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Another Bear Creek Lumber Speciality

While Bear Creek Lumber is known for our rot resistant lumber species and top quality materials, what many people don't realize is that we can only do many historic reproductions of materials that are not readily available in today's lumber markets. There are many patterns we can have cut, or product sizes that we can have milled that will match existing materials. To manufacture these reproductions often is complicated by a variety of factors, so always contact us with plenty of lead time, and be very specific. Many folks will send us samples so that we make sure that the materials match.

Bear Creek Lumber is also available to work with government contracts when those crop up. We supply materials for parks, historical buildings, museums, campgrounds and auditoriums. We can ship to remote locations or meet scheduling deadlines as they come up, once again given the right amount of lead time.

We look forward to working with unusual requests and specialty projects when you find yourself needing products that aren't available from your typical building supply dealers. Call (800) 597-7191 for more information.

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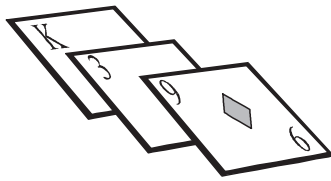
Bear Creek Lumber supplied roofing shakes for the Valley Forge historical renovation in Virginia. Capitol Roofing is the contractor.



July 4th Holiday Reminder

Bear Creek Lumber will have a small staff for part of the day Friday July 1st and will be closed altogether on Monday July 4th. We will be back to full speed on July 5th.

For orders needing to be delivered around the holiday period, please allow for plenty of advance warning or arrangements that take into account the holiday traffic and vacation time!



House of Cards

The number of areas across the United States with real estate booms grew nearly two-thirds last year to 55, the Federal Deposit Insurance Corp. said, warning that these booms may be followed by busts.

The boom areas represent 15 percent of the 362 metropolitan areas the Office of Federal Housing Enterprise Oversight analyzes, the highest proportion of boom markets in 30 years of price data and more than twice the peak of the late-1980s booms.

Boom areas were defined as having inflation-adjusted prices at the end of 2004 that were up 30 percent or more in three years. The FDIC economists found that only 17 percent of local U.S. housing booms in the 1978-1998 period ended in busts, defined as a 15 percent or greater drop in nominal home prices over five years. But their updated study, released in May, also notes special qualities of the current boom, including the large number of boom markets across the country and a risky credit environment.

Economists have all kinds of reasonable explanations for the historic housing boom: Low interest rates, demographic trends and supply constraints are the usual buzzwords. New studies point at another factor: easy credit. Whereas lenders used to say that borrowers' annual mortgage payments should be no more than a third of their annual income, they now weigh debt-to-income ratios against a person's credit score and other factors. The credit score has only been widely adopted in the past few years, when rates were low and home prices were rising. Among special risks the FDIC has found in the current credit market are increasingly leveraged new home purchases, more use of adjustable rate mortgages, growth of interest-only mortgage payment plans and accelerating growth in subprime mortgage lending.

The hidden danger is economic turndown. If growth slows, or moves into a period of stagflation, when wages fall but prices rise, borrowers may be squeezed into a house of cards where their debt overwhelms them. Already, most bankruptcy is not caused by over exuberant or irrational spending, but by unforeseen calamity such as medical crisis or family breakup. Economic stress could result in a climate where these factors escalate at a time when the protections of bankruptcy have evaporated due to a new bill recently passed by the government.

U.S. economic growth slowed sharply in the first three months of the year, to the weakest pace in two years, as surging energy costs caused consumers and businesses to rein in their spending.

The nation's gross domestic product, which is the value of all goods and services produced, rose at a 3.1 percent annual rate during the first quarter, down from a 3.8 percent rate in the final three months of last year, according to the Commerce Department.

The news confirmed other recent signs of a cooling economy. Job growth, retail sales, factory production and consumer confidence fell in March. New orders for big-ticket manufactured goods have declined in each of the first quarter. The trade deficit keeps growing to new monthly records.

Many analysts were surprised the economy had slowed so quickly after expanding 4.4 percent last year, but during the first quarter of a presidency, there is often an economic slowdown. As long as energy costs don't continue rising, it is unlikely to cause any long term problems.

Today's lenders are allowing for the layering of risks on top of one another. If all these risks pile on top of each other in a rising interest rate environment, a declining housing market, or a weakening economy, it could stack the deck against the housing industry.

If a tree falls...

A wind storm blew this aspen tree over. The amazing part was the 30-inch diameter tree fell exactly down the middle of this red cedar foot timber bridge, only taking out one post. Said one observer, "You couldn't fall a tree this perfectly if you tried!"



