

COMPANY DEEP-DIVE

Project Manager at On Point Managing Solutions Sees Increased Demand and Financial Challenges for Florida Condo Restoration Projects

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Summary

The client is conducting a market study on concrete restoration companies in Florida after the Florida Condo Safety Act. The Project Manager at On Point Managing Solutions explains their role as an owner's rep for condominium associations and the increase in demand for contractors. They discuss the potential financial challenges faced by condo associations in financing projects and the need for some buildings to sell units or levy special assessments. The Project Manager also mentions the requirements and timeline for building recertification and the increase in demand for their services. They explain the process of selecting providers for construction projects and the importance of having a structural engineer involved. The Project Manager provides the names of three contractors they work with the most and rates them based on pricing, reputation, quality of work, knowledge and expertise, and customer service. They discuss the differences between working with condominiums and apartment buildings and acknowledge that delays can occur in the condo world but assure the client that tasks will eventually be completed.

TABLE OF CONTENTS

- Introduction And Expert Background
- Impact Of Condo Safety Act
- Financial Challenges And Solutions
- Demand And Market Changes
- Cost Increases And Market Dynamics
- Contractor Selection And Bid Process
- Project Management And Contractor Relations
- Evaluation Of Specific Contractors
- Service Offerings And Contractor Expectations
- Condo Vs Apartment Project Dynamics

EXPERT BIO

INTERVIEW TRANSCRIPT

Client ▶ 00:00:00

Hi, thank you for joining and being able to speak to us today. So we're doing a market study trying to understand how concrete restoration companies are utilized in Florida especially in like the southeast and southwest post Florida Condo Safety Act. So we've been speaking to property managers, contractors, structural engineers, about how this process works. But yes, if you don't have any other questions before we start, we can just jump right into it.

So I guess to start, would you be able to provide me a little background about your role? Because I know you work for, you're like a project manager, so it's a little different. But yes, you can talk about your role and your involvement in this process.

Expert ▶ 00:00:36

Yes. So yes. I currently work as a project manager, as an owner's rep, actually, for condominium associations, a HOA with On Point. But prior to On Point, I was a community association manager, basically a property manager, for 10 years with a management company, Castle Group. And -- but throughout my experience whether -- especially now as the owner's rep, we -- my main role is to be the facilitator of the construction progress from start to beginning depending on at what point they hire us.

But we ideally like to be there from the beginning when the community is making a decision about a project and being that point of contact for essentially them through the pre-construction phase, the construction phase, and the closeout phase.

So we deal with selection of contractors, we assist with selection of engineers, we deal with the selection of architects. Everybody that may be involved in the project, we are essentially the ones

that's going out to find who's the best fit for the client and try to get them to submit a proposal or a bid for the project.

Client ▶ 00:01:35

Great. That's super helpful. And for most of your projects, are you generally working on mid-rise, mid-rise buildings, high-rise, low-rise?

Expert ▶ 00:01:44

High-rise.

Client ▶ 00:01:45

And was that the same while you were at Castle Group? Is that the case as well?

Expert ▶ 00:01:49

Yes, actually with Castle Group, I was a condo manager on the tower side, is what we called it, for about seven of the 10 years with Castle. Prior to that, I was on the HOA side, which is mainly the single-family home subdivisions.

Client ▶ 00:02:02

Okay, okay, interesting. Awesome. So I guess, based off of that, how, when we've talked about the individuals, they've mentioned that there's been an uptick in the use of these contractors just because of the Condo Safety Act that was passed. What has been your experience with that?

Expert ▶ 00:02:17

Yes, so ever since the -- I would even say prior to the Condo Safety Act, but after Champlain Towers South collapsed, there was this big rush. I was on the management side of things at that point. And even the board of directors that I was working with, they were really concerned about the safety of their building. So a lot of boards and even the residents were putting pressure on their boards to hurry up and fix problems that they knew were existing.

The law, I think, just forced the hand of a lot of those buildings that were still dragging their feet. Now, it's mandatory to basically reserve, put funds away for these repairs and make requirements for at least more stricter milestone requirements than what was previously there, which was the 40-year milestone.

So now that there's additional milestones which must be met under the statute, and essentially some of them fall under that 30-year category now, or getting closer to 30 years, so now you have this higher demand for contractors to do a lot of this work, especially concrete restoration and the tower side of things where you just have a lot of buildings.

I mean, it's Florida, it is a high exposure to wind and saltwater, especially on these beachfront

properties. So a lot of the buildings that had similar issues like Champlain Tower South are now trying to scramble to fix those issues because no one else wants to see their building collapse.

