ENR's Spotlight On:

MID-ATLANTIC CONSTRUCTION

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RECOVERY IN MID-ATLANTIC REGION TO BE DELIVERED MARKED “FRAGILE: HANDLE WITH CARE”

Many signs suggest that a slow, steady recovery in construction activity is beginning, and the Mid-Atlantic region may be one of the top performers. McGraw-Hill Construction analysts forecast that in the Mid-Atlantic states of Pennsylvania, District of Columbia, Maryland and Virginia, total construction will increase 13 percent in 2011. Nonresidential construction alone will increase 7 percent.

The analysts see the sharpest increases in multi-family housing, set to gain 40 percent this year. On the other hand, McGraw-Hill Construction sees a 12 percent decline coming for educational spending and predicts public works spending will be flat. →

According to the Associated General Contractors (AGC), construction employment increased in 30 states between January and February, and the District of Columbia topped the list with a 5.8 percent gain, or 600 jobs.

The largest year-over-year percentage gains occurred in the District of Columbia, which improved 15.8 percent, or 1,500 jobs, according to a press release issued by the AGC at the end of March. Another Mid-Atlantic state that showed strong growth was Pennsylvania, which increased 6.8 percent or 14,300 jobs year-over-year.

While the AGC is cautious and in its press release, says the construction industry is “fragile at best,” it is clear that Mid-Atlantic states are faring better than most. Delaware’s year-over-year job gains were 5.8 percent, Maryland improved 3 percent, Virginia gained 8,500 jobs, or 4.8 percent. Many states are still shedding jobs.

But as the U.S. slowly begins to emerge from one of the worst recessions in history, the Mid-Atlantic market appears to be at risk. A region that is heavily dependent on federal spending, the Mid-Atlantic is already seeing the impact of the American Recovery and Reinvestment Act spending coming to a close, and major spending on programs at military bases throughout the region wrapping up. Plus the pressure from Congress to reduce government spending will only tighten the purse strings further. Together, these factors could take a heavy toll on Mid-Atlantic construction spending by the end of 2011. (...)

INFRASTRUCTURE

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Michael Morgano, head of GRL’s Mid-Atlantic office, says there is still a strong need for infrastructure improvements. GRL is a Cleveland-based engineering firm that provides testing and monitoring systems for all types of deep foundations. GRL’s bread and butter is highway work. “We’re still finding a steady amount of work in New Jersey, Maryland and eastern Pa. with the various Departments of Transportation,” he says. (...)