

Mountainlands Area Plan Room

A preview exclusive for Members only
*Advance copy of an article to be published on January 3, 2005 in
"The Enterprise" Special Construction Focus Issue*

Thanks to The Enterprise for making this opportunity and our participation in it available to the contracting community annually. I am excited about the prospects for the coming year. There is in fact an incredible amount of commercial work looming for those prepared to encounter it. Local Utah opportunities in my opinion would be defined as an average range of our capacity. While regionally prospects and opportunities are higher in volume. Conforming to change and identifying the fit to a construction firm's market preferences may be challenging.

Beginning discussions of the near future requires a summary of observations about the previous few years. First and foremost, with the events and the economy nationally still overriding local trends. Here are some timelines to consider leading to where we are now. 2000 Terrorism affected the World economy and closed the doors of many already unprepared for a sustained downturn. 2001 Momentum of large projects carried many into the year. 2002 The big clean out of 'under qualified' or unprepared contractors has occurred. 2003 Utah mirrored National trends, that while consistent in almost all phases of construction coasted to plane that no one felt was adequate for comfort.

That said the year 2004 has been a year of extremes. Some contractors and many suppliers that survived the big clean out or prepared to behave more effectively have had an extremely good year. Some say their best in recent memory. That includes us here at the Plan Room too. Yet some still complain about the disparity in comparison. Overall we see and expect a slight increase annually for 3-5 years.

While currently in the usual winter doldrums, as is typical for this time of year and temporary, we recently ran a record volume of work across our customers bid tables. Contributing to the extreme roller coaster of the local work this year. Being prepared to handle that bid volume or finding it timely is key. Balancing this work and finding consistent markets is contributing to the success of our customers.

What is unique about our evolving customer base is their commitment to utilize their resources and conform to the availability of opportunities. Several years ago we advised Utah Contractors to obtain the licensing and technology to seek out and perform their craft wherever the demand called for it. Those contractors that broadened their horizon have found both ample work with higher profit margins. We empathize with those attempting to stay or work exclusively on the Wasatch front or more importantly as they have been without progress. They will be affected most if their backlog suffers. Preparation and automation in as many facets of the field and the office is paramount. Take advantage of the new tools available.

There is still a tremendous amount of work locally. Much of it however, with stricter qualifications than most have encountered in the past. Ironically, taking the steps described above to be qualified to perform work elsewhere, armed with the resources for project news, both in and out of state, is also the best way to be on top of these higher standard opportunities locally. Not to be lost in technology, there are many ways to get involved with simpler and less stringent work, even though much of it is only offered electronically from certain sources.

Some example of high volume low access work is from the Federal Government. Reliable sources indicate both Dugway and Hill AFB have arguably \$50-100 Million each entering next year's construction market. With rules of contracting there varying from agency to agency or how they advertise it, this work may still be tough to identify and participate on your own. Usual sources of local public access work has been restricted by the electronic only commitment of several state agencies. Seemingly unique to Utah right now, that is a trend that may become more prevalent regionally.

Also, unique to Utah in both private and public works for some reason is the tight bid delivery schedules. We see work from all over the country and find the lead times 10-20 days friendlier. Finding and bidding especially locally requires an entire team committed to this focus. Effective use of automated tools and lead sources should aid in that process. Outreach to your network of contacts and associations have never been more useful or valuable.

Ongoing work that projects into this next year are the Murray Hospital. Although much of its \$360 Million being contracted to subs right now. Some bids will occur in 2005 too. The same is true for our Utah State Capitol Expansion and its \$200 million, and the Salt Palace's \$50 million. Legacy Highway funds would help, but UTA's TRAX expansion is a sure bet. Its \$300 million may be in our bid schedules by 3RD Qtr, with more links in Design there yet. Also for sure and in the first quarter is \$82 Mil in expansion and security upgrades at the Salt Lake International Airport reported to the American Society of Professional Estimators here on November 18TH.

Security is an area that will provide many opportunities in many areas. Owners that may have been slow or overlooked voluntary ADA upgrades are not letting this get by. Already unprecedented at our Airports, upgrades at our schools, libraries, highways and other public places are planned. Other markets besides airports to continue to watch are both Medical and retirement. Again, qualifications and procedures for infection control or methods of remodeling may disqualify some from participating if not prepared.

This spring should have a full round of schools & institutional work for subcontractors and suppliers to compete for. Although much of this projected \$350 million is awarded to Construction Managers and off the circuit for General Contractors to traditional bid for. Watch for projects in the Nebo & Tooele School Districts as well as BYU, U of U, WSU and CEU this year. An additional \$200+ is planned and expected for 2006.

Downtown commercial development that may range as high as \$612 million, if all contemplated goes into full design production. Tenant Improvements there leveling out for the short term. The Point of Mountain developments from infrastructure improvements to I-15 and its tributaries, water treatment facilities and housing, still make that a hot zone. Our new Governor is in favor of moving the prison and that could help flourish that area with an influx of available properties previously deemed undesirable. Cabelas on the South side and the ongoing growth of Draper & Sandy assure many of smaller projects to mix in.

