

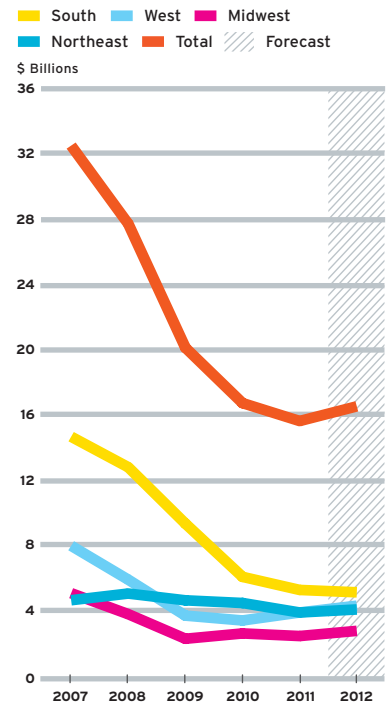
FORECAST 2012 Office Construction

With this issue, *Architectural Record* introduces a new page featuring McGraw-Hill Dodge's construction-economics intelligence. This month, we focus on the office-building market.

After four consecutive years of decline, office construction starts are poised to turn the corner in 2012. According to McGraw-Hill Dodge Analytics, U.S. office starts are expected to increase 5% this year, to \$16.6 billion. While this is an improvement from the 2011 low, office construction remains far below the 2007 peak of \$32.6 billion. Between 2007 and 2011, office construction fell a cumulative 52%. However, office employment has been on a gradual incline since hitting bottom in late 2009. After losing 2.4 million office jobs from the 2007 high, the economy has gained back 734,000 jobs and office vacancy rates have inched downward. They slid to 16.0% at the end of 2011, from 16.5% a year earlier, according to real-estate services firm CB Richard Ellis. While any improvement is welcome, the recovery for now will remain halting.

\$16.6 billion
Expected level of U.S. office starts in 2012

Office Construction Starts by Region
Including U.S. total and 2012 forecast figures



Top Metro Area Markets Office-Construction Starts: 2007-2011 (in \$ millions)

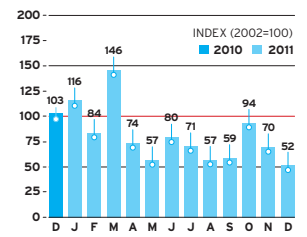


4 World Trade Center by Maki and Associates

RANK	REGION	2007	2008	2009	2010	2011	2007-2011
1	New York, NY	\$ 2,718	\$ 2,631	\$ 3,043	\$ 3,335	\$ 2,358	\$ 14,085
2	Washington, DC	\$ 1,799	\$ 1,760	\$ 2,563	\$ 1,735	\$ 675	\$ 8,532
3	Houston, TX	\$ 942	\$ 1,716	\$ 566	\$ 294	\$ 579	\$ 4,079
4	Dallas, TX	\$ 1,045	\$ 1,094	\$ 358	\$ 169	\$ 274	\$ 2,940
5	Atlanta, GA	\$ 1,154	\$ 702	\$ 318	\$ 296	\$ 437	\$ 2,908

THE DODGE INDEX FOR OFFICE CONSTRUCTION 12/2010-12/2011

The office construction index is based on seasonally adjusted data for U.S. office-construction starts. The average dollar value of projects in 2002 serves as the index baseline.



Top 5 Projects Ranked by 2011 U.S. Office-Construction-Starts Value (in \$ millions)

Top 5 Design Firms

Ranked by 2011 U.S. office-construction-starts value

- 1 Architectural Nexus
- 2 Gensler
- 3 Childs Bertman Tseckares (CBT)
- 4 Skidmore, Owings & Merrill (SOM)
- 5 Granum A/I

PROJECT: Utah NSA Data Center
ARCHITECT: Architectural Nexus, KlingStubbins
LOCATION: Bluffdale, UT
VALUE \$1,100

PROJECT: 250 West 55th Street
ARCHITECT: SOM
LOCATION: New York, NY
VALUE \$285

PROJECT: Liberty Mutual Office Building
ARCHITECT: CBT
LOCATION: Boston, MA
VALUE \$252

PROJECT: Facebook Data Center (Building 2)
ARCHITECT: Sheehan Partners
LOCATION: Prineville, OR
VALUE \$200

PROJECT: ExxonMobil Houston Campus
ARCHITECT: Gensler, Pickard Chilton, PDR
LOCATION: Spring, TX
VALUE \$160

These data have been provided by McGraw-Hill Dodge Analytics, which tracks projects from predesign through construction. The data capture hard construction costs for stand-alone office buildings and the office portion of mixed-use buildings. For reporting purposes, data centers are considered part of the office-building category.