

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

# Construction Outlook 2021: What's on the Horizon



## President, Associated Builders & Contractors

- ▶ Promote the overall growth of the construction industry on behalf of ABC's more than 400 construction and contracting firms across New York State.
- ▶ Unshackle Upstate's Executive Director for 5 years (currently the Chair of its Board of Directors)
- ▶ Empire State Development (ESD) as Upstate Director for Business Outreach and served as vice president of the Builders Exchange of Rochester

# Let's Start with Good News

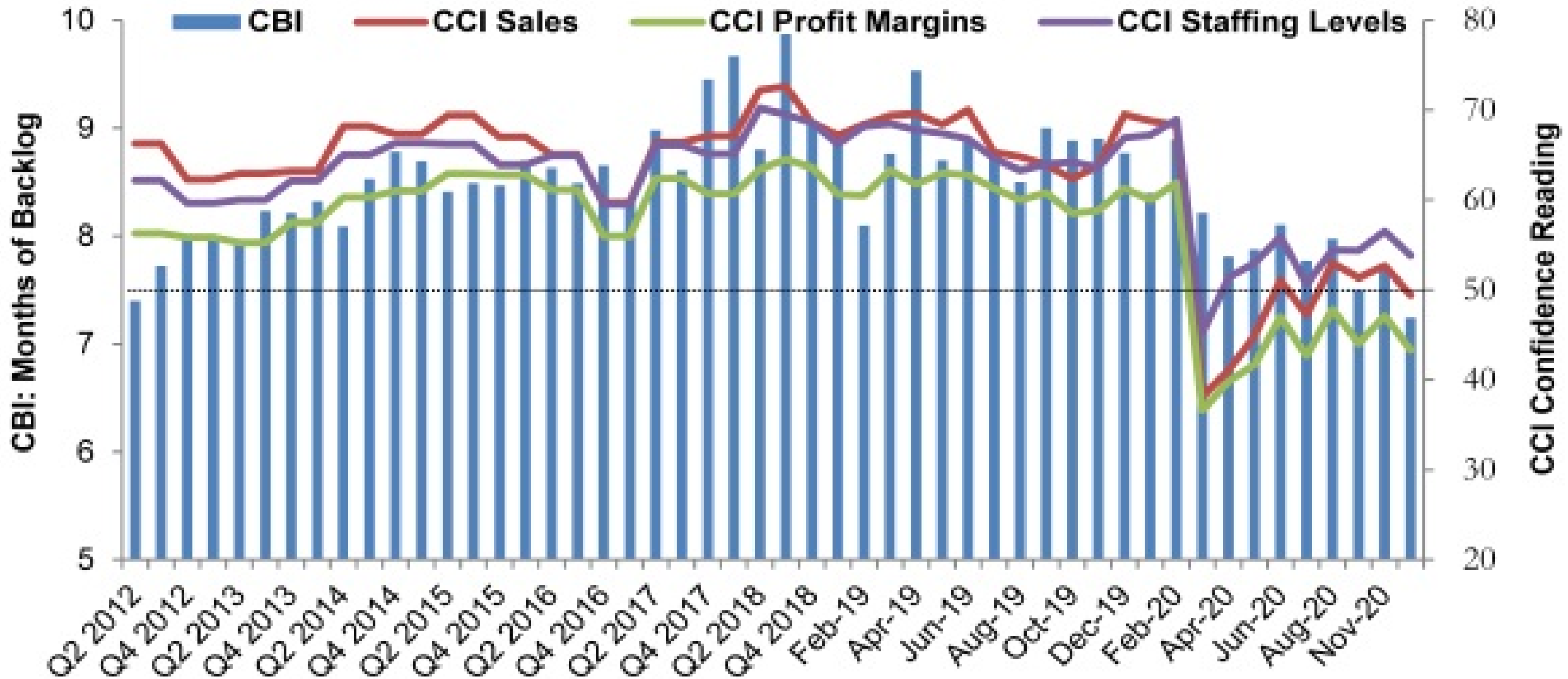
- ▶ While COVID 19 has impacted many industries, construction has, for the most part, held up ok
- ▶ An industry focused on safety was able to pivot quickly and adopt new practices and policies
- ▶ It helped us advocate that construction remain essential
  - ▶ This is important given the Governor's new tactic of Yellow, Orange and Red Zones
- ▶ Overall feedback is 2020 has been a good year for construction

# Uncertainty is the Flavor for Now

- ▶ COVID 19 continues to be a dominant force even with the news of a vaccine
- ▶ The industry is still trying to figure out how to navigate the contractual issues brought on by the virus
  - ▶ Project delays
  - ▶ Supply line disruption
  - ▶ Labor shortages d/t \$600 weekly unemployment benefit
- ▶ The market seems to have figured it out, but concern still exists about investment
- ▶ The prospect of additional lockdowns hasn't helped, with investors remaining too uncertain to bring the next generation of commercial projects to market
- ▶ Office properties, mixed use, lodging and retail remain somewhat flat
- ▶ 2021 is shaping up to be a challenging year for many contractors



# ABC Construction Backlog Indicator & Construction Confidence Index, 2012-Nov. 2020



# Legislative & Regulatory Issues

# 2021 Legislative/Regulatory Issues

## ► Federal

- A change in administration brings uncertainty
- Expansion of Paid Sick and Paid Family Leave?
  - Do they get extended and for how long?
- Congressman Jacobs Scaffold Law Reform
- Infrastructure

## ► State

- \$60B deficit over next 4 years
  - CHIPS funding already cut, OGS sitting on projects
- Legalized Adult Use Recreational Marijuana
- Expansion of Prevailing Wage to Private Work
  - Public Subsidy Board, Definition of Construction
- Scaffold Law - Comparative Negligence
- M/WBE
- General business issues: Unemployment Insurance, Workers Compensation, Single Payer Healthcare

# There is Hope

- ▶ According to the BLS, since the early stages of the pandemic, the industry has recovered more than 800,000 jobs or 74% of the initial job loss
- ▶ Industry added 27,000 jobs in November
- ▶ A crisis is a terrible thing to waste. COVID 19 exposed many of our state's flaws and we need to capitalize on them
  - ▶ Mandates on business and local governments can be reformed WITHOUT losing income for the state or raising taxes
- ▶ New York made the Property Tax Cap permanent limiting the growth of property taxes
- ▶ Congress seems poised to pass another stimulus bill that should have state/local government assistance



Q & A