

**NEWS RELEASE**  
FOR IMMEDIATE RELEASE

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## **OSB: RISE OF THE WONDER WOOD**

Few thought it would take the market by storm, or start replacing plywood in new residential construction, or be called a wonder wood (as the *National Post* of Toronto did recently). Yet oriented strand board (OSB) has done — and been called — all that.

OSB is expected to be a major growth source for North American forestry companies in the foreseeable future. In an industry saddled by anemic foreign export markets, low commodity prices and pressures to restructure and increase productivity with new mills, this is welcome news.

“Industry insiders, manufacturers, wholesalers and contractors are well aware of the OSB trend,” says Mark Angelini, president of the Structural Board Association. “But there are still many people who may not realize that they are surrounded by OSB in their homes.”

OSB is an engineered structural panel used mainly for residential wall, floor and roof sheathing. It is made from narrow strands of wood oriented lengthwise and crosswise on alternating layers, and bonded with water resistant resins. The result is a rigid board with flexible characteristics, consistent in appearance without core voids or knots.

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Since OSB is engineered, it can be custom manufactured to meet specific requirements in thickness, density, panel size, surface texture, strength and rigidity. It can also be produced in different sizes; several boards can cover an entire side of a house. These factors, along with OSB's low price and environmental economy (OSB is made from fast-growing, small-diameter trees and uses all the wood in the production process), are reasons why OSB is likely to gain larger structural panel market share.

Within a decade, OSB has nearly tripled its share of the North American structural sheathing market to 70 percent. Production of OSB is expected to overtake plywood panel for the first time ever this year. But with increasing demand for OSB, higher prices triggered by the U.S. housing boom and production capacity that's reaching its limit, a handful of forestry companies are proceeding to go ahead with plans to build new OSB plants in Canada, the U.S., and elsewhere around the world.

Expansion of existing OSB plants appears to be in full swing. CAE Machinery of Vancouver, the leading supplier of OSB machinery, in recent months has had its largest surge in orders booked over the last two years. "This reflects improving market conditions in the OSB industry as producers invest in plant expansions and upgrade existing facilities," says Robert Waite, CAE Machinery's marketing vice-president.

Russ Taylor, a well known industry analyst, recently told *The Vancouver Sun* that OSB is among two industries in the solid-wood products sector possessing healthy growth and profit potential. He explained that from the perspective of builders, OSB was the preferred panel for sheathing purposes because, "all the competition is using OSB."

OSB's use has also increased significantly in value-added engineered products such as structural insulated panels (SIPs) and wood I-joists whose market share in residential construction has soared to 40 percent. (SIPs are made of insulation sandwiched by OSB panels; I-joists look like I-beams whose top and bottom flanges are connected by webs made of OSB, providing longer spans than conventional lumber and excellent floor support.)

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Angelini of the SBA points out that, “Manufacturers are also designing and developing OSB panels that offer value-added characteristics in niche markets to address concerns such as moisture, fungi and termites. This market is much smaller than regular sheathing now, but it has been growing and producers are beginning to appreciate the importance of marketing OSB not just as a commodity but a specialty product.”

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**For additional information about OSB, contact the Structural Board Association at (416) 730-9090, fax (416) 730-9013 or e-mail [info@osbguide.com](mailto:info@osbguide.com). The SBA Web site ([www.osbguide.com](http://www.osbguide.com)) is another excellent resource.**