



FUEL YOUR GROWTH

U.S. Construction Starts Forecast
May 27, 2021

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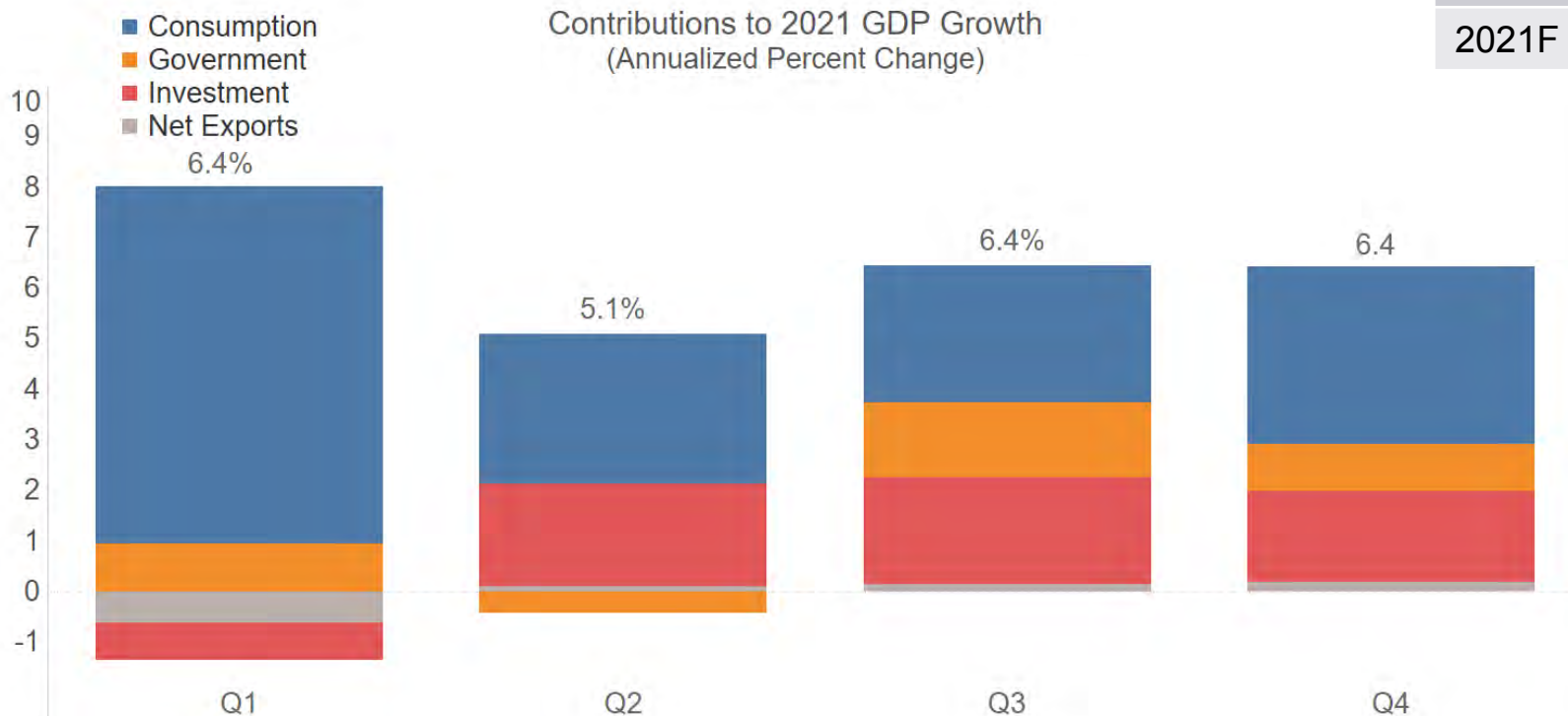
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THE BLUE BOOK
 **NETWORK**

U.S. Macroeconomic Overview

Economic growth to accelerate during 2021

2019	+2.2%
2020F	-3.5%
2021F	+5.8%



Source: Bureau of Economic Analysis/Dodge Data & Analytics

U.S. Macroeconomic Overview

Construction material inflation accelerating...

