

CURRENT CIRT SUMMARY

CIRT SENTIMENT INDEX SECOND QUARTER 2016 EXECUTIVE SUMMARY

Overall Economy

UP



Overall Economy Where We Do Business

UP



Our Construction Business

UP



Residential Building Construction Market Where We Do Business

DOWN



Nonresidential Building Construction Market Where We Do Business

UP



Our Expected Backlog

DOWN



Cost of Construction Materials

HIGHER



Cost of Labor

HIGHER



Productivity

HIGHER



● Positive ● Negative

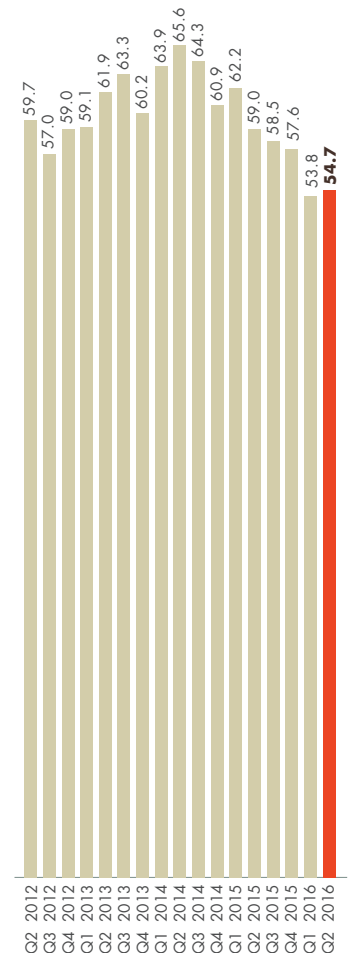
NOTE: Higher costs of materials and labor reduces the CIRT score.

“Generational change is impacting ready resources along with significant numbers of new competitors starting up, growing and moving into our region.”

— CIRT Sentiment Index survey respondent

One of the most critical concerns in the construction industry right now is the competition for qualified employees. In fact, it appears this competition has even grown for less qualified employees. In turn, this is the main reason the second quarter “cost of labor” subindex is indicating a continued escalation for this measure. Notwithstanding, the overall positive news is that the CIRT Sentiment Index score this quarter has recovered from a four-quarter slide to inch up from 53.8 last quarter to 54.7 now. By no means a strong signal of recovery, but it does indicate there is some growth in the industry. Almost every component of the construction portion of the CIRT Sentiment Index either moved in a positive direction or remained about the same as last quarter. The main exceptions are the costs of labor and construction materials, which work against improving the overall score. However, the result for the CIRT Sentiment Design Index component tells a somewhat different story. While still in the positive range (i.e., above 50), it slipped 4.4 points from last quarter to a softer 56.9 reading. The weakest area was design work for transportation, heavy civil and commercial markets.

For our current issues section, we asked CIRT CEOs to give us their estimations and experiences with employee turnover rates, considering the tight labor market. On average, respondents are experiencing an 8.1% rate of turnover for office/management positions and a 9.8% rate of turnover for field management positions. As our analysis below shows, this is a higher turnover rate for construction than the national average for all industries. In the comments associated with our questions, we received a number of reasons for this heightened turnover. One of the most cited reasons, the improved job market overall, has given younger employees



CURRENT CIRT SENTIMENT INDEX READING Q1 2016	54.7
CURRENT CIRT DESIGN INDEX READING Q1 2016	56.9

PREVIOUS SENTIMENT INDEX READING: **53.8**

EXHIBIT 1

CIRT Sentiment Index Scores: Q2 2012 to Q2 2016

(Scores above 50 indicate expansion, below 50 indicate contraction)

ABOUT THE CONSTRUCTION INDUSTRY ROUND TABLE (CIRT)

The Construction Industry Round Table (CIRT) is composed exclusively of approximately 115 CEOs from the leading architectural, engineering and construction firms doing business in the United States.

CIRT is the only organization that is uniquely situated as a single voice representing the richly diverse and dynamic design/construction community. First organized in 1987 as the Construction Industry Presidents' Forum, the Forum has since been incorporated as a not-for-profit association with the mission "to be a leading force for positive change in the design/construction industry while helping members improve the overall performance of their individual companies."

The Round Table strives to create one voice to meet the interests and needs of the design/construction community. CIRT supports its members by actively representing the industry on public policy issues, by improving the image and presence of its leading members, and by providing a forum for enhancing and developing strong management approaches through networking and peer interaction.

The Round Table's member CEOs serve as prime sources of information, news and background on the design/construction industry and its activities. If you are interested in obtaining more information about the Construction Industry Round Table, please call 202-466-6777 or contact us by email at cirt@cirt.org.

CIRT SENTIMENT INDEX

The CIRT Sentiment Index is a survey of members of the Construction Industry Round Table conducted quarterly by FMI Research, Raleigh, North Carolina. For press contact or questions about the CIRT Sentiment Index, contact Mark Casso at mcasso@cirt.org and/or Phil Warner, research consultant with FMI Corporation, at pwarnar@fminet.com or call 919-785-9357.

CONFIDENTIALITY

All individual responses to this survey will be confidential and shared outside of FMI only in the aggregate.
All names of individuals responding to this survey will remain confidential to FMI.

Executive Summary ... continued

more opportunities as well as various career paths to pursue. (This changing “landscape” has been the subject of a number of papers and reports in the past few years.)

Two other current issues were included in this quarter's survey. The questions that found most agreement concerned the best training delivery methods and the inclusion of safety in training programs. While there is some room for improvement in the amount of safety training for office/management employees, 95% of companies said all training for field employees has a safety component.

The most contentious issue we asked about this quarter was the potential concerns about the so-called “Blacklisting” order (E.O. 13673), which requires firms to disclose any violations of 14 different federal labor and employment laws for the previous three years to be eligible for contracts worth more than \$500,000 with the federal government. Surprisingly, only 65% of contractors that do federal work were aware that this new rule was set to take effect in 2016. On the other hand, not surprising was the reaction or comments we received that viewed this new executive order unfavorably.

