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COLD-FORMED STEEL ENGINEERS INSTITUTE – NEWS AND UPDATES

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NEW MEMBERS

- Armour Unsderfer Engineering Inc.
- John McCutcheon
- Knauf
- LR Nelson
- LSA Inc.
- Matt Eiler
- Mohammad Adil Dar
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April 9, 2015
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3:00 p.m.

May 18-19, 2015
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It Was Like Deja vu’: 15 Years Apart, Edgewater Fires Devastate Residents, Community
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Investment in Nonresidential Structures Expands Moderately in Fourth Quarter 2014
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Midwest Pushes Housing Starts Down 2 Percent in January
February 18, 2015 - Nationwide housing starts fell 2 percent to a seasonally adjusted annual rate of 1.065 million units in January, according to newly released data from the U.S. Commerce Department. This drop was mainly due to a 22.2 percent decrease in the Midwest. More

U.S. Steel Prices Tumble in February
Domestic steelmakers in the U.S. slashed prices in February to cope with a flood of imports juiced by the strong dollar, a move that will pressure their profit margins and reduce costs for buyers of steel, including auto makers. More

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The ASTM E-60 Committee on Sustainability will meet April 28-30, 2015 in Anaheim, California. On the agenda are two very important discussion items on Life Cycle Assessment (LCA) and Product Transparency Declarations (PTD):

E60.01.12: Whole Building LCA – Standard E2921-13

This task group will meet on April 29, 2015 from 1:00 p.m. to 3:00 p.m. The chairman plans to resolve negatives at the meeting. The key changes are:

1) The ballot item changes minimum service life from 75 years to 60 years.
   **Background:** The International Green Construction Code (IgCC) ballot to change the minimum service life to 60 years refers to ASTM E2921-13, *Standard Practice for Minimum Criteria for Comparing Whole Building Life Cycle Assessments for Use With Building Codes and Rating Systems*. The IgCC ballot failed. However, there are now movements in ASHRAE and GreenGlobes to also refer to E2921-13 to advocate for moving the minimum service life to 60 years.

   **Our Position:** It is critical that we make our voices heard to keep the minimum service life at 75 years—not only because the standard would encourage the use of long-life materials like steel, but because it also has the support of ASHRAE 189.1-2009, which currently requires a 75-year LCA life; and the U.S. Department of Energy, which reports that the average building life in the U.S. is 75 years. We are united with the other metals industries, as well as the concrete, masonry, tile and cement industries, in our resolve to defend the 75-year minimum service life requirement.

2) The ballot item is trying to remove interior materials from the LCA calculation.

   **Our Position:** All materials used in a structure should be included.

   **Call to Action:** If you are a member of ASTM E-60, we encourage your participation on this issue. If you cannot attend the meetings in person, please contact Maribeth Rizzuto ([MSRizzuto@aol.com](mailto:MSRizzuto@aol.com)) to learn how you can still make your voice heard.

E60.01.17: Product Transparency Declarations (PTDs)

This task group will meet on April 30, 2015 from 3:30 p.m. to 5:30 p.m. The third draft of the ballot will be discussed, and the chairman plans to address any negatives that were cast.

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Background: Despite repeated attempts to remove recycled content from this ballot, it still remains. The PTD is being offered as an alternative to Health Product Declarations (HPDs). Our industry, along with those representing other metals, continues to have an open dialogue with the ballot champion.

Several other meetings are being held during the week in Anaheim that may be of interest, including:

- National Institute of Standards and Technology (NIST)-sponsored guides for sustainable manufacturing
- Terminology committees
- A new joint task group on Sustainability in Manufacturing Supply Chains

For more information on these and other sustainability efforts on behalf of the steel framing industry, contact Maribeth Rizzuto at MSRizzuto@aol.com.

- Editor, Framework Online
TOP STORIES

Year End Technology Transfer Update

Cold-formed steel framing technology transfer activities picked up in 2014 with an increase of inquiries to the Steel Framing Hotline (1-800-79-STEEL) and to the “Ask an Expert” online forum. Since our last report in June 2014, an additional 1,110 inquiries came in for a total of 1,820 technical questions successfully handled for the year.

