

GREEN EXPECTATIONS



April 2009

Volume 3 Issue 9

Introducing Purekor® Moisture Resistant Composite Panels

Panel Source International is pleased to announce the latest members of our PureKor® Family:

PureKor® Platinum Moisture Resistant MDF
PureKor® Platinum Moisture Resistant Particleboard
PureKor® Platinum Moisture Resistant Plywood

All three are FSC Certified, UF Free and of course Moisture Resistant. They are perfect for use in high humidity areas, from bathrooms and kitchens to aquatic centers and grocery stores. And, you can also get this product as a Class Fire Rated Panel, in Particleboard, MDF and plywood:

Pyroblock® Platinum Moisture Resistant MDF
Pyroblock® Platinum Moisture Resistant Particleboard
Pyroblock® Platinum Moisture Resistant Plywood

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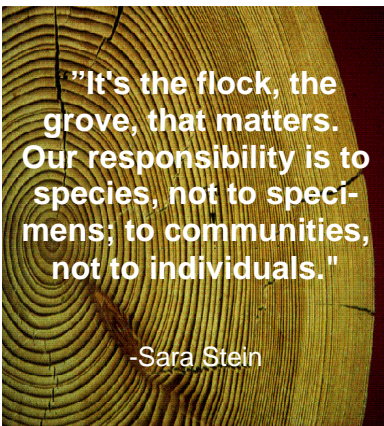
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Come to Panel Source and see how MR is NP!

(Moisture Resistance is No Problem!)



Forest Products Market Update

April 2009

The current population of the US is approximately 307,212,000 (January 2009 estimate), a population that is increasing at an annual rate of 0.9875%. Part of this population expansion is a result of the birth rate exceeding the death rate, and part of the expansion reflects the higher number of people moving into the US as compared to leaving the US. As a result, the population of the US will increase by nearly 3,000,000 people over the next 12 months, and all 3 million of these people will need a place to live. In addition to this expansion, the US loses approximately 500,000 housing units per year due primarily to fire, flooding or other adverse weather, but also including a variety of other reasons resulting in the need to demolish these accommodations.

What all of this means is that the US housing industry has to work very hard just to avoid falling be-

hind, and while housing starts have nose-dived in the current recession, there is good news for home builders. Current rates of housing construction are far behind the rate needed to provide housing for the expansion in population, and the destruction of existing units. Within a matter of just a few months, the current housing surplus can quickly become a housing shortage, an event that is also good news for the forest products industry.

For the first time in many, many months, there was a decided note of optimism in wood products markets over the last thirty days. Most of this strength showed up in structural products markets-lumber, plywood, and OSB and repeats a signal we have seen in previous economic recoveries. Structural wood products are "pioneer" products-they are the first items to decline in price as a recession gets un-

der way, and they are also the first items to increase in price as a recovery gets underway. Now, one can argue that this recovery has nothing to do with increased demand, and everything to do with decreased supply, and that's probably true, but it's still a recovery, and you are going to be paying more for wood products, shortly.

The one group of forest products not impacted in this recovery is the "decorative" or "composite" panel group, such as MDF, particleboard, hardwood plywood, and hardboard, and this is also typical of previous recoveries. Decorative products are primarily used in furniture, cabinetry and other finished products. All of these items occur later in the timeline of homebuilding, and for that reason, we do not expect any real recovery in these items until late 2009 or early 2010.

Lawsuit over Failed LEED Certification Settled

A recent lawsuit appears to be the first-but probably not the last-involving failed LEED certification. Shaw Development sued contractor Southern Builders for \$1.3 million after the \$7.5 million Captain's Galley condominium building in Crisfield, Maryland, failed to achieve LEED Silver certification as required by the contract. Shaw filed suit against Southern, seeking \$1.3 million, including \$635,000 to compensate for lost state green building tax credits, which required LEED Silver certification by a certain date. While the claims were settled out of court in 2008, legal observers have taken the Captain's Galley as a cautionary tale. The standard AIA contract that was used, A101 Owner/Contractor Agreement, did not specify which party would be liable for failure to obtain LEED certification or tax credits. In public comments on the case, several real estate attorneys have noted the inadequacy of form documents for projects that involve green certifications or incentives and have warned contractors to be wary of taking responsibility for matters, such as third-party certification, that are not entirely within their control.

