

2009 Timber Frame Business Council Survey (for 2008 Business Cycle)

The following pages contain a summary of the results from the second annual Timber Frame Business Council (TFBC) industry survey which was conducted during May and June 2009 for the 2008 business year. Two hundred sixty-seven timber frame company representatives were identified and were sent emails or hard copies of the survey. A total of 86 responses were received which translates to a 32.2% return rate. This dropped from last year's response rate of 47.2%, but is still above the 30% targeted rate.

Word and Excel files containing raw data, charts, graphs and summaries have been sent to the Executive Director for use by the TFBC.

Notes and Clarifications

- All open ended responses have been included and have not been edited.
- Percentages may not add to 100 due to rounding.
- All charts and graphs refer to 2008 business cycle, except where specifically noted.
- Comparisons between 2008 and 2007 and percent change have been included for all available questions. Because of the change in the wording of Question 4 (building method), a comparison between 2008 and 2007 was not done.
- Estimated industry totals were included for sales revenue, board feet of timber used and square feet of SIPs sold (see page 2 of this report).

Specific Results

- The greatest number of responses were received from companies whose headquarters reside in British Columbia (9 responses), North Carolina (9 responses) and Ontario (8 responses).
- There was a 21.3% increase in designated timber framing companies from 220 in 2007 to 267 in 2008.
- The average total business sales revenue for 2008 increased by 1.8% over 2007. (These dollars have been adjusted to reflect a -1.4% inflation rate.) The estimated industry total increased by 25.1% but most of this increase stems from the increase in identified timber framing companies.
- The average number of board feet of timber used in 2008 was 141,625, which was an increase of 3.3% over 2007. The estimated industry total increased by 25.4%, but, once again, this increase is mainly due to the increase in identified timber frame companies.
- The average number of square feet of SIPs sold in 2008 was 62,987, which was an increase of 53.5% over 2007. The estimated industry total for 2008 increased by 86.3% over 2007—this includes the increase in companies, but it is still significant.
- The yes/no questions involving SIPs showed a considerable decrease from last year in the percentage of companies installing but not selling SIPs.

| SIPs | | | |
|---------------------------|-----------------|-----------------|-----------------|
| Options | 2008 (%) | 2007 (%) | % change |
| Offer and install | 54.5 | 52.2 | 4.4 |
| Offer but not install | 14.5 | 14.5 | 0.0 |
| Install but not offer | 1.8 | 4.2 | -57.1 |
| Neither offer nor install | 29.1 | 29.0 | 0.3 |

- Not surprisingly, the perceived trend in sales in the upcoming year has changed considerably from last year's predictions. More than half of those surveyed are predicting sales to decrease slightly or significantly; whereas last year, 60.1% were predicting an increase (either slightly or significantly) in sales. Unlike last year, this year's predictions do not vary significantly from region to region.
- A new question was added this year regarding employee starting salaries by the following categories: experienced joiners/framers, apprentice joiners/framers, CAD designers, sales personnel, administrative personnel. There was a significant relationship found between the location of the business headquarters and starting salary. On average, companies in Western Canada are more likely to pay a higher starting wage than those in the Southeastern U.S., regardless of employment category.

| Average Starting Salary by Position (in thousand \$) | | | | | |
|---|------------------------------------|-----------------------------------|----------------------|--------------|--------------|
| Region | Experienced joiners/framers | Apprentice joiners/framers | Cad Designers | Sales | Admin |
| Southeast US | 30-35 | 20-25 | 35-40 | 45-50 | 25-30 |
| Western Canada | 50-55 | 30-35 | 40-45 | >65 | 40-45 |

Business headquarters location: Please select the two-letter designation of your Province or State:

| Answer Options | Response Percent | Response Count |
|---------------------------------|-------------------------|-----------------------|
| AB | 1.2% | 1 |
| BC | 10.6% | 9 |
| NB | 1.2% | 1 |
| NS | 2.4% | 2 |
| ON | 9.4% | 8 |
| AL | 2.4% | 2 |
| CA | 2.4% | 2 |
| CO | 3.5% | 3 |
| ID | 1.2% | 1 |
| IL | 1.2% | 1 |
| KS | 2.4% | 2 |
| ME | 3.5% | 3 |
| MD | 1.2% | 1 |
| MA | 2.4% | 2 |
| MI | 2.4% | 2 |
| MN | 1.2% | 1 |
| MO | 1.2% | 1 |
| MT | 4.7% | 4 |
| NH | 3.5% | 3 |
| NY | 7.1% | 6 |
| NC | 10.6% | 9 |
| OR | 1.2% | 1 |
| PA | 4.7% | 4 |
| SC | 1.2% | 1 |
| SD | 1.2% | 1 |
| TN | 1.2% | 1 |
| UT | 1.2% | 1 |
| VT | 3.5% | 3 |
| VA | 1.2% | 1 |
| WA | 3.5% | 3 |
| WV | 1.2% | 1 |
| WI | 4.7% | 4 |
| <i>answered question</i> | | 85 |
| <i>skipped question</i> | | 1 |

| What was your total business sales revenue? (in US dollars) | | | |
|--|-------------|-------------|-----------------|
| Summary Statistics | 2008 | 2007 | % change |
| Mean | 1,520,082 | 1,493,802 | 1.8 |
| Median | 980,000 | 770,000 | 27.3 |
| Range | 9,999,927 | 10,990,000 | -9.0 |
| Minimum | 32,000 | 10,000 | 220.0 |
| Maximum | 10,000,000 | 1,100,000 | 809.1 |
| Sum | 101,845,467 | 116,516,579 | -12.6 |
| Est. Industry Total | 405,861,787 | 324,364,230 | 25.1 |
| <i>answered question</i> | 68 | 78 | -12.8 |
| <i>skipped question</i> | 18 | 26 | -30.8 |

