



Southern Building Material Association's **Management Newsletter**

April 8, 2011

"The Voice of the Carolinas, Tennessee and Virginia Building Material Industry."

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Confidence Rises Slightly

The Conference Board Consumer Confidence Index increased slightly to 65.4 in April, up from 63.8 in March, and up from 57.7 in April 2010. "Consumers' short-term outlook improved slightly, suggesting that the uncertainty expressed last month is easing. Inflation expectations, which had spiked, retreated somewhat in April," said Lynn Franco, director of The Conference Board Consumer Research Center. "Although confidence remains weak, consumers' assessment of current conditions gained ground for the seventh straight month, a sign that the economic recovery continues."

The Present Situation Index increased to 39.6, up from 37.5. While those expecting business conditions to improve over the next six months declined to 18.8% from 20.8%, those anticipating business conditions to worsen decreased to 14.2% from 15.5%. *Home Channel News*

Durable Goods Orders Rise in March

New orders for manufactured durable goods rose more than expected in March, according to U.S. Census Bureau data. Orders rose 2.5%, better than the consensus 1.8%, according to *Briefing.com*. Excluding transportation, new orders



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increased 1.3%, surpassing the 1.2% consensus. "This increase, up three consecutive months, followed a 0.7% February increase," the U.S. Census Bureau noted in a press release on Wednesday.

Nondefense new orders for capital goods increased 3.2% in March, while shipments increased 2.1%. <http://www.thestreet.com/story/11095753/1/durable-goods-orders-rise-in-march.html>

Downward Reset For Single-Family Starts Outlook

ProSales' Brendan Rimetz reports that National Association of Home Builders' chief economist David Crowe unveiled new, lowered, forecasts for the single-family segment of residential construction activity in 2011. Rimetz writes, "David Crowe also reduced by 19% his previous prediction for single-family starts in 2012, saying during a webinar that he now expects 698,000 starts next year. In January, during the International Builders' Show, Crowe had said he expected 575,000 single-family home starts this year and 860,000 next year." Access to Crowe's presentation yesterday is available at <http://eyeonhousing.wordpress.com/2011/04/27/nahb-spring-construction-forecast-webinar/> Take a moment to look at the presentation. I think you will find this very interesting.

Pending Home Sales Rise Again in March

March saw another increase in pending home sales, with contract activity rising unevenly in six of the past nine months, according to the National Association of REALTORS®.

The [Pending Home Sales Index](#), a forward-looking indicator based on contract signings, rose 5.1 percent to 94.1 in March from a downwardly revised 89.5 in February. The index is 11.4 percent below 106.2 in March 2010; however, activity was at elevated levels in March and April of 2010 to meet the contract deadline for the home buyer tax credit. The data reflects contracts but not closings, which normally occur with a lag time of one or two months.

Lawrence Yun, NAR chief economist, said home sales activity has shown an uneven but notable improvement. "Since reaching a cyclical bottom last June, pending home sales have posted an overall gain of 24 percent and demonstrate the market is recovering on its own," he said. "The index means modest near-term gains in existing-home sales are likely, which would be even stronger if tight mortgage lending criteria returned to normal, safe standards."

The PHSI in the Northeast fell 3.2 percent to 63.4 in March and is 18.4 percent below March 2010. In the Midwest the index rose 3.0 percent in March to 83.5 but is 16.6 percent below a year ago. Pending home sales in the South jumped 10.3 percent to an index of 110.2, but are 10.5 percent below March 2010. In the West the index increased 3.1 percent to 103.7 but is 4.1 percent below a year ago.

"Based on the current uptrend with very favorable affordability conditions and rising apartment rents, existing-home sales should rise around 5 to 10 percent this year with sales growth of lower-priced homes likely to outperform high-end homes. That means the price trend will reflect more homes sold in the lower price ranges," Yun said.

