

Electrical Marketing®

THE ELECTRICAL INDUSTRY NEWSLETTER

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Around the Industry

Google building Nebraska data center

The Aug. 22 announcement that Google is building a \$600-million data center in Lincoln, NE, is the latest example of the company's investment in the state. Google has already invested more than \$2.2 billion facilities in Papillion and Omaha, NE, according to a report in the *Nebraska Examiner*.

OmniCable opens 220,000-sq-ft supercenter in Fort Worth, TX

OmniCable, West Chester, PA, opened a new supercenter in Fort Worth, TX. The Fort Worth location is OmniCable's newest supercenter; Chicago opened in 2022 and Reno in May, 2023. OmniCable's supercenters are large facilities loaded with aluminum, cord and commercial products, in addition to its traditional industrial inventory.

The 220,000-sq-ft supercenter offers distributors paralleling and respooling services, as well local access to millions of dollars of wire and cable and electrical.

City Electric Supply opens branch near Dallas-Fort Worth metroplex

City Electric Supply opened a new branch in fast-growing Azle, TX, located 30 minutes outside of Fort Worth, TX. CES Azle is 6,200 sq ft with a complete warehouse and showroom. CES Fort Worth and Aledo are about 20 miles away from the new Azle store.

"Azle is a hub for surrounding areas and sees a lot of travel each day. We picked Azle as the location to open the branch because it's near Eagle Mountain Lake, and CES

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Billion-Dollar Markets Enjoy Largest Increases in Estimated Sales Potential

Total estimated industry revenues in 2Q 2023 for the electrical wholesaling industry increased +3.8%, a solid if not spectacular increase, according to *Electrical Marketing's* updated sales forecast data.

In total, the nation's 37 Metropolitan Statistical Areas (MSAs) with estimated 2023 annual sales of at least \$1 billion are expected to account for roughly half of the nation's 2023 electrical sales through distributors, which *EM* is now forecasting to hit \$145.4 billion. With nearly \$6.5 billion in sales forecast for 2023, the nation's largest electrical market, the New York-Newark-Jersey City, NY-NJ-PA MSA, saw some big growth in 2Q 2023. Sales potential in this market increased +8.4% to an estimated \$501.1 million for the quarter, more than double the growth rate of the nation as a whole.

The Chicago-Naperville-Elgin, IL-IN-WI, MSA and Dallas-Fort Worth-Arlington, TX, MSA also doubled the national growth rate

in 2Q 2023 and enjoyed sales increases of more than \$300 million. *EM* estimated 2023 annual sales for the Chicago metro at \$3.7 billion and forecasts electrical sales for the Dallas-Fort Worth metroplex at \$4.2 billion.

When you look at the chart on page 2 of the 50 metros that enjoyed the largest increase in estimated sales volume, Columbus, OH, sticks out. It's one of only three markets in the Top 25 on the chart with total estimated electrical sales of less than \$1 billion. *EM* estimates the metro's 2023 electrical sales potential at \$937.2 million and ranks it #9 with an estimated sales potential increase for 2Q 2023 of \$128.7 million and a quarterly increase of +15.9%. The Baton Rouge, LA, MSA; Cleveland-Elyria, OH, MSA; and Salt Lake City, UT, MSA; were also in the Top 25 and had double-digit sales increases on a percent basis and estimated increases in electrical sales potential of at least \$90 million.

— *Jim Lucy*

Work-at-Home Trend Radically Reshaping Corporate Demand for New Office Space

The Aug. 23 news that investment banker Goldman Sachs wants all employees in its offices five days a week highlights just how quickly and dramatically the office environment has moved toward hybrid office strategies or remote officing since the COVID crisis — and its long-term impact on the demand for commercial office space.

The office market is one of the larger construction niches for electrical distributors, manufacturers, contractors, reps and other buying influences, and these companies feel the pain directly when demand for office space dries up in their local markets. New office construction accounts for 5% of all new construction project spending, according to the Department of Census' June 2023 data.

