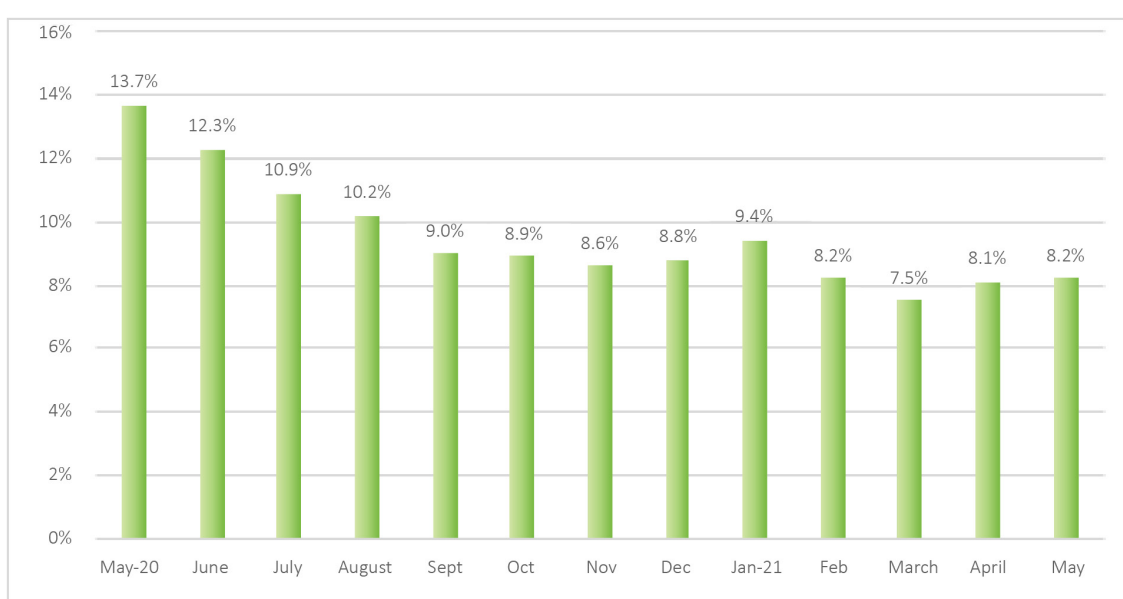


Our newsletter provides the highlights of the Canadian economy and a special insight into lumber prices.

#1 Unemployment rates have settled at about the 8% level.

Unemployment rates improved in 2021 and now hovers in the low 8% range in April and May of 2021.

**Canadian Unemployment Rates
2020 and 2021**

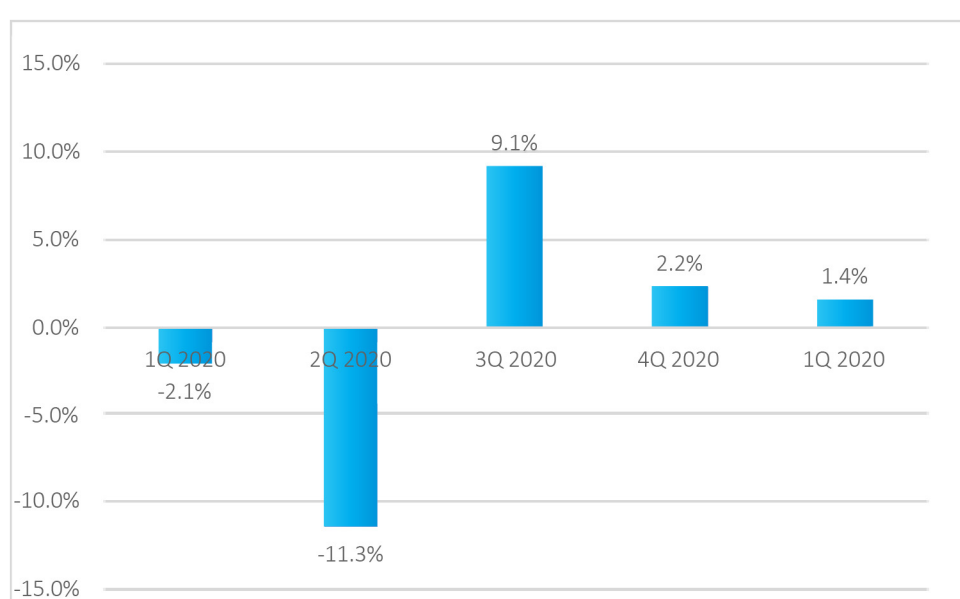


#2 The Canadian economy grew by 1.4% in the first quarter of 2021, down from 4thQ 2020.