CIRT Sentiment Index, First Quarter 2016 Highlights

Overall Economy:

After a sharp drop of 11.5 points in the first quarter, the index component for the overall economy recovered 8.6 points to a more optimistic 57.8 in the second quarter.

Overall Economy Where Respondents Do Business:

Respondents' view of their own business recovered 6.1 points to 58.8 this quarter.

CIRT Design Index Components

Consulting Planning:

The index for consulting planning regained 4.5 points from its loss last quarter to 62.5.

Pre-design work:

Pre-design work also improved, moving up 6.6 points to 65.5.

Residential:

Residential design work was also among the three areas that improved this quarter, moving up 4.8 points to 54.8.

Commercial:

After moving out of the doldrums for the past year, design work for commercial construction is showing signs of weakness again, losing 7.9 points to 55.8.

Education:

Education design lost 0.8 points to 58.3, but it is still above the past year or more.

Health Care:

At 59.1, the health care component of the Design Index has slipped the last two quarters after making a post-recession comeback.

Industrial:

Down 6.5 points to 43.5, industrial design has continued to soften, and we may be looking for the bottom of a cyclical trend after a long period of relative strength.

Transportation:

Transportation design remains relatively strong at 70.8, after losing a sizable 13.3 points, down from its high of 84.1 last quarter.

Heavy/Civil:

Despite the optimism of a new transportation bill boosting business that likely helped the index climb to 77.8 last quarter, this design component took a dive to a more normal level of 58.7 in the second quarter.

International:

International design work continues to weaken, skidding to just 40.0 this quarter.



Construction

Construction Business:

Respondents' outlook for their own business improved 1.8 points in the second quarter to 64.0. This is a good sign, but the component is still 6.6 points lower than Q4 2015.

Private Sector Construction Business:

Looking at the results of the nonresidential building construction market component for this quarter, we may have zeroed in on the source of optimism, given this segment rose 16.7 points to 77.3 in the second quarter. In the private construction sector, there was a boost in the three-month outlook from commercial construction (up 9.0 points to 61.1) and lodging (up 13.0 points to 58.6). On the other hand, the outlook for office construction was down slightly to 53.0, while education construction lost 6.9 point to 58.6, and health care weakened to 59.4 in the three-month period. (Analysts expect the market area to improve in the next year.)

Costs of Construction Materials and Labor:

The cost of construction materials rose again this quarter to 37.5. The cost of labor continues to be high (higher cost = lower score), but, at 19.4, this index is little changed from last quarter. (**Note:** The rising costs of construction materials and labor act as a negative factor for the overall CIRT Sentiment Index score.)

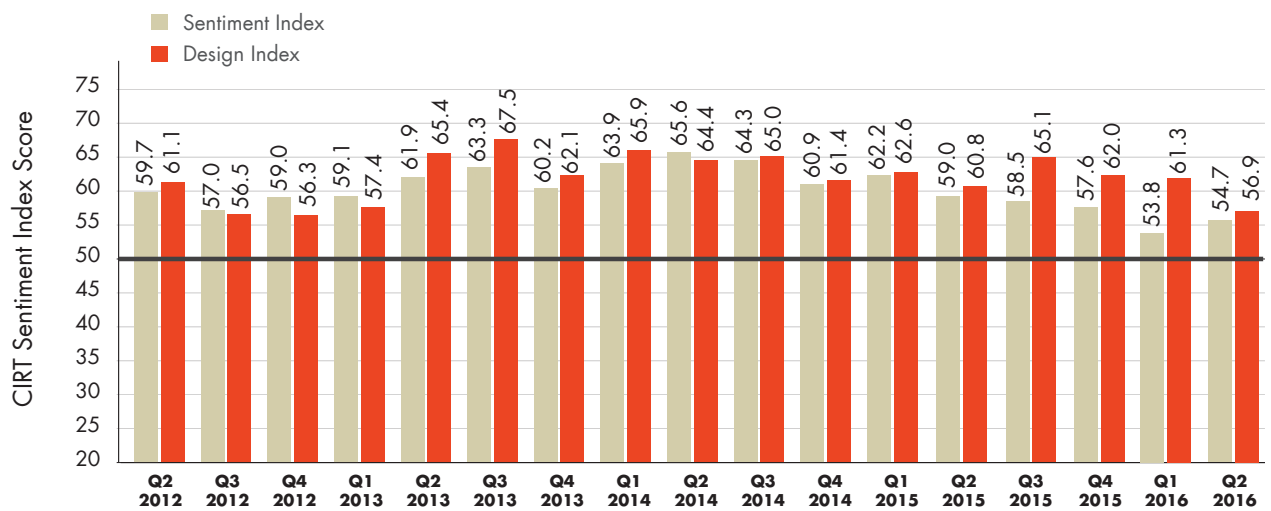
Productivity:

The productivity component rose 1.0 point to a still lackluster score of 50.0.

Results of the Second Quarter 2016 CIRT Sentiment Index

EXHIBIT 2

CIRT Sentiment Index Scores:
Q2 2012 to Q2 2016



(Scores based on a 100-point scale, above 50 indicate expansion, below 50 indicate contraction.)

Current Issues:

Turnover Rates

As noted above, though the national employment rate continues to be near what is considered full employment, most contractors continue to struggle to find talented employees at all levels. This quarter we asked the CEOs about turnover rates as an indicator of how well companies are coping with the current labor shortage situation. On average, respondents are experiencing an 8.1% rate of turnover for office/management positions and a 9.8% rate of turnover for field management positions. Voluntary separations per year as a percent of employee turnover averaged 33.2% for survey respondents.