Networking personally, automating your marketing processes, getting your companies on & in the Internet should be goals for Contracting firms not already doing so. Delegating or assigning staff to watch the bid sources is a great way to interest those computer savvy members of your staff and family to participate in the bid production process. We at the Mountainlands Area Plan Room and its Partnering nationwide network iSqFt.com already give simple and easy use solutions for doing this.

We committed years ago to establish & keep an inventory level adequate to sustain our customers with opportunities to exceed even the best years locally. While handling most of the local marketing we additionally displayed several thousand projects outside our traditional boundary for our clientele. Displaying projects from all 13 Western States we now have a membership about as diverse.

Thanks to our Associate Mr. Glen Beckstead Chief Estimator for MHTN Architects for references to much of the statistical data. Glen will formally present some of what we offered here in our Annual Construction Forecast Meeting at of the ASPE local chapter. Hosted at the Mountainlands Area Plan Room on January 15TH. Also, at that time Mr. James Woods Ut St Director Bureau of Economic Business Research will also present a historical and statistical review of the documented projects both commercial & residential that they use to forecast state growth as well.

More information on the American Society of Professional Estimators or Internet Plan Room and Construction Office Services of iSqFt.com is available at the Mountainlands Area Plan Room 801-288-1188. Or on-line at www.constructionh.net
Michael Luke, Estimator ASPE NW Governor; Owner Mountainlands Area Plan Rooms SLC, Orem, Roy, Logan & Price

Please RSVP for the ASPE Construction Forecast Dinner Thursday Jan 20TH 5:30 P- 7:00 PM
@ 583 West 3560 South, Suite 4; SLC UT 84115

COMPANY (Your all invited)

NAME(S)

Phone Number

_____ **ASPE Member YES** _____ **\$ 15*** **NON** _____ **\$ 25 ***

* Each w/RSVP..... add \$5 for walk ins.

Fax this as RSVP back to 801-886-8999

This information has been collected in a completely non-scientific manner. I have spoken with a smaller percent of the architectural firms in the Wasatch Front area than usual. The information included here is not meant to be a definitive overlook of each project that will be coming out for bid this year. I hope it will give an idea of the amount of work that may be available this year and the optimism or pessimism of the architects and facility managers I have had the opportunity to speak with. How you gather data means a lot to the outcome of your information, this year I did not call architectural firms, as in the past I was not getting the cooperation I wanted. More information has been gathered from engineers and owners working on certain projects, as well as construction publications and developers.

As I had the opportunity to speak with design firms this year, most felt next year would be a slow growth medium year. Total fees are looking very good for the firms I spoke with this year. (that is very good) The average backlog for firms I spoke to was three to four months. This is bad for this area. Normal backlog is 6 months but many new projects have hit the radar screen and it seems very likely that most of these projects will go to construction in either this or next year.

Utah's construction landscape has changed a great deal over the past ten year expansion. Many of the firms in this area are no longer in business. This is helping a little by dropping our overall capacity. At the same time it is making it difficult to keep a good reliable well trained work force busy.

Most of the economists are some what optimistic for next year most see a slowly increasing construction demand in almost every type of building and infrastructure. With one possible exception private construction this portion of the market is most of the work that ASPE members are concerned with. Overall the growth in this market will be through mega projects not through more of the smaller type projects.

I watch the price indexes as much as I can. They will usually show trends in productivity by watching price of the delivered product. The areas with the most increase usually will show a shortage in product. This year has not been normal with the long expansion of the market material suppliers have increased there capacity and have kept the market stable to lower for product because of the extra capacity.

Productivity this year is a very strange item most of the time increased productivity means you produce goods and material at a certain rate. This year it means that products like (steel) have been produced more out of the country in areas like China where the labor is cheaper. The workers are not more productive simply cheaper. Productivity is very important it is the only way to make more money with the same work force but the productivity increases this year are not what they seem and we will have to wait to see if it is true that if we let other people do work that we need more money or time to produce it is better to let the other people who can produce it for cheaper do it that way we will spend less on those items and have more to spend on other items that are produced by our area. This will in the long run be good for our economy but it may be a while before we are convinced that it is correct.

Many of the pricing index's use a mix of commercial and residential materials for there inflation numbers housing materials have fallen and may continue to lower slightly during 2004 despite large demand for new housing but the commercial market is slow with drops in some areas like office space in the 10% to 40% range, depending on who you listen to. I feel that no area of construction will see enough pressure to raise pricing during this year. there is plenty of labor and plenty of materials. Labor will continue to increase at a 3 % to 4% clip but materials will stay flat. Because most of the people who will be working will be better

trained and faster at what they do we may see the true building cost stay the same with little or no increase in cost during at least the first three quarters of this year.

