



Office of the President
Gerald M. Howard
President & Chief Executive Officer
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August 7, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President,

On behalf of the National Association of Home Builders of the United States (NAHB), I am writing to alert you to the magnitude of the lumber price increases NAHB has seen in recent months and how this disturbing development could hurt the housing sector and the economy.

NAHB believes the White House can play a constructive role to alleviate this growing threat to housing and the economy by urging domestic lumber producers to ramp up production to ease growing shortages and making it a priority to work with Canada on a new softwood lumber agreement. As the nation fights to rebound from the effects of the COVID-19 pandemic, housing has been a bright spot for the U.S. economy, particularly single-family construction, with permits running 3.4 percent higher during the first half of 2020 compared to the first half of 2019. Construction has remained an essential service in most states, despite “stay-at-home” orders.

However, when combined with better-than-expected housing demand and home building activity, along with projects being done by the DIY segment, builders are seeing shortages of lumber resulting in an 80 percent increase in lumber prices since mid-April. The Random Lengths Framing Composite Price shot past the \$600 barrier for the first time ever on July 31, hitting a record \$627 per 1,000 board feet. Oriented strand board prices are up 138% from a year ago. These sharp increases are unsustainable, particularly in light of the housing affordability crisis.

Housing’s potential for growth and to lead the economy forward is limited as long as lumber remains expensive and scarce. And the ramifications for job growth are significant. Building 1,000 average single-family homes creates 2,900 full-time jobs and generates \$110.96 million in taxes and fees for all levels of government to support police, firefighters and schools. Similarly, building 1,000 average rental apartments generates 1,250 jobs and \$55.91 million in taxes and revenue for local, state and federal government. Moreover, \$10 million in remodeling expenditures creates 75 jobs and nearly \$3 million in taxes.

Housing can do its part to create jobs and lead the economy forward, but in order to do so, we need to address skyrocketing lumber prices and chronic shortages. Again, I respectfully request that you reach out to domestic lumber producers and urge them to increase lumber production to address these shortages. Additionally, returning to the negotiating table with Canada to achieve a new softwood

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lumber agreement with our northern neighbor and end tariffs averaging more than 20 percent on Canadian lumber shipments into the U.S. would be a significant step forward. Such a multi-pronged approach would help ease market concerns for builders and consumers alike.

Thank you for your attention to this urgent matter and considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald M. Howard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gerald M. Howard
Chief Executive Officer
National Association of Home Builders

Cc: The Honorable Lawrence Kudlow, Director of the United States National Economic Council
The Honorable Mark Meadows, White House Chief of Staff