

Builders. Market Update

7-19-21

"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all."

Dale Carnegie



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 Forest Economic Advisors, RISI Inc 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.

From Zelman & Assoc.:

Homebuilding Survey: June's survey results unveiled that the crazy buyer frenzy has started to wane as new orders were worse than seasonal for the fifth consecutive month despite some builders *removing* sales caps. However, on a positive note, starts growth outpaced order growth again, narrowing the production gap that has frustrated homebuyers. While annualized pricing growth showed a slight deceleration and incentives inched higher, appreciation remained at a double-digit annualized pace. Lastly, given elongated cycle times, builders are increasingly adding escalation clauses to combat the continued brisk cost inflation despite the reprieve in lumber prices.

Price Increase Announcements:

L1/L2	Vendor	Announced Increase Amount	Price Increase Date	L1/L2	Vendor	Announced Increase Amount	Price Increase Date
APPL	GE	Varies	7/15/2021	Tools	Bosch	Varies	9/1/2021
APPL	Samsung	Varies	7/15/2021	Kitchen	Norcraft	6%	7/6/2021
BLDMT	Clark Dietrich	15.0%	8/1/2021	Kitchen	Ultracraft	6%	7/6/2021
BLDMT	Clark Dietrich	10.0%	9/1/2021	Kitchen	Schrock	6%	7/6/2021
BLDMT	Simpson	14.0%	8/14/2021	Kitchen	Fieldstone	6%	7/6/2021
BLDMT	Lomanco	9.0%	7/15/2021	Kitchen	Aristokraft	6.5%	8/9/2021
BLDMT	Sakrete	3.0%	8/1/2021	MILL	Therma-Tru	7.5%	7/31/2021
BLDMT	Chamberlain	7.0%	9/1/2021	MILL	AFCO Columns	7.0%	8/2/2021
Deck	Trex	8.0%	7/17/2021	PAINT	Colorrite	15%	7/26/2021
Fasteners	Paslode	17.0%	7/6/2021	PTOOL	DeWalt	5-25%, 15% average	8/1/2021
Insulation	Greenfibre (Cellulose)	14.0%	8/9/2021	ROOF	Tamko	6%	7/6/2021
Insulation	Rockwool	10.0%	9/1/2021	ROOF	Tarco	4-7%	8/16/2021
Insulation	Reflectix	5%	8/8/2021	WINDOWS	Cornerstone Brands*	6-20%	7/31/2021
Insulation	Dupont	\$300 surcharge	7/14/2021				

* Plygem, Simonton, Atrium, SilverLine, Great Lakes, Prime

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Current Lead Times:

L1/L2	Vendor	Current Leadtime	L1/L2	Vendor	Current Leadtime
BLDMT	Napco	8+ weeks	LIGHT	Thomas	8 weeks
	Rebar	8+ weeks		Hunter	9 weeks
DECK	Trex	6-8 weeks	PAINT	DAP	7 weeks
DRYWL	GP	7-10 weeks		Dupont Foams	6-8 weeks
	USG	7-10 weeks	ENGLB	Roseburg	18 Weeks
	American	7-10 weeks	ENGLB	TJI	12 weeks
FENCE	UFP Trt DE	4-6 weeks	ENGLB	RIM	6 weeks
INSUL	Knauf	6-8 weeks	ENGLB	LSL	9 weeks
	Reflectix	6 weeks	MILL	Hardwood Boards	5 weeks
	Dupont/Dow	5-6 weeks		BayerBuilt	4-6 weeks
HARDWARE	Locksets	8-12 weeks		Central	7-9 weeks
PTOOL	Dewalt	4-6 weeks	WIND	Marvin	10 weeks
	Milwaukee	5-8 weeks		Pella- wood	7-11 weeks
SAFETY	3M	Q4 2021		Pella- impervia	2-11 weeks
	<i>Filters</i>	Q3 2021		Pella- vinyl	4-18 weeks
STOR	<i>Masks</i>	Q4 2021		WeatherShield	8-15 Weeks
APPL	Samsung	4-8 weeks	ROOF	Tamko	8-12 weeks
	Almo	16 weeks		Lomanco	6 weeks
	Whirlpool	10-16 weeks		AirVent	12 weeks
	<i>Freezers</i>	Q1 2022	SEAS	Yeti	16 weeks
KITCH	Schrock Entra	7-15 weeks		Traeger	6 weeks
	Schrock Trademark	15 weeks	SIDE	LP- Prefinished	2 weeks
	Schrock Boutique	12-14 weeks		LP- Primed	16+ weeks
	Fieldstone	7-9 weeks		Collins Truwood	12 weeks
	Norcraft Signature	9 weeks		Hardie	10+ weeks
	Norcraft Pivot	15 weeks		Plygem	11 weeks
	Ultra Craft	15-16 weeks			

