SLB®
SOFTWOOD
LUMBER BOARD

Softwood Lumber Board

2021-2025 Strategic Overview

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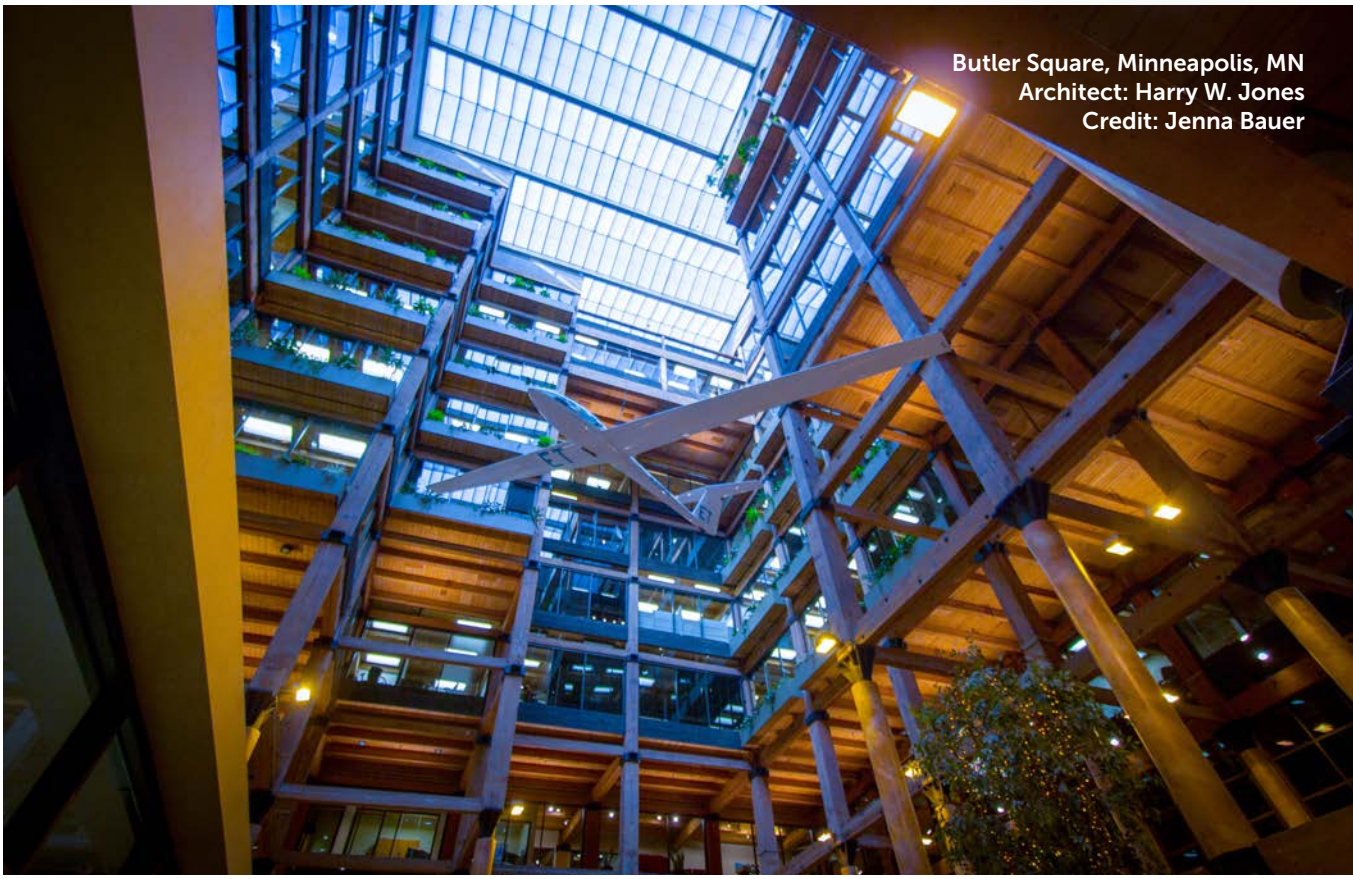


Butler Square, Minneapolis, MN
Architect: Harry W. Jones
Credit: Jenna Bauer

Current State

Since it began promoting softwood lumber in 2012, the Softwood Lumber Board (SLB) has changed how wood is perceived in the market, what is believed to be possible when building with wood, and the relationship between government and the industry – unlocking tremendous growth potential. It has combined scale with strategic market analysis, market development, and communications that have had a real impact on the demand for softwood lumber. In advancing softwood lumber's economic, environmental, and performance advantages, the SLB has gained supporters among those who specify and purchase softwood lumber, government agencies, and NGOs. This dramatic reputation shift has opened incredible market opportunities for softwood lumber.

The softwood lumber industry is committed to a long-term, unified, and consistent effort to diversify its portfolio in the market and to dampen the wildly swinging demand curve. The ultimate success of the SLB has been measured in its remarkable return on investment (ROI) and a resounding referendum of support in 2018. This success required steady improvement in market presence and increasing dominance in non-residential markets. The SLB's strong program ROI was met with campaigns by competing products in an attempt to stall lumber's growth, demonstrating the industry's need for a strong and aggressive market presence.

Major Accomplishments

The SLB's accomplishments during the first nine years of operation (2012 through 2020) have been many. It's important to highlight that the SLB is achieving its primary goal and mandate to generate demand for softwood lumber. In addition to incrementally increasing demand in market segments where softwood lumber has had low market penetration, the SLB's presence as a new, disruptive, and innovative organization resulted in notable accomplishments that position the industry as a competitive and creative force in single-family remodeling, non-residential, and commercial construction.

The SLB transformed how wood is understood.

The SLB's work is creating a paradigm shift in the built environment. Before the SLB commenced its work, practitioners and the general public perceived wood as a building material suitable only for low-rise single-family and limited multifamily or lower end commercial construction. By effectively marketing and communicating the extraordinary developments in mass timber and tall wood, as well as highlighting the SLB-funded research and development in seismic, fire performance, and innovative construction, the SLB and its partners established wood as a building material that rivals steel and concrete for many applications.

Robinson Nature Center, Columbia, MD
Architect: GWWO Inc.

SLB and partner funding opened the door for mass timber as a U.S. building technology.

The acceptance and excitement about mass timber in larger and taller wood buildings would not have happened without the SLB's leadership. Based on solid research and testing, code change amendments, education efforts, and direct project support, industry experts are accepting wood as an advanced building system solution. Leading architects, engineers, and the codes and standards community now increasingly consider wood to meet demands for larger and taller buildings in urban environments and solve tough sustainability challenges. Wood continues to meet or exceed the economic expectations of developers.

The SLB changed the industry's relationships.

Aggressive work by the SLB created positive working relationships between industry and government, notably the USDA's Forest Service. Additionally, environmental organizations like the U.S. Green Building Council, The Nature Conservancy, and others are realizing their work aligns around the environmental and economic preference of wood as a building material of choice.