Construction vs. Consumer Inflation
Y/Y Percent Change



Construction Prices
Mar 2021 - Y/Y %

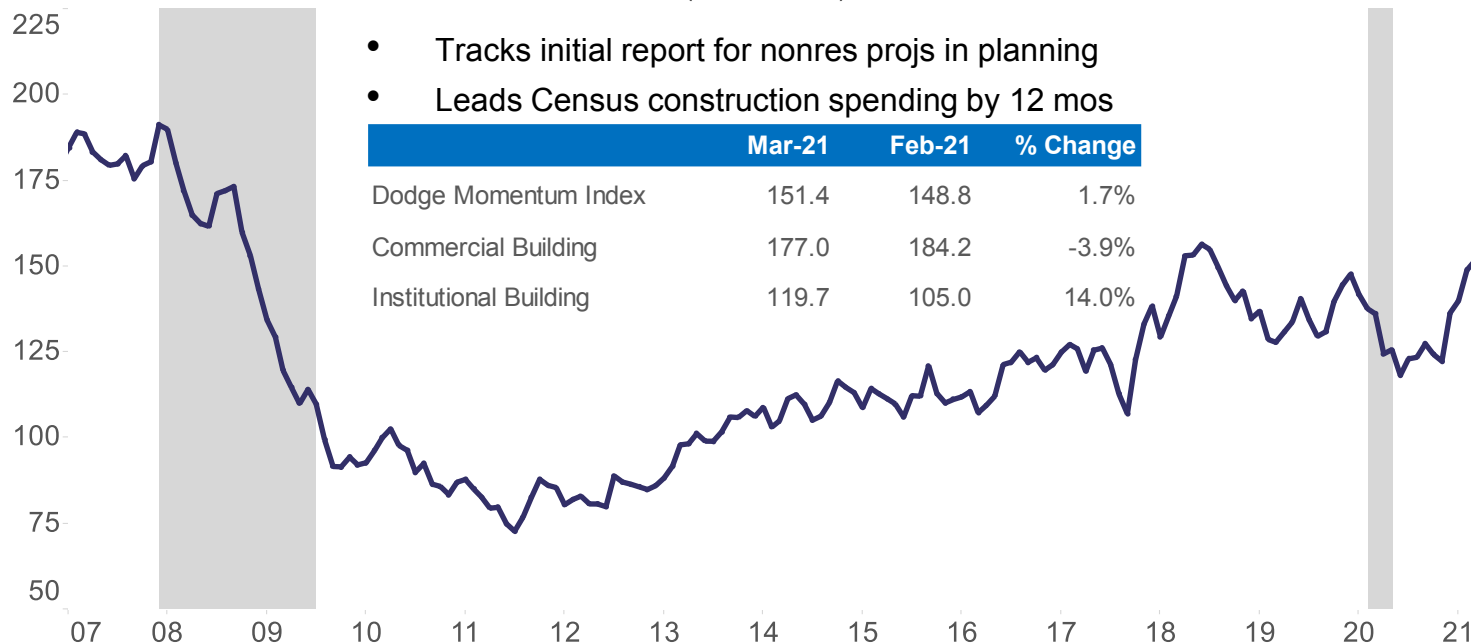
Softwood lumber	83.4
Plywood	53.1
Hardwood lumber	27.3
Plastic Products	10.4
Structural metal	9.4
Gypsum products	6.2
Cement	3.4
Prepared paint	3.3
Builders' hardware	2.3
Plumbing Fixtures	1.9
Concrete	1.5

Source: U.S. Bureau of Labor Statistics

U.S. Construction Market Indicators

The Dodge Momentum Index offers insight on what's ahead

Dodge Momentum Index
(2000=100)



