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"Build baby build!" could be the axiom for Region 8 amidst optimistic indicators such as 5-year record construction starts, high employment rates, low interest rates, the promise of an infrastructure package, and tax reform, which prompt predictors to remain hopeful that the NW will continue to keep pace with expanding US distribution and construction trends. Leading the way with "the most construction cranes of any city in America," Seattle, with its 68 major projects, boosted Washington State's construction employment by 10,700 new construction jobs in our region (a 5.8% increase) in the last 12 months, according to AGC of America. As a percentage, only Oregon ranks higher with a 10.9% increase (9,800 jobs) since May 2016. Idaho and Montana are also up 3.9% and 2.6% respectively while construction employment in Alaska declined by 900 construction jobs year over year. While positive for local economic conditions, like the US at large, growing pains in the form of labor shortages have carried over from 2016 and are spurring lawmakers to address the need for the funding of technical/vocational career education programs to assure a future labor force adequate to meet future project demands. The greater Seattle project barometer may have seen its peak, but, as large-scale employers such as Amazon, Google, Facebook and Weyerhaeuser continue to take up residence in the market, a $1.6 billion expansion of the Washington State Convention Center breaks ground later this year, and a 2-year $36 million I-5 restoration project kicks off, the labor demand will likely persist through 2018. This environment is prime for MRO distributors supplying heavy equipment and facilities maintenance who should continue to enjoy strong aftermarket sales.

Similarly, Idaho's residential construction industry, spurred by a healthy business climate that is attracting new business, is booming, with AGC reporting that Lewiston (23%) and Pocatello (13%) rank among the top 4 markets in the nation, by percentage, for the number of new construction jobs from April 2016 – April 2017. Boise tops the nations list of largest percentage gains for metro construction jobs with more than $1 billion poured into a combination of private and public projects, including many that were stalled in 2016 due to the construction labor shortage.

Not to be outdone, Oregon's project horizons predict an ambitious 70 new construction projects in the greater Portland area beginning this summer and beyond, including major projects such as I-5 Morrision Bridge ramp repairs, Morrison-Yamhill Max track replacement and various paving projects. Even as the state's housing construction market continue to chase pre-recession levels, job growth in the construction sector remains positive in response to its recent population boom. Other state industries operating at all-time highs include food manufacturing, hospitality, transportation, and utilities, which spotlight economic opportunities for distributors selling into maintenance and repair operations for these industries.

For Montana, recovering from the energy industry slowdown, an ongoing tough climate for the states once-robust forest products industry, plus a decline in agriculture, translated into a significant hit to the construction industry last year, reports the Bureau of Business and Economic Research. Despite the current lag in new home construction, Montana expects its economy to grow again in 2018 "with improvements in the energy and housing industries." Key projects including the $150 million transformation of Big Sky Resort plus a decade-long $1 billion regentrification of surrounding areas is in line with Montana's surging tourism industry.

Overall, the economic outlook, amid positive growth indicators in most markets of Region Eight's industrial distribution sector, is positive and optimism is high. And while concerns over labor demands including the potential for an immigration policy that could further impact the current labor shortage, the cost of attracting and retaining millennial workers, keeping pace with technology in light of the emerging face of on-line competitors, and vendor consolidation are real, they seem tempered by momentum from recent economic expansion trends, a healthy pipeline of projects, and the promise of sustainable expansion via federal support in the form of an infrastructure investment proposal and tax reform.