The latest report from the Bureau of Labor for Statistics, Job Openings and Labor Turnover (JOLTS) for March 2016 found that the job openings rate was 3.9%, little changed from April, but 1.1% higher than March 2013. Hiring continued to outpace separations, but separations continue to climb. The total separations rate or turnover was 3.5% in March, and “quits” or “voluntary separations initiated by the employee” were 2.1% for March. “Quits increased in construction (+50,000).” Construction hires for March were 344,000, and total separations were 334,000 for a net employment gain of 10,000.

Comparing the results of the second quarter report, respondents’ estimation of the rate of turnover for construction firms is considerably higher than the national numbers. While the average for voluntary separations per year, or quits, was 33.2%, at the extremes, there were contractors reporting few if any quits (<10%), but some also having high turnover (30%), likely due to having more seasonal work or being at the mercy of cyclical work.

One of the key costs of turnover is the cost per new employee for recruiting and training. For office/management positions, respondents estimated an average cost of \$26,295 per hire. For field management, that cost was \$20,122. As noted in the comments below, for many contractors, turnover is highest among the newer, younger employees, as they are more likely to move to jobs with higher pay or to other industries. Overall, there is a range of reasons for turnover. However a few contractors note that they have managed to have little turnover even in a tight labor market. These appear to be among the companies taking a proactive approach to selecting employees and supporting new employees with various programs for onboarding and training.

EXHIBIT 3

What is your estimated annual employee turnover rate? (# of separations during the year/average # of employees during the measurement period) x 100

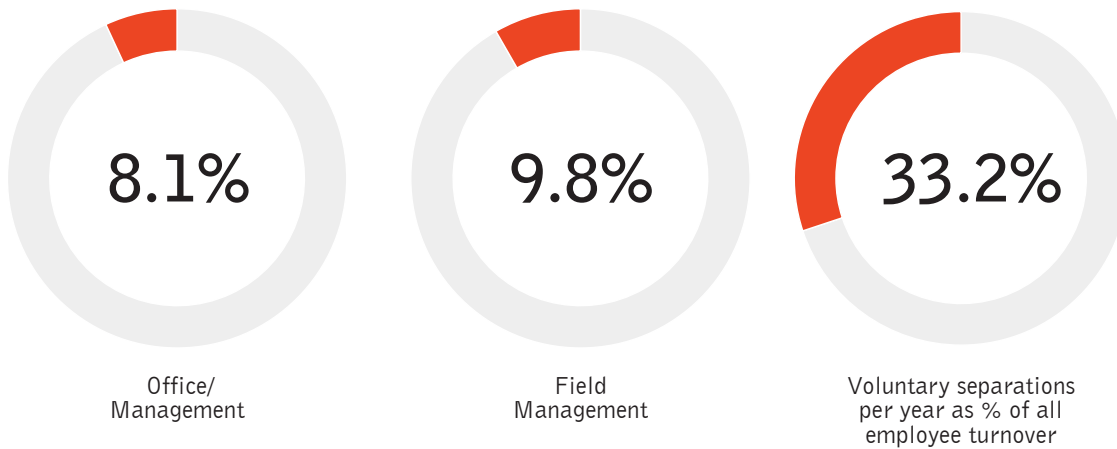


EXHIBIT 4

Average estimated cost per employee for recruiting and training a new employee.

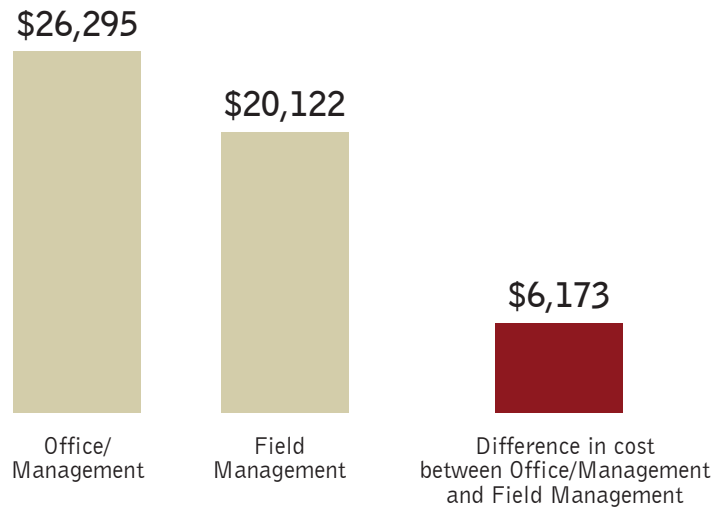
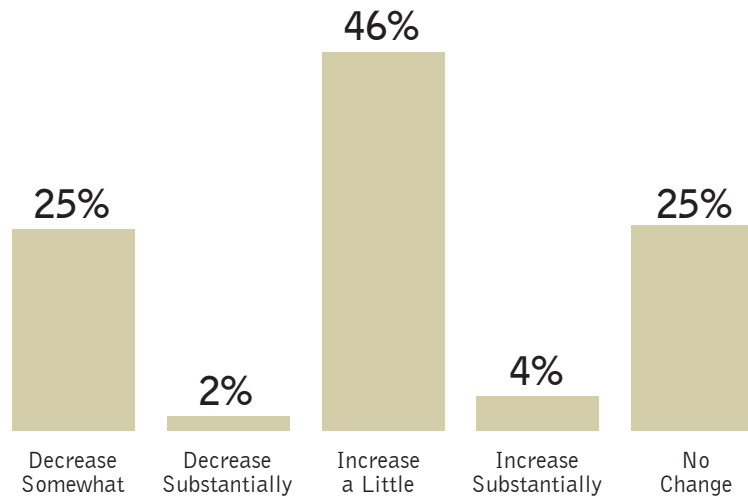


EXHIBIT 5

How do you think your turnover rate will change in the next three years?



