

# LINBECK

## Subcontractor/Supply Chain Pulse



Q3 2025



*Linbeck's Quarterly Construction Market Forecast and Subcontractor/Supply Chain Pulse gather data from various local and national suppliers each quarter to keep clients informed about market news.*

### Concrete



The concrete market is exhibiting signs of stabilization, with cement pricing remaining relatively flat despite ongoing regional supply constraints. Imports through the

Gulf Coast are playing a critical role in balancing supply with demand, particularly in high-growth regions. Labor markets remain competitive, with year-over-year wage growth in the range of 8% to 12%. This upward wage pressure is attracting experienced skilled trades, particularly concrete finishers and formwork carpenters, which is positively impacting construction quality and productivity on active job sites. Institutional sectors—particularly healthcare and higher education—continue to underpin steady construction demand, contributing to robust equipment utilization rates and a healthy project pipeline across several regions. On the materials side, demand for reinforcing steel has increased, and pricing pressure is mounting. A projected price escalation of approximately \$60/ton is expected by year-end. This increase is primarily driven by higher demand, rising electricity costs affecting production, and elevated transportation expenses.

### Masonry



Masonry supply chains remain stable, with pricing holding steady across most product categories. No significant price increases are anticipated in the near term, reflecting balanced

supply-demand dynamics. However, specialty masonry products—such as custom blends, high-performance units, or architectural finishes—may experience modestly extended lead times due to limited manufacturing capacities and order-specific production schedules. Labor availability in the masonry trade remains consistent, with wage rates showing minimal volatility. Current project delays related to masonry work are largely attributable to material lead times rather than workforce shortages.

### Metals



Lead times remain generally stable across most domestically sourced materials, though steel joists have extended from 16 to 20 weeks due to mill backlogs. Some manufacturers now require Letters of Intent to secure production slots, making supplier relationships increasingly important. Labor conditions are steady, with minimal turnover and a reliable union workforce supporting consistent productivity. Wages remain flat. The primary long-term concern is the slow entry of younger workers into the trade, but current labor availability remains sufficient. Overall, market conditions are stable and manageable with proactive planning.

### Millwork



Quartz pricing has increased by 12–15%, primarily driven by the impact of tariffs. Most other interior finish materials have seen only modest cost escalation; however, PVC edge banding is expected

to rise significantly due to supply constraints tied to Canadian sourcing. On the labor side, skilled plant labor costs are increasing at a slower pace compared to last year. In contrast, field labor rates continue to rise sharply, with workforce turnover remaining elevated relative to prepandemic norms.

### Waterproofing



Private sector construction activity is showing renewed momentum, while demand in key sectors such as data centers, healthcare, and public infrastructure remains stable.

However, with a significant volume of new project awards currently underway, contractors should closely monitor labor market dynamics. Emerging workforce constraints, particularly in skilled trades, may begin to surface later this year or in early 2026, potentially impacting project schedules and cost structures.

# Subcontractor/Supply Chain Pulse



## Roofing/Enclosure System



Roofing material lead times remain within normal ranges, with minimal disruptions across most product categories. However, select components such as fasteners, screws, and roof hatches are experiencing modest delays due to minor supply chain constraints. Labor availability is generally steady, though a competitive market environment is contributing to higher turnover as workers seek improved compensation.

## Flooring, Tile, & Stone



Tariffs on imported flooring are driving immediate material cost increases of 6-15%, with Mohawk and other suppliers already implementing hikes effective September 1st, and further escalation likely over the next 12-24 months. Labor rates remain stable but are projected to rise 5-8% annually to keep pace with demand and reduce turnover. Global supply chain risks—including clay imports from Ukraine and potential port disruptions—remain key watch factors for tile and flooring availability.

## Mechanical



Material availability and equipment lead times are stable, though tariffs and inflation continue to create pricing pressure, particularly on copper and HVAC equipment. Labor demand in Texas remains high, with data centers driving competition by offering overtime and incentive pay, making it harder to staff standard 40-hour roles. Union labor can help maintain stability and reduce turnover, wage escalation and labor competition will remain ongoing challenges.

## Storefront/Curtainwall



The glass and glazing market remains stable, with no significant material shortages reported. Standard price escalations continue on a semi-annual basis, in line with historical trends. However, hardware lead times have extended by approximately 3-4 weeks, driven by ongoing supply chain constraints. Tariff uncertainty is contributing to pricing volatility, prompting vendors to limit price validity to 30 days unless supported by a Letter of Intent. Additionally, an increase in the design and specification of complex façade systems is driving higher overall project costs in this scope.

## Fire Protection



The fire sprinkler sector is currently stable, with no significant disruptions or supply chain issues affecting the industry. A notable price increase occurred in the spring, but costs have since stabilized through summer. Piping material costs remain flat, while air compressor prices have risen. Overall, there has been an average increase of about 8% in select mechanical materials over recent months. On the labor front, wages continue to rise gradually, with current compensation levels higher than the previous year. Increased competition for skilled labor has led to higher turnover and a more aggressive recruitment environment as firms seek to secure experienced personnel.

## Electrical



Supply chain disruptions persist, with switchgear and large generators facing extended lead times, up to 80 weeks and more than two years respectively, driven largely by surging demand from data center construction, especially for Square D products. Material costs are also climbing, notably steel prices which are increasing 5% quarterly, while rural data center expansion continues to strain logistics and delivery timelines. Labor availability remains a growing concern, as the electrician workforce shrinks and wages rise due to high demand, with union labor projected to increase 5-7% annually and competition intensifying across sectors.

## Framing, Drywall, & Ceiling



Tariffs on foreign goods are driving up costs for both imported and domestic materials, creating significant volatility in metal pricing and limiting price holds to about 30 days. While lead times remain normal, steel mills face forecasting challenges, and cost fluctuations are being passed directly to projects. Rising wage rates and worker migration toward overtime opportunities further contribute to ongoing market uncertainty.

## Low Voltage



Material prices have seen notable increases, with metals/electronics experiencing cost rises of 4-17% year-over-year. Global demand imbalances and ongoing supply chain constraints are driving these price pressures. Delays in international shipping/overseas manufacturing have worsened procurement challenges, affecting project timelines and budgeting accuracy.

## Plumbing



The third quarter of 2025 has seen continued challenges in the plumbing supply chain and pricing in Texas due to the impact of 2025 tariffs on imported goods as well as volatility in commodities (especially copper). These tariffs are affecting the cost of materials and products sourced from tariff-affected regions, leading to price hikes across essential plumbing materials and finished goods. These tariffs have caused price hikes of 15-35% across essential materials and finished goods, impacting U.S. manufacturers and contractors.

## Elevators



Elevators globally sources products, with components coming from Mexico, Canada, Europe, and China. Typical among the major OEM brands. Tariffs impact all of these. Labor is a known/predictable cost (3% increase year over year).