

**CURRENT CIRT SUMMARY**

**CIRT SENTIMENT INDEX FOURTH QUARTER 2015 EXECUTIVE SUMMARY**



● Positive ● Negative

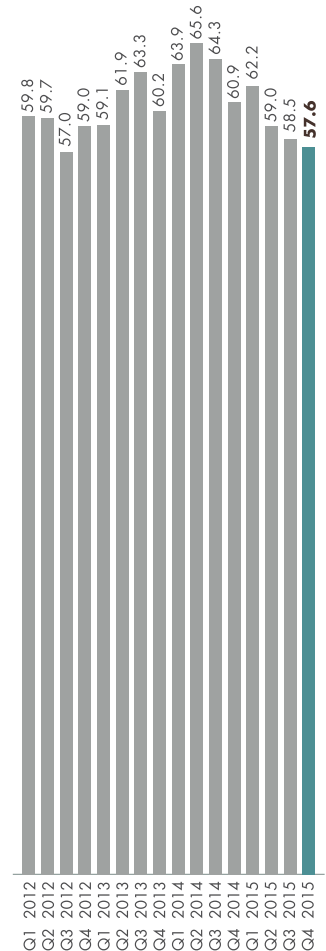
**NOTE:** Higher cost of materials and labor reduces the CIRT score.

“BUSINESSES ALWAYS HAVE PROBLEMS. . . NUMBERS TELL YOU WHERE THE PROBLEMS ARE AND HOW WORRIED YOU SHOULD BE.”

JACK STACK, EXECUTIVE AND AUTHOR

The CIRT Sentiment Index for the fourth quarter 2015 dropped 0.9 points from last quarter to 57.5, its lowest score since the third quarter of 2012, and it is the third consecutive quarter of decline. Notwithstanding the overall number and apparent trend, it is valuable to look at the individual elements and multifaceted matters comprising the index to obtain a more informed and deeper understanding. For instance, it is true that construction industry executives have dropped their outlook for the economy in general this quarter, but they are still within a range that anticipates or portends growth in the coming year. Some of the reasons for the overall Index drop can be seen in our “current issues” questions concerning uncertainty and optimism levels as well as shortages of skilled workers in the industry. Compared to the same questions last year regarding uncertainty and optimism, CIRT members have not changed their ratings much. They continue to be moderately uncertain about what will happen in the economy in the coming year or so, and, at the same time, they continue to be optimistic but cautious. Again, looking at the detail behind the overall CIRT Sentiment Index score, confidence levels for almost all market sectors have dropped, but remain within the growth range.

Dropping for three quarters doesn't make a long-range trend, although it should raise concerns. The construction industry has been on a good run, and most expect it to continue. However, some think the momentum is beginning to slow. Then there is the ramp-up of the political season where we will be reminded of both good news and bad for the economy. Our own politics in the U.S. are often overshadowed by world events of atrocities and disasters



CURRENT CIRT SENTIMENT INDEX READING Q4 2015	<b>57.6</b>
CURRENT CIRT DESIGN INDEX READING Q4 2015	<b>62.0</b>

PREVIOUS SENTIMENT INDEX READING: **58.5**

**EXHIBIT 1**

CIRT Sentiment Index Scores: Q1 2012 to Q4 2015

(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](mailto: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](mailto:mcasso@cirt.org) and/or Phil Warner, research consultant with FMI Corporation, at [pwarners@fminet.com](mailto:pwarners@fminet.com) or call 919-785-9357.



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### 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.

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## Executive Summary ... continued

to the point where it is difficult to see anything optimistic, but it is there. Perhaps Charles Dickens said it best in his great opening to "A Tale of Two Cities." "It was the best of times, it was the worst of times. . ." He was writing of a time of revolution when the world was bifurcated between rich and poor, slaves and slaveholders and a world of differences causing strife and war. He suggested the situation might parallel with his times (circa 1859), but there is no way he could have been predicting our times, could he? The responses to the CIRT Sentiment Index represent an economic climate that goes beyond U.S. borders but, nevertheless, affects business and policy in the U.S. as well. It is clear that survey respondents are concerned about how global economics affect their business in the U.S. as well as abroad.

### Current Issues:

#### Uncertainty Level:

For the second year in a row, we asked CIRT members about their level of uncertainty as it affects their future business outlook and found the results were not much changed from last year at this time. Compared to 2014, uncertainty levels are slightly lower. Nonetheless, on balance, executives answering our survey are still experiencing a moderate level of uncertainty about the future of the economy.

#### Optimism Level:

Compared with 2014, CIRT executives indicate that their level of optimism is just slightly lower (possibly reflecting the concern that the strong overall markets will not continue). Nonetheless, they remain much more optimistic than pessimistic about the future of the economy.

#### Skilled Talent Availability:

One of the areas that continue to cause concern about current and future growth in the construction industry is the availability of skilled employees to perform the work. We asked industry executives to rate their level of concern in attracting and retaining skilled/craft trades for several situations. In all cases, it is clear that this is an ongoing struggle to find talent; however, the highest levels of concern were registered for "expectations for the future" and "as a generational or ongoing challenge."

# CIRT Sentiment Index, Fourth Quarter 2015 Highlights

## Overall Economy:

The CIRT Sentiment Index component for the overall economy cooled this quarter, dropping from 65.3 to 60.7 for the fourth quarter reading.

## Overall Economy Where Respondents Do Business:

Since many of CIRT's members are national in market scope, their outlook for where they do business closely mirrors the overall economy. This component dropped 4.9 points to 59.5 this quarter.

