

MADISON'S LUMBER REPORTER

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News & Updates

BC Timber Supply Committee Update

The British Columbia Mid-Term Timber Supply Committee met this week in Vancouver, BC. Government staff are currently providing background information for member MLA's.

The reports and data released so far are available on the *Madison's* website. Each document includes links to further reports:

- <http://www.madisonsreport.com/TSA/100 Mile House TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Bulkley TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Kamloops TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Lakes TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Mackenzie TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Merritt TSA June 5.doc>
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- <http://www.madisonsreport.com/TSA/Quesnel TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Robson Valley TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Williams Lake TSA June 5.doc>
- <http://www.madisonsreport.com/TSA/Potential Wildfire Impacts on Midterm Timber Supply.doc>
- <http://www.madisonsreport.com/TSA/Mitigation options June 6.ppt>

Canada Housing Starts

The Canada Mortgage and Housing Corp said Friday the pace of home construction cooled in May after a strong showing in April. The May figure of 19,264 estimated actual starts was in line with the pace of the previous six months. On a seasonally adjusted annual basis, May starts hit 211,400 compared with 243,800 units in April. The April figure was revised down from 244,900 units reported previously.

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Flooding

A few weeks of intense wildfires across North America are rapidly followed this week by flooding in several Canadian regions. Prince George, BC, and Thunder Bay, ON, by Friday morning had each declared states of emergency.

[READ MORE](#)

Insurance Bureau of Canada's Weather Research

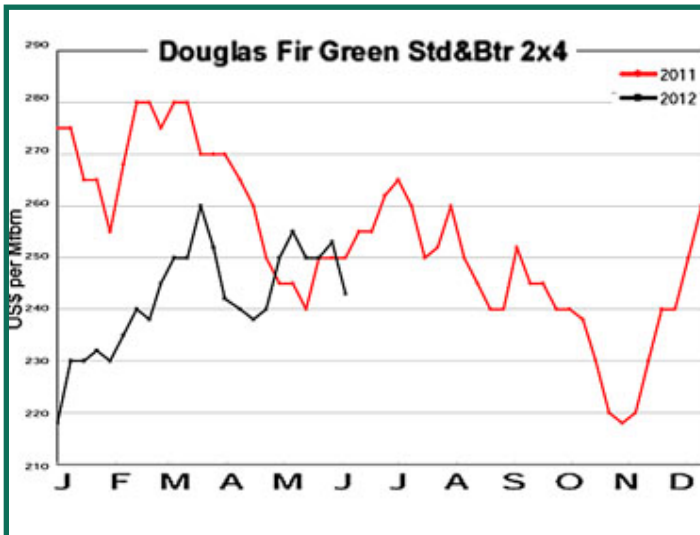
According to projections made by Professor Gordon McBean, a world renowned climate scientist from the University of Western Ontario, warmer temperatures in the summer months will, in some regions, result in an increase in wildfires, drought, water scarcity, lightning flash density, and the risk of hail storms. Also parts of the country will see more intense winter storms, more freezing rain, and precipitation, as well as a significant decline in sea ice cover, and increased coastal erosion.

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Wooden Skyscrapers

Developments in engineered wood, particularly cross-laminated timber, laminated veneer lumber, and laminated strand lumber have prompted a surge in 10-storey and higher wooden buildings in Europe and Australia. US building codes are now following suit.

