4 April 2015

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

(These guys ROCK!). Thanks, as always Urs and Al.

Attached, please find the monthly housing report based on February's data.

The housing report is a free service of Virginia Tech and is intended to help you gauge future business activity. All past housing reports are archived at: http://woodproducts.sbio.vt.edu/housing-report/.

Please let us know if you have any questions.

Respectfully,

Urs and Al

Urs Buehlmann
Virginia Tech
Brooks Forest Products Center
Mail Code 0503
1650 Research Center Drive
Blacksburg, VA 24061
USA
phone: 540.231.9759
fax: 540.231.8868
e-mail: buehlmann@gmail.com
skype: ubuehlmann

Richard P. Vlosky, Ph.D.
Director Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University
Baton Rouge, LA 70803
Phone (office): (225) 578-4527
Fax: (225) 578-4251
Mobile Phone: (225) 223-1931

February 2015 Housing Commentary

Urs Buehlmann
Department of Sustainable Biomaterials
Virginia Tech
Blacksburg, VA
540.231.9759
buehlmann@gmail.com

and

Al Schuler
Economist (retired)
Princeton, WV

Return TOC

Table of Contents

This report is a free monthly service of Virginia Tech. Past issues can be found at: http://woodproducts.sbio.vt.edu/housing-report/

To sign up for the report please email buehlmann@gmail.com

Return TOC

February 2015
Housing Scorecard

	M/M	Y/Y
Housing Starts[A]	▽ 17.0%	▽ 3.3%
Single-Family Starts[A]	▽ 14.9%	△ 0.7%
Housing Permits[A]	△ 3.0%	△ 7.7%
Housing Completions[A]	▽ 13.8%	▽ 1.8%
New Single-Family House Sales[A]	△ 7.8%	△ 24.8%
Existing House Sales[B]	△ 1.2%	△ 4.7%
Private Residential Construction Spending[A]	▽ 0.2%	▽ 2.1%
Single-Family Construction Spending[A]	▽ 1.4%	△ 9.7%

M/M = month-over-month; Y/Y = year-over-year

Source: [A]U.S. Department of Commerce-Construction ; [B] National Association of Realtors® (NAR®)

Return TOC

New Housing Starts

	Total Starts*	Single-Family Starts	Multi-Family 2-4 unit Starts	Multi-Family 5 or more unit Starts
February	897,000	593,000	5,000	297,000
January	1,081,000	697,000	7,000	379,000
2014	928,000	589,000	11,000	328,000
M/M change	-17.0%	-14.9%	-28.6%	-21.6%
Y/Y change	-3.3%	0.7%	-54.5%	-9.5%

* All start data are presented at a seasonally adjusted annual rate (SAAR)

Source: U.S. Department of Commerce-Construction: www.census.gov/construction/nrc/pdf/newresconst.pdf

Return TOC

New Housing Permits and Completions

	Total Permits*	Single-Family Permits	Multi-Family 2-4 unit Permits	Multi-Family 5 or more unit Permits
February	1,092,000	620,000	27,000	445,000
January	1,060,000	661,000	28,000	371,000
2014	1,014,000	603,000	24,000	387,000
M/M change	3.0%	-6.2%	-3.6%	19.9%
Y/Y change	7.7%	2.8%	12.5%	15.0%

	Total Completions*	Single-Family Completions	Multi-Family 2-4 unit Completions	Multi-Family 5 or more unit Completions
February	850,000	595,000	9,000	236,000
January	986,000	677,000	19,000	302,000
2014	866,000	617,000	14,000	240,000
M/M change	-13.8%	-12.1%	171.4%	-21.9%
Y/Y change	-1.8%	-3.6%	111.1%	-1.7%

Source: U.S. Department of Commerce-Construction: www.census.gov/construction/nrc/pdf/newresconst.pdf

* All data are SAAR

Return TOC

New and Existing House Sales

	New Single-Family Sales*	Median Price	Month's Supply	Existing House Sales B*	Median Price B	Month's Supply B
February	539,000	275,500	4.7	4,880,000	$202,600	4.6
January	500,000	289,400	4.7	4,820,000	$197,600	4.6
2014	432,000	283,400	5.2	4,660,000	$188,300	5.0
M/M change	7.8%	-4.8%	-7.8%	1.24%	2.5%	--
Y/Y change	24.7%	-2.8%	-9.6%	4.7%	7.5%	-8.0%

* All sales data are SAAR

Source: U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf;
B NAR® www.realtor.org/topics/existing-home-sales; 2/23/15

Return TOC

Existing House Sales

National Association of Realtors (NAR®)[B]

February 2015 sales data: 4.880 million houses sold (SAAR)

Distressed house sales: 11% of sales –

(8% foreclosures and 3% short-sales);

11% in January and 16% in February 2014.

All-cash sales: decreased to 26%; 35% in February 2014.

Investors are still purchasing a substantial portion of
“all cash” sale houses – 14% in February,
17% in January and 21% in February 2014.

67% of investors paid cash in February.

First-time buyers: 29% (28% in January)
and were 28% in February 2014

Source: [B] NAR® www.realtor.org/topics/existing-home-sales; 2/23/15

Return TOC

February 2015 Construction Spending

February 2015 Private Construction: $349.852 billion (SAAR)

-0.2% less than the revised January estimate of $350.469 billion (SAAR)
-2.1% less than the February 2014 estimate of $357.267 billion (SAAR)

February SF construction: $203.867 billion (SAAR)
-1.4% less than January: $206.826 billion (SAAR)
9.7% greater than February 2014: $185.822 billion (SAAR)

February MF construction: $50.869 billion (SAAR)
4.1% more than January: $48.885 billion (SAAR)
31.5% greater than February 2014: $38.671 billion (SAAR)

February Improvement[C] construction: $95.116 billion (SAAR)
0.3% more than January: $94.758 billion (SAAR)
-28.4% less than February 2014: $132.774 billion (SAAR)

[C] The US DOC does not report improvements directly, this is an estimation. All data is SAAR and is reported in nominal US$.

Source: U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf

Return TOC

Conclusions

February housing data was mixed – as to be expected for a winter month. The bright spot was new single-family house sales. For most of the data reported, we must remind ourselves that we are well below historical averages in most of these categories.

Housing, obviously, reacts to the overall economy; when the economy improves, we should expect to see most housing sectors improve as well. As written in previous months, the near-term outlook on the U.S. housing market remains unchanged – there are potentially several negative macro-factors or headwinds at this point in time for a robust housing recovery (based on historical long-term averages).
Why?

1) Lack-luster household formation,
2) A constrained quantity of well-paying jobs being created,
3) a sluggish economy,
4) declining real median annual household incomes,
5) strict home loan lending standards, and
6) global uncertainty

Return TOC

January 2015
EU Housing Scorecard

		M/M	Y/Y
Production in Construction[A]	EU 28	△ 1.0%[s]	△ 1.4%[s]
	EU 18	△ 1.9%[s]	△ 3.0%[s]
	Germany	△ 5.0%	△ 0.7%
	France	▽ 0.2%	▽ 0.2%
	UK	▽ 2.8%[p]	▽ 3.3%[p]
	Spain	△ 1.8%[ps]	△ 13.1%[p]
Building permits (m^2 floor)[A]	EU 28	-.-	-.-
	EU 18	▽ 6.0%[(10)]	▽ 11.4[(10)]
	Germany	▽ 1.5%[s(12)]	▽ 7.3%[(12)]
	France	▽ 9.0%[s]	▽ 15.8%[e]
	UK	-.-	-.-
	Spain	▽ 21.3[s(10)]	▽ 19.5[(10)]

M/M = month-over-month; Y/Y = year-over-year

Source: Eurostat (http://ec.europa.eu/eurostat/web/short-term-business-statistics/data/main-tables),
[A] see http://ec.europa.eu/eurostat/web/short-term-business-statistics/overview/sts-in-brief
[e] estimate, [s] Eurostat estimate, [p] provisional, [-.-] no data available, [(10)] October data

Return TOC

Housing comments – February, 2015

- *February starts fell 17% (to 0.892 million, annual rate) from previous month, with single family coming in at 0.593 million (SAAR) – a weak month made worse by bad weather.*
- Multi family continues to be the driver (35% of this month's starts) – rental prices are increasing – single family sales remain weak and is having a big impact on wood product prices. This may not change for some time due to the evolving "two tiered economy".
- Economic issues - slowing world economy; sub-par domestic job market; sluggish income growth; continuing tight domestic credit environment ; recession in Europe and facing growing deflation concerns.
- *Main problem (short term) continues to be the job market. Unemployment rate keeps coming down, but \often this is due to people leaving the workforce. Longer term – makeup of U.S. economy is changing and this is impacting spending patterns and housing choices.*
- *In addition, there are growing concerns that the job market is undergoing long term – structural – changes. Automation seems to be reducing job prospects for the larger middle class while creating jobs for the (currently) smaller highly skilled and less skilled sectors . End result is stagnating family incomes that could translate to lower total housing demand with more emphasis on multi family/rental demand.*

Return TOC

Another thorny issue --Currency devaluations seem to be the preferred solution to address deflationary concerns in many countries today – central banks in Europe and Japan are following the U.S. with quantitative easing/printing money, to spur demand by weakening their currencies. Good article in WSJ suggesting that the "low inflation world" is really a symptom of too much capacity relative to demand, and the solution isn't currency devaluation.

Return TOC

“Musical chairs and currency devaluations –

Today, we’re seeing various countries (Europe, Japan, and the latest, Canada) lowering interest rates to weaken their currencies to spur export and general economic growth. Consequently, U.S. dollar strengthens, and when we raise rates, the dollar will strengthen even more (it gained 15% against our trading partners in 2014). There is a growing concern in some countries (Europe, Japan) about outright deflation (i.e., 1930’s). In others, with disinflation – slower price increases -- U.S., Canada, China, …… Falling energy prices are a factor. This creates problems with debtor countries (all of the above except China) as it’s much easier to repay debt in an inflationary environment. Problem is that all of us can’t deflate our currencies! So, we get a ‘race to the bottom”, and play “musical chairs” hoping we’re not left “standing when the music stops.” In the past, the U.S. could play the role of the world’s economic engine – today, we’re just not economically strong enough. E.g., our debt situation is growing more serious as public debt To GDP ratio exceeds 70% - as interest rates rise, debt servicing costs become a serious burden forcing tough spending decisions. Here is what I hate about interest on national debt – you’re paying for something you already consumed. If the debt was incurred by investing in our future (e.g., infrastructure, education, highways, technology), OK – you will get a positive return on that investment via higher productivity, job creation, and higher standard of living. But, most of our debt was from overspending, too much consumption, …. Foreign countries, some that don’t necessarily like us, are more than happy to loan us money to buy things we can’t afford.

Return TOC

“Low inflation world” is symptom of weak demand as noted by recent WSJ article – this could be a structural /long term problem

One solution --- technology that spawns new industries that fulfill demands not currently met by existing products – weak demand is the problem.

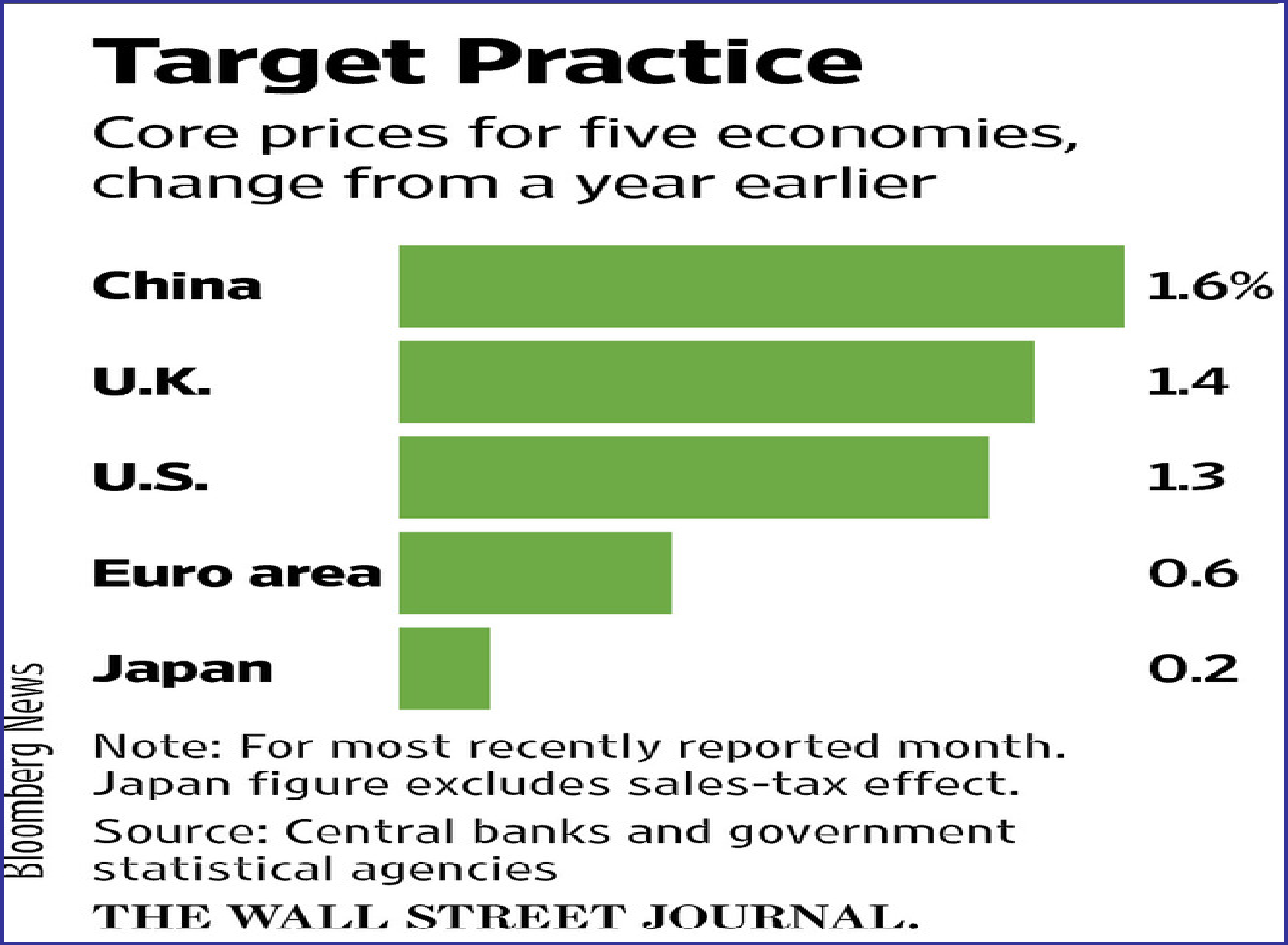
The problem is primarily due to excess capacity relative to demand – WSJ.

