



John C. Fowke
2021 NAHB Chairman of the Board
JCFowke@homesbyjcf.com

January 29, 2021

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President,

On behalf of the National Association of Home Builders of the United States (NAHB), we write 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 in mitigating 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 struggles to cope with the effects of the COVID-19 pandemic, housing has been a bright spot for the U.S. economy, particularly single-family construction. 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 sector, builders are seeing lumber shortages driving up prices by more than 60% since mid-November. The Random Lengths Framing Composite Price shot past the \$600 barrier for the first time ever on July 31, 2020 on its way to a record-high of \$955 -- more than 60% higher than the previous record. Oriented strand board prices have more than tripled--up 235% from a year ago. These sharp increases are unsustainable, particularly in light of a continued housing affordability crisis.

Housing’s potential to lead the economy forward is limited as long as lumber remains expensive and scarce. And the ramifications for job growth are significant should housing continue to face this crisis. 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 schools, teachers, and first responders in that community. 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 your help to address skyrocketing lumber prices and chronic shortages. We respectfully request that you reach out to domestic lumber producers to urge them to increase lumber production to address these shortages and to ask the Department of Commerce to investigate why production remains at such low levels during this period of high demand. Additionally, returning to the negotiating table with Canada to achieve a new softwood lumber agreement with our northern neighbor and end

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tariffs 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 consideration of this urgent matter. NAHB and its senior leadership stand ready to work with you to aid the American economic recovery. Please contact Jim Tobin, NAHB Executive Vice President for Government Affairs, (202) 744-3520 or jtobin@nahb.org if we can provide additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "John C. Fowke", with a long horizontal flourish extending to the right.

John C. Fowke
Chairman of the Board
National Association of Home Builders