

Construction Products and Services



5th

Largest **construction products and services** cluster in Florida.



48,812

Employed in the **construction products and services** cluster.



7,418

Establishments in the **construction products and services** cluster.



5.8%

Average annual employment growth in the **construction products and services** cluster.



292

Job seekers from top 20 occupations in the **construction products and services** cluster.

Industry Overview

The construction products and services cluster is the second largest cluster in the five-county region in Southwest Florida, based on employment. The cluster employs 48,812 people in the region with significantly better short-term growth than the state of Florida as a whole. What is more, the annual wage growth rate between 2009 and 2015 for construction products and services has steadily increased, with an average growth rate of 3.9 percent in the Southwest Region. Both Lee and Collier counties have extremely high levels of employment specialization and employment share compared to the rest of the country.

We define the construction products and services cluster as a combination of two different clusters: the traded construction cluster and the local construction cluster. The traded construction cluster consists of industries tailored to serve markets in other regions and nations. Firms included in the traded construction cluster supply construction materials, components, products, and services.

The local construction cluster dominates the Southwest Florida construction market with 97 percent of total employment between the traded and local clusters in 2015. Establishments in this cluster primarily provide local real estate services, general contracting, and specialty contracting for the building, purchasing, and renting of homes and related local infrastructure. This cluster also contains firms that support land development, concrete manufacturing, highway and street construction, as well as building equipment distribution. These are all firms that provide specific services to firms and individuals in the local area.

According to a 2016 survey conducted by the Associated General Contractors of America, 71 percent of construction firms in the Southwest Florida area plan to hire more employees. Contractors expect a mix of private and public sector projects to drive demand, and were most optimistic about retail, warehouse and lodging. A key characteristic of the traded construction cluster is its seasonality, as winter residents have specialty construction work done when they are visiting the area.

Economic Profile

The traded construction products and services cluster consists of 20, six-digit North American Industry Classification System (NAICS) codes including industrial building construction, steam and air conditioning supply, cement manufacturing, and asphalt paving mixture and block manufacturing. Meanwhile, the local construction cluster consists of 52, six-digit NAICS codes including commercial and institutional building construction, specialty trade contractors, lumber, plywood, millwork, and wood panel merchant wholesalers, and home centers.

The five-county region ranked sixth in the state of Florida out of 24 workforce regions in employment for the traded construction cluster (1,631 employed in 2015), while the local construction cluster ranked fourth in the state of Florida (47,181 employed in 2015). The region had a total of 7,418 establishments for the construction products and services cluster in 2015, with 140 establishments in the traded construction cluster and 7,278 establishments in the local construction cluster. Southwest Florida saw a 4.8 percent increase in the traded construction cluster employment level over the past year, along with a 12.9 percent increase in the local construction cluster. Both were greater than the state of Florida average, which saw an overall decrease. Southwest Florida also had a 28.9 percent increase in the traded construction cluster employment level over the past six years, while the local construction cluster had a 15.3-percent increase over the same time span. The location quotient for both traded and local clusters for construction products and services in Southwest Florida exceeded 1 relative to the state. Although the traded cluster's location quotient was less than 1 when compared to the U.S., the location quotient of the local cluster exceeded one significantly (at 1.83).

