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Coffee break with Jim McShane, CEO of The McShane Companies

By

Who: Jim McShane
Title: Chief Executive Officer
Company: The McShane Companies, 9550 W. Higgins Road, Ste. 200, Rosemont
Web site: www.mcshane.com
Industry: Real estate development and construction
Number of employees: 300
Family: Wife Kelly; children Katie, Dan, Molly, Annie and Michael



Jim McShane

What has been your biggest obstacle during the recent recession?

"Our biggest challenge has been to increase our backlog of new business over the past three years. Since the financial crisis in late-2008, the economy has not supported the activity levels previously recorded. Many companies were downsizing and the banks were struggling to regain their footing and therefore not providing the same level of lending that had been conducted in the past. Our goal was to guide our company through that downturn with the least amount of reconfiguration or resizing. Our employees have remained focused, eager and anxious to contribute toward our new business efforts."

What are some big projects that you have going in this area?

"A large majority of our work takes place in both Cook and Lake Counties. A few notable projects in Lake County within Libertyville have included the 600,000 square foot distribution facility for Medline Industries Inc. on Peterson and Midlothian roads and the two new industrial facilities totaling 360,000 square feet located on Harris Street where Culligan International recently leased a large tenant suite. McShane Construction also completed the new multistory, 360-space municipal parking deck in downtown Libertyville and is currently completed a new three-story LEED-registered office building expansion for Medline at its corporate campus in Mundelein.

"McShane Construction's assignments in Cook County range from new construction to rehab and renovation work. A large majority of our current projects include affordable housing projects that we have been delivering to various owner/developers over the past several years... We're also completing a new build-to-suit for NSK America Corporation at our Huntington 90 business park in Hoffman Estates that we're codeveloping with MetLife Real Estate Investments. Our most recent assignment, although not in Cook or Lake Counties, is to design and construct the new 32,150 square foot build-to-suit outpatient clinic for the U.S. Department of Veterans Affairs in Rockford."

How is the construction industry doing?

"Activity within the construction industry is bumping along at historically low levels. The lack of funding sources, the negative job growth and the retraction of business has slowed all but the most valiant of construction undertakings. The public sector, however, has endured this slowdown due to the funding sources that have been provided through the federal, state and local governments. The subsidized housing market has enjoyed the most support over the past three years although that is likely to begin slowing down."

What is your industry outlook for the upcoming year?

"We anticipate a slight up tick in construction activity across almost all sectors of our industry. The industrial sector is likely to remain at depressed levels of activity although new construction on the coasts is offering optimism that eventually that need will reach the Midwest and central regions of the country. The office market is unlikely to rebound before 2012. The health care industry is currently caught in the uncertain changes that are likely forthcoming that remain undefined and untested causing most of the industry to sit at the sidelines until more information is known. The hospitality and retail markets have endured serious downturns in the past three years although there is some relief, at least before this most recent global oil uncertainty, that those markets will become more active by 2012. The single-family housing slump continues as prices fall and activity is negligible. Funding for the multifamily apartment market is tough to obtain but demand is anticipated to grow in the coming years."

When you were young, what did you want to be when you grew up?

"Since I served as the quarterback on my junior and high school football teams, I always thought about pursuing a career as a professional football player."

What is your favorite restaurant to take a client to lunch?

"I would highly recommend The Rosewood Restaurant in Rosemont since it provides both a

comfortable and professional environment together with the warmth and attention of the staff that complements their superb and high-quality menu.

If you could put your company name on any sports venue, which one would you choose?

"The mythical Loyola Academy "Hockey Rink."

What was the first car that bought?

"My first car was a used 1964-1/2 Ford Mustang that I purchased for \$1,900 and drove from 1965 through 1970. After putting over 95,000 miles on the car, I sold the Mustang for my original purchase price of \$1,900."