

# Construction Materials Shortage: Dwindling Steel Supplies to Impact Self Builders

The construction materials shortage is set to have a major impact on self build and renovation projects



The construction materials shortage is expected to continue into the summer, and rising prices are affecting several key materials, including steel and timber.

The ongoing shortages will be a particular blow to those working on [self build](#) projects who are building with steel or timber frame, who could potentially face surging build costs.

Renovators could be also be affected by price increases. The cost of materials for repair and maintenance work rose 1.5% between February and March, and increased by 9% between March 2020 and March 2021, according to the Department for Business, Energy and Industrial Strategy's (BEIS) [Monthly Statistics of Building Materials and Components](#) report for April.

Overall, the price of building materials increased by 7.8% in March, compared to one year prior. This is due to lengthening lead times and increasing demand which is making it difficult for manufacturers and suppliers to build up stock levels.

If you're in the midst of a self build, [renovating a house](#), or undertaking a home improvement project, read on to help plan ahead for your project, and learn which materials are facing price rises or shortages in 2021.

## **Which Items are Affected by the Construction Materials Shortage?**

### **Timber**

There has been a nationwide shortage of timber since the first lockdown in March 2020, and imports will be an issue for the foreseeable future, with MDF, veneers and solid wood reported by roofers and cladding contractors to be particularly affected.

“There is unlikely to be any improvement in timber supplies this year with little or no timber currently coming into the UK that is not already pre-sold and global demand outstripping supply,” say John Newcomb, chief executive of the Builders Merchants Federation (BMF), and Peter Caplehorn, chief executive of the Construction Products Association (CPA).

### **Steel**

Steel is in high demand globally, and shortages could persist until the end of the year. The British Electrotechnical and Allied Manufacturers Association (BEAMA) said earlier this month that dramatic reduction in steel production in early 2020 had caused a worldwide shortage, while British Steel stopped taking orders on structural steel sections last week due to “extreme demand”.

### **Cement**

Cement supplies have been strained since late last year, but the Mineral Products Association expects shortages to be resolved in a few months.

### **Insulation**

There has been restricted availability of insulation for several months, particularly PIR insulation and wool fibre insulation.

### **Concrete**

Due to short supply, lead times for concrete tiles have tripled to three months, according to the National Federation of Roofing Contractors.

### **Paint**

Supplies to the UK are restricted due to a global shortage and cost of shipping containers.

### **Plaster and plasterboard**

There was a severe [plaster shortage](#) earlier this year, but supplies are much improved.

There are also reportedly shortages of:

- Aggregates
- PE and PP plastics
- PIR insulation
- Screws
- Fixing
- Plumbing items
- Sanitaryware
- Shower enclosures
- Electrical products and appliances.

## Price Rises are Expected

The [Federation of Master Builders'](#) (FMB) latest State of Trade Survey revealed that 82% of its members have reported material price increases. And this is expected to continue into the summer.

These are some of the materials which have been affected by price rises:

### Materials Price Tracker

Material	Information
Timber	The cost of timber has gone up more than 80% in the past six months, according to the Construction Products Association.
Steel	The price of fabricated structural steel was 17.6% higher in March compared with one year prior, according to BEIS.
Cement	Cement prices have risen as much as 30% higher, as reported by The Telegraph.
Paint	The costs of paints and varnishes are up by nearly a third, according to the Construction Products Association.

## Why are Materials Short in Supply?

The construction materials shortage can in part be traced back to increased building and home improvement activity in 2020, particularly during the first lockdown. This led to a slowdown in

the production of materials from some factories in the EU, and supply chains have remained stretched ever since.

### **Raw materials**

There is currently a global shortage of raw material shortages, stemming from global demand and other external factors (including the slowdown and in some instances, factory closures, outside the UK), which continues to constrain production of certain products, such as insulation, paints and adhesives, as well as packaging for products.

### **Labour rates**

Labour rates have skyrocketed in some areas in recent months, due to a combination of demand outstripping labour supply, and some trades putting up their rates due to being overwhelmed with work.

Award-winning builder Andy Stevens from [Eclipse Property Consultants](#) says: "Labour rates have gone through the roof in some areas, all driven by market factors. Firstly, a number of Eastern European workers went back to their respective countries as a result of Brexit; this has hit the south east in particular.

"And secondly, with most people being stuck at home for a considerable period because of Covid, and not going on holiday, the appetite to take on home improvement and extension projects has increased. This will inevitably have an impact on the cost of taking on a home improvement project."

### **Brexit uncertainty**

Roughly 60% of imported materials used in UK construction projects comes from the EU, according to the Construction Leadership Council, and increased congestion has been reported at UK ports since the turn of the year, leading to delays.

The UK-EU trade deal eased [Brexit construction](#) fears once it was confirmed that no additional tariffs on imports or quotas would be added, but the impact of Brexit has already led to disruption, lengthening supply lines for a number of core supplies from Europe.

The Timber Trade Federation (TTF) said in May that Brexit-related complications have squeezed UK timber stocks, as 80% of the softwood used in building comes from Europe, and 90% of the softwood used for new build homes comes from the continent.

## **Construction Sector is Strengthening**

The good news is that the latest figures from [IHS Markit](#) showed April was another strong month for the UK construction sector, following on from March where growth expanded at the fastest pace in more than six years.

Moreover, overall sales of building materials have rebounded back to pre-Covid levels, according to the latest [Builders Merchants Building Index](#).

However, the IHS Markit data also highlighted record high material prices, with costs rising at the fastest pace since the survey began in 1997.

## **[How to Navigate Shortages This Spring/Summer](#)**

If you're planning or in the middle of building work this spring and summer, then planning as far as you can in advance is pivotal to ensure you aren't caught out by shortages or price rises.

This is particularly important as more of us purchase DIY and landscaping products over the spring and summer, which may place an additional burden on supplies.

The Construction Leadership Council (CLC) advises self builders to work closely with their supply chain and communicate your requirements early with suppliers, distributors and builders merchants.

And Brian Berry, chief executive of the FMB, says: "Product availability is proving to be a significant and prolonged issue for Britain's builders, and consumers need to be aware that the cost of their building projects may change in the months ahead because of this pressure.

"However, I would caution against homeowners compromising quality and customer service, and defaulting to hire the builder with the cheapest quote."

Story by [Jack Woodfield](#)