

MADISON'S LUMBER REPORTER

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News & Updates

ATA Trucking Index

The American Trucking Associations' advanced seasonally adjusted For-Hire Truck Tonnage Index increased 2.8 per cent in February, after plunging 4.5 per cent the previous month. January's drop was slightly more than the 4.3 per cent reported on February 19. In February, the index equaled 127.6 (2000=100) versus 124.1 in January. The all-time high was in November 2013 (131.0).

Compared with February 2013, the SA index increased 3.6 per cent. Year-to-date, compared with the same period last year, tonnage is up 2.3 per cent

The not seasonally adjusted index equaled 116.5 in February, which was 4.5 per cent below the previous month (122).

The index peaked in November 2013 before declining in December and January. ATA calculates its index based off membership surveys.

US Housing Starts, Home Sales, Inventories

US housing starts fell for a third straight month in February, but a rebound in building permits offered some hope for the housing market as it struggles to emerge from a soft patch.

The Commerce Department said on Tuesday groundbreaking slipped 0.2 per cent to a seasonally adjusted annual rate of 907,000 units.

That followed January's revised 11.2 per cent decline and suggested underlying weakness in housing activity apart from the drag of cold weather. January starts were previously reported to have tumbled 16 per cent. **CONT'D PAGE 6**

Transportation Crisis, Canada

Leaders of the union representing 3,000 conductors, yard workers, and traffic coordinators at the railway will meet on Friday to decide whether to strike or take other action after union members narrowly rejected a second tentative contract deal with Canada's biggest railway. The Teamsters Canada Rail Conference said in a statement that it still has a valid strike mandate and added that its leaders will meet with counsel to decide on its next move.

CN Rail said, in a statement after the vote, that it would propose binding arbitration to reach a settlement and requested a union response by the end of Friday.

For its part, Teamsters Canada Rail Conference has no immediate plans for job action.

"We do still have a valid strike mandate but that's somewhat limited given the government's ability to take away our right to strike," said Chair Roland Hackle to Canadian Press Friday. **CONT'D PAGE 7**

Tall Timber Structures

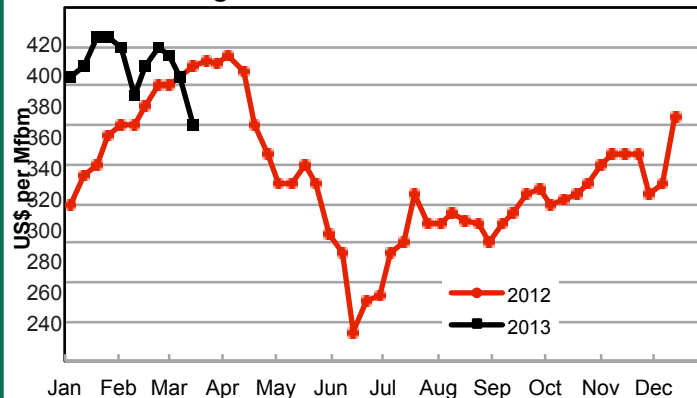
An announcement of funding and promotion of mass timber building from the US Department of Agriculture comes fast on the heels of recent developments globally using cross laminated timber as well as other advanced engineered wood. **CONT'D PAGE 7**

U.S. HOUSING STARTS

	Feb-14	Jan-14		Feb-14	Jan-14
Starts			Permits		
Actual	62,400	61,100	Actual	70,800	65,000
SAAR*	907,000	909,000	SAAR*	1,018,000	945,000
1 Unit	583,000	581,000	1 Unit	588,000	599,000
2-4 Units	(s)	(s)	2-4 Units	23,000	27,000
5+ Units	312,000	320,000	5+ Units	407,000	319,000
Starts by Region			Permits by Region		
Northeast	75,000	120,000	Northeast	134,000	152,000
Midwest	78,000	58,000	Midwest	134,000	152,000
South	529,000	493,000	South	545,000	496,000
West	225,000	238,000	West	237,000	201,000

*Seasonally adjusted annual rate

Douglas Fir Green Std&Btr 2x4



Anatomy Of A Timber Tower

(first published in the March 2014 issue of the Popular Science journal)

1) Whereas steel or concrete structures are skeletal, using columns to carry loads, CLT towers distribute weight over the entire, solid vertical panel.