Selected comments on recent turnover trends:

- A little higher due to job market improving slightly.
- Associates have the ability to pick their most favorable employment situation.
- Competition for quality workers is strong, thus leading to opportunities for employees to consider other employment options.
- Generational change is impacting ready resources along with significant numbers of new competitors starting up, growing and moving into region.
- Highest turnover occurs in the trades, 20-35%.
- It costs about \$15,000 to recruit and onboard new employees.
- No doubt a heated market. What is interesting is that we aren't losing staff to our competition. They are moving on to different types of companies within the industry or outside the industry all together. We have seen a large uptick with the millennial generation.
- Our lost investment when losing a person that has been with us for three years is around \$100k. This does not include salary or other fixed costs.
- Our voluntary turnover rate is high relative to historical averages due to increased competition for talent currently in our industry. This should come down as economic growth moderates.
- Question is unclear about whether or not the request includes craft separations (that is how I answered it; salaried staff turnover would be much lower maybe 4%).
- Voluntary turnover has been decreasing quarter on quarter for the last ~10 quarters.
- We are focusing on recruiting "better" candidates, changing our onboarding experience, piloting two separate training routines, instituting a hiring manager position in all branch locations. The early pilot results are favorable to lowering turnover.
- We have low turnover in employees identified as keepers and important to the future of the company. Got to show them love. We have average turnover rate in others. We rarely fire anyone. Normally, we encourage certain employees to resign. This can be done by lack of increase, no incentive and other subtle measures.
- We have seen an increase in our turnover. People are seeking new positions that provide work/life balance. Furthermore, competition is tough, and employees are being courted heavily by our competition who offer significant salary increases. Some employees have left to work for clients.

Training Methods

Training continues to be important for new as well as current employees. Some of the training needs include: onboarding new people, new work procedures to learn, safety training and productivity improvement. Asked about training delivery methods, the CEOs reported the top-three methods for office and management employees were: instructor-led, face to face, by **internal** trainers (24%); instructor-led, face to face, by **external** trainers (18%); and structured, on-the-job training (17%). For trade and craft employees, the top-two delivery methods for training were nearly the same as those for office and management employees: instructor-led, face to face, by **internal** trainers (23%); structured, on-the-job training (21%); with the third most used delivery method being a blended approach at (12%).

EXHIBIT 6

Top training delivery methods for office/management employees (% of panelists choosing item as top training method)

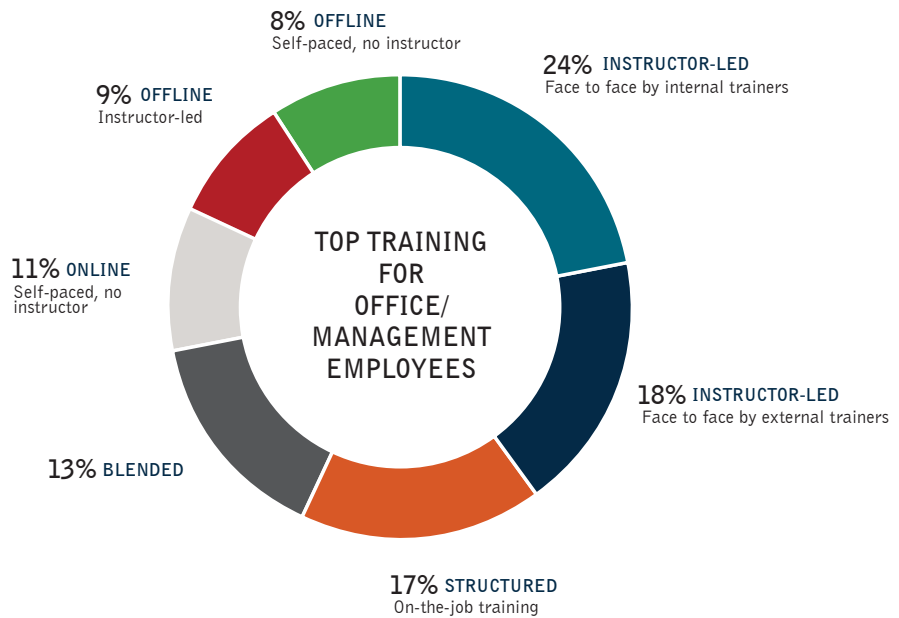
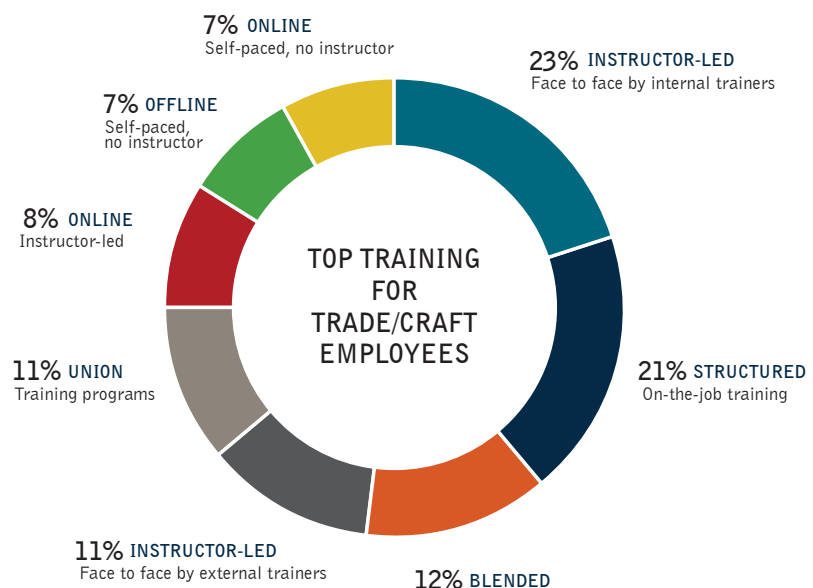