The topics from those inquiries break down as follows:

- 32% on Design
- 30% on Construction
- 28% on Green Building/Sustainability
- 6% on Corrosion
- 4% on Other Topics

The breakdown of callers by profession is:

- 33% Engineers
- 30% Architects
- 21% Builders/Contractors
- 10% Code Inspectors
- 1% Educators
- 1% Other

Based on the regions of the United States, the location of the inquirers includes:

- 24% West
- 21% Mid-Atlantic
- 16% Southeast
- 15% Southwest
- 14% Northeast
- 10% Midwest

The Steel Framing Alliance, along with CFSEI, coordinated and/or initiated and registered a total of 56 technical continuing education programs with the American Institute of Architects, Florida Board of Professional Engineers, State of Michigan and other professional organizations.

In 2014, we reached a total of 36,400 design professionals and code officials/inspectors through 86 live seminars and 7 webinars, resulting in the issuance of more than 10,000 Professional Development Hours and Learning Units.

Continued next page …
We successfully launched the new website www.AISIStandards.org, which offers the AISI S200-, S300- and S900-series standards as free downloads. Since the website was launched on August 1, 2014, more than 22,600 free standards have been downloaded.

Much of the success can be attributed to our focused outreach to builders, code officials, and engineering and architectural associations through press releases and direct inquiries.

2015 is already shaping up to be just as busy.

If you or any colleagues have questions relating to cold-formed steel framing, please feel free to call us at 1-800-79-STEEL.

- Editor, Framework Online
TOP STORIES

Wood Framing – Coming Soon to a High-Rise Structure Near You?

While the wood industry is working hard to make inroads in the mid-rise building construction market, it has its sights set on something higher – much higher.

In the January 2015 issue of Modern Steel Construction, Scott Melnick writes in his “Editor’s Note” about a program supported by the U.S. Department of Agriculture that promotes high-rise wood construction. The program is backed by USDA funding of competitions and research to encourage wood use.

We think you will find the article interesting – read it here.

- Editor, Framework Online

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Save The Date: 2015 CFSEI Expo – May 18-19, 2015 – Orlando, Florida

Details are being finalized for the 2015 CFSEI Expo in Orlando, Florida, which will take place May 18-19, 2015 at the Rosen Centre Hotel. Highlights of this year's conference include a focus on Building Information Modeling (BIM) that will cap off the 15 educational seminars, and an exhibit area featuring the latest cold-formed steel (CFS) technologies. Additionally, the opening reception will be one for all to remember.

The Expo Planning Committee has assembled a line-up of speakers that will appeal to both seasoned cold-formed steel veterans and newcomers, including engineers, architects, contractors, and building code officials. The presentations will focus on the latest information on several topics, including:

- Mid-Rise Construction
- Acoustics
- Code of Standard Practice
- Thermal Design
- Building Information Modeling (BIM)
- Owners, Architects and Engineers – A Match Not Always Made in Heaven
- and many more.

Back by popular demand is the Cold-Formed Steel Design Forum, consisting of a panel of experts in CFS design. The forum is an opportunity for attendees to engage in open dialogue with experts who are in the trenches of cold-formed steel design.

Rahim Zadeh, Chairman of the CFSEI Executive Committee and Technical Director of the Steel Stud Manufacturers Association (SSMA) notes that: “Once again, the Planning Committee is working diligently to select excellent presentations on issues that impact all of us in the industry. The Expo is a perfect opportunity to acquire new insights, learn from CFS experts, and network with peers.”

Plan to attend the only venue of its kind focused on cold-formed steel. More details on the Expo and other CFSEI events can be found at www.cfsei.org.

- Editor, Framework Online

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Don’t Let Your Project Go Unnoticed – Enter It In The 2015 CFSEI Awards Program By April 1

This year’s totally redesigned and streamlined CFSEI Awards Program is awaiting your entries. All entries are due by April 1. Winners will be announced at the 2015 CFSEI Expo being held in Orlando, Florida on May 18-19, 2015.

This annual awards program recognizes outstanding achievement in creative design, technical innovation, products and best practices in the use of cold-formed steel framing. The program also acknowledges an individual who has volunteered his/her time and talent above and beyond to the industry.

What's new about this year's program? The chairpersons for the 2015 Awards Committee—Karl Scherzer of Excel Engineering and Georgi Hall of CEMCO—spent a great deal of time and energy reviewing past CFSEI awards programs and revising the scope to broaden the reach among the design and manufacturing communities. The application to submit an entry has been simplified, with no requirements for certificates of occupancy or signatures required from principals. With less work involved, the expected result is that more projects will be submitted.

