



Bear Creek Lumber **TIMBERLINE**

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*Bear Creek Lumber will be
closed for Memorial Day
Monday May 26th*

Bear Creek Lumber **Featured Projects**



Bear Creek Lumber products have been supplied to projects all over the world. This month we'll look at some residential projects with vastly differing styles that both have incorporated Bear Creek's high quality materials into their design. From riverside funky, to upscale modern, Bear Creek Lumber is the key to the project's sense of home.

We have also highlighted what's hot in new kitchens, and how Bear Creek Lumber can help you achieve the look you or your customer wants in their new home. Kitchens are one of the hottest remodels currently sought in today's remodel culture.

Above: Classic Wood Shutters

by Michael Farmer, Miami FL

Western Red Cedar 5/4 x 6 S1S2E Clear



**Design-Builders: Mike Kutz and
Phil Heitman, Winthrop, WA**

Carlton Remodel:

Douglas fir 1 x 6 Select Knotty flooring
Blue Stain Cabinets are seen in kitchen
Hand peeled pine logs and poles
Wavy edge bevel siding
Reclaimed fir trim



A Country Home

In the country, using wood helps bring the forest into your home. In this remodel, the builders have incorporated logs, stone and wood elements to give the owner a sense of being in the mountains in every room. We especially like the kitchen, as seen in the upper left. It has blue stain pine cabinets, natural stone for the backsplash, stamped concrete counters with butcherblock at one end. Knotty fir flooring complements the look.



Bear Creek Lumber Projects

A City Home

Architect: Buttrick Wong
San Francisco, CA 94107

Builder: Richard Sherrill

Abbott Residence:

Western Red cedar A Clear 2 X 8, 2x4 ;

Western Red cedar A Clear 1 x 6 T&G



The only thing worse than sogging through a business downturn, is to do so without a strategy. Business as usual doesn't cut it when markets, consumers Or other conditions beyond your control turn against you. The old saying "what doesn't kill you will only make you stronger" is little consolation when business is slow. Have a plan for every turn in the road.

Here are a few tips:

- Focus on what you know. Rein in spending on the fringe niceties and invest in the types of things what your business does best. Most businesses have a business plan. Maybe its time to go back to basics.

- Don't kill your capacity to produce. The way to improve your bottom line is to maintain a tighter inventory, put vendor products / services up for bid, and improve receivable and other extraneous cash flow factors.

- Reduce entitlements. Reward performance. Terminate the weakest links. If you make personnel cuts, remember that tenure and credentials aren't everything. Remember that results and attitude count.

- Cut once. If you reduce expenses this month by cutting out free coffee, then two weeks later eliminate company cars, then next month fire the cleaning service, it's like Chinese water torture. All it does is continue to distract, demoralize, and disrupt. Figure out what you want to cut, and do it in one sweep. Don't put off the pain thinking you can avoid it when things are really tight. At the same time, don't play the blame game.

- Stay positive. Management will multiply the damage, and compound morale problems if they terrorize people with threats, excessive criticism, and lousy attitudes during slow times. Remember what good coaching is: leadership with plenty of speedy, positive reinforcement for worthy performance and a strong, forward view for the future

When the economy gets tough...
The tough have a plan.

Staying Up In Down Times

What's Hot in Today's Kitchens?

- Dark, rich finishes like mahogany
- Glazes
- Distressing and antiquing
- Warm contemporary look
- Less ornate Old World furniture look
- Mixing wood species and colors in one kitchen
- Varying heights of cabinets
- Spice drawers
- Open shelves
- Plate racks
- Oversized drawers
- Wider stiles on doors
- Wine racks
- Smart appliances
- Granite or engineered stone countertops
- Soft-closing doors and drawers



What's Available At Bear Creek Lumber For Your Next Kitchen?

Flooring: Douglas Fir flooring in clear or knotty grades. This is popular for its warm colors, and its affordable price. Bear Creek Lumber offers a variety of flooring options, including pine, oak and maple.

Cabinet making materials: Clear fir or blue stain pine, mahogany, and even yellow cedar are popular woods for making cabinet faces. Bear creek can supply these.

Window trim: Red cedar is a popular product for window trim. Its color contrasts well with other elements in a kitchen.

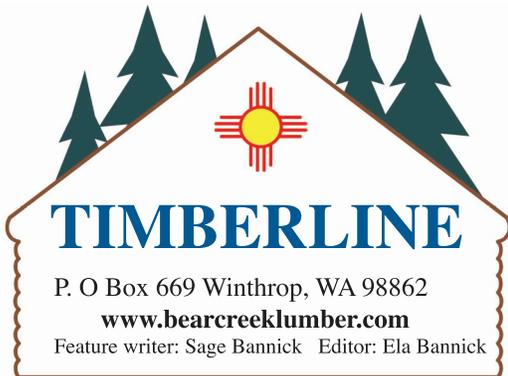
Beams , timbers and logs: These are available in just about every species we carry, and can be hand hewn for a traditional look in a rustic kitchen setting.