The SLB changed perceptions with respect to natural resources and the environment.

Because of the strong environmental footprint of wood as a building material, softwood lumber is now viewed as part of the solution as opposed to part of the problem.

The SLB unified the industry.

The strong positive results of the SLB confirmed the beneficial effects of operating as a unified industry competing against other building materials for market share in the built environment. This shared alignment of increasing demand for lumber in the U.S. market has been so strong that other intra-industry issues facing the sector have not distracted from the SLB's mission or negatively impacted its operations.

The SLB confirmed that even for a commodity like lumber, marketing is indispensable.

The SLB proved that marketing works, even for a product like softwood lumber. In the SLB's experience, marketing has been critical in increasing demand and market share. It is understandable, in an economic downturn, that a company must cut costs when the top line is challenged. Marketing and communications are often the first to go – further highlighting the virtue of having an organization like the SLB. Even in difficult economic times, the SLB has the ability to continue marketing the value of lumber, keeping interest up, stimulating demand, and assisting with a quicker recovery. Without marketing and communications, an industry is at the whim of external economic and competitive forces. With a strong marketing program, an industry can control its destiny.

The SLB is creating an impressive return on investment.

Over the course of nine years, the combined effect of SLB-funded programs are creating incremental demand that – completely apart from macro-economic influences – resulted in an ROI of $30.62 in increased sales of softwood lumber for every $1 of program funds expended. The SLB's ROI is number one with all USDA Checkoff programs. The SLB also conducted an independent evaluation and audit of its metrics and from 2016 through Q3 2020, an incremental demand of 88 board feet was created from every $1 the SLB invested - showing the direct impact to the industry. When the independent, third-party evaluated the SLB's work from 2012 through 2015, every $1 invested generated 44 board feet. In just five years, the SLB's impact doubled. Since its inception, the SLB has become the pre-eminent industry-funded initiative advocating for softwood lumber in the building sector. The strong mandate, in 2018, from a supermajority of lumber manufacturers and importers to advance the program for another term affirms the industry's view that the SLB is an effective investment vehicle to grow the market for the benefit of all softwood lumber producers.

Macalester College Arts, St. Paul, MN
Architect: HGA Architects
Credit: Paul Crosby

Mandate. Mission. Vision.

Mandate.

The Softwood Lumber Board (SLB) is an industry-funded initiative established to promote the benefits and uses of softwood lumber products in outdoor, residential, and non-residential construction in the United States.

Mission.

Promote the economic and environmental benefits and uses of softwood lumber products.

Our Vision.

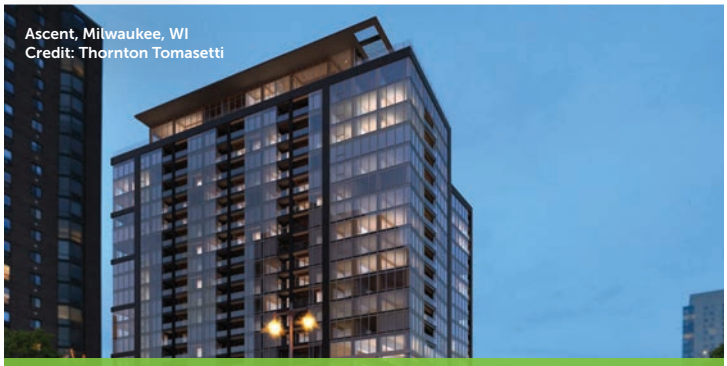
Softwood lumber based building systems become the preferred material choice in the built environment.

DPR Construction Office, Sacramento, CA
Credit: DPR Construction

Investment Principles


Marselle Condominium, Seattle, WA
Architect: PB Architects
Credit: Matt Todd Photography

Increase wood use in the light commercial/non-residential and multifamily segments.


Ascent, Milwaukee, WI
Credit: Thornton Tomasetti

Increase demand and grow market share in residential and mid/high-rise construction through building system improvements and innovation.

Defend and rebuild share for solid wood in the decking and outdoor living segments.

Protect access to the markets for solid wood products through ongoing codes and standards work.

The initiatives and projects funded by the SLB will need to lead directly or indirectly to the following measurable outcomes:

- ☑ Increased market share for softwood lumber.
- ☑ Increased volume of softwood lumber consumed in the U.S. (incremental to normal market fluctuations).
- ☑ Improved market conditions for softwood lumber producers.

Strategic Focus

The SLB has focused its investments to increase the demand for softwood lumber in five focus areas: codes, communications, conversion, education, and innovation. Each of these are interconnected and complement one another to leverage the collective impact, which is significantly greater than if they were to operate independently. Investments are strategically weighted between the five focus areas to optimize the delivery of services, avoid duplication of efforts, and ensure the most effective and efficient deployment of industry funds.

Codes. Communication. Conversion. Education. Innovation.

These investments remain at the core of what the SLB continues to pursue – with the refinements necessary to reflect budget constraints, dramatically changing market conditions, and evolving supply chain dynamics in the construction sector. The SLB is a data driven organization; investments are made based on a need or opportunity basis.

Investments are reviewed regularly to ensure alignment with the SLB's mandate, minimized duplicative efforts, ability to quantify impact with outcomes being evaluated by a third-party to measure business impact, and compliance with USDA guidelines.

Richardson Housing, San Francisco, CA
Architect: David Baker & Partners
Credit: Bruce Damonte

AMERICAN WOOD COUNCIL

Codes (and standards):

The industry investment in codes and standards is focused on protecting and expanding access for softwood lumber. The American Wood Council (AWC) works to increase the use of wood by ensuring the broad acceptance of wood products. To accomplish these goals, the AWC is focused on providing a discrete set of core activities focused on maintaining and growing the market for softwood lumber products through product acceptance. These activities have been identified as critical to ensure the marketplace for industry products. Examples of these activities include development of design standards, participation in standards development by other voluntary standards development organizations, analysis of standards and regulations imposed on wood products, and the testing, research, and presentation of scientific data that show the safety, efficacy, and environmental performance of wood as a building material.

The AWC is widely acknowledged as a highly credible source of information. It has a proven track record in engaging U.S. building and fire officials in understanding the structural and fire performance of the industry's products, ensuring stability and growth in a code-regulated construction marketplace.

Additionally, as a way to advance the use of wood, the AWC provides education to principal user audiences, technology transfer through multiple media opportunities, and investigation of product performance. These activities are designed to ensure that the products produced by the wood industry continue to enjoy the greatest possible access to the marketplace.

The SLB provides the AWC with funding to increase the industry's capacity and capability in areas such as developing voluntary consensus standards, green building, energy, and driving broader acceptance of wood products.

