

PROLINES

Spring 2013

The Newsletter for the Professional Builder

BUILDING BUDGETS

As current Lumber and Panel prices continue the rise to the top of their Historical Levels, it is extremely important to review your Budgeting Forecasts and current purchasing and operational activities, which ultimately will affect your present and future profitability. Our June **PROLINES** market forecast of 2012 accurately predicted the situation we face at this time; however now that it has arrived, what can we do about it? With every challenge, there comes opportunity.

Many years ago when Oriented Strand Board was just being introduced, it sold at a significant discount to Plywood and in most cases it was extremely difficult to get our builder partners to convert over to Strand Board. Today, Strand Board is the accepted standard for floor, wall and roof sheathing; however at this point we could actually offer you Canadian Softwood Plywood (Spruce Sheathing) at a discounted level to OSB. Of course this would only be of interest to builders who would like to reduce the sheathing costs by several hundred dollars per house. Many volume house builders have expressed difficulty in switching products when constructing pre-sold houses, side by side or in the same neighborhood, as their clients believe that they are being short changed in some way or are receiving an inferior product. Perhaps these Builders should take this opportunity to review the "SPECIFICATIONS" for their houses and change the wall or roof sheathing specification from "Oriented Strand Board" to "Wood Based Structural Panel" as accepted by the Alberta Building Code. Do not paint yourself into a corner. This would give you the freedom to move from one product to the other at the your discretion. This would also open the opportunity to look at Fir Plywood for the floor

sheathing and it's specification. Will the pricing structure of floor panels follow the same route as wall sheathing? This alternative should immediately be reviewed for any "Spec" homes that are being contemplated that would not face consumer interference. Perhaps the most significant benefit of using both Plywood and OSB is ensuring that competitively priced alternatives remain available and viable in the marketplace.



Have you considered the fact that OSB sheathing actually has a higher waste factor associated with it when applied to roof sheathing? You can use both sides of a cut sheet of plywood however due to the necessity of placing the mated side up for OSB, cut pieces cannot be easily switched out increasing the waste factor. The more complex roof pitches and designs of today have highlighted this consideration, given the price of sheathing. →

HEAD START

We are currently exploring the concept of marketing a six foot length of 2 x 10 Spruce S Dry #2& Btr. Header Board, for window headers where a rough opening of 5' or 2' 6" is present. Currently a twelve foot length would normally be taken off the blueprint estimate and shipped to the job to be cut to the exact length required for the rough opening. However a six foot length would be much easier for the Framers to handle and could produce less lumber waste depending on the number and sizes of the rough openings. Our Sales Representatives will be exploring this option, however if you would like this option to be included in the Blueprint estimates that you currently request from us; or wish to forward your interest to our "Head" estimator, contact; Oscar Wettberg, at our Calgary Lumber Yard 403 243 2566 or email: estimating@delumber.com. We believe we can provide a more environmentally friendly solution and offer the product at a discount to alternative longer lengths.

→ An opportunity also exists with the Fire Retardant sheathing required on adjacent exterior walls. When this imposition was first introduced to this marketplace the only products that were accepted was Type X Gyproc which was not feasible and a product called “Densglass”. Over time, a Fire Retardant Oriented Strand Board was developed and became the industry standard. At this time we could supply you with Densglass at a lower cost than the Fire Rated OSB. Depending on the quantity involved there could be substantial savings to the innovative, proactive builder. You built with it before; you can build with it again. In fact, many builders continue to use the Densglass if at least just for the chimney build outs. The OSB market, by our estimate is not likely to ease up for several months as a certainty, or for years, cyclically. The cost of re-opening a shuttered OSB mill entailing the re-hiring, re-training, building a log deck and other considerations, is ten to fifteen million dollars. Although there are some Mills going through that process as we speak or aiming to in the near future, it is unlikely to have an effect on supply side economics until 2014.



When was the last time you conducted a review of the on historic Estimated Framing Budget costs for a house and compared that to the actual dollar value of all the products and services used to construct the Wood Framing component of the house? Could this use a little tightening up?

Our experience has also shown that with the increased value of these products there is a greater correlation to the risk of increased theft. Now is the time to review your material delivery schedules, (do you need it Friday if it will sit untouched till Monday?) and security controls in place at the jobsite and understanding the inherent cost of delays involved with their replacement. Finally, are your materials stored and handled properly on the job site? Now is the time for frequent visitation and enhanced Site Supervision to take precedence.

WE ARE STILL HARD COR!

Once again the Safety Program and Management Systems of Davidson Enman Lumber have passed the rigorous audit inspection of the Partnership in Injury Reduction and have retained our Certificate of Recognition for another three years for the two WBC industries; 25401 Wood Manufacturing and 25403 Home Improvement Centers that we operate under. The Audit score of 93% reflects the hard work of our Safe DE Team and all our employees. If you have a safety question or concern please direct it to our safety Director Jim MacNeil at our Cochrane Location; Phone 403 932 8825 or email safetydirector@delumber.com

A copy of our Certificate can be viewed here or at our web site www.delumber.com under the Safety Matters Link. Do not find out the hard way that the Building Supply Dealer, Engineered Floor and/or Roof Truss Manufacturer was not COR Certified when their workers attended your work site, or when your workers attend their work place! It wouldn't be such a bad idea to make COR Certification a requirement of ALL your suppliers and sub-trades if you are truly concerned about the safety of the workers who are ultimately responsible for building your projects and to whom you carry a legal responsibility to ensure their safety.



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