



## Project Planning Amidst Material Shortages and Price Volatility

As many of you are probably aware, the construction industry has been hit with major material shortages resulting in rapidly escalating prices and significant scheduling delays. The roofing industry has been impacted as much as any other trade. Many segments of the industry have experienced significant material price increases over the past few months. Insulation adhesives, for example, are 35% higher today than they were just a few months ago. If you have visited your local hardware store or lumber yard you have probably seen the same thing. A sheet of plywood that cost \$35 not too long ago now costs \$75-80. The ability to obtain materials is also a very real issue. Orders for insulation and many other roof system components are completely backed up. The material shortages are the combined result of a loss of critical



manufacturing facilities due to fires and flooding combined with a significant upturn in demand.

Unfortunately, we at Inspec do not have a crystal ball to tell us when the material shortages will end or when material price increases will ease. We do, however, have 48 years of experience in the industry to draw on to help our clients overcome these challenges. History tells us the material shortages will begin to ease as manufacturing capacity comes back online and seasonal demand begins to taper off. Pricing will also begin to come down but will not likely return to previous levels.

Looking toward 2022, our advice is to plan early. Project budgets that were prepared as recently as a year ago should be reviewed and updated to better reflect the current financial climate to avoid shortfalls.

Getting your projects out to bid and awarded early will also be of critical importance. The projects that got completed this past summer are the ones that were bid and awarded early enough for contractors to purchase and receive delivery of materials well in advance of the project start dates. The ability of the contractor base to take on more work for 2022 will likely be diminished in some form, making the timing of your bidding critically important.



If you would like additional information, or have a project you would like assistance planning, please contact:

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