



2022 Q2

# THE LOOK AHEAD

## Market Overview

Every day we are asked “When will this end?” or “Is the rest of the country experiencing this?” when talking about inflation and escalation. In the second quarter, inflation soared to a 40-year high. Wholesale inflation (Producer Price Index) experienced an 11.3% increase from June 2021 to June 2022 while the Consumer Price Index (the driving force of our economy) showed an increase of 9.1% in the same time frame. Central banks are using aggressive rate hikes to reign in inflation but at the same time high levels of personal savings from pandemic stimulus, backlogged demand, and a tight labor market keep the gas pedal on growth.

## THE NASHVILLE MARKET

As with most places right now, Nashville continues to see escalation at a higher rate than our historical averages. We do continue to see requests for pricing of new projects at a conceptual level, but cost challenges are making some of these less viable than they might have been 12-18 months ago. Additionally, projects that have been planning and pricing for the last 12 months continue to stay the course even through the increasing prices.

The Nashville market continues to be supported by aligning with JE Dunn’s national vertical markets as well as with JE Dunn Capital Partners projects. We are staying



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### Nashville Area Escalation Q2.2022



focused on diversifying our workload by both type and size, looking at higher education, industrial, aviation, etc.

We continue to see the pressures of a limited and strained Trade Partner market, as well as an ever-increasing pool of GC competition as companies try to establish a presence in Nashville. As a result, we are experiencing staffing limitations and must balance that with our clients who we continue to negotiate work with.

### LABOR & MATERIAL TRENDS THIS QUARTER

Labor Wage Change		Material Price Change	
Carpenter	1.74%	Fabricated Steel	3.06%
Laborer	9.69%	Fabricated Copper	-9.76%
Sheet Metal Worker	0.00%	Fabricated Aluminum	-5.39%
Plumber/Fitter	2.45%	#2 Diesel Fuel	8.76%
Electrician	0.00%	4,000 psi Concrete Ready Mix	-4.14%
Bricklayer	8.99%	Lumber, FOB Jobsite	7.49%
Iron Worker	0.00%	Glass	1.59%
Glazier	0.00%	Sheet Metal	3.35%
Roofer	0.00%	Gypsum	0.99%
Operator	5.00%	Other Materials	5.77%

*Other Materials consists of brick, block, precast insulation, floor covering, ceilings, and Miscellaneous materials*