



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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## CHARTING A COURSE TO RECOVERY!

*SBMA's Summer Conference & Exhibit Program*

July 28-31 at the Wyndham Hotel in Virginia Beach, Virginia, SBMA will bring you help in Charting a Course to Recovery! This is an opportunity to visit with others in the industry. Find out how much change has come to their communities .... How they are planning for tomorrow and next year ... See the latest

products and services. You'll also hear speakers and panels that will give you new ideas to grow your company as the economic picture changes. The past few years have been not only been difficult on your business and on you. They have also been difficult on your family. Bring them with you! You'll have time to spend with your family and to meet the families of other dealers and associates. You'll find everyone has a lot in common! Mark your calendars and look over the information included with this newsletter. You need to be there!



## News From Around Our States

### *North Carolina News:*

◆ The federal tax credit offered to first-time homebuyers in 2009 and 2010 gave the Triangle's real estate industry a boost - albeit a temporary one. Now the state's legislators want to see if they can provide some similar magic.

Last week, the leaders of the House Appropriations Committee filed H485: New Home Purchase Stimulus. It creates a \$10,000 tax credit paid out over five years, meaning homeowners can claim \$2,000 credit toward their state tax liability in each of those years. But unlike the federal credit this one is good only if you buy a newly built home.

If passed, the bill would take effect July 1 and last for exactly a year. It caps the credit at \$100 million with no more than \$20 million paid out in a single year. Rep. Harold Brubaker, a Republican from Asheboro, said the legislation was a jobs bill because it will create jobs in the home construction industry.

N.C. State University economist Mike Walden has estimated that the tax credit could lead to the building of 26,000 homes.



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***Staff:***

Larry Adams

Cindy Hartley

Kathy Wooley

Brubaker told The Insider that the proposal is one of several that may be included in the budget bill intended to spark job creation. He said budget writers are also examining small business equipment depreciation rules to see whether they can encourage equipment buying. "We're throwing all these things on the table," he said in a welcome variation on the Republican mantra "everything is on the table."

The bill has been referred to the House Commerce and Job Development Committee. Read more:

<http://www.newsobserver.com/2011/04/04/1103626/legislators-want-a-housing-stimulus.html#ixzz1IZDUZnoT>

◆ The economy is on its way back, according to Dr. Harry Davis, the speaker for this year's Made in the Triad Business Breakfast, presented by NewBridge Bank and WFMY News 2.

Davis is an economist and professor at Appalachian State University and dean of the North Carolina School of Banking. He presented his views on the recession and its effects on the local and national economy during Tuesday morning's business breakfast. He said the economy is picking up steam and growing fast, so small businesses need to be prepared for increased sales as they move forward.

"For small businesses, it's not so much selling as it is service -- service is the key for small businesses," he said. "Employment growth has been very slow, and it needs to pick up in order for there to be much of an increase in a lot of economic activity. Retail sales are growing very rapidly now, and that's one of the better parts of our economy. Manufacturing is also doing well; it's just the housing market that's still down."

The recovery is a year and a half old even though some people still think the country is in a recession, Davis said. He also explained that there has to be something to propel the country out of a recession, and the engine that's been there in the past isn't here anymore.

"It's residential construction that led the country out of a recession for the most part in the post-World War II period," he said. "Coming out of this recession, there's only been six percent of residential construction in the first year. It's simply not there anymore." He said the economy grew about 3 percent during the first year of recovery and then slowed to 2.5 percent, but picked back up to 3.1 percent in the latest quarter.

"If you feel like the economy isn't doing all that well right now, it's because of historical perspective," he said. "It's not growing nearly as rapidly as it used to coming out of a recession."

According to Davis, as of two months ago, American corporations are sitting on the largest amount of cash they've had in 51 years.

"My guess is that cash is coming down and they're beginning to use it, but they've been sitting on it instead of investing it in equipment and new workers because of uncertainty about the future," he said. "The Bush tax cuts got delayed until the very end of the year...and that added to the uncertainty felt by corporations."

Davis also touched on unemployment numbers for the state. He called the unemployment problem a structural one, which he said is much harder to fix than a cyclical unemployment problem.

