

MADISON'S LUMBER REPORTER

Publisher
KetaDesign Productions

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Annual Subscription Prices
E-mail/Fax: C\$389
Discounts available for multiple
subscriptions
Published 50 times a year

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PO Box 2486 Vancouver, BC
V6B 3W7 Canada

In Canada, add GST or HST
ISSN 0715-5468

Printed in Canada © 2014

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News & Updates

Lumber Production Up : Jan - Nov 2013

US sawmills produced 27.66 billion board feet (bbf) of softwood lumber in the first 11 months of 2013 – up 5.7 per cent from 26.161 bbf a year earlier, according to the Western Wood Products Association's Lumber Track February 10.

Western US sawmills accounted for 12.534 bbf of the monthly total, a gain of 7.5 per cent from 11.659 bbf a year earlier, while Southern US sawmills contributed 13.787 bbf, which was 4.2 per cent higher than the 13.235 bbf produced in the 11-month period of 2012.

In November alone, production was 2.253 bbf – down 1.7 per cent year-over-year from 2.292 bbf, and 19.1 per cent lower than output in October of 2.785 bbf.

Canadian sawmills produced 22.726 bbf of softwood lumber in the 11 months – an increase of 5.4 per cent year-over-year from 21.569 bbf.

Sawmills in British Columbia produced 11.821 bbf of the total – up 3.1 per cent from 11.469 bbf a year earlier, while sawmills east of the Rockies accounted for 10.904 bbf, up 8 per cent from the prior year (10.101 bbf). **CONT'D PAGE 7**

Canada Housing Starts

The pace of Canadian housing starts slowed in January with a steep drop in multiple-unit homes, an indication builders are adjusting to a slowdown in buyers, according to Canada Mortgage and Housing Corporation (CMHC) Monday.

The agency estimates there were 11,737 actual housing starts in January and that is extrapolated to a seasonally adjusted annual rate of 180,248, down from 187,144 in December. **CONT'D PAGE 7**

Housing Starts, Japan

On January 31, Japan's Ministry of Land, Infrastructure, Transport and Tourism announced that housing starts in December were 89,578 units, up 18 per cent compared with the same month in 2013, exceeding the result in a year ago for 16 months, according to Japan Lumber Journal. The seasonally-adjusted annual rate was 1,055,000 units, recording the one-million-unit mark for the fourth consecutive month. The floor space of the housing starts increased for 16 months in a row to 7,788,000 square metres, up 17.1 per cent. Accordingly total housing starts for 2013 amounted to 980,025 units, up 11 per cent from the previous year, the second largest level next to the 1,093,000 units in 2008. **CONT'D PAGE 7**

Advanced Wood Products Manufacturing

Recent amendments to the Building Code of Australia, which permit the use of fire and acoustic rated timber construction systems for three-storey Class 3 buildings, will help promote more opportunities for traditional wood framing and engineered timbers in commercial and multi-residential developments, according to Sourceable February 7. Set to take effect in May, the amendment will affect a wide range of accommodation-related buildings including hotels, motels, hostels, and residential parts of health-care facilities for staff accommodation. **CONT'D PAGE 9**

JAPANESE HOUSING STARTS

Month	TOTAL	Non-Wood	Wood	%Wood
Dec-13	89,578	38,073	51,505	57
Nov-13	91,475	36,671	54,804	60
Oct-13	90,226	37,009	53,217	59
Sep-13	88,539	39,421	49,118	55
Aug-13	84,343	36,442	47,901	57
Jul-13	84,459	37,939	46,520	55
Jun-13	83,704	36,230	47,474	57
May-13	79,751	36,751	43,000	54
Apr-13	77,894	34,133	43,761	56
Mar-13	71,456	31,819	39,637	55
Feb-13	68,969	33,242	35,727	52
Jan-13	69,289	31,982	37,307	54

Source: Japan Wood-Products Information and Research Center

CANADIAN HOUSING STARTS

Actual and Seasonally Adjusted Annual Rates

	January 2014		December 2013	
	Actual	SAAR	Actual	SAAR
Canada, all areas	10,073	187,144	15,450	180,248
singles, urban centres	3,368	58,895	4,645	60,869
rural areas	745	19,410	1,557	22,555
multiples	5,960	108,839	9,248	102,289
Atlantic urban centres		6,320		4,746
Quebec urban centres		33,909		26,711
Ontario urban centres		53,776		58,756
Prairie urban centres		42,950		47,354
BC urban centres		30,779		25,591

