

CATAWBA VALLEY NEWSLETTER

January 1, 2016

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Professional
Construction Estimators
Association
Catawba Valley Chapter



PCEA-Catawba Valley Chapter
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January 14th Monthly Business Meeting Market on Main

GUEST SPEAKER:

Chuck Hansen,

**Public Services Director with
the City of Hickory**



**TOPIC: Current and Future City of Hickory
Bond Projects.**

When:	Thursday, January 14, 2016
Where:	Market on Main 535 Main Ave SW Hickory, NC 28602
	Social Hour: 5:30 - 6:30 PM Dinner & Meeting: 6:30 PM

**PLEASE REGISTER/RSVP NO LATER
THAN TUESDAY, January 12th !**

Bring a guest/potential member!

Register online at:

www.pcea-catawbavalley.org

UPCOMING PCEA EVENTS

January 14th—Monthly

Business Meeting

**February 11th—
Monthly Business
Meeting**

**March 10th —Monthly
Business Meeting**

**April 14th—Monthly
Business Meeting**



HEALTH & HAPPINESS

January's Gold Roll Winner will receive \$250,
you must be present to win.



Will Clayton has started his own
engineering firm; Clayton Engineering
Firm. Congratulations Will!
Contact him if you need his services
wclayton@clayton-engineering.net

Please send any Health & Happiness to
Teresa Cottrell,
Catawba County Building Inspections



AGC 2016 Outlook survey: Contractors expect growth in North Carolina market, with labor shortages and rising costs

On January 7, 2016

The Associated General Contractors (AGC) says North Carolina contractors expect 2016 to be a good year, with overall 60 percent expecting an increase in their business, with 40 percent remaining stable, and none projecting a decline.

As well, the association's [annual Outlook survey](#) indicates that 88 percent of the contractors surveyed expect to increase their company's headcount and only three per cent expect their workforce will decline. In fact, 50 per cent say they are "having a hard time filling both salaried and craft worker positions" and the labor shortage problem will persist through the year.

The North Carolina results are consistent with the AGC's national survey – in fact the state is doing better than average. Nation-wide, the greatest labor force increase is expected in Kansas, with 95 percent of the companies there planning to increase their labor force. Pennsylvania comes out worst in the headcount category.

At a news conference to announce the results, Josh Cardy, president and CEO of [JW Clardy Construction Company](#) in Myrtle Beach, SC, said the Carolinas regional market has experienced "substantial growth, but this has resulted in labor shortage challenges. "We're reaching out to the same employees to work here," he said. "A lot of us are competing for the same professionals."

4. Compared to 2015, do you expect the available dollar volume of projects you compete for in 2016 to be:

Market	Higher	Lower	Same	Net
All projects	60%	0%	40%	60%
Private Office	38%	10%	52%	29%
Higher Education	38%	13%	50%	25%
Water/Sewer	24%	0%	76%	24%
Highway	29%	7%	64%	21%
Power	25%	6%	69%	19%
Manufacturing	24%	6%	71%	18%
Hospital	26%	11%	63%	16%
Retail, Warehouse, Lodging	17%	6%	78%	11%
Federal (e.g., VA, GSA, USACE, NAVFAC)	31%	25%	44%	6%
K-12 School	29%	24%	47%	6%
Multifamily Residential	20%	20%	60%	0%
Other Transportation (e.g., transit, rail, airport)	17%	33%	50%	-17%
Public Building	6%	39%	56%	-33%

The Outlook survey is generally optimistic.

Notably, North Carolina contractors indicate they expect growth in most of the major industry sectors, with increases (in brackets) predicted for private office (38 percent), higher

education (38 percent), water and sewer (24 percent), highway (7 percent), among others. The only areas where a larger percentage of contractors in the state expect a decline in volume instead of an increase are “other transportation” (transit, rail, airport) (33 percent) and public building (39 percent).

A majority of contractors say they've increased base pay (58 percent) and only six per cent say they are not considering increases in pay or benefits. Meanwhile, 48 percent of contractors expect to increase their investment in training and development, the same as those who expect their training budgets will remain the same. (The remainder are unsure.)

Nationally, “the construction industry will continue to recover in 2016 as many firms add to their headcount amid growing demand in a range of private and public sector markets,” said Steven E. Sandherr, the AGC’s chief executive officer. However, he also said “the industry also faces a number of challenges that have the potential to dampen, and possibly even undermine, the sector’s recovery.”

Labor shortages may put a brake on the industry’s optimistic projections. “What is particularly striking about the findings on workers shortages is that they are consistent with the responses from last year’s outlook,” said Ken Simonson, the association’s chief economist. “In other words, after a year of raising pay and increasing benefits, contractors remain as worried about the lack of qualified workers as they were at the beginning of 2015.”

In addition to coping with worker shortages, contractors are also worried about the continued increase in health care costs. Eighty-three percent of North Carolina’s contractors reported these costs will increase in 2015, slightly above the national predicted increase of 81 percent.

Nationally, 39 per cent of contractors report they are worried about the continued expansion of federal regulations while 34 per cent report they are worried about the growth in state and local red tape, association officials said. (The numbers for North Carolina are slightly higher than the national average, at 40 and 37 percent respectively.)

“As long as local, state and federal officials are willing to act on our workforce measures, embrace a more rational approach to regulations, identify measures for controlling healthcare costs and protect e-commerce, the industry should continue to expand,” Sandherr said, referring to policy proposals the association is making. That is precisely why we will continue to focus our energies on ensuring the continued growth of this industry.”

The Outlook was based on survey results for more than 1,500 construction states from all 50 states and the District of Columbia. Varying numbers responded to each question. Contractors of every size answered more than 30 questions about their hiring, workforce, business and information technology plans.

Board of Directors Meeting Dates

(Please Save these Dates)

January 27th
February 24th
March 30th
April 27th
May 25th
June 29th



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