

MADISON'S LUMBER REPORTER



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News & Updates

Sawmill Worker Injured

Details about the condition, identity, and injuries of a Centurion Lumber Manufacturing worker, hurt late Thursday morning in a planer mill near Chemainus, BC, were unknown at press time.

Cpl. Jon Stuart of the North Cowichan/Duncan RCMP confirmed on scene man in his mid- to late-50s was seriously injured at 11:33 a.m. in the firm's mill, then airlifted to hospital, according to the Cowichan Valley Citizen.

WorkSafeBC is now investigating the accident.

British Columbia Exports to Asia

A new analysis of more than a decade's worth of trade data show that the volume of shipped goods out of Canada varies widely by province and sector. British Columbia's exports to Asia, for example, have nearly doubled between 2000 and 2013 from roughly 24 per cent of provincial exports to 44 per cent, or nearly half of all exports.

The growth of shipments from BC to the surging economies of East and Southeast Asia – at a value approaching \$15-billion – are now nearly on par with the province's shipments south of the border to the United States, the historic destination for most of what Canada produces, according to a new website launched by the Vancouver-based Asia Pacific Foundation of Canada, a non-profit that researches and promotes Canada's ties with Asia.

CONT'D PAGE 6

US Real Estate, Mortgages

Asking home prices rose at their slowest rate in 13 months, rising just 8 per cent year-over-year, or 7.2 per cent excluding foreclosures, according to Trulia Thursday.

Although this year-over-year increase is slower than in previous months, an 8 per cent increase is still far above the long-term historical norm for home-price appreciation, the agency said. Furthermore, prices continue to climb in the most recent quarter: the 2.4 per cent quarter-over-quarter increase in May 2014 is equivalent to 9.9 per cent on an annualized basis. Finally, price gains continue to be widespread, with 93 of the 100 largest metros clocking quarter-over-quarter price increases, seasonally adjusted.

CONT'D PAGE 7

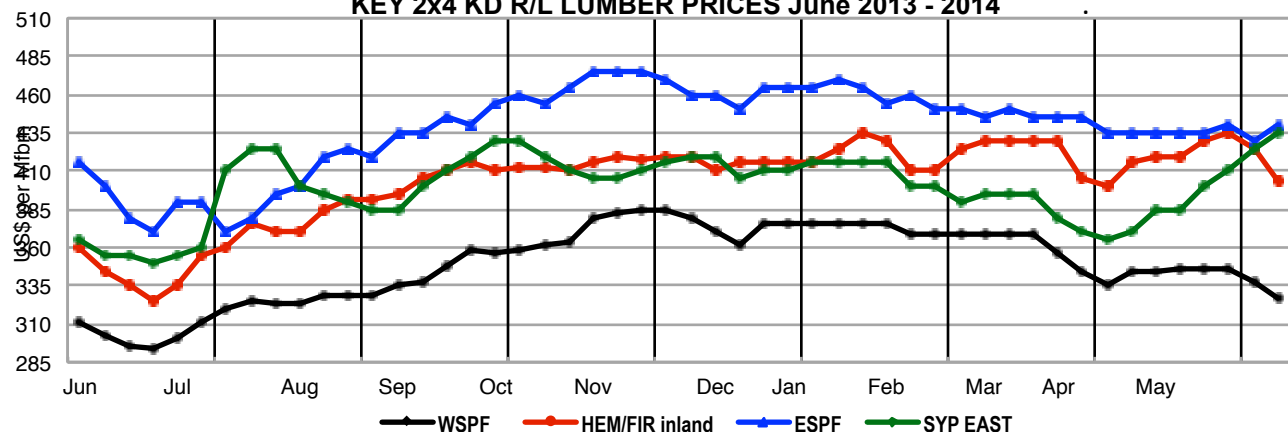
Wood Trade Globally

A wide array of data was released this week demonstrating softwood imports and exports to various regions of the world:

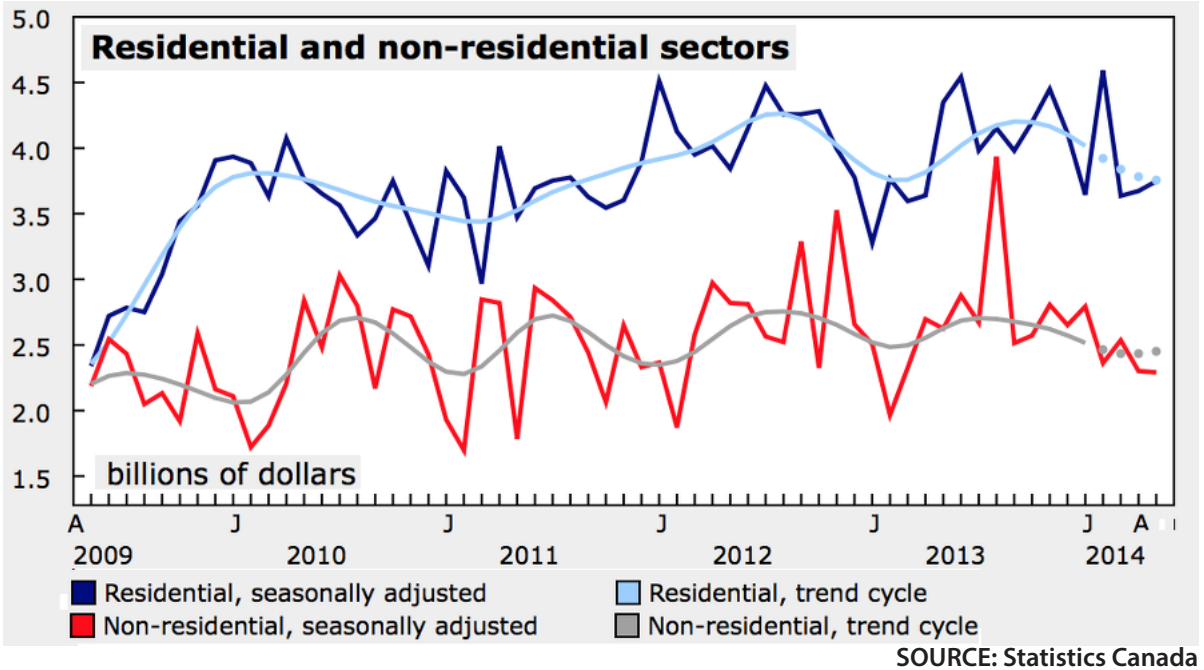
The US imported 8.932 million cubic metres of softwood lumber between January and April 2014 according to the US Federal Acquisition Service (FAS), a 3 per cent increase over the same period last year. Canada's share grew by 3 per cent, to 8.629 million cubic metres. EU wood imported to the US was 117,000 cubic metres, a 7 per cent drop over the first four months of 2013.