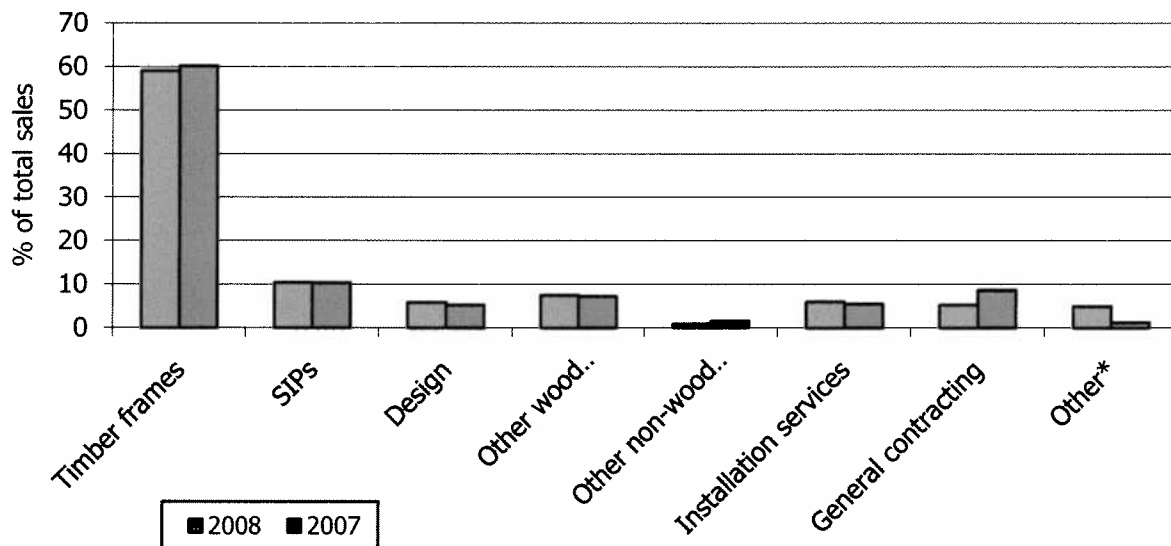
| How many board feet of timber did you use last year? | | | |
|---|-------------|-------------|-----------------|
| Summary Statistics | 2008 | 2007 | % change |
| Mean | 141,625 | 137,100 | 3.3 |
| Median | 75,000 | 65,000 | 15.4 |
| Range | 700,000 | 750,000 | -6.7 |
| Minimum | - | - | n/a |
| Maximum | 700,000 | 750,000 | -6.7 |
| Sum | 6,797,980 | 7,266,288 | -6.4 |
| Est. Industry Total | 37,813,764 | 30,161,950 | 25.4 |
| <i>answered question</i> | 50 | 53 | -5.7 |
| <i>skipped question</i> | 36 | 51 | -29.4 |

| How many square feet of SIP's did you sell last year? | | | |
|--|-------------|-------------|-----------------|
| Summary Statistics | 2008 | 2007 | % change |
| Mean | 62,987 | 41,035 | 53.5 |
| Median | 22,263 | 10,000 | 122.6 |
| Range | 375,000 | 350,000 | 7.1 |
| Minimum | - | - | n/a |
| Maximum | 375,000 | 350,000 | 7.1 |
| Sum | 1,511,691 | 1,518,301 | -0.4 |
| Est. Industry Total | 16,817,562 | 9,027,700 | 86.3 |
| <i>answered question</i> | 43 | 51 | -15.7 |
| <i>skipped question</i> | 43 | 53 | -18.9 |

