



# 2011 Outlook for SE Construction Activity

## Orlando, FL

**Mike Mehno**

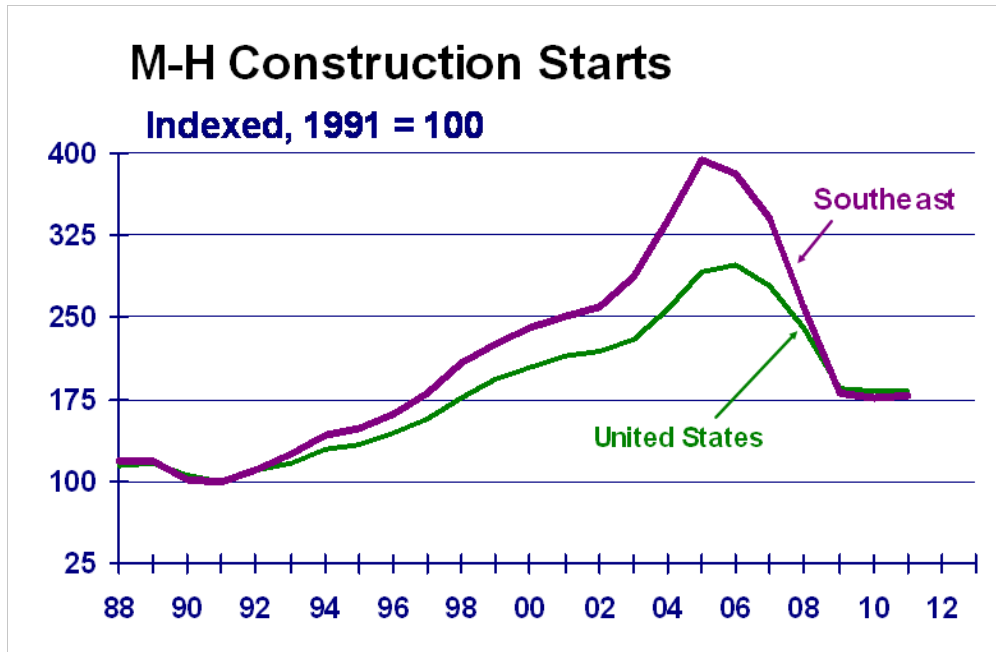
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# The Southeast Region (FL, NC, GA, TN, AL, SC)

*Comparing the pattern of total construction to the U.S.*



## Total Construction in 2010, by State

|              | \$ bil.       | %ch<br><u>10/09</u> | %ch<br><u>10/05</u> |
|--------------|---------------|---------------------|---------------------|
| <b>FL</b>    | <b>\$24.4</b> | <b>-3%</b>          | <b>-66%</b>         |
| <b>NC</b>    | <b>14.4</b>   | <b>-4%</b>          | <b>-42%</b>         |
| <b>GA</b>    | <b>10.7</b>   | <b>-6%</b>          | <b>-61%</b>         |
| <b>TN</b>    | <b>8.5</b>    | <b>+14%</b>         | <b>-38%</b>         |
| <b>AL</b>    | <b>6.8</b>    | <b>-10%</b>         | <b>-30%</b>         |
| <b>SC</b>    | <b>6.5</b>    | <b>-5%</b>          | <b>-50%</b>         |
| <b>Total</b> | <b>\$71.3</b> | <b>-3%</b>          | <b>-55%</b>         |

# The Southeast Region

- The Southeast employment decline in 2008-2009 generally steeper than U.S. ; job growth by 2012 expected to be stronger than U.S.

|           | <u>2008</u>  | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  |
|-----------|--------------|--------------|--------------|--------------|--------------|
| <b>US</b> | <b>-0.6%</b> | <b>-4.4%</b> | <b>-0.7%</b> | <b>+1.3%</b> | <b>+2.1%</b> |
| <b>FL</b> | <b>-3.5%</b> | <b>-6.3%</b> | <b>-1.0%</b> | <b>+2.1%</b> | <b>+3.7%</b> |
| <b>NC</b> | <b>-0.2%</b> | <b>-5.5%</b> | <b>-1.2%</b> | <b>+0.9%</b> | <b>+2.1%</b> |
| <b>GA</b> | <b>-1.0%</b> | <b>-5.4%</b> | <b>-1.3%</b> | <b>+1.1%</b> | <b>+2.7%</b> |
| <b>TN</b> | <b>-0.8%</b> | <b>-5.6%</b> | <b>-0.3%</b> | <b>+1.7%</b> | <b>+2.4%</b> |
| <b>AL</b> | <b>-0.7%</b> | <b>-5.3%</b> | <b>-0.9%</b> | <b>+0.9%</b> | <b>+2.6%</b> |
| <b>SC</b> | <b>-1.0%</b> | <b>-5.9%</b> | <b>-0.5%</b> | <b>+1.4%</b> | <b>+2.4%</b> |

**Florida Pluses:** Still a leading retiree and tourist destination.  
Strong international ties, particularly to Latin America.

**North Carolina Pluses:** Important high-tech base.  
Rising production of durable goods.  
Universities that attract tech firms and professionals.

**Georgia Pluses:** Low cost of living and doing business.  
High population growth.  
Strong potential in trade and distribution.

# The Southeast Region

## Leading Contractors

*Based on General Building Construction Starts*

| <u>General Contractor</u>             | <u>City</u> | <u>State</u> | <u>Value<br/>\$ Millions</u> | <u>Sq. Ft.<br/>Thous.</u> | <u>Project<br/>Count</u> |
|---------------------------------------|-------------|--------------|------------------------------|---------------------------|--------------------------|
| MACTEC                                | Alpharetta  | GA           | 3,700.0                      | 7,000                     | 1                        |
| Brasfield & Gorrie LLC                | Birmingham  | AL           | 2,497.1                      | 12,941                    | 304                      |
| BE & K Building Group                 | Brentwood   | TN           | 1,694.1                      | 4,678                     | 36                       |
| Caddell Construction Company Inc      | Montgomery  | AL           | 759.1                        | 3,100                     | 15                       |
| Turner Universal Construction Company | Brentwood   | TN           | 718.9                        | 3,037                     | 102                      |
| Hensel Phelps Construction Company    | Orlando     | FL           | 688.1                        | 2,352                     | 14                       |
| Holder Construction Company           | Atlanta     | GA           | 666.9                        | 2,167                     | 19                       |
| Whiting Turner Contracting            | Raleigh     | NC           | 610.3                        | 3,386                     | 44                       |
| MARS Contractors                      | Miami       | FL           | 525.0                        | 927                       | 1                        |
| Parsons                               | Orlando     | FL           | 500.0                        | 1,100                     | 1                        |
| Balfour Beatty Construction           | Orlando     | FL           | 417.1                        | 2,078                     | 29                       |
| Bell/Clark Construction               | Nashville   | TN           | 415.0                        | 1,915                     | 2                        |
| Skanska USA Building Inc              | Nashville   | TN           | 400.4                        | 1,879                     | 41                       |
| Robins & Morton Group                 | Birmingham  | AL           | 397.6                        | 2,006                     | 52                       |

\*Firms with more than one location show the total firm activity for the most active office location.

# The Southeast Region

## Leading Designers

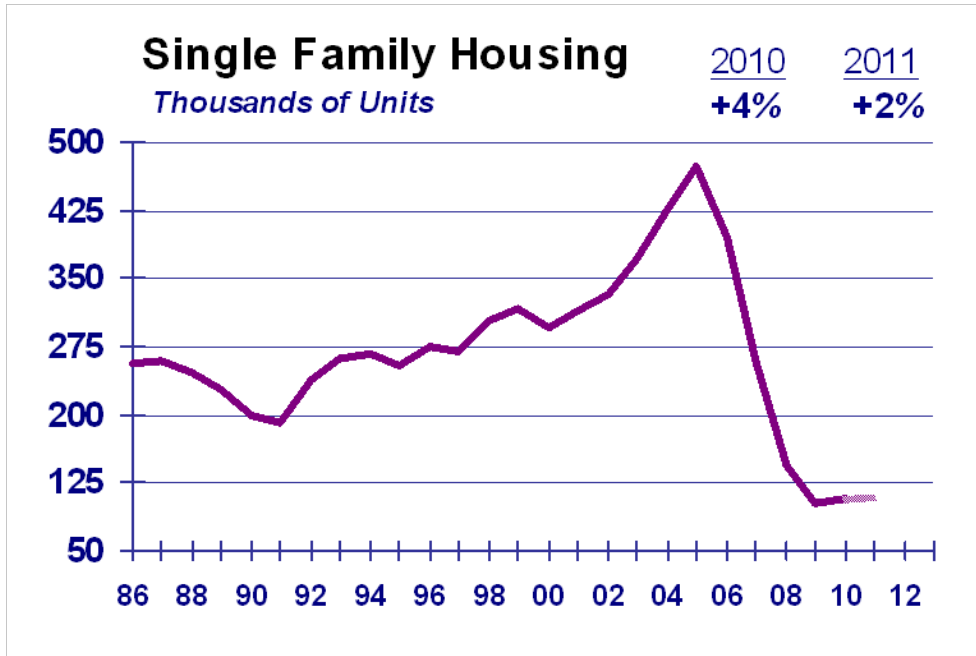
*Based on General Building Construction Starts*