## CIRT Design Index Components

### Consulting Planning:

The Design Index component for consulting planning, which had reached a high point of 74.0 last quarter, gave back some of that gain, dropping to 69.6 for the fourth quarter.

### Pre-design work:

At 71.4, the score for pre-design work remains in solid growth territory on the Index scale, but it lost 2.6 points from the third quarter.

### Residential:

The component for residential design improved 1.1 points to 63.6. This score is 1.8 points ahead of Q4 2014.

### Commercial:

Commercial construction design slipped 4.4 points to 64.0, but still 4.9 points ahead of the second quarter results.

### Education:

Education design has been trying to get a toehold for growth, but lost 9.4 points in the fourth quarter.

### Health Care:

Health care design continues to recover to the strong position it had before the recession and made a slight gain of 0.5 points to 72.7 in the fourth quarter.

### Industrial:

After a long run for several years, industrial design work appears to be heading for a low cycle, as the Index score dropped 7.9 points to 54.0.

## Transportation:

The CIRT Design Index component for transportation held steady at 62.0 this quarter.

## Heavy/Civil:

At 58.3, heavy/civil design is holding on better than some might expect, given no clear solution to federal support for infrastructure.

## International:

International design work is expected to remain slow, but essentially steady, at 52.2 in the fourth quarter.

## Construction

### Construction Business:

Despite lowered expectations for the overall economy, CIRT members' expectations for their businesses improved 3.7 points in the fourth quarter to 70.6. This score demonstrates significant momentum from an improved economy.

### Private Sector Construction Business:

Among the private sector markets, health care is proving to be the strongest in the near term with the three-year outlook weakening. Office construction, after showing signs of strengthening last quarter, dropped 13.4 points. Mirroring the design component outlook, expectations for education construction are being reeled in to accommodate low growth over the next few years. Lodging construction has had a strong recovery since the recession but appears to be catching up with demand and is expected to slow down after 2016.

### Cost of Construction Materials and Labor:

According to responses this quarter, the costs of construction materials remain high but about the same as last quarter. The cost of labor index component improved slightly, meaning slightly fewer respondents are seeing costs higher than last quarter. Increasing costs of production affect the overall Index negatively.

### Productivity:

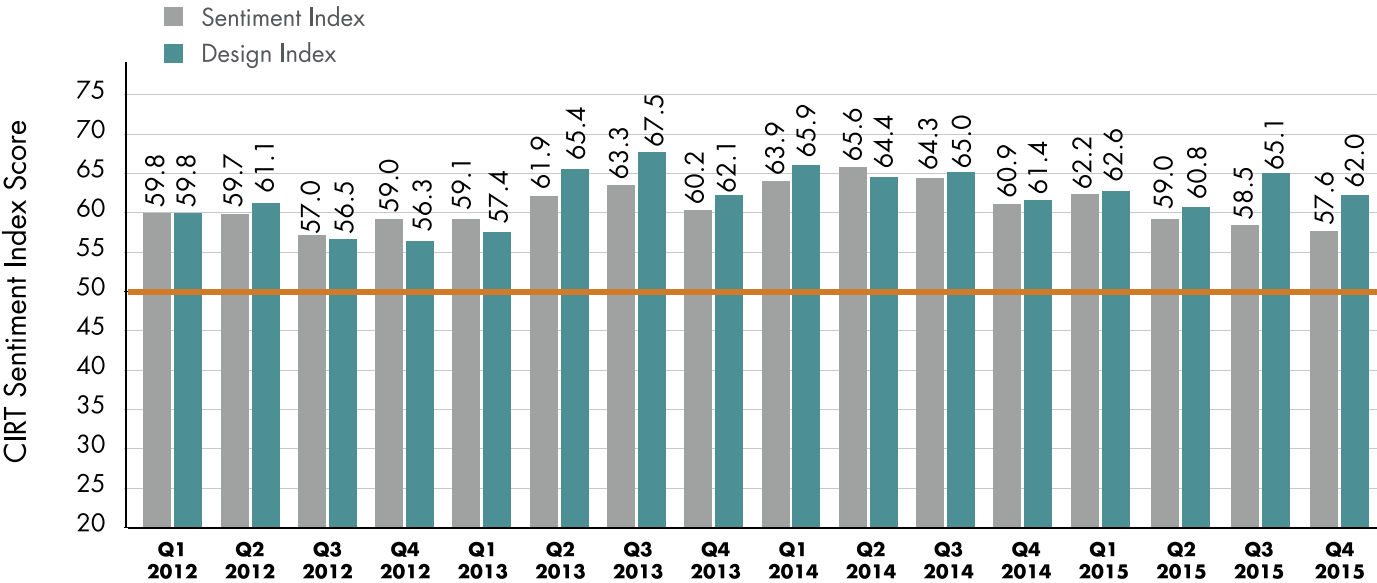
After a sharp drop in the third quarter, productivity remains unchanged at 49.1, continuing to indicate the difficulties of improving productivity when business is growing. It likely also reflects the difficulty construction companies are having in hiring skilled, experienced employees at this time.

