Construction Pre- and Post-Pandemic

Like many industries impacted as a result of the COVID-19 pandemic, the construction industry is projected to see some declines, although not hit as hard as other sectors.

This report was done in partnership with Construction Employers Association and Cleveland Building and Construction Trades Council and explores the construction industry, including trends for the decade 2009 - 2019 as well as projections post-pandemic through 2025.

TeamNEO | JobsOhio Network Partner

Quarterly Economic Review

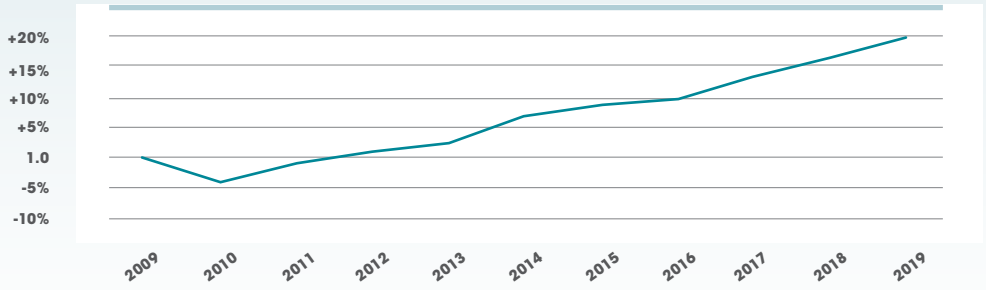
MARCH 2021

The Cleveland Building & Construction Trades Council reports that major projects are boosting Ohio's 2021 construction outlook. That's great news for not only those already working in the industry but also those who are seeking employment opportunities in the coming months and years. Construction offers good-paying jobs with family-sustaining wages, and a variety of career paths.

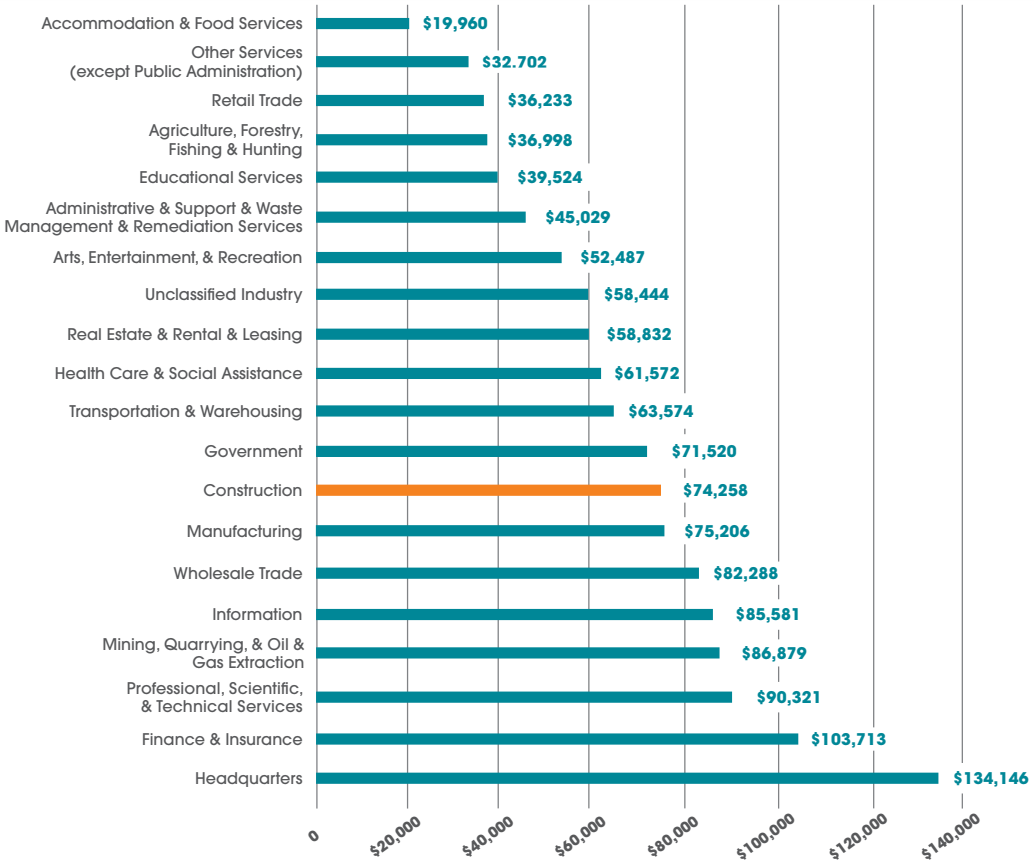
The construction sector has long been a vital part of the Northeast Ohio Region's economy. Before the pandemic hit, employment in this sector was on a steady rise. Now that recovery is in sight, construction is expected to outpace other sectors in regaining its foothold. Post-pandemic, it will play a leading role in rebuilding the local economy both literally and figuratively.

