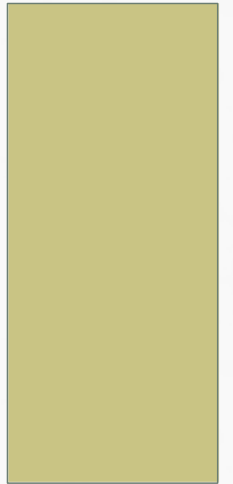


Lumber One Avon



ABOUT ME!



LUMBER ONE AVON

- Residential Builder
- Commercial Builder
- Remodeler
- Lumber Yard, Hardware Store & Showroom
- Land Developer
- Drafting and Design



HELP MAKE YOUR DREAMS BECOME A REALITY



MULTI-FAMILY



LUMBER YARD



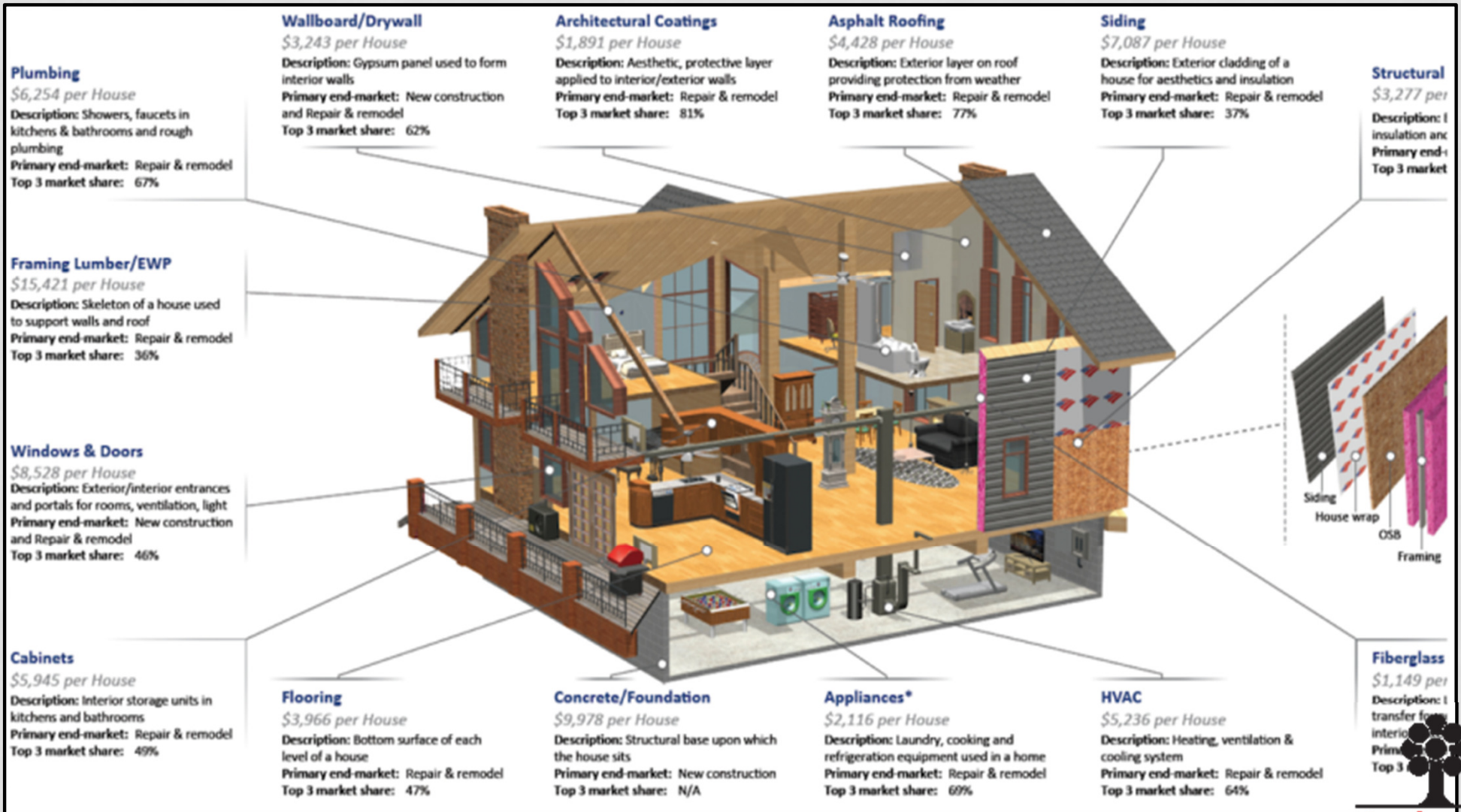
DEVELOPMENTS

Lumber One Developments

About 200 lots in 20 different developments around the state