2) Steel or concrete L-brackets fix the horizontal and vertical CLT panels together.

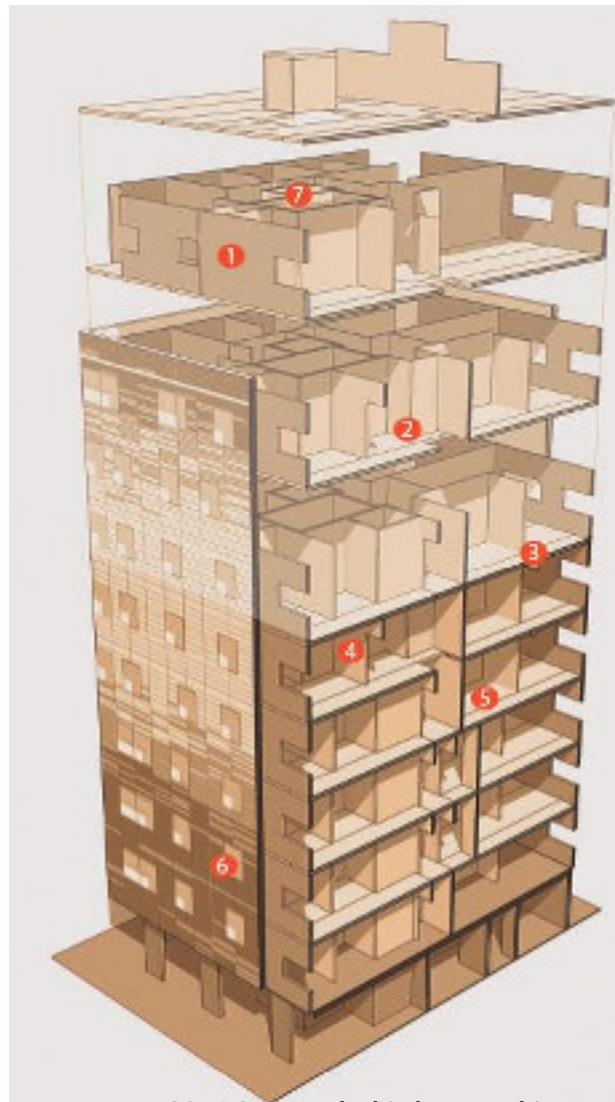
3) The horizontal spans between vertical CLT elements can be significantly longer than with steel or concrete beams.

4) Interior walls are usually fireproofed by applying a layer of gypsum paneling on top of the mass timber panels.

