

Career & Workplace

Why building more homes in the Bay Area means finding more builders



A mock job site where students are learning how to do residential wiring as part of a workforce development program by the Associated Builders and Contractors.

By Neil Gonzales

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Even as the Bay Area and the rest of California plan for the ambitious housing production the state has mandated over the next several years, not enough construction workers are out there to build all those houses.

Under the state's Regional Housing Needs Allocation program, the Bay Area needs to accommodate more than 400,000 new units during the current 2023-31 cycle, a significant jump from the approximately 188,000 dwellings slated for the previous eight-year period.

But the region hasn't "had enough people in the trades for 20 years — certainly nowhere near enough to build the number of housing units that we need," said Matt Regan, senior vice president of public policy for the economic-development organization Bay Area Council. "We can't even meet the bare minimum with the workforce that we have. To expect to meet these radically higher numbers with the workforce we have, it's just not possible. The shortage is dire and getting worse."



Matt Regan, senior vice president of the Bay Area Council

Although construction employment is up, the demand for qualified, skilled workers, from electricians and carpenters to project managers, remains acute in the Bay Area and across the country.

Various economic and social factors are fueling the labor shortage, including the high cost of living in the Bay Area, an aging workforce and even a persistent perception that the construction field is less than desirable as a long, fulfilling career.

"This is not a problem we're going to solve overnight," Regan said. "It's a generational problem. We've stigmatized the construction industry for a long time in this country. It's almost as if going into the trades is a failure, which is just not true. These are well-paying, highly skilled jobs."

According to a survey last year by online marketplace Thumbtack, 82% of young adults felt that students are often falsely led to believe college is the only path to career success.

Efforts such as the NextGen Trades Academy are countering that limiting mindset. A program of the Santa Rosa-based career development organization Lime Foundation, NextGen is a construction apprenticeship for underserved youth.

"Recognizing that college isn't the right fit for everyone, I believe in the potential of the trades industry, where individuals can enter with no prior experience and within a few years earn comparable salaries to doctors and lawyers," Lime founder Letitia Hanke said.

Similarly, DPR Construction's Build Up High School Internship program seeks to open the door to long careers for underprivileged students.

"We've been doing this long enough that some of the first participants are now full-time employees at DPR," said Jack Poindexter, northwest self-perform work group leader at the Redwood City-based company. "In terms of numbers, our industry needs thousands of these sorts of internships, and we hope it's a model others can emulate more."



Dominique Mitchell, workforce development director of the Associated Builders and Contractors' Northern California chapter

DPR also has programs that directly recruit from high schools and trade academies. Such recruiting efforts are “providing beneficial careers for families and benefiting communities to help replenish the retiring workforce,” Poindexter said.

Among the jobs in the shortest supply that DPR is seeing are those for electricians, plumbers and masons, he said. Carpenters and drywallers are also in high demand.

The Bay Area’s expensive living and working requirements contribute to the workforce shortage, with 40% of workers residing far from San Francisco, he said: “Many opt to take on projects or work closer to home, thus reducing the available workforce within the city.”

Another factor behind the shortage is the number of skilled tradespeople retiring, coupled with the industry’s difficulty in backfilling those crucial roles, Poindexter said.

“While construction employment is growing, it’s not growing fast enough,” said Dominique Mitchell, workforce development director for the Northern California chapter of the industry group Associated Builders and Contractors.

Nationwide, the construction industry added 17,000 jobs in December, according to an ABC analysis of data from the federal Bureau of Labor Statistics. On a year-over-year basis, employment grew by 197,000 jobs, an increase of 2.5%.

But ABC had estimated that the industry needed to hire an additional 546,000 workers last year to meet the demand for skilled labor.

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