

Commentary-Dave Pasolli-Western Wood Truss Association of Alberta

Dear Members of the Western Wood Truss Association of Alberta,

As we approach the end of another eventful year, I want to take a moment to reflect on the collective achievements, challenges, and growth that we have experienced as members of the Western Wood Truss Association of Alberta. This has been a year filled with both triumphs and trials, and it is with a sense of gratitude and pride that we bid farewell to 2023.

Together, we have demonstrated resilience, adaptability, and an unwavering commitment to the excellence that defines our association. In the face of unprecedented challenges, our members have continued to uphold the highest standards in the wood truss industry. Your dedication to craftsmanship, safety, and innovation has not only strengthened our association but has also contributed to the overall growth and sustainability of our industry.

Our collaborative efforts have not gone unnoticed, and I extend my sincere appreciation to each and every one of you for your contributions, big and small. It is the synergy of our diverse talents, experiences, and perspectives that makes the Western Wood Truss Association of Alberta a dynamic and thriving group.

In particular, I would like to express my appreciation to your Board of Directors: Derek Foss-President, Laura Barber, Dave Codrington, Darrell Curtis, Brad Cuthbertson, Kent Drescher, Brent Feyter, Paul Foreman, David Klassen, P.Eng, Wendy Murphy, and Sam Wentzel.

As we turn the page to a new year, let us carry forward the lessons learned, the successes celebrated, and the bonds forged. The challenges of the past have only served to sharpen our skills and deepen our collective resolve. I am confident that, together, we will continue to overcome obstacles, embrace innovation, and set new benchmarks for excellence in the wood truss industry.

In the spirit of the holiday season and the impending new year, I wish you and your loved one's joy, peace, and prosperity. May the coming year bring new opportunities, continued growth, and the fulfillment of your professional and personal aspirations.

Thank you for being an integral part of the Western Wood Truss Association of Alberta. Here's to a bright and successful future for us all.

Merry Christmas, Dave Pasolli-Executive Officer.

If you have an idea for a commentary or would like to submit your own commentary for a future newsletter please let me know at dave@wwta.ab.ca

Economic Update

In Alberta, urban housing starts totaled 3375 in November 2023, a year-over-year increase of 29%. Canadian housing starts decreased by 19.5% over the same period. Edmonton rebounded nicely with a 92% increase compared to last October, and Calgary was up by 8%. Total starts in Alberta are slightly down (5%) YTD compared to 2022.

Housing Starts Alberta						
	Nov-23	Nov-22	% Change	YTD 2023	YTD 2022	% Change
Alberta	3375	2614	29.11%	31634	33324	-5.07%
Edmonton	1349	703	91.89%	11427	13819	-17.31%
Calgary	1808	1673	8.07%	18086	16226	11.46%
Red Deer	11	14	-21.43%	180	150	20.00%
Grande Prairie	37	22	68.18%	111	199	-44.22%
Lethbridge	14	20	-30.00%	216	762	-71.65%
Wood Buffalo	2	3	-33.33%	24	112	-78.57%
Whitehorse*	N/A	N/A	#VALUE!	N/A	N/A	#VALUE!
Canada	17091	21255	-19.59%	204405	221966	-7.91%

Housing Starts Hold Steady in November

The number of November housing starts in Alberta held steady from the month prior.

At 40,900 (seasonally adjusted at an annual rate), starts in November ticked up by 2.4% from October, but posted an impressive 29% jump compared to November 2022.

While activity has been largely driven by gains in Calgary so far this year, November starts in Edmonton were nearly double the depressed level posted the same month last year.