Source: Dodge Data & Analytics

U.S. Residential Building Starts



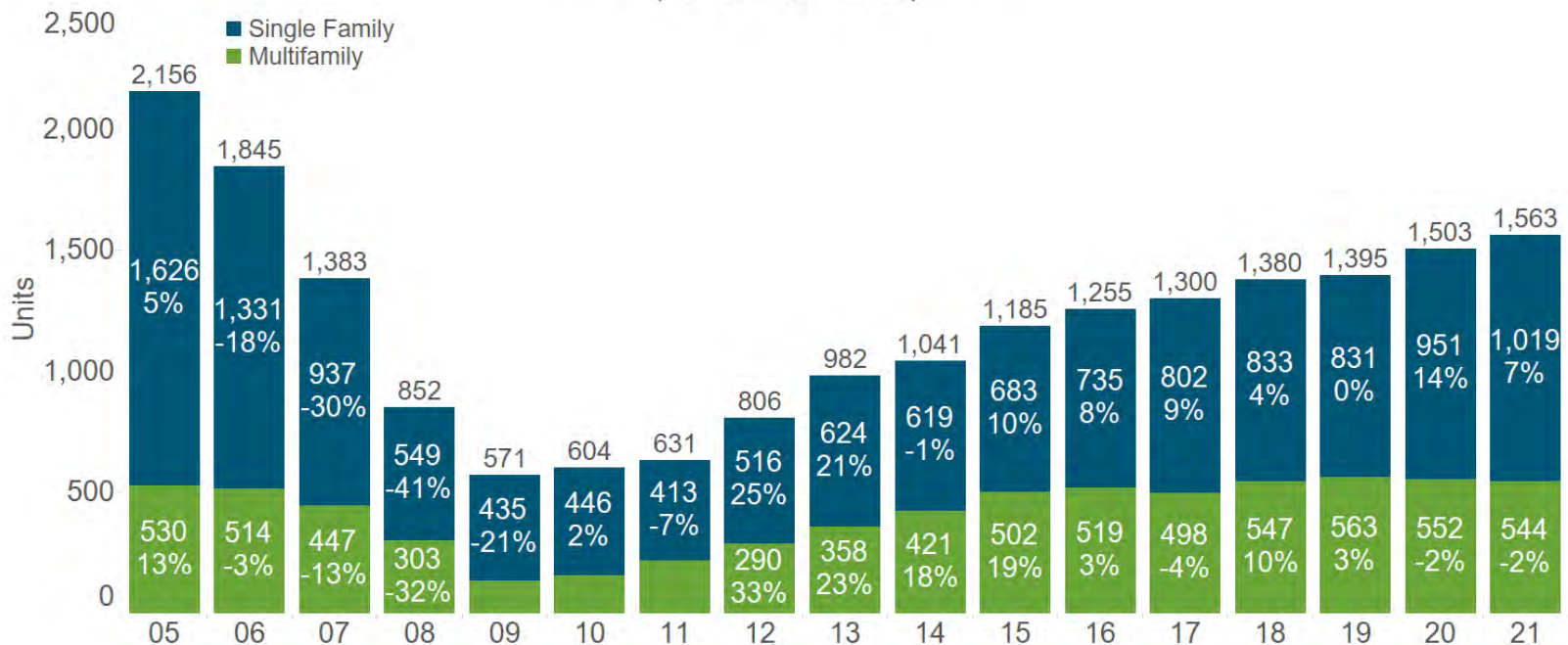
Veyoel Moshe Gardens
Development
Kiryas Joel, NY
\$400 million/1.8 msf/700 units
Project Start: December 2020



U.S. Residential Building Starts

Residential units to rise 4% in 2021

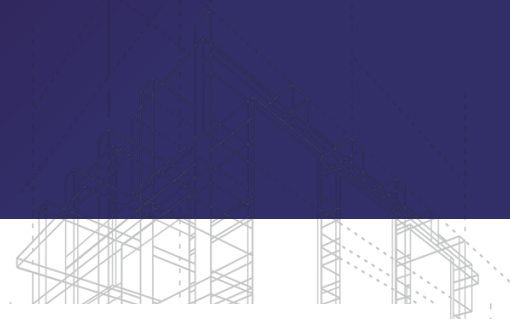
U.S. Residential Building Starts
(Units, Thousands)



Source: Dodge Data & Analytics

U.S. Residential Building Starts

Housing construction shifting to smaller areas



Residential Units - Year-to-Date through March

		2019	2020	2021
Metropolitan	Large Central Metro (County Pop 1 Mil +, central city)	111,990	126,310 13%	125,349 -1%
	Large Fringe Metro (County Pop 1 mil +, no central city)	85,533	98,088 15%	115,007 17%
	Medium Metro (County Pop 250K-999K)	70,917	82,989 17%	94,574 14%
	Small Metro (County Pop < 250K)	24,098	28,402 18%	34,243 21%
Nonmetropolitan	Counties in micropolitan statistical areas	12,300	15,125 23%	19,255 27%
	Noncore (Counties outside micropolitan statistical areas)	7,452	9,099 22%	12,429 37%

