



Wood Plays Large Role at KBIS 2014

KBIS Trends Focus on Natural Wood, Metallic Shine. Page 2.

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ASID President Says Push Toward Sustainability and Health Is Here to Stay. Page 3.

2014 Housing Market Looking Robust, Evolving

To gauge how the woodworking industry is viewing 2014 so far, Timber Products Company recently polled its social media audience and asked two very simple questions:

When it comes to your business, is 2014 off to a better start than 2013?

Are homeowners spending more on kitchen remodels in 2014?

Nearly 100 percent of the handful of respondents answered “Yes” to both questions, signaling that the recent housing news is propelling the woodworking industry that generates goods and services for the U.S. kitchen and bath market.

When the Great Recession hit in earnest five years ago, many predicted a long, slow recovery for the U.S. housing market and massive changes to the designs of U.S. homes. Thankfully, these predictions never came to pass and are clearly in the rear view mirror based on recent economic forecasts from some of the leading housing agencies.

Housing starts strong

For example, 2013’s total housing starts came in at 928,000 units, up 19 percent over the previous year, according to the National Association of Home Builders (NAHB). This number foreshadows what’s coming down the pipeline and is why most woodworking companies are optimistic about a return to a strong market for kitchen and vanity cabinets and furniture.

In his outlook for the year, NAHB Chief Economist David Crowe recently set his single family forecast for 2014 at 822,000 starts, more than 200,000 above last year.

NAHB is forecasting 1.15 million total housing starts (multifamily and single family) in 2014, up 24.5 percent from 2013. Single family starts are expected to be even better in 2015.

Adding validity to the NAHB projections, Kermit Baker, senior research fellow at the Joint Center for Housing Studies of Harvard University is forecasting 1.1 to 1.2 million total starts for 2014.

Home size myth debunked

In the depths of the recent economic slump, market analysts suggested the size of the American home was going to get smaller. However, a recent report from APA – The Engineered Wood Association, reveals that the average size of a new single family home built in 2013 was estimated to be 2,685 square feet, up 6.3 percent from 2012. This marks a record size for new homes built in a year in the United States. The average size of a new multifamily unit also grew 3.9 percent to 1,179 square feet.

These statistics show that when it comes to homes, U.S. buyers are still looking, and expecting, ample living space.



The National Association of Home Builders is forecasting single family home starts in 2014 to be 200,000 higher than last year, which means demand for kitchen and vanity cabinets is trending upward.

Market forces showing little impact

Also very different than expected are market forces working against a housing recovery. Crowe’s NAHB report highlights several headwinds that builders face. These include “rising building material prices, persistently tight mort-

gage credit conditions, difficulty in obtaining accurate appraisals, and limited availability in labor and developed lots.” Baker from Harvard raises the issue of household formations, historically a key driver of home building demand. Those numbers are still weak. While household formations typically range from 1.1 to 1.2 million per year, current statistics show that the actual range is between 600,000 and 700,000.

Pricing still local

Last, but certainly not least, is a recent report from William Wheaton and the MIT Center for Real Estate regarding home price recovery. Its study analyzed single family home prices in 68 metropolitan areas around the nation and found staggering differences in home price recovery by market. If you bought at the top of the market (2007) in Las Vegas, you will likely never see the value of your home at that level—ever. If you did the same in San Francisco, the forecast is for a 45 percent gain by 2022.

This study adds further relevance to forecasts that show our economic recovery, including the

housing market, to be quite different by geographic region.

The bottom line is the best news: despite all the headwinds, the U.S. housing market brain trust agrees that 2014 will be a robust year for the housing market, and that 2015 will be even better. 🍏

Final Four Dreams Start in October at Michigan Plant



Timber Products Company’s Michigan facility supplied the wood material to Connor Sports for this year’s NCAA Division I Men’s and Women’s Final Four tournaments. The floors, like these units from a previous year, begin their journey in October with sourcing of the finest Maple material.

When mid-October rolls around, NCAA Division I men’s and women’s college basketball teams start the journey toward reaching the Final Four and fulfilling lifelong dreams of cutting down nets and hoisting championship trophies. At about the same time, the team at Timber Products Company’s Michigan facility begins its role in one of sport’s biggest events.

