



**FOR IMMEDIATE RELEASE**

## **Timber Construction Proves Cost-Competitive with Conventional Methods, Study Finds**

**AMSTERDAM November 21** A comprehensive analysis of 59 residential timber construction projects in the Netherlands reveals that timber can effectively compete with conventional building methods on a cost basis. Challenging widely held perceptions around the economics of timber construction, the research study highlights opportunities for housing corporations and investors to see timber as playing a larger role in the residential market as costs continue trending downward.

The analysis, conducted between 2017 and the end of 2024 by Alba Concepts, IJKX, Bouwscoop, and C-Creators with funding support from Built by Nature, examined projects using timber frame construction (HSB) and cross-laminated timber (CLT). The study found that single-family homes built with HSB or a combination of CLT and HSB are already price-competitive with housing built with traditional materials such as concrete. For multi-family housing, the costs involving timber buildings up to four storeys in height also match those of conventional construction.

Among the key findings, at least 11 of the 59 projects analysed demonstrated costs comparable to traditional construction methods, while on average, the balance of timber projects studied showed only an 8% cost premium, calculated as 4% for single-family homes and 12% for multi-family buildings. Fire detection, soundproofing, vibration, and aesthetic features can contribute an additional expense of 5%, with shipping and stacking surcharges also identified as impacting timber construction costs.

Prefabrication and industrial production volumes, however, may significantly reduce construction costs and risks, with HSB projects cost-competitive due to ease of construction, while CLT-based projects remain slightly more expensive, but with associated lower-carbon benefits.

When evaluating the business case for timber construction, the study points to several such factors beyond cost such as environmental considerations including the impact of carbon taxes and shorter construction timelines allowing for earlier occupancy. Additional tax and financial incentives include mortgage discounts and programmes such as MIA-Vamil, as well as higher residual value realised due to timber's reuse potential.

Peter Fraanje, Netherlands Network Lead for Built by Nature said: "This research proves what the Built by Nature Netherlands Network believes and works towards: building in timber is more and more affordable - and sometimes even less costly than conventional construction methods. It's one of a number of studies making an increasingly clear case that timber is the best route for sustainable and affordable housing solutions."



The report recommends further European research into timber construction costs, particularly considering the increasing industrialisation and globalisation of the housing sector. Additionally, monitoring of construction timber prices, especially for CLT, will help neutralise perceptions of its relative expense. The study also anticipates that timber construction costs will decline as the industry stimulates demand, gains expertise and as production processes for timber projects are improved.

**Both studies are available via Built by Nature's new Knowledge Hub:**

<https://knowledge.builtbn.org/resources/understanding-and-advancing-cost-effective-timber-construction/><sup>1</sup>

**About Built by Nature**

Built by Nature is a network and grant-making fund – backed by philanthropic funding - with a mission to accelerate the timber building transformation and a vision for a built environment that works in unison with nature. BbN supports the built environment sector's pioneering developers, architects and engineers, asset owners and managers, investors and insurers, city leaders, academics, researchers, non-profits and policymakers in their journey to decarbonise our built environment and protect our natural capital. Our Fund makes grants to the teams and solutions that can increase the uptake of sustainable timber and improve its climate impact, overcoming the most challenging barriers.

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