INTERESTING BECAUSE OF THE MIX USED BY MOST INFLATION PREDICTORS OR REPORTERS. THE MARKET YOU ARE IN WILL BE REPORTED WRONG. HOUSING COSTS OVERALL ARE ABOUT FLAT COMMERCIAL PROJECTS ARE RANGING 3 TO 4% INFLATION. EVEN USING THE INFORMATION THEY GIVE YOU.

Specific Projects Reported
Some names have been changed to protect the innocent

FEDERAL GOVERNMENT NATIONAL PARKS	\$	6,500,000
HILL AFB AEF DEPLOYMENT CENTER -	\$	7,500,000
MAPLE CANYON CAMPGROUND RECONSTRUCTION	\$	200,000
COMMUNICATIONS BUILDINGS DAGGET CO.	\$	500,000
ARMY RESERVE STORAGE AND TRAINING	\$	10,000,000
	\$	-
	\$	-

MEDICAL

	\$	-	\$
PRIVATE DOCTORS OFFICE BUILDING SALT LAKE AREA	\$	4,500,000	\$
ADDITION TO EXISTING RESEARCH PARK BLD.	\$	12,500,000	\$
ADDITION AND REMODEL RESEARCH PARK	\$	8,000,000	\$
NURSING FACILITY SALT LAKE AREA	\$	7,500,000	\$
ONGOING REMODELS AT U OF U CLINICS	\$	4,500,000	\$
SMOKE STACK DEVELOPMENT STILL TO BID	\$	300,000,000	\$
REMODELS AT PRIMARY CHILDRENS (MULTIPUL PROJ.)	\$	7,500,000	\$
PLANED EXPANSION / REMODEL PRIVATE W. V. CITY	\$	12,500,000	\$
MEDICAL OFFICE BUILDING - LEHI	\$	600,000	\$
CEADAR HILLS ASSISTED LIVING UTAH COUNTY	\$	5,000,000	\$
DENTAL OFFICE DB TOBLER	\$	820,000	\$
TI DIXIE REGIONAL -	\$	350,000	\$
IHC MCKAY DEE MRI ADDITION	\$	1,500,000	\$

MACKAY DEE HOSPITAL LARGE ADDITION	\$	11,500,000

LOCAL GOVERNMENT

SALT LAKE INTERNATIONAL AIRPORT TU1 REMODEL	\$	19,600,000
SALT LAKE INTERNATIONAL AIRPORT TU2 REMODEL	\$	18,000,000
STERILE CORRIDOR EXPANSION	\$	1,600,000
LANDSIDE RECONFIGURATION	\$	22,000,000
LANDSCAPING	\$	7,900,000
AIRPORT 2 TIEDOWNS	\$	360,000
AIRPORT - (LUGGAGE SORTING FACILITY)	\$	2,500,000
NEW FIRE STATION SARATOGA	\$	1,000,000
SALT LAKE COUNTY REFUSE OFFICE AND SHOPS	\$	1,750,000
AIRPORT EXPANSION MIDDLE OF STATE	\$	10,000,000
AIRPORT EXPANSION PROVO AIRPORT		NO INFORMATION
TOOELE COURTS	\$	7,500,000
TRACKS STATION	\$	1,500,000
MID JORDAN LIGHT RAIL - PROPOSAL FOR ENGINEERING BID RFP AUGUST 23 2004	\$	300,000,000
SALT LAKE TO WEBER COUNTY - IN SCHEMATIC DESIGN	\$	144,000,000
REEMODEL OF HISTORIC BUILDING - ALPINE AREA	\$	4,000,000
SAINT GEORGE AIRPORT- this was hot but don't know this is on a fast track to start asap and funding	\$	100,000,000
toquerville city hall remodel and new storage building	\$	500,000
NORTH OGDEN OUTDOOR POOL	\$	3,100,000
CHILDREN'S MUSEUM INTERIOR FINISH	\$	5,000,000
SMALL PROJECTS AVERAGE \$75,000	\$	3,000,000
LARGE COLD STORAGE FACILITY	\$	8,500,000
SALAT PALACE EXPANSION	\$	50,000,000
NEW THEATER IN EXISTING HISTORICAL BUILDING PROVO AREA	\$	3,500,000
SPORTS FACILITY - SOCCOR FIELDS	\$	16,000,000

RIVERTON SHOPS OFFICE AND POND DEVELOPMENT	\$	5,000,000	
RIVER OAKS GOLF TRAINING CENTER	\$	300,000	
MOAB LIBRARY	\$	3,500,000	
MOAB CITY CENTER	\$	7,500,000	
LEONARDO CENTER	\$	20,000,000	
ST. GEORGE CONFERENCE CENTER	\$	8,500,000	
SOUTH SALT LAKE PARK	\$	2,000,000	
GIRLS TOWN HOME	\$	4,500,000	