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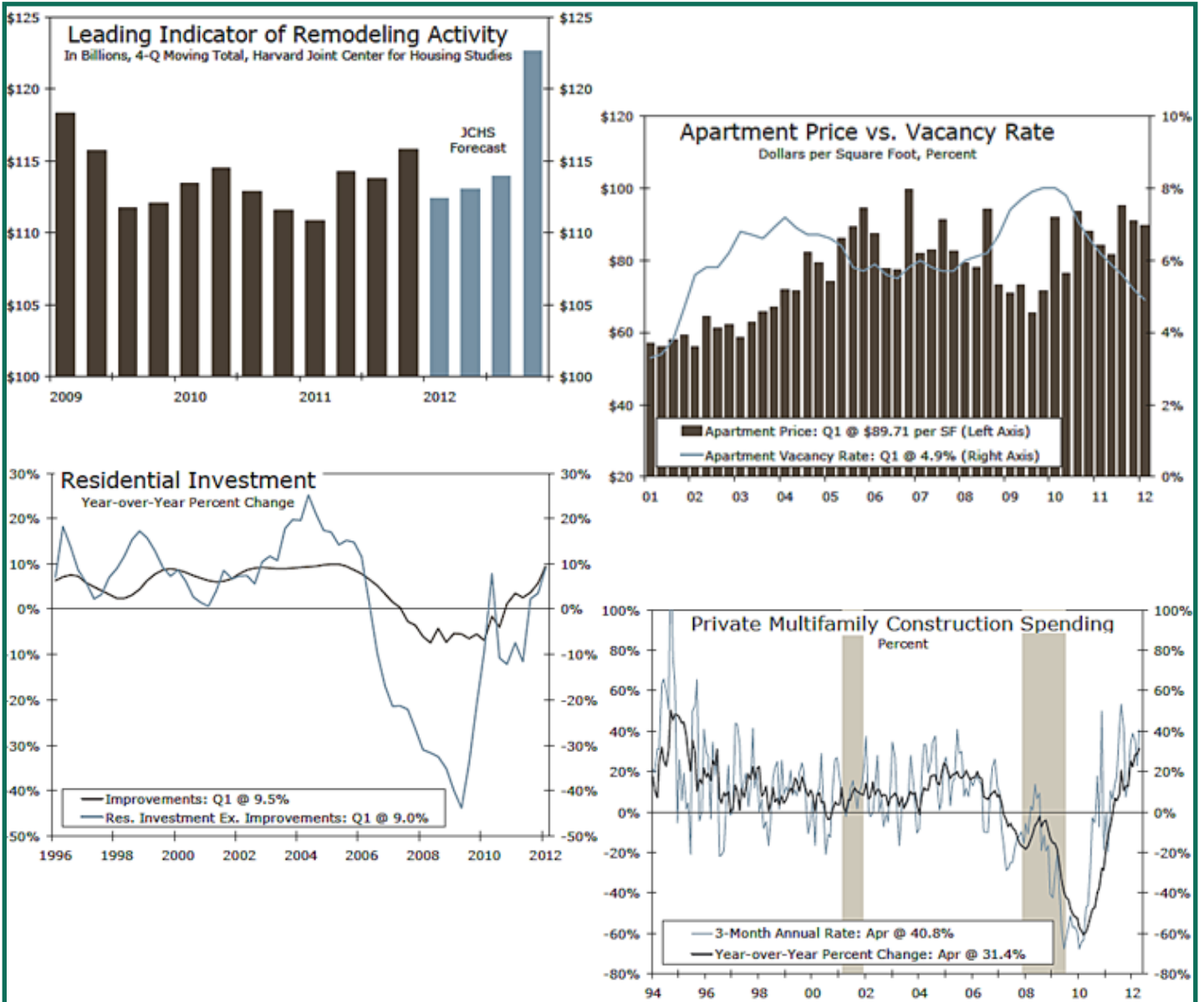
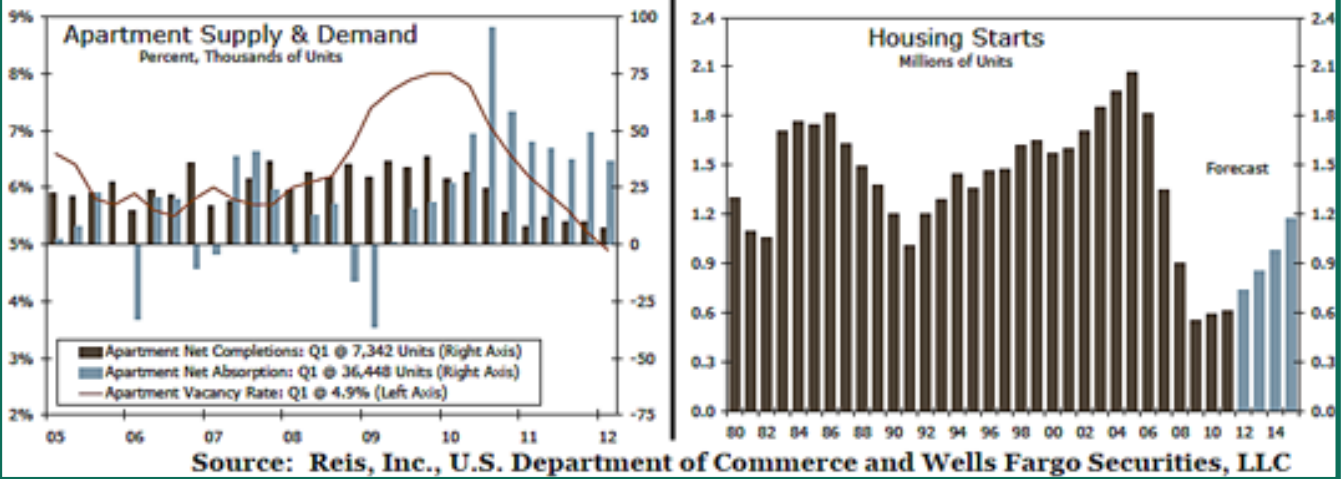


