

MADISON'S LUMBER REPORTER

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News & Updates

US Economic Outlook

Small to medium-sized businesses, acknowledged as the mainstay of the US economy, have cut out their extra employees and are barely able to support family members in the works. But mom-pop business is not where stimulus help is targeted. As noted in the Washington Post on Thursday, September 2: "With the recovery faltering . . . President Obama's economic team is considering another big dose of stimulus in the form of tax breaks for businesses – potentially worth hundreds of billions of dollars, according to two people familiar with the talks. Among the options are a temporary payroll tax holiday and a permanent extension of the research and development tax credit. [READ MORE](#)

New Brunswick Forestry Changes

The provincial NDP is promising to hike stumpage fees to log on NB Crown land and to offer woodlot owners a multi-year silviculture funding package.

Meanwhile, NB Premier Shawn Graham is promising to create 20,000 jobs in the province if his Liberals form government again after the September 27 election. Graham says his party's strategy includes an emphasis on development of modular fabrication and component construction industries. [READ MORE](#)

Wildfire Update

The worst seems to be over in British Columbia, but other parts of the world continue to struggle with wildfire danger. A new wave of wildfires has erupted in southern Russia, leaving eight dead, 18 injured and more than 1,000 homeless. The Russian Emergency Situations Ministry released the grim statistics, saying that 532 buildings and 20 villages had been consumed by the flames in the latest conflagration. 2,500 firefighters battled the blaze, which is in Volgograd and Saratov provinces.

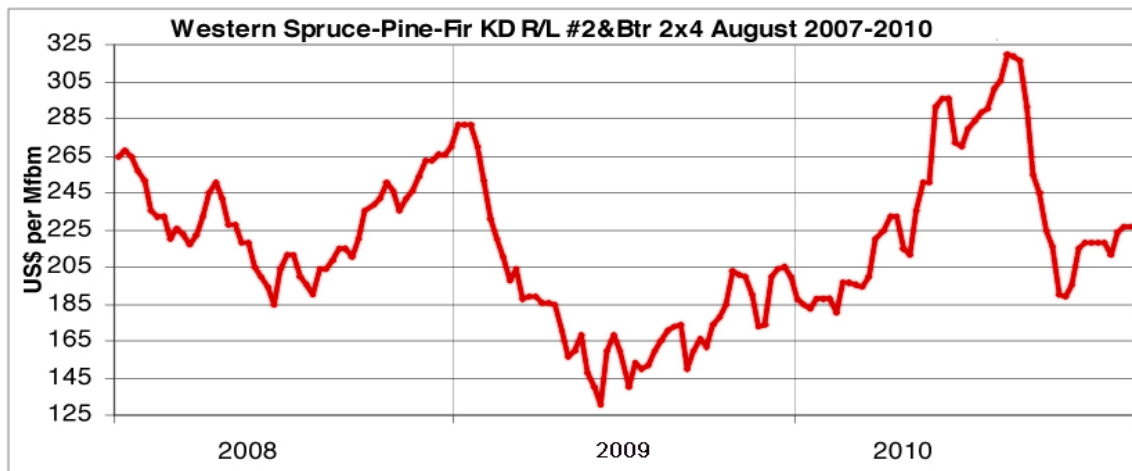
Wildfires continue to spread rapidly fed by heavy winds, low rainfall and dry air. On Thursday, Russia's Emergencies Ministry deployed aircraft to extinguish the fire, noting that oil storage facilities are located in the area. [READ MORE](#)

New Log Home Building Codes

The BC Log & Timber Building Industry Association has a big convention planned on September 23 and 24, 2010 at the South Thompson Inn in Kamloops BC. Chaired by Gord Borgstrom Senior Director, Community Economic Development, Mountain Pine Beetle Response Division of the Ministry of Community & Rural Development, conference attendees include Forestry Innovation Investment, and the National Research Council, and possibly UBC Wood Sciences, as well as log home suppliers throughout British Columbia. At issue are new building codes for log homes expected out of the US early next year. The EU is expected to model their own new log home regulations on whatever the US announces.

"While log home building is a niche market, there are more than 130 companies making log homes in British Columbia, all in rural communities," Dalibor Houdek of FP Innovations told Madison's in a phone interview.

