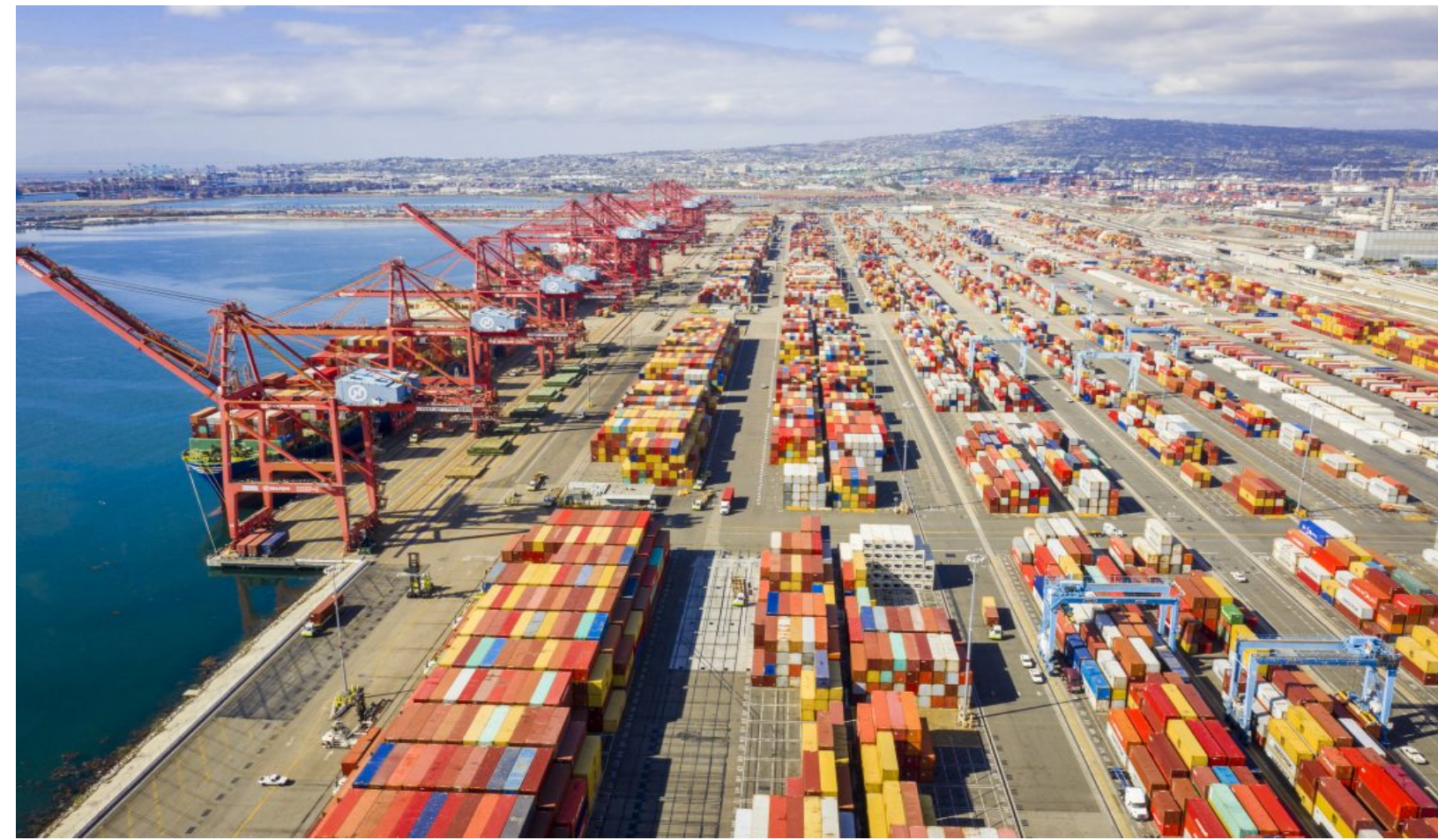


# Managing Construction Inflation

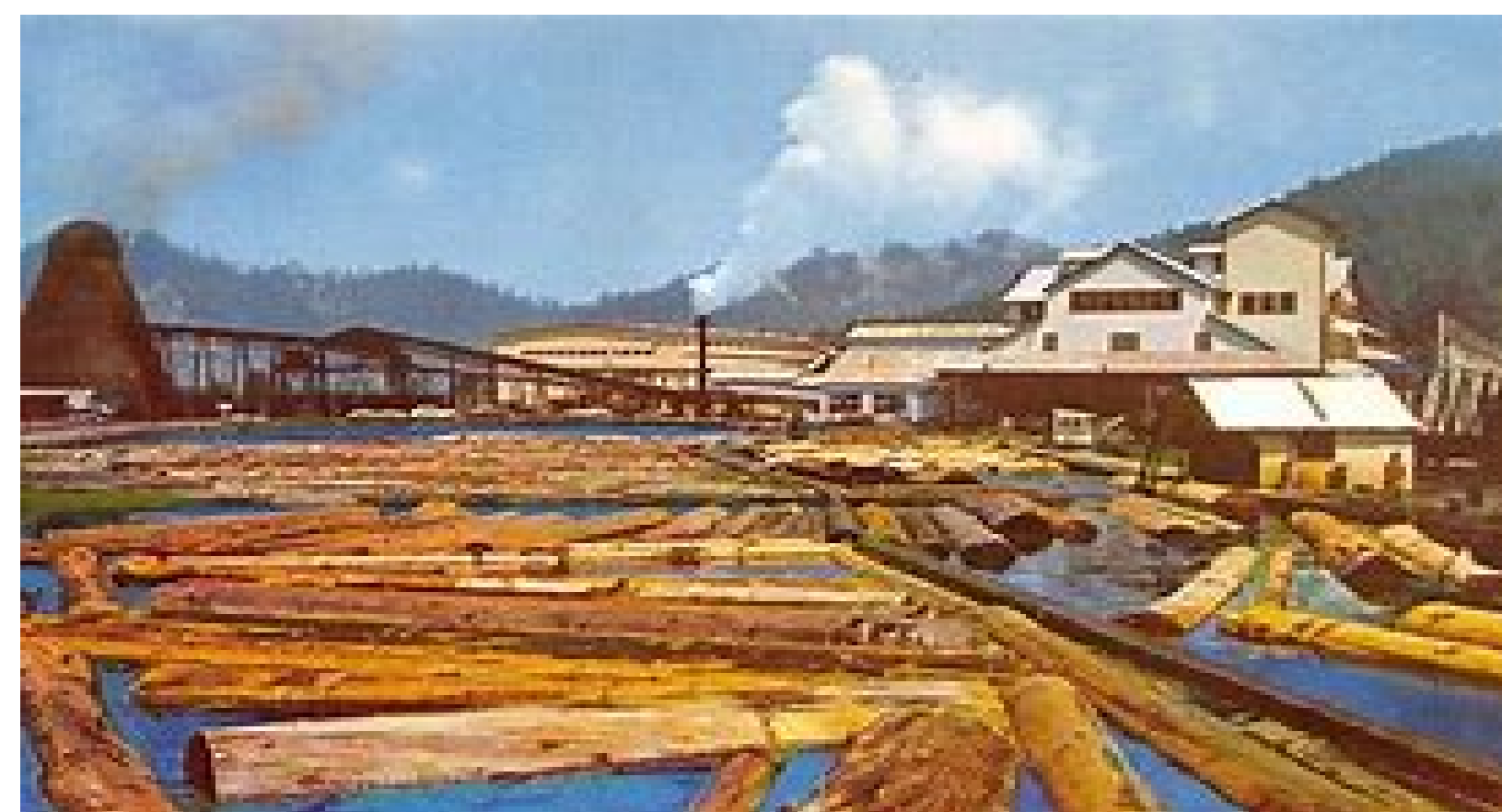
By John Langton



LA Harbor - Shipping



Train Distribution



Lumber Mill

No one knows precisely when a significant shortage or inflation of material will come. In the construction industry, the cost of materials changes daily. However, when Covid-19 arrived, the material price increased dramatically. Suppliers ran out of material, small companies couldn't afford the material, and large companies had to compete with other larger companies more than ever. I had the opportunity to interview five well-informed construction owners and senior executives about their companies and what they did to survive unforeseen shortages and inflations in construction material. Inventory and pre-buying materials were vital in helping companies not have to pay a dramatic increase on lumber, metal, concrete, plywood, and rebar. Another great way to help with unforeseen cost increases was communication between suppliers and owners. All interviewees stated that their suppliers would give them a heads up before the price increase to plan accordingly with their job sites. With materials still increasing, having the research to help future smaller construction companies manage material during inflation and shortages would be very helpful for construction companies. I got the information from both large and small construction companies to have a wide range of practical tips when dealing with times of inflation.



Plane Transportation



Rebar Truck



Steel Mill