“There are so many projects out there that present unique challenges that only CFS can meet in a cost-effective manner, and we want to expand our awards program to showcase these steel solutions,” says Karl Scherzer. “All of us benefit from learning how others have solved their unique project challenges.”

Georgi Hall notes that CFSEI’s awards program is a prime opportunity to be recognized for the many hours spent bringing creative cold-formed steel-framed projects from concept to reality, and encourages everyone to submit their entries.

The awards categories are as follows:

**Project** – The award recognizes small and large projects that exemplify excellence in the structural design of new or renovated structures utilizing cold-formed steel products. Project must have been constructed in 2014.

**Product** - The award recognizes the use of a new product or software to advance the CFS industry. The product/software must have been used in a project constructed in 2014.

**Distinguished Service** – The award recognizes the contributions of an individual who has volunteered time, talent and resources to the CFS industry.

Continued next page …
Entries will be judged on demonstrated excellence and achievement in the use of cold-formed steel based on the following criteria: design creativity, technical innovation, system efficiency and economy, and constructability.

This year’s judging panel includes two professional engineers, a professor of structural engineering, a licensed architect and a licensed contractor. The rules of eligibility, entry forms and instructions are available at www.cfsei.org

- Editor, Framework Online
In Search of Innovative Cold-Formed Steel Projects

The CFSEI Awards Program is one way to get your project recognized, but there are other ways as well.

Editors for industry publications like STRUCTURE Magazine are also looking for innovative cold-formed steel solutions that they can share with their readers. The February 2015 issue of STRUCTURE highlighted a project by CFSEI Member Karl Scherzer, P.E. of Excel Engineering, Inc. which utilized cold-formed steel framing to smooth corners and transform a rigid polygonal concrete structure into an elliptical curve. The result is the Pinnacle Bank Arena in Lincoln, Nebraska, the new venue for the University of Nebraska’s men’s and women’s basketball games.

Several challenges needed to be addressed to keep the project on schedule and on budget. Using innovative design concepts and construction practices allowed the Excel team to accommodate the changing slopes of the exterior metal walls and the tri-radiial curve of the building’s footprint, while its light weight allowed contractors to easily build and transport large CFS wall assemblies.


Click here for full article

If you have innovative cold-formed steel solutions that you want to share, please contact Maribeth Rizzuto at MSRizzuto@aol.com.

- Editor, Framework Online
Winners Announced In International Student Design Competition

CFSEI's outreach to students is an investment in the future of the cold-formed steel industry. As part of this investment, CFSEI co-sponsors the annual International Student Competition on Cold-Formed Steel Design, along with the American Iron and Steel Institute (AISI), the National Science Foundation (NSF), the University of North Texas, and the American Society of Civil Engineers (ASCE). The competition promotes higher education in cold-formed steel structural design and encourages students to use creative thinking skills to solve engineering problems.

Now in its fourth year, the 2014 competition generated 42 entries from eight universities in China, Thailand, Brazil, Canada and the United States. All entries were judged by a panel of industry professionals and ranked according to the design’s efficiency and constructability, as well as the quality of the essay submitted with the entry. The winners were:

- First Place - Chris Willis, University of North Texas, USA
- Second Place - Zongya Xu, Tongji University, China
- Third Place - Benjamin Dow, University of Waterloo, Canada

Maribeth Rizzuto commented that: “This is the only competition of its kind in the cold-formed steel industry. It requires participants to utilize their knowledge of the latest innovations in manufacturing, Building Information Modeling, and logistics technologies, and to apply that knowledge in developing a cold-formed steel solution to a specific design challenge that they could face in the workplace.”

Competition organizer Cheng Yu, Ph.D., associate professor at the University of North Texas, explained the challenge: “This year’s participants were asked to design an optimal cross-section shape for a 96-inch long cold-formed steel stud column which provides adequate compression strength and utilizes the least amount of material. We were pleased with the entries, which included more international participation than previous competitions.”

The top three winners receive monetary awards and award plaques and will have their designs exhibited at various industry conferences this year. The top 10 students will receive one-year student memberships in CFSEI.

For more information on the winning designs and a list of the top 10 student winners, visit [http://engineering.unt.edu/technology/public/cyu/CFS_Competition.htm](http://engineering.unt.edu/technology/public/cyu/CFS_Competition.htm).
MARKETPLACE

Massive Downtown L.A. Fire Prompts Call for Probe of Wood Frame

In the aftermath of Monday’s harrowing fire that reduced a half-built apartment complex in downtown Los Angeles to ashes, a city councilman introduced a motion Friday questioning whether wood-frame construction contributed to the devastating blaze.

