

STEEL

News & Views

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AGC Says Construction Material Costs in Lull Between Storms

Source: www.constructionequipment.com, March 22, 2007

"Construction cost increases slowed markedly in the last half of 2006. But the relief is likely to be short-lived and may have ended already," stated Kenneth Simonson, chief economist for the Associated General Contractors of America (AGC). His comments were made at the association's annual convention. He continued, "By the end of 2007, material costs could be rising again at a 6-to-8 percent rate, with wages rising at a 5 percent pace."

Simonson explained the construction industry is vulnerable to high price increases because the industry has little ability to avoid using materials that are in strong demand and for which supplies increase irregularly.

Simonson points to greater volatility in petroleum, concrete and metal products which imply that highway and other heavy construction projects are likely to experience larger price jumps than are building construction segments. But, he warns, "Even building construction is at risk of much higher cost increases than the general rate of inflation."

Over the long-term, two factors distinguish construction costs from the costs facing consumers or most other industries. First, the Consumer Price Index (CPI) includes large amounts of services and goods for which

materials are not a significant share of the costs, or for which substitution among materials is possible. Second, every material used in construction must be physically delivered.

"Contractors report that fuel surcharges are more common than in the past," noted Simonson. "Because when transportation networks are stretched tight, fuel cost increases are likely to be passed along to customers."

Labor Rates Expected to Increase

In the same speech to the AGC, the issue of labor pricing was also addressed. Simonson stated, "The industry may be entering an era of accelerating wage and salary costs." From February 1997 to February 2007, the construction industry created one out of 10 new jobs in the economy, double the industry's share of overall employment. Construction employment increased by nearly 2 million, or 33 percent, while total non-farm employment rose barely one-third as fast, or 13 percent.

Demand for skilled craft workers, supervisors, estimators and managers are growing as the volume of nonresidential construction increases. However, low unemployment throughout the economy means there are fewer applicants to choose from while more skilled construction workers are reaching retirement age.

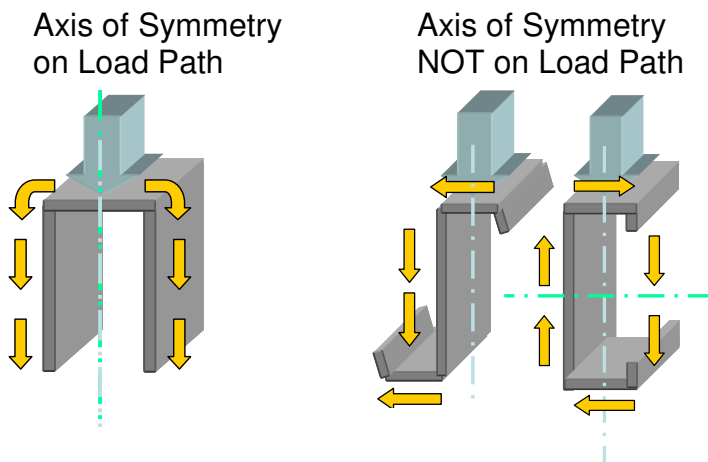


Steel Framing Alliance™

Symmetrical and Non-Symmetrical Truss Shapes

Editors Note: Articles, including the following, focusing on topics involving the design, specification, fabrication, and installation of cold-formed steel trusses, will occasionally appear in *Steel News and Views*.

Cold-formed steel truss sections vary somewhat from one to another. Each shape addresses specific engineering principles and properties. Cold-formed steel truss shapes can be generalized into one of two basic profiles-symmetrical or non-symmetrical.



An important difference between these shapes is the location of the shear center. Shear flow (represented by arrows in the examples above) is developed in these sections and the effect is movement. Movement needs to be resisted by bracing. So, if the applied load path (represented by dotted and dashed lines in the examples above) and the shear center do not occur on the same line, the member will rotate about the shear center axis. The result is a less stable member which requires additional bracing to reduce the instability.

U-shaped cold-formed steel truss sections are loaded symmetrically and the shear flow down the side of the member creates a shear center through the center of the profile. When the shear center and the load path are on the same line, no rotation occurs. The result is a more stable member which, generally speaking, requires less bracing.

Photo Gallery

It would be a relatively safe bet that you may not see too many applications for cold-formed steel trusses like the one in this issue of *Steel News and Views*.

Cascade Mfg Co was asked to investigate converting steel stud framing to cold-formed steel trusses for stadium type seating.



One person can easily handle light weight frames.

The project is a Muvico movie theatre in Rosemont, Illinois.

Kevin Flood, foreman for installing contractor RG

Construction located in Elmhurst, Illinois, commented he was able to cut his installation labor in half by using components



Frames for stadium seating installed.

instead of building the seating as framed walls. Manpower requirements were reduced from a crew of five to two or three. Cascade Mfg Co also furnished permanent bracing documents for the project.

Do you maintain a database of suppliers to email bid invitations?

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Or call toll free 800/942-4685.

We look forward to bidding your next project!