IN THIS ISSUE DECEMBER / 08 LOSE NO SALE / 29 R BEST ADDRESS: OUTDOOR

CHALLENGE. INSPIRE. INFORM. / www.ProBuilder.com



LATEST IN **LIGHTING & ELECTRICAL / 47** 



BUILDER OF THE YEAR: LEGACY COMMUNITIES

# Dream Builders

**RBI**<sub>m</sub>

CLICK HERE TO **RENEW** 

your FREE magazine

CLICK HERE TO **START** 

a FREE e-newsletter

Scott Schmidt and Tom Justice head daily operations of Atlanta-based **Legacy Communities** 

Reed Business Information



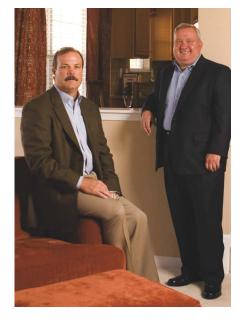
# Choose The Only Push To Talk That Comes With The Network.

Make your business instantly more productive by choosing the only Push to Talk service that comes with the Verizon Wireless Network and its reliable voice service. Plus, get coast-to-coast coverage and 24/7 customer service. Verizon Wireless. The smart choice for Push to Talk.



# december

Professional Builder Volume 73, No. 12









# 9 runit

#### [FEATURE]

#### 12 2009 BUILDER OF THE YEAR

Senior Editor Bill Lurz presents Legacy Communities.

#### [COLUMNISTS]

**11** Rodney Hall

# 25 sellit

#### [COLUMNISTS]

- 27 Paul Cardis
- 29 John Rymer

#### [QUICK HITS]

- **31** Creative Ideas to Nail the Sale
- **31** Realtors Go Green
- **31** Io-Second Tip: Web Site Video and Photos

# 33 designit

#### [FEATURE]

# 36 WILDERNESS AT THE DOOR

Move-up buyers love BackCountry, a Shea Homes community that sits close to nature.

#### [QUICK HITS]

- **35** Green Litigation Could Happen to You
- **35** More Than a Ceiling

# 45 buildit

#### [PRODUCTS]

- 47 Lighting & Electrical
- **52** Fireplaces

Cover photo: Mark Adams/Getty Images

### ProBuilder.com

ALL ECONOMICS, ALL THE TIME

Stay up to date on the housing industry with Housing Intelligence. We dedicated Web space to housing industry economics so you can easily navigate the most important news. Check out www.housingzone.com/housingeconomics.

## Also in this issue

#### 7 EDITORIAL

Our industry must push Congress for change, Editorial Director Paul Deffenbaugh writes.



#### **62 NUMBER CRUNCH**

Oh, the bailout. We break it down numerically because it's easier to swallow that way.



## Two-in-One. Introducing the Intelligent Transfer Šwitch

The combination load center/transfer switch package from Kohler gives homebuilders, remodelers and electrical contractors a fast, costeffective way to offer generatorready homes to customers — and take the competitive lead.

Intelligent Transfer Switch features:

- Combines the home's load center with a generator transfer switch into a single panel
- No secondary distribution panels or additional wiring needed
- Square D° type QO° Load Center with 38-40 circuits and smart breaker system
- KOHLER<sub>®</sub> automatic transfer switch logic with service-entrance rating
- Available in NEMA 1 and NEMA 3R designs

Discover all the ways Kohler can power your business at KohlerSmartPower.com or call 800.544.2444.



KohlerSmartPower.com

## online now 111111111111111111111111111111111

ProBuilder.com has more than you might think. Our site links you to today's home building news, expert blogs and more. Here's what you can find this month:

#### **Green Building Hot Topics**

If you haven't visited the Green Building Hot Topics page on HousingZone.com, you're missing out on Web-exclusive green building news. Be sure to check out the homes featured in Project Green House, which is a growing collection of green home building examples across the U.S.

#### And the product of the day is ...

Every day, Nick Bajzek, The Product Guy, picks a home building product you should know. Make it part of your daily Internet routine. And while you're there, check out his (widely read!) product blog, too.

# contact us

#### **Editorial Submissions**

letters to the editor Send to Paul Deffenbaugh 2000 Clearwater Drive, Oak Brook, III. 60523 or paul.deffenbaugh@reedbusiness.com

#### products

Submit text and high-resolution images to Nick Bajzek, nicholas.bajzek@reedbusiness.com

#### Subscriptions correct, remove or add a subscription

Subscription department, subsmail@reedbusiness.com or call 800/446-6551

#### back issues

Back issues are available one per customer. E-mail jennifer.powell@reedbusiness.com

#### reprints

The YGS Group > Angie Van Gorder, angie.vangorder@theygsgroup.com or call 717/399-1900 ext. 176

#### **Special Projects** giant 400

Visit www.probuilder.com/giant400 or email GIANTS400@reedbusiness.com to request a survey.

## **Professional** Builder

#### **Editorial Director**

Paul Deffenbaugh 630/288-8190 paul.deffenbaugh@reedbusiness.com

#### **Creative Director**

Bill Patton 630/288-8050 bpatton@reedbusiness.com

#### **Assistant Managing Editor** Sara Zailskas 630/288-8197

sara.zailskas@reedbusiness.com

#### Senior Editors

Susan Bady 630/288-8194 susan.bady@reedbusiness.com

Mark Jarasek 630/288-8171 mark.jarasek@reedbusiness.com

Bill Lurz 941/371-4804 bill.lurz@reedbusiness.com

Felicia Oliver 630/288-8483 felicia.oliver@reedbusiness.com

#### **Products Editor**

Nicholas Bajzek 630/288-8187 nicholas.bajzek@reedbusiness.com

#### **Editorial Assistant**

Jennifer Powell 630/288-8297 jennifer.powell@reedbusiness.com

Production Editor
Kristin Foster 630/288-8167 kristin.foster@reedbusiness.com

#### **Contributing Editors**

John Rymer, Paul Cardis, Rodney Hall

#### **Senior Contributing Editor**

SALES, MARKETING AND EVENTS

#### Vice President

Julian Francis 630/288-8826 julian.francis@reedbusiness.com

#### **Publisher**

Tony Mancini 610/205-1180 armancini@reedbusiness.com

#### **Director of Events**

Judy Brociek 630/288-8184 jbrociek@reedbusiness.com

#### **Director of Custom Publishing**

Emily Yarina 630/288-8109 emily.yarina@reedbusiness.com

#### FINANCE. RESEARCH AND CIRCULATION

#### **Director of Finance** Bruce Ksiazek 630/288-8120

bksiazek@reedbusiness.com

#### **Audience Marketing Manager**

Angela Tanner 800/446-6551 subsmail@reedbusiness.com

#### **Research Director**

Barbara Allelujka 630/288-8175 barbara.allelujka@reedbusiness.com

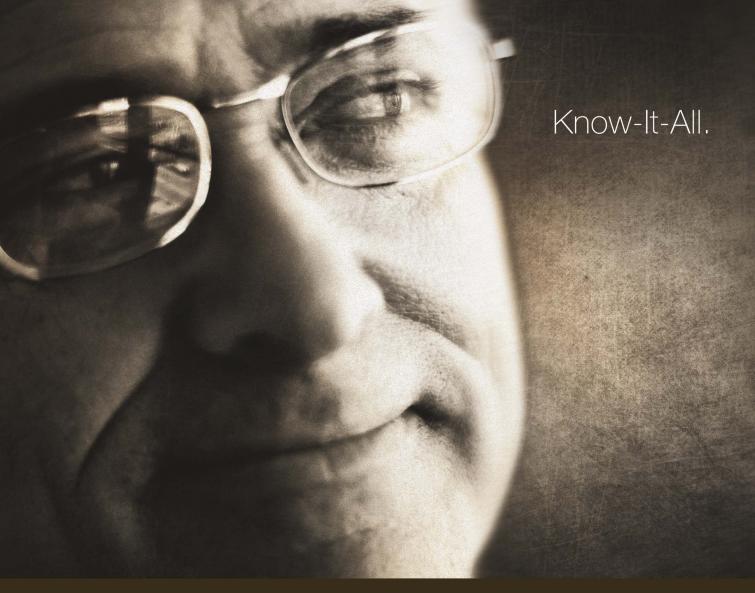
#### EDITORIAL AND PUBLISHING OFFICE

**Professional Builder** 2000 Clearwater Drive

Oak Brook, IL 60523 Telephone: 630/288-8000 Fax: 630/288-8145

#### **Reed Business Information**

Tad Smith Chief Executive Officer Jeff Greisch President, Chicago Division





You thought ahead and recommended prewiring backup power. Not just any backup power — a KOHLER® generator. Your bright idea not only keeps your customer secure and comfortable, it saved thousands of dollars in installation costs down the road. And now you're known around town as that progressive, forward-thinking contractor.

Pretty smart.

Discover all the ways Kohler can power your business at KohlerSmartPower.com or call 800.544.2444





#### Orion's Toaster

(Located in the Cucina Nebula)



Discover an altogether new kind of countertop. Staron tempest. Where the radiant look of quartz meets the practicality of solid surface. A vast world of colors and styles awaits you at staron.com.



# Chicken and Egg

The housing industry needs Congress to act now to bring buyers back into the market, stabilize home prices and begin reducing inventory.

hich came first? Falling home prices? Or decreasing consumer confidence in home values?

The correct answer, of course, is falling home prices. Prices dropped after the ridiculous run-up to overpriced housing. The fall was as natural and as steep as a stone drop. And just as natural was the clucking of the Chicken Little press, who ran around reporting the plummeting prices with glee. That's what the press does, unfortunately, but the reports abetted the unfettered freefall of consumer confidence.

On the sidelines during all of this: the government. It did nothing to corral the silly mortgage programs. It did nothing to slow the trading of complex financial packages on the secondary markets. It did nothing to push ratings agencies to break open those packages and shed light on what was really being hawked.

The government did nothing, which is exactly what we would all prefer. After all, if we want government involvement in ensuring brokerages don't get overleveraged, shouldn't we also expect it to be involved in ensuring homeowners are protected from fire through the use of sprinklers?

