AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
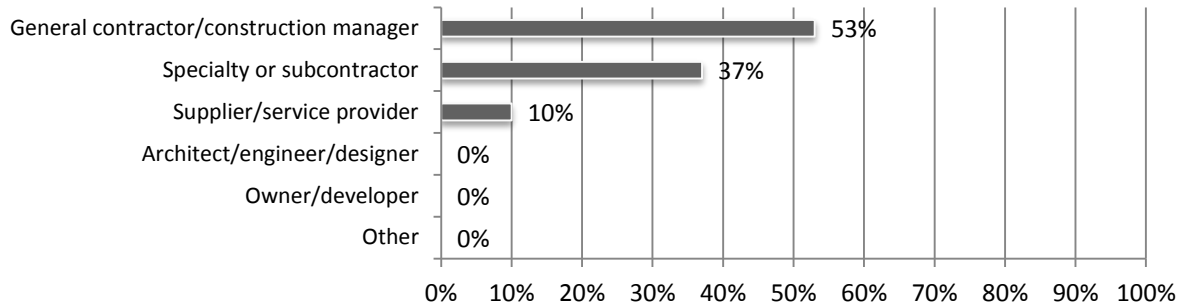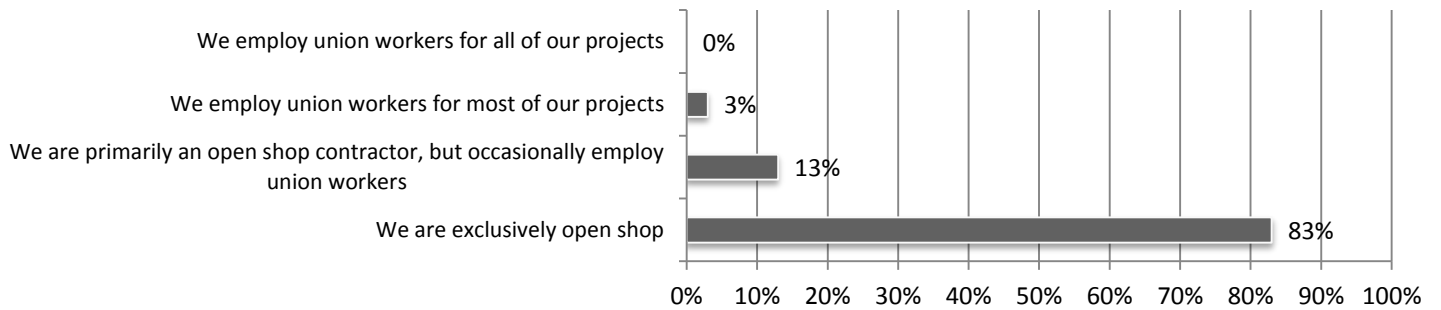**Quality People. Quality Projects.**

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2018 Construction Outlook Survey Results
North Carolina Results

Total Responses: 30. Responses varied for some questions. Percentages are based on responses to each question and may not sum to 100 due to rounding.
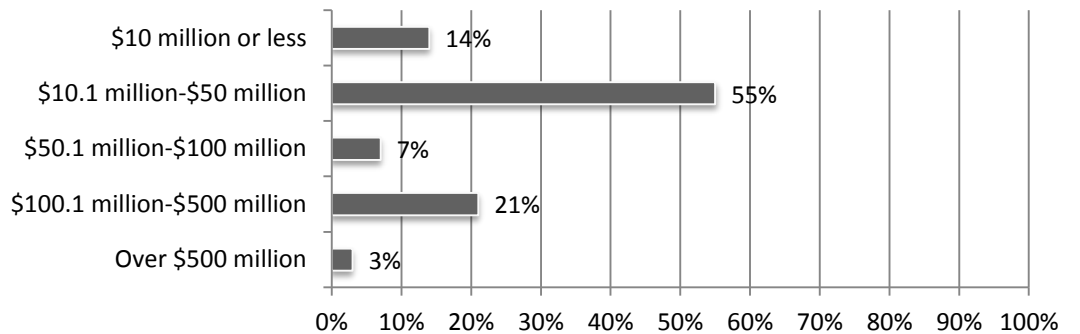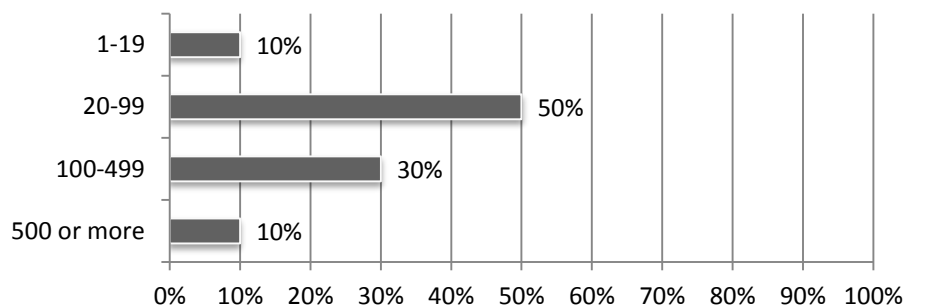
1. What best describes your firm:

- General contractor/construction manager: 53%
- Specialty or subcontractor: 37%
- Supplier/service provider: 10%
- Architect/engineer/designer: 0%
- Owner/developer: 0%
- Other: 0%

2. Does your firm employ union workers, or is your firm primarily open shop?

- We employ union workers for all of our projects: 0%
- We employ union workers for most of our projects: 3%
- We are primarily an open shop contractor, but occasionally employ union workers: 13%
- We are exclusively open shop: 83%

