

## BOSTON SEAPORT

Block L5 / 1 Boston Wharf Road (Core/Shell)

# THE PULSE



INDUSTRY TRENDS & FORECAST

## INDUSTRIAL OVERVIEW

Lead times and pricing volatility in the construction industry continue to impact projects throughout the Greater Boston market. Major manufacturers have stabilized lead times, but they are still historically long. Contractors are getting creative, using less than typical project delivery methods to plan / complete projects and combat lead times.

Contractors in the Northeast and throughout the US still have solid backlogs extending throughout 2023 and 2024. Interest rates hikes, pricing volatility, employees not working in their physical offices, and other macro stressors have dampened many market sectors. Developers are cancelling or pausing some permitted projects for large buildings / facilities on spec and the tenant interior market is slow. Academic, healthcare, and the large-scale residential markets continue to be strong.

## LEAD TIMES

Beginning in 2020, lead times changed dramatically. Parts shortages, record-high demand, transportation issues, and other factors have caused lead times to extend out. Recently, we've seen lead times become more stable and even decrease in some instances. 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 manufacturers, and this results in larger / wider ranges. Low price should NOT be the only deciding factor in purchasing a project when time is of the essence on a project.

Lead times will continue to remain long for the foreseeable future.

**LEAD TIMES CHANGE MORE OFTEN THAN PRICE. SOMETHING THAT MAY TAKE 16 WEEKS TODAY COULD BE 24 WEEKS TOMORROW.**

Lead times have begun to decrease slightly and will continue to decrease once / if demand softens.

Item / Material	Pre - Covid	Current
<b>Switchgear</b>		
15KV Switchgear with Breakers	24 - 34 weeks	60 - 85 weeks
15KW Fusible Switchgear	24 - 34 weeks	45 - 55 weeks
Substation Transformers	24 - 34 weeks	40 - 60 weeks
Switchboards over 1200 Amps	20 - 30 weeks	40 - 60 weeks
Draw Out Breaker Switchgear	30 - 40 weeks	85 - 90 weeks
Distribution Panelboards	2 - 10 weeks	22 - 56 weeks
Branch Panelboards	Stock - 4 weeks	8 - 25 weeks
Dry Type Transformers	2 - 8 weeks	6 - 12 weeks
Busway	8 - 16 weeks	16 - 60 weeks
Busplugs	8 - 16 weeks	24 - 40 weeks
Meter Sockets without Bypass	Stock	10 - 30 weeks
Meter Socket with Bypass	Stock	30 - 50 weeks
Large Disconnect Switches	4 - 8 weeks	24 - 36 weeks
Outdoor Padmount Transformers	40 weeks	100+ weeks
<b>Generators</b>		
1.5MW+	40 - 52 weeks	110 weeks
750KW, 1-1.25MW with Enclosure	24 - 32 weeks	60 - 70 weeks
500KW-600KW with Enclosure	24 - 32 weeks	48 - 56 weeks
<= 500KW with Enclosure	10 - 12 weeks	40 - 50 weeks
<b>Automatic Transfer Switches</b>		
Standard 800 Amps and below	8 - 12 weeks	24 - 30 weeks
Standard, above 800 Amps	10 - 16 weeks	40 - 50 weeks
Any ATS with Bypass	16 - 24 weeks	44 - 52 weeks
<b>Fire Alarm Equipment</b>		
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
<b>Lighting &amp; Lighting Controls</b>		
Lights	4 - 18 weeks	6 - 32 weeks
Controls	6 - 8 weeks	8 - 24 weeks
<b>Miscellaneous Items</b>		
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	1 - 3 weeks
<b>Low Voltage Materials</b>		
Cat6 Cable	4 weeks	4 weeks *
Cat6A Cable	4 weeks	4 weeks *
Jacks / Panels	4 weeks	4 - 5 weeks *
Closet Metals	10 days	5 - 6 weeks *
OSP Fiber	90 days	22 weeks
ISP Fiber (Riser-Rated / Plenum-Rated)	4 weeks	2 weeks / 4 - 6 weeks *
High Pair Count Copper	4 weeks	8 - 12 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 *

## PRICING

Most manufacturer pricing increased ~30% throughout 2022.

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

Price increases are not expected for switchgear throughout the remainder of 2023.

**A ~3-5% INCREASE IS ANTICIPATED FOR GENERATOR PRICING IN DECEMBER OF 2023.**

## CONTACT US

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IBEW 103 and NECA contractors agreed to a 5-year labor agreement in which the work force will receive an \$18.75 raise over 5 years, beginning September 1, 2023.