# Results of the Fourth Quarter 2015 CIRT Sentiment Index

## EXHIBIT 2

CIRT Sentiment Index Scores:  
Q1 2012 to Q4 2015

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



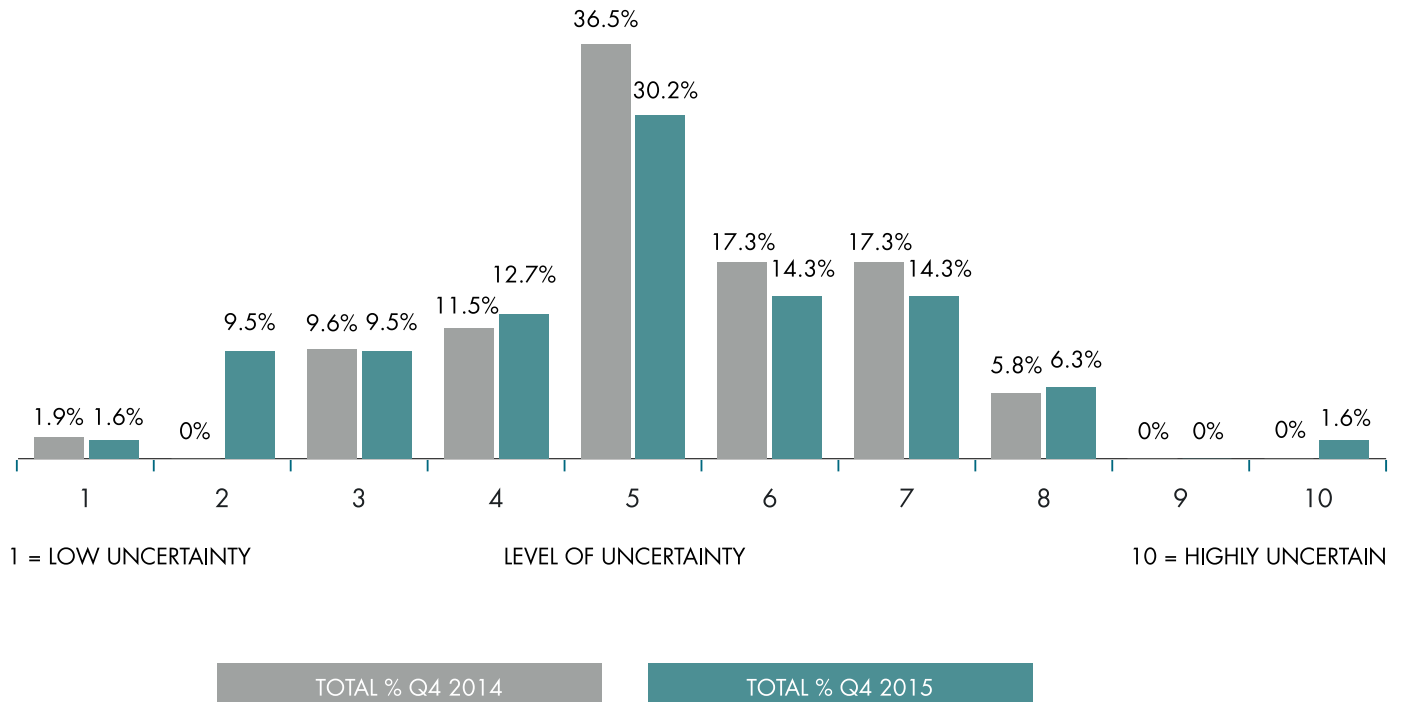
## Current Issues: Uncertainty Level

We asked CIRT members about their level of uncertainty as it affects their future business outlook and found the results were not much changed from last year at this time. Compared to 2014, uncertainty levels are slightly lower. Nonetheless, on balance, executives answering our survey are still experiencing a moderate level of uncertainty about the future of the economy. Uncertainty is generally characterized as a lack of information about the future, and what we think we know points to a situation that could turn bad or good at any time—but most likely bad. Reviewing the comments below, much of the uncertainty comes from global unrest and economies in distress. As another presidential race begins to heat up, uncertainty grows about our own economic future.

One of the interesting, or the least expected, situations that leads to uncertainty is success. We have seen something like this before in a study conducted by FMI, “Profiles in Success — How Contractors Define and Achieve Success,” in 2008. As one panelist commented, “We are in a very strong market right now, but we are uncertain how long of a run we are in and are concerned with the flow of projects two years out.” Our experience or hunches often seem to tell us that if things have been going well for a long time, we must be due for a change in the other direction. Also, this clearly reflects the “cyclical” nature of business – which experience teaches these respondents to expect. So CIRT executives answering our survey this quarter appear braced for change, even if uncertain about where change will come from first.

### EXHIBIT 3

Uncertainty level: Please indicate your general level of uncertainty about the future of the economy as it affects your business outlook. (1-10 where 1 is a very low sense of economic uncertainty and 10 is extremely uncertain)



#### Comments on uncertainty concerns:

- \$50 per barrel oil price; lack of jobs growth; lack of GDP growth in most economies we serve.
- Concern about how long this current pace can continue. Concern about election year coming up.
- Economy remains fragile, but there are positive movements.
- Federal government spending due to continuing resolution and potential of sequestration.
- Funding availability.
- Global economic conditions—China and EU and their potential to undermine U.S. economic confidence.
- Global slowdown in Asia, especially China, is impacting our outlook.
- Interest rates staying low should drive residential real estate favorably.
- It starts at the top—uncertainty in what the administration will do with rules, regulations, etc.—and it flows down

from there. Will the Fed raise rates, and will Congress be able to cut a deal to fund the government and raise the debt ceiling? Will the rest of the world stabilize, or will it continue to weaken? It is not an easy time to be a prognosticator!

- Lack of consistent direction and leadership in government.
- National debt vs. transportation funding.
- Political landscape, both domestically and globally, is a risk to stability and certainty.
- The current political dysfunction which manifests itself as the inability of the two parties to effectively agree on what is best for our country limits our economic potential. The extremists in both parties have effectively ground the system to a halt where reason and logic are overwhelmed by dogma.
- The economy will change, and how we change with it will be the difference. The world moves much faster than it ever has, and I think we need to be ready for a new normal every three or four years.