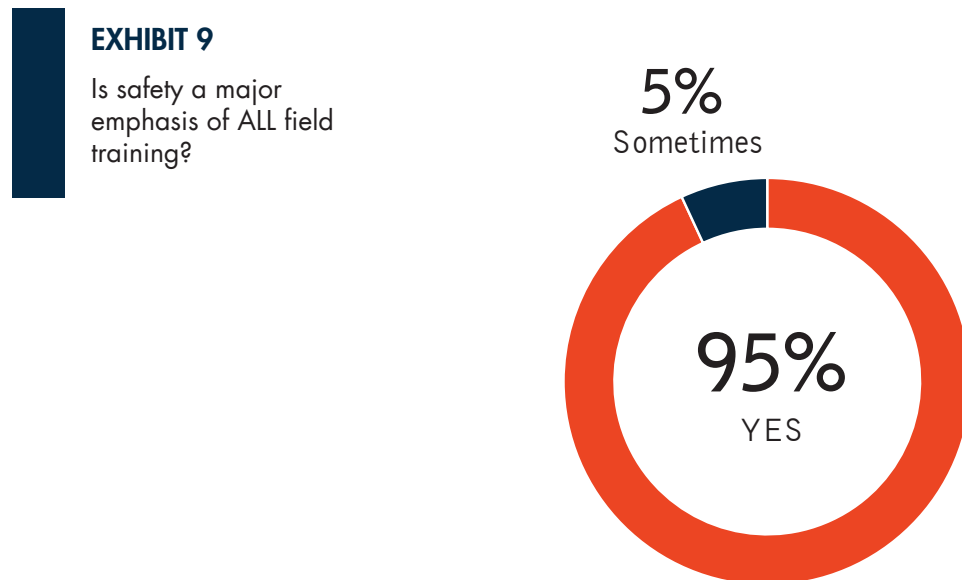
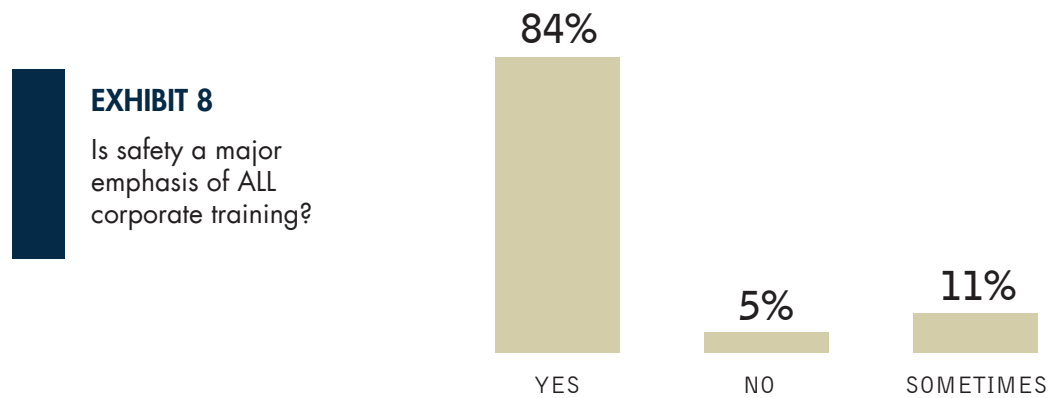
EXHIBIT 7

Top training delivery methods for trade/craft employees (% of panelists choosing item as top training method)



Safety Training

As noted above, when asked if safety training is a major emphasis of all field training, 95% of the CEOs said “yes,” and the remaining 5% said “sometimes.” Safety was a major emphasis for all corporate training 84% of the time.



The “Blacklisting” Order (E.O. 13673)

The “Blacklisting” order (E.O. 13673) is expected to take effect in 2016. Officially known as the Fair Pay and Safe Workplaces Executive Order, it was signed by President Obama. Of CIRT respondents performing federal contracts, 65% are still unaware of the new rule. Of those that are aware of the rule, 21% say the E.O. may affect their firms in terms of future contracts.

The so-called “Blacklisting” order (E.O. 13673) requires firms to disclose any violations of 14 different federal labor and employment laws for the previous three years to be eligible for contracts worth more than \$500,000 with the federal government. It allows an agency to deny new contracts with these firms based on the information, which may be other than a final decision (e.g., OSHA citations, Davis-Bacon situations and Wage Hour initial back-pay calculations), as well as being even more burdensome for firms with contracts over \$1 million.

The comments below are unfavorable to this new rule and/or indicate that they avoided federal contracts because of the burdensome bureaucracy and/or red tape. It is universally agreed that contractors don’t need more complications when working with the government. One of the potential outcomes is that fewer contractors will likely want to participate in federal construction projects.

EXHIBIT 10

If you are a federal contractor, are you aware that the new so-called “Blacklisting” order (E.O. 13673) is expected to take effect in 2016?

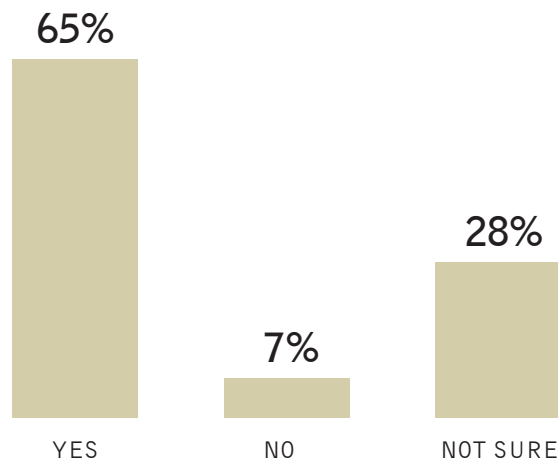
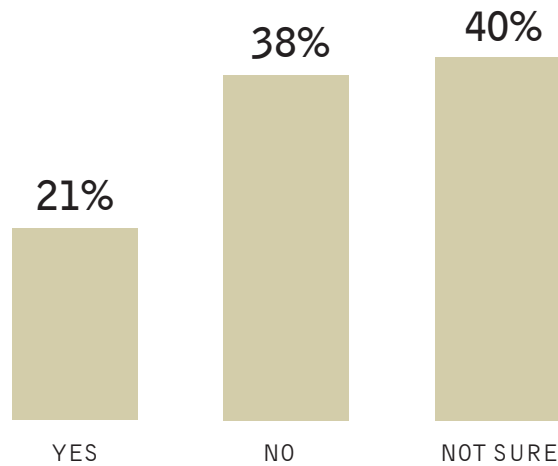


EXHIBIT 11

Do you anticipate (given its broad reach and scope) that the new order (E.O. 13673) may affect your firm in terms of future contracts?



