

Around the Industry

Richard Electric opens KY branch

Richards Electric opened a new location in Elizabethtown, KY, that will serve contractors in the commercial construction, industrial MRO and OEM markets. Richards Electric operates within Springfield Electric, a Sonepar Co.

Chris Scarbrough, president of Springfield Electric, said in the press release, “We’re excited to be part of the growing Elizabethtown community with the opening of our new branch. The Elizabethtown facility is staffed and merchandised as an open branch concept. The open concept allows customers to peruse aisles and pull materials themselves or be supported by a sales associate to pull and locate products.”

The new branch is located at 240 N. Black Branch Rd., Elizabethtown, KY, and managed by Mike Misrach, VP Sales, and Jeff Weyhing, branch manager for the Louisville and Elizabethtown locations.

CES opens branch in Houston metro

City Electric Supply (CES) has opened a location in Waller, TX, to help meet the job-site demands north of Houston. This location will help customers who drive to other cities for material, saving hours every day in commutes and hundreds of dollars in gas money.

“We’re in a new market, and we intend to serve existing customers who live in the area and have been commuting to supply houses,” said Branch Manager Tyler Lukes in the press release. “CES has had customers asking for a branch in Waller for a while now. A lot of this surrounding area will give

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Electrical Sales Growth Slows in Late 2023 But Maintains +2% YOY Increase Over 2022

Although U.S. electrical sales may have slowed down a bit in late 2023 according to *EM*’s latest sales potential forecasts by sliding -0.3% to a \$147.4 billion pace (not adjusted for inflation), but they are still up +2% over the same time period in 2022.

As you can see in the chart on page 2, individual state performance varied widely, with 18 states topping the U.S. total sales growth rate and 32 states struggling to keep that pace for the Sept. 2023 – Nov. 2023 time period. On a percentage basis, Kentucky (+2.6%) and West Virginia (+2.1%) led all states, while Alaska (-14.9%) and North Dakota (-5.3%) were the laggards. Kentucky added \$52.5 million in sales potential while West Virginia added \$12 million in that Sept. 2023 to Nov. 2023 time period.

Electrical Marketing’s sales estimates use the sales-per-employee multipliers from *Electrical Wholesaling*’s 2024 Market

Planning Guide of \$78,775 per electrical contractor employee and \$2,650 per industrial employee.

Kentucky also had the highest YOY growth rate, with a +8.6% annual increase of \$166.6 million to \$2.1 billion in total sales potential. Some of this growth may be due to the multi-billion investment that Ford and SK On, a South Korean battery manufacturer are making in the state. A report at Louisville Public Media (www.lpm.org) said Ford and SK On are jointly investing \$5.8 billion in the two BlueOval EV plants, which together are expected to create about 5,000 jobs.

Three states topped Kentucky in their total increase in electrical sales potential on a YOY basis – Texas with a \$428.1 million to 13.7 billion; California with a \$293.2 million increase to \$16.6 billion; and Ohio, with a \$189.9 million to \$5.6 billion.

— Jim Lucy

Distributors Gunning for +4% Growth in 1Q 2024 According to EW/VRP Survey

Distributor respondents to the quarterly *Electrical Wholesaling/Vertical Research Partners* (VRP) survey said Q4 2023 distributor sales were up +2.4% driven by +1.5% of price with volumes up a modest +0.9%. The two-year growth stack softened to +9.1%, a historically solid result but below +10% for the first time since Q2 2021. Pricing picked up by roughly a point sequentially. Some distributors appear to be actively pushing price in support of margins.

Overall volume growth was better than expected as distributor respondents had predicted a sales decline in Q4 2023. Automation results were strongest among product categories at +3.2% including a leading volume performance (+1.9%). It sounds like improved availability and generally healing supply chains are supporting better backlog conversion. Power results were softest at +1.9%, with volumes essentially flat. Electrical equipment sales were

up +2.1% on relatively equal contributions from volume (+0.9%) and price (+1.2%) and the category continues to lead on a two-year stack basis at +11%.

Q1 2024 outlook inflects higher. Following the strong post-COVID recovery period, distributors have been forecasting decelerating levels of sales growth for roughly two years, culminating in an expected -1.6% decline in Q4 2024. While there were definitely some pockets of softness that weighed on the overall Q4 2023 results, sales growth remained solidly positive, with several distributors in fact indicating a record quarter to close out 2023. The outlook for +4% growth in Q1 2024 is a clear inflection point after the extended period of deceleration and suggests we may have navigated through the slowdown without ever seeing sales turn negative.