Investigators are still sorting through the debris left behind by the conflagration that razed the seven-story, 526-unit project and caused significant damage to the adjacent 110 Freeway and surrounding buildings. Authorities have said it may be weeks, if not months, before they can pinpoint a cause.

City Councilman Bob Blumenfield in a motion Friday raised questions about the fire’s implications for wood-framed buildings that are increasingly used throughout the city. The destroyed apartment complex, the Da Vinci, had five wooden-frame stories sitting on top of two concrete-walled floors. In the motion, he asked city officials to take a hard look at whether further restrictions should be placed on wood-frame constructions for residential buildings.

Currently, the height limit for wood-framed apartment buildings is five stories. “The fact that the building went up like it did begs the question, do we have the best, most appropriate standards?” Blumenfield, who represents parts of the San Fernando Valley, said in an interview.

The councilman said he hoped Monday’s blaze, which caused tens of millions of dollars in damage, would be a “catalyst” for discussion about the safety of wood-frame buildings.

Luke Zamperini, spokesman for the city’s Department of Building and Safety, said wood-frame apartment buildings “are the most common, both past and present and in all neighborhoods.” Fire experts said while wood-frame buildings are just as safe as steel-framed or concrete buildings when completed, they are highly vulnerable for a few months during construction before fire safety measures such as sprinklers and non-combustible walls are installed.

“You have a building that’s basically a pile of wooden sticks. When you get a fire going it’s going to take the whole building out,” said John DeHaan, a veteran forensic fire scientist. “It’s like fighting a wildland fire: All you can do is slow it down until it runs out of fuel.”

DeHaan said destructive fires at wooden-frame buildings under construction are becoming increasingly common in the U.S. and elsewhere as developers turn to wood frames for multi-story structures because they are cheaper and more environmentally friendly.

He said Los Angeles’ proposed review of building codes was welcome. “Fire safety progresses one disaster at a time,” he said.

Source: LA Times, December 12, 2015
MARKETPLACE

It Was Like Deja vu': 15 Years Apart, Edgewater Fires Devastate Residents, Community

In tiny Edgewater, residents awoke Thursday to massive damage wrought by the second fire to strike the same luxury apartment complex in 15 years. Both blazes are considered among the worst in the history of Bergen County.

The Avalon at Edgewater complex -- built on the site where the Avalon River Mews was consumed by an inferno as construction neared completion in 2000 -- resembled a battlefield: shattered walls, scorched timbers, a haze of thick, choking smoke.

"It was like deja vu," said Christina deMarothy, who witnessed both fires from her home at the intersection of Russell and Undercliff avenues, across the street from the complex.

Residents and community officials alike called it remarkable that no one died in Wednesday’s blaze, which was declared accidental.

In a press briefing attended by Gov. Chris Christie Thursday afternoon, Edgewater Police Chief William Skidmore said Avalon maintenance workers were using a blowtorch to perform plumbing repairs in a first-floor apartment at about 4 p.m. when the fire began inside a wall.

Instead of immediately calling 911, the workers first phoned their supervisor, leading to a 15-minute delay in the emergency response, Skidmore said.

That decision, the chief said, "certainly didn’t help" in stopping the fire’s spread. "It was mostly a big contributor because it was a delay in the response of the fire department," he said.

Asked if the delay opened the workers to criminal liability, Skidmore said it did not, terming the fire a “tragic accident.”

The fire raged for nearly seven hours, destroying 240 of the complex’s 408 units. Two firefighters and two civilians suffered minor injuries.

More than 500 people lost their homes, and about 520 others from neighboring buildings and houses were displaced temporarily. Christie, at the afternoon press conference, pledged his administration’s assistance.

"At times like this most people are concerned that they'll be forgotten," he said. "That's why I'm here, to make sure people know that we won't forget."

As firefighters continued to douse hot spots in the wreckage, officials pointed to the complex’s lightweight wood-frame construction in explaining how it spread so rapidly, leaving firefighters all but helpless to contain it.

Continued next page …
“If it was made out of concrete and cinder block, we wouldn’t have this sort of problem,” Edgewater Fire Chief Thomas Jacobson said. “It’s very difficult because once it’s in the walls and floors, we’re chasing it.”