3. Estimate the total dollar amount of work your firm performed in 2017.

- $10 million or less: 14%
- $10.1 million-$50 million: 55%
- $50.1 million-$100 million: 7%
- $100.1 million-$500 million: 21%
- Over $500 million: 3%

4. How many total employees does your firm employ at all of its locations?

- 1-19: 10%
- 20-99: 50%
- 100-499: 30%
- 500 or more: 10%

5. Compared to 2017, do you expect the available dollar volume of projects you compete for in 2018 to be:

Market	Higher	Lower	Same	Net*
Power	64%	9%	27%	55%
Public Building	41%	0%	59%	41%
All projects	48%	8%	44%	40%
Private Office	31%	0%	69%	31%
Retail, Warehouse, Lodging	38%	6%	56%	31%
Manufacturing	40%	13%	47%	27%
K-12 School	42%	16%	42%	26%
Higher Education	35%	12%	53%	24%
Highway	33%	13%	53%	20%
Hospital	29%	18%	53%	12%
Transportation (e.g., transit, rail, airport)	17%	8%	75%	8%
Water/Sewer	15%	8%	77%	8%
Federal (e.g., VA, GSA, USACE, NAVFAC)	24%	18%	59%	6%
Multifamily Residential	15%	23%	62%	-8%

*Net equals difference between number of "Higher" and "Lower" responses as percent of total.

6. What numerical change do you expect in your headcount in 2018?

More than 25	19%
11-25	22%
1-10	33%
No change	22%
Decrease	4%
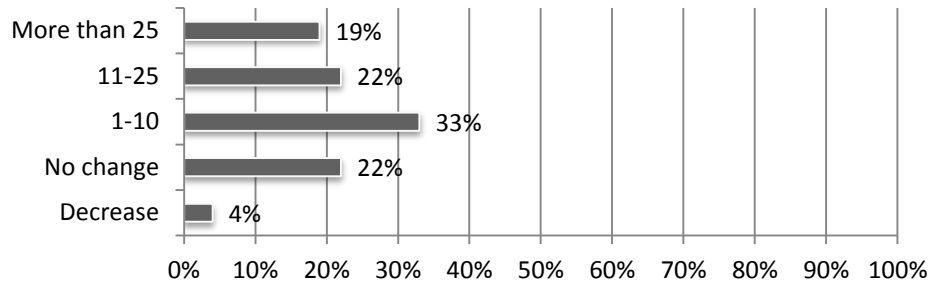
7. What percentage change do you expect in your headcount in 2018?

More than 25%	7%
11-25%	11%
1-10%	56%
No change	22%
Decrease	4%
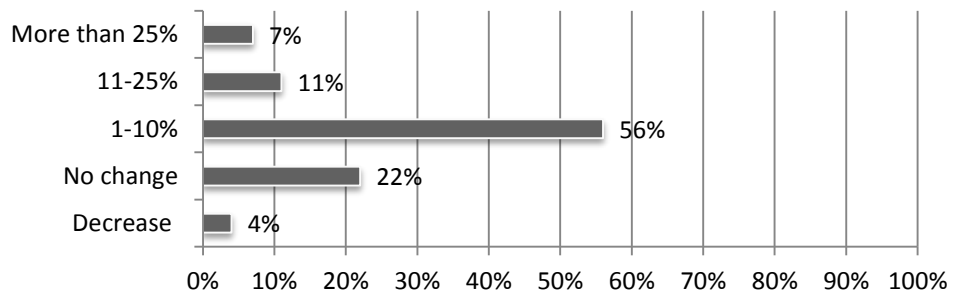
8. How would you describe your firm's current conditions for filling key salaried positions (project manager/supervisor, estimator, etc.) and hourly craft positions (carpenter, laborer, equipment operator, etc.)? My firm is:

having a hard time filling both salaried and craft worker positions	74%
having a hard time filling some salaried positions, but no trouble filling craft worker positions	4%
having a hard time filling some craft worker positions, but no trouble filling salaried positions	19%
having no trouble filling any positions	0%
not doing any hiring	4%
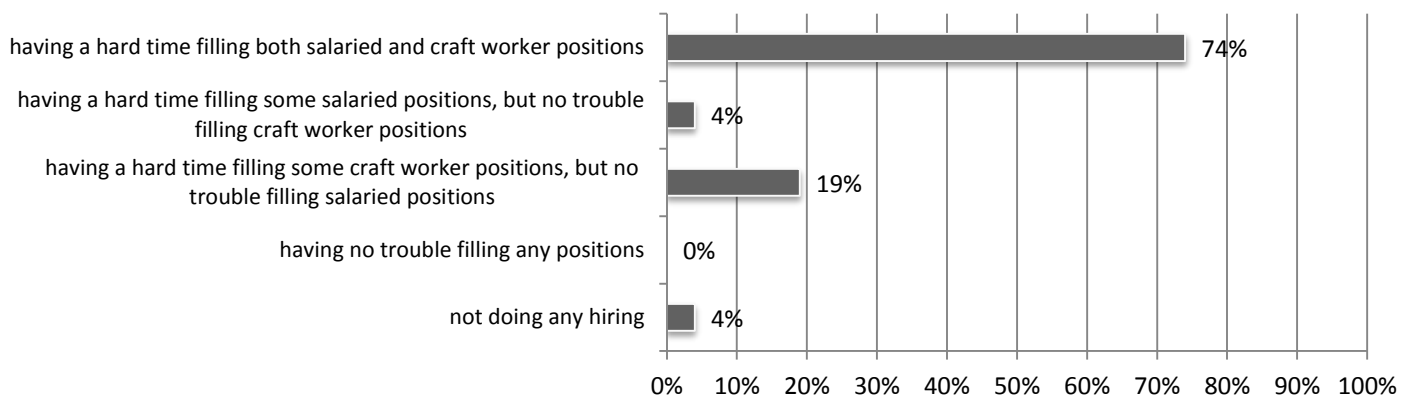
9. Do you expect any changes in the availability of salaried/hourly craft construction professionals over the coming 12 months? Finding and hiring qualified construction professionals will:

Response	Percentage
continue to be easy	0%
become easier	0%
become harder	22%
continue to be hard	74%
unsure	4%
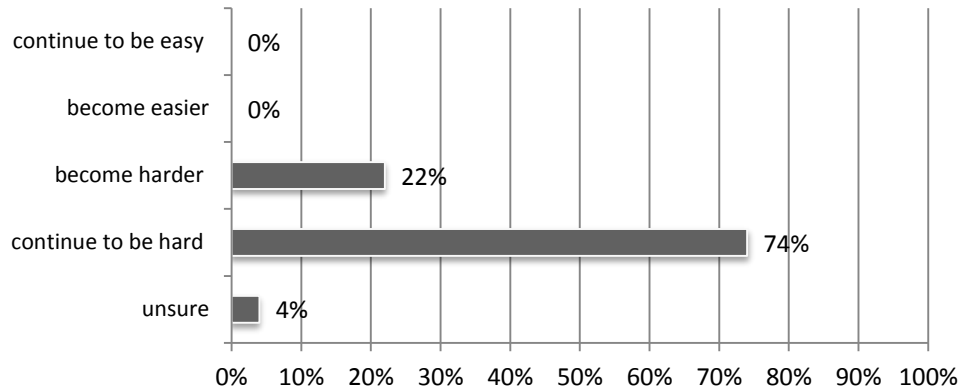
10. Did your firm increase pay or benefits in 2017 to retain or recruit salaried/hourly craft professionals?

Response	Percentage
Increased base pay	63%
Paid more overtime	4%
Provided incentives/bonuses	26%
Increased contributions and/or improve employee benefits	33%
No, but we are considering increases in pay and/or benefits in the near future	4%
No, and we are not considering increases in pay and/or benefits	11%
Unsure	7%
We did not seek to hire any salaried/hourly craft professionals in 2017	4%
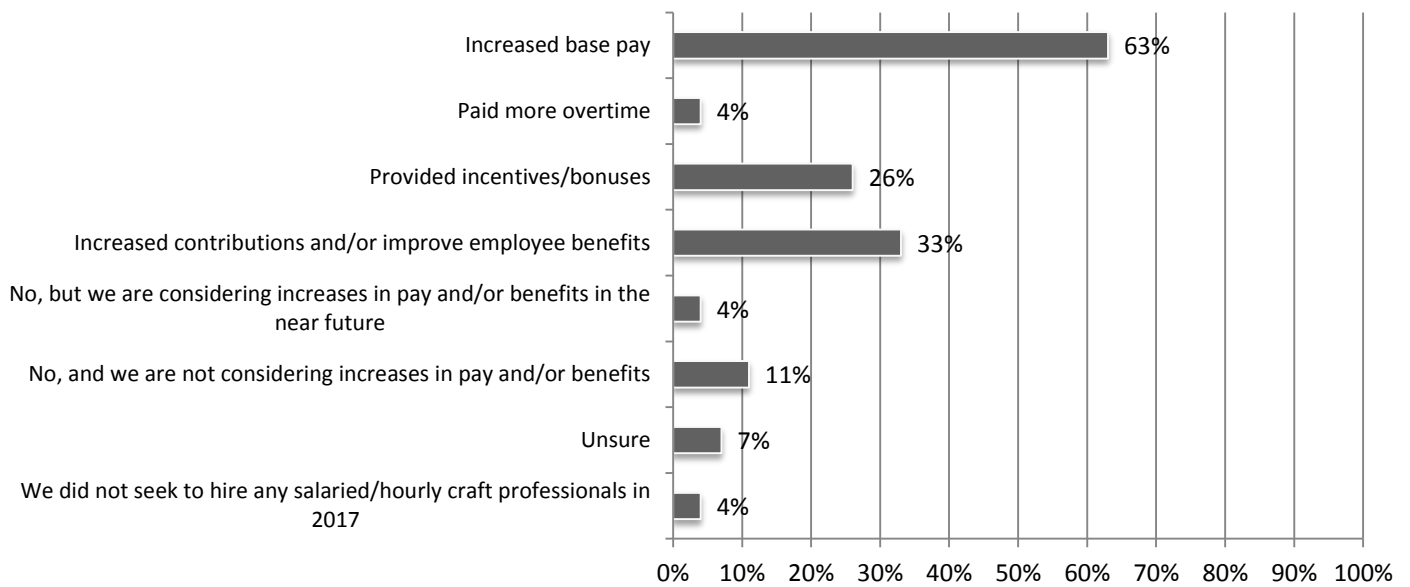
11. Compared to 2017, how will your firm's 2018 investment in training and development change?

Response	Percentage
Increase	41%
Decrease	0%
Stay the same	59%
Unsure	0%
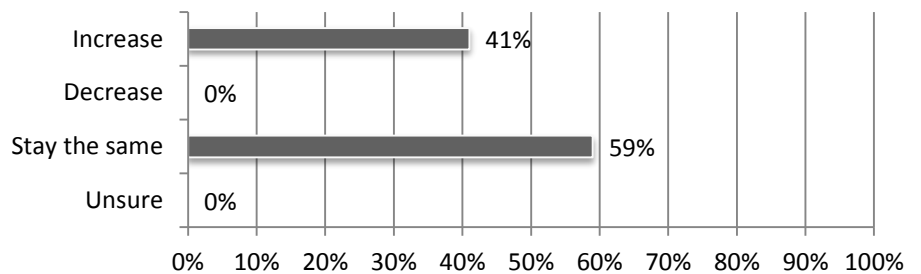
12. Which of the following issues is the biggest concern to your firm out of the following list?

