



## Labor Issues Continue to Plague Construction

One of the most pressing issues facing the building industry is labor shortages; with lack of top craftspeople, projects require more tedious oversight, resulting in greater risk of problems, Neff says in an EXCLUSIVE.

By Lisa Brown | January 23, 2019



*Don Neff says one solution is a more proactive and robust quality assurance program.*

SAN FRANCISCO—Labor costs and shortages continue to plague the construction industry. This is an issue that has evolved during the past few years and is anticipated to persist this year as well. In this exclusive, Don Neff, president/CEO of LJP Construction Services, shared insights into these labor obstacles and resulting quality assurance concerns.

### **GlobeSt.com: How are labor shortages manifesting in Bay Area construction?**

Neff: One of the most pressing issues facing the building industry in 2019 will continue to be labor shortages. The building industry in the Bay Area and elsewhere is managing through labor constraints across multiple trades. Lacking top-grade craftsmen, projects require more tedious oversight by field superintendents and construction managers, resulting in greater risk of construction problems.

According to the results of an industry-wide survey recently released by the Associated General Contractors of America, an overwhelming majority of construction firms reported trouble finding qualified craft workers to fill key spots as demand for construction continued to rebound in many parts of the country. This labor shortage can lead directly to construction quality issues. Of the 1,358 surveyed respondents, 86% said they were having difficulty filling hourly craft or salaried professional positions, particularly carpenters, sheet metal installers and concrete workers. In addition, construction firms were having a hard time finding qualified people to fill salaried professional positions, namely project managers/supervisors, estimators and engineers.

One solution to the construction quality issue is to initiate a more proactive and robust quality assurance program that can accurately and quickly assess the construction process in real time and discover problem areas before they grow into much bigger deficiencies and potential lawsuits.

**GlobeSt.com: Why is quality assurance more important today than in the past?**

Neff: Because of the growing demand for housing today coupled with the lack of skilled construction workers, builders and general contractors are put in a situation where they must hire less qualified tradesmen to keep up with demand. We call these B and C quality trades. This lack of skilled workers results in builders and contractors dealing with such deficiencies as field workmanship, misinterpretation of plan details and deviations from manufacturers' recommendations. Without a readily available, qualified and well-trained labor force, a builder's team has increased quality assurance burdens in the field, leaving their company and insurance carriers potentially exposed to a higher risk of defect litigation.

**GlobeSt.com: What is the value of new quality assurance technology for a builder's project?**

Neff: New quality assurance and control technologies that combine advanced digital capabilities with Internet connectivity can enhance production efficiency. This can provide the construction team with the ability to quickly and precisely produce performance insights that result in faster response to potential construction issues and the detailed information necessary to fix problems before they get worse. Another important benefit is a builder's ability to accurately measure contractor on-site performance, which can help the builder and contractor more directly and quickly identify problem areas and thus take steps to increase performance and quality in the field. Also, from a quality perspective, knowing how well a contractor performs in comparison to other contractors that are building the same product type across the same or in different regions, can quickly identify helpful criteria to evaluate the quality of their work or red flag an inherent risk profile.

**GlobeSt.com: What about the ability to more deeply analyze the quality of construction work?**

Neff: The vital factors for effective protection and litigation-free success in production building include accurate plan details, durable manufactured products, following relevant manufacturer recommendations and top-quality field workmanship in the assembly process. Capturing this data live in a real-time environment delivers three key benefits: evaluation of the contractors, evaluation of your

field team and evaluation of overall project construction performance that is constantly communicated to the builder's management team and insurance underwriters.

**GlobeSt.com: What are the benefits of this technology on a macro scale?**

Neff: Today's technology can provide a consistent and accurate project assessment from macro to micro levels, presenting a more complete and coherent view of the project site and construction work from top to bottom as opposed to a bunch of unconnected pictures and notes. This all-encompassing view of the construction site tells a more complete and comprehensive story about the project as it progresses, making it easier to identify anomalies that could be potential trouble spots in other similar projects. For instance, one of the most common defects in residential construction is water intrusion, particularly in window and roof assemblies. Catching these types of problems by an ongoing, methodical quality assurance process before they become hidden defects can save developers and contractors millions of dollars in repairs or in lawsuits, not to mention damage to their reputation.

**GlobeSt.com: How does the technology work?**

Neff: LJP's CaptureQA is an iPad app deployed through the Internet. It combines project images with the associated narrative that provides a real estate developer or general contractor with real-time quality assurance reporting and related analysis in one digital package that can be acted on almost as quickly as it's received. The onsite inspection and documentation is conducted by our construction trained personnel so there is no misstep or misinterpretation of the data.

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