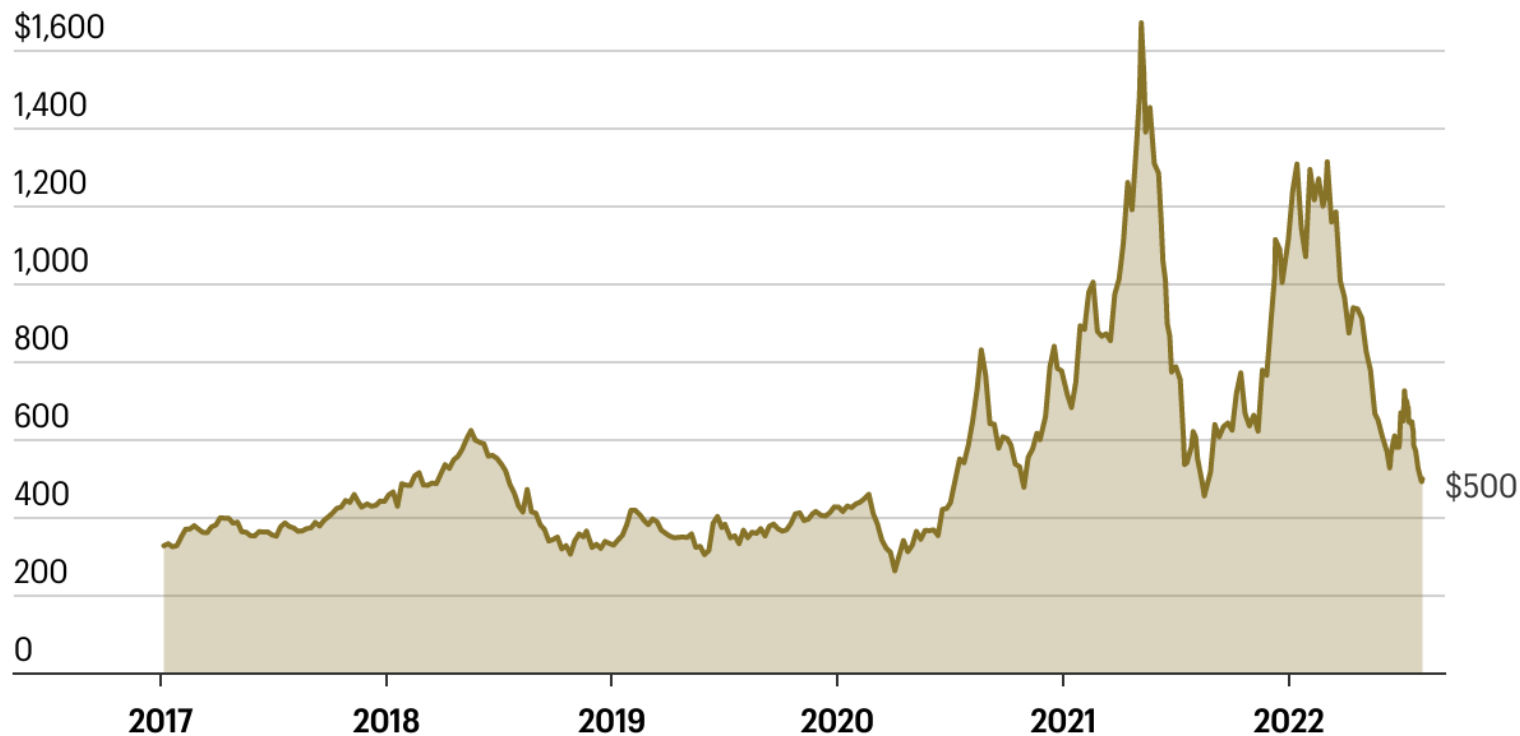
LET'S TALK ABOUT BUILDING MATERIALS



LUMBER MARKET

Lumber futures price

Price per thousand board feet of lumber



DATA THROUGH AUGUST 5, 2022

CHART: LANCE LAMBERT • SOURCE: NASDAQ

FORTUNE



MATERIAL % CHANGES FROM JANUARY 2022 TO SEPTEMBER 2022

MATERIALS	% CHANGE FROM 2021
STYROFOAM	+8%
REBAR	+5%
NAILS	+48%
LVL	+21%
LUMBER	-46%
PANELS	-46%
SHINGLES	+15%
LP SIDING	+5%
VINYL SIDING	+10%
STEEL SIDING	+0%

