

# BUILDING MOMENTUM

OCTOBER 2016



The downturn in the 2015 housing market resulted in oversupply, driving prices of building materials lower. 2016 has seen a slight uptick approaching historical averages, but industry stagnation and the overall economy have kept pricing in check.

## REMODELING THE INDUSTRY

2015 was a perfect storm — export and labor issues exacerbated a historically bad winter. While 2016 has seen significant improvement, seasonally adjusted housing starts have begun to flatten out.

### PRIVATELY-OWNED HOUSING STARTS



## SOFTWOODS GROW STRONGER

### SOFTWOOD COMPOSITE PRICING



## HARDWOOD FLOURISHES IN UNCERTAIN SOIL

2016 has seen prices significantly recover from 2015, both overseas and domestically. Prices for red oak, white oak, poplar, hard maple, and ash have largely returned to 2014 levels, when limited supply created high prices.

### RED OAK COMPOSITE PRICING



### WHITE OAK COMPOSITE PRICING



Source: Hardwood Market Report

## FRAMING THINGS UP



Over the past year, lumber producers increased production in anticipation of improved demand, keeping supplies high.



Separately, the strength of the U.S. dollar has resulted in higher prices in lumber export markets.



In summary, both macroeconomics and industry factors have generated a modest price recovery, not a return to previous levels.

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