

Post-Pandemic Remodeling – What Has Changed?

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The short answer is “everything”. And for those who thought that things would be back to normal a year later, we are now three years out and still seeing long term ramifications. But don't let that discourage you from starting a project because, at this point, there are few indications that by waiting, things will improve.

Most professionals will tell you that remodeling projects are priced at least 20% more expensive now than they were in 2019 and there are a few reasons for that increase:

- **Transportation:** From backlogged container ships and crowded ports to shortages in the trucking industry, our country has faced quite a few obstacles these past few years when trying to get products into the hands of consumers. It's no different for the construction and remodeling industries where so many items, or components for items, are produced overseas. The US trucking industry is still struggling with a reduced workforce so distribution continues to face challenges and that applies even to items that are sourced and manufactured here in the US.
- **Supply Chain:** Although 2023 is showing less disruptions in the supply chain than prior years, there are still many areas that are not able to keep up with demand. Some of that is still digging out from the backlogs of 2020 but it also reflects reduced labor forces across the market. For instance, certain luxury appliance lines are still facing 9-12 month lead times for specific units and while some people will wait, other consumers are happy to substitute with another top tier brand.
- **Labor Costs:** Over the past ten years, there has been a continued drop in the number of skilled laborers available in the workplace. This means that licensed professionals like plumbers and electricians are in higher demand and can raise their hourly labor rates accordingly. There have also been overall drops (compared to 2019) in the number of warehouse and factory workers so cabinetry companies, appliance manufacturers and other production plants not only experience delays but also need to pay more to retain the employees they have.
- **Material Costs:** Being directly related to increased labor costs and the supply chain issues which limit availability, the cost of materials has seen intermittent peaks and valleys over the past three years but overall, the pricing trend has been up, up, up. Similar to what consumers are seeing in the grocery store, the home improvement stores and supply houses have watched prices increase steadily. It's unclear if there will be a reversal any time soon.

Setting expectations upfront is critical when taking on a remodeling project. As you are selecting appliances, fixtures and hardware, make sure that you not only consider both **pricing AND availability**. This was never a strong consideration before the pandemic but it continues to be a significant factor. If an item isn't available while your remodel is taking place and arrives after completion, you can expect there to be additional costs charged by the tradespeople who are needed to do the hookups and installation – after all, they need to cover their time and travel expenses to do something that should have taken place during the project when they were already on site. Try to be **flexible** with your selections – if a similar item is available in a timeframe that better aligns with the project plan, consider making the change – and saving yourself time, money and aggravation.

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