As more companies have shifted to hybrid work-from-home policies or 100% remote offices, many companies are slashing their office footprints or not renewing leases. An Aug. 23 *Wall Street Journal*

article offered several recent examples of large firms making major cutbacks in office space. It said Aon is reducing office space in Chicago by 25% to 300,000 sq ft and that IBM slashed its Austin, TX, office space from 640,000 sq ft to 320,000 sq ft. The article also said Fluor is making an even more dramatic cut in the Houston area, cutting its office space in that market 70% to 308,000 sq ft, "in part because the company no longer assigns cubicles to employees who work on the road."

Reduction in office space obviously has a direct impact on office vacancy rates. For many years, once a metropolitan area's office vacancy rate touched 10%, the demand for new office construction was pretty solid, and only the slowest office construction markets had vacancy rates topping 20%. Today, few major cities have downtown office vacancy rate under 20% and at least two

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The 50 Metros with the Biggest Quarterly Increases in 2Q 2023 Electrical Sales Potential (\$ Millions)

Metropolitan Statistical Area (MSA)	2Q 2023 Total \$ Estimate	QtQ \$ Change	QtQ % Change	YOY \$ Change	YOY % Change
United States	145,386.2	5,268.7	3.8	3,413.4	2.4
New York-Newark-Jersey City, NY-NJ-PA	6,474.5	501.1	8.4	175.4	2.8
Chicago-Naperville-Elgin, IL-IN-WI	3,734.3	339.1	10.0	45.2	1.2
Dallas-Fort Worth-Arlington, TX	4,172.3	319.2	8.3	226.1	5.7
Boston-Cambridge-Nashua, MA-NH	2,324.0	186.9	8.7	64.3	2.8
Minneapolis-St. Paul-Bloomington, MN-WI	1,821.7	167.8	10.1	(7.6)	-0.4
Seattle-Tacoma-Bellevue, WA	2,304.5	162.2	7.6	93.1	4.2
Phoenix-Mesa-Scottsdale, AZ	2,513.1	160.4	6.8	90.9	3.8
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2,243.3	151.0	7.2	48.3	2.2
Columbus, OH	937.2	128.7	15.9	70.3	8.1
Detroit-Warren-Dearborn, MI	1,876.1	125.5	7.2	(11.4)	-0.6
Las Vegas-Henderson-Paradise, NV	1,144.6	125.1	12.3	75.5	7.1
Atlanta-Sandy Springs-Roswell, GA	2,406.9	123.9	5.4	67.2	2.9
Portland-Vancouver-Hillsboro, OR-ID	1,528.2	122.4	8.7	82.2	5.7
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,330.1	116.6	5.3	81.6	3.6
Kansas City, MO-KS	1,071.6	111.0	11.6	53.7	5.3
Indianapolis-Carmel-Anderson, IN	1,123.4	105.7	10.4	59.6	5.6
Baton Rouge, LA	779.6	99.5	14.6	81.4	11.7
Austin-Round Rock, TX	1,307.4	99.4	8.2	54.5	4.3
San Francisco-Oakland-Hayward, CA	2,149.2	96.4	4.7	47.7	2.3
Cleveland-Elyria, OH	937.2	93.6	11.1	29.3	3.2
Tampa-St. Petersburg-Clearwater, FL	1,460.3	91.4	6.7	72.5	5.2
Salt Lake City, UT	987.9	90.8	10.1	55.1	5.9
Midland, TX	537.1	90.4	20.2	67.5	14.4
Nashville-Davidson-Murfreesboro-Franklin, TN	1,064.8	79.2	8.0	52.7	5.2
Denver-Aurora-Lakewood, CO	1,688.0	74.9	4.6	12.0	0.7
Baltimore-Columbia-Towson, MD	1,267.5	72.4	6.1	53.6	4.4
Houston-The Woodlands-Sugar Land, TX	3,557.9	71.6	2.1	(28.4)	-0.8
San Jose-Sunnyvale-Santa Clara, CA	1,305.2	70.9	5.7	29.0	2.3
Pittsburgh, PA	1,033.5	70.7	7.3	(15.9)	-1.5
Los Angeles-Long Beach-Anaheim, CA	4,856.6	69.9	1.5	(17.3)	-0.4
Charlotte-Concord-Gastonia, NC-SC	1,344.6	68.5	5.4	36.6	2.8
Grand Rapids-Wyoming, MI	758.2	65.2	9.4	27.0	3.7
Lebanon, PA	798.0	65.1	8.9	19.5	2.5
San Antonio-New Braunfels, TX	1,004.0	63.5	6.8	38.4	4.0
Riverside-San Bernardino-Ontario, CA	1,819.9	57.9	3.3	(0.3)	0.0
Providence-Warwick, RI-MA	533.1	57.5	12.1	16.9	3.3
Milwaukee-Waukesha-West Allis, WI	835.2	56.7	7.3	10.4	1.3
Cincinnati, OH-KY-IN	1,060.5	54.0	5.4	13.1	1.2
Omaha-Council Bluffs, NE-IA	537.8	53.4	11.0	17.9	3.4
Buffalo-Cheektowaga-Niagara Falls, NY	459.7	51.2	12.5	3.5	0.8
San Diego-Carlsbad, CA	1,536.9	51.0	3.4	27.0	1.8
Louisville/Jefferson County, KY-IN	690.6	49.8	7.8	30.1	4.6
Jacksonville, FL	787.6	49.0	6.6	34.0	4.5
Madison, WI	396.4	48.3	13.9	22.1	5.9
Des Moines-West Des Moines, IA	379.2	46.6	14.0	0.6	0.2
Odessa, TX	265.3	45.7	20.8	31.2	13.3
Raleigh, NC	728.1	43.7	6.4	25.7	3.7
Gary, IN	354.6	40.2	12.8	15.3	4.5
Beaumont-Port Arthur, TX	326.3	38.5	13.4	28.6	9.6
Albany-Schenectady-Troy, NY	359.4	38.4	12.0	3.9	1.1

