



A Perspective on the Design/Build Industry by an Industry Insider



Green

Northern Illinois Real Estate Magazine had a discussion with Howard Green, Executive Vice President, Meridian Design Build. The discussion focused on the trends and changes in the Design/Build industry. Following are some of his insights.

Could you tell us a bit about how you got involved in Design Build Construction?

I've always had an interest in architecture and building construction and was exposed to design/build general contracting during my employment as a co-op student with Opus Corporation while studying Civil Engineering at Marquette University. I moved to Chicago in 1989 to take a project management position at McShane Construction and have been working in construction in the Chicago area since that time.

Paul Chuma and I founded Meridian Design Build LLC in 2005. We've enjoyed 10+ years delivering projects for a growing client base of large corporations, privately held firms, and developers. It has been extremely rewarding to see our team take on and successfully complete more than 14

million sq. ft. of construction across 10 states during that period of time.

Is there a certain industry you see as most active now? Has this changed in the last 5 years?

The industrial sector is as strong as we've seen it in a number of years—more so, in some ways, than the pre-recession years of 2006-2007. Speculative development in particular has been very active. Meridian has been involved in more than 2 million SF of speculative construction over the last 36 months and there are a significant number of those types project in our pipeline for the coming year.

What sectors do you see as most active from a user standpoint?

We've seen a lot of demand in the food and beverage sector. Many of our clients are increasing production capacity at existing plants and entering new markets which has resulted in a need for building expansions and new facilities.

We've also completed a large number of projects for small package shipping services companies that are upgrading and automating their distribution networks to keep up with demand driven largely by e-commerce.



Where do you see the most development activity today?

The 1-55 corridor has been very active with development along 1-355 gaining momentum as the land inventory along 1-55 becomes more and more limited. We've also seen an increase in redevelopment projects, both speculative and build to- suit, in and near the city of Chicago.

How has technology helped in the building and communication process?

Technology has provided us with the means to significantly speed up the transfer of information to and from our clients, designers, subcontractors, and field personnel. Construction progress photos are shared with our clients via our website on a daily basis. Shop drawings and other project related documents are transmitted and stored in a central location using cloud-based storage platforms. We've also implemented an electronic closeout interface that integrates warranty information, as-built drawings, and operation/maintenance manuals that has been very well received by our clients.

Where have building standards changed over the last few years?

LED lighting is becoming more and more prevalent, particularly with respect to site lighting and in cold storage applications. Energy codes are calling for increased insulation values and more energy-efficient glazing systems. We're installing quite a bit more

concrete pavement now than we were a few years ago, particularly on build-to-suit projects where many end users are willing to pay a bit more on the front end to cut down on costs and operational disruptions relating to the ongoing maintenance associated with asphalt pavements. Also, building clear heights are increasing with most developers taking a hard look at costs and potential benefits associated with accommodating a 36' clear height on the upcoming developments.

What do you see for the years ahead?

We're as busy as we've ever been helping our clients with budgeting for new projects so I think that bodes well for what's ahead. Many of these projects are user-driven and there is also quite a bit of speculative development in the planning stages so my expectation is that the overall market will continue to be strong for at least another 18-24 months.

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