Oh, this government involvement is a slippery slope. The reality is, of course, the government is always involved. We are a democracy first. That's what our founders created. We thrive because of a free market economy, but it is democracy that represents all of us.

If we accept that, we acknowledge that our represented government must be involved in the commonweal. Right now the commonweal is commonpoor.

It just so happens that those of us in the housing industry, through our huge impact on the health and well-being of the whole country, have an unusual burden and necessity for government involvement. The NAHB has asked Congress to help jump-start the U.S. hous-

ing industry. The association has asked for two things:

two things:

1. A 10-percent home buyer tax credit that caps at \$22,000.

2. An interest-rate buy-down that will get 30-year mortgages down to 2.99 percent.

NAHB wants Congress to move quickly to give consumer confidence a shot in the arm. The hope is that enough juice in the shot will send buyers into the market to buy homes. That will stem the tide of falling home prices, feeding more confidence. The turnaround will reduce inventories and get us back in the business of home building.

All of that will happen without government involvement. Prices stabilize, consumers gain confidence and inventories drop. But do we want to play chicken with the potentially devastating global effects of a slow rebound? No. We need the government to act now.

tant Defful augh

Paul Deffenbaugh, *Editorial Director* paul.deffenbaugh@reedbusiness.com

Those of us in the housing industry have

an unusual burden and necessity for

government.

# WEISER LOCK

# **EXCITING CHANGES COMING**

- National Brand not available at "Big Boxes"
- SmartKey<sup>™</sup> The Lock that can be re-keyed in under 30 seconds.
- Reversible Levers Reduce inventory, increase turns and profits.
- Fresh New Styles Complement the architecture of any home.



#### PREMIUM PARTNERS:



800-225-3599



800-677-3383



800-548-7170





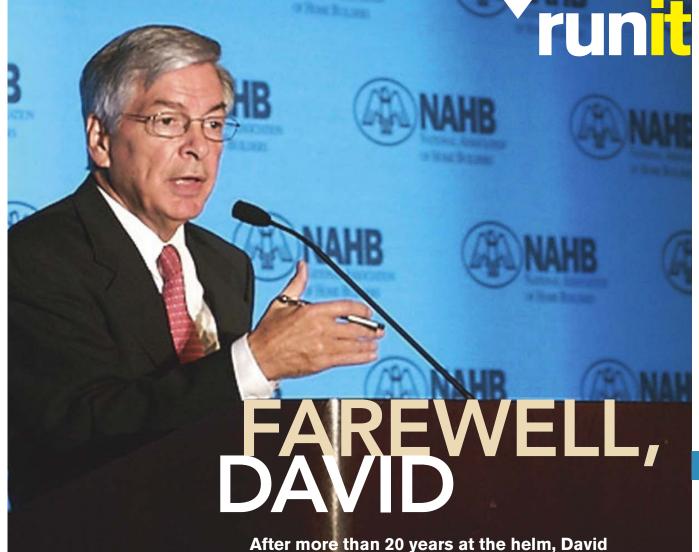


800-605-1251









After more than 20 years at the helm, David Seiders steps down as Chief Economist for NAHB. During that time, Seiders built a reputation for delivering solid, reliable economic information and forecasts. He will be replaced by Senior Staff Vice President for Regulatory and Housing Policy, David Crowe, effective Nov. 17.

#### INSIDE \\\\\\\

Shape up during the downturn [ page 11 ]

2009 Builder of the Year [ page 12 ]

Photo: NAHB



## Celebrating 25 Years of Innovative Home Design

Come toast 25 years of outstanding residential design innovation from great rooms to outdoor rooms, master-planned communities to urban infill.

On the eve of the International Builder's Show, *Professional Builder* and the NAHB Design Committee honor the

2009 Best in American Living Award winners in grand style.

It's the 25th annual BALA Gala! The one party you don't want to miss in Vegas.

#### **January 19, 2009**

7 - 10 p.m. The Wynn Las Vegas Margaux Ballroom Cocktails and Buffet Dinner

# An Evening of Design Bests

- Winners in 36
  Categories
- 9 Regional Winners
- Home of the Year
- Community of the Year
- Room of the Year

# New features this year...

- BALA Hall of Fame a tribute to industry icons
- Emerald Award– honoring America's best green home design

Ticket price: \$125/seat RSVP by January10, 2009

To order tickets, visit www.probuilder.com/bala

Judy Brociek, Director of Events
(630) 288-8184 ■ jbrociek@reedbusiness.com

Presented by:

Professional Builder





[ H.R. DEPT ]

# What Do We Do **Now**?



Lean times don't necessarily call for lean measures. Here's what to focus on during down time. By Rodney Hall, The Talon Group

y now, every builder or developer has felt some degree of pain from this downturn. I asked some top HR professionals how they're adapting their programs in light of current market conditions.

#### Job rotations

Changing staff responsibilities is a way to train employees during a downturn. Dave Morante, vice president people services with McWhinney in Loveland, Colo., notes: "We're utilizing the StrengthsFinder assessment to identify underlying strengths in our people and give them opportunities to excel in new roles. In some cases, this led people

# Communication & brainstorming

"In times like these, transparent communication is critical and not just from the top down," says Morante. "We hold monthly roundtable discussions and quarterly retreats to foster ongoing dialogue at all levels of the organization. We want every person on our team thinking about ways to curb costs and generate revenue." Springer suggests including vendors and suppliers in the dialogue.

#### Loyalty

Caryn Simons, a regional vice president with Ryland Homes, cites a correlation between

**Cutting staff to the bone** means asking some people to take one and two steps backward.

to new and more meaningful career paths."

Steve Springer, former corporate vice president of human resources with Pulte and author of "Stop Hiring Failures!" agrees. "This is the perfect time to expose people to different aspects of the business. People learn more by doing than by watching."

passion and loyalty. "We continue to work with our divisions to retain the best people and keep them motivated. However, motivation is a pretty nebulous word. You can't necessarily train motivation." Therefore, don't measure people purely by their skills sets but also their passion for the industry and organization.

#### Thought processes

Another HR manager's company is reassessing virtually every organizational model within the company, from sales to construction. "In sales, we're considering changing our model staffing from one full-time salesperson supported by an assistant to two full-time salespeople. ... We're also rethinking the norm of having a model complex in every subdivision."

#### The A-Team

Cutting staff to the bone means asking some people to take one and two steps backward to keep them, or move them into different roles. But as Springer says, "The value of keeping great people far outweighs the expense of replacing them later."

No doubt this cycle will present more challenges in the year to come. The companies with the greatest adaptability will be the ones who survive. Or, in the words of Morante: "It's like dancing with a gorilla: you have no choice but to follow his lead." Well put, Dave.

Rodney Hall is a senior partner with The Talon Group, a leading executive search firm specializing in the real-estate development and home building industries.

#### Hall's Tips

#### **ROTATE JOBS**

Train people to work in other areas of the company.

#### **BRAINSTORM!**

Put many brains to use and get creative.

#### **MOTIVATE**

Keep your employees engaged to build loyalty.

#### **RETAIN**

Do what you need to hang on to the great people.



# Dream Builder

Legacy Communities, whose ability to cater to its community and change with economic times, earns accolades as the 2009 Builder of the Year.

By Bill Lurz, Senior Editor

Our 2009 National Builder of the Year is Atlanta-based entry-level production builder Legacy Communities, now operating on a pace to close 1,400 detached homes in 2008 for \$265 million in revenue. Even in a depressed housing market, Legacy's net margin for this year is running at a stunning 11 percent, and the firm has a record of double-digit bottom lines dating to the beginning of this decade.

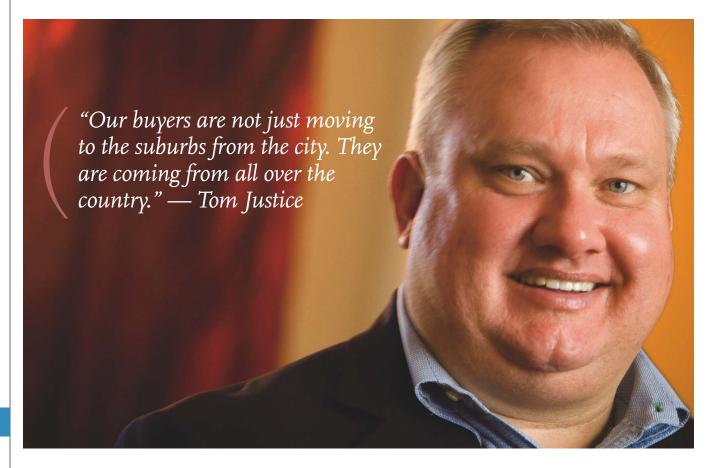
However, financial performance is only a small part of Legacy's story, which really centers on the firm's ability to operate in a specialized market niche — African-American first-time buyers — and to move fast to change its product and pricing when the affordability equation shifted for those targeted buyers.

Legacy CEO Steve Been Jr.'s strategy has always been to build detached homes of compelling value for entry-level buyers. A third-generation builder, he learned from his father that value in affordable, entry-level homes starts with the land buy and ends with high velocity sales and production. Been, 43, finds the affordable land to follow that strategy and has led Legacy into a remarkable sub-market niche, one where the success formula gets a little more complicated.

An extremely private man, Been deflects the limelight and has recently shifted leadership of Legacy to Tom Justice, 47, sales and marketing president who has rebuilt that side of

Photos: Mark Adams/Getty Images





the organization over the past 3-1/2 years, and Construction President Scott Schmidt, 47, who has spent 17 years fine-tuning Legacy's carefully value-engineered product lines and construction processes. Meanwhile, Been concentrates on land, staying ahead of Legacy's voracious appetite for building lots. It is perhaps the most important role of all in an entry-level production builder, where sales and construction velocity is the key to affordable pricing.

#### Special strategy

The firm's long run of stable, profitable growth has been achieved by selling homes almost entirely to Atlanta's burgeoning population of young, upwardly mobile African-American entry-level buyers in suburbs that ring the city, mostly south of Interstate 20, which runs east to west through the center of town. It's a surprising strategy for a management team that is entirely white (even though most of the company's sales agents are now African-American).