New Genesis Apartments, Los Angeles, CA
Architect: Killefer Flammang Architects
Credit: KC Kim, GB Construction

Communications (outreach, lead nurturing, and engagement):

Think Wood leverages marketing and communications tactics to promote softwood lumber's value proposition, share its environmental and economic benefits, and address negative perception issues.

The program is aimed at growing and protecting softwood lumber's share in the U.S. and targets developers and architects to increase the specification of one- to eight-story wood buildings. Think Wood also works to maintain wood's market share in the traditional single-family, residential remodeling, and decking markets.

Think Wood nurtures the pro-wood culture necessary to facilitate the rapid adoption and specification of wood for buildings at the early planning stages so that those building projects don't have to be converted through a more cumbersome, resource intensive, and costly outreach processes.

Since its inception, Think Wood has evolved from an awareness program to a familiar and sought-after resource for the design and construction industry. Throughout this evolution, Think Wood has helped shift perceptions, strengthen share of voice and positive sentiment for wood in the marketplace, and anchor a community of professional and academic experts, construction professionals, and industry followers.

Through Think Wood marketing, advertising, communication, lead generation, and nurturing, the SLB supports the softwood lumber industry. This collaborative approach expands the awareness of softwood lumber, supports an integrated lumber industry presence, and maximizes the impact of the industry's investments.

WREN, Los Angeles, CA
Credit: Kevin C. Korczyk

Conversion (project support):

WoodWorks has the unique mandate of working directly with design and construction teams to support and influence projects, with the goal of converting buildings, and the specifiers and firms to choose wood as a preferred building material for future projects. This role is vital to capture and convert the many projects that are originally conceived in steel or concrete. Further, WoodWorks provides direct one-on-one technical support and resources for early adopters beginning to make the shift to building with wood.

WoodWorks' approach involves two closely connected strategies:

- Utilize expert staff to support projects from design through construction. Comprised of architects, engineers, and construction professionals, WoodWorks is a credible and trusted asset to design teams. Building designers often need support to expand their understanding of where wood solutions can be used; to minimize the learning curve when trying an unfamiliar design approach; to help overcome hurdles with building authorities; and to help successfully outline wood's value proposition to clients. WoodWorks helps its clients realize successful wood buildings.
- Leverage educational events to build relationships and secure quality project leads. By hosting in-person and virtual educational events such as wood design symposiums, lunch seminars, workshops, and webinars, WoodWorks reinforces its status as an expert while creating opportunities to engage with target audiences. Events focus on topics that give professionals the knowledge and confidence to expand their use of wood and open the door to project assistance.

WoodWorks provides a comprehensive package of support and education that leads design teams to convert projects to wood and influences those already using wood to stay the course even when issues arise.

The Lexington Dilworth, Charlotte, NC
Credit: Greg Folkins

Education:

Education and training in the design, specification, and use of modern wood-based building systems is not required in architecture and engineering programs at U.S. universities. This limits the specification of such systems in the U.S. market.

In the design and construction of a multifamily or non-residential commercial structure, the early planning and conceptual stages of the design process are critical in that they often include decisions on building materials. As a result, the ability to influence material selection is greatly reduced in the subsequent phases. The conceptual phase involves 5% of expenditures, but nearly 65% of future expenditures are influenced at that stage.

The SLB's objective is to insert wood as a material choice early in the process so that buildings are designed with wood from the start rather than converted from steel or concrete designs at later stages.

The latter requires considerable cost per conversion and can only be scaled through the addition of staff to programs such as WoodWorks. To truly transform how the U.S. builds, we need to educate and equip design professionals to choose to build with wood as early as possible in the process.

As a newer, expanded emphasis on education emerges as a strategic focus, the SLB is exploring several university level opportunities including a partnership with the Association of Collegiate Schools of Architecture (ACSA) and the Georgia Institute of Technology to hold a student design competition, *2022 Timber in the City: Urban Habitats Competition*. The purpose of the competition is to engage students to imagine the re-purposing of our existing cities with sustainable buildings from renewable resources, offering expedient affordable construction, innovating with new and old wood products, and designing healthy living and working environments.

Further, the SLB is researching existing timber education curricula to recognize effective, innovative courses that create a stimulating and evidence-based environment for learning about timber. This would be coupled with a digital resource library of timber course materials for the purpose of infusing educational content about timber into courses across the curriculum. This library will include videos, teaching notes, and project-based assignments. The resources will be intended for use in courses including design studio, architectural materials, construction methods, and professional practices.

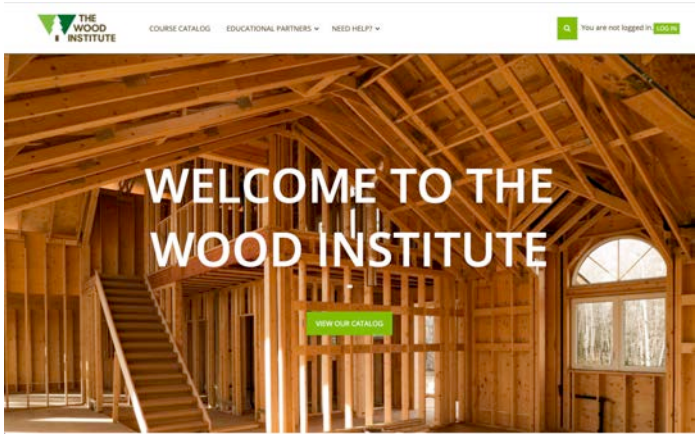
To foster more efficient technology and knowledge transfer, the SLB has also developed and launched an e-Learning Platform, The Wood Institute, available at www.woodinstitute.org. The Wood Institute provides accredited technical and practical resources via a single website where students and professionals can access information ad hoc or as part of a structured curriculum. This platform leverages education offerings from SLB-funded programs and will be expanded to included similar offerings from industry associations and other providers.

The new education initiative will include a scholarship/internship program modeled after the concrete and steel industries.

Training

Although there is considerable awareness of the benefits of building with wood, the practical knowledge on how to estimate and build modern wood buildings — particularly using mass timber products — is insufficient. Training for general contractors and mass timber installers is essential to ensure the full value proposition of building with wood is realized.

These contractor-training initiatives build on a pilot programs started by WoodWorks to provide trade professionals expanded mass timber project estimating (costing) and installation training. This program is evolving from a pilot program to a permanent effort to reach a critical mass of construction managers and installers. Content focused on how to effectively estimate and manage mass timber projects as well as train-the-trainer materials will be developed. Further, initial engagement with the operator, steel, and ironworker unions is underway, with the goal of gauging interest in resources that allow them to develop mass timber training programs for their members and increase number of mock-ups at training facilities. This knowledge gap has resulted in excessively high construction bids, due to a lack of understanding of how mass timber differs from other building systems, which is key to cost effectiveness.



