

## Future looks bright for commercial builder Welsh Construction as project pipeline grows, working jobs in Brevard, around the state; prefabrication speeds process

By Ken Datzman

The commercial construction industry in Florida is booming. And many general contractors are confident that demand for commercial projects will increase over the next few years.

The building expansion began about five years ago and it has only strengthened.

Population growth and increased consumer spending, which encourages new businesses to open, help drive commercial investment dollars in communities. Those two dynamics are now creating opportunity for builders as demand for services is fast on the rise.

“The recession created a pent-up demand for commercial construction projects. So now building activity is flowing at a pretty good pace, not only in Brevard but also around the state,” said businessman Ken Welsh, president and CEO of Welsh Construction in Melbourne, a general contractor that specializes in commercial building.

“We’re very optimistic as we look to the future. Our pipeline of projects continues to expand.”

Chris Norton, vice president of development at Welsh Construction, added, “We routinely meet with bankers, real-estate brokers, engineers, surveyors, and other professionals to see how business is going. They are all saying the same thing, that Brevard County, and Florida in general, is experiencing strong construction growth. The commercial real-estate economy is as good as I have seen it in years. Through Ken’s leadership, Welsh Construction, for example, is working projects locally and all over the state. The future looks bright for Welsh Construction.”

The latest Florida & Metro Forecast from the Institute of Economic Competitiveness at UCF, shows the Sunshine State’s economy, as measured by Real Gross State Product, expanding at an average annual rate of 3.8 percent now to 2020.

Thanks to a strong business climate, Florida should continue to outpace the national economy when it comes to Real Gross Domestic Product and job growth over the next four years, according to the UCF forecast.

“People want to live in Florida. It’s a very attractive state, not only for its beauty but also for its business climate,” said Welsh. “Site Selection” magazine’s 2016 survey ranked Florida’s business climate 11th overall of the 50 states.

Welsh Construction is building new facilities for clients in some of the fastest-growing business sectors in America, such as urgent care. The Welsh team just completed a 4,707-square-foot MedExpress urgent care facility in Vero Beach. Headquartered in Morgantown, W.Va., MedExpress operates nearly 250 urgent-care centers in 19 states.

“The urgent-care industry has been growing for years,” said Norton, who has extensive experience in economic development working for cities, including Boston. “Just drive around Brevard County and you can see the growth in the urgent-care sector.”



BBN photo — Adrienne B. Roth

Welsh Construction, a commercial general contractor, is building new facilities in some of the fastest-growing sectors of business. An example is the new MedExpress urgent-care center in Vero Beach. Based in West Virginia, MedExpress has nearly 250 centers in 19 states. Ken Welsh, left, is president and CEO. Chris Norton is the firm’s vice president of development. They are at their new office at Eau Gallie Pointe on West Eau Gallie Boulevard in Melbourne.

Despite increased competition in the on-demand health-care and urgent-care industries, providers continue to experience consistent, year-over-year growth, according to the new “Benchmarking Report” from the Urgent Care Association of America and Merchant Medicine.

The total number of urgent-care centers in the U.S. jumped to 8,125 in mid-2017, which is a 12 percent increase over 2016. “A growing patient population is seeking access to immediate, convenient, and affordable care, and urgent-care centers and other on-demand providers are responding with additional options for patient care,” the report says.

The Benchmarking Report identified the influence of Millennial consumers as a “driving force” behind on-demand health-care growth. Millennials are the largest living generation of consumers and are known to greatly value patient-centric health-care models for several reasons, including the fact they look for “pricing transpar-

ency” when making purchasing decisions.

Welsh Construction is looking to build upon its relationship with MedExpress.

“They had a very aggressive timeframe for completion of the urgent-care facility in Vero Beach. It was 110 days. We completed it a few days ahead of schedule,” said Welsh, adding the project included putting in the underground utilities. Steve Anderson was the project manager for the MedExpress in Vero Beach and Hank Richard was the project superintendent.

