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## **Strong finish to 2013 will lead to continued growth in the coming year**

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2013 has shown solid growth in several market sectors of the construction industry and we see this growth to continue, and possibly accelerate, as we head in to the third/fourth quarters and to the coming year.

At Sullivan Construction we had one of our best years in 2012 and we have already exceeded that success in 2013. This success is due to the collective capabilities of our construction team, a focus on growth markets, and the ability to provide strong preconstruction services to clients. The ability to quickly determine project feasibility, to create value engineered solutions, and to utilize a "design to budget" approach is critical to make these projects happen.

Pent up demand, more readily available financing, and a renewed focus on sustainability & energy efficient solutions will help to fuel new construction activity for the fall/winter of 2013. Markets showing growth include; education, office, healthcare, manufacturing, retail, and long-term care & assisted living. Many owners and users within these markets are currently starting construction on new projects...or dusting off their previous plans and kicking off the final design of projects for early 2014 commencement.

The education market is gaining momentum with new construction and upgrades to existing facilities. We recently completed renovations to the LaCava Center Admissions building for Bentley University in Waltham, Mass. on an aggressive schedule within an occupied facility. Sullivan Construction is also building an addition to the Wakely Arena at Cardigan Mountain School in Canaan, N.H. Schools are competing aggressively for students and upgrades to facilities and on-campus resources have become a priority. Students (and parents) are also viewing a sustainable and energy-efficient environment as a key factor in choosing a school and many of these institutions are currently developing master plans to address these issues. The ability of a construction firm to work within sensitive areas and to initiate comprehensive safety programs while creating a non-disturbance work zone is critical to the project's success.

The office market continues to show strength and should remain strong through 2014. Users and tenants are beginning to hire and are in need of additional space. Many office buildings have not been upgraded in many years and office/tenant fit-up project opportunities are numerous. Sullivan Construction projects include a new, 40,000 s/f office building at Pease International Tradeport for Sprague Energy and office renovations for SunLife, Bank-W, GSA, and the U.S. Air Force. We will also be starting the office fit-up at a new 33,000 s/f building in Londonderry for Falling Water Development. Commencing in the fall, Sullivan Construction will begin the office renovations at ECCO USA's 60,000 s/f Londonderry headquarters in an exciting, phased construction program in a fully operational building. Important to the success of these projects is Sullivan's extensive track record at working within occupied spaces and our industry leading approach to sustainable

construction.

The healthcare and assisted living markets will continue to grow in the coming months. We have recently completed a first-class 37,000 s/f 56 room memory care facility in Rye, N.H. for Sanctuary at Rye. This is the first project of its type in the state. Other projects include the renovation of the emergency room wing at Holy Family Hospital in Methuen, Mass. renovations for Mid-Coast Healthcare in Brunswick, ME, and the phased renovation of the Mt. Carmel Rehabilitation & Nurses Center in Manchester, N.H. Also commencing this fall is the second phase of an expansion project at Sanborn Place - a supportive living community for elderly, disabled and/or handicapped individuals, located in Reading, Mass.

With manufacturers hiring again, many firms are expanding their space. We are currently providing Construction Management services to a major national defense contractor and have recently completed a building addition for Wire Belt of America in Londonderry, N.H. Companies in the advanced technology, life science, and manufacturing industries should continue to renovate and add space in the coming months.

As consumer demand increases and the economy slowly rebounds, the retail & banking industry is again growing. Within these segments, Sullivan is completing projects in the financial, automotive, and retail food industries. Increased market penetration goals by companies within these industries will fuel construction activity in the fall of 2013 and beyond. Bank branches are planned in many markets and the upgrades/renovations to automotive dealerships remain active. Sullivan Construction is currently completing a comprehensive new construction and renovation project for Rowe Ford Hyundai in Westbrook, Me.

In summary, I am optimistic that we will see continued growth for the remainder of this year barring any unforeseen political or economic surprises. Construction firms that can provide value at early stages of projects for their clients, and stand by those projects for the long term, will be in a position to take advantage of this growth.

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