Client ▶ 00:03:32

Definitely. And my understanding was that for the Champlain Towers, the people, the Condo Association and the board of directors was aware that projects were needed to be done, but they just kept postponing it?

Expert ▶ 00:03:42

That is correct. I don't know the details of that, of everything, but based off the news reports and some of the engineering reports that were made public, yes, I think there was some alerts in the years prior that there was structural issues that needed to be addressed and that the building, the building, whether it was the board or the owners, the membership, were arguing about the cost of it and it seems like they essentially had very little money available to make the repairs.

So a lot of that is what, from my understanding, may have led to the delays related to that. So -- and that's, unfortunately a common issue that we see in a lot of these buildings where people historically have decided to what we call kick the can down the road, waive their reserve funding, and then when something needed to be done, they would just do a special assessment.

However, the special assessments sometimes are astronomical. You have a lot of these people that are on fixed incomes, and they get pushback. They can't afford to pay their special assessments. So a lot of that, I think the new law will help mitigate those issues moving forward, meaning forcing a lot of these homeowners, a lot of buildings to now put money away for the inevitable, which is basically repairs, especially from a structural perspective.

Client ▶ 00:04:50

Yes, that makes total sense. And the clients that you work with, do some of them -- I'm not exactly sure how the best they're at, but do some of them have more disposable income than others, which allows them to be able to do projects relatively easily?

Expert ▶ 00:05:03

It's funny you say that. Yes and no. I mean, there are some buildings that are located in some very affluent areas of Miami that have zero money. And the membership would still need to come up with paying for special assessments, which in some cases right now, we're budgeting \$50, \$60 million for a special assessment on maybe 100 and, let's say, 150-unit building.

Client ▶ 00:05:25

And that's just for the inspection you're budgeting for, correct?

Expert ▶ 00:05:28

Well, we're budgeting for everything that the building needs to, that's on their plate right now. So in those situations we create the budget, and then we hand it over to the board and say, hey, here is the worst-case scenario.

We always like to present the worst-case scenario and try to work backwards that way. But eventually, they will probably have to go through some sort of special assessment. And if those owners of that building can't afford to pay those assessments, you can have delinquency issues.

But even with the buildings that are kind of like middle of the road, let's say middle average income, middle household income, it's tough for them. And if you can go down to the -- maybe it's just those people on the lower end it's the same thing. I mean it gets even worse from there where all of these buildings age at the same rate. It's just that if those buildings have not been planning for those repairs, the special assessment is going to hurt regardless if you have money or not. But yes, we kind of manage across the board.

And even for us we take into consideration if it's a building that has money to even pay us to do the work, sometimes we have to turn down jobs to opportunities because they may not even have enough to pay us and we don't want to get into a situation where we're kind of stuck in the middle of it, so.

Client ▶ 00:06:38

And what are those -- and then those condo stations that don't have the money to pay you guys as well as to pay to do the job, what are they doing then to finance these projects and to make sure that they have the reserve requirements?

Expert ▶ 00:06:48

Yes, so a lot of them are, they have professional management companies that will help guide them through that process. The professional management companies often don't want to be the project managers because of the liability associated with it. So they'll try to encourage them to get financing through banks that offer. There's a few banks, especially in Florida, that cater to the association, condominium association, or HOA entities. But essentially, their best bet is to try to get a loan.

Hopefully they can get a loan if their financials are on track, if a bank is willing to take a risk on them. If they can't get a loan, which there are some communities that are dealing with that now, is that they have such high delinquencies that they can't even get a loan, those buildings have very serious problems. They can levy a special assessment, but the owners would have to pay that money up front. Typically, you get a loan to kind of front the money for the work, and then the owners pay back over time.

But if you have to levy a special assessment and that money is due right away, that makes it even worse for a situation. So a lot of buildings are in some cases, selling out. I don't know what the amount is, meaning they're basically selling their units to developers that are willing to buy their community out and essentially the developers are taking over and knocking the building down and rebuilding a new building.

So I don't know the rate of that. I don't think it's a huge number of people, but I know I've heard from people saying that they've been getting letters from developers. I think developers know and target the ones, the buildings that they know that are in trouble, and they try to convince those owners to sell. So we may come out of that in two years.

Client ▶ 00:08:22

Yes. That makes sense. It's sad to hear it, but that definitely makes sense. And you mentioned earlier too, when some of your clients when the Champlain Tower fell that they got worried, and they were proactive and tried to contact structural engineers to perform inspections and get work done. Was that also just the case, I'm assuming, with people with more disposable income, whereas the other ones continued to kind of keep quiet and act like nothing was wrong with the building?

