

Economic Update

Building Materials Subcommittee

January 15, 2024

David S. Logan

Senior Economist

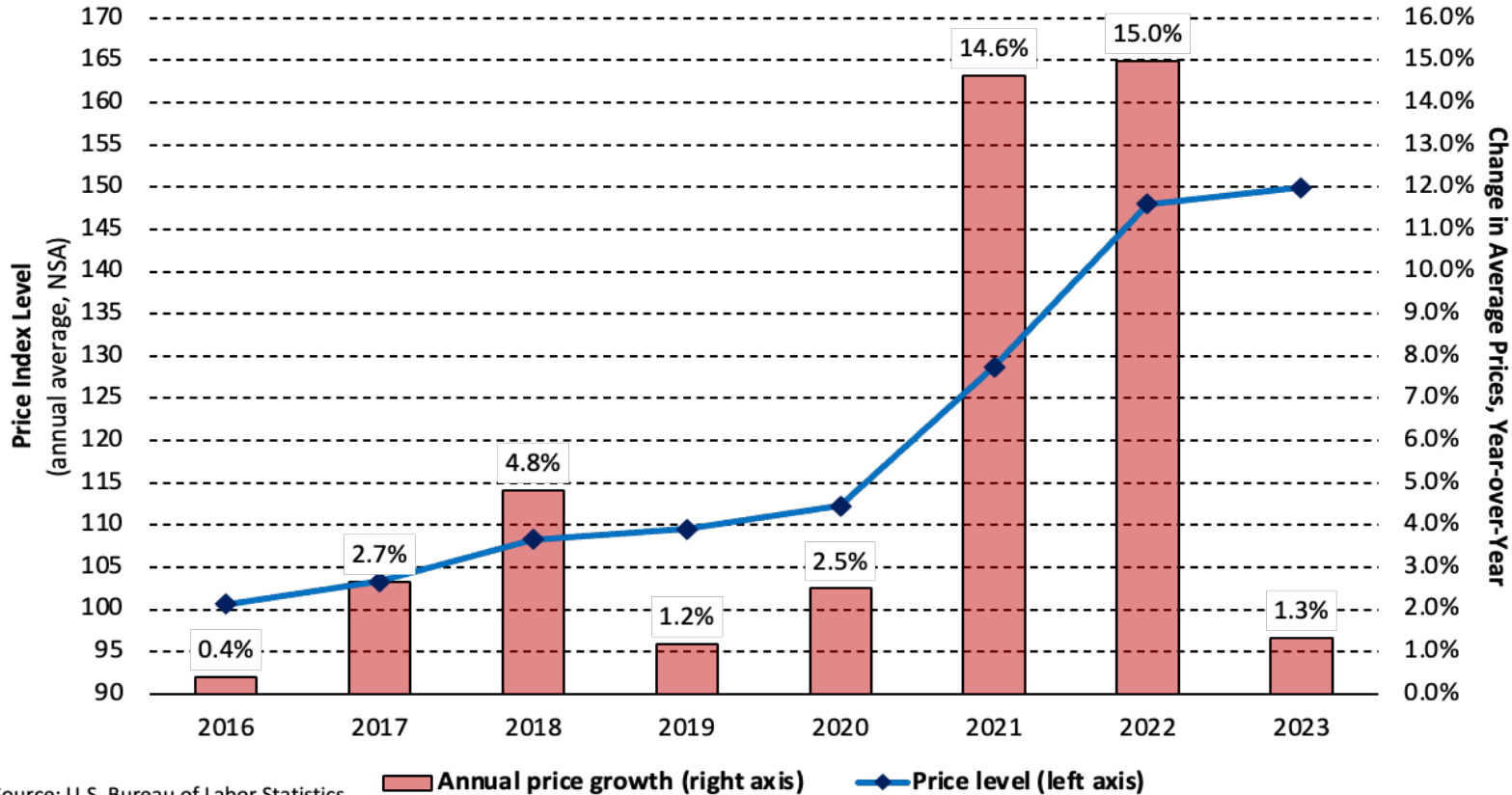
Director, Tax and Trade Policy Analysis



Price of Goods Inputs to Residential Construction

Building materials price growth slowed significantly in 2023

PPI: Inputs to Residential Construction, Goods Less Energy



Source: U.S. Bureau of Labor Statistics



Building Materials Prices: Softwood Lumber (BLS)

