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NSCA’s Winter 2013 Electronic Systems Outlook Released
NSCA and FMI forecast new construction starts and renovations for 2014

CEDAR RAPIDS, IA, Jan. 8, 2014 – NSCA’s newest version of the Electronic Systems Outlook, which is available free to members, provides updated indicators of new business opportunities by tracking new construction starts and renovations in the commercial buildings sector.

In this Winter 2013 edition, NSCA’s Electronic Systems Outlook provides a revised look at construction data by markets and systems. All signs show that the construction community is still experiencing continued modest growth and improvement in new construction, renovations, repairs, and retrofits. Compared to 2012, total commercial construction put in place for 2013 will finish at $352.5 billion, which is down 0.5% from 2012 (and lower than originally predicted). The Summer 2013 edition of the Electronic Systems Outlook originally forecasted total commercial construction put in place at $913 billion; the new data in the Winter 2013 edition exemplifies why it’s crucial to keep current with industry forecasting and benchmarking data.

This report also tracks residential construction due to its impact on the new construction of schools, retail facilities, houses of worship, and lodging.

There are a few economic concerns covered in the report that touch all market sectors. The first is the continued decline in public construction and expectations of more as sequestration continues. Second, lenders are still tight with their lending criteria. Consumers are being cautious about increasing their debt load, including their share of public debt with new bond issues for local municipalities.

Overall, electronic systems are increasing in total volume, but show a slight reduction from 2012. The forecast indicates that approximately $19.29 billion were spent in 2013 on electronic systems, down very slightly from the $19.31 billion spent in 2012. The original 2013 forecast expected spending closer to $20.3 billion

“For years, we’ve been following commercial construction reports,” says NSCA Executive Director Chuck Wilson. “We found that the electronic systems industry correlates with these trends. We expect 2014 construction put in place to total near $977 million.”

Systems integrators can use this new outlook report to benchmark their own sales numbers and prepare business valuations. Growth indicators can be used to determine incentive programs, reveal new markets with potential, and appropriately distribute resources.

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This forecast data can also be shared with financial advisors and lenders to prove the stability of systems integrators in the marketplace. “If we use tools like these to better familiarize them with this industry’s scope of work,” says Wilson, “then it’s much more likely that systems integrators will be perceived as a viable risk.”

This bi-annual forecast is made possible through a partnership with FMI, an outstanding management consulting, investment banking, and research firm for the engineering and construction industry.

The Winter 2013 edition of this report examines the current year to date, and also serves as a projection for 2014. This report is released each summer and winter.

The NSCA Electronic Systems Forecast is free for NSCA members. For non-members, the forecast can be purchased for $349. Non-members can also become NSCA members for $595 and receive this report as part of their membership package, which offers updates on government affairs issues, discounted registration for training and educational events, access to monthly industry webinars, etc.

For more information about the Electronic Systems Forecast, or to join NSCA, visit www.nsca.org or call (800) 446-NSCA.

About NSCA
The National Systems Contractors Association (NSCA) is the leading not-for-profit association representing the commercial low-voltage electronic systems industry. NSCA is a powerful advocate for all who work within the low-voltage industry, including systems contractors/integrators, product manufacturers, consultants, sales representatives, architects, specifying engineers, and other allied professionals. NSCA is dedicated to serving its contractor members and all channel stakeholders through advocacy, education, member services, and networking designed to improve business performance. For more information, visit www.nsca.org.

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