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State-Level Electrical Sales Potential Estimates (\$ Millions)

State	Estimated Total Electrical Sales	YOY \$ Change	YOY % Change	3-Mo. \$ Change	3-Mo. % Change	Electrical Contractor Sales Potential Estimate	Industrial Sales Potential Estimate
United States	147,408.4	2,824.2	2.0	(488.2)	-0.3	83,523.6	34,403.2
Alaska	251.7	2.18	0.9	-44.0	-14.9	175.1	26.2
Alabama	2,240.9	40.08	1.8	21.5	1.0	1,058.6	734.1
Arkansas	1,384.9	84.55	6.5	9.4	0.7	679.6	428.2
Arizona	3,243.0	63.14	2.0	33.9	1.1	2,078.9	515.5
California	16,593.2	293.21	1.8	71.9	0.4	9,718.8	3,555.8
Colorado	2,826.1	-65.69	-2.3	-78.3	-2.7	1,851.2	409.7
Connecticut	1,333.0	0.82	0.1	-3.4	-0.3	646.9	419.5
District of Columbia	204.3	3.84	1.9	-0.4	-0.2	160.8	2.7
Delaware	409.2	15.10	3.8	-2.8	-0.7	253.6	73.8
Florida	9,336.4	158.13	1.7	102.9	1.1	6,349.9	1,119.2
Georgia	4,245.3	82.17	2.0	-11.4	-0.3	2,287.8	1,108.5
Hawaii	528.5	-0.93	-0.2	5.3	1.0	388.5	34.4
Iowa	1,867.7	18.63	1.0	-21.3	-1.1	892.3	601.8
Idaho	1,158.3	43.53	3.9	-11.8	-1.0	734.9	191.7
Illinois	5,057.6	39.13	0.8	-49.3	-1.0	2,544.8	1,501.2
Indiana	3,968.1	83.76	2.2	-21.0	-0.5	1,745.7	1,428.8
Kansas	1,450.1	35.68	2.5	-15.1	-1.0	708.0	452.1
Kentucky	2,102.0	166.61	8.6	52.5	2.6	990.3	691.3
Louisiana	2,250.0	142.80	6.8	20.1	0.9	1,432.0	368.0
Massachusetts	3,136.7	115.68	3.8	-13.4	-0.4	1,883.6	625.8
Maryland	2,529.5	67.23	2.7	-14.5	-0.6	1,735.5	288.1
Maine	611.5	1.28	0.2	-18.1	-2.9	343.1	146.1
Michigan	4,497.6	32.88	0.7	-106.8	-2.3	1,999.0	1,599.1
Minnesota	2,959.7	72.53	2.5	-75.1	-2.5	1,509.8	857.9
Missouri	2,707.0	-55.30	-2.0	-58.1	-2.1	1,397.5	768.1
Mississippi	1,082.5	0.45	0.0	-10.1	-0.9	479.9	386.0
Montana	577.1	12.24	2.2	-16.0	-2.7	399.7	61.9
North Carolina	4,758.1	-30.56	-0.6	-39.3	-0.8	2,556.1	1,250.4
North Dakota	427.7	-26.65	-5.9	-24.1	-5.3	268.3	73.8
Nebraska	1,166.0	28.50	2.5	-22.2	-1.9	650.6	282.1
New Hampshire	646.5	17.34	2.8	-8.5	-1.3	326.3	190.9
New Jersey	2,987.0	18.43	0.6	-71.8	-2.3	1,717.0	672.6
New Mexico	781.3	44.78	6.1	3.2	0.4	544.8	80.2
Nevada	1,707.7	70.90	4.3	21.8	1.3	1,180.8	185.4
New York	6,549.3	-11.52	-0.2	-93.9	-1.4	4,119.9	1,119.6
Ohio	5,556.0	189.95	3.5	-2.7	0.0	2,622.3	1,822.5
Oklahoma	1,535.3	56.29	3.8	12.6	0.8	868.8	359.5
Oregon	2,284.1	113.05	5.2	-0.3	0.0	1,318.3	509.0
Pennsylvania	5,346.9	86.65	1.6	-84.1	-1.5	2,780.7	1,496.8
Rhode Island	419.9	2.86	0.7	-4.5	-1.1	229.4	106.5
South Carolina	2,292.9	15.78	0.7	-13.2	-0.6	1,140.8	693.5
South Dakota	541.0	26.63	5.2	-9.7	-1.8	311.7	121.1
Tennessee	3,225.5	5.31	0.2	-29.4	-0.9	1,600.3	980.1
Texas	13,747.3	428.08	3.2	130.6	1.0	8,414.8	2,583.0
Utah	2,275.1	37.87	1.7	-10.8	-0.5	1,418.3	401.7
Virginia	3,560.1	16.59	0.5	-28.2	-0.8	2,194.3	653.8
Vermont	300.6	-2.47	-0.8	-5.2	-1.7	166.2	74.2
Washington	3,942.4	-41.59	-1.0	-91.1	-2.3	2,417.8	736.1
Wisconsin	3,391.4	19.96	0.6	-53.2	-1.5	1,445.3	1,267.8
West Virginia	590.7	10.15	1.7	12.0	2.1	352.3	120.3
Wyoming	340.7	24.78	7.8	-6.9	-2.0	244.4	28.2

Notes. Sales estimates use Electrical Wholesaling's sales-per-employee multipliers from Electrical Wholesaling's 2024 Market Planning Guide of \$78,775 per electrical contractor employee and \$2,650 per industrial employee. Employee counts are three-month averages of construction and industrial employment for Sept. 2023-Nov. 2023 and Sept. 2022-Nov. 2022. Electrical contractor employment estimated at 13% of construction employment, its historical average. Total sales estimates rounded up by 25% to include non-industrial and non-contractor business. Sales estimates for 300-plus Metropolitan Statistical Areas available at www.electricalmarketing.com.

