

2-12-18

“Never mind what others do; do better than yourself, beat your own record from day to day, and you are a success.”

William J. H. Boetcker

Market Information

The Market Update, in existence since 2012, is published on a weekly basis and is intended to be a source of lumber and commodities information for the present & future and pricing trend information. We appreciate receiving some of this information from Random Lengths and LMC.

Builders values the opportunity to serve its customers in Colorado & Nebraska and provide you with Lumber & Panel price guidelines as well as Commodities information.

THE BOTTOM LINE: Builders price motion this week:

Lumber: Demand has yet to slow in this market as buyers are steadily picking up loads to cover upcoming jobs and bolster inventory. Most prices are seeing double digit increases, and with tightening supply this appears to be the norm for the time being.

SPF: Todays landed cost is \$613/MBF (Denver) which represents an increase of \$129/MBF or 33% in 12 months.

Trading slowed the first half of the week as buyers reassessed where they thought the market would be heading. Many looked for fill-in through distribution. Mills are holding order files out a couple weeks, and transportation issues are still playing havoc with getting loads out on time.

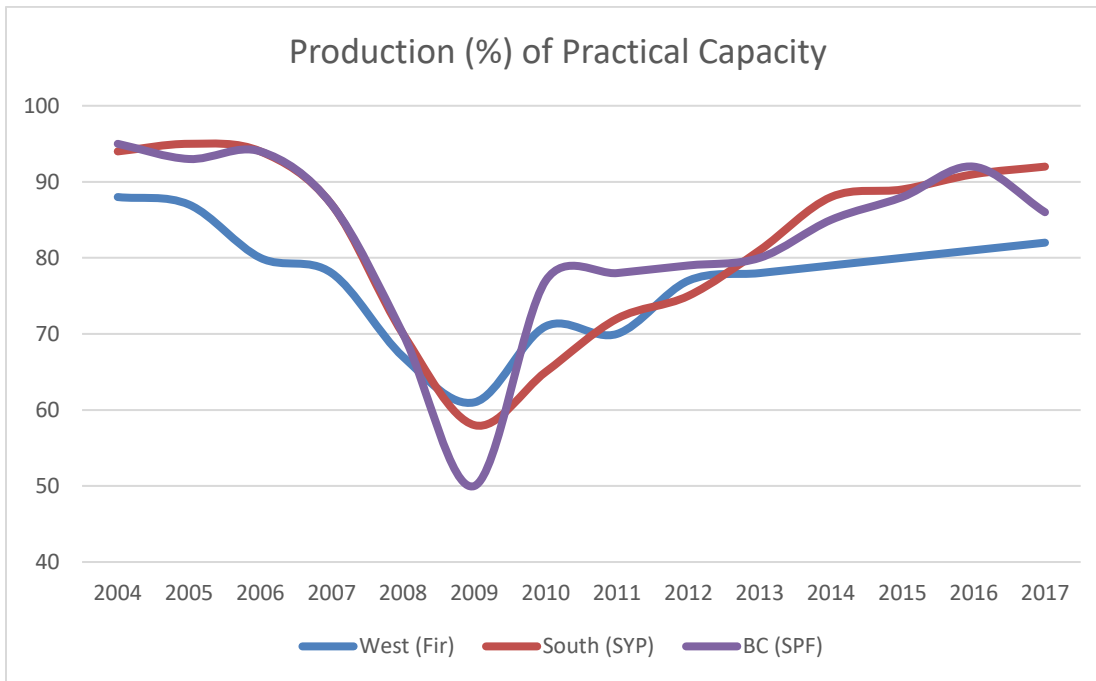
Doug Fir: Todays landed cost is \$727/MBF (Denver) which represents an increase of \$202/MBF or 48% in 12 months.

