

press release

Timber Prices Follow Lumber's Sharp Climb As Annualized Housing Starts Hit A Million

ALBANY, GA., April 2013 — With new home construction hitting a million new starts a year for the first time since 2008, a national forest management firm reports that timber prices for large standing trees are rising off the bottom and lumber is starting to soar.

Marshall Thomas, president of F&W Forestry Services, Inc., based in Albany, Ga., said timber prices are increasing in all of his company's operating regions: the U.S. southern pine belt, the Appalachian central hardwood region, and the Northeast. The company also operates in South America.

"Stumpage (standing trees) prices were mostly up across our operating regions during the first quarter of 2013, continuing the trend from late last year," Thomas writes in his firm's publication, the --, that reports on national forestry developments. "That's good news, and it's about time that we are seeing increases quarter-over-quarter.

"The best news, however, is that southern pine lumber prices jumped 36 percent in the first quarter over last year's average," Thomas said. "That's a sure sign of increasing demand."

The U.S. Commerce Department reported that housing starts in March rose to an annualized rate of 1.04 million—the first time that measure has broken a million since 2008. Most of the increase was in multi-unit housing structures. Individual home starts were down slightly from February at an annualized rate of 619,000.

The overall strong March housing construction statistics come at the beginning of the prime spring home-buying season and point to a sustained comeback in home construction.

Thomas, the F&W president, said that while increases in timber prices growers are now receiving for trees are not as dramatic as the jump in lumber, higher prices are likely coming.

"It is typical that stumpage (tree) prices would lag lumber—it takes a while for price increases to work through the supply chain," Thomas said. "But, and perhaps more importantly, it is widely believed that we have accumulated significant reserves of pine sawtimber on the stump (large mature trees for lumber production) over the last several years, and this excess inventory may cause a muting of the stumpage price recovery.

"We will have to wait and see, but one thing is certain: prices are better than they

were, and it looks like they may continue to rise—especially if we move into a wet cycle,” he said.

About F&W:

F&W Forestry Services, Inc., of Albany, Ga., is one of the nation’s oldest and largest forest consulting and management firms. Established in 1962, F&W operates 19 offices in 12 states comprising the Southern pine belt, the Central and Appalachia region, Upstate New York, and Oregon in the Pacific Northwest. It also manages private forestlands in South America with offices in Uruguay and Brazil.

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