

Construction slowdown



Bill Lovejoy/Sentinel

Builder Vic Bogard, in front of the United Artists Cable building in Scotts Valley, has cut back on hiring.

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Local decline follows national trend

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SANTA CRUZ — New housing starts in the unincorporated area in October were half of what they were a year ago, indicating the county is following a nationwide, downward trend in the construction industry.

Last month, the county issued 10 building permits for new homes, compared with 20 in Oc-

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tober 1989 and 19 in October 1988, according to Michael Bush, building counter supervisor.

Building permits overall are down 29 percent when August and September of 1990 are compared with the same periods in 1989 and 1988, Bush said.

Nationwide, housing starts fell 6 percent in October to their lowest level since the last recession and building permit applications dropped to their lowest level since the 1981-82 downturn, the Commerce Department reported Tuesday.

Local contractors are feeling the pinch, forcing some to change the way they do business. Vic Bogard of Bogard Con-

struction in Santa Cruz said the market for commercial construction is down considerably.

"We have been forced to look for new markets such as schools," Bogard said. "We have cut back our hiring. This has been going on for eight to nine months. It started right after the earthquake, but I think it is just a national trend."

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Locally, construction workers are having to scramble for what jobs are available.

Nationally, there was a loss of 80,000 construction jobs in October, according to the Labor Department. In the last five months, 185,000 construction jobs have been lost.

The industry slump is causing construction workers from out of state to come searching here for jobs, according to Tom Bryan, business agent for Carpenters Union Local 829.

"When they are from out of town and they are seeking work due to the fact we had a disaster, I tell them to go home, that we have enough people here to do the jobs," said Bryan. "But to people who are legitimately looking for work, I tell them that business is down and that the work that does come to us will go to the people here."

Bryan said there are a few more union workers on unemployment right now than usual,

but he expects an upswing after the first of the year. Traditionally, the period from Thanksgiving to the first of the year is slow, he said.

"I feel that California is better off than the rest of the nation," Bryan said. "The one thing I give credit to is the weather in general. We have better working conditions."

Scotts Valley and Watsonville also appear to be following the downward trend.

In October, the city of Scotts Valley issued three building permits for new single family houses, compared with 24 in October of 1989.

"We haven't issued many new single family home permits this month compared to last year," said Neil England, Watsonville building official. "We are busy, but that is because of earthquake repairs."

England could not provide exact figures.

"Last year, we were issuing permits for three or four subdivi-

sions. But this year, one subdivision just canceled on us — Pennsylvania Place near the new Starlight School. They are waiting for the market to improve," England added.

The city of Santa Cruz seems to have escaped the trend, possibly because it is almost built out. In October, the city issued nine building permits for new residences and non-residential buildings. In October 1989 it issued three and in October 1988, it issued 14.

The figures for October 1989 may have been down because of the Oct. 17 earthquake.

Capitola could only provide figures for total building permits, which include permits for small items such as decks and fences and earthquake repair. The overall figures don't indicate a downward trend there.

Capitola issued 55 building permits in October, compared with 64 in October of 1989 and 35 in October of 1988.