MATERIALS	% CHANGE FROM 2021
STONE	+5%
WINDOWS	+4-8%
SHEETROCK	+11%
MILLWORK	+20%
LOCKS	+8%
DECKING	+5%
ALUM RAILING	+20%
ALUM SOFFIT	+0%
INSULATION	+6%
METALS	+16%

MATERIAL % CHANGES FROM JANUARY 2021 TO SEPTEMBER 2021

MATERIALS	% CHANGE FROM 2020
STYROFOAM	+14%
REBAR	+33%
NAILS	+56%
LVL	+55%
LUMBER	-52%
PANELS	-41%
SHINGLES	+20%
LP SIDING	+10%
VINYL SIDING	+18%
STEEL SIDING	+56%

MATERIALS	% CHANGE FROM 2020
STONE	+5%
WINDOWS	+13%
SHEETROCK	+28%
MILLWORK	+25%
LOCKS	+7%
DECKING	+12%
ALUM RAILING	+18%
ALUM SOFFIT	+28%
INSULATION	+16%
METALS	+49%

LEAD TIMES

- **LVL**: 5 WEEK LEAD TIME (WAS 8 WEEKS IN SEPT 2021)
- **VINYL SIDING**: +5 WEEK LEAD TIME
- **WINDOWS**: 10-12 WEEK LEAD TIME (WAS 8-12 WEEKS IN 2021)
- **MILLWORK**: 2-8 WEEK LEAD TIME
- **LP SIDING**: +6 WEEK LEAD TIME (WAS 6 WEEKS IN 2021)
- **TRUSSES**: 5-6 WEEK LEAD TIME (WAS 8-12 WEEKS IN 2021)

MATERIAL LISTS

**EXAMPLE:\$100,000 MATERIAL LIST TODAY, WHAT
WOULD THAT LOOK LIKE IN PAST YEARS**

COMBINED MATERIAL LIST	MATERIAL LIST % CHANGE	MATERIAL LIST COST
% CHANGE FROM 3 YEAR AGO (2019)	43.7%	\$69,590
% CHANGE FROM 2 YEARS AGO (2020)	15.7%	\$86,950
% CHANGE FROM 1 YEARS AGO (2021)	1.7%	\$98,040