NAW Buys Acquires MDM to Bolster Content, Analytics, Research & Events Offerings

The National Association of Wholesaler-Distributors (NAW) acquired *Modern Distribution Management (MDM)*, (www.mdm.com) a major provider of data, insights and thought leadership in the distribution industry.

According to the NAW press release, the acquisition was made to “unlock a wealth of data-driven intelligence for NAW members and *Modern Distribution Management* subscribers.”

“The industry landscape is shifting, and the National Association of Wholesaler-Distributors is committed to doing more than just keeping pace, we’re leading the charge,” said Eric Hoplin, president and CEO, of NAW in the press release. “I’m thrilled to welcome the widely respected

industry thought leader Tom Gale and the *MDM* team to NAW.”

The release said merging NAW’s and MDM’s diverse educational offerings, cutting edge content, in depth research, advanced analytics and events provides distribution professionals with the tools and knowledge to succeed in a rapidly evolving economy.

“Joining NAW opens a vibrant new chapter for *Modern Distribution Management*,” said Tom Gale, MDM CEO, in the press release. “Together, we’ll ensure the voice of distributors resonates louder than ever before, shaping a brighter future where distributors stand united, as a powerful force driving industry progress and success.”

Border States Acquires Winston Engineering

Border States, Fargo, ND, will acquire Winston Engineering, Inc., West Hollywood, CA, According to the Border States press release, Winston Engineering is licensed in 16 states and provides professional mechanical, electrical and plumbing (MEP) engineering services for residential, commercial, educational and governmental needs. The acquisition will allow Border States to broaden service offerings across their three core markets with an initial focus on construction and eventual expansion into utility and industrial.

Led by Anthony Winston III, a professional engineer, Winston Engineering is a group of seasoned professionals who have experience working on a wide spectrum of projects.

“I’m so excited to have the professional engineers of Winston join our team — electrical contractors, particularly in the design-build space, rely on engineering partners to provide a variety of services,” said Ryan Evans, VP Sales and Marketing – Construction, in the press release. “By providing these services in-house, we gain a big competitive advantage, providing value to both our customers and our strategic partners.”

Winston Engineering is certified as a Disadvantaged Business Enterprise and Small Business Enterprise Micro. They serve 500-plus clients in the United States and Canada, providing state-of-the-art MEP engineering for diverse projects, including housing development, EV-charging infrastructure design and indoor agriculture engineering.

Distributors Look to Solid Growth in 1Q 2024

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Fed more in focus than election year dynamics. Distributors acknowledged the potential for some election-year uncertainty to creep in around the edges but historically this has not had a meaningful effect on underlying activity. Most sounded much more focused on the Fed, with the potential for lower rates to provide a project-related boost.

Some distributor contacts indicated higher interest rates are starting to take a bite out of residential and commercial construction projects but overall most have been surprised by the resilience of activity

in the face of higher rates.

Pricing pressure seems to have subsided according to several respondents. “Seeing fewer price increases, from five-to-six a year at the craziest now back to maybe two,” said one distributor.

Lead times are still top of mind, and one respondent said getting switchgear is still an issue. Another distributor was a more optimistic. “Manufacturers are finally filling backlog, catching up on some things. Likely still have issues for years to come,” they said.

— Nick Lipinski, Vice president, Vertical Research Partners (VRP)

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us the opportunity to strike new business while maintaining relationships with existing CES customers.”

Located off the 290 Corridor, CES says this location is going to help customers save hundreds of dollars a week on gas because of shorter commutes. “This is one of the last corridors coming into Houston that is in the process of being completed,” said District Manager Darron Rocka in the release. “Waller is the true outskirts of Houston, and I think now, with recent developments, is the perfect time to open up here. There’s a lot of contractors that live in this area who have gotten used to longer drives for material. CES is excited to be opening up here.”

Bad weather powers drop in Kastle office occupancy barometer

Office occupancy fell 2.2 points to 46.3% occupancy last week, according to Kastle’s 10-city Back to Work Barometer. The drop is most likely due to severe winter weather in several cities across the country. Houston fell 10.4 points to 48.3%, and Washington, D.C. fell nearly seven points to 40.3% occupancy. Yet, cities without winter storms saw increases. Los Angeles rose 2.1 points to 47.7%, and San Francisco rose 3.1 points to 44.6% occupancy. The weekly average high was Wednesday at 57.5%, and the low was Friday at 32.5%.

Kastle customers are in more than 2,600 buildings in 138 cities. The Barometer reflects the swipes of Kastle access controls from the top 10 cities, averaged weekly.

Federal government releases funds for EV charging infrastructure

The Joint Office of Energy and Transportation has made available \$46.5 million from President Biden’s Bipartisan Infrastructure Law for projects that bolster America’s electric vehicle (EV) charging infrastructure.

Across 16 states and Washington, D.C., these 30 projects will install EV chargers in or near underserved communities, ensure resilient EV infrastructure for drivers and evolve the national EV charging network. The effort will also grow the clean energy workforce spanning multiple communities and extend the benefits of clean transportation to rural, urban and tribal communities.

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The funding, made available through the Bipartisan Infrastructure Law, supports clean transit and school bus deployment, enhances charger resiliency to hurricanes and wildfires, invests in zero-emission delivery and advances new business models for electrified shared mobility and fleet-based services. To learn more about these projects, read the full news item at www.driveelectric.gov.

