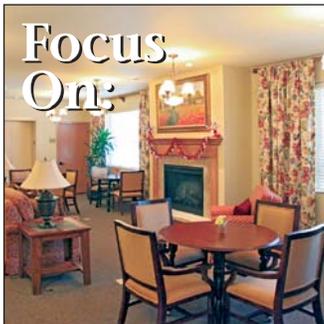


COMMON GROUND

Focus One



Senior Living

We're not getting older, we're getting better! For those who constitute the Baby Boomer generation, this mantra is holding firm. We're living longer and healthier, and the changing needs of today's and tomorrow's seniors continue to shape the future of senior housing. The next generation of seniors will possess more diverse backgrounds, higher levels of education, enjoy a greater amount of disposable income and will expect to be given choices regarding their living environment and care.

By 2030, over 132 million Americans will be age 50 or older, and 20% of that number will be 65 or older. In response to this growing demographic, real estate developers are gearing up construction, particularly in assisted-living and memory care properties, to match the

Common Goals – Back to the Future

McShane Construction closed its 29th year of business on September 30, 2014. We celebrated the beginning of our 30th fiscal year with a solid backlog of construction and a positive outlook on the opportunities in the year ahead.

We're encouraged by the improving signs of the recovering economy. According to the Bureau of Labor

Statistics, unemployment dropped to 5.9% in September, marking the first time the rate has registered below 6% since July 2008. The inflation rate for the year is holding steady at 1.76%, tracking just slightly ahead of the 1.47% annual rate in 2013. Also on a positive note is the volume of construction spending which topped \$981 billion compared to \$915 billion the same time last year. At the end of the second quarter,

the nation's Gross Domestic Product (GDP) stood at an annualized growth rate of 4.2%.

FMI, a leading consultant to the construction industry, released its 2014 Third Quarter Construction Outlook citing a more positive outlook due to rising consumer confidence, an increase in building permits, growth in housing starts and a more relaxed lending environment.

Along with improvement in the single-family sector, the report cites continued positive activity within the multi-family construction arena, a primary market of McShane Construction. The pipeline activity continues to yield exciting new developments situated upon urban in-fill parcels and on large, suburban green field sites. The market is anticipated to grow another 13% in 2015 and will sustain positive momentum since single-family home

ownership is still recovering from the impacts of the recent recession.

The industrial market has been active within the distribution sector, spurred by increased activity from sizable e-commerce retailers. McShane Construction recently delivered several facilities that serve this growing segment, with additional opportunities on the horizon. Construction within the food processing and manufacturing sectors is also up due to steady energy prices, an eager workforce and the continued unstable political climates outside of our borders. Growth from foreign companies that have established operations within the U.S. to be closer to their consumer base also adds to the increased volume of activity.

We enter our new Fiscal Year and the Fourth Quarter of 2014 with a renewed confidence that we have turned the 'recovery' corner and enjoy a more stable economy and improving business fundamentals in the year ahead. □



Jeff Raday, President
McShane Construction

rising demand for senior living residences as the U.S. senior population nearly doubles in the next 35 years.

The National Investment Center (NIC)'s most recently published *Senior Housing Construction Trends Report 2013*, noted that **31,462 senior**

housing units/beds were under construction. The inventory of senior living units reached its largest volume last year since Fourth Quarter 2005. Even though rents rose 2% in 2014, occupancies are at

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McShane Construction to Complete 1,013,331 S.F. Redlands Logistics Center Single-Tenant Facility in Redlands, California

The Irvine, California office of McShane Construction will serve as design/builder for the new 1,013,331 square foot Redlands Logistics Center for co-developers, Conor Commercial Real Estate and MetLife Real Estate Investors. The LEED-Silver facility will be constructed on a 50.54-acre land parcel at 2250 West Lugonia Avenue within the popular Inland Empire industrial market in Redlands, California. An international furniture manufacturer expressed interest in acquiring the planned Class A property that is scheduled to commence construction in late 2014. The design and construction of the facility will incorporate a layout that suits the requirements of the firm purchasing the property upon its completion in October 2015. Features of the shell building include a 42.5' clear height, 50' x 50' bay spacing, 50' x 60' speed bays, and 8" shrinkage-compensating concrete floors significantly reducing the need of future maintenance. McShane Construction's assignment also includes the construction of a three-story office component to serve both current and future space requirements. HPA, Inc. is providing the architectural services for the assignment. □