Notes: QtQ - Quarter-to-Quarter; YOY - Year-Over-Year. Estimates for 300-plus MSAs and all states available at www.electricalmarketing.com. Estimated electrical sales potential calculated with sales-per-employee multipliers from *Electrical Wholesaling's* 2023 Market Planning Guide and 2022-2023 construction and industrial employment data from U.S. Bureau of Labor Statistics. Electrical contractors and industrial customers account for 75% of typical distributors business; other market combined account for 25% of business. Local market electrical contractor employment calculated at 13% of construction employment. Electrical contractor multiplier - \$78,75 per employee; Industrial multiplier - \$2,650 per employee.

\$12-Billion LNG Plant Pushes Dodge Construction Data into Positive Territory

Total construction starts rose 17% in July to a seasonally adjusted annual rate of \$1.2 trillion, according to Dodge Construction Network. Nonbuilding starts drove the increase, rising +38% due to the start of the \$12-billion Rio Grande LNG facility in Brownsville, TX. Residential starts rose +20%, while nonresidential building starts lost -6%.

Year-to-date through July 2023, total construction starts were -7% below 2022. Residential and nonresidential starts were down -21% and -7% respectively; nonbuilding starts were up +20% on a year-to-date basis.

“Construction starts have plateaued and are making little headway,” said Richard Branch, chief economist for Dodge Construction Network. “Higher interest rates, labor shortages and material prices continue to impact the flow of construc-

tion starts — resulting in little forward momentum over the last 12 months. The lag in nonresidential building projects entering the planning stage will slow starts as the year progresses, which should be offset by rising infrastructure activity.”

