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# Hurricane Harvey Recovery Pt. 2: Labor Woes

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Photo courtesy of Tamir Kalifa for The New York Times

At this early date, it is impossible to provide estimates concerning the amount of labor and materials it will take to recover from Hurricane Harvey. Right now, any numbers given are pure speculation. However, we can take a look at the labor and materials markets as they were before [Hurricane Harvey showed up in the Gulf of Mexico.](#)

It appears that Harvey is making an already tight labor situation worse. The impact on the materials market nationally is still unknown, but some educated guesses are being made.

## **Construction Labor Already Stressed**

Before Hurricane Harvey was even a disturbance out in the Atlantic Ocean, homebuilders were estimating that the lack of skilled workers was adding up to a month and a half to the construction of a house. Construction firms were going begging for people in almost every hourly or salaried position.

- [The five most difficult trades to recruit were carpenters, bricklayers, electricians, concrete workers, and plumbers.](#)
- Other positions that proved difficult to fill included project managers and supervisors, BIM personnel, estimating personnel, engineers, and quality control personnel.
- [The number of immigrants](#) who typically filled unskilled labor had shrunk due to increased border security and a better Mexican economy that kept the typical migrant at home.
- Laborers who were laid off in the Great Recession were forced to find work in other industries and may not wish to return to construction.

[Around 79 percent of construction companies and general contractors](#) were trying recruit and retain veteran workers while another 70 percent were increasing their recruitment of women and people of color. They were increasing base pay, overtime work, and benefits. Anything to entice people into the construction business.

Then along comes Hurricane Harvey. Harvey came ashore three different times after retreating to the Gulf to pick up more energy. Each time, it dropped more rain and created more destruction than anyone might have imagined. The counties within the disaster area comprise around 4 percent of nationwide single-family construction and 32 percent of new home construction in Texas.

Before the rain stopped falling, there was already concern about finding skilled labor to begin rebuilding thousands of homes and commercial structures.

- The National Association of Homebuilders reports shortages of some trades have not been this high since 2000.
- Unemployment is at a six year low of 4.3 percent.
- Government data for 2017 shows 225,000 open construction jobs in the U.S.

Masons and concrete workers, typically the most needed trades after a disaster, have been impossible to find for nearly 70 percent of construction firms, and the need was 16 percent higher than average before Harvey came ashore.

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When rebuilding commences, general contractors and construction companies will need workers who can stay for months if not years. However, there is nowhere for the workers to live. Existing workers are difficult to keep in the area when a better opportunity and easier lifestyle is available elsewhere.

### **Potential Solutions**

The AGC has called for the Senate to pass legislation to increase funding for the Perkins Career and Technical Education Act and to integrate it with the Hurricane Harvey relief package.

Other solutions include more extensive use of drones and robots while embracing lean construction techniques. Off-site fabrication, driverless construction vehicles, and other labor saving equipment also have the potential to ease the crisis.

### **The Impact to Materials**

Material shortages are expected in the short- term, which will result in price increases across the board. Supply bottlenecks are mostly to blame. Tremendous volumes of drywall, plywood, and roofing will be required over the next months as homes, and commercial structures are rebuilt.. logistics work is also a challenge with roads and railways still under water or washed out. The port of Houston is at reduced capacity as well. Steel shipments from overseas will be delayed.

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Fortunately for the lumber market, a planned 20 percent tariff increase on Canadian softwood lumber has been delayed for now. On the other hand, steel prices were already up over the summer and expected to continue that trend through September. Turkish rebar is in high demand, and it is estimated that a delay in scrap metal availability is inevitable. Typically, light iron and shreddables are brought out of the disaster area first, followed by cars, non-ferrous grades of metal, and heavier steel.

The labor market, which was already extremely tight, will worsen until a labor pipeline can be established to bring newly trained workers into the market. Experienced tradespeople have their pick of projects and may be difficult to entice into an area if wages and benefits are not increased significantly.

Construction firms are likely to move toward drones and robotics to make up for the lack of unskilled labor. Businesses will rely more heavily on software solutions to increase efficiency in the face of a shortage of project managers and other personnel.

The price of materials will continue to rise and experience delays and shortages for the time being. As logistics begin to normalize and transportation eases, prices may stabilize. Perhaps this will buy enough time to find better materials to help stem run-off. As neighborhoods are rebuilt, retention and detention ponds can be retrofitted into the area. Maybe new reservoirs could be added in areas where rebuilding is too risky.

There are new materials that would improve durability and reduce unhealthy mold growth available now. As Texas works to clear away what is damaged, perhaps it will take the time to acquire some of these materials to guard against future problems.

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