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Lessons From the Lumber Yard

As a young boy growing up, I became aware of my Aunt Jacq and Uncle Bunny at a very early age. Aunt Jacq's name made perfect sense, since she was christened Jacqueline, but how Theodore Gregg became "Bunny" Gregg, I never did find out. I recall Uncle Bunny at the end of every February, as Uncle Bunny was born on February 29th, the "Leap Day" of the "Leap Year". Naturally, this resulted in Uncle Bunny insisting, even after he began collecting old age security that he was only 17 years old. As young as I was, even then his theory just didn't seem to fit, but who am I to argue with my senior?

I recall Uncle Bunny for another reason, as an interaction between Uncle Bunny and my father ("John McLeod") taught me one of the most valuable lessons of my life. To set the stage, you first must know that Uncle Bunny lived in Edmonton, but "retreated" most weekends to the farm inherited by Aunt Jacq. Now, I seldom every saw much farming going on, as Bunny had rented out the land to some real farmers, but still, he played the role well. As a family, we often joined Bunny and Jacq at the farm, and since my father had grown up in a farming family, he was a constant source of advice for Uncle Bunny (whether or not he was asked). In fact, I think my father knew Bunny's farm better than Bunny. To further set the stage, you also need to know that my father left the farm at a young man, and eventually opened his own retail lumber yard.

As a young boy, I spend most Saturday's "hanging around" the lumber yard, and on one particular Saturday, I learned the lesson of a lifetime. Bunny had arrived at the yard to pick up a few boards to fix the gate leading to the guest cottage at the farm. My father quickly wrote up the order, but then pointed out that there were also broken boards on the fence itself, and "a brand new gate is going to look like hell beside a broken down fence". So, fence boards got added to the order. My father continued with his observations: naturally, the fence needed to be painted, so paint, brushes, and turpentine also got added to the order. Next came the fact that the roof of the guest cottage was missing a few shingles, so Bunny was soon convinced to add shingles, and tar paper to the order. By now, I'm sure you get the picture. On, and on it went, until my Dad simply ran out of ideas-he had mentioned every single defect he could think of about the farm, so he added up the bill, and made plans to get all this material shipped to the farm. Bunny, however, was still staring at the bill, which by now was far beyond what he had intended to spend. In a weak voice, he turned to my Dad and asked "Johnny, can't you do a little better for a friend?"

Every salesperson in the world needs to learn the words of Johnny's response: *"Bunny, I have to make money on my friends because my enemies won't buy from me".*





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Your One Source When Building With LEED®!

If you would like more copies of this newsletter please contact Ryan McNeil at 780-458-1007 or info@panelsource.net

Panel Source International is North America's leading manufacturer and distributor of forest products designed for use in LEED® construction projects. We focus exclusively on the manufacturing and distribution of environmental forest products, including products that are FSC Certified, urea formaldehyde free, and manufactured with rapidly renewable or recycled fiber contents. These products include lumber, softwood and hardwood plywood, particleboard, MDF, OSB, timbers, IPE decking, door core, melamine panels, pressure treated and fire retardant products.



FSC Certified High Pressure Laminates

Did you know that Panel Source has a HPL laminated panel program? Panel Source has long offered a melamine laminate program with a variety of core options. Now, customers can also have access to Panel Source's High Pressure Laminate Program.

Customers can choose from a wide selection of high pressure laminates, including Wilsonart, Formica, Nevamar, and Pionite to name just a few. In addition to selecting all these laminate options, customers can order these patterns on any of these PSI cores:

PureKor® Particleboard Plus:

Urea Formaldehyde Free and 100% Pre-Consumer Recycled

PureKor® MDF Plus:

Urea Formaldehyde Free and 100% Pre-Consumer Recycled

PureKor® Platinum Particleboard:

FSC Certified, Urea Formaldehyde Free, and 100% Pre-Consumer

PureKor® Platinum MDF:

FSC Certified, Urea Formaldehyde Free, and 100% Pre-Consumer

PureKor® Platinum Plywood:

FSC Certified, Urea Formaldehyde Free and available in a number of alternative plywood grades

If you are having trouble sourcing a wood product that meets your needs for an upcoming LEED® Project, please let us know, and we'll "go to work" for you. Customers needing these items are invited to contact: James McLeod, Panel Source International, Toll Free at 1-877-464-7246, or e-mail: james@panelsource.net