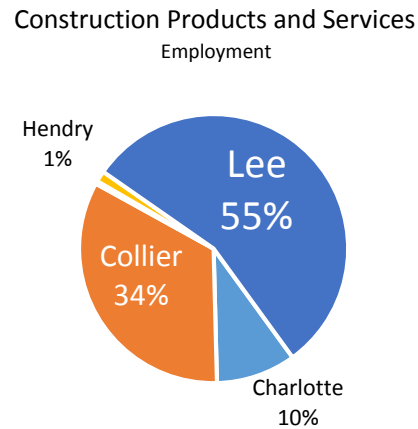
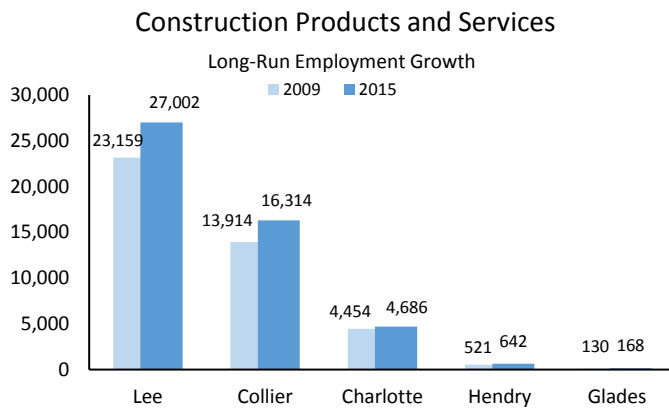
Construction Products and Services

Economic Profile

	Southwest Florida			Florida		
	Traded	Local	Total	Traded	Local	Total
Employment, 2015	1,631	47,181	48,812	30,076	579,442	609,518
Number of Establishments, 2015	140	7,278	7,418	1,652	83,775	85,427
Short-run employment growth, 2014 to 2015	4.8%	12.9%	12.6%	-37.2%	-31.9%	-32.2%
Long-run employment growth, 2009 to 2015	28.9%	15.3%	28.9%	29.5%	18.7%	19.1%
Average annual employment growth, 2009 to 2015	4.3%	2.4%	5.8%	5.3%	3.5%	3.6%
Workforce Region Employment Ranking, 2015	6th	4th	5th	--	--	--
Location Quotient, Relative to Florida, 2015	1.14	1.72	--	--	--	--
Location Quotient, Relative to United States, 2015	0.66	1.83	--	0.57	1.07	--

Source: County Business Patterns: 2015

Employment by County



Southwest Florida's construction products and services cluster was comprised of 48,812 employees in 2015, with Lee County contributing the most to the cluster with 27,002 employees. This accounted for 55 percent of the total cluster employment in Southwest Florida for 2015. Collier County followed with 16,314 employees (34 percent), Charlotte County (4,686 employees, 10 percent), Hendry County (642 employees, 1 percent) and Glades County (168 employees, less than 1 percent).

Construction Products and Services Employment

By County

County	Traded	Local	Total	Percent of Total Employment
Charlotte	250	4,436	4,686	9.6%
Collier	269	16,045	16,314	33.4%
Glades	20	148	168	0.3%
Hendry	140	502	642	1.3%
Lee	952	26,050	27,002	55.3%
Southwest Florida	1,631	47,181	48,812	100.0%

Source: County Business Patterns: 2015

Southwest Florida's construction products and services cluster had 7,418 establishments in 2015, with about 98 percent of them employing less than 50 employees. Lee County had the most establishments in Southwest Florida, with 3,887 establishments (about 52 percent of the total for the region). This was followed by Collier County's 2,581 establishments (38 percent), Charlotte County's 845 establishments (11), Hendry County's 79 establishments (1 percent), and Glades County's 26 establishments (less than 1 percent).

Construction Products and Services Establishments

By County

County	Number of Employees in Establishment									Total
	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	
Charlotte	612	131	60	35	3	4	0	0	0	845
Collier	1,874	351	192	111	34	16	3	0	0	2,581
Glades	21	2	3	0	0	0	0	0	0	26
Hendry	52	19	1	6	1	0	0	0	0	79
Lee	2,759	504	315	216	61	27	5	0	0	3,887
Southwest Florida	5,318	1,007	571	368	99	47	8	0	0	7,418

Source: County Business Patterns: 2015

The construction products and services cluster saw a 15.7 percent increase in employment from 2009 to 2015. This resulted in a 3.1 percent average annual increase during the same time period. Glades County had the largest increase (29.2 percent increase from 2009 to 2015, 5.84 percent average annual growth), followed by Hendry County's 23.2 percent increase (4.6 percent), Collier County's 17.2 percent increase (3.4 percent), Lee County's 16.6 percent decrease (3.3 percent average annual decline) and Charlotte County's 5.2 percent decrease (1 percent average annual decline).

