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TOP STORIES

Spokane Lost Roughly 700 Structures Over the Weekend

Three fires that started Saturday around Spokane have destroyed roughly 700 structures and put about 65,000 people under evacuation orders. No deaths or injuries have been reported. The Old Trails fire started near Airway Heights around midday Saturday, ran northeast across the West Plains into Riverside State Park, then crossed the river into neighborhoods inside northwest Spokane; a county fire chief put the count at 640 structures by Sunday. Tuesday morning's national situation report listed Old Trails at 3,621 acres, Autumn Lane at 5,603 and Fairview at 1,056, all at zero percent containment. The governor declared a state of emergency and activated the National Guard, the city declared its own, and federal fire management assistance grants were approved. A 37-year-old man was arrested Monday and charged with first-degree arson in the Old Trails fire; the causes of the other two remain under investigation. The 2023 Gray and Oregon Road fires together destroyed more than 700 structures in Spokane County, including 366 homes. Nationally the preparedness level held at 5 Tuesday with 99 uncontained large fires and 27,448 personnel committed, and the Northwest holds 50 of those 99. Year-to-date acreage reached 5,253,328 acres, 138 percent of the 3,814,610-acre ten-year average. Oregon holds the largest incidents, with Big Grass at 342,352 acres and 25 percent contained and the Rowe Creek Complex at 323,951 acres and 60 percent contained. The Emigrant Creek Ranger District on the Malheur National Forest moved to industrial fire precaution level (IFPL) IV on July 28, a general shutdown that bars commercial logging and timber processing on district lands outright.

Plywood Carried the Quarter at Boise Cascade

Boise Cascade released second-quarter results Monday and held its call Tuesday morning. Sales rose 5 percent to $1.8 billion, net income was $57.3 million or $1.63 a share against $62.0 million or $1.64 a year earlier, and adjusted EBITDA rose 6 percent to $126 million. The prior-year quarter included $5.8 million of after-tax gains on sales of non-operating property. Wood Products sales rose 3 percent to $459.6 million and segment income jumped 84 percent to $26 million, on plywood prices 15 percent above a year earlier and 3 percent more plywood volume. Engineered wood products (EWP) priced lower. Laminated veneer lumber (LVL) fell 4 percent on 2 percent lower volume and I-joist fell 7 percent on 2 percent lower volume. The distribution segment grew sales 5 percent to $1,697.5 million but segment income fell 10 percent to $70 million, with general line products up 9 percent, commodity products up 7 percent and engineered wood down 6 percent. Third-quarter adjusted EBITDA is guided to $82 million to $114 million. Management expects affordability pressure, elevated mortgage rates and persistent inflation to keep residential construction subdued through the third quarter; single-family starts ran 4 percent below a year earlier in the second.

Japan's Housing Rebound Skipped the Two-by-Four

Japan's housing ministry reported Friday that June starts rose 18.6 percent from a year earlier to 66,344 units, well ahead of the roughly 12.8 percent economists expected, for a seasonally adjusted annual rate of 786,000 homes. Wooden construction accounted for 59.4 percent of the total. Owner-occupied starts rose 15.7 percent, rentals 24.6 percent, built-for-sale 14.2 percent and prefabricated 13.7 percent. Platform-frame, or two-by-four, starts fell 7.4 percent, the only wooden category down. Platform-frame is the method that consumes imported dimension lumber, including North American spruce-pine-fir (SPF). Post-and-beam construction using domestic sugi does not.

