



RHarper Consulting Update

Why Is Multi-Family Construction Difficult?

The multi-family market has exploded over the past several years, presenting amazing opportunities to general contractors. That increased demand, though, has lured many commercially-oriented contractors into the market, often with disastrous results.

While contractors who historically have specialized in wood frame multi-family have certainly prospered during these times, others have found that their systems and skills are not necessarily transferable. If they can build a school, hotel, or retail center, they reason, surely they can build a wood frame apartment building – but too often they overestimate their abilities and stumble on issues of quality, schedule, and cost.

Some of the differences in approach, and eventual causes for project failure, that I have observed include:

Labor Resources – The typical multi-family subcontractor has very few long term, trained employees. They typically have a pool of laborers they can call upon as the needs arise. In fact, the vast majority of workers on a multi-family jobsite are essentially general laborers. They are not trade-school trained – nearly all of them have only picked up what they know from past jobs they have been on. There is also a strong cultural and language challenge on many projects. Most of the labor force in multi-family in major parts of the country are Hispanic, and many have only a limited command of English, making it very difficult to communicate the finer points required for achieving and maintaining quality and schedule. Using commercial, highly trained subcontractors is perceived as cost prohibitive, and many will not bid multi-family work.

Hidden Complexities – The building envelope of a commercial structure, while complex, is typically a proprietary wall system with well-engineered and tested components which are manufactured and installed as an integrated system by certified subcontractors. Multi-family is typically none of these – it is most often a mixture of multiple building finish materials with frequent transitions and multiple planes and elevations - all hand applied. The waterproofing details are not standardized and often conflicting. Determining whether materials are compatible can be extremely challenging. Add the lack of trained subcontractors into the mix and execution of the building envelope is ripe with the opportunity for catastrophic errors. Wet walls and the resultant microbial growth are the result and present significant costs to correct and mitigate.

Management and Site Supervision – The general contractor who specializes in multi-family construction understands the limitations and challenges described above and staffs their jobsite with superintendents who are capable of managing multiple trades on a “micro-management” scale. The subcontractors cannot be relied upon to train, monitor, or manage their respective trades without close supervision. Commercial general contractors are used to relying upon the subcontractors working somewhat in tandem to coordinate, inspect and monitor their own work with the general providing overall supervision. These are vast differences in execution and culture.

If you are planning a multi-family construction project and are faced with selecting a general contractor, pay particular attention to the recent history of their portfolio as well as the overall depth of the experience. Many reputable commercial contractors have tried to “buy” their way into the multi-family business with promises of better cost and schedule controls, but without an understanding of the differences between the labor resources and challenges present in the multi-family market. It is always buyer beware, but this is a more critical decision than most. Choose wisely.

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RHarper Consulting Group provides development consulting, program management, and owner representation services focused on the senior living and mixed use sectors. In addition, Mr. Harper is also a listed mediator and arbitrator providing dispute resolution services for the construction and real estate industries.



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