| <u>Design Firm</u>                            | <u>City</u> | <u>State</u> | <u>Value<br/>\$ Millions</u> | <u>Sq. Ft.<br/>Thous.</u> | <u>Project<br/>Count</u> |
|---|-------------|--------------|------------------------------|---------------------------|--------------------------|
| HOH Engineers                                 | Chicago     | IL           | 3,700.0                      | 7,000                     | 1                        |
| Perkins & Will Architects Inc                 | Atlanta     | GA           | 1,463.2                      | 4,510                     | 60                       |
| Duckett-Design Group Inc                      | East Point  | GA           | 1,155.0                      | 1,300                     | 2                        |
| LS3P Architects                               | Charlotte   | NC           | 916.2                        | 6,522                     | 103                      |
| Hellmuth, Obata + Kassabaum Inc               | Tampa       | FL           | 738.0                        | 2,707                     | 27                       |
| RLF Inc (Rogers Lovelock & Fritz Inc)         | Winter Park | FL           | 671.5                        | 2,432                     | 18                       |
| Little Diversified Architectural Consulting   | Charlotte   | NC           | 550.9                        | 3,155                     | 111                      |
| Niles Bolton Associates                       | Atlanta     | GA           | 547.8                        | 5,784                     | 35                       |
| Moody Nolan Ltd Inc                           | Nashville   | TN           | 539.2                        | 2,986                     | 24                       |
| Populous                                      | Kansas City | MO           | 525.6                        | 927                       | 2                        |
| Corgan Associates Inc                         | Dallas      | TX           | 500.0                        | 500                       | 1                        |
| The Preston Partnership Inc                   | Atlanta     | GA           | 492.2                        | 4,868                     | 23                       |
| Schenkel Shultz, Architecture/Interior Design | Orlando     | FL           | 491.4                        | 2,844                     | 54                       |
| HDR Architecture, Inc                         | Omaha       | NE           | 451.9                        | 1,666                     | 20                       |

\*Firms with more than one location show the total firm activity for the most active office location.

# The Southeast Region

## Single Family Housing

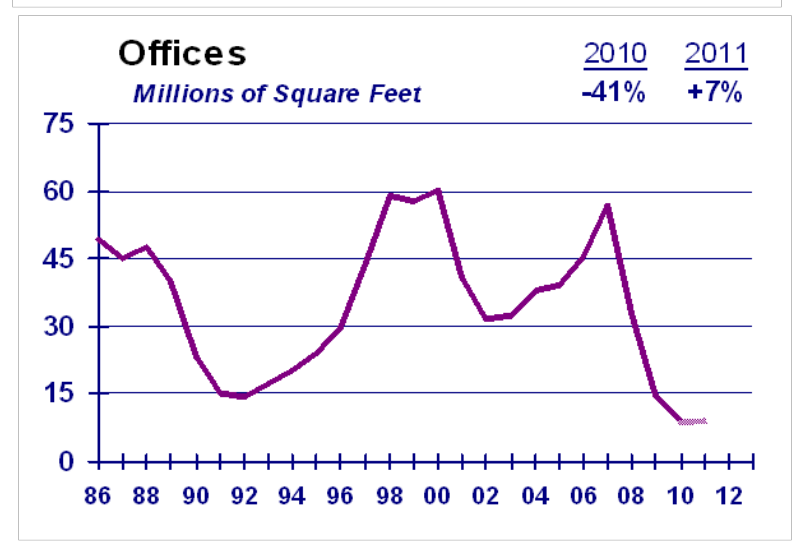
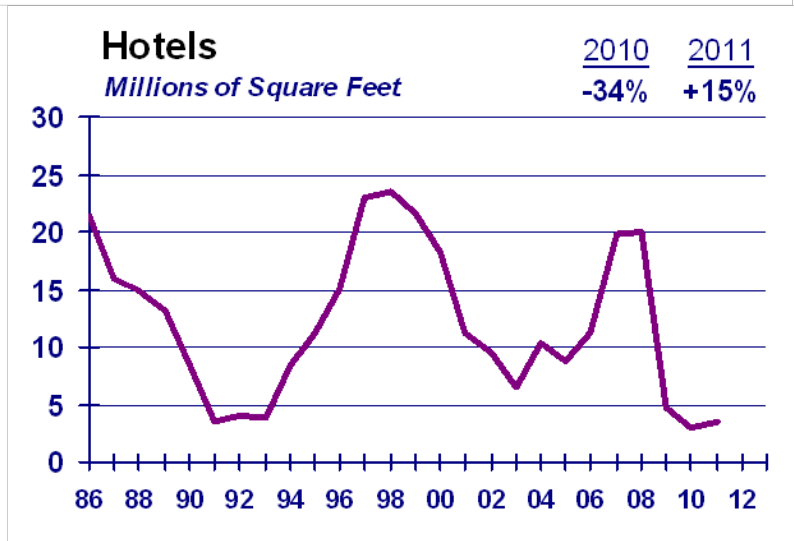
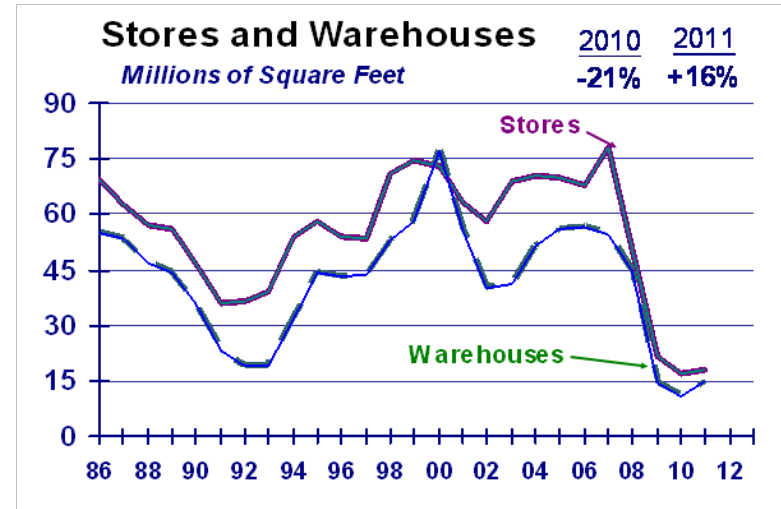
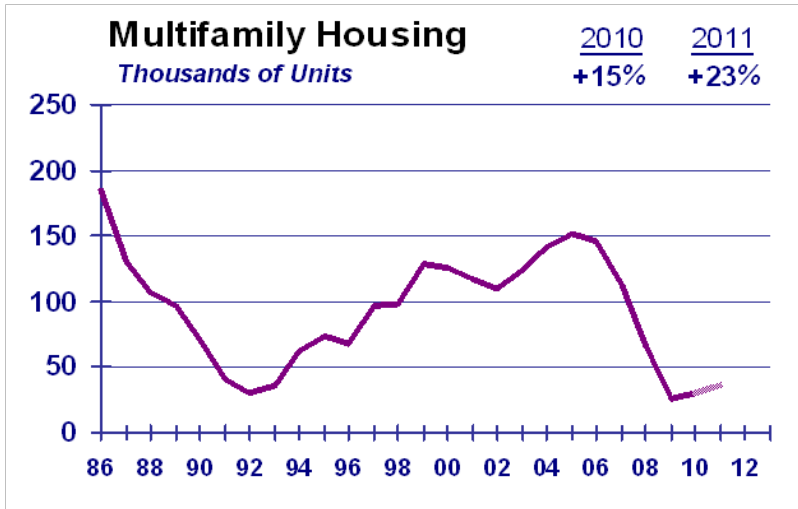


## Single Family Housing in 2010, by State

|              | Units<br>(thous.) | %ch<br>10/09 | %ch<br>10/05 |
|--------------|-------------------|--------------|--------------|
| FL           | 29                | +18%         | -85%         |
| NC           | 26                | +4%          | -68%         |
| GA           | 15                | +7%          | -83%         |
| TN           | 13                | -4%          | -69%         |
| SC           | 13                | -0-          | -69%         |
| AL           | 12                | -9%          | -58%         |
| <b>Total</b> | <b>108</b>        | <b>+4%</b>   | <b>-77%</b>  |

