Rebounding From a Severe Recession, Wall and Ceiling Contractors Report Business Up in Some Areas With Reasonably Good Prospects For the Future

Anyone who feels the wall and ceiling construction market is changing fast has pretty much gotten in touch with the pulse of things. For 18 months recession had savaged the industry but in the last year business opportunities came back strongly in most areas of the U.S. and Canada.

That’s what the eighth annual Business Volume Survey conducted by Construction Dimensions showed. With some 183 wall and ceiling contractors sending in completed forms, it was obvious that the industry was rebounding—with plenty of strength left over for a strong carryover into 1985.

AWCI contractors, projected from the returns, performed some $963,338,020 worth of wall and ceiling work during the past 12 months. Their backlog runs a hefty $549,150,000. The current volume level represents a $282,958,000 advance over the previous year—almost a one-third jump.

Furthermore, the contractors taking part in the survey show a strong sense of optimism for the coming business year. Half of the contractors surveyed estimated that work volume will increase by about 18% this coming year for their own business. Their overall projections for the industry indicated a healthy 20% improvement over existing work volume levels.

Of the 183 contractors reporting, only 13 felt that business would take a downturn of about 5%. Some 65 contractors felt that work and volume levels would remain about the same.

A statistical indication that the commercial building market was coming back strong is reflected in the switch from sold or negotiated work to bid work. For the first time in nearly a decade, last year’s data indicated that contractors were out beating the bushes for work. The sold or negotiated percentage of work was up to nearly 30%.

In the past 12 months, the bid market apparently has reasserted itself. Wall and ceiling contractors said they obtained $684,551,647 in the bid market, while a primary emphasis on

### BUSINESS VOLUME SURVEY

**WHAT MARKETING APPROACH WAS USED**

- Work Obtained by Bid: $684,551,647 (71.10%)
- Work Primarily Sold or Negotiated: $278,786,344 (28.90%)

**CURRENT AND FUTURE BUSINESS PROJECTIONS**

98 Companies Report $549,150,000 Work Backlog as of June 30, 1984

**BACKLOG COMPARISON WITH PREVIOUS YEAR (BY REPORTING COMPANIES)**

- 163 Companies Report Current Backlog Greater by $187,550,787 than a Year Ago
- 8 Companies Report Current Backlog Less Than Previous Year by $27,878,574
- 12 Companies Report Current Backlog About Same as Previous Year

**CONTRACTOR PROJECTIONS FOR WORK COMING UP FOR BID IN COMING YEAR**

- 91 Contractors Report Work Will Increase by Approx. 18%
- 13 Contractors Report Work Will Decrease by Approx. 5%
- 65 Contractors Report Work Will Remain About the Same as Previous Year

**PROJECTIONS BY WALL AND CEILING CONTRACTORS FOR INDUSTRY, 1984-85**

- 117 Contractors Feel Wall and Ceiling Sales Volume Will Increase by Approx. 20%
- 39 Contractors Feel Wall and Ceiling Sales Volume Will Remain the Same
Drywall Strongest . . .

Not surprisingly, the amount of drywall work demonstrated where wall and ceiling contractors get most of their volume. Showing a significant improvement over the previous year, drywall accounted for more than 12 percent of the total volume of work done. Contractors reported $369,329,300 worth of drywall installation, up from last year’s total of $309,400,400.

Acoustical ceiling work also showed a sharp rise, increasing to $100,320,300. Because the exterior insulated wall systems appeal to contractors with plastering capabilities, it appears that lathing and plastering is strengthening as a viable market. Plastering contractors reported a 12-month volume total of $58,201,430—up considerably over the depressing $39,100,000 for the previous year.

At the same time, stucco and specialty coatings also enjoyed a resurgence with contractors reporting a work level of $22,859,600, a much better showing than the year before.

Non-Union Growth?

Is the non-union element growing in wall and ceiling construction?

Judging from the survey returns, the expansion of non-union construction is continuing apace and showing no signs of slackening.

Of the 184 returns some 65 contractors—a record high—reported that they were non-union contractors. The division for non-union operation between AWCI members and non-members was also about even—with slightly more non-members operating...
open or merit shops.

One unionized contractor stated: “I lean toward the perpetuation of non-union contractors in our industry. The unions will gradually be phased out of existence due to the immense competitive advantage of non-union shops.”

None of the other reporting contractors were prepared to go that far in their predictions, but they did indicate a painful awareness of the non-union operators.

“I feel the non-union contractor along with small union ‘pick up truck contractors’ will make it more difficult competitively for small to medium sized work,” said Bob Weis, of George Weis Company, Millstadt, IL.

“Business is going to increase,” said Gerald Hardcorn, “but union contractors are losing a higher percentage every year to the open shop contractor.”

A non-union AWCI member, Obbie Hairfield, of Cheaspeake Plastering Company, in Chesapeake, VA, predicts, “It’s been very good under the Reagan administration and I’m looking forward to another good four years.”

Many contractors, too, are implementing plans to sustain their volume levels and prepare for future years.

“In our line of work,” says M.J. Zellner, of Zellner Plastering Company, of Los Angeles, “I look for more projects bidding and an improved business climate over the next 12 months . . . particularly after the general elections.”

Some contractors are casting eyes at an expanded marketing area. Michele McIntyre, of AdA Drywall, Cincinnati, OH, will move into general contracting, while Tom McCartney, T.J. McCartney, Inc., of Amherst, NH, will be expanding his demountable partition business while working on organizational expansion, too.

In the final analysis, it will depend on the marketing situation itself and where the business can be found.

“Houston was a booming market while the rest of the country was depressed,” explains AWCI President Bill Marek, of Marek Brothers. “For the coming period, contractors here will simply have to wait it out, let the occupancy levels get back in balance, and stay in business until the pendulum swings back.”