



MEP EQUIPMENT COST INDEX

THE MEP COST INDEX IS HOLDING AT 212 FOR Q1 2025

Year to date industry data for 2025 versus the same time in 2024 shows electrical equipment orders increased (+2.2%) and shipments also increased (+1.0%). For the same timeframe, mechanical equipment orders increased (+19.6%) and shipments increased (+22.5%).

NEW TECHNOLOGIES

The data center market continues to ramp up with demand and Cooling Distribution Units (CDUs) is the new way to cool high density, heat intensive AI applications. Many vendors not typically in the space have started offering a version of these units. Lead times will increase significantly in the next couple of quarters. Most of the major players are sitting around 25 weeks currently.

ESTIMATED EQUIPMENT LEAD TIMES

Equipment	Previous	Current	↗ ↘ ↔
Cooling Towers	14 - 28 wks	14 - 30 wks	↗
Chillers	20 - 85 wks	20 - 85 wks	↔
AHU	20 - 50 wks	16 - 50 wks	↘
Generators	50 - 140 wks	40 - 130 wks	↘
Switchgear	45 - 90 wks	45 - 90 wks	↔
UPS	30 - 48 wks	30 - 42 wks	↘
Lighting Fixtures	10 - 16 wks	10 - 16 wks	↔
Lighting Controls	12 - 26 wks	12 - 26 wks	↔

This index is created using the average content of mechanical and electrical equipment on a new construction project. This index does not necessarily conform to other published indices. Historic records and interpretations of the national index for local market conditions may be obtained by contacting Purvesh Shah, pshah@sourceblue.com.

YEAR	AVG. INDEX	% INCREASE
2025	212	3.9%
2024	209	2.4%
2023	204	10.4%
2022	185	15.1%
2021	161	10.3%
2020	145	2.8%
2019	142	3.0%
2018	138	3.8%
2017	133	3.0%
2016	129	1.5%
2015	127	1.0%
2014	126	2.0%
2013	124	2.5%
2012	121	3.5%
2011	117	2.5%
2010	114	-4.5%
2004	100	Base Year

TARIFF IMPACTS

There have been and will continue to be price increases throughout the industry in part to deal with the current dynamic trade negotiations in the global trade market. Preemptive decisions from suppliers in areas like Europe have started to affect transit times and container prices. We expect this uncertainty to continue for the next couple of quarters.

SOURCEBLUE'S RISK MITIGATION STRATEGIES IN A VOLATILE MARKET

ORDER & BID PROTECTION:

Protecting orders, bids, and projects with firm pricing contracts, strong contract management, proactive risk assessment, and early supplier engagement.

SUPPLY CHAIN ADAPTATION:

Anticipate market challenges like tariffs by engaging suppliers early to increase local sourcing and optimize global manufacturing. Our robust network of world-class OEMs and distributors provide us with direct and immediate insight into impacts.

TARIFF ENGINEERING:

Offering strategies and solutions to mitigate tariffs, such as product modifications, component breakdowns, and repackaging.



SourceBlue's strong relationships provide us insight and market information to forecast equipment costs. These forecasts are validated annually through our aggregated purchasing to determine this cost index. The ability to accurately forecast cost increases and connect them with supply and demand from vendor market is how we mitigate supply chain challenges. This report outlines Y/Y costs changes as well as supply and demand data directly from our vendor partners.