MARTIN



## Upcoming Webinars & Seminars:

### Webinars .....

**April 12 – Dust Collectors: Incorporating Safety, Performance & OSHA Standards**

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

### 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 800.966.4202 or email [chartley@crosslink.net](mailto:chartley@crosslink.net)

"For some people who lost their jobs -- those jobs aren't coming back," he said. "They're going to have to do something else, and that's a structural problem. No matter how fast the economy grows, it's not going to pick up those people. They may have to get new training, or change their geography and move somewhere else to get a job. This is more difficult to deal with than a cyclical problem where jobs go up when the economy goes up and jobs go down with the economy does."

### *Tennessee News:*

◆ Do Home Sale Figures Point To Recovery? Single-family home sales in Galesburg, Knoxville, Abingdon and Oak Run have tumbled since 2006, the furthest back property transfer records are available at the Knox County assessment office. Somewhat counter intuitively, the average sale price increased in most of those areas when last year is compared to the period that was two years after Butler and Maytag left but two years before the recession. The increase was 19 percent in Knoxville, 11 percent in Galesburg and 1 percent in Abingdon.

Do the increases represent the beginning of a recovery? Is Knox County out-performing most of the country when it comes to sales of single-family houses? The experts seem to want more time to see if a consistent pattern develops. Read more about this at <http://www.galesburg.com/news/business/x481347550/Experts-disagree-on-whether-rise-in-single-family-home-sales-indicates-healthy-economy>.

### *South Carolina News:*

◆ Bright lights, big battle: South Carolina legislators are attempting to circumvent a federal law that will force the phase-out of traditional light bulbs starting in 2012. The Incandescent Light Bulb Freedom Act aims to permit manufacturers to make incandescent bulbs in the state, as long as the bulbs are stamped with the words "Made in South Carolina" and sold only in that state.

*From Environmental Leader*

### *Virginia News:*

◆ After three tough years, real estate appears to be stabilizing. More buyers are willing to offer prices that sellers will accept. Nan Piland, an agent with Liz Moore & Associates and president of the Williamsburg Area Association of Realtors, said sellers are getting about 97% of their asking price. "Even in the worst of the slump, they were getting 96%," she said in an interview. That figure was 99.5% in 2007, just before the bubble burst. During the heady days of 2005-06 buyers were often bidding houses up above the asking price. "It wasn't until last year that sellers really had realistic expectations," Piland said. "They knew that they had to have the house in the best condition and have the best price." The relative equilibrium is a relief. According to statistics compiled by Linda Kinsman, executive director of the Realtors Association, median sales prices in greater Williamsburg were up more than 11% in both January and February from a year ago to around \$275,000.

### **Other News....**

◆ There was good news from the U.S. Department of Labor on Friday, even if it wasn't great news. According to the statistics compiled by the Bureau of Labor Statistics for March, the American economy added 216,000 jobs in March, outpacing the population growth in the country and shaving the unemployment



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[Find out all about it at www.builderflash.com](#)

Carolynn Brescka  
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email:  
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As seen at  
SBMA's  
Building  
Products  
Buying Show  
February 2011!

rate by one-tenth of a point to 8.8 percent.

◆ **Economic Reports** Data for this week includes the Institute for Supply Management's service sector index for March (Tuesday); retailers' sales data for March, weekly jobless claims and consumer credit data for February (Thursday); and wholesale trade inventories for February (Friday). Also, The Fed releases minutes from its March meeting (Tuesday).

◆ The U.S. economy is growing faster than the economy in most industrialized nations, but it is creating less jobs. According to the Associated Press, the American economy has outperformed the economics of the Britain, France, Germany, Italy and Japan in terms of output. But job growth in the U.S. remains weaker than in any of those countries. Read more: [U.S. economy grows faster, but creates fewer jobs | Birmingham Business Journal](#)

◆ The Conference Board's Consumer Confidence index fell to 63.4 in March, compared with 72.0 in February.

◆ *The Atlantic's* David Indiviglio best explains what's shown in the chart above: "You may recall that in January, Americans got a pretty significant spending boost thanks to the tax cut legislation passed in December. That was a one-time effect, however. The 0.3% increase in February is more in line with the modest monthly change we've seen over the past year. As is often the case, the rise in disposable income matched that of personal income. But the real story this month is spending. Its 0.7% increase was the second most this year, as October 2010 beat it out very slightly, which can't be seen unless you carry the statistic out another decimal point. This indicates that Americans are, indeed, becoming much more comfortable spending more money."

