

TOP STORIES

British Columbia and Domtar Reach a Deal in Principle Aimed at Reopening Howe Sound Pulp

An agreement in principle between the British Columbia government and Domtar will help position the Howe Sound pulp mill at Port Mellon to reopen, Unifor said on October 1. Domtar said that with the government's support in place, scheduled maintenance will proceed as planned, followed by a restart. Neither gave a date. Gibsons Mayor Silas White told local media the mill would reopen in mid-October, with full ramp-up and energy production by November 1. The reopening depends on members of Unifor Local 1119 ratifying a new collective agreement next week. Domtar announced on August 20 the indefinite idling of the mill and its Bayview Fibre chipping plant. The company said the move would remove about 380,000 metric tons a year of northern bleached softwood kraft (NBSK) pulp from the market and affect about 400 employees. The province appointed Don Wright and Don Kayne on September 4 to negotiate with the company. Domtar had sought cheaper and steadier fiber, lower regulatory costs and better power pricing for the mill's cogeneration plant, according to earlier reports. The terms of the agreement were not released.

Wood Products Employment Rose 2,100 in September

Wood products manufacturers added 2,100 jobs in September to 394,000, according to preliminary federal payroll data released October 2. Employment was 7,400 lower, or 1.8 percent, than a year earlier. The industry detail runs a month behind. In August, sawmills and wood preservation employed 82,800, up 600 from July and down 3,000 from a year earlier. Other wood products, the group that includes millwork, pallets and manufactured homes, employed 229,500 in August, down 1,400 from July and 6,900 from a year earlier. Residential specialty trade contractors shed 7,900 jobs in September to 2,340,300, and were 28,800 below a year earlier. Residential building employment rose 3,000 to 922,700. All figures are seasonally adjusted. Across the economy, nonfarm payrolls rose 29,000 in September and the unemployment rate was 4.2 percent. Revisions cut a combined 60,000 jobs from July and August, and construction added 11,000.

Newsom Keeps the Timber Standard on Jackson State Forest and Signs a Wildfire Package

Governor Gavin Newsom vetoed AB 2494 in a message dated September 18. The bill would have replaced the standard of maximum sustained production of high-quality forest products at Jackson Demonstration State Forest in Mendocino County and the state's other demonstration forests. It would have limited logging there to research, demonstration and restoration and would have authorized co-management agreements with tribes. His veto message cited the need to keep flexibility. On September 29, Newsom signed 17 bills on wildfire and disaster preparedness. SB 1370 puts into statute his emergency proclamation fast-tracking wildfire prevention projects. The state counts more than 500 projects under it, covering over 310,000 activity acres on nearly 130,000 footprint acres. AB 1699, the Good Fire Act, creates a prescribed-fire liability pilot and lengthens burn boss certification from one year to three. AB 2513 adds regional landscape grants under the state's Regional Forest and Fire Capacity Program. Other bills in the set cover engine safety on forestry fire equipment, home-hardening loans and a new fire innovation unit at the state's forestry and fire agency.

WHAT YOU MISSED YESTERDAY

Thursday, October 1 — business, markets, and the broader economy.

- US stocks edged higher Thursday. The S&P 500 rose 14.91 points, or 0.19 percent, to 7,666.45. The Dow gained 20.51 points, or 0.04 percent, to 50,926.56, and the Nasdaq Composite rose 10.54 points, or 0.04 percent, to 26,871.60.
- The two-year Treasury par yield fell 10 basis points to 4.78 percent Thursday, and the 30-year eased to 5.61 percent from 5.64 percent.
- Accenture shares rose 15.8 percent Thursday, the day it reported fiscal fourth-quarter results.

INDUSTRY & COMPANY NEWS

- **Builders FirstSource** marked the opening of a 185,000-square-foot facility on 40 acres in the Rocky Mountain Rail Park at Bennett, Colorado, with a September 29 open house, according to trade reports. The plant makes roof trusses, floor trusses and wall panels and also sells lumber and other building materials. It has more than 100 full-time staff. The company thanked Adams County, Union Pacific and Patriot Rail for their part in the project.
- **Google** faces an examination by Finland's Licensing and Supervisory Authority over the clearing of about 740 acres of forest, by the authority's count, at Muhos for a data center by its project company, Tuike Finland Oy. The company asked the authority in April to rule that no environmental impact assessment was needed, and the authority said in May that one must be done. Felling continued through August. The authority asked the company and both municipalities for explanations on September 18. A unit head at the authority said September 28 it looked as though the company had gone ahead anyway. The municipality told the authority the next day it had issued no permits. Google says the felling fully complied with Finland's Forest Act. Metsähallitus, the state forest enterprise, sold Google four parcels at Muhos and Kajaani, about 3,460 acres in all, for more than 27 million euros.