Average prices fell 31% in 2023

Producer Price Index: Softwood Lumber

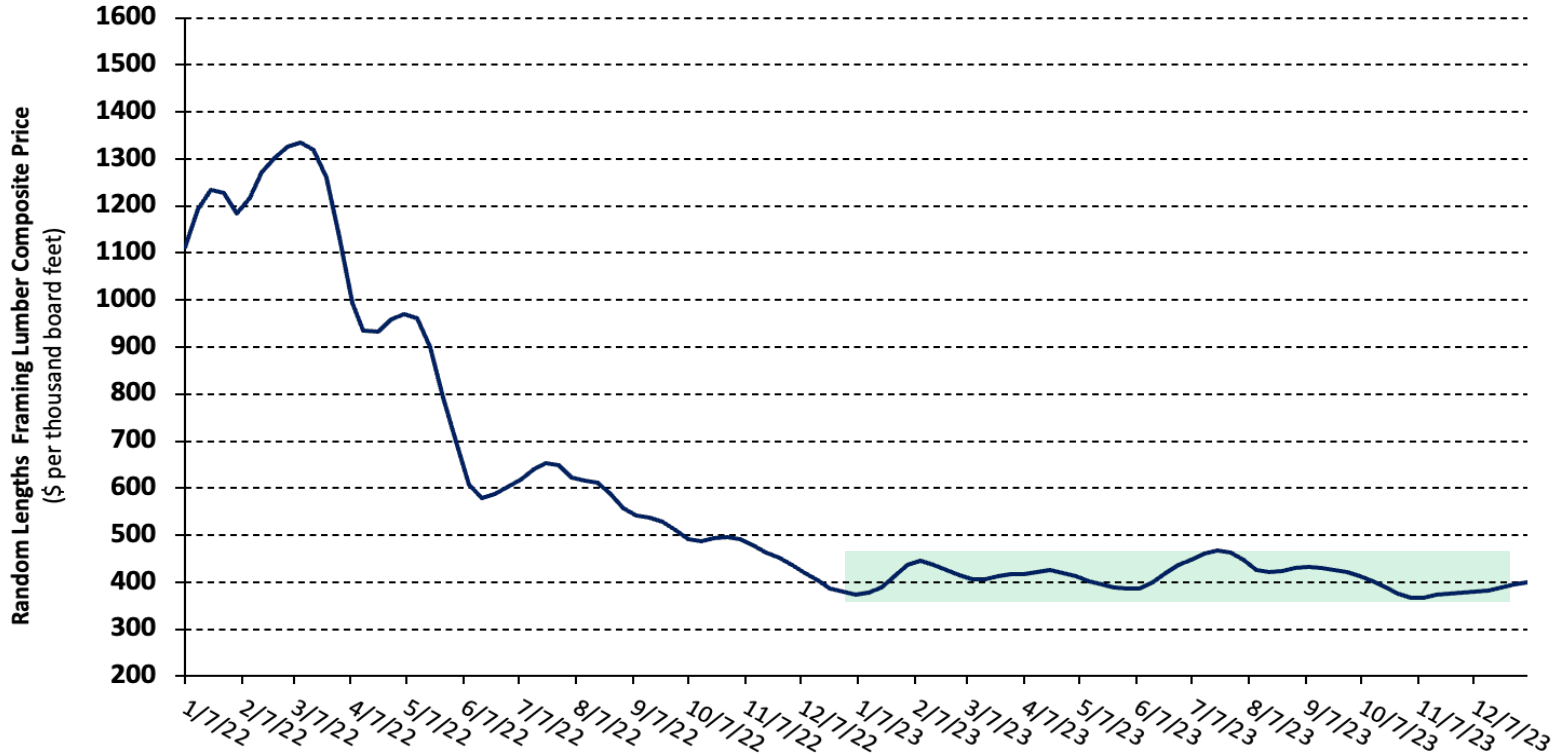


Source: U.S. Bureau of Labor Statistics

Building Materials Prices: Softwood Lumber (RL)