“When the players start practice, that’s when we begin accumulating the Maple that will be shipped to Connor Sports and made into the Final Four floors for both the men’s and women’s tournaments,” said Mike Larsen, Manager of Timber Products Company’s Michigan facility. “The wood becomes a whiter white in October when the leaves start to fall so it’s the optimal time to gather the material and make sure it’s uniform in appearance so the floors will look their best.”

To say that the Michigan team feels a sense of pride in supplying the material to Connor for the Final Four floors would be an understatement.

“We’re all basketball fans up here and we understand exactly where the material will wind up,” said Larsen. “When we see the floors on television it’s an emotional experience knowing that our wood is playing a part in those dreams of the student-athletes. We’re pretty proud of that.”

In addition to the Final Four floors, Timber Products Michigan wood is used to make floors for the Sweet 16 games as well as practice floors.

Final Four (Continued on page 2)

Wood Plays Large Role at KBIS 2014



KBIS attendees saw dramatic changes within kitchen and bath surfaces with the introduction of bold colors and innovative new materials. Pictured: Cambia's new Waterstone collection

KBIS 2014, the kitchen and bath industry's largest show of the year, provided a rich backdrop to see the latest kitchen and bath trends, products and more. Wood cabinets and hardware were front and center on the trade show floor for the 31,000 attendees and revealed a glimpse into what designers and architects will be specifying this year and beyond. Here's a glimpse of some of the top trends from this year's KBIS:

Naturally inspired

From the blonde variations of Maple and Oak to the ebonized color of Walnut, a celebration of the beauty and texture of wood was apparent at this year's show. Cabinetmakers unveiled natural walnut wood veneer cabinetry, available in flat panel or thin frame detail door styles, for clean and modern collections that brought out the brightness in a naturally inspired fashion.

High-end custom looks and visual effects were also spotted in many booths. Unique cabinet doors that can be custom made with choice of color, species, edge profile and panel profile were readily available.

Metallic shine

A host of new product introductions featuring copper and other metallic finishes took the kitchen and bath scene by storm. From complete copper sinks to shined and quilted metallic accents, the glimmer of metallics is accompanying any style of décor and wood coloring.

On the surface

From bright colors to technologically advanced synthetic surface materials, show attendees saw dramatic changes within kitchen and bath surfaces with the introduction of bold colors and innovative new materials.

Exotic granite patterns featuring dramatic colors and corresponding names like Red Dragon, Lapidus Brown and Magma Black were introduced by manufacturers.

Professional grade comes home

Kitchen cabinets are likely to be partnered with professional grade appliances like refrigerators, ranges and dishwashers. Appliance brands are looking to bring the experience of a commercial kitchen into the home with professional grade appliances designed for everyday living.

Universal Design

With an aging U.S. population, many cabinet hardware suppliers focused on introducing age-friendly pulls and handles. Hafele showcased spaces that bring Universal Design to life through functional hardware, great manufacturing and beautiful design. The company's booth demonstrated how kitchens and baths can be functional, accessible and flexible for all people regardless of age, ability or circumstance.

Blum, Inc. hosted two trade show booths, one of which featured displays comparing today's typical kitchen cabinets with the Blum storage solution. Based on ergonomics, function and access in the kitchen, the displays highlighted three of the five kitchen zones. In addition, Blum's unique Age Explorer® suit was available for visitors to wear while trying out the comparisons for themselves.

The suit enables the wearer to experience physical limitations in a realistic way and simulates decreasing mobility due to the natural aging process or other physical limitations. The wearer feels the physical limitations within minutes, which enables them to get an up-close-and-personal experience of how aging affects daily kitchen work.

Final Four (continued from page 1)

"There's a substantial amount of wood that we have to source, dry and prepare for the floors," said Larsen. "But we've been working with Connor for many years and know exactly what it needs so it can make the best floors possible. It's a great partnership."