# The Southeast Region

## Multifamily Housing and Commercial Building

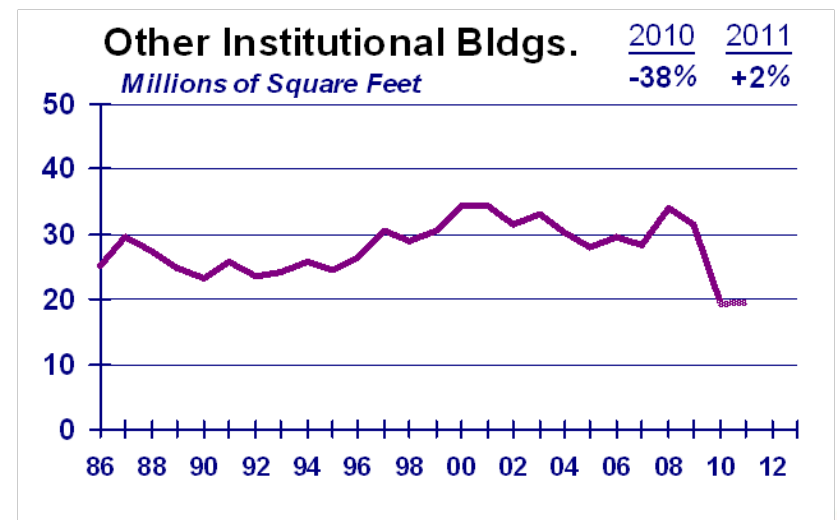
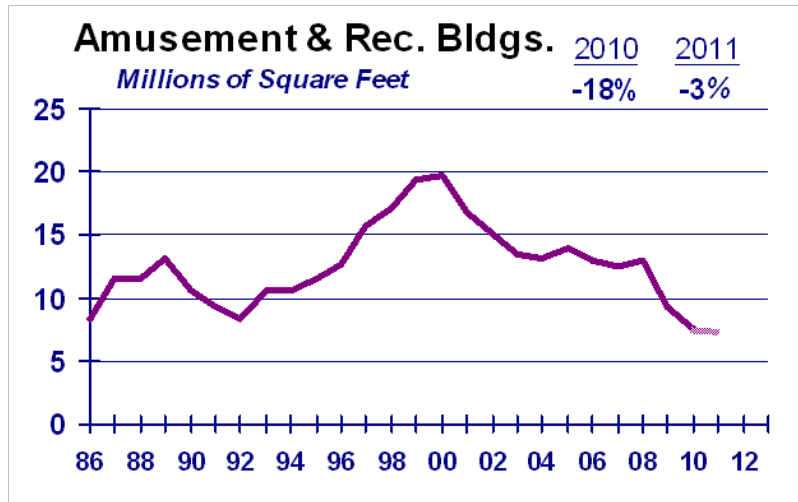
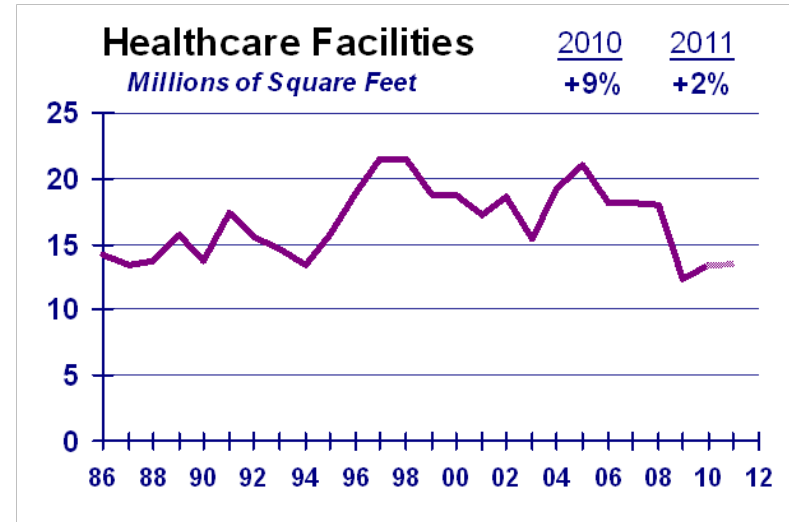
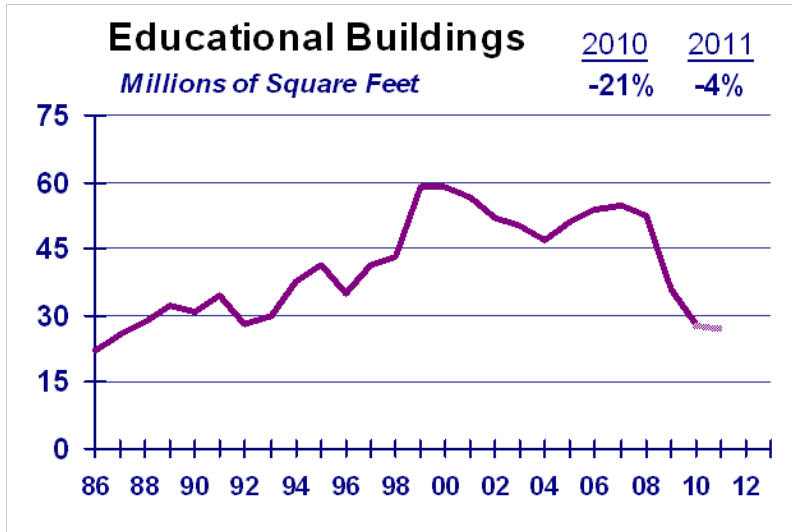


# The Southeast Region – Recent Large Projects

| <u>Value</u><br><u>\$ Millions</u> | <u>Sq. Ft.</u><br><u>Thous.</u> | <i>Multifamily and Commercial</i>                    | <u>City</u>    | <u>State</u> | <u>Start Date</u><br><u>Year: Mo</u> |
|------------------------------------|---------------------------------|--|----------------|--------------|--------------------------------------|
| 172.0                              | 0                               | Opryland Resort Hotel & Grand Ole Opry (Restoration) | Nashville      | TN           | 2010:06                              |
| 75.3                               | 2,067                           | Parking Garage (Add/Renov)- Pedestrian Plaza         | Memphis        | TN           | 2010:03                              |
| 74.4                               | 715                             | Music City Center - parking garage portion           | Nashville      | TN           | 2010:03                              |
| 94.4                               | 1,242                           | Cox Enterprises Office Bldgs - Parking Deck          | Atlanta        | GA           | 2010:09                              |
| 60.0                               | 1,100                           | Project Neptune #4 Distribution Center               | Summerville    | SC           | 2010:05                              |
| 60.0                               | 0                               | Hyatt Regency Atlanta (Renovations)                  | Atlanta        | GA           | 2010:08                              |
| 56.6                               | 719                             | CONRAC Rental Car Facility                           | Nashville      | TN           | 2010:07                              |
| 50.0                               | 1,000                           | Seminole Hard Rock Winner's Way Parking Garage       | Ft. Lauderdale | FL           | 2010:04                              |
| 50.0                               | 200                             | Quality Technology Services Data Center (Expansion)  | Atlanta        | GA           | 2010:05                              |
| 48.1                               | 1,000                           | Amazon.com Distribution Facility                     | Cleveland      | TN           | 2011:03                              |
| 45.1                               | 300                             | Cambridge Village Independent Living Facility        | Apex           | NC           | 2010:01                              |
| 45.0                               | 171                             | GSAC Office Building                                 | Charlotte      | NC           | 2010:07                              |
| 43.5                               | 330                             | Horse Pen Village Mixed Use Development              | Greensboro     | NC           | 2010:02                              |
| 43.2                               | 0                               | Camden Bayside Apartments Exterior Renovation        | Tampa          | FL           | 2010:04                              |
| 40.7                               | 326                             | The Cardinal at North Hills - retirement community   | Raleigh        | NC           | 2010:03                              |

