

BuilderNews

The Newsletter of the Home Builders Association of Great Falls



March 2017

Housing Agenda Goes to Capitol Hill

NAHB Chairman Granger MacDonald and First Vice Chair Randy Noel met with congressional leaders March 2 to urge Congress to pursue a strong national [agenda for housing](#).

Discussions were held with Senate Majority Leader Mitch McConnell, Speaker of the House Paul Ryan, House Minority Whip Steny Hoyer, House Financial Services Committee Chairman Jeb

Hensarling and other influential lawmakers.

The NAHB senior officers made it clear that the association wishes to work with both parties in Congress and the administration to reform the regulatory process, protect vital housing tax incentives that are needed to keep housing and the economy moving forward, and enact comprehensive housing finance reform.

LEADERSHIP

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New Home Sales Start Year with Gain

Sales of newly built, single-family homes [rose 3.7% in January](#) to a seasonally adjusted annual rate of 555,000 units, according to HUD and the U.S. Census Bureau.

The inventory of new homes for sale was 265,000 in January,

which is a 5.7-month supply at the current sales pace. The median sales price of new houses sold was \$312,900.

Regionally, new home sales increased 15.8% in the Northeast, 14.8% in the Midwest and 4.3% in the South, and fell 4.4% in the West.

NAHB Applauds Trump WOTUS Directive

President Donald Trump recently honored a campaign promise made to home builders when he signed an executive order directing the Environmental Protection Agency (EPA) to begin the process of rescinding or revising the controversial "waters of the United States" (WOTUS) rule. NAHB Chairman Granger MacDonald attended the signing ceremony at the White House.

When then-candidate Trump spoke at the NAHB Board of Directors meeting in Miami in August, he vowed to cut WOTUS and other burdensome regulations that drive up the cost of homes for hard-working Americans. Trump quoted a 2016 NAHB study when he noted that 25 percent of the cost of a new home is due to regulation.

President Trump has heard NAHB's serious concerns about the [flawed WOTUS rule](#) imposed by EPA in 2015. The rule goes so far as to regulate man-made ditches and isolated ponds on private property. The executive order is an important first step toward reworking the flawed regulation and moving toward a more sensible WOTUS rule.

Seeking Volunteers for Codes Development

Even as home builders await the publication this fall of the 2016 model building codes, the International Code Council (ICC) has announced its Call for Code Development [Committee members](#) for the 2018/2019 cycles.

If you want to represent NAHB on an ICC Code Development Committee, please email your completed application to [Neil Burning](#) by March 31.

To download the application and get more information, [visit ICC's website](#).

Employers Must Use New I-9 Form

In an effort to reduce errors and make it easier to complete the form on a computer, the U.S. Citizenship and Immigration Services has published a revised version of [Form I-9](#), Employment Eligibility Verification.

All employers are now required to use it.

Employers must ensure that a Form I-9 is properly completed for every person they hire, both citizens and non-citizens.

And while the changes make it easier to fill out the I-9 form online, a printable version is also available.

Take Advantage Of Member Savings

NAHB members can enjoy discounts on vehicles, shipping, computers, car rentals, office supplies, insurance and more.

NAHB's purchasing power means big savings on brands you know and trust, like Lowe's, GM, Fiat Chrysler Automobiles, Dell, UPS and many more.

Maximize your NAHB membership with great savings through [NAHB's Member Advantage](#) program.

Register for Spring Exec Board Meeting

The Spring Executive Board Virtual Meeting will be held on Wednesday, March 29, beginning at 10 a.m. ET.

All NAHB members are welcome to view the virtual meeting, but those planning to do so must [register for the meeting](#).