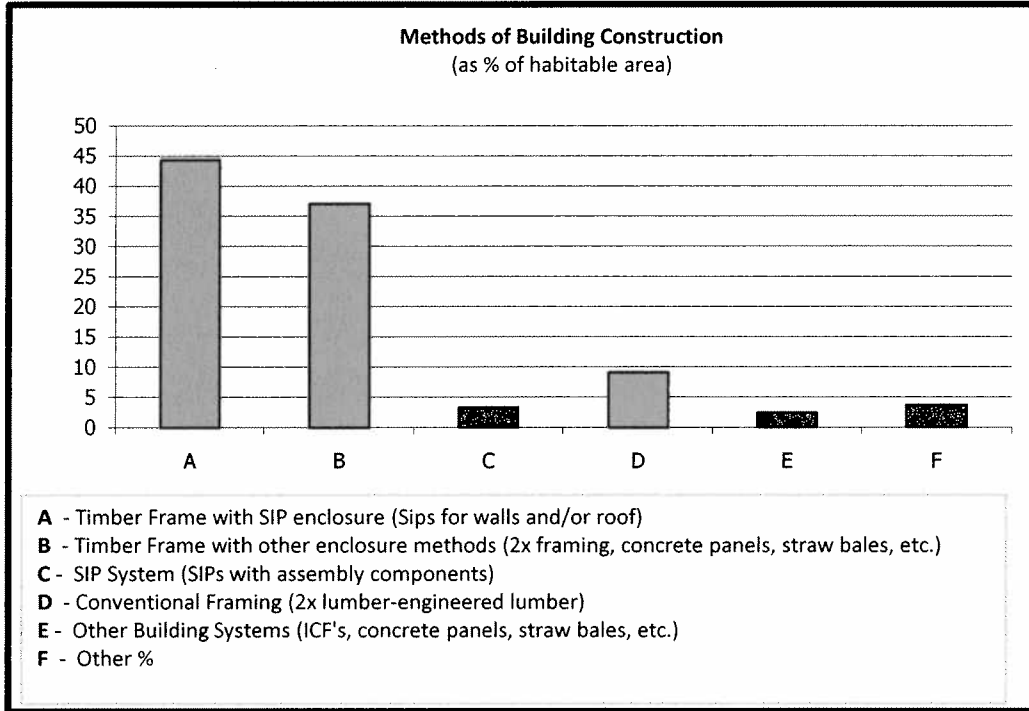
What was the percentage contribution to total sales revenue for each of the following?

| Answer Options | 2008 | 2007 | % change |
|--------------------------|-----------|-----------|---------------|
| Timber frames | 59.12 | 60.21 | -1.81 |
| SIPs | 10.39 | 10.32 | 0.68 |
| Design | 5.88 | 5.26 | 11.79 |
| Other wood products | 7.46 | 7.25 | 2.90 |
| Other non-wood products | 0.92 | 1.58 | -41.77 |
| Installation services | 6.00 | 5.48 | 9.49 |
| General contracting | 5.29 | 8.67 | -38.99 |
| Other* | 4.95 | 1.26 | 292.86 |
| answered question | 59 | 73 | -19.18 |
| skipped question | 27 | 31 | -12.90 |

Average Percentage Contribution to Total Sales



| Other* |
|---|
| Other - one week timber frame course |
| Building products and alternative energy |
| Crane service; misc. beams |
| Our installation service is provided as part of the timber frame package. |
| Time and materials work on timber project--not joinery |
| Dove tail log homes |
| General carpentry work and sale of our timber planer. |
| Log |
| Our shell enclosure system. |
| Barn repairs |
| Resales of connectors, fasteners, metal roof.... |

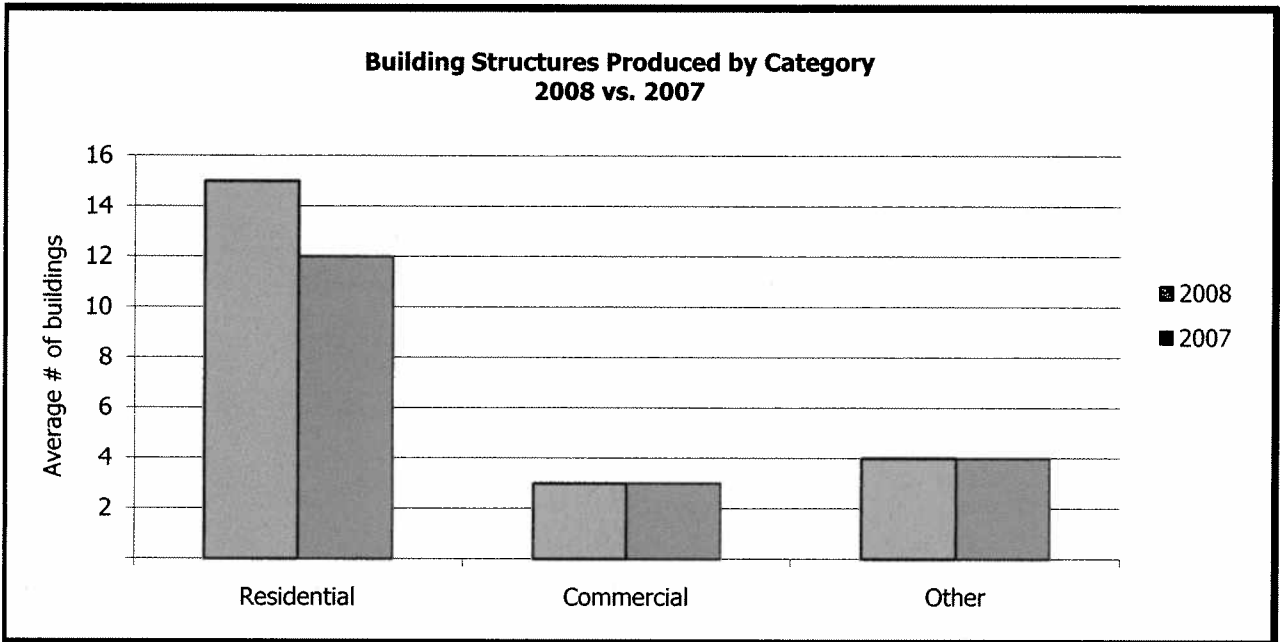


For the residential dwellings your business sold, fabricated and delivered in 2008, please estimate the approximate percentage of the habitable living areas which were constructed using the following building methods. (Base your response on the cumulative total of all houses sold in 2008.)