CONT'D PAGE 9

KEY 2x4 KD R/L LUMBER PRICES June 2013 - 2014



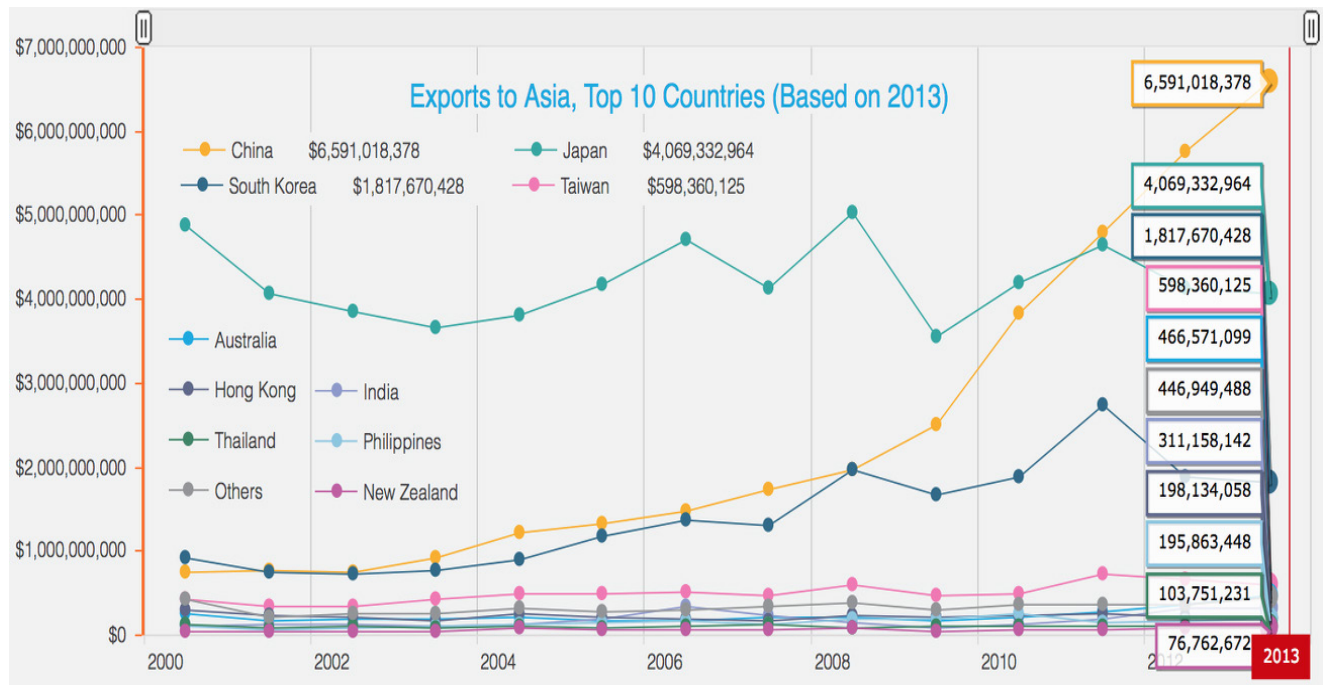
CANADA BUILDING PERMITS : APRIL 2014



BC Export Trade Statistics 2000-2013

Wood, pulp, and paper products remains BC's primary export commodity to Asia; in 2000 the province shipped \$4.8 billion in wood, pulp and paper products to the region while in 2013 that number increased to \$5.9 billion. However, other export sectors have significantly increased over the past few years. In particular, energy exports to Asia have sharply risen since 2008 and they now account for around \$4 billion in exports, while metals and mineral exports to Asia have risen to \$3.2 billion.

SOURCE: Asia Pacific Foundation
[http:// http://theasiafactor.ca](http://theasiafactor.ca)



Key Prices

	This Week	Last Week	Change	Month Ago	Change	Year Ago	Change
WSPF KD R/L 2x4	326	338	-12	344	-18	312	+14
WSPF KD R/L 2x6	324	328	-4	332	-8	304	+20
WSPF KD R/L 2x8	342	346	-4	338	+4	295	+47
WSPF KD R/L 2x10	380	380	0	370	+10	324	+56
WSPF KD PET 2x4 Stud	320	320	0	315	+5	318	+2
WSPF KD PET 2x6 Stud	305	295	+10	295	+10	315	-10
Douglas Fir Green R/L 2x4	330	315	+15	342	-12	295	+35
Douglas Fir Green R/L 2x10	335	360	-25	380	-45	370	-35
ESPF KD 2x4 8ft Stud	415	425	-5	395	+20	410	+5
OSB Ontario 7/16" (CDN\$)	235	235	0	225	+10	317	-82
CSplywood Toronto 3/8" (CDN\$)	407	410	-3	378	+29	317	+90

Weekly News

Real Estate, US

CONT'D FROM PG 2 Nationally in the US, asking home prices are rising slower than in previous months, but the real change has been the price slowdown in the hyper-rebounding markets of the West, said Trulia Thursday.

In May 2014, none of the 100 largest metros had a year-over-year price gain of more than 20 per cent; the steepest increase was 18.8 per cent, in Riverside-San Bernardino. Among the markets with the biggest price gains today, three – Las Vegas, Sacramento, and Oakland – have had significant slowdowns in year-over-year gains, from around 30 per cent in May 2013 to around 15 per cent in May 2014. In contrast, price gains accelerated dramatically in Chicago, up 13.5 per cent year-over-year in May 2014 versus just 3.6 per cent in May 2013.

Overall, half of the top 10 markets with the largest price gains are outside the West, another big change from last year when almost all of the biggest price increases were in the West.

Rents are up 5.1 per cent year-over-year nationally, with apartment rents up 5.8 per cent and single-family rents up 2.1 per cent.

In November 2013, year-over-year asking prices were up 12.2 per cent. In December, the year-over-year increase slowed slightly to 11.9 per cent. In January 11.4 per cent, in February 10.4 per cent, in March 10 per cent, April 9 per cent and now in May 8 per cent.

This suggests prices are still increasing, but at a slower pace, concludes Trulia.

The Federal Reserve Board of Governors' Thursday released statistics on the financial accounts of US households. The release shows continued improvement in the financial position of US households with real estate. If fact, the household real estate equity position improved to a level last reached in the second quarter of 2007.

According to NAHB tabulations of the quarterly series, the asset value or market value of owner-occupied real estate held by US households increased by US\$758 billion dollars or 3.9 per cent. The liability total – home mortgages – decreased by US\$37 billion or 0.4 per cent. The equity position, the difference between assets and liabilities, increased by US\$795 billion or nearly 7.9 per cent.

The current ratio of owners' equity in real estate as a percentage of household real estate is 53.6 per cent. The ratio was last at this level in the first quarter of 2007. The ratio has rebounded rapidly since the first quarter of 2009 when it was at an all-time low of 36.6 per cent.