- The price of crude oil is concerning to me. Its impact on the economy is clearly uncertain.
- There is a current instability in oil and gas prices, commodities, etc., which is disconcerting. The geopolitical instability and the economic instability in the emerging markets only serve to add to the overall concerns.
- We are in a very strong market right now, but we are uncertain how long of a run we are in and are concerned with the flow of projects two years out.

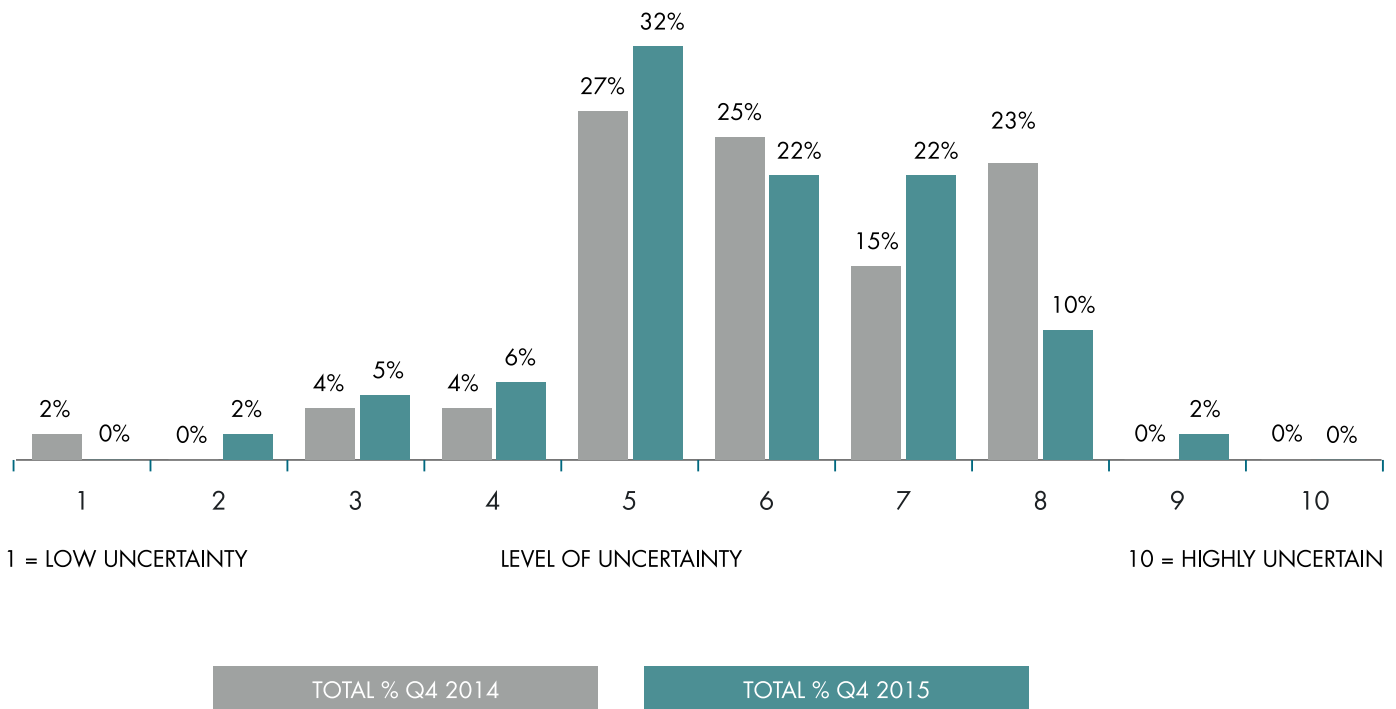
- With a presidential election coming along and with the balancing act that the Fed is having to walk relative to interest rates and uncertainty overseas (China, Russia, Middle East), there will be some volatility in our broad economy for the rest of 2015 and most of 2016.

## Current Issues: Optimism Levels

Compared with 2014, CIRT executives indicate that their level of optimism is just slightly lower. Nonetheless, they remain much more optimistic than pessimistic about the future of the economy. Compared with 2014, the top-two reasons for optimism are essentially the same. “Expanding backlog/future business” remains the top reason for being optimistic and “businesses starting to build again” was a close second. The third-highest reason for optimism: “Financial security” switched places with “Most markets are growing,” which was the third in 2014. It is clear that the executives answering our survey are a generally optimistic group—some would say they must be in order to run a business in the construction industry—but it is also apparent that uncertainty holds their optimism in check.