CANADIAN HOUSING STARTS				
Actual and Seasonally Adjusted Annual Rates				
	May 2012		April 2012	
	Actual	SAAR	Actual	SAAR
Canada, all areas	19,264	211,400	21,094	244,900
urban ctrs with >10,000	17,059	189,600	19,188	226,200
singles, urban centres	6,145	64,300	5,945	67,700
multiples, urban centres	10,913	125,300	13,243	158,500
rural areas	2,206	21,800	1,906	18,700
Atlantic urban centres	866	8,300	529	7,900
Quebec urban centres	3,601	35,500	5,125	55,100
Ontario urban centres	6,804	77,300	7,903	95,400
Prairie urban centres	3,700	41,900	3,864	45,700
BC urban centres	2,287	26,600	1,867	22,100

Source: Canada Mortgage and Housing Corporation

Wells Fargo Economics Group - Housing Chartbook: May 2012

The Wells Fargo Economics Group is expressing "cautious optimism" in their May 2012 *Housing Chartbook*, released Friday. Access the full report: https://www.wellsfargo.com/downloads/pdf/com/research/real-estate-and-housing/HousingChartbook_06072012.pdf



Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	308	310	-2	304	+4	230	+78
WSPF KD R/L 2x6	294	298	-4	294	0	230	+64
WSPF KD R/L 2x8	324	310	+14	292	+32	249	+75
WSPF KD R/L 2x10	378	371	+7	354	+24	265	+113
WSPF KD PET 2x4 Stud	365	365	0	345	+20	255	+110
WSPF KD PET 2x6 Stud	365	365	0	345	+20	275	+90
Douglas Fir Green R/L 2x4	243	253	-10	255	-12	250	-7
Douglas Fir Green R/L 2x10	295	295	0	315	-20	265	+30
ESPF KD 2x4 8ft Stud	415	415	0	410	+5	320	+95
OSB Ontario 7/16" (CDN\$)	260	255	+5	220	+40	195	+65
CSplywood Toronto 3/8" (CDN\$)	401	382	+19	353	+48	295	+105

Weekly News

Housing Starts, Canada

CONTINUED The slowdown was led by a decline in multiple family urban starts, which fell 20.7 per cent to 125,300 units, while urban single starts decreased 4.2 per cent to 64,300 units.

The seasonally adjusted annual rate of urban starts decreased by 15.8 per cent to 189,600 units in May.

May's seasonally adjusted annual rate of urban starts decreased by 35.8 per cent in Québec, by 18.3 per cent in Ontario, and by 7.7 per cent in the Prairies. Urban starts increased by 6.4 per cent in Atlantic Canada and by 20.9 per cent in British Columbia. In each region, the decrease or increase was mainly due to changes in multiple starts.

The total value of building permits fell 5.2 per cent to \$6.5 billion in April, following two consecutive monthly increases, said Statistics Canada Tuesday. The decline was largely the result of lower construction intentions for institutional buildings and multi-family dwellings in Ontario.

Flood Watch

CONTINUED Several days of heavy rain have washed out roads and is now threatening to flood several communities across the Interior of British Columbia.

On Thursday evening, the City of Prince George declared a local emergency encompassing one neighbourhood, and issued evacuation orders to 17 residences.

