American Hardwood Export Council
European market report
April 2018

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MARKET UPDATE

Latest design news and trends from Milan

Held every April, Milan Design Week encompasses the annual international furniture exhibition (Salone del Mobile) and a set of design and architecture focused events, distributed in different areas of the city. It has become one of the most important international design events in the calendar and attracts a truly global audience. AHEC’s Lauren Smith was in Milan and reports on what was new and trendy.

This year it was interesting to see the massive influence that technology is having on design. Tech-giant Google presented for the first time, merging technology into homewares, leading furniture and product design brand Hay collaborated with Sonos for their first venture into the technological world and leading social media platform Instagram launched its own design-based Instagram account specifically for design week - highlighting how influential the platform has now become in the design industry.

Amidst this shift, it seems that wood is back on a lot of big brands’ radars, with many exploring veneer as a way of incorporating technology whilst retaining an element of craftsmanship. Renowned Italian furniture brand Kartell exhibited its first collection in wood - a series of office chairs created in collaboration with designer Phillipe Starck. The chairs were made using a German method of pressing veneers into moulds to create a perfectly refined seat form. Japanese studio Nendo designed the first completely wooden chair design for Fritz Hansen in 60 years using a combination of solid wood, again with moulded veneer seating and, in a more experimental approach, Dutch designer Job van den Berg created a series of shelves created by rolling oak veneer into layered cylinders and tubes. A greater focus on the potential of timber technology will be a huge opportunity for AHEC as we continue to push the use of developments such as cross-laminated timber and laminated veneer lumber.

The Salone Satellite takes place every year at the fair and provides a platform for up and coming designers to connect with trade and manufacturers. In this area there was a lot more experimentation with a variety of species, such as maple and birch, and a more craft-based approach to design. Sustainability was very much at the forefront of a lot of designers’ projects through the use of recycled or natural materials, making new designers the perfect audience for AHEC to demonstrate the environmental credentials of American hardwoods.

Whilst white oak and ash continued to dominate the fair, there was a trend towards the application...
of darker finishes, suggesting the beginnings of a preference of species with warmer, richer tones. In some instances the oaks were American, and there was also some walnut. Beech seemed to be increasingly popular, especially for the use of chairs. It seemed that walnut was less prevalent in new designs than in previous years, although is still used extensively by the market heavyweights such as Riva 1920, which suggests that is still in demand and selling well.

German slowdown dampens European wood flooring demand

An insight into the current status of the EU wood flooring market and the wider economic situation in individual EU countries is provided by the report of the meeting on 4 April 2018 of the Board of Directors of the European Federation of the Parquet Industry (FEP). According to the report, compared to the same period last year, provisional results for the first quarter of 2018 point to a continuation of the moderately positive European parquet consumption trends observed in 2017, with the exception of Germany, which is reporting a significant decrease.

The report notes that new build projects are the main driver of the market for wood flooring in Europe, although renovation is creating significant additional activity. It also notes that despite the long and wet winter in Europe, the availability of raw material is not a critical issue for the time being. This implies some easing of the supply problems that have emerged in recent years owing to the sectors very heavy reliance on oak, which now accounts for around 80% of production.

The report includes a rapid-fire appraisal of the market situation in each of the countries represented by the FEP membership: Austria: parquet sales continued to increase by 2% in the first quarter of 2018 compared to the same period last year. Belgium: parquet sales are estimated to have increased by 3% during the first three months of 2018. Baltic States: Baltic countries’ markets showed a slightly positive trend in the first quarter of 2018. Denmark: the Danish parquet market remains flat overall, a decrease in the retail market is compensated by rising demand from building contracts and projects. Finland: parquet sales increased by 1% in the first quarter, mainly driven by moderate growth in large projects while the residential market is stable. France: parquet sales are gradually recovering, rising an estimated 2% in the first quarter of 2018. Germany: parquet sales are estimated to have fallen 5% in the first quarter of 2018 compared to the same period in 2017. This decrease reflects the subdued residential market, a lack of installation professionals, intense competition from “wood look” floor coverings, and diminishing store
space allocated for hardwood flooring by DIY
retailers. **Italy:** parquet sales increased 2% in
the first quarter of 2018 and continue to benefit
from more positive economic developments
in the country. **Netherlands:** parquet sales
increased by an estimated 3% during the first
quarter of 2018 in line with improving economic
conditions in the country. **Norway:** the market
was flat with some signs of slight improvement
(less than 1% growth) during the first months
of 2018. **Spain:** despite the turbulent political
situation, the Spanish market expanded slowly by
between 1% and 2% in the first quarter of 2018.
**Sweden:** parquet consumption increased 2% in
the first quarter. Declining retail sales were offset
by increased demand from building projects.
Sweden is currently the most dynamic market in
Scandinavia. **Switzerland:** parquet consumption
remains flat but at a high level with numerous
large on-going renovation projects. **UK:** as a
country without a significant domestic flooring
manufacturing sector, the UK is the only large
EU consuming country not covered in the FEP’s
rapid appraisal of market conditions. However,
information from the UK Construction Products
Association (CPA) indicates market conditions
for flooring and other joinery products in the UK
deteriorated in the opening months of 2018.