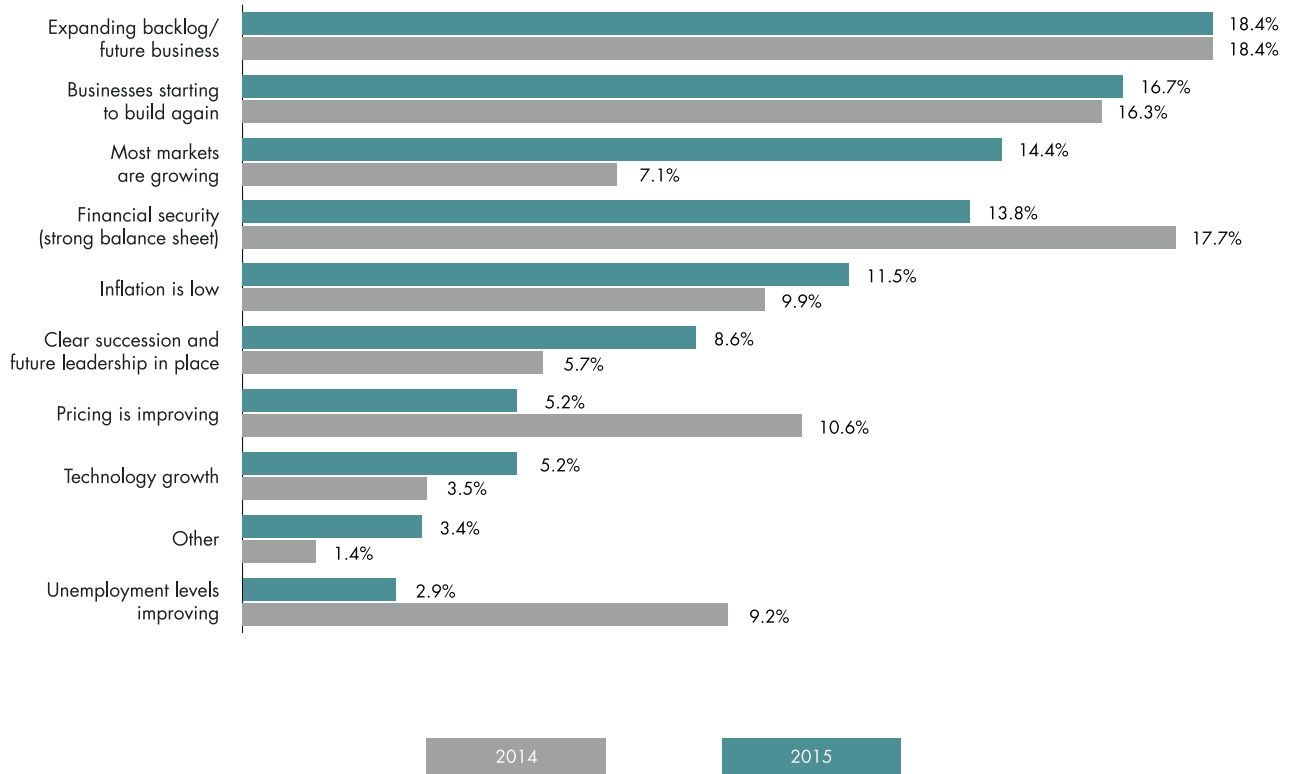
### EXHIBIT 4

Level of optimism: Please indicate your general level of optimism about the future of the economy as it affects your business outlook. (1-10 where 1 is pessimistic and 10 is extremely optimistic)



## EXHIBIT 5

### Reasons for Optimism (Choose the top three)



### Comments on reasons for optimism:

- Customers are doing well. Backlog is of need in some sectors.
- I am an optimistic person, and there seems to be more activity in our markets.
- I am seeing a surge of activity in the urban markets. Development is increasing, and the infrastructure need is huge.
- I'm really not that optimistic (5/10), but if things were to get better, I think it would be for the three reasons above. The economy has been good for a while, and it's very difficult to know how long this will last.
- Increased investment for infrastructure projects.
- New normal is being better understood in the design and construction industry.
- Ongoing good sales, improving fees and good prospects.

- Our clients' access to cheap capital helps finance higher ROI investments.
- South Florida seems to be a leading market for European and South American investors, developers and end users.
- The fact people don't want to go in the business is good for those who are in this business. Supply and demand will dictate that we are rewarded for being rare.
- We are finally coming out of the recession for the type of services that our firm provides. I suspect (and hope) that this will get better in the months ahead.
- We feel we are in a good competitive position relative to many of our peers, so we can grow even if the market is flat.



## Current Issues: Skilled Talent Availability

One of the areas that continue to cause concern about current and future growth in the construction industry is the availability of skilled employees to perform the work. We asked industry executives to rate their level of concern in attracting and retaining skilled/craft trades for several situations. In all cases, it is clear that this is an ongoing struggle to find talent; however, the highest levels of concern were registered for “expectations for the future” and “as a generational or ongoing challenge.”

Reviewing the comments to the question, “What do you believe is the best immediate action your firm can take to address the challenge of building a skilled construction workforce,” we found that some form of training dominated the response. While the importance of recruiting practices was often mentioned, most expect to have to train new recruits rather than find experienced people who already have most of the needed skills. Much of that training involves or will involve some form of in-house program. It is also clear that respondents are supportive of other industry training initiatives. Ultimately, there appear to be few singular solutions to finding skilled labor that can be applied immediately. Those firms that have worked on employee development programs for years are now experiencing better results than those just recently realizing how immediate the situation is. No doubt, the problem is here to stay for the near future, whether business slows or picks up again.

### What do you believe is the best immediate action your firm can take to address the challenge of building a skilled construction workforce?