Expert ▶ 00:08:46

It was you definitely saw it more on the Champlain side of things. They were really more proactive. A lot of the buildings that our clients are actually in the very close proximity to Champlain Towers along the beach. So a lot of those buildings, they did not hesitate to do it.

But let's say maybe some of the communities that are away from that area or have more of a middle household, middle income household range, they still drag their feet. There's one in particular that I can think of right now that despite everything, I think they just thought they were insulated from it because that was something in Miami, not in this property in Fort Lauderdale.

And they have done nothing since. And now they're in a really bad situation where they have a 40-year recertification that's past due, and that municipality is issuing them violations at this point and may potentially shut the building down.

Client ▶ 00:09:34

Oh, wow. And that 40-year requirement is based on the initial law prior to the collapse, correct?

Expert ▶ 00:09:39

Correct. Correct. But I mean, the building is at 40 years anyway, so whether it's the old law or the new law, they were required for that 40-year recertification. They were due for that 40-year recertification actually in 2020. And that whichever, whoever the board of that community was at that time just didn't move forward on some of those tough decisions. And now they're 2023, and they're still dealing with it.

Client ▶ 00:10:04

Wow, yes, that's crazy.

Expert ⏮ 00:10:06

Yes, yes.

Client ⏮ 00:10:07

And when is the requirement for buildings to come into compliance?

Expert ⏮ 00:10:10

For the new law?

Client ⏮ 00:10:11

Yes.

Expert ⏮ 00:10:11

The new law, so they just made it, 2024 was the year, but I think they just made it, the Senate just passed a new bill. I don't know if they made any additional changes. It may be 2024, 2025. I would have to look it up.

But I know there was just some updates to the Florida Condominium Safety Act, which I believe was just clarifying some of the initial gray areas of the law regarding the structural integrity reserve study and things like that. But I know for sure it's still moving forward. I just believe they just clarified some things. But it's at the end of 2024 or early 2025. I can't remember which one.

Client ⏮ 00:10:50

Yes, awesome. I just wanted to share because I initially thought it was the end of 2024. But some of the people we spoke to said it might have been pushed back to 2025 as well. So -- and who's enforcing these, who's enforcing inspections? Is it the state? Is it a county? And like, how are they being enforced?

Expert ⏮ 00:11:09

Yes. So that's a very good question. I would imagine it's going to, it's going to stick with, stay with the current entities that are enforcing it, which depending on the location of the property or the community, it's most likely going to be a municipality like a city of Miami or a city of Fort Lauderdale. But if it's in one of the unincorporated areas of the county, it would fall under the building department for the county. So yes, there's two different jurisdictions, just depending on where it's located.

Client ⏮ 00:11:36

Okay, I understand. And have you noticed, maybe, I don't know, have you noticed any issues with there's maybe not enough employees of the state to enforce this right now, or like there's a

backlog of when you're trying to file these inspections, or has that not been an issue?

Expert  00:11:50

Well, I like to really speak to is current job, current construction jobs where contractors or general contractors are explaining labor issues. Obviously, the new law is still to be determined as far as, it hasn't going into effect yet. So a lot of communities are preparing for it now. But what I've heard from the general contractors that we work with is that when there was, I think, a law passed in June where the governor really made, made it harder for illegal immigrants to work in the state.

A lot of their workforce suffered because of that. A lot of people were concerned about basically getting deported. I think a lot of it had to do with how hard it was to employ those people on their job sites. So I know right away a lot of them just said, hey, we lost some of our workforce. People are just not showing up to work anymore.

They couldn't really explain it. But -- so they're struggling. The larger GCs, I think for the most part, they had enough staff to sustain it. But maybe the smaller general contractors, they for sure, if they only had 15 or 20 guys on their crew and they lost five that's a lot for them.

Client  00:12:53

Yes, and are any smaller GCs still maybe playing along with the tightrope and might still be hiring or documenting employees?

Expert  00:13:00

That I don't know. I mean, we don't really get too deep in the weeds with that. But I believe there's some caveats to the law that if they're under a certain number of employees, that they won't be and run afoul of this law. So I don't know exactly how they're managing some of that. I know we, from a contractual perspective, we just require that they send tradesmen to the site that are qualified to do the work. But we don't really question if the tradesmen are legal to work in the country. That's their job. So we don't really get involved in that.

