

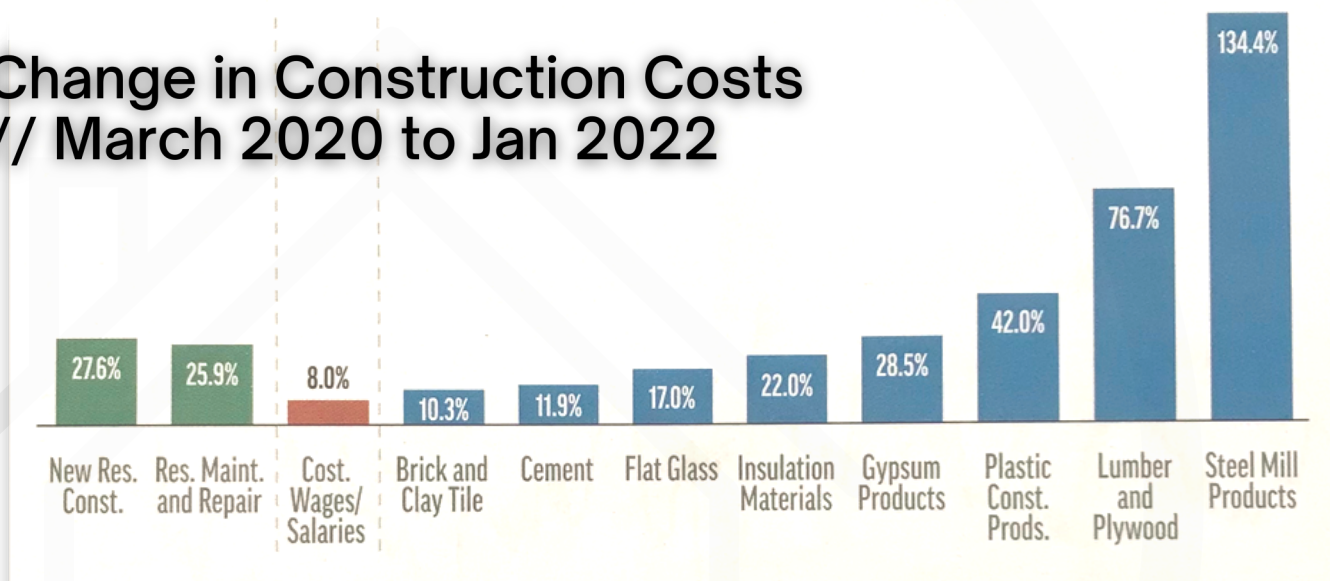
The rising costs & delays within the remodeling industry



ALL PRO
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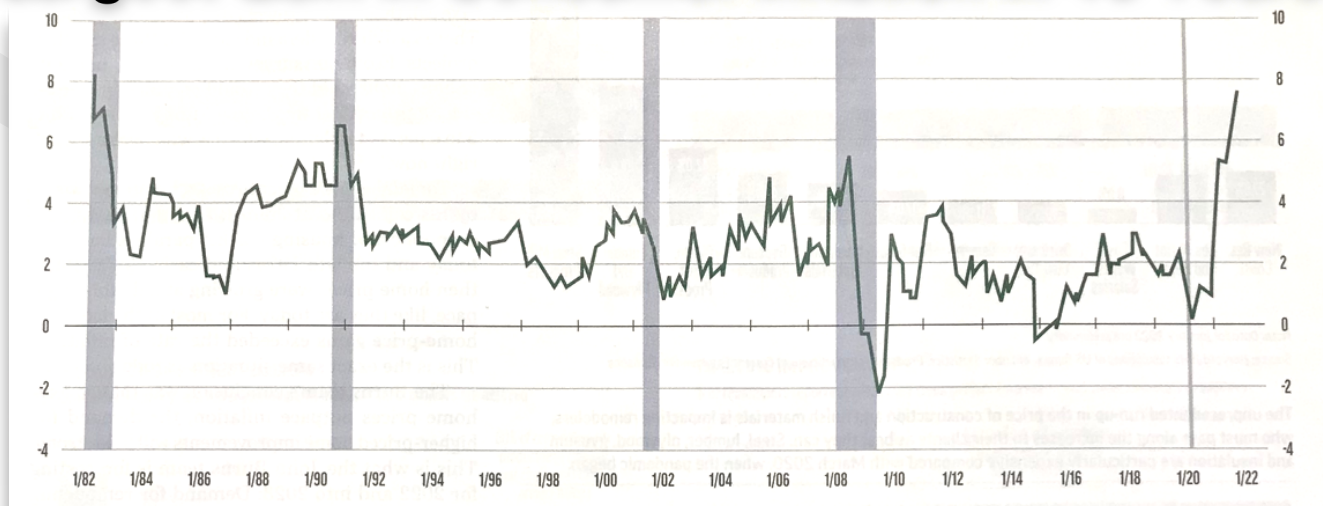
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Change in Construction Costs // March 2020 to Jan 2022



