

TOP STORIES

September Housing Starts Fall 5.2 Percent as Western Starts Drop 23 Percent

Housing starts fell 5.2 percent in September to a seasonally adjusted annual rate of 1,221,000 from a revised 1,288,000 in August, the Census Bureau and the Department of Housing and Urban Development reported October 20. Starts were 7.4 percent below September 2025, and neither change is statistically significant. Single-family starts fell 4.6 percent to 859,000, the lowest rate since September 2025, and were 2.6 percent above a year earlier. In the West, total starts fell 23.2 percent to 235,000 and were 25.4 percent below a year earlier, while the region's single-family starts fell 3.7 percent to 184,000. Building permits slipped 0.2 percent to 1,400,000. Single-family permits fell 4.0 percent to 845,000, the lowest of the 13 months in the release. Western single-family permits held at 170,000. Completions rose 2.2 percent to 1,192,000, 14.0 percent fewer than a year earlier. Single-family starts for January through September were 4.0 percent below the same period of 2025.

Leaked BC Draft Limits Compensation When Tenure Goes to First Nations

Leaked British Columbia government documents published October 15 set out a draft Forest Compensation Framework that would add land transfers to First Nations to the Crown land deletions for which forest licensees receive no compensation. Licensees would receive no compensation for reductions below 5 percent of their allowable annual cut. An NDP campaign spokesperson confirmed the threshold. A September 10 briefing note in the material says about 400 parcels are committed for transfer through treaty and reconciliation agreements, and that given fiscal constraints the current rules "create substantial barriers to completing land returns." The NDP campaign called the framework a draft and said cabinet approved stakeholder engagement in July. The material plans a Forest Act amendment for the spring 2027 legislative session. Kim Haakstad, president of the Council of Forest Industries (COFI), called the approach "generally unfair." Haakstad pointed to 2003, when the province compensated companies for taking back about 20 percent of their tenures to create BC Timber Sales. On October 19, at a shake-and-shingle mill in Maple Ridge, Conservative leader Lorne Doerksen pledged to compensate licensees and contractors fairly and on time where tenure is reallocated. The NDP's October 14 forestry platform promises a C\$120 million Forestry Jobs Protection Fund over two years. British Columbia votes Saturday, October 24.

HP's Vancouver, Washington Lab Traces 44 Percent of Its Wood to Tribal Forests

HP's 225,000-square-foot research and development building in Vancouver, Washington, completed in March, took 44 percent of its wood from tribal forests, according to sourcing figures from the project team reported last week. The team traced all of the building's wood by type of landowner and 85 percent of it to a specific forest or management unit. Yakama Forest Products supplied all of the Douglas-fir in the glulam beams, which Zip-O-Laminators manufactured. SmartLam made the cross-laminated timber (CLT). A principal at ZGF, the building's designer, estimates the beams took roughly 1 million board feet from a single 5,000-acre forest. Swinerton was the general contractor and Timberlab the mass-timber contractor.

WHAT YOU MISSED YESTERDAY

Monday, October 19, and Tuesday morning — business, markets, and the broader economy.