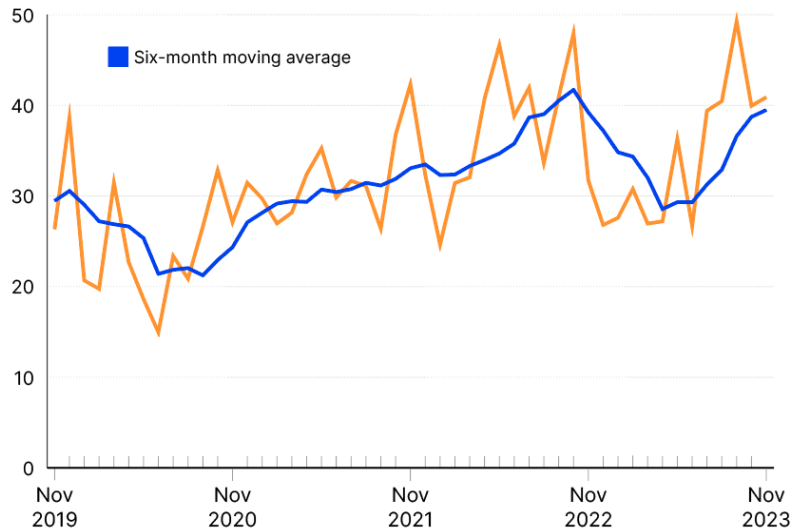
Housing starts tend to jump around and so it is useful to look at the six-month moving average (see the chart below). This measure points to an upward trend since summer.

Even with the recent improvement, it looks like 2023 housing starts will come in a little lower than they were last year due to a sluggish first half. The total number of starts from January to November was 6.1% below where things stood at the same point last year.

As outlined in the ATB [recently released economic outlook](#), they expect housing demand to be buoyed in Alberta by our rising population levels and housing starts to average 39,100 units in 2024, which is close to the current monthly pace.

Monthly housing starts, Alberta

Thousands, seasonally adjusted at annual rates, all areas



Source: Statistics Canada Table: 34-10-0158-01 and ATB Economics

Housing Starts by Dwelling Type (Centres 10K+)

	NOV-23	NOV-22	YTD-23	YTD-22
Total	3,375	2,612	31,634	33,324
Single	1,246	882	11,134	13,007
Semi-detached	229	221	2,583	2,562
Row	516	286	4,978	4,122
Apartment	1,384	1,223	12,939	13,633

[Ottawa to launch pre-approved home design catalogue, bring back post-war effort | CBC News](#)

Alberta housing market - forging its own path-ATB

Demographic forces can be powerful. It's one of the main reasons Alberta's housing market has stayed relatively tight in a higher interest rate environment.

Alberta's population grew 4.1% in the year ending July 1, outpacing the national average of 3%. The key difference? Inflows of interprovincial migrants.

People need places to live and the additional demand has contributed to strength in the Alberta housing market. Alberta benchmark home prices rose for the 12th straight month in November, hitting an average of \$495.5K. They are up 8.4% year-over-year (driven by gains in Calgary) compared to 0.6% nationally. While the gap has narrowed, Alberta prices are still well below the national average of \$735.5K (January 2015 was the last time Alberta was above). The national average is driven by some expensive markets, namely Toronto (\$1.1 M) and Vancouver (\$1.2M).

Since the June/July Bank of Canada rate increases, Alberta's housing market has stayed fairly tight based on a couple measures: 1) months of supply of homes paths and 2) the sales-to-listings ratio, while falling recently, is still higher than other provinces (64.5 in Alberta vs. 49.8 nationally). There are, however, some signs that the rate hikes have slowed the market. Unit sales dipped slightly in November, the second straight decline.

Unmoved: National inflation stays at 3.1%-ATB

Heading into the holidays, the hope was for a little less inflation. That maybe the last inflation reading of the year would show a movement back inside the Bank's "inflation-control target range" of 1 to 3 percent.

That didn't happen. The annual inflation rate for November held steady at 3.1% for the second straight month in Canada. This was higher than market expectations (the Bloomberg median estimate was 2.9%).

Getting into the details, [Statistics Canada](#) points to higher prices for 'travel tours' offset by lower cellular service prices, declines in fuel oil prices and softer gains in food costs.

Looking past the monthly volatility, measures of core (or trend) inflation held well above the 3% mark. The trim measure sits at 3.5% year-over-year (y/y) and the median at 3.4% - both unchanged from October. The Bank of Canada has emphasized they are looking at the *core* measures of inflation, which have been more sticky.

Shelter remains a stubborn inflation driver. The rental index was up 7.4% y/y while mortgage interest costs (+29.8% y/y) remained a big contributor. Food prices are still very high, but are adding less to inflation. Grocery prices rose 4.7% y/y, the smallest annual gain in two years.