Client  00:13:28

Yes, that makes sense. Awesome. That's super helpful. And then how have you noticed your work changing since the passing of this law? I mean, obviously, there's been an uptick in usage, but have you noticed an uptick in the number of jobs you've had within the last year?

Expert  00:13:43

Oh, yes, definitely. I mean, there is more construction work and more need for our work, especially on the owner's rep side, from a lot of the condominium associations, especially because the management companies don't want the liability. So a lot of them are having their contracts that say specifically, we don't do project management. So they don't want their management team involved in the project management.

So they're reaching out to us to manage their projects. And we're right now, we're capacity of

projects that we can take on. And we can't even hire enough project managers to take this stuff on. Yes, so we're seeing on our side, I know the engineers are saying the same thing. They have more than enough jobs on their plate. Many of them are saying, hey, they're six months out, seven months out, depending on what type of work they're doing.

As far as preparing plans and drawings, it's just a higher demand because of all of the work that's kind of popped up. Yes, so it's a good time if you're in the construction or engineering or project management world.

Client ▶ 00:14:43

That's great. That actually moves right into my next question. It's two-fold, I guess. So first being, if you spend about \$1 a year for a project on concrete restoration, let's say, two years or three years ago, now how much do you spend on a project?

Expert ▶ 00:14:58

It's concrete. I would have to honestly, I would have to look at some numbers, but just off the top of my head, I would say roughly about. I would say about \$3 to \$4 now.

Client ▶ 00:15:09

And that's just for the concrete portion, it's been a multiple of rates.

Expert ▶ 00:15:12

Just the overall cost. And what we're seeing on average for about anywhere from like 30% to 40% increase in just cost because of labor and materials going up is basically what we've seen. And I don't want to say it's all attributed to what happened with the new law or the demand. A lot of it has to do with just overall inflation, the pandemic, things like that. But definitely the cost of construction has gone up in the last three years.

Client ▶ 00:15:38

That makes sense. And so you've noticed how people are -- you guys are sold out as well as a lot of structural engineers are sold out. When do you expect this level of demand to fall back to maybe, will it fall back to pre-act level or will it always stay above that level for the next two, next three years?

Expert ▶ 00:15:53

Yes, I don't see it falling back any time soon. I think the only thing that would provide some relief for the market is an influx of contractors, engineers, project managers to kind of get more of the work done faster. Which I don't see happening anytime soon, but.

Client ▶ 00:16:08

No, and if those companies come in, who knows if they're qualified, they might just be terrible companies.

Expert ▶ 00:16:14

Exactly. I mean, I think the biggest challenge for any new company coming into the market, obviously, is going to be establishing that labor pool, a reliable labor pool. And that's in itself, I think. Also establishing a name in the market, too. I mean, there's some GCs that, because they've been in the market for so long, a lot of engineers and project managers, when they bid a job out, they call them first.

Because they know that they've done a project at another building, and they can rely on that contractor to get the job done, versus this new contractor stepping into the market, they may or may not be able to perform. And a lot of times the engineers or even a project manager, we don't want to put our name on the line recommending somebody that's new to the market. Right? So.

Client ▶ 00:17:00

Yes, exactly. Because that's your recommendation.

Expert ▶ 00:17:03

Yes. Yes. Yes. So I mean, if they're coming from a new market, a different market, and they have already some, maybe some credibility in another market, that helps. But South Florida is so specific as far as its needs. It's, it's just something that new player would need to really prove themselves on a few projects first before.

Client ▶ 00:17:22

That's totally. And you mentioned there where you sometimes will want to go to a provider that you feel you're comfortable working with, is there always a formalized bid process or do you sometimes just go, hey, we love this guy's restoration provider, we're going to bring them in?

Expert ▶ 00:17:35

No, we always require a formal process, especially in the condo world because of these large, usually these projects of \$1 million, \$5 million, \$10 million projects even more, those communities have to show at least three proposals. So we.

Client ▶ 00:17:50

Is that generally you would need three proposals then or is it more?

Expert ▶ 00:17:54

At minimum three. At minimum three proposals. No more than -- I mean, obviously, the more the better, but if we can't get three, then we always try to at least show proof that we tried to reach

out to three contractors. But yes, three at minimum, so that way we have some sort of variety of contractors. And the scope of our proposal, the bid analysis is typically, or at least the scope of work is prepared by the engineer.

And we just facilitate the process to make sure that when the bids come in that they're all apples-to-apples comparison makes it easier for the client to make a decision about selecting one of the contractors.