Source: Canada Mortgage and Housing Corporation

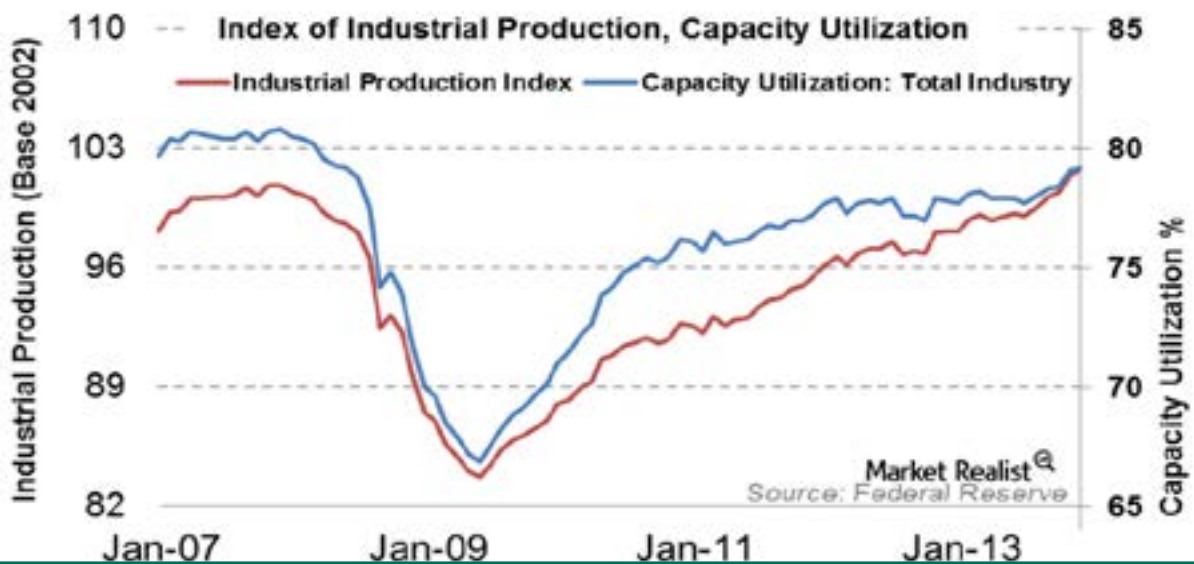
North American Capacity Utilization



Sources: FEA, LLC: Softwood Sawmills in the United States and Canada. WWPA



SOURCE: NAHB Eye on Housing



Market Realist[®]
Source: Federal Reserve

Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	368	376	-8	376	-8	390	-22
WSPF KD R/L 2x6	354	358	-4	352	+2	386	-32
WSPF KD R/L 2x8	338	342	-4	344	-6	375	-37
WSPF KD R/L 2x10	406	410	-4	410	-4	400	+6
WSPF KD PET 2x4 Stud	350	350	0	305	+45	360	-10
WSPF KD PET 2x6 Stud	310	310	0	295	+15	360	-50
Douglas Fir Green R/L 2x4	375	400	-25	385	-10	370	+5
Douglas Fir Green R/L 2x10	420	480	-60	510	-90	375	+45
ESPF KD 2x4 8ft Stud	405	405	0	380	+25	420	-15
OSB Ontario 7/16" (CDN\$)	230	230	0	227	+3	437	-35
CSplywood Toronto 3/8" (CDN\$)	402	402	0	380	+22	433	-31

Weekly News

North America Lumber Production

CONT'D FROM PG 2 In November 2013, Canadian production was 2.021 bbf, a gain of 0.2 per cent compared with the same month of 2012, 2.017 bbf, but 9.3 per cent below output in October, of 2.228 bbf, said the WWPA Monday.

Sawmills in British Columbia accounted for 1.014 bbf of November's production, a drop of 1.5 per cent from a volume of 1.029 a year earlier, and down 10.1 per cent from the previous month's output of 1.127 bbf.

Canadian softwood lumber consumption was 6.911 bbf in the first 11 months of 2013, a drop of 8.2 per cent from 7.531 bbf a year earlier. The volume for November alone was 522 mmbf – down 23.6 per cent year-over-year from 684 mmbf, and 18.1 per cent below consumption in October 2013 of 638 mmbf.