McShane Completes 165,230 S.F. BTS for Golden State Foods

McShane Construction recently completed the design/build construction of the new 165,230 square foot LEED-Gold Regional Headquarters and Logistics Center for Golden State Foods. As one of the largest diversified suppliers to the foodservice industry, Golden State Foods has a client base spanning 100+ customers and 125,000 restaurants including McDonald's, whom it has been serving for over 60 years. The firm has completed its transition into the new facility at 8901 W. 47th Street in McCook, Illinois, within Chicago's west suburbs. Features of the build-to-suit include a 135,120 square foot, cross-dock warehouse/distribution area offering a 40' clear height, 52 external docks, 54,000 square feet of dry storage space and a two-story, 32,340 square foot corporate office. The building also incorporates a sophisticated freezer/cooler component utilizing a CO₂ cascade refrigeration system maintaining cooler storage and dock staging at 34°F and freezer storage at -10°F. McShane utilized a shrinkage-compensating concrete floor, poured in 25,000 square foot segments, that eliminated many control joints particularly in the sizable freezer/cooler area where subzero temperatures can adversely affect concrete floors. Also constructed was a separate on-site maintenance facility together with the completion of sitework, landscaping and generous surface parking. Ware Malcomb served as project architect for this notable build-to-suit assignment. □

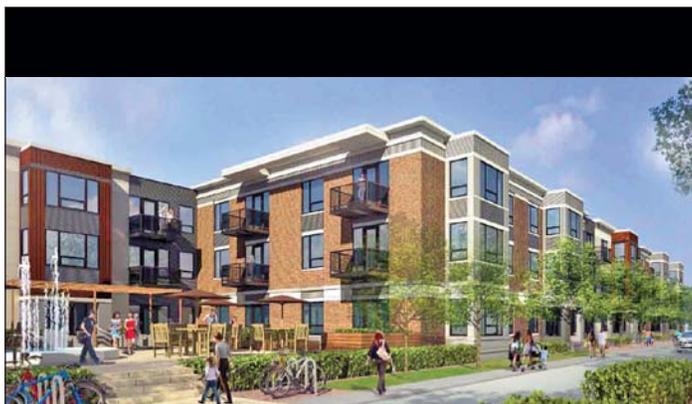


The design/build construction of the new 165,230 square foot LEED-Gold Regional Headquarters for Golden State Foods, featuring a sophisticated CO₂ cascade refrigeration system, was recently completed by McShane Construction and Ware Malcomb in McCook, Illinois.

Trammell Crow Selects McShane for Park 205 Luxury Apartment Assignment

McShane Construction was selected by High Street Residential, the residential subsidiary of Trammell Crow Company, and joint venture partner of The Carlyle Group, for the construction of Park 205 in Park Ridge, Illinois. The luxury 115-unit multifamily apartment residence is located on a 3.6-acre infill site at 205 Touhy Avenue, just five

miles from O'Hare International Airport and within minutes of major expressways. McShane will complete the project to meet LEED for Homes certification representing the first development of its kind in the City of Park Ridge. The three-story Park 205 will be constructed utilizing a blend of brick, metal panels and Hardie Panels accented by pre-finished aluminum balconies. Each unit will feature quartz countertops, stainless steel Energy Star appliances and in-unit washers and dryers. Resident parking will be offered within a secure and heated below-grade garage providing 164



High Street Residential, the residential subsidiary of Trammell Crow Company, and joint venture partner of The Carlyle Group, has selected McShane Construction to complete the 115-unit, three-story Park 205 luxury apartment residence in Park Ridge, Illinois.

spaces with additional surface parking available. The community clubhouse will incorporate a fitness center, business center, Wi-Fi coffee lounge, dog spa and bike storage. An outdoor swimming pool and sun deck will be complemented by seating, cabanas and a fire pit. Elness Swenson Graham Architects is providing the architectural services for the assignment. □

McShane Completes New Gourmet Airline Food Service Facility

On behalf of DO & CO Chicago Catering, Inc., McShane Construction recently completed the comprehensive renovation services for the firm's 112,000 square foot food preparation facility. Headquartered in Vienna, Austria, DO & CO is one of the world's leading catering companies active in airline, train and international event catering. Situated at 2150 Frontage Road in Des Plaines, Illinois, the new facility provides convenience to the growing international airline business at Chicago's O'Hare International Airport, located just minutes away. McShane Construction enhanced the overall shell of the existing building to support new refrigeration components, kitchen equipment and upgraded building and safety systems. The facility's office, warehouse and production areas were modernized with contemporary features to optimize operational efficiencies. Near the conclusion of the construction process, DO & CO Chicago was in operation utilizing temporary kitchens and equipment requiring McShane Construction to facilitate detailed coordination and scheduling to accommodate the on-going food service operations. The

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fast-track construction schedule began in late May and was completed in September 2014. Harris Architects, Inc. provided the architectural services for the project. □

Bainbridge Selects McShane for 524-Bed Student Housing Development

The Bainbridge Companies selected McShane Construction to complete Campus Circle - Urbana, a new off-campus student housing project at 1010 West University Avenue in Urbana, Illinois, adjacent to the University of Illinois at Urbana-Champaign. The 276,000 square foot, five-story, 524-bed complex is underway and slated for completion in April 2016. Campus Circle - Urbana will feature a modern design utilizing a blend of brick, cement siding and exterior panels. With 181 apartments in one-, two- and four-bedroom configurations, the units will include a mix of contemporary fixtures and finishes. The assignment also incorporates 2,000 square feet of retail space on the ground floor and an