Prices Resetting Records in Early 2018

	Current Price	Previous Record*	Set in
D. Fir 1&B 2x4 RL	\$ 792	\$ 647	May-04

D. Fir 2&B 2x6	\$ 727	\$ 659	Sep-96
D. Fir 2&B 2x12	\$ 697	\$ 697	Aug-04
F&L 2&B 2x4	\$ 727	\$ 549	Apr-13
F&L 2&B 2x6	\$ 727	\$ 650	Aug-03
F&L (Spo) MSR 1800f 2x4	\$ 742	\$ 652	Aug-04
F&L (Spo) MSR 2400f 2x4	\$ 792	\$ 747	Feb-06
F&L 1&B 2x4	\$ 767	\$ 652	Nov-96
WSPF 2&B 2x4	\$ 613	\$ 567	Aug-04
GR D. Fir (Por) 2&B 2x4	\$ 664	\$ 482	Jan-14
WF/H-F (Spo) 2&B 2x4	\$ 667	\$ 547	Apr-13
WF/H-F (Spo) 2&B 2x6	\$ 662	\$ 637	Aug-04
WF/H-F (N. Calif) 2&B 2x4	\$ 622	\$ 527	Mar-13
H-F 2&B 2x4	\$ 622	\$ 552	Aug-04
SYP (East) #2 2x4	\$ 648	\$ 627	Nov-96

*Previous to any date in 2017. All prices are \$/MBF. Source: Random Lengths



From Random Lengths: The West was affected last summer by a severe fire season and has yet to rebuild log decks since then. Meanwhile, record log prices and a tight labor market make it difficult for producers to increase output.

Capacity utilization in British Columbia rose to 92% in 2016, but it dropped off in 2017 to a preliminary 86%. Production fell from 13.6 bbf in 2016 to a preliminary estimate of 13.1 bbf in 2017. The severe fire season in the province was the key factor, while the industry also adjusted to lower annual allowable harvests in the wake of the pine beetle infestation.

Overseas imports soared to 1 billion board feet last year, up 57% from 2016 and the largest volume since shipments reached 1.6 bbf in 2007. During the five-year run, overseas imports have risen 270% from a trough of 272 million board feet in 2012.

U.S. imports from the 10 most common European suppliers more than doubled last year, climbing to 560 mmbf, the highest total in a decade. Germany was the primary driver; shipments from that country reached 270 mmbf, up 241% from 2016.

Panels:

7/16 OSB: Today's landed cost is \$428/MSF (Denver) which represents an increase of \$97/MSF or **29% in 12 months**.

In northern regions, reported prices of 7/16-inch posted \$15-25 increases. Supplies were especially tight in Western Canada and the North Central region. Some mills popped on the market briefly and sold to selected customers. Buyers in the West complained that they hadn't seen a mill offering all week. Secondaries who had loads available for quick shipment reported selling at premiums of \$50 or more. Buyers who had loads on order often received shipments two or more weeks late. Supplies of railcars and trucks showed no improvement compared to recent weeks.

A new feature: The cost of a home, with pricing updated weekly, so we can get a sense of the total cost, not just studs or 7/16.