Elsewhere, total private residential construction spending in the US increased to a seasonally adjusted annual rate of US\$378.5 billion according to the Census estimates released this week. The current reading is a slight increase of 0.1 per cent from the revised March estimate and 17.2 per cent higher than one year ago.

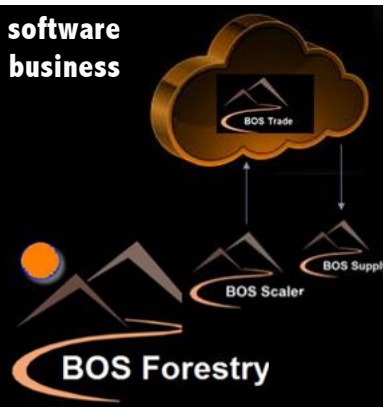
Single-family spending increased by 1.3 per cent month-over-month while the home improvement category decreased by 2.2 per cent. Multifamily spending posted another strong month-over-month increase of 2.7 per cent from the revised March estimate.

The figures show significant improvements in residential construction spending for all categories from the prior year. From April 2013, on a 3-month moving average basis, construction spending in single-family increased by 14.6 per cent, multifamily increased by 32.2 per cent, and remodeling increased by 18.5 per cent.

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bosforestry.com/bos-scaler/



Wood Imports and Exports Globally

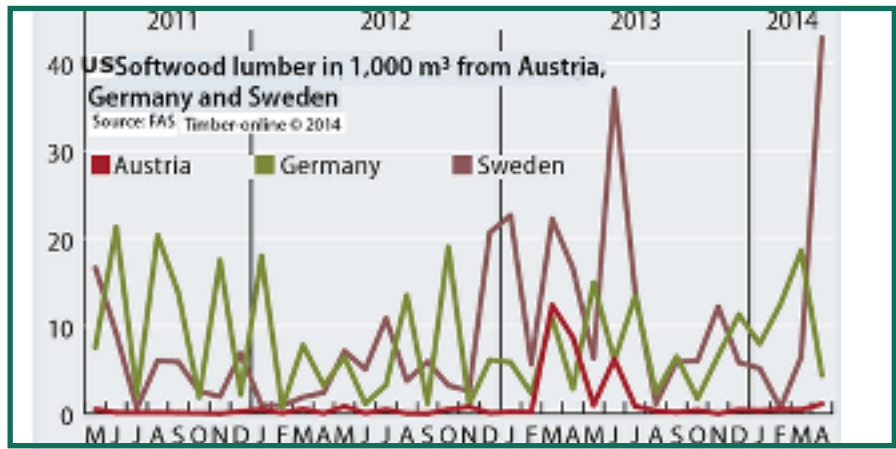
Globally

CONT'D FROM PG 2 US West coast lumber exports in first quarter 2014 decreased by more than 11 per cent, to 257 million board feet, compared to the fourth quarter of 2013, the US Forest Service's Pacific Northwest Research Station reported Tuesday. Compared to the same period last year, West coast exports increased by 11 per cent for logs and by 17 per cent for lumber.

Log exports from Washington, Oregon, northern California, and Alaska increased by just under 2 per cent in volume to 466 million board feet. The total value of West coast log exports increased by more than 6 per cent to US\$369 million, while the total value of lumber exports decreased more than 10 per cent, to US\$186 million.

China's demand for US lumber increased just slightly, by 2 per cent during this quarter, but lumber exports specifically from the West coast to China decreased 17 per cent compared to the fourth quarter of 2013. East coast exports made up for these shortfalls.

Total US log exports increased nearly 11 per cent in volume in the first



quarter of 2014 compared to the fourth quarter of 2013, while the value increased by more than 12 per cent:

- Total US lumber exports in the first quarter of 2014 increased by less than 1 per cent in volume compared to the fourth quarter of 2013, while the value increased by just under 6 per cent;

- In the United States, 41 per cent of outgoing logs and 35 per cent of outgoing lumber were destined for China in the first quarter of 2014, compared to 44 per cent of logs and 30 per cent of lumber in the fourth quarter of 2013.