Innovation / Applied Research:

The SLB invests in research areas that stand to have the most direct benefits for the softwood lumber industry. The goal of these investments is to fuel innovation and increase consumption of softwood lumber products. Diversification into new and emerging markets, addressing market barriers, increasing awareness of the benefits of softwood lumber among building professionals, and comprehensive testing, is resulting in larger and taller buildings with the goal to increase the consumption of softwood lumber in the target market segments.

The SLB has actively funded research as part of its broader softwood lumber promotion program since 2012 and as a key means to multiply overall ROI to the industry. The SLB is typically not a primary source of research funding but invests in a supporting or matching role to leverage other private or public funding available through programs, such as the U.S. Forest Services' Wood Innovation Program.

Hitchcock Center for the Environment, Amherst, MA
Credit: Peter Vanderwarker

Stakeholder Insights

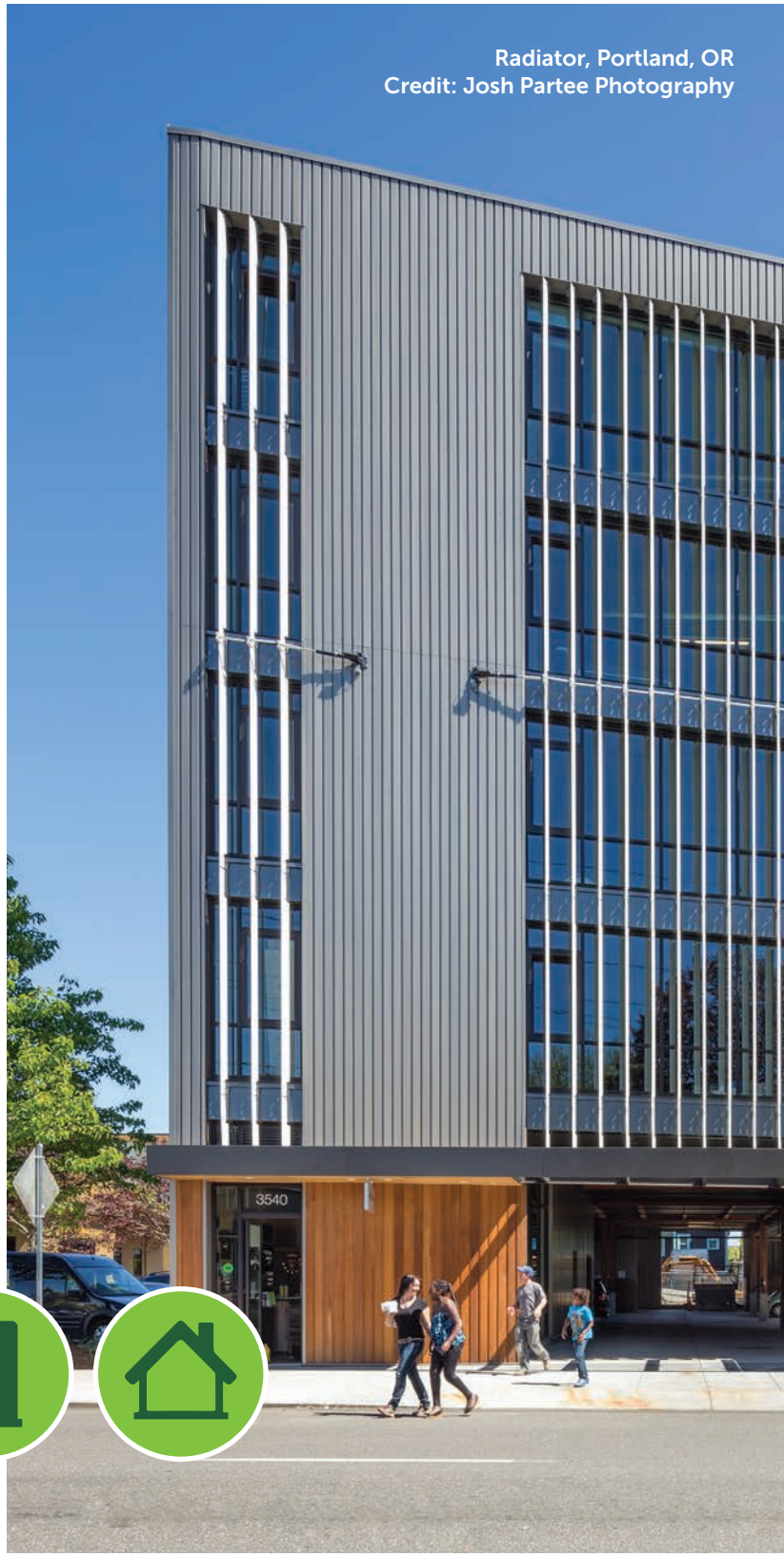
Overview

In October 2020, the SLB commissioned interviews with 57 stakeholders as part of its strategic review of the SLB's mission, programs, goals, and activities. The goal was to validate the SLB's strategic plan and identify gaps and areas for improvement.

The overwhelming response among all interviewed was praise for the SLB, support for its leadership, fiscal responsibility, staff, programs and activities, funding priorities, accomplishments, and performance, all of which were deemed to be outstanding. No radical changes in direction are suggested; virtually everyone believes the SLB's funding priorities are correct and should continue.

The world is undergoing a dramatic, pandemic-related transformation that will affect the softwood lumber business, from manufacturing through applications and end-use products.

These shifts will undoubtedly affect the SLB's focus, tactics, methods, and goals. While much remains to be seen, it is clear that the SLB will need to make strategic decisions on how to address topics like carbon and climate change, forests, an evolving built environment, mass timber and hybrid construction, and residential construction that affect the industry. The SLB will evaluate emergent opportunities to ensure alignment with the organization's mandate to promote the benefits and uses of softwood lumber products.



Radiator, Portland, OR
Credit: Josh Partee Photography

The following are key areas raised by stakeholders, in order of priority, for the SLB to consider as potential opportunities/issues to engage on (directly or through partnerships with others) as part of the evolution of its mandate.

Carbon and Climate Change.

This is a global megatrend that the softwood industry is well positioned to capitalize on. Stakeholders believe the SLB should develop and engage in activities and leverage partnerships focused on the carbon neutrality and carbon sequestration benefits that wood provides. There is broad agreement that this issue creates the greatest value, and one the industry needs to own until it is publicly recognized and accepted.

Forests.

Product promotion should address forest access and social license to harvest. A significant number of stakeholders addressed the SLB's role in the access to forests and fiber, landscape impacts, and forest carbon. There are threats to forest access and there is a relationship with working forests. This is a shared common understanding in the industry and there is an additional opportunity to develop partnerships with other associations and organizations working these issues.

Dramatic Changes Affecting the Built Environment.