"Connor Sports is proud to be the official surface of the NCAA Division I Men's and Women's Tournaments," said Lauren Gillian, marketing manager at Connor Sports. "We work hard with our partners to ensure that each of the 20 courts that meticulously display the NCAA brand are the highest quality when it comes to performance and appearance."

When the games are over and the Final Four lights dim, the floors are often sold to the winning schools to cut up and share with alumni and players. Sometimes a little piece makes its way back to Timber Products' Michigan plant, completing the cycle from start to finish.

"It's always fun to see the journey complete when we get pieces of the floors after the tournaments," said Larsen. "We make sure they get handed around the mills so everyone can touch them and be a part of the experience all over again."



Trendspotting: Exclusive Webinar Series Takes You inside Decorative Panels

The color revolution is sweeping the design community and 2014 promises even more dramatic, bright colors in all areas of consumer goods, including woodworking. Imagine if your customers could add subtle accents to kitchen cabinet doors, or brighten up an entertainment center with rich colors and patterns. The answer is decorative panels.

That's why Timber Products Company has teamed up with Woodworking Network to offer you a series of informational webinars.

If you or your customers are interested in learning more about decorative panels and how they can help increase your efficiency and product offerings, or color and design trends in textured panels, listen to these 30-minute on-demand webinars:

Color & Design Trends in Textured Panels

You'll hear decorative paper manufacturer Schattdecor's Mark Smith and Timber Products' Patrick Cowan explain trends in panel design and color, and what is driving them across multiple markets, including commercial, retail and residential.

"Cool" Applications for Decorative Panels

Timber Products' Patrick Cowan and distributor National Wood Products' Howard Hughes look at when and why to use decorative panels, and applications that you might not have considered. The webcast examines applications for thermally fused melamine (TFM) panels; hardwood faced panels with decorative overlay backs; decorative roll laminate panels; and how prefinished panels can improve efficiency and save in certain projects.

Register now for these free, on-demand webcasts by visiting <http://bit.ly/TPwebcasts>.

What topics interest you for future webinars? Timber Products Company will be hosting a series of webinars during 2014 and our goal is to help you learn more about the woodworking industry and provide you useful information. If you have topics you would like covered in upcoming webinars, send them via email to lhartwig@timberproducts.com.

Look to Timber Products Company to be your tremendous resource that is providing vital information for your business.



5 Questions: Rachelle Schoessler Lynn, President, ASID Board of Directors

Rachelle Schoessler Lynn, FASID, CID, LEED Fellow, is a senior associate with Meyer, Scherer & Rockcastle (MSR) in Minneapolis and serves as an adjunct faculty member at the University of Minnesota as well as the current president of the board of directors at the American Society of Interior Designers (ASID).

A national leader on sustainable design solutions, she is a frequent lecturer on sustainable design and workplace issues. Appointed by the governor of Minnesota, Schoessler Lynn served two terms on the licensing board for the State of Minnesota.

Timberline recently caught up with her to discuss design trends, the design profession and the importance of sustainability in design.

Timber Products: What design trends are you seeing in the interior design market right now? Residential and commercial?

Schoessler Lynn: There is no doubt that urbanization is rapidly impacting society, and thus our work. As more and more people return to cities, we are seeing a blending of work/home and a need for spaces that foster community in ways we've never seen before: in multifamily dwellings, hotels, restaurants, hospitals, schools and offices. And while it's not a design trend, the push for sustainability and health is here to stay. Especially as we know the implications of spending nearly 90 percent of our time indoors, we have to be smarter about the decisions we make about products and materials.

TP: How has the interior design profession changed in the past five years?

Schoessler Lynn: The profession looked quite different five years ago. Certainly market pressures have transformed the way we work with our clients. Further, I never could have imagined five years ago how technology would change the way I do my work, the level to which I'd be collaborating with colleagues among different disciplines or how the focus on evidence-based-design would extend beyond healthcare settings to include workplace, education, retail, hospitality and home.

TP: For designers, how important is using sustainably certified wood products in their projects? Have green products made inroads with designers?

Schoessler Lynn: Sustainability is at the core of my practice and has been for years. I wouldn't dream of specifying anything that wasn't sustainably harvested or reclaimed if the choice to do so exists.