The answer to weak growth isn’t currency devaluation – it’s growing/creating demand for products, services, etc. That means investment, product development – this requires research, infrastructure spending , tax reform, better education. This is a structural problem that will take years/decades to remedy, and unfavorable demographics in Europe, Japan, and the USA are going to make this more challenging. The world needs new industries based on new products – this creates needed demand and jobs. “Necessity is the mother of invention”. Find the needs that aren’t being met by existing products.

E.g., New technology and innovations create new products/services desired by consumers and demand for such products will create jobs, income, … E.g., Apple products do this all the time. Other examples include new medical devices/products; computing innovations; 3D printing, .. Prior examples include the jet engine; cotton gin; model T Ford; MMM’s numerous innovations; the telephone; ---- each invention spawned new industries creating jobs to produce desired products – new technology could help us solve the demand problem, but we need to do the research to develop these new technologies, and we need a supportive government and tax system that can help create an environment that encourages innovation, risk taking, etc.

Return TOC

Low inflation on this scale is a symptom of weak demand – printing money won't solve the problem – like "pushing on a string" – solution is new products, new Industries – this requires R&D; infrastructure investment; better education;… And, a government supporting a business environment that encourages risk Taking, innovation, …. (tax and regulatory reform would be good start)



(http://www.wsj.com/articles/for-the-fed-its-a-cold-world-out-there-heard-on-the-street-1426015361?KEYWORDS=a+cold+world+out+there+for+the+fed)

Return TOC

Two tiered economy* – where the U.S. is headed, and what It could mean for consumption patterns and demand for housing

See interesting article in WSJ - "Two tiered economy reshapes the marketplace" WSJ January 25, 2015, Page A1. (http://www.wsj.com/articles/how-a-two-tier-economy-is-reshaping-the-u-s-marketplace-1422502201?KEYWORDS=two+tiered+economy+reshapes)

Following are some slides from that article that suggests the U.S. economy Is evolving into a 'two tiered economy" – the well off and the not so well off. We have discussed this before in our housing notes – e.g., stagnant household incomes; more people underemployed; low income jobs with few benefits; ……

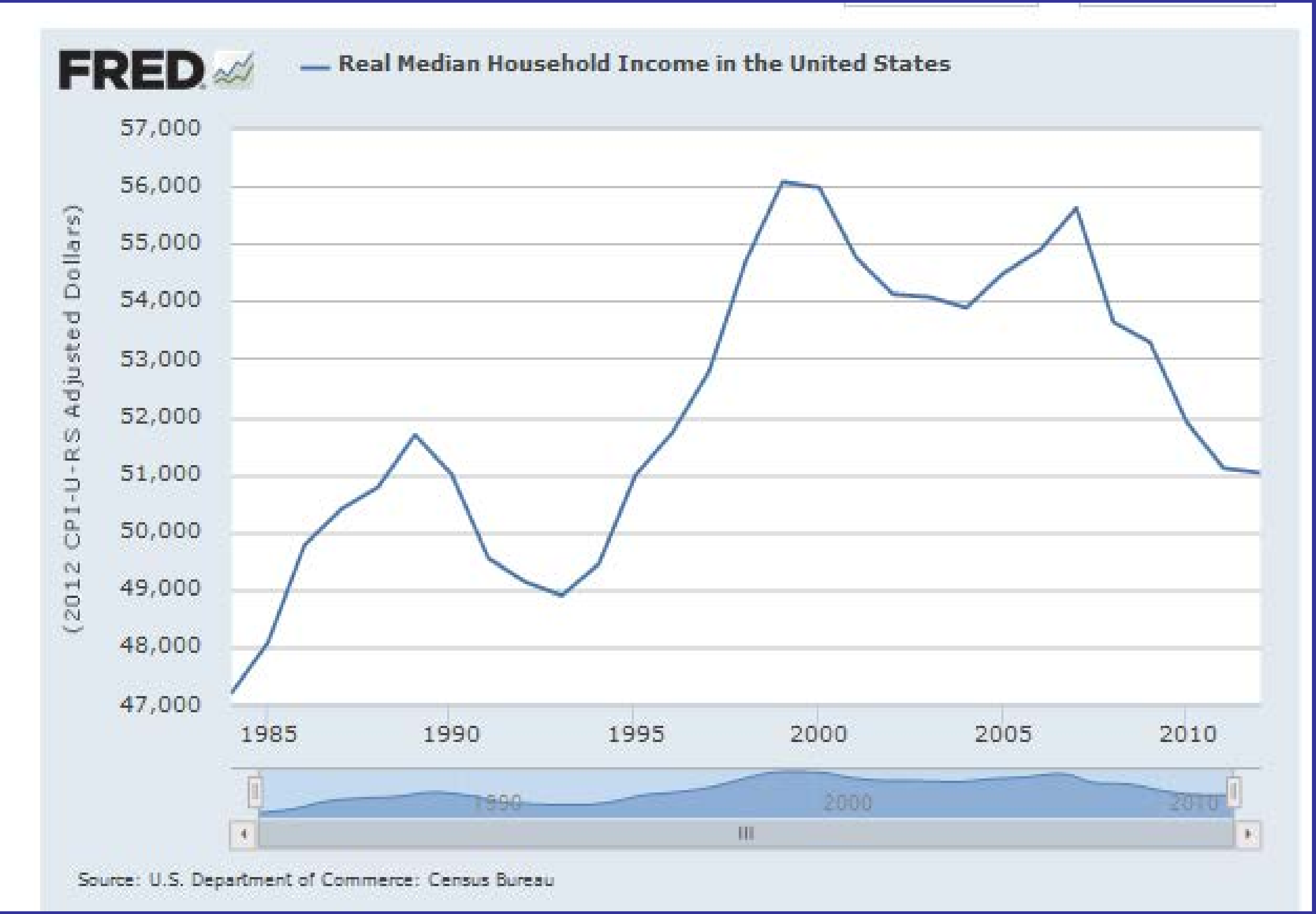
The bottom line is that consumption patterns are changing as well as demand for shelter. We may not see a return to the 'good old days" for housing? We may see continuing demand for larger, more expensive single family homes, but, total demand will remain below trend (1.5 million) as rental demand remains strong.

*Wealthy households advancing while middle income and lower income people struggle

Return TOC

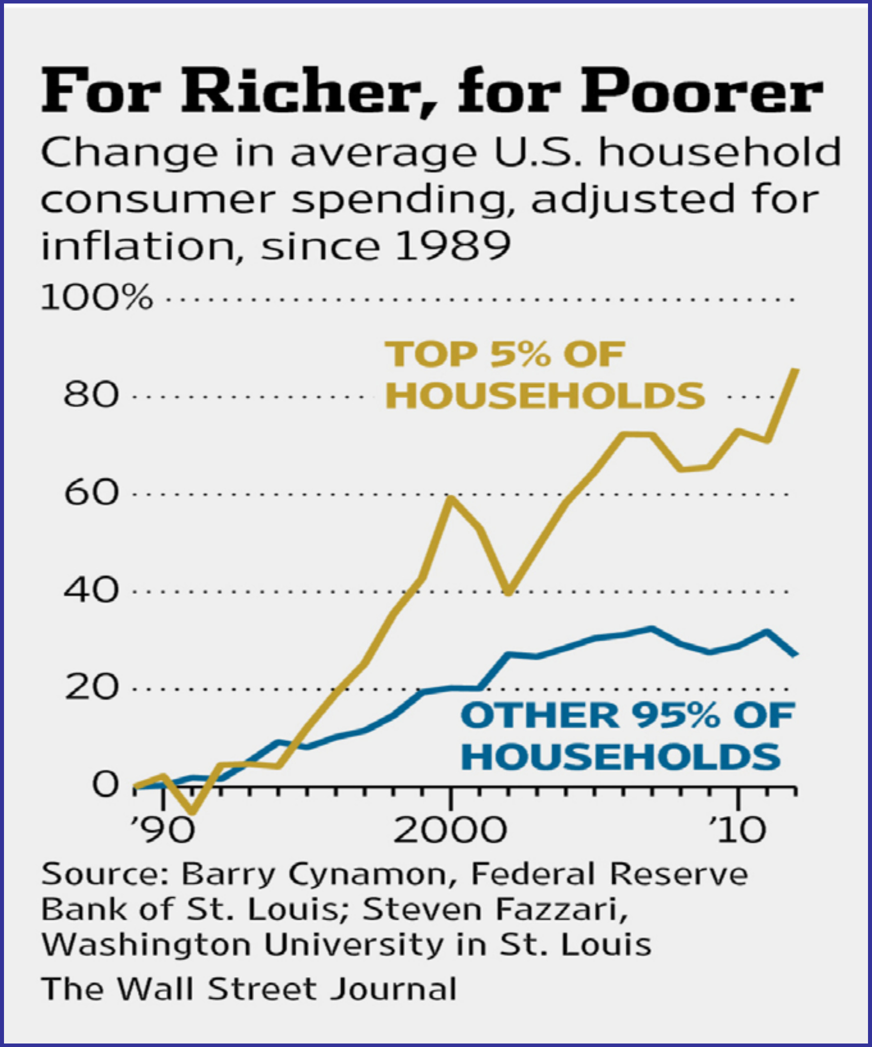
1st, just a reminder what has happened to incomes over the past twenty years ---