Issue	Percentage
Growth in federal regulations	44%
Worker shortages	44%
Increased competition for projects	40%
Internal company process inefficiencies	40%
Safety	38%
Rising direct labor costs (pay, benefits, employer taxes)	24%
Worker quality	10%
Growth in state and local regulations	0%
Lack of infrastructure investments	0%
Lack of public non-infrastructure work	0%
Not enough private sector work	0%
Relations with external process inefficiencies (such as collaboration with owners, subs and/or vendors)	0%
Rising indirect labor costs (recruitment, training)	0%
Rising materials costs	0%
Rising subcontractor costs	0%
Subcontractor defaults	0%

13. What challenges, if any, do you see regarding the safety and health of your firm's workers?

Challenge	Major	Minor	No challenge
Inexperienced skilled labor/workforce shortage	58%	31%	12%
Lack of cooperation from federal agencies or regulators	31%	42%	27%
Low quality of available safety and health training	12%	38%	50%
Poor subcontractor safety and health performance	32%	44%	24%

= Major   ■ Minor   ⋅ No challenge
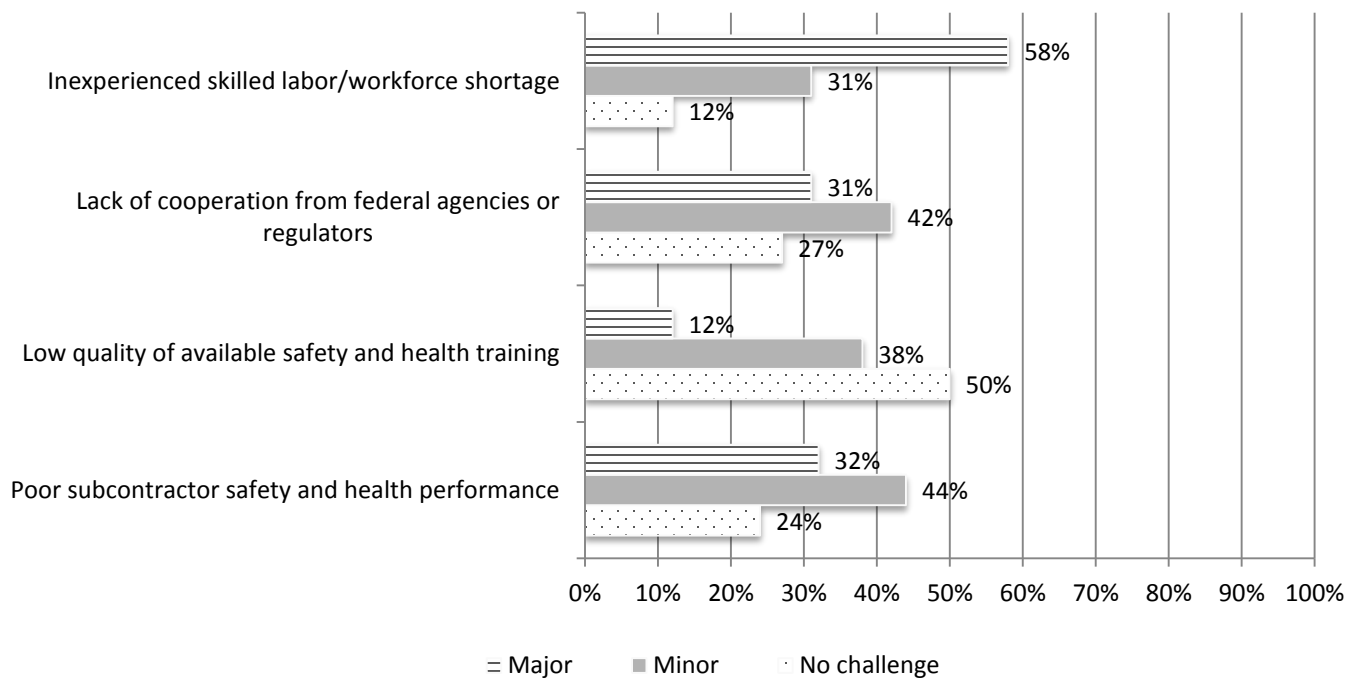
14. What change do you expect in 2018 in the number of your firm's projects that involve Building Information Modeling (BIM)?

Response	Percentage
Increase	20%
Stay the same (+/-10%)	32%
Decrease	0%
We do not expect to use BIM on any projects in 2018	28%
Unsure	20%
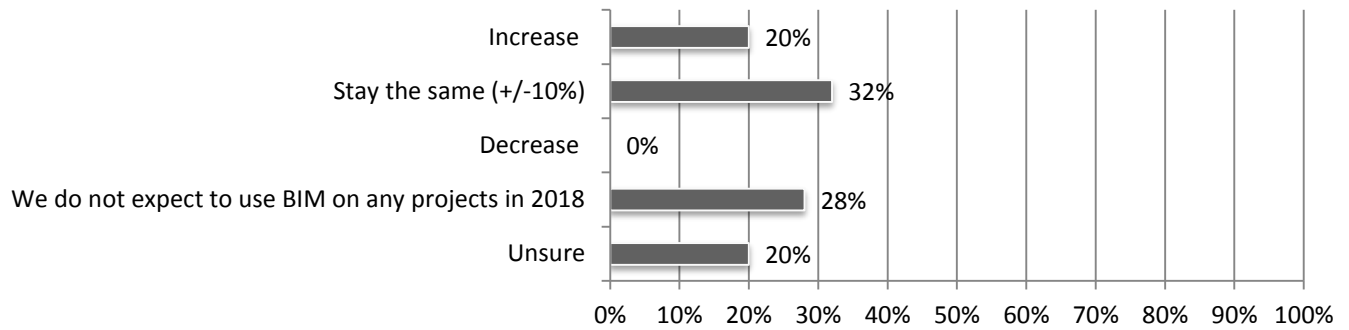
15. What is your firm using BIM for?

