

Commentary-Dave Pasolli-Western Wood Truss Association of Alberta

**Exodus to a Better Lifestyle**

March housing starts in the United States were up 37% in March, except in California where they were down about 25%. Has the Golden State lost its luster? In Canada home sales in Nova Scotia were 57% above the five-year average. There appears to be an exodus out of expensive high density markets as people realize that they may be able to work from anywhere and have a better quality of life.

Even Google, that probably has the nicest offices on the planet, expects 20% of their employees to work from home permanently and up to 60% are only expected to be on site for a few days a week. Not surprisingly as the average home in San Francisco is \$1.4 million and only \$261,000 in San Antonio. For the first time California is actually losing a house seat due to a population decrease.



*New Google greenhouse utopia headquarters in California*

Expensive cities have a lot of long term challenges with things like affordable housing, transportation, and increasing taxes to pay for social initiatives. Canadian cities like Toronto and Vancouver are not exempt from these challenges. Although most Californians definitely fall on the left side of the political spectrum there are also many people leaving that have different political views to areas of the country like Texas and Idaho that better align with their values.

Even the great green Tesla has announced that they are moving from Silicon Valley to Texas. The state that is trying to eliminate the gas burning car appears to be not a very inviting jurisdiction to build them.

The pandemic not only increased the number of people working remotely, but created a lot of stress with people that are living in cramped quarters. One lady interviewed said “You know, I'm sick of this. My family has been living in a one bedroom apartment. My husband and I sleep in the one bedroom with our infant. And our school age son is living in the living room. And that's just completely unsustainable. The pandemic, being at home so much was the breaking point. They said, we're out of here, we're moving to Utah.

As Alberta continues to deal with fewer jobs in the energy sector we should be doing more to attract people from Vancouver and Toronto to a better quality of life, with more affordable housing, less commuting time, and lower taxes. There may even be some conservative thinkers that would feel more comfortable around like minded people. Even retired people in these two cities would be able to cash out their real estate and retire comfortably in Alberta. Selling a million dollar home in Vancouver would allow you to have a very nice home in Alberta, plus a second home somewhere warm.

I know that the climate in the lower mainland may be nicer than Alberta, but Toronto? I can't understand why anyone would want to live there.

We often talk about diversifying the economy and cities here spend a lot of time and money trying to land the big whale like Amazon, but we should be taking advantage of this pandemic to entice individuals and families to consider a better way of life.

When we moved back to Alberta in 1998 it was called the Alberta Advantage where you could have a great life with rising incomes and reasonable public services. We have to make sure we keep a check on all levels of governments so they do not destroy these advantages and welcome people to the Wild West again.

If you have an idea for a commentary or would like to submit your own commentary for a future newsletter please let me know at [dave@wwta.ab.ca](mailto:dave@wwta.ab.ca)

## Economic Update

On March 25, The Canada Mortgage and Housing Corporation reported an “abnormally high” number of sales over the winter months in Calgary, and despite the high vacancy-rate of apartments, the supply of single-family, semi-detached and townhomes remains low. “We're seeing aging millennials who are choosing to go buy their white picket-fence dream in the suburbs, which is what's happening Calgary,”

**MLS Sales Value (\$ million)**

TREND	MARCH			JAN - MAR (YR TO DATE)		
	2020	2021	% CHANGE	2020	2021	% CHANGE
↑	1,390.1	3,707.0	166.7%	3,763.8	7,617.9	102.4%

Adapted from Canadian Real Estate Association (CREA). This does not constitute an endorsement by Canadian Real Estate Association (CREA) of this product.

The dollar value of homes sold in Alberta through the Multiple Listing Service (MLS) increased 166.7% to \$3.7 billion in March 2021 compared to the same time period a year earlier. Nationally, total sales values were up 131.8% to \$54.7 billion. In Alberta, Calgary had the largest increase (+187.9%). The high figures for this month are indicative of a recovery from depressed sales due to Covid last year.

New housing starts for April came in at 2760 up considerably from 1919 in 2020, but remember in April 2020 there was tremendous uncertainty. YTD starts are up 23% compared to last year.

**Actual**

	APR-21	APR-20	YTD-21	YTD-20
Starts (10,000+)	2,760	1,919	8,654	7,013
Completions (10,000+)	2,450	1,957	7,168	7,272

CMHC just published the Spring Housing Market Update that includes reports on Edmonton and Calgary.

<https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/market-reports/housing-market/housing-market-outlook>

Lumber prices eased below \$1,600 per thousand board feet in the middle of May but still remained close to an all-time high of almost \$1,700 hit on May 7th as lockdowns in the US continued to ease and peak spring construction season started leading to more supply constraints. Supply remains scarce, with purchasers struggling to fulfill existing and new buying requirements in the aftermath of coronavirus-driven production curbs and labour shortages, while demand increased as the stay-at-home lifestyle encouraged homeowners to expand or remodel their existing dwellings, and record-low mortgage rates exacerbated this home-building spree. Meantime, those who were reluctant to buy properties at new higher prices are now back on the market, driven by stimulus checks and strong recovery.



This is a pretty good interview that was on BNN Bloomberg with Daryl Swetlishoff of Raymond James May 5, 2021 and his views on lumber pricing:

<https://www.bnnbloomberg.ca/lumber-futures-extend-record-rally-to-top-us-1-500-for-first-time-1.1599512>

For a different perspective here is a blog discussing Brookfield's investment in West Fraser Timber from Goodreid Investment Counsel:

<https://www.goodreid.com/timber!-brookfield-and-west-fraser-timber.html>

## Quality Control

This month I would like to touch on lumber and moisture content. As lumber prices continue to climb it may be tempting to use wet lumber and I understand that it is being offered as an alternative to truss plants.

