

**Builders Association of Greater Indianapolis (BAGI)
May 2022 State of the Industry**

Dear Valued Customer,

The purpose of this letter is to provide you with updated information on the current systemic issues in the residential construction industry that are disrupting job schedules and project pricing. Hopefully, the information provided in this “State of the Industry” letter, gives you a better basis to understand why a delay or price increase may be occurring and lead to a productive discussion on potential solutions with your industry professional member of BAGI.

A new season is upon us, and with that comes important updates and some unique challenges. The pandemic and evolving situation in Ukraine have proven just how much uncertainty there is in the market and will continue to be for the foreseeable future.

Inflation is increasing costs across the board. Rising labor and material costs, land prices, and permit fees have been contributing to escalating home prices for years, but international tariffs imposed have added an additional burden to the industry. In addition, higher mortgage rates and low inventory will further lessen housing affordability conditions even as demand remains sky-high.

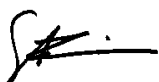
While we have and continue to face challenges, our confidence in BAGI and our members remain strong. We will continue to remain steadfast in our mission to support homebuilding professionals and consumers by providing the education, advocacy, and promotional resources they need.

Despite a constantly evolving, changing, and sometimes confusing housing landscape - your industry professional strives for efficient project management and establishing reliable project timelines. In October, BAGI provided specific price increases and product availability and we’re committed to keeping you up to date with the latest market trends. Fortunately, most lead times have decreased, despite not being back to normal. Here are some noteworthy updates:

- ✓ Windows - lead times were more than 5 months and have decreased to 4 months or less.
- ✓ Cabinets - lead times were as high as 8 months and have decreased closer to 5 months; pricing remains increased more than 12 percent.
- ✓ Garage doors - lead times are as high as 4 months when they were 2 weeks; pricing remains increased more than 100 percent.
- ✓ Appliances – lead times were 9 months and have decreased back down to 1 month, although some products may still be delayed up to 1 year.
- ✓ Plumbing – lead times are based on finish. Chrome is currently not delayed, while acrylic and brass are experiencing more than average delays.

Members of BAGI take the responsibility of delivering a quality product to you very seriously and we are working hard to make homeownership and remodeling possible in Central Indiana. The benefits of a new home or remodel to achieve current design trends, functional use of space, and maintain the value of your property, remain to ideally outweigh the challenges of these times. Check out the latest industry news and learn about additional resources available to you at BAGI.com.

It is imperative that everyone involved in your project have patience and understanding to pursue our passion of delivering you your dream home. Welcome home!



Steve Lains,
BAGI CEO



Andrew Brindley,
2022 BAGI Board President