

Architects hope to see their project pipelines grow this year — securing credit is still a very big hurdle for many developers; DNA Architects working the assisted-living market in Brevard

By Ken Datzman

What's sitting in some of the file cabinets of architects' offices pretty much tells the story of the sharp commercial-construction downturn Brevard County, and the nation as a whole, has experienced.

"I have a number of fully completed project drawings that have been in file drawers for more than two years. These are substantial office-building projects of 50,000 and 60,000 square feet," said architect Dave Nagrodsky, principal and founder of DNA Architects Inc. in Melbourne.

He says he maintains an optimistic outlook for 2010, particularly for the health-care sector, where his firm has carved a strong niche with its distinctive designs of buildings for physicians and other clients around the county.

"A lot of my colleagues are pointing to 2011 for construction growth to return, but I'm trying to be a little more optimistic," said Nagrodsky, whose firm is the architect for Dr. Ross Clevens' new outpatient surgery center in Melbourne that is scheduled for construction this spring. Dr. Clevens runs The Clevens Center for Facial Cosmetic Surgery.

For more than two years, architects in the region and around the nation have been patiently awaiting some signs of a turnaround in the commercial-construction industry. It has been a slow healing process of late, with the market only sputtering and showing glimpses of hope.

During the surging construction days of the mid- to late-2000s, many architects worked 60 hours a week to keep up with demand for their professional services. Then the pullback came and it got eerily quiet.

"I think our state was probably one of the first to experience the downturn," said Nagrodsky, who is a member of the Space Coast Chapter of the American Institute of Architects. "So I can only hope that Florida will be one of the quicker-rebounding states as the economy grows and we see an upswing of work."

Over the past six months, the American Institute of Architects' Billings Index, a monthly barometer of nonresidential-construction activity, has been uneven — up and down.

But some economists believe the worst is over for the nonresidential-construction industry as a whole. They say the economic recovery is "under construction."

The Reed Construction Data forecast for 2010 calls for a cautious expansion in the economy. "There will be a burst of growth in the summer

overflowing partially into the fall from the recent federal 'pump-priming' and the resumption of expansion in the housing and manufacturing markets."

The Associated Builders and Contractors latest Construction Backlog Indicator survey says the average backlog in the South is now 6.5 months, the longest of any region in the nation. Still, smaller construction firms continue to suffer abnormally short backlogs.

Nagrodsky, whose firm specializes in the commercial market, thinks it could be well into the year before construction projects begin to take shape in this area with any consistency.

"Our firm has a lot of projects in the pipeline, but I believe it might be toward the end of fall before they become a reality," said Nagrodsky, who was the architect for the new Melbourne City Hall facility, a showcase project for his firm and the city.

He said DNA Architects has a half-dozen "good-sized projects" in the pipeline.

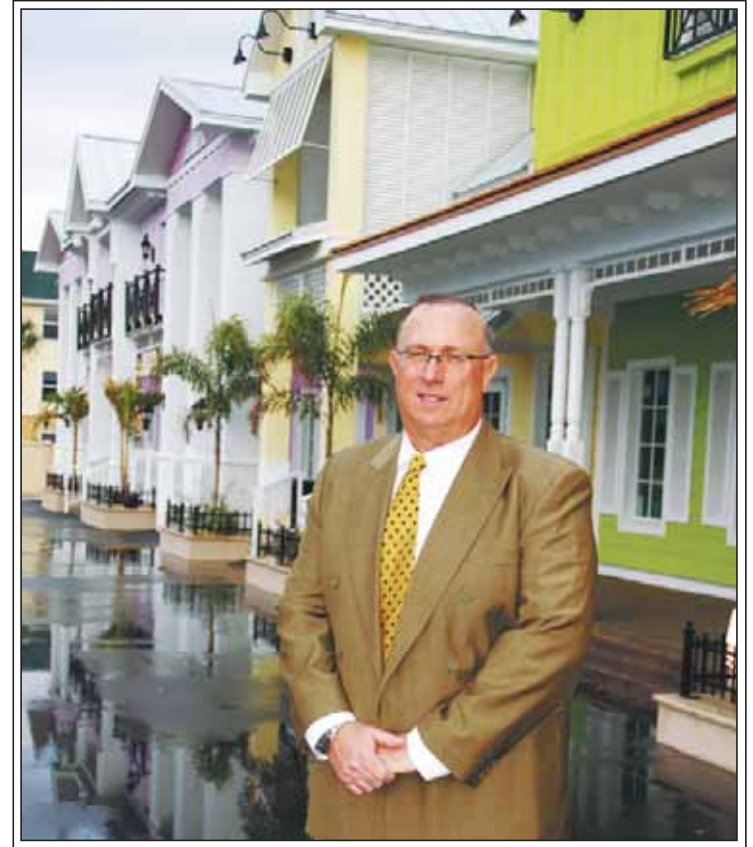
Nagrodsky says he communicates with colleagues throughout the region and across the country to help keep the pulse of his industry.

The closely watched "McGraw-Hill Construction Outlook" projects an 11 percent increase in construction starts in 2010, after three straight years of declines. The report combines both residential and commercial sectors, with residential faring better than commercial. The latter segment is expected to drop four percent in dollars this year. However, the report says the benefits from the stimulus act will broaden in scope, "lifting not just highway construction but also environmental public works and several institutional-structure types."

Many believe the main ingredient to the economic turnaround for the architecture and construction industries is unfrozen credit markets. Real-estate developers are facing barriers to credit. Financial institutions, not wanting to see another loan in their portfolios go sour in this environment, are very cautious lenders. In other words, the project must meet a clear market need if significant financing is sought.

The shining star in commercial-development circles has been the health-care industry. It has stayed on a steady track right through the construction downslide. Nagrodsky's firm continues to see health-care facility projects come its way.

"The health-care market never seems to slow down," he said. "We are involved in a number of assisted-living facilities, which are HUD (Housing and Urban Development) projects. There is a big need in Brevard County for assisted-living



BBN photo — Adrienne B. Roth

Architect Dave Nagrodsky of DNA Architects Inc. in Melbourne is seeing his firm's health-care project portfolio grow. His business is designing a number of assisted-living facilities in Brevard, one of which is set to start construction soon. He's at Dr. Ralph Zipper's new 18,000-square-foot headquarters on U.S. 1 in Melbourne. DNA was the project's architect. Dr. Zipper is founder of Zipper Urogynecology Associates.

facilities and Alzheimer's facilities. Research in the field shows there is a need in those areas right now for 1,500 to 1,800 beds."

His firm is involved in four such projects. "One of them is nearly approved by HUD and should be getting started soon."

Assisted living is a residential alternative to nursing care. There are 36,000 assisted-living communities nationwide serving more than 1 million seniors, according to the Assisted Living Federation of America. A relatively new concept 25 years ago, today assisted living is the fastest-growing long-term care option for seniors.

DNA Architects designed the new Sarah Care adult day-care center on U.S. 1 in Melbourne. Also on U.S. 1 in Melbourne is a DNA-designed facility that has caught the eye of passers-by. Zipper Urogynecology Associates' new headquarters, with its Key West-themed look, has given that area a beautifying lift. "It was a group effort," Nagrodsky said about the design. "Dr. (Ralph) Zipper is very design-conscious and puts a lot of emphasis on quality. He sees the value of putting together a nice project."