

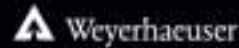
# introduction

THE TRIED AND TESTED HAVE PARTNERED WITH THE BOLD AND INNOVATIVE.

Welcome to iLevel™, a new business from the three most respected names in residential framing: Trus Joist, Structurwood and Weyerhaeuser. We've made the latest product technologies and design services available under one roof, helping you manage costs while minimizing jobsite waste. Go to iLevel.com today, or call 1-888-iLevel8 (1-888-453-8358).



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## ABC Arrow Building Center "Dependability from the ground up" Division of Consolidated Lumber Company

Fourteen stocking locations, twice-a-week inner-company shuttle delivery, and an Integrated Network System allow us to have the availability of the building materials you need for your project. Our system also allows you to purchase these materials at any of our locations using your existing Arrow Building Center account.

- **Amery, WI**  
843 State Rd. 46 N  
715-268-8161
- **Hudson, WI**  
876 County Rd. U  
715-386-2371
- **Rice Lake, WI**  
2120 W Knapp St.  
715-234-6932
- **Big Lake, MN**  
14813 162nd Ave. SE  
763-262-1440
- **Hastings, MN**  
755 31st Street E  
651-437-8555
- **Milltown, WI**  
101 Industrial Ave.  
715-825-3287
- **River Falls, WI**  
188 County Rd. U  
715-425-7245
- **Stillwater, MN**  
2000 Tower Drive W  
651-439-3518
- **Kasson, MN**  
102 1st St. SW  
507-634-2471
- **Hayward, WI**  
15914 US Hwy 63  
715-634-8941
- **Red Wing, MN**  
170 Cannon Bottom Rd.  
651-388-6741
- **Spooner, WI**  
102 Pine St.  
715-635-2199
- **Webster, WI**  
7454 Elm St. W  
715-866-4345
- **Chippewa Falls, WI**  
500 E. Park Ave.  
715-723-4716



Consolidated Lumber Company  
808 North 4th Street  
Stillwater, MN 55082

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A **NEWSLETTER** for the  
Professional Builder & Remodeler.

# THE CONTRACTOR

## Building Industry Sees Many Positive Signs On The Horizon

This past year has been a year of tumultuous change for the residential housing market in general. But we believe there are many positive signs for the building industry as a whole.

Remodeling still remains a vibrant segment of the construction market. "While we have experienced some weakening in the remodeling market, activity has remained relatively steady," said National Association Home Builders (NAHB) Remodelers Chairman Mike Nagel.

Going forward, the remodeling market should be bolstered by improvements and additions to existing homes, repair and maintenance to aging homes, and home modifications for older Americans who choose to stay in their current homes. Indeed, according to a recent Remodeling Market Index report, many

remodelers are creating a niche for themselves in home modification work relating to "aging-in-place."

Also, non-residential construction activity finished last year on a strong note. The American Institute of Architects projects growth of 7.2 percent with slightly lower but still healthy gains of 3 percent this year. Much of the boom in non-residential construction (hospitals, hotels, schools, highways) can be attributed to infrastructure needed to support the record number of new homes in recent years.

As for the residential housing market, the National Association of Home Builders (NAHB) expects a long-term recovery to begin to emerge during the second half of this year, with sales and housing starts improving in 2008, and carrying good momentum into 2009.



*"While we have experienced some weakening in the remodeling market, activity has remained relatively steady," said National Association Home Builders (NAHB) Remodelers Chairman, Mike Nagel.*

FEBRUARY 2008

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VOLUME TEN NUMBER ONE



Arrow Building Center  
"Dependability from the ground up"  
Division of Consolidated Lumber Company



# Thank You For Your Business

As we enter the New Year, we want to take this opportunity to once again say "thank you" to all our professional builders, remodelers and contractors. We appreciate your business, and the trust and confidence that you place in us.

Just like any year, this last year has had its own set of unique challenges. But as in the past, we've overcome obstacles and persevered, and we're looking toward next year with renewed optimism. Indeed, we recently had our fifth month of sales increases over the prior year; that's a positive sign.

It seemed everywhere you looked this past year, the news on the state of the building industry was dire. But, of course, bad news sells, and the popular press was certainly pushing their message. Indeed, the National Association of Home Builders went on the offensive recently by saying conditions are not as bad as the media is portraying them.

True, the residential housing market is going through a correction on a national basis, exacerbated by some questionable lending practices in the financial sector. Overbuilding in certain parts of the country has



Arrow Building Center  
President David Majeski

also garnered press attention. And locally, yes, we've seen a slow down, but it's not as dramatic as other parts of the country.

If we step back and look at the underlying fundamentals, we see why the building industry as a whole is not going to fall off a cliff. The economy remains strong, unemployment is low, and demographics support a long-term trend for new housing and remodeling. This is true both nationally and locally.