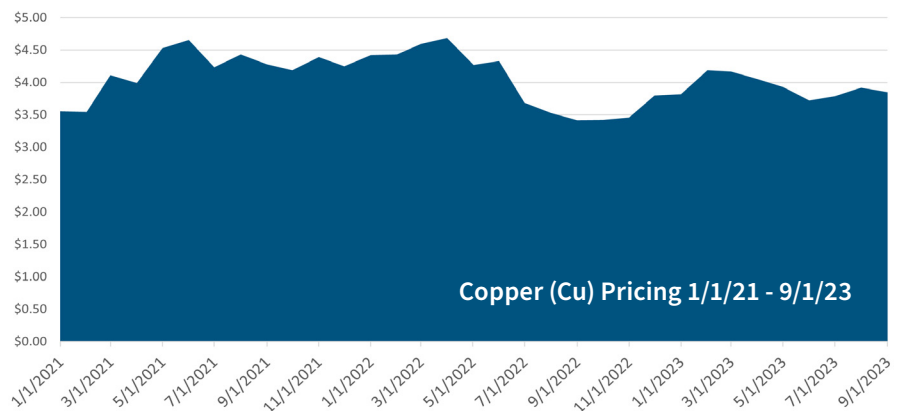
This increase is an average of \$3.75 a year for the next five years.

Based on current total compensation, this increase is less than 4% of the 'total package' for an hourly journeyman per year.

## Copper - COMEX Market Price as of 09.21.23 is \$3.69 / lb

Pricing for Copper (Cu) wire and materials is sticky-down. Sticky-down 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 (see chart below), prices for finished Cu wire and materials typically 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 25% each year. Then in 2022, the COMEX price of Cu decreased an overall 14%.

Since our last publication of the Pulse (May 2023), The COMEX price for Cu has been flat. It rose sharply in July, to over \$4/lb but has since returned to where it was in May, at \$3.69/lb. End user pricing (THHN and bussing) has decreased for contractors since May, about 4%.

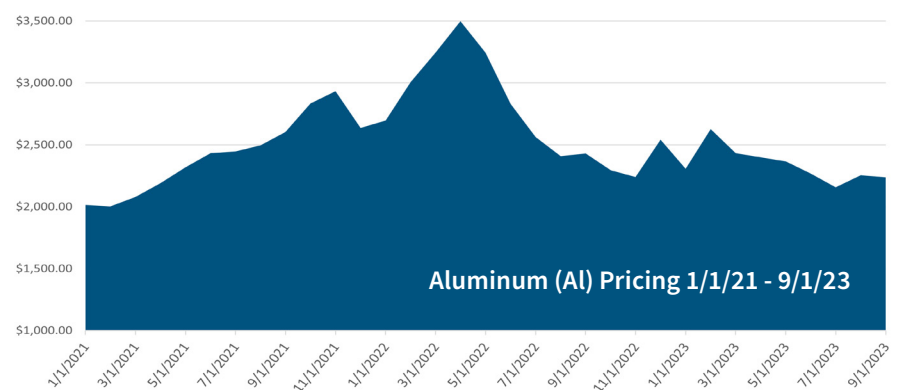


Source(s): Southwire ([www.industrial.southwire.com](http://www.industrial.southwire.com)), MacroTrends ([www.macrotrends.net/1476/copper-prices-historical-chart-data](http://www.macrotrends.net/1476/copper-prices-historical-chart-data))

## Aluminum - Market Price as of 09.21.23 is \$2,219 / mt

Aluminum wire and materials are used in the electrical industry in lieu of Copper as a cost savings measure. Aluminum is less expensive to purchase, and the delta between copper and aluminum costs allows the end user to realize savings on their projects when substituting one for the other is feasible.

The large increase in Al market pricing in Q1 of 2022 drove the end user cost of Al wire and materials up about 100% in calendar year 2022. Since a 2022 summertime high, the market price for Al wire and materials has decreased every quarter. Since our last publication of the Pulse (May 2023), end user pricing for Al wire has decreased almost 15% while the market price for AL only went down 3%. The current level of end user pricing for AL wire and materials are just above where they were in early 2021.



Source(s): Southwire ([www.industrial.southwire.com](http://www.industrial.southwire.com)), Trading Economics ([www.tradingeconomics.com](http://www.tradingeconomics.com)), YCharts ([www.ycharts.com/indicators/aluminum\\_price](http://www.ycharts.com/indicators/aluminum_price))