



The Concord Group Newsletter

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NEW PROJECTS

Project Management

Wheaton Franciscan
Healthcare
- St. Francis Interventional
Radiology Project

Cost Management

General Services
Administration
- 610 S, Canal - Coil

Dear Edward,

Welcome to the most recent issue of our newsletter. This is an opportunity for us to share information about what's going on with our firm and staff.

BIM According to Tim

Over the last couple of years our Senior Project Manager, Tim Clancy, has been in the process of obtaining a master's degree at the Milwaukee School of Engineering (MSOE) in Construction and Business Management. For his final assignment he was required to write a thesis paper for which he decided the topic would be "An Owner's Guide to Leveraging Building Information Modeling (BIM)". Through his research he found that, despite hard evidence that BIM can be a very profitable process, many designers and contractors are still not utilizing it. In fact, the Royal Institute of British Architects (RIBA) completed a study in 2012 and found that only 39% of participants in the construction industry in Europe were currently using BIM. In 2013 McGraw Hill completed a survey of contractors in the United States and found that contractors who used it were only utilizing it on 30% of their projects. When asked what sort of opinion he formed from his research and findings Tim replied, "Owners embarking on a large capital project should require that their designers, contractors and project team members utilize BIM and should consider including their experience with it in their selection criteria mix. Owners should use a BIM Execution Plan to make sure that the project team is maximizing the benefits of the process. Owners that require and properly manage BIM will benefit from the increased profitability that their project team achieves by using it." The Concord Group has recently developed a template for a BIM Execution Plan that will be used by our Project Management staff to help our clients better leverage the BIM process and achieve their project goals. We have also recently implemented a new state-of-the-art software for construction estimating within our firm that allows us to distill information directly from Revit files into an instantly organized and usable data set. The use of this organized and conditioned data results in a more efficient and more accurate take-off of quantities which in turn allows us to provide our services in a more efficient and cost effective manner.

Market Update and AIA Billing Index Update

The AIA recently reported that architecture firms have exhibited

- Replacement
 - JCK 6th & 9th Floor Ceiling Replacement
 - JCK - Federal Reserve BOG - 30th Floor
- Public Building Commission
 - Southeast Area Elementary School (SEAES)
 - Southwest Area Elementary School (SWAES)
 - Public Safety Training Academy (Malcom X)
 - City Hall Basement Chiller Replacement

- 1400 N. Lakeshore Drive
 - Column Repair

- Retirement Community - Virginia (Orchard Ridge)

- VA Detroit A3 South

- Milwaukee Public Library
 - Tippecanoe Branch Library Remodeling

- Appleton Public Library

- Housing Authority of Cook County
 - Goedke and King Housing Developments

- Data Center
 - Cottage Grove, WI

- Clarke House Museum

- University of Wisconsin-River Falls
 - Falcon Center

- Beloit Health System
 - Masterplan

- University of Illinois at Urbana Champaign
 - Veterinary Medicine Roof Replacement

- Purdue University
 - Krannert Building AHU Replacement

Real Estate Advisory Services

Cost Segregation

- Schweitzer Dental
 - Dental Office

- Dutch Hollow Community
 - Mobile Home Community

Loan Monitoring

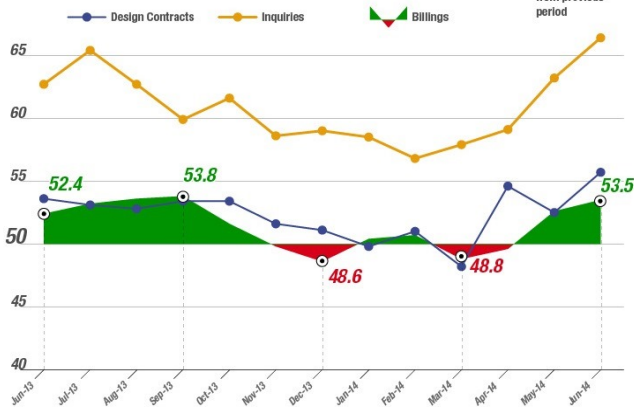
- Solutions Equity Capital SA
 - Hilton Garden Inn - Minot, ND
 - Hilton Garden Inn - Dickinson,

strong gains in billings this summer. This would indicate that design activity may be entering a stronger phase after a weak performance late last year and earlier this year. Employment statistics show that as of July, the year over year increase in employment in the architecture and engineering sector stands at 4.5% and this is another favorable indicator showing ongoing growth in this sector which typically leads to future growth in the construction market.

NATIONAL

June Sees Another Strong Gain in Billings at Architecture Firms

Graphs represent data from June 2013 - June 2014.

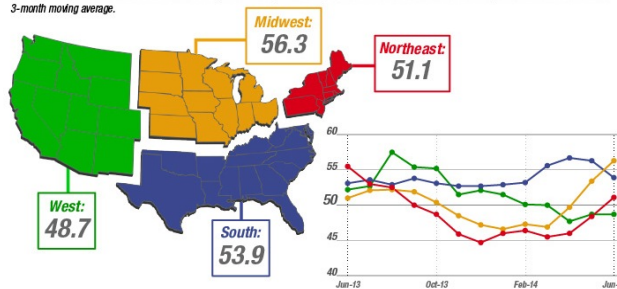


REGIONAL

Business Conditions at Firms See Healthy Gains in All Regions But West

Graphs represent data from June 2013 - June 2014 across the four regions.

50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Construction starts in July pulled back in comparison to June as reported by Reed Construction Data. This is to be expected as historically projects start to move into construction earlier in the year and as the summer progresses the number of starts decline. Year to date starts are up 4.8% compared to the same time period last year, indicating that there is sustained growth in the number of projects that are starting construction. Reed Construction Data has further indicated that the level of demand for new construction continues to increase. With a population that is growing at approximately 0.8% per annum, the need for additional housing and improved infrastructure continues to rise. The jobless rate in construction now stands at around 7.5%; this is somewhat low in comparison to previous years. The construction sector is also adding jobs at a faster rate than the total economy in general (3.6% v 1.9%, year over year). We expect to see construction labor costs increase in general as the availability of skilled labor will become more challenging for contractors trying to meet the increasing demands of new contracts.

- ND
- Hilton Garden Inn - Bismarck, ND
- Hampton Inn & Suites - Sidney, MT
- Hampton Inn & Suites - Glendive, MT
- Assisted Living Facility - Meridian, MS

Mercantile Bank
 - Arena Place - Mixed Use Facility - Grand Rapids, MI

Fifth Third Bank
 - The Residence at Grand Circus Park - Apartment Complex - Detroit, MI
 - The Rock - MSU Student Housing

Staff Updates

New Employees

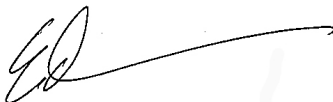
Chicago Office

Gavin Mullan
 Junior Cost Estimator

Graphs courtesy of the American Institute of Architects: ABI

We hope that you have found our newsletter both enjoyable and helpful. We look forward to seeing you in the near future.

Sincerely,



Ed Stritch
 President and CEO
 The Concord Group

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