Sawmills in the western US contributed 1.066 bbf to the November 2013 total, up 1.6 per cent from output a year earlier, 1.049 bbf, but down 15.6 per cent from October's 1.263 bbf. Mills in the South produced 1.078 bbf in November – a decline of 4.8 per cent from the prior year, 1.132 bbf, and 22.3 per cent lower than output in October of 1.387 bbf.

In the 11-month period, softwood lumber consumption climbed 8.2 per cent year-over-year to 36.492 bbf from 33.738 bbf. In November alone, consumption was 3.081 bbf – a gain of 2.2 per cent year-over-year from 3.013 bbf, but down 13.2 per cent from the month before, 3.547 bbf.

Housing Starts, Canada

CONT'D FROM PG 2 Canada's overall urban starts decreased by 2.7

per cent in January to 163,158 units on an adjusted annual basis, with stronger starts in the Prairies and Ontario offset by declines in Atlantic Canada, Quebec and British Columbia, said CMHC Monday.

Multiple urban starts fell by six per cent to a seasonally adjusted 102,289 units in January, while there was a 3.4 per cent increase in single-detached urban starts to 60,869 units on the same seasonally adjusted basis.

Japan Housing Starts

CONT'D FROM PG 2 A total of 354,772 units for owner-occupied houses was started in Japan in December, up 13.9 per cent from the previous year, 356,263 units for rental houses – up 11.8 per cent – and 263,931 units for built-for-sale houses, up 6.9 per cent, said Japan Lumber Journal.

By construction method, annual housing starts of prefabricated houses were 146,402 units, up 10.7 per cent from the previous year, and those of two-by-four houses were 120,111 units, up 11.7 per cent, both of which recorded the highest ever. The share of two-by-four houses in the total housing starts was 12.3 per cent.

By structure, those of wooden houses were 549,971 units, up 13 per cent from the previous year, whereas the non-wooden found 430,054 units, up 8.6 per cent. The ratio of wooden houses was 56.1 per cent, up 1 point from the previous year.

Interfor Reports, Buys

International Forest Products, or Interfor, out of Vancouver, BC, Thursday reported net earnings of \$11.4 million or \$0.18 per share in 4Q 2013,

compared to net losses of \$0.1 million or \$0.00 per share in 3Q and \$3.8 million or \$0.07 per share in 4Q 2012.

Also this week, Interfor agreed to purchase operations including two Georgia sawmills for US\$180 million from Ilim Timber Continental SA to expand in the US Southeast.

Interfor said its annual capacity to produce lumber will increase by about 20 per cent with the purchase of Tolleson Ilim Lumber Co. Interfor will pay US\$129.9 million in cash and retained liabilities, plus 3.68 million shares for the Perry, GA-based business.

The company plans to evaluate international marketing initiatives with Ilim Lumber, including serving as a sales agent in North America and cooperation in China, Japan and the Middle East.

Calendar

March 2014

Western Wood Products Assoc. Annual Meeting
March 3-9 – Portland, OR
<http://www.wwpa.org>

IWPA's World of Wood Convention
March 5-7 – St. Petersburg, FL
<http://www.iwpawood.org>

April 2014

Council of Forest Industries Annual Convention
April 4-5 – Prince George, BC
<http://www.cofi.org>

Wood Building New Applications

cont'd from Page 2

The new Australian regulations come in a global environment in which innovations such as engineered timbers are driving a broadening of the applications of structural wood products in multi-storey buildings.

Indeed, the ultra-modern structure of the first stadium to be designed for the 2022 World Cup in Qatar will be largely engineered timber, said Building Design in November. The roof of the 40,000-seat venue uses far less steel than the London World Cup venue. After the World Cup, half the seats will be removed and shipped to developing countries as the Qatar stadium is transformed for legacy mode.

Last May, the Forest Productions Association of Canada partnered with Vancouver, BC-based wood researcher FPIInnovations in an initiative to help the forest products industry get

a piece of the \$8 trillion global construction market. The focus is on engineered wood, which has advanced to the point where it can compete with steel and concrete, increasing the range of building types using wood.

The Advanced Building Systems (ABS) program at FPIInnovations provides the wood industry with guidance in meeting these expectations. FPIInnovations laboratories offer accredited testing under ISO Guidelines, and FPIInnovations staff have impartial involvement in Canadian and international (ISO) technical committees ranging from product specifications to building systems performance design.