Western Wood Truss Association of Alberta December 2023

In Alberta, annual inflation edged up from 2.1% to 2.5%, though remained below the national average for the tenth month this year. Electricity prices have eased considerably after a summer run-up (though still well above 2022 levels), while gasoline prices fell. Rental costs, however, continue to add more to inflation, accelerating to 10.5% y/y. Excluding energy and food (yet another measure of ‘core’), prices were up 2.5% y/y (vs. 3.5% nationally).

One month doesn’t make a trend, but today’s report is a reminder that the inflation fight is not over. While inflation has come a long way from its peak (8.1% in June 2022), the Bank will need to see more progress before moving its policy rate lower. In a recent [speech](#), Governor Tiff Macklem said it’s too soon for the Bank of Canada to consider cuts, with the Bank looking for more signs that we are “on a path back to price stability”. This means several sustained months of lower core inflation. A soft Canadian economy creates the backdrop for easing price pressures, and rate cuts can be expected next year. In our latest [outlook](#) (released last Tuesday) we see the Bank remaining cautious and on hold well into next year, before lowering its policy rate mid-2024.

Lumber

Lumber prices held below \$550 per thousand feet benchmark in December, as investors continued to weigh demand against tighter supply. The industry saw an approximately 2-3% decline in supply so far in 2023 due to reduced production in North America. Factors such as sawmill operations shutdowns, lower annual allowable cut in British Columbia, and increased output costs led to supply constraints. Meanwhile, the commodity remained supported by expectations of higher housing demand in the US in 2024 since the markets bet on rate cuts by the Fed in the first half of 2024, and the country's housing starts grew by a 1.9% month-over-month to 1.375 million in October 2023, beating the estimates of 1.35 million and signaling gradual revival in the sector. On the other hand, downward pressure was exerted by the ITC's decision to preserve the antidumping and countervailing duty orders on Canadian softwood lumber.



Quality Control

I have been doing a monthly newsletter since January 2021 and only missed one when I was on vacation. Every newsletter has had an article on Quality Control. Someone asked me a Q.C. question a while ago and I seemed to remember that I did an article on it, sure enough I did.

In lieu of writing on a new topic this month I thought I would take the easy way out and provide you a list of the articles and when they appeared so that you would have a resource to go to. All the newsletters are on the WWTA website at www.wwta.ab.ca in the member’s section.

Date	QC Topic
Nov-23	Tape Measures
Oct-23	J-Grade Lumber
Sep-23	Rust on Connector Plates
Aug-23	Raw Material Storage
Jul-23	Shop Drawings
Jun-23	Lumber Warp
May-23	3rd Party Inspections
Apr-23	Handling and Storage
Mar-23	Truss Design Drawings
Feb-23	Internal Inspections
Jan-23	QC Manuals
Dec-22	Plumb or Butt Cut
Nov-22	Plate on Both Sides
Oct-22	Stapling Joints
Sep-22	Removing and Replacing Plates
Aug-22	No Newsletter
Jul-22	Floor Trusses
Jun-22	Handling Storage and Delivery
May-22	Multiple Knots
Apr-22	Holes
Mar-22	Spike Knots
Feb-22	Knots
Jan-22	The Design Department
Dec-21	Lumber Substitution
Nov-21	Gaps Under Plates
Oct-21	Gaps at Joints
Sep-21	Shakes, Checks, and Splits
Aug-21	Plating Over Defects

Jul-21	Plate Placement
Jun-21	Slope of Grain
May-21	Moisture Content
Apr-21	White Specks
Mar-21	Grub Holes
Feb-21	Hammering Plates
Jan-21	Lumber Wane

If you have any ideas for future topics please let me know and I will try and address them.

Health and Safety Toolbox

OHS Incidents Related to Lithium Batteries

“Lithium battery” is a general term referring to any type of battery that contains lithium. Such batteries typically have a high energy density, which enables them to provide larger amounts of energy over a longer time than other battery types. As a result, lithium batteries are now common in a wide range of products, devices and equipment.

Unfortunately, the high energy density of lithium batteries can make them more prone to explode or burst into flame. An example of this occurred last year, when a lithium battery that had been improperly disposed of started a fire at a recycling facility which spread to nearby areas.

