

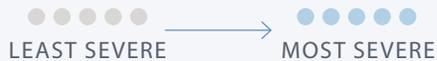


RISK IN FOCUS PESTLE MATRIX | NORTH TEXAS CONSTRUCTION

Businesses in the construction industry face unique risks every day, from a wide array of sources. IMA's PESTLE Matrix is designed to help keep construction leaders apprised of events and actions in the political, economic, social, technology, legal and environmental spheres which may have a current or future effect on business.

This PESTLE Matrix report provides updates at both the local and national level, including rankings of the actions' potential impact on businesses in the construction industry.

SEVERITY IMPACT SCALE



POLITICAL

- ● ● ● ● The construction industry may find the [federal Dodd-Frank law's new, income disclosure requirements](#) helpful for evaluating how development in North Texas may respond in order to accommodate the budgets of [the employees](#) and [managers](#) who live and work in (or are moving to) the area.
- ● ● ● ● The new tax bill appears to be creating [optimism within the manufacturing sector](#) that it will in fact spearhead growth and new jobs.
- ● ● ● ● Like the private sector, the [United States military](#) is considering North Texas as a potential partner in its efforts to innovate and improve its technological abilities.



ECONOMIC

- ● ● ● ● North Texas and its central location and educated workforce appears to be attracting a growing number of companies in need of [commercial spaces](#) in which to house their [headquarters](#) and/or [large numbers of customer-facing employees](#), and [the trend](#) may be here to stay for a while.
- ● ● ● ● The continued or increasing demand for [co-working environments](#) and [high end-high profile eating spots](#) also appear to be driving economic growth in the region.
- ● ● ● ● [Here](#) is a snapshot of some of the construction currently underway in the DFW area.



SOCIOLOGICAL

- ● ● ● ● The construction industry in North Texas will surely be kept busy helping employers, vendors, and the local governments meet the growing demands of the area's workforce and recruits for, among other things, [a work-life balance](#), [access to nature](#), and [regular exercise](#).
- ● ● ● ● Lawyers, on the other hand, appear to be turning away from the suburbs and embracing again a [downtown, centralized workplace](#) with immediate access to all that a lawyer needs to succeed.



TECHNOLOGY

- ● ● ● ● The Healthcare Industry, as it [embraces technology](#) and the challenges presented in protecting the confidentiality of its patients' information, will also be placing significant demands on the Construction Industry for coming up with creative and cost-effective ways in which to incorporate these much needed technologies into their hospitals, clinics, and other buildings.
- ● ● ● ● Another interesting trend to watch is how developers respond to the [multi-million-dollar salaries](#) and commensurate lifestyles of the researchers and tech executives at the forefront of our technology boom.



LEGAL

- ● ● ● ● Nefarious employees and/or business practices appear to be a consistent problem for the Construction Industry. Here are just some of the stories from last month involving construction companies and [theft, embezzlement, or fraud](#):

“Woman charged with stealing \$700K from GH company,” Grand Haven Tribune, Mich., April 4, 2018 (“The criminal complaint alleges [the defendant], 38, stole more than \$700,000 from her former employers . . . while employed there as a part-time bookkeeper from 2008-14.”)

“Utah construction firms settle whistleblower suit for \$1.2M,” Associated Press State & Local, April 4, 2018 (“Two Utah construction companies have agreed to pay \$1.2 million to settle a whistleblower’s lawsuit alleging abuse of a federal program that helps small businesses.”)

“Former Officers of New-Mexico-Based Defense Contractor Sentenced For Convictions Arising Out of Fraudulent Kickback Scheme Relating to Iraq Rebuilding Efforts,” Targeted News Service, April 4, 2018.

- ● ● ● ● A delay in a construction project, in and of itself, may be enough to generate a costly dispute in court, as illustrated in the following story:

“Lawsuit filed over Lake County courthouse expansion project, costly delays,” Lake County News-Sun, Gurnee, Ill., April 11, 2018 (‘A West Chicago construction company is suing Lake County and the construction manager on the county’s courthouse expansion project for at least \$1.9 million in damages for what it believes were costly delays that pushed work back by more than 200 days . . . The lawsuit . . . alleges that [the] construction manager . . ., a Maryland-based firm, knew design problems were going to lead to a “critical delay” that would drive up costs but withheld that information.’)

- ● ● ● ● A [recent report](#) on the cause and location of the fatalities that occurred in the Houston area during and in the aftermath of Hurricane Harvey contains somewhat counterintuitive and possibly useful information for how we might structure our cities and roads to encourage human behavior during future natural disasters.



ENVIRONMENTAL

- ● ● ● ● When financing a project, it would appear that some [lenders](#) these days are looking favorably on a decision go green.
- ● ● ● ● The Construction Industry here in North Texas might also take note of
 - a simple but plainly impactful [change](#) at the DFW airport, when it comes to the use of glass; and
 - a [flood-mitigation project](#) underway in the Houston area (using a 200-acre golf course), in its efforts to ensure the continued existence of open spaces while meeting the growing need for residential and commercial development.