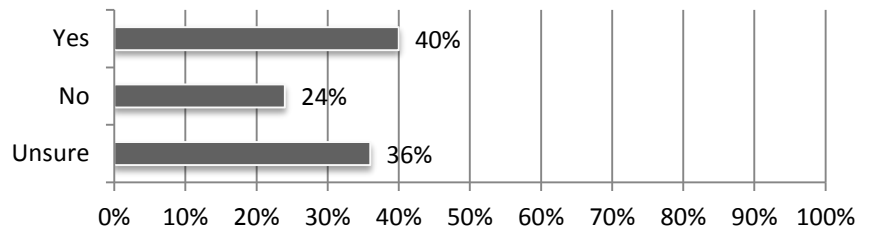| Response	Percentage
Clash detection	60%
Constructability input into the design process	33%
3D model-based takeoff for cost estimating	27%
Visually communicate project scope to clients	27%
Scheduling and workforce planning	20%
Design of 3D model	13%
Safety (identify safety issues, safety by design, safety training, etc.)	7%
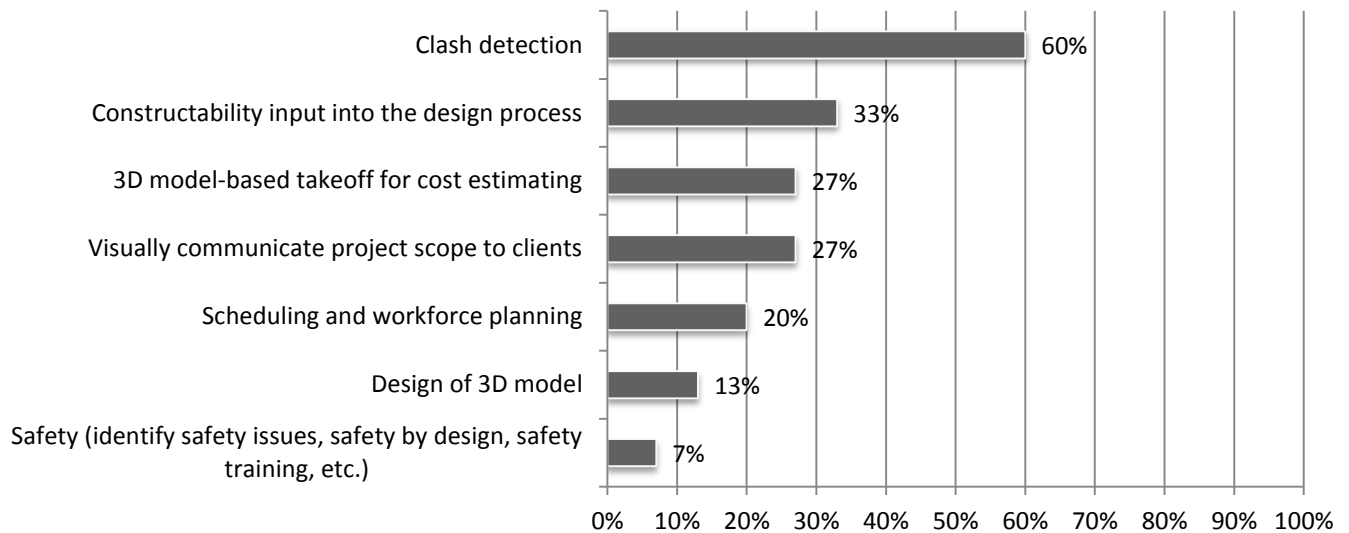
16. Does your firm utilize lean construction principles on its projects and/or in its operation?

Response	Percentage
Yes	40%
No	24%
Unsure	36%

17. Does your firm use any of the following collaborative project delivery methods?

Response	Percentage
Design-build	72%
Design-assist	36%
Integrated project delivery (IPD)	8%
Public-private partnerships	8%
None	12%
Unsure	16%
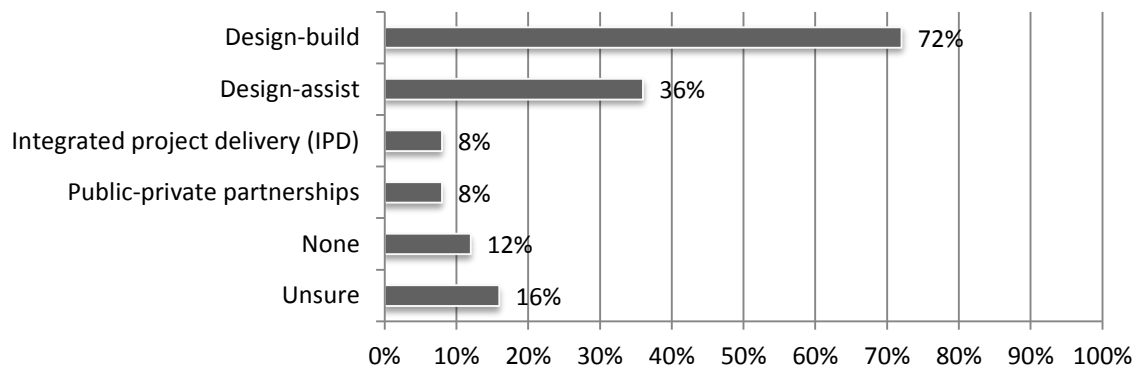
18. Does your firm use any of the following to collaborate with project partners?