"In 2006 there was \$75 million worth of log home exports out of BC," explained Walter Bramsleven, of Sitka Log Homes Inc. and the BC LTBI, to Madison's. [READ MORE](#)



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	227	227	0	218	+9	184	+43
WSPF KD R/L 2x6	238	239	-1	224	+14	184	+54
WSPF KD R/L 2x8	276	277	-1	270	+6	220	+56
WSPF KD R/L 2x10	315	316	-1	313	+2	310	+5
WSPF KD PET 2x4 Stud	205	215	-10	215	-10	195	+10
Douglas Fir Green R/L 2x4	200	210	-10	170	+30	145	+55
Douglas Fir Green R/L 2x10	268	278	-10	290	-22	250	+18
ESPF KD 2x4 8ft Stud	270	280	-10	290	-20	280	-10
OSB Ontario 7/16" (CDN\$)	222	222	0	225	-3	200	+22

Weekly News

US Economy

CONTINUED The private sector unexpectedly cut 10,000 jobs in August compared to a gain of 37,000 in July, ADP Employer Services said.

The US manufacturing sector grew faster than expected in August but private employers unexpectedly cut jobs, showing the economic recovery still faces headwinds.

Last month, US 2Q gross domestic product data showed the economic recovery slowing as the boost from an US\$814-billion government stimulus package and business inventories rebuilding faded.

The number of buyers who signed contracts to purchase previously occupied homes increased in July but remained well below last year's levels, a sign that demand for housing remains weak.

The National Association of Realtors said Thursday its seasonally adjusted index rose 5.2 per cent from a month earlier to a reading of 79.4.

The index was still down 19 per cent from the same month last year. June's reading was the lowest on records dating to 2001.

In other data on Wednesday, US mortgage applications for home purchasing and refinancing increased last week as interest rates hit a new low, a glimmer of hope for a housing market that has weakened again after the expiry of a government tax credit for home buyers.

A third report on Wednesday showed construction spending dropped 1 per cent to an annual rate of US\$805 billion, the lowest since July 2000.

NB Election Promises

CONTINUED New Brunswick's NDP is also committing to increase the stumpage fees that companies pay to cut trees on Crown land by one per cent if it is elected

in the upcoming provincial election. The increase would be added at the time the land-use strategy review was launched.

Genevieve MacRae, the party's candidate for York North and the forestry critic, said the NDP's policy would also look into biomass and biogasification opportunities in the province.

"We need to [. . .] develop our forest sector for the long term, taking advantage of our established industries but ensuring the viability of our private woodlots," MacRae said in a statement.

2,700 jobs created will be in northern New Brunswick and 1,000 of the promised jobs will be in Miramichi if Shawn Graham's Grits are elected.

Wildfires Globally

CONTINUED The biggest wildfire in Idaho, and at one point the largest active wildfire in the US, was fully contained Wednesday. The Long Butte Fire

burned more than 300,000 acres just west of Hagerman. Fire crews took advantage of the cooler weather to get a grip on the flames. Meanwhile, the Harris Complex Fire, burning near Horseshoe Bend, ID, is about 45 per cent contained. It's burned nearly 2,100 acres. Crews also predict they'll have that entirely contained by the weekend.

The Wildland Urban Interface and Fire Prevention program of Texas has issued a warning for the upcoming dove hunting season because a wildfire can be easily ignited by a spark from an unattended campfire, lit cigarette or the muzzle of a gun.

British Columbia's campfire ban was lifted on September 1 for most of the province due to a decreased risk of wildfires, including the Coastal Fire Centre, the Sea to Sky region, Prince George Fire Centre, Cariboo Fire Centre, and in Vancouver Island provincial parks.



**THE FORESTLAND INVESTMENT
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Log Building

New Regulations

CONTINUED A new set of standards for the design and construction of log homes developed by the International Code Council Consensus Committee on Log Structures

by Keta Kosman

became available for builders, architects, building officials, and inspectors in May 2007. The International Code Council Standard on Design, Construction and Performance of Log Structures, approved by the American National Standards Institute was the first of its kind, and was intended to facilitate and promote the design, construction and installation of safe and reliable structures built with log timbers.

Considered by industry as the first step, these new building standards are now in effect. The next set of standards are expected to focus on energy efficiency.