The fire in 2000 also involved wood-frame construction. That blaze destroyed four buildings.

Jacobson said the fire alarm and sprinkler systems worked properly during Wednesday’s fire, and the two-building complex, owned by AvalonBay Communities, met all state and local fire codes.

Asked by reporters at a morning press conference if the state or towns should revisit fire code standards, officials said it was premature.

“That’s yet to be determined, and we’ll go over it,” Edgewater Mayor Michael McPartland said.

State and federal standards require many public buildings, including schools and town halls, to incorporate studs made out of metal so that if a fire breaks out, the studs will be among the last things to fall, said Judson Moore, president of the New Jersey State Fire Chiefs Association and a firefighter in Cumberland County.

By contrast, Moore said, when structures are made wholly of wood, collapses are often inevitable.

“Firefighters can’t fight that from the interior,” he said. “They have to back out and fight it in a defensive mode, where they’re not going inside unless absolutely necessary to save lives.”

Firefighters in Edgewater followed that course of action Wednesday night, pulling out of the complex after making at least three rescues and ensuring no one remained inside.

David Kurasz, executive director of the New Jersey Fire Sprinkler Advisory Board, an industry trade group, said Wednesday’s fire perfectly illustrates the risks of lightweight wood construction, which is significantly cheaper than steel or concrete.

“The material is excellent under regular conditions,” Kurasz said. “As soon as you introduce fire to this type of construction materials, it fails very, very quickly.”

As he surveyed the damage in Edgewater Thursday, Kurasz said it might be time to “re-look at the codes,” both in the construction materials used and the types of sprinkler systems installed, because even projects that follow the letter of the law can see tragic accidents.

In a statement, AvalonBay’s chief construction officer, Michael Feigin, called wood-frame construction a “standard, common, and safe construction method for multifamily housing used throughout the United States.”

Continued next page …
“The community was built in accordance with the fire and safety codes applicable at the time,” Feigin said. “The purpose of those codes is not to prevent the building from burning down, but rather to ensure that there is sufficient time and opportunity for all occupants to exit safely in the event of a fire.”

He said the AvalonBay, based in Virginia and among the largest publicly traded apartment developers in the country, was cooperating fully with investigators.

“We recognize the tremendous disruption that this incident has caused for residents and the community alike, and we are working with the Red Cross and local officials to assist residents,” Feigin said.

Though thankful to be alive, hundreds of residents lost all their possessions in the fire, which destroyed most of the northernmost building. Among them was Yankees broadcaster John Sterling.

“I, along with everyone else, lost everything I have ever owned,” Sterling told ABC News.

It was about 4:30 p.m. when the fire alarm sounded. Residents said the system went off frequently, so there was little panic. Then they smelled smoke.

“Basically, I saw the police, we heard the fire alarm, and we just left,” said Daniel Stavale, who, with his wife Thaluana and 7-month-old son are now living with friends. “We didn’t wait. And then it got worse.”

Angela Nyagu, who fled with her husband and 7-year-old son, said the situation “seemed to be under control – and then it became like a volcano explosion.”

By 6 p.m. flames were soaring into the night, casting a glow visible from Manhattan’s west side.

More than 250 firefighters from 35 communities responded, along with fire boats and other watercraft from Jersey City, the State Police, and the New York City Fire Department.

The FDNY boats pumped water from the Hudson River to firefighters at the scene as water pressure dropped, a consequence of prolonged and heavy use of all available hydrants, officials said.

“With a fire like that, you use millions of gallons of water, and their water system could only put up so much,” said Jerry Cala, Jersey City’s Assistant Director of Public Safety. Both Christie and local officials praised the first-responders for their efforts, noting they rescued not only people but their pets. An unknown number of animals died in the fire.

Avalon at Edgewater offers one-, two- and three-bedroom rental units that fetch as much as $3,200 per month.

Continued next page …
The earlier fire, also an accident, occurred in August 2000 as a luxury complex owned by AvalonBay neared completion. That blaze spread to all four buildings in 15 minutes, burning hot enough to ignite nearby homes. Nine houses were completely destroyed, as were dozens of cars.

AvalonBay later paid $6 million in settlements to the homeowners, the Associated Press reported in 2005. The replacement complex, Avalon at Edgewater, reportedly cost $75 million to build.

