

CONSTRUCTION INDUSTRY REPORT



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One of the bright spots in the construction trade is the leveling out of supply chain problems.

Washington experiencing construction job losses

*The good news:
Nationwide, supply chains
are coming back online*

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Washington state is suffering from a construction labor shortage, according to a report released Thursday by the Associated General Contractors of America, partially from ramped up immigration enforcement and compounded with chronic high building costs.

“Construction employment has stalled or retreated in many areas for a variety of reasons,” Ken Simonson, AGC chief economist, said in a statement Wednesday. “But contractors report they would hire more people if only they could find more qualified and willing workers and (if) tougher immigration enforcement wasn’t disrupting labor supplies.”

Washington has experienced some of the highest construction job loss levels in the country, according to an AGC analysis.

In July, the state had 8,200 fewer construction jobs, a 3.6% loss of total jobs reported a year earlier in July, according to AGC and federal data.

The U.S. gross domestic product (GDP) — the value of all goods and services produced in the country — totaled \$29 trillion at a seasonally adjusted annual rate in the 2nd quarter of 2024; construction contributed \$1.3 trillion (4.5%).

In Washington, construction contributed \$36 billion (4.3%) of the state’s GDP of \$851 billion, according to the report.

There were 943,000 construction establishments in the U.S. in the 1st quarter of 2024, including 25,300 in Washington. (An establishment is a fixed business location; about 99% of construction firms have only one establishment.)

Private nonresidential spending in Washington totaled \$11 billion in

2023. State and local spending totaled \$12 billion. (Totals are not available for residential, railroad, power, communication, or federal construction.) Construction employment in Washington in August 2024 totaled 232,800, an increase of 100 (0.04%) from August 2023 and an increase of 9,300 or 4% from February 2020.

Construction jobs pay well. In Washington, 4 out of the 5 most numerous construction occupations had median annual pay exceeding the median for all employees in 2023. (Half of workers earn more than the median; half earn less.)

And yet, general contractor companies are reporting a scarcity of qualified candidates.

Out of 37 surveyed companies in Washington in July and August, 76% reported open salaried positions. Hourly craft workers are even more in demand, according to the survey, with 89% of companies having open positions. Crane and heavy equipment operators, surveyors and pipe fitters/welders are some of the most difficult positions to fill, according to the survey.

The surveyed companies blamed a lack of qualified candidates, new hires leaving shortly after starting, and potential employees lacking required credentials, such as a clean background check or a work permit.

A quarter of Washington companies surveyed said their subcontractors lost workers in the last six months due to immigration enforcement actions.

But none of those companies reported job sites visited by immigration agents or their own workers failing to appear because of actual or rumored immigration actions.

In the AGC survey, Washington construction companies report they are most in need of carpenters and construction laborers, which require less formal education but make up some of the largest labor shortages nationwide. Immigrants make up a third of all carpenters and 42% of all construction laborers, according to

the homebuilders association.

There have been few reports of immigration agents raiding construction sites in Washington. However, a raid at a Bellingham roofing company where 37 employees were detained made national headlines in April.

However, construction contractors are optimistic about certain private-sector segments and have high hopes for most types of public-sector work, according to survey results the Associated General Contractors of America and Sage released. Yet they have very low expectations for several private-sector market segments, remain concerned about labor shortages and are worried materials prices will climb amid threats of new tariffs, according to A Year in the Balance: The 2025 Construction Hiring and Business Outlook.

“2025 offers quite a few bright spots for the construction industry even as the outlook for some private-sector segments remains quite dire,” said Jeffrey Shoaf, the association’s chief executive officer. “Firms expect regulatory relief will help drive demand and they will continue to hire, when they can, and boost investments in technologies, particularly artificial intelligence.” Click here to watch a quick video about the results.

The net reading — the percentage of respondents who expect the available dollar value of projects to expand compared to the percentage who expect it to shrink — is positive for 15 of the 17 categories of construction included in the survey. The highest net reading, 42%, is for data centers.

Contractors are also very bullish about the prospects for water and sewer projects, with a net reading of 35%, and for power projects, with a net reading of 32%. They also are bullish about healthcare construction, with a net of 27% for non-hospital healthcare facilities, such as clinics, testing facilities and medical labs, and 24% for hospitals.

Survey respondents are largely

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EXECUTIVE DIRECTOR’S CORNER

Drinking beer, playing golf and reading the paper

Our community has much to be thankful these days

BY RICHARD DEBOLT

Executive Director — Economic Alliance of Lewis County

On page two of this report we write about Longmire Springs Brewery in Packwood as part of our coverage of this weekend’s Packwood Flea Market — the infamous gathering of all sorts of junk for sale, with the hope for those attending of finding a deal on a hidden treasure and some tasty treats.