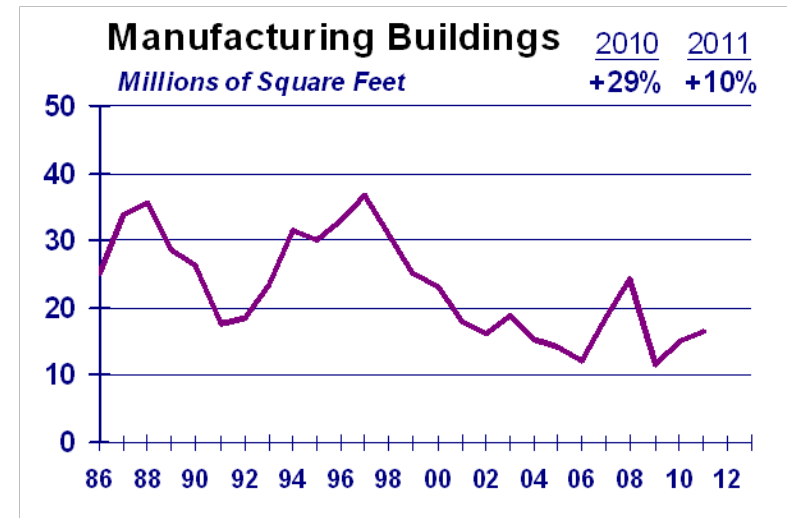
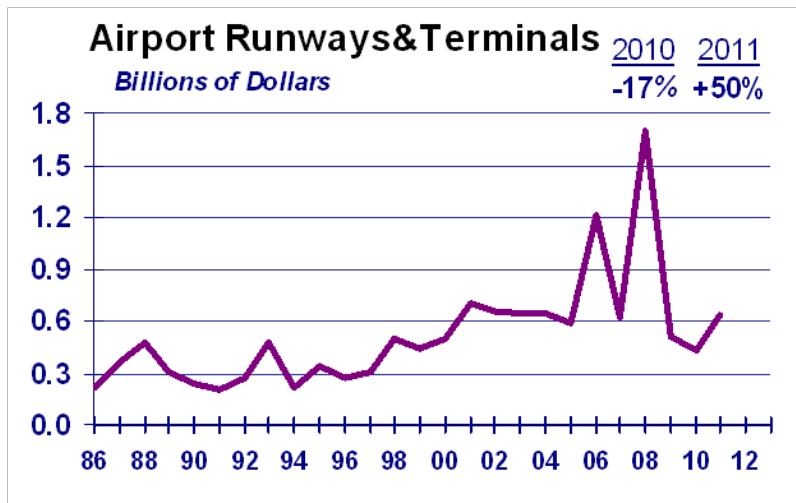
# The Southeast Region

## Institutional Buildings



# The Southeast Region

## *Airport-related Work and Manufacturing Buildings*

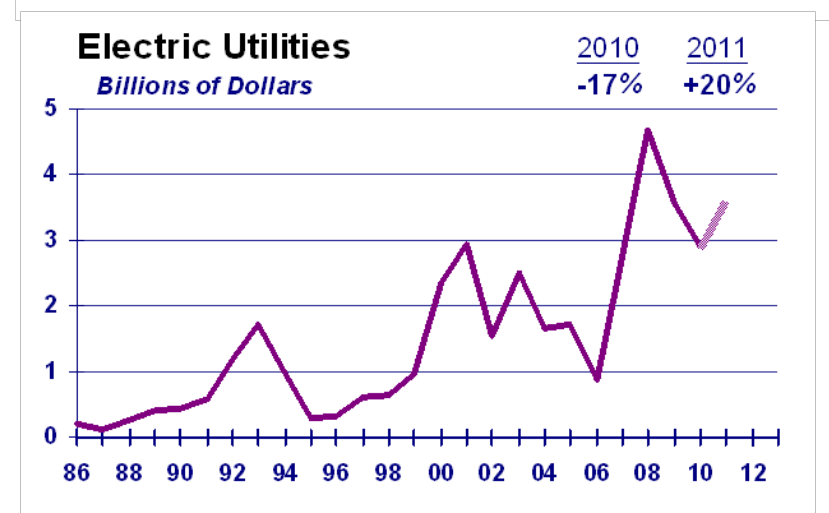
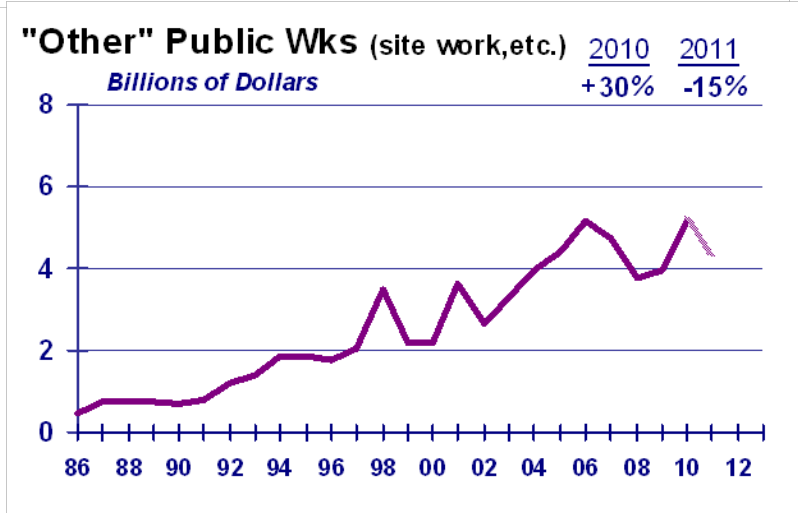
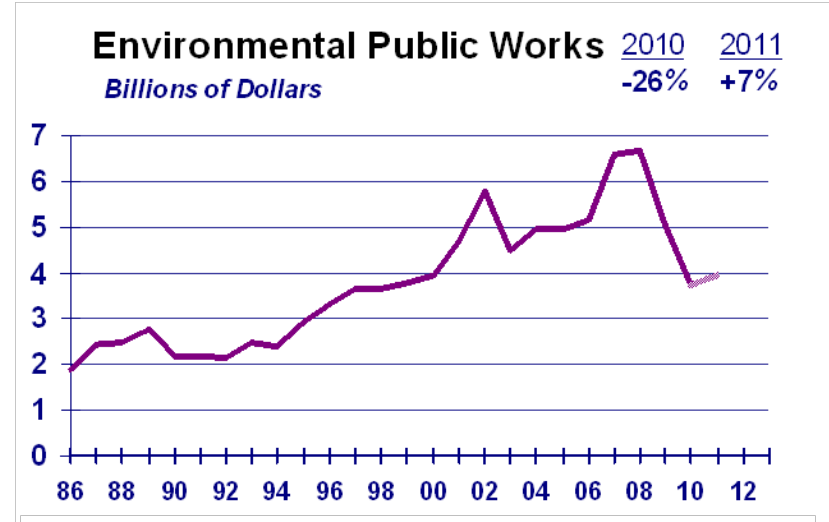
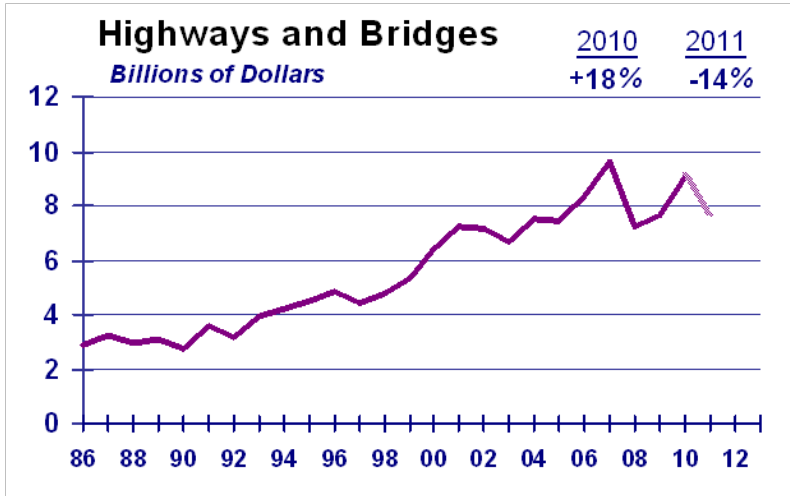


# The Southeast Region – Recent Large Projects

| <u>\$ Millions</u> | <u>Thous.</u> | <i>Institutional and Mfg. Buildings</i>                | <u>City</u>    | <u>State</u> | <u>Year: Mo</u> |
|--------------------|---------------|--|----------------|--------------|-----------------|
| 500.0              | 1,100         | Hospital, Clinic, and Atrium                           | Orlando        | FL           | 2010:01         |
| 340.6              | 1,200         | Music City Center - convention center portion          | Nashville      | TN           | 2010:03         |
| 232.0              | 548           | Duke University Hospital Patient Tower                 | Durham         | NC           | 2010:03         |
| 225.0              | 0             | Packaging Corp of America Plant (Renovation)           | Valdosta       | GA           | 2010:03         |
| 208.5              | 243           | Moses Cone Memorial Hospital (Addition/Ren.)           | Greensboro     | NC           | 2010:12         |
| 175.0              | 950           | ZF Automatic Transmissions Manufacturing Facility      | Laurens        | SC           | 2011:03         |
| 175.0              | 220           | Birmingham Shuttlesworth - Addition/Renovation         | Birmingham     | AL           | 2011:03         |
| 160.0              | 0             | Wood Pellet Plant                                      | Waycross       | GA           | 2010:03         |
| 150.0              | 232           | CMC - Pineville Patient Tower (Add/Renov)              | Pineville      | NC           | 2010:01         |
| 135.0              | 440           | Wake County Justice Center                             | Raleigh        | NC           | 2010:03         |
| 115.0              | 362           | Piedmont Newnan Hospital                               | Newnan         | GA           | 2010:04         |
| 110.0              | 445           | Nissan Battery Plant Expansion (Phase 1)               | Smyrna         | TN           | 2010:07         |
| 110.0              | 338           | Baptist - Wolfson Children's Hospital Tower (Addition) | Jacksonville   | FL           | 2010:09         |
| 100.0              | 250           | Bethesda West Hospital                                 | W Of Boynton I | FL           | 2010:04         |
| 95.9               | 317           | Hemlock Semiconductor Solar Technology Plant           | Clarksville    | TN           | 2010:05         |