real incomes have been shrinking for the past 20 years



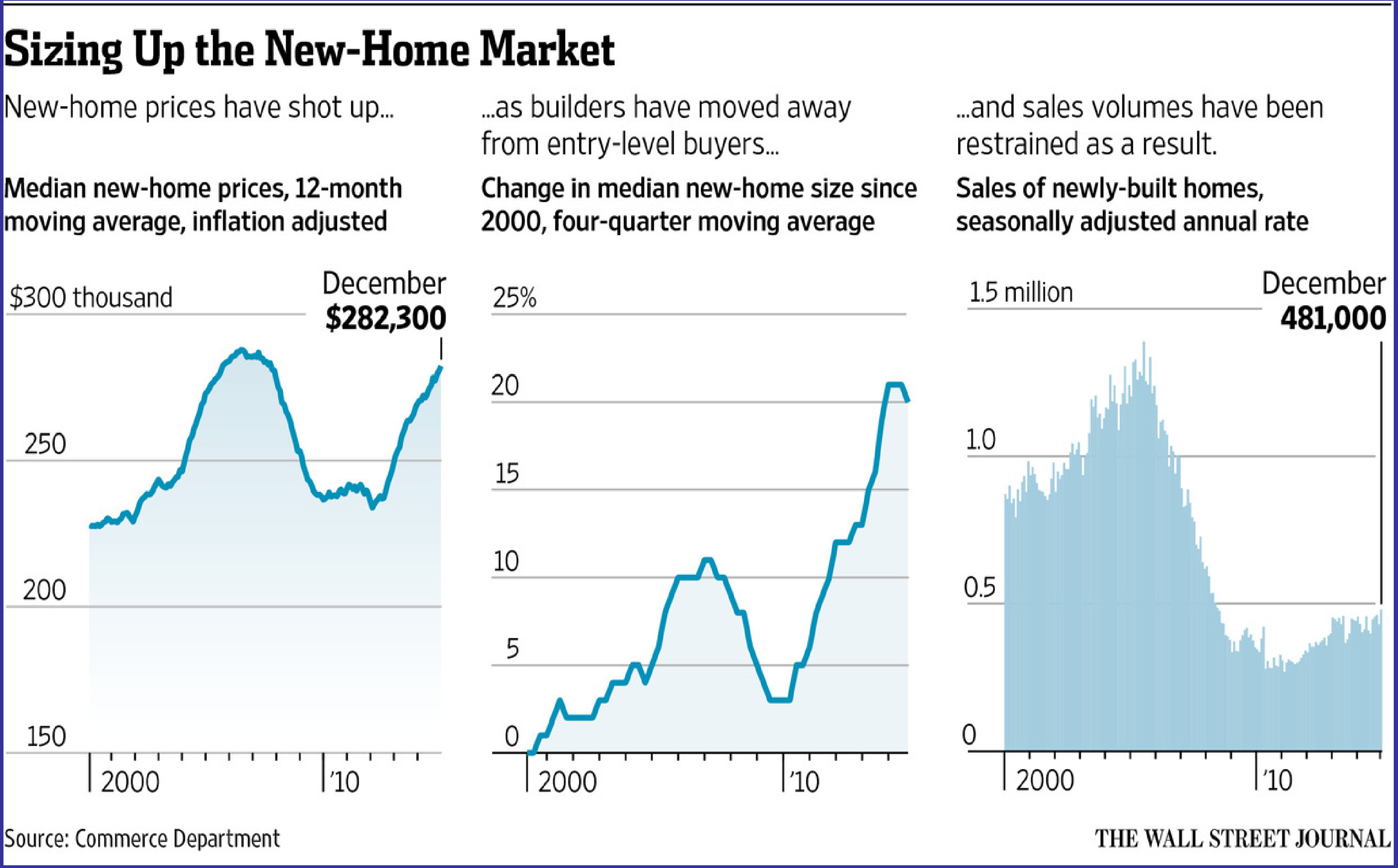
Return TOC

Consumer spending trends reflect changing income patterns of U.S. population - therefore, many businesses are reorienting to serve higher income buyers. E.g., luxury retail sales, hotels, cars doing well, even premium beer sales are booming, but rest of economy not doing as well.



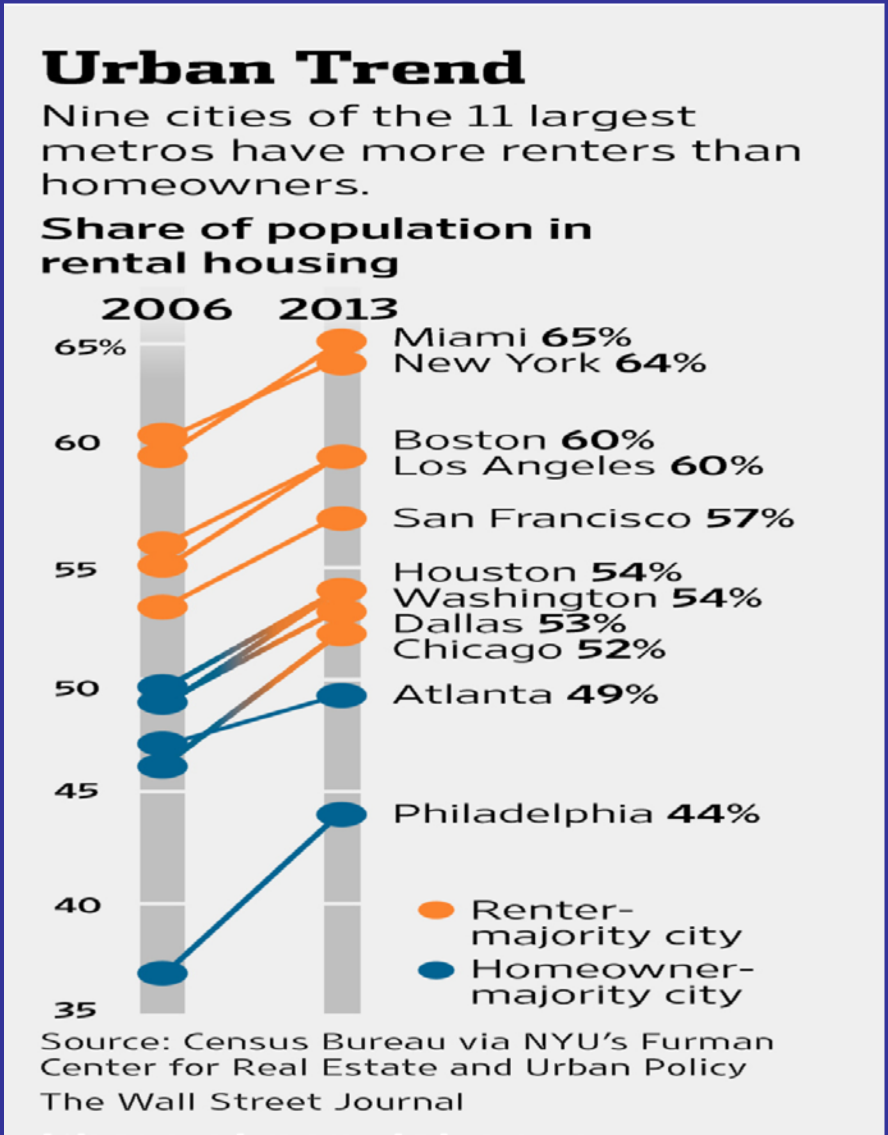
Source: WSJ (http://www.wsj.com/articles/how-a-two-tier-economy-is-reshaping-the-u-s-marketplace-1422502201?KEYWORDS=two+tiered+economy+reshapes)

Also means shifting makeup for single family housing resulting in increased demand for bigger and more expensive houses with lower demand for entry level --- bottom line --- fewer housing starts/sales (and thus demand for wood products)



Source: WSJ (http://www.wsj.com/articles/how-a-two-tier-economy-is-reshaping-the-u-s-marketplace-1422502201?KEYWORDS=two+tiered+economy+reshapes)

Another result --- rental demand keeps increasing



Source: WSJ (http://www.wsj.com/articles/renters-are-majority-in-big-u-s-cities-1423432009?KEYWORDS=shift+to+renting)

Return TOC

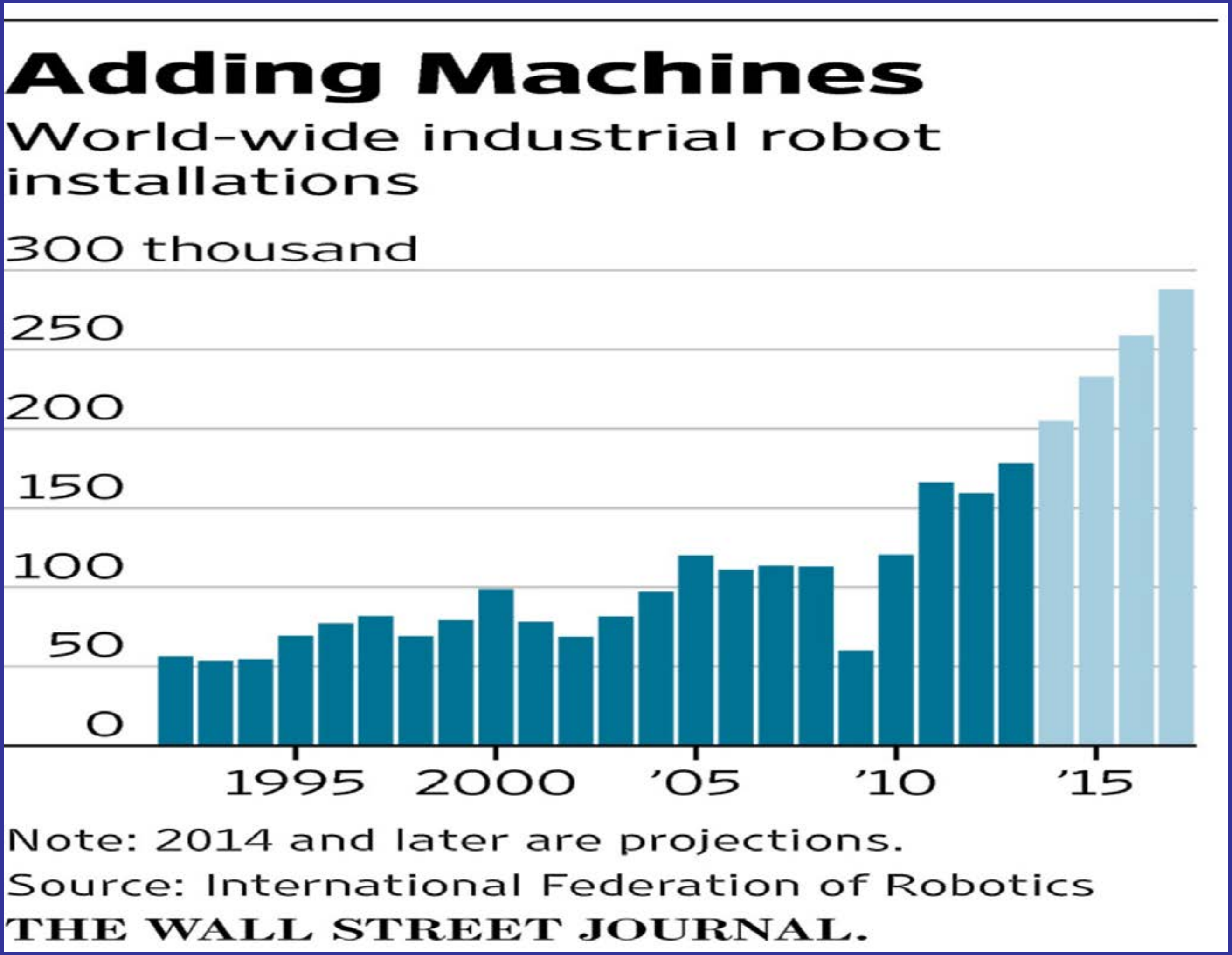
Another issue impacting housing demand- automation and robots are reshaping workforce opportunities

Interesting article in WSJ suggesting that technology is creating more opportunities for highly skilled and lower skilled workers, but is displacing people in the middle (i.e., the middle class). That's one reason why median family incomes have stagnated over the past two decades and may not return.
(http://www.wsj.com/articles/what-clever-robots-mean-for-jobs-1424835002?KEYWORDS=jobs+and+the+clever+robot)

This has implications for housing demand - lower total demand, but higher demand for luxury housing and rental housing. Similar to findings in "two tiered economy" article on previous slide?

Return TOC

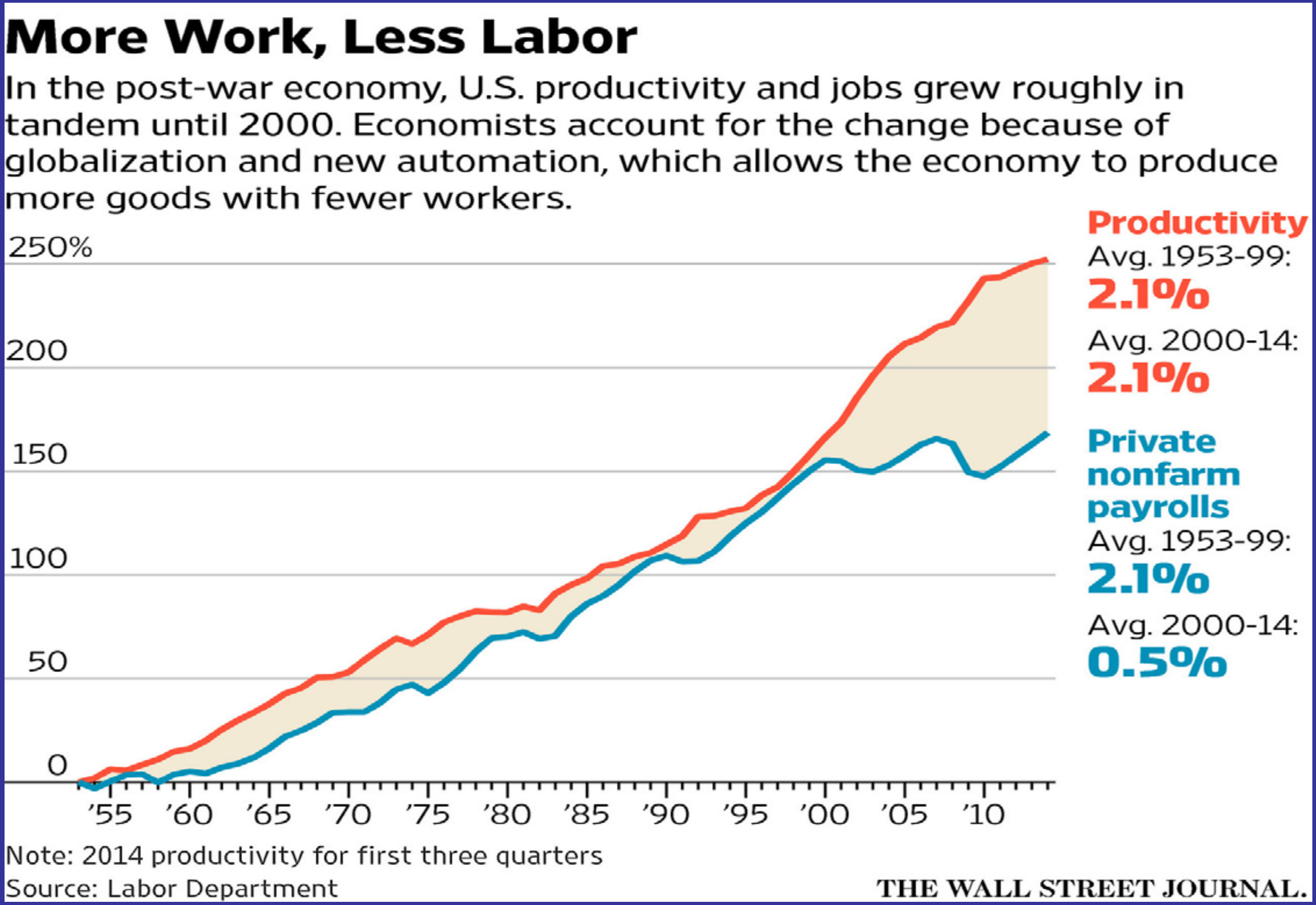
Automation/robots may be main reason middle class is doing so poorly – many new jobs are created at the high end and at the low end of the job market with many middle class /manufacturing jobs disappearing. End result is lower total job creation! E.g., manufacturing sector employment has fallen from 25% in the 1980's to 14% today.