In a perfect world, like that portrayed in Legacy's marketing, young families of all races would live together in the same neighborhoods. But Atlanta, like many markets, is not there yet. The city's tony northern suburbs remain white, for the most part, while something entirely different is happening in the jurisdictions that ring the city to the south.

"Those municipalities are becoming mostly African-American," says Justice, "both in population and political leadership.

Atlanta has become a beacon to African-Americans from all over the country, because of access to well-paid jobs in a vibrant economy, but also for the political enfranchisement and housing opportunities they can now find here."

The African-American out-migration from the South that occurred over many generations has now reversed. But it is Atlanta that's getting most of the influx. "Our buyers are not just moving to the suburbs from the city," Justice says. "They are coming from all over the country. And they're filling jobs that are diffused throughout the region."

It's mostly in Atlanta's southern suburbs that Steve Been finds the low-cost land to drive not just affordability, but remarkable housing value. Marketing to minorities is a strategy we believe will work all across this increasingly diverse coun-

# LEGACY COMMUNITIES BY THE NUMBERS

Year	Closings	Revenues (\$M)	Net Margin
2005	1,403	262	13.3%
2006	1,637	328	11.6%
2007	1,752	348	11%
2008	1,400	265	11%
2009	?	?	?



try. Legacy's success proves it's not just the right thing to do, it's good business.

#### The qualifying dilemma

Race is not an issue for Legacy. The areas where the firm has found low-cost land has a target market of African Americans, and the company has responded to that market and driven compelling value in entry-level homes. What challenges Legacy most is that many of their customers are single-parent families. "Single mothers with a number of children — often three or four — form the biggest group," says Susie Anderson, Legacy vice president of sales, administration and closing. "And that means

qualifying them for the purchase and keeping them qualified will be a struggle."

Anderson leads a three-person closing department that champions the cause of its buyers fighting to get them qual-

ified for a mortgage from one of the seven mortgage lenders with which it deals, and to keep them qualified until closing. "Often, whether they qualify depends on how good their court orders for child support are," Anderson says. Another major concern is the recent elimination of down payment assistance programs and increase in down payment requirements from 3 percent to 3.5 percent for FHA mortgages.

Legacy meets this quandary head-on and proves it can be overcome. Its formula for qualifying and closing difficult buyers can serve as a blueprint to meet the challenge the housing



It's mostly in Atlanta's southern suburbs that Steve Been finds the lowcost land to drive not just affordability, but remarkable housing value.

industry will face in 2009, when the entire country is likely to pin hopes for economic recovery on resurgence of new home sales to first-time buyers.

The firm starts 70 percent of its homes as specs, which is common among Atlanta-area builders, but Legacy works hard to sell homes as near as possible to completion and the closing date. Prices are lower on homes within six weeks of completion. That helps by cutting the time Legacy has to keep buyers qualified. It allows five weeks to achieve qualification but leaves only one week the firm must keep them qualified before closing.

But that's still a challenge. "Two years

ago, most of our closings were 90 to 120 days after the sale," Anderson says. "Today most sales are within 30 to 60 days of closing.

"We work very closely with the mortgage companies," Anderson

says. She notes some of the same credit problems builders face in communities across the country. "Buyers' credit card debt is often a huge problem. We see a lot of credit scores in the low 500s, where the buyers have no idea how damaging it is if they've gone 30 days late on a revolving credit account. They think if they're current now, everything is okay. Others may have no late payments, but the cards are just maxed out."

Yet, in most cases, Legacy is able to raise credit scores between contract and closing by working closely with customers

#### **AN UNCONVENTIONAL MARKETING STRATEGY**

TO REACH its young, African-American target market, Legacy's management team chose to part ways with conventional wisdom in how it spends the marketing budget. "We're not using print media at all," says Amy Slack, vice president of marketing, "because our targeted buyers don't read newspapers."

Instead, Legacy boosted its investment in Web marketing and became a regular advertiser four years ago on powerful Atlanta disc jockey Frank Ski's morning commute radio program, which captures an eye-opening 58 percent market share of the drive-time African-American audience. "Our buyers may not read the morning paper," says Slack, "but they listen to Frank Ski when they're trapped in traffic on the freeways."

Legacy also supports the Frank Ski Kids Foundation with part of its \$250,000 annual commitment to African-American charities in Atlanta. Ski periodically does remote broadcasts from Legacy communities. "It's like

having a rock star in the sales office," Justice says. "Frank was once asked to run for mayor of Baltimore, when he worked there, and was equally big when he was in Miami."

"When down payment assistance was going away on Oct. 1, we had Frank talking about it all through September this year, to nudge buyers off the fence," Justice notes. "And he regularly mentions Legacy in his on-air ad-lib chats with guests. Frank Ski is a huge part of our branding."

Ski's demographic is African-American young adults ages 24 to 40. "That's the sweet spot of our home buyers," says Slack, "and an audience that will hit our redesigned Web site, which went live last January.

If Frank Ski gets them to the Web site, Legacy believes its Internet Lead Manager can get them to the right community, and its marketing dollars will be well-spent.





Samsung Rugby™ \$**79**99

When you activate 5 or more devices with a 2 year service agreement and minimum \$39.99 voice plan and any of the following features Unlimited Push to Talk, Unlimited Messaging, Media Net, Video Share or AT&T Navigator.

Introducing the Samsung Rugby.™ AT&T 3G fast. Jobsite strong.

- > **Ruggedized** at military-grade standards to hold up to jobsite abuse.
- > **Unlimited Push to Talk** on the nation's largest Push to Talk coverage area network.
- > **Built-In GPS** so you can get from one location to the next.
- > Video Share lets you send live video from the jobsite.

Switch to AT&T – the nation's fastest 3G network.

Call 800-414-1858

Click att.com/rugby

**Visit your nearest AT&T store** 



More bars in more places



Limited-time offer. Valid Federal Tax ID and at least one Corporate Responsibility User required. Other conditions & restrictions apply. See contract & rate plan brochure for details. Subscriber must live & have a mailing addr. within AT&T's owned wireless network coverage area. Up to \$36 activation fee applies. Equipment price & avail may vary by market & may not be available from independent retailers. Early Termination Fee: None if cancelled in the first 30 days; thereafter up to \$175. Some agents impose add'I fees. Sales Tax: calculated based on price of unactivated equipment. Video Share not available in all areas and requires the sender and receiver to have compatible phones, the Video Share feature and be in a 3G coverage area to share video. 3G Coverage not available in all areas. PTT only available between AT&T Push to Talk subscribers. Data and voice service required for full functionality. May require purchase of additional equipment, services or features and be subject to additional third party terms and conditions. Unlimited voice services: Unltd voice svcs are provided solely for live dialog between two individuals. No additional discounts are available with unlimited plan. Offnet Usage: If your mins of use (including unltd svcs) on other carrier's networks ("offnet usage") during any two consecutive month exceeds your offnet usage allowance, AT&T may at its option terminate your svc, deny your contd use of other carriers' coverage, or change your plan to one imposing usage charges for offnet usage. Your offnet usage allowance is equal to the lesser of 750 mins or 40% of the Anytime mins inci'd with your plan). © 2008 AT&T Intellectual Property. All rights reserved. AT&T, the AT&T logo and all other marks contained herein are trademarks of AT&T Intellectual Property and/or AT&T affiliated companies. All other marks contained herein are the property of their respective owners.

and mortgage lenders. "I don't take 'no' for an answer," Anderson insists. "If we get a 'no' out in the field, we pull the documents together and find out what it will take to turn it to 'yes.' Then we put together a plan to make that happen. In many cases, all they really need is someone to tell their stories. That's what we do; we're storytellers. But we're able to raise their credit scores before closing on average probably 50 points, sometimes, 150 points," she says.

In some cases, families are multi-generational matriarchal, led by a grandmother as well as a mother, so two income-earners are able to sign the sales contract, which helps the qualification process. What Legacy is doing on behalf of its African-American target market proves qualifying buyers is not an unsolvable problem, even in this era of tight credit.

Justice insists Legacy's qualification program is straightforward and of great value to the families. "We put a plan together with the customer and the mortgage lender to get them qualified and keep them qualified," Justice asserts. "It's proactive. We call them every week to confirm they're working the plan."

#### Constantly changing product

Legacy's other major attribute is speedy product innovation, which builders from coast to coast may need next year, especially if they plan to target first-time buyers in this era of financial volatility.

When the Atlanta market fell precipitously in early 2007, Been, Justice and Schmidt led a task force that designed an entirely new product line of 30-foot wide detached homes to fit 40-foot home sites,

that allowed Legacy to get base prices down below \$150,000 and keep selling. In a matter of weeks, the firm's product morphed into a different animal. And it keeps changing, depending on what Been pays for lots.

"Before, we sold our 50-foot and 40-foot (wide) homes under our motto, 'Live Big For Less,'" says Been. It was a big-box, price per square foot strategy. "But when the mortgage market began to tighten that spring, we saw the need to move quickly to smaller homes because our buyers would not be able to qualify for the larger ones. One of the keys to our success is management flexibility. We talked about the need for a 30-foot product one night and put the idea into operation the next day." It was just the reverse of what happened when mortgage rates hit new lows in the mid-2000s and Legacy moved then







THE SAVANNAH MODEL at 2,514 square feet is now Legacy's best-seller, part of the 30-foot-wide product line rushed into production in mid-2007. At the top is an early version. Below, a recent Savannah at St. Josephs in Fairburn, Ga., is priced at \$167,990 and shows how Legacy added value by subtly changing the exterior and plan as land prices recently declined.

# BUSTING OUT OF ATLANTA

LEGACY IS ALREADY closing homes this fall in its first expansion out of the Atlanta market, in Phenix City, Ala., a military base town just west of Columbus, Ga. "We've got four locations there," Steve Been says. "And we've already got a team on the ground in Charlotte (N.C.). We don't think it's time to buy lots there yet, but it's close. When the time comes, we'll move fast. We'd like to get four to six locations there to establish a market presence."

