

WOMEN IN CONSTRUCTION WEEK JOBSITE TOUR

Wellesley College / Clapp Library Project
Wellesley, MA



**THE
PULSE**



INDUSTRY TRENDS & FORECAST

INDUSTRIAL OVERVIEW

Long lead times for large switchgear packages and generators are still a challenge for the construction industry in the Greater Boston area and beyond. Since 2020, contractors and owners have experienced extended lead times that have yet to be improved by manufacturing plants.

The construction market in the Northeast has softened in the past 6 months. Although many contractors have healthy backlogs, new commercial construction starts have slowed and backlogs are turning into earned revenue without many large new builds taking their place. Macroeconomic factors such as interest rates, inflation, record vacancy rates (23.7% nationally!) in urban areas (i.e. Boston/Cambridge), and lack of tenant movement have led to many market sectors being stagnant for construction.

Developers are still hesitant to move forward with large-scale, shovel-ready buildings due to the absence of signed leased agreements prior to construction. Academic and healthcare market sectors continue to be strong in the Northeast, and data center activity is very strong throughout many areas of the country.

LEAD TIMES

As discussed in prior editions of The Pulse, lead times for commodities and most system components for electrical equipment have returned to 'normal' levels. This includes branch (smaller) panelboards, building transformers, busway, low voltage connectivity, fire alarm equipment, and building wire.

Conversely, lead times for switchboards, substations, and generators are still extended. Communication from factories appears to be improving a bit, which is helpful with pre-planning and efficiencies onsite. Well informed contractors and owners can combat these long lead times with collaborative pre-planning efforts and buying strategies.

Purchasing long lead items prior to Construction Drawings has been one avenue to help combat lead times problems. Also, design-build and design-assist projects are good procurement strategies to specify less complicated equipment, and release orders prior to final design documents being available. Constant communication with owners and project partners regarding lead times continues to alleviate stress within our projects, and allows us to preplan for a more efficient worksite overall.

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.

SOME LEAD TIMES WILL REMAIN LONG FOR THE FORESEEABLE FUTURE.

Generally, lead times have begun to decrease for most parts/pieces on an electrical build.

Item / Material	Pre - Covid	Current
Switchgear		
15KV Switchgear with Breakers	24 - 34 weeks	55 - 75 weeks
15KW Fusible Switchgear	24 - 34 weeks	45 - 55 weeks
Substation Transformers	24 - 34 weeks	55 - 60 weeks
Switchboards over 1200 Amps	20 - 30 weeks	50 - 75 weeks
Draw Out Breaker Switchgear	30 - 40 weeks	70 - 80 weeks
Distribution Panelboards	2 - 10 weeks	18 - 40 weeks
Branch Panelboards	Stock - 4 weeks	8 - 18 weeks
Dry Type Transformers	2 - 8 weeks	4 - 10 weeks
Busway	8 - 16 weeks	12 - 30 weeks
Busplugs	8 - 16 weeks	12 - 40 weeks
Meter Sockets without Bypass	Stock	10 - 30 weeks
Meter Socket with Bypass	Stock	stock - 50 weeks
Large Disconnect Switches	4 - 8 weeks	16 - 30 weeks
Outdoor Padmount Transformers	40 weeks	100+ weeks
Generators		
1.5MW+	40 - 52 weeks	110 - 120 weeks
750KW, 1-1.25MW with Enclosure	24 - 32 weeks	55 - 70 weeks
500KW-600KW with Enclosure	24 - 32 weeks	45 - 60 weeks
<= 500KW with Enclosure	10 - 12 weeks	20 - 50 weeks
Automatic Transfer Switches		
Standard 800 Amps and below	8 - 12 weeks	18 - 30 weeks
Standard, above 800 Amps	10 - 16 weeks	36 - 44 weeks
Any ATS with Bypass	16 - 24 weeks	48 - 55 weeks
Fire Alarm Equipment		
Notification and Initiating Devices	1 - 3 weeks	2 - 8 weeks
Head End Equipment	8 - 12 weeks	10 - 22 weeks
Smoke Control Panels	8 - 10 weeks	10 - 18 weeks
Fire Alarm Master Box	8 - 10 weeks	32 weeks
NAC Booster Panels	2 - 4 weeks	4 - 6 weeks
BDA Equipment and Cable	2 - 4 weeks	6 - 8 weeks
Lighting & Lighting Controls		
Lights	4 - 18 weeks	4 - 32 weeks
Controls	6 - 8 weeks	8 - 18 weeks
Miscellaneous Items		
MI Cable	3 - 6 weeks	Stock - 18 weeks
Medium Voltage Cable	8 - 12 weeks	8 - 52 weeks
VFD with Bypass	2 - 4 weeks	30 - 36 weeks
THHN / XHHW Copper / AL Building	1 - 3 weeks	1 - 3 weeks
Low Voltage Materials		
Cat6 Cable	4 weeks	2 - 4 weeks
Cat6A Cable	4 weeks	2 - 4 weeks
Jacks / Panels	4 weeks	4 weeks
Closet Metals	10 days	2 - 6 weeks
OSP Fiber	90 days	5 - 6 weeks
ISP Fiber (Riser-Rated / Plenum-Rated)	4 weeks	2 weeks / 4 - 6
High Pair Count Copper	4 weeks	8 - 12 weeks
Cameras	2 - 4 weeks	4 - 6 weeks *
Access Control Panels	4 weeks	4 - 8 weeks
Door Locking Hardware	4 weeks	2 - 12 weeks
Power Supplies	3 - 5 weeks	1 - 4 weeks

