

BOSTON SEAPORT

Block L5 / 1 Boston Wharf Road (Core/Shell)
Block L4 / 111 Harbor Way (Core/Shell)
400 Summer Street (Tenant Fitup)



**THE
PULSE**



INDUSTRY TRENDS & FORECAST

INDUSTRIAL OVERVIEW

Post COVID, the global supply chain vulnerabilities were exposed and this has caused major disturbances in pricing and lead times for the construction industry. Since our last edition of The Pulse in November 2022, historically long lead times have (mostly) stabilized, while pricing for electrical materials are still increasing.

Generally, contractors in the Northeast have strong backlogs through 2023 and into 2024. Forecasting beyond early 2024, the construction market appears to be weakening. Rapidly rising interest rates, large inflation numbers, and growing costs for materials have all been precursors to a future slowdown in construction billings.

LEAD TIMES

Lead times and pricing are constantly changing - and they're impacting Gaston and our customers. **Our goal with The Pulse is to share current market conditions with our customers and partners.** This update is a snapshot of today and we implore you to reach out with questions should you have any.

Lead times listed in the table to the right are after release of material (after receipt of approved / stamped shop drawings).

Lead times vary between manufacturer, and this results in larger / wider ranges.

Lead times change more often than price. Something that may take 16 weeks today could be 24 weeks tomorrow. It's very fluid.

LEAD TIMES HAVE INCREASED IN EARLY 2023 AND WILL CONTINUE TO REMAIN LONG FOR THE FORESEEABLE FUTURE.

Lead times should decrease once / if demand softens.

Item / Material	Pre - Covid	Current
Switchgear		
15KV Switchgear	24 - 34 weeks	60 - 75 weeks
Substation Transformers	24 - 34 weeks	65 - 80 weeks
Switchboards over 1200 Amps	20 - 30 weeks	75 - 90 weeks
Distribution Panelboards	2 - 10 weeks	24 - 35 weeks
Branch Panelboards	Stock - 4 weeks	24 - 36 weeks
Dry Type Transformers	2 - 8 weeks	10 - 16 weeks
Busway	8 - 16 weeks	24 - 72 weeks
Meter Sockets without bypass	Stock	12 - 14 weeks
Meter Socket with bypass	Stock	50 - 70 weeks
Large Disconnect switches	4 - 8 weeks	24 - 36 weeks
Outdoor Padmount Transformers	40 weeks	90 - 100 weeks
Generators		
> 1MW with enclosure	24 - 32 weeks	70 - 95 weeks
500KW/750KW/1MW with enclosure	24 - 32 weeks	48 - 70 weeks
<= 500KW with enclosure	10 - 12 weeks	40 - 50 weeks
Automatic Transfer Switches		
Standard 800 Amps and below	8 - 12 weeks	24 - 30 weeks
Standard, above 800 Amps	10 - 16 weeks	40 - 50 weeks
Any ATS with a bypass	16 - 24 weeks	44 - 52 weeks
Fire Alarm Equipment		
Notification and Initiating Devices	1 - 3 weeks	4 - 16 weeks
Head End Equipment	8 - 12 weeks	16 - 40 weeks
Smoke Control Panels	8 - 10 weeks	24 - 32 weeks
Fire Alarm Master box	8 - 10 weeks	40 weeks
NAC Booster panels	2 - 4 weeks	12 - 18 weeks
BDA Equipment and Cable	2 - 4 weeks	6 - 8 weeks
Lighting & Lighting Controls		
Lights	4 - 18 weeks	6 - 32 weeks
Controls	6 - 8 weeks	16 - 24 weeks
Miscellaneous Items		
MI Cable	3 - 6 weeks	12 - 18 weeks
Medium Voltage Cable	8 - 12 weeks	30 - 52 weeks
VFD with Bypass	2 - 4 weeks	30 - 36 weeks
THHN / XHHW Copper / AL Building Cable	1 - 3 weeks	2 - 4 weeks
Low Voltage Materials		
Cat6 Cable	4 weeks	4 - 6 weeks *
Cat6A Cable	4 weeks	4 - 6 weeks *
Jacks / Panels	4 weeks	4 - 8 weeks *
Closet Metals	10 days	8 weeks *
OSP Fiber	90 days	22 weeks
ISP Fiber (Riser-Rated / Plenum-Rated)	4 weeks	2 weeks / 6 - 8 weeks *
High Pair Count Copper	4 weeks	22 weeks *
Cameras	2 - 4 weeks	4 - 26 weeks ***
Access Control Panels	4 weeks	7 - 12 weeks
Door Locking Hardware	4 weeks	2 - 20 weeks **
Power Supplies	3 - 5 weeks	1 - 4 weeks *

2 * Most items are reasonably in stock with Distributors at this point. ** Product type and manufacturer specific. *** Multi-sensor cameras are longest lead time items

PRICING

Most manufacturer pricing increased ~30% throughout 2022.