# The Southeast Region

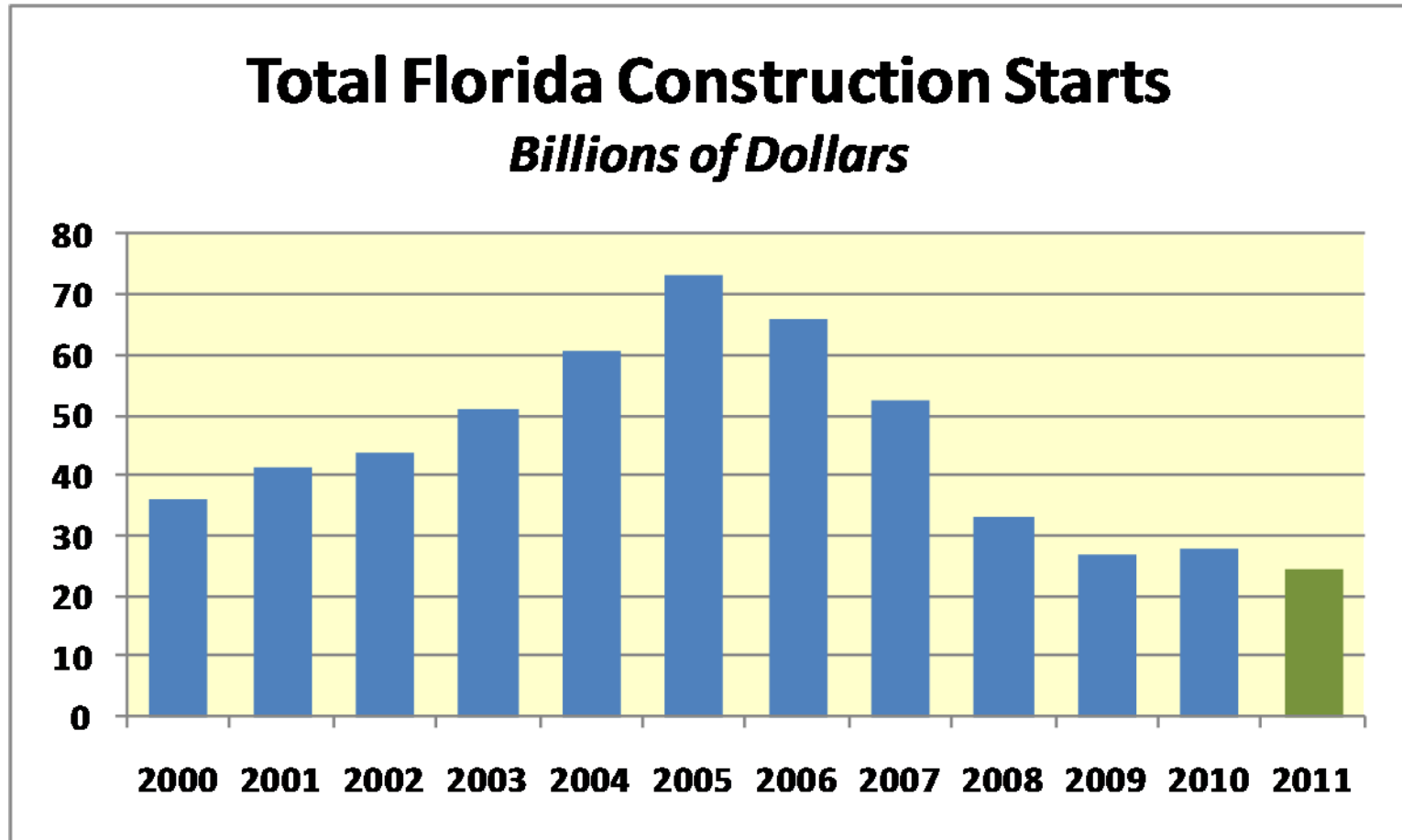
## Public Works and Electric Utilities



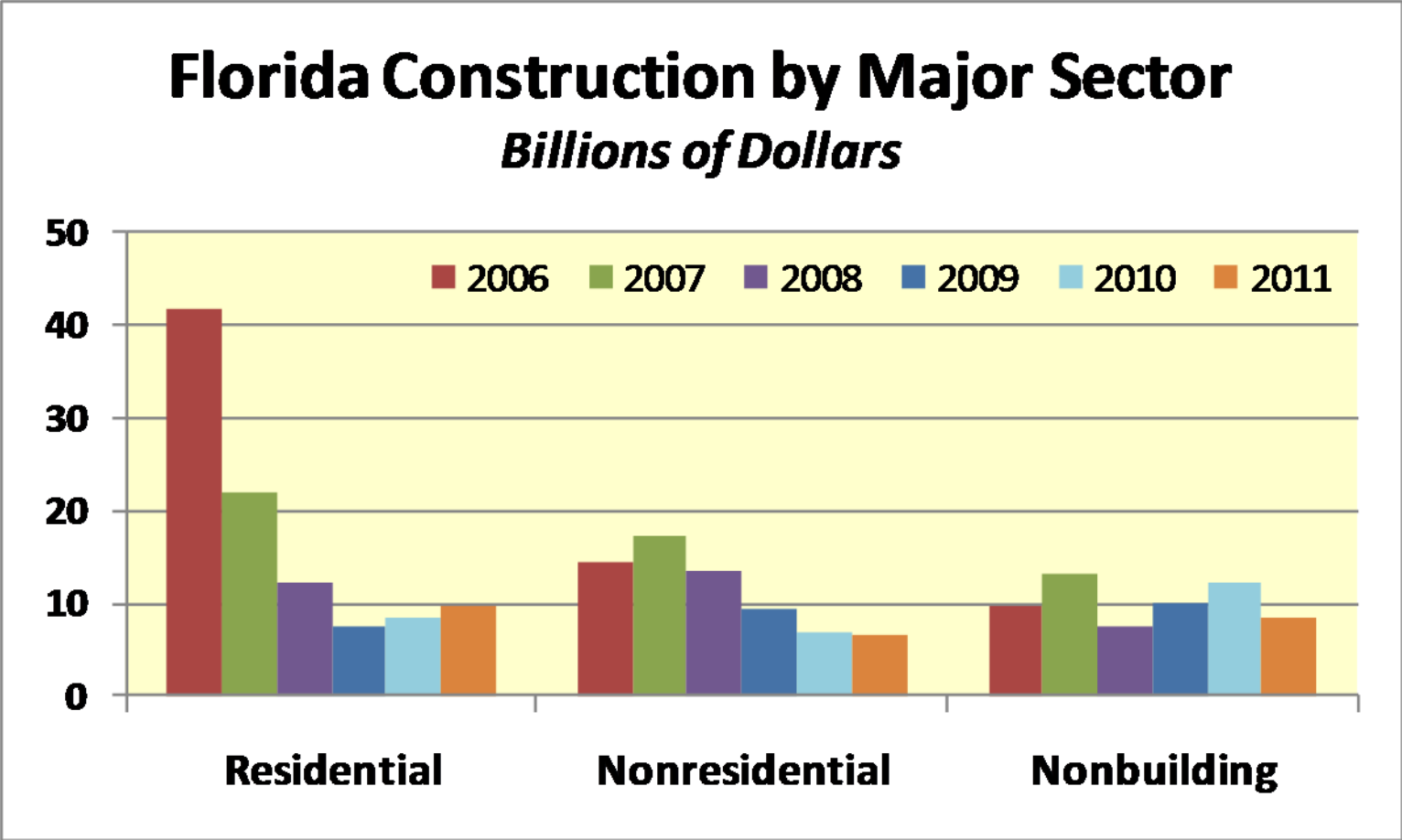
# The Southeast Region – Recent Large Projects