2023 was the least volatile year since 2019

Framing Lumber Prices
2022 - 2024



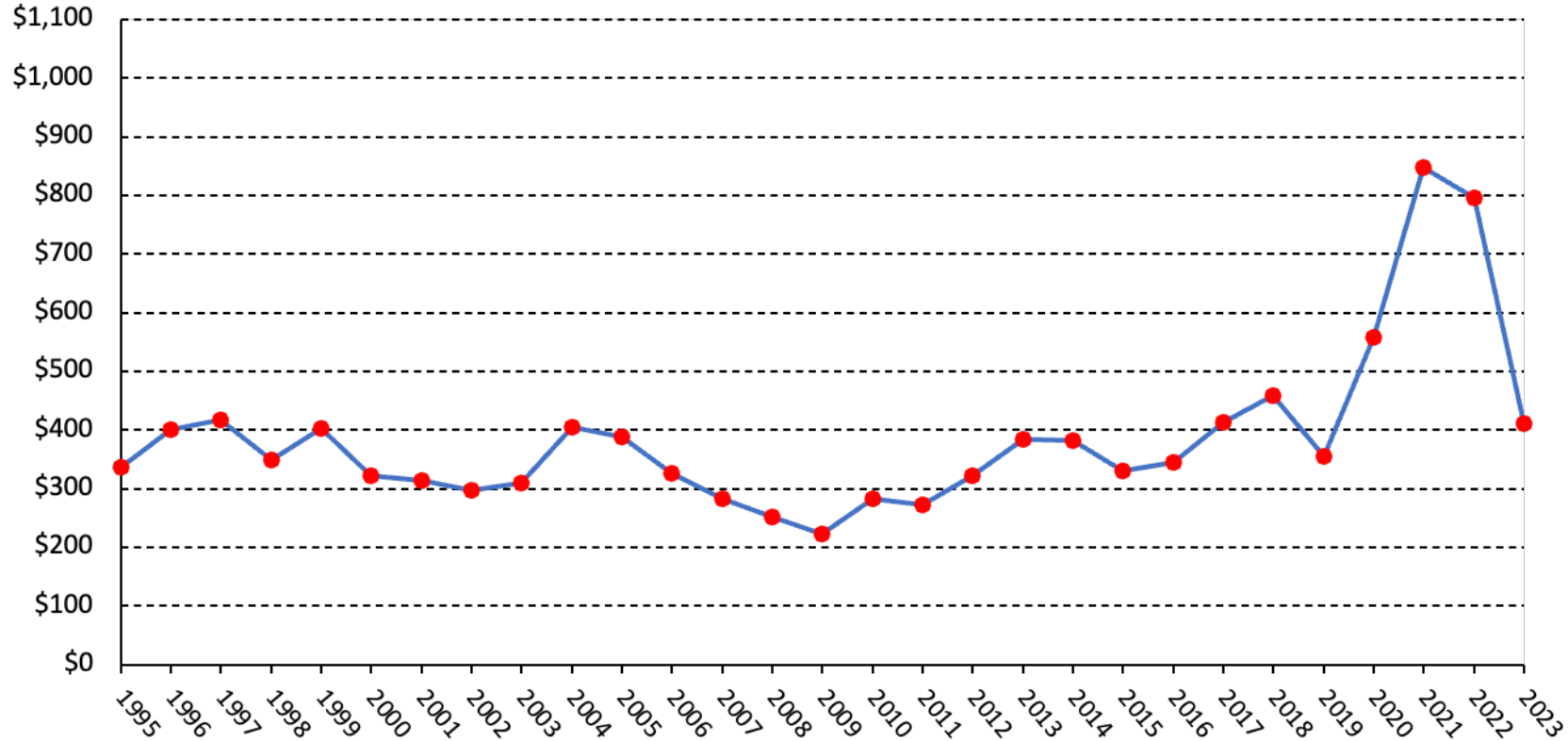
Source: Random Lengths

Building Materials Prices: Softwood Lumber (RL)

Lowest average price since 2016 (inflation-adjusted)