REMODEL

DOWN TOWN OFFICE BUILDING - EXTERIOR SKIN REPLACE	\$	23,000,000	\$
TI FOR OFFICE BUILDING SO. TEMPLE	\$	350,000	\$
REMODEL DOWN TOWN OFFICE BUILDING	\$	3,000,000	\$
FAMILY SHELTER RENOVATIONS	\$	200,000	

HIGHER EDUCATION

BRIGHAM YOUNG UNIVERSITY			
HOUSING PHASE # 1	\$	85,000,000	\$
HOUSING PHASE # 2 2006	\$	100,000,000	
HOUSING PHASE # 3 2008	\$	100,000,000	
ONGOING REMODELS AND NEW - MANY PROJ.	\$	100,000,000	\$
NEW SCIENCE BUILDING	\$	75,000,000	\$
SHRUB SCIENCE BUILDING BYU CAMPUS	\$	2,000,000	\$
ALPINE VILLAGE STUDENT HOUSING BYU	\$	33,000,000	\$
CEU PREHISTORIC MUSEUM EXPANSION	\$	10,000,000	
	\$	-	
	\$	-	
MARRIOT LIBRARY U OF U	\$	50,000,000	
U OF U NATURAL HISTORY MUSEUM AND PARKING STRUCTURE FOR 200 CARS	\$	40,000,000	
U OF U COLLEGE OF NURSING 5 TH FLOOR	\$	1,000,000	
	\$	-	
SUU UTILITY TUNEL	\$	1,006,000	
ceu prehistoric museum expansion	\$	6,700,000	
ceu			
60000 sf expansion	\$	7,500,000	
20000 sf remodel of existing	\$	1,000,000	
15000 sf renovation of city hall	\$	1,000,000	
3000sf renovation of library	\$	250,000	
SLCC - GROUNDS IMPROVMENTS	\$	200,000	

	\$ -
	\$ -
UTAH STATE - ONGOING REMODELS	\$ 12,000,000
UTAH STATE SEISMIC REMODEL OLD MAIN	\$ 10,000,000
USU - VERNAL CAMPUS	\$ 10,500,000
USU STUDENT HOUSING	\$ 35,000,000
WEBER STATE UNIVERSITY STUDENT CENTER UPGRADE	\$ 17,000,000
WEBER STATE UNIVERSITY SWENSEN GYM REMODEL	\$ 7,000,000
WEBER STATE UNIVERSITY ADDITION TO MAC CENTER	\$ 5,000,000
DELTA SPROTS FACILITY	\$ 4,500,000
	\$ -
STEAM AND CONDENSATE LINES	\$ 850,000
FARMINGTON PARK	\$ 3,500,000
	\$ -
PARK CITY POLICE	\$ 4,500,000
	\$ -
WEBER STATE - ADDITION CONVENTION HALL	\$ 6,500,000
	\$ -
MEADOWLANDS PARK - SITE IMPROVMENTS	\$ 250,000
WEST VALLEY CITY CENTENNIAL SPORTS COMPLEX	\$ 176,000
WEST VALLEY CITY	

STATE GOVERNMENT

MONUMENT VALLEY VENDOR VILLAGE	\$ 986,000
WORK FORCE SERVICES BUILDING - LOGAN UTAH	\$ 2,300,000
MANTUA FISH HATCHERY REMODEL	\$ 2,750,000
MISC. UPGRADES TO STATE PARKS	\$ 7,500,000
STATE CAPITOL BUILDING REMAINING TO BID - GUESS	\$ 35,000,000
	\$ -
DFCM - REGIONAL OFFICE OGDEN	\$ 6,500,000
	\$ -
SALT STORAGE FACILITIES	\$ 650,000
	\$ -
OGDEN REGIONAL CENTER	\$ 9,000,000
LIGHTING SECURITY FIRE DFCM	\$ 350,000
TOOELE COURTS	\$ 7,500,000
AMERICAN FORK - SCHOOL RESIDENCE REMODEL	\$ 1,100,000
EAST CANYON STATE PARK REMODEL	\$ 3,200,000
	\$ -
HUMAN SERVICES DEVELOPMENT CENTER	\$ 3,000,000
DEAF AND BLIND SALT LAKE FACILITY	\$ 11,500,000
	\$ -
MANTUA FISH HATCHERY REDEVELOPMENT	\$ 2,800,000

