

Lumber companies post record profits

BY MARCY NICHOLSON

Bloomberg

North American lumber producers are expected to post another quarter of record profits this week, but most attention will be on the outlook, with prices for wood products stumbling and do-it-yourself renovations slowing.

Producers are building and expanding sawmills in the southern U.S., where costs are low and timber is plentiful, while boosting output on expectations that the surge in homebuilding will continue. Some analysts warn that an oversupply may be building up, even with bottlenecks and supply constraints in British Columbia, Canada's biggest lumber exporter to the U.S.

"We need to see some more supply cuts to re-balance inventories and turn prices around," said Mark Wilde, a timber and wood products analyst at BMO Capital Markets. Lumber companies in-



Logs stacked at the Groupe Crete Inc. sawmill in Chertsey, Quebec, in 2018.

Christinne Muschi/Bloomberg

cluding West Fraser Timber Co. Ltd., Canfor Corp. and Weyerhaeuser Co. have been swimming in cash during the last year due to an unexpected boom in homebuilding and renovations that caused wood prices to quadruple in 12 months and hit record highs in May. That will result

in "the mother of all quarterly returns with record profitability" and revenues that exceed first-quarter results, said Greg Kuta of Westline Capital Strategies Inc.

Lumber prices have since cooled along with a decline in DIY renovations, prompting analysts to anticipate lower

quarterly earnings ahead for the producers. The impact of lower lumber prices and reduced renovations won't be felt until the third quarter, said Kuta, whose Ohio-based firm specializes in lumber-trading strategies.

West Fraser, the world's biggest lumber producer, kicked off the second-quarter earnings season for the industry on Wednesday, reporting earnings that beat analyst estimates. Montreal-based Resolute Forest Products Inc. on Thursday also posted better-than-expected net profit and sales.

"With benchmark prices reaching record highs in May and our best-ever quarterly shipments, we used the exceptional cash generation from our wood products segment to make lasting changes to our business," Resolute's Chief Executive Officer Remi G. Lalonde said in a statement.

Seattle-based Weyerhaeuser will report on Friday.



Ted S. Warren/AP file

A worker stands near a lift June 29 as he works on a future Sound Transit light rail station near Federal Way, Washington, south of Seattle.

Heat

Continued from A7

The emergency rules require employers to provide sufficient water and shade to workers, grant workers 10-minute breaks every two hours once temperatures reach 90 degrees, monitor employees for signs of heat-related illnesses and conduct adequate training by Aug. 1 to provide employees and managers with information about heat-related illnesses.

Oregon OSHA will reassign inspectors and approve overtime to ensure that more enforcement officers are in the field on hot days, with a particular emphasis on enforcing safety in agriculture and construction, said Aaron Corvin, a spokesperson for the agency.

Oregon OSHA is also offering employers free consultations and educational resources to help them comply with the rules, Corvin said. The agency sent out an announcement Wednesday reminding employers of the regulations.

Ira Cuello-Martinez, the climate policy associate for PCUN, Oregon's largest farmworkers union, said he is hopeful the new rules will help to better protect workers during hot days this summer, but said workers need the freedom to take even more frequent breaks than the state

is mandating once temperatures reach 100 degrees.

Oregon OSHA said it does not have the legal right to mandate that employers shut down operations. Liz Merah, a spokesperson for Gov. Kate Brown, said state lawmakers would need to grant Oregon OSHA that authority.

At the same time, workers have little recourse if they feel unsafe working in extreme heat. In many cases, employees can legally be fired for not showing up to work in extreme heat, unless they qualify for protected leave under Oregon's sick leave law or reasonable accommodation under Oregon's disability laws, said Cristin Casey, chief prosecutor for the Oregon Bureau of Labor and Industries.

Oregon OSHA received 109 complaints about unsafe working conditions due to heat from June 24 to June 30, before the emergency rules were in place, according to an analysis of Oregon OSHA data. The agency received additional complaints in July.

It has conducted 63 inspections in response to the heat-related complaints. Corvin said the agency has opted to resolve other complaints by contacting employers by letter or phone, but could conduct additional inspections if it isn't satisfied with an employer's response or it learns that an employer has not addressed concerns.

Vacasa

Continued from A7

At \$4.5 billion, Vacasa would be Oregon's fifth most-valuable business, ahead of Portland General Electric, Umpqua Bank and NW Natural.