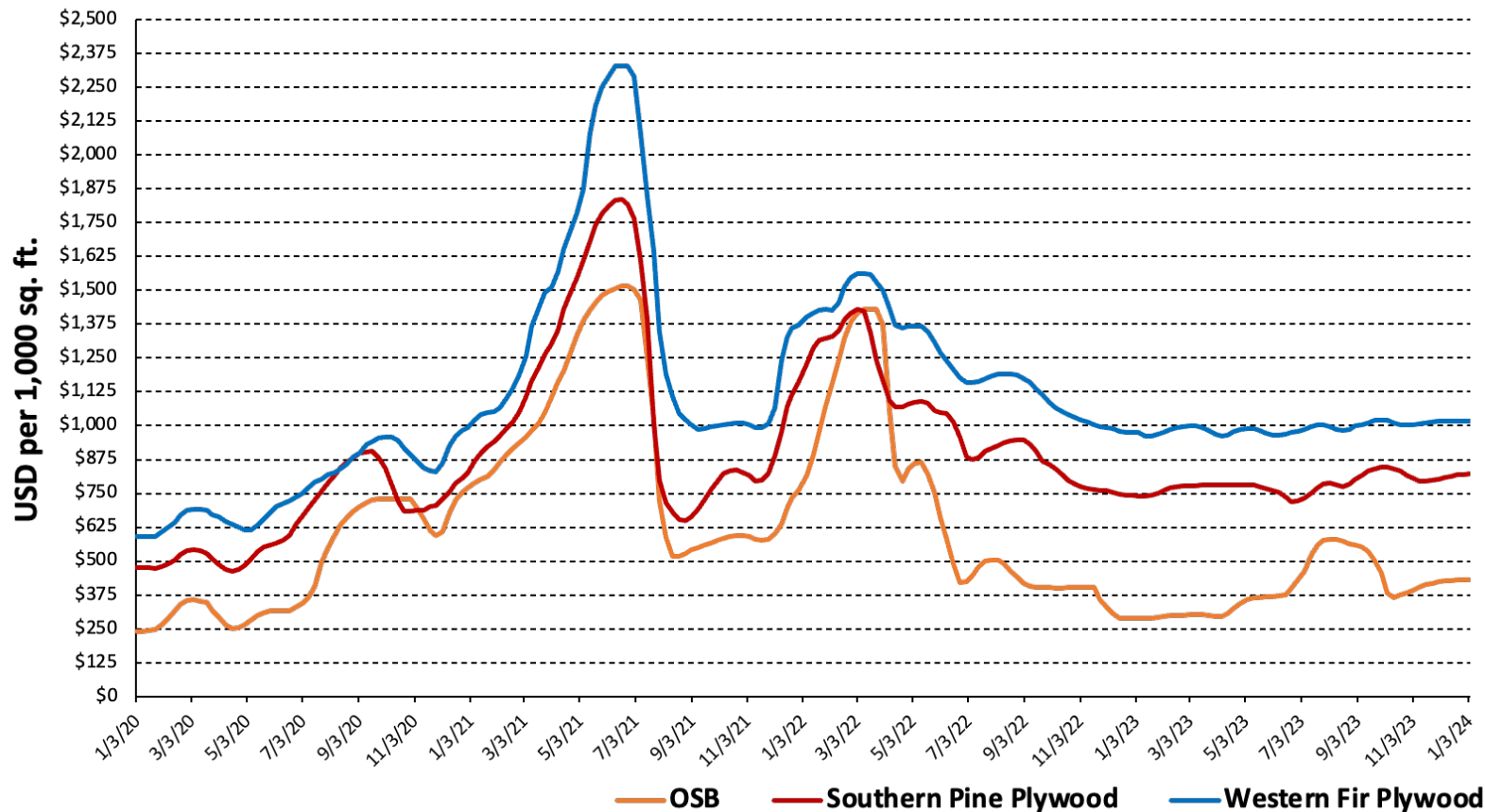
Average Framing Lumber Price per Year

1995 - 2023



Building Materials Prices: Structural Panels

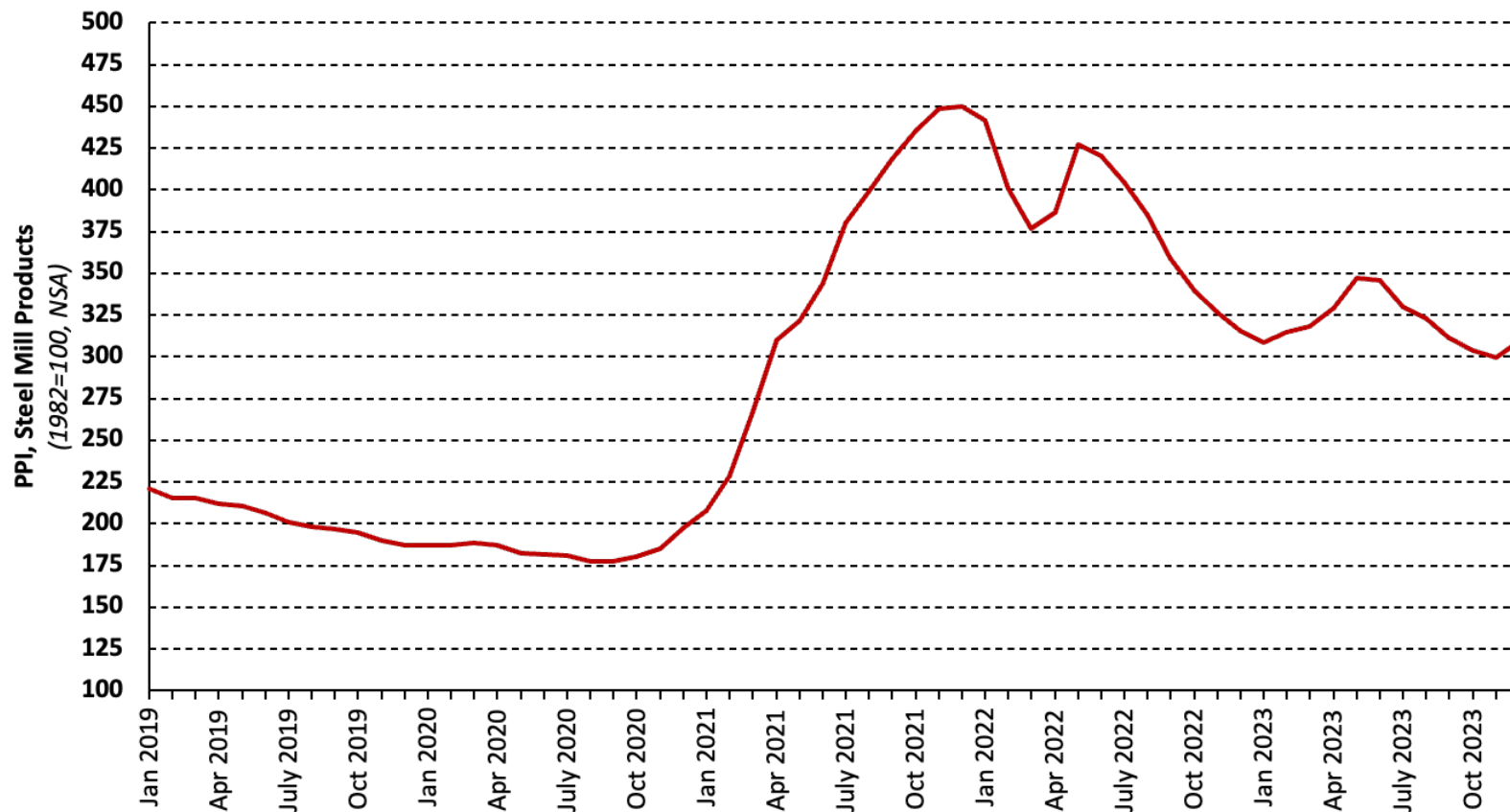
Volatility down but prices high vs Jan. 2020; OSB +71%, SYP ply +78%, WF ply +60%



