

19 July 2021

Dear NFRC Trade Members,

I wanted to update you, on behalf of the NFRC Roofing Suppliers Group (RSG), with regards to the availability and pricing of materials within the roofing industry. As we set out in our [letter](#) of April 2021, we are facing an unprecedented situation, the likes of which has not been seen in living memory.

This is due to a host of different reasons, most of which are beyond our control as suppliers: the impact of Covid-19 restrictions, extremely high levels of demand, rising raw material prices, and various transportation challenges. The situation has not changed significantly since April and is unlikely to improve at least until early 2022.

We would, therefore, like to make it clear as NFRC member manufacturers and merchants, we aim to treat all our customers equally and do not give preferential access to larger clients over smaller clients. The whole industry is currently experiencing shortages and price rises.

As we stated in the previous letter, if you are not doing so already, we recommend you start talking to your clients about these shortages and price rises, and use this letter to support you in these discussions. We also reiterate certain actions you should be taking now, later in this letter.

Concrete roof tiles

Due to continued high levels of demand in both the residential new build and domestic repair, maintenance and improvement (RMI) markets, demand continues to outstrip supply for concrete roof tiles. Therefore, there continues to be an extended lead time on the vast majority of concrete roof tile products averaging around 22 weeks, with some products having lead times of up to 36 weeks. With the summer months tending to be busier, this demand shows no sign of abating, and longer lead times are expected to remain for the foreseeable future.

Timber

As you may be aware there has been a significant global shortage of timber, with almost all timber arriving in the UK being presold to customers in the second quarter of 2021. As a result we have seen price rises of up to 80 per cent for products such as timber battens since last November. These shortages are set to worsen in the third quarter of this year, according to the Timber Trade Federation (TTF) due to a 'summer shutdown' of Swedish sawmills for essential maintenance. Sweden supplies almost half of the structural wood used in the UK, and their stock levels are currently at their lowest levels in 20 years. This

means there is likely going to be insufficient supply to satisfy structural timber demand in Q3.

Insulation

Shortages of insulation products are also set to intensify due to a recent disruption in the production of MDI, one of the core chemical components of rigid polyurethane (PUR) foams. MDI and isocyanate producer Covestro recently reported an 'unforeseeable loss of production and as a result declared force majeure on isocyanates (including MDI) for the Europe, Middle East, Africa (EMEA) region. This is likely to have an ongoing adverse impact on lead times and prices of PUR insulation into 2022.

These are just a selection of the shortages the industry is facing currently.

Availability of hauliers

Another particular issue that suppliers are facing is the transportation of products due to a shortage of hauliers. It has been reported that the UK has lost 15,000 European drivers this year following our exit from the EU, and 30,000 UK driver tests due to Covid restrictions. This has exacerbated the HGV driver shortage, which already existed prior to Brexit and Covid. NFRC, along with the Construction Leadership Council (CLC) is supporting the calls of Road Haulage Association (RHA) to the Department for Transport to urgently address these shortages.

Prices continue to rise

As stated in the previous letter, raw material prices are increasing globally, and when combined with shortages of products, this has meant that manufacturers have had to increase prices. This is not unique to roofing products and has been seen across the construction industry. According to the Department for Business Energy and Industrial Strategy (BEIS)'s monthly statistics of building materials and components, there has been a 10.2 per cent increase in the material price index between May 2020 and May 2021. This is expected to continue into Q3 of 2021.

What you can do

Our industry continues to find itself in an unprecedented situation and many of these circumstances are out of the control of manufacturers and merchants. We, therefore, wanted to reinforce our recommendation that you take the following actions if you are not already:

- You should ensure you are regularly communicating with your suppliers and merchants as the situation develops.
- You should communicate early with your clients of any potential price rises, and long lead times, using this letter if necessary.
- You should make sure you are placing orders well ahead of time, and planning for any potential cost increases when mapping the cost of a project. Try to seek earlier agreement of orders with clients to reflect longer lead times.

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- Aim to work collaboratively with your suppliers and be flexible if necessary.
 - Look out for future Guidance Notes from NFRC.

We will continue to monitor the situation as it evolves and update the industry if there are any further significant changes.

Thank you for your co-operation in this difficult time.

Yours faithfully,

Andy Williamson

Interim Chairman, NFRC Roofing Suppliers Group (RSG)