

## STAFDA Midwest Region 5 Report (IL, IN, KY, MI, OH, WI)

Construction growth in the Midwest Region has seen some substantial growth in 2017 with backlogs out 9 months and some even further. Overall outlook from contractors is very positive especially in the commercial and institutional segments. Infrastructure projects are strong in most states with water, sewer and road projects leading the way.

Commercial construction backlog in Indiana rose 11% to its highest at 9 months. Infrastructure backlog has also seen increases this year and are expected to decrease only at a minimum for the rest of 2017. Heavy industrial backlog remains lower but has risen to almost 6 months. Pricing burdens and lower auto sales have contributed to this trend.

Another record construction season is underway for Ohio. The second straight gain is being fueled by a 2.3 billion dollar investment in the states roads and bridges. Labor tends continue to be the markets biggest challenge as most all commercial segments showing impressive growth.

The auto industry is investing in Kentucky with new technologies arriving at the Toyota plant. Ford has been busy with almost a billion dollars' worth of work on the book. They have continued the expansion in their heavy truck plant and the retooling of their auto plant. UPS has also made Kentucky a focus with another expansion in their next day air hub in Louisville. Convention centers and the hospitality industry have also seen some significant construction activity around the state.

The optimism is expanded through the first half of 2018 as many contractors are backlogged until then. Skilled labor is the biggest challenge all trades are facing in all markets as unemployment numbers hit record lows and fewer people entering the crafts. Many trade organizations are looking ways to grow and improve their training programs with the expectations of attracting new workers to the construction market. Recruiting reliable and consistent talent is key and backing that up with exceptional vocational education must done.

Training and education is also a major focus for many large construction firms, not only for recruiting but also for retention. Companies are investing heavily in programs and facilities to set themselves apart and offer something different from their competitors.

The one consistent challenge out there is finding good labor. Not only in the field but in all layers of a construction company. This trend will continue as the market grows and stays strong. The companies that do well with recruiting and retaining employees will continue to grow and offer improved services to their customers over the firms that don't have a plan.