In an analysis of the U.S. Department of Labor’s producer price indexes and employment cost indexes, the Associated General Contractors of America found that material prices rose nearly 9% from May 2017 to May 2018 — the biggest annual increase in seven years — despite an only 4.2% increase in the price of construction for the same period. In addition, the AGC said the latest price data did not include hikes due to tariffs, which could pinch contractors even more. From April to May, material prices increased 2.2%.

Construction-related materials that saw a price increase year over year in May included aluminium mill shapes (17.3%), lumber and plywood (13.9%), copper and brass mill shapes (13.8%), steel mill products (10.5%), diesel fuel (44.5%), asphalt felts and coatings (8.9%), ready-mixed concrete (6.5%) and paving mixtures and blocks (5.2%).

Even continued on Page 2
though the steel and aluminum tariffs, which went into effect for Canada, Mexico and the European Union on May 31, are not reflected in this latest round of data, the AGC reported that U.S. steel mills have been inundated with orders that exceed capacity. This is likely to create construction delays and force budget overruns, which could lead to cancellation of some projects.

Dive Insight:
Even though the 25% tariff on steel and the 10% tariff on aluminum have only been in effect for a relatively short amount of time, they have already negatively affected American businesses, according to Bloomberg. This includes the construction industry as some developers have delayed their capital programs, or are considering doing so, because of uncertainty around the impact of the tariffs. This is especially true for those who source material from abroad.

However, the tariffs seem to be making a positive impact on steel-town communities, as mills hire additional workers to keep up with the demand for American-made steel.

Canada, Mexico and the European Union wasted no time announcing retaliatory trade measures against the United States after President Donald Trump decided that the tariff exemptions extended to them in March would no longer be valid. Canada said it would impose tariffs on steel, aluminum and other goods from the U.S. relative to the value of Canadian exports affected by the U.S. duties, which the Canadian government estimated at nearly $13 billion. Canada and other nations, including China, are looking to the World Trade organization to help resolve the dispute.

India is the latest country to take action against U.S. goods in response to the administration’s tariffs. The Indian government has proposed tariffs on 30 U.S. products, a move which is intended to recover the $241 million the country says it will lose to U.S. tariffs.
CHAPTER REPORTS

Chapter 22 Orlando
We strive to keep our membership updated on industry trends and the direction of growth in the market. Since many of the General Contractors in our membership work in Downtown Orlando, it was especially relevant to host Craig Ustler of Ustler Development as he discussed ongoing construction of UCF’s downtown campus, the plan for Creative Village, and his vision for Downtown Orlando West of Interstate 4 for our June membership meeting. Along those same lines Jeff Jones, Strategic Initiatives Director of Osceola County discussed the County’s Master Plan and NeoCity for our July meeting. Attendance at our monthly meeting continues to rise as we look forward to the August membership meeting with Andre Tousignant from PCL Construction and his presentation of Pre-Construction & Virtual Construction Integration.

On the lighter side of things our End of Summer Social at the Broken Cauldron is fast approaching in August. Opening our Fall Social Events will be the ever famous Steak on the Lake as well as the 2nd Annual Fall Olympics.

Regards,
Trevor Hamilton
Orlando National Director

Chapter XX Charlotte
Greetings Fellow PCEA members.
Charlotte has had a busy few months. We had our Past Presidents dinner in June and inducted a new Member Emeritus. Rick Brown has been an active member for 43 years. His family and friends were all in attendance to see him get surprised with this award. We also awarded Chad Ek from Rodgers with Estimator of the year on the same night.

In July we had Building Point come and do a presentation on a new technology that is starting to be used more and more on project sites; mixed reality. For those who are new to the concept it allows the user to don special glasses, Microsoft Halo Lenses, to view computer generated 3D models tied to the project site. What this allows is for the user to see 3D models of the project as designed as he is walking a project site while it is being built to confirm layouts. Yes gentlemen the future is here, all we need now is robots with welders and we can all go home.