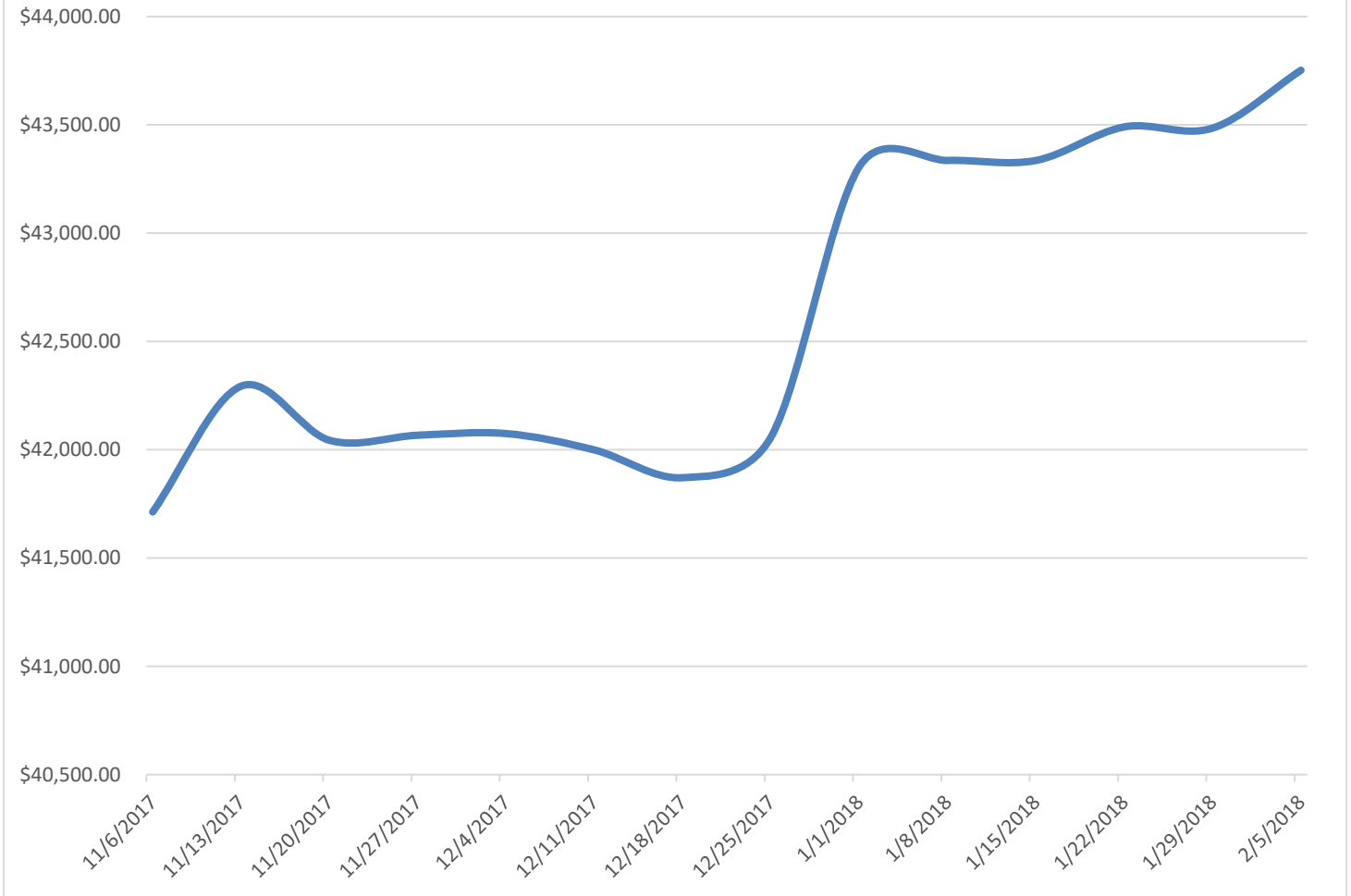


This design is a combination of the following: PlanCollection #109-1098, 131-1162; Houseplans #124-141; Homeplans #homepw00783

1,452 sq. ft. three bedroom, two-bath ranch w/attached 2-car garage

Includes: All framing materials from the basement to the roof, Pella windows, vinyl siding, aluminum soffits and trims, laminate roofing, entrance doors, insulation (installed), drywall, interior flush oak doors and trim, oak stair rail, closet shelving and hardware, treated deck, 2 egress windows with area walls and covers in the basement, fasteners. #44245 #E144768

Cost To Build



Roofing, engineered lumber, insulation and siding increases are now in effect.

Price Change From Prior Week

Lumber Futures

Mar

9

May

8

2/9/18

vs

2/2/18

FOB Mill

6

Size	Coastal Hem Fir	Inland Fir	Redding Hem Fir	Doug Fir	Fir/Larch	#2 SPF Denver	Hem Fir North HQ	#2 SPF Grand Island	Hampton #2 Premium	Biewer #1 SYP
2x4 #2&Btr	10	12	10	25	25	6	10	6	6	17
2x6 #2&Btr	0	7	5	20	20	4	0	4	4	
2x8 #2&Btr	5	10	3	10	15	10	10			
2x10	3	3	3	10	10	13	15	(Hem Fir)		

2x12	15	10	5	10	15	10	40	(Hem Fir)
2x4 Util	5	0	0	5	5	5	5	
2x6 Utility	5	0	0	5	0	4	4	
MSR	GI				Denver			

