




FMI's North American Engineering and Construction Outlook

First Quarter 2020 Report



A large, stylized graphic of a virus particle, resembling a coronavirus, is positioned on the left side of the page. It is rendered in a dark blue color that matches the background, creating a subtle, thematic visual element. The virus has a central core with several long, thin, rounded protrusions extending outwards, mimicking the structure of a virus with its spike proteins.

Recent economic disruptions considered in the following forecast include the domestic and foreign impact of COVID-19, high volatility across financial and equity markets, emergency policies set in place by the Federal Reserve, significantly lower oil prices, potential impact of federal stimulus, and mounting political uncertainty headed into the 2020 presidential election. Based on the speed and breadth of these various disruptions, FMI is anticipating, at minimum, a momentary recession between the second and third quarter of 2020. Depth and reach of these disruptions will remain under watch through the coming months.

FMI U.S. Engineering and Construction Outlook

First Quarter 2020 Report

Key Takeaways

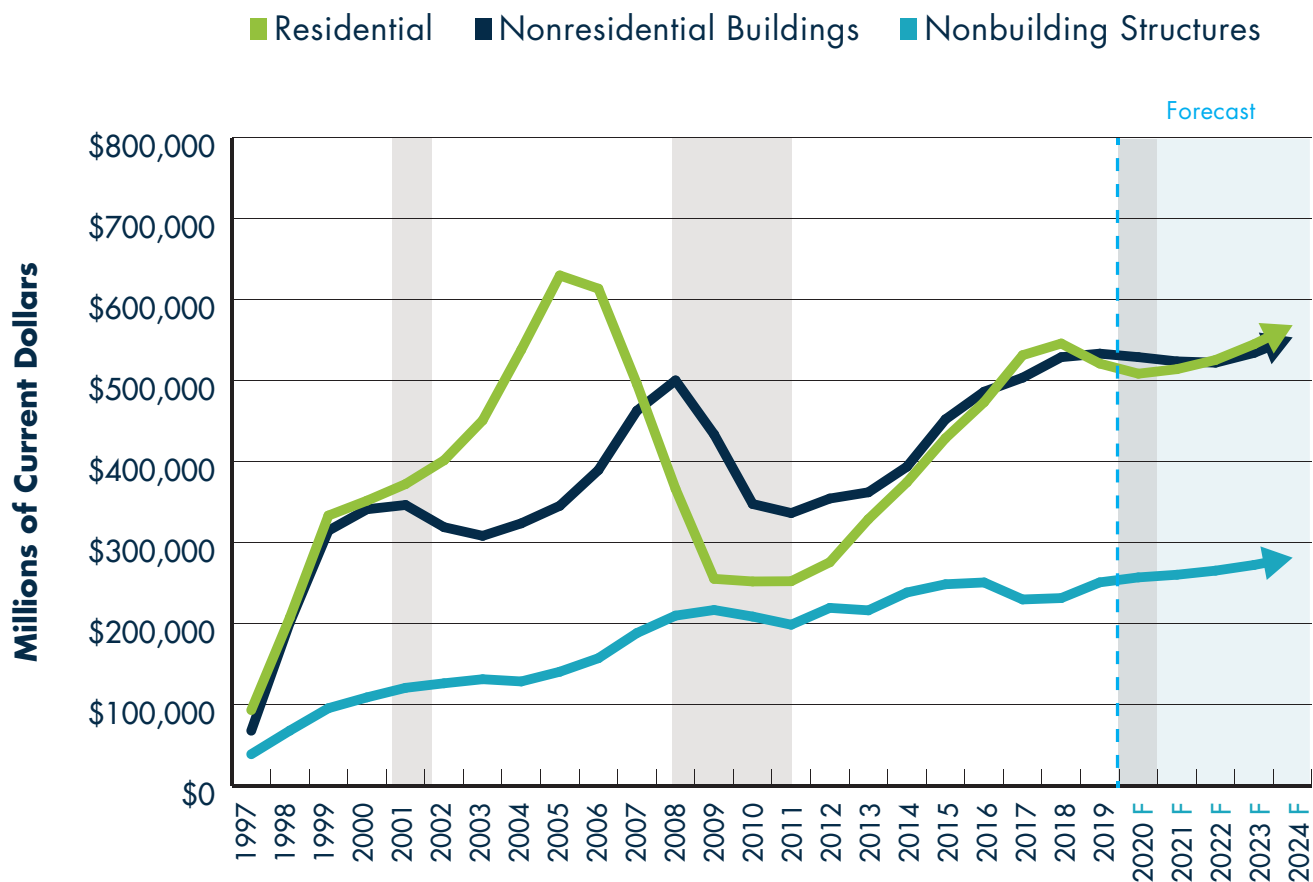
- Total engineering and construction spending for the U.S. is forecast to end down 1 percent in 2020, compared to 0 percent growth in 2019.



- Spending growth in 2020 is expected to be led by public institutional and infrastructure investments across both nonresidential buildings and nonresidential structures. Current anticipated top-performing segments forecast in 2020 include public safety (+6 percent), transportation (+4 percent), water supply (+4 percent) and conservation and development (+4 percent). Forecast bottom-performing segments in 2020 include religious (-8 percent), commercial (-7 percent), amusement and recreation (-7 percent) and lodging (-3 percent).
- Many segments were downgraded, comparing growth in 2019 and forecast growth 2020 as a result of shifting cycles within the E&C industry on top of significant recent economic disruptions. Office, transportation, power, highway and street, sewage and waste disposal, water supply, and conservation and development were all revised from “up” to “stable.” Additionally, amusement and recreation as well as manufacturing were downgraded from “stable” to “down.” Lodging was downgraded appreciably from “up” (+7%) in 2019 to “down” (-3%) in 2020.
- FMI’s second quarter 2020 Nonresidential Construction Index (NRCI) at 53.2 remains optimistic and is reflective of the strong and stable industry sentiment seen through most of the first quarter. This reading is also likely an early indication of changing sentiment due to the various economic disruptions initially realized towards the end of the first quarter.



Total Construction Put in Place Estimated for the U.S.