## The Great Rebalancing

The U.S. economy is undergoing a "great rebalancing" that will likely entail muted consumer spending and can be helped by cutting government borrowing, Federal Reserve Bank of Atlanta President Dennis Lockhart said Monday.

In remarks delivered to an economic forum in West Palm Beach, Fla., Lockhart made no mention of the U.S. interest rate outlook. But he said that the Fed's expansionary monetary policies "were helping to shape and support conditions" that facilitate the rebalancing process. Lockhart stated that with each passing quarter, the economic recovery was becoming "increasingly well established."

## Lobbyists Push Back on Qualified Residential Mortgage Rules on Loans

After regulators proposed new rules on "credit risk retention" for assets collateralizing asset-backed securities pursuant to the Dodd-Frank Act, and the proposed rule included a proposed definition of a "qualified residential mortgage (QRM)," housing, real estate, and financial institution lobbyists are "responding." *Builder's* Claire Easley tuned in to a teleconference call hosted by the National Association of Home Builders yesterday. Easley writes: "Barry Rutenberg, first vice chairman at the NAHB, argued that the 20% down-payment requirement 'would disproportionately harm first-time home buyers, who have limited wealth and on average account for 40% of home buying activity. ... Borrowers who can't afford to put 20% down on a home and who are unable to obtain FHA financing will be expected to pay a premium of two percentage points for a loan

## Upcoming Events

Mark your calendars now!

**May 19, 2011 –**

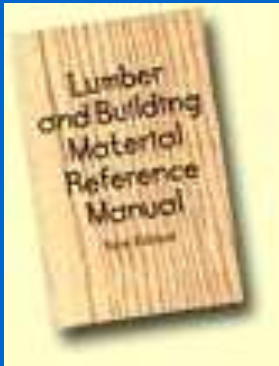
Prospecting Strategies for High Achievers in Building Material Sales

**July 28-31, 2011 –**

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

**FOR DETAILS ON ANY OF THESE EVENTS:**

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in the private market to offset the increased risk to lenders, according to NAHB. For the full article go to: <http://www.builderonline.com/mortgages-and-banking/proposed-definition-of-qualified-residential-mortgage-sets-a-high-standard.aspx?cid=NWBD110331002>

## Total Cost ..... Not Price

Cost and price are very different. The cause of price objections is the *salesperson's focus* on price. Shift the conversation to the total cost of doing business along with the return on investment that you provide.

Example: I figure it costs a builder \$1000 per hour to build a home. Six weeks to build a \$240,000 home equals \$40,000 per week. For each 15 minutes you can save, you increase profits to your client by \$250 and vice versa for every mistake your competition makes. Discuss total cost...not price. *Rick Davis, Driving You to fearless Sales Leadership*

## Fewer Say U.S. Economy is Improving, Poll Reports

Americans are growing increasingly pessimistic about the economy as soaring gas costs strain already-tight budgets. But people aren't taking it out on President Barack Obama, a new Associated Press poll shows.

In the survey, 15 percent of Americans said they thought the economy had improved in the past month, down from 30 percent who thought that in January. Only a third were optimistic about the country, down from about half earlier this year. And 28 percent thought the economy will get worse; that's the most who have expressed that sentiment since the question was first asked in December 2009.

In the AP-GfK poll over the past month, Obama's approval rating has held steady around 50 percent. But in a poll released yesterday by Quinnipiac University, Obama's approval rating in late March was at 42 percent, down from 46 percent in a March 3 survey.

Also, 50 percent of the registered voters surveyed by the Hamden, Conn., university's polling institute said Obama doesn't deserve re-election in 2012, compared with 41 percent who said he should receive a second four-year term.