In a letter to its members, the Log Homes Council within the US National Association of Home Builders called attention to changes to International Energy Conservation Code that could have far reaching consequences to the industry. The 2009 International Energy Conservation Code published in March 2009 includes significant changes to the minimum insulation requirements and efficiencies of HVAC systems. It will mean that all logs sold above the Mason Dixon line will have to be a minimum of 8" thick, according to the US Log Homes Council.

"The US and other countries are putting into place new regulations for energy efficient buildings in general," continued Houdek. "This will naturally affect log home builders. [. . .] While wood-framed homes can easily switch from 2x6 to 2x8's to increase insulating value, logs are only so big so we have come up with other ways to construct more energy efficient log

homes. These include using new materials to make the logs tighter so less air can pass through, sealants, gaskets, caulking, chinking, vapour barriers and rain screens."

Houdek and FP Innovations have just published a book, "*The Illustrated Guide to Log Home Construction - From Log Shell to Finished Home*" to help log home suppliers provide a product that is in compliance.

"If a builder can't prove they will meet the new building requirements, they won't get a permit," said Houdek.

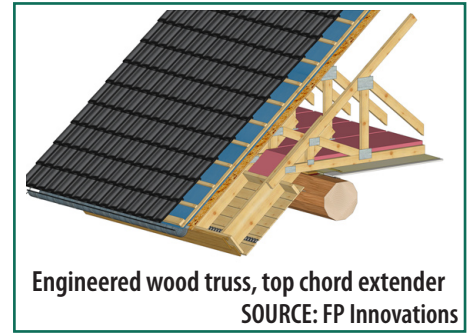
This is not Houdek's first foray into addressing more energy efficient log homes. He published "*Thermal Properties of Log Homes*" in the August 2002 issue of the International Log Builders' Association's *Log Building News*.

"The energy efficiency of a home is determined by so-called R-values (resistance to thermal flow) of building segments such as walls, floors, roof, windows, etc, and by the air tightness of the building envelope," explained Houdek in the piece. "It is apparent that the logs used for log homes are only as large as is practical for a log builder. In my experience the majority of companies use logs averaging between 12-16 inches in diameter at midrange. That, combined with the average width of the lateral groove ranging between 2-4 inches, almost predetermines the maximum R-value one can expect from such a log wall."

It is this R-value that will be targeted by the new regulations.

Houdek continues, "Each of the following items were shown to account for larger portions of the total heat loss:

- the ridge area of vaulted ceilings
- the joint between the plate log and the roof
- the protrusions of logs through the exterior walls (both frame and log)
- the connections between the floor and a sill log



Engineered wood truss, top chord extender

SOURCE: FP Innovations

- the connection of the log wall with the frame wall
- the window/door-to-wall log interfaces
- the log-corner interface."

Houdek's new book details methods to decrease this heat loss.

"Due to the complexity of log construction and the inherent shrinking and settling of logs as they dry, the likelihood that something will go wrong is higher with log buildings than with conventional homes. [. . .] It is important that all log-to-log joint design and applied sealants are capable of maintaining the seal between individual logs throughout the life of the building," according to the book's introduction. "This publication focuses exclusively on finishing the log building. It covers provisions right from the foundations to ensure that the sill log will be tightly sealed, all the way to the installation of kitchen cabinets in a manner that will allow the logs to settle without damaging the cabinetry."

Anxious to provide information and solutions BC's Log Home and Timber Frame building sector in time for the new building codes, the BC LTBI conference agenda will focus on identifying and addressing regulatory and policy barriers that hinder expansion of the BC industry, and developing a strategic international market development and expansion action plan.

Specific issues identified to date that the project will attempt to address include:

- the need for an internationally recognized insulation rating for Log Homes (hand-crafted and machine profiled);
- identification and revision of BC building code regulations that add unnecessary additional costs to Log and Timber Frame House construction in BC;
- examination of the possible "carbon footprint" advantages of Log & Timber Frame homes compared to traditional dimension lumber & vinyl clad construction; and
- identification of additional opportunities to increase international market penetration for BC's Log Home and Timber Frame building sector.

Madison's will report on the outcome of this important conference, and keep readers up to date on new log home building regulations as they are rolled out in the US and in Europe.

Through-bolt with settling space within the depth of the floor system

SOURCE: FP Innovations