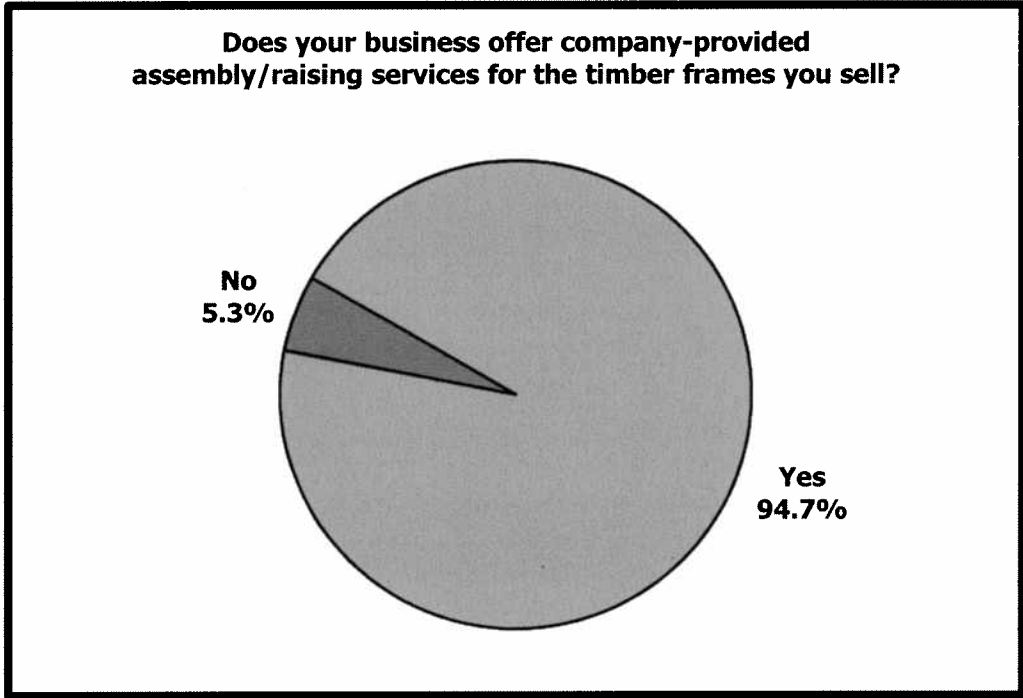
| Answer Options | Response Average | Response Count |
|--|------------------|----------------|
| Timber Frame with SIP enclosure (SIPs for walls and/or roof) | 44.36 | 42 |
| Timber Frame with other enclosure methods (2x framing, concrete panels, straw bales, etc.) | 37.09 | 37 |
| SIP System (SIPs with assembly components) | 3.29 | 15 |
| Conventional Framing (2x lumber-engineered lumber) | 9.13 | 18 |
| Other Building Systems (ICF's, concrete panels, straw bales, etc.) | 2.45 | 6 |
| Other* | 3.67 | 6 |
| answered question | | 55 |
| skipped question | | 31 |

| Other* |
|---|
| Closed in with rough boards as barn. |
| These sections would be retro-fitted timber frame sections that are not necessarily structural in nature. |
| timber frame only |
| Log |
| Real european Timber frames, all mortise and tenon |

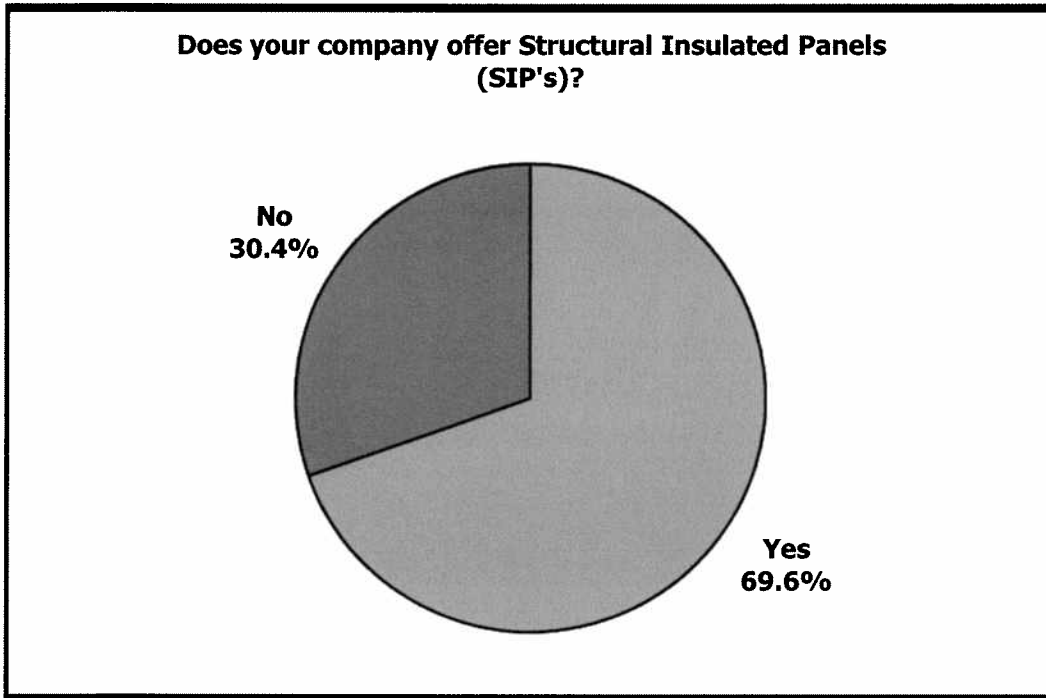
| How many building structures did you produce in the following categories? | | | |
|---|----------|----------|-----------|
| Answer Options | 2008 avg | 2007 avg | % change |
| Residential | 15 | 12 | 25.0 |
| Commercial | 3 | 3 | 0.0 |
| Other | 4 | 4 | 0.0 |
| <i>answered question</i> | | | 54 |
| <i>skipped question</i> | | | 32 |