- Build succession planning and strategic recruitment capabilities; invest in leadership development of high-potential talent; maintain robust business and impeccable industry reputation.
- Continue to offer better- than-market-average wages and fringe benefits combined with providing our people with continuity of employment opportunity in our chosen geographic region.
- Continue training efforts to maintain a best-in-class workforce that aids not only productivity but also recruiting and retention.
- Create employment continuity and invest in a better work environment along with training, pay and benefits.
- Develop and launch a program to attract and retain Latino workers.
- Development of upcoming generations earlier to be able to take on leadership roles in field and management.
- Expand involvement in workforce development opportunities.
- I feel an in-house training program for new college graduates works the best for us. We seem to have better success with this approach than hiring from competitors or other contractors. It takes longer, but it is worth it.
- I'd love to think that schools or society is going to deliver work-ready people, but the reality is that, in the future, companies are going to have to train and develop the workforce they need, and so the best time to start is now.
- Increase the percentage of entry-level staff to our management team. We do not self-perform a significant amount of work. We rely on local trade talent, so craft employment is not big to us as a company but becomes important when local subs can't get the craft staff they need.
- Inspire from within as fast as possible.
- Internal craft training and association training.
- Internal training, ties to education and trade organizations.
- Investing in our own training and development programs for both our field and professional staff. Break down the perceived wall between the field and the office.
- Involvement in each local market to advocate for our industry, involvement and support of the local community/technical colleges, promotion of better wages and benefits for the craft worker and promotion of vocational training in high schools.
- Leveraging technology to build knowledge management capabilities that will support a new generation of skilled labor.
- Raising awareness of participants in our industry that we need to take ownership for our pipeline and focus on a long-term solution to work with educators/parents/communities to make students aware of the opportunities in our industry and the pathways to get to those opportunities.
- Ramp up in-house training and career development activities. Target entry-level recruitment at 10% of total staff.
- Recruit at high school levels.
- Show by example that our employees, both trade and professional, are positive about their experience and feel properly rewarded and part of something special.

- Significant internal training programs.
- Skills assessment. Ongoing communications with craft workforce pool. Apprenticeship training. Competitive wages and benefits.
- Strong in-house mentoring and training programs.
- Strong partnership with organized labor to recruit and train future workforce.
- Support ACE and trade development programs.
- Support the open shop apprenticeship programs that are offered in the market. If we don't as CMs and GCs, we will be at the mercy of unions in the 10-year future.
- Technology will be a big part of making use of our limited resources.
- Trying to figure this out. Advocate robust immigration policy. Outreach at local level. Offering training and career opportunities.
- We are starting in-house training programs for labor and foreman level.

- We are working in three main areas: first, with our collective bargaining units to ensure they understand the demands forthcoming and are preparing accordingly, second is that we have stepped up our intern programs and development programs inside the company to ensure that our teams have the tools they need to meet our customers' needs, last, we are actively engaged in industrywide initiatives that promote a more collaborative and integrated form of project delivery. We believe this will make our industry not only better, but also more attractive and maybe even fun.
- We can continue to encourage students to go into the engineering and science fields and train our workforce.
- We must support the pipelines that can identify and develop the skilled trades that we need for the workforce of the future.
- Workforce development initiatives.
- Work with schools and promote construction programs. Also, increase our support for apprenticeships and private training facilities.

## EXHIBIT 6

Concerning skilled talent availability, on a scale of 1-10, how would you rate your level of concern in attracting and retaining skilled/craft trades for the following situations? 1 = Of little or no concern, 5 = moderate concern, 10 = Very highly concerned

	National skilled talent availability	Regions where you do the most work	For your specific projects	Expectations for the future (next 5-10 years)	As a generational or ongoing challenge
1 Little or no concern	0%	0%	0%	0%	0%
2	0%	2%	3%	2%	0%
3	5%	3%	5%	3%	2%
4	7%	6%	10%	3%	2%
5 Moderate concern	12%	6%	12%	8%	11%
6	14%	8%	12%	6%	3%
7	27%	32%	24%	16%	13%
8	15%	19%	20%	26%	32%
9	14%	15%	14%	24%	19%
10 Very highly concerned	7%	8%	0%	11%	18%

## EXHIBIT 7

### CIRT Sentiment Index Components Detail by Market Sector

	Overall Quarter 3 for 2015				Overall Quarter 4 for 2015			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Sentiment Index Component Results for Q3 2015	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Sentiment Index Component Results for Q4 2015
<i>Business Outlook/Three Months</i>								
Commercial	31.0%	65.5%	3.4%	63.8	25.9%	70.4%	3.7%	61.1
Education	31.3%	62.5%	6.3%	62.5	19.4%	75.0%	5.6%	56.9
Health Care	35.5%	51.6%	12.9%	61.3	33.3%	66.7%	0.0%	66.7
Lodging	31.0%	58.6%	10.3%	60.3	32.3%	61.3%	6.5%	62.9
Manufacturing	22.7%	68.2%	9.1%	56.8	36.0%	60.0%	4.0%	66.0
Office	50.0%	41.2%	8.8%	70.6	25.7%	62.9%	11.4%	57.1
Industrial / Petrochemical	26.9%	46.2%	26.9%	50.0	22.2%	55.6%	22.2%	50.0
Transportation-Related	24.2%	66.7%	9.1%	57.6	16.1%	74.2%	9.7%	53.2
Public Works / Heavy/Civil	22.9%	68.6%	8.6%	57.1	10.7%	78.6%	10.7%	50.0
Other	40.0%	40.0%	20.0%	60.0	60.0%	30.0%	10.0%	75.0
<i>Business Outlook/One Year</i>								
Commercial	24.1%	72.4%	3.4%	60.3	25.9%	74.1%	0.0%	63.0
Education	41.9%	51.6%	6.5%	67.7	27.8%	69.4%	2.8%	62.5
Health Care	41.9%	48.4%	9.7%	66.1	41.7%	55.6%	2.8%	69.4
Lodging	31.0%	62.1%	6.9%	62.1	38.7%	58.1%	3.2%	67.7
Manufacturing	27.3%	68.2%	4.5%	61.4	32.0%	64.0%	4.0%	64.0
Office	39.4%	51.5%	9.1%	65.2	28.6%	57.1%	14.3%	57.1
Industrial / Petrochemical	38.5%	34.6%	26.9%	55.8	38.9%	44.4%	16.7%	61.1
Transportation-Related	39.4%	48.5%	12.1%	63.6	35.5%	54.8%	9.7%	62.9
Public Works / Heavy/Civil	26.5%	58.8%	14.7%	55.9	35.7%	53.6%	10.7%	62.5
Other	33.3%	50.0%	16.7%	58.3	70.0%	10.0%	20.0%	75.0
<i>Business Outlook/Three Years</i>								
Commercial	27.6%	62.1%	10.3%	58.6	25.9%	66.7%	7.4%	59.3
Education	32.3%	61.3%	6.5%	62.9	36.1%	47.2%	16.7%	59.7
Health Care	45.2%	48.4%	6.5%	69.4	45.7%	40.0%	14.3%	65.7
Lodging	31.0%	58.6%	10.3%	60.3	22.6%	58.1%	19.4%	51.6
Manufacturing	36.4%	50.0%	13.6%	61.4	24.0%	68.0%	8.0%	58.0
Office	30.3%	45.5%	24.2%	53.0	25.7%	65.7%	8.6%	58.6
Industrial / Petrochemical	57.7%	26.9%	15.4%	71.2	55.6%	33.3%	11.1%	72.2
Transportation-Related	51.5%	36.4%	12.1%	69.7	58.1%	32.3%	9.7%	74.2
Public Works / Heavy/Civil	44.1%	44.1%	11.8%	66.2	60.7%	21.4%	17.9%	71.4
Other	50.0%	50.0%	0.0%	75.0	40.0%	30.0%	30.0%	55.0

