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55 YEARS

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The economy has caused a need for more multi-family construction to meet rental demand

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As we spring forward this past weekend, along with the time change, there seems to be signs that some of the construction markets are also emerging from the deep freeze. Reports indicate that total construction spending will be up for the first time in five years.

The economic conditions of the past few years have resulted in a current need for more multi-family construction as the demand for rental units continues to rise. In early January, governor Deval Patrick and lieutenant governor Timothy Murray announced the investment of \$153.9 million to support 26 affordable housing rental projects in 17 communities across the state.

Among these projects, J.K. Scanlan Company, Inc. will construct Veterans' Park Apartments in Falmouth, Mass. The project which has already broken ground will contain 39 units for those fifty-five and older. Nine units will be built exclusively for individuals and families whose annual income is 30% or below the area median income. This spring J.K. Scanlan will also break ground in Falmouth on a new ground up 125 unit assisted living facility, Atria Woodbriar. This 128,000 s/f, 4-story building along with the Veterans Park project will add a total of 164 units of housing to the town of Falmouth.

In August of 2010, our firm completed the 815 Main St. affordable housing development in Wareham, Mass. The shovel ready project provided the community with 49 new apartment homes on a ten acre site. The project was able to move forward with funding in part from the tax credit exchange program, intended to create jobs and jump start projects that were stalled by the lagging economy.

In Lloyd, N.Y., J.K. Scanlan recently completed construction of a high end 185 unit independent living community.

As we mentioned in a previous article, construction in the healthcare industry has made great strides, particularly in the ambulatory center field. J.K. Scanlan has completed a wide range of healthcare projects both new and renovations to existing buildings.

In Mashpee, Mass., J.K. Scanlan will construct a 22,000 s/f outpatient facility adjacent to the existing Community Health Center of Cape Cod. The \$6.5 million project will provide medical, behavioral health and dental services. The environmentally conscious building will be designed to achieve a silver rating with the Leadership in Energy & Environmental Design (LEED) criteria. Construction is scheduled to begin in June and completion is anticipated by September 2012.

The renewable energy markets continue to thrive. Our division JKS Wind that develops and constructs wind turbine projects has been awarded 13MW of wind turbine construction projects. We recently installed two, 2MW turbines at the Mount Wachusett Community College in Gardner, Mass. and also in Gardner, two 2MW turbines at the North Central Correctional Institute, (NCCI) Gardner. Recently, our wind team was successful in securing the contract to build a wind turbine at the

University of Massachusetts, Dartmouth Campus.

Although we appear to have weathered the downturn fairly well considering the climate, cautiously optimistic would be the overall feeling as we move towards spring. Our reliance on gasoline and fossil fuels, and the rising costs remain a significant factor. With the likelihood of escalating prices, continued recovery could waiver. With any luck, prices will rebound and we will all have a prosperous year.

In closing, I'd like to mention the devastating blow that was dealt to Japan by Mother Nature. Any negative economical effects in the construction industry we have endured recently are nothing compared to the people affected by the tsunami. All of us at J.K. Scanlan are deeply saddened by the loss of life and the sadness that our fellow man has endured. Life has many uncertainties and this unpredictable force of nature should make all of us especially grateful for the good fortune that we enjoy each and every day.

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