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Trees a Factor in Housing Slump

IF high interest rates and competition for mortgage money had not slowed down the home building business, competition for trees might have done so. We use trees for a number of purposes.

We are not running out of trees, but quite a battle is going on among various groups and the government over how forests should be managed, what purposes should be given priority, and who should make decisions about the future of forests.

According to the National Forest Products Association, the United States still has nearly three-fourths as much forest as was here when Columbus landed. And the U.S. Forest Service reported that in 1970 the United States grew 32 per cent more wood than it cut out, based on total growing stock.

Lumber and paper companies have instituted extensive systems of replanting forest lands as fast as they can, because they will need the trees. Living trees are their inventories for the future, requiring 20 to 30 years to reach marketable age and size.

One large company reported new sales and earnings highs for the first nine months of this year, explaining that pulp, paper and chemicals more than offset the drop in building materials sales.

The combination of all of these factors has changed the "mix" of dwelling units constructed. The proportion of single family houses built has dropped from 75 per cent to less

than 45 per cent, while apartment units have doubled. Mobile homes also have increased, now running about one-fifth of the total of new units.

If industry figures are accurate, we have never quite caught up with the need for new housing. It is estimated that 800,000 units are needed annually just to replace older houses being scrapped. The increase in population and other adjustments run the calculated need for new housing to 2.5 million units a year.

With this kind of demand and record numbers of people employed at high wages, lumber and construction prices have gone up.

Studies being circulated in Washington indicate that cash outlay needed to buy and maintain a moderately priced house in a middle-class suburb has almost doubled since 1968, when the total averaged \$176 per month. It is now estimated at \$323.

Another report published recently compares average prices of used

single-family houses with four bedrooms on half acre plots in or near 16 major cities. Prices ranged from \$31,700 at St. Louis to \$40,600 at Dallas and \$56,100 at Houston.

Ralph D. Hodges, executive vice president of National Forest Products Association, recently studied six separate reports on the housing outlook and then commented:

"Demand will outstrip supply, shortages will drive up prices and angry homebuilders will once again denounce producers as opportunists and price gougers, with the ultimate result that the consumer will pay, in inconvenience, dislocations and hard cash."

Hodges added that efforts to increase the nation's timber supply bump into "conflicting forces of environmental protectionists and multiple-use advocates." The slogan says "Trees are America's renewable resource," but obviously there are a lot of problems between the pine cone and the plank on the new house.