It was a few years ago that we helped Packwood’s Longmire Springs Brewery connect the Lewis County Commissioners with brewers Peter Charbonnier and Amy Besunder. You can also read about them on page two and their entertainment planned for this weekend, including an axe throwing opportunity.



It was early on in my tenure as executive director of the Economic Alliance of Lewis County when we heard brewers were interested in taking a tour of the empty Packwood Business Park to possibly lease space and open up a new brewery.

I dragged my staff out to Packwood and met up with the late Lewis County Commissioner Gary Stamper and the manager of the East Lewis County Public Development Authority.

The deal came through and today, the Longmire Springs Brewery is a vibrant part of the community.

This partnership forged back then is what the Alliance is all about: bringing people together and facilitating business success.

If we can help you as a business, either in an expansion effort of relocating to Lewis County, by all means get a hold of us and we will do our best to serve your needs.

The Alliance Open Golf Tournament

As we transition out of summer, the kids head back to school and we put our business noses to the grindstone, there is a final celebration I look forward to each year — the annual Alliance Open Golf Tournament set for Friday, Sept. 12 at Riverside Golf Course in Chehalis.

For those who haven’t signed up yet, I have bad news. The Open has sold out again.

But I do want to offer thanks to our sponsors: Title sponsor I-5 Cars. com, along with the cities of Chehalis and Centralia, Lewis County, Chehalis Centralia Airport, experience Chehalis, Chehalis Foundation, Port of Centralia, Port of Chehalis, Lewis County Transit, Impact Washington, Discover Lewis County, The Industrial Commission, United Way, Washington Economic Development Association and the Centralia Downtown Association.

Those sponsors, and the teams that have signed up to play, along with a generous Riverside Golf Course, make this most enjoyable tournament profitable.

In turn, the Economic Alliance plows those profits into our small business development center, which offers invaluable resources for those hoping to fine tune their businesses.

Thanks to all of our sponsors and players for making this happen.

Finally, I want to touch on how fortunate we are to have The Chronicle and its excellent ownership and staff here covering Lewis County.

The paper has a strong history of journalism, and it has never been stronger, despite all the obstacles facing newspapers these days.

When Chad and Coralee Taylor bought the paper a few years ago, they brought strong journalism ethics and a devotion to fully staffing the newsroom. Along the way, it is apparent they fell in love with all that entails in putting out the paper.

A recent report titled “Dark deserts: Newspaper decline and its relation to government noncompliance with public records laws” reveals in this age of failing newspapers, when they go away, the community suffers.

Without a newspaper in your community, there is an increase in government secrecy.

Their reporting of community events also helps glue the community together, with increased city and county council citizen participation, for example, and attendance at such events as the recent county fair.

I’m proud to consider the Taylors as friends, and urge all to support this fine paper, from subscriptions to advertising.

Come party like a local legend with ToledoTel

Open House set for Sept. 18 a way for the company to say thank you

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Summer’s not over yet — and ToledoTel is throwing one more big celebration before the season winds down.

Join ToledoTel on Thursday, Sept. 18, from 5 to 7 p.m. for a community Open House at our location in Toledo. This special evening is our way of saying thank you to the neighbors, businesses and community leaders who helped make bringing

fiber internet to Winlock possible.

This isn’t your average open house — it’s a full-community celebration.

Food, drinks and shaved ice — they’ve got plenty of treats to keep you cool and full.

Live radio broadcast — Live 95 will be broadcasting live, adding music and energy to the festivities.

Prizes & surprises — you never know what you might walk away with.

Family-friendly fun — bring the kids, bring a friend — there’s something for everyone.

“At ToledoTel, we believe in more than fast, reliable internet. We’re all about keeping our community connected. And every connection we build is about bring-

ing neighbors closer together, helping businesses thrive, and making Toledo and Winlock an even better place to live and work,” ToledoTel stated in a news release.

This event is their chance to celebrate not just the launch of fiber internet — “but the people who made it possible.”

And keep your eyes peeled ...

Will their elusive Sasquatch friend make a special appearance? No promises — but seriously, who can resist beer and pizza?

Come ready to connect, and close out summer together the ToledoTel way.

...

