

CFR The Commercial Flooring Report

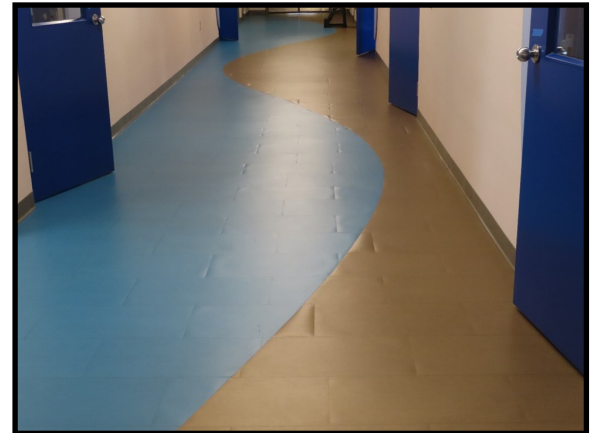
For the Commercial Floor Covering Industry

Volume 140 - May 2020 [Click here to View and Download all CFR Newsletters](#)

WHEN THE DAM BREAKS

The aftermath of the affects of the Covid 19 pandemic that brought the country to a screeching halt didn't necessarily do the same to the commercial flooring market. Nearly 80% of the flooring work in progress continued with the exception of some of the major metropolitan marketing areas. We talk to commercial flooring contractors every day and the vast majority of them have stayed very busy or have work backing up.

School work certainly has been a boom as well as office space and even some restaurants have taken advantage of the down time to remodel, refurbish and replace flooring and well as freshen up the interior space. As the quote by Albert Einstein so aptly states: "In the middle of difficulty lies opportunity." Certainly, this anomaly in our lives has created difficulty for most but it has also created opportunities for a great deal of businesses. As restrictions are eased around the country, especially in the larger cities, and the faucets opened on business there is, in my opinion, going to be a mad rush to ramp up flooring projects and installations that went dormant. We are actually seeing that now, even though things may be going at fits and starts.



Certainly, some projects have gotten delayed, put off or pushed back and some even cancelled. The cancellations seem to be on the low side of the curve but those could certainly return when things get moving again. Backlogs have been keeping firms busy as well from people holding off but that will and is starting to open up. Bids have been steady for many since no one expects this to last forever and it won't, even though that may be doubted. Margins are said to be slimmer on some projects because the clients are needing to cut costs but that may bounce back as well when the surge kicks in. There will be a scramble for jobs to get done and time more than price should prevail with the law of supply and demand. There doesn't seem to be much of a delay in getting product either. There may be some but it should catch up rather quickly. Flooring manufacturers in Dalton had to deal with shutting down for a short time and when they opened back up some employees were fearful and didn't return to work but we haven't heard that being an issue at this point. I case you didn't know; it does not take a lot of people to make carpet. Labor is only about 7% of the cost of the material. Producing flooring is not a labor intensive business. For the time being we'll all have to put up with the checks on labor for Covid as most flooring contractors are checking their installers daily, having briefings, putting strict health and safety guidelines in place and being more careful.

Those flooring contractors who have had to postpone work are seeing a quick upturn as businesses get back under way and people start coming out of quarantine. One flooring contractor I spoke to had 30 installers working throughout the slow down out of 130 they usually employ. He told me he's back up to 110 installers working in a short period of time. I've heard the same story from several flooring firms in major metropolitan marketing areas – that would be cities like Boston, New York, Philadelphia, Detroit and Chicago among others. Cities that were shut down more tightly. Most in the Northeast. Cities in the South have stayed mostly busy. A lot of flooring work was considered essential and other projects, such as quickly built hospitals were on fast track plus modes. The large flooring contracting groups saw an average retraction of business of about 30%.

What do I see:

As the markets open back up, particularly in the large cities, I see a rush to get jobs started and done. Everyone we're talking to that's coming back on line all had business and are ramping up significantly. Many are close to having full engagement of their installation crews. There is work on the books, back up and some with a concern for what next year has in store. For the short term, the second half of 2020, business should be very good, in my opinion. Many are concerned for what next year will bring.

The economy is surprisingly strong, resilient and bouncing back. Reports that I hear from furniture stores to car dealers to retail flooring stores are that business is excellent. Some stating that the month of May was the best month they've ever had. Many big ticket items are on back order. People are only going to stay put for so long and shopping is a fact of life for Americans. We are also social creatures and we need the interaction of others whether that be in bars, restaurants, movies or just the normal activities of life getting together and being together. Nothing is going to stop that. It's innate in human beings since we could stand upright.

I also see a rush to complete projects, to get the flooring installed. The rush to supply product which may mean shipping everything made to get it to the job and the risk taken with chance shipments. This literally means the manufacturers will take a chance on shipping a product that they may otherwise relegate to off quality because it needs to get to the job. Kind of the "should we or shouldn't we" dilemma. Also, a rush to get orders filled and shipped. Remember we said manufacturers have dealt with some absenteeism. Manufacturers are as anxious as everybody else to get business back on track and though they won't get



THE COMMERCIAL FLOORING REPORT

Lew Migliore - President

P (706) 370-5888 or Email: lgmtcs@optilink.us

Just click here to go to our website for all CFR articles

LGMANDASSOCIATES.COM

LGM and Associates
TECHNICAL FLOORING SERVICES

The Floorcovering Experts

"WHEN NO ONE ELSE HAS ANSWERS.....WE DO"

www.lgmandassociates.com • 706.370.5888

The experts at LGM

specialize in consultation, correction and resolution for flooring complaints, claims, installation and performance issues.