Source: Random Lengths

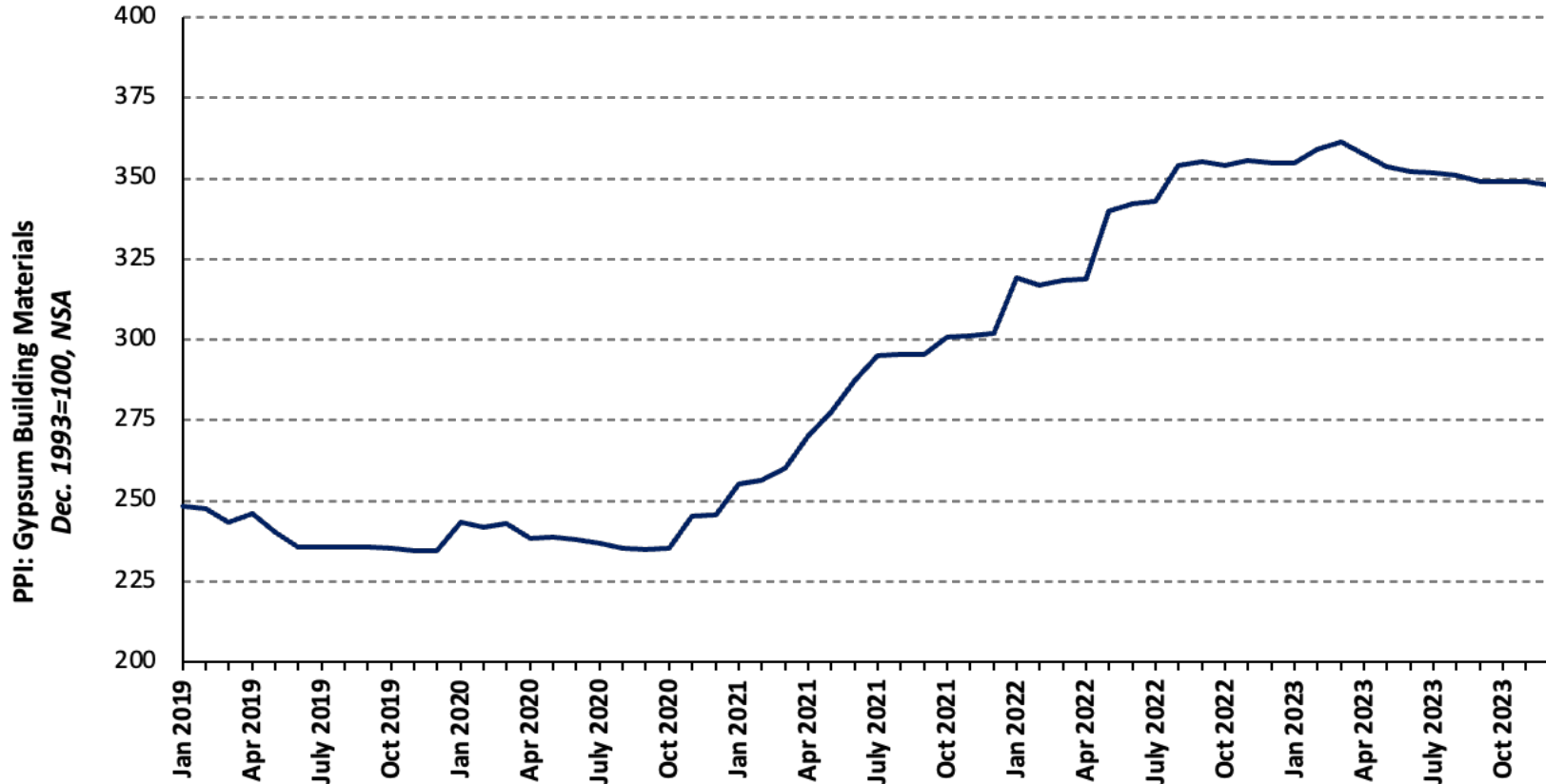
Building Materials Prices: Steel Mill Products

