

# LINBECK

## Subcontractor/Supply Chain Pulse



Q2 2025



*Linbeck's Quarterly Construction Market Forecast and Subcontractor/Supply Chain Pulse gather data from various local and national suppliers each quarter to keep clients informed about market news.*

### Concrete



Concrete pricing has remained stable through mid-2025, with an anticipated increase of \$6 per cubic yard projected within the next 12 months, driven by rising input and transportation costs.

Reinforcing steel markets, however, are experiencing immediate impacts from tariffs implemented on June 4, 2025. As a result, post-tensioning suppliers have raised prices by 8%. In comparison, rebar suppliers have increased prices by 5%, with indications of an additional price hike expected within 30 days if tariff conditions persist.

The combined effect of rising reinforcement costs and potential upward pressure on concrete pricing presents a growing concern for project budgeting and procurement planning in the second half of 2025.

### Masonry



Lead times for brick veneer and concrete masonry units (CMU) continue to pose challenges, especially when local suppliers are not used. Brick veneer lead times are 6-10 weeks, with more specialized options at 18-25 weeks.

CMU lead times are very constrained. Burnished CMU averages 10-12 weeks, with potential delays based on color availability, while colored split-face CMU typically requires around 8 weeks, also varying by finish. Additionally, rising fuel costs are expected to increase freight costs and extend delivery times. Despite these material challenges, labor availability is stable; however, competition for labor from other masonry contractors may increase as the workload grows and could lead to rising labor costs.

### Millwork



Lead times/pricing in the laboratory furnishings sector show mixed trends. Metal casework, flexible furniture, and fume hood lead times have improved, decreasing by 8-10 weeks, with

pricing stabilizing or declining for shipments in Q1 2025. In contrast, wood laboratory casework lead times have extended to 14-16 weeks due to increased demand during the summer construction. Solid surface materials remain stable, with standard-color lead times averaging 8 weeks. However, epoxy resin prices are set to increase by 5%, with delivery times extended to 10-12 weeks. Labor remains a key constraint, with a shrinking pool of qualified installers affecting project timelines. Offers of 15-25% above-market wages and full benefits are made to maintain stability in crew sizes, with this wage pressure expected to persist into 2026. Although tariffs have not impacted pricing, freight costs have increased 10-15% due to broader logistical challenges, despite declining fuel prices.

### Waterproofing



Waterproofing material prices remain stable, with no significant increases expected through Q3 2025. However, tariff-related risks on steel, aluminum, insulation, and adhesives could lead to cost volatility later in 2025 if trade conditions change. The sector still faces a shortage of qualified roofing and sheet metal installers, worsened by stricter background check requirements for documented labor. This labor gap is causing project scheduling challenges and higher crew costs. While there are no immediate disruptions, the market continues to monitor tariff developments and supply chain conditions for potential impacts.

### Metals



While material availability and lead times remain stable, concerns are growing over the potential impact of new tariffs on imported raw steel. These policies have already contributed to cost increases as both domestic manufacturers and importers adjust pricing in response to shifting trade dynamics. However, the industry continues to face a limited pool of skilled workers, particularly for off-shift roles. In response, internal training programs have been implemented to build workforce capacity. A modest wage increase is planned for early 2025 to remain competitive amid a rising volume of planned projects.

### Low Voltage



Material prices have experienced broad-based increases, with metals and electronics seeing cost escalations of 5% to 20% year-over-year. Both global demand imbalances and persistent supply chain constraints are driving these price pressures. Delays in international shipping/overseas manufacturing have further exacerbated procurement challenges, impacting project timelines and budgeting accuracy.

# Subcontractor/Supply Chain Pulse



## Roofing/Enclosure System



Roofing material prices remain stable, with no significant increases expected through Q3 2025. However, tariff-related risks—especially on steel, aluminum, insulation, and adhesives—could lead to cost volatility later in the year if trade conditions change. The sector continues to face a shortage of qualified roofing and sheet metal installers, worsened by stricter background check requirements. This skilled labor gap contributes to project scheduling challenges and elevated crew costs.