HERS Scores in Home Appraisals

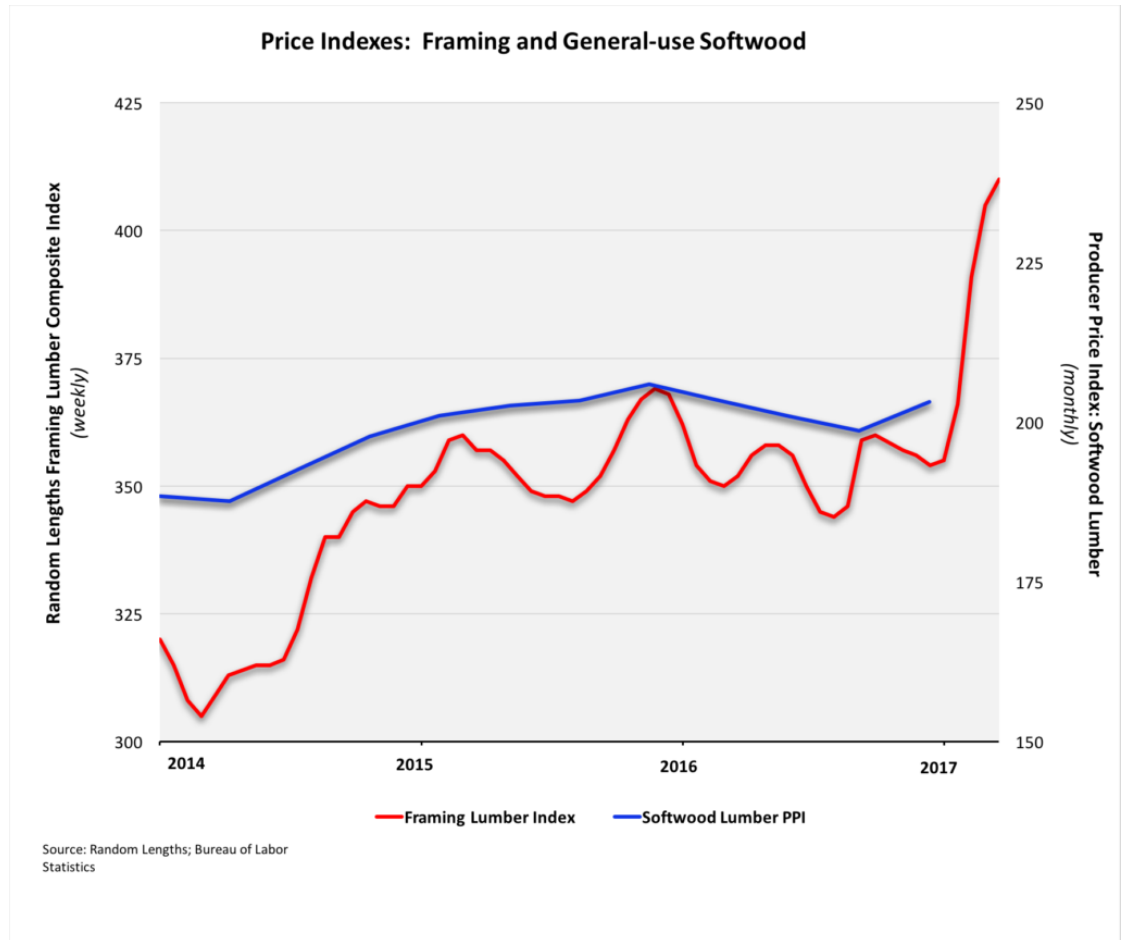
A new partnership between the Residential Energy Services Network (RESNET) and the Appraisal Institute plans to include [Home Energy Rating System](#) (HERS) scores in appraisals. The database will be available to the Appraisal Institute in states where the rating system is prevalent.

Lumber Prices Rising Fast in 2017

The price of lumber, from framing to structural panels, has increased in recent weeks, with some prices jumping more than 30%.

Since the start of 2017, the price of framing lumber is up 15%. Prices increased by 5% per week, on average, between Jan. 27 and Feb. 17. In comparison, the average weekly price change over the course of 2016 was 0.2%.