STATE - CAPITAL IMPROVEMENTS PROJECTS

COLLEGE OF EASTERN UTAH 2 PROJECTS	\$	1,081,000
DIXIE STATE COLLEGE 3 PROJECTS	\$	1,145,000
SALT LAKE COMMUNITY COLLEGE 17 PROJECTS	\$	1,750,000
SNOW COLLEGE 6 PROJECTS	\$	975,000
SOUTHERN UTAH UNIVERSITY 8 PROJECTS	\$	1,650,000
UNIVERSITY OF UTAH 23 PROJECTS	\$	6,750,000
UTAH STATE UNIVERSITY 17 PROJECTS	\$	3,900,000
UTAH VALLEY STATE COLLEGE 7 PROJECTS	\$	2,025,000
WEBER STATE UNIVERSITY 10 PROJECTS	\$	2,800,000
UCAT 4 PROJECTS	\$	1,725,000
ALCOHOLIC BEVERAGE CONTROL 6 PROJECTS	\$	200,000
AGRICULTURE 2 PROJECTS	\$	400,000
CAPITOL PRESERVATION BOARD	\$	600,000
CORRECTIONS 10 PROJECTS	\$	2,500,000
COURTS 4 PROJECTS	\$	120,000
DIVISION OF FACILITIES MANAGEMENT	\$	600,000
ENVIRONMENTAL QUALITY 3 PROJECTS	\$	500,000
FAIRPARK	\$	700,000
HEALTH 4 PROJECTS	\$	200,000
HUMAN SERVICES 8 PROJECTS	\$	2,025,000
NATIONAL GUARD 6 PROJECTS	\$	1,310,000
NATURAL RESOURCES 11 PROJECTS	\$	2,500,000
OFFICE OF EDUCATION AND REHABILITATION 2	\$	150,000
PUBLIC SAFETY 2 PROJECTS	\$	1,200,000
UDOT BUILDINGS 8 PROJECTS	\$	850,000
WORKFORCE SERVICES 10 PROJECTS	\$	550,000
MISC. PROJECTS 13 PROJECTS	\$	3,800,000

Private Construction

PLANED ADDITION TO THANKSGIVING POINT UP TO \$25,000,000	\$	25,000,000	\$
RESORT	\$	10,000,000	
HIGH RISE HOTEL W/ PARKING UNDER AND RETAIL	\$	35,000,000	
CANYONS MIXED USE	\$	13,000,000	
MAJOR MALL REMODEL UPTOWN	\$	450,000,000	
NEW COLLEGE CAMPUS UPTOWN	\$	10,000,000	
WENDY'S FAST FOOD RESTRAINT 4 PLANED	\$	7,500,000	\$
SEARS RETAIL STORE	\$	22,000,000	\$
PARK CITY RETAIL SPACE AND PARK	\$	15,000,000	\$
SANDY CITY SUPER WALLMART	\$	38,000,000	\$
JORDAN VALLEY WATER DISTRICT	\$	1,500,000	\$
HOTEL CHAIN SANDY	\$	10,000,000	\$
DENTAL OFFICE - DR. TOBLER	\$	820,000	\$

RETAIL OUTLET FOR LARGE JEWELRY COMPANY	\$ 5,000,000	\$
MISC. NEW TENANTS T.I. GATEWAY	\$ 8,000,000	\$
DRAPER RETAIL CENTER	\$ 2,370,000	\$
OFFICE WAREHOUSE BUILDING	\$ 1,000,000	\$
ALL AMERICAN GYMNASTICS FACILITY - LYNDON	\$ 1,000,000	\$
BIG BOX CONSTRUCTION SALT LAKE TAYLORSVILLE	\$ 18,500,000	\$
MURDOCK CABINET MANUFACTURING METAL BUILDING	\$ 1,000,000	\$
PALLET EXPRESS BUILDING ADDITION	\$ 200,000	\$
ALLESCO AIRPORT HANGER	\$ 1,000,000	\$
OFFICE AND PRODUCTION FACILITY INDUSTRIAL PARK	\$ 12,500,000	\$
OFFICE AND WAREHOUSE 24TH SO 4800 W	\$ 15,000,000	\$
HILTON HOTEL UTAH AREA	\$ 6,500,000	\$
BIG BOX CONSTRUCTION PROVO	\$ 18,000,000	\$
BIG BOX CONSTRUCTION PROVO	\$ 15,000,000	\$
SOUTHERN UTAH MUSEUM / VISITORS CENTER	\$ 6,500,000	\$
SALT LAKE COUNTY MALL REMODEL/EXPANSION	\$ 9,500,000	\$
DOWNTOWN PARKING LOT	\$ 6,850,000	\$
UTAH GROCERY STORE EXPANSION 4 NEW	\$ 32,000,000	\$
REMODEL EXISTING BUILDING	\$ 5,000,000	\$
CORNER CONVENIENCE STORE'S - ALLOW 5 NEW	\$ 7,000,000	\$
REMODEL TO SAME COMPANY- AVERAGE	\$ 7,000,000	\$
FRATERNAL ORGANIZATION LARGE REMODEL	\$ 10,000,000	\$
WELLS FARGO BANK TI	\$ 1,000,000	\$
HOUSING AND RETAIL (HARRIMAN AREA)		
NOT INCLUDING HOUSING	\$ 6,800,000	\$
CREDIT UNION CORPORATE OFFICES	\$ 8,000,000	\$
	\$ -	\$
STRIP MALL RIVERTON	\$ -	\$
STRIP MALL MURRAY	\$ -	\$
STRIP MALL SANDY	\$ -	\$
STRIP MALL DRAPER	\$ -	\$
JORDAN LANDING RETAIL	\$ -	\$
CHILDRENS MUSEUM OGDEN	\$ 2,000,000	\$
SALT LAKE PRODUCTION FACILITY	\$ 50,000,000	\$
RETAIL FACILITY SALT LAKE BASED JEWELRY CO.	\$ 5,000,000	\$
SMALL MUSEUM - THIS IS THE PLACE STATE PARK	\$ 1,500,000	\$
ACE RECYCLING FACILITY	\$ 1,600,000	\$
WAREHOUSE AND OFFICE - OGDEN AREA	\$ 10,000,000	\$
day care facility addition jrca	\$ 180,000	\$
PRIVATE SCHOOL REMODEL (AVENUES SCHOOL)	\$ 8,000,000	\$
PRIVATE SCHOOL ADDITION & REMODEL BOUNTIFUL	\$ 5,000,000	\$