Source: NJ.Com, January 30, 2015
MARKETPLACE

US construction spending rose 0.4 percent in December

WASHINGTON (AP) -- U.S. construction spending accelerated in December as building activity increased for new houses and government-backed highways.

The Commerce Department said Monday that construction spending rose 0.4 percent in December. Total construction spending in 2014 increased 5.6 percent to $961 billion, with the gains slightly below the pace of 5.7 percent in 2013.

Spending on single-family houses rose 1.2 percent in December from the prior month. Highway and street construction grew by 2.1 percent and factory-building by 1.9 percent. Construction of schools and commercial centers fell in December.

The gains were strong enough that Michael Gapen, an analyst at the bank Barclays, said that the economy likely expanded at an annual pace of 2.8 percent in the final three months of last year, compared to the 2.6 percent estimate reported by the government last week.

Over the course of 2014, spending on offices, power plants, factories and lodgings climbed significantly, potentially signaling broader economic growth in 2015 that could further boost residential construction.

Sales of new home sales climbed 11.6 percent in December to a seasonally adjusted annual rate of 481,000, the Commerce Department said in a recent report. That represents a marked improvement from the total sales of 435,000 for all of 2014.

Solid job growth should spillover into construction. Employers added nearly 3 million jobs in 2014, the most since 1999. Economists surveyed by FactSet ahead of Friday's jobs report say that employers likely added 230,000 jobs in January.

The strong hiring should lead to additional demand for hotels and office buildings, according to the American Institute of Architects' forecast for 2015. The trade group expects that construction spending will increase 7.7 percent this year on non-residential buildings, led primarily by new offices, hotels, factories and retail development projects.

Source: Associated Press, February 2, 2015
MARKETPLACE

Investment in Nonresidential Structures Expands Moderately in Fourth Quarter 2014

WASHINGTON — Real gross domestic product (GDP) expanded 2.6 percent (seasonally adjusted annual rate) during the fourth quarter of 2014, following a 5 percent increase in the third quarter, according to the Bureau of Economic Analysis. Nonresidential fixed investment grew by only 1.9 percent after expanding 8.9 percent in the third quarter. Investment in equipment declined 1.9 percent, while investment in nonresidential structures increased 2.6 percent.

This GDP number “will be broadly viewed as disappointing as many economists had expected to see a quarterly number in excess of 3 percent,” said Anirban Basu, Associated Builders and Contractors (ABC) chief economist. “However, it is important to note that the federal spending category subtracted more than half a percentage point, which means the non-federal portion of the economy expanded faster than 3 percent.

“In addition to the impact of federal spending which shrank farther than expected, it is also worth noting that spending on nonresidential structures continues to climb,” said Basu. “With the economic recovery persisting and with job growth accelerating, business confidence has generally been on the rise, translating into shrinking office and retail vacancy rates and rising hotel occupancy rates. All of this creates a context in which nonresidential construction spending, particularly private construction spending, is likely to expand, which is consistent with ABC’s view that the nonresidential construction recovery will continue.”

Although the Bureau of Economic Analysis release “indicates that the economy enters 2015 with somewhat less momentum than had been thought, the fact of the matter is that the past nine months represents the strongest period of growth in the current recovery cycle,” said Basu. “Undoubtedly, financial markets will continue to be rolled by ongoing fluctuations in input prices and uncertainties regarding the strengthening of the U.S. dollar. But with gas prices low and with job creation now brisk, consumers are likely to continue to push the U.S. economy forward in 2015.”

Source: Associated Builders and Contractors, Inc., January 30, 2015
MARKETPLACE

Midwest Pushes Housing Starts Down 2 Percent in January

February 18, 2015 - Nationwide housing starts fell 2 percent to a seasonally adjusted annual rate of 1.065 million units in January, according to newly released data from the U.S. Commerce Department. This drop was mainly due to a 22.2 percent decrease in the Midwest.

Single-family housing production fell 6.7 percent to a seasonally adjusted annual rate of 678,000 in January while multifamily starts rose 7.5 percent to 387,000 units. “These numbers are consistent with our recent surveys and are primarily due to severe weather hitting the Midwest and other parts of the country,” said NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo.

“After a strong single-family report in December, it is not surprising to see some pull back in January,” said NAHB Chief Economist David Crowe. “With continued job creation and a growing economy, single-family production should make gains in the year ahead.”