Year-to-Date Total Residential Units: +11%

Source: Dodge Data & Analytics

U.S. Commercial Building Starts

Richards Boulevard Office Complex
Sacramento CA
\$855 million/474 tsf
Project Start: November 2020



U.S. Commercial Building Starts

Commercial construction sector begins to improve

	U.S. Commercial Building Starts (Billions of Dollars)						
	2015	2016	2017	2018	2019	2020	2021
Retail	\$20 12%	\$21 4%	\$20 -4%	\$17 -15%	\$17 -4%	\$12 -26%	\$13 4%
Warehouses	\$15 26%	\$20 30%	\$24 18%	\$24 2%	\$30 26%	\$33 8%	\$37 14%
Office	\$31 5%	\$41 32%	\$42 2%	\$49 15%	\$55 12%	\$43 -21%	\$45 4%
Hotels and Motels	\$14 19%	\$17 28%	\$16 -6%	\$19 16%	\$18 -6%	\$9 -50%	\$8 -13%
Parking Garages	\$13 8%	\$15 20%	\$14 -6%	\$16 9%	\$20 30%	\$12 -39%	\$12 1%
Total Commercial	\$94 12%	\$115 23%	\$117 1%	\$125 6%	\$140 12%	\$110 -21%	\$115 5%

Source: Dodge Data & Analytics

U.S. Warehouse Building Starts

Largest warehouse projects – Oct 2020 - Mar 2021

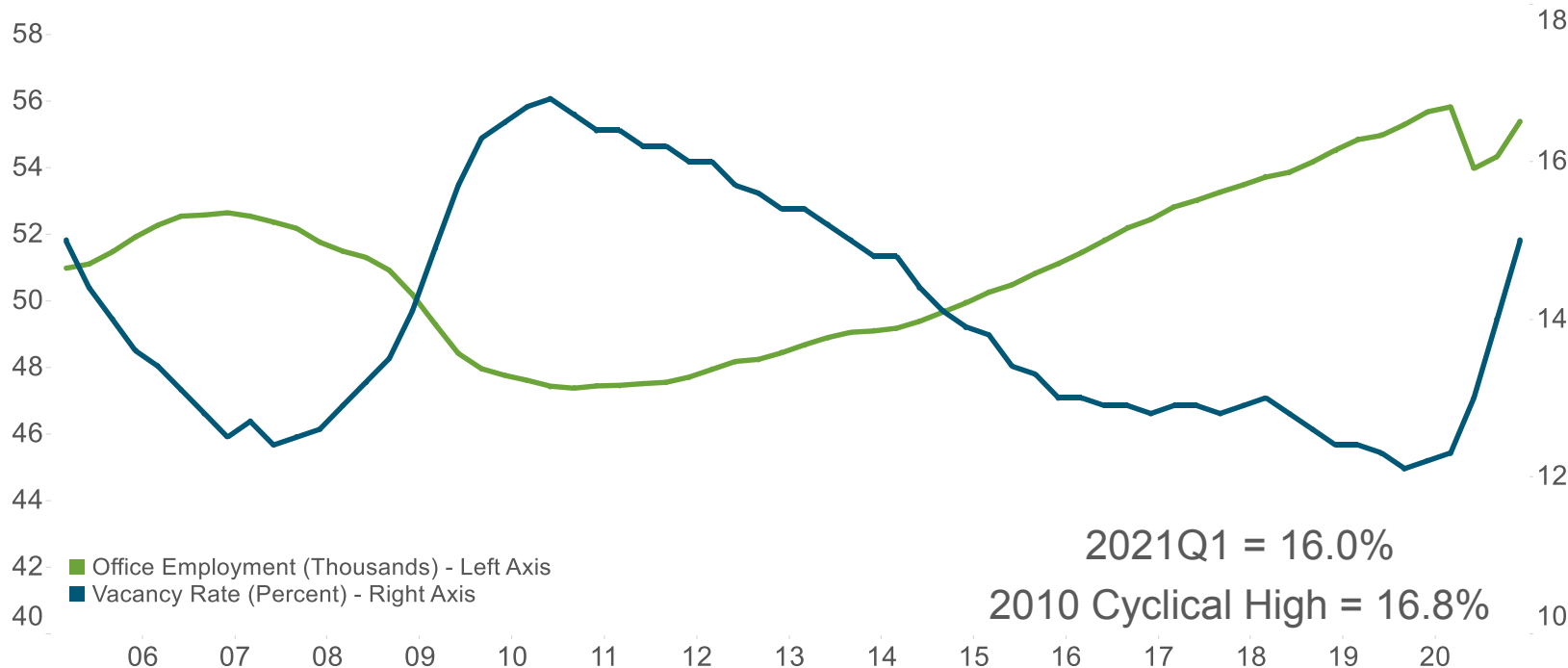
Title	City/State	Start Month	Millions	Area (Thou. SF)
Amazon Distribution Center	Detroit, Michigan	2020:11	\$400	3,800
Amazon Logistics Facility	Maspeth, New York	2021:03	\$306	821
Tradepoint Atlantic Distribution Ctr	Baltimore, Maryland	2021:01	\$300	1,800
Amazon Fulfillment Facility	Papillion, Nebraska	2021:02	\$227	2,700
Amazon Distribution Warehouse	Waco, Texas	2021:01	\$215	2,694
Project Bruin - Amazon Fulfillment Center	Oxnard, California	2020:11	\$200	2,315
Project Star Fulfillment Center	San Antonio, Texas	2021:01	\$200	3,484
Walmart Distribution Center E Hub	Mccordsville, Indiana	2020:11	\$198	2,200
Walmart Distribution Center #8980	Not Available, South Carolina	2021:01	\$191	3,000
Amazon Warehouse Automated Distribution	Temple Terrace, Florida	2020:11	\$185	2,800