#### 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 8

### CIRT Sentiment Design Index Components — Business Outlook Summary

	Quarter 3 for 2015				Quarter 4 for 2015			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q3 2015	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q4 2015
Consulting Planning	48.0%	52.0%	0.0%	74.0	46.4%	46.4%	7.1%	69.6
Predesign Work	51.9%	44.4%	3.7%	74.1	46.4%	50.0%	3.6%	71.4
Commercial	36.8%	63.2%	0.0%	68.4	40.0%	48.0%	12.0%	64.0
Residential	37.5%	50.0%	12.5%	62.5	36.4%	54.5%	9.1%	63.6
Education	29.4%	64.7%	5.9%	61.8	19.0%	66.7%	14.3%	52.4
Health Care	44.4%	55.6%	0.0%	72.2	45.5%	54.5%	0.0%	72.7
Industrial	33.3%	57.1%	9.5%	61.9	12.0%	84.0%	4.0%	54.0
Transportation	33.3%	57.1%	9.5%	61.9	36.0%	52.0%	12.0%	62.0
Heavy/Civil	33.3%	57.1%	9.5%	61.9	29.2%	58.3%	12.5%	58.3
International	31.6%	42.1%	26.3%	52.6	17.4%	69.6%	13.0%	52.2
Design Firms Index				65.1				62.0

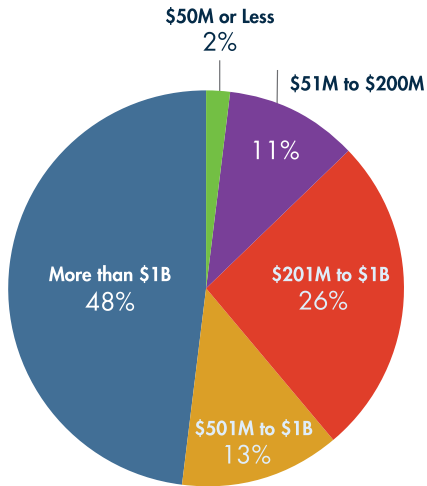
## EXHIBIT 9

### CIRT Sentiment Index Components — Comparison of Results: Q1 of 2015 to Q4 of 2015

#### CIRT Scores

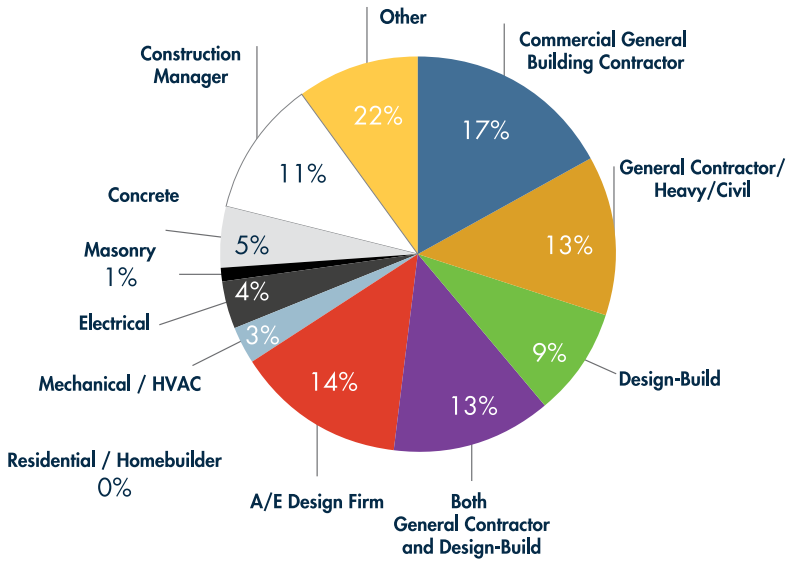
> 50 indicate growth (better)  
< 50 indicate slowing (worse)