## The Technical Reason Construction Spending was Down in February: Things Stink

The economics at the National Association of Home Builders laid off some of the blame for the poor showing in the latest Census Bureau data on private residential construction spending--down 3.8%--on the poor February weather. But, really. The Eye on Housing blog observes: "overall, the numbers reflect the depressed state of the housing sector, with single-family housing starts falling back sharply to a level only marginally above their record low of April 2009 and the highly volatile multifamily housing starts down almost 50% following an irregular bounce in January. With home improvement spending closely related to home sales, the decline echoes the very weak housing demand, with new home sales falling to a new record low in February and existing home sales down over 10%." That's all. <http://www.builderonline.com/builder-pulse/the-technical-reason-construction-spending-was-down-in-february--things-stink.aspx?cid=NWBD110404002>

## Charting A Course to Recovery...



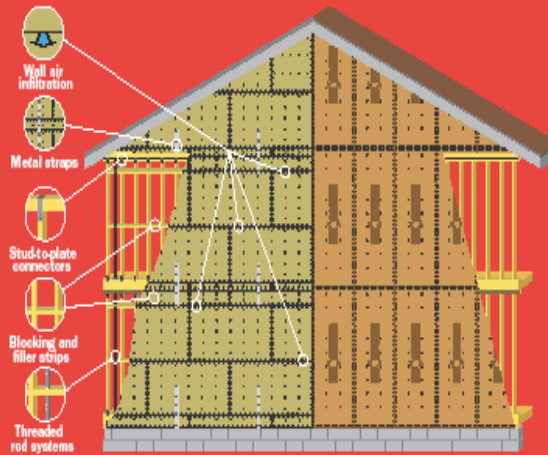
## SBMA's Summer Conference and Exhibit Program

July 28-31, 2011

The Wyndham Hotel on 57<sup>th</sup> and Oceanfront, Virginia Beach, VA

Mark your calendars! Details are included with this newsletter.

# MEET CODE THE BETTER WAY. SAVE UP TO \$1,000 OR MORE PER HOUSE.



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Windstorm OSB wall sheathing meets all high-wind codes (including IRC 2006) while reducing or eliminating the need for extra hardware, labor, waste and hassle. Some standard sizes for 2-story and raised-floor applications include 48" x 109 1/8", 121 1/8", 124 1/4", 126 7/8", up to 145 1/8". Panels install vertically, in accordance with your engineer's prescribed nailing schedule. This locks wall and floor plates together to provide the continuous load paths required to meet code. Since Windstorm reduces labor, material, time and waste, it'll save you up to \$1,000 per house or more.



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## The Cost Value of New Home Building

The National Association of Home Builders' economists have been poring through analytics to fasten on reasons policymakers should look more favorably on the new home construction industry. "Economists at the National Association of Home Builders estimate that the one-year local impacts of building 100 single-family homes in a typical metro area include \$21.1 million in local income, \$2.2 million in taxes and other local government revenue, and 324 local jobs. The employment effects extend beyond the home building industry. About half of the jobs are in construction, with the other 50 percent creating employment opportunities in industries ranging from production and sales of home furnishings to service providers such as real estate attorneys and landscapers. Those 100 new homes also provide the community with additional, annually-recurring impacts of \$3.1 million in local income, \$743,000 in taxes and other revenue for local governments, and 53 local jobs."

## NLBMDA Files Brief Challenging EPA's Removal of Opt-Out Provision in Lead Rule

The National Lumber and Building Material Dealers Association (NLBMDA), along with the Window and Door Manufacturers Association (WDMA), the National Association of Home Builders (NAHB), and the Hearth, Patio, and Barbecue Association (HPBA), filed their opening brief on March 30, 2011 in the U.S. District Court for the District of Columbia, challenging EPA's removal of the Opt-Out provision in the EPA Lead Rule.

## Building Material Operations Comparison Survey



*"A comprehensive review of expenses & salary survey"*

All data must be entered by Friday, April 29, 2011

### Features

- ♦ Web-based program with easy data entry. Definitions provided for categories so that analysis provides "apples to apples" comparisons.
- ♦ More than 90 charts and graphs, many with industry benchmarks and tags showing which way you want your data to be trending.
- ♦ Ability to store your data from year to year, allowing you to see how you have improved (or not) over time.
- ♦ Combines cost studies and salary surveys into one program.

### How It Works

**Cost: \$200 – Call Cindy for registration form**

- ♦ You will be sent a username and password, along with a web address.
- ♦ Go to the web address, enter your username and password, and view a tutorial or simply begin entering data.
- ♦ As you enter data, you can do it all at once or save some and come back later.
- ♦ After April 29, 2011, log back into the system to view or print your charts showing how your company compares to national and regional averages.