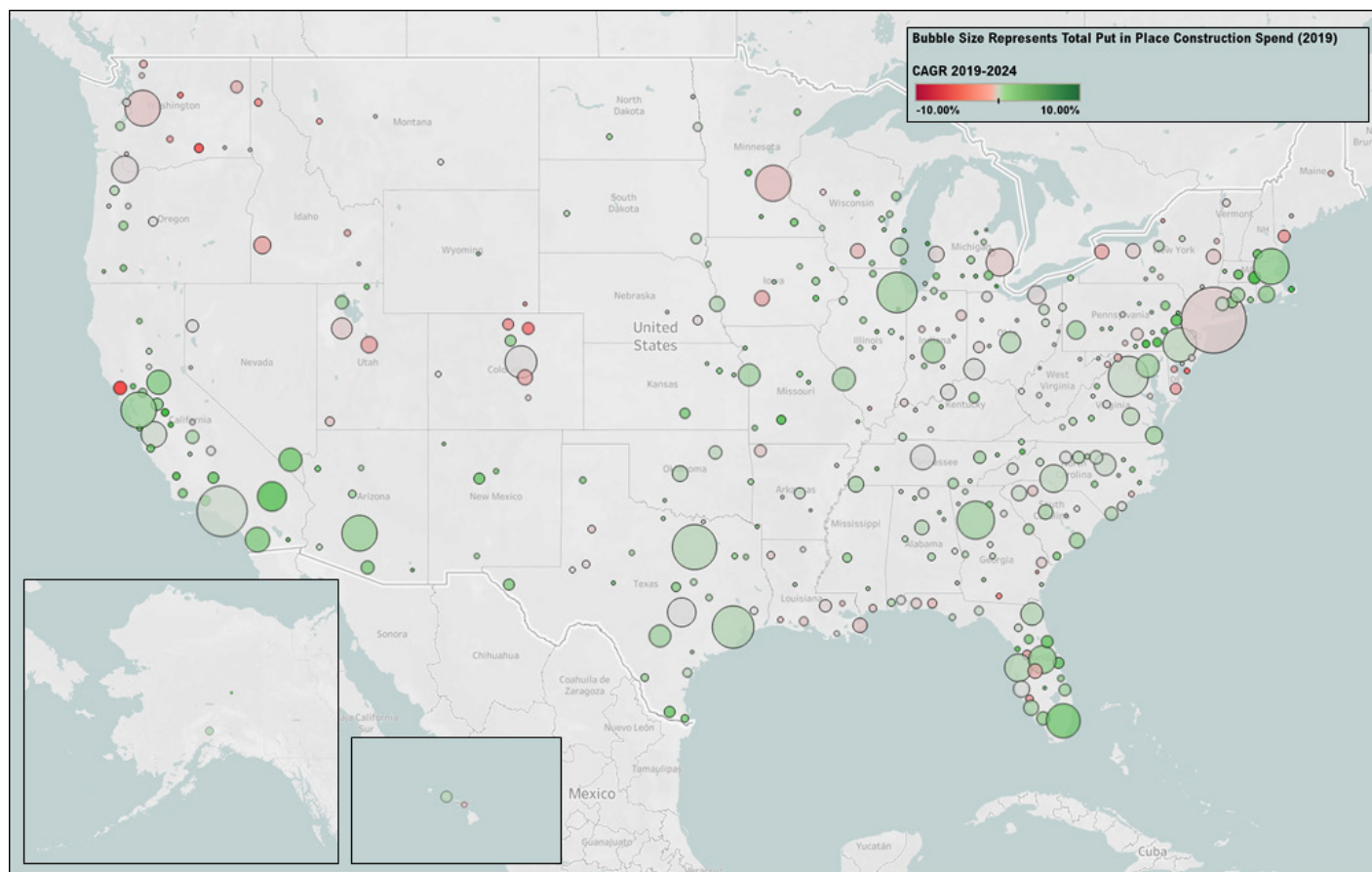


Throughout the value of construction put in place includes the cost of architectural and engineering work.

Source: U.S. Census and FMI Forecast



Total Construction Put in Place 2019 and Forecast Growth (2019-2024 CAGR) by Metropolitan Statistical Area



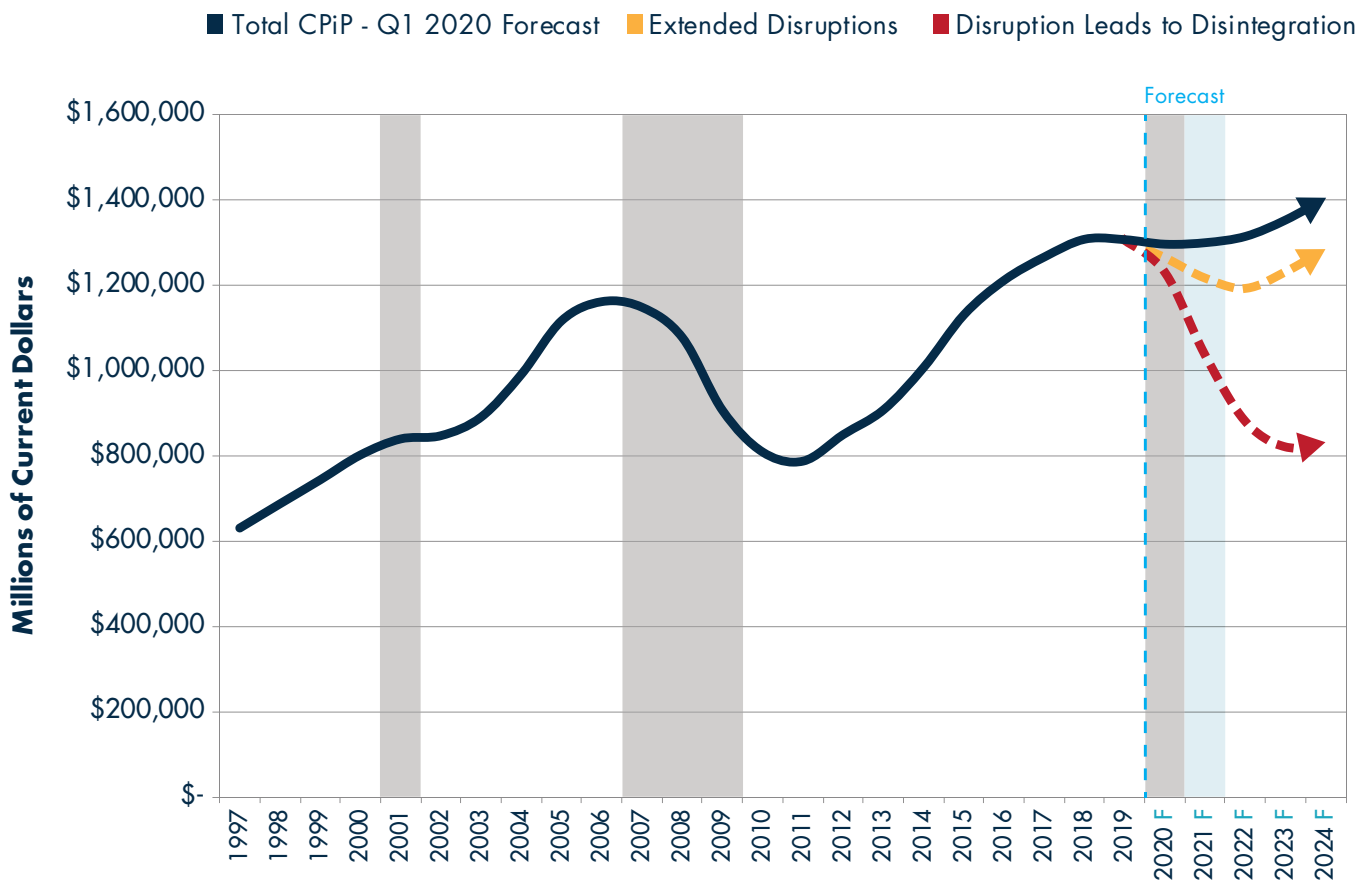
Source: U.S. Census and FMI Forecast

Future Uncertainty

Over the coming weeks and months, FMI anticipates much more information forthcoming to help drive our expectations around current economic developments. Only time will provide clarity and understanding in how converging current events unfold related to COVID-19, oil price collapse, political uncertainty and the significant volatility seen across domestic and international financial markets.