Category	Value
File-sharing sites such as Dropbox	71%
BIM	29%
Online project collaboration software	25%
Home-grown project website	13%
None	8%
Unsure	8%
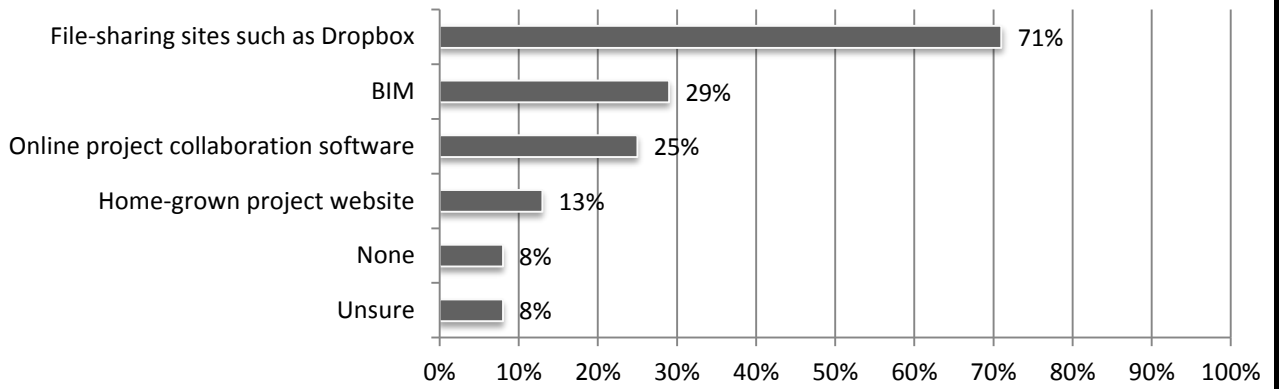
19. What business of IT functions does your firm outsource or plan to outsource to a technology provider?

Function	Currently outsource	Plan to outsource
Accounts payable automation	6%	0%
Accounts receiveable payment automation	6%	6%
Inventory	0%	0%
Lien waiver processing	6%	0%
Payroll	18%	0%
Prequalification	0%	0%
Subcontractor insurance processing	0%	0%
Backup and disaster recovery	12%	0%
Desktop (light maintenance)	12%	0%
Network management	47%	0%
Voice over IP (phone service over the internet)	6%	6%
Our firm doesn't currrently outsource or plan to outsource	35%	12%

Currently outsource   Plan to outsource

20. Approximately what percent of your firm's gross annual revenue is spent on IT?

Category	Percentage
Less than 1%	39%
1 to 1.9%	22%
2 to 2.9%	9%
3% or more	0%
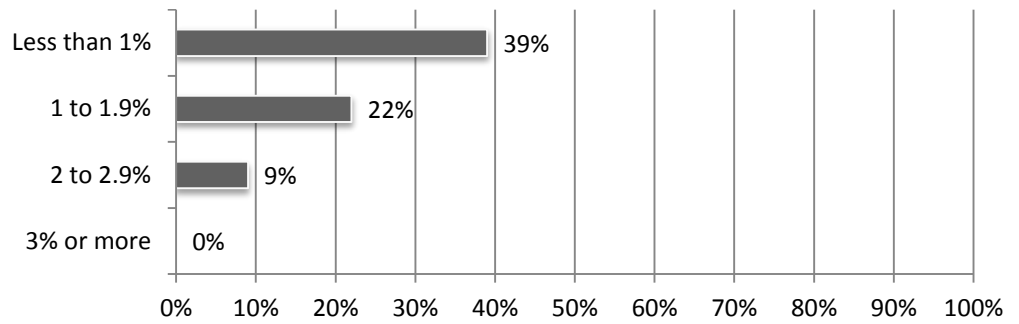
21. Compared to 2017, how will your firm's 2018 investment in IT change?

