

Business of Building e-Source - 11/21/2005 (Plain Text Version)

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Custom Builders Get a Lesson in Passion

Symposium offers participants a chance to step back and see the "big picture" of their building business

More than 400 custom home builders spent last weekend in Atlanta trading ideas for improving their business management and profitability, seeing the latest trends in home design and construction, and learning about new products and services in the home building industry.

It was all part of NAHB's annual Custom Builder Symposium supported by corporate sponsors and organized by the Custom Home Builder Committee and the University of Housing.

Charging up the batteries

Building your brand, managing client demands, providing excellent customer service, scheduling jobs, incorporating "green" features, working with architects, and managing risk were among the issues discussed in seminars. Roundtables focused on work and family balance, technology, disaster preparation, and other topics.

"I come to the Custom Builder Symposium every year. The reason I come to the Custom Builder Symposium is to recharge my batteries, get away from the day-to-day concerns and look at the big picture," said Richard Woodford of Empire Development in Bethel, CT.

Among the presenters who encouraged participants to use that wide-angle lens was keynote speaker Rodney Miller, director of corporate training for Florida Power and Light.

"What gets you through running a family business, a multimillion dollar business that can turn on the sale of a home, the vicissitudes of interest rates, and empty nesters? Number one, it is your attitude," Miller said. "The ability to dream" provides perspective as custom home builders weather the energy crises, the labor crises, and all the other crises that make up a typical day, week, or year in the business, he said.

Miller, a psychologist who has consulted with Fortune 500 companies and top executives, and most recently with Walt Disney World, observed that "too many executives and CEOs that I've spent time counseling have climbed to the top of the ladder only to find it was leaning against the wrong wall."

"If you get hit by a truck or an airplane goes down, will your children know your passion for doing what you've given your life to do?" Miller asked.

Pacesetters honored

Those who build on their passion, which was the theme for this year's symposium, were honored at a special Pacesetter Awards luncheon. The awards, cosponsored by the NAHB Custom Home Builders Committee and Custom Home magazine, were presented to 18 individuals for demonstrated excellence in one of six categories critical to success in custom building: marketing, management, customer service, design, production, and innovation.

The winners, featured in the November issue of [Custom Home](#), are Mark A. Perlman, [Empeco Custom Builders](#); C. Mason Hearn Jr., [HomeMasons](#); Craig Denman, [Denman Construction](#); Mimi Kress, Phil Leibovitz, and Richard Mandell, [Sandy Spring Builders](#); Alan Banks and Chris Folk, [Evans Coghill Homes](#); Grant Rhode, [GF Rhode Construction](#); Nancy and Rich Morrison and Irina Johnson, [Benchmark Custom Luxury Homes](#); Mike Holmes, [Holmes Construction Co., Inc.](#); Richard Laughlin, [Laughlin Homes & Restoration](#); Ron Merigold, [Merigold Corp.](#); Gus Rubio, [Gabriel Builders](#); Andrew Wright Suman, [Röhe & Wright Builders](#); and Jerry

Bonner, Bonner Custom Homes.

The 2005 Custom Builder Symposium would like to thank our sponsors:

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Look for a special edition of [Business of Building e/Source](#) in early December with highlights from the concurrent educational sessions and special events that were part of the Atlanta experience.

The 2006 Custom Builders Symposium will be Oct. 27-29 in Las Vegas. For updates, go online to www.nahb.org/custom.

NAHB Economist Gives Construction Materials Update

Custom Builder Symposium participants also got an update on construction materials prices and availability from Michael Carliner, NAHB staff vice president for economics. Pre-hurricane Katrina materials shortages are not going away and could get worse, but rebuilding is a long way off, he said. Therefore, the storm's aftermath probably will not have a large short-term effect on materials availability, except for roofing materials and for materials such as PVC pipe that depend on materials derived from oil and gas production. In fact, southern yellow pine logs may be more plentiful and, therefore, cheaper in the short term. A large number of trees were knocked down or uprooted by Katrina, he explained.