MSR	DF 1800	DF 2400	DF 1800	DF 2400	DF 2850
2x4	20	20	20	20	20
2x6	20	18	20	18	

Studs

	Hem Fir #2 Studs	Swanson White Fir	Doug Fir #2	Fir/Larch	Western SPF Denver	Potlatch SPF	Premium SPF	
2x4 92	10	12	10	10	9	11	9	
2x4 104	15	20	20	13	8	13	8	
2x4 116	13	20	20	13	8	NA	8	
2x6 92	5	7	5	5	2	8	2	
2x6 104	20	8	25	10	6	NA	6	
2x6 116	20	8	15	10	6	NA	3	

Denver OSB

ZIP

OSB	7/16	15/32	15/32 Struc 1	19/32	3/4 T&G	7/16	1/2	Advantech	
4x8	18	18	18	20	20	0	0	0	
4x9	18	18	18			0	5/8	0	R3
4x10	18	18				0	0	0	R6.6

Grand Island OSB

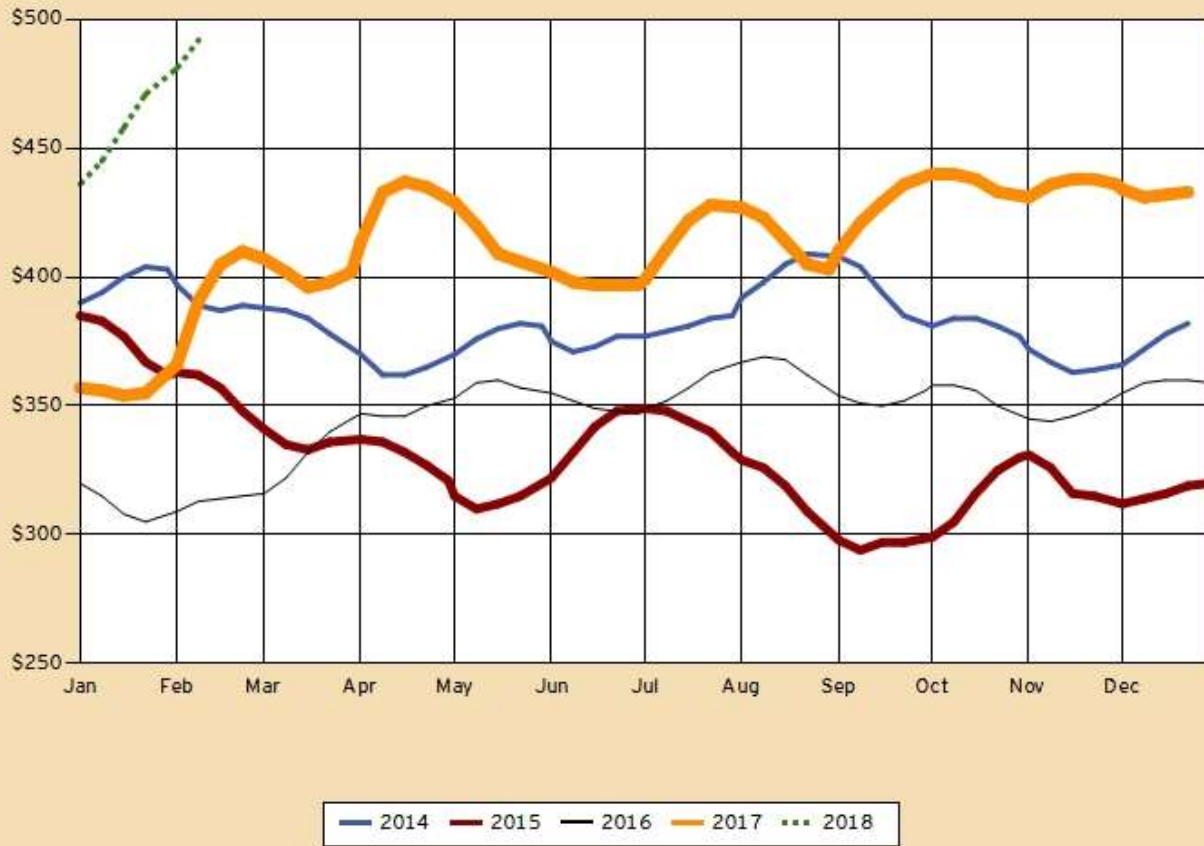
ZIP

OSB	7/16	15/32	15/32 Struc 1	19/32	3/4 T&G	7/16	1/2	Advantech	
4x8	20	20	20	25	25	0	0	0	
4x9	18	20	20	Durastrand	25	0	5/8	0	R3
4x10	18			1/4"	10	0	0	0	R6.6