The available funding will also address barriers to charging in multifamily housing facilities, explore new approaches to curbside charging in urban areas, promote seamless connections across modes through e-mobility hubs and test new incentive structures to provide affordable public charging access.

The number of EVs on America's roads has more than quadrupled since President Biden took office and these investments will be a crucial part of the Administration's goal of building a national network of 500,000 public EV charging ports by 2030 and reaching net-zero emissions by 2050.

NAHB survey says builder beginning to get more bullish

Mortgage rates well under 7% over the past month have led to a sharp increase in builder confidence to begin the new year.

Builder confidence in the market for newly built single-family homes climbed seven points to 44 in January, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). This second consecutive monthly increase in builder confidence closely tracks with a period of falling interest rates.

"Lower interest rates improved housing affordability conditions this past month, bringing some buyers back into the market after being sidelined in the fall by higher borrowing costs," said NAHB Chairman Alicia Huey, a custom home builder and developer from Birmingham, AL, in the press release. "Single-family starts are expected to grow in 2024, adding much needed inventory to the market."

"Mortgage rates have decreased by more than 110 basis points since late October per Freddie Mac, lifting the future sales expectation component in the HMI into positive territory for the first time since August," said NAHB Chief Economist Robert Dietz in the release. "As home

building expands in 2024, the market will see growing supply-side challenges in the form of higher prices and/or shortages of lumber, lots and labor."

Even as mortgage rates have fallen below 7% over the past month, many builders continue to reduce home prices to boost sales. In January, 31% of builders reported cutting home prices, down from 36% during the previous two months and the lowest rate since last August. The average price reduction in January remained at -6%, unchanged from the previous month. Meanwhile, 62% of builders provided sales incentives of all forms in January. This share has remained stable between 60%

and 62% since October.

Oklahoma City may be home to tallest building in United States

Oklahoma City's Boardwalk at Bricktown project plans now include a 1,907-ft apartment/mixed-use tower that would be the tallest building in the U.S. and tower above the Big Apple's Freedom Tower.

According to a report at www.freepressokc.com, Matteson Capitol, the California-based real estate developer that wants to build the tower, says the 5-million sq ft, mixed-use project would include a Hyatt Hotel, luxury and affordable apartments and restaurants.

Electrical Marketing Product Mix Data

Electrical Marketing's Electrical Product Mix provides a good overview of the relative sales potential on a national level of 16 key electrical product groups. Because an individual market area's electrical product mix varies by the make-up of that market's economic base, EM's editors believe the data in the table below is more useful as a general guide for market potential than as the prod-

uct mix percentages in a local market area.

For example, the electrical product mix in Flint, MI, is very industrially oriented because of the size of the auto industry the area, while the product mix in Fort Myers, FL, would reflect the electrical products needed to service that market's predominant residential, retail, commercial and hospital-ity industries.

Estimated Electrical Sales by Key Product Group — 2023 Data (\$ Millions)

Estimated Total Electrical Sales	146,939.7	Product Mix %
Wire and Cable	19,527.7	13.3%
Lamps -Total	7,866.9	5.4%
Lighting Fixtures	24,813.6	16.9%
Lighting Controls	3,305.0	2.2%
Wiring Devices - Receptacles	4,486.3	3.1%
Distribution Equipment	7,778.4	5.3%
Switchgear	11,695.3	8.0%
Circuit Breakers	5,034.5	3.4%
Fuses	1,958.9	1.3%
Conduit & Raceways	7,577.0	5.2%
Conduit Fittings and Accessories	5,004.2	3.4%
Connectors & Accessories	2,463.2	1.7%
Enclosures	3,487.6	2.4%
Outlet Boxes and Accessories	2,999.0	2.0%
Industrial Controls	9,275.9	6.3%
Utility Products & Pole-Line Hardware	4,319.6	2.9%
Voice Data Video (VDV) Products	5,614.7	3.8%
Other	19,732.0	13.4%

Source of data: Product mix percentages from survey responses of more than 100 Top 150/Top 200 electrical distributors. Sales estimates developed with sales-per-employee multipliers in Electrical Wholesaling's 2024 Market Planning Guide. Sales estimates for all 50 states and 300-plus Metropolitan Statistical Areas (MSAs) available as part of a \$99 annual subscription to Electrical Marketing at www.electricalmarketing.com

AIA Consensus Construction Forecasts Points to Slower Growth in 2014 & 2025

After an unusually strong performance in 2023, the construction sector will see weaker conditions this year and next, according to the American Institute of Architects' recently published 2024 Consensus Construction Forecast. AIA's construction forecasts, which are updated twice-each-year, and its monthly Architecture Billings Index are two of the best leading indicators available in the construction market.

AIA's Consensus Construction Forecast is developed through surveys of leading construction forecasters: Dodge Construction Network, S&P Global-Market Intelligence, Moody's Analytics, FMI, ConstructConnect, Associated Builders & Contractors, Wells Fargo Securities, Markstein Advisors and Piedmont Crescent Capital.

This year's forecast provides the most recent update of nonresidential building forecasts for 2024 and provides the first look at 2025. Kermit Baker, AIA's chief economist, wrote in the forecast, "After increasing by more than +20% last year, spending on nonresidential buildings will see a much more modest +4% increase in 2024, at a pace that will slow to just over +1% growth in 2025. Spending on commercial facilities will be flat this year and next, manufacturing construction will increase almost +10% this year before stabilizing in 2025 and institutional construction will see mid-single-digit gains this year and next.