Client  00:18:28

Okay, that makes sense. And when looking at these providers, are you communicating with the structural engineer or is it kind of like the structural engineer finds these providers and are they like both of you guys together?

Expert  00:18:39

It's often a tag team process. The engineers sometimes will make recommendations. We obviously, as owners, reps, we have relationships a lot of times with the same contractors. But sometimes the client themselves, they may have contractors in mind that may have done work in the building before, and they may want us to include them in the bid process.

Expert  00:18:59

But yes, usually between the project managers, the engineers, sometimes the client.

Client  00:19:04

Okay, awesome. Makes sense. And how are you identifying them? Is it like, okay, we've done work with them before? Or is there a public forum? Do you talk to a colleague?

Expert  00:19:15

So I would say probably 90% of the time, we've done work with them before, especially in the concrete restoration work or most of these projects are very similar. We know the players that are really good at executing those projects. So yes, 90% of the time it's probably going to a general contractor that we've already established a relationship with, they've done a good job in other projects. Yes. If, like I said, because there's no public bidding process like government agencies would do, these are private condominium associations.

The only thing we have to do is really just show proposals to the membership of that community. And they kind of leave it up to their board of directors to kind of represent their best interest. So we just leave it at that. But I'll tell you this. I mean, because of the high demand on the general contractors, we're often reaching out to, in some cases, up to 10 GCs to bid a project. And we may get three proposals. So that just kind of speaks to how busy they are where they can turn down jobs.

So that gives you an idea of we will reach out to, sometimes 15 depending on how many we really need to get, just to get to that three, and they'll all show up. And that some of them won't even show up, but they'll show up for the initial bid walk with the engineer. Usually, if you get 10 show up, you'll get three to four proposals.

Client ▶ 00:20:31

Yes. Awesome. That's super helpful. And when you're looking at these providers, the 90% you consider, what are the top three selection criteria that you feel that makes them strong candidates?

Expert ▶ 00:20:41

The first things first is history of reliability. It's a contractor that's actually been able to perform and get stuff done on time, which is very big for us. I mean, we don't like to see projects that, if they give us a schedule of a certain date and then they're not meeting their deliverables, that just doesn't bode well for us.

And also too, is going back to, is that GC a good fit for the client? Because we work in a hospitality-driven industry, meaning condominiums and a lot of these are luxury condos, those general contractors that work in those buildings typically know that this is not a new construction project or a project for maybe a hotel that's vacant or something. This is a building that people live in. So we typically have to maneuver a certain way, you have to maintain your job site a certain way, things of that nature.

So again, kind of going back to history, if we know we have a contractor that knows how to follow these guidelines and work within that environment, that's one of our main things. And then two, I think just realistically, someone that's proven to be able to keep a consistent count for manpower. Honestly, if we've had a contractor who promised that they'll have a head count of 10 or 15 or 20 guys per day and they're constantly having five or 10 and they're not meeting their schedules, that's a red flag for them.

So yes, those are things that we typically look for. So other than that let's say, for example, I'm looking at maybe a new GC altogether, someone that we've never worked with just because we need to get more bids. In those situations, I'm looking for referrals from maybe other people in the industry, other engineers that may have recommendations.

And at that GC, I'm looking for, obviously, references of their work in the same arena, like I said, condominiums or HOAs. Do they have, have they worked in those buildings before? When I call those buildings and check references, are they getting good references from those buildings, things of that nature. So that's kind of how we make our decision.

Client ▶ 00:22:34

Awesome. That makes a lot of sense. And on these projects, is the structural engineer always involved, or do you sometimes just bypass the structural engineer and they're never involved?

Expert ▶ 00:22:44

We always have the structural engineer involved in the structural, especially concrete restoration projects. It's actually required for the permitting process. So I know we personally as a project manager would never take on a project when there's not an engineer record involved because we're not engineers. So we have a few engineers on our team, but we're not an engineering firm.

But yes, we always require an engineer record to be a part of the project. And realistically, there's no way to do some of these projects without a permit, without an engineer being involved. And I don't think any of the GCs want to take that liability as well, too, of doing projects without an engineer.

Client ▶ 00:23:21

Yes. And is that the case? And when you say it's required for permitting, I'm assuming that's the case for any type of building that's not just high-rises?

Expert ▶ 00:23:30

Yes. So yes, any type of condominium or anything that's Florida's laws when it comes to the Florida building code requirement for permitting is very vague. And they pretty much say the permit is required for almost anything. So yes even in your own single-family home, the building code, you may be required to pull a permit for something that you normally wouldn't think is necessary.