Construction Products and Services Long-Run Employment Growth

By County

County	Traded			Local			Total		
	2009	2015	Percent Change	2009	2015	Percent Change	2009	2015	Percent Change
Charlotte	168	250	48.8%	4,286	4,436	3.5%	4,454	4,686	5.2%
Collier	268	269	0.4%	13,646	16,045	17.6%	13,914	16,314	17.2%
Glades	30	20	-33.3%	100	148	48.0%	130	168	29.2%
Hendry	100	140	40.0%	421	502	19.2%	521	642	23.2%
Lee	699	952	36.2%	22,460	26,050	16.0%	23,159	27,002	16.6%
Southwest Florida	1,265	1,631	28.9%	40,913	47,181	15.3%	42,178	48,812	15.7%

Source: County Business Patterns: 2015

Employment by Subcluster

The construction products and services traded and local clusters are comprised of 15 subclusters: construction, water, sewage, and other systems, construction products, construction components, construction materials, real estate services, general contractors, developers, specialty contractors, highway and street construction, water and sewer line construction, concrete products, construction materials wholesaling, construction and materials retailing, and building equipment distribution. Information regarding employment by subcluster can be found below.

Specialty contractors was the largest subcluster in Southwest Florida in 2015, with 24,248 employees and accounting for 49.7 percent of the total cluster. Real estate services was the second-largest subcluster (7,900 employees, 16.2 percent), followed by general contractors (7,900 employees, 13.9 percent). The smallest subcluster was construction products with 40 employees and 1.7 percent of total cluster employment.

Construction Products and Services Employment

By Subcluster

Subcluster	Employment	Percent of Total Employment
<i>Traded Construction</i>		
Construction	838	1.7%
Construction Components	480	1.0%
Water, Sewage, and Other Systems	210	0.4%
Construction Materials	63	0.1%
Construction Products	40	0.1%
<i>Local Construction</i>		
Specialty Contractors	24,248	49.7%
Real Estate Services	7,900	16.2%
General Contractors	6,803	13.9%
Construction Materials Retailing	4,405	9.0%
Water and Sewer Line Construction	1,146	2.3%
Construction Materials Wholesaling	873	1.8%
Highway and Street Construction	650	1.3%
Concrete Products	471	1.0%
Building Equipment Distribution	406	0.8%
Developers	279	0.6%
Total	48,812	100.0%

Source: County Business Patterns: 2015

Some 7,418 establishments comprised the construction products and services traded and local clusters in 2015, with the specialty contractors subcluster being the largest portion. It had 2,994 establishments, or 40 percent of the total cluster. The real estate services subcluster had the second most establishments (2,583 establishments, 34 percent), followed by general contractors (1,205 establishments, 16 percent). These top three subclusters employ 91 percent of the total employees in the cluster.

Construction Products and Services Establishments

By Subcluster

Subcluster	Number of Employees in Establishment									Total
	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	
<i>Traded Construction</i>										
Construction	47	12	13	14	1	0	0	0	0	87
Water, Sewage, and Other Systems	17	4	3	1	1	0	0	0	0	26
Construction Components	5	1	7	3	3	0	0	0	0	19
Construction Materials	0	3	0	1	0	0	0	0	0	4
Construction Products	2	1	1	0	0	0	0	0	0	4
<i>Local Construction</i>										
Specialty Contractors	1,935	460	303	212	60	20	4	0	0	2,994
Real Estate Services	2,188	245	95	42	9	4	0	0	0	2,583
General Contractors	881	176	84	45	14	3	2	0	0	1,205
Construction Materials Retailing	106	46	14	15	0	16	2	0	0	199
Construction Materials Wholesaling	44	17	19	6	2	0	0	0	0	88
Building Equipment Distribution	25	17	15	2	0	0	0	0	0	59
Water and Sewer Line Construction	22	8	7	9	2	4	0	0	0	52
Developers	27	8	2	5	0	0	0	0	0	42
Highway and Street Construction	9	6	1	6	6	0	0	0	0	28
Concrete Products	10	3	7	7	1	0	0	0	0	28
Total	5,318	1,007	571	368	99	47	8	0	0	7,418