	CIRT Sentiment Index Components — Comparisons of Results: Q1 2015 to Q4 2015			
	CIRT Sentiment Index Components Q1 2015	CIRT Sentiment Index Components Q2 2015	CIRT Sentiment Index Components Q3 2015	CIRT Sentiment Index Components Q4 2015
Overall Economy	73.9	63.9	65.3	60.7
Overall Economy Where Panelists Do Business	69.3	63.6	64.4	59.5
Panelists' Construction Business	73.9	68.5	66.9	70.6
Residential Building Construction Market Where Panelists Do Business	57.6	65.9	68.3	59.2
Nonresidential Building Construction Market Where Panelists Do Business	68.7	64.4	68.8	60.5
Cost of Construction Materials	25.8	23.0	28.2	29.1
Cost of Labor	14.2	15.3	14.3	16.7
Productivity	54.5	54.9	49.1	49.1
Expected Change in Backlog	64.5	61.1	64.0	61.1
Approximate Current Signed Backlog in Months	12.0	12.0	13.0	12.0



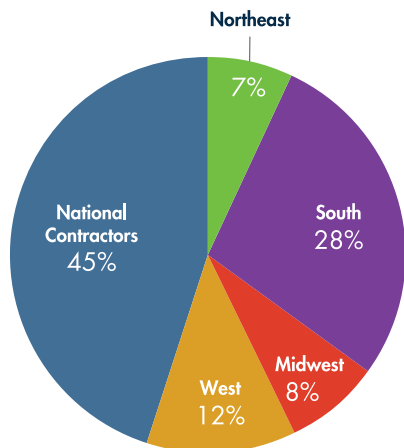
**EXHIBIT 10**

Size of the Organization in Annual Revenue



**EXHIBIT 11**

Type of Contracting Business



**EXHIBIT 12**

Primary Region in Which Panelists Work

## EXHIBIT 13

### CIRT Sentiment Index Results: Q3 2015 and Q4 2015

	CIRT Sentiment Index, Quarter 3 2015				CIRT Sentiment Index, Quarter 4 2015			
	Improving Over Last Quarter	Staying the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Q3 2015	Improving Over Last Quarter	Staying the Same as Last Quarter	Worse Compared with Last Quarter	CIRT Q4 2015
Overall Economy	35.6%	59.3%	5.1%	65.3	21.3%	78.7%	0.0%	60.7
Overall Economy Where Panelists Do Business	32.2%	64.4%	3.4%	64.4	22.2%	74.6%	3.2%	59.5
Panelists' Construction Business	35.6%	62.7%	1.7%	66.9	42.9%	55.6%	1.6%	70.6
Residential Building Construction Market Where Panelists Do Business	41.5%	53.7%	4.9%	68.3	26.5%	65.3%	8.2%	59.2
Nonresidential Building Construction Market Where Panelists Do Business	42.9%	51.8%	5.4%	68.8	27.4%	66.1%	6.5%	60.5
<b>Backlog in Months</b>	High	Median	Low		High	Median	Low	
Approximate Current Signed Backlog	36.0	13.0	6.0		36.0	12.0	6.0	
	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	42%	44%	14%	64.0	30%	62%	8%	61.1
	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	45%	53%	2%	28.2	44%	55%	2%	29.1
Cost of Labor	71%	29%	0%	14.3	67%	33%	0%	16.7
	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	2%	95%	4%	49.1	9%	81%	10%	49.1

## EXHIBIT 14

### CIRT Sentiment Index Components: Q1 2015 to Q4 2015 Business Outlook Summary by Market Sector

#### CIRT Scores

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

Sector	Results Q1 2015			Results Q2 2015			Results Q3 2015			Results Q4 2015		
	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	70.6	70.6	63.2	68.3	67.2	60.7	63.8	60.3	58.6	61.1	63.0	59.3
Education	58.1	62.2	56.8	57.4	65.7	62.1	62.5	67.7	62.9	56.9	62.5	59.7
Health Care	61.4	74.3	81.4	55.9	66.7	65.6	61.3	66.1	69.4	66.7	69.4	65.7
Lodging	69.0	65.5	65.5	71.0	71.7	60.3	60.3	62.1	60.3	62.9	67.7	51.6
Manufacturing	68.5	77.8	72.2	63.0	67.3	59.6	56.8	61.4	61.4	66.0	64.0	58.0
Office	71.6	70.3	62.2	68.6	64.7	56.1	70.6	65.2	53.0	57.1	57.1	58.6
Industrial / Petrochemical	58.0	66.0	72.0	50.0	64.3	76.2	50.0	55.8	71.2	50.0	61.1	72.2
Transportation-Related	56.8	64.9	68.9	53.4	60.7	70.4	57.6	63.6	69.7	53.2	62.9	74.2
Public Works / Heavy/Civil	58.3	61.7	79.3	54.2	56.5	65.2	57.1	55.9	66.2	50.0	62.5	71.4
Other	75.0	75.0	75.0	50.0	75.0	100.0	60.0	58.3	75.0	75.0	75.0	55.0



# About FMI

Founded in 1953 by Dr. Emol A. Fails, FMI is the leading management consulting, investment banking<sup>†</sup> 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:

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### Denver

210 University Boulevard  
Suite 800  
Denver, CO 80206  
303.377.4740

### Raleigh (headquarters)

5171 Glenwood Avenue  
Suite 200  
Raleigh, NC 27612  
919.787.8400

### Scottsdale

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

### Tampa

308 South Boulevard  
Tampa, FL 33606  
813.636.1364

### The Woodlands

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



[www.fminet.com](http://www.fminet.com)

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