

MADISON'S LUMBER REPORTER

Publisher
KetaDesign Productions

Editor
Kéta Kosman

Market Analyst
Zara Heartwood

Annual Subscription Prices
E-mail/Fax: C\$364
Discounts available for multiple
subscriptions
Published 50 times a year

www.madisonsreport.com
madrep@shawcable.com
604 984-6838
PO Box 2486 Vancouver, BC
V6B 3W7 Canada

In Canada, add 5% GST
ISSN 0715-5468
Printed in Canada © 2008

All material contained within is the property
of KetaDesign Productions Inc. Reproduction
or retransmission is expressly forbidden.



News & Updates

Madison's Live Online Lumber Producer Listings

Madison's is in the process of updating our Canadian lumber, panel and pulp producer, and wholesaler listings. As always, a listing is free.

Contact our office at 604 984-6838 or madrep@shawcable.com to ensure your listing information is up to date.

Canadian Housing Starts

Canada's Mortgage and Housing Corp. Tuesday projected rising housing starts this year and next due to cheap borrowing costs and accelerating economic growth.

Housing starts will rise to 171,250 units in 2010 and 175,150 units in 2011, from 149,081 in 2009, CMHC said on its web site. The forecast is higher than a November prediction of 164,900 units for 2010.

"Canadian housing markets will benefit from improving economic conditions and low mortgage rates," Bob Dugan, chief economist for CMHC, said in the statement.

But it added that it expects prices to remain stable in 2010 around the Multiple Listing Service average reached in January this year of \$328,537, as the new housing stock brings balance back to the market. [READ MORE](#)

Pacific Northwest Wood Exports

In 2009, softwood lumber exports from Oregon and Washington state jumped by 17.5 per cent from 2008, totaling 344.2 million board feet, according to data released February 26 by the US Forest Service's Pacific Northwest Research Station.

While log exports fell about 10 per cent to 697.3 million board feet, the numbers still show a vast improvement from four years ago.

Analysts predict continuing improvement in the wood products market in 2010. The overseas trade could be a lifeline to a major Pacific Northwest industry battered by the US housing crisis and weak demand.

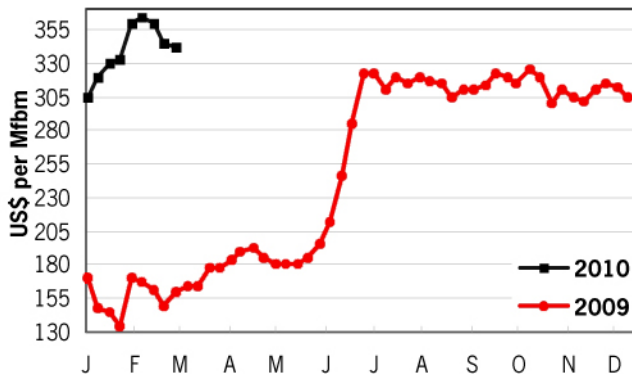
The biggest customer last year was Japan, which made up about half of log exports and about a third of lumber exports. China, South Korea and Canada were also big players in 2009. [READ MORE](#)

Seven and Nine Storey Wood Framed Buildings

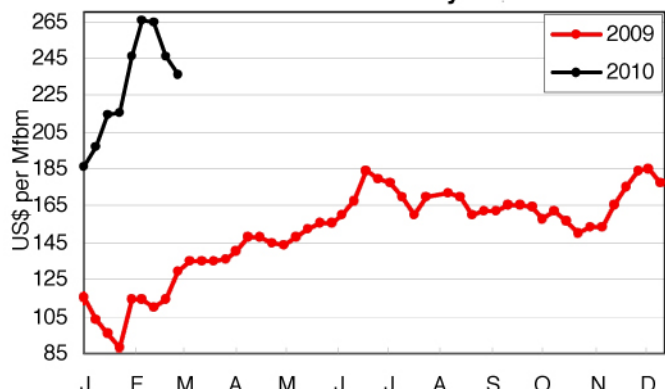
Joining Germany's senior's home, Japan and the UK have embarked on multi-storey wood framed buildings. Japan's "Earthquake House" was subjected to significant seismic testing in the summer of 2009 and passed with flying colours. Residents started moving into the world's tallest wood framed building in North London at the end of February.

