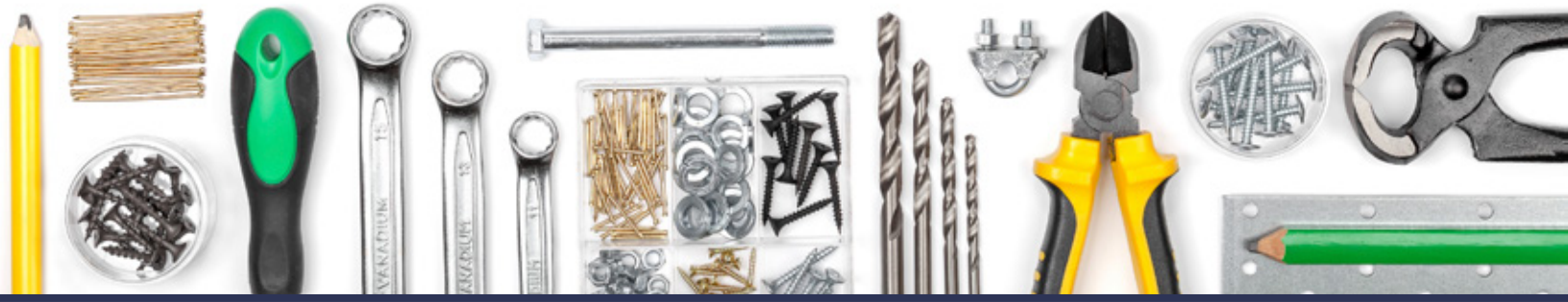


# Where's the work?

## What's hot and what's not

After steady growth the past two years and fueled by optimism, 2016 is shaping up to be another good year for construction overall. What does the industry's economic landscape look like for your construction firm? Here's what the experts are predicting.

*"We should continue to see strong growth in almost all sectors of construction in the coming year."*  
 Ken Simonson, chief economist, AGC of America



## Overall industry growth forecast

### Gains ahead

*"The construction industry has benefited from increased stability stemming from low material prices and greater certainty regarding federal budgeting and monetary policy."*

Anirban Basu, chief economist,  
 Associated Builders and Contractors

*"For 2016, the economic environment should support further growth for the overall level of construction starts."*

Robert Murray, chief economist,  
 Dodge Data & Analytics

### Construction starts



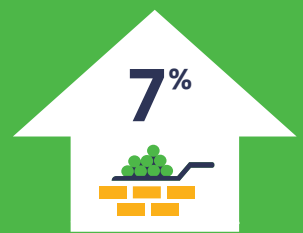
Robert Murray,  
 Dodge Data & Analytics

### Spending



Ken Simonson, AGC

### Construction put in place



Randy Giggard, FMI



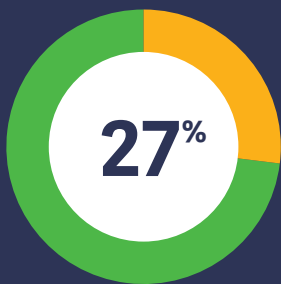
### Housing outlook

NAHB predicts the housing recovery will pick up steam in 2016

#### Housing starts:

(percent increase/decrease from 2015)

single family



multifamily



### Analysts predict:



**What's hot**  
 Residential  
 Medical facilities  
 Office space



**What's not**  
 Manufacturing  
 Retail  
 Warehouses



### Sector forecast

(nonresidential)

Compared to 2015, contractors expect the available dollar volume of projects they compete for in 2016 to be highest for:\*

Retail, warehouse, lodging



Hospitals



Private offices



### More apartments

AGC's Ken Simonson indicates that multi-family housing is still very hot even if it is slowing down a bit. Extreme increases in rent are signaling investors and developers that there's still room to put up more apartments.

### Expanding territory

More companies are moving outside of their geographic region to get work.\*

**34% of contractors** expect to broaden their geographic area.

### Stand-alone retail

With the move to online shopping, construction of malls and stand-alone retail shops are expected to continue to decline. Most retail construction will be tied to mixed-use properties and renovations.

#### Sources:

Optimism pervades 2016 AGC Utah Convention, ENR Mountain States, Jan. 28, 2016  
 New construction starts in 2016 to grow 6% to \$712 billion, Dodge Data & Analytics, Oct. 30, 2015  
 FMI's 2015 Construction Outlook, Third Quarter Report  
 Housing recovery to pick up steam in 2016, but challenges remain, NAHB.com, Oct. 22, 2015  
 \*2016 construction hiring and business outlook, Sage and the AGC of America  
 3 economist predictions for construction industry growth in 2016, Construction Dive, Nov. 9, 2015  
 Construction Spending, Labor, and Material Outlook, AGC of America, Jan. 5, 2016

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