



**Family Forest Old Growth
Linn County, OR**

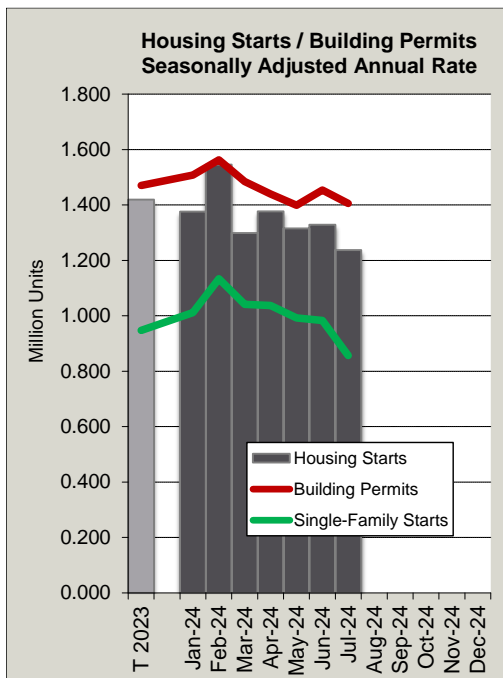
The log market seems to have flattened, and there are some good prices out there, but unless you have a high quality log, sort, or species, it may be best to hold your timber until markets improve. As I said back in May as the market was declining: *If you have a significant amount of volume to harvest, now is definitely the time to put your timber up for bid on a stumpage basis with a 2-3 year contract. Buyers now more than ever are paying a premium for wood that they can control the flow of and determine the timing of harvest.* In any market I believe stumpage commands a higher value, but we're in a situation now where log buyers won't buy your logs, but will bid on your timber on the stump.

If you need help navigating through your harvest options, or just want to talk forestry, give me a call at (503) 224-3445 or send me an email at 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 works with the full range of forest landowners and offers a complete set of services, including timber harvests, silviculture, management plans, timber cruising, forestland valuations, and road maintenance. Thanks – Brent

MARKET WATCH: HOUSING, LUMBER AND LOGS

HOUSING STARTS



Housing starts decreased by 6.8% in July, to 1.24 million units, and they were down 16% year-over-year. Single family starts fell 14.1% in July, and year-over-year, they were down 14.8%.

July building permits decreased 4% from June to 1.4 million units, and they were down 7% year-over-year. Single-family permits were down 0.1% in July, and they were down 1.6% year-over-year. Housing starts are expected to pick up slightly in 2025.