Been says he's also intrigued by Florida. "By the time we get Charlotte up and running, Florida may have settled out to where we can move into a market there. We want to take advantage of the opportunities created when land prices are down," he says.

Legacy is obviously throwing its hat in the ring to pursue regional home building glory. "Our business plan is to stay in the Southeast," Been says "We'll be patient and target the same buyer profile as in Atlanta. When you buy land right, it creates opportunities to price entry-level product very affordably. Where we find land on the south side of Atlanta, we could make our margins selling homes priced in the \$130,000 range," Been ventures. "On most of the north side of town, it would still be more like the \$180,000 to \$200,000 range."

Been says his target in new markets won't necessarily be African-Americans. "It's not a goal of ours to restrict our market segment, but African-Americans have been a big part of our customer base, so we will stay involved culturally in that community."

# Fans aren't just for the bathroom anymore.







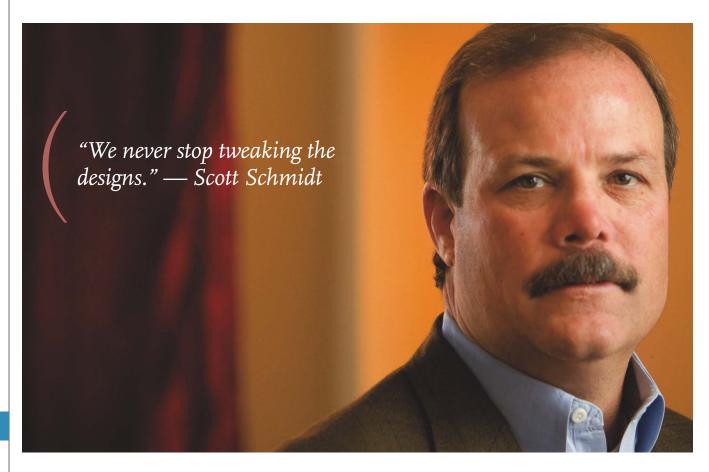
**Find green points in every room of your house.** The more opportunities you have to earn green points, the better. That's why NuTone offers more products that meet ENERGY STAR, LEED, and NAHB requirements than anyone. So whether you need a fan for the kitchen, the garage, or the entire house, we've got you covered. And, of course, we do have bathroom fans too.

©2008 Broan-NuTone, LLC. NuTone is a registered trademark of NuTone, Inc., a subsidiary of Broan-NuTone, LLC. Patents pending.

For FREE info go to http://pb.hotims.com/20670-8

# **NuTone**

To find out more, call 1-800-543-8687 or visit nutone.com.



to larger homes, Been says.

"We now have three levels of pricing," Been reports. "Above the 30-foot product line (1,400–2,500 square feet) that starts at around \$140,000, we have 40-foot [wide] homes (1,850–3,100 square feet) that run from about \$150,000 to above \$180,000, and 50-foot houses (2,200–4,000 square feet) that run from

# Learn from Legacy

We look for big things from Legacy Communities. The 2009 Builder of the Year racked up an impressive performance in the second half of the 2000s. Don't be surprised if this firm tops \$1 billion in closings some year in the next decade. In the meantime, here are a few lessons you can take from Legacy:

- 1. Target Entry-Level: A good market segment for as long as land prices stay depressed.
- 2. Reach For Minority Markets: Not just African Americans, but Hispanic and Asian market niches abound.
- Move Fast On Design: When the market says change, don't dilly-dally.
- 4. Buy No Land Before Its Time: Never pay more than 20 percent of the projected sale price of a home for the lot.

\$190,000 to more than \$225,000. But I still see this as all entry-level. It's just that some first-time buyers can afford more than others.

"Our niche is very much based on price per square foot. We have small, medium and large boxes, and our pricing is dependent on land cost in each location."

Been emphasizes the importance of velocity in the entry market. Continually turning the land fast reduces carrying costs. And when those savings are applied to house prices, the resulting value can increase the sales pace that much more. The challenge is to find ways to reduce construction cycle time to keep up with the sales pace. Schmidt leads Legacy's continuous process improvement initiative that has pushed average construction cycle time from 101 working days in 2003 to 89 days in 2008.

Legacy doesn't pay much attention to the widely held premise that if sales are moving faster than you can build houses, you ought to slow them down by raising prices. Been would rather pump more value back into the product and find a way to ratchet down construction cycle times instead. Justice comments, "Every time I ask him if he wants to raise prices, Steve says, 'No, let's just keep the houses moving.'"

A key element of Legacy's new 30-foot homes is that they can be built in 60 working days — exactly the kind of cycletime reduction that allows another round of improvement in the price/value equation. Been has been able to shop for

# SV09 **Professional**



Tues. - Thurs. 8:30 a.m. to 6 p.m.



Friday 8:30 a.m. to 1 p.m.

**Quiet Living Home** 





**Learning Center** 

# **Build the Future Today**

International Builders' Show® January 20-23, 2009, Las Vegas

Homes being built today do not take advantage of the technology available now. In fact, most homes are built with technology and design that was available a decade ago. The *Professional Builder* Show Village 2009 will showcase our abilities today, taking full advantage of all the latest construction techniques, design opportunities and product technology.

We will show IBS attendees today the technology they will be using for the foreseeable future in these dynamic homes.

#### See the latest building products installed and in action from these premier sponsors:

**BASF** I Insulation

BaySystems North America | Insulation

Beam | Central Vac

Behr | Exterior and Interior Paint

**CONTECH Bridge Solutions** 

| Bridge Solutions

Cultured Stone | Exterior Stone

Danze | Faucets and Toilets

**Deceuninck North America** 

| Siding and Windows

Deck Images | Exterior Deck Railings

**Dow Building Solutions** 

| Structural Insulated Sheathing

GE Appliances | Appliances

Generac | Generator

Honeywell | Insulation

Icynene | Insulation

Interceramic Tile and Stone

I Tile and Stone

Koma Trim Products | Exterior Trim

Lasco Bathware | Bathtubs

Latitudes | Decking and Railings **LG Solid Source** | Countertops

Masco Corp.

| Environments For Living Certification Program

Maze Nails | Nails

Nisus Corp. | Bora-Care with Mold-Care

**Owens Corning** 

| Roof Underlayment, Shingles and HVAC

Panasonic | Ventilation Fans and TVs

Plastpro | Exterior Doors Ply Gem | Siding and Windows

Rinnai | Fireplace and Tankless Water Heater

Schlage | Door Hardware

Sony | TVs & Home Theater System Sprint | Communication Provider

Therma-Tru Doors | Exterior Doors

ThyssenKrupp Access | Elevators

TimberTech | Decking and Railings

Wayne-Dalton | Garage Door Systems

For more information visit:

workouts and small clusters of 50 (or even fewer) finished lots. He makes opportunistic deals to take down such lots on rolling options, and Schmidt and Justice get a furnished model and sales center up and running within 60 working days. "We used to develop most of our communities," Been says, "but we've now suspended land development operations, for at least a couple of years, because I can now buy 60- and 70-foot lots for less than it would cost to develop 40-footers from raw dirt."

When Legacy cuts such advantageous land deals. rather than slice its alreadylow home prices, which might undermine consumer confidence in the investment value. Iustice and Schmidt often collaborate like would-be architects to spice up designs to deliver even more bang for the buck to customers. Suddenly, new architectural elements will appear on elevations and granite kitchen countertops show up in some models as standard features. "We never stop tweaking the designs," Schmidt admits. "That's why the same model looks different in 2008 than it did in

2007. We are increasing the spec level of our homes to put the money we save on the lot into the product as increased value — at a time when our competitors are cutting specs to try to get their prices down."

Schmidt cites enhancing the elevations with brick and stone; arched interior and exterior doorways; tile backsplashes; TV niches; and redesigned breakfast nooks, just a few of the design touches added recently to enhance perceived value.

Legacy developed the 30-foot homes for a 40-foot lot to get its own prices down. But now that it can buy 60-foot lots for less money, the firm is building 30-foot homes on 60- and 70-foot lots. Buyers see the bigger lot as another added value. It's how Legacy keeps its margins high, when most Atlanta builders are fighting to find a margin of any size. It's what makes Legacy our 2009 Builder of the Year.

#### **HOW PB PICKS BUILDER OF THE YEAR**

What home builder has the best game plan for next year? That's a question *Professional Builder* editors ask each other every fall as we deliberate our selection for the oldest and most prestigious award in America's housing industry: PB's Builder of the Year.

The nominating process is open, and judging is done by PB's editorial staff. We look for a home builder with a business model full of ideas readers can use.

For 2009, we considered the challenges for many builders, yet past experience tells us some companies will thrive amid the turmoil of housing markets in disarray. Beyond that, we looked for an innovator on the leading edge of trends that will push housing industry recovery.

Our 2009 Builder of the Year had to demonstrate an ability to move fast in whatever direction consumers push housing design and pricing in the New Year.

Atlanta's Legacy Communities has all these attributes and also delivers outstanding features, quality and value to its buyers.



THE JAMESTOWN MODEL at Summerwalk in Canton, Ga., is 3,105 square feet and priced at \$209,990 — typical of Legacy's mid-range, 40-foot-wide product line.

"Most of the people we see in the sales office are buyers," says Justice. "They want to buy a home. Our first goal is to get them in the right home, one they are qualified to buy. There can be a \$30,000 spread, even in our 30-foot product. That line starts at 1,400 square feet and runs to 2,500, priced from \$140,000 to \$180,000. But especially with two incomes, a good segment of our buyers can carry a \$150,000 house on a 6 percent mortgage. Eighteen months ago, our core buyer was in the \$180,000 to \$220,000 price range. Today, it's the \$140,000 to \$180,000 range, which is why we need the 30-foot homes. The buyer of a 30-foot home at \$160,000 today was able to buy a 3,300 square foot, 50-foot (wide) house at \$210.000 years ago."

Legacy still has a presence in the big-box market, Justice says. "But those don't sell at the pace of two years ago. Half of what we do now is 30-foot houses on lots larger than 40 feet (wide)."