- The S&P 500 rose 31.29 points, or 0.4 percent, to 7,690.73 on Monday as technology and chip stocks rebounded. The Nasdaq Composite gained 290.85 points, or 1.1 percent, to 26,430.89. The Dow slipped 36.38 points to 51,966.03.
- The 10-year Treasury par yield rose 6 basis points to 5.15 percent from Friday's October low of 5.09 percent. The 2-year rose 3 basis points to 4.77 percent and the 30-year 5 basis points to 5.48 percent.
- Cleveland-Cliffs shares rose 16.3 percent Monday after the steelmaker reported third-quarter revenue of US\$5.6 billion and adjusted EBITDA of US\$612 million, above its US\$575 million guidance and up from US\$286 million in the second quarter. Steel shipments were 4.2 million net tons. The company said it will idle its galvanizing lines at Stelco in Canada indefinitely.
- Silgan Holdings and American Industrial Partners agreed Monday to combine Silgan's metal container and closures businesses with Trivium Packaging in a deal valued at \$3.4 billion including debt. Silgan will own about 60 percent of the combined company and receive about \$2.3 billion in cash.
- Before Tuesday's open, GE Aerospace reported third-quarter orders of \$19.0 billion, up 49 percent, and adjusted earnings of \$2.25 a share, up 36 percent, and raised its full-year guidance. 3M reported sales of \$6.6 billion, up 1.0 percent, and raised its 2026 adjusted earnings forecast to \$9.10 to \$9.15 a share.
- The Bank of Canada's daily rate fell to C\$1.4097 per US dollar on Monday from C\$1.4154 on Friday, a third straight daily gain for the Canadian dollar. Retail diesel averaged \$6.276 a gallon nationally in the October 19 federal survey, up 9.7 cents, and \$7.394 on the West Coast, up 15.4 cents. Regular gasoline fell 4.7 cents to \$4.284.

INDUSTRY & COMPANY NEWS

- **Hitachi Energy** will build a C\$478.8 million electrical-grade pressboard plant in London, Ontario, with C\$30 million in federal funding announced October 16. The money is C\$20 million from the Strategic Response Fund and C\$10 million from the Investments in Forest Industry Transformation program. The plant will turn wood fiber into up to 20,000 metric tons a year of pressboard and laminated insulation for high-voltage transformers, supplying the company's transformer operations in Varennes, Quebec, and other manufacturers. It will add more than 100 jobs.
- **Oregon's Department of Forestry** sold the Lone Corndog timber sale on the Sun Pass State Forest in Klamath County on October 19 to Clabent Equipment for \$244,896.90, about 1.9 times the listed value of \$130,099.42. The winning bids were \$66.75 per MBF for ponderosa pine and \$190.69 per MBF for true firs. Columbia Plywood bid \$164,474.69 and Murphy Veneer \$145,673.70.
- **The Forest Service** has filed the final environmental impact statement for the Twin Mountain II timber sale on the Thorne Bay Ranger District of the Tongass National Forest, on Prince of Wales Island, Alaska. The notice of availability was published October 16, and the review period ends November 30. A federal judge enjoined the original Twin Mountain sale in 2019, and the project was vacated in 2020.
- **Holt & Bugbee**, the Tewksbury, Massachusetts hardwood lumber and millwork distributor, said president Phil Pierce will step down October 30 after 47 years with the company, 31 of them as president. Billy Collins, chief financial officer for more than 40 years, becomes interim president and will oversee completion of the company's new Tewksbury facility. Sean Herlihy, the sixth generation of the family in the business, and Eric D'Annolfo become executive vice presidents.
- **John Deere Forestry** has opened talks on temporary layoffs of up to 90 days for about 367 workers at its forest machine plant in Joensuu, Finland, citing a shrinking order backlog, according to a report last week.

■ DEEP DIVE: INDIA'S WOOD TARIFF SCHEDULE

Eleven Percent to Zero on Sawn Wood

The New Zealand-India free trade agreement entered into force October 20, New Zealand's foreign ministry says. India's tariff schedule in the agreement sets a base rate of 11 percent on sawn wood, veneer, mouldings, particleboard and oriented strand board (OSB), plywood and laminated veneer lumber (LVL), glulam, CLT and I-beams. The rate is a 10 percent basic customs duty plus a 1 percent social welfare surcharge. Each of those lines goes to zero for New Zealand goods from the first day. Logs, wood chips, pellets and chemical pulp carry a 5.5 percent base rate, also cut to zero at once. Medium-density fiberboard thicker than 5 millimeters comes off over seven years and charcoal over five, with each later cut falling on January 1, beginning in 2027. Doors, railway sleepers, wood briquettes, red sanders logs and dissolving pulp are excluded. The ministry says more than 95 percent of New Zealand's forestry exports enter India duty-free from the first day.