Recognizing the great potential of the industry to continue growing into the future, construction companies, associations, higher-education institutions and other organizations are enthusiastically investing in apprenticeship and other training programs to support individuals working toward skilled-trade and management careers.

Change in the Northeast Ohio Region Construction Employment: 2009-2019



Average Earning by Sector: 2019



Top 10 Construction Occupations: 2019

CONSTRUCTION EMPLOYMENT THRIVES THROUGH 2019

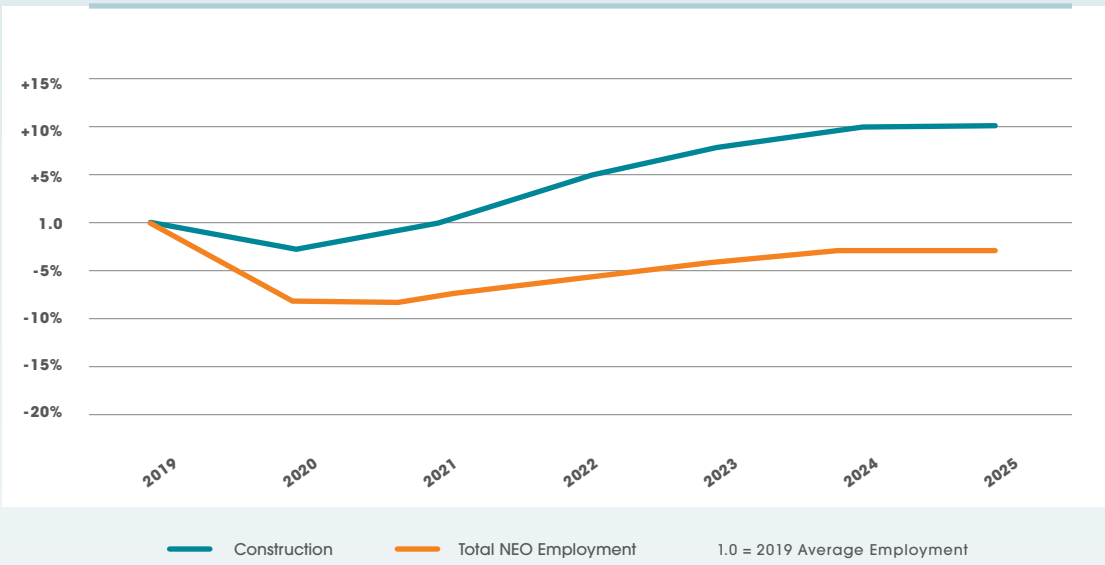
In the decade preceding the pandemic (2009 to 2019), construction employment grew from 66,861 jobs to 79,769. That 19% growth made construction the third-fastest-growing sector among Northeast Ohio industries. Construction's nearly 13,000 net new jobs over that period also represented the fourth-highest number of jobs created across sectors.

Construction ranks among the top third of the Northeast Ohio Region industry sectors for wages with overall average earnings at $74,258, including management and executive occupations as well as trades occupations.

