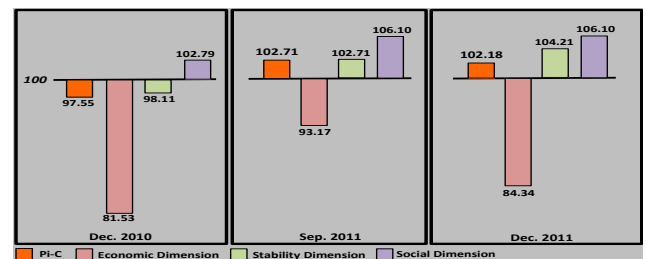
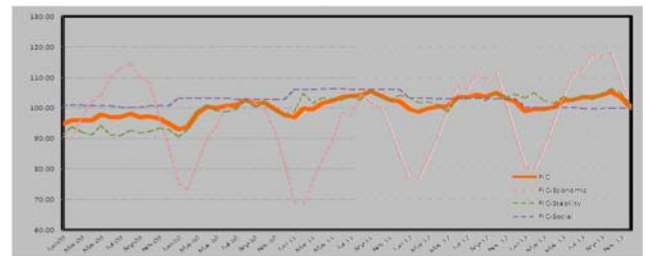


### Health Trend of the Industry:

Purdue Index for Construction (Pi-C) is up from **97** in the third quarter of 2011 to **99** (2.06 %↑) in the fourth quarter of 2011. Major contributors to this change are:

- Pi-C Economic that is changed from 91.7 to 98.3
- Pi-C Stability that is changed from 100 to 98, and
- Pi-C Social that is changed from 99.3 to 99.7

Overall the industry did not experience any significant change and *continues the improving trend since early 2009*. This change is rooted in sub-indices of Pi-C as the construction spending and S&P select industry index have increased, while the construction backlog indicator decreased. In terms of employment the industry slightly hired more and the rate of layoff was slightly lower than the third quarter. The average level of salaries in construction compare to national averages is also slightly higher, although not enough to get back to the rates before 2010.



### Construction Spending and Diversity:

Total construction spending has indicated a steady growth in residential, lodging, commercial, power, public safety, amusement and recreation, as well as sewage and waste disposal. The power sub-industry has experienced the largest increase in spending. On the other hand, educational projects have continuously declined in the fourth quarter of the 2011 which is in line with it's declining trend since it's pick in the middle of 2009.

Construction Spending (DOC) - Millions of dollars

	SEP	OCT	NOV	DEC
Residential	245,041	251,994	255,822	257,142
Lodging	8,981	8,952	9,391	10,009
Office	35,011	34,951	34,744	35,135
Commercial	44,564	44,687	45,495	45,695
Health care	40,595	38,744	40,101	40,859
Educational	86,626	86,133	84,785	85,576
Religious	4,272	4,020	3,901	4,110
Public safety	10,168	10,234	10,533	10,700
Amusement and recreation	16,028	16,070	16,565	16,691
Transportation	34,709	34,159	34,088	35,602
Communication	17,989	17,259	16,500	17,897
Power	75,283	77,165	79,664	84,351
Highway and street	80,308	80,760	82,823	82,350
Sewage and waste disposal	22,027	22,347	22,900	23,816
Water supply	14,240	14,608	14,333	13,293
Conservation and development	6,848	7,555	6,567	6,359
Manufacturing	47,605	46,096	45,836	51,031

Although the Gini-Simpson index of the construction industry slightly declined from the third quarter of 2011, it indicates a stable diversity in the construction projects from early 2010.