Comments on so-called “Blacklisting” Order (E.O. 13673):

- Additional burdensome and unnecessary regulation.
- Completely unfair to be required to list charges or citations that may prove to be baseless upon a hearing of the facts. Definitely raises the risk stakes of the business.
- Just more regulation to deal with!
- Outrageous.
- The date of issuance and regulatory requirements surrounding this executive order are not clearly defined. Therefore, it is difficult to know how this will impact our firm. The executive order will increase our firm’s administrative burden and the burden placed on our subcontractors.
- This is the first I have heard about this. I am going to circulate this information in our firm and I will be better-prepared to answer next survey.
- This rule is an example of government overreach and imposing unrealistic obstacles to business.
- We do not do federal work—primarily due to all the regulations and constantly changing regulatory environment.

EXHIBIT 12

CIRT Sentiment Index Components Detail by Market Sector

	Overall Quarter 1 for 2016				Overall Quarter 2 for 2016			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Sentiment Index Component Results for Q1 2016	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Sentiment Index Component Results for Q2 2016
<i>Business Outlook/Three Months</i>								
Commercial	20.8%	62.5%	16.7%	52.1	25.9%	70.4%	3.7%	61.1
Education	31.0%	69.0%	0.0%	65.5	20.0%	77.1%	2.9%	58.6
Health Care	27.6%	72.4%	0.0%	63.8	21.9%	75.0%	3.1%	59.4
Lodging	13.0%	65.2%	21.7%	45.7	24.1%	69.0%	6.9%	58.6
Manufacturing	14.3%	66.7%	19.0%	47.6	10.5%	84.2%	5.3%	52.6
Office	20.0%	66.7%	13.3%	53.3	15.2%	75.8%	9.1%	53.0
Industrial / Petrochemical	19.0%	42.9%	38.1%	40.5	9.1%	59.1%	31.8%	38.6
Transportation-Related	29.0%	61.3%	9.7%	59.7	24.2%	69.7%	6.1%	59.1
Public Works / Heavy/Civil	25.0%	64.3%	10.7%	57.1	18.2%	75.8%	6.1%	56.1
Other	25.0%	75.0%	0.0%	62.5	14.3%	85.7%	0.0%	57.1
<i>Business Outlook/One Year</i>								
Commercial	29.2%	45.8%	25.0%	52.1	18.5%	66.7%	14.8%	51.9
Education	41.4%	58.6%	0.0%	70.7	22.9%	62.9%	14.3%	54.3
Health Care	31.0%	62.1%	6.9%	62.1	31.3%	59.4%	9.4%	60.9
Lodging	21.7%	60.9%	17.4%	52.2	13.3%	60.0%	26.7%	43.3
Manufacturing	20.0%	55.0%	25.0%	47.5	10.5%	78.9%	10.5%	50.0
Office	23.3%	60.0%	16.7%	53.3	15.2%	69.7%	15.2%	50.0
Industrial / Petrochemical	15.8%	42.1%	42.1%	36.8	27.3%	31.8%	40.9%	43.2
Transportation-Related	48.4%	48.4%	3.2%	72.6	42.4%	45.5%	12.1%	65.2
Public Works / Heavy/Civil	42.9%	50.0%	7.1%	67.9	30.3%	51.5%	18.2%	56.1
Other	25.0%	75.0%	0.0%	62.5	50.0%	25.0%	25.0%	62.5
<i>Business Outlook/Three Years</i>								
Commercial	22.7%	50.0%	27.3%	47.7	22.2%	51.9%	25.9%	48.1
Education	25.9%	55.6%	18.5%	53.7	31.4%	42.9%	25.7%	52.9
Health Care	25.0%	60.7%	14.3%	55.4	37.5%	50.0%	12.5%	62.5
Lodging	40.9%	22.7%	36.4%	52.3	13.3%	53.3%	33.3%	40.0
Manufacturing	16.7%	50.0%	33.3%	41.7	26.3%	63.2%	10.5%	57.9
Office	14.3%	46.4%	39.3%	37.5	15.6%	53.1%	31.3%	42.2
Industrial / Petrochemical	38.9%	38.9%	22.2%	58.3	40.9%	36.4%	22.7%	59.1
Transportation-Related	70.0%	30.0%	0.0%	85.0	50.0%	37.5%	12.5%	68.8
Public Works / Heavy/Civil	60.7%	39.3%	0.0%	80.4	48.4%	38.7%	12.9%	67.7
Other	25.0%	75.0%	0.0%	62.5	62.5%	25.0%	12.5%	75.0

CIRT Index Scores

> 50 indicate growth (better)
< 50 indicate slowing (worse)

* A note on the use of the diffusion index: Do not interpret diffusion index values in the same manner as averages, because a simple increase or decrease in a diffusion index does not necessarily imply an improving or declining result. For example, if a diffusion index moves from 31 last quarter to 35 this quarter, it does not imply the market has improved. A reading greater than 50 indicates improving or expansion, 50 indicates remaining the same, and lower than 50 indicates worse or contracting. Therefore, if a reading goes from 31 to 35, then the result still implies a decline from the previous quarter, because 35 is lower than 50; but the decline is not as great as the previous decline, because 35 is greater than 31. As another example, if the diffusion index changes from 31 to 65, it implies improvement over the previous quarter, not because 65 is greater than 31, but because 65 is greater than 50.

