



# NEW YORK TIMES ARTICLE HIGHLIGHTS INDUSTRY SUPPLY CHAIN ISSUES

Why garage doors are a challenge for homebuilders

By Vicki Jones, Editor

**O**n Feb. 3, 2022, New York Times reporter Emily Badger contacted DASMA about a story concerning supply chain issues. Her inquiry began after several homebuilders singled out garage doors as a key source of housing delays. Badger was curious about the role garage doors were playing in the broader bottlenecks taking place in the homebuilding industry.

One real estate analyst told her that garage doors have among the most complex supply chains of any homebuilding component. Badger wanted to know more about the complexity of garage doors. "I suspect most consumers think of it as quite a simple product," she added.

She also wanted to know which components and/or variables were causing the delays. "Is it a particular component? Labor? Material? Chips? Sensors? Rails?" As anyone in the industry knows, the answer is all of the above and sometimes more.

## Turning to DASMA

Badger was connected with DASMA Technical Director Dave Monsour, who used the interview to showcase the door industry's sophisticated and diverse product lines.

Monsour said, "I was able to explain the wide array of products that the door industry offers and the extensive features and upgrades that are available." In addition, he outlined the intricacies and various components required to manufacture garage doors.

He said that "Badger was shocked by the extent of the components we use and the variety of our product offerings."

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On Feb. 15, 2022, Badger's story, "4 bed, 3 bath, no garage door: The unlikely woes holding up homebuilding," was published. The story detailed several of the variables directly affecting our manufacturers and installing dealers.

### New construction starts

Building a home from start to finish takes time, and when you tack on the supply chain delays going on right now it takes even longer. The booming housing market and an increase in house starts in 2021 are contributing to the cascading supply chain issues.

"After nearly two years of consistent decline, residential construction starts turned positive in the second half of 2021," according to the firsttuesday Journal story on Feb. 16, 2022. "Single family residential starts are 34% above one year earlier in the six-month phase ending December 2021." During the same six months, multi-family construction starts are also up 71%.

### Garage doors are a problem

Building more new houses with a limited availability of supplies is a recipe for delays. While many industries and their related shortages can be linked to delays in homebuilding, it appears garage doors have been of particular concern.

Badger said, "The homebuilding industry is having the most difficult time in decades meeting demands, the sum of many pandemic complications." The Director of Research at John Burns Real Estate Consulting, Rick Palacios Jr., noted that garage doors have emerged as the latest aggravating factor.

"One issue is that a builder can't pass final inspection for a home that is otherwise perfectly complete — but that is missing its garage door. As a result, builders don't get paid and homebuyers can't move in," he said.

"A typical single-family home might have taken seven months to construct. Today, it can take up to a year," said Badger. In some cases, homebuilders are ordering the doors before the foundation is even poured in anticipation of the extended lead times.

President and CEO of the Brookfield Properties development group, Adrian Foley, said, "It used to take 20 weeks to build a house. And now it takes us 20 weeks to get a set of garage doors."

### Sophisticated products are the root

One of the primary reasons garage doors are causing homebuilders headaches is because of the sophisticated nature of the products.

"Take apart one of these doors and it has a couple of hundred individual subcomponents: panels, tracks, brackets, hinges, springs," said Badger.

Additionally, as manufacturers continue to expand their product lines — by incorporating more custom choices like window configurations, size, color, and woodgrain options, insulation type, inlays, decorative hardware, etc., — the potential for door delays grows with each upgrade.

According to an index created by John Burns Real Estate Consulting, garage doors have a more complex supply chain than windows, HVAC systems, and plumbing fixtures. "They present more possibilities for something to go awry than just about everything other than appliances and lighting fixtures."

### Subcomponent culprits: Steel and spray-foam

The inconsistent supply of both steel and spray-foam insulation are two components currently causing delays. The spray-foam shortage began when a severe winter storm hit Texas in February 2021. The storm caused widespread power outages across Texas and much of the American South,

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shutting down five of the major chemical plants that produce a key chemical needed to make the foam.

The widespread shortage combined with the sheer number of industries utilizing these products leads to even more issues. Badger said, "If you make garage doors, you are also competing for polyurethane or polyvinyl chloride with window frames, vinyl siding, caulking — and the aerospace, cruise ship and automotive industries."

The limited supply of steel is equally daunting and cannot be as easily traced. In the Matmatch.com article "How the steel shortage impacts the manufacturing industry," Emily Newton identifies several key reasons for the limited steel supply:

- Mines and steel production facilities were shut down or otherwise impacted by COVID-19.
- Steel imports were also impacted by shutdowns, tariffs, and trade wars.
- There are fewer manufacturing plants and fewer workers, which contributes to the continued delays in new production.
- Warehouse inventory levels were depleted slowly and are now at an all-time low.

Since so many garage door components are made from steel, the ongoing shortage will continue to plague our industry. And to make matters worse, there doesn't appear to be any end in sight. Newton said, "All indications point to a continued shortage for the remainder of the second quarter of 2021 and likely far beyond. Inventory is low, supplies are depleting, and the future looks grim."

"Even companies that manufacture the finished doors domestically typically source parts from China that have been snarled in global shipping," added Badger.

### New multi-purpose space needs a door

Material shortages, coupled with new home builds and an increased need for garages, makes the demand for door products even greater. Badger describes how, during the pandemic, the "real front door" has become the solution for all kinds of problems.

"It's the remote office, the home gym, the one-room schoolhouse, and the makeshift bedroom for doubled-up family. The pandemic has effectively completed the decades long evolution of the garage from a detached carriage house to a connected car annex to a space inseparable from the home itself," said Badger.

It's fair to say that homeowners are valuing and utilizing their garage space now maybe more than ever before. With remote and hybrid work opportunities increasing, a garage is valuable square footage.

While the supply chain woes are frustrating for homebuilders and door dealers, having the spotlight on our industry isn't all bad. Garage doors are getting exposure for homebuilding delays, but at the same time, the general population is becoming more educated about the complexities of garage door products. They are also being informed about the many upgrade options and custom choices that homeowners have today. ■