We've been in business long enough to know that cycles like this come about. In fluctuating markets such as these, it's good to have a partner in the building supply industry who really understands your business and knows the industry. Don't hesitate to call your local Arrow Building Center with any questions you may have.



## Introducing: Wolmanized® L<sup>3</sup> Outdoor® Wood

Arrow Building Center remains committed to provide you with Construction Solutions, Quality Building Materials and Superior Service. Here is another new product that will benefit both you the builder and the homeowner.

In February, a revolutionary new pressure-treated product will be introduced: **Wolmanized® L<sup>3</sup> Outdoor® Wood**. After nearly 10 years of development and testing, *Arch Treatment Technologies, Inc.* has commercialized the first non-metallic, arsenic-free, carbon-based wood preservative for residential use. Our supplier, *Peterson Wood Treating, Inc* is the licensed producer of wood treated with this preservative in our trade area.

One of its benefits is low corrosivity. **Wolmanized® L<sup>3</sup> wood**, when tested in the AWWA E12 Coupon Corrosion Test, is no more corrosive to metals than untreated lumber. L<sup>3</sup> wood contains no metals, so fasteners are not subject to galvanic corrosion. As a result, L<sup>3</sup> wood is less corrosive to HDG and aluminum than CCA-treated wood. There are no restrictions on its use in contact with aluminum.

Also, the factory applied **Stabilizr™** additive slows moisture absorption for less checking, cracking, swelling and warping. This also allows the wood to be stainable within weeks.

You can use **Wolmanized® L<sup>3</sup> wood** for Above Ground applications, including sill plates, stair stringers, decking, pole barns, kick plates, siding, trim, beams, and joists. Other applications that are non-structural and may have incidental ground contact, such as fence boards and outdoor furniture, are also appropriate. For uses where wood will be embedded in the ground, Arrow will continue to provide Wolmanized® Residential Outdoor® wood protected by copper azole preservative.

For prices and further details on **Wolmanized® L<sup>3</sup> Outdoor® Wood**, contact your local Arrow Building Center salesman or log onto [www.petersonwoodtreating.com](http://www.petersonwoodtreating.com) for more information.

# 2008 Building Material Forecast & Product Trends

Forecasting the building material market is not a simple science; in today's global economy, the cost and availability of materials locally can be affected by events as far away as East Asia. But there are some safe assumptions we can make near (and even long) term.

For one, window and door demand will continue to grow through 2010, when it will reach \$36.5 billion, according to a new study in the United States by the Fredonia Group, Inc. Growth will be led by vinyl, fiberglass and composites, which the study forecasts will grow at 6.5% annually. Demand for metal and wood will trail at 3.6% and 1.3% respectively. Much of the growth in the window and door market will be influenced by homeowner's wanting to improve or enhance home energy efficiency.

Absent of any unforeseen market influence, lumber prices can be expected to remain fairly stable in the near term. Various mill closures will occur into 2008 with short-lived affect on pricing and supply. In prior years, imported European lumber helped satisfy the feverish demand. As we move into a period of less demand, we will see less imported demand, as the market continues to



correct itself.

Rapidly rising world market prices for cement, metal, oil and natural gas drove the prices of construction materials higher earlier this year. The inflation pressure was aggravated by very tight supply conditions for materials used in the booming non-residential building and heavy engineering construction markets. These price pressures are expected to lessen with slowing economic growth. As always, we will maintain a close eye on the market going forward. Talk to us when you have questions.

## New Rules Send Some Wisconsin Builders Back To School

A new requirement for Wisconsin builders and remodelers, aimed at making sure they are knowledgeable of the industry, took effect January 1, 2008.

Under the legislation passed in April 2006, builders won't be able to get a building permit for one- and two-family dwellings without a dwelling contractor certification and employing someone holding a dwelling contractor qualifier certification.

To obtain the qualifier certification, a representative of the firm or

individual either must attend an approved 12-hour qualifier initial training course with an exam, or meet "grandfathering" criteria, according to the Department of Commerce. Those individuals will then be required to take 12 hours of continuing education every two years.

Builders and contractors fall into the "grandfathering" category if they held the Dwelling Contractor Financial Responsibility Certification in April 2006. They will also be required to take 12 hours of continuing education

every two years.

Arrow Building Center is sponsoring Training Sessions to cover all 12 hours of Continuing Education. Sessions will be held at various locations in our Wisconsin Trade Areas. Training Sessions started in January of 2008 and will continue over the next few months. Contact your local Arrow Building Center manager if you would like to attend.

Additional information about the changes (including a link to qualified training programs) can be found on the Wisconsin Department of Commerce Website at:

[www.commerce.state.wi.us/SB/SB-CredDwelConExplan0707.html](http://www.commerce.state.wi.us/SB/SB-CredDwelConExplan0707.html)