Generally to build trusses we are looking for lumber that has a moisture content of 19% or less, this is typically achieved through the kiln drying process and is indicated on the lumber stamp with a KD. If you see a lumber stamp with GRN the moisture content may be above 19%. **Lumber cannot be stamped with both KD and GRN; it has to be one or the other.**



The stamp on the left is GRN meaning that it has over 19% moisture and the one on the right is KD meaning that it has been kiln dried to less than 19% and considered dry.

Don't be fooled by the HT which indicates Heat Treated. Just because it has been exposed to heat does not mean that it is dry. The goal of the Heat Treat process is to completely eradicate any living organisms in the wood.

So what is the problem with using GRN lumber? Firstly, TPIC requirements and CSA-086 tell us that there would have to be a reduction in both lumber strength and grip strength of about 20%, which is pretty significant. See 6.4.4.3 and 7.3.2.2, TPIC 2019. If you were to build with GRN lumber you would have to ensure that you design with it.

Secondly, when the lumber dries in the finished building it can cause all kinds of in service problems. Creep deflection is the primary structural issue. Creep deflection is affected by two variables—sustained load level and MC when load is applied. The “creep factor” for deflection due to sustained loading is “3.0 for trusses using green lumber”. This will particularly show up in 4x2 floor trusses due to sustained load levels, heavy appliances, and hard surfaces.

As we build higher multi-family buildings moisture is always a concern due to shrinkage and all the problems are related, that is why most of these buildings are built with engineered wood products with a lower moisture content than dimensional lumber.

## Health and Safety Toolbox

Similarly to the Quality topic the WWTA would like to give you a monthly item you can discuss when doing your Safety Toolbox meeting. This month we are going to focus on **Covid-19 Responsibilities**.

Although we have been dealing with this pandemic for over a year, it is important that we do not let up on our responsibilities now that there is an end in sight.

### **Employer's Duties**

Employers have a duty to provide a safe and healthy workplace under occupational health and safety legislation that applies in their jurisdiction. This duty extends to the COVID-19 pandemic.

**Employers must:**

- Make sure workers know about the virus, and the steps the workplace is taking to minimize its spread.
- Communicate COVID-19 information to workers using languages and formats that they clearly understand and can easily access.
- Set a clear policy for what is expected of workers if:
  - they get sick
  - they have symptoms of COVID-19
  - they may have been exposed to someone with COVID-19
  - an exposure is reported at the workplace.
- Do everything possible, under the circumstances, to protect the health and safety of workers by using control measures, and providing adequate information, training, sanitation, and personal protective equipment.
- Make sure workers are trained to work safely, and are trained before replacing the duties of others.

**Employees must:**

- Follow or use control measures, safe work practices and procedures, and wear any equipment or personal protective equipment that is required by the employer.
- Wear non-medical masks or face coverings if and when required.
- Immediately notify their supervisor, health and safety committee or representative, and/or union if they have questions or feel it is unsafe to work.
- Participate in training and risk assessments.
- Be properly trained for work.
- Report early signs and symptoms of COVID-19 to their supervisor.

In addition to the above responsibilities all employees have an obligation to abide by Alberta Health Services guidelines that seem to be forever changing, **even outside of work**. If an employee ignores the AHS guidelines they may be responsible for putting their co-workers at risk, and their employer at risk of having to close. A blatant disregard for AHS restrictions could potentially lead to dismissal.

The Canadian Center for Occupational Health and Safety has a very detailed guide at: <https://www.ccohs.ca/products/publications/pdf/pandemiccovid19/covid-health-safety-guide.pdf>

The Alberta Government has a new format OHS eNews you can subscribe to with all kinds of good material at: <https://ohs-pubstore.labour.alberta.ca/>

## News and Events

The Canadian Wood Truss Association is holding their next meeting June 4, 2021 and we will continue to devise a plan for the national quality requirement implementation.

The Truss Plate Institute of Canada has their most recent meeting on May 6, 2021 and our representative David Klassen will be able to provide a report in next month's newsletter.

The WWTA has an opportunity to have a virtual presentation from an OHS officer soon as the implementation date for the new OHS is set for the fall of 2021. If you would like to participate in this presentation please contact me so that I can get you on their invitation list.

I will be doing a presentation to Safety Code Officers June 11, 2021 through the Safety Codes Council discussing bracing, product substitution, and the new Standata BCI-19-023.

The next Board of Directors Meeting of the WWTA is scheduled for June 17, 2021. If you have anything that you would like brought forward to the board please send me an e-mail with the details.

### **WWTA Online Training**

If you have not yet taken a look at the WWTA online training program I would encourage you to, as no doubt you will be hiring new workers in the near future and it is a good method to get them productive earlier and safer. If you want an overview of the program go to the WWTA website at: <http://www.wwta.ab.ca/truss-training-online.html>

## Did You Know?

That by being a member of the Western Wood Truss Association of Alberta you are also a member of the Canadian Wood Council.

A portion of the membership fee for the Canadian Wood Truss Association goes towards a membership in the CWC and we have a representative from the CWTA that sits on their advisory board. That representative is currently Mark Fox, the President of the CWTA.

The benefit of this membership is that as an association we get valuable input into projects like the Low-rise initiative at a membership price that is distributed across many truss fabricators.