AHEC Japan
MARKET REPORT

AMERICAN HARDWOOD EXPORT COUNCIL

July & August 2026

www.ahec-japan.org

Upcoming events

2026

AHEC members are encouraged to participate at overseas activities

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News flash

New housing construction figures higher in June and July

According to government statistics released at the end of July and August, new housing starts in June and July have now increased for four consecutive months. Totals for these two months were 66,300 and 66,400 units, an increase of 18.6% and 8.2%, respectively, from the same months last year. By construction method, 2x4 construction shrank by 7.4% in June to 7,200 units and 8.5% in July to 7,700 units. (All percentages are year-on-year and numbers of units are rounded to the nearest hundred.)

New housing starts in June increased by double digits in three categories: owner-initiated housing by 15.7% to 18,600 units, single-unit tract homes by 21.7% to 10,900 units, and rental units by 24.6% to 30,300 units. Year-on-year increases were more modest in July but the monthly total topped the figure for June.

The July figure is the highest monthly total so far this year, on a par with the monthly average for 2024. New construction requirements came into effect the following spring, depressing new housing starts for most of the next twelve months.

Yet, the recent uptick is not a sign of renewed vigor in housing construction — the total for June is the third-lowest June figure in the past decade. A report published by a major economic thinktank projects

only anemic growth to 2030 (to annual new housing starts at the 800,000-unit level), followed by a steady decline over the next decade.

Demand for new housing is already taking a hit from higher input costs and rising interest rates. To tamp down inflation, the Bank of Japan raised its headline interest rate in June to 1.0%, the highest level in three decades. Higher rates on loans burden both businesses and would-be homeowners, who are already paying higher prices for all imports because of the weak yen.

The bright spot cited by the above report is the renovation market, which is expected to grow from 8.3 trillion yen in 2024 to 9.2 trillion yen in 2040. Annual new construction is equivalent to only 1% of existing housing stock, of which some 80% is estimated to fall short of the energy efficiency standard the government introduced last spring. The report estimates that 1.2 million homes will need to be retrofitted each year to reach the government's 2050 energy efficiency goals.

Industry news

Toward greater utilization of satoyama forests

In March 2025, the Forestry Agency launched a committee to promote greater use of domestic hardwoods, particularly from woodlands near human habitation. The committee includes representatives of forest landowner associations and major manufacturers of furniture and building products, who will help match user needs with information on standing trees and harvesting plans, strengthen supply chains by growing the workforce, and publicize the merits of utilizing hardwoods from healthy forestlands.

Rural communities throughout Japan have traditionally relied on satoyama woodlands. Sato refers to villages (including the cultivated land surrounding them) and yama means mountains, whose forests provided building materials, fuel, leaves for compost, and foods such as mushrooms and other edible plants.

Over the past century, however, industrialization has drained rural communities of manpower. Also, the knowledge that drove the sustainable use of the land and its natural resources became devalued and has not been passed on to younger people. Forests still cover over 60% of Japan, but secondary forests in particular are in a state of neglect.

Now, recognizing the multiple climate and environmental benefits provided by healthy forests, the government is spearheading multiple

initiatives to make forest management more efficient and commercially viable. The use of biofuels is encouraging thinning, and regulatory changes have encouraged more public buildings and mid- to high-rise structures in urban areas to be built using wood.

Demand is growing for furniture and other wood products made from domestic hardwoods. In Hokkaido, in particular, higher prices resulting from greater demand is driving the harvesting and processing of oak. Hokkaido is able to supply a certain volume of large-diameter oak because standing trees have grown while the forestry industry was stagnant.

The weak yen also makes domestic lumber more competitive for now. Conversely, it is difficult to market American hardwoods in Japan, but the US hardwood industry's capacity to supply ample volumes sustainably should be a strong advantage when conditions improve.

Industry opinion

Reaching out to younger architects and designers on social media

AHEC Japan has hosted round table meetings and seminars in collaboration with professional associations for designers and architects. These events have been well-attended, but we have noticed that not many attendees are young. One reason is that membership in the associations themselves skew older.

We recognize the need to reach younger professionals with information on American hardwoods and AHEC events, and are preparing to set up social media accounts in Japan next year. AHEC Japan director gained some insights from the head of a fancy plywood company that is growing its sales through a successful social media presence.

The company, which is headquartered in Osaka, has been showing its products on social media. But the company's president doubts that companies and organizations are reaching younger audiences simply by posting on social media platforms. To build an audience, the company has hired several young designers to create a steady stream of content and interaction.

One successful pillar of the company's social media effort has focused on the quality hardwood veneer the company uses. The company president travels throughout Europe, selecting logs in places such as Italy, France, Germany and Croatia to generate buzz while promoting

product quality. The company used to import large volumes of American hardwood veneer, but currently prefers to buy small lots from direct suppliers in Europe.

AHEC Japan staffs recognize that a lot of work will be needed to build a consistent, engaging presence. The media efforts of AHEC headquarters and other regional offices as well as private companies in Japan provide many actionable ideas.

Event report

American Hardwood Interior Designers Seminar in Shizuoka

date: August 7, 2026

venue: Hotel Associa Shizuoka

outline: AHEC Japan hosted an American hardwood seminar for interior designers and architects in collaboration with the Shizuoka Prefecture Interior Coordinators Association. We presented a program similar to the event held in Tokyo in November 2024 and in Osaka this past June.

The speakers were Sapporo-based architect Yaeko Kawamura, who showed how American hardwood materials can be used in interior spaces, and Kosuke Nagami, president of Sakura Seisakusho. The company is a furniture maker in Takamatsu, Kagawa Prefecture, that is the licensed manufacturer of the furniture of George Nakashima. Mr. Nagami spoke about Nakashima, who crafted hardwood furniture in New Hope PA, and his influence and continuing legacy in Japan and the US.

AHEC Japan director explained how American hardwoods are sustainably grown and harvested. Sustainable forest management practices and regulations ensure that US hardwood resources are available into the future and are legally compliant.

The venue was filled almost to capacity with 34 interior designers and representatives of wood-related businesses. The attendees expressed appreciation for the information on the assured legality of US hardwoods and design ideas for American hardwoods in interior spaces.

Event report

American Hardwood Interior Designers Seminar in Shizuoka — in pictures



The seminar room at Hotel Associa Shizuoka, with the program banner at the front. The venue was filled almost to capacity with 34 interior designers and representatives of wood-related businesses.



A speaker presents ways to use American hardwood materials in interior spaces.



A speaker introduces the furniture of George Nakashima and its continuing legacy.

Coming up

American Hardwood Discussion Meeting in Takayama

date: September 29, 2026

venue: Hilton Takayama Resort

outline: The Takayama region in Gifu Prefecture is now famous for high-end hardwood furniture. We expect to meet with the representatives of five furniture companies and five representatives from hardwood lumber wholesalers who supply American hardwood logs and lumbers to the manufacturers in this region. On the agenda are current issues in furniture production and the market for hardwood materials.

AHEC Japan

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American Hardwood Export Council · www.ahec-japan.org

UPCOMING EVENT

American Hardwood Discussion Meeting in Takayama

September 29, 2026 · Hilton Takayama Resort

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