"The good news is that recent home buyers are staying well within budget,



Upcoming Webinars & Seminars:

Webinars

**May 3 – Overcoming
Objection ... Increasing
Sales .. Increasing
Profits**

**May 19 – Residential
Sprinkler Systems Will
Save Lives, but How
Will It Affect Your
Business?**

Yard Foreman Webinar

**Continuing Your
Business... How the
Inheritance Tax
Changes Are Going To
Affect You**

Seminars

**May 19 – Prospecting
Strategy for High
Achievers in Building
Material Sales**

If you have any questions
or want more information
on any of the above (or if
you would like to see a
particular issues addressed
in a webinar) call Cindy at
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leading to exceptionally low loan-default rates among home buyers over the past two years," he added.

Case Shiller Reports Home Prices Decline, Again

The S&P/Case Shiller Index, a bellwether for the new housing market, has reported that home prices for the month of February 2011 continue to fall from their year-ago levels but remain slightly above the April 2009 bottom point. The 10-City and 20-City composites fell 2.6% and 3.3% respectively from their February 2010 levels. Washington D.C. was the only market to post a year-over-year gain with an annual growth rate of 2.7%. *Home Channel News*

The Math of Home Buying Changes If 20% Down Becomes The Rule

Fourteen years. That's how long it would take the average American working household to save money for a 20% downpayment, assuming median 2009 house prices, a typical household income, tax rates, interest rates, and a rather atypical savings rate of 7.5%. *The Atlantic's* Daniel Indiviglio has this piece with data calculated by the Center for Responsible Lending. The analysis proposes that the timeline could be accelerated to as few as six years with one of a number of options: "One possibility would be to provide tax-free savings plans to encourage saving and make it accumulate more quickly. New mortgage products could also be adopted that make lower down payment mortgages more attractive to banks. Another strategy could be for the U.S. to adopt monetary policy that allows for higher interest rates, so savings can grow more quickly, increasing consumers' desire to save." *ProSales*

Health Highlights

◆ Health spending per capita in the U.S. climbed to \$7,538 in 2008, more than 50 percent more than Norway, the second highest country in terms of per-capita health care spending among the 15 wealthiest nations in the Organization for Economic Co-operation and Development (OECD). After adjusting for inflation, U.S. health spending per capita grew at an average annual rate of 4 percent between 1980 and 2008, second highest among the OECD countries analyzed. The U.S. devoted 16 percent of its gross domestic product devoted to health care in 2008, nearly five percentage points higher than the shared devoted by France and Belgium, the nations with the next highest share. *Kaiser Family Foundation*

◆ The United States has a higher percentage of children being raised by a single parent than other developed nations, according to a report released Wednesday by the Organization for Economic Cooperation and Development. The OECD looked at 27 industrialized countries and found that 25.8 percent of children in the U.S. are being raised by a single parent, compared to an average of 14.9 percent in the other nations, the *Associated Press* reported.

Thanks to Jobs, Carolinas Keep a Positive State of Mind

On a simple x/y axis, you can probably plot a strong statistical relationship between the number of purchasers of homes to live in and enjoy them (vs. as investment properties) and the low rate of troubled loans. The Carolinas missed the dance when it came to the turbo-charged appreciation and speculative frenzy

Upcoming Events

Mark your calendars now!

May 19, 2011 –

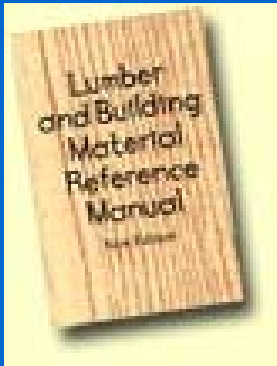
Prospecting Strategies for High Achievers in Building Material Sales

July 28-31, 2011 –

SBMA Summer Conference, Exhibits and Leaders Meeting, Virginia Beach, VA

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that occurred in markets with more constrained residential inventory. That's a sigh of relief these days, as these markets can go about the business of trying to get an inevitably strong jobs and household growth economy back in the swing of things as one of the nation's bellweather recovery regions. What North and South Carolina do not have to do is to clean up the mess of a burst real estate bubble, which is destined to make it a long, not-pretty slog for a number of once-hot markets. Go to the address below for more on this issue. *Source: ProSales*
<http://www.bigbuilderonline.com/post.asp?BlogId=mcmanusblog&postid=617226§ionID=391&cid=NWBD110428002>