■ DEEP DIVE: WHO CARRIES THE PRODUCT

Three Weeks, Two Exclusives

On July 13, Trex named Specialty Building Products, including its western division OrePac, as its sole national distribution partner for decking and railing in North America, adding WS Building Materials, Coastal Forest Products and BlueLinx as regional partners. The company that lost the national slot was Boise Cascade. Eighteen days later, effective July 31 and announced August 3, Boise Cascade became the sole nationwide distributor of James Hardie's full exterior portfolio: Hardie siding and trim, AZEK trim and moulding, and TimberTech decking and railing. As part of that agreement Boise Cascade will transition away from distributing competing siding, trim and exterior moulding products. James Hardie named six regional distributors alongside it: Capital Lumber, Dixie Plywood and Lumber, Lumbermen's, Parksite, Woodgrain and Woolf Distributing. Boise Cascade runs 39 distribution centers inside a network of more than 60 distribution and manufacturing facilities and roughly 7,500 employees.

What Leaves the Shelf

Siding, trim and exterior moulding are the lines Boise Cascade is dropping, and the categories where wood competes with fiber cement, polyvinyl chloride and composites. Of new single-family homes started in 2025, vinyl siding was the principal exterior wall material on 27.7 percent, stucco on 24.1 percent, fiber cement on 22.6 percent and brick on just under 17 percent. Those four take roughly 91 percent of the market, leaving wood, stone and everything else to divide what remains. Woodgrain, one of the six regional distributors named in the agreement, is an Idaho moulding and millwork manufacturer.

Buying the Installer

The same day, Builders FirstSource announced it had acquired Innovative Construction Group from PulteGroup. Terms were not disclosed. The business designs, manufactures and installs trusses, wall panels and floor systems for single-family and multifamily wood-frame construction, with plants at Green Cove Springs, Florida and Florence, South Carolina, and it supplies field supervision and installation alongside the components. It was founded in 2009 and the homebuilder had owned it since 2020. Builders FirstSource operates roughly 565 distribution and manufacturing locations across 43 states, and is moving further into turnkey framing labor. PulteGroup is exiting captive manufacturing it bought six years ago.

The Second Tier Gets Chosen Too

Also on August 3, employee-owned Palmer-Donavin added ACRE from Modern Mill across the Southeast, distributing siding, trim, sheet goods, decking and fasteners through distribution centers in Tennessee, Virginia, North Carolina and South Carolina. ACRE is manufactured from upcycled rice hulls at Fernwood, Mississippi and is sold as a substitute for both wood and polyvinyl chloride. All four agreements run the same way. The brand owner picks one national distributor plus a short list of regionals, and the distributor drops competing lines to win the slot. Shelf space in siding, exterior trim, decking and railing gets allocated by contract, before a builder writes an order.

WHAT YOU MISSED YESTERDAY

Monday, August 3, and Tuesday morning - business, markets, and the broader economy.

- Stocks jumped Monday after Washington postponed military action against Iran to pursue talks aimed at reopening the Strait of Hormuz. The S&P 500 rose 1.5 percent to 7,600.50, its first close above 7,600; the Dow gained 1.3 percent to 53,178.41, a record close; and the Nasdaq added 2.1 percent to 25,913.90. Amazon rose 4.6 percent and passed $3 trillion in market value, the fifth company to do so.
- Treasury yields eased. The 10-year closed Monday at 4.68 percent, down from 4.74 percent Friday, and the 30-year sat near 5.23 percent.
- WTI settled near $79.60, down about 6 percent on the day, and Brent near $83.70, down about 4.7 percent. OPEC+ separately approved roughly 188,000 barrels a day of additional September quota. Prices slid another 3 percent Tuesday, with WTI trading near $77.
- Three US prints landed Tuesday morning. June job openings fell to 7.359 million from 7.537 million, below the 7.4 million expected; June factory orders fell 0.3 percent against expectations of a gain; and the June trade deficit narrowed 5.6 percent to $73.3 billion on falling imports.
- Caterpillar reported Tuesday that second-quarter revenue rose 24 percent to $20.54 billion with construction equipment sales up 35 percent, and North American construction up 50 percent; backlog stands at $72.1 billion and shares rose about 12 percent. The July employment report lands Friday, August 7. The merged Rayonier reports Wednesday and Interfor Thursday.