The estimates and assumptions presented within this first quarter Outlook include two quarters of negative GDP growth in the second and third quarters of 2020, defining a minimum period for an economic recession. However, we understand that the duration and reach of the factors noted in our introduction could send severe shockwaves far beyond what is apparent today.

In the chart below, we illustrate a range of possibilities that will be under watch and explored in future publications. Within the chart, given what we know today, our extended disruptions line assumes three quarters of negative GDP growth and is primarily a result of an extended management period for COVID-19 disruptions on top of stalled economic stimulus. Alternatively, the worst-case “disintegration” outcomes suggest at least six quarters of negative GDP growth (similar to the duration of the Great Recession) as declines lead to irreparable financial damage and implications across multiple industries and seemingly healthy organizations and corporations.



Source: U.S. Census and FMI Forecast

RESIDENTIAL CONSTRUCTION PUT IN PLACE

Single-Family Residential

Drivers: Unemployment rate, core CPI, income, mortgage rate, home prices, housing starts, housing permits

DWN -2%

\$266 Billion

2020/2019 Comparison



- Limited short-term demand for home sales and increasing inventories are expected
- Supply chain disruptions become an added challenge in delivering lower-cost starter homes
- Affordability and availability issues persist despite falling interest rates
- Economic climate is expected to remain fragile into 2021

2020	DWN -2%	\$266 Billion
2021	STA 2%	\$271 Billion
2022	STA 4%	\$281 Billion
2023	STA 4%	\$293 Billion
2024	UP 5%	\$307 Billion

Multifamily Residential

Drivers: Unemployment rate, core CPI, income, mortgage rate, home prices, housing starts, housing permits

DWN -2%

\$66 Billion

2020/2019 Comparison



- Demographic shifts are seen favoring secondary and tertiary urban submarkets
- Foreign direct investment is expected to remain stalled
- Buyers and renters are increasingly transient in both living and employment obligations
- Long-term demand expected to remain healthy

2020	DWN -2%	\$66 Billion
2021	STA 2%	\$65 Billion
2022	STA 4%	\$63 Billion
2023	STA 4%	\$64 Billion
2024	UP 5%	\$68 Billion

Improvements

Drivers: Unemployment rate, core CPI, income, mortgage rate, home prices, housing starts, housing permits

DWN -3%

\$177 Billion

2020/2019 Comparison



- Valuations are seen peaking in many major markets, complicating investment-led renovation decisions
- Increased refinance activity will only partially offset improvements tied to home sales
- Aging inventories and increased rental activity will become counterbalanced by declining rental turnover

2020	DWN -3%	\$177 Billion
2021	STA 1%	\$178 Billion
2022	STA 2%	\$182 Billion
2023	STA 3%	\$187 Billion
2024	STA 4%	\$194 Billion



Nonresidential Construction Index (NRCI) Q1 2011 to Q2 2020

(Scores above 50 indicate expansion; scores below 50 indicate contraction)

NRCI scores are based on a diffusion index where scores above 50 represent improving or expanding industry conditions, a score of 50 represents conditions remaining the same, and a score below 50 represents worse conditions than last quarter (or contraction).

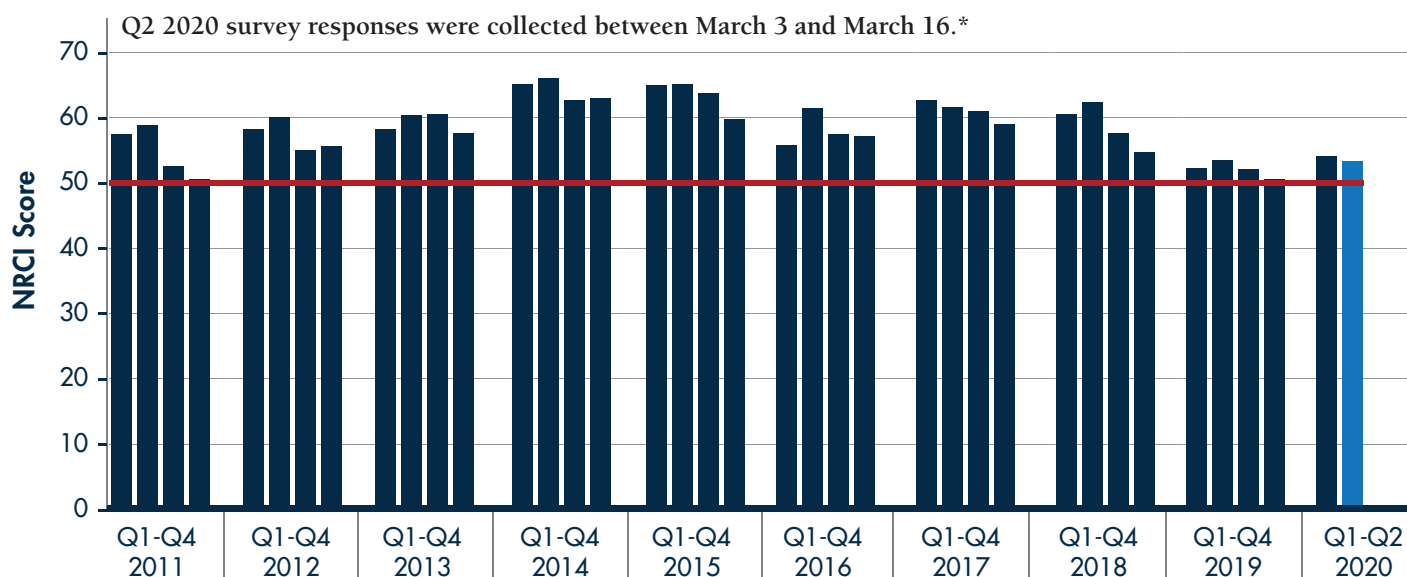
Current NRCI Reading
for Q2 2020

53.2

Previous Reading

53.9

Q2 2020 survey responses were collected between March 3 and March 16.*



*It is important to note timing of this survey and that the current Q2 reading is likely an early indication of changing sentiment due to the various economic disruptions first seen towards the end of Q1.

The data in the NRCI is presented as a sampling of construction industry executives voluntarily serving as panelists for this FMI survey. Responses are based on their experience and opinions, and the analysis is based on FMI's interpretation of the aggregated results.