http://www.wsj.com/articles/what-clever-robots-mean-for-jobs-1424835002?KEYWORDS=jobs+and+the+clever+robot

Return TOC

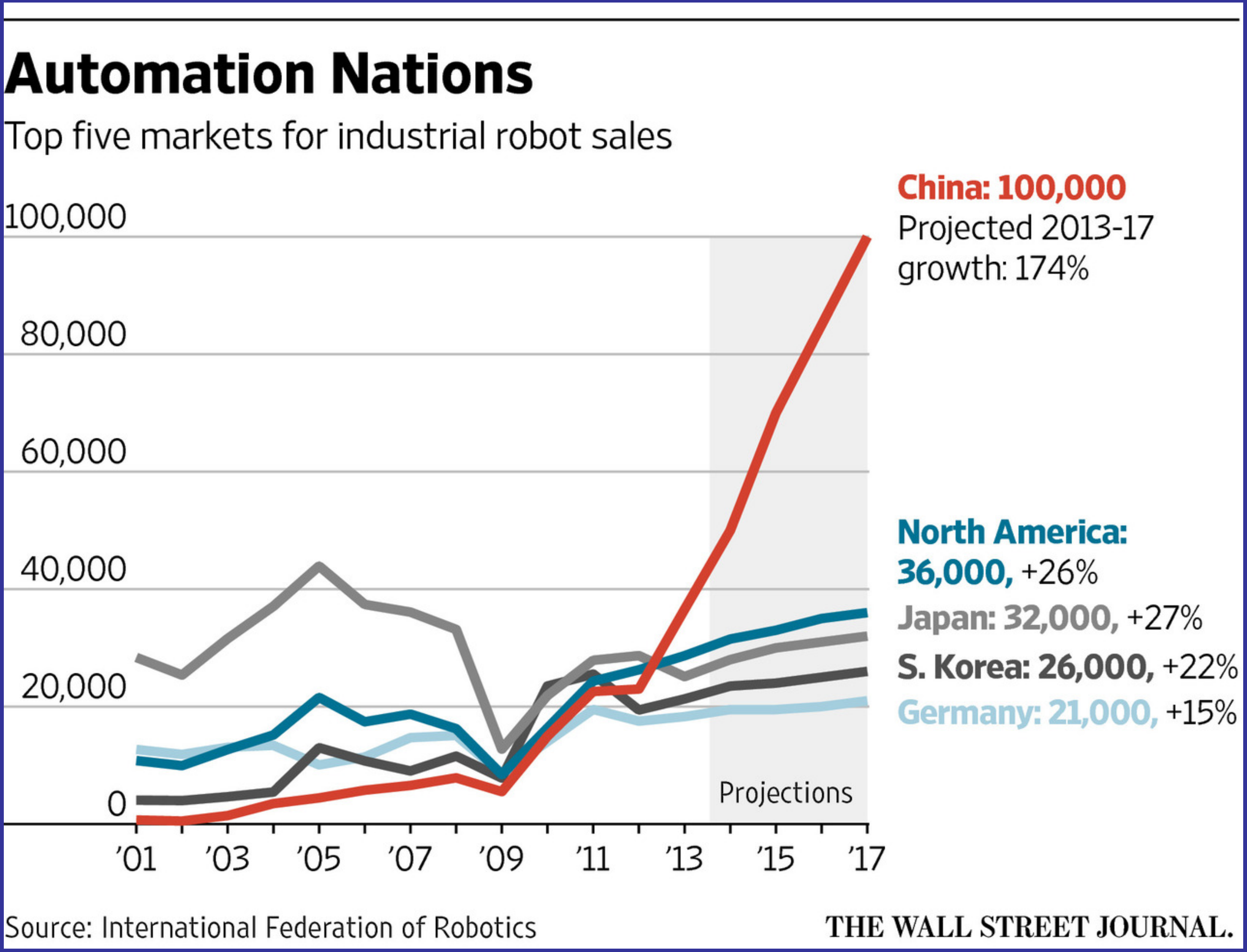
This sort of scenario could continue until new technology and innovations create new products/services desired by consumers. I.e., demand for such products will create jobs, income, … E.g., Apple products do this all the time. Other examples include new medical devices/products; computing innovations; .. Prior examples include the jet engine; cotton gin; model T Ford; MMM's numerous innovations; the telephone; ---- each invention spawned new industries creating jobs to produce desired products



(http://www.wsj.com/articles/what-clever-robots-mean-for-jobs-1424835002?KEYWORDS=jobs+and+the+clever+robot)

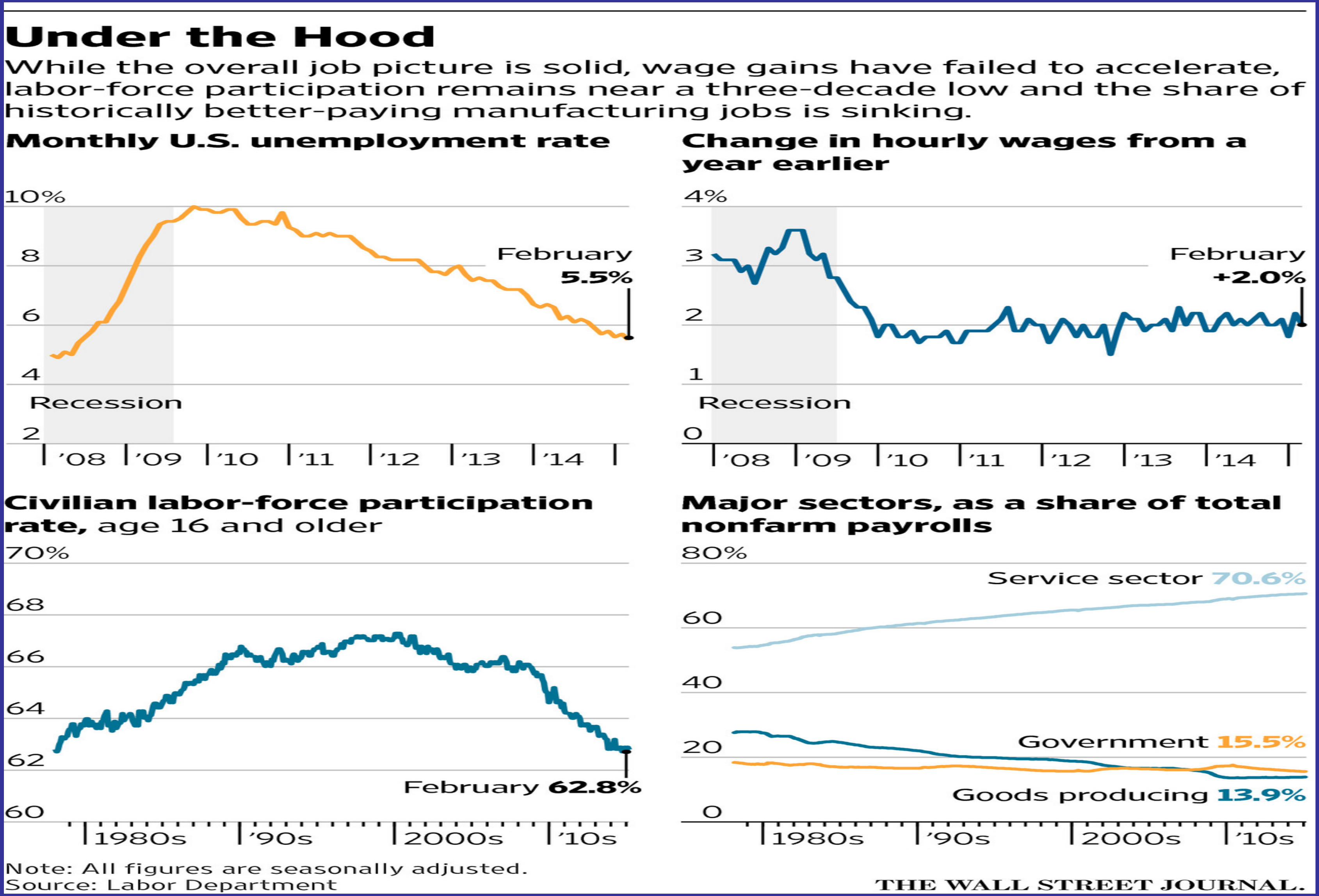
Return TOC

Unfortunately, we're falling behind – we're not investing enough
In our future



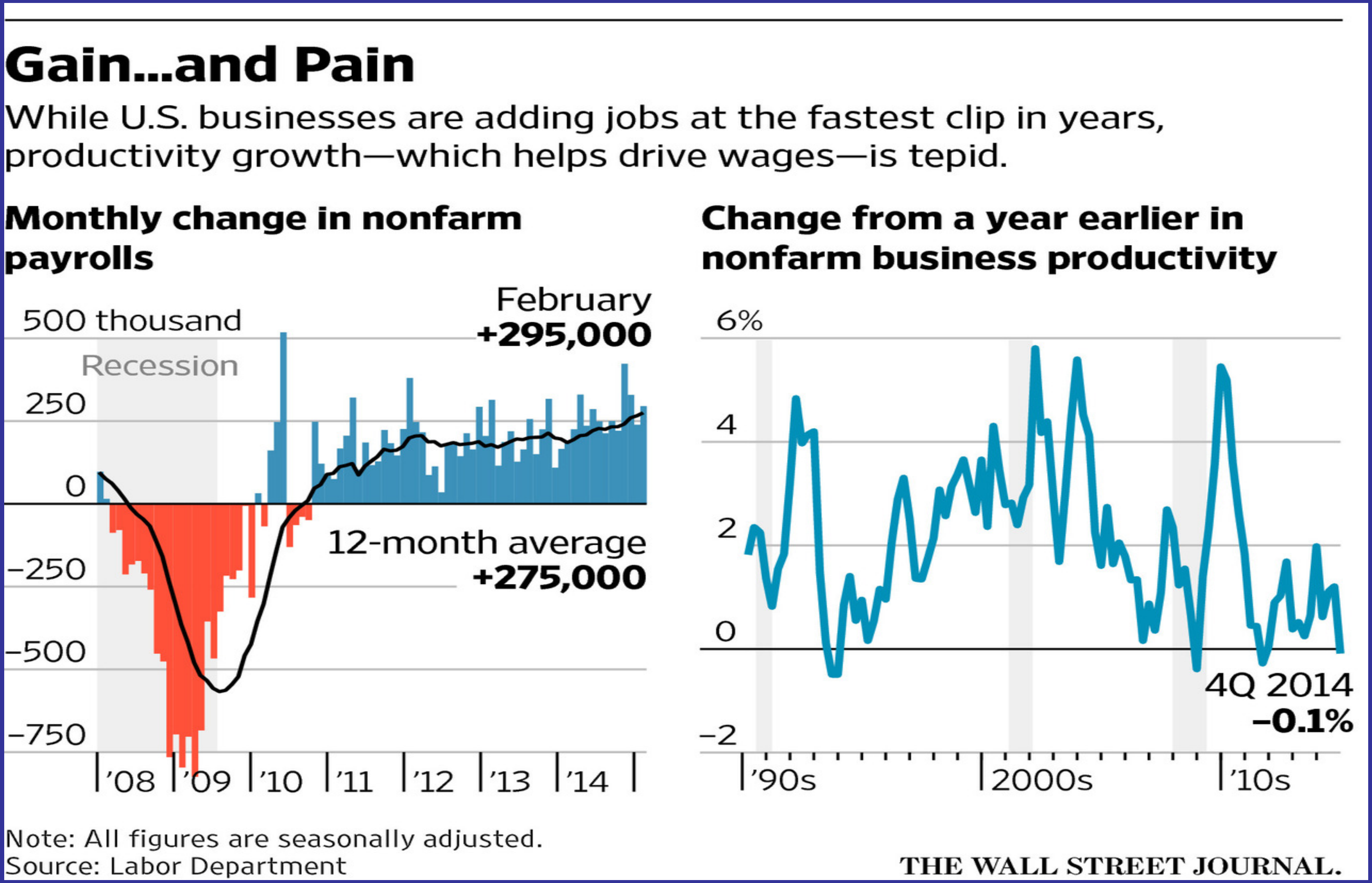
Return TOC

The job market is not as good as the falling unemployment numbers suggest



Source: WSJ (http://www.wsj.com/articles/jobs-report-u-s-adds-295-500-jobs-unemployment-falls-to-5-5-1425648924?KEYWORDS=brisk+jobs+growth+puts+fed+on+notice)

