



As slash burning season gets into full swing, it won't be long until planting follows suit this winter and spring, on the heels of fall planting, which is not typical but done by some landowners. As I say every year, there are plenty of seedlings available if you are persistent in finding a source. Don't believe the common rumblings that it's too late to find seedlings or that they won't be available until next year, or whatever. Do not rely on a single forester, operator, vendor, or newsletter, for your information.

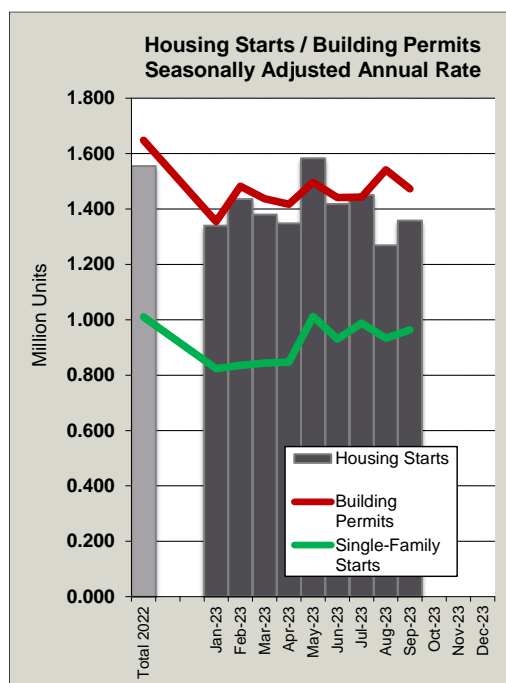
I hope everyone has a wonderful and relaxing Thanksgiving Holiday.

If you need help with your any of your forestry planning, or just want to talk forestry, give me a call at (503) 224-3445 or send me an email at [bkeller@masonbruce.com](mailto:bkeller@masonbruce.com). MB&G has a sophisticated understanding of the forest industry and great relationships with numerous log buyers, loggers, nurseries, and reforestation contractors. MB&G is a full-service outfit that in addition to harvest and reforestation does management plans, timber cruising, forestland valuations, and road maintenance. Thanks – Brent

**MB&G Family Forest Client  
Clackamas County, OR**

## MARKET WATCH: HOUSING, LUMBER AND LOGS

### HOUSING STARTS



Housing starts increased 7% in September, to 1.36 million units, and they were down 7.2% year over year. Single family starts increased 3.2% in September over the previous month, and year over year they were up 8.6%.

Building permits decreased 4.4% in September, to 1.47 million units, and they were down 7.2% year over year. Single-family permits were up 0.95% from August, and up 11.6% year over year.

Housing starts and permits continue to vary month to month with only a slight positive trend in single-family starts and permits, and a slight negative trend in total housing starts over 2023 to date.