BUILDING PERMIT REPORT

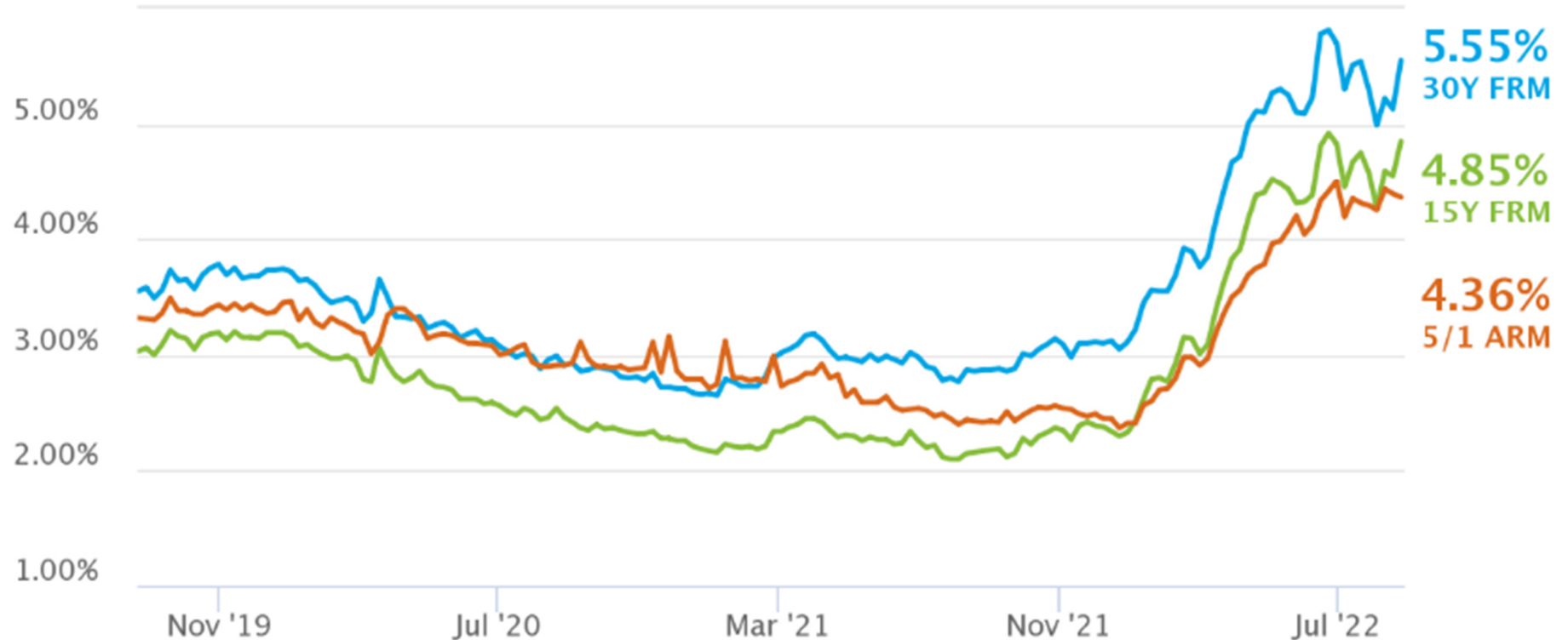
CITY	JAN-JUN 2017	JAN-JUN 2018	JAN-JUN 2019	JAN-JUN 2020	JAN-JUN 2021	JAN-JUL 2022	JULY 2021	JULY 2022
COLD SPRING	12	15	6	8	4	7	2	3
FOLEY	5	4	1	1	0	0	0	0
ST AUGUSTA	8	6	6	10	13	20	0	4
ST CLOUD	58	39	42	53	45	57	13	5
ST JOSEPH	6	13	5	4	7	6	0	0
SARTELL	32	29	23	16	58	19	13	0
SAUK RAPIDS	12	18	11	8	9	8	2	1
WAITE PARK	0	3	2	3	3	2	1	0
RICE	2	7	7	15	19	6	2	0
ROCKVILLE	3	4	1	3	6	7	0	0
TOTAL	138	138	104	121	164	132	33	13

MORTGAGE RATES



Primary Mortgage Market Survey®

U.S. weekly average mortgage rates as of 08/25/2022



**Lumber One
Avon**

MORTGAGE PAYMENT

YEAR	TOAL COST OF HOME	LOAN AMOUNT (ASSUME 20% DOWN)	INTEREST RATE ON 30 YEAR FIXED	PRINC. + INTEREST PER MONTH
2019	\$312,500	\$250,000	3.58%	\$1,134.00
2020	\$328,125	\$262,500	2.91%	\$1,094.00
2021	\$360,937	\$288,750	2.87%	\$1,197.00
2022	\$415,077	\$332,062	5.55%	\$1,895.00

****2019-2020: 5% price increase in new home costs***

****2020-2021: 10% increase in new home costs***

****2021-2022: 15% increase in new home costs***



SO IS NOW A BAD TIME TO BUY?



THE ANSWER: NO

- Even though new construction has increased +30% in last 3 years, existing houses have also increased nearly 25%
 - The \$312,500 house in 2019 would now be worth \$390,625.
 - This amounts to +\$78,125 in additional profit or equity
- Watch for time to refinance.
 - That same \$415,077 home with a 4.5% interest = \$1,682 princ + interest
 - That same \$415,077 home with a 4% interest= \$1,585 princ + interest
- We are also seeing more and more cash buyers
- Multi-family projects, multiple single-family homes and townhomes are becoming more advantageous. Power in buying!

WHY LUMBER ONE AVON

- Lumber One Avon has been building homes in Central Minnesota for over 60 years now
- Our full-service building center includes: retail lumber yard, interior design services, drafting expertise, retail store & showroom
- We specialize in residential building (single family homes), multi-family, commercial, remodeling, and even agriculture
- No matter what the project is, we strive to bring honesty and integrity to all our interactions with customers, suppliers, and co-workers





Lumber One Avon