INDUSTRY & COMPANY NEWS

- **JELD-WEN.** Second-quarter net revenue slipped 0.7 percent to $817.8 million and the net loss widened to $31.5 million, or $0.37 a share, from $22.3 million a year earlier. Adjusted EBITDA rose $3.3 million to $42.3 million at a 5.2 percent margin. North American revenue fell 4.9 percent to $528.5 million while North American adjusted EBITDA rose 17.1 percent to $40.7 million; Europe ran the opposite way, revenue up 7.9 percent to $289.3 million with adjusted EBITDA down 22.6 percent to $13.2 million. The quarter carried $4.1 million of restructuring and asset charges tied to plant closures in both regions. Full-year guidance was raised to $3.1 billion to $3.2 billion of revenue and $120 million to $150 million of adjusted EBITDA.
- **US Department of Agriculture.** The department guaranteed $80 million of loans under its timber production expansion program. Clatskanie Scion in Oregon gets a $30 million guaranteed loan to build a new sawmill for industrial lumber products, with 35 jobs attached. Tahoe Forest Products in Carson City, Nevada gets $50 million for dry kilns, a planer mill and a new saw line that adds 60,000 MBF of premium lumber capacity, sourced from Nevada and California. The Nevada mill opened in 2023 as the first new mill in the state in nearly a century, paused in late 2025 for the rebuild, and is now targeting a 2027 restart.
- **Bennett Lumber Products.** The family-owned Idaho producer is building a brownfield planer mill at Princeton, Idaho, replacing the operation outright rather than upgrading it in place. The line includes transverse high-grader scanning with image analysis for grading and a multi-track fence rated to plus or minus 0.125 inch at speed. The company began smaller equipment projects at its Clarkston, Washington facility in 2024. No investment figure or capacity was disclosed.
- **British Columbia reforestation.** More than 20 BC lumber mills have closed permanently or indefinitely since 2023, and the contractors who replant are losing the funding base that mill activity provided. Annual planting across the province has fallen from a peak near 300 million seedlings in the early 2020s to roughly 230 million. Planting employs 5,000 to 6,000 people in BC against about 5,000 working directly in harvesting, so the replanting workforce is now the larger of the two.
- **Red Stag Timber.** The company opened what it describes as the Southern Hemisphere's first cross-laminated timber (CLT) modular factory at its Waipa site in Rotorua, New Zealand. The plant is rated at 800 modules a year and has 150 already on order. The New Zealand government committed NZ$3.2 million over three years toward the project.

■ MARKETS, DEMAND & FIRE SNAPSHOT

INDICATOR	VALUE	TREND
Spokane structures lost	**~700**	About 65,000 evacuated; the three fires were 0% contained Tuesday
Plywood price, Q2 y/y	**+15%**	Carried an 84% jump in one large producer's wood products income
LVL price, Q2 y/y	**-4%**	I-joist prices down 7%; engineered wood volumes down about 2%
Japan housing starts	**786,000 SAAR**	June starts up 18.6% y/y, but platform-frame starts down 7.4%
On-highway diesel	**$5.313/gal**	Up 17.9 cents in the week ended July 27; third straight weekly jump
30-yr mortgage rate	**6.66%**	Week of July 30, up from 6.58%; 15-year at 6.04%
US job openings, June	**7.36 million**	Down from 7.54 million and below the 7.4 million expected

■ THE BOTTOM LINE

Three fires around Spokane destroyed roughly 700 structures over the weekend and put about 65,000 people under evacuation orders, with an arson charge filed in the largest of the three. Plywood prices ran 15 percent above a year earlier and carried the second quarter at one of the country's largest producers, while engineered wood pricing kept sliding and distribution income fell. Japan's June housing starts rose 18.6 percent, but platform-frame starts, the ones that use imported dimension lumber, fell. Two national distribution exclusives were signed inside three weeks, both of them locking siding, trim and decking shelf space to brands that compete with wood. A large homebuilder sold its captive framing plants to the biggest building-products supplier in the country.