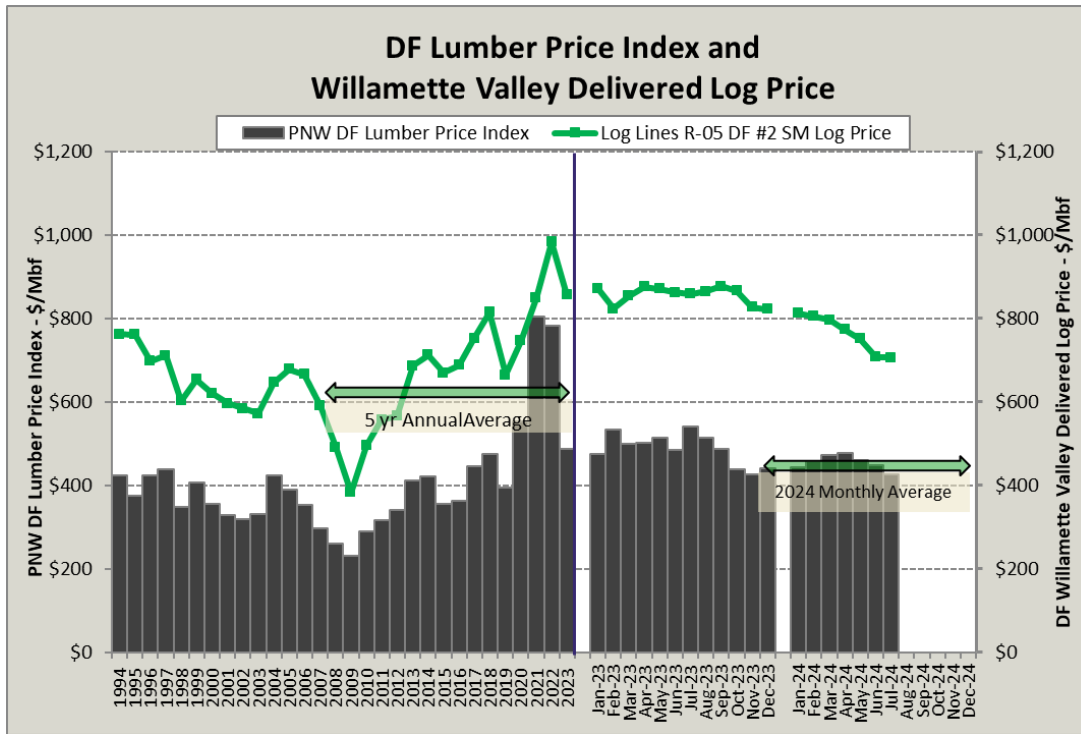
July 2024 Housing Starts (millions)					
	July 2024	June 2024	Monthly Difference	July 2023	Annual Difference
All Starts	1.237	1.329	-6.9%	1.473	-16.0%
Single-Family Starts	0.857	0.983	-12.8%	0.999	-14.2%
Building Permits	1.406	1.454	-3.3%	1.501	-6.3%
Single-Family Building Permits	0.941	0.939	0.2%	0.953	-1.3%

LUMBER & LOGS

Published DF log and lumber prices were down in again in July, as shown below.

July published DF #2S log prices decreased 0.1% from June, to \$707/Mbf. July log prices were also 17.7% below a year ago, and they were 12% below the 5-year average of \$804.

At \$428/Mbf, the DF lumber index price decreased 4.9% from June. Lumber is down 21% from a year ago and is 29.3% below the 5-year average of \$605. Log and lumber prices are likely to remain weak until housing starts pick up.



July 2024 Douglas-fir Prices							
	July 2024	June 2024	Change from Previous Month	July 2023	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 707	\$ 708	-0.1%	\$ 859	-17.7%	\$ 804	-12.0%
Lumber	\$ 428	\$ 450	-4.9%	\$ 541	-20.9%	\$ 605	-29.3%

Lumber Track

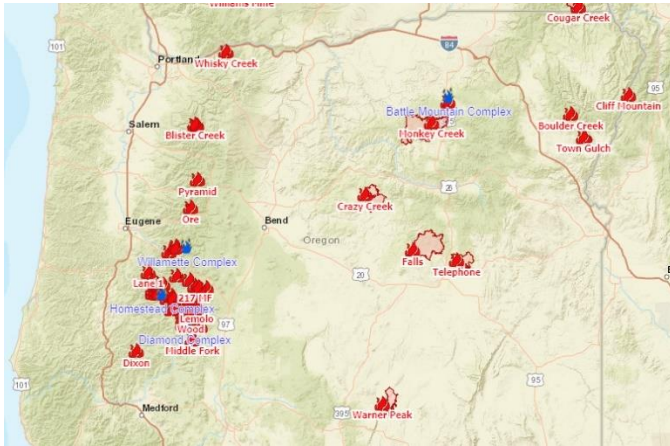
YTD Western Mill Production through June 2024 was down 2% relative to June 2023. June production decreased 7.8% from May.