* If not in Distributor stock.

PRICING

Manufacturers of Switchgear and Generators increased pricing throughout 2022 and 2023.

Switchgear manufacturers do not have a plan for a price increase in Q1 or Q2 of 2024.

A ~3-5% INCREASE FOR GENERATORS OCCURRED IN Q4 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.

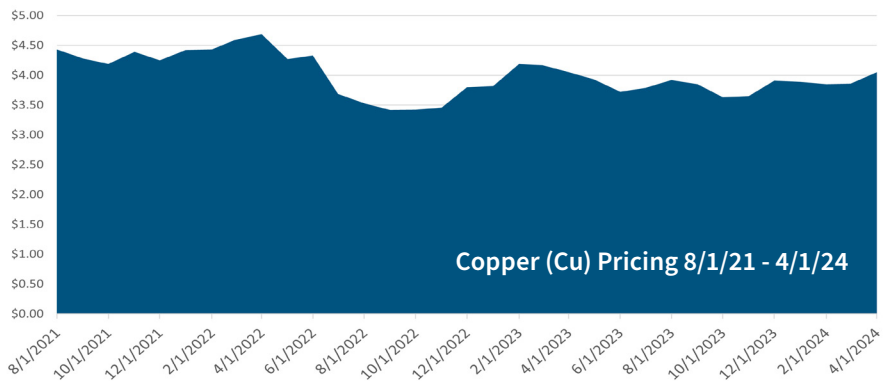
Based on current total compensation, this increase is less than 4% of the 'total package' for an hourly journeyman per year.

Copper - COMEX Market Price as of 04.23.24 is \$4.43 / 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.

Since our last publication of the Pulse (Q4 2023), The COMEX price for Cu has increased 18%. It has been over \$4/lb since mid-March and most economic indicators tell us that Copper pricing will remain over \$4/lb throughout 2024. Low supply and a rebounding Chinese economy should keep the COMEX price above \$4/lb and some economist even see this growing to \$5/lb by late 2024.

End user pricing (Building wire and bussing) has increased for contractors since January about 3%-4% and we expect this pricing to increase more while the market price remains above \$4/lb.

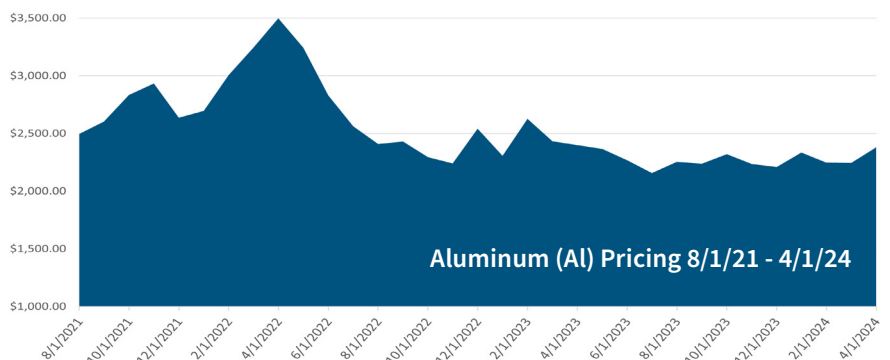


Source(s): Southwire (www.industrial.southwire.com), MacroTrends (www.macrotrends.net/1476/copper-prices-historical-chart-data)

Aluminum - Market Price as of 04.23.24 is \$2,581 / 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.

Since a 2022 summertime high through the end of 2023, the market price for Al wire and materials had decreased almost every quarter. Since January 2024 (Q4 2023 publication of The Pulse), the market price for Aluminum has increased 16%. Surprisingly, end user pricing for Al wire has remained flat during this same first quarter of the year. The current level of end user pricing for AL wire and materials continue to be the lowest we've seen since 2021. The macro forecast for aluminum is an increase to end user pricing throughout 2024 due to many factors, mostly because of limited inventory and high demand.



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