"Recently-enacted federal programs provided some of the latest boosts to construction spending on buildings, Baker wrote. "The CHIPS and Science Act, enacted in 2022, has boosted manufacturing spending by providing funding to high-tech hubs and semiconductor manufacturing. The Inflation Adjustment Act, also enacted in 2022, has provided funding for the electrification of homes and incentives for energy-efficient commercial reconstruction and building.

"Finally, the Infrastructure Investment and Jobs Act, enacted in 2021, provides funding for traditional infrastructure, which eventually will encourage more building construction in conjunction with these infrastructure investments.

"Even though construction spending remains strong in virtually all nonresidential construction categories, other indicators confirm that a construction slowdown is underway. By the latter part of 2023, construction starts had either slowed dramatically or turned negative in virtually all construction sectors. The value of nonresidential building starts increased a mere +2% through the first 11 months of 2023 as compared to the same period in 2022, according to ConstructConnect."

The AIA Consensus Construction Forecast is available at www.aia.org/resource-center/january-2024-aia-consensus-construction-forecast.

People

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2018. During this time, she made several strategic shifts to allow the company to maintain growth through the Covid years.

Meglio Associates (Chesterfield, MO): **Eric Enright** has been hired as director of Lighting and Controls for western Missouri and Kansas. He brings over 14 years of industry experience to the role and will be working from the Lenexa/Kansas City, KS office where he is now responsible for providing architectural lighting and building control solutions throughout all phases of design and across a wide range of commercial and industrial projects.

Prior to joining Meglio, Enright was a product manager for Crestron Electronics where he was responsible for hardware, firmware, and software product design, technical requirements, and implementation.

He is lighting certified by the National Council on Qualifications for the Lighting Professions (NCQLP), a Certified Lighting Controls Professional by NALMCO, is a registered practitioner and active member of the Illuminating Engineering Society (IES).

Enright received his bachelor's degree from the University of Oregon, and in his off time enjoys anything outdoors with family and friends, basketball, gravel biking, and funky guitar.

Obituary

Adrian Romero, an electrical industry veteran who worked for EESCO/WESCO, TE Connectivity, Cembre and most recently Satco, passed away on Jan. 11, in Dallas while on a business trip.

According to his obituary, Romero was resident of La Grange Park, IL and formerly of Lawrence, KS. He was a loving and devoted husband to Stacy Riordan Romero and an incredible dad to Adrian, Elizabeth and Claudia. He received his bachelor's degree and his MBA from North Park University, Chicago, IL.

One of his greatest joys was bringing people together — especially when it came to cheering on his beloved University of Kansas Jayhawks.

A rosary will be said at 3:30 p.m. on Jan. 29 with the visitation to follow from 4 p.m. to 7 p.m. at the Warren McElwain Mortuary in Lawrence, KS. A Catholic Mass will be held on Jan. 30 at 10 a.m. St. John's Evangelical Church in Lawrence.

Consensus Construction Forecast

Construction Categories	2024 Forecast % Change	2025 Forecast % Change
Nonresidential Total	4.0	1.2
Commercial Total	-0.7	0.2
Office	-1.7	-0.7
Retail & Other Commercial	-1.2	-0.4
Hotel	7.4	5.9
Industrial Total	8.9	-0.8
Institutional Total	5.1	3.1
Health	3.6	3.5
Education	5.8	3.9
Religious	1.1	1
Public Safety	9.8	3.6
Amusement & Recreation	3.7	3.1

AIA's Consensus Construction Forecasts is developed with survey data from nine leading construction economist at the Dodge Construction Network, S&P Global-Market Intelligence, Moody's Analytics, FMI, ConstructConnect, Associated Builders & Contractors, Wells Fargo Securities, Markstein Advisors and Piedmont Crescent Capital.

Industry Events

Jan. 30- Feb. 2, 2024

NEMRA Annual Conference
Las Vegas, National Electrical Manufacturers Representatives Association (NEMRA);
www.nemra.org

Jan. 30- Feb. 1, 2024

NAW Executive Summit
Washington, DC, NAW; www.nemra.org

February 12-14, 2024

2024 AD E-Commerce & Marketing Summit
San Antonio; Affiliated Distributors
www.adhq.org

February 19-21 2024

NAED South Central Conference
Dallas, TX; www.naed.org

March 19-20 2024

LEducation Trade Show & Conference
New York; www.leducation.org

April 17-18 2024

LightSPEC West
Anaheim, CA; www.lightspecwest.org

May 21-23 2024

NAED Annual Conference
Austin, TX; www.naed.org

June 23-26 2024

EASA 2024 Convention
Las Vegas, NV; EASA; www.easa.com

Aug. 15-17, 2024

IES Annual Conference
New York; Illuminating Engineering Society; www.ies.org

September 28-October 1, 2024

NECA Convention & Trade Show
San Diego; NECA; www.necanet.org

October 7-9, 2024

NAED LEAD Conference
Kansas City, MO; www.naed.org

October 16-19, 2024

NALMCO 2024 Annual Convention & Trade Show
Orlando; National Association of Lighting Management Companies (NALMCO)
www.nalmco.org

