

# Subcontractor/Supply Chain Pulse



1ST QUARTER 2023



GAUGING THE MARKETS

## Concrete



Still experiencing cement and fly ash supply shortages requiring state-wide allocations. These shortages are affecting ready-mix pricing. The shortage of CDL truck drivers, managers, and experienced professionals retiring or leaving the industry and a lack of young professionals filling these voids are all becoming a concern for quality and rising labor costs to retain current staff.

## Masonry



Portland cement, masonry mortar, masonry grout, CMU, simulated thin stone, cast stone. Currently, there is a cement shortage, and not enough is being manufactured or imported. All these products have long-lead times (approx 12 weeks) when they used to be stock items. We have a labor shortage, and wages have increased from approximately 8% to 10%.

## Metals



Steel material cost has decreased a small amount and is trending flat. Coil, plate, and hollow structural sections (HSS) material are still price-in-effect (price on the day of shipping), while wide flange (WF) material is more predictable. Joists and deck are now closer to 6 months after the signed PO. Currently, we can expect standard steel material lead times of around 20-24 weeks.

## Millwork



Seeing improvement with materials. Manufacturers are catching up with backlog demands. As a result, the flow of raw materials has improved.

## Waterproofing



Continuing to experience labor shortages and seeing the impact of wages due to increased worker demand and costs associated with inflation. Still experiencing raw material shortages, the market is improving with the demand.

## Roofing/Enclosure Systems



Some roofing prices have come down but expect to add 5% per quarter. Sheet metal and lumber have come down and are currently steady. Lead times have improved.

# Subcontractor/Supply Chain Pulse



1ST QUARTER 2023

## Storefront/Curtainwall



Still experiencing longer lead time on painted materials such as doors and varies by the supplier from 12-22 weeks.

Door hardware price increased at the end of February. This has also created extended lead times because of increased demand. Glass lead times increased last quarter for large spandrel IG orders. Wages in the plant and the field are up over the past year.

## Framing, Drywall, and Ceilings



Material lead times have improved overall. However, glass-mat gypsum products are experiencing lead times of up to 6 weeks, and mineral wool

insulation products are experiencing lead times of up to 5 weeks.

## Flooring, Tile, and Stone



Price increases have stabilized but have not decreased. We anticipate a 10-12% increase in material pricing at the end of Q2 2023. Due to the shortage of raw clay materials, there is still a shortage of red body clay tile products. However, it has lowered the cost difference between ceramic and porcelain tile formats.

## Paint



Overall, paint/resins are improving. However, most urethane coatings are unavailable; therefore, look for other alternatives.

## Elevators



The main issue is board shortages due to a lack of microchips. No current labor issues. Fuel prices associated with freight continue to rise.

## Fire Protection



Inventories of many parts have improved in the last quarter. However, a few items still have longer lead times, such as pump motors, impellers, and concealed cover plates (4-5 weeks out). In addition, steel pipe prices increased by 6% in January, and more increases are expected in the next couple of months.

## Plumbing



Experiencing delays and cost increases in copper, PVC, steel, and equipment. For anything with steel or copper, pricing is changing frequently and also experiencing shipping delays. Seeing a trend towards labor shortages and anticipating higher than regular wages over the next 2-3 years.

## Mechanical



Roof hoods continue to have a very long lead time (16 to 24 weeks). Air devices are also taking longer. (8 to 10 weeks). Wages continue to rise to maintain our current workforce and hire new employees to meet demand. Skilled labor is scarce at best.

## Electrical



Switchgear and panels continue to be long delivery, as much as 60 weeks for switchboards. Generators continue to be 72 weeks. Loose circuit breakers are not stocked locally anywhere. Lighting Controls continue to be 16 weeks. Labor rates are increasing to match inflation. Manpower availability is fine for small projects but not for large jobs starting right away.

## Low Voltage



Currently seeing a 10-15% material cost increase annually. The cause of the increases is due mainly to raw material price increases and backed-up production. For AV, the system controls (Crestron and Extron) are experiencing increases and have extremely long-lead times, between 25-30 weeks. This is also due to a slowdown in production and increasing product demand. In addition, security 360 cameras and certain manufactured card readers have long-lead times due to chip shortages.

## Fire Alarm/Security



Fire alarms and access control are still experiencing issues due to microchip shortages. Lead times and limited availability continue to plague this division of work. Due to limited supply, equipment costs have continued to rise. Also, experiencing limited labor issues in the workforce and higher wages are keeping pace with inflation.

*NOTE: The information provided in Linbeck's Quarterly Construction Market Forecast and Subcontractor/Supply Chain Pulse is gathered from numerous local and national suppliers every quarter to provide our clients with up-to-date market news.*