

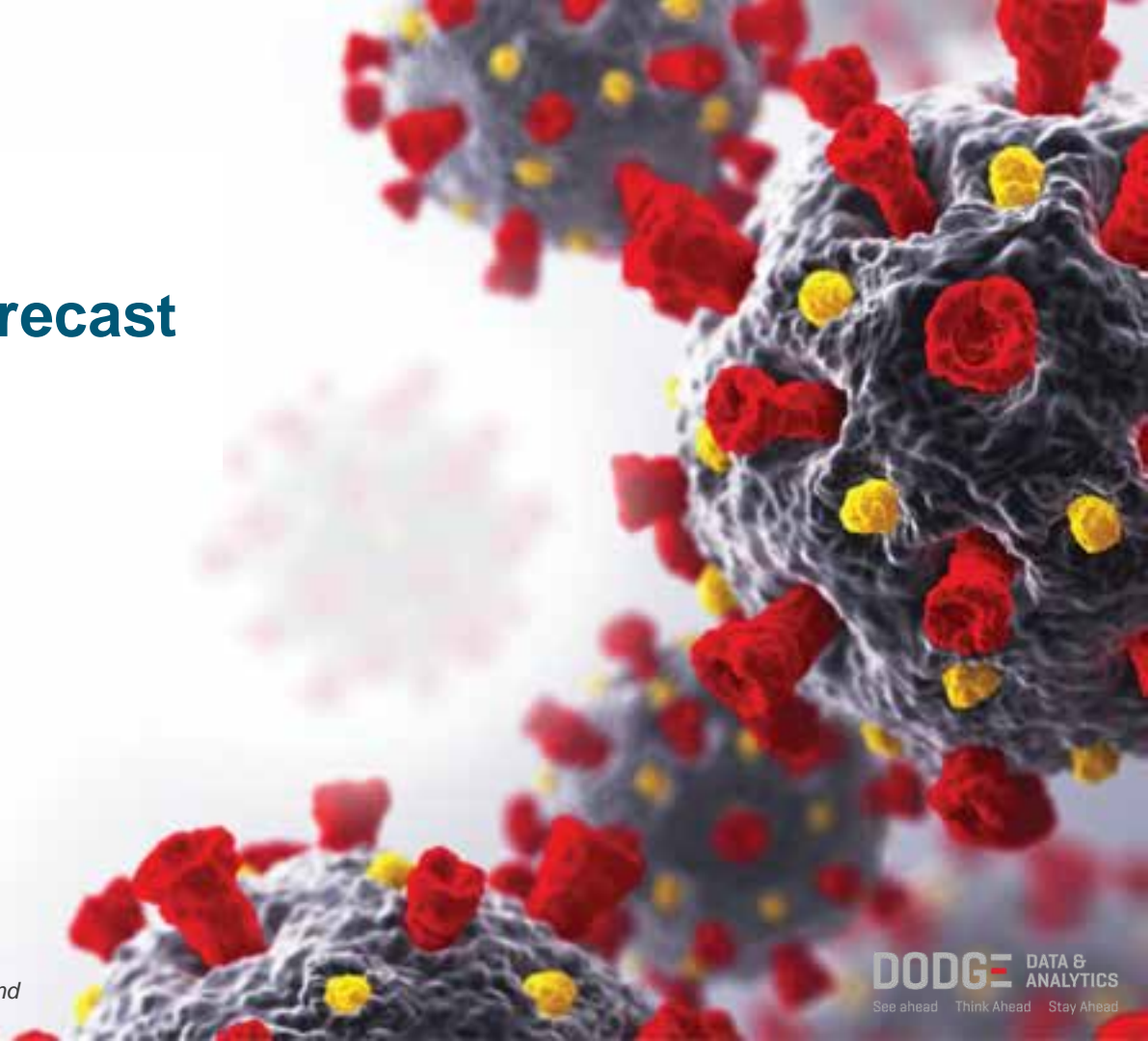
COVID-19

Construction Starts Forecast

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Disclaimer: This presentation was developed by a third party and is not funded by WoodWorks or the Softwood Lumber Board.