So yes, almost, it is broad language when it comes to permitting requirements. And most buildings, they adhere to that because they just don't want the headache or liability of not pulling a permit if something going wrong.

There are some buildings that are ran by people that are not the smartest. It's not very common, but there's some people that think that, oh, there's no permit needed, or this is just minor work. And they'll try to move forward with maybe some GC that is willing to take the risk. But that's not very common, especially in the high-rise world.

Client ▶ 00:24:21

Yes, I thought that was just maybe for smaller, low-rise buildings, where it's a small project. So they might just be like, okay, great, this is going to save us money.

Expert ▶ 00:24:31

Yes, they may try to get away with it, yes.

Client ▶ 00:24:33

Okay, that's super helpful. Awesome, and have you noticed what the sweet spot age is for when these buildings should be restored?

Expert ▶ 00:24:40

I'm sorry, can you ask the question again on that one?

Client ▶ 00:24:43

Yes. Is there like a sweet spot, sorry, sweet spot, that's a tongue twister, a sweet spot to reach for when these buildings should have a concrete restoration company come in?

Expert ▶ 00:24:52

It really depends on the location of the building. Buildings that are closer to the water have higher exposure to saltwater conditions. I believe, and I'm obviously no engineer, but they obviously see a lot more deterioration of concrete and other elements of the building a lot faster than a building that may be, let's say, miles away from the coast, somewhere inland, that doesn't receive the same type of, that doesn't, that they're not in that same environment.

So I think even the new law says three miles of the coastline, within three miles of the coastline, they have different restrictions or requirements than buildings past that point. So I can't really say for sure what that sweet spot is, but I can tell you from experience, I've seen 15-year-old buildings start to show major concrete restoration issues that if they go unaddressed, can be an issue. So in my experience, those are buildings that's very close to the water.

So I think what I know of, let's say for example, most of the paint and waterproofing companies, they offer seven-to-10-year warranties on their products. They usually say you should repaint the building every seven to 10 years depending on its location. So I think that's a good reference point for any building is if they're not doing any waterproofing or restoration work within those seven to 10 years and they're most likely developing a problem that is going to manifest itself at some point in the near future. So.

Client ▶ 00:26:10

Yes, totally. Awesome. Moving on now more towards like providers and which ones are utilized. Which how many projects do you personally have within a year?

Expert ▶ 00:26:19

Within a year, so I guess it's going to vary depending on the size of the projects. Some projects may last a whole year, some last two years, depending on how big the project is. But me, as a project manager, I'm usually tasked with no more than five projects at a time. And that's usually no more than, we try to have them all at one site.

Sometimes I have to go to different sites but depending on the load of the project. But let's say five projects, if at minimum, basically I may roll off like two or three a year, depending on how big the project again is. Let's say for me, maybe 15 projects a year per project manager. The company obviously is juggling a bunch of the projects, but it just really depends on the scope of the project and how long that project is in progress. So.

Client ▶ 00:27:06

Totally. And does that mean you're working with 15 different concrete restoration contractors or no?

Expert ▶ 00:27:12

Sometimes we work with the same contractor on multiple projects, depending on if they get selected. But yes it would be different. Normally, it's different contractors at each site. I wouldn't say a total of maybe 15 different ones. Some of them are, especially in certain parts of town, they have a bigger presence. So I'll give you an example of one building hired contractor A.

And the building next door also hired contractor A, and they worked out a deal to say, because you're working in both buildings, they're right beside each other, give us a good deal as far as maybe on your project manager, your cost, et cetera, because now you're kind of working in two locations, two jobs in the same location. And they know from a mobilization perspective that works out. That's a huge savings for the contractor. So sometimes I'll have situations like that where I have two buildings right beside each other, two different clients, but it's the same contractor.

Client ▶ 00:28:05

Okay, that makes sense. So I guess generally, would you say how many of you work with personally? Around 10?

Expert ▶ 00:28:12

General contractors?

Client ▶ 00:28:13

Not general contractors. Sorry. The actual concrete restoration contractors.

Expert ▶ 00:28:19

Yes, that's what I mean. Yes most of the concrete restoration contractors here are GCs. Yes. Well, GCs that specialize in concrete restoration, something like that.

Client ▶ 00:28:30

Okay, yes, sorry. That made sense.

Expert ▶ 00:28:33

Yes. Let me do a quick count. This year alone, I would say about eight different GCs that I've worked with that are, that specialize in concrete restoration.