#### All- Around Value

The quality and value Legacy delivers in starter homes in Atlanta's southern suburbs

beats what's available in the northern suburbs. "You just get more house for the money south of I-20, because land costs are lower there," says Justice, without adding that Legacy's well-oiled production machine cranks at a velocity others can't match.

"None of the other builders in Atlanta want to compete with Legacy," says longtime Atlanta marketing maven and *Professional Builder* contributing editor John Rymer. "They can't match the price and value Legacy delivers."

The southern suburbs are markets Steve Been has mastered. Legacy is now selling in more than 50 locations, with more on the way, as Been scrambles for every lot takedown and workout deal he can find at the bargain prices he seeks. "What we have to pay for a lot is the key to our pricing," he says. **PB** 

# we got your tools of the trace TIGHT COMMERCIAL TRUCK SEASON

GET UP TO \$2,000 IN UPFIT ASSISTANCE ON ALL E-SERIES VANS AND UP TO \$1,000 ON F-SERIES CHASSIS CABS\* DURING THE FORD COMMERCIAL TRUCK SEASON YEAR END SALE.





And take advantage of huge tax savings opportunities with the Economic Stimulus Act,\*\* which increases the depreciation provision for new truck purchases in 2008 from 30% up to 50%. For more information on tax savings and Commercial Truck Season, visit commtruck.ford.com.

# Hurry, savings end January 5.

\*Available on upfits costing \$1,200 or more. Take delivery from dealer stock by 1/5/09. See dealer for complete details. \*\*For more information about the U.S. Economic Stimulus Act, Section 179 expense write-off or the Modified Accelerated Cost Recovery System (MACRS), contact your tax professional or visit the Internal Revenue Service Web site at www.irs.gov. Please note this information is provided by Ford Motor Company as a public service to its customers. It should not be construed as tax advice or as a promise of potential tax savings or reduced tax liability.



# This year our dealers have a new offering. Bragging rights.

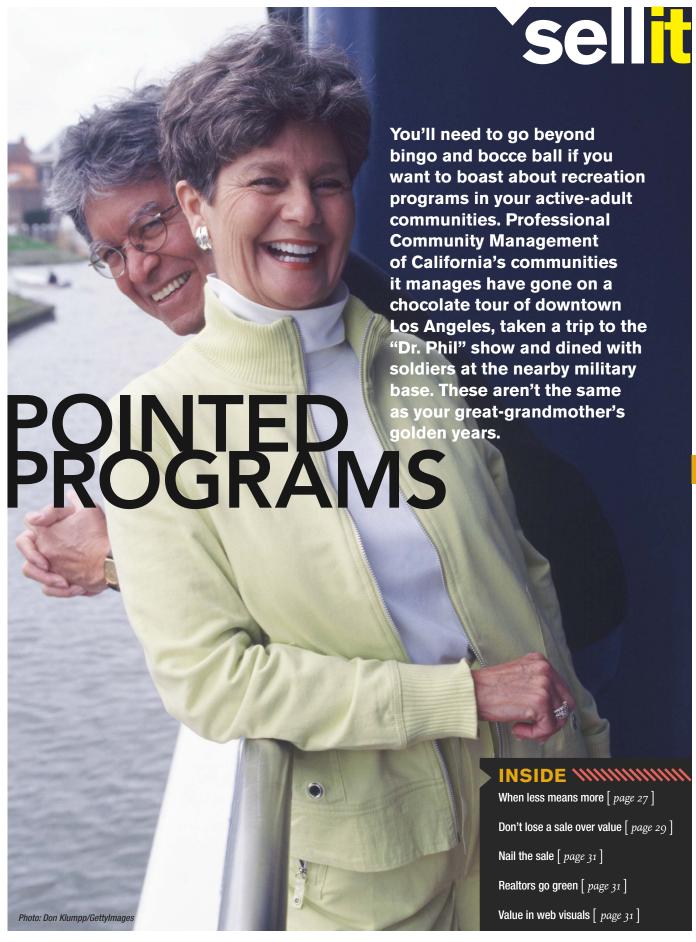
Years of putting our builder partners and the quality of our products first has paid-off big. We still don't have fancy offices. Or over-the-top company parties. But we have what our builder partners and their homebuyers value greatly: dealers who consistently deliver high-quality cabinetry and above-and-beyond service. And now, we've received the J.D. Power and Associates award for "Highest Builder and Remodeler Satisfaction with Cabinet Manufacturers."

See for yourself why Quality Cabinets was awarded the J.D. Power and Associates award. Visit the Masco Builder Cabinet Group's IBS Booth, C6343.

For FREE info go to http://pb.hotims.com/20670-11

Quality Cabinets received the highest numerical score among cabinet manufacturers in the proprietary J.D. Power and Associates 2008 Builder and Remodeler Cabinet Satisfaction Study. Study based on 1,356 evaluations from over 1,100 new-home builders and remodelers who ordered and purchased cabinets January–December 2007. Respondents were asked to evaluate their primary and/or secondary cabinet brands that they used most often. Proprietary study results are based on experiences and perceptions of builders/remodelers surveyed in March-May 2008. Your experiences may vary. Visit jdpower.com © 2008 Quality Cabinets







# High quality and innovative technology

#### Viega's Climate Panel® Radiant System is the ideal radiant floor heating solution.

Climate Panels are the easiest and cleanest way to install a hydronic radiant floor heating system.

- Easiest installation: lay down up to 14 square feet at once; installs over any subfloor; easy to carry lightweight bundles
- No mess/no waiting: no need to schedule pours or waiting for concrete to set
- Lightweight: no need to reinforce floors; covered area weighs far less than concrete
- Versatile: installs over any subfloor in new or retrofit applications; adds only 1/2" to total floor height

As a systems solution provider, Viega provides everything you need. This includes components, technical support services, systems design and CAD layouts for ease of installation.

Discover how Viega ProRadiant heating technology will maximize customer's satisfaction. Visit www.viega.com or call 1-877-843-4262.



#### Viega... The global leader in plumbing and heating systems.



ProPress® System



Climate Panel® System



Snap Panel® System



Climate Trak® System



Slab on Grade



Pure Flow® System



#### [ CUSTOMER SATISFACTION ]

# When **Less** Means **More**



How downsized homes can delight buyers

By Paul Cardis, CEO, Avid Ratings

one is the age of extravagance, where supersized floor plans and expensive amenities abound. Instead, many builders have changed their tact to reengineer smaller product lines to appeal to today's credit-strapped customers.

KB Homes began downsizing some of its homes in 2007. A 3,400-square-foot home that sold for \$450,000 became a 2,400-square-foot home selling for \$300,000. This year, KB launched a line of homes that start at 1,230 square feet and sell for just over \$200,000. Other builders have taken similar steps.

Because home buyers are feeling pressure to settle for

struction process. However, blindly undoing the excesses of the past two decades is not the right approach. Rather, builders should research to make sure they cut only those amenities that aren't as important. For example, some builders report that big formal entries, high ceilings and even granite countertops are not as important to today.

In smaller homes, functional design elements are taking on greater importance. Built-in storage spaces, closets, shelves and open floor plans maximize the smaller spaces and make them more flexible and utilitarian. Rather than a dedicated media room or formal living room, many ping 91 percent of consumers said they would choose a highly energy-efficient home with lower utility bills over a home without energy-efficient features that cost them 2-3 percent less.

#### **Outdoor living**

Meanwhile, functional outdoor living spaces focused around outdoor cooking add real value to homes without the traditional costs of construction. For the first time in the NAHB survey, two of the top 10 most desired home features were related to outdoor living: exterior lighting and a fenced yard.

The one thing consumers are not willing to give up, however, is quality. According to the NAHB survey, only 7 percent of consumers said they would accept a house with less-expensive building materials if that would make it more affordable. This is good news for builders, too, because quality construction typically means fewer warranty calls and greater customer loyalty.

Paul Cardis is CEO of Avid Ratings, a research and consulting firm specializing in customer satisfaction for the home building industry. You can reach him at paul.cardis@ avidratings.com.

#### Cardis' **Tips**

#### **ENGINEER WISELY**

Along with cutting square footage, reengineer the entire construction process to trim expenses without affecting quality.

#### **KNOW YOUR CUSTOMERS**

Don't assume you know what amenities your buyers prefer. Before you start turning standard features into upgradable options, make it won't have a dramatic impact on customer delight.

#### **SELL BENEFITS**

A small home is better than a large one when you position it in the context of environmental responsibility and energy efficiency.

#### More online

See a year-over-year comparison of home sizes at ProBuilder.com.

houses that aren't their dream homes, some new buyers harbor some degree of dissatisfaction before the sales process even begins. There are ways, however, to ensure customer delight even as you reduce the square footage.

#### Lean engineering

Lean engineering is one way to trim waste from the conhome buyers are happy with a multipurpose room that combines a home theater with a game room and living room.

#### Energy efficiency

Other ways to drive up customer delight is to embrace energy efficiency in the design of these smaller homes. According to a 2007 consumer study by the NAHB, a whop-





Knauf EcoBatt™ Insulation doesn't look like any insulation you've ever seen, but that's because its natural brown color represents a level of sustainability never before achieved.

The color comes from ECOSE™ Technology, a revolutionary, new sustainable binder born from five years of intensive

research. Made from rapidly renewable organic materials rather than oil-based chemicals commonly used in other insulation products, ECOSE Technology reduces binder embodied energy by up to 70%, and does not contain formaldehyde, phenol, acrylics or artificial colors used to make traditional fiberglass insulation.

EcoBatt Insulation combines sand, one of the world's most abundant and renewable resources, post-consumer recycled bottle glass and ECOSE Technology to create the next generation of sustainable insulation...naturally from Knauf.



For more information call (800) 825-4434 ext. 8300

or visit us online at www.knaufinsulation.us





[ SALES & MARKETING ]

# We Won't **Lose a Sale** Over Value



Readjust your sales team's approach and get a leg up on the competition.