In August we did a site tour of the Rail Yard project here in Charlotte. It is already generating buzz in the local architect community and is sure to gain awards and be one of the more recognizable buildings in the Gold District. It is an 8 story mixed use structure that will have office space, apartments and restaurants with a central open plaza along Tryon St. Of note is the iconic exposed steel cross brace framing along the front of the building. We were able to do a little bar hopping after as well so all in all a great meeting.

Upcoming is our annual golf tournament coming up on 9/10/18. We are having it at a new venue this year, the Raintree Country Club. As long as the weather holds this should be a great event!

That is all for now.
Lee Edwards
Charlotte National Director

Chapter XX Upstate
The PCEA Upstate Chapter has a busy few months ahead. Our first major event is an Informational Night for prospective members at The Local Cue in Greenville, SC, on August 9th at 6PM. We will be discussing the mission and vision of PCEA, and network with fellow construction professionals in the Upstate area. Our next big event will be the Scholarship Golf Tournament, on October 9th at Cobb’s Glen in Anderson, SC. This will give us the opportunity to engage in friendly competition with our fellow PCEA members and raise money for a great cause. Our regularly scheduled meetings are on the third Thursday of every month at The Augusta Grill in Greenville. If you’d like to join us, we meet at 6PM on August 16th, September 21st, and October 18th.

Kristen Clarke
Upstate National Director
National PCEA Vice President
Wages have skyrocketed for construction workers since the start of last year, far outpacing the steady wage growth for all workers over the same period, as clear a signal as any of the depth of labor shortages home builders face as they struggle to ramp up building as their costs keep rising. When demand for certain kinds of workers rises, wages for those workers most in demand also tend to rise. And clearly, the demand for skilled construction labor is incredibly high these days.

Wages for all private-sector workers have been steadily increasing since the start of last year, rising between 2.6 percent and 2.9 percent year-over-year, according to data from the U.S. Bureau of Labor Statistics. At the start of 2017, wages for construction-industry workers were growing slightly slower than wages for other workers – around 2.5 percent per year. But they are now growing 3.8 percent per year. The shift is even more pronounced for residential construction workers, in particular: Their wages were growing around 2.4 percent per year at the start of last year, but are now growing at a 5 percent annual pace.
FOR SALE: South Carolina Coastal Lot

Past National President Gail Chapman (Columbia Chapter) and her husband, Chris, graciously donated a parcel of land to the Ted G. Wilson Scholarship Foundation in December 2016.

The .51 acre, marsh miew, wooded lot is located in the secluded Governors Point residential development on Daufuskie Island, South Carolina. It is in close proximity to the Intracoastal Waterway, the Island’s favorite Marshside Mama’s, Bloody Point Resort and just a few minutes from Daufuskie Island’s quiet sandy beaches.

Daufuskie Island, located between Hilton Head Island, SC and Savannah, GA is the southernmost inhabited sea island in South Carolina. It is 5 miles long by almost 2.5 miles wide-approximate surface area or 8 square miles of 5,000 acres. Daufuskie is surrounded by the waters of Calibogue Sound, the Intracoastal Waterway and the Atlantic Ocean.

Accessible only by ferry or barge, and with a full-time population of just over 400, Daufuskie Island encompasses a rich cultural experience, with environmental preserves, private communities, resorts, Gullah houses, diverse art galeries and history. The island was named a historic district on the National Register of Historic Places due to its Gullah and Civil War history.

The Ted G. Wilson Scholarship Foundation Board of Trustees and the PCEA National Board of Directors have discussed possibly offering the lot for sale exclusively to the PCEA Membership for a limited period of time, probably at a substantially discounted price, prior to offering it for sale at market price to the general public. The lot has been appraised within the two years for $25,000.

If you would be interested in finding out more about this opportunity, please contact:

Ted G. Wilson
Scholarship Foundation Chair
rbauer@constructioncostservices.com
321-217-0096

Here's to the days when the sand is your seat and the waves kiss your feet

Ahhh Summer!
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