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What's next for construction? - by Michael McDonagh

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ASM CEO

Michael McDonagh

A few years ago, ASM held our first Construction Summit and it was completely online. The one-day program was broken into three segments held over the course of the day. After all, who has time to sit on a Zoom meeting for three straight hours? Most of the panelists and presenters focused on what everyone is wondering about, especially contractors: where is the construction industry heading in the next year to two years? Here are some of the highlights and takeaways from the day.

Economic Update: First we heard some predictions and analysis on what is in store for the construction pipeline in the next 6-24 months. This included an update from the Division of Capital Asset Management & Maintenance (DCAMM) commissioner Carol Gladstone. The news from DCAMM was positive. Despite COVID-19, the Division plans to continue business as usual with no changes to their capital budgets. Maintenance and modernization will make up the bulk of DCAMM's work. Major upcoming projects include Bunker Hill Community College, Shattuck Hospital, and the Quincy Regional Justice Center. Subcontractors who are not already certified to bid and work on DCAMM jobs, were encouraged to apply for certification because public work remains a bright spot for construction.

On the private construction side, Aaron Jodka, managing director with Colliers International Boston office gave a snapshot of the market. Bright spots include lab development and industrial/warehouse space, with Amazon expansion sited as an example. Meanwhile, traditional office space development was questioned due to the lasting impacts of COVID-19 suggesting a longer road to full recovery. The outlook was overall positive—a welcome message despite a devastating pandemic which caused unprecedented economic damage.

Legal Update: It is always enlightening to get a lay of the land from a legal perspective now that we are about eight months into the COVID-19 world. Our legal experts talked about force majeure clauses in construction contracts and how they played out during the early days of COVID. Then the conversation shifted to a discussion about claims and costs due to delay and disruption, and we

wrapped up with a discussion of lessons learned from the virus and how to amend contracts moving forward.

Legislative Update with senator Michael Rodrigues: It was great to hear from senator Rodrigues, who was our keynote speaker. The senator chairs the budget-writing Senate Ways & Means Committee and is also a subcontractor as the owner of a flooring company. He truly understands construction and the issues facing subcontractors. He shared his sense of optimism for the recovery of construction industry. The Senator laid out the timeline for the remainder of the session giving insight into the fiscal year 2021 budget before talking about several specific construction related issues.

Michael McDonagh is the CEO of of the Associated Subcontractors of Mass., Boston.

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