Education is another sector where Welsh Construction has been very active building new facilities in Florida. The company just constructed a new 9,400-square-foot Creative World School facility in St. Cloud. The Raytown, Mo., early education entity has 17 facilities in Florida and schools in Texas, Missouri, Illinois, and Virginia.

“The project we did in St. Cloud is similar to the Coral

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Reef Academy we built in the local market (on Nasa Boulevard in Melbourne)," said Welsh. Anderson was the project manager and Jeff Kraner the project superintendent for the Creative World School construction in St. Cloud.

"We're doing a lot of school projects," added Welsh. "We have a continuing contract with Brevard Public Schools. Currently, we're doing some renovation work at Edgewood Junior-Senior High School on Merritt Island and at the former Clearlake Middle School in Cocoa (closed in 2014), which is now being used for adult education. We are also looking at other school districts in Central Florida for projects as well. We have a strong niche in the education segment."

The first quarter 2018 USG Corp., a manufacturer of construction materials, report and the U.S. Chamber of Commerce Commercial Construction Index, released in March, reveal nearly two-thirds of contractors are "highly confident" that demand for commercial construction will increase over the next year.

However, there are continued concerns around labor-shortage issues, which have put even greater pressure on the industry to increase job-site efficiency and improve labor productivity.

To address this challenge, more builders are turning to alternative construction solutions, like prefabrication and modular building materials.

Locally, Welsh Construction is considering rolling out a new offering in the future that will enhance and expedite the on-site construction process for clients.

"The construction industry is changing just like other industries," said Welsh, one of the most successful construction company entrepreneurs in the region.

"As building demand continues to grow and general contractors deal with workforce shortage issues, I think we are going to see more prefabrication and modularization."

He added, "The walls and roof systems for the MedExpress facility we just completed in Vero Beach were all prefabricated. Those systems were delivered and erected on-site. This compensates for some of the site-build labor you typically need for a construction project."

Welsh Construction is looking at offering complete prefabricated structural systems, including walls, floors, and roofs, for its clients' projects.

"There are advantages to doing this. First, it is lighter than conventional components such as masonry block construction or traditional tilt-wall construction, and it reduces the foundation cost. It's a prefabricated product so it helps speed time on the overall project. We use a steel product that is sustainable and renewable, which is good for Leadership in Energy and Environmental Design projects, and green ideas in the construction industry. And there is no mildew issue with a steel product," said Welsh.

Contractors in the Northeast (69 percent) reported the most frequent usage of prefabricated and modular components, compared to the South where only 24 percent indicate their companies are using these materials, according to the USG Corp. and the U.S. Chamber of Commerce Commercial Construction Index research, which was developed with Dodge Data & Analytics, a

leading provider of insights and data for the construction industry.

Construction employment totaled 7.2 million in May, a gain of 25,000 jobs for the month and 286,000, or 4.1 percent, over 12 months, says a report by the Associated General Contractors of America. The report pointed out that the year-over-year growth rate in industry jobs was significantly higher than the 1.6 percent rise in total nonfarm payroll employment.

Construction employment is now higher than at any point since June 2008.

"Right now, general contractors are facing a 'double-edged sword,' so to speak, in that they are growing but at the same time they need to find staff to manage projects," said Norton.

The Associated Builders and Contractors, a nationwide trade organization with a local chapter, says apprenticeships must be expanded to meet the 21st century

workforce needs.

"There is a big push for apprenticeship programs in the construction trades because they offer workers a career path," said Welsh, whose company invested in and constructed the first office building at the new Eau Gallie Pointe development on West Eau Gallie Boulevard in Melbourne. The commercial subdivision is being developed by Mike Renfro of local firm Matthew Development.

Welsh Construction moved in late last year. Since then, there has been a flurry of activity at Eau Gallie Pointe, with all types of businesses set to make the project a success. "Coming Soon" signs are up everywhere at Eau Gallie Pointe.

"This is the newest office project along the West Eau Gallie corridor and it has a lot of momentum behind it. There are a lot of things happening in this area. I think it demonstrates the strength of the commercial real-estate market," said Norton.

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