



2021 MARKET OUTLOOK: MATERIAL AND LABOR SUPPLY UPDATE

Insight from Peter Capone, Consigli's Director of Purchasing

To help our partners plan throughout 2021, our team continues to collect data across all markets, from New England to the Mid-Atlantic, to forecast market trends, prices and schedule impacts. Overall, this year, we continue to see material prices rise especially in metals, while the pandemic has forced subcontractors to embrace more technology to pre-fabricate and utilize design-assist more often to improve speed-to-market.

MATERIAL PRICING

Material	Q1/Q2 Predicted Increase
Metal Studs	20%
Copper	18%
PVC	18%
Steel Piping	10%
Structural Steel	8%
Hard Woods	8%
Hollow Metal Doors/Frames	8%
Batt Insulation	7%
Aluminum/Glass/Glazing	5%
Lumber	5%
Hardware	3%

HIGH RISK ITEMS

COPPER

- › Increased in price by 33% since February 2020.
- › Increase is driven by short and long-term expected demand in the U.S. and China, as well as China having historically low inventories.
- › Affecting trades including M/E/P, copper roofing and copper panels, etc.

STEEL

- › Increased in price by 40% since February 2020.
- › Increase is driven by China's booming economy, but should stabilize as supply catches up mid-Q2.
- › Affecting all trades buying steel products.

LUMBER

- › Increased in price by 73% since February 2020.
- › Residential building will continue to influence pricing over the coming months, affecting the volatility of this commodity.
- › Heavily affecting rough carpentry materials.

EVOLVING TRENDS



TECHNOLOGY ADVANCEMENT

The pandemic has motivated subcontractors and vendors to implement technological advancements into their shop and field processes. Cost saving material management software, tool upgrades and robotics are improving efficiencies which is allowing subcontractors the flexibility in managing on-site workforce restrictions.



PRE-FABRICATION

Surveyed participants are pre-fabricating 20% more than before the pandemic, assisting in managing workforce requirements in the field.



DESIGN-ASSIST

71% of our respondents noticed an increase in requests for design-assist proposals which further confirms the need for speed-to-market becoming a priority of many clients. Ensuring the construction manager has a defined process for properly implementing this approach will benefit project schedules. Vetting subcontractors for similar project experience, backlog capacity and financial wherewithal should be a focus.

WORKFORCE RESOURCES

72% of the surveyed subcontractors are not concerned with staffing projects in 2021. Based on work in the pipeline, we should continue to monitor workforce resources for 2022.

RECOMMENDATIONS

- › Continue to keep a close eye on high risk materials.
- › Lock in subcontractor pricing as soon as possible to avoid future price escalation.
- › Hold contingencies for material escalation in estimates and budgets to avoid exposure.
- › Watch for supply chain disruptions from products sourced overseas. We continue to receive delay notifications for products such as flooring, cabinetry, etc. so we suggest procuring from domestic vendors when possible.
- › Identify long-lead materials and ask subcontractor and vendors about alternate materials and options.