The Opt-Out provision allowed owner-occupant homeowners without children under six or pregnant women living in the home to authorize their contractor to forego adherence to some of EPA's RRP Rule requirements. In 2008, when EPA first issued the RRP Rule, it included the Opt-Out provision as a common-sense means to minimize the burden on homeowners and support housing affordability while still being protective of young children and pregnant women.

However, after EPA entered into a legal settlement with "healthy housing" groups, it abruptly changed course and removed the Opt-Out provision, despite a lack of any new data or information to support the about-face.

WDMA, NAHB, HPBA, and NLBMDA filed suit in July 2010 on the grounds that EPA violated several important statutes by substantially changing its position without offering a reasoned basis for the change.

In the brief, the coalition claims that EPA has violated the Administrative Procedure Act by failing to offer reasoned explanations for the removal of the Opt-Out provision. Namely, EPA failed to point to any new data that was not available at the time it issued the 2008 RRP.

Moreover, EPA summarily discounted numerous comments submitted to the agency which offered new and compelling information on the real-world costs of compliance.

EPA will have an opportunity to respond to the coalition's brief in June 2011, and the coalition may reply in July 2011. If the D.C. Circuit requests oral argument, it will likely occur late in 2011 or in the first half of 2012.

## Labor Law Poster Scams Continue

*Below is an article by NCDOL Communications Director, Dolores Quesenberry. Remember, on SBMA's website southerbuilder.org you can click on the Dealers Only area and the click on the "To Upload State and Federal Posters for Free" section. This will take you to links for both federal and each of our individual states' posters. She's right – you don't have to pay for these posters. They are free!*

NCDOL provides labor law posters free of charge to the public, but that has never stopped private poster companies from trying to make a buck off businesses by threatening them with huge fines. Be aware that poster companies have recently added email messages and phone calls to their toolbox of tricks.

"This is my annual reminder to ignore the ridiculous solicitations," Labor Commissioner Cherie Berry said. "Your tax dollars have already purchased your business a poster, so save your money and call NCDOL for your free set." Private poster companies make money selling expensive posters by threatening businesses into buying the latest poster or risk incurring substantial fines from the N.C. Department of Labor. The poster companies have been known to charge as much as \$190 per poster. The Labor Department has seen an increase in complaints about the emails and phone calls. The Labor Department will not fine businesses that have the old posters displayed. NCDOL inspectors carry the newest posters in their vehicles and will offer them free to employers who have out-of-date posters.



**SBMA's Newsletters  
Are here to help!  
Watch for all of  
these:**

- **Management Newsletters**
- **HR Management Newsletters**
- **Sales Management Newsletters**
- **Safety Newsletters**

**And lots more....**

- **Legislative Updates**
- **Scam Warnings**
- **Personnel Help**
- **Regulatory Help**

**Your association is  
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**Just give us a call ....**

**800.966.4202  
800.849.1503**

**Cindy, Kathy and Larry**

“We would never fine an employer unless the employer just blatantly refused to put the posters up,” Commissioner Berry said. “I don’t know of any employer who has refused to take a free set of posters from one of our inspectors.”

To find out if your business is required to post any federal posters, visit the Federal Poster Advisor page on the U.S. Department of Labor’s website at [www.dol.gov/elaws/posters.htm](http://www.dol.gov/elaws/posters.htm).

## **Japan Aftershock Hits U.S.**

The impact on the U.S. economy of the Japanese crisis is far greater than realized, a top trade group said Wednesday.

U.S. companies and industries rely heavily on Japanese-made automotive products and high tech electronics, but a U.S. Business and Industry Council report says there is an even greater dependence on less well-known Japanese products. These include industrial equipment like machine tools and energy-generating turbines.

While the federal data studied by the trade group (which represents 2,000 small- and medium-sized U.S. manufacturers in many industries) was from 2009, it said trade figures for last year strongly indicate the reliance rose considerably in 2010.

"Many more American manufacturing industries than typically recognized -and especially advanced, capital-and technology-intensive sectors -are vulnerable to production disruptions stemming from the earthquake, and to the aftershocks that may continue for several years," said the report, A Supply-Chain Earthquake?

