



ENGINEERED WOOD WEEK

NEWS NOTES FROM AITC. THE ORIGINAL TRADE ASSOCIATION FOR ENGINEERED WOOD

November 16, 2007

NAHB Economists See Housing Market Recovery

Is there a rainbow coming in the dark clouds of the housing market? Economists at the National Association of Home Builders think the answer may be “yes.”

According to the trade magazines, *Professional Builder* and *Nation's Building News*, most of the economists at the NAHB's Fall Construction Forecast meeting believe the market will bottom out and start turning around in 2008.

David Seiders, the NAHB's chief economist, says that despite the current slump in housing starts, sales, and prices, as well as problems in the subprime mortgage market, there is reason to be optimistic. Positive indicators such as expected growth in the economy, increased employment, growth in personal income and keeping inflation under control should help rescue the market. Home foreclosures are expected to level out as the Fed cuts interest rates.

There are good prospects for the gross domestic product to take a more positive direction with projected housing starts reaching the 1.2 million mark next year and the 1.5 million level in 2009. The more optimistic predictions are also driven by the fact that housing prices are holding up reasonably well in many areas. Bernard Markstein, NAHB Director of Forecasting, sees prices still rising in some locations and homeowners who are still in good shape with strong home values.

Some economists believe the negative housing reports in the news media are exaggerated and sensationalized. Seiders says long term prospects for housing activity are good. By the end of 2009 we may be on the way to solid growth of 2 million starts a year. Other economists with a positive view include Maury Harris, chief economist at UBS Investment Bank, and Richard Moran, chief economist at Daiwa Securities.



The last time a housing recession was this serious was in the mid-1960's, but the difference between then and now is that the Fed is not dealing with inflation.

AITC Welcomes Two New Active Members

We are pleased to announce that two glulam manufacturers have recently become AITC Active Members.

D. L. Truss, LLC, located in New Holland, PA, became an AITC member on September 19, 2007. They manufacture Southern Pine beams and columns.

Blue Ox Millworks located in Eureka, CA, became an AITC member on October 29, 2007. Blue Ox manufactures Douglas-fir columns.

AITC Offices Closed for Thanksgiving

The AITC offices will be closed November 22-23 in observance of Thanksgiving. We wish each of you a safe and restful Thanksgiving weekend.