Industry News

Sales of previously owned homes fell 4.3 percent in February, as bad weather kept house hunters indoors. But even with the decline, home sales posted their fourth best month on record. Federal Reserve Chairman Alan Greenspan said in March he believed the red-hot housing market would cool this year, something that would slow consumer spending, one of the main forces keeping the struggling economy going. Other economists said that job worries are one of the biggest factors making people think twice about locking into a major financial obligation, such as a home.

Hispanics make up the fastest-growing group of home buyers in the country. Between 1994 and 2001, the number of Hispanic homeowners grew 47 percent to about 4.5 million nationwide, according to Harvard's Joint Center.

Housing starts have slowed over the winter, falling 11 per cent in February, the sharpest decline in a decade. The only bright spot was the increase in the construction of apartments and condominiums, which rose almost 6%.



Lenders React to War

Anyone shopping around to refinance a mortgage, or take on a new mortgage is seeing sizable swings in rates, thanks to the war in Iraq. For six weeks straight starting in early February, mortgage rates fell. Then the 30-year mortgage skidded to 5.7 percent during the week of March 12, according to a survey by Bankrate.com, a financial tracking firm. It was a nice drop from the 5.99 percent average in the last week in January. And the lowest point since 1966, based on Bankrate.com surveys.

War looked ugly, but early reports gave the impression of a swift victory. Stocks soared during the first few days of military action. And mortgage rates ratcheted up a quarter of a percentage point or more at some lenders in just a week. The 30-year average shot up from 5.7 percent to 5.92 percent in the Bankrate.com survey. Why?

It's mainly war troubles. As investors rush into stocks, they're dumping bonds and, in turn, pushing up interest rates. It's a difficult time to predict rates because you have such an unpredictable situation in Iraq," said Michael Gruley, president of First Financial Mortgage Corp. in Northville, Mich.

Experts advise you shouldn't wait for the sand to settle in Iraq.

"The longer-term trend is toward higher rates," said Greg McBride, senior financial analyst for Bankrate.com in North Palm Beach, Fla. In the near future, he says, rates for the 30-year mortgage are likely to hopscotch back and forth over the 6 percent mark. The best bet, most mortgage experts suggest, is for consumers to forget about trying to outsmart military maneuvers. Lock up a low rate when you see it and try not to wait to break back into the lowest of the lows. And when things look bad, they're running out of stocks, buying bonds and driving rates lower.

"People just aren't sure where to put their money. So the money is chasing the news of the day," said Douglas Duncan, chief economist for the Mortgage Bankers Association of America, the nation's largest mortgage trade group. "Day to day, this is going to be very volatile."

Does Over Supply Threaten The Future of the Timber Industry?

History shows that in previously oversupplied markets there have always been eventual changes in supply or demand that swing the balance back toward higher prices. With most analysts seeing housing construction slipping over the next year, most traders say the supply side will be the key to a turnaround.

One such change is occurring in the Southern Pine region, where widespread curtailments and rain-induced log shortages have sung prices to the upside. But how long will lower output be maintained, and will other regions follow suit to protect pricing?

It likely that oversupply will continue in the U.S. market for the foreseeable future. Strong production in the U.S. and Canada, combined with record imports and sharply lower exports, have resulted in record supply depressing prices in the U.S. Instead of reducing output in Canada, duties on the Canadian lumber shipments to the U.S. have prompted some large producers to increase production to lower unit costs and help withstand the duty's effects. Meanwhile, British Columbia wants to step up harvest to deal with more than half a million acres of timberland infested with the mountain pine beetle. Publicly-owned companies in North America are under pressure to produce heavily to improve returns for investors. Many sawmills have undergone renovations to stay competitive, and some companies have acquired competitors. Curtailments are not a preferred option for companies needing to pay down debt.

There is also more offshore influence on the U.S. market than ever before. The U.S. is the one market that can absorb huge volumes of lumber, and the strength of the dollar in recent years has helped draw in many European and South American exporters. Although the dollar has weakened recently, many of these offshore suppliers won't be easily pushed out. With much of the world struggling economically, there are not many viable alternatives to the U.S. At the same, a number of countries need new markets for their vastly expanding forest industries. In addition with much of this new global sawmill capacity being developed in low-cost producing regions, some analysts say the new players may limit the upside