Source: Dodge Data & Analytics

U.S. Office Building Starts

Vacancy rates nearly 370 basis points higher than last year

U.S. Office Vacancy Rate vs. Office-Using Employment



2021Q1 = 16.0%

2010 Cyclical High = 16.8%

Source: CB Richard Ellis Econometric Advisors

U.S. Institutional Building Starts

OSU Wexner Inpatient Hospital Tower
Columbus OH
\$1.2 billion/1.9 msf
Project Start: February 2021



U.S. Institutional Building Starts

Tepid increases expected for publicly funded projects

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

	2015	2016	2017	2018	2019	2020	2021
Education	\$48 25%	\$53 9%	\$59 12%	\$64 9%	\$63 0%	\$61 -3%	\$59 -3%
Healthcare	\$23 6%	\$27 14%	\$29 7%	\$28 -3%	\$28 3%	\$27 -5%	\$29 7%
Public Buildings	\$8 24%	\$9 11%	\$10 7%	\$10 4%	\$11 9%	\$12 6%	\$12 0%
Recreation	\$14 25%	\$19 30%	\$18 -2%	\$21 14%	\$19 -9%	\$12 -38%	\$11 -1%
Transportation	\$7 13%	\$10 27%	\$22 127%	\$13 -39%	\$12 -8%	\$10 -22%	\$10 9%
Dormitories	\$6 29%	\$4 -30%	\$7 50%	\$5 -18%	\$6 12%	\$4 -40%	\$4 0%
Religious Buildings	\$2 17%	\$2 -15%	\$2 20%	\$2 -16%	\$2 27%	\$2 -22%	\$2 -2%
Total Institutional	\$110 20%	\$123 11%	\$145 19%	\$142 -2%	\$142 0%	\$126 -11%	\$127 1%

Source: Dodge Data & Analytics

U.S. Institutional Building Starts

Election also brings numerous measures to support construction

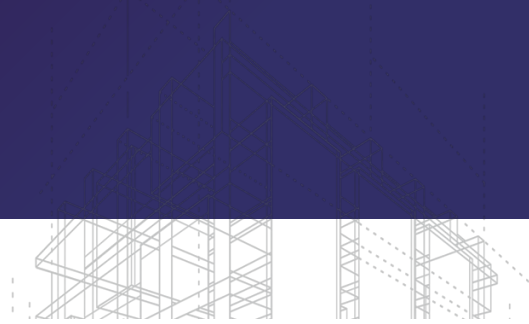
Sampling of Major Bond Proposals Passed in November 2020

- Austin TX Prop A - \$7.1B property tax adjustment to fund Project Connect
- Los Angeles CA USD - \$7.0B for K-12 renovation/modernization
- Dallas TX ISD - \$3.3B for K-12 construction/renovation
- King County Seattle WA – \$1.7B to renovate/expand Harborview Medical Ctr
- San Antonio TX - \$1.2B for K-12 construction/renovation
- Oregon - \$1.2B for school renovations
- Denver CO - \$795 million for new high school buildings