US Recovery Expected To Gain Momentum

The US economy is expected to consolidate its recovery this year despite a slowdown in the first quarter, according to a survey published Monday by The Wall Street Journal. The newspaper said that on average, the 56 economists polled downgraded their estimate of first-quarter growth in gross domestic product to 2.7 percent at a seasonally adjusted annual rate from 3.6 percent forecast two months ago. The economy grew at a 3.1-percent rate in the fourth quarter. The respondents cited the still-weak housing market, severe weather, declining confidence and the earthquake in Japan as factors contributing to the pullback, the paper said. The single biggest factor named by 35 economists was the rising price of oil sparked by Middle East unrest.

"High oil prices usurp confidence and erode spending by consumers still struggling with lost wealth," The Journal quoted Sean Snaith of the University of Central Florida as saying. But the economists expect the problems in the first quarter to be transitory, the paper said. They forecast growth to pick up to 3.6 percent by the fourth quarter of the year and predict oil prices will fall back below \$100 a barrel by the end of 2011, The Journal noted.

<http://www.google.com/hostednews/afp/article/ALeqM5ja9TPNj68xOJRyv181ezXKB3g6Ug?docId=CNG.a75eb18b88e9d2bd744da1f674e29b55.71>

OSHA News

◆ OSHA has cited a propane manufacturer for 19 safety violations following the October 2010 death of a worker who was ejected and crushed after the forklift he was operating overturned.

◆ Recently, the OSHRC rendered a decision addressing whether citations issued for recordkeeping violations exceeded the six-month limitation period in which citations may be issued. OSHRC ruled that the violations were not time-barred and the court affirmed four of the five citations.

Middle Class: More Myth Less Real?

New Strategist Publications editor Cheryl Russell voices what social observers have noted with more volume lately. Wealthier people tend to feel they're middle class, not rich. But the actuality of a middle class seems to be eroding, especially as homeownership becomes more dream and less American. Russell notes that statistical middle and collective perception middle are two altogether different notions, which surface in the 2010 General Social Survey: "When Americans are asked how their family income compares with other families, only 43 percent now feel that their income is average. This is the smallest percentage ever recorded by the General Social Survey and down from a peak of 59 percent in 1973." *PEW Research Study*

Charting A Course to Recovery...



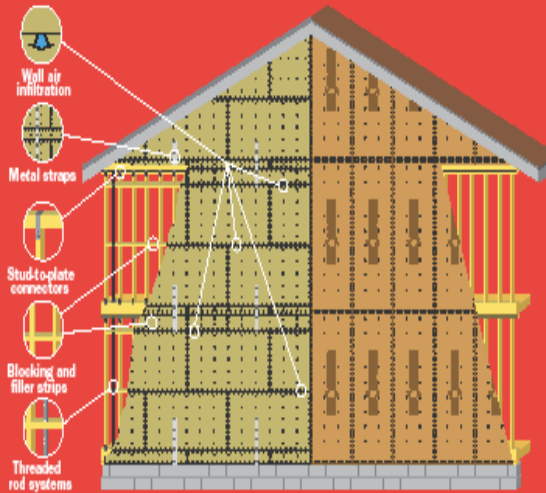
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5 Government Statistics You Can't Trust

As pattern-seeking creatures, statistics have a peculiar hold on our minds. Quite a large number of decisions are undertaken on the basis of what statistics tell us. That is certainly true when it comes to government economic data and the blizzard of stats that come out every month.

Billions of dollars' worth of value appears or vanishes on the basis of what these numbers say about the health, growth and direction of the economy, and the implications for company profits, interest rates and so on.

Some of that faith may be misplaced. While great reliance is placed on government economic numbers and the financial media report on them at length, in-depth discussions of how the numbers are created — and where the weaknesses may lie — is relatively rare. Unfortunately, those gaps are significant.

Unemployment

Two surveys examine employment — the household survey and the payroll survey. While many seem to think that the larger sample size of the payroll survey makes it more accurate and reliable, from a statistical standpoint the household survey's design is more sound, and the margin of error is usually better.



