

Housing Numbers Offer Glimmers of Hope

Regardless of what your wallet may be telling you, many economists are saying that the recession is over — or will be by the end of the year — and that the housing market may have finally hit bottom. But because of the high jobless rate and continuing foreclosures, the recovery is probably going to take a while, and even then, housing numbers aren't likely to return to the levels seen at the height of the bubble just a few years ago.

Sales of both new and existing homes increased in June, leading to guarded optimism among housing economists. According to the U.S. Census Bureau, sales of new single-family homes rose 11 percent in June from May — good news, but still 21.3 percent lower than in June 2008. New-home inventory, which has fallen every month for 26 months, was down to 281,000 homes, an 8.8-month supply at June's sales rate.

Joe Robson, chairman of the National Association of Home Builders, said in a news release that the Cen-

sus report "indicates that the nation's housing market may be in the process of turning the corner." However, in the same news release, the chief economist for the NAHB, David Crowe, noted that "complicating factors — particularly job losses, appraisal issues, and the impending expiration of the first-time buyer tax credit — threaten to stifle the positive momentum."

Seasonally adjusted sales of existing homes, as measured by the National Association of Realtors, were also up in June, for the third consecutive month. Single-family home sales were up 2.4 percent from May and 0.2 percent from June 2008. Commenting on these numbers, the NAR's chief economist, Lawrence Yun, said he expected "a gradual uptrend in sales to continue due to tax credit incentives and historically high affordability." Inventory of existing single-family homes stood at 8.9 months' supply at the end of June.

One factor dampening housing sales (and remodeling) is the unemployment rate, which was 9.4 percent in

July; economists are predicting it will stay high for a year, maybe longer.

Foreclosures are another problem. Filings were 7 percent higher in July than they were in June — and 32 percent higher than in July 2008 — according to RealtyTrac, a company that tracks foreclosures. The number of homeowners who owe more on their mortgage than their home is worth has decreased recently, according to First American CoreLogic, a real-estate market research company, but as of June 30, that number was still high — about one-third of all mortgagors were "upside down" on their mortgage.

The most recent NAHB surveys of builder and remodeler sentiment show some signs of optimism among respondents. Although perceptions of demand still reflect a poor market, most of the indicators have improved. And perhaps most important, the indexes for expectations for the next six months showed the most improvement, from both remodelers and builders. — *Laurie Elden*

Forest Certification Gains Ground

As "green building" certification has become more widespread, organizations that certify forest management practices have been seeing a marked increase in activity.

Two of the largest such groups in the United States are the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI). FSC (fsc.org) reported in June that it had certified more than 100 million acres of forest land in the United States and Canada, up 40 percent from January 2008. SFI, according to its Web site (sfiprogram.org), certifies 178 million

acres of forest in the United States and Canada. It reported that in 2008, it quadrupled its number of chain-of-custody certifications (these track timber from the forest through production and manufacturing to the end product).

Two recent surveys — one conducted by the Southern Forest Products Association (SFPA) and the other by *Random Lengths*, a lumber-industry publication — assessed industry use of certification programs.

The SFPA surveyed a small group of southern pine producers and

found that more than a third use a chain-of-custody forest certification system, and most of the rest are planning to pursue certification in the future. More than half said they regularly fielded requests for certified products.

Random Lengths surveyed a larger, more diverse group that included producers, wholesalers, distributors, and retailers. Just less than half of its respondents reported being certified. One deterrent was cost: The average cost of certification for respondents was almost \$20,000 a year. — *L.E.*

Correct Building Products, maker of CorrectDeck CX products, announced in July that it had filed for bankruptcy and had entered into an agreement to be purchased by GAF Materials Corp., a subsidiary of Building Materials Corporation of America. GAF manufactures CrossTimbers decking and Rail-Ways railing, which — like CorrectDeck CX — are made from a wood fiber and polypropylene-based composite material. CorrectDeck CX will continue to be manufactured at the Biddeford, Maine, facility, according to a statement by Martin Grohman, co-founder of Correct Building Products, and Correct-Built Contractor Program points will carry over. As of press time, the companies planned to close the deal on August 28.

A potentially defective bump-action trigger triggered DeWalt to recall about 9,000 framing nailers at the end of June, in cooperation with the U.S. Consumer Product Safety Commission. The concern is that the trigger could cause the nailers to misfire or the trigger lock to malfunction. The nailers affected by the recall — the D51825 Clipped Head Framing Nailer and the D51850 Full Round Head Framing Nailer — were sold between January 2008 and September 2008. No injuries have been reported. To get a free replacement bump-action trigger, contact DeWalt at 877/437-7181 or visit the company's Web site at dewalt.com.

Green certification continues to build momentum. In August, Viance's Ecolife-treated wood was designated a "Green Approved Product" by the NAHB (National Association of Home Builders) Research Center. Green Approved Products earn points toward a building's NAHB National Green Building Certification when used in the manner specified by the Research Center. Ecolife-treated wood, for example, earns two points when used "for the first 2 feet of all the foundation, floor, and structural wall, wall cladding, and exterior deck components in zones with slight to moderate termite infestation." It can earn as many as six points when used "in all of the foundation, floor, and structural wall, wall cladding, and exterior deck components" in zones with very heavy termite infestation. For more information on Green Approved Products for the National Green Building Standard, visit greenapprovedproducts.com.

The office of the state fire marshal in California recently added a couple of decking products to its list of building materials approved for use in wildfire hazard zones. One of the products, Fiberon Sensibuilt PVC decking, made by Fiber Composites, has a Class A Flame Spread rating; the other, MoistureShield FR composite decking, made by Advanced Environmental Recycling Technologies (AERT), has a Class C Flame Spread rating.

To see the full list of approved building materials, go to <http://osfm.fire.ca.gov/strucfireengineer/pdf/bml/wuiproducts.pdf>.

A class-action lawsuit filed earlier this year against Trex Company reached a preliminary settlement in July. In the lawsuit, a Washington homeowner, Mark Okano, claimed that his decking began to flake in July 2008, just two years after installation, and when he contacted Trex, the company offered to replace the defective decking, as provided for in the company's warranty, but not pay labor costs, which are excluded. The settlement calls for Trex to replace the defective products and partially reimburse labor costs to affected deck owners. The hearing for final approval will be held in October by the U.S. District Court for the Northern District of California.

Who makes your cellular PVC decking? CertainTeed — like Tamko Building Products, Trex Co., and Guardian Building Products — is using a third party to manufacture its vinyl decking. In July, Fiber Composites announced that it had entered a distribution agreement to supply CertainTeed with Ever-New LT decking, which will have the same surface treatment as Fiber Composites' Sensibuilt decking. ❖