

Winter Is Coming for Construction

Throughout most of the U.S., residents are starting to see leaves turn from green to warmer colors and eventually to brown as they fall off the tree. With autumn or fall here, that only means one thing: colder weather is near as winter is around the corner. While some enjoy this time of donning skis and snowboards, drinking hot chocolate and celebrating the holidays, others such as the construction industry should be prepared for more than just cold weather and snow. The livelihood of the company might depend on it—knowing what happens during the winter months in the construction industry.

“Shipping to the job site can be a concern,” said Chris Ring of NACM’s Secured Transaction Services. “Suppliers may be running specials on trusses, 2x4s or drywall, so someone wants to buy in bulk.” This can result in material suppliers not delivering to the job site, but rather a customer’s warehouse with the customer moving the product to the job site at a later date. This can cause problems by not showing a direct chain of custody, and there is not proof that the materials were installed at the job site. “So, lien rights can be challenged in those instances,” added Ring.

The same can be said on the other side for retailers and factory orders. “Many companies bought more inventory than usual as they anticipated the higher tariffs and they are now working off that inventory,” said NACM Economist Chris Kuehl, Ph.D.; however, the bulking-up is due to the trade war rather than winter weather.

While the image of outer structures covered in ice and snow with signs up saying, “closed for the winter” come to mind, that is not at all the case. “There’s always construction going on. Exterior construction shuts down during the wintertime like cement, excavation and those kinds of things because it gets cold,” Ring said. Certain materials must be controlled such as paint and flooring. “Paint has to be in a controlled environment because it can freeze before it’s installed,” Ring added.

“Customers can take materials to a warehouse and not the job site until they are ready to use them if they are buying in bulk,” Ring continued. This can lead to problems when beginning the lien process. In Ring’s home state of Ohio, claimants have to wait until material is delivered to the job site; once it is and it can be proven, claimants have 21 days to serve the notice. Under this scenario, “you run the risk of [filing the notice at the wrong time],” Ring said.

Despite the potential of frigid temperatures, construction can continue elsewhere. Other things can be done—structural steel—even if it gets cold, Ring noted. “Last winter, above the Mason-Dixon line was a mild winter. The forecast is for a mild winter [this year too, but] that can change in blink of an eye.” Once the exterior is buttoned up and the inside environment can be controlled, construction continues. “HVAC can still be done even when it’s cold—electrical, drywall.”

Materials aren’t the only construction-related items impacted by winter weather either. Roads can become treacherous, impacting the route materials take to end up at the job site or the final destination. Roads can also affect how employees are getting to the job site if at all.

-Michael Miller, managing editor