| <u>Value</u><br><u>\$ Millions</u> | <i>Public Works and Electric Utilities</i>                | <u>City</u>    | <u>State</u> | <u>Start Date</u> |
|------------------------------------|---|----------------|--------------|-------------------|
|                                    |   |                |              | <u>Year: Mo</u>   |
| 2,300.9                            | Gulf Coast Pipeline Expansion - Phase VIII (oil pipeline) | Tallahassee    | FL,AL        | 2010:07           |
| 1,100.0                            | Cape Canaveral Natural Gas Power Plant                    | Cocoa          | FL           | 2011:03           |
| 820.0                              | John Sevier Combined Cycle Project                        | Rogersville    | TN           | 2010:05           |
| 710.0                              | Dan River Steam Station 620-Megawatt Power Plant          | Eden           | NC           | 2010:11           |
| 702.0                              | I-595 Corridor Roadway Improvements Project               | Ft Lauderdale  | FL           | 2010:02           |
| 700.0                              | Barry Electric Generating Plant (Expansion)               | Bucks          | AL           | 2010:10           |
| 468.0                              | FL/DOT Interchange (Reconstruction) (SR 826/SR836)        | Miami          | FL           | 2010:04           |
| 446.5                              | NC/DOT West Wake Ex'way- I-540-TIP # R-2635               | Wake Co        | NC           | 2010:03           |
| 425.0                              | Gainesville Renewable Energy Center                       | Gainesville    | FL           | 2011:04           |
| 389.5                              | FL/DOT Interchange (I-4 Selmon Expressway)                |                | FL           | 2010:01           |
| 250.0                              | Greenland Energy Center (Design/Build)                    | Jacksonville   | FL           | 2010:02           |
| 200.0                              | Disney Fantasyland Expansion                              | L. Buena Vista | FL           | 2010:05           |
| 172.2                              | SNG South System Expansion III (natural gas pipeline)     |                | GA           | 2010:02           |
| 168.6                              | AL/DOT I-65/Corridor X(1-22)(Grade/Drain/Pave/Bridge)     | Birmingham     | AL           | 2010:08           |
| 136.0                              | NC/DOT I-85 Widening TIP I-2304AC                         |                | NC           | 2010:11           |

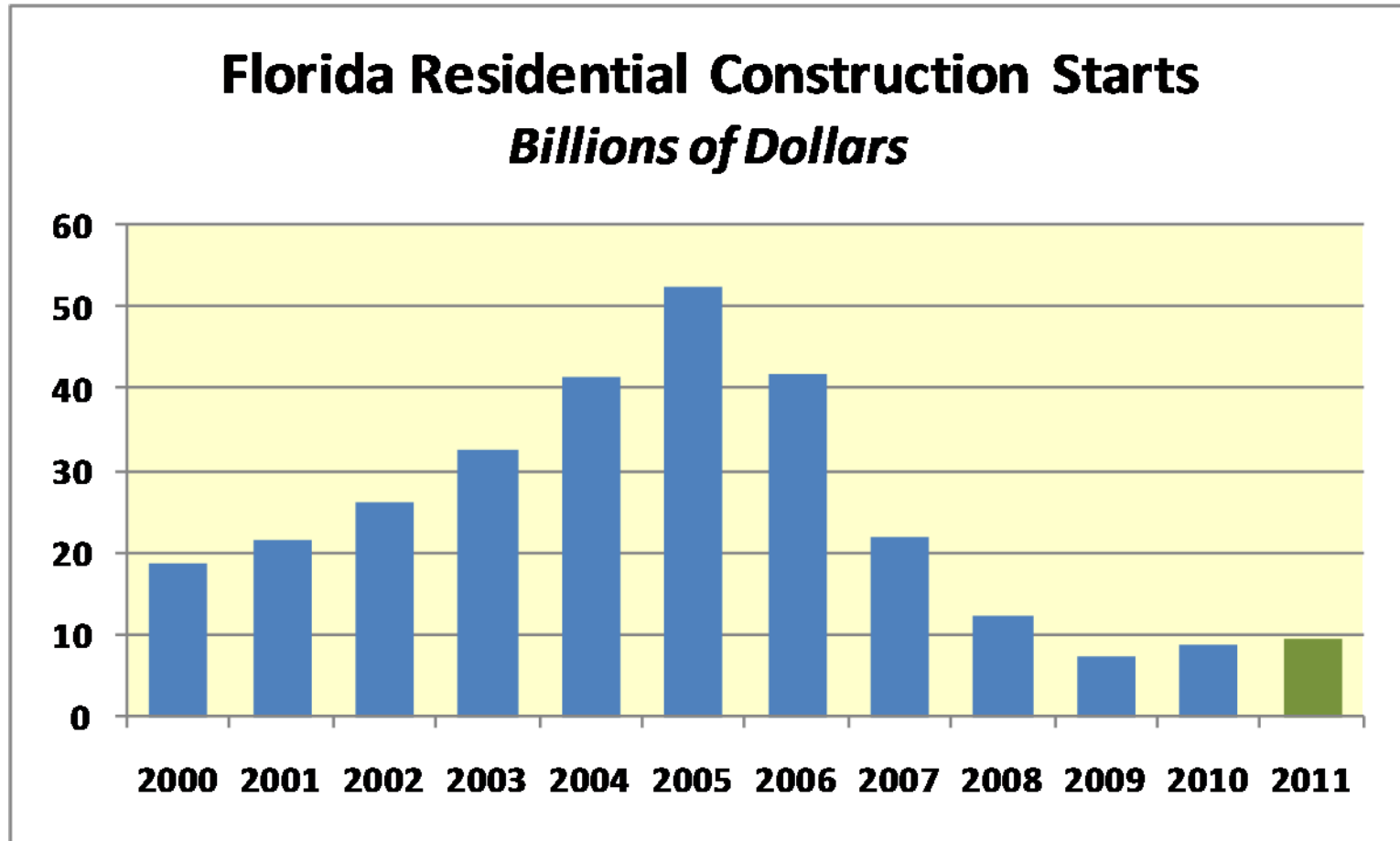
# Florida Construction Slips Back in 2011