"Supply and demand shocks affecting wood products are quickly reflected in prices, rather than in actual shortages. You can always get it if you are willing to pay the price," he said, but with other materials "it often becomes a question of availability, rather than price increases."

The producer price index shows a 5 percent increase during the past year in all materials that go into new home construction, Carliner said, with declines in wood prices offsetting increases for other materials. While he suggested that builders consider locking in prices on some materials, possible materials shortages are a threat as well.

U.S. production capacity for materials such as cement, OSB, and gypsum is probably maxed out, Carliner said. At last check, there were 23 states where producers were allocating, or rationing, cement. Among these were Florida, Wyoming, Idaho, and Utah, Carliner said. Builders in some parts of the country recently have reported more problems with the availability of brick than cement, he added. Some are seeing shortages of roofing materials and insulation as well.

Meanwhile, the construction labor crunch continues, with construction unemployment down compared with 2004 and half of builders responding to NAHB's monthly builder survey reporting a shortage of framers.

You can view Carliner's PowerPoint presentation, [Hurricanes, Materials and Home Building](#) and the PDF file [Building Materials After Katrina](#) at www.nahb.org/biztools. [[return to top](#)]

Changes in Bankruptcy Law on Homestead and Exemptions for Individual Debtors

To the extent that under the new legislation individuals will now be able to exempt fewer assets and have less ability to discharge unsecured debt, the average consumer will be less able to maintain a large mortgage payment. To read the full text of this article, click [here](#). [[return to top](#)]

Attention Member Software and Technology Companies!

Here is your chance to reach builders looking for software and technology solutions ... by listing your member company in NAHB's Technology Solutions Directory (<http://www.nahb.org/TSD>). We just launched this directory and are now asking member companies like yours to set up their listing ... then we'll promote the Technology Solutions Directory to builders, contractors, state & local HBAs and other industry outlets.

To get your enhanced listing (Company Name, URL, E-mail Address, Mailing Address, Phone Number, Company/Product Description, Company Logo) – please go to:

http://www.nahb.org/product_details.aspx?sectionID=243&forSaleID=756

For a Standard Listing (Company Name, Phone Number) – please go to:

<http://www.nahb.org/directory.aspx?sectionID=243&directoryID=428>

If you have any questions, e-mail wheslop@nahb.com.

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A Solid Estimating Workflow Adds Up

By implementing a best practices workflow approach, you can build on your basic estimating process to potentially reveal new efficiencies, create cost savings, reduce your estimating time, and increase your accuracy. The result: far less wasted effort and guesswork, better awareness and communication of all costs, and a boost to overall productivity.

Whether you are a custom or production builder, this [resource](#) offers suggestions for taking a fresh look at your business that goes beyond simply calculating labor, materials, and costs. [[return to top](#)]

Protect Your Workers ... and Your Profits

The failure to properly train workers is one of the top 15 most frequently cited OSHA standards in residential construction and could cost a company up to \$7,000 for a single serious violation.

OSHA requires each employer to train employees to recognize and avoid safety hazards on the job and to understand the applicable safety regulations.

The new [English-Spanish Jobsite Safety Video](#), developed by NAHB, provides an overview of the key safety issues residential builders and workers need to focus on in order to reduce accidents and injuries and to comply with OSHA regulations. The Jobsite Safety Video is based on the popular "NAHB-OSHA Jobsite Safety Handbook," and both can be used to form an essential, comprehensive residential construction safety-training program.

The Jobsite Safety Video is available as two 20-minute videos — one in English, the other in Spanish — on one DVD. The *English-Spanish Jobsite Safety Video* covers the following topics:

- Personal Protective Equipment
- Housekeeping

- Lifting Safety
- Stairways and Ladders
- Scaffolding
- Fall Protection
- Trenching and Excavation
- Tools and Equipment
- Vehicles/Mobile Equipment
- Electrical Safety
- Fire Prevention
- Hazard Communication

To order the Jobsite Safety Video from BuilderBooks.com, [click here](#), or call 800-223-2665. [[return to top](#)]

Tax Reform Panel Delivers a Harsh Blow for Homeownership

A [presidential commission report](#) proposing a radical overhaul of the nation's tax code was blasted by NAHB as "the biggest tax hike for homeowners ever proposed" after it was presented on Nov. 1 to Treasury Secretary John Snow.

