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Lumber Prices Continue to Price Home Owners — and Builders — Out of the Market

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Lumber prices increased 14.9% in August, marking [the largest four-month gain](#) since such data was first recorded in 1949 and the second-largest gain since seasonally adjusted data became available in 1975. Such a sharp increase has put [unnecessary pressure on home owners](#) and builders alike to figure out how to close the gap.

Former NAHB Chairman Randy Noel, a custom home builder from LaPlace, La., received a lumber quote early this month for more than \$28,000 — twice what he had paid for the same lumber on a comparable project in February 2019. Oriented strand board alone, which Noel's company uses frequently in its projects, had increased from \$7.50 per sheet to \$26 per sheet.

Because the homes have already been sold, Noel is looking toward *alternative building materials, such as steel*, to help minimize the cost increases. Not all builders will be able to close the gap, though.

"I know builders who have had to call customers and give them their deposit back and say, 'I can't build your house because of the price of lumber,'" he shared. "People already have their loan secured and can't increase the price."

Appraisals are likely to compound that issue, Noel added, as comparable sales of existing homes aren't increasing sharply enough to factor into appraisers' equations. Pent-up demand is also driving up the price of lots, which will need to be factored into home prices going forward as well.

The best immediate-term solution Noel sees on the horizon is to remove tariffs on Canadian lumber. "If lumber mills are struggling to keep up, [U.S. Commerce] Sec. Ross can remove tariffs temporarily to keep lumber prices from skyrocketing," he stated.

NAHB [continues working on all fronts](#) to find solutions that will ensure U.S. home builders have access to a stable supply of lumber at reasonable prices to keep housing affordable for hardworking American families.



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