For the past couple of years, AISC’s Southeast regional engineer—a lifelong Northerner—has been discovering the challenges and opportunities for steel in the lower-right corner of the U.S.

MY FAMILY AND FRIENDS will tell you that I am a low-risk guy. I measure twice and cut once, I check the water depth before I jump in, and I’ve been known to wear suspenders along with my belt.

That’s why most acquaintances were surprised when my wife, Lynda, and I put out the “For Sale” sign and told them we were moving to Florida so I could take on the duties of Southeast regional engineer (RE) with AISC. After spending all my life in central Ohio and the last four years as AISC’s Upper Midwest RE, I was certainly enjoying life in a business and personal comfort zone.

The Southeast

For the past two-and-a-half years, I’ve been enjoying my new climate and region. All REs will tell you that their region is unique, and I am no different. With hundreds of miles of coastline and an abundance of sunshine, there are strong market opportunities for hotels, resorts, and vacation destinations. With almost 20% of the non-single family construction market in the U.S., the Southeast region is the largest. While the national market numbers for steel finished 2008 with a 55% share, the Southeast finished at 47%. A closer look at the diversity within the region shows that North Carolina, South Carolina, and Georgia all handily beat the national market share numbers. Florida completed 2008 with a 29% market share for steel.

I can’t forget to mention Puerto Rico when I discuss the Southeast. We have a strong steel presence there, with four active steel fabricator members. This is a professional group of quality fabricators that have formed a fabricator association and promote the steel industry on their island.

Florida in Particular

One state in the region, Florida, stands out for a couple of major reasons. First, it has the lowest market share of steel of any state in the continental U.S. Second, it ended 2008 with 8% of the construction market in the U.S., placing it as the second largest state in volume of construction, and accounted for about one-half of the construction in the entire Southeast region.

The combination of these two factors presents a big opportunity for steel, and three years ago the Marketing Committee, made up of nine AISC board members, voted to launch the Florida Initiative. Walt Primer was hired as the area marketing representative to increase market share as well as the general awareness of steel as a viable and economical framing option in Florida. Thanks to Walt’s efforts, we have seen positive results, with market share increases and a higher level of understanding about the benefits of steel. In the last few years we have seen the market share increase in offices, warehouses, hospitals, and parking garages, including five steel towers that have changed the skyline in southeast Florida.

Market Outlook

Of course, the downturn in the economy has really hit the Southeast hard. The region finished 2008 with a 25% drop in construction volume; Florida alone experienced a 35% drop. Most economists point to the housing collapse as the catalyst for the economic downturn and since 2005, the Southeast numbers reflect a 79% reduction in single-family and multi-story family construction dollars. Further stifling the Southeast’s economy,
North Carolina, South Carolina, Georgia, and Florida are all in the top ten states with the highest unemployment rates. On the positive side we are seeing some good activity with hotel, university, military base, power distribution, hospital, and industrial facilities. I am also seeing more steel fabricators looking to become AISC Certified to compete in these markets.

See you in Arizona (and Florida)

At this year’s North American Steel Construction Conference in Phoenix (April 1-4), I will be joining Brian Miller, AISC’s director of certification, in hosting a session titled “Estimating Rules of Thumb.” This session will provide information on how fabricators can gain an edge by helping the engineer accurately prepare an estimate.

In addition, Walt and I will host a Florida Initiative meeting in the second quarter of this year, and I will be participating in the MIAGREEN Conference in Miami June 11-12 and also in the Florida Engineering Society Conference August 6-7 in West Palm Beach.

Worthwhile Risk

Before coming to AISC, I’d worked at a fab shop, owned and operated a steel erection company for twelve years, managed a steel detailing office, worked for a steel joist and deck manufacturer, and acted as business development manager for a network of more than 150 fabricators. My experience as an RE has given me a broader view of the industry, and my time in the Southeast region has been very rewarding. With the help of our members, the fabricator associations, steel suppliers, and other steel industry professionals, we have increased the market share in the region by 7%, grown our membership, steered people toward the Steel Solutions Center, and influenced multiple projects towards steel.

Sometimes, even a low-risk guy like me has to leave their comfort zone. I still measure twice and cut once—that hasn’t changed—but one must remember that once in a while, opportunities come along that bring with them the rewards of new experiences, new relationships, and new challenges—not to mention warmer weather.