"Such disruptions could greatly slow America's already sluggish economic recovery, as these industries generate an out-sized share of the country's best-paying jobs and technological innovation," it added.

However, the council, which has criticized U.S. trade policy for encouraging the shift of too much advanced manufacturing outside the country, also said the instability offers opportunities as U.S. made products are substituted for the Japanese-made ones, potentially boosting the recovery.

On a broader scale, American economic growth could be expanded by hundreds of billions of dollars annually by limiting import growth rates, the council said. In the auto sector, plants have been idled or production cut to account for a shortage of parts coming from Japan. Read more:

<http://www.theprovince.com/news/Japan+aftershock+hits/4534000/story.html#ixzz1IZBc4wmz>

## **Service Industries Probably Grew In March: U.S. Economy Preview**

*Timothy R. Homan*

Service industries probably expanded in March at close to the fastest pace since 2005, a sign the U.S. economic expansion is broadening beyond manufacturing, economists said ahead of a report this week.

The Institute for Supply Management’s index of non-manufacturing businesses was little changed at 59.5 after a 59.7 reading the previous month that was the highest since August 2005, according to the median of 53 forecasts in a Bloomberg News survey ahead of the April 5 data. Another report may show



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first-time filings for unemployment benefits fell last week.

Faster job growth may help sustain household spending against a backdrop of higher food and fuel bills that have damped consumer confidence. Federal Reserve officials said last month the economy is on "firmer footing," diminishing the need to extend a bond purchase program beyond June.

"The service sector still looks very strong," said David Semmens, a U.S. economist at Standard Chartered Bank in New York. He said the economic recovery "is more sustainable" because "you are seeing a better pickup with regard to it being driven by the consumer."

A reading above 50 signals growth for the Tempe, Arizona- based ISM's measure. The supply managers group reported on April 1 that the manufacturing index expanded last month at close to the fastest pace in almost seven years.

The factory gauge was little changed at 61.2 after a February reading of 61.4 as production rose to the highest level since January 2004. The strength in the industry is generating greater demand for services, which account for almost 90 percent of the economy, benefiting companies such as FedEx Corp.

<http://www.businessweek.com/news/2011-04-03/service-industries-probably-grew-in-march-u-s-economy-preview.html>

# UNLIMITED TIME OFFER:



Norbord recently asked the NAHB Research Center to compare the air leakage between horizontally installed panels and vertically installed 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 mid-wall horizontal joints a thing of the past. Plug the holes in your building strategy. Build vertically, with TallWall.

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Build energy efficiency into every house – watch the video at [TallWallIOSB.com](http://TallWallIOSB.com) to find out how.





## Do You Know?

**SBMA's website has a wealth of information for dealers!**

**Do you need a job description?**

**Do you need to find out how to contact your Congressman?**

**Simply click on the Dealers Only Section (left side of the main page). Enter the user name and password you were given. Then, click on the area where you need help!**

**This is here for you. If you want to see other things on your site, please let us know!**

*If you can't remember or don't know your user name and password just give Kathy a call at 800.849.1503 and she'll get you all set!!*

## Building Materials Operations Comparison Survey

If you haven't signed up for the BMOC be sure to do it soon. Data must be entered by April 29<sup>th</sup>! A form is included with this newsletter for your use. Give me a call at 800.966.4202 if you have any questions!

- Features • Web-based program with easy data entry. Definitions provided for categories so that analysis provides "apples to apples" comparisons.
- System auto-computes many numbers and highlights potential errors to prevent typographical errors from ruining your analysis.
  - A secure environment that conforms to the high SSL standards required for e-commerce. Passwords are encrypted. Information is stored on a server that is ISO9001 compliant.
  - More than 90 charts and graphs, many with industry benchmarks and tags showing which way you want your data to be trending.
  - Ability to store your data from year to year, allowing you to see how you have improved (or not) over time.
  - Created and managed by regional Lumber and Building Material associations you trust. Your data is safe, secure and confidential.
  - Combines cost studies and salary surveys into one program.

