

Construction industry builds momentum

By J.R. Logan

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Up Front Construction owner Bob Orner has been a builder in Taos for 37 years. At his peak, he employed as many as 30 workers. But a few years back, he was forced to lay off his entire crew.

"These were people who had worked for me for 25 years," Orner said in an interview this week. "That was devastating to me and them."

Things have been rough for a lot of local contractors and laborers, but there are signs that the industry has hit bottom and is gaining momentum.

In 2006, when building was really booming, the construction industry made up nearly 20 percent of the county's total economy. It employed over 1,000 people. Permits for 70 new houses were approved inside the town limits alone.

But the implosion of the national real estate market in 2008 brought the craze to a screeching halt.

Local employment in the industry in 2013 dropped to around 500, even with the support of public works projects like the Taos Town Hall renovation, construction of the Taos County Complex and Kit Carson Electric's broadband initiative. Economic activity in the industry last year was down 43 percent from its peak.

Still, there appears to be a turnaround. More contractors are pulling permits for new home starts, and employment in the industry is trending upward.

Orner with Up Front Construction said he's rehired a lot of his old crew and is up to nine employees now. He's also been asked to build a new home — his first in quite a while.

"It's not back to what it was, but there are more phone calls. More possibilities," Orner said. "It's a very slow recovery, but it's going in the right direction."

Brian Trujillo is one of Orner's construction supervisors. A few years ago, he had to lay off co-workers he considers friends. But he's been slowly bringing them back. "It's nice to call up a friend and say, 'Hey, I've got some work for you,'" Trujillo said. "It's kind of like old times, and that's exciting."

If the market is coming back, it's going to look a lot different than it did eight years ago.

For one thing, the slowdown weeded out a lot of people. Some builders found themselves overextended when the bottom fell out of the market, and they ended up going belly-up. Some newer companies that popped up during the boom faded away just as quickly when it went south.

The stalwart builders that hung on have managed to score enough small jobs to at least survive.

Trujillo was on unemployment for four months until his boss was able to cobble together enough work to bring him back. Since then, he's stayed busy with just a couple laborers doing carports, portals and small remodels. It doesn't always add up to 40 hours a week, but it's something. Other guys he used to work with have been scrounging work off-the-books or have had to take jobs in restaurants to pay the bills.

Trujillo said even though he's stayed busy, there's been plenty of uncertainty.

"The biggest difference is when we were doing those big custom houses, we knew where we were going to be for months," Trujillo said. "With these small jobs, that's not the case. You're not really sure whether you're going to be working two or three weeks out."

Lafe Harrower, owner and operator of Lucas Construction, said local contractors banded together to weather the worst of the storm.

"When we were slow, we were all helping each other out," Harrower said. "There's a strong sense of community among the builders."

When one of his jobs would end, he go to work as a laborer for another contractor.

When things picked up for him again, he says he'd repay the favor.

If there's an especially bright spot in the apparent recovery, it's Lucas Construction. Town records show the company pulled permits for two new homes this year, and Harrower says he's got other new builds in the works.

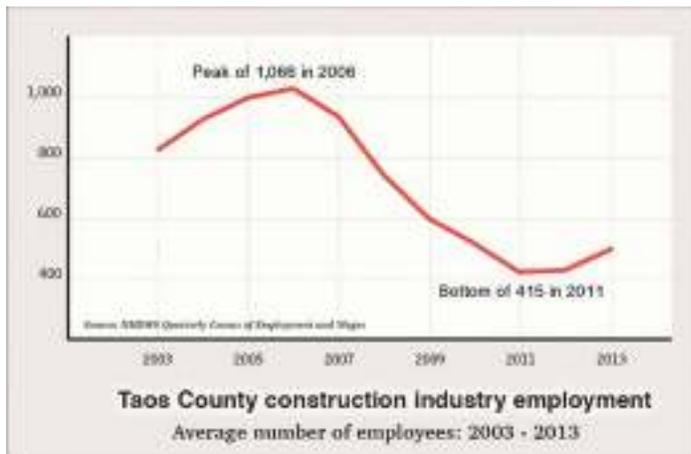
For Harrower, who's also been plugging along with little jobs, it's a nice change of pace. "It feels like we're doing what we're good at: Coming into a clean site and working with clients from start to finish on new construction," he said.

Part of his success he attributes to a good website and good word of mouth, but he also sees attitudes among customers improving.

"There's been people sitting on the fence," Harrower said. "Some of them are working in Texas, making money, and have decided they can afford this now. For those people, the economy has turned around."

Even so, Harrower acknowledges that the construction industry's recovery relies heavily on conditions in the Taos real estate market. At the moment, there is still a glut of foreclosures driving down home prices, meaning that it can be a lot cheaper to buy rather than build.

Also, land sales have been stagnant, suggesting Taos hasn't yet seen a real influx of people ready to take the leap on a new home.



Graphic by J.R. Logan

Employment in Taos County's construction industry topped out at more than 1,000 in 2006 before plummeting in the wake of the recession. Only in the last couple years has the industry been adding jobs — a trend that mirrors increased building permit applications for new homes.