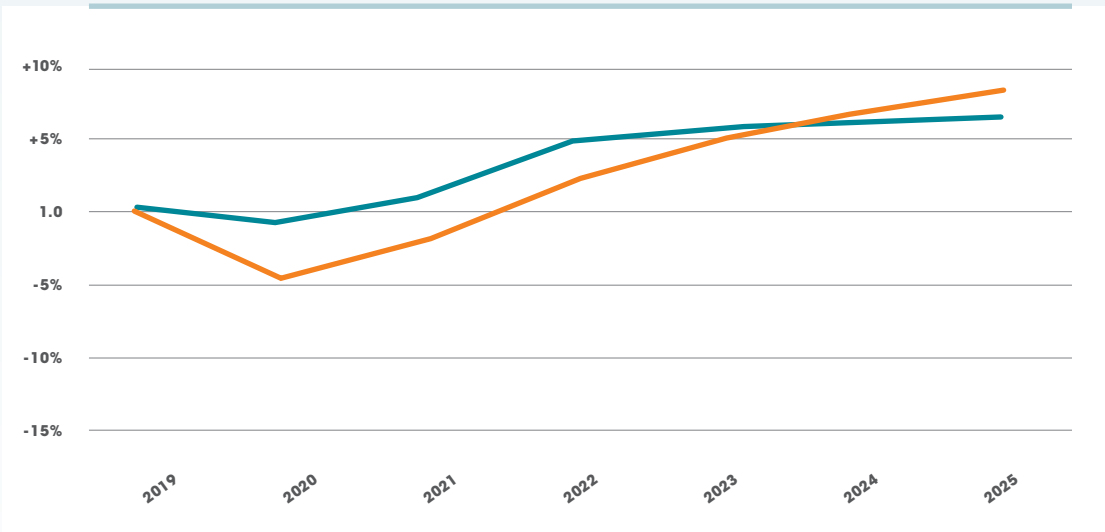
Construction occupations cover a broad scope of areas, from specialized trades to general labor. Laborers are most numerous, with nearly 13,300 workers, followed by electricians at just over 8,200 and carpenters at more than 7,300. Northeast Ohio is supporting this workforce with a growing number of training programs and career pathways to ensure the ongoing strength of the construction sector into the future.

Source: EMSI

Projected Post-Pandemic Change in Employment: Construction vs All Jobs



Post-Pandemic Projected Change in GDP: Construction vs All Sectors



CONSTRUCTION EMPLOYMENT AND GDP PROJECTED TO RECOVER FASTER THAN OTHER INDUSTRIES

The pandemic took its toll on construction employment as well as the overall Northeast Ohio Region's economy in 2020, causing declines of 3% and 9%, respectively. The construction sector is projected to gain back employment more quickly than the region overall, recovering most jobs between 2021 and 2022, and projected growth of 10% by 2025.

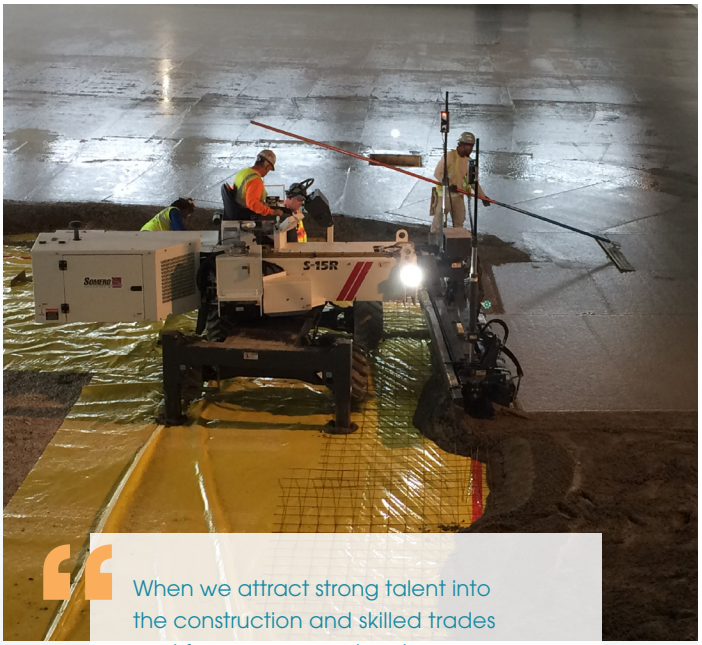
Similarly, the construction sector is on track to a faster gross domestic product (GDP) recovery than the region overall, with construction expected to achieve pre-pandemic levels of output by 2021 and the Northeast Ohio Region by 2022.

Source: Moody's Economy.com

While Moody's forecast projections used for this report show a slightly more optimistic potential for recovery headed through 2021, limited survey data prepared by The Associated General Contractors of America, Inc., dictates it may take longer.

Talent Pipeline Through Apprenticeships

Having a robust construction and skilled trade industry – and a strong talent pipeline for it – is one of the keys to building a vibrant and resilient economy in the Northeast Ohio Region. Cleveland Builds, a program supported by the Cleveland Building and Construction Trades Council (CBCTC) and Construction Employers Association (CEA), encourages labor force participation through education and training that helps workers access jobs with family-sustaining wages. Cleveland Builds works in tandem with traditional union apprenticeships. Other programs, like Work NOW, the Latino Construction Program and ACE Mentoring of Cleveland, all sponsored by CEA, strive to increase diversity and inclusion in the skilled trades and construction management.