Client ▶ 00:28:42

Sweet. That's super helpful. And I guess going into that, of those eight, if you wouldn't mind saying which provider, like what are their names and which ones do you work with them those?

Expert ▶ 00:28:52

Yes, the ones that the ones that I work with the most, there's one called Restore Construction. Another one called Bengoa, B-E-N-G-O-A construction. Another one called Coast To Coast. There's also who else?

Client ▶ 00:29:04

That's totally fine. I guess that's super helpful. I appreciate that. If you wouldn't mind, for each of the three, I have some questions about each of the three based on strength, areas of improvement, as well as just kind of just like a scale, like questions about how they perform in different scaling.

Expert ▶ 00:29:20

Got it, okay.

Client ▶ 00:29:21

So to start, we'll start with the store. So on a scale from one to seven, I know it's a little strange, but one to seven. seven being the best, one being the worst, where would you rate them on pricing?

Expert ▶ 00:29:32

Restore, I would put them at probably a -- I'd probably put them at a five or six, depending on the project.

Client ▶ 00:29:38

Great. Reputation?

Expert ▶ 00:29:40

seven

Client ▶ 00:29:41
Great. Quality of work?

Expert ▶ 00:29:42
seven

Client ▶ 00:29:43
Great. Knowledge and expertise?

Expert ▶ 00:29:45
seven

Client ▶ 00:29:46
Awesome. Customer service?

Expert ▶ 00:29:48
seven

Client ▶ 00:29:49
Great. Are there any additional services they offer outside of like waterproofing, painting, and concrete restoration?

Expert ▶ 00:29:56
Not that I'm aware of. I've only worked with them on concrete restoration work. So I'm not sure. I mean, concrete restoration goes hand in hand with painting and waterproofing. But that's typically the scope for work with them is repair some sort of concrete, they prime and paint, and then move on.

Client ▶ 00:30:13
Yes, that makes sense. Awesome. And would you, on a scale from zero to 10, what would be the likelihood you would use them again, and then also the likelihood that you would recommend them?

Expert ▶ 00:30:23
10 being the highest?

Client ▶ 00:30:25

Yes.

Expert ▶ 00:30:25

That would be a 10 for Restore.

Client ▶ 00:30:27

Great, super helpful. Awesome, and then I guess we'll just do Coast To Coast. So I guess, sorry.

Expert ▶ 00:30:34

Go ahead, go ahead.

Client ▶ 00:30:35

No, no, no, if you were going to say something initially, please say that, because I was just going to go into the same scale question. So let me know.

Expert ▶ 00:30:44

That's fine. That's fine.

Client ▶ 00:30:46

So pricing on a scale from one to seven again, seven being the best?

Expert ▶ 00:30:50

three

Client ▶ 00:30:50

Oh, really? So they are interesting. Reputation.

Expert ▶ 00:30:54

Reputation. I would give them a four.

Client ▶ 00:30:57

Okay, that's actually funny. Someone else gave similar answers.

Expert ▶ 00:31:01

Yes. The industry is somewhat small, so.

Client ▶ 00:31:04

Yes, yes, exactly. It was funny. We talked about one company. I can't remember who it was, but they were like, oh, yes, they're great. They're phenomenal. And then I was like, oh, have you heard of like Coast To Coast? And they were like, yes. Oh, complete opposite. Awful.

Expert ▶ 00:31:22

Yes, yes. They have a reputation, unfortunately. But they still get a lot of work for some reason.

Client ▶ 00:31:29

That's funny. And I forgot to ask you this earlier. Do you do most of your work on the West Coast? Or are you on the East?

Expert ▶ 00:31:36

Yes, so East Coast, yes. Miami, Fort Lauderdale.

Client ▶ 00:31:40

Great. Awesome. And then continue on quality of work?

Expert ▶ 00:31:44

Quality of work, yes, I would say my experience with them is also four.

Client ▶ 00:31:48

Knowledge and expertise?

Expert ▶ 00:31:49

five

Client ▶ 00:31:50

Great. Customer service?

Expert ▶ 00:31:52

I give them a five on that one.

Client ▶ 00:31:54

Great. Awesome. Oh, and then the likelihood to recommend them. Would you recommend them?

Expert ▶ 00:31:59

I wouldn't. Probably two, honestly.

Client ▶ 00:32:02

Yes, that makes sense. And when you're considering these GCs, do you -- you mentioned it's typical for them to have waterproofing and painting to begin with. Are there other services that you use them for? Are you considering a selective when you're asking for bids?

Expert ▶ 00:32:15

So say the question again.