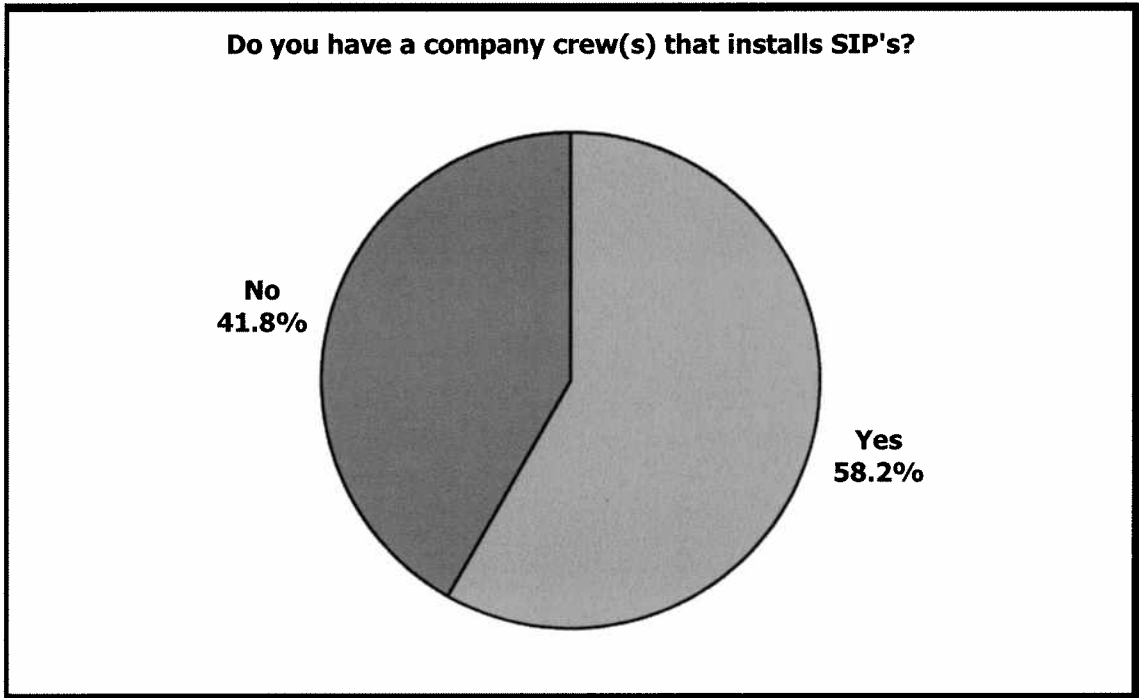
| Does your business offer company-provided assembly/raising services for the timber frames you sell? | | | |
|--|-----------------|-----------------|------------------|
| Answer Options | 2008 (%) | 2007 (%) | % change |
| Yes | 94.7 | 95.6 | -0.9 |
| No | 5.3 | 4.4 | 20.5 |
| <i>answered question</i> | | | <i>57</i> |
| <i>skipped question</i> | | | <i>29</i> |



| Does your company offer Structural Insulated Panels (SIP's)? | | | |
|---|-----------------|-----------------|-----------------|
| Answer Options | 2008 (%) | 2007 (%) | % change |
| Yes | 69.6 | 68.7 | 1.3 |
| No | 30.4 | 31.3 | -2.9 |
| <i>answered question</i> | | | 56 |
| <i>skipped question</i> | | | 30 |