YTD production through June as a percent of capacity was down 1% when comparing 2024 to 2023. Monthly production as a percent of capacity increased 2% in June, to 78%. (*Western Lumber Facts, (8/2/24)*)

Western U.S. Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
June 2024	6.76	June 2024	1.07
June 2023	6.90	May 2024	1.16
Percent Change	-2%	Percent Change	-8%
YTD Production as a % of Capacity		Production as a % of Capacity	
June 2024	76%	June 2024	78%
June 2023	77%	May 2024	76%
Percent Change	-1%	Percent Change	2%

INDUSTRY NEWS

Oregon Wildfire Update



The Oregon Large Fire Map dated August 20th indicates over 30 large fires continue in the state, with several to the south of the Willamette Valley. The 1,312-acre Pyramid fire is now listed as 88% contained, with an estimated complete containment on the first of October.

It is predicted that in the Pacific Northwest, many wildfires currently burning in Washington and Oregon, and potentially new ones, will persist until the Fall rain and/or snowfall. These events are known as long-duration wildfires. For these, the focus is creating primary and contingency containment lines, to prevent the fires from reaching critical areas, like communities,

powerlines, water supply systems, and natural and cultural resources.

This year's fires have tested Oregon's firefighting limits. In response, Oregon has enlisted the assistance of crews from the Oregon National Guard and the Army Guard. (USDA 8/8/24, KOIN 7/29/24, NWCC 8/20/24)

Housing is Still Muddled with Affordability Issues

Fannie Mae reports that even with recently lowered mortgage interest rates, a continued weak housing market is expected through the end of the year and into 2025. The July Home Purchase Sentiment Index[®] (HPSI) decreased 1.1 points, to 71.5 as a result of overall lack of affordability. Also in July, only 17% of consumers indicated that it's a good time to buy a home, down from 19% in June.

The updated forecast predicts homebuying will not pick up meaningfully until income growth begins to outpace home price growth, and mortgage rates move closer to 6%, which may occur in late 2025, according to Fannie Mae. (Fannie Mae 8/7/24 & 8/21/24)

Another Small Fire at Roseburg Forest Products Mill



Officials responded to a small fire at Roseburg Forest Products and reported that the fire appears to have started in the mill's ventilation system. The crews made quick work of putting out the flames.

There were no injuries reported and the amount of damage was not disclosed.

This was the second fire at Roseburg Forest Products in the past month. The first was a small blaze burning above an office space at the facility. (MBC 8/26/24, KAJO 8/27/24)

Homes at Risk of Wildfires in the West



CoreLogic released a wildfire risk report that proposes that there are 2.6 million homes across 14 states with moderate to very high risk of wildfire damage this year. These homes represent a potential reconstruction cost of \$1.3 trillion.

The western states of California, Colorado and Texas are believed to hold 70% of the risk.

The report lists the top five states with the highest number of homes at moderate or greater risk of wildfire exposure, mostly from the number of homes built in undeveloped areas, or with exposure to a Wildland-Urban Interface:

1. California: 1,258,748 homes at risk
2. Colorado: 321,294 homes at risk
3. Texas: 244,617 homes at risk
4. Oregon: 129,567 homes at risk
5. Arizona: 124,603 homes at risk

(Insurance Journal 8/15/24)

Excess Wildfires Cause Fire-fighter Shortages.

In July, federal wildfire managers placed the nation under a designation known as Preparedness Level 5, only the fourth time in the past two decades that the country has reached this level so early in the calendar year.

So far, more than 5 million acres have burned nationwide. It has been reported that the country's wildland firefighting resources are spread thin, and more blazes are imminent. It was also reported that 2,417 requests for crucial fire resources, from radio operators to task force leaders, had gone unfilled through July 26. Most concerning though, is the lack of experienced firefighters. (ProPublica 8/15/24)

The Costs of Wildfires

Wildfires cost economic prosperity. According to research by the economic software and analysis company IMPLAN, wildfires could have a profound effect on the U.S. national economy.

It is projected that wildfires could cost the loss of 466,000 jobs, a reduction of \$52.2 billion to gross domestic product (GDP), and \$89.6 billion in lost economic output for the U.S. Last year, in a study by the U.S. congress joint economic committee, it was determined that wildfires cost the U.S. between \$394 to \$893 billion each year in economic costs and damages. (Forbes 8/14/24)