More jobs are being created , but productivity not increasing – this may be why wages are stagnant and standard of living stalled. Ultimately, higher productivity is what enables industry to pay higher wages which promotes higher standards of living – one reason business are not investing is "uncertain future" stemming partly from dysfunctional "Washington"

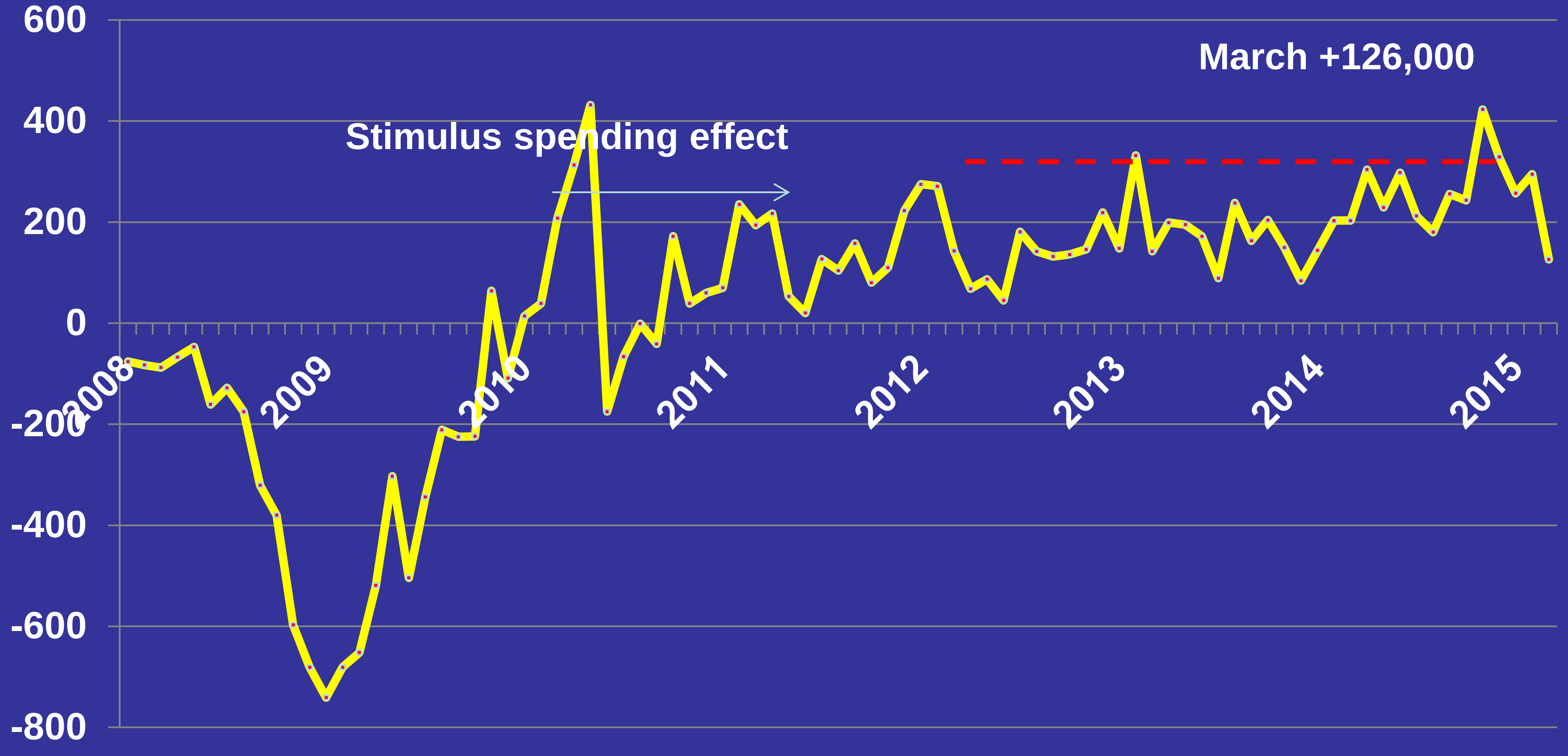


Source: WSJ (http://www.wsj.com/articles/jobs-report-u-s-adds-295-500-jobs-unemployment-falls-to-5-5-1425648924?KEYWORDS=brisk+jobs+growth+puts+fed+on+notice)

Return TOC

Employment situation - our biggest problem - it’s getting better, but quality jobs remain scarce, and inflation adjusted wage growth has been weak for almost two decades.

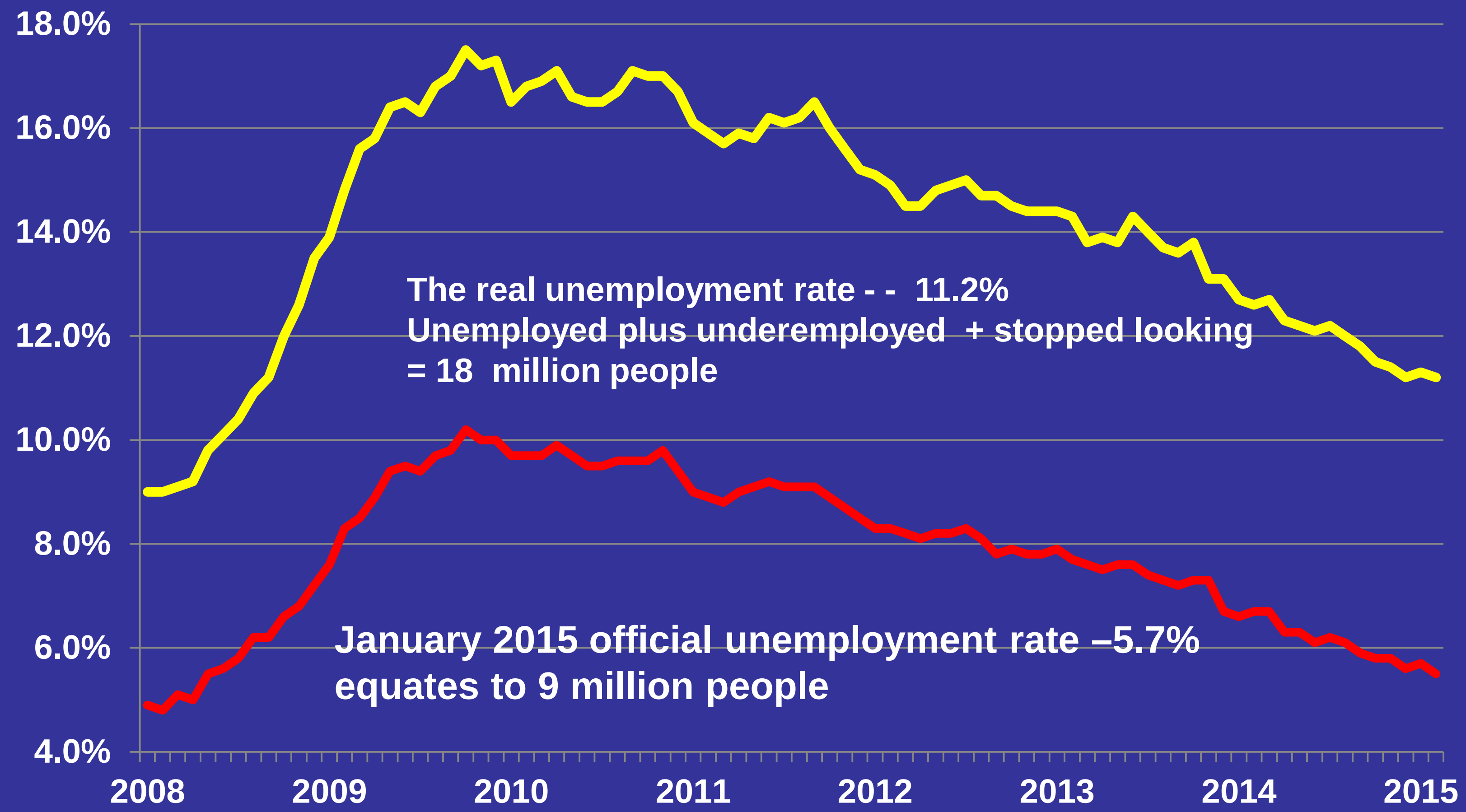
Net change in non farm payrolls – monthly, thousands



Source: U.S. BLS (www.bls.gov)

Unemployment rate keeps coming down – but, nearly 7 million remain "underemployed" – working part time, but want full time jobs

**There are about 18 million people either unemployed , underemployed, or stopped Looking –



Source - - BLS: http://www.bls.gov/news.release/pdf/empsit.pdf; http://data.bls.gov/cgi-bin/surveymost?ln

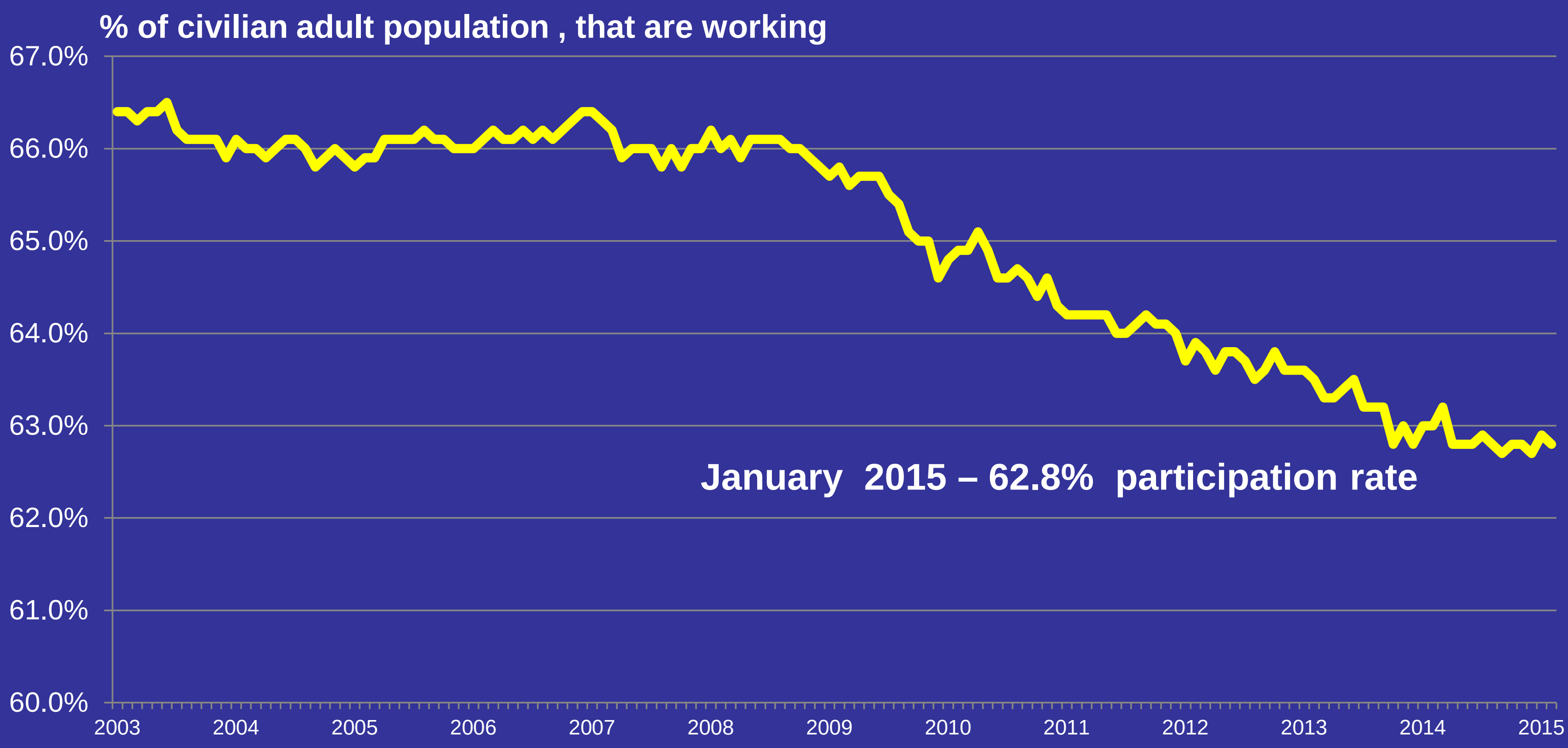
Return TOC

Yes, unemployment rate is now below 6%, but income growth is missing (yes, it is starting to pick up, but very slowly). E.g., inflation adjusted income today is the same as it was twenty years ago. I.e., There has been no improvement in median family income over the past two decades. That's why many people believe we are still in a recession, and consumer confidence remains relatively weak.