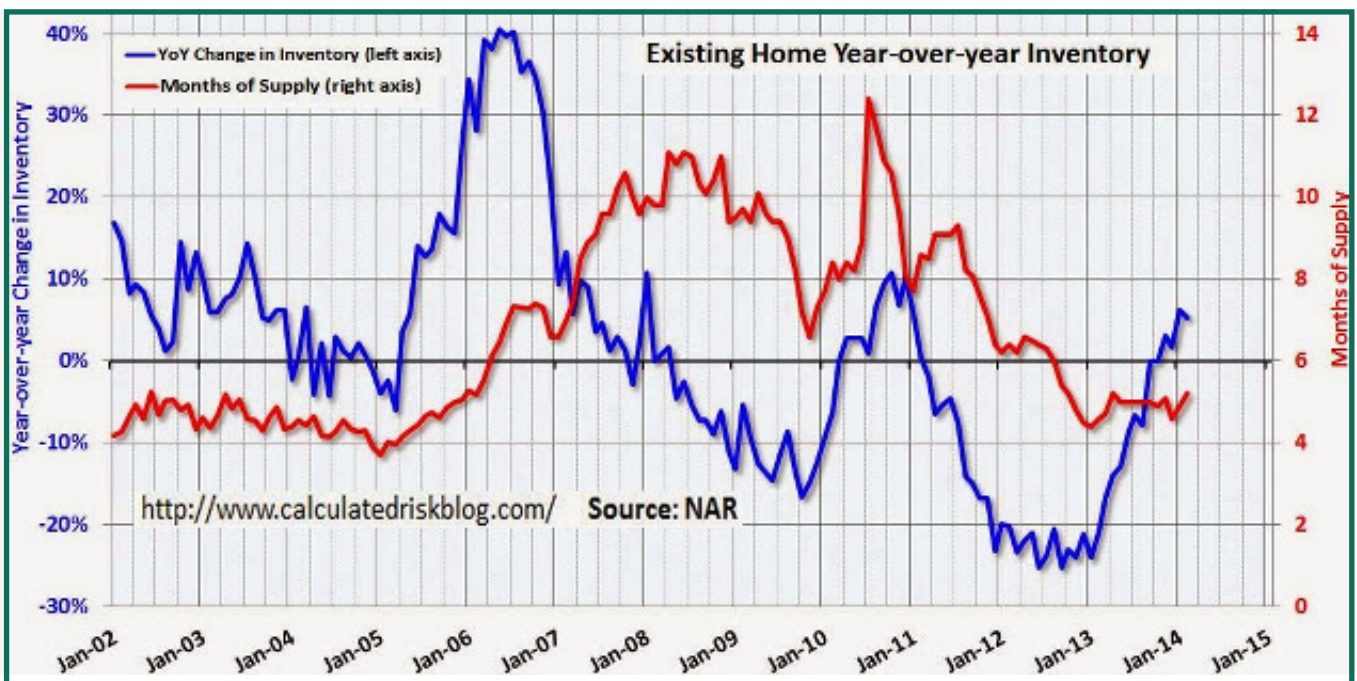
5) A two-inch layer of concrete typically covers two two-inch layers of insulation (separated by a three-inch void) to reduce acoustic vibration between floors.

6) Panels come made to order with windows cut out and sometimes piping and electrical installed. Construction is as easy as screwing the panels together.

7) Elevators have double walls with insulation sandwiched between them for fire safety and soundproofing.



SOURCE: Waugh Thistleton Architects



Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	368	368	0	368	0	408	-40
WSPF KD R/L 2x6	354	354	0	354	0	394	-40
WSPF KD R/L 2x8	338	338	0	340	-2	378	-36
WSPF KD R/L 2x10	400	400	0	406	-6	408	-8
WSPF KD PET 2x4 Stud	350	350	0	350	0	425	-75
WSPF KD PET 2x6 Stud	305	305	0	305	0	405	-100
Douglas Fir Green R/L 2x4	360	385	-25	390	-39	393	-33
Douglas Fir Green R/L 2x10	427	445	-18	445	-18	415	+12
ESPF KD 2x4 8ft Stud	400	395	+5	400	0	495	-95
OSB Ontario 7/16" (CDN\$)	225	225	0	230	-5	420	-195
CSPLYwood Toronto 3/8" (CDN\$)	370	374	-4	389	-19	395	-25

Weekly News

US Home Building

CONT'D FROM PG 2 That was the biggest drop in more than two years and pushed starts in the Northeast to their lowest level since November 2012.

Groundbreaking plunged 37.5 per cent in the Northeast last month, indicating unusually cold temperatures continued to dampen housing activity.

Starts also fell 5.5 per cent in the West, which was unaffected by severe weather. The weather explanation for the weak housing data is challenged by a 7.3 per cent rise in starts in the South and a 34.5 per cent jump in the Midwest.

Housing started losing momentum last summer, with sales falling after a run-up in mortgage rates.

While mortgage rates have dropped a bit and the weather is starting to warm up, housing will probably take a while to regain strength as high prices and a shortage of homes on the market keep out potential buyers.

A report on Monday showed home-builders were a bit optimistic in March but downbeat about sales over the next six months. Builders were also worried about shortages of lots and skilled labour, and rising prices for materials.