New Zealand Logs Reached India Before the Tariff Cut

India's imports of New Zealand logs rose from US\$6.1 million in 2023 to US\$53.7 million in 2024 and US\$72.8 million, or 570,387 cubic meters, in 2025. The figures are India's customs data reported to the United Nations, valued at the Indian border with freight and insurance. India bought US\$986.2 million of logs in 2025. Australia supplied the most at US\$183.8 million, followed by Malaysia, Uruguay, Brazil and Ecuador, with New Zealand sixth at 7.4 percent of the value. New Zealand's foreign ministry puts the country's forestry exports to India at NZ\$193 million in the year to June 2026, second only to travel services among its exports to India. India imported US\$530.7 million of sawn wood in 2025, US\$0.3 million of it from New Zealand.

China Takes 90 Percent of New Zealand's Log Exports

New Zealand exported US\$1.95 billion of logs in 2025, 21.32 million cubic meters, by its own customs figures reported to the United Nations. China took US\$1.76 billion, 90.2 percent of the value and 89.9 percent of the volume, and India 2.4 percent of the value. In China's 2024 import figures, New Zealand supplied 49.6 percent of the volume of China's log imports and 35.8 percent of the value. New Zealand's Ministry for Primary Industries forecast in June that forestry export revenue would ease 1 percent to NZ\$6.1 billion in the year to June 2026 on softer log prices tied to moderating demand in China. It forecast a further 2 percent decline in 2026-27.

US Douglas-Fir Stays at 11 Percent

India's schedule lists separate sawn-wood lines for Douglas-fir and hem-fir at the 11 percent base rate, which drops to zero only for New Zealand goods. The United States has no trade agreement in force with India, and a framework for an interim deal announced in February remains unsigned. American Douglas-fir lumber stays at the schedule's 11 percent base rate and American logs at 5.5 percent. American exporters shipped US\$102.3 million of wood and wood articles to India in 2025, by US figures reported to the United Nations, including US\$49.0 million of logs and US\$39.9 million of sawn wood. India's own figures rank the United States eighth among its log suppliers in 2025 at US\$49.3 million, behind New Zealand at US\$72.8 million. India bought more wood and wood articles from the United States, US\$96.8 million, than from New Zealand, US\$74.5 million.

■ HOUSING, RATES & FUEL SNAPSHOT

INDICATOR	VALUE	TREND
Housing units under construction, September	1,280,000	Unchanged on the month; down 3.3% on the year
Units authorized but not started, September	279,000	Up 9.8% on the year
Starts in buildings of 5+ units, September	349,000	Down 7.2% on the month; down 25.9% on the year
10-year Treasury par yield, October 19	5.15%	Up 6 basis points from 5.09% on October 16
US dollar, Bank of Canada daily rate, October 19	C\$1.4097	From C\$1.4263 on October 14
Retail diesel, West Coast, October 19 survey	\$7.394/gal	Up 15.4 cents on the week

■ ON DECK

Wed, Oct 21	Statistics Canada publishes August investment in building construction.
Thu, Oct 22	- Statistics Canada publishes September industrial product prices, which include lumber. - Statistics Canada publishes the September new housing price index.
Fri, Oct 23	- Bids open on the Oregon Department of Forestry's Mystree Solved sale in Tillamook County, 4,188 MBF. - Statistics Canada publishes its advance estimate of September manufacturing sales.
Sat, Oct 24	British Columbia holds its provincial election.
Tue, Oct 27	September US new home sales are due at 10 a.m. Eastern.
Wed, Oct 28	- The Washington Department of Natural Resources auctions 13 timber sales totaling 76,270 MBF. - The Bank of Canada and the Federal Reserve announce interest rate decisions. - West Fraser reports third-quarter results.
Thu, Oct 29	- The advance estimate of third-quarter US gross domestic product and September personal income and spending are due at 8:30 a.m. Eastern. - Weyerhaeuser reports third-quarter results after the market close. - Statistics Canada publishes third-quarter building construction price indexes.