Today's Agenda

- Macroeconomic overview
- Residential Building Outlook
- Commercial Building Outlook
- Institutional Building Outlook

Two Manhattan West Office Building
New York, NY
\$1.3 billion
Ground Breaking: December 2019



U.S. Macroeconomic Overview

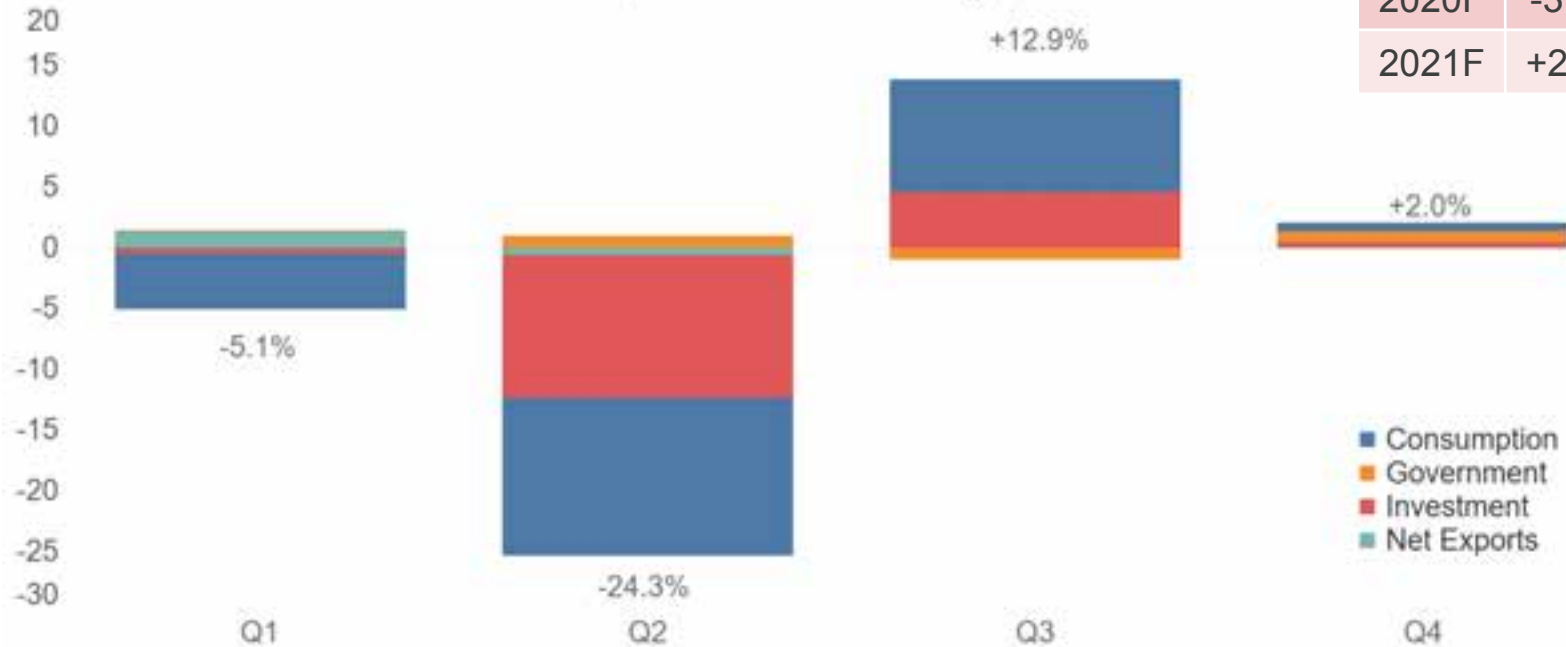
Economy moves from cruise control to full stop



U.S. Macroeconomic Overview

The U.S. economy is in recession...

Contributions to 2020 GDP Growth
(Annualized Percent Change)



