

Competitive. At a time when every dollar counts, CDG takes pride in maintaining a competitive pricing edge against other proposals so we can help clients stay on budget.

Dedication. Our “Service to Others” slogan means that we are dedicated to providing the best services and products to our clients. No matter the size of the project, we treat every customer as if they are our only client.

Go-to builder. From a last minute proposal to close a lease to an emergency building repair during a holiday, CDG is available when clients need them most. It’s for this reason that 85% of CDG’s business comes from repeat clients.



In our inaugural, January newsletter, “2013 Construction Forecast,” we took an in-depth look at our nation’s economic health, spotlighting commercial construction sectors. Economists predicted noticeable growth of the construction industry and the economy as a whole. At the start of the year, there was already reported growth in most sectors and what appeared to be an increase in their overall financial health.

It was estimated that there would be a 6% increase in construction within the United States. This figure, according to the 2013 Dodge construction Outlook, was slightly higher than what had been previously predicted for 2012. With the first

half of the year behind us, economists remain hesitant with “wait and see” attitudes.

Economists were “cautiously optimistic” at what the current year would bring, and viewed the construction industry as a good thermometer for the nation’s economic health. After all, this month marks the fifth year of recovery with the country on an economic rebound. CDG Builders anticipated growth for the upcoming year as well, with volume having increased noticeably in 2012.

The first quarter saw little national growth, and, while major construction sectors remained in the positive, the expectation for the remainder of the year is good, but not great.

What economists have realized

“2013 is setting the pace for a full-fledge recovery in 2014.”

Robert Murray,
McGraw-Hill Construction

CONSENSUS CONSTRUCTION FORECAST

	EST \$ 2012	Forecast % Change	
		2013	2014
Nonresidential Total	300.5	2.3	8.2
Commercial	94.7	13.8	15.5
Office	36.2	8.6	15.4
Retail/Other Comm.	47.4	15.2	17.0
Industrial	48.9	-4.8	1.2
Health	40.6	-1.6	6.7

is that the growth the industry has seen so far is a familiar, if not congruent to the pace we saw in 2012. New home and residential construction remains the frontrunner of the industry with a growth of 2.5% in the first quarter. In the next coming months, commercial and industrial sectors are to show improvement as well.

Fueled by consumer purchases, higher demands have been placed on digital retailers prompting a desire for more warehouse and distribution spaces. The retail sector, as a whole, has contributed to a noticeable but modest decrease in vacancies across the country, with Orange County in the top three counties leading the lowest retail vacancy rates, according to the May 2013 Outlook by the National Association of Realtors.

While new buildings are few and far between, according to Economist, George Ratiu, retail space vacancies are expected to drop to 10.4 by year-end with possible increases to asking rates. Office vacancy rates continue to fall as well, dropping 10 bps, or basis points. Not surprisingly, with vacancy rates dropping, built-to-suits remain the anchor for the construction industry’s stability. Vacancy rates are expected to slowly trend down in the 3rd and 4th quarter, however, making way for an increase in growth for warehouses, hotels, and higher education construction.

What does all of this mean for CDG Builders? Despite the nation’s average growth rate, business at CDG Builders is booming. With revenue having consistently increased in the last three years, CDG Builders does not anticipate

slowing down over the latter course of this year.

As predicted at the start of the year, CDG Builders was, and still is, at the front of a trend, having participated in a number of tenant improvement projects within the industrial sector. Not so congruent with economist predictions are the amount of commercial office space improvements that we have had the opportunity of work on.

Of completed projects this year, over 56% have been office remodels. Not to be left out, the healthcare sector has been picking up with remodels and build-outs as well, and is expected to increase in growth this year by 8%. CDG Builders has been at the forefront of this trend, too, with over a quarter of this year’s projects in skilled nursing facilities and hospitals.

While business is picking up at CDG Builders, economists are now predicting that the real recovery will come to fruition next year. In the 3rd and 4th quarter of this calendar year, growth is expected to slow to make way for next year’s projected boom.



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