
THE FOLLOWING IS AN OPINION AND SHOULD NOT BE CONSIDERED INVESTMENT OR LEGAL ADVICE. WE ARE NOT LICENSED ADVISORS. SEEK PROFESSIONAL HELP BEFORE MAKING ANY DECISIONS.

Good afternoon,

You are seeing this because you are now, will be, or have been a partner to Scherer Construction. First off, Thank you.

We are sending out this message to hopefully shed some good news and help you plan your next steps in development during this dynamic time. Below is a link to an economic report from Dodge Data & Analytics, part of which we were sent by CECO, a metal building manufacturer that we use. Dodge is considered a leading source for those in construction for information on market statistics. Their input comes from macro data and from real time information from companies across the country. Among the normal expected doom and gloom, there were some bright points. Here's some things they are saying:

- "The abruptness of this sudden stop in the economy likely means that first quarter GDP will contract, in our estimation, by 2.5% (annualized). The contraction in the second quarter will be even more stark with an annualized decline of 18.3%."
- **"From there, the economy will start to see daylight as the full weight of the fiscal package as well as a declining number of new COVID-19 cases allow growth to rebound sharply with an annualized increase of nearly 11% in the third quarter and 2.5% annualized in the fourth."**
- "For 2020, the economy will contract by 2.2%, but will then accelerate to 2.7% in 2021 and closer to 5% in 2022."

We are not economists or epidemiologists, and we don't have crystal ball to see the other side of this. However, we (and others we are hearing from) are of the sentiment that because this is a pandemic and not economically created recession, the rebound could come very quickly once we get over the curve and everyone has a new normal. This could even be Q3 or Q4 this year. If this is true we will be facing months of pent up demand combined with a supercharged economy. The demand could easily exceed the constraints of permitting, design, and supply.

Some of our clients have hoped that maybe construction and other prices will drop later this year as they did during the Great Recession. If the above is true, prices would actually increase and schedules would elongate potentially killing deals that had paused during this time! If so, it may be more prudent to get your projects designed and in for permits, or begin site work, or other steps that will allow your project to be ready to go when we all see light at the end of the tunnel. If your project economically made sense before the pandemic, don't wait until those metrics change before making a decision!

As for Scherer, our investment in technology over the last 5 years is paying great dividends. We are operating at 100% with modified work schedules, locations, and protocols. As an "essential business" we stand ready to help you through any decision you would like to make. Please contact us if we can help.

[LINK TO DODGE REPORT](#)

Thank you,



Erik Otte
President