There was a time when the options were few, but pressure from designers and our clients have transformed the marketplace. And while I'm proud of that, there is still a lot of work to be done.

TP: What are some pain points for interior designers today, and how do you see those being resolved?

Schoessler Lynn: Like all who work in professional services, we must continually adapt to the ways our clients want to do business, and work tirelessly to remind them of the impact of our work. I have qualitative examples that abound, but more and more we're working to put real numbers to productivity, satisfaction and health outcomes to prove the value of what we do.

TP: How collaborative is the interior design process currently? Are architects and building material suppliers playing roles in the process?

Schoessler Lynn: In much the same way our clients are looking for efficiency in their buildings and the products that comprise them, they too are looking for efficiency in the design process. I only see that pressure to collaborate continuing. An example is the need for interior designers, architects and structural engineers to collaborate on structural material decisions. Wood can have a positive impact on the carbon footprint for a project and therefore should be discussed as a structural exposed element that sets the tone for the interior of a space. Designers of all disciplines, along with architects, engineers and manufacturers bring a lot of knowledge and experience to the table. The more we can learn from one another the better.

Species Spotlight: Cherry



Cherry

In this issue's Species Spotlight, Timber Products veneer specialist Eric Cullen shares his insight on Cherry. If you have a particular species you would like to know more about, send an email inquiry to lhartwig@timberproducts.com and we will include it in a future edition.

Characteristics: Cherry, also called Black Cherry or American Cherry, features a fine, close grain and finishes extremely well. The species is often finished with a natural coat due to its beauty and color variations, which range from light tans and pinks to dark reddish brown tones. The pink and red tones are the most sought-after colors. Cherry's sapwood is a pronounced shade of white that often ends up as backing grades. The wood is middle-of-the-road when it comes to hardness.

Two dominant characteristics that cause downgrades in Cherry are gum deposits and knots. Gum deposits are in almost every sheet of Cherry hardwood plywood. Figure is also common in Cherry but does present special finishing challenges. Figures are more prominent in the lower grades.

Cherry is sensitive to UV light exposure so it darkens in direct sunlight over time more than many other species.

Uses: Cherry is a prominent species used extensively for kitchen cabinets and furniture as well as architectural millwork for hotels, doctor's offices, law offices and high-end applications. The vast majority manufactured by Timber Products Company goes into kitchen cabinets.

Trends: Cherry's popularity has risen and fallen over the past few years. In the past six months there has been an increase in the amount of A grade Cherry for homeowners who are willing to spend more for their cabinets to achieve a high-end appearance. Rustic Cherry is also trending in the marketplace.

The biggest users of Cherry are large OEM cabinet shops in the Midwest.

Did you know? Black Cherry produces fruit, but it's not the sweet cherry that you buy at the supermarket. The fruit is tarter and used as an ice cream flavor. Cherry is also used to smoke meat and provides a sweet, smoky flavor.

Get to Know: Corinth Hardwood Plywood

Also known as "Timber Products East," the company's manufacturing plant in Corinth, Miss., offers a full line of sustainable hardwood plywood. The complete GreenT™ line, with a variety of core and species selections, is offered with no-added-urea formaldehyde (NAUF) adhesives and FSC-certified materials. All panels meet or exceed emission standards.

The entire line of panels is built on the highest-quality core material to enhance the stability and finished appearance of the panel. The cores are machined to exacting tolerances, creating the perfect platform for hardwood veneers. Consistent, quality products have been the backbone of our ability to meet customer needs.

A big part of the success in Corinth over the last few years is a result of a relentless effort to improve quality. Monitors have been installed throughout the plant to display real-time data related to quality and production. Every one of our manufacturing processes is monitored on an hourly basis, allowing us to make adjustments immediately if needed. Any material that is not to specification is quickly and clearly identified. Our panels are individually inspected throughout the manufacturing process, ensuring that the panels you receive meet your expectations every time.

One advantage for customers serviced from Corinth is prompt shipments and short lead times to fill their needs, allowing them to keep their inventory turning and giving them the opportunity to respond to business opportunities with quick and reliable shipments to Midwest and Eastern markets.