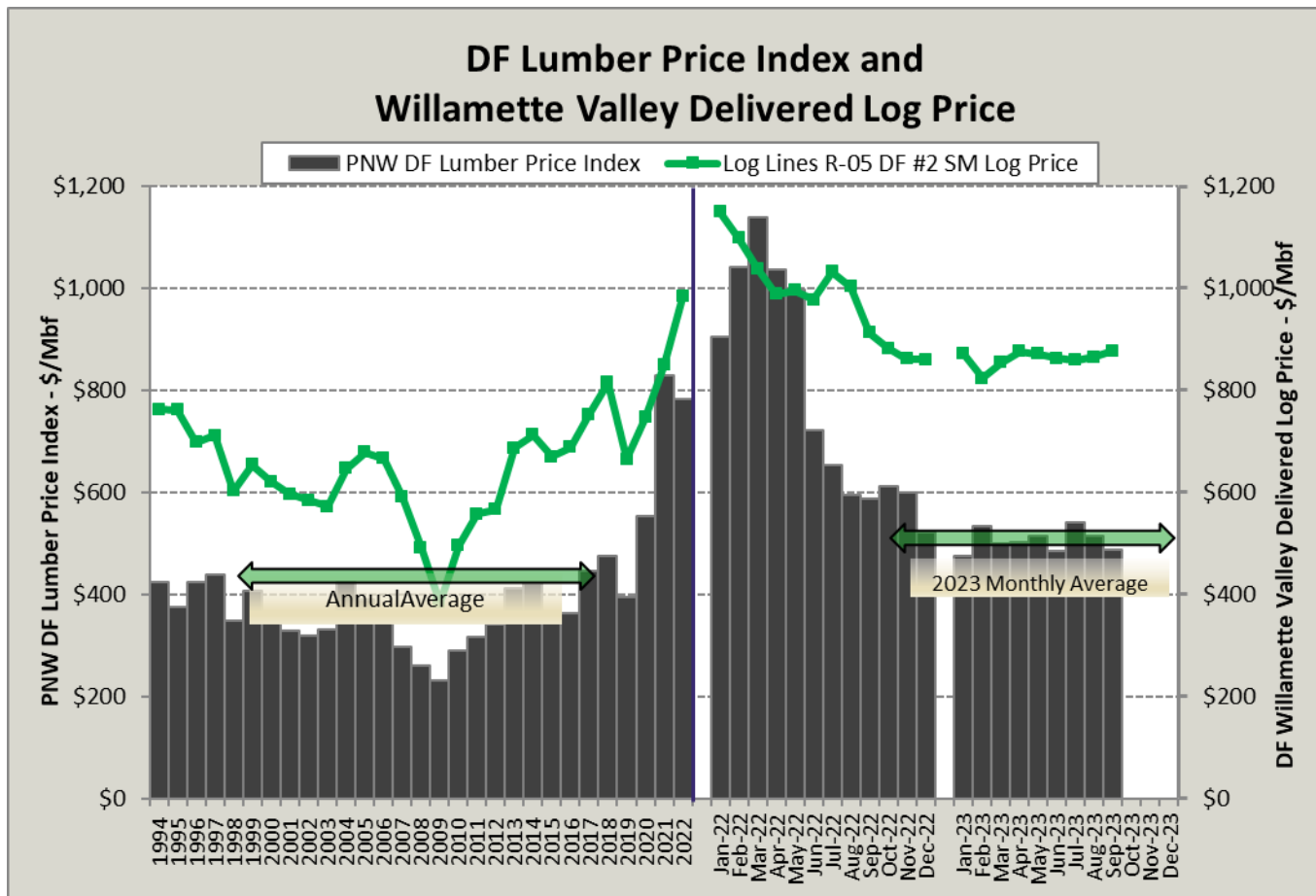
| September 2023 Housing Starts (millions) |           |          |                    |           |                   |
|--|-----------|----------|--------------------|-----------|-------------------|
|  | Sept 2023 | Aug 2023 | Monthly Difference | Sept 2022 | Annual Difference |
| All Starts                               | 1.358     | 1.269    | 7.0%               | 1.463     | -7.2%             |
| Single-Family Starts                     | 0.963     | 0.933    | 3.2%               | 0.887     | 8.6%              |
| Building Permits                         | 1.473     | 1.541    | -4.4%              | 1.588     | -7.2%             |
| Single-Family Building Permits           | 0.965     | 0.948    | 1.8%               | 0.865     | 11.6%             |

## LUMBER & LOGS

Published DF log and lumber prices were mixed in September, as shown below.

September DF #2S log prices increased 1.5% over August, to \$878/Mbf. September log prices were 3.8% below a year ago but were still 10.4% above the 5-year average.

At \$487/Mbf, the DF lumber index price decreased 5.3% from August. Lumber is down 17% from a year ago and is 19.1% below the 5-year average. Prices will likely continue to hover within a relatively narrow range without significant changes in the housing market.



### September 2023 Douglas-fir Prices

|        | Sept 2023 | Aug 2023 | Change from Previous Month | Sept 2022 | Change from Previous Year | 5 Yr Annual Average | Current Month Compared to 5 Yr Annual Avg |
|--------|-----------|----------|----------------------------|-----------|---------------------------|---------------------|---|
| Logs   | \$ 878    | \$ 865   | 1.5%                       | \$ 913    | -3.8%                     | \$ 795              | 10.4%                                     |
| Lumber | \$ 487    | \$ 514   | -5.3%                      | \$ 587    | -17.0%                    | \$ 602              | -19.1%                                    |

## Lumber Track

YTD Western Mill Production through August was down 6.2% relative to August 2022. August production dropped 1.6% from July.