Lithium battery fires and explosions can occur for a number of reasons, including internal pressure buildup, excessive heat, and improper installation, use, storage or disposal.



Number of incidents related to battery fires and explosions reported to OHS (2018-22)*



* The battery type was not always specified in the incident details, so some incidents may involve other batteries besides lithium.

As shown in the image above, 16 serious incidents involving battery fires and explosions were reported to Alberta OHS between 2018 and 2022. Of these:

- Five incidents resulted in injuries.
- Seven incidents occurred in the waste industry.
- Two incidents involved fires in dumpsters.

In addition to these serious incidents, a potentially serious incident involved a battery that had been incorrectly installed in a forklift, which could have resulted in a fire or explosion. Separately, the OHS Contact Centre also received two complaints about battery explosions: one in a retail specialty store, and one at a battery distributor.

As we move away from gas and get greener we will no doubt be using more lithium batteries.

In short, lithium batteries are everywhere, and it's important to recognize their hazards and learn how to deal with them safely. To learn more, see [Lithium batteries](#) on the OHS Resource Portal.

The Alberta Government has a new format OHS eNews you can subscribe to with all kinds of good material at: <https://ohs-pubstore.labour.alberta.ca/>

News and Events

2024 AGM and Conference

I am working on the WWTA Conference and AGM to be held in March 2024 in Edmonton, stay tuned for more information in January.

Wood Solutions Conference – Calgary

Announcing the Canadian Wood Council's annual wood design conference and trade show in Calgary, hosted by WoodWorks Alberta on January 16, 2024.

This specialized design and construction conference is dedicated to showcasing innovative advancements and applications for wood products and building systems in design and construction. Leading-edge experts from near and far will inform and inspire you at the 2024 Calgary Wood Solutions Conference.

Join us on **Tuesday, January 16th, 2024** from 8:00 am -5:00 pm MST at the Best Western Premier Calgary Plaza Hotel & Conference Centre in Calgary, AB for an interesting and informative day of educational seminars.

- Learn about the latest in wood innovations from distinguished presenters

- Make industry connections and access the resources you need to achieve your wood design goals
- Earn up to 6 professional continuing education credits by attending the full day of sessions
- Lunch, trade show, and networking reception included

Regular ticket price until January 12: \$149 +GST

[Click here to Register!](#)

A limited number of student and educator discounts are available. Email rkoska@wood-works.ca for details.

[Click here for the conference agenda!](#)

Yours truly is a speaker at the conference. Also of interest will be Jeff Olson from Boise Cascade speaking and the potential use of Aspen in Alberta as a wood resource by Ying Hei Chui from the University of Alberta.

Certifying Body for Truss Plant Certification

The Canadian Wood Truss Association is moving towards the creation of a certifying body to be accredited by the Standards Council of Canada in order to certify truss manufacturing companies to the CSA S349:20 standard. The CWTA has contracted the services of the WWTA Alberta to work towards this certification.

To date draft documents have been developed for the CWTA including: standards, by-laws, a certification scheme, training outlines for auditors, and training outlines for truss companies.

These drafts were reviewed at the recent CWTA meeting October 25 and we are now going to proceed with forming a committee with representatives from each regional association to further develop the standards and policies before applying for accreditation.

Each region will be allowed to have 2 representatives on this committee. I will be chairing the committee and Darryl Neilsen from ZyTech will be our other Alberta Representative. The meetings will start in January.

WWTA Online Training

If you are using the WWTA online training and you have active students that are either done with their training or no longer need access it is important that you change their status to inactive on the system. If they remain active in the system, the company will be billed for their seat.

Companies will be billed for their seats in December.

If you have not yet taken a look at the WWTa online training program I would encourage you to, as no doubt you will be hiring new workers in the near future and it is a good method to get them productive earlier and safer. If you want an overview of the program go to the WWTa website at: <http://www.wwta.ab.ca/truss-training-online.html>

Year End Invoices

As in previous years members will get 2 invoices for your levy in December, November levy and December levy plus the 4th installment of the fixed membership fee. I will try and get the final invoice out as early as possible, but it will be delivered in January as I have to wait for the plate purchase numbers from the plate suppliers.

Did You Know?



In other countries they have Elf on a Shelf. In Canada we have Goose on a Moose.