The industry and the world are experiencing a rare point in time where dramatic global change is occurring and new trends and emerging opportunities may present themselves. Stakeholders believe it is in the industry's interest for the SLB to assume increased future focused risk. The SLB should understand and articulate forces that are impacting the lumber business, what changes might be in process, and how the SLB might address the following:

- Shifts in commercial and non-residential construction markets.
- Behavioral changes in residential preferences.
- Consumer interest in non-traditional markets.
- How will the build-to-rent market impact the softwood lumber demand, along with the potential longer-term impacts of the pandemic as a catalyst on non-residential, multifamily, commercial, and single-family residential construction?
- How will climate and carbon policies impact the softwood lumber industry?

Mass Timber and Hybrid Construction.

The SLB should advance the work in this space to ensure local adoption of the 2021 IBC codes and embrace hybrid construction – differing structural building materials has benefits and drawbacks; each has a place in the built environment. Key areas of opportunities are revisiting gypsum encapsulation in structures 9-12 stories tall, research and address building codes and standards for hybrid construction, identify market and technical research needs for treated mass timber, standardized systems mass timber floor plates, and durability and suitability in high wind and hurricane prone markets.

Residential Construction.

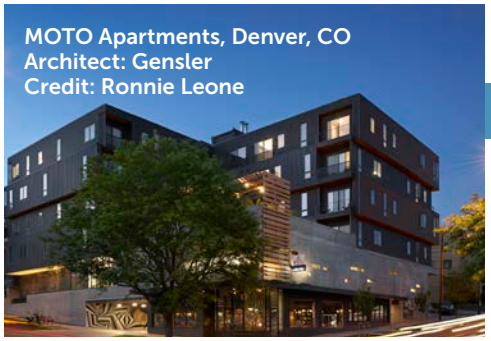
Repair and remodeling and single-family new construction remain the most significant segments for the softwood lumber industry. These segments, given their size and value, are consistently at risk for new product development and disruption and are in need of protection and promotion. Potential near-term threats include: loss of market share to concrete masonry in the South; replacement of wood, by steel studs, in precision off-site manufacturing due to quality concerns and tightening supply; and increased regulations limiting wood use in Wildland Urban Interface areas and high wind zones along with the continued erosion of decking markets to non-wood substitutes.

Carbon12, Portland, OR
Architect: Kaiser+Path
Credit: Andrew Pogue

Single-Family Forecast

Includes single detached residential structures.

- 2021: **20.345 BBF** | 2025: **22.445 BBF**

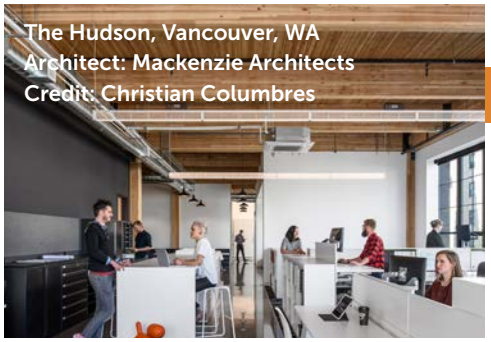


MOTO Apartments, Denver, CO
Architect: Gensler
Credit: Ronnie Leone

Multifamily Forecast

Includes apartment buildings and multiple dwelling residential structures.

- 2021: **1.873 BBF** | 2025: **2.607 BBF**



The Hudson, Vancouver, WA
Architect: Mackenzie Architects
Credit: Christian Columbres

Non-Residential Forecast

Includes any building that is not for long-term living such as hotels, offices, schools, long-term care facilities, stores, and restaurants.

- 2021: **2.585 BBF** | 2025: **3.180 BBF**

Industrial Forecast

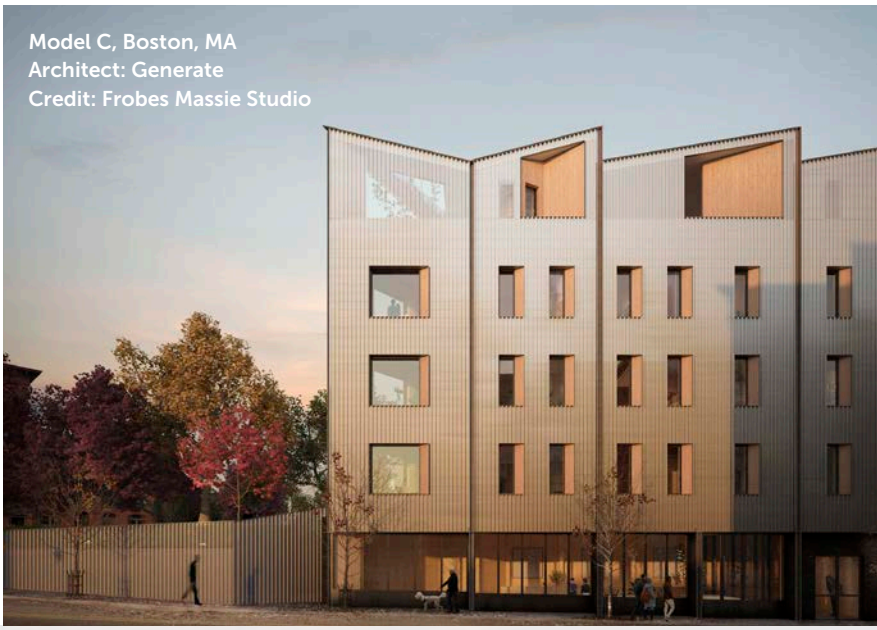
Includes telephone and power poles, railway ties, concrete formwork as well as furniture construction, pallets, and all other non-construction related applications.

- 2021: **11.547 BBF** | 2025: **12.809 BBF**

Mass Timber Outlook

SLB-funded research indicates that there is an incremental **4.9 BILLION BOARD FEET** of annual demand available to the softwood lumber industry per year from now through **2035**. The following provides an overview of the incremental softwood lumber opportunity in the U.S. The analysis looks at the current state of construction of residential and non-residential buildings then poses "what if" scenarios based on targeted market share gains for wood construction.

This analysis is an update from work completed in 2016. It reflects 2019 market shares, a revised perspective on how wood buildings will be constructed, and revised target market shares. The projection runs from 2020-2035.