Category	Percentage
Increase	35%
Decrease	4%
Stay the same	39%
Unsure	22%
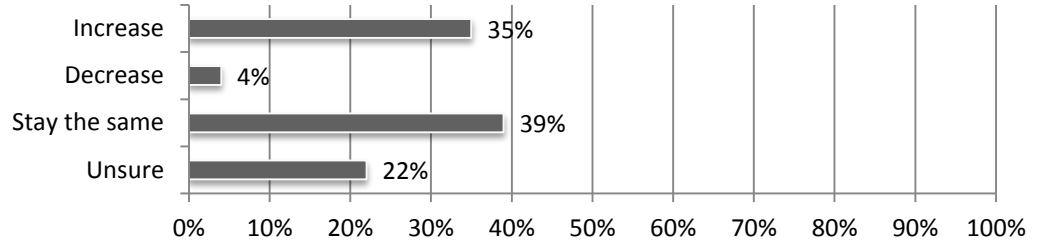
22. Compared to 2017, how will your firm's 2018 investment in the following technologies change?
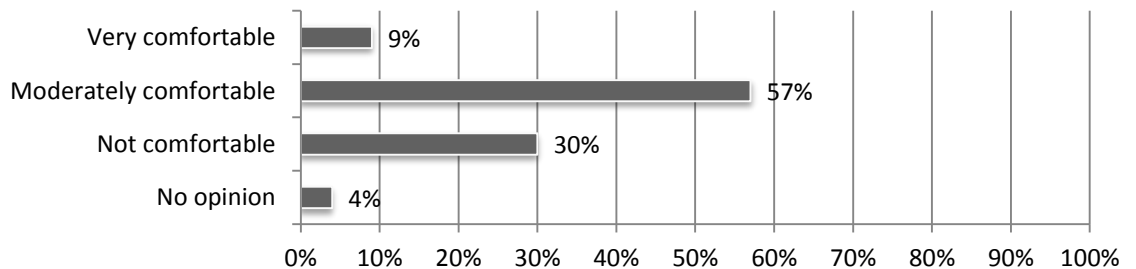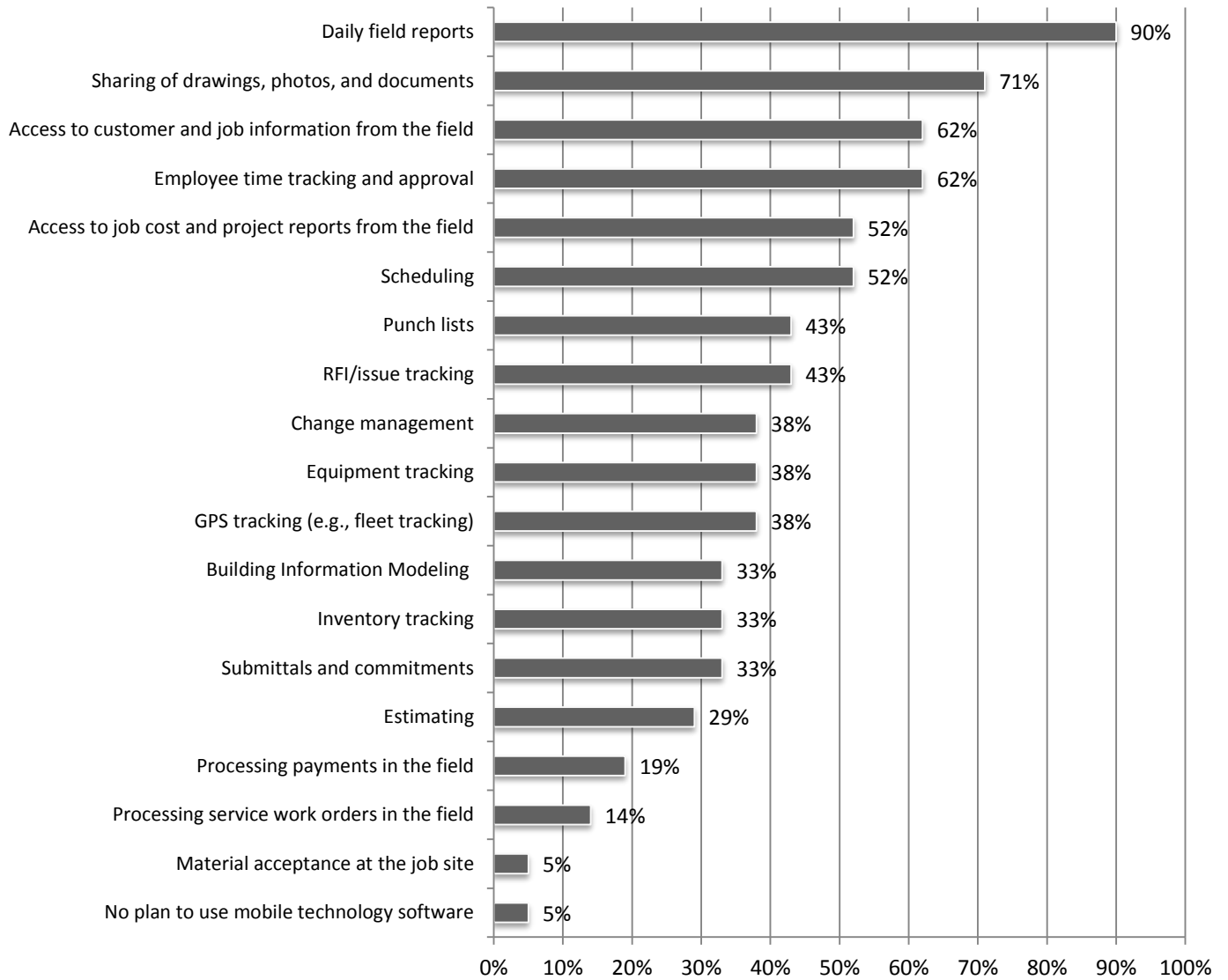
Technologies	Increase	Stay the same	Decrease	Unsure
Accounting software	24%	76%	0%	0%
Building Information Modeling	15%	60%	5%	20%
Client relationship management software	11%	53%	0%	37%
Document management software	30%	70%	0%	0%
Estimating software	33%	57%	0%	10%
Fleet tracking/management software	22%	56%	0%	22%
Human resources software	25%	60%	0%	15%
Payroll software	11%	84%	0%	5%
Prequalification software	20%	60%	0%	20%
Project collaboration software	6%	71%	0%	24%
Project management software	25%	70%	0%	5%
Scheduling software	5%	90%	0%	5%
Service management software	0%	94%	0%	6%
Subcontractor bid management/ITB software	12%	82%	6%	0%

23. How comfortable is your firm with moving its data to the cloud?

Category	Percentage
Very comfortable	9%
Moderately comfortable	57%
Not comfortable	30%
No opinion	4%

24. How does your firm plan to use mobile software technology?

Category	Percentage
Daily field reports	90%
Sharing of drawings, photos, and documents	71%
Access to customer and job information from the field	62%
Employee time tracking and approval	62%
Access to job cost and project reports from the field	52%
Scheduling	52%
Punch lists	43%
RFI/issue tracking	43%
Change management	38%
Equipment tracking	38%
GPS tracking (e.g., fleet tracking)	38%
Building Information Modeling	33%
Inventory tracking	33%
Submittals and commitments	33%
Estimating	29%
Processing payments in the field	19%
Processing service work orders in the field	14%
Material acceptance at the job site	5%
No plan to use mobile technology software	5%