Vacasa manages vacation rentals, listing owners' properties online and performing cleaning and maintenance. It has more than 30,000 listings in 400 communities around the country, from Manzanita to Myrtle Beach.

The company, which had already raised about \$630 million through prior investments, will receive \$485 million in new funding through its public offering.

"It's all about pace of play," CEO Matt Roberts said in an interview Thursday. He said the new funding will enable the company to substantially boost its spending on technology and on adding properties to its management service.

"We're going to be able to move against a long list of ideas we have to improve the business at a faster pace," Roberts said.

Founded in 2009 by Portland business analyst Eric Breon, Vacasa has grown rapidly by

acquiring other vacation management businesses — some of them large, and others tiny out-fits run by families in communities popular among tourists.

In Central Oregon, Vacasa bought vacation rental management company Discover Sunriver in 2016 and Carefree Vacation Rentals, which handled vacation rentals around Eagle Crest, in 2015.

Vacasa has sometimes faced accusations of strong-arming smaller competitors, including a lawsuit last spring alleging it waged a "smear campaign" to win renters away from a rival management firm.

The company's technology tracks rental bookings in its markets and dynamically adjusts prices to reflect demand. Vacasa claims that boosts revenue for the property owners who list with it, though it may also have the effect of driving up the cost of getaways for those who rent vacation homes.

Breon, 42, ran Vacasa for a decade but stepped down last year. He still lives in the Portland area. Vacasa made Roberts — previously CEO of online restaurant reservation company OpenTable — its new chief.

Vacasa employs 6,500, most

of whom work in vacation communities to maintain rental properties between guests, and 400 in Portland. Its Pearl District headquarters reopened this week for employees who choose to return voluntarily.

Both Roberts and Vacasa's chief financial officer, Jamie Cohen, live in California. Roberts said Thursday that Vacasa is a distinctly Oregon company, but he said its workforce will remain distributed after the pandemic.

"Things are more remote than they've ever been," he said. "We're not unusual in that. That trend is well established now across a ton of different companies."

Vacasa disclosed its financial results for the first time on Thursday in conjunction with its pending public offering, reporting \$492 million in revenue last year and a \$92 million loss.

It's typical for young, fast-growing companies to lose money while they're investing in their growth, but investors will be watching carefully to ensure Vacasa has a path to profitability.

Vacasa had \$290 million in cash at the end of March, according to the financial filings,

and \$458 million in long-term debt.

On Thursday, Roberts said Vacasa is spending aggressively to bring new properties into its management portfolio. That spending will continue indefinitely, he said, but Vacasa anticipates the contribution from each new property will soon overtake the money going out the door. Roberts said the company expects to be profitable by one measure of its cash flow in 2023.

Vacasa will list its stock through a mechanism called a special purpose acquisition company, or SPAC. Vacasa will absorb the stock listing of the TPG investment fund, which is already trading on Wall Street. It's become a fashionable way to facilitate stock listings as an alternative to a traditional IPO.

Vacasa said Breon and other major shareholders, which include six large investment firms, will retain their shares in the Thursday's deal. They will collectively own 88% of the company after the transaction.

The Portland company said it hasn't determined which exchange will list the stock. It plans to complete the transaction sometime this fall.

Survey

Continued from A7

"In Oregon, as in most other states, vaccination has become a politically polarized issue," said Amaury Vogel, Oregon Values and Beliefs Center associate executive director. "Political ideology when it comes to social issues, is a strong predictor of whether or not a person has received at least one dose of a COVID-19 vaccine."

Some of the responses to the survey of why Central Oregon people would not become vac-

inated included:

- "The job is a psychotic global attempt to fulfill a de-population agenda," wrote one Crook County resident.
- "This is not a vaccine," wrote a Deschutes County resident. "It is an experimental gene therapy drug. I chose not to be a guinea pig."
- Another Crook County resident said he had survived severe acute respiratory syndrome in 2003.

As of Thursday, the Oregon Health Authority reported that 130,981 people have been fully

vaccinated or are in progress in Crook, Deschutes and Jefferson counties. That translates to about 59% of the population who are 18 and older in the three Central Oregon counties, according to the OHA data.

"Oregonians who remain unvaccinated share the same reasons as being the most influential in their decision not to get vaccinated: Long- and short-term side effects and the concerns that the vaccine was developed too quickly," Vogel said.