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Cindy, Kathy and Larry

That said, the unemployment numbers give a few examples of the problems of government statistics. Starting during the 1960s, the methodology was changed to exclude discouraged workers — people who are out of work and have met with so little success in finding a new job that they have quit trying. This had the instant effect of lowering the unemployment number.

Inflation

Generally speaking, the most important inflation measure is the Consumer Price Index. As manufacturing becomes an increasingly smaller part of the U.S. economy, the Producer Price Index becomes somewhat less relevant. Inflation reporting used to be based on a fixed basket of goods, but that has changed with time. Substitution effects have infiltrated the measurement of inflation such that it is now assumed that when certain goods get expensive, consumers will substitute with cheaper goods. This clearly understates inflation. Likewise, the weighting has been shifted from an arithmetic basis to a geometric basis, another change that helps to minimize the appearance of higher prices. Last and not least is the impact of hedonics. The idea of hedonic adjustment is that at least some of the price difference between a good bought today and a good bought yesterday can be ascribed to significant quality improvements. Unfortunately, this is a highly subjective determination and one that does not always sync with reality.

GDP

In some respects GDP depends upon economic theories about how things should work as opposed to surveys indicating how they do work. Here are some of the most glaring problems with GDP:

GDP and gross domestic income should be equal, but they never are, and the discrepancy is not insignificant. Moreover, IRS [data](#) generally fail to corroborate GDI data.

GDP figures include imputed growth. Free checking is treated as imputed interest income, and homeowners are calculated to receive imputed rental income. GDP ignores household work, volunteerism and the underground economy. There is an old joke that if you marry your housekeeper or handyman, you'll cause GDP to drop.

The deflation of GDP — the GDP deflator is an inflation measurement that is designed to translate nominal GDP into "real" GDP. Unfortunately, the composition has changed over time and the move from fixed-weighted inflation measures to chain-weighted has increased the risk that GDP is being overstated (because inflation is being understated).

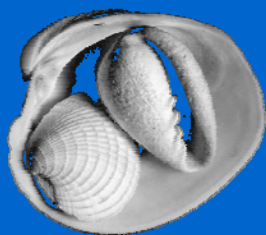
Retail sales

For a widely followed statistic, the retail sales figure has a problem. Though the survey is fairly thorough (including 5,000 firms in the advanced survey and 12,000 in the final), it only tracks the dollar value of sales, not the changes in unit volume. Once again, here is another number whose validity is tied significantly to whatever metrics are used to represent inflation. Assume an inflation number that is too low and the retail sales figure will look too good.

First-Time Jobless Claims

First-time filings for unemployment claims jumped last week, coming in above the key 400,000 level for the third straight week, according to a government report Thursday. The number of initial claims rose to 429,000 in the week ended

Anger is not a result of the circumstances you face in life, but is rather the reaction you have to them. Anger is a choice. Try choosing courage instead of anger.



Apr. 23, up 25,000 from the week before. It was the highest level in three months, and surprised economists, who were expecting initial claims to drop to 390,000 in the latest report. <http://msnbc.asktavoris.com/5-government-statistics-you-cant-trust-3/>

US Economy Slows as Consumer Spending Decelerates

It should come as little surprise that the U.S. economy slowed down in the first quarter. Federal Reserve Chairman Ben Bernanke noted as much during his first-ever press conference Wednesday and it was confirmed in Thursday morning's gross domestic product report from the Commerce Department that showed growth of 1.8%. That follows a 3.1% expansion in the fourth quarter, and much of the weakness can be attributed to "a sharp upturn in imports, a deceleration in [personal consumption expenditures], a larger decrease in federal government spending, and decelerations in non-residential fixed investment and exports," the Commerce Department's Bureau of Economic Analysis said. For more information on this go to: <http://blogs.forbes.com/steveschaefer/2011/04/28/u-s-economy-slows-as-consumer-spending-decelerates/>

2011 Hurricane Season Begins

The north Atlantic hurricane season begins June 1 and lasts through Nov. 30. The U.S. Census Bureau produces timely local data that are critical to emergency planning, preparedness and recovery efforts. In a recent edition of Facts for Features the Census Bureau highlighted the number of people living in areas that could be most affected by these dramatic acts of nature.

