



MARKET OUTLOOK: JUNE 2021

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Record-long lead times and rising material prices are the result of the recent economic impacts across the globe. Our team connected with over 250 trade partners to review recent disruptions and forecast upcoming price and schedule impacts. To help plan your projects and mitigate disruptions, we outlined additional increases on critical materials and lead times delays, as well as strategies for risk mitigation. Looking ahead, we anticipate a labor shortage further compounding price escalation as infrastructure spending further saturates the market.

6%

Escalation

SINCE JANUARY 2021

4%

Additional Escalation

THROUGH DECEMBER 2021



Expected Labor Shortage

Q3/Q4 & Beyond

ADDITIONAL MATERIAL PRICE INCREASES	
Critical Material	Additional Potential 2021 Increase*
Roofing Membranes	20%
Lumber	15%
Gypsum Wall Board	15%
Glass	12%
Generators	10%
M/E/P Equipment	7%
Structural Steel	5%

*Reflects trade partner input and anticipated to represent peak pricing.

MATERIAL LEAD TIMES		
Material	1/1/2021 (WEEKS)	5/1/2021 (WEEKS)
Steel Joist	12	30
Custom AHU's	10	28
Generators	15	24
Steel Deck	12	20
Mineral / Rock Wool	1	20
Energy Recovery Units	10	18
Switchboards	5	18
PVC Conduit	1	14
Aluminum	6	12
Aluminum Copings	3	12
Glass	6	10
Joint Compound	1	4
Gypsum Wall Board	1	4

STRATEGIES FOR RISK MANAGEMENT

DESIGN-ASSIST

Consider using design-assist trades to secure labor commitments and source product alternatives.

SUBCONTRACTOR PRE-QUALIFICATION

Increased diligence in assessment of backlog, resources and capacity, as well as buying power.

SOURCE ALTERNATE MATERIALS & SUPPLIERS

Collaboratively work with design partners to broaden range of manufacturers and products.

PRE-PURCHASING & STORING MATERIALS

Pre-purchase long lead materials and equipment, and consider early delivery and more on-site storage.

PROJECT-SPECIFIC MARKET ANALYSIS

Perform trade-by-trade assessment of labor and material escalation based on project specific schedule and cost.

PRE-FABRICATION

Identify opportunities to maximize pre-fabrication strategies to take labor off-site and lock in resources and materials earlier in the project.

MATERIAL DELIVERY VERIFICATION

Focus on weekly material verification utilizing technology and plant visits to ensure quality and schedule certainty.