Developed by the [President's Advisory Panel on Federal Tax Reform](#) over the past 10 months, the tax overhaul would collapse six income brackets into four, eliminate the Alternative Minimum Tax and replace the popular mortgage interest deduction with a considerably more limited 15 percent tax credit. Also gone would be deductions for state and local taxes and interest deductions for home equity loans and second homes. The panel recommended eliminating the Low Income Housing Tax Credit as well.

The panel's recommendations will now be reviewed by the Administration, and if embraced by President Bush could be included in his State of the Union address in January.

Several parameters governed the panel's final recommendation. The proposal had to be revenue-neutral, promote homeownership and charitable giving, and repeal the Alternative Minimum Tax, which will cost approximately \$1.2 trillion over the next 10 years.

Though President Bush explicitly stated that one of the objectives was to devise a plan that would promote homeownership, NAHB believes the panel's recommendations would do just the opposite by wiping out several major housing tax incentives in the current code.

The White House is under no obligation to follow the panel's findings.

For analysis from NAHB's economists on how the new plan would increase the federal tax liabilities of homeowners, housing-related provisions of the tax panel's proposal and related resources, visit <http://www.nahb.org/category.aspx?sectionID=875> or read the Nov. 7 issue of [NBN Online](#).

For more information, e-mail [Michael Strauss](#) at NAHB, or call him at 800-368-5242 x8252. [[return to top](#)]

NAHB Storm Water Proposals on Inspection, Compliance Received Favorably

The NAHB-EPA Storm Water Working Group in October met to discuss two draft proposals forwarded by NAHB. The first is a targeted inspection policy, fashioned after OSHA's policy that allows inspectors to focus their field inspections on whether or not Best Management Practices have been maintained to assess environmental impacts, rather than purely targeting the paper work. The second proposal is for a compliance incentive program that would allow certain site operators to correct problems in the field and be eligible for lower penalties. Both concepts received favorable reactions from the agency and will be further explored.

It was clear from the latest discussions that NAHB's efforts are having a real and positive impact, as EPA is

finally starting to believe that there are genuine challenges associated with NPDES program compliance and that creative solutions—such as the latest draft proposals—are indeed warranted. The joint working group plans to meet next in December. Contact: [Marolyn Parson](#), x8157. [[return to top](#)]

Crucial Liability Protection for Brownfields Redevelopers

EPA released its long-awaited final rule on Nov. 2 stipulating that those who purchase potential brownfields sites can be protected from federal liability for prior contamination under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) if they perform a thorough property investigation known as "all appropriate inquiry" prior to taking title to the property.

The rule spells out exactly what steps must be undertaken in this property investigation, as well as the minimum qualification standards for consultants who perform those steps.

NAHB actively participated in developing this rule, which provides much-needed clarity for builders and developers. Our voice in the process was that of esteemed member Marty Mitchell, who served on the EPA advisory panel that undertook the effort. EPA Administrator Stephen Johnson and his staff are also to be commended for their efforts to bring the rule to fruition through the regulatory process known as a "negotiated rulemaking"—a method that could no doubt also benefit future agency actions. Contact: [Mike Mittelholzer](#), x8660. [[return to top](#)]

Home Building Industry Disaster Relief Fund Seeks Donors

The Home Building Industry Disaster Relief Fund, created to assist victims of Hurricane Katrina, is now a stand-alone entity, rather than a part of NAHB's endowment, so donations should be sent directly to the fund, rather than through the endowment.

For more information, go to NAHB's [disaster resources](#), where you can click on links to [donate](#). [[return to top](#)]

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