The survey conducted July 9-14 of 1,464 residents has a

margin of error for the full sample ranging from plus or minus 1.5% to plus or minus 2.6%, depending on the response category for any given question.

The Oregon Values and Voices project, a nonpartisan charitable organization, has partnered with Pamplin Media Group, EO Media Group and the Oregon Values and Beliefs Center. EO Media Group owns newspapers in Oregon and Washington state, including The Bulletin.

Reporter: 541-633-2117, sroig@bendbulletin.com

Masks

Continued from A7

For many stores looking to generate sales in an overall retail sales slump last year, masks were a bright spot. Most notably, Gap, along with its portfolio of brands including Old Navy and Athleta, as well as Etsy made millions of dollars on masks.

Etsy, a global online marketplace for handmade goods, has

seen its masks go from 14% of gross merchandise sales in the second quarter of 2020 to less than 3% in the first quarter of 2021. The company declined to comment on mask sales trends on Wednesday, noting it's in its quiet period ahead of its earnings release next week.

Since the onset of the pandemic, 3M Co. increased its annual production of N95 masks fourfold to 2.5 billion by building extra capacity. It said

that global demand reached its peak in the first quarter of this year, which included stockpiling from governments and hospitals. It's now seeing a deceleration in overall health care demand and is adjusting production, increasing supply to industrial and consumer outlets while continuing to prioritize health care workers in the geographies seeing increased COVID-19 cases and elevated hospitalization rates.

But 3M CEO Mike Roman told analysts on Tuesday that, just like in the past, it is "prepared to increase production in response to COVID-19-related needs or future emergencies when needed."

Honeywell International Inc., another big manufacturer of N95 masks, said it "continues to produce N95 masks in the U.S. to meet the needs of front-line and essential workers."

We hear you.

We're dedicated to helping you!

Contact your local DISH Authorized Retailer today!

Juniper Satellite

(541) 410-3474

635 SW Highland Ave., Redmond, OR

junipersatellite.com

dish Premier Local Retailer

Located in Downtown Bend

THE GOOD DROP WINE SHOPPE

is Central Oregon's foremost wine bar/shop. It features:

Wine by the glass,
Premium selection of wine,
Champagne, Ports and sake,
Bottles to go,
On-line ordering & shipping,
Public wine tastings,
Three wine clubs, & more!

Tues-Thurs 11-6:30
Fri/Sat 12-8
Sun/Mon Closed
141 NW Minnesota Ave 541.410.1470

OBITUARY

Michael Lawrence Lovely

April 23, 1938 - July 2, 2021

It is on a sad and somber occasion that I announce that my partner in life, Michael Lawrence Lovely, has passed away.

I come before you today to pay homage to an incredible man that was a gentleman and a scholar. A man that took community involvement to the highest degree. The numbers of groups that he actively was a part of, I can only guess were none less than a dozen. Mike was a man that rarely ever missed a Sunday church service and loved God dearly.

Mike was my wish come true. God bless you, Mike. You are home now, with all of your family in heaven, working in God's garden.

In that, I know what a bountiful harvest there will be. "Bringing in the sheath, bringing in the sheath, we will come rejoicing, bringing in the sheath."

The Lord giveth and the Lord taketh away. Blessed be the name of the Lord. Amen.

Michael Lawrence Lovely, born the 23rd of April 1938, made his final journey on the 2nd of July 2021.

I have been incredibly blessed that Mike and I have shared in a loving relationship that spanned just two-and one-half months shy, of thirty years of togetherness.

I was the one that was blessed in the presence of Mike. The Lord has called Mike's name and Mike has returned to heaven.

"To be absent in the body, is to be present in the Lord".....and you, my precious Mike, have returned to your mother, father, and your two brothers, Patrick, and little Moe.

Mike, I see you dawning a white robe, a golden halo, and a melodic harp.

You left an indelible mark on all of us. We love you. You my sweetie, are not only loved by this community, but you are also loved by your Kelly.

Mike could never wait for me to come through our front door and be able to give love and receive love in return. You are my beloved and for almost thirty years we shared in a warm, loving, kind, relationship and ALL that is noble in the human heart.

"Jesus, our wonderful counselor and Holy one."

Gathering of friends for Mike will be held Friday July 30, 2021, from 9:00am-10:00pm. Shevlin Park in Aspen Hall 18920 NW Shevlin Park Rd, Bend, OR 97701. Memorial Service with Military Honors 2:00pm

† † † † †