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THE BOTTOM LINE: Builders price motion this week:

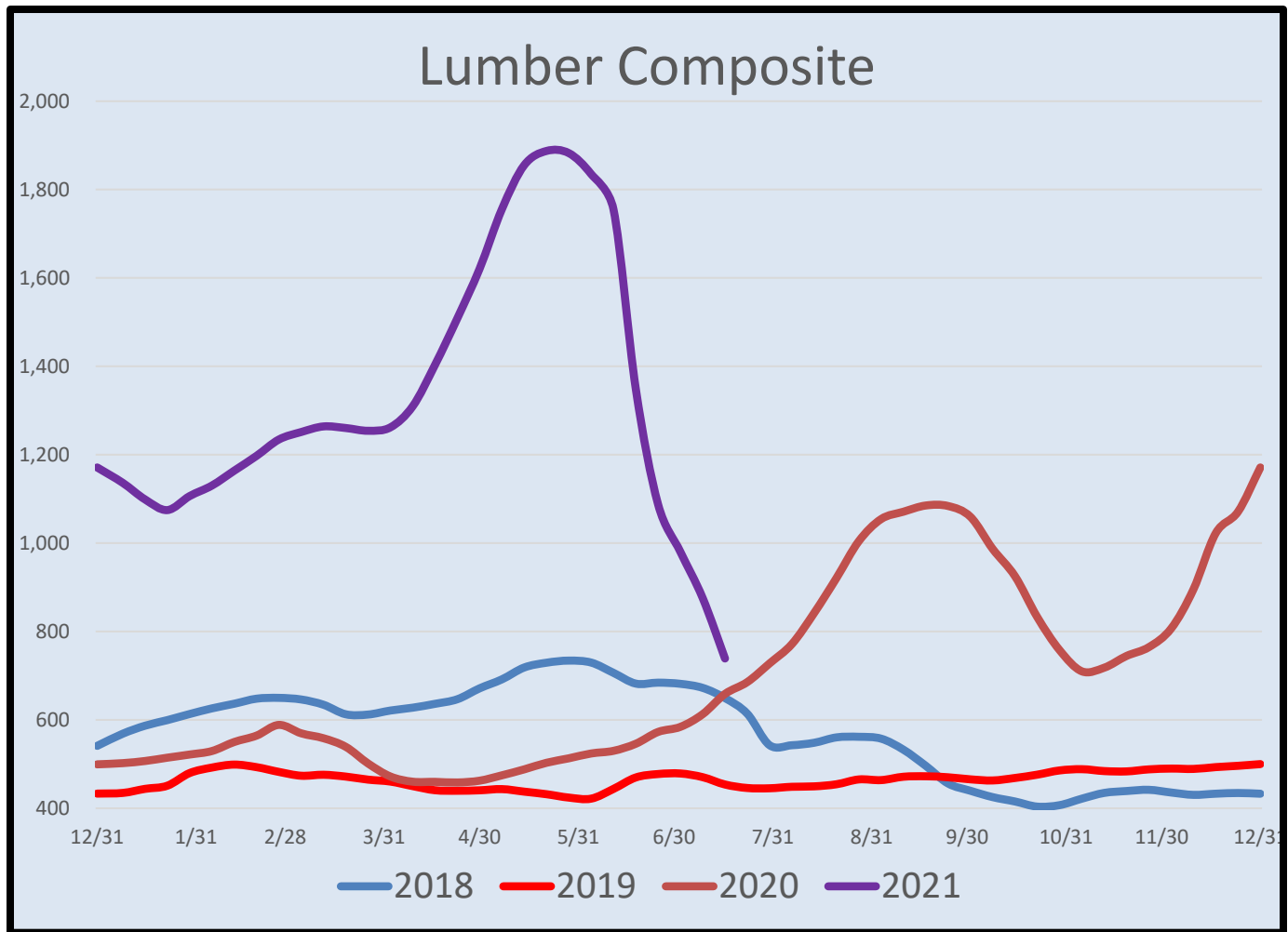
Price Change From Prior Week					7/16/21	vs	7/9/21		
Lumber Futures		Jul	↓ -212	Sep	↓ -181	FOB Mill	↓ -210		
Size	Coastal Hem Fir	Inland Fir	Doug Fir	Intf. Fir/Larch	#2 SPF Denver	#2 Euro (East Cst)	Premium SPF Grand Island	#2 SPF Grand Island	2x4 #1 SYP (central)
2x4 #2&Btr	↓ -120	↓ -80	↓ -115	↓ -100	↓ -210	↓ -210	↓ -210	↓ -210	↓ -55
2x6 #2&Btr	↓ -120	↓ -85	↓ -110	↓ -95	↓ -205	↓ -205	↓ -205	↓ -205	↓ -50
2x8 #2&Btr	↓ -100	↓ -120	↓ -165	↓ -90		(SPF)	↓ -110		↓ -50
2x10	↓ -130	↓ -100	↓ -170	↓ -70		(Hem Fir)	↓ -130		↓ -140
2x12	↓ -130	↓ -100	↓ -165	↓ -75		(Hem Fir)	↓ -155		↓ -170
2x4 Util	↓ -100	↓ -100	↓ -94	↓ -100					
2x6 Utility	↓ -44	↓ -69	↓ -63	↓ -69					
MSR	GI			Denver					
	DF 1800	DF 2400	2x3 #2 SPF	DF 1800	DF 2400	DF 2850	SPF 1650		
2x4	↓ -115	↓ -145	↓ -175	↓ -115	↓ -145	↓ -145	↓ -185		
2x6	↓ -105	↓ -125		↓ -105	↓ -125				
Studs									
	Hem Fir #2 Studs	White Fir	Doug Fir #2	Fir/Larch	Western SPF Denver	Apollo SPF Prem Grade	Premium SPF	Saratoga Blanca	
2x4 92	↓ -90	↓ -95	↓ -100	↓ -100	↓ -120	↓ -90	↑ 40	↑ 65	
2x4 104	↓ -90	↓ -85	↓ -100	↓ -85	↓ -100	↓ -60	↓ -60	↓ -60	
2x4 116	↓ -85	↓ -85	↓ -125	↓ -85	↓ -100	NA	↓ -10	↓ -10	
2x6 92	↓ -100	↓ -60	↓ -180	↓ -100	↓ -105	↑ 20	↑ 20	↑ 10	