- **Wildfire status.** Friday morning's national situation report held the national and Northwest preparedness levels at 2. Northwest personnel fell by 135 to 1,847. The report adds the Hatch Grade Fire, six miles southwest of Touchet in Walla Walla County, Washington, at 9,023 acres and 70 percent contained, and its incident table lists seven structures lost. The fire started September 29 in grass and brush, and evacuation notices were lowered to Level 1 on October 1. The Sisi Fire near Stehekin stood at 4,343 acres and 29 percent contained. The report puts this year's national total at 9,000,619 acres, 147 percent of the 10-year average.

■ DEEP DIVE: THE HOME MARKET

A Counterfactual on Wood Costs

Canada Mortgage and Housing Corporation (CMHC) published a scenario on September 24 estimating that wider use of Canadian wood could cut the cost of ground-oriented housing, meaning detached houses and townhouses, by up to 17 percent in some centers. It did not name the centers. The agency estimated annual ground-oriented starts would be about 3.5 percent higher nationally, close to 4,000 more a year. Its city estimates are 8.0 percent for Calgary, 6.1 percent for Edmonton, 4.5 percent for Ottawa and 4.3 percent for Toronto. The model asks what would have happened if the cost of wood, plastics and composites had risen since 2019 at the Vancouver and Montreal rates across the major metropolitan areas. That category is a division of Statistics Canada's building construction price index and covers more than lumber. By CMHC's calculation, the cost of building homes in the largest markets has risen 74 percent since 2019.

Where the Building Costs Rose

From the first quarter of 2020 to the first quarter of 2023, the wood, plastics and composites division rose 147 percent on average across 15 metropolitan areas, CMHC calculated. Metal fabrications rose 66 percent, concrete 54 percent and structural steel framing 53 percent. Over the same span, single-detached construction costs rose 82 percent in Toronto, 66 percent in Calgary and 55 percent in Edmonton, against 37 percent in both Vancouver and Montreal. CMHC said the lower growth in those two cities may be due to their nearness to lumber-producing regions. The wood division's share of construction costs is roughly 16 times larger in ground-oriented housing than in high-rise apartments. From the fourth quarter of 2024 to the second quarter of 2026, the wood division was unchanged and concrete rose 1 percent. Utilities rose 15 percent, plumbing 14 percent and heating, ventilation and air conditioning 13 percent.

Ottawa's Procurement Pull

Canada's Buy Canadian materials policy took effect December 16, 2025. It requires Canadian-produced steel, aluminum and wood products in federal construction and defense contracts of 25 million Canadian dollars or more, where at least C\$250,000 of those materials is needed and a Canadian source of supply exists. The materials must be manufactured or processed in Canada, and suppliers certify before bidding. The November 2025 announcement had named softwood lumber; the policy as issued says wood products. By mid-April 2026, Buy Canadian rules applied to about C\$3.6 billion of solicitations across goods and services, with C\$527.9 million awarded, by the government's count. Build Canada Homes, the federal housing agency, says it prioritizes projects using domestic materials, with a particular emphasis on Canadian softwood lumber, and encourages proponents to source it wherever feasible. Its framework says its assessment considerations are not mandatory criteria for funding.

The Freight Discount That Launched for Steel

Ottawa's November 2025 package said that beginning in spring 2026 it would fund Canadian National and Canadian Pacific Kansas City to enable a 50 percent freight rate discount on interprovincial steel and lumber shipments. Transport Canada launched the Commodities Sectoral Support Program on August 10. It is a C\$100 million program that rebates shippers 50 percent of eligible interprovincial rail or marine costs, and it covers steel and steel products. Rebates are capped at C\$50 million per shipper, and rail shipments originating at the ports of Vancouver, Prince Rupert and Montreal are excluded. On the forest sector, the launch release said only that the government is advancing support informed by engagement with industry. The program page, last updated August 18, lists no lumber component. CMHC cited industry stakeholders on the lack of east-west transportation links as an obstacle to its wood scenario. The government's own count in November put 2024 softwood lumber exports to the US at C\$7.3 billion, nearly 90 percent of the country's softwood exports.

■ FACTORY ORDERS SNAPSHOT

INDICATOR	VALUE	TREND
Wood products shipments, August (seasonally adjusted)	\$13.91B	-0.1% from July; Jan-Aug +0.1% year over year (unadjusted)
Wood products inventories, August	\$18.52B	Flat on the month
Paper products shipments, August	\$19.38B	+0.3% on the month
Factory new orders, August	\$663.5B	+0.1% on the month; shipments virtually unchanged at \$658.6B
Unfilled factory orders, August	\$1,609.6B	+0.6% on the month

■ ON DECK

Tuesday, October 6

- Comments close on the proposed rescission of the 2001 Roadless Rule.
- August international trade in goods and services is due at 8:30 a.m. Eastern.

Wednesday, October 14

- The September consumer price index is due at 8:30 a.m. Eastern.

Thursday, October 15

- September producer prices, including softwood and hardwood lumber, are due at 8:30 a.m. Eastern.