"When we attract strong talent into the construction and skilled trades workforce, more workers have access to jobs with family-sustaining wages and good benefits. Our economy and our community benefit when we provide the training and make the connections necessary for people to build successful careers."

- *Tim Linville, Chief Executive Officer, CEA*

Northeast Ohio Construction Project

Church + State Mixed-Use Apartment Complex
Cleveland, OH

Church + State is a mixed-use apartment complex located in the Hingetown neighborhood of Cleveland. Finished in August of 2020, the complex included an underground parking garage, two apartment buildings with retail at the first-level and a community courtyard space. There are a total of 158 apartment units, with a mix of (24) studio, (100) one bedroom, (28) two bedroom and (10) three bedroom units. The project totaled 240,000 square feet and with a volume of $48 Million.

Streetsboro Site First Project to get Ohio Site Inventory Program Funding in the Northeast Ohio Region

In 2020, the Ohio Site Inventory Program (OSIP) from JobsOhio was introduced and offers grants and low-interest loans for speculative site and building development projects to fill gaps in Ohio's real estate inventory. The first project to be awarded funding in the Northeast Ohio Region is Gateway Commerce Center, a planned development consisting of Class A speculative industrial space, totaling 434,000 square feet conveniently located in Streetsboro. Geis broke ground on this state-of-the-art industrial facility in the fall of 2020, and expects the project to be ready for tenants by summer 2021. The cross dock facility will offer 32' clear height, 56 9' x 10' dock doors, ample vehicle and trailer parking, in addition to opportunities for companies to grow on site. This project represents one of the largest contiguous new construction options in the industrial market in the Northeast Ohio Region.

GEIS COMPANIES

434,000 SF BUILDING
STATE ROUTE 43 N - STREETSBORO, OHIO

CLICK HERE to learn more about this project.

Data Sources

The data used for this report is Moody's Analytics and EMSI based on Q4 2020 annualized national and local projections to employment and GDP. It is important to note that it is still VERY EARLY into the COVID-19 crisis, and as such, all projections are highly subject to change. Moody's preliminary estimates have already been significantly revised nationally. Fully calculated data on the true impact to employment and GDP at the local level could take 18-24 months to understand. Early projections are likely to be conservative, as nationally forecasted changes for 2020 pre-COVID data have not been fully analyzed at the local level.

About Team NEO

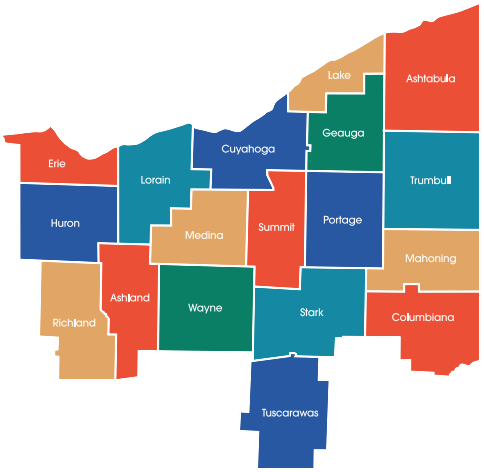
Team NEO is a private, nonprofit economic development organization accelerating business growth and job creation throughout the 18 counties of the Northeast Ohio Region. As the designated JobsOhio Network Partner, we align and amplify local economic development efforts in the region's 18-counties; we conduct research and data analysis to inform local conversations and influence solutions; we market the Northeast Ohio Region; and we work to increase access to jobs, education and training for the region's 4.3 million people. We do this to build a more vibrant regional economy; one that is more talented, equitable, competitive, innovative, resilient and prosperous. For more information, visit **teamneo.org.**

Special thanks from Team NEO to our investors

For a complete list of funders, visit **teamneo.org/investors.** To join Team NEO as an investor partner and help drive the next wave of economic growth in our region, connect with **Dawn Southard,** Vice President, Investor Relations at **440.476.0476** or **dsouthard@teamneo.org.**

Economic development partners across 18 counties of Northeast Ohio

- Ashland Area Economic Development
- Columbiana County Port Authority
- Erie County Economic Development Corporation
- Geauga Growth Partnership, Inc.
- Greater Akron Chamber
- Greater Cleveland Partnership
- Growth Partnership for Ashtabula County
- Huron County Development Council
- Lake County Ohio Port & Economic Development Authority
- Medina County Economic Development Corporation
- Portage Development Board
- Richland Area Chamber & Economic Development
- Stark Economic Development Board, Inc.
- Tuscarawas Economic Development Corporation
- Youngstown/Warren Regional Chamber
- Wayne Economic Development Council



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