

FIXING BUILDING MATERIAL SUPPLY CHAINS AND EASING COSTS

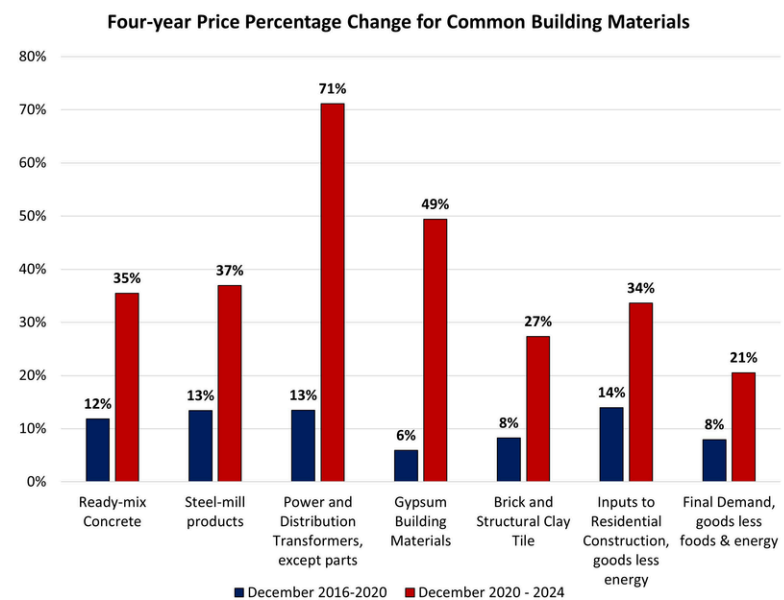
THE ISSUE

The cost of building materials has surged 34% since December 2020, and these higher costs are harming housing affordability.

Of particular concern, soaring costs (up 71% since December 2020) and shortages of electrical distribution transformers are delaying housing projects across the nation. Wait times for distribution transformers often can take from 12 to 24 months, and in some isolated cases, the lag time approaches three years.

It's not just transformer prices that have spiked. Since the end of 2020:

- Gypsum building materials have jumped 49%,
- Steel mill products are up 37%, and
- Ready-mix concrete is up 35%, just to name a few.



THE SOLUTION

Policymakers can help mend faulty building material supply chains and ease price spikes and volatility through the following actions:

- Increase the domestic supply of timber from federally owned lands in an environmentally responsive manner. The U.S. does not produce enough lumber to meet domestic needs and increasing supply will ease price volatility that saw lumber prices spike four-fold in 2021 and add more than \$30,000 to the price of an average new single-family home.
- End tariffs on Canadian lumber shipments into the U.S. and on building materials coming from China that are further fueling price volatility and acting as a tax on American home buyers at a time when housing affordability is at a record-low.