The BC River Forecast Centre issued a flood warning for the Fraser River in Prince George and upstream after up to 75 millimetres of rain soaked the region over the past two days.

Thunder Bay, ON, city councillors passed a resolution Monday night to establish a disaster relief committee as they

take steps to apply for provincial government funding to help flood victims.

The flooding in Thunder Bay has prompted the Red Cross to call the situation one of its largest disaster responses in Ontario in recent years.

Alberta officials Wednesday issued high stream flow advisories in southwestern Alberta, including the Bow River and its tributaries upstream of Calgary, with Banff and Lake Louise already experiencing some flooding

The Bow Valley parkway closed Wednesday between Castle Junction and Johnston Canyon in Banff National Park due to flooding.

Flooding is also reported throughout the mountain parks. A mudslide has closed the Trans-Canada Highway in B.C. between Revelstoke and Golden.

All rivers and tributaries between Grande Prairie and the Waterton Lakes at the U.S. border just south of Cardston are expected to be high flowing, said Carrie Sancartier, a spokesperson with Alberta Environment.

Meanwhile, data analysis firm CoreLogic said in a new report released Thursday that the US metropolitan area at greatest risk of hurricane damage, both in the number of properties affected and the potential value of damage, was New York City. For the firm's purposes, the area also includes Long Island and northern New Jersey.

The risk is particularly from flooding, says CoreLogic.

Canadian Weather Research

CONTINUED In 2011, catastrophic events cost Canadian insurers roughly \$1.7 billion and almost \$1 billion in each of the two previous years. The majority of these insured losses were caused by extreme weather events, but smaller weather events also played a role in significant property damage for consumers.

The Insurance Bureau of Canada commissioned this research to better understand severe weather as a factor in the increasing damages to personal and commercial properties that we are seeing in many parts of Canada. IBC wanted to know more about how current weather patterns are likely to evolve in the decades ahead, and to begin the process of helping Canadians prepare to adapt to these changes.

Merritt, BC, Sawmill Fire

Flames ignited a portion of the main sawmill at Tolko Industries in Merritt, BC, Wednesday. No one was injured.

"No explosions were reported or believed to have been the cause of the fire and further investigation will not be attempted until the fire has cooled and investigators can safely enter the scene," said Merritt RCMP Const. Tracy Dunsmore, shortly after the fire started, according to the *Merritt Herald*.

Tolko spokeswoman Sheri Greeno said the fire did not occur in the sawmill operational area.

"That unit houses a suction unit that collects fumes and metal shavings from saw filing and grinding equipment," she said. "The fire did enter the wall attached to the sawmill."

Operations have stopped until an investigation is completed by WorkSafeBC.

WorkSafeBC spokesperson Megan Johnston said the agency has inspected the Merritt Tolko mill four times since the Safety Order in April.

The latest inspection was on May 25.

"The initial report indicated the fire began in a bag house structure that is located outside of the mill, but it is connected to the mill. It doesn't appear to be dust that started this," Johnston said to the *Herald*.

Engineered Wood

CLT, LVL, LSL

As announced two weeks ago in your *Madison's Lumber Reporter*, the new record for tallest wooden structure in the world goes to Melbourne, Australia, for a 10-storey cross-laminated timber (CLT) building. The high-rise apartment building, slated for Victoria Harbour, will also be shooting for 5 Green Star As Built certification, Australia's equivalent of LEED Platinum for New Construction.

If Vancouver, BC, architect Michael Green gets his way, that new height will soon be smashed. At 30-storeys, Green's wooden skyscraper design puts new meaning to the term 'eco-building'.

Dubbed Tall Wood building, the primary structure is made from Laminated Strand Lumber (LSL) beams instead of steel. The beams are made from strips of smaller wood fibres that are glued and set under pressure – the process is similar to how common Oriented Strand Board (OSB) sheets are made. The wooden tower may seem like a fire hazard, but in reality it is actually safer than steel. When exposed to fire, large timbers develop a charred exterior that insulates the structural wood underneath. In fact, the weakest point in a building fire is the steel connection from the beams to the supporting posts.

Green documented his research and design specifications, in February publishing the results in an open source paper – a kind of instruction manual for building really tall wood buildings.