THERE ARE MANY MORE SCHOOL PROJECTS THAN SHOWN HERE THESE ARE ONLY THE ONES I FOUND EVERY DISTRICT HAS MILLIONS TO SPEND ON REMODEL IF NOT NEW SCHOOLS

NEW SCHOOLS JORDAN DISTRICT	
NEW ELEMENTARY SCHOOL	\$ 7,500,000
	\$ -
	\$ -
	\$ -
REMODELS 4 TO 6 PROJECTS	\$ -
REMODEL NEW DISTRICT OFFICES - JUST ANNOUNCED	\$ 8,000,000
SKY VIEW HIGH SCHOOL ADDITION AND REMODEL	\$ 2,375,000
PROVO AREA SCHOOLS	O INFORMATION
ALPINE DISTRICT	
REMODEL # 1	\$ -
REMODEL # 2	\$ -
REMODEL # 3	\$ -
REMODEL # 4	\$ -
REMODEL # 5	\$ -
REMODEL # 6	\$ -
REMODEL # 7	\$ -
REMODEL # 8 ALL SITE WORK	\$ -
MT. NEBO DISTRICT NEW HIGH SCHOOL	\$ 25,000,000
MT. NEBO DISTRICT NEW HIGH SCHOOL	\$ 25,000,000
MT. NEBO DISTRICT NEW JUNIOR HIGH SCHOOL	\$ 14,000,000
MT. NEBO DISTRICT ELEMENTARY SCHOOLS 5 OR MORE	\$ 37,500,000
SPANISH FORK MIDDLE SCHOOL REMODEL NEBO DIST	\$ 4,500,000
MT.NEBO DISTRICT REMODELS	\$ 10,000,000
RICH COUNTY SCHOOLS ADDITION / REMODEL	\$ 8,000,000
WASATCH SCHOOL DISTRICT BOND	\$ 35,000,000
JUNIOR HIGH SCHOOL REMODEL AND ADDITION-TOOELE	\$ 4,500,000
ELEMENTARY SCHOOL	
ELEMENTARY SCHOOL	
BOUNTIFUL AREA SCHOOLS	NO INFORMATION
OGDEN SCHOOL DISTRICT BOND IN FEB.	\$ 90,000,000
RICH COUNTY SCHOOL DISTRICT ELEMENTARY	\$ 3,000,000
RICH COUNTY SCHOOL DISTRICT HIGH SCHOOL	\$ 5,000,000
TAYLOR ELEMENTARY REMODEL AND ADDITION	\$ 600,000
SAINT GEORGE AREA SCHOOLS	
ENTERPRISE SCHOOL EXPANSION	\$ 850,000
INFORMATION NOT ACCURATE FOR ST. GEORGE	

ALLOW FOR REMODEL AND ADDITIONS	\$ 15,000,000
GRANITE SCHOOL DISTRICT	did not get this information
PARK CITY SCHOOLS	did not get this information
WEBER SCHOOLS ELEMENTARY REMODEL / ADD	\$ 3,000,000

RELIGIOUS

NEW CHURCHES (APPROXIMATE)	\$ 150,000,000
REMODELS OF CHURCHES (APPROXIMATE)	\$ 35,000,000
SPECIAL PROJECTS SEMINARIES ETC. (APROX.)	\$ 35,000,000
CHURCH OFFICE AND STORAGE FACILITY	\$ 50,000,000
REMODEL OFFICE BUILDING DOWNTOWN SLC	\$ 5,000,000
OTHER SPECIAL PORJECTS - IDAHO	\$ 30,000,000
GREEK CENTER	\$ 17,000,000
DESERET MILL OFFICE AND WAREHOUSE	\$ 1,250,000
DESERET MEAT PLANT	\$ 600,000
PARK CITY TEMPLE HARSHALOM	\$ 2,500,000
BAPTIST CHURCH NEW SALT LAKE AREA	\$ 2,500,000
TABERNACLE REMODEL	\$ 35,000,000
PARK CITY -	\$ 550,000
SALT LAKE POSSIBLE NEW CHURCH/SCHOOL	\$ 9,000,000
OGDEN - REMODEL	\$ 12,500,000
SALT LAKE - 2 PROJECTS	\$ 1,250,000
PROVO - REMODEL	\$ 12,500,000
OTHER AREAS -	NO INFORMATION