## Housing Shortage on the Horizon?

Mike Castleman, founder and CEO of Metrostudy, which tracks real-time data of the country's inventory of new homes, says a housing shortage is looming that will soon create a huge surge in demand for new homes. As such, now is the time to buy, he says.

In the 41 cities Metrostudy covers, 78,000 houses are either vacant and for sale, or under construction — that is less than a quarter of the new homes that fell in that category during the housing boom in 2006 and way below the level of a decade ago.

"If we had anything like normal levels of buying, those houses would sell in 2½ months," says Castleman. "We'd see an incredible shortage. And that's where we're heading."

The historic drop in new construction mixed with the decline in housing prices is laying the foundation for a dramatic recovery in residential real estate, Castleman told CNN. Castleman expects home owners soon will start returning, which will drive up prices in many markets later this year.

While demand remains low for new construction, he expects that to change. He foresees the recovery following a similar path as previous ones: A severe housing shortage will drive a big increase in demand.

"We'll get a big surge in demand and the drywall companies will take a long time to ramp up, and it will take years to get new lots approved," he predicts. "Buyers will show up looking for a house in a subdivision, and all the houses will be sold. The builders will tell them it will take six months to deliver a house." But they'll want the house so bad that they'll "bid the prices up." Read the full article at: <http://www.realtor.org/RMODaily.nsf/pages/News2011033101?OpenDocument>

## Quote of the Week

We must all suffer from one of two pains: the pain of discipline or the pain of regret. The difference is discipline weighs ounces while regret weighs tons.

*Jim Rohn*



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## Urban Areas See Jump in Young Buyers

In two-thirds of the country's 51 largest cities, the college-educated population in the past decade has grown twice as fast within 3 miles of urban centers when compared to the rest of the metro area, the USA Today reports. That is a jump of 26 percent, on average, compared with 13 percent in other parts.

Young adults with higher education, in particular, seem to be showing a preference for urban living. Young adults with a four-year degree are about 94 percent more likely to live near urban neighborhoods than less-educated young professionals. (In 2000, that number was about 61 percent.)

Even floundering downtowns are attracting more young people. For example, Detroit, which has faced a 25 percent drop in its population since 2000, has added 59 percent (or 2,000) young and educated residents during that time, according to Impresa Inc., an economic consulting firm.

Looking to keep the young vibe going strong, Detroit even has recently launched a campaign — "15 by 15" — to bring 15,000 young, educated professionals to live in the downtown by 2015. To do that, they are offering cash incentives: A \$25,000 forgivable loan to buy a home in downtown and stay there for at least five years or \$3,500 on a two-year lease.

In Cleveland — another hard-hit metro area that has lost 17 percent of its population — young professionals are also re-emerging. Cleveland has increased its number of college-educated professionals between ages 25 to 34 who live downtown by 49 percent (or 1,300).

"Clearly, the next generation of Americans is looking for different kinds of lifestyles — walkable, art, culture, entertainment," Carol Coletta, who heads CEOs for Cities, told USA Today.

<http://www.realtor.org/RMODaily.nsf/pages/News2011040401?OpenDocument>

## Bankruptcies Among Consumers Down 6%

A sign of less-worse household debt management--consumer bankruptcies are falling. On an absolute basis, the number of bankruptcy filings in the first three months of 2011 was 23,000 less than in the same period in 2010. Calculated Risk's Bill McBride writes, "It is possible that consumer bankruptcy filings peaked in 2010, but they will probably stay elevated for some time." For more go to: <http://www.builderonline.com/builder-pulse/bankruptcies-among-consumers-are-down-6--from-first-quarter-last-year.aspx?cid=NWBD110405002>

## Why Does The Economy Feel So Sluggish?

The unemployment rate inched down one-tenths of one percent to 8.8 percent this month, so why does the economy still feel so sluggish? Well, The Wall Street Journal clues us in as to what may be one of the key factors and that is that Uncle Sam is now paying a far more prominent role than ever before.

This op-ed reveals that twice as many people work for the government than in all of manufacturing combined. It reads, quote, "Every state in America today except for two -- Indiana and Wisconsin -- has more government workers on the payroll than people manufacturing industrial goods." Read more:

<http://www.foxnews.com/on-air/hannity/transcript/invisible-recovery-why-economy-still-feels-so-sluggish#ixzz1lfSU8pms>