2x6 104	↓ -105	↓ -85	↓ -140	↓ -60	↓ -80	↑ 75	↑ 75	↑ 75	
2x6 116	↓ -120	↓ -85	↓ -140	↓ -60	↓ -80	NA	↓ -100	↓ -100	
Denver OSB						ZIP			
OSB	7/16	15/32	15/32 Struc 1	19/32	3/4 T&G	7/16	1/2	Advantech	1 1/8"
4x8	↓ -320	↓ -320	↓ -320	↓ -270	↓ -270	↓ -50	↓ -50	↓ -10	↓ -16
4x9	↓ -320	↓ -320	↓ -320			↓ -50	5/8	R3	→ 0
4x10	↓ -320	↓ -320				↓ -50	↓ -50	R6.6	→ 0
Grand Island OSB						ZIP			
OSB	7/16	15/32	15/32 Struc 1	19/32	3/4 T&G	7/16	1/2	Advantech	1 1/8"
4x8	↓ -320	↓ -320	↓ -320	↓ -320	↓ -320	↓ -20	↓ -20	→ 0	→ 0
4x9	↓ -320	↓ -320	↓ -320	Durastrand	↓ -320	↓ -20	5/8	Blue+	
4x10	↓ -320			1/4"	↓ -225	↓ -20	↓ -20	↓ -290	
Quake Zone	110 7/16"	122 7/16"	134 7/16"		110 7/16"	122 7/16"	134 7/16"		
Denver	↓ -320	↓ -320	↓ -320	GI	↓ -320	↓ -320	↓ -320		
4x8 Plywood	3/8	15/32-4		19/32	23/32	23/32 UL	1 1/8 UL		
Western	↓ -175	↓ -275		↓ -260	↓ -250	↓ -300	↓ -200		
SYP West	↓ -185	↓ -283		↓ -272	↓ -245	↓ -272			

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Lumber:

With very little activity on the purchasing side, mills are becoming more and more aggressive with lower prices trying to move product. So far, it is not working. A few blocks were sold here and there, but nothing substantial enough to create a bottom. We have word now that at least one mill is curtailing production (by 40%), if others follow suit, this will turn around quickly.