# Small Gain in Housing Offset by Weakness in Nonresidential & Nonbuilding Construction

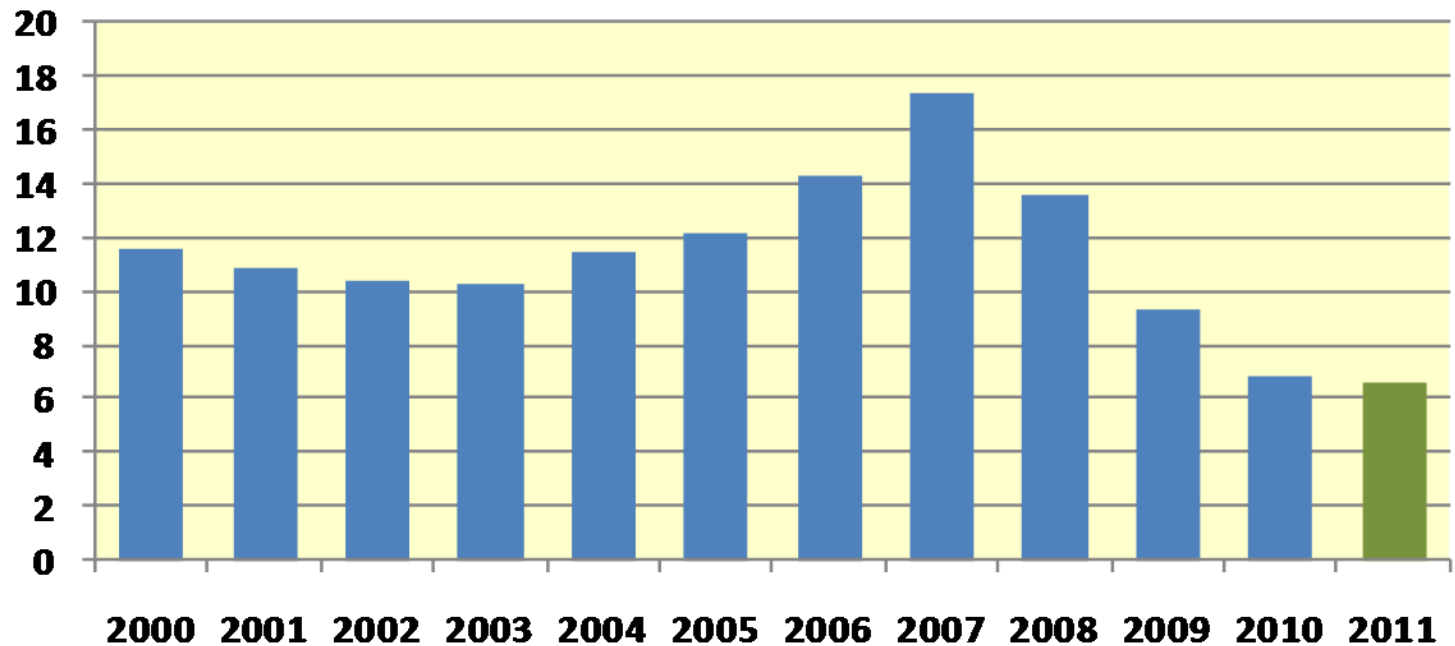


# Florida Housing Makes Small Gains but Remains in the Doldrums

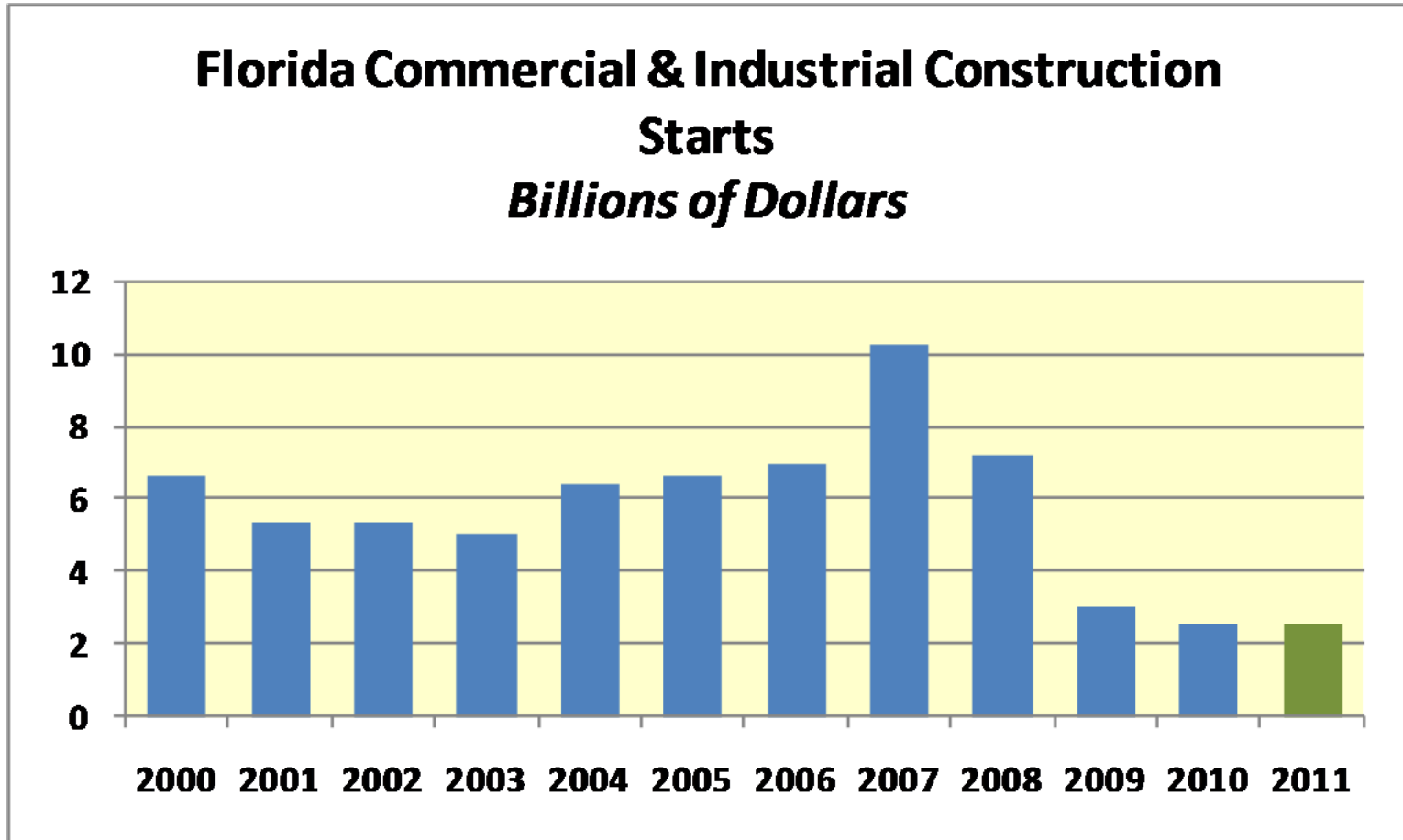


# Florida Nonresidential Construction Still Stagnating

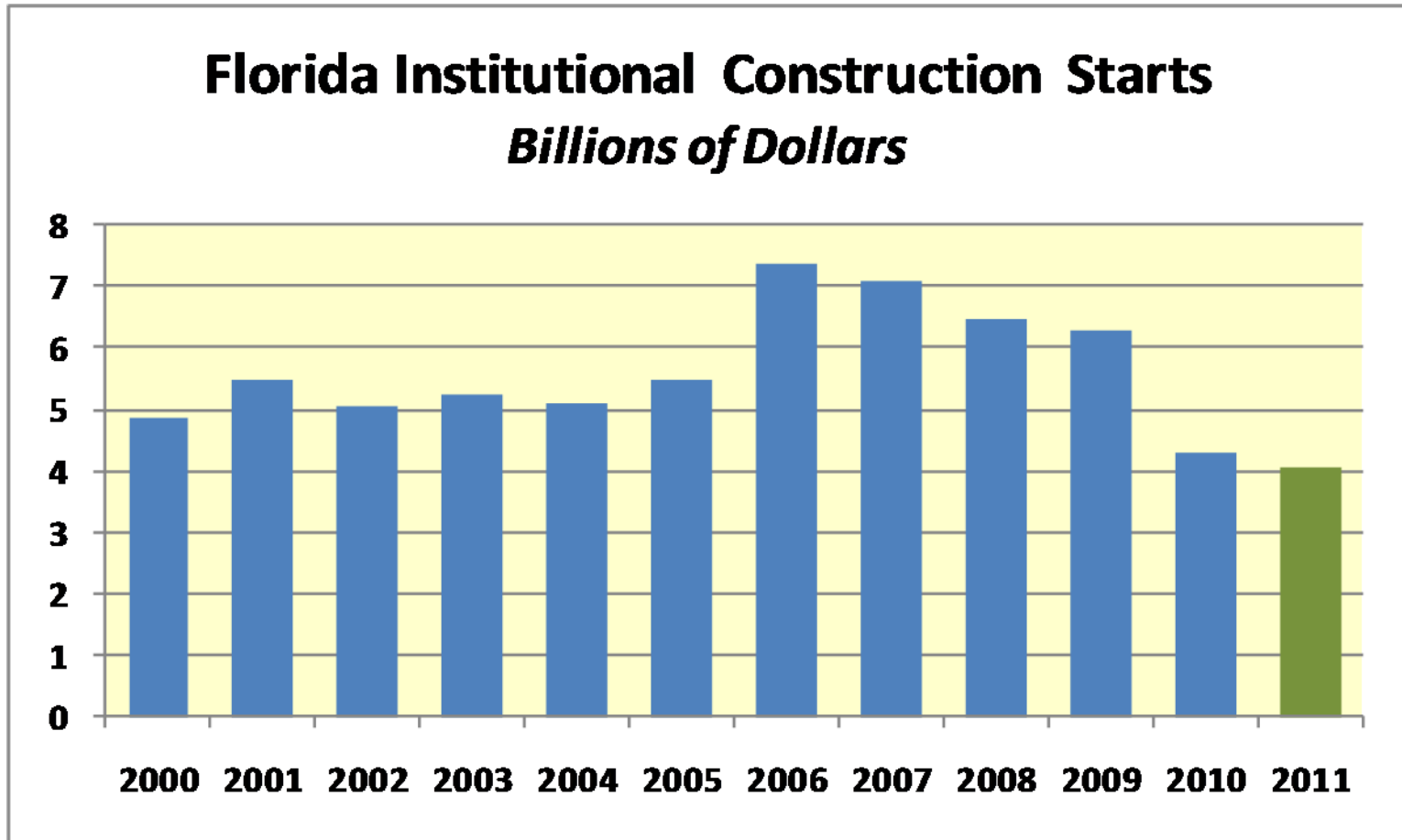
**Florida Nonresidential Construction Starts**  
*Billions of Dollars*



