



I can order vitamins from Amazon Prime and get them that day.



Why does it take 6 months to order furniture?

I think most of you get it.
COVID has changed the world... forever.



It has undoubtedly changed how things get done . For the home industry, it has had an enormous effect, so I thought I would explain what is going on out there and why it really does take six months to get your furniture.

First off, let me say that the home industry is not the only one suffering in production. There are other industries like automotive, manufacturing, and plenty more. Any company relying on parts from overseas is just stuck waiting. That one small, essential part needed to complete a refrigerator build that comes from a factory overseas is now severely backed-up—six months in delay. And it is not just in the U.S., this is happening globally.

But what about my chair, you ask?



Well, there's a whole litany of problems.

When the pandemic hit, manufacturers had to shut down, and that meant layoffs. Many manufacturers still aren't staffed at pre-pandemic capacity. Some opened and then shut back down as outbreaks occurred. Then, whole sections of plants closed and production either stopped entirely or is highly backed up. On top of that, there are now preventative measures and safety protocols that must be reconfigured before manufacturers can return to full production.



We are in a shipping container and ground logistics nightmare —a shipping container pre-pandemic cost on an average of \$1,200. Today, if you can even get one, the price is \$7,000-\$10,000 per container. Many shipping companies have changed their routes as manufacturing moved from places like China to countries like Vietnam. This is not as easy as adding a new stop, whole shipping routes have to be changed, and ships must be available to accommodate these new routes.



Heck, that chair you've been waiting for could be at the bottom of the sea.

International flights from Asia and Europe are limited as well, as ports are backed up. Lest we all quickly forget the Suez Canal blockage for six days which delayed \$400 million an hour of goods, and the bad weather at sea that sunk hundreds of containers.



Raw materials from steel to wood are scarce . Along with mills shutting down in the USA, the tariffs imposed in the last administration have reduced timber from Canada, so there is a lack of softwoods for construction which includes furniture. A single 2 x 4 has gone from \$3.00 to \$9.00 if you can get one. Builders and developers are trying to lock in wood prices or buy as much as possible, so they have it. Same with appliances, they are not available, and builders are installing slide-in refrigerators in the "anything you can get your hands on" category so they can pass inspection and close home sales. They will change them out when the product arrives.



ALL IMAGES STOCK.ADOBE.COM

Oh, and that week-long freeze in Texas shut down the petroleum companies, and now **foam products are backed up** . Two chemicals go into foam production, one of which is a carcinogen. When the plants shut down, all production stopped. To get these plants back online, safety inspections are needed, and that has to be scheduled and completed. It isn't just a simple flip of a switch.

Ground shipping was in trouble pre-pandemic as there were not enough drivers. It has become worse, with fewer drivers and fewer trucks. What does all this mean?

For one, it means freight and product prices are going up. Most home products had an increase of 15% - 25% with the newly imposed tariffs. Those price increases were the first round, and with the additional cost in manufacturing and freight, another 5%-8% has been added.

This means spending power has decreased . I have witnessed lighting fixtures triple since the beginning of 2020 and freight double. I recently calculated freight from a manufacturer increase as high as 30% with a surcharge of 3% added on top of the freight. Surcharges of 3% are becoming more and more common in the last few months as manufacturers struggle to control cost increases on their end. They absorb some and the rest are passed on to the consumer.

Sound depressing? Kinda is.



Here is what you can do.

If you are planning on remodeling your kitchen or your home, for instance, order early. Chances are you MIGHT get your appliances when they are needed on the build. How early is early? I would say six months minimum. The same goes for furniture, plumbing, and fabric. It has all been delayed. Should you hold off until prices come down? I can't say that is a best-case strategy. I have not seen any prices come down as companies get back to work, and based on the early tariffs applied, nothing has come down. Currently, the new administration is holding all tariffs the former administration in place.

Will this ever get better?

Yes, but possibly not until Q3 or spring of 2022. Factories are running at 30%-40% of their capability. Shippers and truckers cannot suddenly rehire and retrain employees on a dime.

Here at Lauren Jacobsen Design, I feel we can be most proactive right now for our clients and followers by communicating and keeping you all in the loop . We must take a breath, relax and get into the long game as we have done for over a year now. We know how to do this. Our all too convenient way of life and "get it by tomorrow," thinking for the home should probably take a seat.

Just not on that new chair quite yet.

Lauren