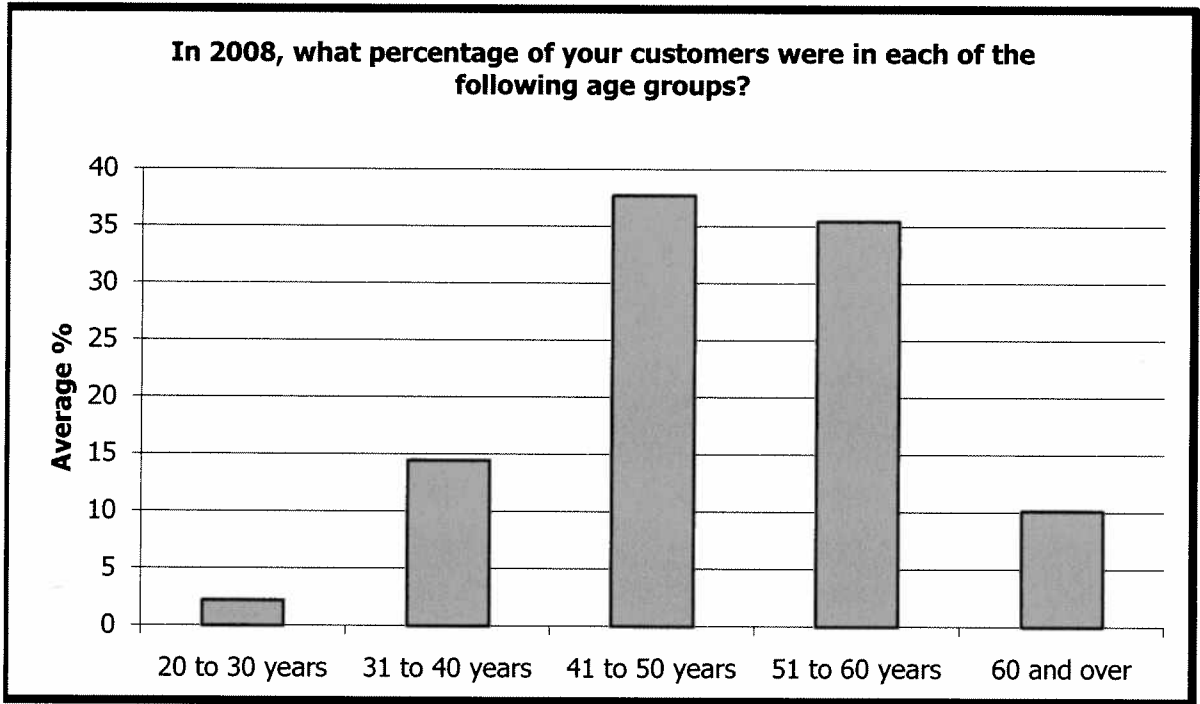


| Do you have a company crew(s) that installs SIP's? | | | |
|---|-----------------|-----------------|-----------------|
| Answer Options | 2008 (%) | 2007 (%) | % change |
| Yes | 58.2 | 56.5 | 3.0 |
| No | 41.8 | 43.5 | -3.9 |
| <i>answered question</i> | | | 55 |
| <i>skipped question</i> | | | 31 |

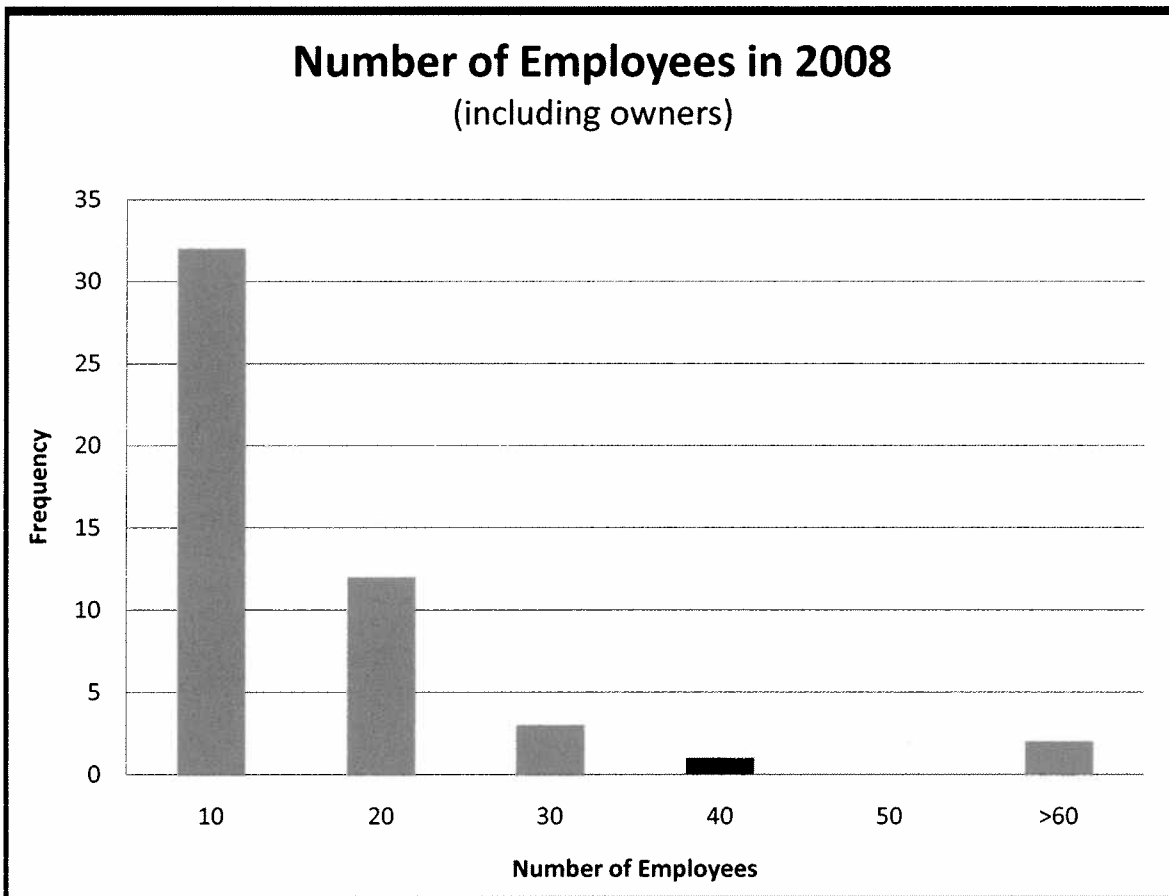


| In 2008, what percentage of your customers were in each of the following age groups? | | |
|---|-------------|-------------|
| Answer Options | 2008 | 2007 |
| 20 to 30 years | 2.20 | 1.25 |
| 31 to 40 years | 14.47 | 17.44 |
| 41 to 50 years | 37.73 | 49.38 |
| 51 to 60 years | 35.49 | 31.92* |
| 60 and over | 10.12 | n/a |
| <i>answered question</i> | 51 | 63 |
| <i>skipped question</i> | 35 | 41 |