Nonbuilding. Nonbuilding construction starts surged in July to a seasonally adjusted annual rate of \$440 billion, due mostly to the start of that large LNG facility. Without this facility included, total nonbuilding starts would have dropped -7%. Highway and bridge starts lost -4% in the month. Miscellaneous nonbuilding starts fell -71% following the start of the Buffalo Bills’ new stadium in June. Year-to-date through July, nonbuilding starts gained +20%. Other notable projects breaking ground included a \$2.8-billion concrete dock at the Pearl Harbor Naval Shipyard

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Demand for Class A Office Space During Tumultuous Times in Today's Office Market

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cities — Dallas/Ft. Worth (31.1%) and San Francisco (31.6%) — have office vacancy rates of more than 30%.

According to market data from CoStar and the *Wall Street Journal* report on the office market, the U.S. office vacancy rate increased to 13.2% from under 10% before the pandemic. The article said CoStar is forecasting that the U.S. office vacancy rate will top 17% by 4Q 2026.

While many companies are asking more employees to come into the office more often, indicators exist that the percentage of people actually working in corporate offices is still quite small. Kastle, a manufacturer of office access controls uses data from customers in 2,600 buildings in 138 cities to monitor office occupancy. The most recent Kastle Back to Work Barometer, a weekly occupancy report, showed that the average occupancy rate in its 10 top cities is only 47.2%. Only four cities — Dallas (52%); Houston (59.4%); Chicago (51.25); and Austin (56.5%) — have an occupancy rate of more than 50%.

The news in the office market is not all bad, as some segments, like Class A building that feature the latest in amenities, actually still enjoy fairly robust demand for new space. These buildings often offer the latest in green building technologies, flexible meet-

ing facilities and on-site food services. There also appears to be a fairly robust market for retrofitting of existing office space to accommodate the new hybrid officing strategies.

One type of office retrofit work not seeing as much action is conversions to apartments. While the concept sounds great on paper because of the huge demand for new apartments in many cities, many older office buildings can't easily be converted to apartments because of the location of plumbing and air conditioning systems, inefficient windows and other structural challenges. According to a report from the CBRE real estate advisory firm, “Although conversion activity has accelerated since the pandemic, project completions since 2016 account for less than 2% of the total U.S. office inventory. The high cost of both acquiring and converting a building has limited the viability of such projects.”

While the office market is facing its challenges, the trend toward commercial property remodeling is a positive for the electrical market. Statista says the market for commercial property remodeling in the United States reached \$51 billion in 2022. The trend towards market growth began in 2012 and peaked in 2020, followed by two years of decline. According to the forecast, the market is expected to expand by about 2% in 2023.

— *Jim Lucy*

Around the Industry

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felt a gap in supply there,” said Regional Manager Phil McKinney in the press release. “The branch is close to existing CES locations, and we felt it was a good place for us to grow in Fort Worth. There’s a lot of growth going on in Azle, and CES wants to be here while it’s happening.”

Groups like E-Conn Enterprises, which specialize in building and assisting designs for multi-family, hospitality and residential communities, needed a supply house that could help them in a few key areas. “This Azle location is just a few minutes away from our main office,” said Chris Portales, senior project manager for E-Conn, in the press release. “I’ve worked with CES for over 13 years now. This location has plenty of space to help store material for our projects, and we are looking forward to being able to utilize this location.”

Siemens to acquire provider of EV charging products for buses & trucks

Siemens AG signed an agreement to acquire Heliox, a Netherlands-based technology leader in fast charging solutions for e-bus and e-truck fleets and passenger vehicles. The acquisition will complement Siemens’ existing eMobility charging portfolio, adding products and solutions for DC fast charging focused on e-bus and e-truck fleets. Heliox’s portfolio will also extend Siemens’ market reach, primarily in Europe and North America, while improving capabilities in power electronics.

“This is an important milestone that adds value to our fast-growing eMobility charging business. In addition to expanding our offering, we see digitalization and software potential with regard to energy and depot management and services,” said Matthias Rebellius, member of the managing board of Siemens AG and chief executive officer of Smart Infrastructure, in the press release.

