



NEWS

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IMPORTANT Dates to Remember

- **May 31st - 2018**
Scholarship
Applications Due
- **September 17th -**
Annual Golf
Outing Woodcrest
Country Club



Memorial Day is observed on the last Monday of May. It was formerly known as Decoration Day and commemorates all men and women who have died in military service for the United States. Many people visit cemeteries and memorials on Memorial Day and it is traditionally seen as the start of the summer season.

Memorial Day started as an event to honor Union soldiers who had died during the American Civil War. It was inspired by the way people in the Southern states honored their dead. After World War I, it was extended to include all men and women who died in any war or military action.

Memorial Day was originally known as Decoration Day. The current name for this day did not come into use until after World War II. Decoration Day and then Memorial Day used to be held on May 30, regardless of the day of the week, on which it fell. In 1968, the Uniform Holidays Bill was passed as part of a move to use federal holidays to create three-day weekends. This meant that, from 1971, Memorial Day holiday has been officially observed on the last Monday in May. However, it took a longer period for all American states to recognize the new date.

Construction Decelerating, But Not Declining, Experts Say

Dive Brief:

- Despite the construction industry decelerating, it is not in a decline, according to industry experts who participated in a webinar titled "Is the Construction Expansion (Cont.)

"Decelerating?" hosted by Dodge Data & Analytics April 3.

- Total construction starts anticipated for the coming year amount to a 3% gain, which, although lower than last year's 4% rise and more substantial increases in previous years, is still in positive territory.
- Bob Murray, Dodge's chief economist, said that the market is functioning at a decent clip and that despite rising interest rates and material costs and a tight labor market having a dampening effect, those factors won't put the market into a cyclical decline.

Dive Insight:

Dodge Data & Analytics takes the residential, commercial, institutional and public works sectors into account when analyzing the construction industry's overall health. Institutional building led growth in 2017 with a 14% increase, with transportation terminal construction projects seeing a big uptick, including the New York City's \$7.6 billion LaGuardia Airport.

In fact, transit-oriented development is becoming a bigger driver for the industry as demand is strong in suburban markets where residents want to live near transportation connections to cities where jobs are. That, in part, contributed to Dodge amending its 2018 multifamily housing projection, from anticipating a nearly 10% decline to only a 3% decline.

Murray reviewed several categories within the commercial construction market: office realized renewed growth in 2017; warehouse construction is strong; and hotels, which climbed sharply in 2011-2015, had moderate growth in 2016 and now is settling back.

Healthcare in 2017 saw about 83 million square feet built, an increase from the average 68 to 77 (Cont. on Page 2)

million square feet during the previous few years. Large-scale projects were led by the \$1.4 billion Penn Medicine Patient Pavilion in Philadelphia last year.

The education sector also is seeing modest growth, as well as amusement and recreation, which includes convention centers, sports arenas, theaters and casino projects.

Economic and legislative issues, of course, are strong influencers to what's happening in the construction market. The passage of the Tax Cuts and Jobs Act of 2017 included stimulative elements, such as corporate and personal income tax reductions, that could be a boon in the near term. Conversely, though, capping state/local income taxes, property taxes and the mortgage interest rate deduction could dampen single-family housing.

At a macroeconomic level, Murray also pointed indicators such as the GDP forecast of 2.8% this year and 2.3% in 2019, as well as potential rises in the federal interest rate this year, the stock market, and job growth, which isn't showing any signs of slowing.

Material prices — particularly steel and aluminum in light of the recent tariffs — will influence, but won't define, the market. Most material prices already were rising throughout 2017, and Murray anticipates prices will have a shaping element, but won't change the construction cycle's course.

However, when a construction decline ultimately takes place, which could be about 10% starting in late 2019, Murray said it will not be a replay of what happened in 2009.

apartment complex on Route 9 between Sunset Avenue and Church Road in Toms River (Ocean County), was approved by the town's Planning Board. The building will be a mix of 113 market-rate apartments and 28 affordable units. However, the 32,000-square-foot retail building next to the apartments, which was planned for 12 to 15 stores, was not approved. The project developer is 1606 Lakewood Road LLC.

Newark Gives Us a Peek at Amazon Bid: Newark officials (at the request of Amazon) have refused to release details of its bid for the Amazon HQ2. Now they have opened up some details while redacting six pages of financials that explain the \$7 billion tax incentives..

Here are the proposals revealed:

- Six sites in two districts – Newark Penn Station and Broad Street Station in downtown Newark – with a total of 15 million square feet of office space
 - ◊ Washington Park Campus (two sites at 33 Washington Street and 520 Broad Street with 250,000 square feet and 350,000 square feet respectively)
 - ◊ Lotus Riverfront (12 acres, construction-ready, replacing Bears Stadium; could include retail and 2,000 residential units)
 - ◊ Matrix Riverfront (five acres with four buildings in two locations; up to 1 million square feet of office space)
 - ◊ Gateway Center (650,000 square feet move-in ready)
 - ◊ Mulberry Commons
 - ◊ SoMa (owned by RBH Group; nine acres with historic buildings that would be rehabilitated)
- A move split into three phases, with the first move into existing space and the second and third into new structures



As Reported From ACCNJ

President Postpones Steel and Aluminum Tariffs:

On May 1st the White House announced it would postpone for a month its decision to impose steel and aluminum tariffs on Canada, Mexico and the European Union – the three largest suppliers of steel to the US. The tariff exemption on the three was set to expire at midnight on Tuesday. To date, South Korea has won a permanent exemption, and exemptions for Australia, Argentina and Brazil appear to be in the works.

Apartment Complex Approved in Toms River:

The Woods at Toms River , a 141-unit (cont.)

2018 BCA/SJ Scholarship Program



The Building Contractors Association of South Jersey's 2018 Scholarship is available to an employee, employee's dependent, or dependent grandchild of a BCASJ Contractor Member.

This membership service is offered to put greater emphasis on all aspects of education, not exclusively the construction industry.

Deadline for Applications— May 31st