Model C, Boston, MA
Architect: Generate
Credit: Frobes Massie Studio

U.S. Incremental Demand at Target Market Shares in 2035

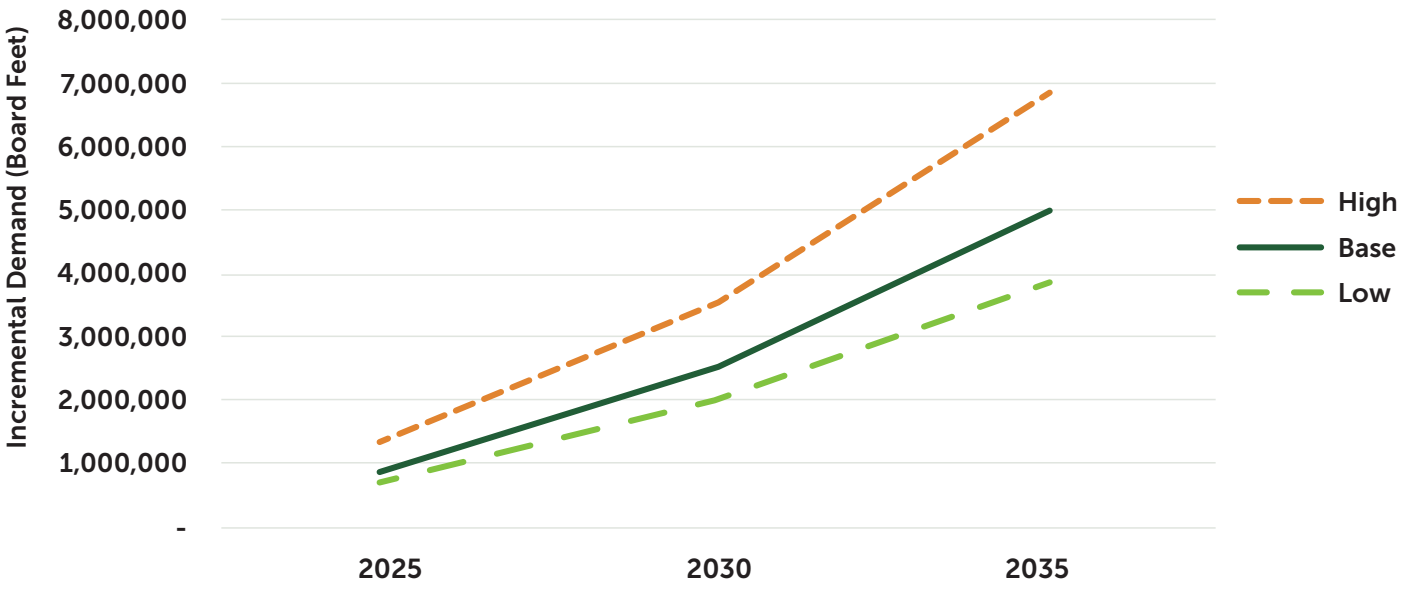
Source: 2020 FPInnovations

Overview

One- to six-story buildings account for 78% of the total volume, with one- to four-story representing 44% of the total residential and non-residential potential growth.

Non-residential accounts for 65% of the total opportunity. From single-family and multifamily homes to high-rise offices, these buildings are diverse in function, appearance, and location. Yet the value proposition for wood in all of them is the same: value, market differentiation, versatility, sustainability, construction efficiency, and aesthetics.

U.S. Incremental Demand at 2035 Target Market Shares



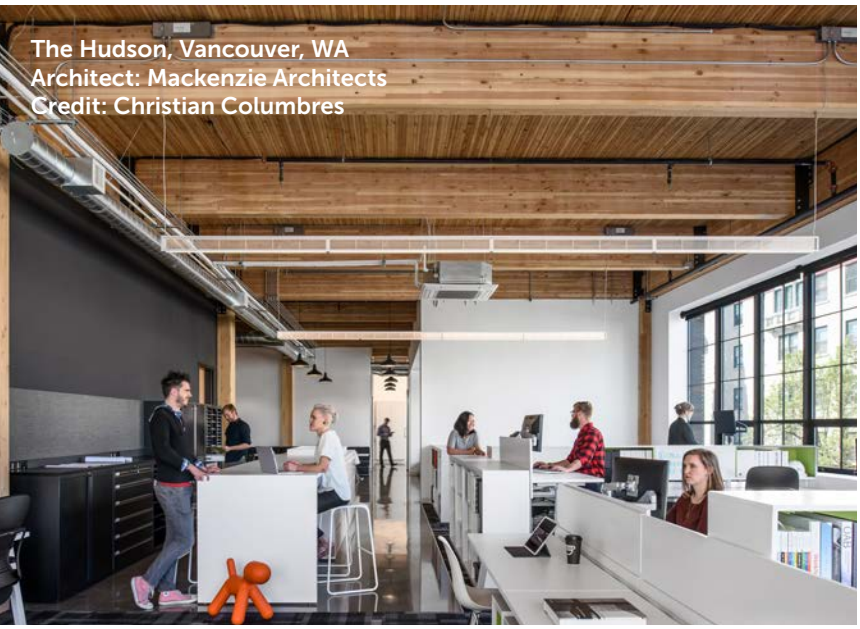
Sources:
SLB Mass Timber Demand Forecast, 2020 FP Innovations, 10/20

Timber Lofts, Milwaukee, WI
Architect: Engberg Anderson
Credit: Roost Photography

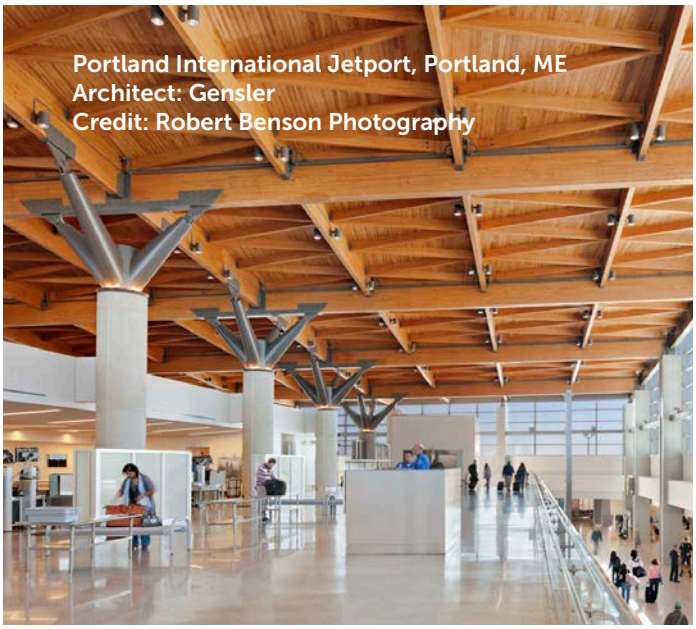
One to Four Stories

Residential

In the low-rise non-residential segment, non-wood building materials continue to dominate. This category includes a wide diversity of building types, including offices, retail, hotels, schools, recreational buildings, data centers, distribution facilities, and warehouses, which feature differing shares of wood. Given that the use of wood is already permitted within the existing code, these buildings represent a significant growth opportunity for the industry.



