Changing How America Builds

2018 SLMA / SFPA SPRING MEETING
MARCH 16, 2018
Sell more softwood lumber... and make more $ doing so.
Unique but Complementary Programs

Multi-Family & Non-Residential

Single Family Residential

Opportunity
Awareness
Interest
Desire
Action
Repeat
Programs - New Opportunities

Realize Conversions
(Increase market share where building codes allow wood)

Enable Codes

<table>
<thead>
<tr>
<th>Potential additional annual U.S. wood consumption (BBF)</th>
<th>1-4 Story</th>
<th>5-6 Story</th>
<th>7-8 Story</th>
<th>9-12 Story</th>
<th>13-20 Story</th>
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<tbody>
<tr>
<td></td>
<td>3.44</td>
<td>1.80</td>
<td>1.01</td>
<td>0.33</td>
<td>0.15</td>
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</tbody>
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Data source: Tall Wood Demand Estimation 2016, FPIInnovations
Project Conversions

- Multi-family, 50%
- Assembly, 12%
- Business, 13%
- Hotel/Motel, 9%
- Educational, 5%
- Student Housing, 3%
- Institutional, 3%
- Factory/Industrial, 1%
- Utility/Misc, 2%
- Mercantile, 2%
Programs - 2017 Impact
Other Innovations: Hybrid Systems
Industrialization of Construction
Industrialization of Construction

**PANELIZED** vs site:
+6.7% total wood (Lumber, Panels, EWP)
+13% softwood lumber
**Opportunity:**
+325 MMBF at full conversion

**MODULAR** vs site:
+69.4% total wood (Lumber, Panels, EWP)
+19%-45% softwood lumber
**Opportunity:**
+1.1 BBF at full conversion
WOOD BURNS.
Steel and concrete don’t.

That’s one of the reasons insurance rates for wood buildings are double that of steel buildings.

Learn more at www.aisc.org/woodburns.

There’s always a solution in steel.™
American Institute of Steel Construction
312.670.2400 www.aisc.org

This apartment was built with cheap softwood lumber.

It’s time to pass safer building codes. Using lightweight wood construction may save a few bucks. But people are paying the price—with their lives. In early 2017 alone, there have been 15 local fire-related deaths. That’s why the Maryland legislature is considering legislation that would limit combustible materials in mid-rise buildings. Because developers should never put their bottom line ahead of your life.

It’s time to pass HB 1311 AND SB 722.

Backed by the National Ready Mixed Concrete Association, Build With Strength is a diverse coalition that educates the building and design communities on the benefits of concrete. Join us at BuildWithStrength.com
“Every 1 point of market share we take from wood is worth $50 million in sales” J. Cline, CEO TREX
So What?
“Because of... aggressive promotion, lumber has gained significant market share at the expense of concrete. Concrete’s share of the above-grade wall market has declined from 14% in 2005 to about 7% currently.”

Concrete Competition: Lumber – B. McIntosh
Competitors Are Taking Notice

We’re leaving money on the table

6 stories, 200,000 ft²

7,000 yd³

2,000 yd³

We lose 5,000 yd³ or $500,000 revenue
“The wood industry is taking a very aggressive approach that could take some of concrete’s market share... organizations (such as reThink Wood and WoodWorks) are... redefining for architects where wood is an appropriate building material.”

Wood or Concrete – B. Palmer
Delivering On Our Mandate

2017 SLB Funnel Impact

1 billion bf    $426 million

Cumulative Impact Since 2012

3.6 billion bf    $1.34 billion

Incremental Revenue per $ Spent Since 2012

$19.74
The SLB represents what the softwood lumber industry has never done before and individual companies cannot do alone: *Work together in a broad, unified cross industry initiative to defend existing and grow new markets for our products.* Without the SLB, competitors will quickly recapture their market share and more.
Softwood lumber can, and should, be a leading building material. . . but it won’t happen by accident.

Jeff Howe
Dovetail Partners