Down 32% since 2021 peak but remain 65% above January 2020 level



Building Materials Prices: Gypsum Products

Lowest level since mid-2022



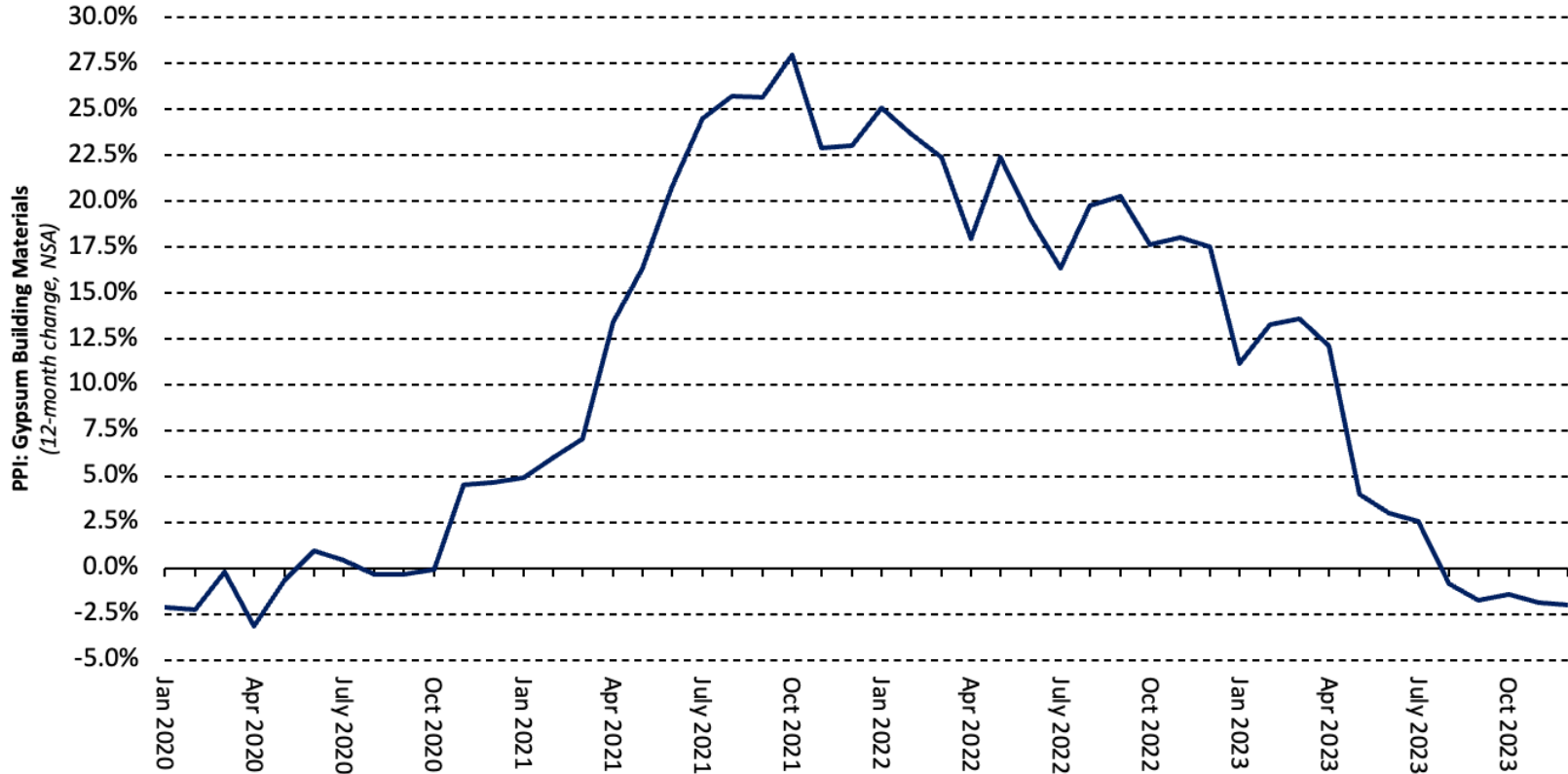
Source: U.S. Bureau of Labor Statistics



Building Materials Prices: Gypsum Products

Year-over-year declines began in August 2023

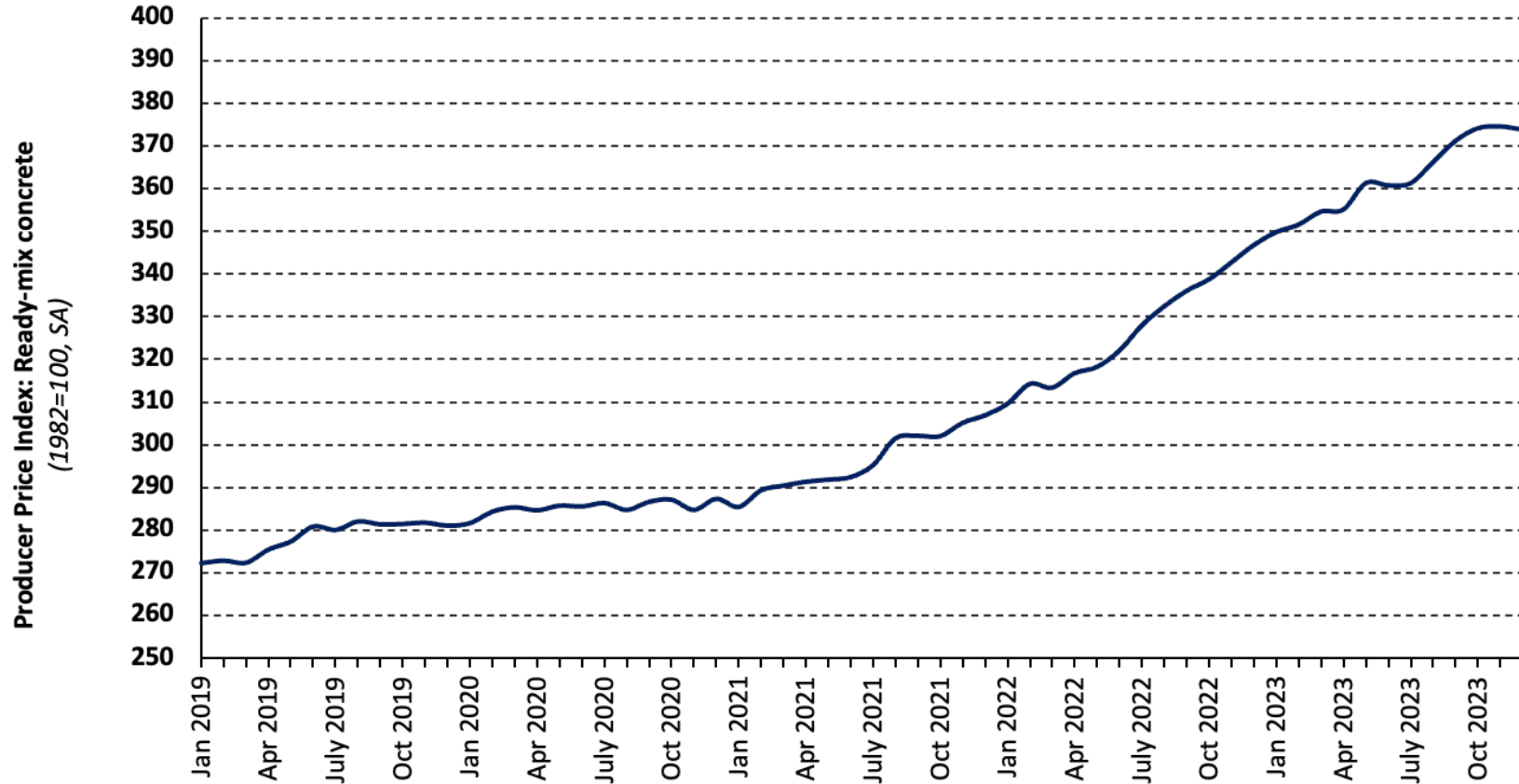
Gypsum Building Materials Prices, Year-Over-Year



Source: Bureau of Labor Statistics

Building Materials Prices: Ready-mix concrete

Finally plateauing?