Switchgear manufacturers increased pricing 4 - 7% in Q1 of 2023.

A ~5% increase is anticipated for Generator pricing in March / April.

Lighting manufacturers are anticipating a price increase of 5 - 10% in March / April of 2023.

PRICING INCREASES IN THE 3-7% RANGE ARE FORTHCOMING IN Q3 OF 2023 FOR GEAR, LIGHTING, AND GENERATORS.

CONTACT US

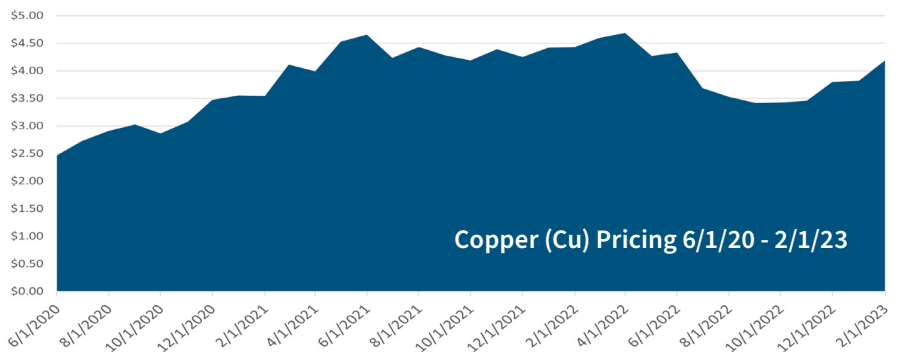
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Michael Weber / President

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Copper - COMEX Market Price as of 02.17.23 is \$4.12 / lb

Pricing for Copper (Cu) wire and materials is sticky-down - which refers to the tendency of a price to move up easily but prove resistant to moving down. Thus, when the COMEX market price of Cu increases, prices for finished Cu wire and materials increase accordingly. When the COMEX market price decreases, prices for finished Cu wire and materials will not decrease at the same rate. In 2020 and 2021, the COMEX market price of Cu increased about 50% total. In 2022, the COMEX price of Cu decreased 14% and end user products decreased about 10%. Beginning in November of 2022 (last publication of The Pulse) thru today, the COMEX market price of Cu has increased 11% (currently at ~\$4.12). This 11% increase in the market led to a ~14% increase in Cu wire and materials costs for end users. **As demand continues to be bullish in the short term and COMEX pricing continues to be volatile, the macro-outlook is that Cu pricing will increase throughout 2023.**

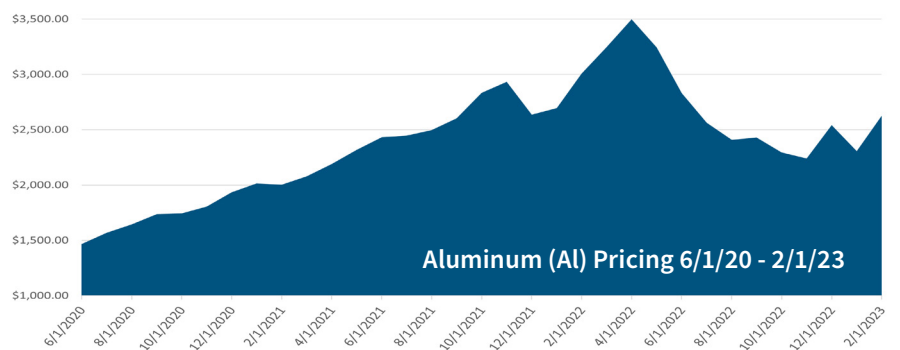


Source(s): Southwire (www.industrial.southwire.com), MacroTrends (www.macrotrends.net/1476/copper-prices-historical-chart-data)

Aluminum - Market Price as of 02.17.23 is \$2,397 / mt

In contrast to Copper, end user pricing for Aluminum (Al) wire and materials rose sharply in 2022. For years, the industry has been using Al wire and materials in lieu of Cu as a cost savings measure. Today, Al is still less expensive to utilize, only the delta between Cu and Al wire and materials isn't as large as it was in 2021.

Similar to Cu, the cost of Al wire and materials is sticky-down. The large increase in Al market pricing in Q1 of 2022 drove the end user cost of Al wire and materials up almost 100%. After a 2022 summertime high, the market price for Al wire and materials has decreased. Since November of 2022, surprisingly, end user pricing for Al wire has decreased slightly (~3%) even though the market price has increased by 11%. **The current macro forecast for Al pricing for the next quarter is pricing will remain somewhat flat.**



Source(s): Southwire (www.industrial.southwire.com), Trading Economics (www.tradingeconomics.com), YCharts (www.ycharts.com/indicators/aluminum_price)