25. Which of the following cloud service models does your firm plan to use?

Category	Plan to use	Currently use
Cloud hosting: we outsource our servers and networking components to a cloud service provider's data center	33%	0%
Hybrid cloud: our software and data is on a private network but can be securely accessed with a web browser	75%	0%
SaaS: we use software-as-a-service (SaaS) applications that are fully cloud-based	8%	0%

= Currently use   ▪ Plan to use
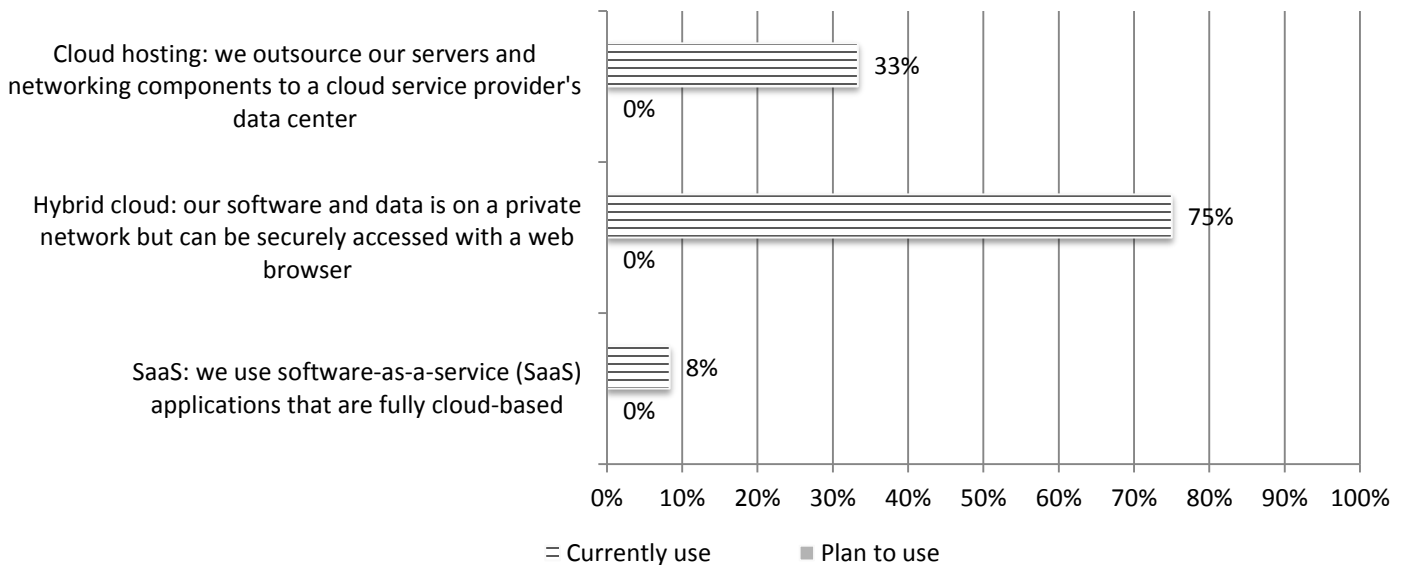
26. Does your firm currently have a mobile security plan in place?

Response	Percentage
Yes	41%
No	36%
Unsure	23%
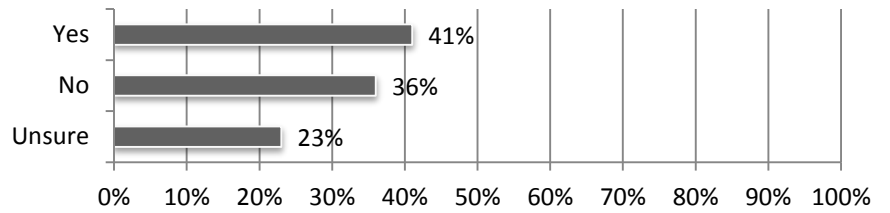
27. Does your firm currently have a formal IT plan that support your business objectives?

Response	Percentage
Yes	59%
No	18%
No, but plan to do so in 2018	0%
Unsure	23%
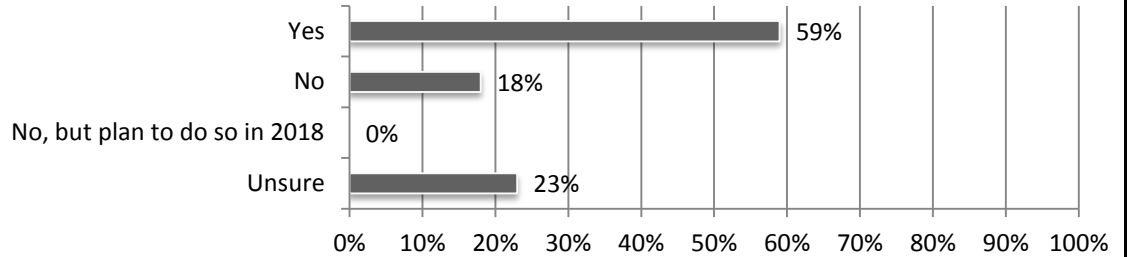
28. What are your firm's biggest IT challenges?

Challenge	Percentage
Employee resistance to technology	45%
Time needed to implement and train on new technology	45%
Communication between field and office	35%
Keeping company data secure from hackers	35%
Integration between software used inside of our company	30%
Connectivity to remote job sites	20%
Keeping hardware current	20%
Outdated company software and systems	20%
Keeping software current	15%
Integration with software used by project partners outside our company	10%
Management resistance to technology	5%
None	0%