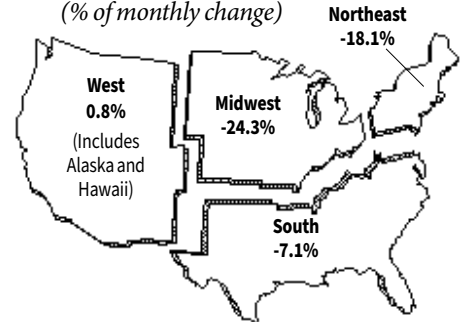
Total Housing Starts See Big Seasonal Drop in December with -4.3% Decline to 1.46 Million

Housing starts in December were at a seasonally adjusted annual rate of 1,460,000. This is -4.3% below the revised November estimate of 1,525,000, but +7.6% above the Dec. 2022 rate of 1,357,000. Single-family housing starts in December were at a rate of 1,027,000, -8.6% below the revised November figure of 1,124,000. An estimated 1,413,100 housing units were started in 2023, -9% below the 2022 figure of 1,552,600.

“Moderating mortgage rates are expected to provide a boost to new home construction in 2024, but an uptick in building material prices and a shortage of buildable lots and skilled labor are serious challenges for home

builders,” Danushka Nanayakkara-Skillington, NAHB’s assistant VP for forecasting and analysis, said in the press release.

Housing Starts by Region (% of monthly change)



New Privately Owned Housing Units Started

(Thousands of units, seasonally adjusted annual rate)

Period	Total	1 Unit	5 Units or more	Northeast	Midwest	South	West
Dec. 2023 ¹	1,460	1,027	417	59	128	588	252
Nov. 2023 ²	1,525	1,124	388	72	169	633	250
Oct. 2023 ²	1,376	974	384	60	115	547	252
Sept. 2023	1,356	966	376	51	118	584	213
Aug. 2023	1,305	948	350	57	108	587	196
July 2023	1,451	988	454	59	123	551	255
Dec. 2022	1,357	887	461	125	93	499	170

1-Preliminary; 2-Revised; Note: Detail may not add to total because of rounding.

Source: U.S. Bureau of the Census

EPI Increase Slow Down in December

Electrical Marketing’s Electrical Price Increase (EPI) had its lowest year-over-year increase on a monthly basis for almost four years, with a 0.0% move in Dec. 2023. The EPI almost never sees a YOY decline in the monthly data, and besides the back-to-back decreases in April 2020 and May 2020, you have to go back to 2015-2016 to see a string of monthly declines. Power Wire & Cable (-1.9%) had the biggest price decline for the month.

Note: All EPI series represent IHS Markit aggregates of Bureau of Labor Statistics’ (BLS) producer price indices (PPIs). The revised data partly reflect redefinitions of specific PPIs by the BLS, but mostly reflect the rebenchmarking of all EPI price series to a 2012 base year. The four following EPI series have been affected by BLS redefinitions: boxes, conduit (fittings), nonmetallic conduit, and generators. Sources: U.S. Bureau of Labor Statistics; IHS Markit

Electrical Price Index — December 2023

2012=100	Dec. 2023	Nov. 2023	Dec. 2022	% Change 1 Mo.	% Change 1 Yr.
Building Wire & Cable	258.7	257.8	271.3	0.4	-4.6
Power Wire & Cable	475.7	485.1	414.1	-1.9	14.9
Telephone	233.1	232.7	238.1	0.1	-2.1
Hand & Power Tools	167.4	167.4	167.4	0.0	0.0
Elec. Heating Equip.	186.8	187.4	178.6	-0.3	4.6
Residential Lighting	178.4	178.4	177.7	0.0	0.4
Industrial Fixtures	174.1	173.7	169.2	0.2	2.9
Fans & Blowers	207.8	207.9	204.0	0.0	1.9
Wiring Devices & Connectors	200.2	200.9	161.9	-0.4	23.7
Pole Line Hardware	253.7	255.2	287.4	-0.6	-11.7
Boxes	267.1	268.8	303.3	-0.6	-11.9
Conduit Fittings	242.5	242.5	262.5	0.0	-7.6
Metal Conduit	272.9	274.1	241.9	-0.4	12.8
Nonmetallic Conduit	249.6	249.6	265.0	0.0	-5.8
Motors	209.1	209.1	206.8	0.0	1.1
Generators	201.3	201.3	191.8	0.0	4.9
Ballasts	224.5	224.5	224.8	0.0	-0.1
Elect. Meas. & Integ. Inst.	134.8	134.8	134.8	0.0	0.0
Transformers	174.7	175.3	164.1	-0.3	6.5
Panelboards & Switches	227.4	230.1	222.0	-1.2	2.4
Circuit Breakers	237.0	237.4	241.6	-0.2	-1.9
Switchgear	252.1	254.5	236.8	-0.9	6.5
Fuses	226.7	226.3	215.5	0.2	5.2
Industrial Controls	216.5	216.5	210.7	0.0	2.7
Lamps	203.1	203.1	197.1	0.0	3.1
Appliances	141.0	141.4	138.6	-0.3	1.8
Air Conditioners	209.6	212.5	198.6	-1.4	5.5
Fasteners	218.2	218.1	207.8	0.0	5.0
Total Index	203.4	203.6	203.4	-0.1	0.0

Electrical Marketing's Leading Economic Indicators

Single-family building permits increase in December.