David Mitchell, Plant Manager, stated, "The most important part of our success in Corinth is our people. We have many employees who have been with Timber Products for more than 20 years, bringing us a tremendous amount of knowledge and experience. The team is a close-knit group that cares about the quality of the product they make every day, pulling together both at work and in the community."

Full Product Line

The Corinth plant offers a variety of cores and value-added products. Cores include various composite and veneer cores, including domestic Poplar core. Value-added processes include prefinished (UV) panels, beaded panels and cross-grain sanding. Another exciting product is our OSB core. "Not your average" OSB, the core is designed and manufactured specifically for Timber Products. Its strength properties are nearly as good as veneer core, but at a reduced price point. This core is very consistent and has a great laminating surface, allowing us to offer thin veneers like cherry and walnut. Prefinish is also available for this product.





Social Media Central: Best Practices for Social Media Success

**Facebook. Twitter.
YouTube. LinkedIn.
Pinterest. Instagram.**

There is no shortage of social media channels to utilize these days to directly reach customers and spark engagements. That's the name of the game in marketing today; the landscape has changed and customers are in charge of how they perceive your brand and products.

That means that using social media is vital to keeping your company relevant and top-of-mind with customers who are ready to buy.

Timber Products Company utilizes many of the social channels listed above, but we're curious how you utilize social media. Do you have a presence? What's your content strategy? Is it successful? Drop us a line and let us know.

In the meantime, here are just a few tips we've learned since we began our social media efforts in 2008. We hope that they can help you find success in social media.

Before starting a social media effort, ask yourself a few questions in order to form a strategy:

- What do you want to achieve with social media?
- Where is the audience and how do they behave?
- How will you execute the campaign?
- How does your social media campaign fit within your company's digital marketing guidelines?

What does it take to succeed in social media?

- In-house experts who will contribute content regularly

- A consistent effort and flow of content
- Focusing on your strengths and specialties
- Measuring your progress/success
- Engagement with others

What are your best social media tips? Follow us on Twitter @TimberProducts and on Facebook (www.facebook.com/timberproducts).



SierraPine Sold to Arauco/Flakeboard

The managing partners of SierraPine Ltd., a sister company to Timber Products Company, announced the signing of a definitive agreement to sell the western assets of the company to Arauco/Flakeboard Company Limited. The transaction includes an MDF mill in Medford, Ore., and particleboard plants in Springfield, Ore., and Martell, Calif.

The timing of the final transaction will be determined after Arauco/Flakeboard has secured the required government approvals. The closing is anticipated to be in early 2014.

Arauco, headquartered in Santiago, Chile, is one of the major wood products companies worldwide. With 2012 sales of \$4.3 billion, Arauco's operations include plantation acreage, kraft market pulp manufacturing, and the production of sawn timber, panels and moldings. Its products are sold in more than 70 countries. The company has 35,000 employees around the world through its production operations in Chile, Argentina, Brazil, Uruguay and the United States and its network of sales offices around the globe.

In 2012, Arauco purchased all the outstanding shares of Flakeboard Company Limited. This purchase combined Flakeboard's seven North American operating facilities with that of Arauco's particleboard and MDF plant in Moncure, N.C.

"The passage of time brings change to all companies and industries," stated Joe Gonyea, III and Mark Emmerson, SierraPine's managing partners. "Our long-term view of the composite panel business in North America is that manufacturing consolidation is a necessity for the long-term health and viability of this sector. We believe Arauco/Flakeboard is best positioned to do this in North America as it is committed to the business and the necessary reinvestments it requires."



Coming Next Issue...

The new Zions Bank Building in downtown Boise serves as the bank's Idaho headquarters in addition to housing an array of offices for other local businesses. In the next issue of *Timberline*, we'll take you inside one law firm's new office in the building, which opened in February, and show you how Timber Products decorative panels helped contribute to the overall design and theme of the new space.



timberline

Timberline is a publication for our employees, families and customers.

Requests for additional copies, or to be included on the *Timberline* mailing list may be sent to timberline@timberproducts.com.

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