AHEC JAPAN MARKET REPORT

HIGHLIGHTS

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November & December 2019

www.ahec-japan.org

Upcoming events
2019

AHEC members are encouraged to participate at overseas activities
News flash

New housing construction down in October and November

Monthly government data for new housing starts show that the totals for October and November declined by 7.4% and 12.7%, respectively, from the same months in the previous year. The data, released at the end of November and December, indicate that at 77,123 and 73,523 units, both months fell below the 80,000 unit line. This trend has continued for a year now, with the exception of an uptick in June.

Breakdowns show that 2x4 construction declined 12.7% and 5.4% year on year in October and November to 9,877 units and 9,787 units, respectively. Construction of rental units also continued to slide, falling by 16.5% and 17.5%, respectively. Industry experts forecast the latter trend to continue. On the other hand, ready-built single-unit homes continued to hold steady, increasing by 1.4% and 1.1% y-o-y to 12,726 and 12,705 units.

Owner-initiated home construction, which enjoyed a
surge prior to the tax hike last fall, has peaked out. New housing starts in this category have now slowed for four consecutive months, but low interest rates are expected to support a certain level of demand. This remains an important market segment due to the relatively high use of hardwood products for interior parts and fittings.
Trade tensions worry Japanese hardwood users

Hardwood users in Japan have been following the news on U.S.-China trade negotiations, and AHEC representatives in Japan have fielded many questions, particularly since the People’s Republic of China announced tariffs on U.S. hardwoods in mid-2018.

While the PRC has been a major importer of U.S. red oak in recent years, it has also purchased large volumes of species that are popular in Japan such as walnut and white oak, causing their prices to rise. Users in Japan hope to see prices stabilize, and remain concerned that plant closings may affect supplies.
Industry opinion

A hardwood products importer in Shimane

AHEC Japan Director visited Yasugi, a coastal city in Shimane Prefecture close to where we plan to hold a seminar in July (see below). We met with representatives of a company that imports American hardwoods for other wholesalers in the region.

The company also imports high-end flooring and stair parts from the EU, and promotes these products to local architects and builders. A company representative said the European products sell well, so they would like to try producing similar products with American hardwoods in Southeast Asia for the Japanese market.

Although Japan is a mature market, the company sees potential for solid American hardwood products in interior applications to further grow its market, and expressed support for a seminar that will introduce such products to users in the area.
American Hardwood Furniture Designer Project 2019

dates: November 20-22, 2019
venue: Tokyo Big Sight

At the International Furniture Fair Tokyo (IFFT) 2019, AHEC Japan continued its focus on hardwood furniture. Six talented designers—selected for AHEC by a top Japanese furniture designer—worked with four furniture makers in Hida-Takayama to produce distinctive interior products using American hardwoods. The works, envisioned as part of Japanese-style décor for a hotel, drew many visitors to AHEC’s booth at IFFT. The original designs, particularly the lighting fixtures, were much admired.

There was also positive press coverage for both our project and its participants through the reception AHEC hosted on the second day of IFFT. We invited industry representatives and reporters for industry publications to mingle with the
designers and woodworkers. IFFT 2019 drew some 16,000 visitors over its three day duration. As we have done in previous years, AHEC Japan has published a catalogue of all the works produced for this project. Please let us know if you would like a copy—it will be mailed to you free of charge.
American Hardwood Seminar with JIA in Shizuoka

date: December 13, 2019

venue: B-nest Shizuoka

AHEC Japan Director was among the speakers at a meeting of the Japan Institute of Architects in the city of Shizuoka, southwest of Tokyo. Twenty members of the Shizuoka chapter attended a seminar on wood materials at a city-owned venue for independent contractors, professionals and other small and medium-sized businesses. AHEC’s 40-minute presentation covered American hardwood resources and efficient use, as well as the variety of products available for interiors.

As reported in previous issues, lack of information on products and distributors is a major bottleneck for specifiers in Japan. AHEC Japan is in discussions with the JIA members in Shizuoka about a round table meeting on American hardwoods, possibly as early as this spring.
Coming up

American Hardwood Seminar for Architects

date:       July 1, 2020

venue:     Izumo Royal Hotel

outline:  The city of Izumo, on the northern coast of Shimane Prefecture, is home to one of Japan’s oldest and most sacred shrines, and figures in the legends about the country’s spiritual origins. AHEC Japan will host a seminar there, inviting Dana Spessert, chief inspector at the National Hardwood Lumber Association, and Mikio Koshihara, a renowned architect who is currently with the Institute of Industrial Science at the University of Tokyo. The third presenter will be Ryoichi Nagasawa, an expert on finishes for wood products.
American Hardwood Seminar for Architects

date: July 1, 2020

venue: ANA Crowne Plaza, Kanazawa

outline: The city of Kanazawa is a key city of the Hokuriku region and rich in traditional arts and culture. AHEC Japan will host a seminar there with NHLA chief inspector Dana Spessert, acclaimed architect and designer Mitsuru Senda, and Ryoichi Nagasawa as the main speakers. Mitsuru Senda is also a former chair of the Japan Institute of Architects.