

### **Testimony of Steve Martinez, Tradewinds General Contracting, Inc.**

I appreciate the opportunity to discuss the supply chain issues we continue to have in the construction industry. Over the last two years our industry has been plagued by labor and material shortages. The last six months have gotten even worse on the supply side. Our industry is constantly being hammered by delay after delay from a shortage of materials that we cannot get to complete a home. We have several homes sitting with nothing going on in them, accruing interest and deteriorating in quality, because we cannot get the materials needed to complete the home. One such example is flex ducting that is needed to carry the air from the furnace to the home. Our heating and air contractor was told from their supplier that all their orders for material were cancelled due to not being able to get them. This has completely crippled a small business that employs around fifty employees. They are dead in the water without this duct work as are our homes that cannot progress without it. There is no word on when this material will be available. Our contractor has been forced to lay people off in a time when they should be working overtime. Another example is the steel plates used to build trusses for a roof. Our truss manufacturer was notified by their supplier that they were completely out with no word on when or if any would be available. Due to the engineering that goes into these plates, they cannot just change brands or find a suitable alternative. Again, this small business was forced to lay people off due to the fact they couldn't complete a truss package even though they were overbooked in orders. You cannot complete a home without trusses. This is just two examples of many that we are seeing on a daily basis. The domino affect this is having on our industry is costing the builder, subs, suppliers, and homeowners thousands of dollars that no one had planned on. We are having to sit down with clients and break this news to them that their dream home is delayed in some instances up to a year and is costing them tens of thousands of dollars. We have one client that these delays and costs to get alternative materials have cost the homeowner almost \$200,000. This isn't money that is going into upgrades or amenities, rather to build the exact same house they thought they were getting when we signed contract. This is killing affordability for homeowners and killing jobs across the country.