Quake Zone	110	122	134		110	122	134
	7/16"	7/16"	7/16"		7/16"	7/16"	7/16"
Denver	18	18	18	GI	18	18	18

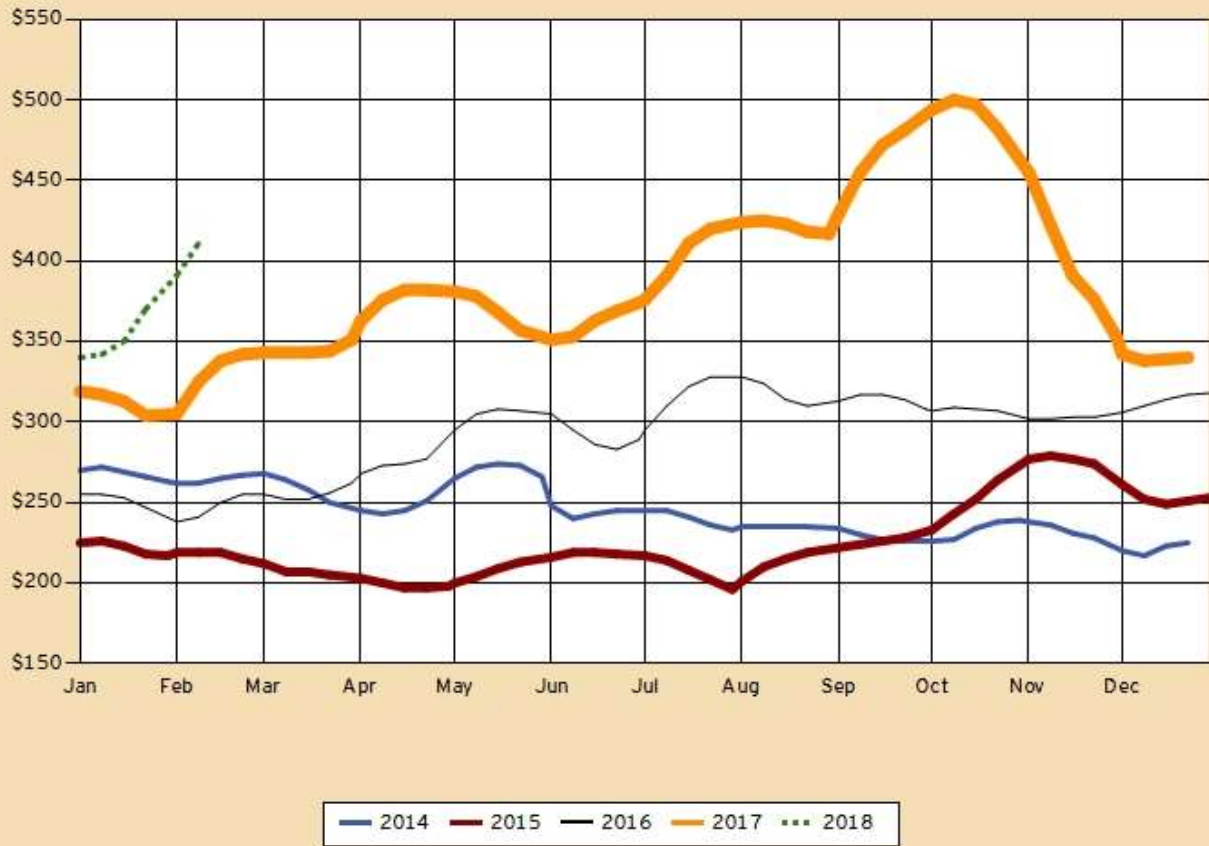
Plywood	3/8	15/32-4	15/32-5	19/32	23/32	23/32 UL
Western	8	9	7	9	10	30
Southern	5	10	0	10	10	20

Framing Lumber 5-year Overlay



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OSB Composite



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