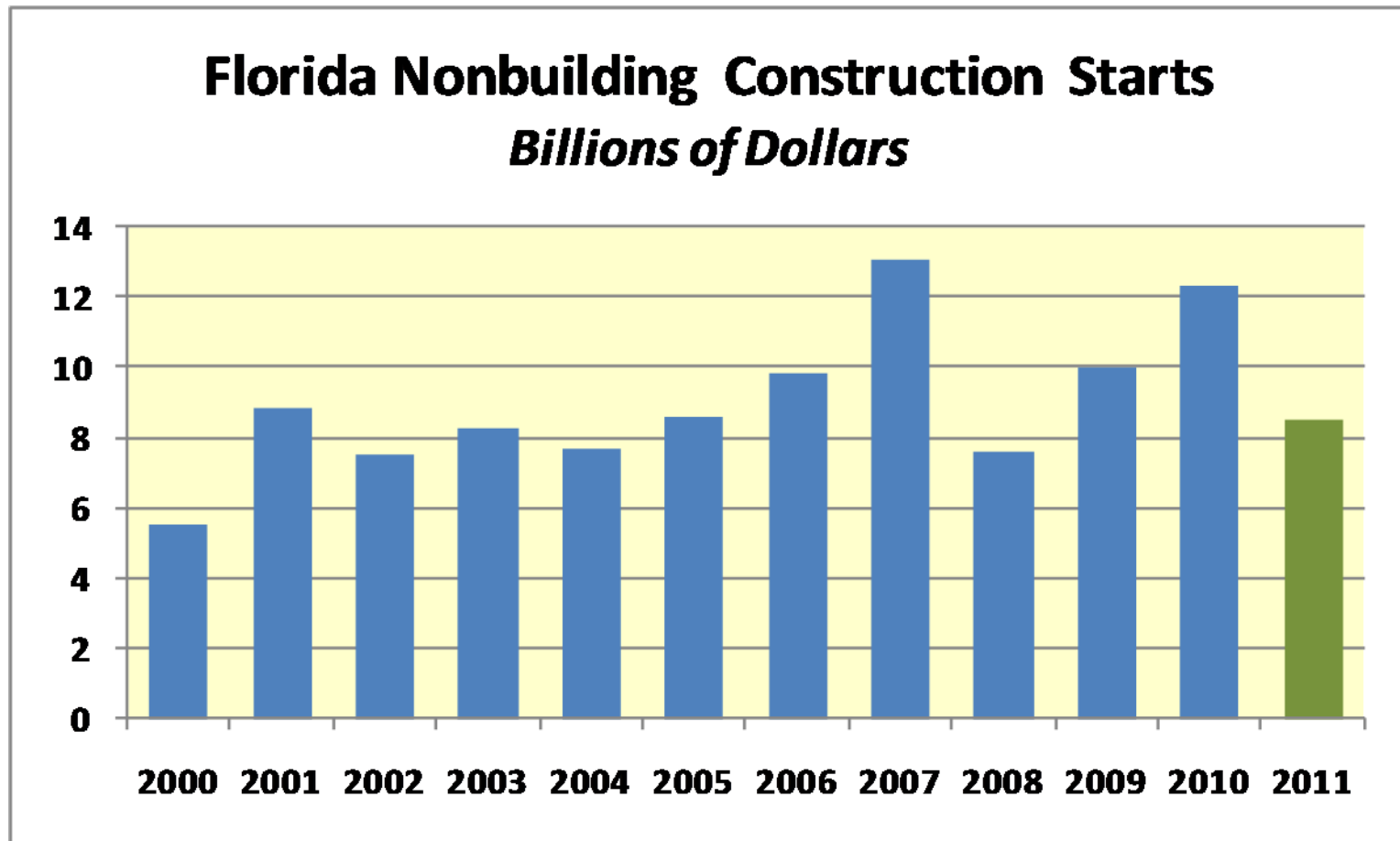
# Commercial Construction Gains Offset by Losses in Industrial Sector



# Florida's Institutional Market Will Decline for Fifth Consecutive Year



# Nonbuilding Retreats in 2011 After Strong 2010



# Florida Construction Starts Have a Long Way to Go

## McGraw-Hill Construction

### Florida Construction Starts

*Billions of Dollars*

|                           | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------------|------|------|------|------|------|------|
| <b>Total Construction</b> | 65.8 | 52.3 | 33.4 | 26.7 | 27.8 | 24.7 |
| <i>% Change</i>           | -10% | -20% | -36% | -20% | 4%   | -11% |
| <b>Residential</b>        | 41.7 | 21.9 | 12.2 | 7.4  | 8.6  | 9.6  |
| <i>% Change</i>           | -21% | -47% | -44% | -39% | 16%  | 11%  |
| <b>Commercial</b>         | 6.8  | 9.9  | 7.0  | 3.0  | 2.3  | 2.4  |
| <i>% Change</i>           | 6%   | 45%  | -29% | -58% | -24% | 7%   |
| <b>Industrial</b>         | 0.13 | 0.38 | 0.13 | 0.05 | 0.24 | 0.14 |
| <i>% Change</i>           | -32% | 200% | -66% | -59% | 355% | -42% |
| <b>Institutional</b>      | 7.4  | 7.1  | 6.4  | 6.3  | 4.3  | 4.1  |
| <i>% Change</i>           | 34%  | -4%  | -9%  | -3%  | -31% | -6%  |
| <b>Nonbuilding</b>        | 9.9  | 13.1 | 7.6  | 10.0 | 12.3 | 8.5  |
| <i>% Change</i>           | 15%  | 33%  | -42% | 32%  | 24%  | -31% |

# Southeast Region Total Construction Starts for 2011

*Billions of Dollars*

|                              | <u>2007</u>           | <u>2008</u>           | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          |
|------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Total Construction</b>    | <b>138.32</b><br>-11% | <b>105.65</b><br>-24% | <b>73.28</b><br>-31% | <b>71.28</b><br>-3%  | <b>72.35</b><br>+2%  |
| <b>Single Family Housing</b> | <b>54.33</b><br>-32%  | <b>31.46</b><br>-42%  | <b>22.09</b><br>-30% | <b>23.55</b><br>+7%  | <b>24.25</b><br>+3%  |
| <b>Multifamily Housing</b>   | <b>12.66</b><br>-31%  | <b>7.08</b><br>-44%   | <b>2.85</b><br>-60%  | <b>3.37</b><br>+18%  | <b>4.22</b><br>+25%  |
| <b>Commercial Bldgs.</b>     | <b>22.33</b><br>+30%  | <b>16.50</b><br>-26%  | <b>8.53</b><br>-48%  | <b>6.91</b><br>-19%  | <b>7.38</b><br>+7%   |
| <b>Institutional Bldgs.</b>  | <b>19.28</b><br>+1%   | <b>22.06</b><br>+14%  | <b>18.50</b><br>-16% | <b>14.79</b><br>-20% | <b>14.78</b><br>-0-  |
| <b>Manufacturing Bldgs.</b>  | <b>6.04</b><br>+574%  | <b>6.20</b><br>+3%    | <b>1.10</b><br>-82%  | <b>1.81</b><br>+65%  | <b>2.08</b><br>+15%  |
| <b>Public Works</b>          | <b>20.91</b><br>+12%  | <b>17.67</b><br>-16%  | <b>16.67</b><br>-6%  | <b>17.93</b><br>+8%  | <b>16.13</b><br>-10% |
| <b>Electric Utilities</b>    | <b>2.76</b><br>+219%  | <b>4.67</b><br>+69%   | <b>3.53</b><br>-24%  | <b>2.92</b><br>-17%  | <b>3.51</b><br>+20%  |

# U.S. Total Construction Starts for 2011

*Billions of Dollars*

|                              | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>         | <u>2011</u>         |
|------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| <b>Total Construction</b>    | <b>641.0</b><br>-7%  | <b>556.5</b><br>-13% | <b>424.8</b><br>-24% | <b>419.9</b><br>-1% | <b>423.4</b><br>+1% |
| <b>Single Family Housing</b> | <b>201.2</b><br>-26% | <b>122.4</b><br>-39% | <b>94.3</b><br>-23%  | <b>100.0</b><br>+6% | <b>106.4</b><br>+6% |
| <b>Multifamily Housing</b>   | <b>60.4</b><br>-13%  | <b>38.5</b><br>-36%  | <b>17.6</b><br>-54%  | <b>20.1</b><br>+14% | <b>24.4</b><br>+22% |
| <b>Commercial Bldgs.</b>     | <b>100.9</b><br>+9%  | <b>81.6</b><br>-19%  | <b>46.9</b><br>-43%  | <b>39.9</b><br>-15% | <b>44.5</b><br>+11% |
| <b>Institutional Bldgs.</b>  | <b>117.7</b><br>+6%  | <b>130.7</b><br>+11% | <b>111.7</b><br>-15% | <b>108.0</b><br>-3% | <b>102.7</b><br>-5% |
| <b>Manufacturing Bldgs.</b>  | <b>20.8</b><br>+51   | <b>30.8</b><br>+48%  | <b>9.7</b><br>-69%   | <b>8.7</b><br>-10%  | <b>10.8</b><br>+24% |
| <b>Public Works</b>          | <b>121.3</b><br>+8%  | <b>121.1</b><br>-0-  | <b>123.2</b><br>+2%  | <b>117.0</b><br>-5% | <b>107.6</b><br>-8% |
| <b>Electric Utilities</b>    | <b>18.8</b><br>+7%   | <b>31.4</b><br>+67%  | <b>21.3</b><br>-32%  | <b>26.3</b><br>+23% | <b>27.0</b><br>+3%  |