Just a reminder, consumer spending is 70% of the economy, and without real income growth, spending can't grow very fast!!

Return TOC

Labor force participation rate is shrinking – demographics is probably the main reason – we'll see skilled labor shortages increase over the next decade - we're already seeing construction related shortages with brick layers, masons, electricians, plumbers, etc. Solution – revamp our education system (a 4 year degree isn't for everyone – 2 year community colleges, vocational schools, are better fit for many) and we could do a better job with immigration policies too.



Source: BLS

Return TOC

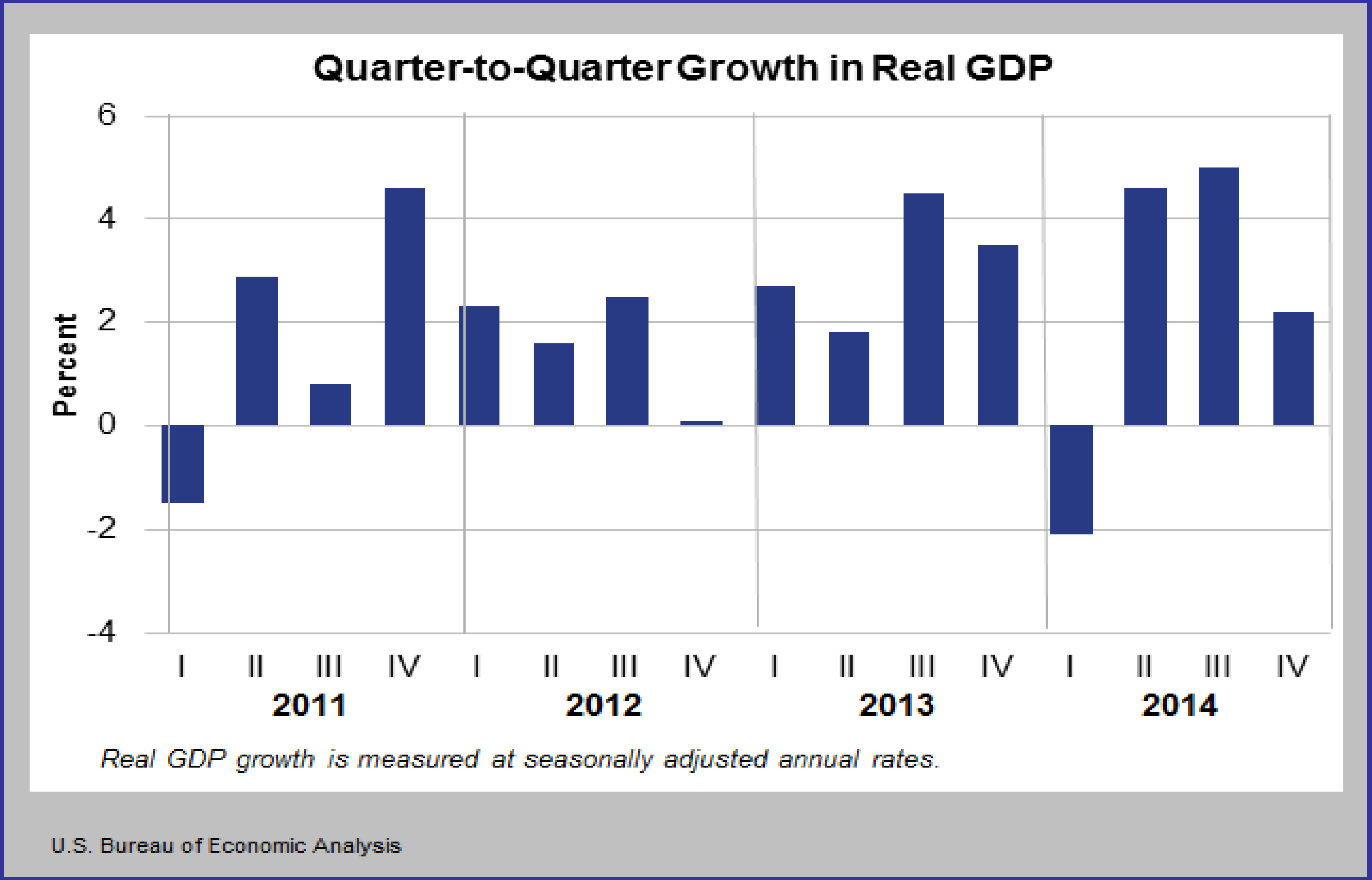
Economic growth of 2.2% – 4th qtr 2014 – My guess for 2015 is 3% at best

Impact of less FED stimulus still unknown . There are serious headwinds –

(1) Slowing world economy (European recession; weaker China growth)

(2) Stronger dollar will reduce exports and increase imports – negative impact on manufacturing jobs which is key to income growth in USA

(3) Political stalemate, terrorism, currency wars, growing national debt, ...

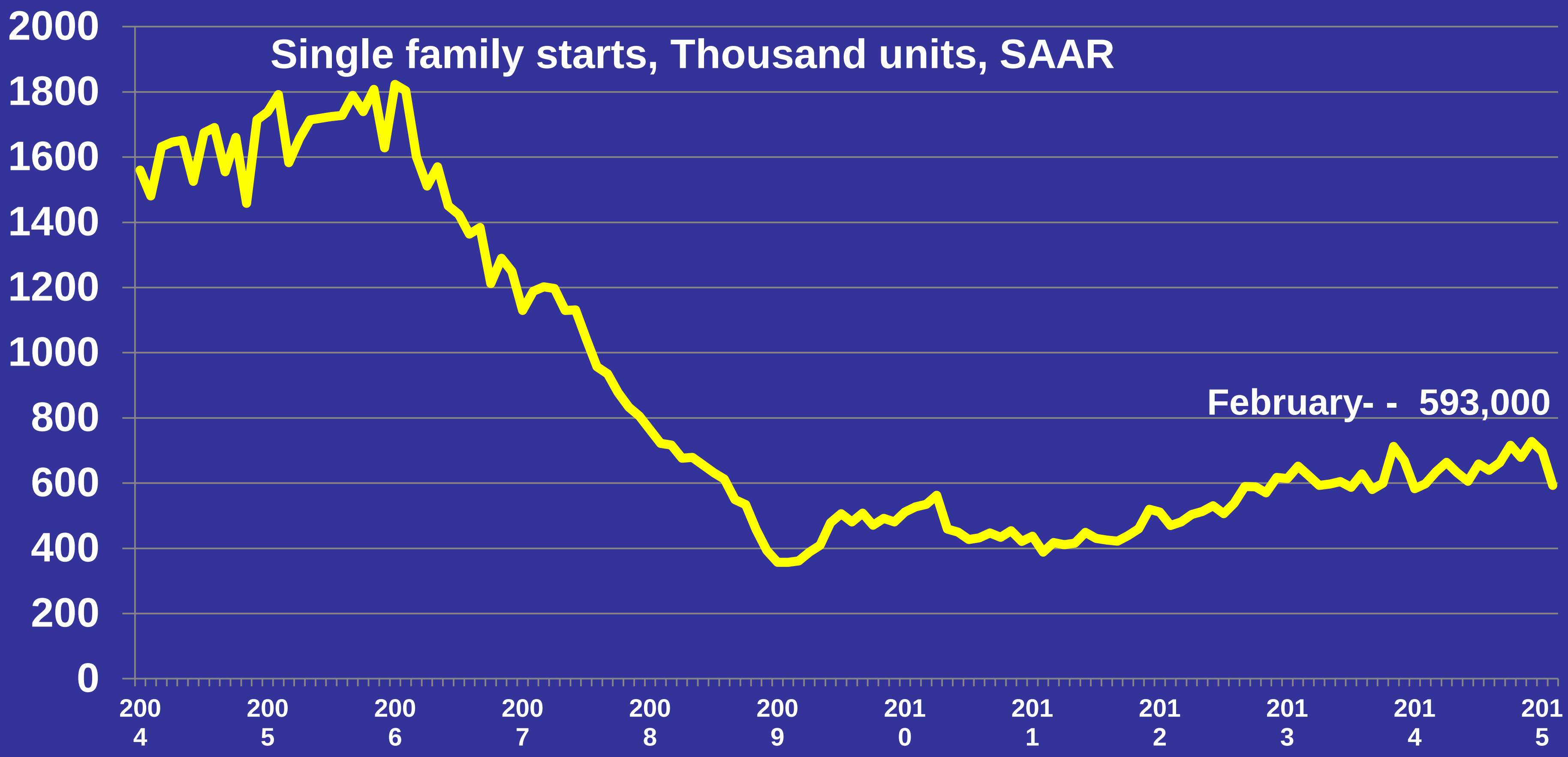


Source: BEA (http://www.bea.gov/newsreleases/national/gdp/gdp_glance.htm)

Return TOC

Recent Housing statistics

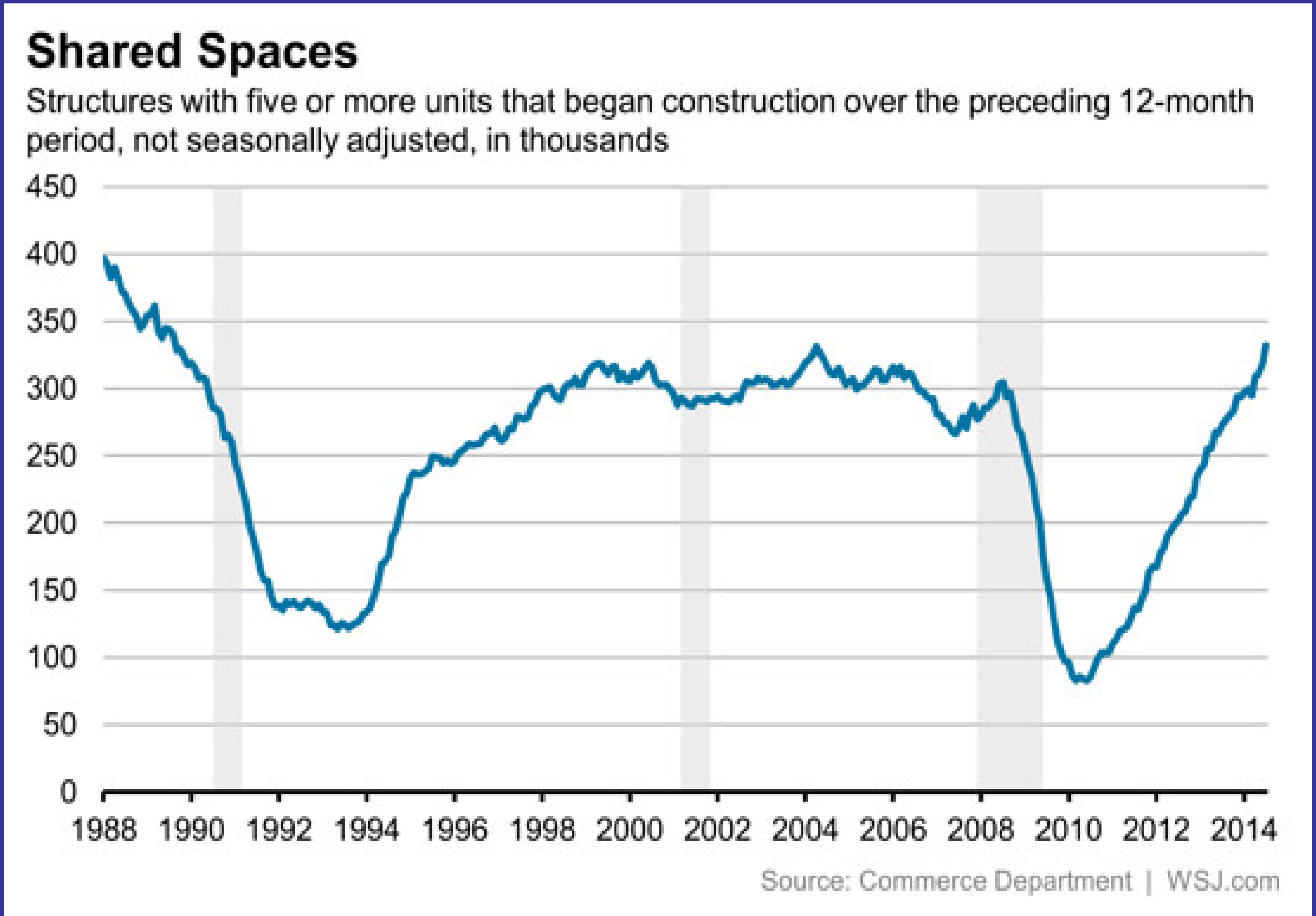
Starts are inching forward – I'm concerned that the Feds will 'grease the wheels" again – e.g., Fannie and Freddie, FHA --- lowering down payment requirements and premiums on mortgage insurance, …. I guess they forgot what happened in 2008?