Where:

ToledoTel parking lot
183 Plomondon Road, Toledo

Hub City Supply’s new owners bring a personal touch

BY THE ECONOMIC ALLIANCE OF LEWIS COUNTY

Hub City Supply in Centralia has put their application in and paid their dues, and are now the newest member of the Economic Alliance of Lewis County.

Co-owner Roger Moore said, “They support us and support businesses in the community. It’s a good partnership.”

Along with his wife Katie (a Realtor with John L. Scott), they bought the business in March after having worked with Hub City Supply, and hosted an open house last week. Roger worked in the construction industry out in the field for years, and with the purchase, now has expanded into an office setting.

Hub City Supply established itself in 2015 when owner, John Kuhn decided to take his 20-plus years of construction experience and apply it to a specialty driven business, focusing on flooring, windows and exterior doors, all with the attention to details. John branded the business name after “the hub” — the stop between Seattle and Portland.

The business works with residential and commercial clients all around the region, providing free consultations, helping customers finalize their designs, all with a respectful and personal experience.

Roger and Katie are proud to continue what John started — maintaining the personal service, small-town reliability and expert guidance Hub City is known for, while introducing new product lines and services. Their vision is rooted in supporting local builders and homeowners with integrity, knowledge, and a sincere commitment to helping each customer succeed.

One of their steady customers is the Lewis County PUD and its energy effi-



Lewis County Centralia-Chehalis Chamber

Hub City Supply’s owner Roger and Katie Moore, along with their son.

ciency grant program which facilitates installing windows for energy savings, which also translates into lower power costs for their customers.

Hub City Supply sells Alpine windows and Simpson doors as well as all styles of flooring including Armstrong and National flooring for your home or office. Hub City Supply has their own team of professional installers plus additional contractors when needed to get your project done quickly and efficiently.

Hub City Supply has serviced high-profile businesses such as Centralia

Beauty College, Coldwell Banker Voetberg, Chehalis Tribal Youth Center and the FOX Theatre in downtown Centralia. Hub City Supply has also helped the community by donating materials and labor when available. The Historic Borst Home/replica church, Southwest Washington Fairgrounds fountain, Centralia’s Police Department and Tumwater Timberland libraries/office are all examples.

Their in-house crew and sub-contracted installers bring 15-plus years of experience in their trade.

For fun, the Moores like to ride their

quads and go camping in the great outdoors with their son.

You can visit their showroom at 2510 Sandra Ave. Suite A in Centralia.

Contact
(360) 62-8036
hubcitysupply@gmail.com

Hours:
Monday through Friday, 9 a.m. to 5:30 p.m.
Saturday by appointment
Closed Sundays

Take a break from the flea market for some suds this weekend

Longmire Springs Brewing brings award-winning beers to Packwood

BY DISCOVER LEWIS COUNTY

Longmire Springs Brewing in Packwood is a place to meet friends and enjoy a good brew while you’re taking a break from shopping at the Packwood Flea Market this Labor Day Weekend.

Their establishment is family and dog friendly. While they don’t have a kitchen, they feature food trucks and customers can bring their own food to enjoy with a pint.

Co-founders, and husband and wife team Peter Charbonnier and Amy Besunder opened Populuxe Brewing in 2012 in the bucolic beer mecca of Ballard.

Charbonnier had been an award-winning home brewer and the two were inspired to see if they could turn his hobby into a business. The response was overwhelmingly positive and in 2016, they expanded to a larger facility. Many awards were won, including the prestigious Small Brewery of the Year (2018). More importantly, a community was built, and great friends and memories were made.

In 2019, as COVID-19 took hold of the country, the couple retreated to their home in Packwood. Members of the community since 2008, it had long been their dream to live there, full-time.

In the wake of a global pandemic, they threw caution to the wind, sold the brewery and pulled up stakes planning to “find some low-stress jobs and enjoy the good life.”

That lasted a few months till they were approached by some neighbors. There was an awesome and empty building crying out for a new life on the edge of town and a supportive community who were thirsty for some locally brewed beer. And so, Longmire Springs Brewing was born.

In March of 2022 the Lewis County Commissioners, with the assistance of the Economic Alliance of Lewis Coun-



Longmire Springs Brewing photos

Longmire Springs Brewing offers a comfortable place to enjoy a few suds.

ty who helped bring the two parties together, unanimously approved leasing its Packwood Business Park located just west of downtown Packwood to the Longmire Springs Brewery.

The site was previously an ammunition manufacturing facility. The business park was created in 1996 to help build jobs and additional tax revenues via the East Lewis County Public Development Authority.

