

THE DARK SIDE OF SEATTLE'S MULTIFAMILY CONSTRUCTION BOOM



Low Wages: Workers who build residential buildings in King County earn 1/3 less than workers on non-residential building projects.¹ Field interviews reveal that non-specialized workers on multifamily projects often earn \$12-15 per hour, with no health benefits.



Underground Economy: An estimated 14-15% of Washington State construction employers misclassify their workers as “independent contractors” to avoid paying workers compensation, unemployment, or even minimum wage. Misclassification is far more common in residential construction than in other parts of the industry.²



Unsafe Conditions: More Washington State construction workers die on the job every year than any other occupation.³ Residential construction is among the most dangerous sectors of the industry:

- The injury, illness and fatality rate for residential construction workers in Washington is 54.6% higher than for workers in non-residential construction.⁴
- Almost 60% of state inspections of Seattle multifamily construction projects found workplace safety violations, compared with 46.6% for non-residential building construction.⁵



Little training: The residential construction industry is almost entirely non-union. Very few residential construction employers train workers through certified apprenticeship programs.⁶



Quality Problems: Major developers of apartments and condos in the Puget Sound region who use non-union contractors have been plagued by construction quality problems:

- One of Seattle's biggest condo developers has been sued by owners associations for construction defects in 60% of their area condo projects.⁷
- Another anti-union housing developer, one of the largest in the state, has been sued for construction defects on 7 of their Seattle-area condos.⁸
- Proponents of increasing residential height and density in Seattle often cite Vancouver BC as a successful example. Neglect of construction worker training has been singled out as a major factor in Vancouver BC's \$800 million “leaky condo” scandal of the late 1990s.⁹

References

¹ Bureau of Labor Statistics, Quarterly Census of Employment and Wages

² Mayfield, Jim, Washington State Institute for Public Policy “The Underground Construction Economy in Washington State” 9/26/07; Washington State Dept of Labor and Industries “Workers Compensation Fraud Report” 2002; Fiscal Policy Institute. (2007). The underground economy in the New York City affordable housing construction industry.

³ Washington State Dept of Labor & Industries, 2007 Fatality Data

⁴ Bureau of Labor Statistics, Injury Illness and Fatalities, Residential Building Construction and Non-Residential Building Construction, Washington State, 2006

⁵ Washington State Dept of Labor & Industries inspections found safety violations in 59% of inspections of new multifamily housing construction general contractors between 2003 and 2008. Inspections of non-residential building construction in Seattle during the same period found safety violations 46.6 % of the time. Source: www.osha.gov Inspection Data.

⁶ Heg, Dena and Bob Watrus “Construction/Apprentice Demand and Supply Study: Final Report for the Workforce Training Board and State Board for Community and Technical Colleges” (Washington State), 2007

⁷ King County Superior Court, Case #s 05-2-05510-3, 03-2-25774-5, 01-2-20271-5, 00-2-29036-5, 00-2-07447-6, 98-2-02977-3, 97-2-10533-1.

⁸ King County Superior Court, Case #s 99-2-09506-5, 99-2-13892-9, 01-2-25646-7, 03-2-18727-5, 03-2-41068-3, 04-2-00460-8, 04-2-36853-7.

⁹ Commission of Inquiry into the Quality of Condominium Construction in British Columbia “The Renewal of Trust in Residential Construction” 1998