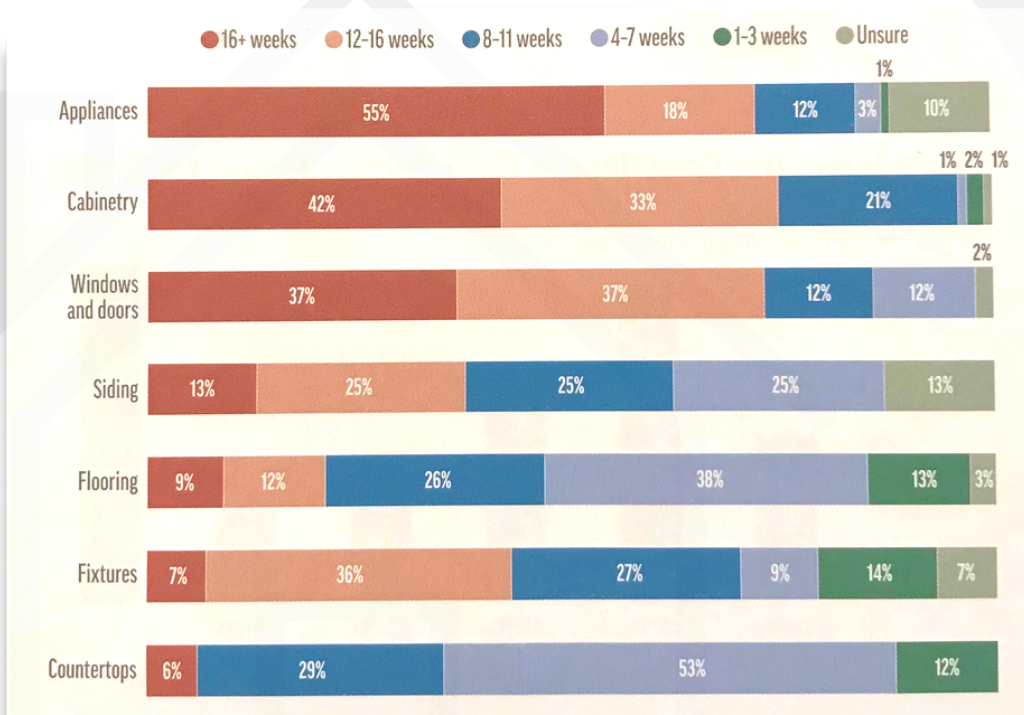
- the unprecedented run-up in the price of construction and finish materials is severely impacting the remodeling industry.
- Steel, lumber, plywood, gypsum (drywall) and insulation are particularly expensive compared to March 2020 when the pandemic began.

Largest Gain in Consumer Inflation in 40 Years



- 40-year graph of the rate of inflation
- From 1982 to 2022 the average rate of inflation was 2.79%. In April 2022 it hit 7.5% and could potentially go higher.
- Analysts question whether monetary-policy rate increases will be sufficient to get inflation under control this year.
- Grey bars indicate periods of recession

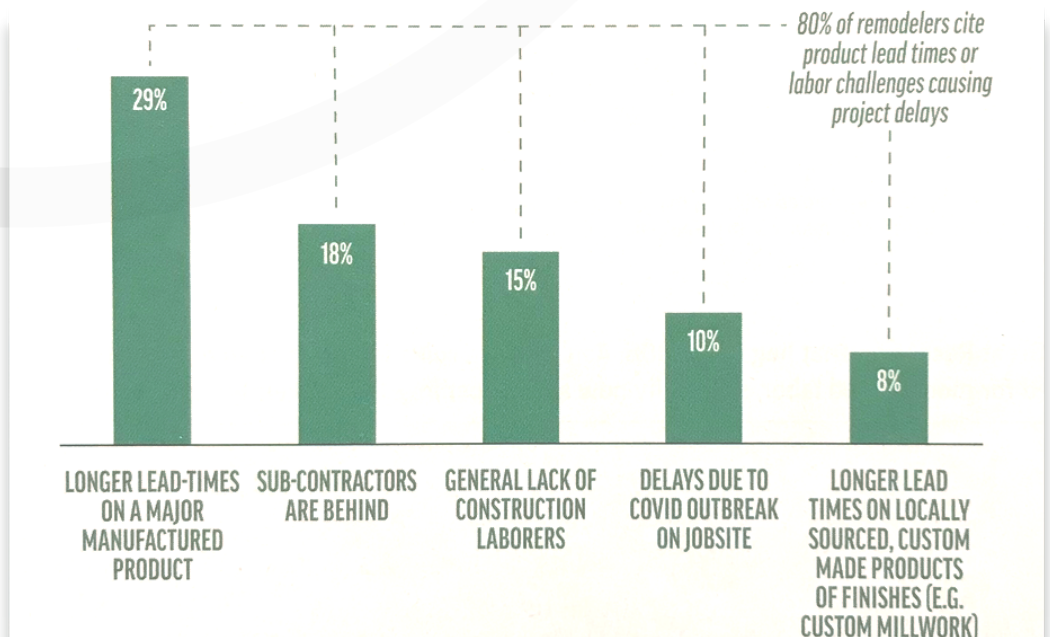
Product Delay Timeline



- Widespread across nearly every product category
- The worst delays being appliances, cabinets, windows and doors, which have months-long lead times.

Top 5 Reasons for Project Delays

Additionally, City building departments are a large part of delays. They were closed for a year and are still operating with 50% staff, many functions are now outsourced, email communication is extremely backlogged, and the plan-checking and permit issuing process continues to be delayed by several weeks.



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So, as you can see, the remodeling industry looks a whole lot different these days. Delays and cost overruns such as these could never have been anticipated and are severely affecting our bottom line, as well as the stability of our business.

Therefore we are graciously asking customers to be understanding and receptive to surcharges and increases. It is extremely overwhelming and discouraging to meet with opposition to our requests. We are not gouging anyone and we definitely are not raking in the big bucks--quite the opposite.

All of this considered, please be assured that we are doing the best WE possibly can in these circumstances.

We're all in this together – and we shall get through it together! **

Source of all charts and graphs:
Harvard JCHS tabulations of US Bureau of Labor Statistics, Producer Price Indices and Current Employment Statistics, and Qualified Remodeler Magazine

All of the information contained in this post has been garnered from our personal experience of operating our remodeling business in Orange County, CA during the 2020-2021 pandemic. Experiences, timelines, and regulations may be different in other businesses and locations.