No issue is too big, too small or too far away for us to handle.

All ads are interactive. Just click on the ad to enter their website.

We are now posting the CFR on LinkedIn. Just click the image below or search under Lew Migliore and let's connect!!

LinkedIn



Page Layout By: Anita S. Drennon

sloppy they will want to ramp up as fast as possible. There is a chance we may see more product defects.

No question in my mind there will be labor issues. The lack of installers is going to be exacerbated by the amount of work that needs to be done. This was a challenge before Covid and, in my opinion, it's going to be a bigger one because the amount of work will at least be the same but the speed at which it's going to have to be done is going to tax the limits of the workers having to do it. Here's where, as a business man I have to say, "make hay while the sun shines." That is, do whatever it takes to get the work and get it done. There is a chance we may see more installation related issues. Conditions for installation may not be heeded, not that they have been, but it may be worse relative to the space environment and substrate issues. The dangers of full speed ahead. Much of this will be dictated by the General Contractor or the commercial end user wanting to get the project done.

Here's an issue we have been seeing:

With stores and office space being unoccupied the HVAC systems may have been turned off or turned down. This has been reeking havoc with some spaces where the flooring is lifting or reacting especially with slab on grade construction. This is not a flooring issue or an installation issue but an environmental issue.

The effects of disinfectants of the flooring materials which may necessitate shorter replacement times. In hospitality, carpets may be replaced sooner, or now, to give the impression of a conscientious effort to keep rooms free of contaminants and bacteria. We heard this in a conversation recently.

In the future will the "work from home" take a toll on office space? This is yet to be determined but it could. Further, some companies have found they can function with fewer people. In addition, there has been outsourcing of services such as IT which may slim the herd of companies work forces. However that plays out, there will still be the need for offices, maybe in different configurations but people want to be with people and teams don't function if they're not all on the playing field.

Social Distancing - I wouldn't go overboard Depopulating the office space. Putting people in private offices. Reconfiguration of space. Less density. More people working from home. How long can that last?

Faster, MORE Accurate Moisture Test for Concrete Floors

RAPIDRH L6

THE BEST RH TEST JUST GOT BETTER

RAPIDRH
°F **75** %RH
Wagner Meters

- Simplest F2170 Test
- Improved Technology and Responsiveness Especially in High RH • Integrated Data Storage • Lowest Cost/Test

MIP 2020 WINNER | **WAGNER METERS** | **WWW.RAPIDRH.COM**
(800) 207-2214

U.S. Patent 7,231,815, 8,047,056, 9,032,791 & 9,588,092. Additional patents pending.

See Page 5 Regarding Excess Inventory Offer



Again, and I can't emphasize it enough, we are social creatures and need the interaction with others. There has to be personal interaction, so, I think, that putting a lot of credence in figuring out how you're going to keep people in work places distanced is a short sighted solution. Like parting the waters that inevitably flow back together. Like nature, the voids in vegetation get filled in quickly, so to is it with human beings interacting.

None of us know yet how all of this is going to play out. Certainly it will have short term effects and of course, over time and with learning, new ways of conducting business will be implemented. We'll all learn and discover new ways and variations on how to do business. Personally, despite the reason, I think the pause in the world was a good thing. The world needed a break.

One thing is for sure. Every building that exists uses and needs flooring and we'll be here to help you with whatever the challenges are going forward.

LGM and Associates
TECHNICAL FLOORING SERVICES

The Floorcovering Experts

519 Oxford Street Dalton, GA 30720 P (706) 370-5888 F (706) 270-0482

Email: lgmtcs@optilink.us

Website: lgmandassociates.com

- Flooring Failure Analysis and On Site Physical Inspection
- Installation Oversight, Guidance, Correction and Specification Writing
- Guidance and Consulting on all Flooring Materials, Substrates, Concrete and Moisture Issues
- Identifying Concrete, Moisture and Flooring Failures
- Specifications, Consulting and Information Before and After the Sale
- Certified Product Testing
- Oversee Manufacturing and Inspection Of Product at the Source
- Mediation and Dispute Resolution
- Educational Seminars
- Legal Case Assistance and Proffered Expert Witness
- Insurance Loss Evaluations

“WHEN NO ONE ELSE HAS ANSWERS, WE DO”

Excess Inventory Offer

Most of you have flooring material sitting around that's taking up space and costing you money.

Dispose of your excess inventory - remnants, hospitality carpet, carpet tile and any hard surface flooring materials. Avoid paying insurance or taxes on flooring materials taking up rack space and convert it into cash.

We have a contact in Calhoun, GA that will pay you for this material and arrange for shipping from your location. They'd need a complete inventory of what you have so they can make you an offer. This firm is well financed and established with a stellar reputation.



This is a great opportunity to get rid of merchandise taking up space and make some money in the process. Call or email Kolt or Cynthia with any questions so they can help you.

surplus@overstockfloorzusa.com

Kolt Privett - 770-530-4709

Cynthia Potts - 706-271-6767

Thanks,
Lew Migliore