NONRESIDENTIAL CONSTRUCTION PUT IN PLACE

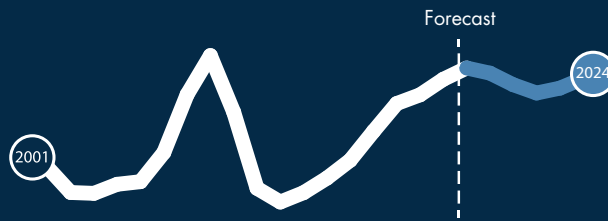
Lodging

Drivers: Occupancy rate, RevPAR, average daily rate, room starts

DWN -3%

\$33 Billion

2020/2019 Comparison



- Travel (both business and leisure), RevPar and occupancy rates all plummet through 2020 as a result of COVID-19
- Significant added supply through late 2019 and projects underway
- Transportation and infrastructure projects support long-term elevated spending in select markets

2020 **DWN -3%**
\$33 Billion

2021 **DWN -6%**
\$30 Billion

2022 **DWN -5%**
\$29 Billion

2023 **STA 3%**
\$30 Billion

2024 **UP 6%**
\$32 Billion

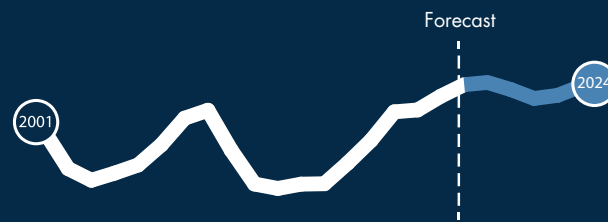
Office

Drivers: Office vacancy rate, unemployment rate

STA 1%

\$80 Billion

2020/2019 Comparison



- Downtown markets experience rent stabilization while vacancy rates trend higher
- Slowed employment growth expected to weigh on future spending
- Shared office space and coworking businesses will be challenged
- Demand for data center investment continues to expand rapidly alongside 5G deployment

2020 **STA 1%**
\$80 Billion

2021 **DWN -4%**
\$77 Billion

2022 **DWN -5%**
\$73 Billion

2023 **STA 2%**
\$75 Billion

2024 **UP 5%**
\$79 Billion

Commercial

Drivers: Retail sales, CPI, income, home prices, housing starts, housing prices

DWN -7%

\$79 Billion

2020/2019 Comparison



- Continued and accelerating rise in e-commerce across nontraditional platforms (e.g., grocery, pharmacy, automotive, etc.)
- Demand for warehouse and distribution stalls for the first time in years, favoring smaller facilities alongside fewer imports tied to trade negotiations and supply chain disruptions
- Brick-and-mortar retail challenges continue with recent investment shifts into travel, leisure and entertainment

2020 **DWN -7%**
\$79 Billion

2021 **DWN -5%**
\$76 Billion

2022 **DWN -3%**
\$73 Billion

2023 **STA 3%**
\$75 Billion

2024 **UP 5%**
\$79 Billion

Health Care

Drivers: Population change, population change in ages 75 and up, uninsured population, government spending, nonresidential structure investment

STA **3%**

\$46 Billion

2020/2019 Comparison



- Demand and adoption for health care services and technologies (e.g., telehealth and wearables) are expected to jump substantially in the wake of COVID-19 and 5G deployment
- Affordable Care Act is anticipated to become an important political platform through the 2020 presidential election
- Project pipeline suggests some resurgence in larger health care campuses

2020 **STA** **3%**
\$46 Billion

2021 **STA** **1%**
\$46 Billion

2022 **DWN** **-1%**
\$46 Billion

2023 **STA** **1%**
\$46 Billion

2024 **STA** **3%**
\$48 Billion

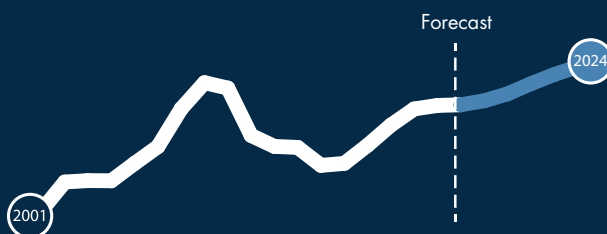
Educational

Drivers: Population change younger than age 18, population change ages 18-24, stock markets, government spending, nonresidential structure investment

STA **1%**

\$99 Billion

2020/2019 Comparison



- Maintenance backlogs receive much needed support through federal stimulus
- K-12 spending continues to outperform higher education due to low endowment returns
- Industry prioritization in establishing and/or refining online presence
- Safety and health become core elements of facility design

2020 **STA** **1%**
\$99 Billion

2021 **STA** **2%**
\$101 Billion

2022 **STA** **3%**
\$105 Billion

2023 **STA** **3%**
\$107 Billion

2024 **STA** **2%**
\$110 Billion

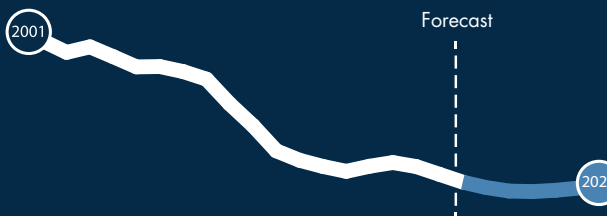
Religious

Drivers: GDP, population, income, personal savings

DWN **-8%**

\$3 Billion

2020/2019 Comparison



- Ongoing shift away from traditional worship facilities alongside declining attendance and religious affiliation
- Construction investment is being directed into community-focused service and gathering places
- Declining share of Americans donating to religious organizations

2020 **DWN** **-8%**
\$3 Billion

2021 **DWN** **-5%**
\$3 Billion

2022 **DWN** **-1%**
\$3 Billion

2023 **STA** **2%**
\$3 Billion

2024 **STA** **4%**
\$3 Billion

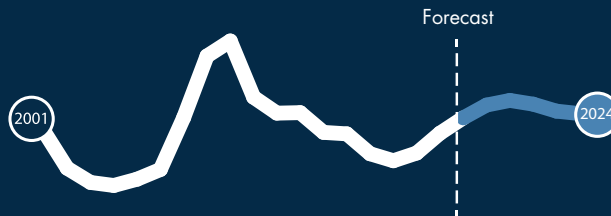
Public Safety

Drivers: Population, government spending, incarceration rate, nonresidential structure investment

UP **6%**

\$11 Billion

2020/2019 Comparison



- Large and high-growth metropolitans are in need of updated facilities and infrastructure
- Historically high local tax revenues backed with anticipated federal stimulus spending
- Low national crime rates may become challenged alongside rising unemployment

2020	UP 6%
	\$11 Billion
2021	STA 2%
	\$11 Billion
2022	DWN -2%
	\$11 Billion
2023	DWN -3%
	\$11 Billion
2024	DWN -1%
	\$10 Billion

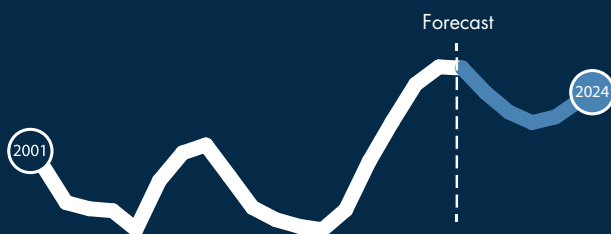
Amusement and Recreation

Drivers: Income, personal savings rate, unemployment rate, employment

DWN **-7%**

\$26 Billion

2020/2019 Comparison



- Parks, theaters, festivals, conventions and concerts have all been either temporarily shut down or canceled due to COVID-19
- Loss of revenue, declining economic growth and travel (both business and leisure) are anticipated to postpone or cancel future large-scale planned projects