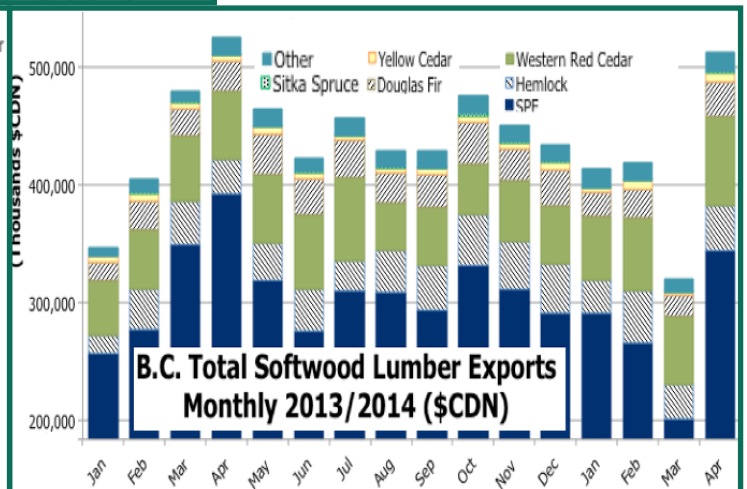
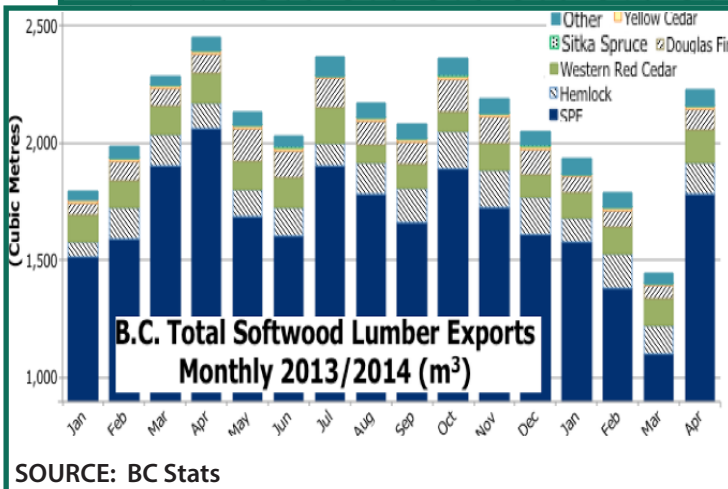
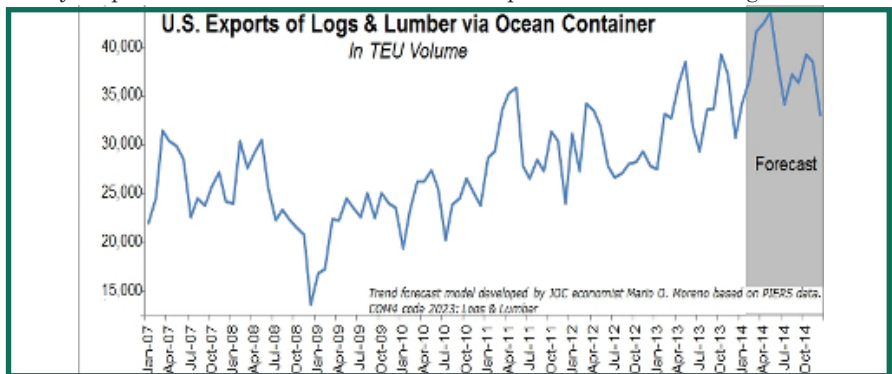
Examined another way, US exports of the building materials to China rose for 10 straight months on a year-over-year basis through January, said Mario Moreno in the April edition of JOC Insights.

US export volume of containerized logs and lumber in 2013 rose by 13 per cent year-over-year, to 456,212 20-foot equivalent units, said JOC Insights. China accounts for a little more than half of US containerized lumber and log exports, followed by Vietnam at 7.2 per cent, Japan at 5.8 per cent, and Taiwan at 4.5 per cent.

Meanwhile, the United States exported 951,148 cubic metres, a 20 per cent increase, of hardwood lumber in first quarter 2014 than the same time last year, said the US FAS in May. Most notable is a 38 per cent growth in deliveries to East Asia, at 490,544 cubic metres. In particular, shipments to China skyrocketed 42 per cent, to 451,127 cubic metres. China now accounts for around 47 per cent of total US hardwood lumber exports.

Elsewhere, April 2014 BC forest product exports from British Columbia totalled \$1.10 billion in value, up 2.6 per cent from last year's level of \$1.07 billion, said BC Stats Wednesday. Softwood lumber accounted for 46.4 per cent of the total, while pulp exports were 24.5 per cent.

Year-to-date (April) 2014 exports were \$3.77 billion, down 0.3 per cent, compared to the same time in 2013. Softwood lumber accounted for 44.1 per cent, while pulp exports were 26.1 per cent.



SOURCE: BC Stats