Groundbreaking for single-family homes, the largest segment of the market, rose 0.3 percent to a 583,000-unit pace last month. Starts for the volatile multi-family homes segment fell 1.2 per cent to a 324,000-unit rate.

Permits to build homes increased 7.7 per cent in February to a 1.02 million-unit pace. Permits for single-family homes fell 1.8 per cent. Multifamily sector permits surged 24.3 per cent.

Canada's Supply Chain Issues

CONT'D FROM PG 2 Meanwhile the situation at Port Metro Vancouver got even more tense this week as hundreds of striking container truckers rallied in Vancouver at noon Friday, just days before the BC government is set to force unionized drivers back to work with legislation.

The BC government has said it will bring in legislation, that includes at 90-day cooling off period, as early as Monday.

A few hundred unionized workers walked off the job almost two weeks ago, joining about 1,000 non-unionized truckers who refused to go to work late last month.

At its peak, the port strike was estimated to be costing the Canadian economy about \$885 million, however the port says container truck traffic is now up to 40 per cent of normal.

FSC Adds

The Forest Stewardship Council has added the concept of free, prior, and informed consent to its forest management standards around the world.

"FSC has embraced the UN Declaration (on Rights of Indigenous Peoples) and that concept of free, prior and informed consent," said Peggy Smith, Lakehead University associate professor and member of Forest Stewardship Council Canada's Standards Development Group (Aboriginal Chamber) in a release Wednesday.

The free, prior and informed consent initiative is supported by TD Bank Group, Kimberly Clarke, National Aboriginal Forestry Association, Globe and Mail, and more.

Universal Purchases

Universal Forest Products, out of Grand Rapids, MI, Monday announced that one of its subsidiaries has purchased certain assets of Container Systems Inc (CSI), a manufacturer of crates and containers for industrial applications and the moving-and-storage industry, located in Franklinton, NC. The transaction closed on March 14, 2014.

CSI produces a full line of moving and storage crates, specialized crates for niche markets, and integrated packaging solutions, and is a wholesale cut-to-size panel and lumber supplier to the area's industrial customers. Sales in 2013 were approximately US\$3 million.

The acquisition provides a presence in the Eastern United States for Universal's Industrial Wood Industries (IWI), which supplies bulk shipping and storage bins, moving boxes, fruit and nut bins, and other specialized wood products to industrial and agricultural customers, primarily in the West. IWI shares many customers with CSI. With this move, IWI will have a presence in the East and an opportunity serve new clients and to enhance service to existing clients with locations nationwide.

Calendar

April 2014

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

Mass Timber Building Cross Laminated Timber

United States Secretary of Agriculture Tom Vilsack Tuesday announced a US\$1 million program to be implemented by the US Department of Agriculture (USDA) Forest Service in partnership with the Wood Products Council's WoodWorks initiative, according to a USDA press release this week. The initiative will provide training for architects, engineers and builders related to the use of advanced wood materials in US buildings.

The program supports both The President's Climate Action Plan goal of preserving the role of forests in mitigating climate change and the objective of the recently-signed 2014 Farm Bill to create rural jobs.

In its own release also Tuesday, the Softwood Lumber Board (SLB), a division of the Softwood Lumber Council, said it applauds the

by Kéta Kosman

USDA announcement on the benefits of using wood in taller buildings at its workshop "Building with Wood: Jobs and the Environment" hosted by the White House Rural Council.

Across the US, wood product businesses support more than 1 million jobs and provide billions in economic growth in rural communities, says SLB. The benefits of using wood obtained through sustainable forestry practices include green building, a smaller carbon footprint and creation of jobs, often in rural areas. A recent lifecycle analysis found that harvesting, transporting, manufacturing, and using wood for structural and appearance products yields fewer air emissions—including greenhouse gases—than the resource extraction, manufacture, and use of other common building materials.

The Binational Softwood Lumber Council, a non-profit organization, was established in 2006 by the Canadian and US Governments. The Council is leading the effort to increase the use of wood products as part of the shift to green building.