“We had always talked about, envisioned bringing a high-quality brewery to this community, with living-wage jobs, with a community space for people to gather,” Besunder said in a previous report by The Alliance. “We looked around at several spaces, none looked right for us.”

That changed the summer of 2021 when they spotted the PDA’s space. Besunder has been flabbergasted by the support from area leaders.

“We have been offered all the assistance in the world,” she said. “It is a very different attitude than you get in Seattle. The difference in support is night and day. It’s amazing. The way people connect here is just so authentic.”

Labor Day Weekend events
Lewis County Axe Throwing
Saturday Aug. 30 and
Sunday Aug. 31, all day
Kick off Labor Day Weekend the right way — with local brews and flying axes!.

Lewis County Axe Throwing will be on-site with their mobile trailer, ready to teach you the art of the perfect throw. Whether you’re in it for fun or fierce competition, this is a can’t-miss holiday weekend event. No experience needed, ages 12 and up.

Island Vibes with Guava Jam Band
Saturday Aug. 30, starting at 5:30 p.m.
Known for their smooth blend of Hawaiian-inspired sounds and classic acoustic hits from the ’70s, this talented group brings a tropical twist to every performance. With warm melodies and laid-back rhythms, their music sets the perfect tone for a chill evening with friends and a pint in hand.

Authentic Country Music
with C.J. Traylor
Sunday Aug. 31, starting at 6 p.m.



Longmire Springs Brewing’s Summer Saison (6% ABV) is crisp, dry, and brewed for those long, warm days. French hops Barbe Rouge and Triskal shine with bright orange and lime notes, finished with a kiss of kumquat for the ultimate refreshing sip.



Enjoy a pour at Longmire Springs Brewing in Packwood.

112 Norman Way, Packwood, WA,
United States, 98361
(360) 670-0998
info@longmiresprings.com

Get your flea market on this Labor Day weekend

BY DESTINATION LEWIS COUNTY

The Packwood Flea Market is held in the charming town of Packwood every year on Labor Day weekend.

This lively flea market draws in locals and visitors from all around, creating a vibrant atmosphere filled with fun and treasure-hunting spirit. The market features a wide array of vendors offering an eclectic mix of goods, including antiques, collectibles, hand-

made crafts, clothing, home decor, and much more.

Strolling through the aisles, visitors can explore the diverse selection of items, discovering hidden gems and unique finds at every turn. Whether you’re searching for a nostalgic item, a one-of-a-kind piece, or simply enjoy the thrill of the hunt, the Packwood Flea Market offers a delightful and memorable day of exploration and discovery.



Destination Lewis County

The Packwood Flea Market is an East Lewis County institution and a great way to close out the summer.

PROPERTY SPOTLIGHT - 3709 Northpark Drive, Centralia



NAI Puget Sound Properties is offering the opportunity to lease or buy Centralia Northpark One. Located just off of I-5, it's the perfect midpoint for your industrial warehouse needs.

- Rental area: 52,000 to 107,125 square feet
- 4,000 square feet of office space
- 9 dock doors
- 2 grade level doors (14' by 14')
- 3 phase power 400 amps at 280v
- Ability to add up to 2,000 amps
- Heavy industrial allowing for a wide range of uses



ERIC SONNENBERG
Economic Alliance of Lewis
County External Relations
Manager



Lease
Summary

NAI Puget Sound Properties is pleased to offer the opportunity to lease Centralia Northpark One. Located just off of I-5, it's the perfect midpoint for your Industrial Warehouse needs.

ADDRESS	3709 Northpark Drive Centralia, WA
PARCEL NUMBER	024005001001
RENTABLE AREA	± 43,250 - 107,125 SF
ZONING	PMP - Heavy Industrial, allows for a wide range of uses
DELIVERY	Q4 2024
LEASE RATE	Call for rates



Call broker for rates:
Will Schmidt • 206-794-0421 • wschmidt@nai-psp.com
and Kyle Schipper, SIOR • 253-203-1320
kschipper@nai-psp.com

For information on this property and others available throughout Lewis County (or to list your industrial/commercial property for sale or lease), contact Economic Alliance of Lewis County External Relations Manager Eric Sonnenberg at 208.206.5407 or eric@lewiscountyalliance.org, or go to lewisdc.com.

BUILD:

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positive as well about manufacturing plant construction, with a net reading of 25%. Contractors are also optimistic about the education sector with a net reading of 13%t for kindergarten-to-12th-grade schools and 12% for higher education construction.