The Hudson, Vancouver, WA
Architect: Mackenzie Architects
Credit: Christian Columbres



Portland International Jetport, Portland, ME
Architect: Gensler
Credit: Robert Benson Photography

Scott Family Amazeum, Bentonville, AR
Architect: Haizlip Studio
Credit: Jeffrey Jacobs

Five to Six Stories

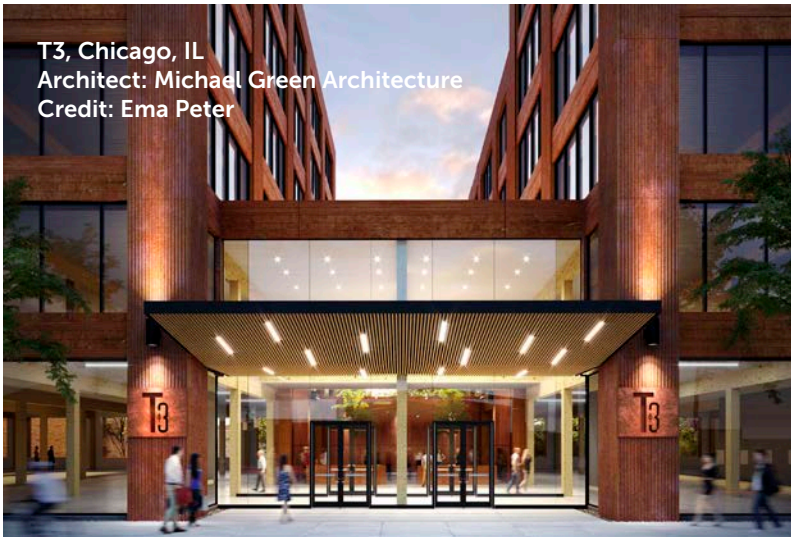
Strong growth in taller residential and mixed-use buildings is expected to continue as North American cities increase density. This trend is both a threat and an opportunity for wood producers. It is a threat because steel and concrete construction currently dominate at building heights greater than six stories. However, now that building codes have become more inclusive of wood and hybrid solutions, there is opportunity as these building codes are adopted and wood systems are developed to compete with steel and concrete for larger and taller building construction.

Multifamily

Since the last Great Recession (2007-2009), the multifamily market has grown significantly as a percentage of all homes constructed. The trend toward greater densification and urbanization in all major metropolitan areas has led both to an increase in multifamily projects and more design variation. Buildings with five or more stories of wood-frame construction are becoming more common, as are podium structures, which further increase the value of buildings that are primarily wood-frame. There are now more than 500 five- and six-story multifamily wood-frame buildings constructed in the U.S. each year; according to Dodge, another 400 of these projects could be built in wood annually under the current code.

While the trend is positive, many designers are still unaware that wood can be used in buildings greater than four stories or that podiums can be more than one level. This underscores the need for continued education and outreach to help developers understand where wood is allowed by code, and to assist designers with the more demanding requirements of larger wood projects.

Sideyard, Portland, OR
Architect: Skylab
Credit: Stephen Miller



T3, Chicago, IL
Architect: Michael Green Architecture
Credit: Ema Peter

Commercial/Institutional

Initial gains in commercial and institutional market segments involved buildings that were similar in design to multifamily projects – e.g., hotels, motels, and student housing. However, the performance capabilities of mass timber, and growing interest in products such as CLT as a carbon-friendly alternative to steel and concrete, have led to a much more diverse range. Mass timber has also become a significant draw for developers who want to attract quality, long-term tenants, and design teams eager to explore its creative potential.

The majority of commercial and institutional projects built in the U.S. are one to four stories. Annually, 220 million square feet are built in the institutional segment, and 205 million square feet are built in the commercial segment. In both of these categories, wood has only lightly penetrated and there are literally thousands of projects where wood can be used as the structural frame – the main hurdle still being a shift in perception. Mass timber is gaining particular traction in these segments because it is seen as a more direct substitute for concrete and steel.

The SLB will continue to support the long-term goal of establishing wood as a competitive material for taller and larger buildings. However, the majority of opportunity is in buildings six stories and under. In this space, the softwood lumber industry is well-positioned to capture growth by highlighting the significant aesthetic appeal, performance benefits, cost savings, and value brought by dimensional lumber, mass timber, and hybrid building systems.

Seven or More Stories

The current state of adopted building codes limits uses of wood in taller building construction. However, change is underway. Positive changes brought forth in the 2015 and 2018 IBC allow expanded use of wood-framed structures further adoption is anticipated as the 2021 IBC, which permits mass timber buildings to be fully exposed up to nine stories, partially exposed up to 12 stories and fully encapsulated up to 18 stories, is accepted in local jurisdictions.

Several jurisdictions, including the states of Washington, Oregon, California, and Utah, as well as the city of Denver, Colorado, have adopted the tall wood changes in advance of the 2021 IBC, which becomes the model code on January 1, 2021 with regional adoption to follow.

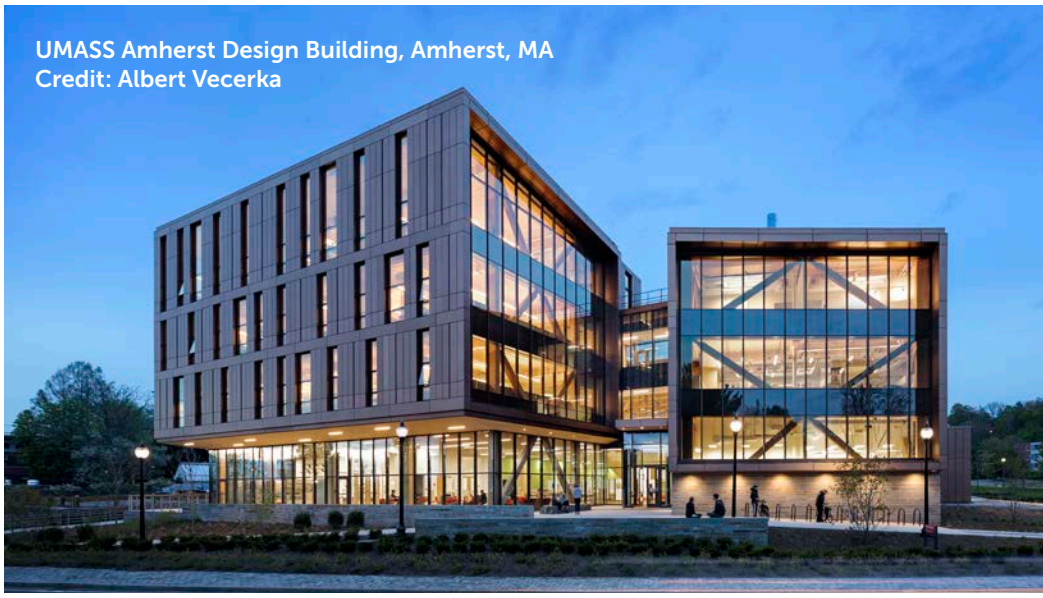
There are currently several tall projects built or under construction in the U.S. including Carbon12 in Portland, INTRO in Cleveland, and Ascent in Milwaukee.