Monthly production as a percentage of capacity increased 1% in August, to 77%. YTD production as a percent capacity was down 5% when compared to August 2022. Continued utilization under 80% is likely to continue unless housing starts increase. (*Western Lumber Facts, 10/6/23*)

| Western U.S. Softwood Lumber Production |             |                               |             |
|---|-------------|-------------------------------|-------------|
| YTD Total (Bbf)                         |             | Monthly Total (Bbf)           |             |
| August 2023                             | <b>9.26</b> | August 2023                   | <b>1.26</b> |
| August 2022                             | <b>9.87</b> | July 2023                     | <b>1.28</b> |
| Percent Change                          | <b>-6%</b>  | Percent Change                | <b>-2%</b>  |
| YTD Production as a % of Capacity       |             | Production as a % of Capacity |             |
| August 2023                             | <b>76%</b>  | August 2023                   | <b>77%</b>  |
| August 2022                             | <b>81%</b>  | July 2023                     | <b>76%</b>  |
| Percent Change                          | <b>-5%</b>  | Percent Change                | <b>1%</b>   |

## INDUSTRY NEWS



### 2023 Fire Season Wraps-up in Oregon

Cooling Autumn temperatures and widespread rain have resulted in the termination of fire season restrictions in all ODF Fire Districts.

ODF's fire protection program protects 16 million acres of forest, including privately-owned and state-owned forests. Year to date, ODF reports there have been 975 fires on ODF-protected lands, with nearly 18,000 acres burned on those lands. They report aggressive initial attacks and claim to have put out 94% of the fires this season when they were less than 10 acres in size. While they responded to an average number of fires YTD in 2023, the number of acres burned were only 16% of the historical average over the last 10 years. (*Portland Local News 10/18/23, Oregon.gov 10/20/23*)



### What Happened to the Pulp and Chip Market?

The American Forest & Paper Association (AF&PA) reported that total printing-writing paper shipments decreased 20% in August 2023, compared to August 2022. In just the U.S., purchases of total printing-writing papers decreased 33% in July compared to the same month last year. It was reported that both Wauna and Port Townsend paper mills announced taking some downtime in October.

The Washington Log Market Report claims most whole log chippers in the Northwest are having a difficult time, as the lack of markets continue to wreak havoc and reduce prices. (*Washington Log Market 10/1/23*)



### Oregon Property Insurance and Fire Risk

Andrew Stolfi, director of the Oregon Consumer and Business Services Department, is warning Oregon property owners in areas of fire risk that property insurance rates will be going up.

Oregon's lawmakers have attempted to mitigate this situation through the passage of two measures that will go into effect in January 2024.

- One measure disallows insurance companies from using the fire risk maps created by Oregon State University and the Oregon Department of Forestry as a basis for cancellation or nonrenewal of coverage or increased premium rates.

- The other measure requires insurance companies who raise rates due to fire risk, to specify why a property is at higher risk and what steps can be taken to reduce or mitigate that risk. Mitigation options could include creating defensible space around structures, making properties and structures more resistant to wildfires, and boosting community fire-suppression capabilities.

Referring to the second measure above, Stolfi points out the new laws do not require insurance companies to assign a discount to a property-owner's mitigation efforts, it just requires the insurance company to disclose what can be done to mitigate a properties risk for wildfire. It's just about communication.

"But it should not come as a surprise that these large wildfire-related losses we have seen across the West have influenced insurers' decision-making," says Stolfi.

Before 2020, losses resulting from all natural disasters in Oregon were generally under \$1 billion per decade. But since 2020, losses resulting from wildfires alone have exceeded \$3 billion, most of which was from the 2020 Labor Day fires. (Capital Press 10/11/23)