Multiple Housing

PROVO AREA PRIVATE APARTMENTS	\$ 10,000,000
RIVERS EDGE CONDOS -WEST VALLEY CITY	\$ 4,600,000
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
HEBER AREA MULTIPLE HOUSING DEVELOPMENT	
RETAIL AND GOLF COURSE - NOT INCLUDING HOUSING	\$ 25,000,000

OFFICE SPACE

	\$ -
OFFICE FOR HEALTH CARE PROVIDER	\$ 18,500,000
OFFICE FOR HEALTH CARE PROVIDER	\$ 18,500,000
OFFICE FOR HEALTH CARE PROVIDER	\$ 18,500,000
JORDAN VALLEY MEDICAL ADDITION 3040 W 9000S	\$ 19,000,000
PROVO RDA DEVELOPMENT	\$ -

OFFICE BUILDINGS		
OGDEN AREA # 1 ogden	\$	21,000,000
OGDEN AREA # 2	\$	-
OGDEN AREA # 3	\$	-
STONE HAVEN OFFICE BUILDING LEHI	\$	600,000
PROVO AREA # 1 HEALTH FOOD GROUP PROVO	\$	20,000,000
PROVO AREA # 2 CLOSE TO BYU CAMPUS	\$	15,000,000
PROVO AREA # 3 BROADCAST AND OFFICE SPACE	\$	25,000,000
PROVO AREA # 4- DRY CRREK MEDICAL	\$	600,000
PROVO AREA # 5	\$	-
	\$	-
POINT OF THE MOUNTAIN BUSINESS PARK		
CABELLAS AND SOME ADDITIONAL RETAIL	\$	22,000,000
	\$	-
PARK CITY	\$	-
MULTIPLE USE OFFICE AND RETAIL SALT LAKE	\$	22,500,000
OGDEN AREA MIXED USE / HOUSING / OFFICE / RETAIL	\$	12,500,000
HILL AIR FORCE BASE (OFFICE / PRODUCTION)	\$	50,000,000
SALT LAKE AREA # 1 DOWNTOWN OFFICE	\$	50,000,000
SALT LAKE AREA # 2 BY AIRPORT	\$	15,000,000
SALT LAKE AREA # 3	\$	-
SALT LAKE AREA # 4	\$	-
SALT LAKE AREA # 5	\$	-
SALT LAKE AREA # 6	\$	-
SALT LAKE AREA # 7 W. VALLEY	\$	8,500,000

Total reported 2004
\$ 4,078,299,000

TOTAL \$ 2,758,199,000

PROJECT # BY SIZE	
\$	100,000,000
\$	50,000,000
\$	25,000,000
\$	10,000,000
\$	5,000,000
\$	1,000,000
\$	500,000
\$	100,000

OVERALL CONSTRUCTION WILL BE SLIGHTLY HIGHER THIS YEAR WITH AN INCREASE IN LARGE PROJECTS
IF SOME OF THESE PROJECTS ARE PUT OFF THE TOTAL WILL BE LOWER FOR NEXT YEAR
SCHOOLS ARE A VERY BRIGHT SPOT BOTH ELEMENTARY AND HIGHER EDUCATION MAKING LARGE INCREASES

PROJECTS WORTH MENTIONING BUT ONLY IN THE PLANNING STAGES

EAST WEST LIGHT RAIL	\$	200,000,000	F
EAST WEST LIGHT RAIL	\$	200,000,000	F
NORTH SOUTH SLC TO OGDEN		VERY LARGE	F

PROJECTS WORTH MENTIONING NOT IN UTAH BUT CLOSE ENOUGH THAT SOME OF OUR CONTRACTORS WILL BID THE JOBS BELOW WILL MOST LIKELY BID THIS YEAR

LAS VEGAS MONO RAIL EXTENSION	\$ 337,000,000
UNLV REMODEL AND ADDITION TO STUDENT UNION	\$ 25,000,000
	\$ -
	\$ -
IDAHO HIGH SCHOOL REXBURG	\$ 24,000,000
MESA COURTS	\$ 20,000,000
ASU STUDENT HOUSING	\$ 40,000,000
MNEW MEXICO RESORT	\$ 20,000,000
LAS VEGAS OFFICE BUILDING	\$ 45,000,000
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
SUB TOTAL	\$ 174,000,000

This year's project bag is much the same as last year, with many more schools in the mix for the year. Less office space, but more than I would have thought. Upfront price of most divisions 1- 14 have stayed the same. Electrical is continuing to raise in job dollar percentage due to new technology

Project numbers in the small 1million and under are normal this year. This may show that more major projects have been planed this year and the small projects are not on the minds of those giving the information.

