

Building and Lumber Forecast: Lumber and Construction Industries To Make Big Strides in 2016

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Lumber sales are expected to see a healthy boost now that Hawaii's construction cycle is well underway. According to the state Department of Business, Economic Development and Tourism's fourth quarter report for 2015, the value of building permits in the state increased by a whopping \$675.7 million, over 28 percent, in the first three quarters of the year compared to the same time period in 2014. The most encouraging news is that the increase in the value of building permits didn't just center around Oahu, but also increased on Hawaii Island, Maui and Kauai, which were severely affected by the Great Recession.

Hawaii's unemployment rate continued its downward trend in 2015, reaching 3.2 percent in November, which is the lowest it's been since 2008. Construction continued to be a steady feeder of new jobs. In the first three quarters of last year, 1,100 construction jobs were added, a 3.5 percent rise from 2014.

As Hawaii's construction sector hits its stride, so will the local lumber and wood products industry. APA – The Engineered Wood Association is forecasting an increase in demand for North American engineered wood products (EWP), including structural panels, through 2019 due to a projected 12 percent jump in housing starts in the U.S. Structural panel sales are expected to grow by 19 percent and other EWP will grow between 20 and 25 percent.

The lumber and construction industries will continue to rise in 2016 to meet the continuing demand of a growing population in need of housing and its commercial accompaniments. Residential building will ramp up over the next few years as developments finally get the greenlight, like the 11,750-home Ho'opili project in Ewa. Also expect to see residential and commercial growth along Honolulu's rail route.

For more information about lumber and the benefits of building with wood, please visit Hawaii Lumber Products Association at HawaiiLumber.com.

Who is HLPAs?

Founded in 2003, Hawaii Lumber Products Association (HLPAs) has diligently worked toward the goals of education and promoting the benefits of building with wood. As Hawaii's only devoted lumber association, HLPAs has more than 30 members here and across the mainland, comprised of professionals representing the development and construction industry.

HLPA promotes lumber products as a preferred building material based on the proven track record of wood and its achievement of long-term performance success in Hawaii's construction industry. Wood is a renewable building material resource that provides benefits to the environment, produces sound construction economics, creates architectural flexibility and meets the highest structural engineering standards.