2025 PNW Mass Timber Market Study: Demand and Economic Impacts

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INTRODUCTION

The Pacific Northwest (PNW), specifically Oregon and Washington, has established itself as the clear mass timber leader in the United States. The 2025 PNW Regional Mass Timber Market Study was commissioned by the PNW Mass Timber Tech Hub to benchmark current regional demand, production, and capacity, while forecasting the industry's evolution over the next decade. This study provides a comprehensive baseline for policymakers, investors, and industry stakeholders to propel the region toward global competitiveness. This study was completed by a collective of consultants spanning the mass timber ecosystem, including Kristin Slavin of Conifer Advising LLC, Roy Anderson of The Beck Group, Erica Spiritos of Erica Spiritos LLC, and Nicholas Sills of Whirlwind Consultants.

MASS TIMBER PROJECT DEMAND

The study evaluated project demand by aggregating data into a project database from several key sources, including the WoodWorks Wood Innovation Network (WIN) database, Natural Resources Canada (NRCAN), and primary surveys and project data of North American manufacturers and fabricators. To account for projects not captured in the databases, the researchers addressed the known-unknowns by applying a gross-up factor tied to the number of projects without information documented within the WIN database by region. Unknown-unknowns were accounted for by introducing a "Not-in-System" multiplier of 25% to the total building area and project counts. Because databases do not report physical material volume, the study applied a standardized material intensity factor of 0.020 m^3 per square foot of project area to translate project area into timber demand. The results indicate that approximately 60,500 m^3 of mass timber was consumed by projects within the Pacific Northwest in 2024, representing a market value of roughly $120 million. While the region has seen a compound annual growth rate (CAGR) of 5.67% over the last five years, growth across the continent was significantly higher on average.

PNW Construction Growth vs. Mass Timber Growth

	PNW General Construction*		PNW Mass Timber Projects				
Year	Project Area (FT2)	YoY Growth	Project Area (FT2)	Mass Timber Volume (m3)	YoY Growth	Market Penetration	Market Penetration YoY Growth
2020	86,110,000		2,430,000	48,600		2.82%	
2021	83,410,000	-3.14%	2,250,000	45,000	-7.41%	2.70%	-4.41%
2022	78,720,000	-5.62%	2,110,000	42,100	-6.22%	2.68%	-0.64%
2023	76,980,000	-2.21%	2,110,000	42,100	0.00%	2.74%	2.26%
2024	69,800,000	-9.33%	3,030,000	60,500	43.60%	4.34%	58.37%
CAGR		**-5.11%**			**5.67%**	**3.06%**	**11.37%**

* Construction estimates from the US Census Bureau and Statistics Canada. Areas exclude single-family residential, Highway and Street, Sewage and Waste Disposal, Water Supply, and Conservation and Development.

Total Construction Growth vs. Mass Timber Growth

	Total NA Construction Spend*		Total NA Mass Timber Projects				
Year	Project Area (FT2)	YoY Growth	Project Area (FT2)	Mass Timber Volume (m3)	YoY Growth	Market Penetration	Market Penetration YoY Growth
2020	3,055,500,000		7,320,000	146,600		0.24%	
2021	2,932,500,000	-4.03%	9,720,000	194,200	32.79%	0.33%	38.36%
2022	3,181,640,000	8.50%	16,830,000	336,600	73.15%	0.53%	59.59%
2023	3,863,100,000	21.42%	17,220,000	344,300	2.32%	0.45%	-15.73%
2024	3,865,920,000	0.07%	25,850,000	517,000	50.12%	0.67%	50.01%
CAGR		**6.06%**			**37.08%**	**0.44%**	**29.25%**

* Construction estimates from the US Census Bureau and Statistics Canada. Areas exclude single-family residential, Highway and Street, Sewage and Waste Disposal, Water Supply, and Conservation and Development.

ECONOMIC IMPACT

Project-based mass timber manufacturing and construction currently have an annual economic impact of approximately $756 million in Oregon and Washington, representing 0.08% of the regional GDP. The largest single contributor to this output is mass timber manufacturing, which accounts for $120 million of the total. Beyond direct revenue, mass timber offers significant financial benefits through construction schedule acceleration, with projects typically realizing 15% to 25% shorter overall schedules and 25% to 50% faster superstructure erection compared to conventional systems. This speed reduces construction loan interest and allows for earlier revenue generation; for example, a 20% schedule cut on a $60 million project can save approximately $1.9 million in interest alone. The industry also serves as a catalyst for job creation, supporting an estimated 665 direct jobs, including 224 in advanced manufacturing and 441 induced roles, while providing critical economic development opportunities for rural communities.

Revenue Center	Physical Basis (2024)	Units	Unit Price USD	Gross Revenue USD M	Key Components
Logs Delivered to Mill	5,650,352	FT3 logs	$3.96	$22,399,973	Stumpage; felling; in-woods processing; trucking
Rough-Sawn Lumber (KD-S4S)	46	MMBM	$720	$33,120,000	Sawing; drying; planing (mill-net ex-yard)
Steel Connections		% of MT pkg.	15%	$18,088,500	
Hardware Fasteners		% of MT pkg.	8%	$9,647,200	
Fabricator Side Engineering Services		% of MT pkg.	5%	$6,029,500	
Mass-Timber Components	62,000	m3	$1,945	$120,590,000	CLT & GLT manufacture; finger-jointing; trimming
On-Site Installation	3,129,515	SQFT of building	30%	$36,177,000	Crane rental; erection crews; temporary works; site management
Completed MT Super-Structure	3,129,515	SQFT of building	8.50%	$425,611,765	Sum of Delivered Package + Installation (GC line-item)
General Contractor Services		% of building	10%	$42,561,176	
Architectural Services		% of building	7%	$29,792,824	
Engineering Services		% of building	3%	$12,768,353	
Total				**$756,786,291**	

Market Demand Takeaways

- Sector Leaders: Demand is primarily driven by the Business (Office), Educational, and Multi-Family sectors.
- Adoption Gap: While the PNW has a market penetration rate six times the continental average, its per capita usage is still less than half that of British Columbia.
- Regional Benefit: Growing demand in the PNW most directly impacts the pipeline for local manufacturers, who currently supply roughly half of the region's consumed mass timber.

STRATEGIC CHALLENGES AND CONSTRAINTS

- Critical Bottlenecks: While fiber supply isn't a constraint, growth is hindered by limited kiln-drying capacity, lamstock availability, and a lack of full-service manufacturers who can provide complete "kit-of-parts" delivery.
- Workforce Shortage: There is a pressing need to scale professional services, including project managers, fabrication designers, and timber-proficient engineers.
- Policy and Standards: Leveraging policy, such as embodied carbon regulations and zoning bonuses, and adopting standardized modeling processes are essential to reducing costs and accelerating adoption

CONCLUSION

For the Pacific Northwest, a region with a deep history in forestry and forest products manufacturing, project-based mass timber manufacturing and construction in Oregon and Washington together have an economic impact (gross output) of $756 million annually, at present. This value represents 0.08% of the regional GDP of $967 billion ($265 billion for Oregon and $702 billion for Washington). For context, Oregon's entire forest products sector contributes $8-10 billion or roughly 4% to the state's total GDP, while Washington's forest products sector contributes $36 billion annually, or 5% of the state's total GDP. While not yet a significant contributor to the economy, mass timber manufacturing and construction present a unique opportunity for job creation and economic development in rural communities across Oregon and Washington, carbon reduction and schedule acceleration in construction, and improved well-being for occupants of the built environment.