Source: County Business Patterns: 2015

Employment in construction products and services, as shown broken down by subclusters, grew significantly in three of the fifteen subclusters. The construction products subcluster had the largest increase in employment within the cluster, with a 300 percent increase from 2009 to 2015. This accounted for a 60 percent average annual percent increase during this time period. Construction materials had the second-largest increase during the time period (110 percent increase, 22 percent), followed by construction components (93.5 percent increase, 18.7 percent) and general contractors (44.5 percent increase, 8.9 percent).

Construction Products and Services Long-Run Employment Growth				
By Subcluster				
Subcluster	Employment		Percent Change	Average Annual Percent Change
	2009	2015		
<i>Traded Construction</i>				
Construction Products	10	40	300.0%	26.0%
Construction Materials	30	63	110.0%	13.2%
Construction Components	248	480	93.5%	11.6%
Construction	762	838	10.0%	1.6%
Water, Sewage, and Other Systems	215	210	-2.3%	-0.4%
<i>Local Construction</i>				
General Contractors	4,707	6,803	44.5%	6.3%
Specialty Contractors	20,463	24,248	18.5%	2.9%
Construction Materials Wholesaling	749	873	16.6%	2.6%
Real Estate Services	6,822	7,900	15.8%	2.5%
Water and Sewer Line Construction	1,141	1,146	0.4%	0.1%
Construction Materials Retailing	4,669	4,405	-5.7%	-1.0%
Building Equipment Distribution	494	406	-17.8%	-3.2%
Concrete Products	584	471	-19.3%	-3.5%
Highway and Street Construction	860	650	-24.4%	-4.6%
Developers	424	279	-34.2%	-6.7%
Total	42,178	48,812	15.7%	2.5%

Source: County Business Patterns: 2015

Workforce Ranking

The Southwest Florida workforce region had the fifth most employees in the construction products and services cluster in 2015, with 48,812 employees. Southwest Florida was ranked below the Northeast workforce region (48,844 employees) and above the Tampa Bay workforce region (47,560 employees). There are 24 total workforce regions in the state. A complete list of the workforce rankings by number of employees in the construction products and services cluster can be found below.

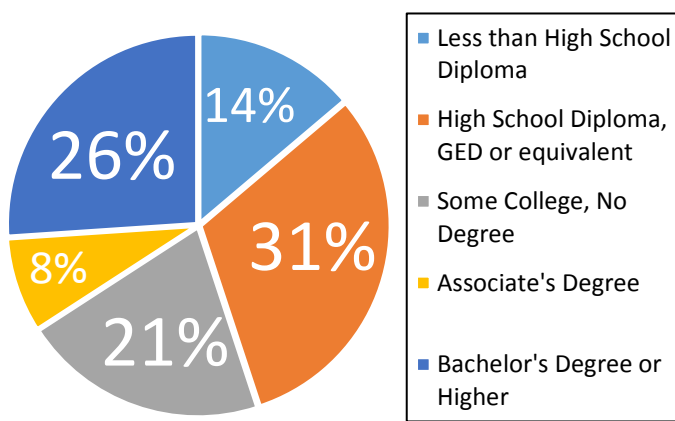
Construction Products and Services Workforce Rankings		
Rank	Workforce Region	Employment Level
1	Central Florida	98,901
2	South Florida	70,125
3	Broward	59,321
4	Northeast Florida	48,844
5	Southwest Florida	48,812
6	Tampa Bay	47,560
7	Palm Beach County	43,668
8	Pinellas	26,639
9	Suncoast	26,195
10	Research Coast	17,622
11	Polk	16,015
12	Flagler Volusia	15,870
13	Brevard	14,178
14	Pasco Hernando	13,881
15	Escarosa	13,099
16	Citrus Levy Marion	11,526
17	Capital Region	9,609
18	Okaloosa Walton	8,912
19	North Central Florida	7,751
20	Gulf Coast	6,949
21	Florida Crown	4,230
22	Heartland	2,607
23	North Florida	2,510
24	Chipola	2,048