No one predicted a fall this far and no one knows where the bottom will be. SPF is now priced less than SYP which might indicate we are getting close to the bottom. Just another theory. We are so far into uncharted territory that everything is simply a hunch, a feel or a guess depending on who you are listening to.



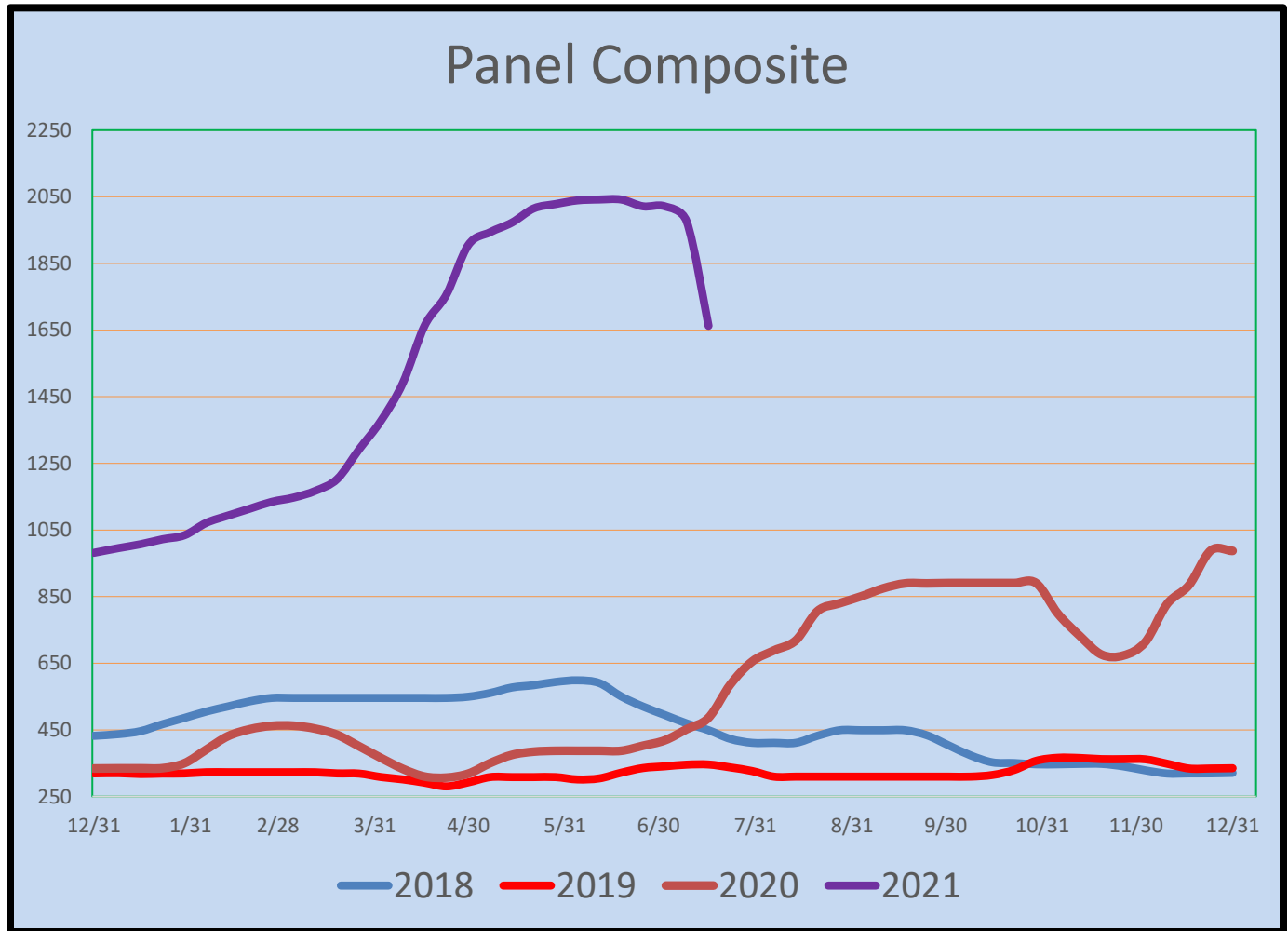
Lumber Composite			
Today	1 week ago	1 month ago	1 year ago
738.97	875.82	1,349.43	612.97
% +/-	-15.6%	-45.2%	20.6%

The Lumber Composite is a weighted average of HF, DF, SPF dimension and studs as well as Fir and DF wides

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Panels:

Panels are in full blown correction mode. Some say they are following lumber, some say they were simply overpriced. What very few seem to be saying is that production has caught up with demand or, probably more accurately, demand has fallen to current production levels. Certainly no excess materials readily available yet, but it won't be long before we see an ample supply at our current pace of consumption.