2020	DWN -7%
	\$26 Billion
2021	DWN -6%
	\$24 Billion
2022	DWN -3%
	\$24 Billion
2023	STA 2%
	\$24 Billion
2024	UP 5%
	\$25 Billion

Transportation

Drivers: Population, government spending, transportation funding

STA **4%**

\$57 Billion

2020/2019 Comparison



- Multimodal travel, including airlines, transit systems and ports (e.g., cruise ships and freight), will remain challenged through 2020 as a result of COVID-19
- Various anticipated megaprojects may be canceled or postponed
- Economic stimulus is expected to uphold spending levels over the coming years where demographics and commerce support ongoing investment

2020	STA 4%
	\$57 Billion
2021	UP 9%
	\$62 Billion
2022	UP 6%
	\$65 Billion
2023	STA 3%
	\$67 Billion
2024	STA 1%
	\$67 Billion

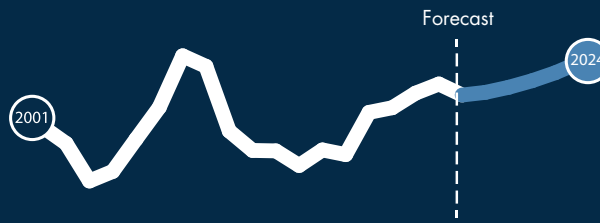
Communication

Drivers: Population, security/regulation standards, private investment, innovation/technology investment

STA **1%**

\$24 Billion

2020/2019 Comparison



- COVID-19 shutdown period widely strengthens demand for network bandwidth and resiliency
- Fifth-generation (5G) infrastructure deployment continues across major metropolises and into secondary markets
- Internet traffic, connected devices and demand for data storage and processing are positioned to increase dramatically over the forecast period

2020	STA 1%
	\$24 Billion
2021	STA 2%
	\$24 Billion
2022	STA 3%
	\$25 Billion
2023	STA 3%
	\$26 Billion
2024	STA 4%
	\$27 Billion

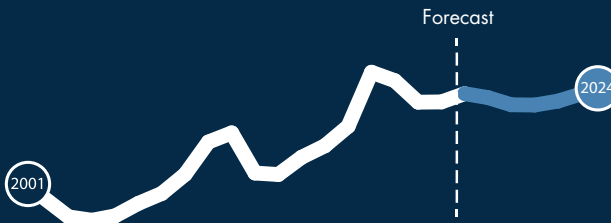
Manufacturing

Drivers: PMI, industrial production, capacity utilization, durable goods orders, manufacturing inventories

DWN **-2%**

\$73 Billion

2020/2019 Comparison



- COVID-19-related (international and domestic) supply chain disruptions, political uncertainty, ongoing trade tensions and oil price collapse support continued decline in industrial production into 2021
- Large-scale planned petrochemical investments along the Gulf Coast postponed or shelved until oil prices rebound and volatility in the energy sector stabilizes
- Transportation equipment subsectors remain weakened through 2021

2020	DWN -2%
	\$73 Billion
2021	DWN -4%
	\$70 Billion
2022	STA 0%
	\$69 Billion
2023	STA 2%
	\$71 Billion
2024	STA 4%
	\$74 Billion

NONBUILDING STRUCTURES CONSTRUCTION PUT IN PLACE

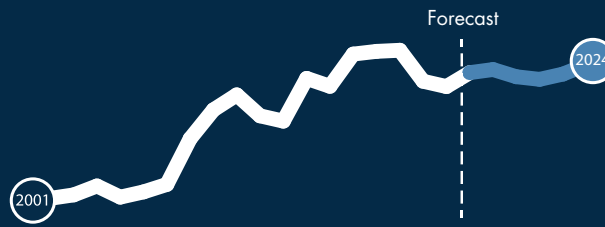
Power

Drivers: Population, industrial production, government spending

STA **2%**

\$102 Billion

2020/2019 Comparison



- Resiliency improvements, regulatory requirements and electrification trends are expected to uphold investment
- Oil price collapse alongside a wavering trade climate will challenge pipeline and related infrastructure expansion
- Lower energy prices will contest demand for large-scale renewable projects planned for 2020 and 2021

2020	STA 2%
	\$102 Billion
2021	DWN -4%
	\$106 Billion
2022	DWN -1%
	\$111 Billion
2023	STA 3%
	\$113 Billion
2024	UP 5%
	\$114 Billion

Highway and Street

Drivers: Population, government spending, nonresidential structure investment

STA **3%**

\$102 Billion

2020/2019 Comparison



- The FAST Act is set to expire in 2020, and its successor is anticipated to become a political platform in the upcoming presidential election
- Expanding state and local economies have led to recent increased funding sources
- Federal economic stimulus may spur a wave of resurfacing and shovel ready projects in coming months

2020	STA 3%
	\$102 Billion
2021	UP 5%
	\$106 Billion
2022	STA 4%
	\$111 Billion
2023	STA 2%
	\$113 Billion
2024	STA 1%
	\$114 Billion

Sewage and Waste Disposal

Drivers: Population, industrial production, government spending

STA **3%**

\$27 Billion

2020/2019 Comparison



- Passage of America's Water Infrastructure Act in late 2018 and reauthorization of the Water Infrastructure Finance and Innovation Act (WIFIA) provide a solid footing for ongoing investment
- Overall demand for infrastructure expansion will waver alongside declining residential and nonresidential development
- Economic stimulus funding and low borrowing costs are expected to uphold investment levels

2020	STA 3%
	\$27 Billion
2021	STA 4%
	\$28 Billion
2022	STA 4%
	\$29 Billion
2023	STA 4%
	\$30 Billion
2024	UP 5%
	\$32 Billion

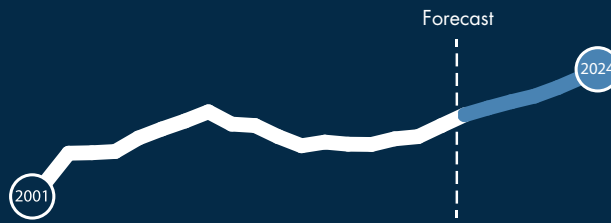
Water Supply

Drivers: Population, industrial production, government spending

STA **4%**

\$17 Billion

2020/2019 Comparison



- The Water Quality Protection and Jobs Creation Act of 2019 injects billions into the Clean Water State Revolving Fund through the forecast period
- Overall demand for infrastructure expansion will waver alongside declining residential and nonresidential development
- Economic stimulus funding and low borrowing costs are expected to uphold investment levels