Source: County Business Patterns: 2015

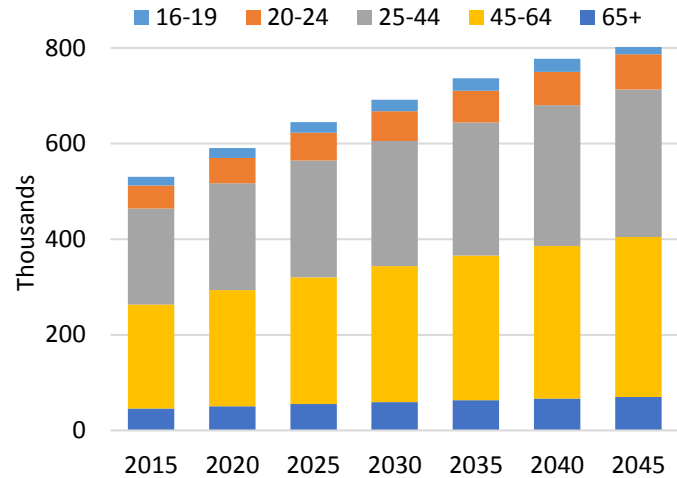
Workforce Profile

Many companies choose to operate in Southwest Florida due to its workforce. Of the region's adult population, 26 percent have a Bachelor's Degree or higher, while 86 percent have at least a high school diploma. Florida Gulf Coast University conferred 2,331 Bachelor's Degrees to students during the 2015-2016 academic year, while Florida Southwestern State College, with its four campuses throughout the region, conferred 1,942 Associate's Degrees and 341 Bachelor's Degrees during the 2014-2015 academic year. Other educational institutions serving the area include Hodges University in Naples and Kaiser University in Fort Myers. Meanwhile, regional training programs, such as CareerSource Florida, provide training programs and certificates in numerous areas. Furthermore, the composition of the workforce is expected to change as the population grows over the next 25 years. Southwest Florida's population is expected to grow 50 percent by 2045, expanding the region's customer base while increasing its labor force by 54 percent.

Educational Attainment



Projected Labor Force



Construction Products and Services Occupations

By Total Employed

Occupation	Total Working Across All Industries	Number of Available Applicants	Number of Graduates	Entry Wage	Median Wage	Experienced Wage	Education Level
Construction Laborers	5,593	98	0	\$9.87	\$13.18	\$15.87	Less than High School
Construction Managers	3,661	41	261	\$22.58	\$34.86	\$49.29	Some College
First-Line Supervisors of Construction Trades and Extraction Workers	3,486	15	0	\$17.70	\$26.08	\$32.04	Some College
Painters, Construction and Maintenance Roofers	3,234	19	0	\$11.12	\$14.44	\$17.39	PSAV
Roofers	2,062	7	0	\$11.03	\$15.22	\$16.79	PSAV
Plumbers, Pipefitters, and Steamfitters	1,848	24	0	\$14.82	\$18.89	\$21.46	PSAV
Cement Masons and Concrete Finishers	1,246	2	0	\$12.42	\$14.50	\$16.44	PSAV
Operating Engineers and Other Construction Equipment Operators	869	24	0	\$12.92	\$17.15	\$19.93	PSAV
Tile and Marble Setters	722	2	0	\$12.73	\$17.81	\$20.61	PSAV
Sheet Metal Workers	679	2	0	\$11.62	\$15.17	\$17.39	PSAV
Construction and Related Workers, All Other	605	32	0	\$12.18	\$17.98	\$20.94	Less than High School
Drywall and Ceiling Tile Installers	535	3	0	\$10.07	\$14.27	\$16.68	PSAV
Brickmasons and Blockmasons	469	6	0	\$13.15	\$16.48	\$18.01	PSAV
Construction and Building Inspectors	452	5	0	\$22.04	\$27.69	\$31.32	PSAV
Structural Iron and Steel Workers	429	0	0	\$13.56	\$18.40	\$21.88	PSAV
Glaziers	379	3	0	\$14.44	\$17.67	\$20.33	PSAV
Pipelayers	323	2	0	\$13.29	\$15.97	\$18.29	PSAV
Helpers--Pipelayers, Plumbers, Pipefitters, and Steamfitters	283	2	0	\$8.85	\$9.46	\$12.07	Less than High School
Highway Maintenance Workers	187	4	0	\$12.92	\$14.86	\$17.66	PSAV
Paving, Surfacing, and Tamping Equipment Operators	82	1	0	N/R	N/R	N/R	High School/GED