The Canadian economy increased by 1.4% on a real annualized basis in the first quarter of 2021. The loosening of Covid restrictions in June and into the summer should result in jumps in GDP growth for the remainder of the year.

The growth was fueled by favourable mortgage rates, continued government transfers to households and businesses, and an improved labour market. These buoyed the demand for housing investment even with the steep rise in construction and material costs. (See the section below on lumber prices)

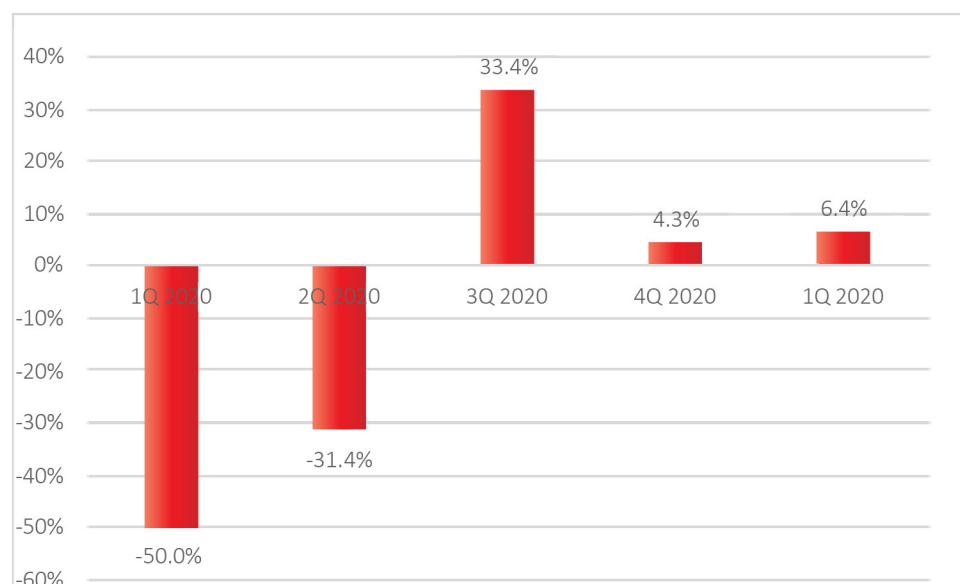
**Canadian Quarterly Real GDP Growth
2020 and 2021
(annualized basis)**



Data Sources: Stats Canada

The U.S. economy experienced similar swings but it has outpaced the growth of the Canadian economy over the last two quarters by a significant amount.

**U.S. Quarterly Real GDP Growth
2020 and 2021
(annualized basis)**



#3 The Sky Rocketing Price of Lumber

Have you noticed the high cost of lumber for your home renovation or building projects?

The price of all types of lumber took a huge jump with the onset of Covid19. The price of 2x4 spruce, for example, rose from \$300 per thousand board feet in May 2020 to a high of \$1,700 in May of 2021. In the summer of 2020, many lumber sellers had very little product to sell.

By mid-June of this year the price of lumber dropped to below \$1,000 but it is still significantly higher than pre-Covid levels. Some in the industry estimated that the high prices in early May would translate into \$30,000 US additional costs for the construction of a 2,500 square foot home.

It may take some time before you see lower lumber prices at your local home improvement stores.

Price of Western Spruce 2x4
(Per thousand board feet, US\$)



Data courtesy of Trading Economics

About Hart & Associates Management Consultants Ltd.

Hart & Associates has been providing solid business advice and recommendations to private and public sector organizations across Canada and the U.S. for over 30 years.

Our consulting services are designed to help you make informed business decisions. Whether you wish to identify new markets, introduce new products, undertake a significant business expansion or buy another company, we provide a full analysis of your opportunities and a detailed implementation plan to help you succeed.

We are focused on helping you achieve your business goals. If you have specific goals you would like to achieve, please call us to discuss how we can help you succeed.

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Feasibility Studies

Business Plans

Market Research

Helping You Make The Right Decisions



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