Siemens eMobility is part of Siemens Smart Infrastructure. It offers IoT-enabled hardware, software and services for AC and DC charging from 11kW to 300kW for a broad range of applications. Heliox employs approximately 330 people. Siemens acquires the company from private equity firm Waterland and an entity owned by a group of employees and individual shareholders.

Industry Events

August 23-24, 2023

Electrical Board of Missouri & Illinois Electrical Expo
St. Charles, MO
www.electricalboard.org

September 18-20, 2023

IDEA eBiz
Nashville, TN; IDEA
www.idea4industry.com

September 30-October 2, 2023

NECA Show
Philadelphia; National Electrical Contractor Association (NECA)
www.necashow.org

October 3-5, 2023

NAED LEAD Conference
Denver; www.naed.org

October 18-20, 2023

AD Electrical North American Meeting
Dallas; Affiliated Distributors
www.adhq.org

November 6-8, 2023

NAED Eastern Conference
Marco Island, FL; www.naed.org

November 8-9, 2023

NEMA Annual Meeting
Manalapan, FL; www.nema.org

January 15-17, 2024

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

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, National Association of Wholesaler-Distributors (NAW); www.nemra.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

July Housing Starts Show Positive Growth, Edge Up +5.9% to 1.45 Million Starts

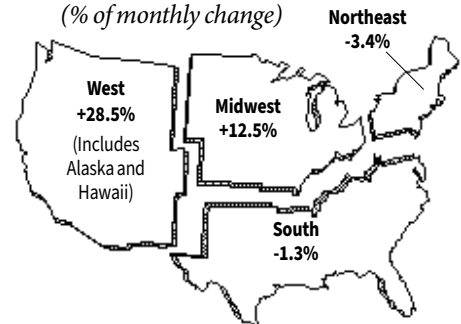
Privately-owned housing starts in July were at a seasonally adjusted annual rate of 1,452,000, +3.9% above the revised June estimate of 1,398,000 and +5.9% above the July 2022 rate of 1,371,000. According to the latest housing data from the U.S. Census Bureau, single-family housing starts in July were at a rate of 983,000, + 6.7% above the revised June figure of 921,000.

“Total permits declined -13% compared to a year ago, indicating that builders are slowing construction activity as housing costs rise,” said Danushka Nanayakkara-Skillington, NAHB’s assistant VP for forecasting and analysis, in the press release. “And multi-fam-

ily permits are at their lowest three-month moving average since Dec. 2020, another sign that the market is cooling.”

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
July 2023 ¹	1,452	983	460	57	126	543	257
June 2023 ²	1,398	921	460	59	112	550	200
May 2023 ²	1,583	1,012	563	61	139	617	195
April 2023	1,348	847	489	58	92	502	195
March 2023	1,380	843	515	67	113	535	128
February 2023	1,436	835	588	69	87	514	165
July 2022	1,371	898	458	73	105	512	208

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

Source: U.S. Bureau of the Census

Electrical Pricing Movement Mixed in July's EPI

In July, EM's Electrical Price Index was still running a bit hot on a year-over year basis, with a +3.6% YOY increase over July 2022 that's a point above the historical monthly YOY increase of +2.6%. The monthly change of +0.1% is just a tick off the EPI's historical monthly average of a +0.2%. Wiring Devices & Connectors and Power Wire & Cable had the largest YOY increases, as both were up more than +20% YOY.