Remember, reporting on small projects of one million and under is not very accurate but hopefully, is representative of the market.

Unlike the past most of the very large projects are in the salt lake valley not spread around the state a very large portion of the total (building construction) will be in the salt lake valley.

I have again used The university of Utah's report, their reporting is excellent to use for future planning. I can almost tell where the next school or small city project will be by watching their housing reports.

Overall, the market is supposed to be down by 1% for the U.S. The western region market is supposed to grow by 0.5% with the west again showing a possibility for small growth around 1%. in the market most of us are in there is a predicted 1% increase in commercial building in the intermountain area for this year. That increase is mostly schools and two or three large projects.

WHAT COULD SLOW THE MARKET OVERNIGHT

- GAS OVER \$2.50 PER GALLON This is up in the past it was \$2.00
- PRIME INTEREST RATES A OVER 3.5%
- NO GROWTH OR DOWNWARD EMPLOYMENT NUMBERS
- THE ELECTION FOR PRESIDENT - UNCERTAINTY COULD CAUSE A SHIFT IN SPENDING IF DEMOCRATS WIN
- STRENGTHEN OF THE DOLLAR - ONLY A SHARP RAISE WOULD HURT
- THE PESO GETTING STRONG meaning the whole world economy is weird

THINGS THAT MAY HELP THE MARKET

- CONTINUED LOW INTEREST RATES
- CONTINUED DROP IN THE US DOLLAR VALUE

SIGNIFICANT JOB GROWTH
STABLE OR SLIGHTLY HIGHER STOCK MARKET
TAX CUTS STARTING TO IMPACT THE OVERALL ECONOMY
TRUE INCREASES IN BUSINESS PROFITS

Specific areas of construction

Remolding / tenant finish seems to be strong.

Housing

Homes are still one of the most important and largest construction markets. The outlook for building new homes is very strong.

AVERAGE COST OF NEW HOME APPROXIMATELY \$ 165,000

Roads and Infrastructure

Heavy construction roads and infrastructure will make some increases this year just because need has been there but it has been put off for the last few years and now will have to be done. This is always a major portion of the construction market. When this market is strong competition on commercial construction is not as strong.

Office Buildings

Office projects seem to be changing to smaller and more anchored to a single owner. Office space is really not in great demand right now, but will continue to be a strong force in the construction market.

Schools during this year.

Schools will continue to be very strong with almost every district planning to build new schools. with as many as 15 projects over \$20,000,000 in the next 18 months. These projects are large enough to draw many of the big guys into bidding on schools this year where they have not in the past eight to ten years. Our school population is expected to have continued large growth.

Even the colleges are looking at significant expansion, which hasn't happened much in the past years. Most of the expansion on the colleges has not been state money, but gifted money. This year the state seems to be stepping up and trying to make up for some slow growth in the higher education area for the past few years.

UTAH SCHOOLS SPEND 350 MILLION ON RENOVATION EACH YEAR
WE ARE RANKED # 10 FOR THE WORST CONDITION OF OUR SCHOOLS
IT IS THOUGHT THAT 1 BILLION COULD BE SPENT TO BRING SCHOOLS UP
TO CURRENT CODES

Retail

This market seems to have a lot of buzz but nothing major except the downtown malls and they will happen but when. Other projects seem to be strip mall or large box type construction the market is ok but growth will be on the slow side.

Religious

I expect to see church building stay about the same as in the past.

This is a major sector of our market but seems to be limited to a small number of contractors.

Health Care

This sector of the industry seems to be strong.

This year both large and small projects are funded and planed at many different sites.

Multiple Housing

This sector of the market seems to be growing and it seems to be because more condominiums are being built and are counted as multiple housing not single family units. I expect to see this portion of the market continue to be strong. But true rental housing will most likely stay slow due to high vacancy rates in existing units. Low interest rates have also helped to decrease need for multiple housing.

Hotel Motel

Hotel/Motel type construction should be very slow for the next few years.

There are a couple of medium sized projects slated for next year mostly in a mixed use situation, with retail and hotel in one large project.

Public Safety

Prisons and jails are very slow with a few small projects on the boards but mostly remodels and small additions to existing facilities.

Local area police stations and related projects look to be small and spread all over the place from Iron county to brigham city.

International Markets

International markets will continue to affect our industry keeping construction commodities pricing fairly even during the year. I even feel our market is growing beyond the Intermountain West with contractors and designers who call Utah home working on large projects across the United States. A more stable construction market may be possible with this relatively new twist in our market.

SPECIFIC DIVISIONS

Masonry will continue to be very strong due to the increase in school construction.

Electrical and Mechanical