Panel Composite			
Today	1 week ago	1 month ago	1 year ago
1,663	1,976	2,042	346
% +/-	-15.9%	-18.6%	380.9%

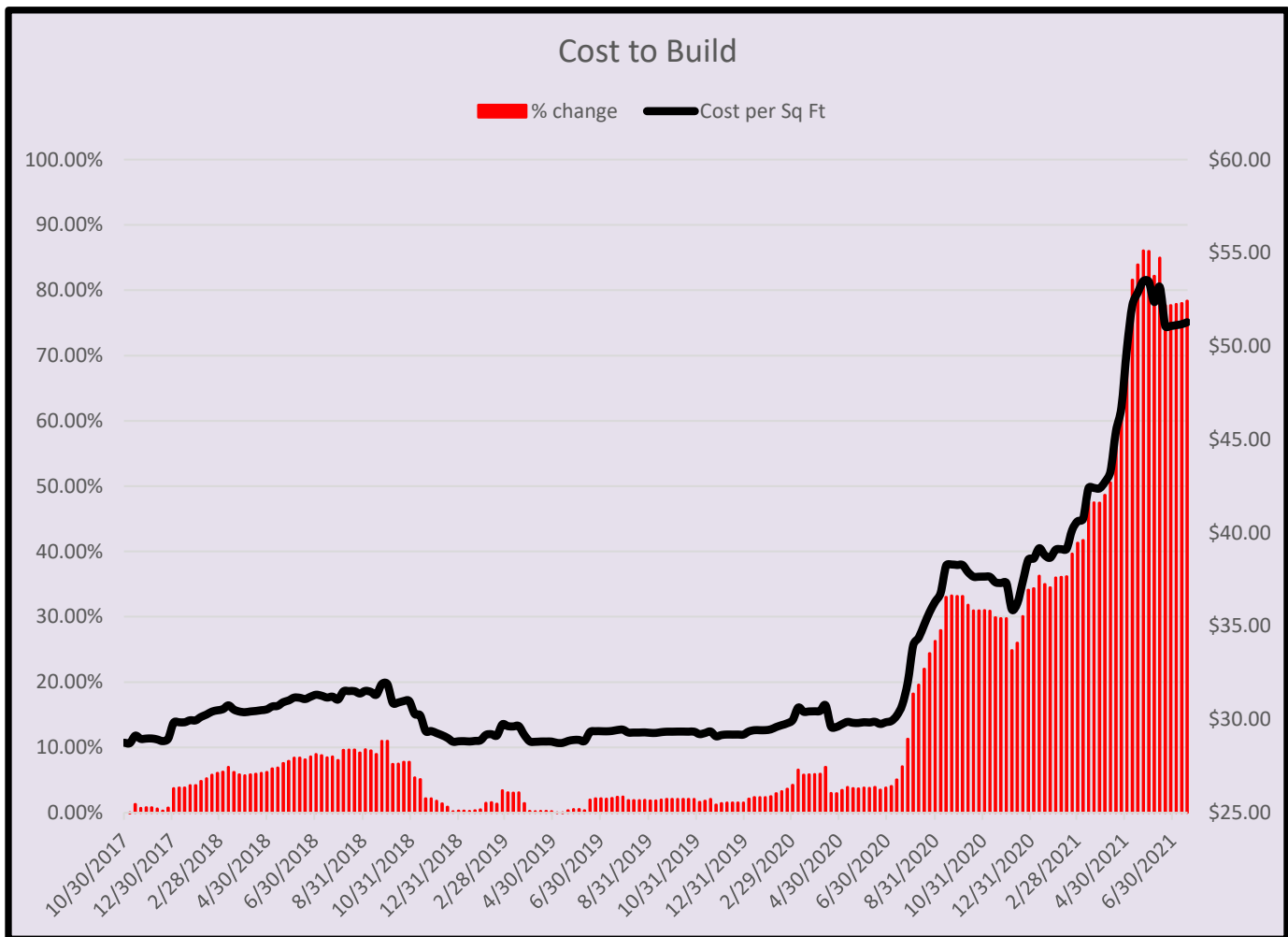
The OSB Composite is a weighted average of both Colorado and Nebraska panels from 7/16 through 23/32 T&G.

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



This design is a combination of the following: Plan Collection #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