2020	STA 4%
	\$17 Billion
2021	STA 4%
	\$18 Billion
2022	STA 3%
	\$18 Billion
2023	UP 5%
	\$19 Billion
2024	UP 5%
	\$20 Billion

Conservation and Development

Drivers: Population, government spending

STA **4%**

\$10 Billion

2020/2019 Comparison



- Cuts to the EPA budgets may be reversed as a result of stimulus spending
- Ongoing and possibly expanded USACE spending tied to recent 2019 Disaster Relief bill efforts
- Low oil prices will likely curtail some need for ongoing remediation and conservation efforts

2020	STA 4%
	\$10 Billion
2021	UP 6%
	\$10 Billion
2022	STA 4%
	\$11 Billion
2023	STA 4%
	\$11 Billion
2024	UP 6%
	\$12 Billion

Construction Put in Place Estimated for the United States

Millions of Current Dollars

1st Quarter 2020 Forecast (based on Q4 2019 Actuals)

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
RESIDENTIAL BUILDINGS										
Single-family	221,683	242,939	270,365	289,855	272,634	266,326	271,489	281,331	293,429	306,805
Multifamily	58,686	66,835	66,404	65,670	67,142	66,018	64,502	62,555	64,374	67,759
Improvements*	148,857	163,913	194,986	190,611	181,591	176,551	178,496	181,921	187,450	194,226
Total Residential Buildings	429,226	473,687	531,755	546,136	521,368	508,895	514,488	525,806	545,252	568,790
NONRESIDENTIAL BUILDINGS										
Lodging	22,012	27,077	28,660	31,496	33,544	32,606	30,496	28,986	29,874	31,650
Office	56,013	67,907	68,685	74,450	79,228	80,131	77,191	73,481	74,746	78,506
Commercial	66,977	78,696	87,626	95,420	85,246	79,394	75,549	73,092	75,426	79,453
Health Care	39,665	40,574	43,120	42,642	44,245	45,541	46,076	45,741	46,170	47,578
Educational	85,346	91,629	96,685	97,777	97,991	99,225	101,383	104,532	107,408	109,847
Religious	3,598	3,752	3,586	3,262	2,937	2,713	2,564	2,544	2,597	2,692
Public Safety	8,505	8,177	8,539	9,468	10,186	10,786	11,003	10,828	10,501	10,385
Amusement and Recreation	20,527	23,652	26,569	27,924	27,826	25,923	24,399	23,578	24,014	25,267
Transportation	45,106	43,339	46,137	51,446	54,712	56,667	61,511	65,232	66,931	67,396
Communication	21,691	22,179	23,696	24,645	23,499	23,776	24,304	24,987	25,820	26,855
Manufacturing	83,143	79,633	70,682	70,782	74,222	72,592	69,606	69,485	71,110	74,131
Total Nonresidential Buildings	452,583	486,615	503,985	529,312	533,636	529,354	524,082	522,488	534,599	553,760
NONBUILDING STRUCTURES										
Power	111,495	112,067	95,951	93,176	100,430	102,046	98,292	96,942	99,675	104,521
Highway and Street	91,701	93,187	89,620	91,124	98,918	101,637	106,416	110,701	112,591	113,669
Sewage and Waste Disposal	24,599	24,151	22,901	23,931	26,171	26,859	27,873	28,999	30,102	31,501
Water Supply	13,353	13,940	14,168	15,317	16,440	17,150	17,802	18,384	19,274	20,321
Conservation and Development	7,735	7,745	7,464	8,253	9,260	9,653	10,229	10,637	11,047	11,700
Total Nonbuilding Structures	248,883	251,090	230,104	231,801	251,219	257,345	260,613	265,663	272,689	281,712
Total Put in Place	\$1,130,692	\$1,211,392	\$1,265,844	\$1,307,249	\$1,306,223	\$1,295,594	\$1,299,182	\$1,313,958	\$1,352,540	\$1,404,263

Construction Put in Place Estimated for the United States

Change From Prior Year - Current Dollar Basis

1st Quarter 2020 Forecast (based on Q4 2019 Actuals)

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
RESIDENTIAL BUILDINGS										
Single-family	14%	10%	11%	7%	-6%	-2%	2%	4%	4%	5%
Multifamily	27%	14%	-1%	-1%	2%	-2%	-2%	-3%	3%	5%
Improvements*	11%	10%	19%	-2%	-5%	-3%	1%	2%	3%	4%
Total Residential Buildings	15%	10%	12%	3%	-5%	-2%	1%	2%	4%	4%
NONRESIDENTIAL BUILDINGS										
Lodging	32%	23%	6%	10%	7%	-3%	-6%	-5%	3%	6%
Office	20%	21%	1%	8%	6%	1%	-4%	-5%	2%	5%
Commercial	7%	17%	11%	9%	-11%	-7%	-5%	-3%	3%	5%
Health Care	3%	2%	6%	-1%	4%	3%	1%	-1%	1%	3%
Educational	7%	7%	6%	1%	0%	1%	2%	3%	3%	2%
Religious	6%	4%	-4%	-9%	-10%	-8%	-5%	-1%	2%	4%
Public Safety	-10%	-4%	4%	11%	8%	6%	2%	-2%	-3%	-1%
Amusement and Recreation	22%	15%	12%	5%	0%	-7%	-6%	-3%	2%	5%
Transportation	7%	-4%	6%	12%	6%	4%	9%	6%	3%	1%
Communication	25%	2%	7%	4%	-5%	1%	2%	3%	3%	4%
Manufacturing	37%	-4%	-11%	0%	5%	-2%	-4%	0%	2%	4%
Total Nonresidential Buildings	15%	8%	4%	5%	1%	-1%	-1%	0%	2%	4%
NONBUILDING STRUCTURES										
Power	1%	1%	-14%	-3%	8%	2%	-4%	-1%	3%	5%
Highway and Street	8%	2%	-4%	2%	9%	3%	5%	4%	2%	1%
Sewage and Waste Disposal	6%	-2%	-5%	4%	9%	3%	4%	4%	4%	5%
Water Supply	0%	4%	2%	8%	7%	4%	4%	3%	5%	5%
Conservation and Development	6%	0%	-4%	11%	12%	4%	6%	4%	4%	6%
Total Nonbuilding Structures	4%	1%	-8%	1%	8%	2%	1%	2%	3%	3%
Total Put in Place	12%	7%	4%	3%	0%	-1%	0%	1%	3%	4%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.



