

Contractors feel labor pinch following recession exodus



Fewer young adults are entering the construction field, and the shortage is felt more in Central Florida because much of the workforce left in 2007. (Mary Shanklin/staff)

By Mary Shanklin Staff Writer

Winter Park attorney Rosemary Hayes no longer fields many calls about building defects and property liens, as she did during the recession.

These days, the construction-litigation specialist said her business is more defined by delays sparked by labor shortages.

“The majority of the cases I’m handling now have an element of delays,” she said.

“Companies are accelerating the work, and that means more manpower — and it costs more than what the job had been bid for.”

For home buyers, retailers, restaurateurs, developers and anyone else seeking newly built space, labor shortfalls have come to shape a market that experienced an exodus of its workforce almost a decade ago. The unemployment rate for Orange, Seminole, Osceola and Lake counties has dropped from 11 percent to 4 percent in about five years. Meanwhile, fewer young adults enter the construction field. Only 3 percent of survey respondents ages 18-25 chose construction trades as a career field, according to a recent survey by the National Association of Home Builders.

Demand for workers is common across the country, but hits the Orlando region particularly hard because much of the workforce left during the region’s historic housing bust starting in 2007. Plus, the need for workers ramped up quickly in recent boom times. Last year, Orlando ranked second nationally for increased construction jobs.

Subcontractors' search for experienced work crews has pinched more than deadlines, said Jeff Schnellmann, president of Silliman CitySide Homes.

“Most builders employ a lot of subs and they are the ones directly dealing with it,” said Schnellmann, who also serves as president of the Greater Orlando Builders Association. “We are dealing with the symptoms of that. And there has been pressure on pricing across the board and there have been extensions of the building cycle.”

Looking ahead in the four-county Orlando region through 2024, state and federal agencies’ forecasts say construction groups can expect to see demand ramp up the most for the following:

Construction laborers: Jobs expected to grow 19 percent to 4,058;

Carpenters: Jobs expected to grow 15 percent to 2,378;

Electricians, Jobs expected to grow 21 percent to 2,020.

In Orange County, online employment ads for construction-related jobs increased the

most in the last year for first-line supervisors, extraction workers, and tractor-trailer drivers. The “help wanted” ads have declined for construction managers, cost estimators, electrical engineers and maintenance workers, according to data prepared by the Florida Department of Economic Opportunity and Bureau of Labor Statistics.

As builders search for options, Schnellmann outlined some labor solutions, though many can bring related complications.

General contractors can outline penalties for subcontractors who miss deadlines, But, he added, experienced subcontractors have enough options that they can avoid builders with penalty clauses in contracts, the association president said.

Orlando employers take advantage of warm weather by advertising for workers in places like Buffalo, N.Y., during January. “But when June comes around, those workers fly north. So that’s a short-term solution,” Schnellmann said.

Newly ignited immigration concerns increasingly come into play. Schnellmann said that he encounters high numbers of immigrant laborers particularly in construction hot spots such as the Lake Nona and Horizon West areas.

National builders in the Orlando area often turn to “shell companies” who specialize in bringing work crews to quickly tackle footings, masonry walls and sometimes roofs. About 10 of those companies work in the region and employ hundreds of workers, Schnellman added. Those crews come at a cost but that can be offset with time savings, he added.

And, of course, higher pay can help build subcontractor loyalty. Builders can end up paying a higher prices when they recruit from their competition. They should weigh raising pay for their existing team instead, Schellmann added.

Hayes said she sees Orlando-area construction firms bringing in crews from elsewhere, particularly South Florida.

The highest paid construction-related jobs in Orange, Seminole, Osceola and Lake counties last year had hourly median wages that included: construction manager, \$38.76; elevator installers, \$33.27; and construction/building inspectors, \$28.43.

Tracy Trimblett, labor and training specialist, said wages for construction crews dropped during the recession when contractors got 200 applicants for every job opening. Since then, wages have increased somewhat but subcontractors have not been quick to offer more pay or train their workers, she said.

Trimblett, who works for Christian Help Employment and Resource Center in Casselberry, advocated for a return of apprenticeships to help groom a new generation. Her group works with training and job fairs that place more than 7,000 workers annually.

But apprentice-level wages and potentially higher future pay might be attractive to many workers in a region with a median hourly wage of \$15.10, according to the Bureau of Labor Statistics. While Orlando-area plumbers earned a midpoint of \$17.43 per hour last year, their helpers got \$12.22 hourly wages. Electricians in the region earned a median of \$18.20 an hour last year and their “helpers” were paid \$11.88 an hour, state labor data shows.

Whatever steps companies employ to navigate slim availability of workers, Hayes advised them to carefully read and craft contracts. The key she said, is paying attention to deadlines.

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