According to Wood for Good, an organization that advocates for sustainable wood construction, a ton of bricks requires four times the amount of energy to produce than a ton of sawn softwood; concrete requires five times, steel 24 times, and aluminum 126 times. Wood also performs better. It provides, for example, five times more insulation than concrete, and 350 times more than steel.

"The market for wood and other forest products currently supports more than 1 million direct jobs, many in rural America," said Jennifer Cover, PE, Executive Director of WoodWorks in the USDA press release.

Recent architectural trends in sustainable urban densification have spurred a movement toward increasingly tall buildings made from mass timber products or a combination of wood and other materials, says a February 26 Wood Works report. Many tall timber building concepts are motivated by their suggested advantages in sustainability resulting from the use of wood as a renewable resource and low carbon construction material.

The simple beauty of mass wood, or cross-laminated timber (CLT) is its orthotropic quality. Normal wood is strong in the direction of the grain but weak in the cross direction. CLT's perpendicular layers make it strong in two directions. And because it relies on layers of smaller beams, it can reduce waste by using odd-shaped, knotty timber that lumber mills would otherwise reject.

Two recently constructed landmark buildings in Melbourne are using CLT, says a March 16 report by ABC News in Australia. An uptake in its use could prove a timely boost to Australia's timber industry.

The two big projects discussed, Victoria Harbour in Melbourne's Docklands, the world's tallest timber residential building, and Lend Lease's nearby A\$20 million Docklands Library and Community Centre, use CLT panels made of European Spruce, a type of softwood. Each is 16 metres long by three metres high, fit readily into a shipping container and simply need giant screws to fit them together on-site.

Elsewhere, Swedish authorities have approved a 34-story wood tower in Stockholm, while Michael Green, a Vancouver, BC, architect, is seeking approval for a 30-story tower in his city. And the Chicago architecture mega-firm Skidmore, Owings & Merrill recently published a feasibility study for a 42-story tower made predominantly of CLT.

Please see image Page 6.

It has become a competition among architects to see who can build the next tallest wood high-rise, says Frank Lam, a professor of wood building design and construction at the University of British Columbia.

It took just 27 days for four men, working three days a week, to erect the

timber portion of a nine story CLT building which now sits in East London called Stadthaus, which is about 30 per cent faster than a comparable steel-and-concrete structure. Instead of building the tower from scratch on-site, it was more like assembling a piece of furniture.

It is estimated that the wood in Stadthaus stores 186 tons of carbon while the steel and concrete for a similar, conventionally built tower would have generated 137 tons of carbon dioxide during production.

In January, JAS on CLT was officially recognized in Japan. Now the Japan CLT Association has been formed, by three manufacturers, according to Japan Lumber Reports. The next step to incorporating CLT building in Japan is the setting up of standard strength and design methods for Japan Building Standards Act. The CLT Association is actively recruiting members in advance of these new building codes in order to expand and develop CLT building, and has a growing list of applicants says the Reports.

Demographers predict that the planet's urban citizenry will double in 36 years, increasing the demand for ever-taller structures in ever-denser cities. Whether architects and construction firms build those towers from unsustainable materials like steel and concrete or employ new materials like CLT could make a huge difference in the Earth's health. Put differently, the world's urban future may just lie in its oldest building material.

Due to technological advances of CLT production and the requisite changes to building codes as mass timber constructions continue to pass, and surpass, building code requirements, there is a growing number of wood buildings in the 5 - 10-story range globally. As well, CLT is helping to overcome longstanding challenges (area/size/fire regulations) in the 1-4 story segment.

A recent report prepared by FP Innovations suggests that US residential and non-residential construction in the 5-10 story range represents a volume potential of up to 4.6 billion board feet (roughly 75 per cent of the market in the US greater than 4 stories is in the 5-10 story range).

There are now 16 modern tall wood buildings that have been built around the world over the past five years, according to the Softwood Lumber Board website. That trend appears to be accelerating. The promotion of tall wood construction in North America is gaining momentum with the recent publication of a tall wood building research report by Skidmore, Owings & Merrill (SOM) funded by the Softwood Lumber Board.