McShane Construction has been selected by The Bainbridge Companies to complete Campus Circle - Urbana, a new 524-bed, off-campus student housing project adjacent to the University of Illinois at Urbana-Champaign.

adjacent five-story, 101,000 square foot, parking garage accommodating 291 vehicles. McShane will construct the on-site leasing office and 13,500 square feet of student amenities including a gym, yoga studio, game room, media center, tanning bed areas and communal kitchen. The rooftop of the development will serve as a sizable patio while an outdoor swimming pool and kitchen within the property's courtyard will offer additional entertainment space. Charlan Brock & Associates, Inc. is providing the architectural services for this fully-featured student housing assignment. □

McShane Constructing 224-Unit Complex for Continental Properties in Oklahoma City

Long-standing and valued client, Continental Properties Company, Inc., recently selected McShane Construction for its tenth assignment at its Springs at Memorial development in Oklahoma City, Oklahoma. The new 224-unit luxury apartment complex will be constructed on a 12.5-acre infill parcel at 13331 North MacArthur

Boulevard. Construction began in August with completion slated for Third Quarter 2015. The high-end rental development will be comprised of 10 residential buildings, with six buildings incorporating attached parking garages. The garden style complex will offer well-appointed residences with granite countertops in the kitchens and bathrooms, modern appliances and in-unit washers and dryers. A fully-featured community clubhouse will include an outdoor swimming pool with seating and entertainment areas, a leash-free dog park and a car care center. Exterior finishes of the residential buildings will incorporate high-efficiency siding while the clubhouse will feature an artful blend of both siding and stone accents. As part of the assignment, McShane Construction will also complete the development's sitework including sidewalks, landscaping and generous on-site parking for 367 vehicles. Phillips Partnership is providing the architectural services for this multi-family assignment. □



On behalf of Cabot Properties and Quadrangle Development Company, McShane Construction and JRA Architecture, Inc. are serving as design/builder for 650 Commerce, a 470,000 square foot speculative facility situated along I-65 in Greenwood, Indiana, near the Indianapolis International Airport.

McShane to Construct 470,000 S.F. for Cabot Properties/Quadrangle Development Company

Cabot Properties and Quadrangle Development Company have selected McShane Construction and JRA Architecture, Inc. as design/builder for 650 Commerce, a 470,000 square foot speculative facility, just 14 miles from downtown Indianapolis in the business-friendly community of Greenwood, Indiana. The speculative industrial development is situated within the Precedent South Industrial Park at 650 Commerce Parkway East Drive, strategically positioned along the Interstate 65 corridor and just 20 miles from the Indianapolis International Airport and the FedEx sorting hub. The single- or multi-tenant cross-dock facility is being constructed of precast panels offering a 36' clear height, 48 loading docks (expandable), two drive-in doors (expandable), 50' x 50' column spacing with 50' x 60' staging bays, T5 lighting and an ESFR sprinkler system. Tenants will benefit from four points of property access, on-site parking for 280 vehicles and 51 trailers, and site fencing and gates offering additional security. Construction of the new industrial building is underway with tenant occupancy slated for First Quarter 2015. □

Recently Completed Projects



THE DEN (STUDENT HOUSING) – COLUMBIA, MO



RIATA VISTA PHASE I – AUSTIN, TX



SPRINGS AT CORPUS CHRISTI – CORPUS CHRISTI, TX



BRINKER ELEMENTARY SCHOOL – PLANO, TX

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LEGACY AT FALCON POINT – KATY, TX



GROVE APARTMENTS – OAK PARK, IL

CONTINUED FROM FRONT PAGE Senior Living

89.8%, its highest level since 2008. NIC also cited that although the harsh winter slowed down construction in the first quarter of the year, new units delivered in 2014 have already increased by 3%.

Assisted-living properties, including freestanding memory care facilities, experienced the largest jump, up 51% from the previous year. This growing assisted-living segment made up 11,681 of the total

senior units under construction, which includes more than 4,000 memory care units underway. The fundamental theme in the senior living market today is “choice”, allowing a continuum of care to be provided at one location – from independent to assisted-living to memory and skilled nursing care, if needed.

The growth in the senior living sector follows a similar pattern as other commercial real estate markets that are responding to an improving economic climate, buoyant

capital market interest, and continuing strengthening of the employment market.

The construction professionals at McShane Construction and Cadence McShane are highly active within the senior living market and have recently delivered projects such as The Lodge of Northbrook independent living community in Northbrook, Illinois, and Legacy at Falcon Point, an independent and assisted-living development in Katy, Texas, among others. Contact our experienced construction pro-

professionals who can provide pre-construction expertise that adds value to your next senior living project. □

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