2010 Census population, as of April 1, 2010, most threatened by Atlantic hurricanes: the coastal portion of states stretching from North Carolina to Texas. Approximately 12 percent of the nation's population live in these areas with about 36.8 million people in the hurricane's path. In 1960 coastal population of the states stretching from North Carolina to Texas contained only 8% of the nation's population (or 14 million people). That is 163% growth between 1960 and 2010!

There were 12 hurricanes during the 2010 Atlantic hurricane season, five of which were major hurricanes at Category 3-strength or higher. None of these storms made landfall in the U.S., though Alex made landfall just south of Texas in Mexico and Earl brushed the East Coast.

Company Records: What To Do When No Requirements Exist

Maintaining personnel records used to be a whole lot simpler. In fact, any HR department that wanted to be absolutely safe on the subject simply issued a "keep everything" policy. But now, that same "keep everything" strategy can cost you as much as a lawsuit. Maybe even more.

That's because the Federal Trade Commission's "disposal rule" says you've got to get rid of certain data on job applicants' records on a certain timetable. That's why it's important to inventory your records and draw up a company retention schedule. You have to know what you have and how long to keep it—legally and for your own business purposes—before you can establish an efficient records



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Timetable Tips

Whether you use the guidelines in this section or conduct your own research to establish a retention schedule, keep the following in mind:

Don't be a "just in case" hoarder; store records only for legal, operational or archival reasons.

Retain and destroy documents systematically.

Segment records according to a retention timetable.

Don't retain unscheduled temporary materials, such as drafts, reminder notes, work sheets or extra copies.

Don't hang onto documents just for their sentimental or public relations value.

Information must earn its keep, like any other asset. A comprehensive record of the past that fosters a "company memory" can be an asset, but be sure to minimize your legal liability while doing so.

When No Requirements Exist . . .

What can you do if a law does not state a specific retention period? This is not uncommon. Statutes and regulations often contain a phrase, "The following records shall be maintained . . .," but they fail to tell you the retention period.

Usually the phrase is interpreted as meaning "permanently" because there's no permission given for destruction of the records. How do you deal with this quandary?

Adopt a 3-year policy

Under the Uniform Preservation of Private Business Records Act (UPPBRA), whenever a law does not specify a retention period, businesses should keep their records for three years. If you destroy them sooner, you risk subjecting your organization to legal problems. However, only eight states have adopted this act or something equivalent. Courts could certainly require you to hold records long enough to permit the state to monitor compliance with its regulations—a "reasonable" period of time. Based on federal records and the UPPBRA, a three-year retention period should be sufficient.

News Flash: This 5-Year Housing Nightmare Shall Pass

Beyond doubt, as bad as it's been for home builders of all stripes, the basis is in place for a recovery sometime. The Pew Research Center offers this report today: "The five-year swoon in home prices has done little to shake the confidence of the American public in the investment value of homeownership. Fully eight-in-ten (81%) adults agree that buying a home is the best long-term investment a person can make, according a nationwide Pew Research Center survey of 2,142 adults conducted from March 15 to March 29, 2011. There has been some falloff in the intensity of the public's faith. Today, 37% 'strongly agree' while 44% 'somewhat agree' that homeownership is the best investment a person can make. When this same question was asked two decades ago in a CBS News/New York Times survey, 49% 'strongly agreed' and 35% 'somewhat agreed.'" Good enough to believe that when a paycheck-to-paycheck household can get a home loan, demand will be there. <http://www.builderonline.com/builder-pulse/news-flash-this-five-year-housing-nightmare-too-shall-pass.aspx?cid=NWBD110412002>

Prospecting Strategy for High Achievers in Building Material Sales

May 19, 2011
1:00 – 4:00 PM
High Point, NC

Every building material dealer is in a weak market right now. How do you generate leads? In other words, how do you prospect? Effective prospecting is now a critical component of sustainable sales success. Prospecting is not selling. You may be well-trained and experienced salesperson but your training may not have included prospecting.