By John Rymer, New Home Knowledge

n a very difficult sales environment, I'm hearing the best sales professionals tell me their sales presentation is themed around "We won't lose a sale over value." If you are thinking it sounds as if the sales agent is trying to negotiate a price before they even know the customer's needs and priorities, you need to know more about how these top sales professionals weave "lose no sale" into their presentations.

Begin by understanding that every customer today is looking for value. They say it in a variety of ways: What's fore you can say "they'll give away the farm," step back and understand that this initiative is not about out-discounting the competition, but having a well-researched market value of your homes before reviewing an offer.

**STEP 1** is to have sales professionals understand that you can't lose a sale over value unless you know who the competition is and the specifics of the deal the competition has offered the prospective buyers.

**STEP 2** is to have the sales professional get a full understanding of (a) How

competitor's pricing or discount but want your location, features, home site, floor plan, etc.

step 3 involves performing a detailed comparison of "us vs. them" where values are assigned for differences between your home and the competition. It's best to let the buyer choose the individual price they place on items as they will become engaged in the process and have ownership as its outcome.

#### Price it right

Now that you have a well documented offer in hand, you can make an informed decision on the appropriate price you can place on your home. Holding your sales team accountable for market information is both essential and will ultimately lead to more sales.

So start your next sales meeting with, "We won't lose a sale over value."

John Rymer is the founder of New Home Knowledge, which offers sales training for new home builders and real-estate professionals. You can reach him at john@newhome-knowledge.com.

# Rymer's Rules

## TOP VALUE = TOP SALES

Telling a customer you won't lose a sale over value reinforces your competitiveness and begins the serious sales discussion.

# NO MORE NEGOTIATING WITH YOURSELF

No builder should consider an offer unless they understand who the buyer considers to be the competition and how their homes and prices match up.

#### A SALES PRO IS YOUR BEST NEGOTIATING TOOL

Knowing what's unique about your homes and community versus the competition is essential to getting the best price for your home.

# Every customer today is looking for value. They say it in a variety of ways.

the discount? What's the deal? What's the lowest price you will accept? How do you compare to short sales? No matter how they say it, the underlying priority is the value they get for the home they plan to purchase. Also understand that you must empower your sales team to know that you really won't lose a sale over value. But be-

your homes compare to what the customer had in mind in a home and community, and (b) How you compare to the competition. Don't be afraid of either question. Remember, if the home the competition was offering was a perfect fit, chances are your customer would already have purchased it. The more likely scenario is that they like the

## HE WORKS SUNUP TO SUNDOWN. HIS VEHICLES MUST WORK JUST AS HARD. A SMART

VEHICLE ADVISOR WOULD HELP. SOMEONE WHO CAN GET HIM A NEW TRUCK QUICKLY, IF WORK PICKS UP, UPFITTED TO FIT HIS NEEDS. THE RIGHT ADVISOR COULD TAKE HIS BUSINESS TO THE NEXT LEVEL.

Professionally-trained staff. Work-ready vehicles. Extended hours. Expanded service bays. chevybusinesscentral.com





[ DEAL MAKERS ]

# Creative Ideas to

# **Nail the Sale**

By Mark Jarasek, Senior Editor, Electronic Media

t the 2008 Professional Builder Benchmark and Avid Leadership Conference, Dan Barnaba, president of Liverpool, N.Y.-based Eldan Homes, shared several creative tricks he has up his sleeve that help nail the sale. Here are a few:

- Delayed Start Program If buyers are nervous about how long it might take to sell their existing home and don't want to get caught in a double mortgage situation, tell them you'll delay the start of their new home until their existing home is sold.
- Home Sale Assistance Program Make an offer to discount your sales price the same amount that the prospective buyer's home needs to be discounted to sell.
- Let Us Sell Your House Offer to handle the sale of your prospective buyer's existing home. Use your network of real-estate contacts to help do the work.
- Give-Aways/Upgrades Have a few upgrades that might not cost you much, if anything, to give away in order to seal the deal. For example, offer to include a custom tray ceiling in the dining room free of charge. It may be an upgrade you



typically charge for, but costs you little if anything to include during construction. Another example would be to offer an upgrade for something such as cabinetry. Pine cabinets are offered standard and oak is an upgrade. Oak is typically perceived as a greater quality than pine in the buyer's eyes. In reality it doesn't cost much more to toss in the upgrade.

Barnaba says home builders can also glean ideas from other industries. The people who bring us Corn Flakes started putting a little less product in the box but still charged the same amount. Builders could do the same by value engineering their homes. He also suggested listing spec homes on the local Craigslist.org where people are always hunting for what they perceive to be bargains.

# 10-Second Tip: Web Sites

Running out of ideas on how to promote your communities? Use videos and flashy photos on your Web site.



Does vour Web site do everything it can to usher buyers to your communities? Put up a video and sharp photography of your homes and communities. A survey by VHT and PropertyPreviews. com showed using video increased the perceived value of the home by nearly 6 percent. Professional photography increased the perceived value by 12 percent. According to VHT, on a \$500,000 home, those steps equate to an increase in perceived value of \$30,000 and \$60,000 respectively. Worth the investment, huh? - Jennifer Powell. Staff Writer

#### Realtors Go Green

**If you build green** and rely on Realtor relationships to sell your homes, you can have a Realtor specifically for your needs. The National Association of Realtors now offers a green



designation, which goes to Realtors who have completed courses about energy efficiency and environmentally sound buildings. The designation identifies Realtors who can properly talk with buyers about the benefits of green building as well as distinguish between industry ratings and classifications; relay information on financial grants and incentives; and educate your home buyers on resource-efficient homes. See www.greenresourcecouncil.org for more information. — Sara Zailskas, Assistant Managing Editor

January 20-23, 2009 **Las Vegas** 

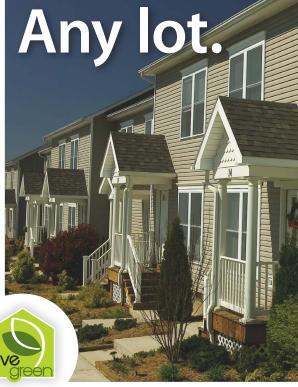
- See Us in Las Vegas January 20-23, 2009
- 4 Display Models to Walk Through
- Free Seminars on "How to Grow Your Business with **System Built Construction**"
- Call Steve Reyenga at 888-820-3696 for Information and **Gold Passes**



- Single Family
- Multi-Family
- Community **Developments**
- Resorts
- Urban Infill
- Coastal Homes
- Scattered Sites



If you have a building need, our single-family, multi-family and commercial capabilities will help you complete it faster, smarter and greener with reduced risk and increased profitability. We are your construction solutions provider.





www.palmharbor.com



The curved glass wall of this home in Berkshire County, Mass., is a thing of beauty, but builder Albert Cummings didn't stop there: a matching window above it draws sunlight into a second-story bridge. The 7,000-square-foot home was designed by Steven F. Haas of Great Barrington, Mass. Going to IBS? Don't miss Albert's blues band at the *Professional Builder* Show Village (www.pbshowvillage.com).

#### INSIDE //////

Green lawsuits and home builders [page 35]

More than a ceiling [ page 35 ]

design

Wilderness at the Door [ page 36]

Photo: Randall Perry



## Celebrating 25 Years of Innovative Home Design

Come toast 25 years of outstanding residential design innovation from great rooms to outdoor rooms, master-planned communities to urban infill.

On the eve of the International Builder's Show, *Professional Builder* and the NAHB Design Committee honor the

2009 Best in American Living Award winners in grand style.

It's the 25th annual BALA Gala! The one party you don't want to miss in Vegas.

#### **January 19, 2009**

7 - 10 p.m. The Wynn Las Vegas Margaux Ballroom Cocktails and Buffet Dinner

# An Evening of Design Bests

- Winners in 36 Categories
- 9 Regional Winners
- Home of the Year
- Community of the Year
- Room of the Year

# New features this year...

- BALA Hall of Fame a tribute to industry icons
- Emerald Award– honoring America's best green home design

Ticket price: \$125/seat RSVP by January10, 2009

To order tickets, visit www.probuilder.com/bala

Judy Brociek, Director of Events
(630) 288-8184 ■ jbrociek@reedbusiness.com

Presented by:

Professional Builder



A PROGRAM OF MASCO HOME SERVICES INC

# Green. It's good for your community, and it's good for your business.

The *Environments For Living* program assists builders with solutions and standards, bringing homebuyers tangible benefits including limited guarantees\* on comfort, and heating and cooling energy use. Learn more about it in this special supplement.



IT'S A SYSTEM



TOOLS TO BUILD A GREEN ADVANTAGE



# SUSTAINABLE SOLUTIONS from the GROUND UP





INDOOR ENVIRONMENTAL QUALITY



WATER EFFICIENCY Building green has never been more important — to builders seeking a competitive edge, to home buyers interested in reducing their energy consumption and carbon footprints, and to communities planning for a more sustainable future. Green is here to stay, and builders who are embracing this sea change are emerging as winners.

They understand that it's hard to catch up when you're lagging behind the trend, and that there is a cost to not taking action. Sure, there are challenges, and market conditions are tough. But it's not extremely difficult to build green, and it doesn't have to increase your cost. Masco companies are committed to helping more builders get in front of the trend and stay ahead of the challenges.

To successfully deliver quality, resource-efficient homes, builders must navigate a sea of information. There are products and services to choose from. There are advanced construction techniques to implement, and education and training needs. There are multiple certifications to consider, and new sales and marketing messages to convey. Masco companies are dedicated to helping our builder-customers meet these challenges at every step – through people, products, and programs.

A compelling example of this commitment is Masco Home Services' *Environments For Living®* program. It's the only turnkey national program of its kind that assists builders in constructing homes that are healthier and more energy efficient,

more comfortable, and more durable than conventional code-built homes. It simultaneously enables builders to realize the ongoing goals of reducing risk, decreasing call backs, and increasing customer satisfaction. Introduced in 2001, the program blazed a new trail gaining acceptance in mainstream residential construction, including enthusiastic participation from regional and national home builders. This favorable reception from the production building community is a testament to the Environments For Living program's costeffectiveness and value. In 2007, the Environments For Living Certified Green program was introduced, providing a comprehensive green building solution and enhanced builder and homeowner benefits. The advantages of this turnkey program, explored in the following pages, include offering a complete set of services and tools that builders need to go green.

