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**Fourth Quarter Raises Construction Outlook**

Pittsburgh, PA – The non-residential construction market was aided by the start of the Allegheny Ludlum Brackenridge Mill and a resilient regional economy in 2011, according to the Tall Timber Group. “Because of the ATI project contracting was expected to rise considerably over the volume of 2010,” said Jeff Burd, President of Tall Timber Group. “But a variety of positive factors pushed construction higher than expected.”

Non-residential contracting totaled \$3.73 billion in 2011, up sharply from \$2.5 billion in 2010. Burd also noted that volume in 2010 was inflated by the USSteel Clairton Works project, which accounted for roughly 20 percent of the annual total. Mainstream commercial activity increased by approximately half billion dollars, with the number of projects increasing significantly as well.

“The activity in the fourth quarter of 2011 can be a real boost going into this year, especially since architects and engineers remained busy going into January,” predicted Burd. “Hospital construction, new office and apartment construction and a whole spectrum of projects related to the expansion of natural gas in the region should push construction to nearly \$4 billion in 2012.”

New housing construction remained stuck in low gear. The total number of homes started in 2011 was 2,853, up 2.7 percent from 2010, which the lowest for any year since Burd began tracking activity in 1994. Permits for detached homes fell 14.1 percent to 1,656, but a 40 percent increase in attached housing - to 1,197 units – offset that decline.

“We were surprised by the decline in traditional single family homes,” admitted Burd. “Our forecast was for a ten percent increase but the hangover from the rush to beat the sprinkler mandate was steeper than expected. Going into 2012, however, we are seeing the first legitimate signs of a recovery in a relative boom in apartment construction. Our forecast is for attached and multi-family to virtually double in 2012, with improved credit conditions and pent-up demand pushing single family detached volume back to the 2,000-unit neighborhood.” Tall Timber predicts that the overall housing permits in 2012 will reach 4,000 units for the first time since 2007.

Tall Timber Group is a research and consulting firm for businesses marketing in the construction industry, based in Ross Township. Founded in 2000 Tall Timber is also the publisher of *BreakingGround* magazine.

The totals listed below represent the number of new housing units for which building permits were issued, excluding mobile homes and elderly care complexes. The top areas were:

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<b>Municipality</b>	<b>#SFD</b>	<b>#SFA</b>	<b>Total</b>
<b>Single-Family Detached</b>			
Pittsburgh	122	377	499
Peters Township	84	0	84
Adams Township	77	62	139
South Fayette Township	71	35	106
Cranberry Township	66	123	189
Pine Township	62	19	81
Jefferson Hills	61	3	64
North Huntingdon Township	56	4	60
Moon Township	47	9	56
North Fayette Township	42	50	92
<b>Single-Family Attached</b>			
Pittsburgh	122	377	499
Cranberry Township	66	123	189
Collier Township	15	65	80
Adams Township	77	62	139
Plum	36	62	98
<b>Total Pittsburgh MSA 2011</b>	<b>1,656</b>	<b>1,197</b>	<b>2,853</b>
<b>Total Pittsburgh MSA 2010</b>	<b>1,927</b>	<b>851</b>	<b>2,778</b>
<b>% Change</b>	<b>-14.1%</b>	<b>40.7%</b>	<b>2.7%</b>
<b>By County</b>	<b>SFD</b>	<b>SFA</b>	<b>Total</b>
Allegheny	778	784	1562
Beaver	124	35	159
Butler	229	231	460
Fayette	83	6	89
Washington	227	103	330
Westmoreland	215	35	250

For more information contact Jeff Burd, *Tall Timber Group*, at 412-366-1857

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