EXHIBIT 13

CIRT Sentiment Design Index Components — Business Outlook Summary

	Quarter 1 for 2016				Quarter 2 for 2016			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q1 2016	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q2 2016
Consulting Planning	24.0%	68.0%	8.0%	58.0	32.1%	60.7%	7.1%	62.5
Predesign Work	35.7%	46.4%	17.9%	58.9	37.9%	55.2%	6.9%	65.5
Commercial	31.8%	63.6%	4.5%	63.6	19.2%	73.1%	7.7%	55.8
Residential	12.5%	75.0%	12.5%	50.0	23.8%	61.9%	14.3%	54.8
Education	18.2%	81.8%	0.0%	59.1	16.7%	83.3%	0.0%	58.3
Health Care	28.6%	71.4%	0.0%	64.3	22.7%	72.7%	4.5%	59.1
Industrial	17.4%	65.2%	17.4%	50.0	13.0%	60.9%	26.1%	43.5
Transportation	72.7%	22.7%	4.5%	84.1	45.8%	50.0%	4.2%	70.8
Heavy/Civil	55.6%	44.4%	0.0%	77.8	26.1%	65.2%	8.7%	58.7
International	20.0%	55.0%	25.0%	47.5	15.0%	50.0%	35.0%	40.0
Design Firms Index				61.3				56.9

EXHIBIT 14

CIRT Sentiment Index Components — Comparison of Results: Q3 of 2015 to Q2 of 2016

CIRT Scores

> 50 indicate growth (better)
< 50 indicate slowing (worse)

	CIRT Sentiment Index Components — Comparisons of Results: Q3 2015 to Q2 2016			
	CIRT Sentiment Index Components Q3 2015	CIRT Sentiment Index Components Q4 2015	CIRT Sentiment Index Components Q1 2016	CIRT Sentiment Index Components Q2 2016
Overall Economy	65.3	60.7	49.1	57.8
Overall Economy Where Panelists Do Business	64.4	59.5	52.7	58.8
Panelists' Construction Business	66.9	70.6	62.3	64.0
Residential Building Construction Market Where Panelists Do Business	68.3	59.2	56.1	55.8
Nonresidential Building Construction Market Where Panelists Do Business	68.8	60.5	60.5	77.3
Cost of Construction Materials	28.2	29.1	41.2	37.5
Cost of Labor	14.3	16.7	19.8	19.4
Productivity	49.1	49.1	49.0	50.0
Expected Change in Backlog	64.0	61.1	62.5	62.1
Approximate Current Signed Backlog in Months	13.0	12.0	12.0	12.0