December building permits hit 1,495,000, +1.9% above the revised November rate of 1,467,000 and +6.1% above the Dec. 2022 rate of 1,409,000.

Single-family authorizations in December were at a rate of 994,000, +1.7% above the revised November figure of 977,000. An estimated 1,469,800 building permits were issued in 2023, -11.7% below the 2022 figure of 1,665,100.

Billings remain a concern for architects.

The AIA/Deltek Architecture Billings Index (ABI) remained below 50 points for December, indicating soft business conditions to close out 2023. The score of 45.4 points remained flat from November. Any score below 50 points indicates decreasing business conditions, but there are encouraging signs of the pipeline.

In addition, most firms report that over the past six months at least some projects have been significantly delayed, put on hold or even cancelled. On average, almost 30% of projects on a dollar basis have fallen into one of these categories.

Published by the American Institute of Architects (AIA) the ABI is a leading economic indicator of construction activity, providing an approximately nine-to-12-month glimpse into the future of nonresidential construction activity.

"Billings at firms declined for eight months of the year, and the last four months saw this overall weakness accelerate," said Kermit Baker, AIA's chief economist. "Fortunately, project backlogs at firms eased only slightly through the year despite the overall reported softness in billings."

Decline in Conference Board's Leading Economic Index (LEI) slows down in December.

The Conference Board Leading Economic Index (LEI) for the U.S. fell by -0.1% in Dec. 2023 to 103.1, following a -0.5% decline in November. The LEI contracted by -2.9% over the six-month period between June and Dec. 2023, a

smaller decrease than its -4.3% contraction over the previous six months. Despite the overall decline, six out of LEI's 10 leading indicators made positive contributions in December. However,

these improvements were more than offset by weak conditions in manufacturing, the high interest-rate environment, and low consumer confidence.

The Marketplace : Key Figures

	Month	Latest month	Previous month	Month-over-month % change	Year ago	Year-over-year % change	2022 annual
CONSTRUCTION							
New Construction Put in Place (billions of dollars, SAAR) ²							
Total	NOV	2050.06	2042.52	0.4	1639.78	25.0	1847.81
Offices	NOV	85.40	85.40	0.0	77.48	10.2	78.47
Industrial	NOV	209.34	208.21	0.5	78.40	167.0	113.69
Housing Starts (Thousands of units, SAAR) ²							
Total	DEC	1460	1525	-4.3	1661	-12.1	1551
Single-unit	DEC	1027	1124	-8.6	1173	-12.4	1004
Mobile Home Shipments ³							
(thousands of units, SAAR)	NOV	92	93	-1.1	103	-10.7	113
Employment, Construction Workers (thousands) ⁴	DEC	7993	8113	-1.5	7576	5.5	7748
Employment, Electrical Contractors (thousands) ⁴	NOV	1056.7	1053	0.4	965.4	9.5	1015.2
Hourly Wage, Electrical Contractors ⁴	NOV	37.13	36.92	0.6	32.03	15.9	33.70
PRODUCTION							
Industrial Production Index (1967=100) ⁵	Dec	102.5	102.4	0.1	99.5	3.0	102.6
Construction Supplies Production Index ⁵ (1977=100-SA)	DEC	100.0	100.1	-0.1	99.3	0.7	103.7
Employment in Electrical Equipment & Supplies Mfg.							
Production workers (Thousands) ⁴	NOV	143.1	142.9	0.1	139.1	2.9	141.4
Weekly hours	NOV	42.6	42.3	0.7	41.7	2.2	42.2
Hourly wage	NOV	27.43	27.29	0.5	22.68	20.9	25.28
Electric Power Output Index (1967=100) ⁵	DEC	103.6	103.6	0.0	104.1	-0.5	104.9
Machine Tool Orders* (millions of dollars) ⁶	NOV	394.60	402.84	-2.0	476.95	-17.3	453.79
Industrial Capacity Utilization (percent, SA) ¹	DEC	77.06	77.10	-0.1	77.10	-0.1	79.16
TRADE							
Electrical Mfrs' Shipments	NOV	4,756	4,756	0.0	3,636	30.8	4,045
Electrical Mfrs' Inventories (millions of dollars, SA) ²	NOV	9,978	10,023	-0.4	7,106	40.4	8,846
Electrical Mfrs' Inventory-to-Shipments Ratio	NOV	2.098	2.107	-0.4	1.954	7.3	2.187
Electrical Mfrs' New Orders (millions of dollars, SA) ²	NOV	4,631	4,470	3.6	3,988	16.1	4,220
Electrical Mfrs' Unfilled Orders (millions of dollars, SA) ²	NOV	21,913	22,324	-1.8	16,989	29.0	22,446
Exports, Electrical Machinery (f.a.s. value in millions of dollars) ²	NOV	7,345	7,923	-7.3	7,031	4.5	86,091
U.S. Dollar vs. Other Major Currencies (1973=100) ⁵	DEC	113.99	115.45	-1.3	105.12	8.4	115.07
PRICES & INTEREST RATES							
Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100)							
Electrical Price Index (Electrical Marketing, 1997=100)	DEC	203.4	203.6	-0.1	172.9	17.6	197.7
Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100)							
Copper Prices (Metals Week, cents per pound)	DEC	384.95	371.83	3.5	439.80	-12.5	400.70
Prime Rate ⁵	DEC	8.50	8.5	0.0	3.25	161.5	4.9
Federal Funds Rate ⁵	DEC	5.33	5.33	0.0	0.08	6562.5	1.68
Mortgage Rate ⁷	DEC	6.82	7.44	-8.4	3.04	124.0	5.38

Sources: ¹McGraw-Hill Construction/Dodge; ²Dept. of Commerce; ³Manufactured Housing Institute; ⁴Dept. of Labor;

⁵Federal Reserve Board; ⁶The Association for Manufacturing Technology; ⁷Federal Home Loan Bank Board.

