

LINBECK

Subcontractor/Supply Chain Pulse



SEPTEMBER 2021



Concrete

The raw metal challenges impact concrete reinforcing. Many concrete plants are restricting the number and quantity of concrete pours. Specifically, four large cement plants in Midlothian, Texas, are shut down, causing short-term "rationing" of concrete. Another contributing factor is the fly ash challenges. This is a result of both the lack of production as well as transportation difficulties.



Metals

Raw material price escalations projected to continue. Suppliers for joists and decking, and mills are increasing prices monthly. Long lead times 6-8 months, anticipated on long-span materials due to increase in warehouse projects, such as Amazon and Tesla.



Masonry

Concrete and rebar are major cost impacts, but we can still get them within less than 2 weeks. On the other hand, insulation and finishes are up to 16 week lead times.



Roofing

TPO, PVC, modified bit membrane, polyisocyanurate, insulation, adhesives, and all-metal products are experiencing additional costs and delays. Materials are now priced on ship date, and suppliers are not guaranteeing quoted prices. This change is due to supply chain shortages which are projected to continue into 2022. As a result, costs have increased from 10-100% on various products while some have added surcharges.



Millwork

Plywood, plastic laminate, hardware, and glue are experiencing delays and shortages in supply and rising costs of materials. Millwork is also experiencing labor shortages due to several employees testing positive for COVID.



Waterproofing

Batt insulation, spray foam, mineral wool, cold fluid applied waterproofing, semi-rigid epoxy sealants, air barriers, and traffic coatings all experiencing longer lead times. Also expecting a labor shortage in the Southern portion of the state during the fourth quarter.

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Flooring, Tile, Stone

All flooring materials are impacted. Overseas products are running 16-18 weeks to be imported due to shipping-freight demand. Domestic goods are in very high demand, and stock is depleted. The raw good components used to make the domestic materials are scarce. Costs increase weekly due to huge freight markups from overseas containers coming into the USA and the short supply of drivers to mobilize the materials from across the country. The labor force is at an unprecedented low and increasing the overall project costs to keep up with the competitive labor rates offered from sources.



Storefront/Curtainwall

Material delays for aluminum doors with painted finish, insulated glass, and laminated glass. Aluminum doors now have a lead-time of 12 weeks. Interlayers used in laminate glass are in short supply. Terra Cotta rainscreen panels are experiencing shipping delays due to container shortages, and added tariffs are being imposed on imports such as ACM, steel, and aluminum. Lack of manpower is becoming an issue.



Plumbing

Cast iron pipe, steel pipe, copper, and PVC plastic pipe are all experiencing cost increases.



Mechanical

All steel-related products have increased in cost. Air distribution lead times have doubled while FEMA louver lead times have tripled. All manufactured goods could be subject to extra supply chain, production, and transportation delays, especially imported or high-demand items.



Framing, Drywall, Ceilings

Metal pricing is at an all-time high—increases monthly—and lead times have risen to 14-16 weeks, partially due to reduced capacity at manufacturing plants resulting from COVID. Cold-formed metal framing has had four 10% cost increases, and gypsum is 10-15% higher since the beginning of 2021. Some suppliers are rationing materials to subcontractors.



Electrical

Light fixtures, steel conduit fittings, and all PVC have been impacted by schedule and price increases. Any parts/components from China are affected. Copper mine strikes in Chile are affecting the cost of copper.



Paint

Experiencing delays and shortages in paint material due to factory shutdowns, shipping delays, force majeure events in Texas, and a lack of inventory all contribute to this issue. Primers and finish coats are in short supply, and shortages are projected through the end of 2021.



Fire Protection

Challenged to find qualified skilled labor help. Have some minor steel price delays.



Low Voltage

Copper cable, metals, anything with plastic are increasing in cost each quarter. Materials typically averaging 4 weeks have been extended to 3-6 months on some items. Items with chips from China could be impacted. Shortage of qualified technicians—anticipate wages to increase by 25% per year.



Elevators

Electronic components from overseas, impacting supply as well as high demand.