In Europe, CLT has been steadily gaining popularity over the past decade, due in part to a strong push by governments to lower the carbon footprint of buildings.

Elsewhere, UK market research group MTW Research published a new market report April 25 providing a comprehensive review titled "UK Timber Frame Housebuilding & Construction Market in 2012", with forecasts to 2016. MTW Research forecasts that by 2016 timber frame sales in the UK will grow by 60 per cent in volume and 80 per cent in value, outstripping the expected pace of growth in other areas of the construction market.

The report states that sales of timber frame, SIPS, and volumetric timber buildings increased by some £30 million in 2011 with much of the demand coming from share growth in housebuilding

and minimal additional demand from organic growth or non-residential sectors. However, demand patterns are likely to shift from mid-2012 onwards as commercial construction regains ground, says MTW Research.

The UK's low-carbon regulations such as the Code for Sustainable Homes are cited by the report as key drivers where the timber frame industry is responding well and meeting changing market demand patterns and influences, with timber recognised as the least carbon intensive building material.

When rebuilding in New Zealand commences later this year, following the series of earthquakes which hit Christchurch recently, that country's pre-fabricated timber sector needs to prepare for a boom in demand or risk losing out to rivals, says the head of a domestic engineered timber company.

Robert Finch, CEO of Expan, a maker of prefabricated construction systems, has researched and created pre-fabricated timber systems specifically for non-residential industrial and commercial buildings, according to *NZ Herald News*.

Expan takes laminated veneer lumber (LVL), an engineered wood product using multiple layers of thin wood, and turns it into structural beams, frames, columns and joists.

"I think similarly, with the rebuild that has to happen with 5,000 to 10,000 houses, there's also an opportunity for ordinary light timber framing," said Finch.

Brent Coffey, chief executive of the New Zealand Timber Industry Federation, told the *NZ Herald News*, "the benefits of using timber in the rebuild, are that it moves better than other materials during [earth] shakes, is more environmentally friendly [than concrete and steel], and is easier to replace if damage occurs."

The latest issue of *Engineered Wood*, published by LP Building Products, explains, "there is an engineered wood product that reduces the drawbacks of conventional framing lumber. It is Laminated Strand Lumber, also known as LSL.

"Today's top LSL products are created from a mixture of Aspen and Maple hardwoods, which are chosen for their superior strength. The raw logs are debarked, cut into strands and blended with precise amounts of waterproof, formaldehyde-free adhesives. The blending wood strands are formed into dense

mats. A massive steam press then uses steam and pressure to convert the mats into panels. Panels are cut and tested before receiving a protective edge-seal.

"Because moisture levels are carefully controlled throughout the manufacturing process, LSL has a 7–10 per cent moisture content. That's similar to the naturally occurring moisture equilibrium inside a home, which helps eliminate twisting, shrinking, warping and bowing."

"Laminated Veneer Lumber (LVL) is another material engineered for performance and durability. LVL is manufactured from ultrasonically graded veneers bonded with exterior-grade adhesives. With strengths as high as 1.9E and 2.0E, LVL is even stronger than LSL. But as you might expect, LVL also commands a higher price than LSL. Since LSL is more than strong enough for most uses, the superior strength of LVL is often unnecessary and amounts to over-engineering," says *Engineered Wood*.

Some structural engineers, especially in the US, have expressed skepticism in the face of what they may consider to be a promotional push by design media. What of the building standards, then?

Explains the June 2012 issue of *STRUCTUREmag*, jointly published by the US National Council of Structural Engineers Associations, ASCE's Structural Engineering Institute, and the Council of American Structural Engineers, "Since CLT assembly configurations are customized by project, so too are the mechanical properties of the completed panels and assemblies. In Europe, mechanical properties are provided by each manufacturer and there is no European standard to date. Instead, European manufacturers are operating on a proprietary basis using European Technical Approval reports.

"In North America, an American National Standard, PRG320: Standard for Performance Rated Cross-Laminated Timber, which covers manufacturing, qualification, and quality assurance requirements has been approved and is available from the APA - The Engineered Wood Product Association. The American Wood Council and FPInnovations have also established a committee to begin developing a design standard for CLT."

Please refer to the March 11, 2011 issue of your *Madison's Lumber Reporter* for an explanation of the FPInnovations research and standards.