The output of prospecting is a list of qualified leads that may buy your product and services. Selling begins only after a lead is categorized as qualified. If you start selling too early, you run the risk of pigeonholing your products and services before you have the opportunity to understand your prospect's requirements.

Be sure to sign up for this seminar right away! **The cost is only \$79 for per SBMA Member Firm. There is no limit on the number of attendees. We just need to know the number attending.**

For more information or to register give Cindy a call at 800.966.4202. Do it today!!!

Norbord asked the NAHB Research Center to compare air leakage between horizontal panels and vertical TallWall. With up to a 60% reduction in air infiltration, there was no comparison – TallWall won hands down. TallWall stretches from floor framing to top plate, making it up to 99% stronger and mid-wall horizontal joints a thing of the past.

Watch the video on your mobile device!



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Watch the video at TallWallUSA.com to find out how.



Economy Slowed

The economy slowed sharply in the first three months of the year as high gas prices cut into consumer spending, bad weather delayed construction projects and the federal government slashed defense spending by the most in six years. The Commerce Department said Thursday that the economy grew at a 1.8 percent annual rate in the January-March quarter. That was weaker than the 3.1 percent growth rate for the October-December quarter. And it was the worst showing since last spring when the European debt crisis slowed growth to a 1.7 percent pace.

Federal Reserve Chairman Ben Bernanke and other economists say the slowdown last quarter is a temporary setback. They generally agree that gas prices will stabilize and the economy will grow at a 3 percent pace in each of the next three quarters.

An inflation gauge in the report showed consumer prices rose last quarter at the fastest pace in nearly three years, with most of the increase coming from higher fuel costs. Rising gas prices are draining most of the extra money that Americans are receiving this year from a Social Security payroll tax cut.

In the January-March quarter, consumers boosted spending at a 2.7 percent pace. That was down from a 4 percent pace in the prior quarter and was the weakest pace since last summer. Consumer spending is important because it accounts for roughly 70 percent of overall economic activity.

Pump prices were mostly blamed for the pullback, although harsh winter weather also kept people from shopping.

Winter storms — including rare snow that blanketed the South — also forced builders to delay construction projects, a big factor holding back overall

Quotes of the Week

The way to get things done is not to mind who gets the credit for doing them.

Benjamin Jowett



Our senses are indeed our doors and windows on this world, in a very real sense the key to the unlocking of meaning and the wellspring of creativity.

Jean Houston

economic activity. Builders slashed spending on commercial construction, such as office buildings and factories, at a 21.7 percent annualized pace, the deepest cuts since late 2009. Home building also was hurt. Builders cut spending on housing projects by a 4.1 percent annualized rate.

Bernanke at a news conference on Wednesday suggested that the crippled housing market will continue to weigh on the economic recovery. He pointed out that home building and commercial construction were both "very weak" in the first quarter. Normally, construction spending is a big part of economic recoveries. The housing market's collapse thrust the economy into a deep recession, and economists say it will take years for the industry to heal. Two years after the recession has ended, the housing market remains depressed.

Another factor holding back the economy last quarter: Deep cuts by the federal government on military projects. That spending was cut by an annualized rate of 11.7 percent, the most since the end of 2005.

Bernanke and other economists expect government defense spending and consumer spending will rebound in the next quarter. "Most of the factors that account for the slower growth in the first quarter appear to us to be transitory," Federal Reserve Chairman Ben Bernanke said at a news conference Wednesday.