FMI Canadian Engineering and Construction Outlook

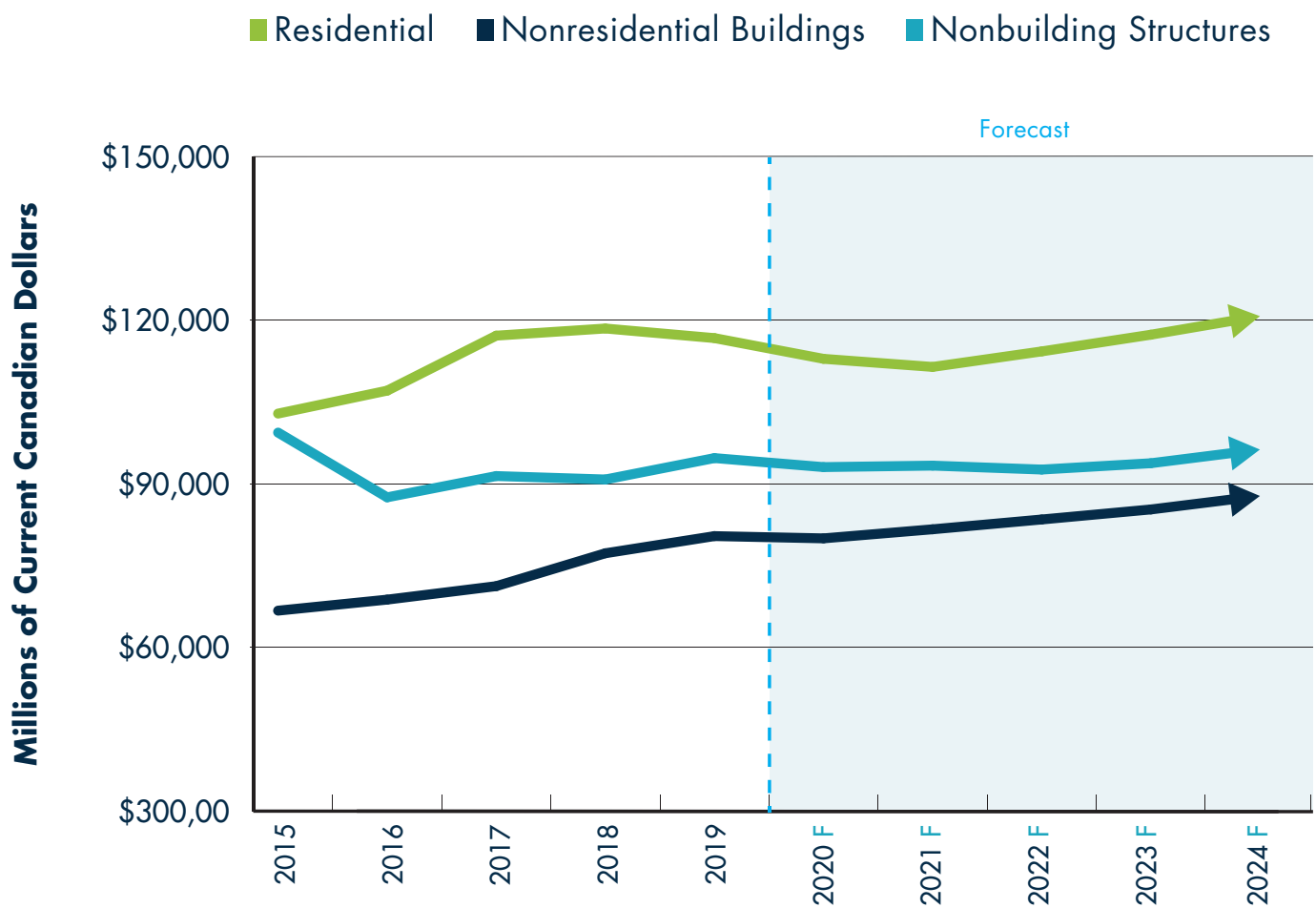
First Quarter 2020 Report

2020 Segment Performance 2020/2019 Comparison

UP 5% or more	STABLE 0% to 4%	DOWN Under 0%
<p>Up</p> <ul style="list-style-type: none"> ■ Sewage and waste disposal ■ Water Supply ■ Highway and Street ■ Transportation 	<p>Stable</p> <ul style="list-style-type: none"> ■ Conservation and Development ■ Manufacturing ■ Communication ■ Healthcare ■ Education ■ Public Safety 	<p>Down</p> <ul style="list-style-type: none"> ■ Improvements ■ Multifamily ■ Single-Family ■ Amusement and Recreation ■ Lodging ■ Office ■ Commercial ■ Power ■ Religious



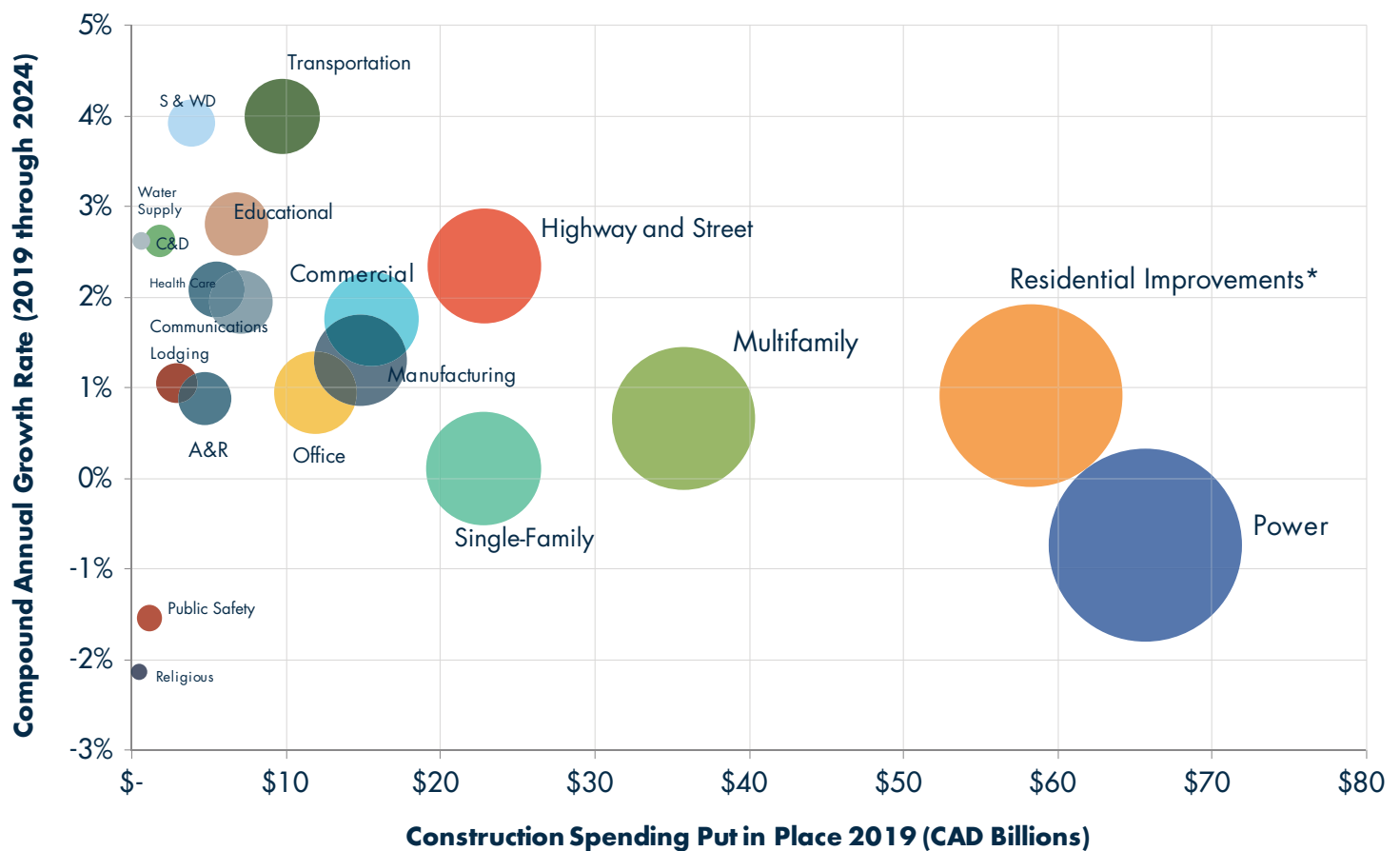
Total Construction Put in Place Estimated for Canada



