

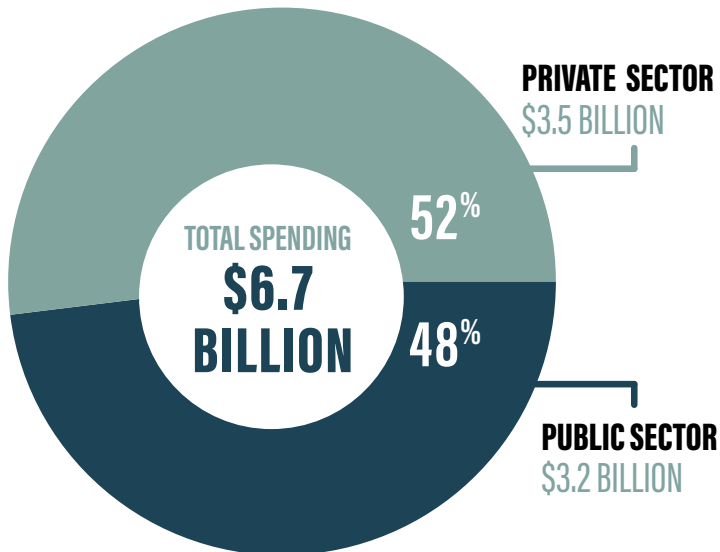


January 2025

Alaska's 2025 Construction Spending Forecast

Federal infrastructure funding and work on significant oil development projects will continue to drive statewide construction spending higher in 2025. Work has continued on Alaska's North Slope as expected, while Alaska's tourism appeal continues to drive interest in cruise-related dock projects, and the state's operating mines continue to invest to extend operating life. Projects funded through the federal Infrastructure Investment and Jobs Act (IIJA) are increasingly reaching the construction stage in Alaska. Three years into the IIJA funding authorization, defense, water/wastewater, energy, broadband, and recreation funding will translate into increased construction spending. The federal government still has funding to deploy, and grant recipients will continue to offer new project opportunities. Construction costs remain high, putting upward pressure on total spending and potentially posing risks to project development.

Construction Spending Forecast



2025 Alaska Construction Spending Forecast Summary (\$Million)

Category	Total Spending	% of Total Spending
Private Construction Spending	\$3,505	52%
Oil and Gas	\$1,490	22%
Utilities	\$710	10%
Residential	\$415	6%
Hospitals/Health Care	\$260	4%
Mining	\$135	2%
Other Basic Industry	\$120	2%
Other Commercial	\$375	6%
Public Construction Spending	\$3,205	48%
National Defense	\$940	14%
Highways and Roads	\$600	9%
Airports, Ports/Harbors, Railroad	\$470	7%
Education	\$240	4%
Other State and Local Government	\$515	8%
Other Federal Government	\$440	6%
TOTAL	\$6,710	100%



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Private Sector Construction Outlook

↑ OIL AND GAS \$1.49 BILLION
Work continues on the largest new developments on Alaska's North Slope in decades. Santos expects construction to be complete on Pikka Phase 1 in 2025, with first oil produced by year-end. ConocoPhillips will continue construction work on the Willow Project through 2026.

↑ UTILITIES \$710 MILLION
Spending on utilities infrastructure will increase in 2025, driven by significant federally funded projects reaching the construction stage. Grant recipients will deploy funding for statewide broadband infrastructure, water and sanitation projects, and energy projects. The Alaska Native Tribal Health Consortium (ANTHC) will continue construction of rural water and sanitation systems, including those in previously unserved communities such as Stebbins. Fiber optics buildout projects will continue in rural Alaska. Energy utilities on and off Alaska's railbelt will make strategic investments in transmission projects, powerhouse repair, substation upgrades, and more.

↑ RESIDENTIAL \$415 MILLION
Despite interest rate cuts, affordability continues to impact new residential construction and demand for home renovations. The Alaska Housing Finance Corporation created the new Last Frontier Housing Initiative in 2024 to fund low-income and professional housing across Alaska. About \$24 million in funding was distributed in 2024 to project partners in Kotzebue, Nome, Bethel, Sitka, and Ketchikan.