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 — July 2023

2012=100	July 2023	Jun. 2023	July 2022	% Change 1 Mo.	% Change 1 Yr.
Building Wire & Cable	260.1	259.6	261.0	0.2	-0.4
Power Wire & Cable	438.2	425.0	363.4	3.1	20.6
Telephone	233.6	233.5	228.0	0.0	2.4
Hand & Power Tools	167.4	167.4	164.0	0.0	2.0
Elec. Heating Equip.	186.0	184.8	176.4	0.6	5.4
Residential Lighting	178.4	178.4	177.6	0.0	0.4
Industrial Fixtures	173.6	172.4	165.7	0.7	4.7
Fans & Blowers	209.2	209.2	200.8	0.0	4.2
Wiring Devices & Connectors	196.9	197.1	157.4	-0.1	25.1
Pole Line Hardware	291.0	290.8	281.4	0.1	3.4
Boxes	307.2	306.9	296.0	0.1	3.8
Conduit Fittings	254.5	254.5	250.6	0.0	1.6
Metal Conduit	279.9	279.9	237.3	0.0	17.9
Nonmetallic Conduit	259.3	259.3	254.5	0.0	1.9
Motors	208.8	208.8	202.3	0.0	3.2
Generators	198.9	196.8	185.7	1.1	7.1
Ballasts	217.1	217.1	224.8	0.0	-3.4
Elect. Meas. & Integ. Inst.	134.8	134.8	134.8	0.0	0.0
Transformers	172.8	172.8	157.3	0.0	9.8
Panelboards & Switches	227.2	228.0	213.5	-0.3	6.4
Circuit Breakers	236.2	240.1	219.5	-1.6	7.6
Switchgear	244.0	243.5	226.3	0.2	7.8
Fuses	221.5	220.8	204.4	0.3	8.4
Industrial Controls	215.7	215.7	200.5	0.0	7.6
Lamps	202.3	202.3	191.4	0.0	5.7
Appliances	140.1	140.6	137.0	-0.4	2.3
Air Conditioners	206.4	206.5	203.5	0.0	1.4
Fasteners	217.3	217.9	208.7	-0.3	4.1
Total Index	204.9	204.7	197.7	0.1	3.6

Electrical Marketing's Leading Economic Indicators

July building permits tumble -13% YOY. Privately-owned housing units authorized by building permits in July were at a seasonally adjusted annual rate of 1,442,000, +0.1% above the revised June rate of 1,441,000, but -13% below the July 2022 rate of 1,658,000. Single-family authorizations in July were at a rate of 930,000; +0.6% above the revised June figure of 924,000.

AIA architects report steady business climate in July. The American Institute of Architects (AIA)/Deltek Architecture Billings Index (ABI) results for July signaled mostly stable business conditions. The ABI score was 50 points, indicating that billings at architecture firms remained flat for the month.

“This is the third straight month that billings at architecture firms have stabilized,” said AIA Chief Economist Kermit Baker in the press release. “New project work has been even stronger over this period. This suggests that design work may finally begin to increase over the coming months, although somewhat modestly.”

Firms with a commercial/industrial specialization reported their strongest billings growth in more than a year, while firms with a multi-family residential specialization continued to report declining billings.

Conference Board's leading indicator for U.S. economy continues to decline. The Conference Board Leading Economic Index (LEI) for the U.S. declined by -0.4% in July 2023 to 105.8 points (2016=100), following a decline of -0.7% in June. The LEI is down -4% over the six-month period between January and July 2023 — a slight deterioration from its -3.7% contraction over the previous six months (July 2022 to January 2023).

“The U.S. LEI fell for the sixteenth consecutive month in July, signaling the outlook remains highly uncertain” said Justyna Zabinska-La Monica, senior man-

ager, Business Cycle Indicators, at The Conference Board, in the press release.

“The leading index continues to suggest that economic activity is likely to decelerate and

descend into mild contraction in the months ahead. The Conference Board now forecasts a short and shallow recession in the Q4 2023 to Q1 2024 timespan.”

