



The 2008 Housing Market Crash – Effects on

Loblolly Pine

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It's been seven years since the "housing market crash," a primary contributor to the nation's economic downturn that began in 2008. Many people have been negatively impacted by the poor economic conditions of the past several years, including forest landowners, some of whom depend on timber sales for a large portion of their income. Since the vast majority of houses built in the United States are constructed primarily of wood, it should be no surprise that sawtimber harvests have decreased dating back to the housing market crash.

If you've noticed fewer log trucks on the road hauling large pine logs over the last seven years compared to the time prior to 2008, there is a reason for that. Between 2007 and 2009, housing starts in the Southern region of the United States decreased by an astounding 59 percent to a record low of 278,200 in 2009. Since 2009, housing starts in the U.S. South have crept upwards, and

in 2014 starts were back up to 496,300. However, despite the recovery in the housing market, 2014 housing starts were still 27 percent less than the number of starts in 2007, and 50 percent less than the record high number of housing starts in 2005.

So, based on the statistics listed above, one might wonder how Alabama's sawtimber supply has been affected by the housing market crash. Because houses in the Southern U.S. are constructed primarily from species of "southern yellow pine," it would be interesting to know how Alabama's southern yellow pine (SYP) has been impacted. SYP is a common generic term which includes six major species of pine trees native to Alabama: loblolly, longleaf, shortleaf, slash, spruce, and Virginia.

Loblolly pine accounts for the vast majority of SYP found in Alabama, and for that reason I'm going to focus on the impacts that the housing market crash has had on it. The loblolly pine



FIA Report: Alabama's Timberland Acreage Increases to 23 Million Acres

By Brian Hendricks

All it takes is a drive down virtually any road in Alabama for one to come to the conclusion that there is an abundance of timberland – commercial forestland – in the state. This conclusion is substantiated by 2014 Forest Inventory & Analysis (FIA) data which shows that the amount of timberland in Alabama has increased to an all-time high of 23 million acres. The only states in the nation having more timberland than Alabama are Georgia and Oregon. These 23 million acres of timberland account for 69 percent of Alabama's total area, an increase of 360,000 acres since the year 2000.

“There has been a lot of concern the last several years that forestland would be converted to non-forest uses, but so far that is not the case. In 2008 there were approximately 22.7 million acres and in 2014 there are 23.0 million acres.”

forest type is by far the most prevalent single forest type (including hardwoods) in the state, accounting for 37 percent of all timberland acres. Of the 9.9 million acres comprised of various pine forest types in Alabama, 8.5 million acres are comprised of loblolly pine stands (85 percent). Because sawtimber harvests have decreased since 2008, it stands to reason that the number of loblolly pine sawtimber-sized trees, and the amount of loblolly pine sawtimber volume has increased in our timberlands; and it has. Since 2008 the number of loblolly pine trees that have a DBH of 9” or greater (sawtimber) have increased by 26.5 percent to a total of 427.3 million. Similarly, the amount of loblolly pine volume of sawtimber-sized trees has increased by 32.6 percent to 45.2 billion board feet (International 1/4-inch log rule).

Another consequence of reduced sawtimber harvesting is fewer final harvests, which results in fewer acres requiring re-planting. This is evident by the fact that the number of loblolly pine stand acres in the “seedling/sapling” stand size class has decreased by 15.6 percent since 2008, while sawtimber stand size acres have increased by 25.7 percent.

So the “trickle down” effect resulting from the housing market crash is quite obvious: fewer houses being built = less demand for pine lumber = pine trees being allowed to grow in the forest and become larger.🌲

Despite the perception of some that trees and forests are vanishing, FIA data also shows an increase in timber volume over previous years. The fact is that the amount of timber growth exceeds the amount of timber being harvested annually. More specifically, for every ton of timber harvested, 1.55 tons of new growth are added to our forests each year. Total timber volume has increased 18.7 percent since 2000 to a total of 1.17 billion tons. Softwood timber volume (primarily pine species) has increased 31.1 percent, while hardwood timber volume has increased 7.6 percent.

“The annualized inventory of Alabama's forests continues to show that all the benefits we derive from our vast forests – wood products, clean water, clean air, wildlife habitat, and recreational opportunities – can be managed in a sustainable way. The fact that more land is being put into timberland is icing on the cake,” says State Forester Greg Pate.

Another common misperception is that Alabama's timberland is dominated by pine trees. Yes, there are a considerable number of pines in the state, but the number of timberland acres comprised of hardwood stands is virtually identical to the number of acres composed of pine stands. Currently, there are 9.87 million acres of timberland inhabited predominantly by hardwood tree species, while another 9.90 million acres are comprised primarily of pine tree species. The remaining 3.23 million acres are home to a mixture of hardwood and softwood tree species.

For the full report pertaining to the current status of Alabama's forest resources, visit the Alabama Forestry Commission's website at www.forestry.alabama.gov/PDFs/AlabamaForestResourceReport.pdf.🌲