↔ HOSPITALS & HEALTH CARE \$260 MILLION
Several healthcare projects started in 2024 will continue through 2025. On the Alaska Native Health Campus in Anchorage, the Alaska Native Tribal Health Consortium continues construction for the Alaska Native Medical Center emergency department expansion and a new skilled nursing facility; Southcentral Foundation proceeds with building a new behavioral health facility. Work will begin on an inpatient behavioral health expansion at Fairbanks Memorial. In Nome, the Norton Sound Health Corporation plans to complete Quyanna Care Center expansion by the end of 2025.

↓ MINING \$135 MILLION
Construction work is expected across six of Alaska's seven producing mines in 2025. Near Juneau, Hecla's permit application to expand the Greens Creek Mine tailings facility has been approved. In the Northwest, Teck received permit approval to develop infrastructure to reach new deposits and expects to work on road construction in 2025. In mid-2024, the U.S. Bureau of Land Management issued a Record of Decision on the Ambler Access Road Final Environmental Impact Statement, selecting the "No Action Alternative" and halting advance of the project.

↑ OTHER BASIC INDUSTRY \$120 MILLION
Alaska's visitor volume remained strong in 2024. New cruise ship dock projects around the state are in various stages of development – work at the Head of the Bay dock in Whittier will draw to a close, as construction is expected to begin on the Juneau Aak'w Landing project in 2025. Other visitor-related projects will include work on the new Gateway Visitor Center in the Mat-Su Borough and at hotels around the state. Routine maintenance will continue at modest levels across Alaska's seafood processing plants.

↑ OTHER INDUSTRIAL/COMMERCIAL \$375 MILLION
Businesses across Alaska will continue to invest in new facilities, upgrades, and expansions. Air cargo and logistics projects at Ted Stevens International in Anchorage continue to be among the largest projects in this category, with construction extending into 2025.

Public Sector Construction Outlook

↑ NATIONAL DEFENSE \$940 MILLION
Extensive military construction by the U.S. Army Corps will include residential upgrades statewide, new fuel infrastructure and completion of JBER's runway extension, and major pier repairs on Shemya Island. Construction of JITTC, JBER's comprehensive flight training facility, will begin mid-2025. The Coast Guard will focus on Kodiak Base facility repairs, maintenance of communication sites statewide, and overhaul of facilities in Ketchikan.

↓ HIGHWAYS & ROADS \$600 MILLION
In 2025, an estimated \$600 million in construction-related spending is expected for highways and roads in Alaska. Notable projects include work on the Richardson Highway Chena Flood Control Bridge, Haines Highway reconstruction, continued work on the Cooper Landing Bypass, and Alaska Highway rehabilitation.

↓ AIRPORTS, PORTS/HARBORS, RAILROAD \$470 MILLION
Major airport infrastructure projects include work in Deadhorse, Kodiak, Nightmute, and Kongiganak, among many other communities, as well as airport terminal improvements in Sitka and Ketchikan. Work will likely be delayed on the Nome deep water port project due to a cost-related bid cancellation in 2024. Other ports and harbor work will continue across coastal Alaska in Cordova, Juneau, Seward, and Adak, among others. The Alaska Railroad plans several bridge and track rehabilitation and replacement projects in 2025.

↓ EDUCATION \$240 MILLION
The State of Alaska and local governments share the cost of new construction, rehabilitation, and maintenance of educational facilities. Upcoming or continuing K-12 projects include continued construction of a permanent school in Kaktovik, replacement of Inlet View Elementary in Anchorage, energy retrofits in Fairbanks, and many more. University spending will be driven by several foundation replacements, a Planetarium addition at UAF, and an expansion at UAA's Consortium Library to accommodate the Alaska Leaders Archive.

↓ OTHER STATE AND LOCAL GOVERNMENT \$515 MILLION
State and local government expenditures not captured in other public sector categories are anticipated to total \$515 million in 2025. Projects will include playgrounds, work across many solid waste facilities, fitness center expansion in Bethel, and many other community initiatives.

↑ OTHER FEDERAL GOVERNMENT \$440 MILLION
In addition to the many projects supported by federal funding in other sectors, an estimated \$440 million in federal funding is expected to be deployed through various governmental and nonprofit entities in Alaska. In 2025, major construction projects in this category include continued work on the Denali National Park road, development of new public use cabins in the Chugach and Tongass National Forests, and projects at federal facilities and buildings. The Alcan Border Crossing project is still in development, with a bid package expected to be released sometime in 2025.