



The Importance of Canadian Lumber for U.S. Housing Affordability

1. Homebuilding affordability in the U.S.

- Stability and predictability of prices and supply are two critical aspects to homebuilding affordability. Tariffs and duties on Canadian Spruce-Pine-Fir (SPF) lumber have created price and supply unpredictability. **This has made U.S. homebuilders hesitant to build, which has led to fewer homes built, higher home prices, and fewer American jobs.**
- The U.S. faces an estimated shortage of **4 million homes**.
- The price increase in U.S. homebuilding is directly related to the price of softwood lumber. For instance, **duty increases to 35.16% and a 10% section 232 tariff** on SPF could add up to **\$6,720** onto the cost of building a single-family house. **In total, this could add \$26.88 billion to construction costs.**

2. Most U.S. lumber is produced by American workers and mills. Canadian mills help fill the gap that remains.

- The U.S. has a lumber supply deficit as housing construction in U.S. requires 30-33 billion board feet annually. **U.S. mills can only produce 70% of what is needed annually to meet housing demands. Canadian lumber helps make up that shortfall to help keep the housing construction market functional.**
- The U.S.-Canada trade relationship is mutually beneficial for the lumber industry on both sides of the border: it stimulates local economies, creates lumber, construction, and retail jobs across the U.S., and supports U.S. and Canadian homebuilding.

3. Spruce-Pine-Fir and Southern Yellow Pine (SYP) are not the same.

- Canada does not produce SYP, only producing SPF. The U.S. produces its own SYP supply.
- Found mostly in Canada, SPF is unique as it has distinct regional qualities (i.e., grown in a cold weather climate) that make it preferred for specific uses like framing.
- **SYP and SPF are not always substitutable.** SPF has a superior strength to weight ratio, is dimensionally straighter, and is easier to work with.

4. Strong US Housing Starts requires both SYP and SPF.

- In 2025, despite low lumber prices, duties and tariffs caused SPF to sell at a 40% premium compared to SYP. In Dallas, TX, SPF was selling up to a 60% premium. **This means that U.S. buyers are either paying more for SPF, or waiting for prices to stabilize. As a result, homebuilding construction costs increased, and housing starts have slowed.**

