

## **Building and trades sectors still taking it on the chin**

By Craig M. Douglas, April 28, 2011

Effects from the office- and housing-market downturns continue to ripple into the sectors that rely heavily on the construction and renovation of new and existing properties, according to new revenue data compiled by Sageworks Inc.

The information comes on the same day as a new report indicating Massachusetts home sale fell for the third-consecutive quarter in the Jan. 1-through-March 31 period.

Sageworks, a Raleigh, N.C.-based company providing financial research and analysis concerning privately held companies, said revenue from land subdivisions as well as nonresidential building construction have been particularly hard-hit in the last year, falling 15.7 percent and 6.3 percent, respectively. The foundation and building-exterior market also has struggled (down 6.1 percent) while the architectural/structural metals manufacturing and residential building construction sectors saw near-equal drops in sales (4.3 percent and 4.2 percent, respectively).

Sageworks' analysis drew on its clients' audited financial data for the 12 months ended March 25.

Given this week's housing data in the Bay State and elsewhere, there is not a lot of optimism that things will rebound anytime soon.

"Historically, housing has been the sector that's led the economy out of recession. That paradigm is no longer holding," said Jimmy Adams, a senior analyst at Sageworks.

Single-family home sales in Massachusetts dipped 14.4 percent to 2,704 in March, from 3,159 in March 2010. Home sales in the first quarter also dropped by over 8 percent to 6,722, from 7,312 during 2010's corresponding quarter, when federal tax credits spurred a temporary rush in activity among home buyers.

The quarter's decline marked the third-consecutive year-over-year slide in Bay State home sales. The sales figures were compiled by The Warren Group of Boston.

The state's median price for a single-family home fell 2.8 percent to \$267,250 in March, versus \$275,000 a year earlier. The change marked the fourth-consecutive month of year-over-year pricing declines in the commonwealth.

BBJ reporter Lisa van der Pool contributed to this story.

**Sageworks sales data: March 25, 2010, through March 25, 2011.**

**Sales % Change — Industry Code**

- 15.67% — Land Subdivision
- 6.29% — Nonresidential Building Construction
- 6.13% — Foundation, Structure, and Building Exterior Contractors
- 4.29% — Architectural and Structural Metals Manufacturing
- 4.17% — Residential Building Construction
- 3.84% — Cement and Concrete Product Manufacturing
- 3.51% — Building Finishing Contractors
- 2.02% — Household and Institutional Furniture and Kitchen Cabinet Manufacturing
- 1.46% — Building Equipment Contractors

For the full article featuring Sageworks' private company data, please visit the Boston Business Journal- [Building and trades sectors still taking it on the chin](#)