Source: Florida Department of Economic Opportunity, Occupational Supply/Demand Report

Cluster Highlights

KEY COMPANY ANNOUNCEMENTS

- Bonita Springs Utilities, Inc. (BSU) opened its new corporate office in 2016. The new 19,000-square-foot building houses its administration, finance, engineering and IT departments. Founded in 1971, BSU is a not-for-profit water and wastewater utility serving Bonita Springs, Estero and unincorporated Southern Lee County.
- Western Michigan University has approved an economic development investment agreement with Charlotte County, paving the way for improvements at Punta Gorda Airport designed to enhance the ability to deliver aviation flight training at the facility. Western Michigan's program will commence no later than January 2018.

EVENTS, AWARDS AND RECOGNITIONS

- Jan-Erik Hustrulid, the business development coordinator for Owen-Ames-Kimball Co. (OAK), won the Fort Myers News-Press Young Professional of the Year Award for 2016. OAK is an employee-owned company based out of Michigan and Southwest Florida and offers commercial construction management and general contracting services.
- Florida SouthWestern State College hosted the Construction Specifications Institute's Florida Southwest Chapter Lecture Series in February 2016. The CSI is a national association comprised of 13,000 volunteers across more than 140 local chapters.

Companies

- APAC-Florida Inc
- Bonita Springs Utilities Inc
www.bsu.us
- CABCO Corporation
- Clarke Construction Group Inc
www.clarkconstruction.com
- Denco Construction Inc
www.denco-inc.com
- Eagle Engineering & Land Development Inc
www.eaglesitedev.com
- Forsberg Construction Inc
www.forsbergconstruction.com
- Guymann Construction Inc
- Haleakala Construction Inc
- Preferred Materials Inc
www.preferredmaterials.com
- Southwest Utility Systems Inc
- Stevens & Layton Inc
dolphn38.tripod.com

Education & Training

Florida’s system of higher and post-secondary education provides hundreds of training programs generating advanced degrees and occupational certificates that prepare students for productive careers in our region. The state university system includes 13 institutions, while community colleges number 28. Furthermore, there are 84 private universities and occupational and technical schools in the state. A list of the top educational institutions producing graduates that work in the construction products and services cluster would include the following:

- Florida Gulf Coast University
www.fgc.edu
- University of Miami
www.miami.edu
- Florida State University
www.fsu.edu
- University of Central Florida
www.ucf.edu
- University of Florida
www.ufl.edu
- Florida SouthWestern State College
www.fsw.edu
- Florida Atlantic University
www.fau.edu
- Florida International University
www.fiu.edu
- Miami-Dade College
www.mdc.edu

Cluster Definition

The construction products and services cluster is comprised of 72 six-digit NAICS codes that form 15 subclusters. A list of each subcluster and NAICS category, along with the appropriate six-digit NAICS codes, can be found in the table below.

