

# If You Can't Build It, They Won't Come:

## What the Future Holds for the Construction Industry

BY BRANDI SMITH



Corbin Van Arsdale remembers early March vividly. A phone on each ear, important conference calls happening on each, the mayor of Austin suburb Cedar Park summarizes that time as “a little bit insane.”

“When [the COVID-19 pandemic] hit, it thrust the mayor, county judge and governor into these almost militaristic chain-of-command-type situations,” he

told those logged in to the May 21 REDnews webinar *If You Can't Build It, They Won't Come*.

Also president and general counsel for the Associated General Contractors - Texas Building Branch (AGCTBB), Van Arsdale was able to offer unique insight from the perspective of a decision-maker, as well as genuine interest in the well-being of the construction industry.

“It really just turned life upside down,” he said of the pandemic’s impact.

While the first few weeks were “chaos,” according to Will Hodges, president of Cadence McShane Construction, the industry is finding its footing. “We’ve settled into a bit of a rhythm and a bit of a routine, finding a new way of managing things,” said Hodges. “We were very blessed



Jess Corrigan



Mark Buskuhl



Mayor Corbin Van Arsdale



Tyler Earle



Will Hodges



that construction was deemed an essential business. While a lot of the country suffered being out of work and dealing with those issues, we didn't. We kept moving."

He said his company shifted toward working remotely, which is something employees had pushed for a while. Forced into the situation, Hodges said he's been pleasantly surprised by how well his team has adapted, though he doesn't know that it will be adopted long-term.

"If anything, our productivity feels like it's gone up," said Jess Corrigan, principal at HKS Architects, of employees working from home. "I think moving forward, we'll do more of this, but a concern that I have is a lot of what we do is learned from people around us. Working from home, we're going to miss that educational opportunity, especially for our younger staff, people just starting out."

Not everyone working on a project is able to do so from home, however, which comes with significant challenges. For example, it's difficult for electricians and plumbers, who often come with helpers, to always maintain six feet of separation.

"It's being deliberate from a safety standpoint in how we approach all those tasks and making sure we're placing the proper importance and protocols," explained Tyler Earle, senior PM/PX at Cadence McShane Construction.

"Some studies came out that said construction sites were going to be similar to meat-packing plants and senior citizens centers. That'd they'd have these huge infection spikes and be hotbeds of infections," Hodges said. "That just hasn't happened. I think all construction companies and contractors have taken a very proactive approach to this."

That includes finding new ways to deliver the product for clients, including leaning into technology more than ever before.

"Anything we can do to overcome our manpower shortage, that makes us more efficient, that reduces cost," said Hodges. "It allows us to improve or maintain margin and pass that along to owners where possible."

"We don't have to have people walk jobs anymore," added Corrigan. "We have someone from the construction company sending live videos and they can talk through it and look around. It's been pretty effective."

As well as the industry has adapted, it's hard to ignore the long-term impact this will have. Hodges estimated most contractors have projects lined up for the next six to 12 months. Beyond that, he predicted a precipitous drop.

"I think 2021 is going to be pretty bleak for construction companies. I think we're not going to see this rebound. It won't be V-shaped in any way, shape or form. I think there's a big disparity and a lot of question marks around money and developers," he said. "Odds are, it's going to be very competitive because there are so many new contractors and subcontractors."

Van Arsdale suspected the number of public projects up for bid could also decrease. Factors such as a drop in sales tax revenues will have a significant impact on city budgets going forward, he said.

"You're having to make decisions about your local budgets and tax rates based on what revenue you have available," said Van Arsdale. "At the same time, you're looking at how you're going to cut the cost, how you're going to handle the people part of the equation and whether you're going to move projects around."

Even so, these experts, many of whom have weathered the ups and downs of the Texas economy over the years, are optimistic about the future of construction in the Lone Star State.

"At the end of the day, we're problem solvers in the construction world. All of us are," said Earle. "It lends itself to us being successful and finding new ways to keep moving forward." ■

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