April, 14, 2017

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New Report Shows Contract Glaziers Have Positive Outlook in 2017

Glass and Glazing Contractors in Hiring Mode; Industry Optimistic in Office Building, Other Sectors

The office building sector appears to be all the rage among contract glaziers, according to the **2017 Glass and Glazing Industry Outlook** report from the research arm of Key Communications, publisher of glass information and research.

With optimism across this segment and most others, companies have ramped up their hiring practices in the last year and plan do so throughout 2017. However, the skilled labor shortage plaguing the construction industry is being felt in the glass and glazing subsector.

In the Outlook <u>research report</u>, glazing contractors nationwide were asked to select the two sectors (out of eight) in which they saw the biggest uptick of work last year, and nearly half selected the office segment. Survey respondents were asked whether they expected an increase, decrease or no change in the amount of work they'll perform in these segments this year. Office buildings again led the way.

"This falls right in line with overall construction activity trends and the major industry economic indicators we've seen over the last half year," says Key research editor Nick St. Denis. "Low vacancy rates throughout the country will continue to drive demand in this sector over the next couple years, and this provides a great opportunity for the glass and glazing industry given the large expanses of glass used on these buildings."

St. Denis adds that the healthcare segment was also a point of positivity for contract glaziers, as was the opportunity in renovation and retrofits.

Collectively, glazing contractors were mostly satisfied with overall business in 2016 and are optimistic looking forward, based on their responses on the Outlook report survey's 100-point scale questions. Additionally, most contract glaziers hired new full-time employees in 2016, and a majority plan to do the same in 2017. However, many are concerned about how the lack of quality craft labor is affecting their businesses.

"Respondents to our survey have clearly been affected by the shortage of skilled labor," says St. Denis, noting that an overwhelming majority of glaziers say they're impacted by the problem. "This isn't just an overblown, blanket cliché being repeated across the construction industry—it is a very real issue."

Glass manufacturers and fabricators are also raring to go in 2017 with big expectations in sales increases, though this segment has its areas of concern as well. Lead times are as demanding as

ever, and an increase in material costs is resulting in downstream prices. Manufacturers and fabricators are also dealing with labor shortage and cost concerns of their own.

With that, the cost of doing business in the glass and glazing industry is expected to increase through 2017, with many fabricators upping their prices amid an overall trend of an uptick construction costs. Still, businesses in the industry are ready to invest in machinery and equipment.

Copies of this report are available at <u>here</u>. Contact Key research editor Nick St. Denis at <u>nstdenis@glass.com</u>.

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