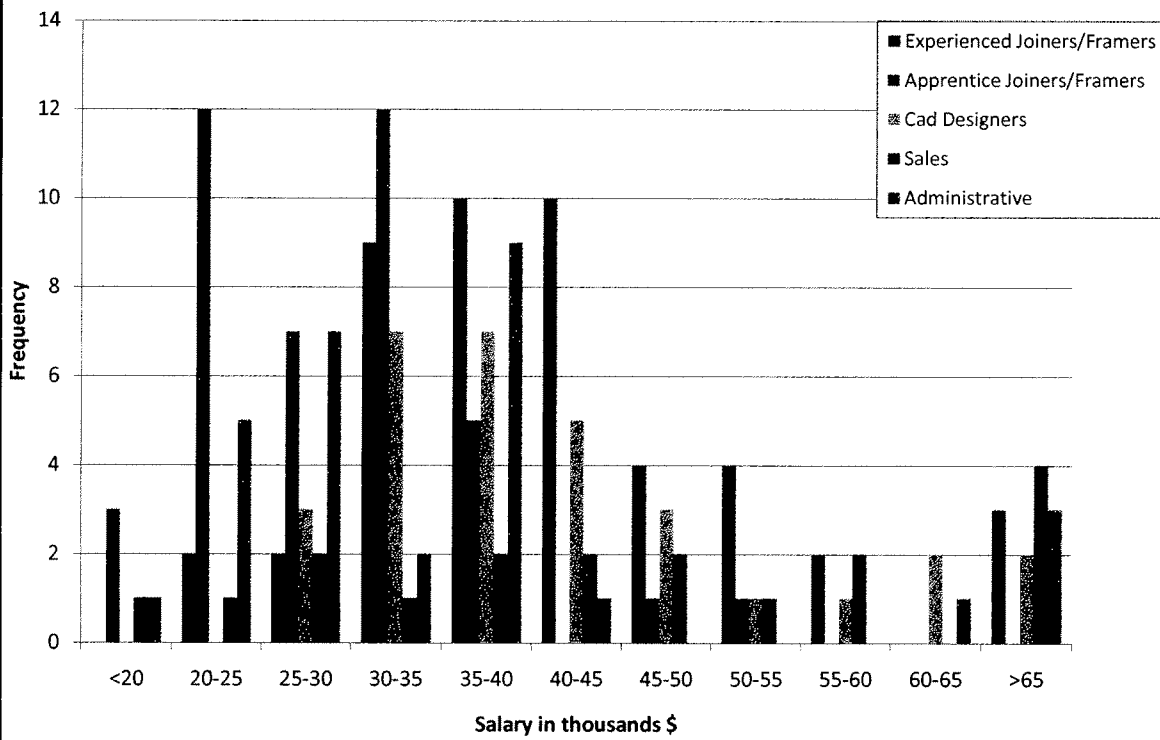
*For 2007, this percentage represents ages 50 and over. The question was changed in 2008.