In addition, the *Environments For Living* program and the *Environments For Living Certified Green* program enjoy sponsor support from leading providers of building products and materials – along with participation from Masco companies.



However, it's important to note that while these programs are prescriptive, they are also "product neutral" – meaning builders are free to use any manufacturer's products that meet the program requirements.

# **TOUR THE HOME AT IBS '09**

For builders who want to learn more about the Environments For Living Certified Green program, the 2009 International Builders Show (IBS) in Las Vegas will provide a unique opportunity. The Environments For Living Certified Green program will be showcased in the Professional Builders Show Village Home. This state-of-the-art green home will offer attendees the chance to experience the Environments For Living Certified Green program in a realworld, hands-on setting. Builders can learn up close and in person how advanced construction techniques and other program requirements result in tangible and measurable benefits to new home buyers. Masco company products that meet the program requirements will be featured throughout the home, as will those of *Environments For Living* sponsors and other companies that have joined with Masco to showcase a range of innovative green products. Best of all, whether or not you're attending the show, everyone can experience the program in a virtual setting by visiting www. environmentsforliving.com and touring the online, threedimensional Environments For Living Certified Green home.

### **ABOUT THIS REPORT**

This report is intended to provide builders with a resource on the "why" and "what" of green building, and an overview of what the *Environments For Living Certified Green* program entails. The following pages present a discussion of the state of green building today, and the relationship between green building and building science. The next section provides details on the *Environments For Living Certified Green* program, followed by an overview of the services provided to participating builders – and how to get started. Builders interested in learning more about the *Environments For Living Certified Green* program are invited to get in touch with Masco Home Services by emailing environmentsforliving@mascocs.com. Additional information can be found at www.environmentsforliving.com.



Masco companies are committed to conducting business in a manner that protects the environment, improves product quality, and protects the people who manufacture, build, and live in and live in homes across the country.

"We're passionate about innovation and 'thought leadership' at Masco," says Donald J. DeMarie, Jr., executive vice president and chief operating officer of Masco Corp. "We established the *Environments For Living* program to provide not only services but also education in building science. As a result, we have helped builders to elevate their knowledge of advanced construction techniques and to apply it on the job site. In turn, homeowners – and the environment – have benefited in numerous ways. Our *Environments For Living Certified Green* program is now enabling builders to deliver an even broader range of features to homeowners, with resulting environmental benefits.

# THE CASE FOR GREEN



BUILDING BETTER WITH BUILDING SCIENCE

# MAKING THE CASE for BUILDING GREEN HOMES

Green building is growing exponentially. Builders and consumers are being driven to explore options in green building because of increases in energy costs, concern over environmental impact, and increased awareness about issues like indoor environmental quality. In addition, builders in a difficult market are looking for strategies to create a competitive advantage by differentiating their homes. Among some recent findings that showcase the growth of green building:

- The American Institute of Architects found that the number of American counties with green building initiatives has increased by nearly 400 percent since 2003.
- McGraw-Hill estimates the green building industry will be worth \$60 billion by 2010.
- According to the Energy Information Administration's short-term energy outlook published Sept. 9, 2008, heating fuel expenditures are expected to increase over time.

According to the Fourth U.S. Climate
 Action Report (2007), carbon dioxide
 emissions increased nearly 20 percent
 between 1990-2004. The mass media
 is daily urging consumers to seek ways
 in which they can reduce their carbon
 footprint.

### **DEFINING GREEN BUILDING**

Green building is sliced and diced different ways by various organizations that promote or certify green buildings. But there's one common thread that's shared by virtually all programs and experts: building science. Fundamentally, a building must be designed and built to perform as a system and must take into account a multitude of individual performance characteristics in order to perform well as a whole. To be a green building, it must perform against specific performance standards. In other words, the performance must be real and measurable.

The Environments For Living
Certified Green program has measurable
performance metrics. It includes
requirements in five of the six primary

components of most green building initiatives - energy efficiency, resource/ material efficiency, water efficiency, indoor environmental quality, and homeowner education. The one green building component not addressed in the program - because it is prescriptive and not a points-based checklist program - is site planning. This means builders who choose the Environments For Living Certified Green program can add site planning and easily meet the requirements of most local green building programs and/or a national program such as the National Association of Home Builders' (NAHB) Model Green Home Building Guidelines. Builders who wish to achieve one of those certifications, or the U.S. Green Building Council's LEED for Homes program, are invited to contact our staff to determine how they can best fulfill the requirements of Environments For Living Certified Green program, plus the local or national certification of their choice.

### **GREEN STARTS WITH ENERGY**

Joseph Lstiburek, Ph.D., P.Eng., a principal of Building Science Corporation

# "For as long as people have been building shelter, we've looked at buildings in the context of what nature does to them,"

says Ron Jones, founder of GREEN BUILDER and editor of Green Builder Magazine. "It's only in the past few decades have we really started to seriously look at it from the other direction and to examine the effect that buildings have on nature — not just individually, but collectively. As human population expands dramatically, we have to look at our built environment, the resource drain that it creates — not just materials used to build, but operationally. We have to examine all the other elements — indoor environment, quality, the waste stream, water — and of course we can't have any of this discussion without talking about energy. These issues combined help us understand how much impact we have on the environment."



# Green sells homes, but it has to be real.

The Environments For Living program sells homes.

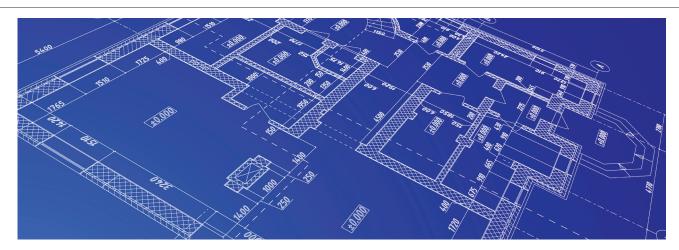
-DR. JOSEPH L. LSTIBUREK

and an internationally renowned building scientist, believes green building is, first and foremost, all about energy. "Eighty percent of all environmental damage on the planet deals with energy in one way or another — finding it, transporting it, creating it, or using it," says Dr. Lstiburek. According to him, green building efforts must focus on three key areas: energy efficiency, water efficiency, and material efficiency. "Of the three topics, I think energy is 80 percent of the deal. If you want a green, sustainable building, you have to keep your eye on the priorities. It has to be ultra energyefficient first, then water-efficient, and then material-efficient."

Dr. Lstiburek states: "The main benefit to the builder to actually provide a demonstrably green building is that the builder gets to sell a house that the public wants to buy. Green sells homes, but it has to be real, because the public is savvy enough to sort through what's real and what's not." Additionally, he notes that while the Environments For Living program may not bring the customer through the door, it closes the deal. "That's a huge benefit. The Environments For Living program sells homes. And the reason it sells homes is that it gives builders credibility they wouldn't otherwise have."

Dr. Lstiburek says he has seen some builders struggle unnecessarily to meet the air tightness and duct tightness requirements of the Environments For Living program. "If you've been focused on building appearance and you have to shift your focus to actually delivering a building that works, those performance specs aren't easy. But they become easy once you've got your systems in place to deliver them. It's an entirely different way of looking at how you put the building together." In other words, says Lstiburek, for some builders "it ain't easy being green" – but not to those who are open to change.

# PERFORMANCE-BASED BLUEPRINT for SUCCESS



Since 2001, the Environments For Living program has assisted builders in improving energy and environmental performance, comfort, and durability of their homes. The turnkey, prescriptive program provides builders with a complete solution for high-performance building, including plan review, fieldtesting, training, certification, and powerful marketing tools. Because the Environments For Living program is performance and not product-based, any product, system, or strategy may be used as long as it meets Environments For Living program requirements, allowing builders maximum flexibility.

"What I really like about [the program] is the systematic approach — not just looking at a product or product types in isolation — but in relationship to all of the other elements of the house," says green building expert Ron Jones. "It's critical to making sure that you don't create a set of new problems to replace the ones you're solving. The fact that

"With the Environments For Living program,

The building is a lot more durable and comfortable, meaning a huge reduction in warranty callbacks.

Sure, you save energy, but by the way, you're dramatically reducing your own risk."

-DR. JOSEPH L. LSTIBUREK

the *Environments For Living* program is a response to these [green building] issues that come from the manufacturing sector is unique."

The basic specifications of the original *Environments For Living* program focus on the performance requirements in the following areas:

- Framing
- Thermal envelope

- · Air sealing
- Pre- and post-drywall practices
- Mechanicals
- Ducts
- Ventilation
- Pressure balancing
- Carbon monoxide detection
- Moisture management
- Testing protocol and frequency

# PUTTING THE "G" IN GREEN:

# Homeowner Limited Guarantees\*

In addition to providing guidance and tools to builders on how to achieve high-performance homes, the *Environments For Living* program and *Environments For Living Certified Green* program provide limited guarantees on comfort and energy used for heating and cooling. This allows builders to send the message to prospective buyers that the home will perform to the expectations of the program — a unique benefit that no other national green building program offers. Dr. Lstiburek is quick to point out that at all levels the *Environments For Living* program "delivers because it has a guarantee, and the guarantee is coupled to measurable, verifiable metrics. You can't run, you can't hide. It either meets it or it doesn't. As simple as that sounds, that's very special about this program."

The comfort guarantee ensures the original

homeowner that the temperature in the home (as measured at the location of the thermostat) will not vary by more than three degrees from the temperature at the center of any room within that thermostat zone. If the comfort guarantee is not satisfied, Masco Home Services will assist the builder in identifying and resolving the comfort issues. The heating and cooling guarantee promises that the energy used to heat and cool the home will not exceed the "guaranteed usage" for the specific home. If the actual usage exceeds the guaranteed usage, Masco Home Services will reimburse the homeowner 100 percent of the cost difference between actual and guaranteed usage.

\* See guarantee for complete details and limitations.