2019	+2.3%
2020F	-3.5%
2021F	+2.7%

Residential Outlook

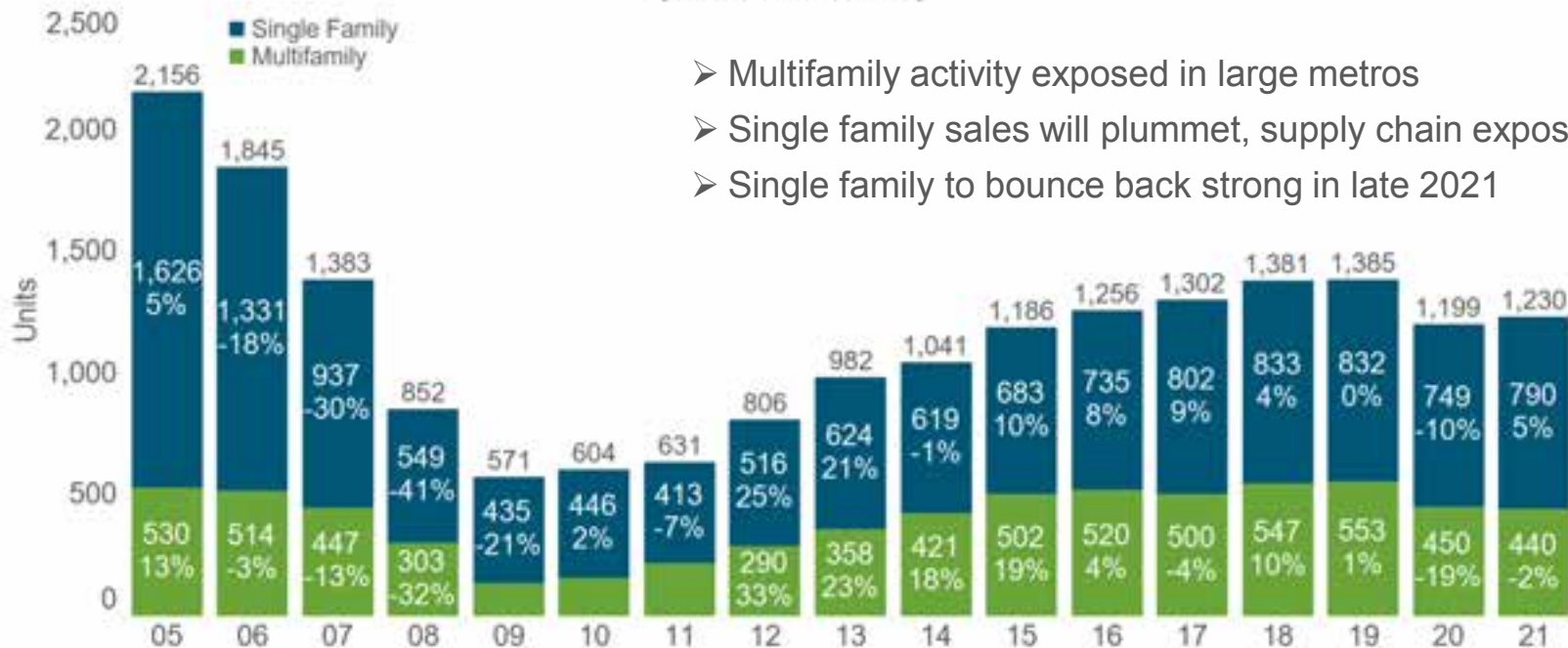
Calyer Place Apartment Development
Brooklyn, NY
\$500 million / 982 tsf / 736 units
Ground Breaking: Nov 2019



U.S. Residential Building Starts

Residential units will fall 13% in 2020

U.S. Residential Building Starts
(Units, Thousands)



- Multifamily activity exposed in large metros
- Single family sales will plummet, supply chain exposed
- Single family to bounce back strong in late 2021

Commercial Outlook

Disney/ABC New York Headquarters
New York, NY
\$760 million / 1.3 msf
Ground Breaking: February 2020



U.S. Commercial Building Starts

Commercial construction starts to fall 18% in 2020



U.S. Commercial Building Starts

But the loss is not spread equally

U.S. Commercial Building Starts
(Billions of Dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Retail	\$17 8%	\$18 8%	\$20 12%	\$21 4%	\$20 -4%	\$17 -16%	\$16 -4%	\$10 -37%	\$12 12%
Warehouses	\$9 43%	\$12 36%	\$15 26%	\$20 30%	\$24 18%	\$24 1%	\$29 21%	\$29 1%	\$32 9%
Office	\$22 19%	\$30 38%	\$31 5%	\$41 32%	\$42 2%	\$49 14%	\$54 11%	\$48 -11%	\$53 11%
Hotels and Motels	\$9 35%	\$11 25%	\$14 19%	\$17 28%	\$16 -6%	\$19 15%	\$18 -5%	\$12 -36%	\$12 3%
Parking Garages	\$11 30%	\$12 8%	\$13 8%	\$15 20%	\$14 -6%	\$15 8%	\$20 29%	\$14 -31%	\$14 5%
Total Commercial	\$68 22%	\$83 24%	\$94 12%	\$115 23%	\$117 2%	\$124 6%	\$137 11%	\$113 -18%	\$123 9%

Institutional Outlook

The New Valley Hospital
Paramus, NJ
\$800 million / 1.0 msf
Ground Breaking: December 2019



