



3RD QUARTER 2022



GAUGING THE MARKETS

### Concrete



Still experiencing cement and fly ash supply shortages requiring state-wide allocations. These shortages are affecting ready-mix pricing. Expect increases in October 2022 (\$6-\$8/CY) and again in April 2023.

### Masonry



Lime has gone up 50%, increasing the cost of mortar by 6%. Block prices have increased by 12%. Block lead times have tripled (1 week to 4 weeks). Waterproofing has gone up about 8% for EIFS-related projects. In addition, ICF grout has gone up 16% since last quarter.

### Metals



Wide flange material is more predictable. Coil, plate, and HSS material will only hold pricing for a few days. Joist and deck lead times are lower (averaging 16-18 weeks on average) while steel fabrication is backlogged (averaging 25-30 weeks). Fabrication backlog is due partly to larger owners purchasing/holding prices in line early (Samsung, Amazon, Intel, TI, etc.).

### Millwork



Plastic laminate and hardware have longer lead times, and all materials costs have increased. Wood has gone down 5%-10% from last quarter. Prices are only good for that day. Facing labor shortages with a lack of manpower and applicants. Having to pay out higher wages to retain employees.

### Waterproofing



Waterproofing has leveled out. Some joint sealants have been hard to get in the past but are now much more readily available. Likewise, escalation has normalized. Rigid insulation has increased 10% since last month, but this seems to be the exception.

### Roofing/Enclosure Systems



Impacts on rising fuel costs and uncertainty in the market from the war in Ukraine. Issues with fasteners, insulation, adhesives, and membranes are still on the market. 100% increase in the past 12 months for some items. Expect to see a 10%-15% increase per quarter in 2022. There are 7-9 months delivery times for insulation and some fasteners and membranes.

# Subcontractor/Supply Chain Pulse



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## Storefront/Curtainwall



In addition to increases in alumin/steel and glass, increases in door hardware, insulation, automatic doors, and freight are adding costs to projects. Cost have increased 15%-50%, and long lead times have doubled. Some hardware types do not have lead times since it is unknown until they ship from manufacturers. Wage increases are due to a rise in inflation.

## Paint



Experiencing shortages in texture coatings, elastomeric, and high-performance coatings due raw material shortages. Lead times have increased. Skilled labor has been challenging as wages continue to increase.

## Plumbing



Pipe, valves, and fittings are 18%-20% higher since January 2022, with longer lead times due to shortages of raw material, delivery drivers, and factory workers. Seeing a trend towards labor shortages and anticipating higher than regular wages over the next 2-3 years.

## Electrical



All types of circuit breakers, GFI devices, generators, chips, and anything not a standard panel board, is ten months. PVC prices continue to be three times what they were a year ago. Main Switchgear 2500 amps and up (42 - 52 weeks) and generators (48 - 56 weeks). Experiencing increased labor costs to retain workers.

## Framing, Drywall, and Ceilings



The cost of framing materials has declined from their inflation peak by approximately 10%. The cost of gypsum board materials has been roughly the same since the last quarter. Still seeing some skilled labor availability issues. Keep an eye on specialty ceilings (linear metal, woodworks, etc.); pricing is going up, so expect to see large increases.

## Elevators



Electronics such as boards and kiosks seem to be the most impacted by delays caused by the unavailability of parts. In addition, experiencing nickel shortages due to the supply chain from Russia. As a result, lead times have increased by 2-4 weeks.

## Mechanical



Lead times on all equipment have doubled in the last 24 months, and lead times have increased to 24-52 weeks due to the lack of availability of electronic components. Future potential supply items include small VFDs, custom AHUs, and all energy-recovering units. While the market is starting to stabilize, some suppliers are still adjusting to compensate for past increases.

## Fire Alarm/Security



Chip shortages have affected lead times on all electronics for fire alarm systems. In addition, lead times are now measured in months instead of weeks, and equipment costs have increased almost 25% in 6 months.

## Flooring, Tile, and Stone



Inflation has caused raw materials to rise. Products comprised of nylon, vinyl, polyester, rubber, and certain cements have seen price increases of 20-25%. Lead times for these materials also increased. Mobilization costs are up due to costs. With the bankruptcy of Armstrong, there will be a significant void since only a few companies produce the VCT/LVT flooring lines. It is expected manufacturers will not be able to keep up with price and demand increases.

## Fire Protection



Sprinkler heads see another 10% cost increase in August, and average lead times are 3-4 weeks while some heads are 16-32 weeks. Overseas parts, lack of factory labor, and high demand affect lead times. Fire pump lead times are 12-16 weeks and 32-34 weeks on depending on motor size. The availability of motors is causing lead time issues. Still incurring labor shortages industry-wide and wages are higher on average for new hires to bring them in and retain them.

## Low Voltage



Copper cable (CAT6/CAT6A) increased in price approx. 10%-20%, and still has a lead time between 16-24 weeks. Fiber cables (single/multimode) rose in price approx. 10%-20%, and still has a lead time between 20-30 weeks. Metals - racks, ladder runway, etc. have had a sharp price increase of 20%-30% with a lead time of 15-24 weeks. Equipment/Electronics - Most have close to a year lead time, with some not giving a lead time but a TBD lead time. Prices have increased by 30%-65% depending on the manufacturer. Wages have increased 10%-15% to keep qualified labor.