conditions may have taught us one thing in particular: that we are human and that the rebound of demand for in-person interaction is strong; that the desire for human connection is what we, as a customer, are ultimately looking for. Undoubtedly, we do also see a significant lean towards providing maximum flexibility and adaptability, including the need for hosting 'hybrid' events, a combination of remote and in-person interaction. Flexibility is also extending itself to trends in events being hosted, from traditional trade shows to esports and drone racing, and the adaptability to be able to scale-up and scale-down on a whim. A recent renewal in our own human desire for wellness and connection has also driven momentum for more open-space, a connection to the outdoors, room to collaborate and interact, and the need to provide a connection between the venue and the local community as a whole.



OUTLOOK

While the data shows a gradual rebound of activity in FY2021/22, the return is expected to ramp up considerably over the next two years. Airport passenger traffic around the country has been rapidly returning to pre-pandemic figures, highlighting that the fear of travel is over, and hotel occupancy is following a similar trend. We may see challenges with convincing attendees to forego the, perhaps, more cost-effective approach of "connecting remotely", however current signs are indicating a strong return of activity and a strong desire to connect "face-to-face".



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**.

7.22%
National YOY
Escalation Rate



32.2%
% Attendance
Compared to
FY2017/18

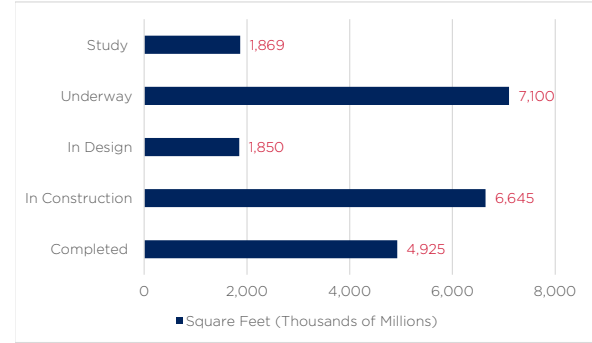
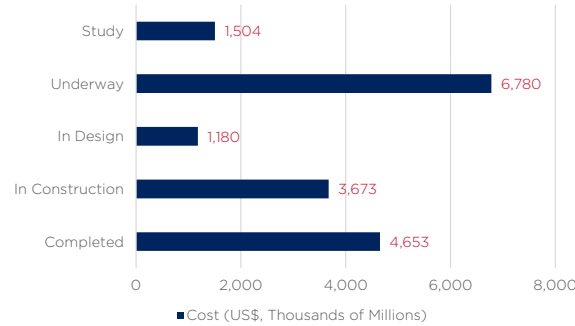


44.1%
% Events Compared
to FY2017/18

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

It comes as no surprise that there is a healthy pipeline of major convention center redevelopment, predominantly in the South/Mid West. Interestingly, the value of work currently in the study/underway phases (c.\$8.3B over 9.0M GSF) greatly exceeds that of the work that is currently under construction (c.\$3.7B over 6.7M GSF). This could be due to current economic conditions, dramatic inflation since 2020, a shift in the function and form of convention center design – or, likely, a combination thereof. What remains constant, however, is the need for robust cost, scope, and schedule management, and the earlier appropriate controls can be established on the project, the higher the chance for a successful outcome.

CONVENTION CENTER CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE Q1-Q2 2023	APPROX. CHANGE Q2 2022-Q2-2023
Structural Steel	▲ 7.8%	▲ 4.3%
Ready-Mix Concrete	▲ 3.1%	▲ 13.2%
Copper	▲ 6.2%	▼ -2.7%
Vertical Transportation	▲ 3.1%	▲ 5.6%
Aluminum	▲ 12.1%	▼ -11.0%
Glass	▲ 2.7%	▲ 10.6%
Metal Panels	▲ 0.1%	▼ -5.8%
Metal Roofing	▲ 0.2%	▲ 1.6%