

Lower Insulation and Lumber Prices Make Construction More Affordable

Today on the Reschexpert blog since we monitor everything in regards to home construction, building permits, new home starts, and construction pricing we decided to take a look at the cost of construction. Inflation has been a buzzword in most items from groceries, rent, fuel, and almost all everyday purchases. Is that really the case in construction in the current market?

Less than a year ago Random Length Lumber Futures traded at a high of just over \$1475. This month they notched a low of just under \$340. This is an astonishing price drop. If you think back to late 2021 and early 2022 you probably heard everyone complaining about the cost of lumber and other construction materials like insulation. Strangely enough, this was also the time when everyone was chomping at the bit to start a new construction project like, building a house, adding an addition, or creating an outdoor living area with pressure treated dimensional lumber.

<https://www.rescheck.info/2022/12/13/5-ways-inflation-affects-your-rescheck/>

Human nature is that everyone typically wants to do the same thing, at the same time. The pressure of seeing someone else doing something is unbearable to some. The temptation to do the same thing is irresistible, at any cost, in our have it now society. We all noticed posts of our friends, family, and neighbors on social media with a stack of lumber they had delivered, or a deck they just had quoted, and the astronomical price tag. This is easily explained by the raw material cost of lumber that goes into each construction project. It is hard to avoid having at least some dimensional lumber in every construction projects. ICF construction, for example, even though it is primarily built with insulated concrete forms still needs interior walls, outdoor pressure treated decks, and some type of roof trusses or rafters. Typically this is accomplished with random length dimensional lumber. Stick built homes are framed with over 90% random length dimensional lumber and still remain the most popular form of construction in the United States.

<https://www.rescheck.info/2022/12/12/what-are-the-most-popular-iecc-codes-for-rescheck/>

Along with the steep drop in framing lumber, we have also seen similar declines in insulation prices. This downward pressure on the prices of the most common batt insulations like R49, R38, R30, R19, R15, and R13 are welcome on every jobsite. As municipalities adopt newer and more stringent energy codes like the upcoming IECC 2024, IECC 2021, IECC 2018, and IECC 2015 the needs for larger amounts of insulation increase. This makes a home that was once constructed with an R38 roof system need an R49 insulation batt just to pass Rescheck and Manual J. This additional cost is passed on to the consumer and the savings are not seen until after the certificate of occupancy is issued and the Rescheck compliance certificate is attached to the exterior of the electrical panel.

<https://www.rescheck.info/2022/08/18/inflation-reduction-act-home-energy-audit/>

Materials have seen a visible drop in pricing contrary to what you might be seeing and hearing on the news, and in grocery prices for things like eggs and other staples. The one area that you still may see some additional inflation in your construction project is on labor. I recently waited over 8 months just to have a 20' section of gutter installed. This was not because the material was unavailable, or the price of the gutter was restrictive. I could simply not find a crew that had availability to hang it. Finally, after an 8 month wait the dripping gutter was replaced. This is an example on the micro level of construction but it is magnified by 25-50 subcontractors when you construct an entire home. There has generally not been enough

people joining and practicing construction trades since 2007-2009 bank crisis and the construction labor market remains under great strain. What this means is that while you may pay less currently for your lumber and insulation, the installation of the materials may come at higher cost and with longer lead times.

Overall in regards to inflation we at Rescheck.info and the Reschexpert blog like to keep a pulse on all things related to labor and materials on a construction project. For our end of the construction process, we decided to not to raise prices even as the prices of materials and labor doubled and tripled around us. We still charge just \$79 for a Rescheck. We also did not extend our lead times even though qualified labor and help are difficult to locate and retain. We still turn around a Rescheck report in 4-6 hours. If you are ready to take advantage of currently lower lumber and insulation costs at your local construction supply store and need a Rescheck for a building permit then simply email pdf plans, jobsite address, and square footage to service@rescheck.info and we will get you taken care of.