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## **Lean and nimble construction management firms with multifaceted backgrounds will be in high demand in 2010**

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Major real estate developers, architects and builders have been grappling with the effects of this recession since 2008.

Having represented the interests of owners through the design and construction process for thirty years on projects to \$45 million, I thought my perspective might have some relevance. I hold the highest hopes for the genesis of recovery in 2010 and feel the seeds of revival lie in the stimulation of our commercial and light industrial markets. Lean and nimble construction/management firms with multi-faceted backgrounds who can respond quickly to client needs will be in high demand during this recovery.

Stimulus dollars poured into paving projects across New England are putting very few workers back on the payroll and although smooth roads make the ride to the unemployment office more comfortable it leaves many workers wondering when their particular skills will again be required. Boston area architectural firms have idled hundreds of designers. Those firms that are still intact have few projects that are fully funded. Since the drafting board is where hope spawns for the construction industry we are all looking for their business models to improve as a harbinger of construction growth.

The construction management business has been slow to show positive signs of improvement. Business owners are patiently waiting out this recession by re-posturing their business fundamentals. Business leaders have maximized employee and benefit cuts and are trying to generate new business lines. The common failure facing most new projects is not need or applicability it's approved adequate funding. Financial institutions hold the key to the revitalization of this industry. Funding at reasonable rates with palatable terms will make all difference. While infrastructure projects may bolster the public bid sector they are a limiting fuel in support of economic growth for the design and construction management firms awaiting opportunities in housing, retail and manufacturing.

As a private consultant I have recently experienced glimmers of hope for our economic recovery. Engaged last fall by an international hotel group, planning significant work in 2010 here in the states, and current negotiations with a non-profit regarding a fully funded project to start this spring both ring a positive note. Also some green initiatives with mid size manufacturing companies in the renewable energy business and sustainable housing design arena are also positive signs. The Baby Boomers and their aging parents are an ever increasing demographic creating activity in adult communities, assisted living facilities and nursing homes.

There are major investors with significant capital trying to time their reinvestment in distressed retail and residential properties. As economic indicators bolster their confidence in the markets their new projects will emerge. I have heard the term "Vulture Capitalists" used in this regard but the current

opportunities coupled with their willingness to re-enter the still uncertain marketplace will prove to be a major factor in jump starting recovery.

Recent activity in the alternative energy markets, green housing, boutique hospitality, small entertainment business, and multi unit housing are all very positive indicators. There will likely be a reasonable period of renovation and adaptive re-use while inventories are absorbed. These niche industries will spark a return to work for a wide variety of professionals and crafts people that will fuel the retail markets, fill vacant stores, purchase the housing inventories and revitalize our industry.

Quality financing and the proper distribution of stimulus funds will be the cornerstone of our recovery success.

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