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	JUN	1938.36	1929.61	0.5	1639.78	18.2	1847.81
Offices	JUN	83.50	82.75	0.9	77.48	7.8	78.47
Industrial	JUN	195.45	194.87	0.3	78.40	149.3	113.69
Housing Starts (Thousands of units, SAAR) ²							
Total	JUL	1452	1398	3.9	1661	-12.6	1551
Single-unit	JUL	983	921	6.7	1173	-16.2	1004
Mobile Home Shipments ³ (thousands of units, SAAR)							
	JUN	87	87	0.0	103	-15.5	113
Employment, Construction Workers (thousands) ⁴							
	JUL	8189	8139	0.6	7576	8.1	7748
Employment, Electrical Contractors (thousands) ⁴							
	JUN	1039.9	1032.6	0.7	965.4	7.7	1015.2
Hourly Wage, Electrical Contractors ⁴							
	JUN	36.36	36.27	0.2	32.03	13.5	33.70
PRODUCTION							
Industrial Production Index (1967=100) ⁵							
	JUL	102.9	101.9	1.0	99.5	3.4	102.6
Construction Supplies Production Index ⁵ (1977=100-SA)							
	JUL	101.0	101.2	-0.2	99.3	1.7	103.7
Employment in Electrical Equipment & Supplies Mfg.							
Production workers (Thousands) ⁴							
	JUN	143.5	142.5	0.7	139.1	3.2	141.4
Weekly hours							
	JUN	41.9	41.0	2.2	41.7	0.5	42.2
Hourly wage							
	JUN	26.21	25.94	1.0	22.68	15.6	25.28
Electric Power Output Index (1967=100) ⁵							
	JUL	105.4	98.8	6.7	104.1	1.2	104.9
Machine Tool Orders* (millions of dollars) ⁶							
	JUN	401.99	362.21	11.0	476.95	-15.7	452.82
Industrial Capacity Utilization (percent, SA) ¹							
	JUL	77.80	77.52	0.4	77.10	0.9	79.16
TRADE							
Electrical Mfrs' Shipments							
	JUN	4,480	4,559	-1.7	3,636	23.2	4,045
Electrical Mfrs' Inventories (millions of dollars, SA) ²							
	JUN	9,807	9,654	1.6	7,106	38.0	8,846
Electrical Mfrs' Inventory-to-Shipments Ratio							
	JUN	2.189	2.118	3.4	1.954	12.0	2.187
Electrical Mfrs' New Orders (millions of dollars, SA) ²							
	JUN	4,635	4,661	-0.6	3,988	16.2	4,220
Electrical Mfrs' Unfilled Orders (millions of dollars, SA) ²							
	JUN	22,739	22,482	1.1	16,989	33.8	22,446
Exports, Electrical Machinery (f.a.s. value in millions of dollars) ²							
	JUN	7,486	7,313	2.4	7,031	6.5	86,091
U.S. Dollar vs. Other Major Currencies (1973=100) ⁵							
	JUL	112.90	114.05	-1.0	105.11	7.4	115.14
PRICES & INTEREST RATES							
Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100)							
	JUL	253.5	253.8	-0.1	228.9	10.8	265.9
Electrical Price Index (Electrical Marketing, 1997=100)							
	JUL	204.9	204.7	0.1	172.9	18.5	197.7
Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100)							
	JUL	351.5	351.1	0.1	306.0	14.9	348.0
Copper Prices (Metals Week, cents per pound)							
	JUL	383.58	379.61	1.0	439.80	-12.8	400.70
Prime Rate ⁵							
	JUL	8.29	8.25	0.5	3.25	155.1	4.85
Federal Funds Rate ⁵							
	JUL	5.12	5.08	0.8	0.08	6300.0	1.68
Mortgage Rate ⁷							
	JUL	6.84	6.71	1.9	3.04	124.8	5.38

Sources: ¹Dodge Construction; 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

Arlington Industries (Scranton, PA): **Jim Cortese** was promoted to national sales manager and will be responsible for all sales activities in the domestic U.S. electrical wholesaling market, including new product introductions. He will serve as Arlington's liaison with national buying groups and accounts and will manage Arlington's regional sales management team.

Cortese has worked for Arlington since July, 1979 and was most recently the company's Customer Service manager. He replaces long-time national sales manager, **Don Ambrose**, who will now serve as Arlington's director of sales and marketing.

