

The Truth About Softwood Lumber Duties and the U.S. Homebuilding Market



Lumber Market Needs

Myth #1

Homebuilders cannot meet demand for new homes because of a lumber shortage.



Fact #1

Access to buildable lots and labor issues are the main causes of hold-up for new home construction. Not lumber availability.



Home Affordability

Myth #2

A 20 percent duty on Canadian lumber would increase the cost of softwood lumber in an average home by \$3,600.



Fact #2

The real number is a fraction of that amount, and equates to the cost of a cup of coffee (\$2.26) per month. While fair trade will add a miniscule increase to the price of a new home, the cost of unfair trade to U.S. jobs and the U.S. economy is incalculable.

Myth #3

The National Association of Homebuilders' survey suggests that up to 150,000 people/households could lose their ability to afford an average home as a result of a 20 percent duty against Canadian subsidized lumber.



Fact #3

This would represent an over 10 percent decline in the number of homes built in the United States—a statement devoid of credibility. U.S. home prices are rising, but lumber's role in that increase is virtually none. Since the mid-1990s the share of cost of lumber in a new house has trended downward, while the size of the average house has increased. Only 2 percent of the cost of a new home is in lumber materials. Meanwhile, the total price of a new home has doubled, and homebuilder per-house profit has more than doubled.



Market Needs

Myth #4

The U.S. needs Canadian lumber to meeting housing market needs.



Fact #4

American lumber producers could provide most of the domestic demand for lumber, but are handcuffed by unfairly traded Canadian imports. In 2005, U.S. softwood lumber producers and workers produced enough lumber to supply 85 percent of today's demand. The Canadian subsidies have led to a flood on the market of excess Canadian lumber. As a result, U.S. producers today supply only about two thirds of U.S. lumber demand. Freed from unfair trade, the United States has the resources to grow production to meet much more of our country's demand.

Myth #5

The U.S. is trying to block Canadian imports.



Fact #5

There is no proposal to reduce Canadian lumber imports to zero. Rather, the goal is to address Canada's unfair competitive advantage from subsidies, which is the cause of Canada's artificially high U.S. market share, killing U.S. jobs. U.S. homebuilders and others will still have the opportunity to buy Canadian lumber at fair prices.



For more information on the U.S. softwood lumber trade dispute visit:

www.uslumbercoalition.org