Taking inspiration from these projects, Canada's Strategic Network in Innovative Wood Products and Building Systems is working to develop new technologies that allow the use of wood as a primary building material for mid- to high-rise structures. [READ MORE](#)

WSPF KD #2&Btr 2x10



WSPF KD 2x4 #3 Utility



Prices are in U.S. dollars per 1,000 fbm.

Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	270	272	-2	292	-22	153	+117
WSPF KD R/L 2x6	268	280	-12	294	-26	153	+115
WSPF KD R/L 2x8	255	262	-7	280	-25	147	+108
WSPF KD R/L 2x10	342	345	-3	360	-18	160	+182
WSPF KD PET 2x4 Stud	275	275	0	310	-35	175	+100
Douglas Fir Green R/L 2x4	240	240	0	265	-25	150	+90
Douglas Fir Green R/L 2x10	240	240	-0	285	-45	185	+55
ESPF KD 2x4 8ft Stud	345	355	-10	340	+5	235	+110
OSB Ontario 7/16" (CDN\$)	244	244	0	225	+19	215	+29

Celebrating our 60th year, a Diamond Anniversary . . .
Madison's Lumber RETROspective
 see additional pages in your weekly Madison's Reporter!

Weekly News

Canada Housing Market

CONTINUED CMHC said the strong pace of existing sales over the last three quarters of 2009 will not be sustained as pent-up demand is exhausted and financing costs rise later in 2010.

It said strong sales of existing homes combined with a limited supply of listings will continue to exert upward pressure in prices in the resale market. It estimates the gain could be 3.8 per cent in 2010 and 2.6 per cent in 2011.

CMHC chief economist Bob Dugan said recent federal government measures — such as requiring a larger down payment — would help moderate housing construction.

Dugan said in the beginning of 2009, a decline in the number of new listings for existing homes shifted the emphasis from a buyers' to a sellers' market and increased demand for new homes.

US Coastal Wood Exports

CONTINUED Log exports have nearly seen a complete recovery. In 2009, the value of those exports was US\$429.1 million in Oregon and Washington.

Some aspects of log exporting remained relatively stable during the recession.

The Columbia-Snake Customs District — which includes the ports of Portland, Vancouver, Longview, Astoria and Coos Bay — reported shipping 353.6 million board feet overseas, almost all to Japan. During 2000, the peak in the past decade, those ports shipped 399 million board feet.

While log exports fell slightly in 2009, researchers say they've likely hit bottom and are on the way up.

"I think it is encouraging that there is some upward trend," Robert Deal, a research forester with the Pacific Research Northwest Station told *Oregon Business*

News. "We're coming from a terrible place."

Lumber shipments totaled \$223.7 million in 2009, most of which left from the Seattle Customs District, which includes all ports in Washington with the exception of Longview.

Oregon lumber exports, a fraction of Washington's, have been steadily declining since 1999. That's likely due to federal logging bans which have limited supply, Deal said. In addition, much of Oregon's lumber goes to California, a large market until the housing crisis.

Across the wood products industry, 2010 should likely see an uptick in business.

Most mills shut down for long stretches during the recession, whittling their inventories. Even without much demand, they'll have to fire up to replenish their stocks.

Calendar

March 2010
Wood Tech Show 2010
 March 9 to 10 – Portland, OR
<http://www.woodwideweb.com/>

April 2010
Association of BC Forest Professionals: ExpoFor 2010
 April 8 to 9 – Kelowna, BC
<http://www.expofor.ca/>

Dubai International Wood & Wood Products Show
 April 13 to 15 – Dubai, UAE
<http://www.dubaiwoodshow.com/>

Madison's Tree of Products

Your information tool kit for business and investment
 Our range of products are tailored to provide you with vital info in a timely manner

IN DEPTH ANALYSIS OF NORTH
 AMERICAN TIMBER COMPANIES!

MADISON'S
 Timber Preview

MADISON'S
 Mill Lists

CANADA'S ONLY ONLINE DATABASE,
 WITH OVER 1,700 PRODUCER LISTINGS!