**ACTIVITIES**

**Promoting red oak**

During April AHEC’s European team continued to
develop and coordinate a number of individual
design projects all linked by a common theme;
raising the profile of red oak in Europe.
**Rycotewood (Oxford, UK):** students presented
their final red oak designs for their storage unit
project that AHEC is supporting.
**Polish designed red oak collection:** at a meeting
in Warsaw, designer Tomek Rygalik outlined
his initial design ideas based on a collection of
products aimed at highlighting the grain and
colour potential of red oak.
**Venice Biennale:** AHEC are working with
Spanish architects EMBT who are presenting a
canopy installation in Venice for the high profile
architecture biennale, which features frames and
elements made in red oak. The red oak has been
manufactured in Spain and AHEC were on hand to
record this process as part of the communication

We continue to get an extremely positive reaction
to red oak from designers, architects and
consumers. Yet industries in Europe are reluctant
to invest in its potential and market it. “We tried it
once but our customers didn’t like the colour” or
“It’s not as easy to work with as European oak”
seems to be a default position for many European
traders and manufacturers. While it is true that
red oak lumber exports to Europe are on the
increase, volumes are very small in comparison to white oak. It is being used mainly in products where the wood is stained or colour is not critical. But could red oak sustain a significant increase in demand from Europe? The answer is yes it can. Nearly one out of every five hardwood trees standing in the forests is a red oak. The net annual growth after harvest is over 21 million m$^3$, which means it takes 0.57 seconds for 1m$^3$ of sawn lumber to be replaced in the forest by new growing stock.

Check out the numbers for yourself at [www.americanhardwood.org](http://www.americanhardwood.org). At a time when oak is the most fashionable and demanded hardwood in Europe, and current white oak supplies from within Europe and from North America are increasingly under pressure, it remains to be seen how much longer European markets can continue to ignore such an important resource.

**U.S. hardwoods feature at French wood construction conference**

AHEC were invited to speak at the annual French Forum Bois Construction on building with timber. It was an opportunity to talk about the ground breaking structural projects that AHEC had been involved with over the last 18 months showcasing the structural use of American hardwoods in; The Smile, Maggie’s and Lords. This annual conference attracts a varied audience of architects, designers, manufacturers, from all over Europe. Over 1500 participants were due to attend the 3 day event. Although quite insular in their choice of timber for construction, preferring home grown timber wherever possible, France as a nation is one of Europe’s most forward thinking countries when it comes to building with timber. The hardwood session was well attended and there was lots of interest in the structural potential of U.S. hardwoods, with specific questions about the commercial viability of tulipwood CLT and also tulipwood LVL (Laminated Veneer Lumber).

This was the first time AHEC had attended the event, which proved a valuable networking opportunity. For example, one of the largest Swedish architectural practices has asked if AHEC would come to Stockholm and run a workshop on American hardwoods for their staff.

**NEWS**

**Leading architect praises tulipwood CLT at annual conference**

AHEC visited the second annual Materials for Architecture 2018 conference and exhibition, a platform for specifiers to learn about the latest innovations in building materials. At this year’s conference, guest speaker Patrick Usbourne, Associate at dRMM Architects presents tulipwood CLT at the Material 2018 conference.
Associate at dRMM Architects, presented his talk on Maggie’s Oldham: Realising the potential of hardwood CLT. AHEC first worked with Alex di Rijke of dRMM architects to create the Endless Stair, the first public experiment with American tulipwood CLT, created during the London Design Festival 2013. This initial experimentation and research lead to dRMM specifying tulipwood CLT in 2017 for the Maggie’s Centre in Oldham. The centre became the world’s first building made from hardwood cross-laminated timber and a pivotal moment for modern architecture and construction.

Patrick’s presentation covered the importance of designing healthy architecture and the potential of tulipwood CLT as bringing a revolutionary new element to wood construction. He also spoke extensively about the benefits, working properties, sustainability and longevity of tulipwood CLT and how the properties of American tulipwood provided a strong aesthetic look, strength and warmth that wouldn’t have been achievable with other timbers.

PR HIGHLIGHTS
# Upcoming Events

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<th>Dates</th>
<th>Type</th>
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<td>Architect @ Work</td>
<td>16th - 17th May</td>
<td>Design fair</td>
<td>Copenhagen</td>
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<td>22nd - 24th May</td>
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<td>Trade fair</td>
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<td>Architecture and trade fair</td>
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*Denotes AHEC participation"
## EXCHANGE RATES

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