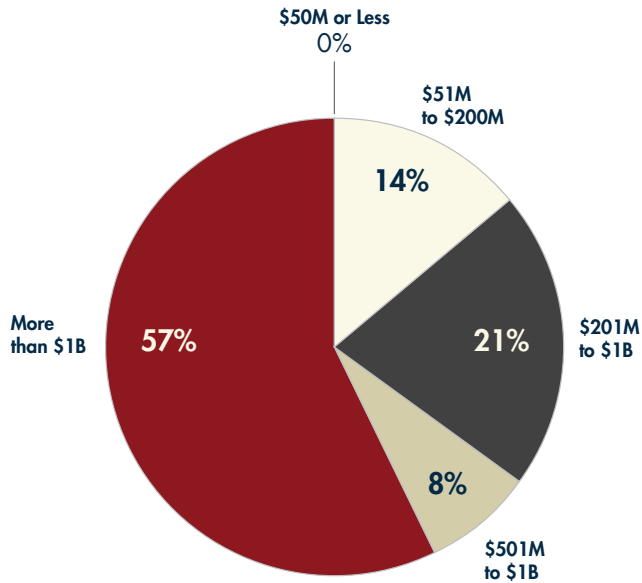


EXHIBIT 15

Size of the Organization in Annual Revenue

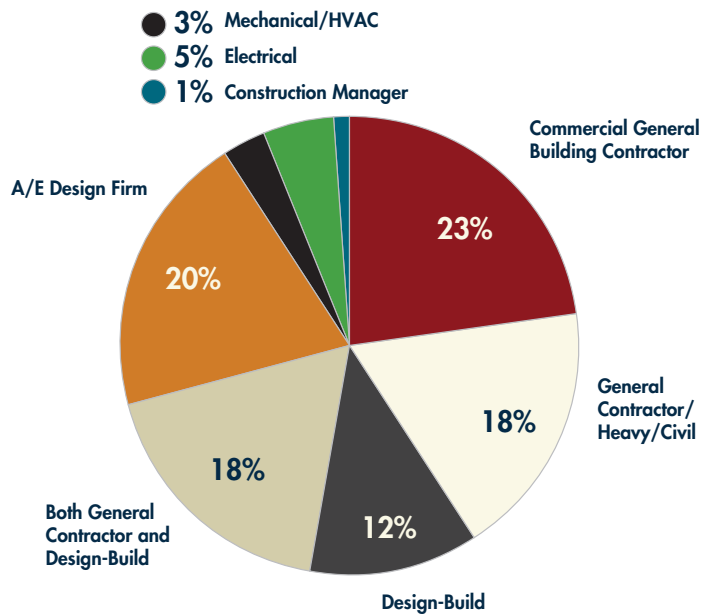


EXHIBIT 16

Type of Contracting Business

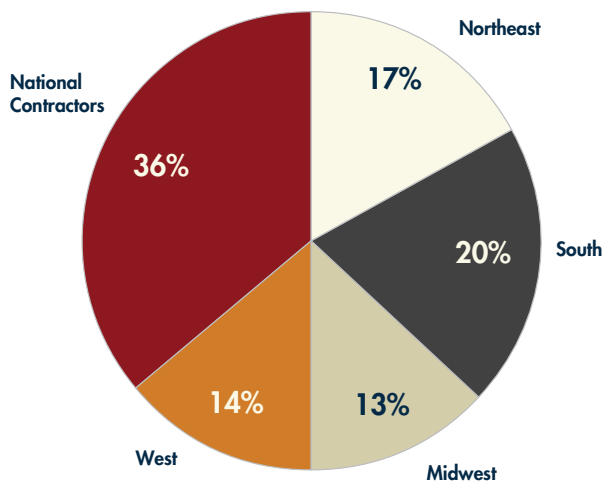


EXHIBIT 17

Primary Region in Which Panelists Work

EXHIBIT 18

CIRT Sentiment Index Results: Q1 2016 and Q2 2016

	CIRT Sentiment Index, Quarter 1 2016				CIRT Sentiment Index, Quarter 2 2016			
	Improving Over Last Quarter	Staying the Same as Last Quarter	Worse Compared With Last Quarter	CIRT Q1 2016	Improving Over Last Quarter	Staying the Same as Last Quarter	Worse Compared With Last Quarter	CIRT Q2 2016
Overall Economy	15.8%	66.7%	17.5%	49.1	17.2%	81.0%	1.7%	57.8
Overall Economy Where Panelists Do Business	16.1%	73.2%	10.7%	52.7	24.6%	68.4%	7.0%	58.8
Panelists' Construction Business	29.8%	64.9%	5.3%	62.3	29.8%	68.4%	1.8%	64.0
Residential Building Construction Market Where Panelists Do Business	26.8%	58.5%	14.6%	56.1	20.9%	69.8%	9.3%	55.8
Nonresidential Building Construction Market Where Panelists Do Business	26.3%	68.4%	5.3%	60.5	54.5%	45.5%	0.0%	77.3
Backlog in Months	High	Median	Low		High	Median	Low	
Approximate Current Signed Backlog	36.0	12.0	4.0		40.0	12.0	3.0	
	Grow faster than last quarter	Stay about the same as last quarter	Shrink compared to last quarter		Grow faster than last quarter	Stay about the same as last quarter	Shrink compared to last quarter	
Expected Change in Backlog	32%	61%	7%	62.5	29%	66%	5%	62.1
	Higher than last quarter	Same as last quarter	Lower than last quarter		Higher than last quarter	Same as last quarter	Lower than last quarter	
Cost of Construction Materials	29%	59%	12%	41.2	29%	67%	4%	37.5
Cost of Labor	60%	40%	0%	19.8	61%	39%	0%	19.4
	Improving over last quarter	Same as last quarter	Declining compared to last quarter		Improving over last quarter	Same as last quarter	Declining compared to last quarter	
Productivity	4%	90%	6%	49.0	8%	85%	8%	50.0

CIRT Scores

> 50 indicate growth (better)
< 50 indicate slowing (worse)

EXHIBIT 19

CIRT Sentiment Index Components: Q3 2015 to Q2 2016 Business Outlook Summary by Market Sector

Sector	Results Q3 2015			Results Q4 2015			Results Q1 2016			Results Q2 2016		
	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years
Commercial	63.8	60.3	58.6	61.1	63.0	59.3	52.1	52.1	47.7	61.1	51.9	48.1
Education	62.5	67.7	62.9	56.9	62.5	59.7	65.5	70.7	53.7	58.6	54.3	52.9
Health Care	61.3	66.1	69.4	66.7	69.4	65.7	63.8	62.1	55.4	59.4	60.9	62.5
Lodging	60.3	62.1	60.3	62.9	67.7	51.6	45.7	52.2	52.3	58.6	43.3	40.0
Manufacturing	56.8	61.4	61.4	66.0	64.0	58.0	47.6	47.5	41.7	52.6	50.0	57.9
Office	70.6	65.2	53.0	57.1	57.1	58.6	53.3	53.3	37.5	53.0	50.0	42.2
Industrial / Petrochemical	50.0	55.8	71.2	50.0	61.1	72.2	40.5	36.8	58.3	38.6	43.2	59.1
Transportation-Related	57.6	63.6	69.7	53.2	62.9	74.2	59.7	72.6	85.0	59.1	65.2	68.8
Public Works / Heavy/Civil	57.1	55.9	66.2	50.0	62.5	71.4	57.1	67.9	80.4	56.1	56.1	67.7
Other	60.0	58.3	75.0	75.0	75.0	55.0	62.5	62.5	62.5	57.1	62.5	75.0

About FMI

Founded in 1953 by Dr. Emol A. Fails, FMI is the leading management consulting, investment banking[†] and people development firm dedicated exclusively to the engineering and construction industry. FMI professionals serve all sectors of the industry and combine more than 60-plus years of industry context and leading insights to achieve transformational outcomes for our clients. We have subject matter experts in the following practice areas and serve clients throughout the U.S., Canada and internationally:

Management Consulting	Investment Banking [†]	People Development
<ul style="list-style-type: none">■ Strategy■ Market Research■ Business Development■ Operations and Project Execution■ Risk Management■ Compensation■ Peer Groups■ Performance Management	<ul style="list-style-type: none">■ M&A Representation■ Valuations and Fairness Opinions■ Private Capital Placement■ Ownership Transfer Planning	<ul style="list-style-type: none">■ Organizational Leadership Development■ Leadership Training■ Executive Coaching■ Succession Planning■ Training and Talent Development

Denver

210 University Boulevard
Suite 800
Denver, CO 80206
303.377.4740

Houston

9303 New Trails Drive
Suite 350
The Woodlands, TX 77381
713.936.5400

Phoenix

7639 East Pinnacle Peak Road
Suite 100
Scottsdale, AZ 85255
602.381.8108

Raleigh (headquarters)

5171 Glenwood Avenue
Suite 200
Raleigh, NC 27612
919.787.8400

Tampa

308 South Boulevard
Tampa, FL 33606
813.636.1364

www.fminet.com

Copyright © 2016 FMI Corporation

Notice of Rights: No part of this publication may be reproduced or transmitted in any form, or by any means, without permission from the publisher.

[†] Investment banking services provided by FMI Capital Advisors, Inc., a registered broker-dealer and wholly owned subsidiary of FMI.