BREAKING NEWS ON
 CANADA'S LARGE VOLUME MILLS,
 OPERATING STATUS UPDATED MONTHLY!

MADISON'S
 MILL WATCH

Taller Wood Framed Buildings

UK and Japan

New technology in wood processing and glue-laminating are permitting taller wood-framed building construction around the world.

by Kéta Kosman

As detailed in the January 09, 2009

issue of your *Madison's Lumber Reporter*, new methods of gluing layers of dimension lumber or panel diagonally or perpendicularly increases structural strength by a significant degree. Recent examples of this development being put to use are: an experimental seven-storey, 17,000-square-foot wood-framed condo tower in Miki City, Japan and a nine storey building in London, England, the tallest wood-framed building in the world.

Taking inspiration from these projects, Canada's Strategic Network in Innovative Wood Products and Building Systems is working to develop new technologies that allow the use of wood as a primary building material for mid- to high-rise structures. Ying-Hei Chui, former director of University of New Brunswick's Wood Science and Technology Centre, heads up the Network. For the last 20 years, Chui has worked to improve performance of engineered wood products and structural wood systems.

Wood's share in the Canadian mid-rise and non-residential construction markets

could grow from about 10 per cent to as high as 57 per cent, a boost of about \$3 billion per year for the industry, Chui told the *New Brunswick Business Journal* on March 1, 2010. Technologies developed by the team would also provide cost-effective materials and methods to the construction industry, he went on to explain.

In London, the nine-storey structure was constructed using a cross-laminated timber product resulting in the world's tallest modern wood-frame residential building. The system of horizontal beams and vertical structural wall boards was manufactured from spruce grown in sustainable forests. The spruce strips were stacked crosswise three layers thick and glued together. Architects designed the building to create a right-angled matrix in which the structural walls differ in placement on each of the nine floors. Larger apartments are located on the lower floors and smaller ones on the upper floors, allowing for the structural walls to be carefully placed to minimize the load on each individual wooden beam.

Announced in the August 09, 2009 issue of your *Madison's Reporter*, the experimental building in Japan was subjected to extensive earthquake testing on July 15. While there was plenty of rattling and rolling captured on interior and exterior video cameras, the tower survived without a structural collapse, reported lead researcher John van de Lindt in *Popular Mechanics*.

The experimental construction methods involved changes to the pattern of

nails in the building to better distribute stiffness among different floors. Tall wood buildings in an earthquake are vulnerable to 'soft storey', a phenomenon in which one storey does not remain as stiff as the floors above it. "It just collapses, almost pancakes," van de Lindt said. Engineers previously took into consideration only a building's initial stiffness, but this new model is based on measurements of how stiffness changes in a building during an earthquake. After looking at the pressure points around the building, engineers changed the nail patterns to make points of strength that coincided with the structural pressures experienced during a quake.

The researchers also used 63 anchor tiedown systems to add stability. These steel-rod systems ran from the building's steel-frame foundation to the roof-working to prevent the building from rocking. Steel straps and plates attached adjacent levels to resist shearing, the tendency for different levels to slide sideways relative to each other and come apart.

The US building industry rarely permits wood-frame buildings in excess of five storeys in earthquake-prone areas. Data gathered from this testing could increase the height of current wood-framed multifamily buildings as well as influence the design of future wood-frame construction.

So far, building code regulations have prevented companies from using wood as a main material in mid- to high-rise buildings, mostly due to its flammability, the Strategic Network's Chui said. But those rules are "based on old techniques," the researcher explained. "Some of these limits may not be applicable given today's technologies."

"Every material has strengths and weaknesses," Chui said. "By combining them, you cover the weaknesses of one with the strengths of another."

Combining wood with concrete, for example, increases fire protection.

Experts in other locations are examining ways to boost wood's resistance to fire and its acoustic performance. Since the goal is to use wood in apartment buildings, it is crucial the material block out sound, Chui said. The Strategic Network's ties to industry mean new technologies could become available to architects and designers soon after they have been developed and tested. Researchers are working closely with FPInnovations, the national research arm of the forest products industry.

Chui said he hopes to complete many of these tools within the Network's five-year mandate, but it's possible the projects will take longer to conclude.



Japan's "Earthquake House"

SOURCE: Popular Mechanics