In other Arlington news, **Betty (Elizabeth) Stark**, wife of the late Tom Stark, president of Arlington, is now chairman of the board and **Ray Barnes**, Arlington's CFO, was named VP and treasurer.

Dodge Construction Data Comes in Strong for July

Continued from page 3

in Hawaii, and the \$813-million first phase of the Bellefield Solar farm and battery facility in California City, CA.

Nonresidential. Nonresidential building starts fell -6% in July to a seasonally adjusted annual rate of \$334 billion. Commercial starts rose +11% on the back of gains in warehouse and parking starts, offsetting a decline in office and hotel starts. Institutional starts were down -11%, with education, dormitories and religious the only categories to show an increase. Manufacturing starts dropped -39% in July.

The largest nonresidential building projects to break ground in July were the \$405 million Envision AESC BMW plant in Florence, SC; the \$370-million Wisteria at Warner Center office building in Los Angeles; and the first phase of a \$277-million project at Orlando International Airport.

Residential. Residential building starts rose +20% in July to a seasonally adjusted annual rate of \$414 billion. Single-family starts gained +2%, while multi-family starts shot +62% higher. The largest multi-family structures to break ground in July were the \$1-billion Clarkson Square condo and apartment building in New York; the \$365-million Queensbridge Collective residential tower in Charlotte, NC; and the \$358-million Oasis Hallandale tower in Hallandale Beach, FL.

Morris Products, Inc. (Queensbury, NY): **Kyle Vespa** was appointed Western regional sales manager. A graduate of Florida State University, Vespa will be responsible for sales growth in the Rocky Mountains and Pacific Coast areas.

Republic (Davenport, IA): The company's board of directors elected **Todd Wade** as a member of the board and to the position of CEO, effective October 2. Wade has been with Republic since 2012 and has served as the president of the Mechanical Division since Feb. 2022. He will be only the fourth CEO in Republic's 107-year history.

Mark Kilmer, Republic's current CEO, will turn 65 in December and serve as a member of the board of directors. He remains a substantial owner of Republic. Wade will become the first non-family member to lead Republic, which was founded in 1916 by J.S. Kimmel, and later led by Joe Kimmel Jr., prior to turning over the reins to his son-in-law Mark in 1998.

Wade joined Republic as chief information officer and later took the lead over marketing and dealer success programs. In 2018, he was promoted to senior VP of Mechanical then to president of the Mechanical Division in 2022. He attended the University of Iowa majoring in business administration.

In other news at Republic, **Robert Smith** and **Jim Probst** have been elected to the company's board. Smith was most recently president and CEO of IMARK Electrical and coordinated efforts of IMARK Group verticals in the electrical, HVAC/r and plumbing space. Prior to IMARK, Smith served in sales and marketing roles with Legrand.

Probst is president of Quality Home Maintenance (QHM), George Brazil Services and Patrick Riley Services in Phoenix. QHM is one of the largest residential services contractors in Arizona with annual revenues exceeding \$47 million in 2022.

Schneider Electric (Boston): **Antonio Di Vaira** was appointed senior VP of the company's Power Products division for the North American hub (NAM). In his new role, Di Vaira will champion the evolution of the new energy landscape, accelerate sustainable growth and lead strategic initiatives that reinforce Schneider Electric's commitment to energy innovation. He has more than 20 years of electrical industry experience including key management posts with ABB in R&D, product management, M&As and supply chain management.

Rep News

Morris Products has appointed new representation effective immediately. **Amos and Connors Sales Inc.** will represent Morris in Colorado and Wyoming. The company also welcomed two new members to its rep network through mergers and acquisitions. **JS Electric**, with Jeff Silver as principal, will take over the Florida peninsula, replacing **Guy Jones and Electrical Logistics**. This should be a seamless transition as most of the Electrical Logistics resources will remain with JS Electric.

In Northern California, **L&D Sustainability** has acquired **Onesource Lighting**. Jeff Sheldon and his team, formerly from Onesource Lighting, will continue to serve their customers and have become part of the larger L&D Sustainability organization.

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