Five other segments have readings that range from moderately positive to negative. The net reading for warehouse construction is 14%, while the reading for multifamily residential construction is 12%. Contractors have a slightly positive net reading, 7%, for lodging. Meanwhile, the net reading for private office construction is -3%. And the outlook for retail projects is -5%.

Association officials noted that contractor expectations are high for a range of infrastructure segments. The net reading for transportation structures, such as airport and rail projects,

is 29%. Expectations for bridge and highway work are net 24% positive. The reading for federal contracts, for agencies such as the General Services Administration and the U.S. Army Corps of Engineers, is 22%t. One other public category — public buildings — drew a moderately positive net reading of 14%.

“One reason contractors have a relatively positive outlook for many public sector market segments is that more contractors are starting to see the effects of increased federal investments in infrastructure,” said Simonson.

He noted that 18% of respondents say they have worked on new federally funded infrastructure projects, double the 9% who said that was the case a year ago.

The construction economist noted that most firms anticipate adding workers in 2025 to accommodate the higher demand for most types of projects. More than two-thirds of the respondents expect to add to their

headcount, compared to only 10% who expect a decrease.

Yet he cautioned that more than three out of four firms report having a hard time filling either hourly craft positions, 78%, or salaried openings, 77%. In addition, the majority expects that hiring craft workers will continue to be hard or will become harder. Only 12% say it will become easier or remain easy to hire.

Contractors continue to see a significant number of project postponements and cancellations. Roughly two-thirds of respondents say projects have been postponed or canceled. Forty-two percent of firms report projects were postponed in 2024 but rescheduled, while 34%t of respondents report projects were postponed or canceled and not rescheduled. Sixteen percent have already experienced postpone-ment or cancellation of a project that had been scheduled for either the first half of 2025 or later.

Simonson noted that supply chains are coming back online, however. Nearly half of respondents report no supply-chain issues in 2024. Only 23% of respondents in 2024 and just 9% in 2023 said they had had no such problems. To cope with — or avoid — problems, 41% of respondents have accelerated purchases after winning contracts, while 32% have turned to alternative suppliers, and 25% have specified alternative materials or products.

Among contractors’ top concerns for 2025, the three most frequently listed are all workforce related. Sixty-two percent pick rising direct labor costs as one of their top three concerns, while 59% list insufficient supply of workers or subcontractors, and 56% name worker quality. The only other concern cited by a majority – 54% – of respondents is materials costs. Given the supply chain improvements, this concern is likely related to President-elect Trump’s threats to impose a broad range of new tariffs, Simonson observed.

Officials with Sage noted that construction firms are increasingly leveraging technology to address industry challenges such as labor shortages and productivity demands. Artificial intelligence leads the way as the technology with the biggest anticipated increase in investment, cited by 44% of firms. Other key areas for increased invest-

ment include document management software (40%), accounting software (36%), and project management software (35%).

“AI’s potential to revolutionize construction workflows is driving increased interest and investment,” said Dustin Stephens, global head of Sage. “Leading construction businesses are utilizing advancements in AI, cloud, and mobile technologies to operate more efficiently and tackle complex projects with greater agility.”

Stephens added that while cloud adoption remains steady — 61% of firms now use cloud-based project management tools — cybersecurity has emerged as the top IT challenge, cited by 41% of respondents, while finding the time to implement and train on new technology came in second with 38% of firms selecting it as a top IT challenge.

“As firms embrace innovation, addressing security concerns and streamlining implementation will be critical to sustaining growth in a rapidly evolving industry,” he said.

Association officials said they are urging the new administration to work with Congress to establish new programs for temporary work visas that are dedicated to the construction industry. They are also urging President Trump and Congress to pass the Stronger Workforce for America Act, which boosts funding for post-secondary construction training programs and to boost funding for high-school construction training programs.

They are also urging President Trump to revoke President Biden’s executive order imposing project labor agreements for any federal construction project worth \$35 million or more. They are also urging the president to be sparing in his imposition of new tariffs and to implement many of the measures to streamline permitting that Congress authorized but President Biden largely ignored.

“It will be a good year for the construction industry if the Trump administration works with us to find a way to address materials shortages, avoid materials price inflation, remove limits on who can work on federal projects and streamline the permitting process,” Shoaf said.

— *The Seattle Times contributed to this report.*

SEPT. 12

FRIDAY | 2025

RIVERSIDE

GOLF COURSE

REGISTRATION STARTS @ 8:30AM

SHOTGUN START @ 10:00AM

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	Thurston, Lewis, Mason,	The Silver Agency		Executive Director	
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First Allied Securities Inc	Hamilton Rock	Puget Sound			Port of Chehalis
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