Construction Products and Services Breakdown of Subclusters	
Subcluster/NAICS Description	6-Digit NAICS Code
<i>Construction</i>	
Industrial Building Construction	236210
Oil and Gas Pipeline and Related Structures Construction	237120
Power and Communication Line and Related Structures Construction	237130
Other Heavy and Civil Engineering Construction	237990
<i>Water, Sewage, and Other Systems</i>	
Water Supply and Irrigation Systems	221310
Steam and Air-Conditioning Supply	221330
<i>Construction Products</i>	
Power Boiler and Heat Exchanger Manufacturing	332410
Metal Tank (Heavy Gauge) Manufacturing	332420
Plumbing Fixture Fitting and Trim Manufacturing	332913
Fabricated Pipe and Pipe Fitting Manufacturing	332996
<i>Construction Components</i>	
Cement Manufacturing	327310
Concrete Block and Brick Manufacturing	327331
Concrete Pipe Manufacturing	327332
Lime Manufacturing	327410
Gypsum Product Manufacturing	327420
Cut Stone and Stone Product Manufacturing	327991
Mineral Wool Manufacturing	327993
All Other Miscellaneous Nonmetallic Mineral Product Manufacturing	327999

<i>Construction Materials</i>	
Asphalt Paving Mixture and Block Manufacturing	324121
Asphalt Shingle and Coating Materials Manufacturing	324122
Real Estate Services	
Lessors of Residential Buildings and Dwellings	531110
Lessors of Nonresidential Buildings (except Miniwarehouses)	531120
Lessors of Other Real Estate Property	531190
Offices of Real Estate Agents and Brokers	531210
Residential Property Managers	531311
Nonresidential Property Managers	531312
Offices of Real Estate Appraisers	531320
Other Activities Related to Real Estate	531390
Title Abstract and Settlement Offices	541191
Surveying and Mapping (except Geophysical) Services	541370
General Contractors	
New Single-Family Housing Construction (except Operative Builders)	236115
New Multifamily Housing Construction (except Operative Builders)	236116
New Housing Operative Builders	236117
Residential Remodelers	236118
Commercial and Institutional Building Construction	236220
Developers	
Land Subdivision	237210
Specialty Contractors	
Poured Concrete Foundation and Structure Contractors	238110
Structural Steel and Precast Concrete Contractors	238120
Framing Contractors	238130
Masonry Contractors	238140
Glass and Glazing Contractors	238150
Roofing Contractors	238160
Siding Contractors	238170
Other Foundation, Structure, and Building Exterior Contractors	238190
Electrical Contractors	238210
Plumbing, Heating, and Air-Conditioning Contractors	238220
Other Building Equipment Contractors	238290
Drywall and Insulation Contractors	238310
Painting and Wall Covering Contractors	238320
Flooring Contractors	238330
Tile and Terrazzo Contractors	238340
Finish Carpentry Contractors	238350
Other Building Finishing Contractors	238390
Site Preparation Contractors	238910
All Other Specialty Trade Contractors	238990
Sheet Metal Work Manufacturing	332322
Custom Architectural Woodwork and Millwork Manufacturing	337212
Septic Tank and Related Services	562991
Highway and Street Construction	
Highway, Street, and Bridge Construction	237310
Water and Sewer Line Construction	
Water and Sewer Line and Related Structures Construction	237110
Concrete Products	
Ready-Mix Concrete Manufacturing	327320
Other Concrete Product Manufacturing	327390
Construction Materials Wholesaling	
Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	423310
Brick, Stone, and Related Construction Material Merchant Wholesalers	423320

Roofing, Siding, and Insulation Material Merchant Wholesalers	423330
Other Construction Material Merchant Wholesalers	423390
Construction Materials Retailing	
Home Centers	444110
Paint and Wallpaper Stores	444120
Other Building Material Dealers	444190
Building Equipment Distribution	
Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	423720
Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers	423730
Refrigeration Equipment and Supplies Merchant Wholesalers	423740

Source: U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School