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## **President's message: ASM's forecast 2008: Think positive**

January 16, 2008 - Construction Design & Engineering

A year ago, experts were predicting the shaky housing market would stabilize and rebound early in 2007, without disturbing commercial construction or the economy as a whole. Today, the picture is not quite as rosy. Falling home prices, increase in foreclosures, and tightening of credit have had a much broader impact than anticipated - slowing down residential construction and many related industries, and now affecting the commercial market as well.

Overall, however, commercial construction in this area remains strong, with steady demand for new office space, as well as a wealth of medical and higher education facilities in the works across the region. Public school construction should increase, too, now that the 4-year building moratorium has been lifted and new projects are getting approved under the new school building program. Another bright spot is the drop in material prices, including steel and concrete, which should slow construction inflation and give owners an incentive to move forward.

What does all this mean for ASM? To a great extent, economic and business conditions are what drive our activities on behalf of the subcontractors of Mass. That will remain true in 2008, as we keep members informed of trends that affect their business, and provide resources they need to weather cyclical ups and downs.

With that in mind, first on our agenda this year was a presentation on Jan. 16th by noted economist John Bitner of Eastern Bank Investment Advisors, who highlighted recent market trends affecting construction. This will be followed by a series of programs over the next several months on business issues that are front and center in uncertain times - including negotiating fair contract terms, getting paid, understanding insurance, controlling workers' comp. costs, planning for business growth, staying competitive through technology, and more.

While education will be a priority in 2008, so will legislation, as ASM advocates on behalf of several bills that have taken on greater urgency in recent months. At the top of our list is a comprehensive "Fair Payment" bill that addresses systemic payment problems in construction and provides strong incentives for all parties to pay promptly, to get better performance, lower costs and promote a better business climate in construction.

In 2008, ASM will also offer services to help members stay informed and connected, as well as save money. Members will be able to take advantage of our free legal hotline, special deals with vendor partners, and our insurance program with Acadia Insurance. They can keep current through our new technology committee, attend our free "Safety Roundtables," or meet potential customers at our "GC Showcase" events. Those too busy to leave the office will be able to stay in touch through The Professional Contractor magazine, our timely ENewsBriefs, and a new website that is set to launch soon.

Though the economy is unsettled as we enter 2008, the association continues on a strong upward path, which no doubt reflects the fundamental strength of commercial construction and the

subcontracting companies who form the backbone of the industry and the association. That makes our forecast for 2008 an optimistic one.

Feb. 6 seminar examines new contract documents

Fall 2007 saw the release of major revisions to the AIA A201 and A401, and a totally new family of contract documents, ConsensusDOCS, that were developed by a national collaborative group of general contractors, subs, owners, sureties and designers, as an alternative to the AIA forms. On Feb. 6, ASM will host a seminar on the new contract forms, at the Sheraton Needham Hotel, 3-6 p.m. Atty. Joseph Pisarri of Corwin & Corwin will compare and contrast both sets of documents, highlighting both good features and bad. Join us to learn what to look for in the new documents, and get tips for negotiating potential changes. Contact ASM for details.

2008 Scholarship Program

In 2008, ASM will award three \$2,000 scholarships, funded by proceeds from our annual golf tournament. The scholarships are based on merit, and are available to any employee or immediate family member from an ASM member company who is an entering freshman or returning student in a 4-year accredited college or university. Applications are available from the ASM website, [www.associatedsubs.com](http://www.associatedsubs.com). Deadline is March 1st, and the scholarships will be awarded at the golf tournament in June.

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