## Storefront/Curtainwall



The curtainwall sector is experiencing growing cost pressures heading into Q3. Glass manufacturers are preparing to announce price increases, with details expected imminently. This follows a 30% spike in raw aluminum prices in early June, driven by the reimplementation of tariffs, which has significantly impacted framing and curtainwall systems. While insulated glass unit raw material prices have remained stable quarter-over-quarter, ongoing volatility in input costs and tariff policy could disrupt pricing stability. Additionally, insulation materials remain in short supply, with lead times tightening and suppliers limiting price holds to 30 days or less. Although a temporary pause on some tariffs is in place, the potential for swift policy changes remains a key risk pricing and procurement strategies in the later in 2025.

## Elevators



As of Q2 2025, supply chain conditions remain favorable, with lead times improving across key sectors—elevator equipment lead times have shortened to about 12 weeks. Labor availability is stable, with union labor meeting demand and only standard annual wage adjustments. No immediate tariff impacts have emerged, but the industry is monitoring potential effects. A 4%–6% increase in material costs is anticipated due to inflation and tariff uncertainty. Labor-related cost pressures are minimal, though strain may arise as backlog volumes increase later in 2025.

## Framing, Drywall, & Ceiling



The drywall division is experiencing upward pressure on cold-formed framing materials, with monthly price increases averaging 10%. This trend is likely to continue into Q3, especially if steel tariffs are reinstated. Gypsum prices are also expected to follow this inflationary trend. On the labor front, skilled workforce shortages are becoming more acute as several large projects enter active phases, heightening competition for experienced workers. This has led to wage increases of 15%–18%, as companies boost compensation to attract and retain talent amid a limited workforce. Efforts to develop the workforce are under strain, further exacerbating the gap between labor demand and supply.

## Flooring, Tile, & Stone



Installer wages have risen 5%–8% annually, driven by market competition, cost-of-living, and growing demand. The resilient flooring supply chain has stabilized, with major suppliers shifting sourcing from China and increasing domestic manufacturing. Product availability has improved, with flexible-choice options typically available within 14 days. Lead times currently average 4–6 weeks for domestic products and 10–14 weeks for imported, made-to-order items. No significant price increases are expected across major flooring categories soon. However, tariff risks persist for imported materials from Asia and Mexico, leading U.S. brokers to apply cost premiums of 10%–15%, prompting designers to favor U.S.-made products and verify stock early in projects.

## Fire Protection



As of Q2 2025, supply chain conditions are stable, with no major disruptions in material availability. However, pipe and fitting prices have risen by 10%–20%, and some vendors limit price holds to 10 days. While steel futures remain flat, tariffs may lead to future price increases. Labor availability is a challenge, with experienced tradespeople aging out and inexperienced workers leaving for comparable pay. This talent gap is driving up entry-level wages as firms compete for limited skilled labor.

## Mechanical



The construction market remains robust, with significant work expected through 2025/2026. Mechanical contractors are selective in their bidding due to tighter labor availability and increasing backlogs. Supply chains are stable, but lead times for piping, valves, and fittings are rising, domestic material costs up 20%–60% and imports by 20%–30% due to tariffs. Equipment prices have held steady, but increases are expected in the next 3 to 9 months. Labor conditions are tight, leading to wage escalations and higher crew costs, with overtime sometimes needed to meet schedules.

## Electrical



Supply chain conditions are improving, with lead times for generators (10–14 months) and switchgear (10–12 months) stabilizing as production increases. However, labor shortages, particularly in skilled trades, persist. Firms are offering bonuses and higher wages, yet the talent pool is still insufficient. Material pricing remains volatile—metals like copper and steel, amid ongoing tariff adjustments. Global trade uncertainty, worsened by the Russia-Ukraine conflict, affects access to rare earth elements and imported materials. While price increases are less frequent, they remain above historical norms, leaving the sector facing improved logistics but ongoing labor and cost pressures.

## Plumbing



Plumbing supply is strained due to ongoing construction activity and rising costs. Lead times for piping, valves, and fittings are long due to high project volumes/contractor backlogs, particularly in industrial/infrastructure sectors. Material prices have surged, domestic plumbing products increasing 20% to 60%. Imported material costs are up 20% to 30% due to tariffs. Early pressure is noted in specialty valves/fittings, and the construction surge expected through 2026 may further tighten availability/increase prices. Plumbing subcontractors are prepurchasing materials/adjusting bidding strategies while facing higher labor costs and increased overtime.