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With construction permits down, Connecticut builders wonder about 2018

By Alexander Soule Published 4:15 pm, Wednesday, November 1, 2017



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A home undergoes construction on Sound Beach Avenue in Old Greenwich, Conn. Tuesday, Oct. 31, 2017.



Amid a drop in construction employment in Connecticut this year — a puzzling development for some in southwestern Connecticut, given no shortage of cranes poking skyward these days in Stamford, Norwalk and other locales — hiring could be tamped down further in 2018 given an accompanying decline in permits for new housing.

Through the first nine months of the year, the Bridgeport-Stamford region ranked in the bottom 10 percent of the nation for new housing permits as compared to the same stretch in 2016, of more than 350 metropolitan areas tracked by the U.S. Census Bureau.

For single-family home construction, however, southwestern Connecticut is faring better, with a 4 percent increase in permits as of September from a year ago. That still trailed much of the nation, with the region ranking in the bottom 40 percent of population centers.

The outlook for the industry nationally was such to embolden Lennar Corp. to announce this week a \$5.7 billion buyout of rival CalAtlantic to form what would be the nation's largest home-building company, if approved by regulators.

Wondering about 2018 doings

In Connecticut, construction industry employment dropped sharply since June, according to estimates by the state Department of Labor. As of September, builders employed 56,200 people in Connecticut, DOL determined, down nearly 9 percent from last April that represented the sector's peak employment in 2017. Since then, construction employment has dropped five months running, and is now at the lowest level since July 2014.

Entering November, the employment website Indeed listed just over 1,300 construction jobs in Connecticut, with Hartford leading the state with 175 openings followed by Stamford with 75 and Bridgeport and Norwalk with just over 50 each, and Danbury closer to 40. Many of those positions were for work on projects not involving single-family home construction.

Don Shubert, president of the Connecticut Construction Industries Association, told Hearst Connecticut Media it is unusual to see construction employment numbers drop in the prime of the building season, and that the data could point to "underlying problems in the Connecticut economy" in his words.

While the mild temperatures of much of last winter may have affected the summer employment numbers by allowing builders to get started on projects earlier, Shubert said that would not be the only reason for a decline. He added that a shifting pipeline

of intermittent work creates additional problems for contractors, forcing them to cut back staff only to retrain people as work picks back up.

Entering November, Shubert expressed worries there may be fewer people being brought on in 2018, given the current outlook.

"Right now, the industry has plenty of (labor) capacity," Shubert said. "Some contractors are wondering what they are going to be doing next year."

'When they find the artifacts'

If Lennar and CalAtlantic form a national colossus, Toll Brothers continues to be a major builder of new properties locally, with large-scale housing developments under construction in Danbury and Bethel.

Bethel Crossing, quickly rising near the Danbury border, is Toll Brothers' only strictly single-family home development in Fairfield County. Ten homes are completed and occupied as construction continues on 15 more houses. Ground is yet to be broken on the remaining units. It will have 71 single-family homes when done.

In west Danbury, near the New York line, The Rivington is a collection of luxury townhomes, condominiums and carriage homes. Toll Brothers is marketing The Rivington as a "New American Village" and the sprawling development includes indoor and outdoor pools, a tennis court and miles of walking trails.

Speaking in August, the CEO of Toll Brothers noted the delays that that can occur between the filing of a construction permit and foundations actually being poured.

"You don't know exactly when you will get that last permit that allows you to start construction," said CEO Doug Yearley, during a conference call. "As much as you believe that you have that permit in October, when they find the Indian artifacts on the property and slow you down six months, you have a delay. ... We do our best (and) we hit many of our opening dates, but in other cases something comes up and it slows us down."

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