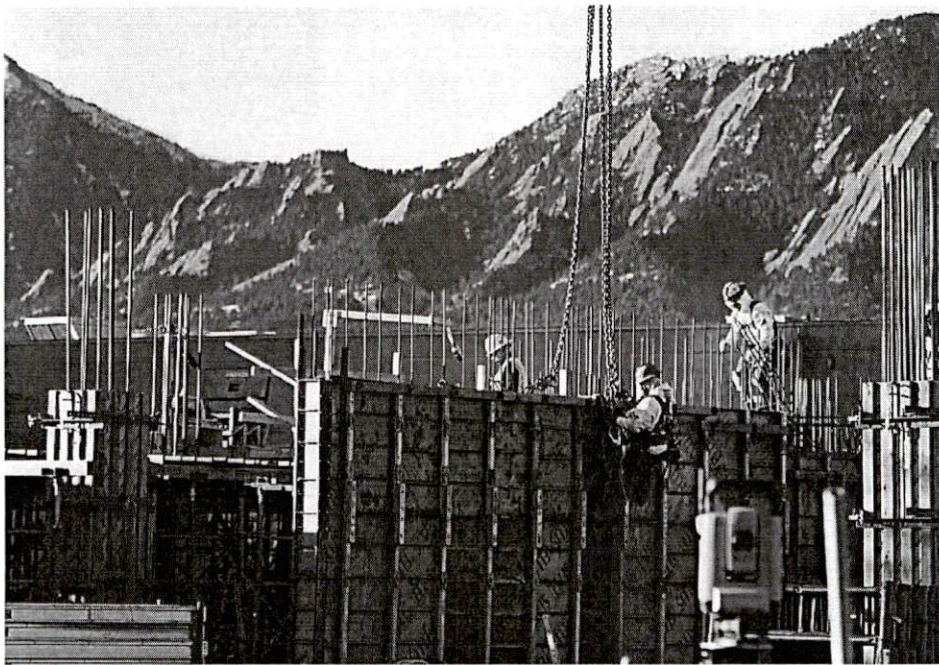


BUSINESS > JOBS

No signs construction labor shortages are easing in Colorado

About 85 percent of contractors describe hard time filling open jobs



Cliff Grassmick, Boulder Daily Camera

Construction continues on Dec. 17, 2018 at the Google complex in Boulder.

By **ALDO SVALDI** | asvaldi@denverpost.com | The Denver Post

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Construction firms in Colorado expect to do more work this year than last, even as they continue to struggle with worker shortages that are delaying projects and driving up costs, according to a construction outlook survey released Wednesday by the Associated General Contractors of America.

The markets where Colorado contractors said they expect to see an increase in dollar volume compared to last year are education, water infrastructure, public buildings, private offices, federal projects and transportation, not including highways.

The construction industry employed 170,900 people in the state in November, according to the U.S. Department of Labor. The average hourly wage earned by construction workers was \$30.10, up from \$28.34 in 2017.

Four in 10 of contractors surveyed expect to see more work tied to building and repairing K-12 schools, and only 14 percent expect to see the volume of work drop. Nearly as many expect to see more work from water and sewer project as well.

“Contractors remain optimistic. Overall economic conditions remain robust,” said Stephen Sandherr, CEO of the AGC, an industry trade group based in Arlington, Va.

An exception are apartments, a category where more contractors in Colorado expected their workload to decrease rather than increase. A quarter expect to bring in more money building apartments this year, while 32 percent expect their volume to drop and 43 percent expect no change.

“This may indicate multi-family construction has outpaced demand for now in some locations,” said Kenneth Simonson, chief economist with the AGC, in a conference call with reporters.

About 84 percent of Colorado firms expect to boost their headcount this year compared to last, with 13 percent expecting no change and 3 percent calling for a decrease. That is higher than the country as a whole, where 79 percent of contractors expect to boost hiring.

In Colorado, 85 percent of contractors described having a “hard time” filling some or all of the open positions they had, while only 12 percent said they were having no difficulties.

Around seven in 10 firms have boosted their training and development to bring in new talent and six in 10 have added more technology to better manage the work site, reduce physical labor or they have added efficiency specialists.

Many contractors remain concerned about the quality of the workers they are finding, and staffing shortages continue to drive up costs and stretch out completion times. Nearly half of those surveyed, 47 percent, said that a lack of help delayed the completion times of projects. Just under a third said project costs came in higher than anticipated and nearly 4 in 10 said they have put higher prices into their bids.

Higher tariffs on a variety of materials, including steel and lumber, have introduced another worry for contractors as they look to the year ahead.

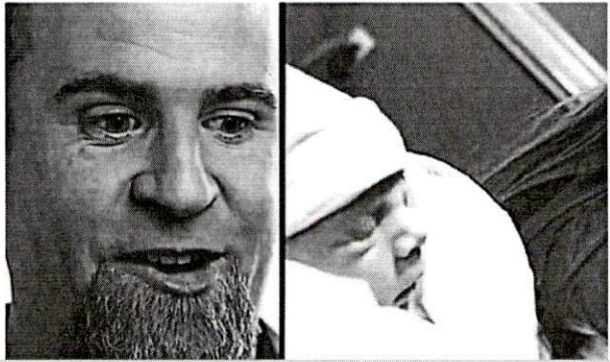
“Many contractors will be squeezed by growing costs for materials,” said Sandherr. “Trade wars will undermine demand for private sector construction.”

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Aldo Svaldi has worked at The Denver Post since 2000. His coverage areas have included residential real estate, economic development and the Colorado economy. He's also worked for Financial Times Energy, the Denver Business Journal and Arab News.

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