Sampling of Major Bond Proposals Passed in November 2019

- TX voters approved \$5.4 billion in local education bond measures and \$3.0 billion to fund the Cancer Prevention and Research Institute of Texas
- Ann Arbor MI voters approved a \$1.0 billion in education bond measure

U.S. Total Construction Starts

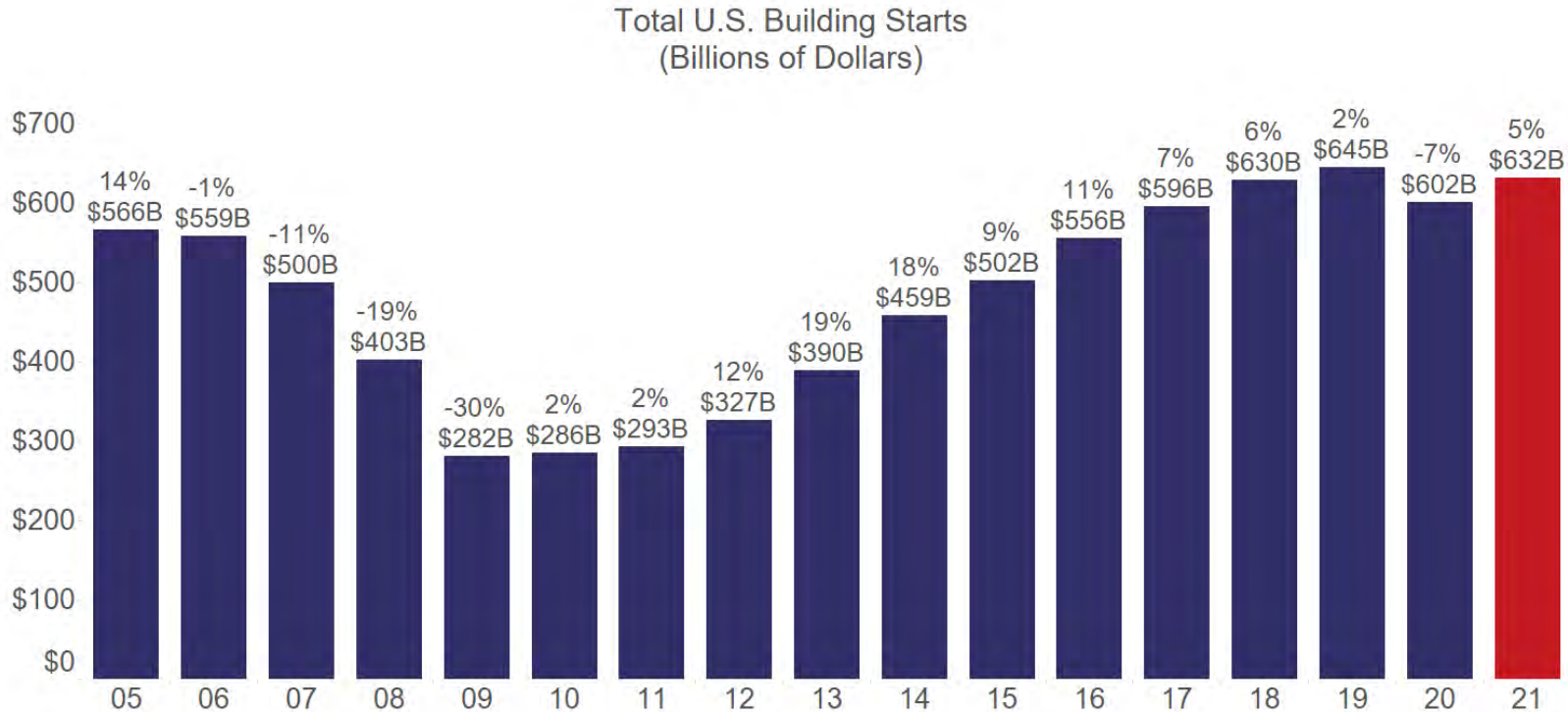


ApiJect Systems Gigafactory
Durham NC
\$785 million/1,000 tsf
Project Start: February 2021



U.S. Total Building Construction Starts

Total building construction to rise 5% in 2021



Source: Dodge Data & Analytics

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