Note: Some figures shown—prime rate, for example—are averaged for month. NYA—not yet available

SA—seasonally adjusted. SAAR—seasonally adjusted annual rate. Source for chart: Global Insight.

For further information about construction starts, please contact Dodge Analytics at 1-800-591-4462

People

Turtle (Clark, NJ): **Jeff Smith**, formerly the manager of the company's Hauppauge, NY, branch, has expanded his role to VP of Sales in Long Island & New York City, and **Dan Pinshaw**, former branch manager of Associated of Los Angeles – a Turtle company, was promoted to Western Regional manager, according to posts on Turtle's LinkedIn page. Pinshaw will manage the integration of all of Turtle's industry verticals in the region under one umbrella to accelerate growth and increase its customer base.

Service Wire Co. (Houston): **Sarah Dempsey** has joined the Service Wire team as the inside sales manager. Dempsey will be responsible for building, motivating and leading inside sales performance in Houston. A graduate of the University of West Georgia, Dempsey has more than 13 years of experience in sales and sales management.

United Electric Supply (Wilmington, DE): **Eric Slemmer** was promoted to director of warehouse operations. Slemmer joined United in 2008 as a sales management trainee. In the trainee program he gained

experience in various departments within distribution including warehouse, counter and inside sales. His career path began as a counter sales representative, a position he held for three years. Slemmer then moved to inside sales for four years, transitioned into management as the operations manager for two years, then onto branch management which led him to being a senior regional distribution center manager. In his new role as director of warehouse operations he will oversee all United Electric's warehouse operations with a continued focus on service excellence.

Marshall Wolf Automation (Algonquin, IL): **Tina Hueppe**, the company's president and CEO, was recently elected to the 2023-2024 board of directors of the Association for High Technology Distribution (AHTD). AHTD is a North American association dedicated to the success of automation service providers and manufacturers in the high technology space. Marshall Wolf Automation is a relatively new member of the group, having joined AHTD in 2021.

"My first encounter with AHTD was an eye-opening experience. I found it invigorating to be among leaders in our industry, including those that might be considered competitors, and how open everyone was to discussing challenges and best practices," said Hueppe in a press release. "One single message was loud and clear: Get involved with AHTD, contribute, and by doing such, you will learn even more about your business."

In addition to being brought onto the board by her AHTD peers, she chairs the Women in Automation Steering Committee for 2024, reflecting her dedication to fostering diversity and inclusion within the automation industry.

Heppe joined Marshall Wolf Automation in 2008 as VP and became the president and CEO of the organization in

Continued on page 5

Rep News

The **National Electrical Manufacturers Representatives Association (NEMRA)** announced the appointment of three officers to its board of directors and four executive committee members to the NEMRA Manufacturers Group (NMG).

Effective Feb. 5, new appointments to NEMRA's board of directors include **T. Derek Schouten**, **iPro Martin**, Wheat Ridge, CO; **Matt Santilli**, **Arthur A. Boyle Co.**, Indianapolis, IN; and **Mike Hodges**, **Adanac Sales**, Port Coquitlam, British Columbia.

New appointments to the NMG Executive Committee include **Brock Klein**, director of sales and marketing, **Electri-Flex Co.**; **Deni Miller**, business line operations leader - Electrification Business Area, **ABB**; **John Hargis**, vice president Distribution Sales U.S., **Mersen**; and **Stephen Reynolds**, director, Strategic Accounts - North America, **Hammond Power Solutions**.

NICOR Lighting announce a new partnership with **HK Sales and Marketing**, which has developed customer and manufacturer relationships for more than 30 years throughout the Pacific Northwest.

HK Sales and Marketing will represent NICOR's product offering in Washington, Alaska, and northern Idaho.

Trifecta Reps is merging with **Visual Interest** to form a new division called VI Supply in Colorado, New Mexico, west Texas, western Nebraska, and southern Wyoming.

Chad Hall, a 25-year electrical industry veteran, founded Trifecta in 2017 with a line card focused on commodity products. As the industry has evolved and consolidated, Chad has decided to merge Trifecta Reps with Visual Interest to become VI Supply.

Visual Interest was founded in 2009 with a focus on lighting project business. VI has experienced sales staff calling on distributors, contractors, engineers and architects throughout the territory. Through the merger, 14 salespeople were added to grow Trifecta's supply representation. Along with Hall, Trifecta's Melissa Dirmish and Tim Wright are joining the larger VI team. VI Supply said in the press release that it will hit the ground running with no gaps in service for its customer base.

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