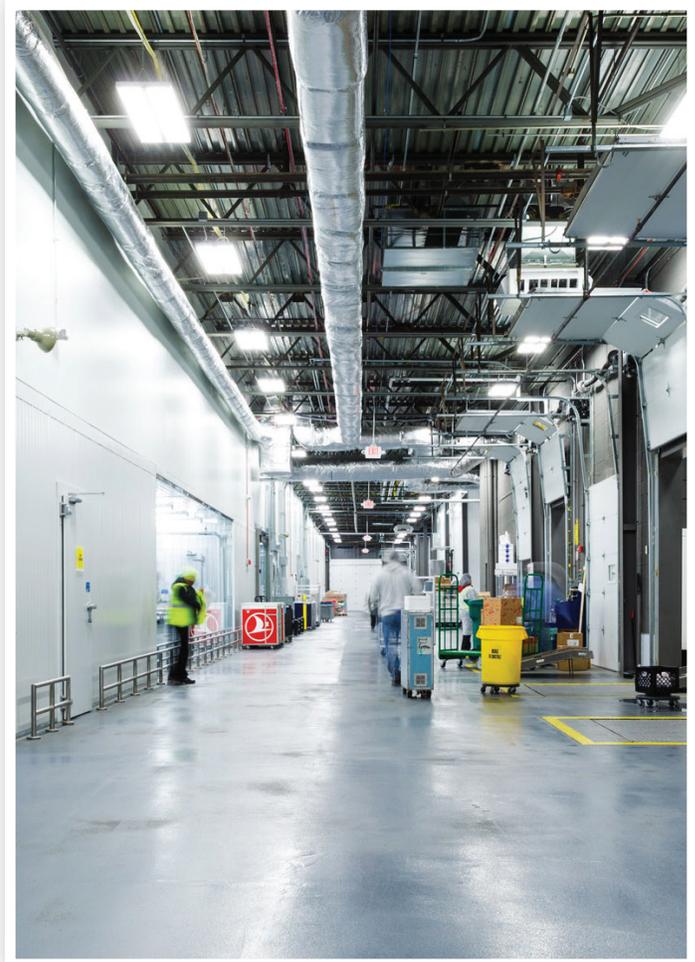


With the evolution of consumer behavior, rising labor costs and focus on security and sustainability, we are experiencing numerous trends impacting the cold storage construction industry. Let's talk about five important factors.

Increased Demand — A key reason we're seeing growth in demand for temperature controlled facilities is the trend toward fresh refrigerated foods and ready-to-eat frozen foods. People are eating healthier than ever before, but want to minimize the time needed to prepare meals. This has resulted in the need for more facilities that can accommodate fresh or perishable items that need refrigeration or pre-made frozen food that requires freezer components. Given the change in consumer preferences, we are seeing an increase in multi-temperature facilities to serve the growth from ports to last mile applications such as Amazon Fresh.

Growth in Automation — Automation is increasing as a result of several factors, but one in particular can be realized as companies try to increase productivity and efficiency. The state of the labor force is also impacting this push for automation. The once thriving population of production workers is getting older making it harder to fill positions while young people have less interest in entering the warehouse environment. The cost of talent is also being heavily affected by the increase in minimum wage, pension and healthcare costs. As a result, automation is becoming the more affordable and long-term solution.

Focus on Employee Satisfaction — For those employees that are essential to the operation of a cold storage facility, we are seeing a shift in priorities toward employee comfort in order to stay competitive with other companies. Office areas are gaining attention with the use of social areas, collaboration spaces and elaborate break rooms. The use of natural light has also become popular, with clerestory windows being utilized.



Common Goals: Trends Impacting the Cold Storage Construction Climate

Enhanced Security — Efforts have increased to safeguard climate-controlled environments from potential tampering or other malicious actions with food products. Securing a facility not only encompasses the building itself, but employees and visitors as well. Users are implementing high-resolution cameras that identify product-related errors and improve processes, while sophisticated scanning systems are assisting with the vetting of guests and truck drivers.

Sustainability — More of our clients are implementing solar panels, energy management systems, refrigerated trailer plugins, alternative fuels, water reclamation systems and even electric car plugins. Cold storage users are also utilizing

CO₂ and ammonia-based refrigeration systems, specifically cascade refrigeration. These systems require less ammonia, which is kept outside the building, minimizing the risks of contamination or personal safety.

McShane understands these needs and with over 30 years of experience in the construction of temperature controlled facilities, our clients experience the advantages of working with a skilled team that can deliver an efficient, sustainable and high-quality facility benefiting both short- and long-term business objectives.



Charlie Stone

Director of Business Development - Food & Beverage

Charlie provides leadership in the pursuit and implementation of McShane's growing food and beverage opportunities on a local, regional and national basis.

Throughout his career, Charlie has developed proven insights into the various expectations and requirements of profitable food and beverage operations and distribution efficiencies. His expertise includes sustainable and LEED-Certified facility

design and construction, food supply chain, workflow optimization and streamlined warehousing and distribution practices.

Charlie's unique perspective contributes to the streamlined integration of new construction with improved operations for McShane's prospects and clients yielding higher productivity, operational savings and greater return on investment. He also serves as a key contributor to the future growth and strategic planning within the food and beverage market sector.