

## Construction picks back up, but it's a different gig now

By MIKE  
SCHNEIDER

In this Feb. 13, 2015 photo, construction workers David Rager, above, and Shawn White frame a window in the upper floor of a two-story custom home being built in Orlando, Fla. As construction jobs return in some regions, competition for skilled labor is heating up. PHELAN M. EBENHACK — AP Photo

ORLANDO, Fla. — As Florida's housing market tanked seven years ago, construction worker David Rager saw jobs dry up. So he left construction, along with 2.3 million others nationwide during the economic downturn, and got a job installing traffic signals and street lights.

"I couldn't afford to sit at home for a month here and a month there," said Rager, 53.

Now Rager is back in construction, working with a crew on a custom-built home in Orlando, framing walls "and doing a little bit of everything." In the past four years, hundreds of thousands of workers have returned to construction, making it among the nation's fastest growing job sectors.

In the busiest markets, there aren't enough construction workers to keep up with the pace of building. In a recent survey of more than 900 contractors by Associated General Contractors of America, 83 percent said they were having trouble filling craft positions. The most difficult positions to fill were carpenters, roofers and equipment operators.

Given the amount of building going on, "it's going to be interesting because we're going to have a labor shortage here in South Florida," said Scott Moss, president of Moss & Associates, a South Florida-based construction firm with offices in California, Texas, Georgia, South Carolina and Hawaii.

Yet it's a measure of how hard the sector was hit that at it has regained just 900,000 of the 2.3 million jobs it lost from 2007 to 2011. The annual unemployment rate for construction workers stood at 9.8 percent last year, down steeply from the industry's 20.6 percent annual unemployment rate in 2010, but still significantly higher than last year's national annual unemployment rate of 6.2 percent.

In the meantime, returning workers such as Rager are finding a different business from the one they left.

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### ALTERED LANDSCAPE

Apartment buildings are going up at a faster rate than single-family homes, a trend fueled by tighter home-lending standards, an increase in people choosing to live in or near urban centers and a drop in the rate of new households being formed.



Fewer public buildings have been built lately, on account of government cuts. Shopping malls are falling out of fashion, though growing Internet sales require the construction of more distribution centers.

Not only are the projects different, they're in different places. During the real estate heyday of the mid-2000s, the building of single-family homes in Florida, Nevada and California led the construction boom, and then the bust. In the past year, while California, Texas and Florida saw the biggest increases in raw numbers of construction jobs, the fastest growth rates for such work were North Dakota and Utah.

North Dakota has undergone an energy boom that has attracted workers from all over the nation. The state's population has grown 10 percent since 2010 and now stands at 740,000.

Construction in Utah, the state with the nation's highest birth rate, is being fueled by pent-up demand for housing.

All of these changes mean increased need for structural steel workers, concrete finishers and crane operators. Site managers are expected to be more technologically savvy than they were a decade ago, as construction has gotten more computerized. Three-dimensional designs are passed from the architect to the contractor and downloaded on lap tops and tablets at the construction site. Workers use GPS and lasers to figure out the exact spots where lights should be hung.

"There is a stronger demand for technological skills," said Ken Simonson, chief economist at Associated General Contractors of America. "Laborers with limited training may not cut it anymore."

Master electrician Nickolas Lombardi recently was trained on software that will allow him to make changes to blueprints on his iPad that can be seen simultaneously by architects, other contractors and others not at the worksite.

"Right now, there are a lot of master electricians retiring and they're not changing. They don't care too much about it. But for anybody getting into the trade, it's necessary," said Lombardi, 35, a project supervisor from Lakewood, Colorado, who underwent the training after being hired by Power Design Inc., a large electrical contractor that has a 12,000-square-foot training center at its headquarters in Tampa, Florida.

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## AGGRESSIVE RECRUITING

In markets where construction has heated up, competition for skilled labor is intensifying. Contractors in places with large Hispanic populations, such as Texas and Florida, are advertising heavily in Spanish media. Other contractors are turning to high schools, but budget cuts and an emphasis on college preparation courses has led to shop and technical classes being axed in recent years.

In Utah, signing bonuses of \$5,000 to \$10,000 have returned. "We haven't seen that in a long time," said Richard Thorn, president of the Associated General Contractors of Utah.

Travis Beck's carpenters' union in North Dakota has contracts for 10 projects in 2015 already, and each job will need up to 30 workers, he said. The union's apprenticeship program has room for 50 applicants, about five times the number it did seven years ago, during the heart of the recession.

A newly-minted apprentice in North Dakota can make \$60,000 to \$75,000 a year, Beck said.

"If somebody came to me for a job, I would have something for them immediately," said Beck, business representative for the North Central States Regional Council of Carpenters, Local 1091, in Bismarck, North Dakota.

Hourly wages that were in the \$18 to \$20 range have edged up to the \$25 to \$30 range in the past year and a half, said Brian Pyle, another union official in North Dakota.

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## THE FUTURE

The question now is, how long will the upswing last? Construction jobs are expected to grow at a compound annual rate of 2.6 percent through 2022, according to Bureau of Labor Statistics projections, making it among the fastest growing industries into the next decade.

The construction firms that will have the greatest success will be those that have moved away from hiring for individual projects and have sets of skilled crews that can move efficiently from project to project around the country, said Moss, the construction firm owner.

"They can assimilate a semi-skilled worker and make them skilled within a few months," Moss said. "The people who have figured out the new formula are going to do well in this new upturn."

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