With research space next to FPIInnovations, the Centre for Advanced

Wood Processing (CAWP), part of the University of British Columbia's Forest Sciences Centre, has a 10,000 square foot manufacturing facility equipped with a full complement of state-of-the-art equipment for solid wood and panel processing, according to the CAWP website. The equipment in the CAWP manufacturing lab includes everything from a portable sawmill and kilns through a full range of cutting, boring, veneering, edgbanding and sanding equipment to CNC technology. The facility also has:

- Two three-axis CNC routers, a five-axis CNC router, and a Hundegger ROBOT Drive CNC timber processing centre
- Laser engraver with 48x36 cutting/engraving area
- Advanced testing facilities for a wide range of product attributes, from structural strength to aesthetic (surface finish) properties

Global demand for advanced wood manufacturing and engineered wood extends beyond structural applications. Countries like India have a great appetite for veneers and laminates of many kinds to use for flooring, trim, windows, and more.

According to Hardwood and DIY January 24, wood suppliers in India are adopting various solid hard and engineered timber, bamboo, and reclaimed blocks and planks to manufacture wooden flooring. Among the new materials used, pine is in high demand due to its low cost, easy installation and maintenance, smooth shiny finish, and high impact and heat resistance.

On the manufacturing side, the technical expertise and product range of Metsä Wood, out of Finland, were crucial in building two low-impact construction houses on a beach at Camber Sands, UK.

The timber design developed for Camber Sands uses Metsä Wood's Ker-

to suite of products for the trusses and decking. The A-frame roof is fabricated from Kerto S beams, which are manufactured with the wood grain in the veneers running longitudinally through all the layers to provide excellent strength, dimensional precision, and stability. The trusses are set at 1200mm centres.

"Kerto S is an ideal choice for beams whenever lightweight, long spans and minimal deflections are required," said Metsä Wood senior engineer Ewa Ostrowska to Timber Trades Journal January 25.

Daniel Saunders, of specialist sub-contractor Crendon Timber Engineering which fabricated and installed the Kerto elements, concurs. "The use of Kerto S meant we were able to design to a high specification and keep the member sizes within the desired sectional sizes for aesthetically pleasing feature trusses," he said.

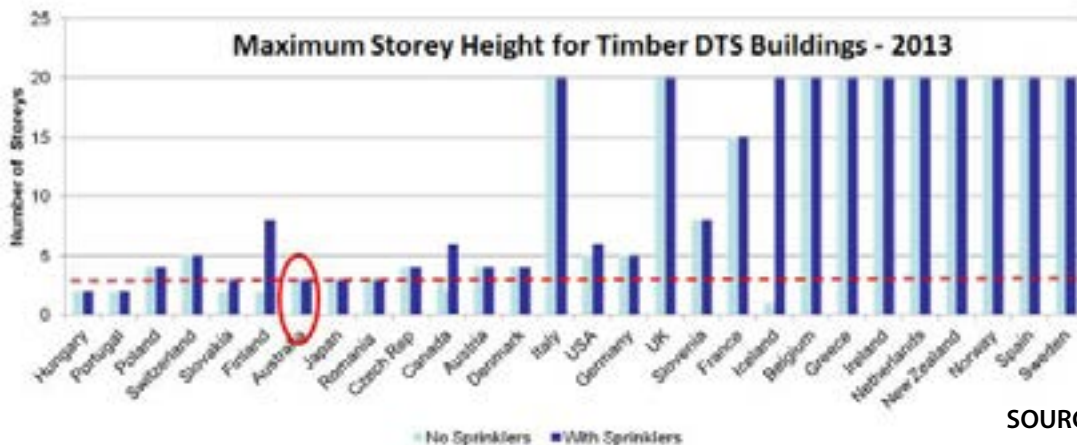
Metsä's Kerto Q was used for the roof and floor decks. Kerto Q is a cross-bonded veneer, with one-fifth of the veneers glued cross-wise to improve the lateral bending strength and stiffness of the timber element to enhance its shear strength. The cross-bonded veneers also help reduce moisture-dependent variations across the width of the panel.

Each house is built on a 250mm-thick concrete raft foundation, formed on a stone sub-base to ensure minimum bearing pressure on the beach.

"Using insulated concrete formwork and Metsä's Kerto system provided a solution that eased the construction process and potentially speeded-up the onsite process consequently minimising the environmental impact to the beach," said architect and designer Stuart Martin, of Walker and Martin to Timber Trades Journal.

by Kéta Kosman

Maximum Storey Height for Timber DTS Buildings - 2013



SOURCE: Sourceable