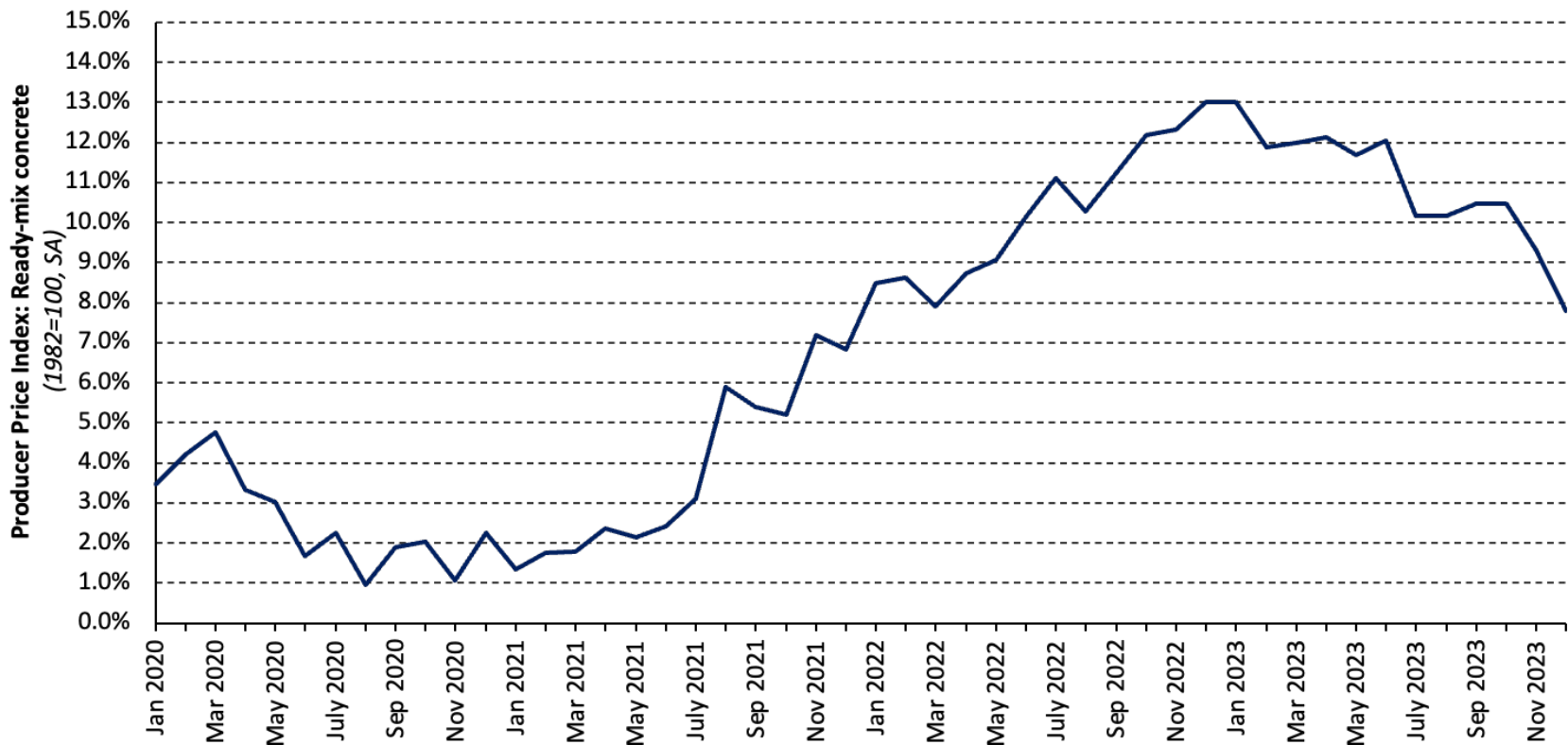
Source: U.S. Bureau of Labor Statistics



Building Materials Prices: Ready-mix concrete

Year-over-year price growth continues to decelerate

Year-Over-Year Change in Ready-Mix Concrete Prices



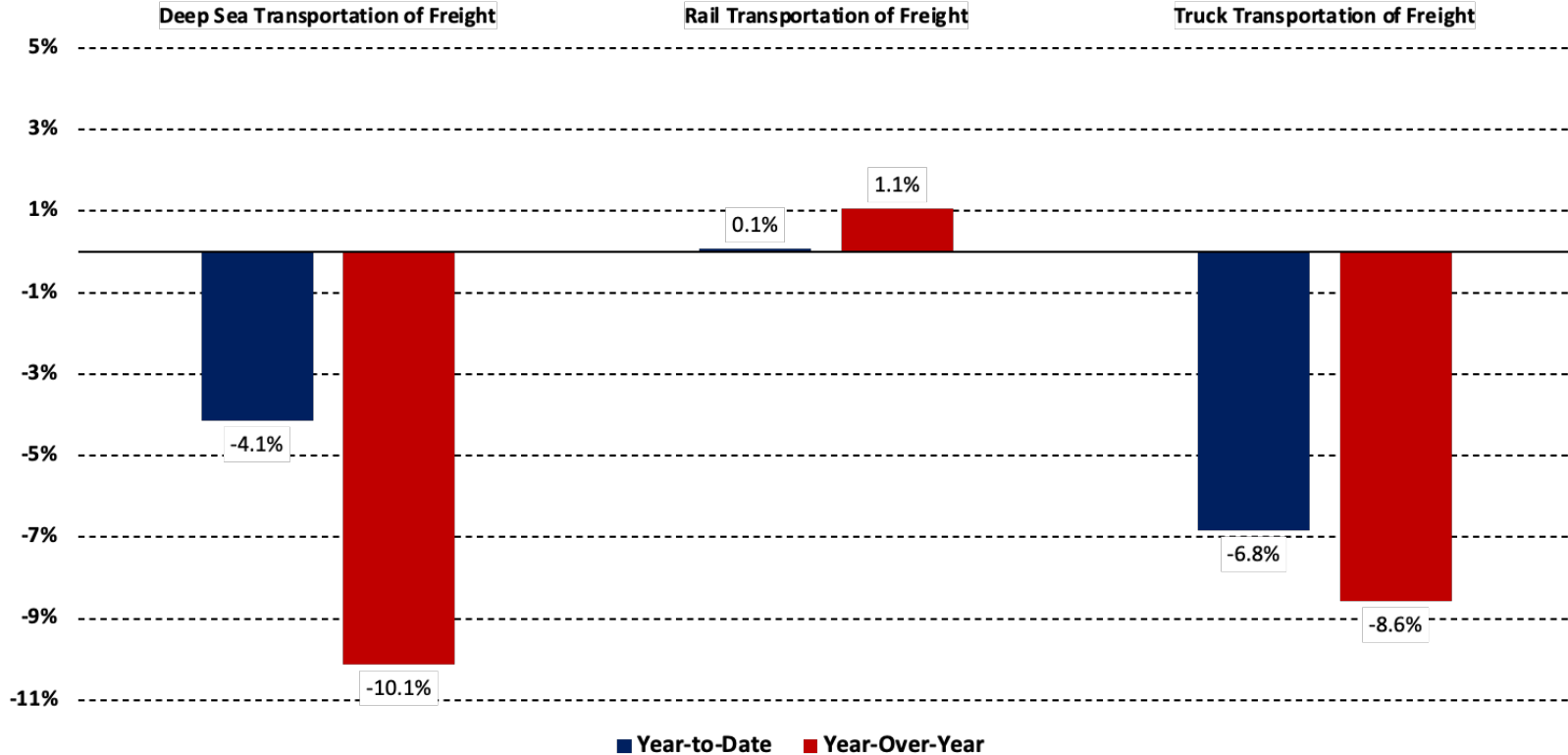
Source: U.S. Bureau of Labor Statistics

/Freight Costs

Decreased energy prices have helped bring freight costs down

