

SHORTAGES HAMPER BUILDING EFFORTS

FACTORS FUELING THE CRISIS

Several contributing factors are fueling the transformer supply-chain crisis.

- **Historic Demand** - Housing demand remains incredibly strong due to the structural shortfall of approximately 1.5 million housing units nationwide.
- **Lack of Labor** – Transformer manufacturers routinely cite lack of necessary labor to boost domestic production.
- **Barriers to Trade** – Restrictive trade policies have dramatically reduced the availability of transformers over the past five years.

WHY IT MATTERS

Distribution transformer lead times, shortages, and rapidly escalating costs continue to delay housing projects and rebuilding efforts across the country. NAHB members have reported that wait times for transformers often range from 12 to 24 months, and in some isolated cases, the lag time approaches three years. These delays are worsened by the fact that transformer prices have increased by 72% since the start of the pandemic. Soaring costs and shortages of electrical transformers are delaying housing projects across the nation and increasing construction costs.

SOLUTION

Congress can help ease the severe shortage of distribution transformers and fix supply chain disruptions by providing additional funding in the fiscal year 2025 appropriations process targeted at boosting the domestic production of sorely needed distribution transformers. This will help home builders to construct more homes, satisfy unmet demand and ease America's housing affordability crisis.

QUESTIONS? Contact Alex Strong, Senior Federal Legislative Director



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