The volatility in lumber prices is due largely to uncertainty about whether there will be a new trade agreement between the U.S. and Canada and whether punitive tariffs or quotas will be slapped on Canadian lumber imports in the absence of a new pact. The trade agreement that has governed imports of softwood lumber from Canada since 2006 effectively expired at the end of 2016. Failure to reach a new agreement is the primary catalyst for market-wide price increases.



The outlook for a new pact between the U.S. and Canada – and by extension lumber prices – is highly uncertain at this point. NAHB economist David Logan provides a detailed analysis and outlook on lumber prices in an [Eye on Housing blog post](#).

Better Than Inclusionary Zoning

As a growing number of communities raise impact fees, concern about affordability is also growing. Many communities are turning to inclusionary zoning as a seemingly quick and easy plan they can adopt and impose on the housing industry.

But new research shows that *multiple* strategies are needed to make projects viable. Examples of public-private successes in building affordable neighborhoods are detailed in a [new NAHB publication](#), "How Did They Do It? Discovering New Opportunities for Affordable Housing."

Remodelers' Profit Margins

The recent "Remodelers' [Cost of Doing Business Study](#): 2017 Edition" shows that the net profit margin for the typical residential remodeler increased to 5.3% in 2015, up from 3.0% in 2011.

Combining all sources, remodelers reported an average \$1.8 million in revenue for 2015, of which \$1.3 million (71.1%) went to pay for cost of sales items such as labor, material, and subs. Remodelers spent an average of \$420,000 in operating expenses, thus ending fiscal year 2015 with \$95,000 in net profit – a 5.3% net profit margin.

The Science and Art of Selling Homes

The science of selling – figuring out what customers want and how to sell it to them – proved to be a common theme at the 2017 International Builders' Show. Below are **seven key areas** that can affect the way potential home buyers view your product.



*The Oaks Farms, Davidson Communities
San Juan Capistrano, Calif.*

Great Design. Experts say that escapism and cultural influences, as well as both task-oriented (functional) and experiential (emotional) spaces, are leading the way in new home design. Converged living rooms, where TVs, smart phones, personal computers, tablets and gaming devices come together, is a trend with staying power.

The Retail Experience. In today's fast-paced, short-attention-span world, capturing the buyer's eye and keeping them focused on the mark can be challenging. Marketing and merchandising play a big role in this. Experts agree that the effort should start with the sales center. The model home experience should be a journey for the client. Use virtual and augmented reality in the sales center and throughout model homes. Give clients the freedom to explore on their own, at their convenience, for a more dynamic and memorable experience.

Location. Homes and communities, both single- and multifamily, built within close driving or walking distance to public transportation, shopping, dining, schools and other amenities will always win with buyers (and renters).

Amenities. Buyers, especially millennials, love options. The more distinct possibilities offered, even if it's only two or three, the better your chances of staying competitive.

Color. Color triggers emotional response in humans. Play around with different colors in different rooms to hit the emotional hot spot for buyers. And look to the future; color in architectural design is changing shape.

Focus on Women. Research shows that women are the primary decision makers when it comes to consumer spending, and especially when it comes to home purchases. Keeping this top of mind at each phase of the design-build process should help sell more homes.

Personalization. Providing ways for buyers to make the space their own, like a memory wall or art alcove, gives them another reason to fall in love.

CALENDAR OF EVENTS

Events List

*** March 30, 2017**

Member Mixer

Rocky Mountain

Hardscapes

5:30pm -8:30pm

915 Crescent Drive

*** March 31- April 2, 2017**

Home & Garden

Show and Sale

August 11, 2017

HBA Classic Golf

Tournament

This year's theme

THE HIGHLAND

GAMES !

G R E A T F A L L S

37th Annual
HOME & GARDEN

SHOW AND SALE

MONTANA EXPO PARK

FOUR SEASONS ARENA & EXHIBITION HALL

Great Falls, Montana

March 31 - April 2

FRIDAY 3pm - 8pm

SATURDAY 10am - 6pm

SUNDAY 10am - 4pm

PACKED WITH LOCAL VENDORS



www.hbagf.org