Client ▶ 00:32:17

Yes, sorry. So no worries. Short winded version of it is, when you're looking at these companies, these GCs to use, do you care about what other services they may offer or are you only like, oh, we just care about concrete restoration, that's all we care about?

Expert ▶ 00:32:32

Yes, typically we want to know that their focus is concrete restoration and that they're not, they're not one of those contractors that's willing to take on any type of work only because we prefer to have someone with the expertise in that work versus someone that may be doing a bunch of different jobs and they kind of just, kind of go with the flow. There's a bit of -- at least in our experience, again, the big players in the market, they are -- we know for sure they only do concrete restoration work.

And they're geared and they're -- from their admin staffing all the way down to their guys that's working in the field, we know that that's all they do. So there's a level of comfort in that versus a GC that they may be doing other work that may be outside of the scope of concrete restoration that they may get distracted and not have full dedication to maybe the project that they're hired for with us.

Client ▶ 00:33:17

That makes sense. Yes, I totally understand that. Would there be services that maybe you would like them to provide that they don't, or do you feel like we'll look for someone else to do it?

Expert ▶ 00:33:26

I can't say for sure that I've come across a situation where I wish that maybe one of the concrete restoration companies offered an additional service. Their scope of work is typically kind of

tailored to just do what they do. And if for some reason there's some crossover in some of this work. So especially in the high rises, there may be sometimes where there's windows that's involved in a concrete restoration project.

Let's say, for example, replacement of windows or sliding glass doors, we typically want the GC to be the lead on that because from warranty perspective, we want their window, we want them to install the windows and deal with everything as far as caulking and water sealing around those windows. But we understand that they may not be a glazing contractor, so they subcontract that out to a contractor for that work.

But the warranty is still with that GC. So we're not dealing with multiple contractors at that point, which we see sometimes. Our building was, it's cheaper to go directly with the window contractor. But when there's a dispute, when there's an issue with some water intrusion down the road, you start pointing fingers and, no, that was the window guy, no, it's the concrete guy. So we prefer to have that GC deal with that, and we like to work with GCs that's willing to do that. Some GCs aren't willing to do that because they don't want it.

But, yes, so if I had to say, maybe that's one example where we would want a GC to take that on. We understand you may not be a glass and glazing contractor, but if you subcontract it out to another contractor that specializes in that work and you work together, and you just offer the building a warranty under your license, then that's fine.

Client ▶ 00:34:59

That makes sense. And that's just to minimize cost, because the swing stages that have to go up are just a pain to install and everything.

Expert ▶ 00:35:06

Exactly. Exactly.

Client ▶ 00:35:08

Yes. Makes sense. Awesome. I don't think I have any other questions here, but if there's anything I left out or you thought was notable to add, please go ahead and mention it.

Expert ▶ 00:35:17

I guess the main thing to know – again, without knowing your ultimate scope here. I mean, there's condominium, there's a condominium safety act, obviously, in condo. There's a condo world in South Florida or Florida in general. Then you also have the apartment buildings, which, these apartment buildings, they operate a little bit differently than HOAs, but they have the same concrete restoration work. So I don't know if you're focused only on what's happening in the condo world.

Client ▶ 00:35:44

No, that's super helpful to know. I also have interest in the apartment world, but I had assumed that it was a pretty similar situation.

Expert ▶ 00:35:51

Yes, very similar as far as -- I mean, I would imagine that, honestly, and we only have worked with one or two apartment buildings, but their decision-making process is a little bit, what do you say, a little bit more streamlined than the condominiums because you're typically dealing with the owner, just one owner.

And they don't typically have to go to get a membership vote for changes to the building versus an apartment building, the owner makes all the decisions. So if I had to say the main difference in how those projects kind of take off, it would be that the decision making for the project is a little more streamlined.

Client ▶ 00:36:23

That makes sense. That makes sense. Whereas for the condos, it's the board of directors that's doing the final sign-off, so there's a lot of back and forth.

Expert ▶ 00:36:32

Yes, and sometimes they have to go to the membership to get a vote for approval and things.

Client ▶ 00:36:36

That much is true. I can imagine.

Expert ▶ 00:36:39

Yes, sometimes the membership won't approve it. There's some different elements that play sometimes in the condo world that will delay the process, but eventually, it gets done. It's just, it can be sometimes a slow process.

Client ▶ 00:36:51

Yes, that makes sense. That's super helpful. Well, thank you. I appreciate you spending time with me tonight. I know it's late and everything, so I appreciate you taking the time out of your evening to spend it with me.