Special Press Releases

Osмосе, Inc., a global supplier of wood preservative products, announced today that it has acquired the wood preservative distribution business of Indústria Química Dipil Ltda (Dipil) on March 29, 2011. Dipil has manufactured and sold wood preservatives into the Brazilian market for more than 10 years. Osмосе will operate in Brazil as "Tecnologias de Madeiras Brasileiras" (Brazilian Wood Technologies)

Rural Action of Trimble, Ohio, alongside Appalachian Sustainable Development of Virginia and Mountain Association for Community Economic Development of Kentucky, have joined together to form the GRO Team (Green and Regionally Oriented wood products). These nonprofit developmental organizations, have joined together to provide business opportunities for primary and secondary forest product companies in the Appalachian regions of Ohio, West Virginia, Virginia, Kentucky and Tennessee. The Team is a partnership working to find market opportunities in the green building sector and helps wood businesses connect with those markets as well as potential new markets. "Creating jobs in the woods products sector and improving forest health and management is our goal. We think we can do this by linking locally owned hardwood producers to urban and regional markets looking for regional and green-certified products," said project manager Kevin Rowe of ASD.

David Bond announced that **Mark Niewerth** has been named branch General Manager for **Epperson Cedar Creek** in Statesville, NC. Mark, originally from Baltimore, graduated from the University of Maryland and began his career with Macmillan-Bloedel in Atlanta. He later became their General Manager in Dallas and opened MB locations in Kansas City and Denver. After MB was acquired by Weyerhaeuser, Mark became General Manager for North Texas and OK. In 2008, Mark joined Cedar Creek in Carrollton. Congratulations Mark!

Continuing the focus on dynamic solutions for the building materials industry,



An estimated 66.4% of the population owns a home, while 2.6% of the nation's homes stand vacant.



Contact Us:

Southern Building
Material
Association

PO Box 18667
Charlotte, NC 28218
www.southernbuilder.org

1-800-966-4202
1-800-849-1503

southernbuilder.org

DMSi is pleased to announce **Dane Tyler**'s promotion to General Manager of Productivity Solutions. Tyler's new position enables him to provide customers with additional tools to help them achieve growth and profitability. "Dane's background running a software company acquired by DMSi and seven years installing/supporting/selling Agility is an excellent foundation for leading our Productivity Solutions Group," Cal German, DMSi's president explained. "Dane will be extremely effective at driving solutions forward that truly help customers be more efficient and profitable." Congratulations Dana!

Is This Really a Buyer's Market?

With falling home prices and higher inventories, most of the public views real estate as a "buyer's market," in which buyers hold more of the control and sellers will more eagerly accept lower offers just to sell.

Not so fast, say buyers and sellers. More buyers are finding the sellers in the driver's seat.

Buyer Young Hammack gave up looking for homes for a while after being outbid on three properties in California. "It's a false buyer's market," Hammack says. "If you think prices are cheap, wait until you start putting offers in."

Many sellers may be unable or unwilling to lower their home prices — mostly because they may be underwater on their mortgage — so buyers are increasingly finding lower offers than list price denied. Buyers, on the other hand, may be reluctant to agree to a deal if they don't feel like they are getting it at a deep discount, industry insiders say.

Traditional buyers also are finding even buying a foreclosure can be difficult as they're increasingly outbid by investors who are willing to pay cash.

"There's a shortage of attractive inventory," says Glenn Kelman, chief executive of Redfin Corp. "Customers just keep getting outbid on the houses that they want."

Real estate professional Steve Capen with Keller Williams Realty in St. Petersburg, Fla., says that the homes most in demand among buyers often don't require much repair work and are located in good school districts and choice neighborhoods near transit hubs.

"What's selling is the cream of the crop, and they sell fast," Capen says. "If it's not cream of the crop, it's getting hammered." *The Wall Street Journal online*

European GÄSI Mill Tour

When was the last time your breath taken away? Gaze upon the Austrian Alps covered in brilliant fall colors and walk on cobblestones streets through cities and villages that are hundreds of years old for a most exhilarating experience. Come explore German, Austria, Slovenia and Italy with fellow LBM retailers and learn about the lumber industry in Central Europe. Before the week's end you will lift your beer stein or glass of wine in salute to new life-long friends.

Register now as the deadline is June 1. The tour dates are October 5-17, 2011, with the tour starting and ending in Munich. For all the details, go Northwestern Lumber Association's (the tour organizer) web site, www.nlassn.org, or call Paula Siewert at (888) 544-6822.

