



# nerej

## **It is still a great time to be involved in the Boston construction industry - by David O'Sullivan**

May 31, 2019 - Spotlights

David O'Sullivan,  
O'Sullivan Architects

The state of the design and construction industry in Boston continues to be strong. As we have entered the spring market there seems to be continued demand for housing with an abundance of buyers and renters. There are some signs of a leveling off in activity and sales price increases but that may not be a bad thing. Rents overall seem to be up 3-4% year to year and vacancies rates remain low. Real estate is still a seller's market even as inventory rises in some areas or segments of the market, but there seems to be willing buyers. Architects tend to see shifts in the market sooner than some other portions of the industry. We do see developers being a little more cautious when making deals, as construction costs rise and approvals are more difficult. There is certainly good reason to be a little nervous starting a new project now as it would not be completed for close to two years and many wonder what the market will be like at that time. One interesting factor is the locations of more recent projects. I am not sure if it is a trend but developers are spreading out geographically searching for new projects. A few years ago they were concentrated in hot neighborhoods of Boston and maybe Somerville, we are finding developers are looking to more outlying neighborhoods in Boston and the suburbs for new projects. We find ourselves working on projects throughout the greater Boston area and even in towns like Reading, Wakefield, Framingham, Swampscott and Peabody. The suburbs have been updating their zoning especially in the commercial centers to allow for more density and mixed uses. The new options for residents in these suburbs, we feel, is a good thing.

Another aspect of a changing market is labor. This spring has been wet and cold putting a chill on the usual post winter construction surge. Construction projects have been slow getting going with weather delays as standard fare. But there is another issue which is getting attention and that is shortage of workers especially in the construction trades. The unemployment rate is at a 50 year low. What does that mean for your business? Are you able to find trained staff to meet your company needs? It is not easy to find help, much less skilled help in today's economy.

There are programs in place and more in the works to try and address the labor shortage in the

construction industry. The Builders and Remodelers Association of Greater Boston (BRAGB) has been assisting local high schools in instituting or strengthening programs to train skilled workers for construction trades. They have held panels and sponsored tours to educate young people on the opportunities available. In addition they are trying to provide mentoring opportunities and potential internships. This program is gaining traction but there are hopes to expand it to several area high schools. Lowe's has stepped up as well providing grants for tools to outfit shops in schools. BRAGB has worked with the National Association of Home Builders to provide the training curriculum developed on a national level.

In the design industry we are seeing similar labor shortages. The competition for skilled employees has made some firms look beyond traditional sources. One great source of new hires for us has been local schools or local college students on summer break. The programs at several of the local architecture colleges have well trained students looking for 3-6 month internships to gain experience in the real world. Over the years we have had students come work for us either full or part time and ultimately became fulltime employees. This has been very good for the firm and the student.

In conclusion we see continued demand for our services and new projects happening in an ever widening number of communities. It still seems to be a great time to be in the construction industry.

David O'Sullivan, AIA, is the president of O'Sullivan Architects, Inc., Reading, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540