



Subject: Navigating Material Cost Volatility: Preparing for Tariff Impacts

Date: April 30, 2025

Dear Valued RepairBase Customer,

In today's dynamic economic environment, staying ahead of material cost fluctuations is more critical than ever for accurate bidding and profitable project management. We're reaching out to address the ongoing discussions and potential impacts of trade policies, including tariffs implemented during the Trump Administration, on residential construction material costs.

As your partner in construction estimating, we understand that uncertainty surrounding tariffs on key materials like steel, aluminum, lumber, and potentially others, directly affects your bottom line. These policies can lead to increased volatility and upward pressure on pricing for essential components used in residential building.

Snapshot of Recent Material Cost Changes:

The market is already reflecting significant volatility, underscoring the need for timely data. Recent industry reports and Producer Price Index (PPI) data (primarily reflecting March 2025 figures) show notable movements:

- **Overall Construction Inputs:** Prices for inputs to construction increased for the third consecutive month in March, rising at a reported 9.7% annualized rate through the first quarter of 2025. Overall input prices were up approximately 0.8% compared to March 2024.
- **Steel Mill Products:** Experienced a significant jump, with some indices showing increases exceeding 5% (e.g., 7.1% reported by one source) in March alone. This follows analysis linking tariff effects directly to recent steel price escalations.
- **Copper Wire and Cable:** Also saw sharp monthly increases in March, reported around 5.5%. Year-over-year increases as of March were significant, reported in the range of 12-13%.
- **Softwood Lumber:** Continued its volatile trend. While futures markets saw recent dips, the March PPI for softwood lumber showed a monthly increase of around 4.7% and a year-over-year increase reported at approximately 12.6%.

- **Other Materials:** Concrete products also saw increases over the past year, and items like natural gas showed extreme volatility, impacting overall costs.

Disclaimer: These percentages are based on recent reports and indices (like the BLS PPI) and can fluctuate rapidly. They are provided for illustrative purposes to highlight current market trends.

The data clearly indicates that material costs are actively changing, reinforcing the need for estimators and project managers to use the most current pricing available.

Our Commitment: Enhanced Material Cost Monitoring & Updates

At Bluebook, providing you with accurate, up-to-date material cost data is a top priority. We recognize that in a volatile market influenced by factors like tariffs, our standard quarterly updates may not be frequent enough to reflect rapid price shifts like those seen recently.

Therefore, we are adapting our processes to better serve you during this period:

- **Increased Monitoring:** Our data team is intensifying its monitoring of key residential construction materials known to be sensitive to trade policies, tariffs, and market fluctuations.
- **More Frequent Updates:** We are transitioning from our standard quarterly updates to a **more frequent update schedule** for our material cost database. While the exact frequency may vary based on market volatility, our goal is to provide you with more timely data adjustments, moving towards monthly or even more rapid updates as conditions necessitate.
- **Transparency:** We will keep you informed about significant updates to the cost database through software notifications and periodic communications like this one.

Our aim is to ensure that the RepairBase platform remains your most reliable tool for creating accurate estimates, even when faced with external economic pressures. By providing more frequent cost data updates, we empower you to bid with greater confidence and manage your projects more effectively.

We appreciate your continued trust in Bluebook. Please don't hesitate to reach out to our support team if you have any questions about utilizing our software to manage cost fluctuations or about our updated data schedule.

Sincerely,

The Team at Bluebook