Apex Clean Energy Headquarters, Charlottesville, VA
Credit: William McDonough + Partners

INTRO, Cleveland, OH
Credit: Hartshorne Plunkard Architecture

Beyond 12 stories, the volume opportunity available, and that can be captured in the near term, is modest. Therefore, the SLB's strategy emphasizes advancing commercially viable opportunities at 12 stories and below. However, taller buildings do have considerable promotional and inspirational value. As such, the SLB's Think Wood and WoodWorks programs and others will continue to profile and support these projects to showcase the capabilities of modern wood construction and nurture further innovation.

Hybrid construction building systems combine wood with steel and/or concrete to deliver a wide range of structural solutions. Hybrid-wood construction goes further, making other materials—such as steel and concrete—an integral part of a building's structural system using each material where they are most effective. The hybrid approach can be the most economical solution in terms of both cost and carbon footprint, depending on local regulations, performance requirements, or architectural ambitions.



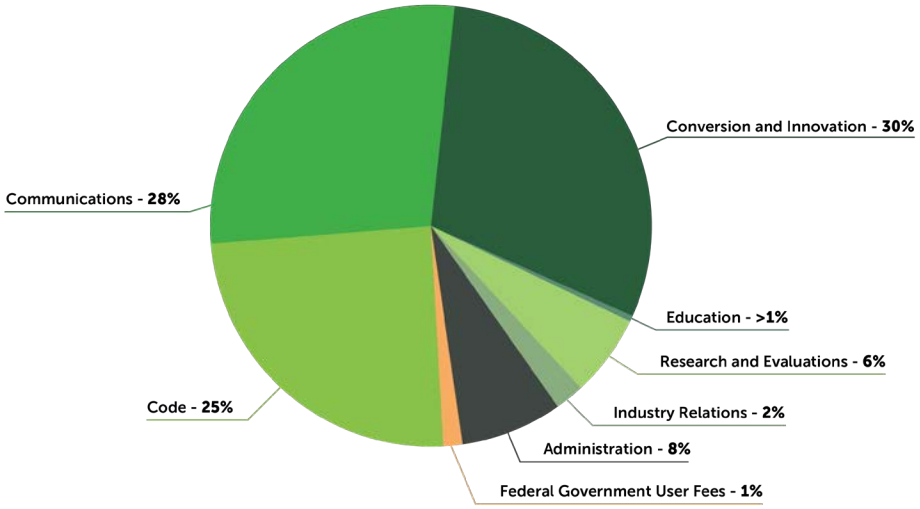
UMASS Amherst Design Building, Amherst, MA
Credit: Albert Vecerka

Investment Allocations

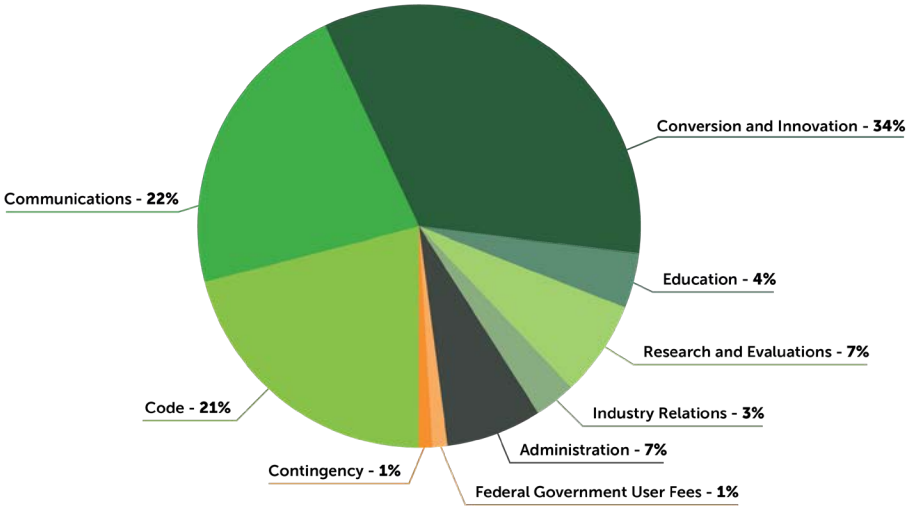
The SLB has a strong history of fiscal responsibility and over the past several years has ensured investments are optimized and aligned its expenses with its revenues to ensure sufficient cash flow and funding support for its core programs. The market conditions, supply chain dynamics, and needs in 2020 are very different and more advantageous for lumber than they were when the SLB was established. Therefore, the tactics and activities used by funded programs to deliver on their objectives also need to continually evolve and adapt.

Although the primary objective of the SLB to increase the demand and use of softwood lumber remains paramount, specific opportunities continue to evolve as the SLB works with programs to refine measurements and tactics, identifies new opportunities and delivery methods, and more aggressively target decision-making audiences. The ongoing optimization focuses on minimizing duplication and identifying gaps to ensure each SLB investment is optimized and focused on the organization's goals.

2016 - 2020 Investment Breakdown



2021 - 2025 Investment Forecast



Measuring Impact

Specific and relevant metrics are a condition of SLB funding. Properly calculated return on investment (ROI) is the primary measure, tactical accounting of activities, such as web visits, impressions, audience reach, or event attendees will not suffice.

Ultimately all the measures should answer one question: "Did the effort generate more demand for softwood lumber in the near or mid-term?"

However, the SLB recognizes that the metrics for individual projects may need to be different depending on the activities being pursued. In consideration of this challenge, the SLB has outlined primary and secondary metrics for three project types: new market development; market retention, and codes and standards. Funding recipients will be required to report on their project or program's performance using these metrics and performance criteria on a regular basis.

Further, the SLB engages Prime Consulting, an independent third party with considerable experience and expertise in measuring industry check-off programs, to conduct annual audits and ROI calculation to evaluate the value of and effectiveness of SLB investments. This independent report is further reviewed, analyzed, and approved by the USDA.

SLB Key Performance Indicators:

REPORTED ANNUALLY

Return on Investment (ROI)

For 2019, the SLB delivered a total return on investment (ROI) of $37.90 for every $1 spent. The cumulative ROI average since 2012 is $30.62.

- 106.5 incremental board feet resulted from every $1 of SLB investment in 2019.
- Market Share (future - data pending)

REPORTED QUARTERLY

Volume Impact

As of Q3 2020, 7.5 BBF of incremental demand has resulted from SLB investments since 2012.

- WoodWorks directly influenced 304 projects during the first three quarters of 2020.
- 61 million square feet of impacted wood project construction were impacted in the first three quarters of 2020.
- 3.4 million metric tons of carbon dioxide was the total potential carbon benefit for the first three quarters of 2020.

MOTO Apartments, Denver, CO
Architect: Gensler
Credit: Ronnie Leone

Image Sources

Front Cover

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Stella Luxury Apartments, Marina Del Rey, CA | Architect: DesignARC | Photo Credit: Lawrence Anderson Photography

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