U.S. Institutional Building Starts

Institutional building starts slow to recover in 2021



U.S. Institutional Building Starts

Driven by healthcare construction

U.S. Institutional Building Starts
(Billions of Dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Education	\$39 3%	\$45 16%	\$48 7%	\$53 9%	\$58 11%	\$63 9%	\$62 -2%	\$59 -5%	\$62 6%
Healthcare	\$22 -4%	\$23 5%	\$23 2%	\$27 14%	\$29 7%	\$28 -3%	\$28 1%	\$30 6%	\$34 13%
Recreation	\$11 33%	\$14 22%	\$14 3%	\$19 30%	\$18 -3%	\$20 13%	\$18 -11%	\$12 -33%	\$12 1%
Public Buildings	\$7 -25%	\$8 19%	\$8 4%	\$9 11%	\$10 7%	\$10 2%	\$11 11%	\$10 -9%	\$10 5%
Transportation	\$7 4%	\$8 18%	\$7 -5%	\$10 27%	\$22 127%	\$13 -39%	\$12 -8%	\$10 -20%	\$10 6%
Dormitories	\$5 -12%	\$6 22%	\$6 6%	\$4 -30%	\$7 49%	\$5 -18%	\$6 6%	\$4 -37%	\$4 -5%
Religious Buildings	\$2 -5%	\$2 -5%	\$2 23%	\$2 -15%	\$2 19%	\$2 -16%	\$2 25%	\$2 -9%	\$2 -1%
Total Institutional	\$92 0%	\$105 14%	\$110 5%	\$123 11%	\$145 18%	\$142 -2%	\$139 -2%	\$126 -10%	\$134 7%

Total Construction Outlook

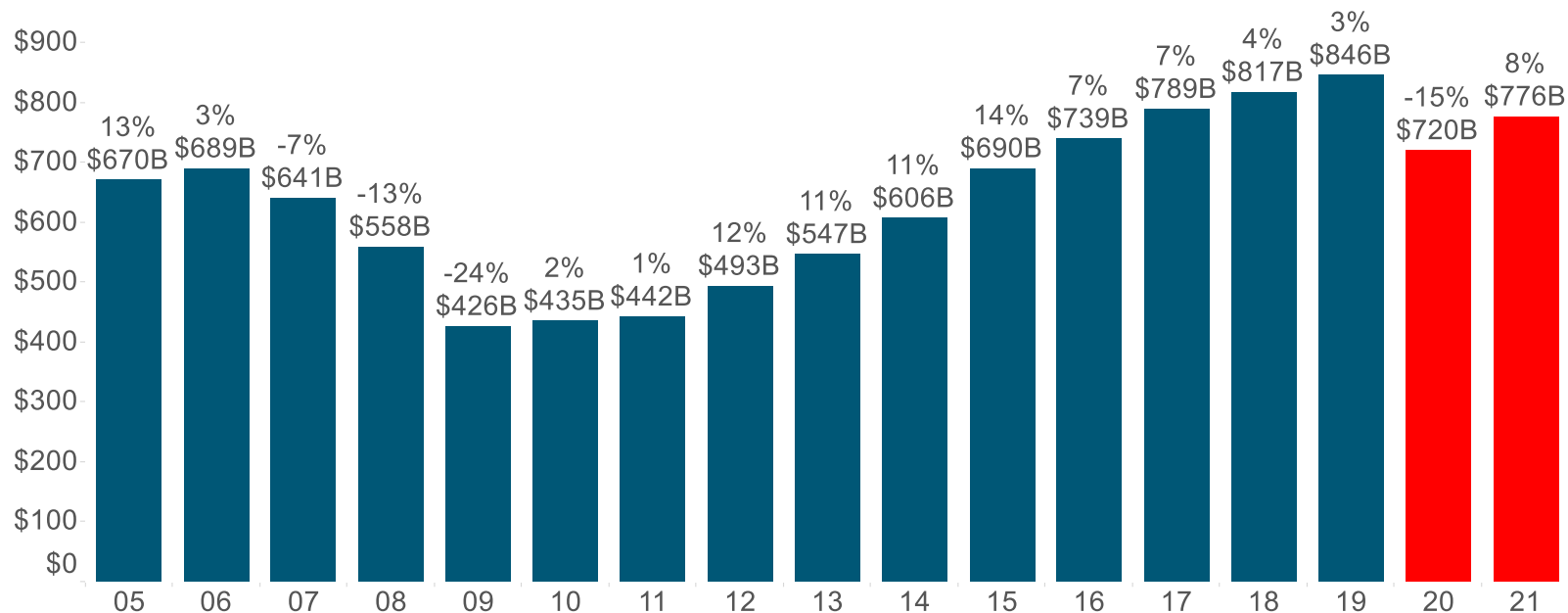
Vision Northland Medical Campus
Duluth, MN
\$675 million / 928,000 sf
Ground Breaking: October 2019



U.S. Total Construction Starts

Total construction to fall 15% in 2020, rise 8% in 2021

Total U.S. Construction Starts
(Billions of Dollars)



Thank You!

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