Source: Statistics Canada and FMI Forecast



Total Construction Put in Place Estimated for Canada



*Improvements include additions, alterations and major replacements. It does not include maintenance and repairs.

Source: Statistics Canada and FMI Forecast

Construction Put in Place Estimated for Canada

Millions of Current Canadian Dollars

1st Quarter 2020 Forecast (based on Q4 2019 Actuals)

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
RESIDENTIAL BUILDINGS										
Single-family	25,628	26,964	28,106	26,395	22,790	22,065	21,760	22,059	22,406	22,908
Multifamily	23,529	24,483	28,307	32,635	35,696	33,748	33,550	34,510	35,824	36,881
Improvements*	53,731	55,646	60,764	59,456	58,240	57,112	56,131	57,720	59,118	60,962
Total Residential Buildings	102,888	107,092	117,177	118,486	116,727	112,925	111,440	114,289	117,348	120,752
NONRESIDENTIAL BUILDINGS										
Lodging	2,728	2,766	2,633	2,646	2,877	2,748	2,736	2,844	2,944	3,032
Office	9,608	9,111	9,628	10,415	11,886	11,326	11,401	11,646	12,068	12,455
Commercial	13,926	13,381	13,568	14,117	15,552	15,044	15,382	15,972	16,433	16,966
Health Care	5,278	4,975	5,018	5,118	5,459	5,695	5,963	5,994	5,936	6,050
Educational	5,999	6,767	7,775	7,757	6,768	7,059	7,274	7,386	7,576	7,779
Religious	442	413	386	382	444	424	394	393	389	399
Public Safety	953	948	863	898	1,120	1,125	975	1,089	1,032	1,036
Amusement and Recreation	3,560	4,432	4,480	4,741	4,710	4,510	4,639	4,741	4,770	4,921
Transportation	6,057	7,056	7,855	9,745	9,755	10,220	10,709	11,107	11,470	11,862
Communication	5,227	5,781	6,578	6,915	7,055	7,125	7,223	7,463	7,570	7,769
Manufacturing	12,978	13,149	12,466	14,545	14,797	14,733	14,977	14,876	15,325	15,784
Total Nonresidential Buildings	66,757	68,779	71,250	77,279	80,424	80,010	81,674	83,511	85,515	88,052
NONBUILDING STRUCTURES										
Power	70,830	61,084	65,579	62,437	65,674	62,636	61,907	60,683	61,392	63,295
Highway and Street	19,044	17,725	20,039	22,266	22,827	23,861	24,627	25,077	25,219	25,625
Sewage and Waste Disposal	5,476	5,114	3,655	3,769	3,872	4,065	4,168	4,266	4,567	4,692
Water Supply	3,707	3,000	1,657	1,742	1,785	1,921	2,022	1,950	1,970	2,031
Conservation and Development	344	611	505	591	571	592	622	646	635	650
Total Nonbuilding Structures	99,401	87,534	91,435	90,805	94,729	93,075	93,346	92,622	93,784	96,293
Total Put in Place	\$269,046	\$263,405	\$279,862	\$286,570	\$291,880	\$286,009	\$286,460	\$290,422	\$296,647	\$305,096

Construction Put in Place Estimated for Canada

Millions of Current Canadian Dollars

1st Quarter 2020 Forecast (based on Q4 2019 Actuals)

	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
RESIDENTIAL BUILDINGS										
Single-family	1%	5%	4%	-6%	-14%	-3%	-1%	1%	2%	2%
Multifamily	2%	4%	16%	15%	9%	-5%	-1%	3%	4%	3%
Improvements*	4%	4%	9%	-2%	-2%	-2%	-2%	3%	2%	3%
Total Residential Buildings	3%	4%	9%	1%	-1%	-3%	-1%	3%	3%	3%
NONRESIDENTIAL BUILDINGS										
Lodging	17%	1%	-5%	1%	9%	-4%	0%	4%	3%	3%
Office	-12%	-5%	6%	8%	14%	-5%	1%	2%	4%	3%
Commercial	-4%	-4%	1%	4%	10%	-3%	2%	4%	3%	3%
Health Care	12%	-6%	1%	2%	7%	4%	5%	1%	-1%	2%
Educational	5%	13%	15%	0%	-13%	4%	3%	2%	3%	3%
Religious	11%	-7%	-7%	-1%	16%	-5%	-7%	0%	-1%	2%
Public Safety	44%	-1%	-9%	4%	25%	0%	-13%	12%	-5%	0%
Amusement and Recreation	-16%	24%	1%	6%	-1%	-4%	3%	2%	1%	3%
Transportation	-6%	16%	11%	24%	0%	5%	5%	4%	3%	3%
Communication	4%	11%	14%	5%	2%	1%	1%	3%	1%	3%
Manufacturing	-9%	1%	-5%	17%	2%	0%	2%	-1%	3%	3%
Total Nonresidential Buildings	-4%	3%	4%	8%	4%	-1%	2%	2%	2%	3%
NONBUILDING STRUCTURES										
Power	-24%	-14%	7%	-5%	5%	-5%	-1%	-2%	1%	3%
Highway and Street	18%	-7%	13%	11%	3%	5%	3%	2%	1%	2%
Sewage and Waste Disposal	71%	-7%	-29%	3%	3%	5%	3%	2%	7%	3%
Water Supply	-32%	-19%	-45%	5%	2%	8%	5%	-4%	1%	3%
Conservation and Development	157%	78%	-17%	17%	-3%	4%	5%	4%	-2%	2%
Total Nonbuilding Structures	-16%	-12%	4%	-1%	4%	-2%	0%	-1%	1%	3%
Total Put in Place	-6%	-2%	6%	2%	2%	-2%	0%	1%	2%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

About the Authors



Jay Bowman is a principal with FMI. Jay assists a broad range of stakeholders in the construction industry, from program managers and general contractors to specialty trades and materials producers, with the identification and assessment of the risks influencing the strategic and tactical decisions they face. In this role, Jay's primary responsibilities include research design and interpretation, based on developing an understanding of the context within which these organizations operate. Jay can be reached at jbowman@fminet.com.



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