Regionally in January, combined single- and multifamily housing production increased 6.5 percent in the South. Total starts fell in the Northeast, Midwest and West, with respective losses of 3.5 percent, 22.2 percent and 3.4 percent.

Overall permit issuance was down 0.7 percent in January to a rate of 1.053 million. Single-family permits decreased 3.1 percent to 654,000 units while multifamily permits rose 3.6 percent to a rate of 399,000 units.

Regionally, permits were mixed in January. The Northeast and West registered gains of 29.5 percent and 16.8 percent, respectively, while the Midwest and South dropped 16 percent and 8.7 percent, respectively.

Source: National Association of Home Builders, February 18, 2015
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U.S. Steel Prices Tumble in February

Domestic steelmakers in the U.S. slashed prices in February to cope with a flood of imports juiced by the strong dollar, a move that will pressure their profit margins and reduce costs for buyers of steel, including auto makers.

Imports rose 33% in January compared with the year before, according to figures released Wednesday by the American Iron and Steel Institute, reaching 3.85 million tons, compared with 2.9 million tons a year earlier. The jump in imports comes as oil and gas drillers cancel orders for steel pipe, underscoring the resilience of overall U.S. demand compared with other markets.

Now, the muscular currency is making foreign steel less expensive by comparison, and “is fighting against us in a very big way,” said Lisa Goldenberg, president of Delaware Steel Co., a Fort Washington, Pa.-based steel trading company.

The imports are rising off an already high 2014 base. Imports of steel from Russia jumped 96% in 2014 from a year earlier, to 6.5 million tons, while imports from China rose 69% to 2.8 million tons.

To stem that tide, steelmakers with major U.S. operations such as ArcelorMittal, U.S. Steel Corp. and Nucor Corp. have cut prices in the past few weeks, according to steel distributors who buy from them. The benchmark hot-rolled coil index is down 17% since the start of the year, to around $500 a ton, its lowest level since August 2009.

Stuart Barnett, president of Highland Park, Ill.-based steel distributor Barsteel Corp., said imports are now between 15% and 20% of his product mix, from a usual level of about 5%. Barsteel annually ships around 85,000 tons of steel to manufacturers, auto makers and mining companies. Mr. Barnett said he would like to buy more steel from U.S. suppliers, and that he still relies on the domestic industry for “higher-tech steels, like for seat belt clips and bumpers, in the U.S.”

Mr. Barnett sees a direct correlation between exchange rates and oil prices, and the surge in imports. “If you produce oil and you export steel, your currency will go down and your steel will be less expensive,” he said referring to Brazil, Mexico and Russia.

The price cuts should curb imports somewhat.

“Suddenly you can buy domestic American hot-rolled coil for the same price you can buy it from India, Egypt or Turkey,” said Barry Bernsten, managing partner at American Steel Industries LLC, a steel importer and distributor. Overall, foreign steel has been consistently available at a discount, he said.

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Steel industry leaders have talked openly of their desire for anti-dumping tariffs to further deter imports, but haven’t yet filed a trade case. To win such a case, they would have to prove that foreign steelmakers are selling in the U.S. below cost, and that this is hurting American steelmakers. They are working on mounting a case, according to a person familiar with the matter, although putting together such a dossier takes time.

The market share for foreign-made finished steel was an estimated 32% in January, its highest level ever, said Kevin Dempsey, senior vice president of policy and general counsel for trade association American Iron and Steel Institute. Import levels are “extreme,” he said.

“One thing is crystal clear, that we have been injured” by imports, AK Steel Chief Executive James Wainscott told analysts last month. “How fast we can prove injury and how quickly we can accelerate the process is key.”

The situation is reminiscent of the 1990s, steel company officials said. At that time, a surge of imports and a robust dollar helped pave the way for a wave of bankruptcies for American steelmakers, despite a strong economy.

Nucor and U.S. Steel didn’t return calls seeking comment.

The lower steel prices are good news for makers of cars and car parts, construction companies and other major buyers of steel. Ford Motor Co. said it was “starting to see good news” on commodities when it reported earnings last month.

Steel industry insiders don’t expect prices to recover until May at the earliest. “You’ve got the flood in imports, a fall in iron ore and scrap prices, and the domestic steel service centers are over-inventoried,” said John Packard, publisher of Steel Market Update, an industry newsletter. “Prices will recover in May if we see imports shrinking and we see domestic service centers reducing their inventories.”