Source: Census (http://www.census.gov/const/www/newresconstindex.html)

Return TOC

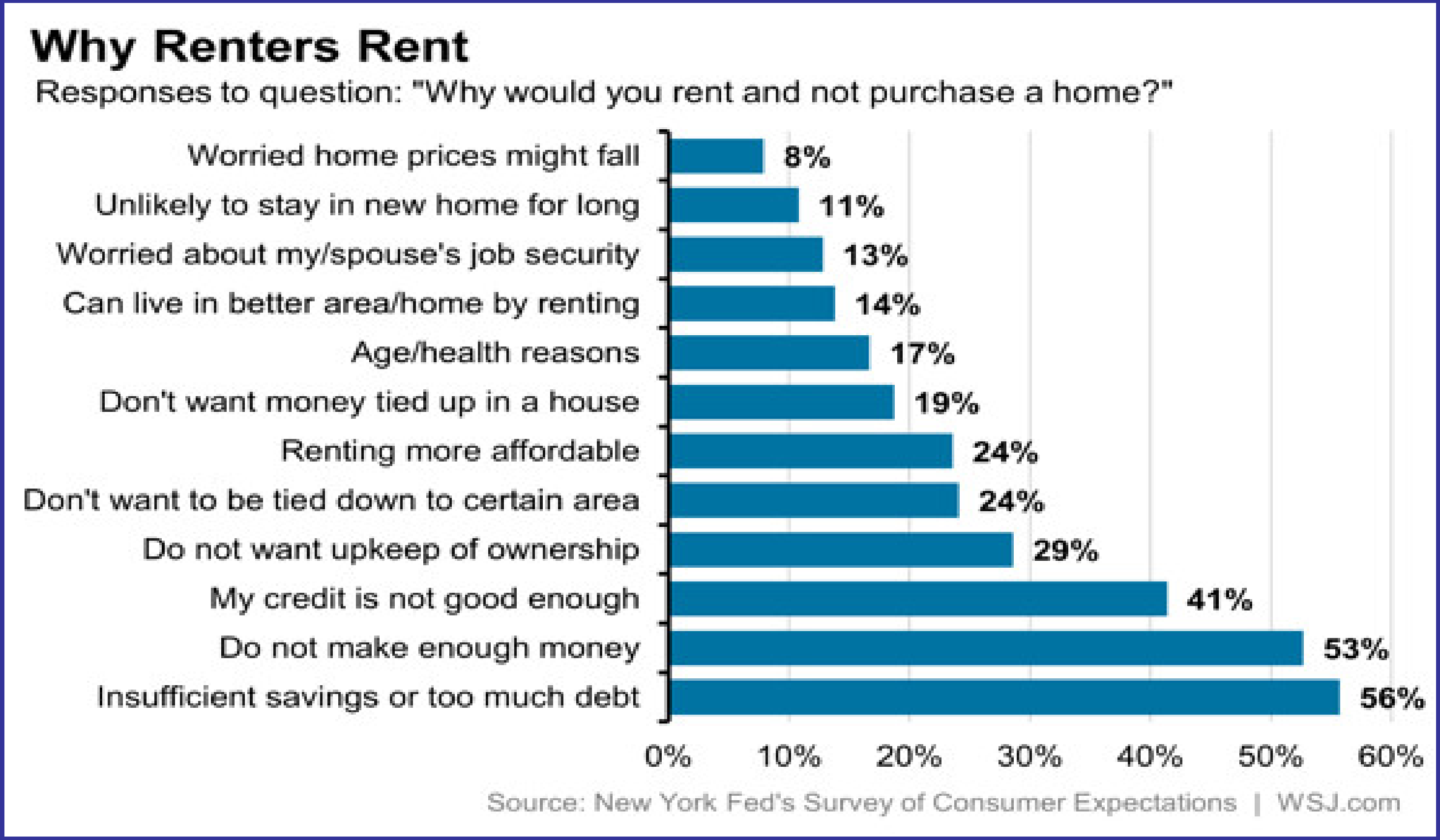
Multi family continues to strengthen – this trend should continue until the jobs picture improves and real incomes advance. Housing purchase depends on affordability (price, mortgage rates), and credit worthiness - mortgage rates are favorable, but too many Americans have poor credit (too much debt, low income, etc.) and, the lenders have tightened the rules. And, prices are on the rise!!



Source: WSJ (http://blogs.wsj.com/economics/2014/08/19/with-rentals-in-fashion-apartment-construction-hits-25-year-high/?mod=WSJBlog&mod=marketbeat)

Return TOC

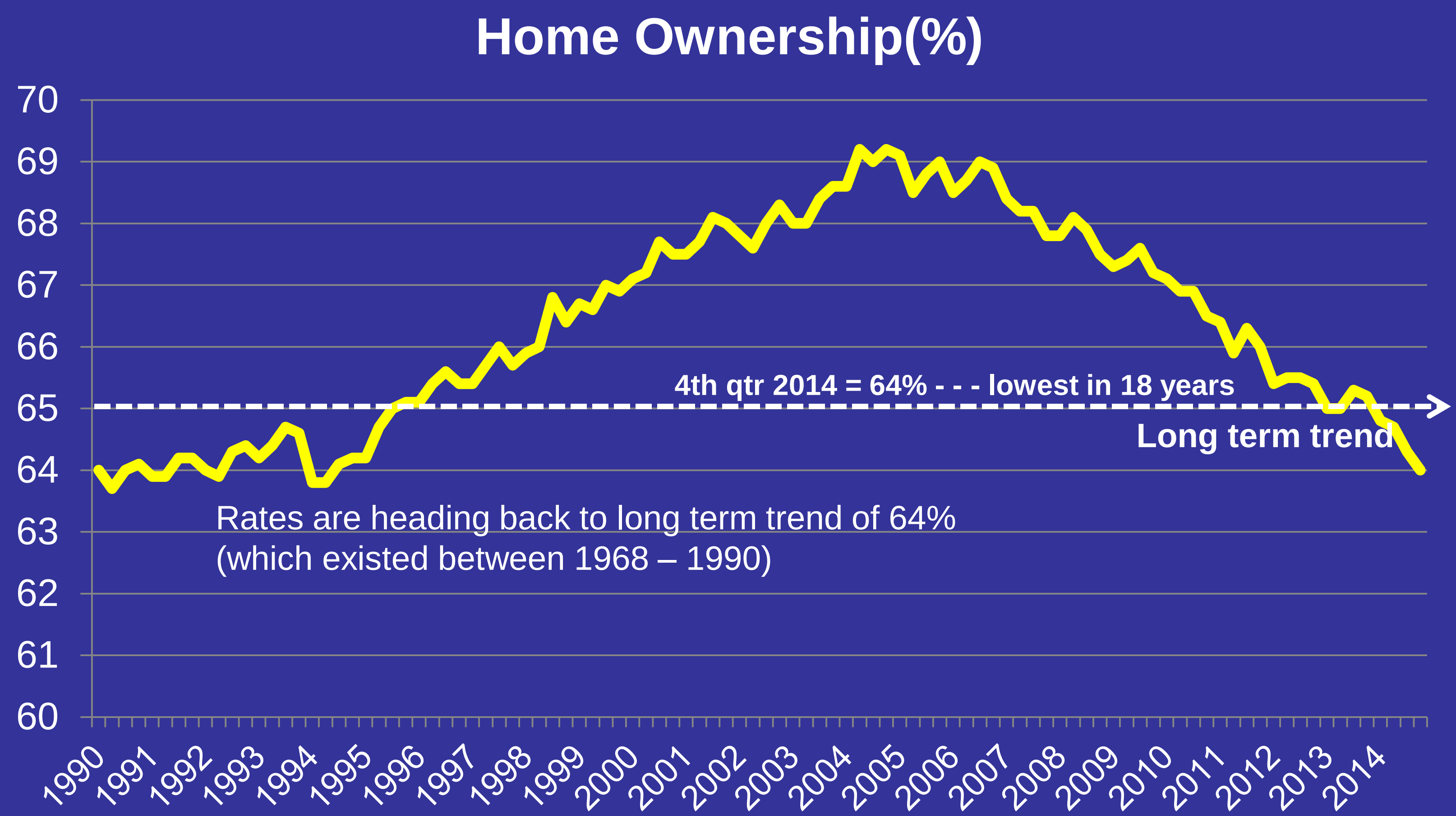
Renting is popular because many can't afford to buy - -
It's that simple? Again, JOBS, JOBS ...



Source: WSJ (http://blogs.wsj.com/economics/2014/09/08/why-more-renters-arent-buying-hint-weak-incomes-savings/?mod=marketbeat&mod=marketbeat)

Return TOC

Impact of weak household formations - -
homeownership rates have been falling for the past nine years – when the economy gets back to normal, will people return to to single family or will we see more renting?
<u>There will be impacts on wood products demand!</u>

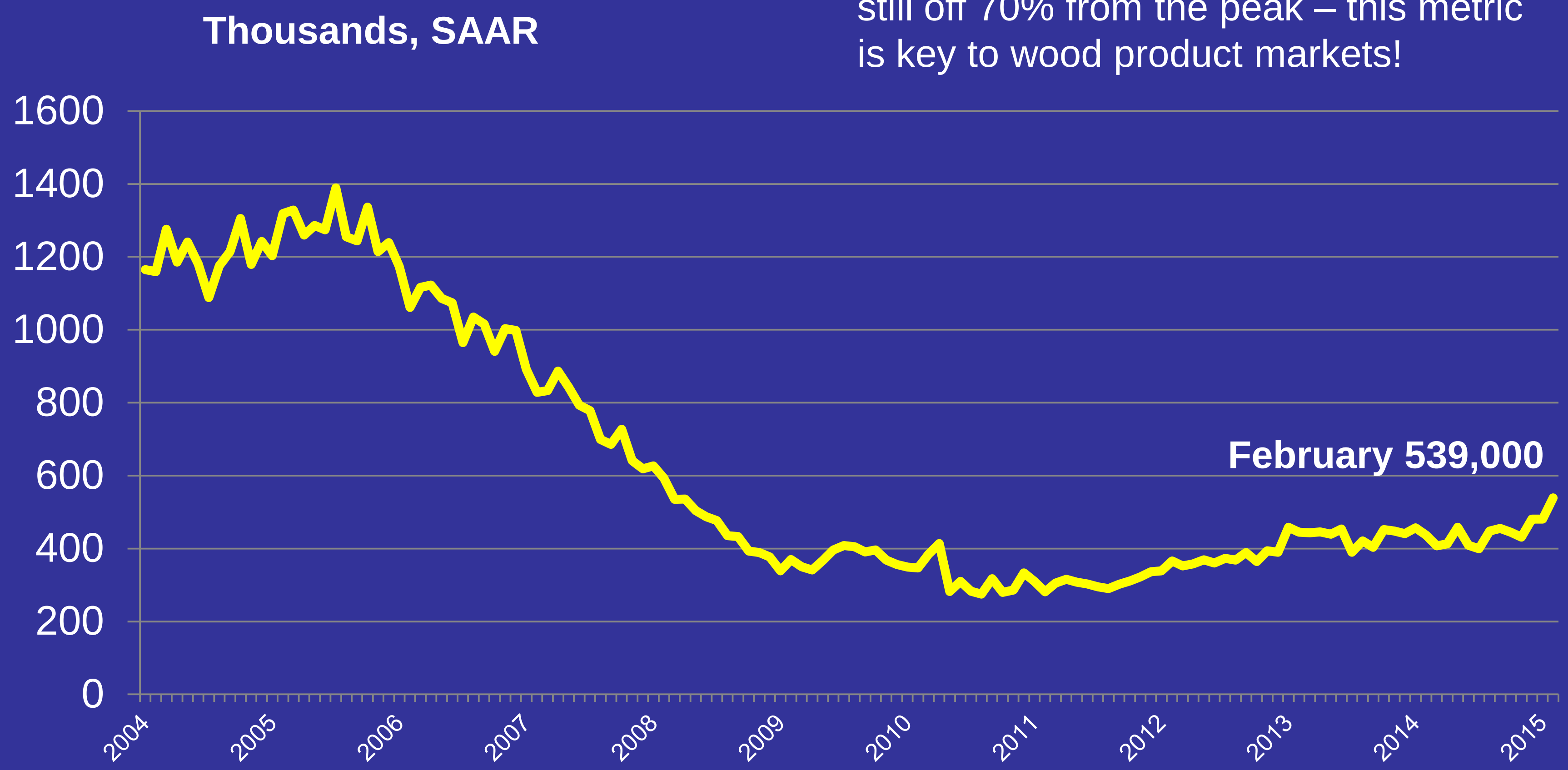


Source: Census (https://www.census.gov/housing/hvs/data/q413ind.html)

Return TOC

New Single Family Home sales are the key statistic to watch – Sales drive housing starts – this drives demand for wood products!!!