U.S. metropolitan areas with the highest median sale price for existing single-family homes in the fourth quarter of 2004:

1. San Francisco Bay area: \$656,700
 2. Orange County, Calif.: \$627,500
 3. San Diego: \$569,900
 4. Honolulu: \$490,000
 5. Los Angeles: \$470,900
 6. Nassau/Suffolk, N.Y.: \$431,900
 7. Bergen/Passaic, N.J.: \$423,500
 8. New York/North New Jersey/Long Island/Connecticut: \$403,600
 9. Boston: \$387,800
 10. Washington, D.C./Maryland/Virginia: \$370,800
 11. Newark, N.J.: \$369,500
 12. Middlesex/Somerset/Hunterdon, N.J.: \$358,200
 13. Sacramento, Calif.: \$343,800
 14. West Palm Beach/Boca Raton/Delray Beach, Fla.: \$338,800
 15. Monmouth/Ocean, N.J.: \$338,400
 16. Riverside/San Bernardino, Calif.: \$322,400
 17. Seattle: \$299,800
 18. Miami/Hialeah, Fla.: \$297,200
 19. Fort Lauderdale/Hollywood/Pompano Beach, Fla.: \$296,800
 20. Reno, Nev.: \$286,200
- Source: Associated Press

Inventory News

Sales of existing U.S. homes rose 1.0 percent in March to the third-highest level on record as an increase in single-family sales offset a dip in sales of condominiums, the National Association of Realtors reported in May. Sales of previously owned homes rose to a seasonally adjusted annual rate of 6.89 million units last month, the trade group said. That figure includes both single-family homes and condominiums.

A weak dollar and relatively low mortgage rates have turned houses and other real property into the investment of choice for a growing number of people from other countries. Some see real estate as a better way to earn money than stocks or other securities, while others are interested in using the properties themselves.

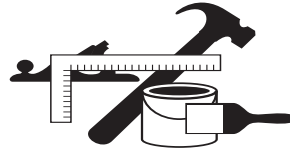
Historically, coastal areas have gotten the most attention from foreign investors; the East Coast was attractive to Europeans, while the West Coast appealed to investors from Asia. But the recent boom in foreign investment has included areas such as Atlanta, Chicago and Las Vegas.

"There is a sense that the falling dollar does make U.S. real estate more attractive because, relatively speaking, homes are more affordable than they are in other countries," said Walter Molony, a spokesman for the National Association of Realtors.

Sales of new homes shot up 12.2 percent in March to a record high as the nation's housing market continued to soar despite fluctuating mortgage rates. The Commerce Department said Tuesday that new single-family homes were sold at a seasonally adjusted annual rate of 1.43 million units in March, confounding the consensus forecast of a small decline in sales in March, a month when mortgage rates had been inching higher.

Instead, sales climbed to an all-time high, surpassing the old mark of 1.3 million units at an annual rate last October. Sales of both new and existing homes have set new records for four straight years, but analysts are expecting demand to cool off a bit in 2005 as mortgage rates climbed higher.

The big jump in sales was not accompanied by a rise in prices. The median price of a new home sold in March actually declined to \$212,300, a 9.3 percent drop from the February level of \$234,000.



Women's Build: A Mother's Day Tradition

Mother's Day is more than a sentimental journey for the participants in Women's Build. It's a day to build on the power of community action, when common needs are met by women working together.

Women Build is a partnership of Habitat for Humanity and the Lowe's chain of home improvement stores. It is an annual event that gives women a chance to help needy families. Female crews have built 650 Habitat houses in the United States.

Women Build officials conduct training sessions in safety, framing, roofing, siding, insulation and interior finishing for new volunteers.

Cities with annual Mother's Day Women Build projects include Pensacola, Florida; Atlanta, Georgia; Austin, Texas; Chicago; Des Moines, Iowa; Hartford, Connecticut; Oklahoma City; Olympia, Washington; Omaha, Nebraska; Phoenix, Arizona; Richmond, Virginia; San Francisco; Salt Lake City; Tacoma, Washington; and Winston-Salem, North Carolina.

Population Shifts In The USA



Reflecting a continued shift of U.S. population to the South and West, Florida, California and Texas will make up nearly half of total U.S. population growth between 2000 and 2030, according to the Census Bureau.

In new state population projections, the Bureau said Florida, now the 4th most populous state, should edge past New York into 3rd place by 2011, while California and Texas will continue to rank 1st and 2nd, respectively, in 2030.

These three states would each gain more than 12 million people between 2000 and 2030, accounting for 46 percent of total U.S. population growth during the period. Arizona, meanwhile, is projected to add 5.6 million people, and North Carolina, with 4.2 million, would round out the top five numerical gainers.

As a result, Arizona and North Carolina would move into the top 10 in total population by 2030 with Arizona rising to 10th place from 20th place in 2000 and North Carolina would rise to 7th place from 11th place. Michigan and New Jersey are projected to drop out of the top 10.

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