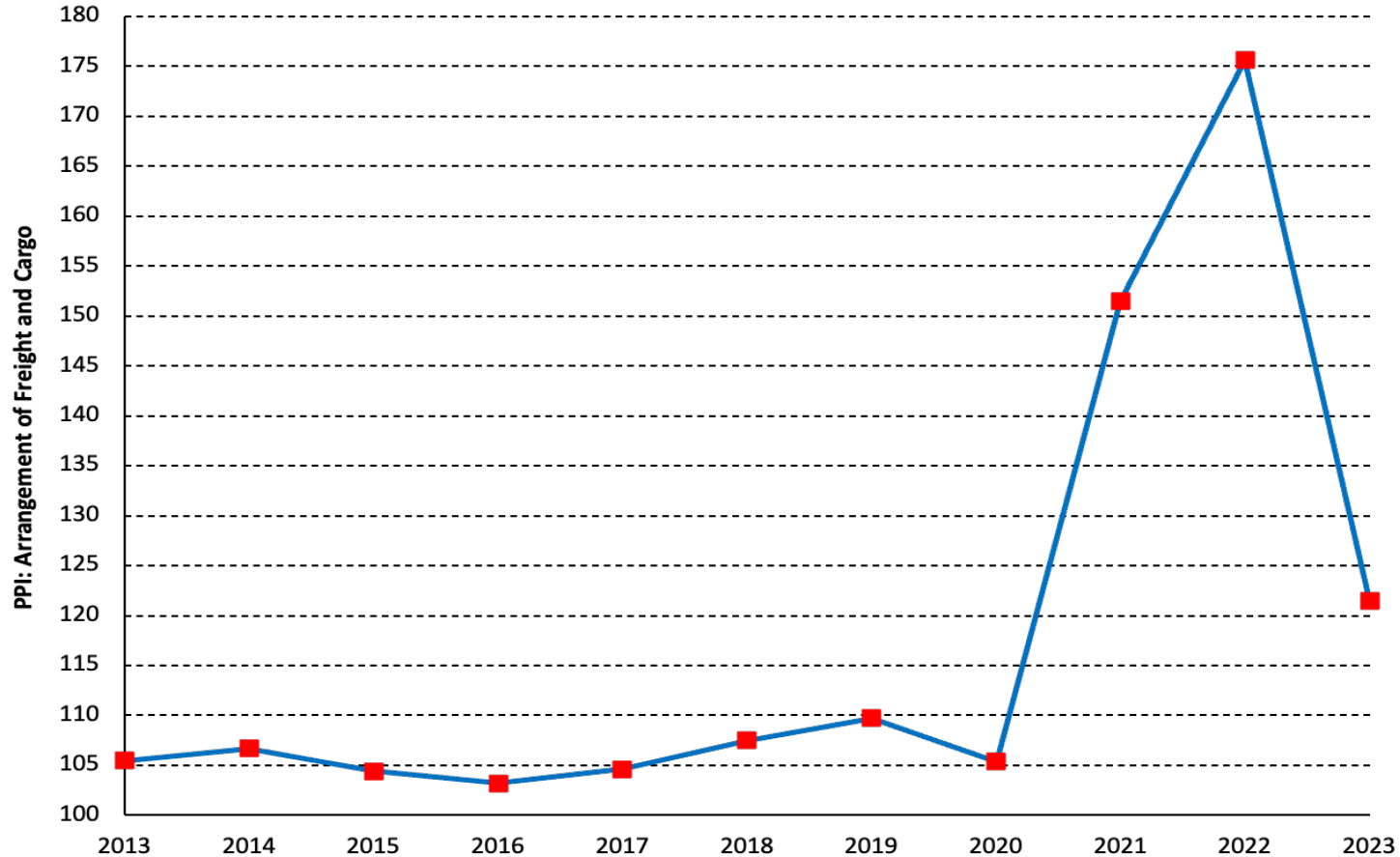
Change in Freight Transportation Prices

December 2023



Supply Chains: Price of Shipping Logistics Services

Bottlenecks let up in 2023, reflected in the prices for arrangement of freight and cargo



Supply Chains: NY Fed Global Supply Chain Pressure Index

Disruptions were lower than the 25-year average for most of 2023