Highest level since 2008, but still off 70% from the peak – this metric is key to wood product markets!



Source: Census (http://www.census.gov/const/www/newressalesindex.html)

Return TOC

Resale market continues to improve, but still heavy to cash sales with 1st time buyers still below trend (traditionally they represent about 40 – 45% of market, but today they are at 30%). Another problem today is tight Supply, currently at 4.6 months. Healthy market is about 6 months supply. This Is driving up prices, currently up 6.2% YOY

Single family (incl condos), Monthly, Thousand units, SAAR

Source: NAR (http://www.realtor.org/research)

Return TOC

Some conclusions – housing continues to improve albeit slowly

Short term:

(1) Economy will continue to improve -- 2015 may see 3% growth, but housing may not follow – looks like the "disconnect between the economy and housing will continue ("two tiered economy"?)

(2) This is not a healthy housing market - 1st time buyers are absent and household formations are off 50% from trend – furthermore, many of sales are cash, many foreign buyers, etc. i.e., NOT SUSTAINABLE

(3) The key to a recovery in housing is the return of 1st time buyers, traditionally about 40- 45% of the market. Current market skewed to cash buyers and investors. 1st time buyers are mostly young people, but they can't find good jobs.

(4) Political discourse will continue to slow a truly strong economic and housing recovery – too much uncertainty re: Affordable Care Act/Obama care; immigration reform; interest rates; …….. Uncertainty will slow job creation, private sector investment, ….

(5) Growing problem in world economy is that USA is only major economy doing relatively well. Europe in recession; China slowing from previous highs (but still good); And we now have more countries devaluing their currencies to promote exports /economy. This will impact the U.S. recovery as a higher U.S. dollar dampens exports and weakens key manufacturing sector.

(6) One more comment on housing – usually, housing leads an economic recovery (after recessions) – but, this time it is not happening. A stronger economy will be needed to get the housing market back on track. That's hard to accomplish because housing is almost 20% of the economy (direct investment plus services, etc.).

Return TOC

Longer term:

(1) makeup of U.S. economy is changing and this is impacting spending patterns and housing choices.

(2) There are growing concerns that the job market is undergoing long term – structural – changes. Automation seems to be reducing job prospects for the larger middle class while creating jobs for the (currently) smaller highly skilled and less skilled sectors . End result is stagnating family incomes that could translate to lower total housing demand with more emphasis on multi family/rental demand.

(3 Currency devaluations seem to be the preferred solution to "low inflation" concerns – central banks in Europe and Japan are following the U.S. with quantitative easing/printing money, to spur demand by weakening their currencies. Good article in WSJ suggesting that the "low inflation world" is really a symptom of too much capacity relative to demand, and the solution isn't currency devaluation. Better solution may be developing technology to produce products that fulfill market place demands not being met by existing products.

Return TOC

OK – I’m going overboard with technology, so, I’ll admit that
isn’t the sole answer to our problems ---

Following slides show an example of retaking market share
with good old American ingenuity (and a dose of common sense)

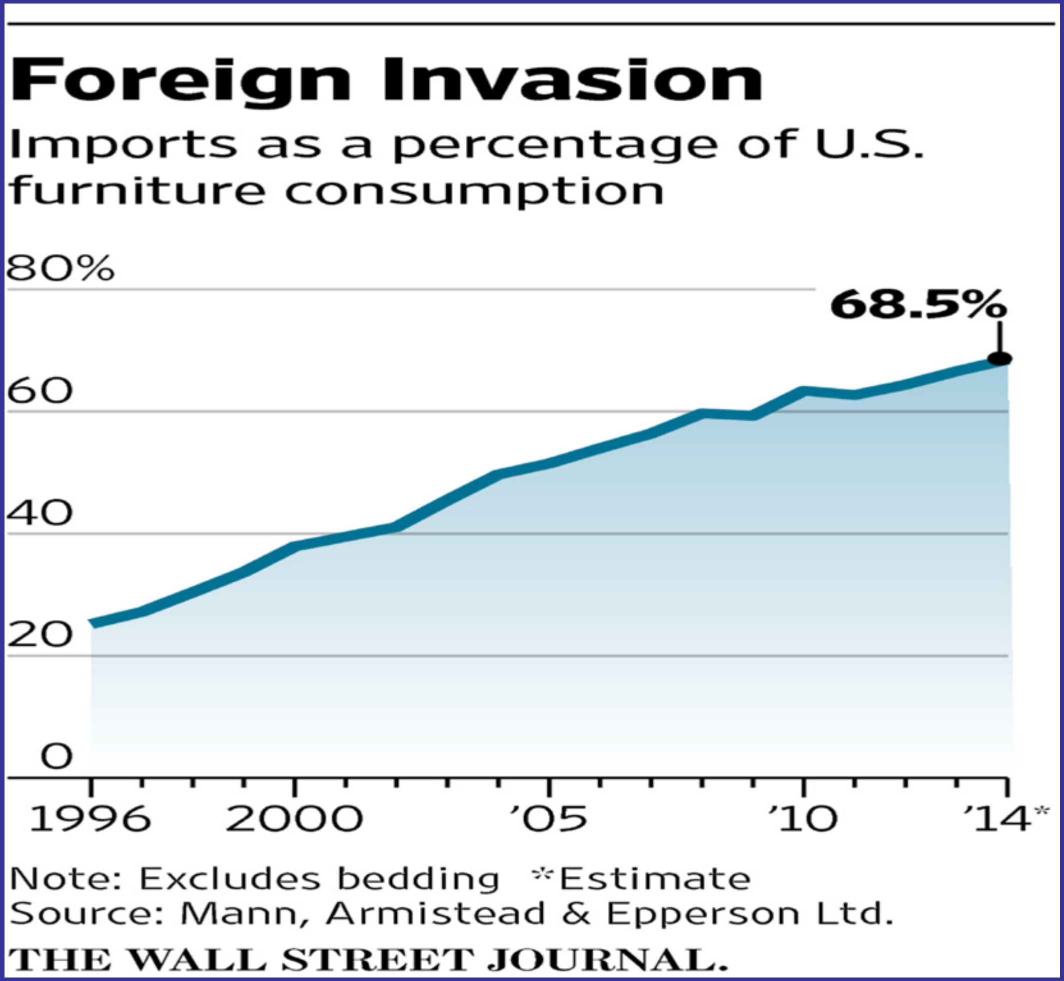
American success story in the furniture industry shows
That there are ways to combat cheap foreign labor with
technology, Marketing, and the right strategy.

Bottom line – we can start to rebuild the middle class job
Market and manufacturing jobs - but, we have to “think outside
The box” and be prepared to conduct a sound, gut wrenching,
soul searching, brutally honest SWOT analysis
(identifying your strengths, weaknesses, threats, and
opportunities).
Until the middle class returns, housing will remain below trend

Source: WSJ (http://www.wsj.com/articles/u-s-furniture-survivor-tries-to-go-global-1425612604?KEYWORDS=US+furniture+survivor+tries+to+go+global)

Return TOC

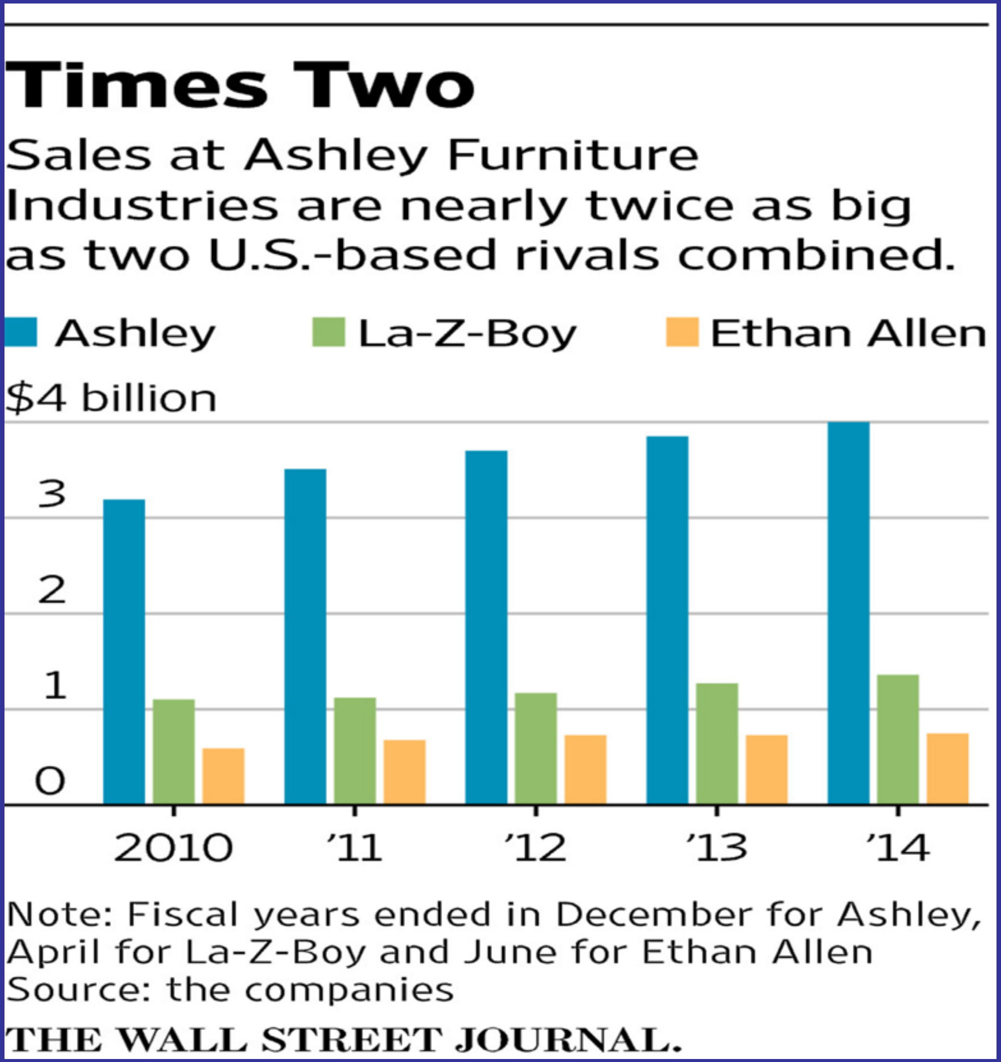
In a relatively short span of 20 years, imports increased their share of furniture consumption from 20% to almost 70%, a 350% increase. This resulted in the loss of over 200,000 jobs, millions in tax revenue, decimated communities and some state budgets, …..



Source: WSJ (http://www.wsj.com/articles/u-s-furniture-survivor-tries-to-go-global-1425612604?KEYWORDS=US+furniture+survivor+tries+to+go+global)

Return TOC

Ashley Furniture – an American success story – they are using technology, savvy marketing, and a well thought out strategy to retake market share from imports. Segmenting the market to compete where they are competitive is key, but this requires an honest and soul searching SWOT (strengths, weaknesses, opportunities, and threats) analysis. They did this and it is working!



Return TOC

Disclaimer of Non-endorsement

Reference herein to any specific commercial products, process, or service by trade name, trademark, manufacturer, or otherwise, does not constitute or imply its endorsement, recommendation, or favoring by Virginia Tech. The views and opinions of authors expressed herein do not necessarily state or reflect those of Virginia Tech, and shall not be used for advertising or product endorsement purposes.

Disclaimer of Liability

With respect to documents sent out or made available from this server, neither Virginia Tech nor any of its employees, makes any warranty, expressed or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

Disclaimer for External Links

The appearance of external hyperlinks does not constitute endorsement by Virginia Tech of the linked web sites, or the information, products or services contained therein. Unless otherwise specified, Virginia Tech does not exercise any editorial control over the information you may find at these locations. All links are provided with the intent of meeting the mission of Virginia Tech's web site. Please let us know about existing external links you believe are inappropriate and about specific additional external links you believe ought to be included.

Nondiscrimination Notice

Virginia Tech prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the author. Virginia Tech is an equal opportunity provider and employer.

Return TOC