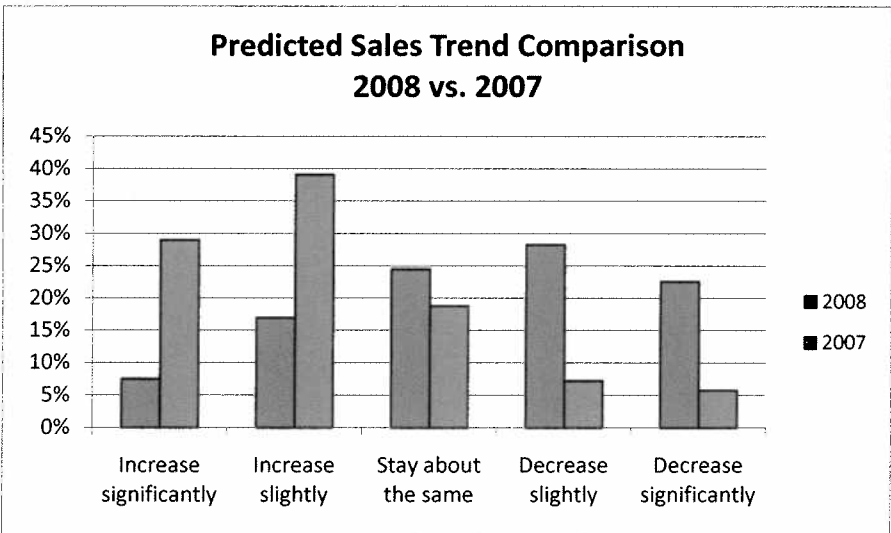
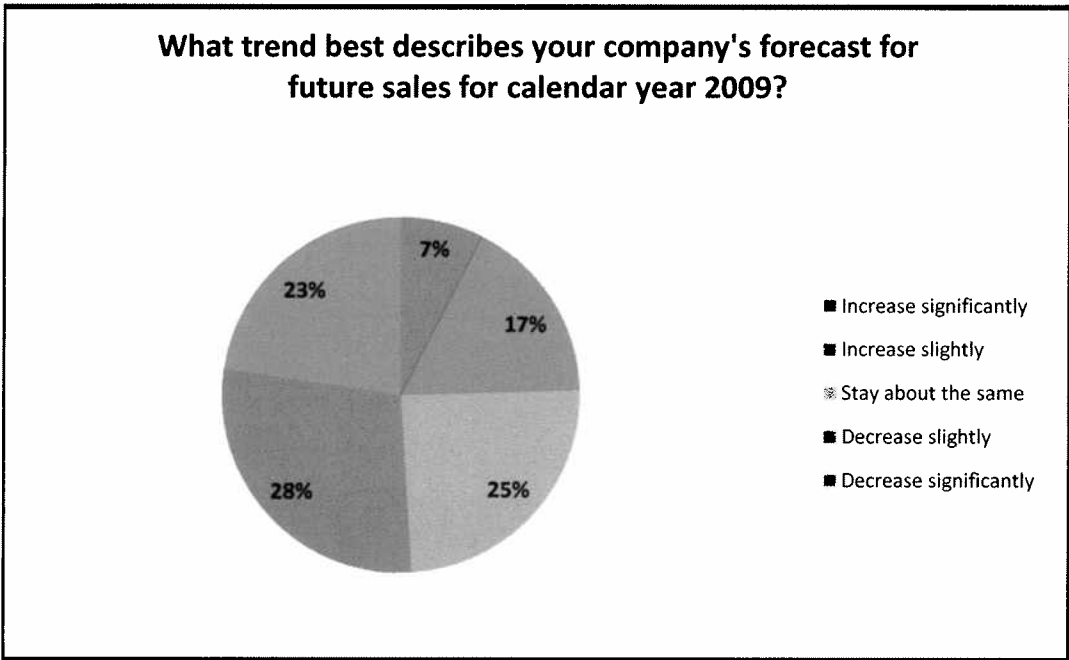
| How many employees do you have including owners? | | | |
|--|-----------|-----------|--------------|
| Summary Statistics | 2008 | 2007 | % change |
| Mean | 10.66 | 11.35 | -6.1 |
| Median | 6.50 | 6.00 | 8.3 |
| Range | 59.00 | 85.00 | -30.6 |
| Minimum | 1.00 | 1.00 | 0.0 |
| Maximum | 60.00 | 85.00 | -29.4 |
| Sum | 533.00 | 772.00 | -31.0 |
| answered question | 50 | 68 | -26.5 |
| skipped question | 36 | 36 | 0.0 |



Average Starting Salary by Position



| What trend best describes your company's forecast for future sales? | | | |
|--|------------------------|------------------------|-----------------|
| Answer Options | 2008 (for 2009) | 2007 (for 2008) | % change |
| Increase significantly | 7.5% | 29.0% | -74.1 |
| Increase slightly | 17.0% | 39.1% | -56.5 |
| Stay about the same | 24.5% | 18.8% | 30.3 |
| Decrease slightly | 28.3% | 7.2% | 293.1 |
| Decrease significantly | 22.6% | 5.8% | 289.7 |
| <i>answered question</i> | | | 53 |
| <i>skipped question</i> | | | 33 |



| Please choose the FIVE Provinces and/or States where most of your timber frame sales are delivered: | |
|--|-----------------------|
| Answer Options | Response Count |
| Alberta | 5 |
| British Columbia | 6 |
| New Brunswick | 3 |
| Nova Scotia | 2 |
| Ontario | 7 |
| Prince Edward Island | 2 |
| Quebec | 2 |
| Saskatchewan | 1 |
| Alabama | 2 |
| Alaska | 2 |
| Arizona | 1 |
| California | 1 |
| Colorado | 11 |
| Connecticut | 5 |
| Delaware | 1 |
| Florida | 5 |
| Georgia | 7 |
| Hawaii | 1 |
| Idaho | 4 |
| Illinois | 4 |
| Indiana | 1 |
| Iowa | 2 |
| Kansas | 1 |
| Maine | 7 |
| Maryland | 2 |
| Massachusetts | 7 |
| Michigan | 1 |
| Minnesota | 5 |
| Mississippi | 1 |
| Missouri | 2 |
| Montana | 5 |
| Nebraska | 1 |
| New Hampshire | 8 |
| New Jersey | 6 |
| New Mexico | 1 |
| New York | 13 |
| North Carolina | 10 |
| North Dakota | 1 |
| Oklahoma | 1 |
| Oregon | 4 |
| Pennsylvania | 6 |
| Rhode Island | 1 |
| South Carolina | 6 |
| South Dakota | 1 |
| Tennessee | 7 |
| Utah | 2 |
| Vermont | 8 |
| Virginia | 5 |
| Washington | 7 |
| West Virginia | 1 |
| Wisconsin | 4 |
| Wyoming | 4 |
| <i>answered question</i> | 52 |
| <i>skipped question</i> | 34 |