The Environments For Living program offers two primary levels of energy performance: Gold (15 percent more efficient than IECC), and Platinum (30 percent more efficient than IECC). The program is intended to be synergistic with other performance-based programs. Gold energy-level homes also qualify as ENERGY STAR homes, and Platinum homes may qualify for an innovative program of the U.S. Department of Energy called the Builders Challenge. The Builders Challenge program seeks to highlight homes in the market that meet or exceed a 70 on the new EnergySmart Home Scale, a consumer-focused rating scale based on the Home Energy Rating System. Participation in the program may allow the builders to qualify for the \$2,000 Federal Tax Credit for Energy Efficiency.

Says Christine Barbour with Newport Partners LLC, who manages the Builders Challenge initiative: "The partnership has been created to allow builders who meet the Platinum level of the *Environments For Living* program to easily take advantage of the added benefits of participation in the Builders Challenge."

Beyond Gold and Platinum levels, the flagship *Environments For Living Certified Green* program assists builders in building homes that, at a minimum, reduce energy use by 20 percent as compared with the 2006 International Energy Conservation Code (IECC) and reduce internal water usage by 20 percent and reduce carbon emissions by at least 20 percent as compared to a conventionally built home.

With the benefits of participating in the *Environments For Living* program come serious responsibilities on the part of the builder to ensure that homes meet the requirements of the program and expectations of homeowners. When builders sign on to build *Environments For Living* homes, they commit to ensure that the homes are designed

and constructed to meet the program requirements, and ensure that all subcontractors understand and meet their specific responsibilities. These requirements help realize the benefits that all builders are aiming toward: fewer call backs, less risk, and higher customer satisfaction.

According to Dr. Lstiburek, a key benefit of participating in the *Environments For Living* program is reducing risk associated with problems that might otherwise arise in a home constructed to conventional building codes. "At the end of the day," says Lstiburek, "not only do you get an energy-efficient building, but you get other collateral benefits. The building is a lot more durable and comfortable, meaning a huge reduction in warranty callbacks. Sure, you save energy, but by the way, you're dramatically reducing your own risk."

# TANGIBLE BENEFITS for BUILDERS and BUYERS



The following lists key features and benefits of the Environments For Living Certified Green program under the four primary areas: energy efficiency, water efficiency, indoor environmental quality, and durability.

For detailed program specifications, visit www.environmentsforliving.com



# **ENERGY EFFICIENCY**

### **Tight Construction**

All levels of the *Environments For Living* program require special framing techniques, such as a continuous air barrier, to help reduce leaks and drafts. Framing sets the stage for meeting many of the program's requirements.

### **Improved Thermal Systems**

All levels of the Environments
For Living program require enhanced
insulation techniques with special
attention paid to gaps, voids and
compression so as not to reduce the
effectiveness or insulating power of the
insulation. In addition, the program
requires insulation to be in physical

contact with the air barrier, as a primary means of preventing air movement between conditioned and unconditioned space, which can diminish the insulating power. In addition, the Environments For Living Certified Green program requires that insulation products be GREENGUARD Indoor Air Quality Certified® or manufactured from at least 75 percent recycled content.

### **Right-Sized HVAC**

"Right-sizing" a home's heating and cooling system is important because it contributes to the performance and efficiency of the equipment – and to the comfort of the occupants. When it comes to a tightly constructed, energy efficient home, bigger equipment is not necessarily better. Oversized HVAC equipment operates less efficiently and can cause

humidity problems – in addition to being more costly.

### **Framing and Sheathing**

All levels of the Environments For Living program require a continuous air barrier enclosing the conditioned space. This means air barrier continuity must be maintained throughout the entire structure - including knee walls, soffits, garage interfaces and other areas of the home that may need special attention. In addition, rigid exterior sheathings capable of stopping airflow are required at all levels of the Environments For Living program. It is recommended as a "best practice" that roof sheathings include a reflective barrier, except when insulation is applied to the underside of the roof deck. These framing and sheathing requirements work together to create a tight building envelope and ultimately an energy efficient home.

### ENERGY EFFICIENCY



### LOW-E WINDOWS



The "E" stands for "emissivity" but Low-E really means energy efficient. Low-E windows have a thin metal coating, virtually invisible from the inside, which allows light in but inhibits thermal heat gain. Low-E windows, like the Milgard SunCoat", add to energy efficiency in both the heating and cooling seasons — helping to prevent heat from coming inside during the summer and escaping during the winter. For more information about Milgard's Low-E products, visit www.milgard.com.

# Lighting Efficiency – CFL/LED Lighting

The Environments For Living Certified Green program requires that at least 60 percent of all hard-wired lights are compact fluorescent lights (CFL) or light emitting diode (LED) lights, which reduce home energy consumption.

# Optional Lighting Efficiency – Dimming

The Environments For Living Certified Green program recommends use of dimmer switches for non-fluorescent fixtures, which allow homeowners to reduce watt usage. This is optional and not a program requirement, but encouraged as a "best practice."

# **ENERGY STAR® appliances**

ENERGY STAR® – a program of the U.S. Environmental Protection Agency and the U.S. Department of Energy – promotes energy efficient products and practices. Appliances that qualify for a ENERGY STAR designation meet strict guidelines set by the EPA and DOE. According to the EPA and DOE, ENERGY STAR qualified appliances incorporate advanced technologies that use 10 to 50 percent less energy and water than standard models.

### WATER EFFICIENCY

# Low-Flow/High-Efficiency Toilets

The Environments For Living
Certified Green program requires toilets
that meet the U.S. Environmental
Protection Agency's (EPA) WaterSense™
specifications for efficiency and
performance. This includes an effective
flush volume of 1.28 gallons, which is 20
percent less than the federal standard,
and solid waste removal of 350 grams
or greater. According to the EPA,
WaterSense™ labeled toilets combine
high efficiency with high performance
unlike some first generation low-flow
toilets to save water without a trade off in
flushing power.

### **High-Performance Appliances**

The Environments For Living Certified Green program requires clothes washers that are ENERGY STAR® qualified and have a water factor (WF) no greater than 6.0. Water factor is a measure of water efficiency, calculated as gallons of water used per cubic foot of capacity. In other words, the lower the water factor, the more efficient the clothes washer according to information from ENERGY STAR®, high performance clothes washers that meet its standards use an average

of 55 percent less water than standard models and about 31 percent less energy to run the washer and heat the water.

## **Engineered Plumbing Systems**

In order to reduce water wasted during the time it takes hot water to reach the tap, the *Environments For Living Certified Green* program recommends that builders follow one of several options for efficient plumbing design. These range from central location of the water heater to a demand-controlled hot water recirculation pump.

Efficient plumbing design helps to reduce the "wait time" for hot water – thereby conserving water – and also helps reduce the amount of energy used to heat the water.

# INDOOR ENVIRONMENTAL QUALITY

# **Duct Tightness**

The Environments For Living program and the Environments For Living Certified Green program both require that duct connections are sealed with a UL-listed mastic product, and all supply and return

boot-to-house connections are sealed with UL-listed class 1 pliable sealant such as mastic or caulk. This technique, combined with specific duct tightness metrics required by the program, helps keep attic dust and other contaminants out of the home's ventilation system.

### **Right-sized HVAC**

"Right-sizing" a home's heating and cooling system not only contributes to the efficiency of the equipment – it also helps to manage indoor relative humidity by removing moisture during the cooling season. When systems are over-sized, moisture problems can adversely impact indoor environmental quality, along with affecting occupant comfort.

# **Combustion Safety**

Avoiding the build-up of carbon monoxide (CO) – a colorless, odorless gas – is important for occupant safety. At all program levels, the *Environments For Living* program requires hardwired and removable CO detectors in all homes.

### **Fresh Air and Spot Ventilation**

All levels of the *Environments For Living* program require mechanical fresh
air ventilation throughout the home, in

### WATER FEFICIENCY

# LOW-FLOW FAUCETS AND SHOWERHEADS



Water conservation has never been more important, with many regions in the United States facing looming discrepancies in need and supply. Saving water in the kitchen and bathroom with low-flow faucets and showerheads is an easy way to reduce household water consumption. Low-flow showerheads contribute to efficient household water use. New technologies—like Delta's H²Okinetic®—have boosted performance so that conservation does not have to mean a trade-off for the homeowner. To learn more about Delta's water-efficient products, visit www.deltafaucet.com.

### INDOOR ENVIRONMENTAL QUALITY



### CABINETRY



The Environments For Living Certified Green program requires that cabinets, like Merillat's, be constructed of composite panels that meet the standards of the Kitchen Cabinet Manufacturers Association's Environmental Stewardship Program (www.kcma.org), and the Composite Panel Association's Environmentally Preferable Product Specification (www.pbmdf.com). For more information about Merillat cabinets, visit www.merillat.com.

addition to spot ventilation in the kitchen and bathrooms. Fresh air ventilation means that filtered outside air is brought into the home through the HVAC system. The *Environments For Living Certified Green* program also requires a specific filter performance metric, or approved electronic air cleaner. Spot ventilation in kitchens and bathrooms is important because it helps move moisture from showering and cooking out of the home. At all levels of the program, kitchen and bathroom ventilation must be capable of exhausting to the outside a specific volume of air at a specific rate.

### **Air Pressure Balancing**

At all levels, the *Environments* For Living program requires all rooms (except bath and laundry rooms) in the conditioned space to not exceed a pressure differential of +/- 3 pascals with respect to the outside when interior doors are closed and the air handler is operating. Returns, transfer grills or jump ducts may be needed to balance each room.

Why is this important? When equipment does not take in or emit equal amounts of air, positive or negative air pressure imbalance can occur.

### **Internal Moisture Management**

Moisture – whether it's naturally occurring from condensation or created by occupant activities such as cooking and showering – is important to manage for the purpose of indoor environmental quality. At all levels, the Environments For Living program includes a number of requirements that help manage moisture inside the home. Builders must follow the Energy and Environmental Building Association™ (EEBA) Water Management Guide so that moisture entering building assemblies has a way to dry - either to the interior, exterior or both. Tub and shower surrounds must be backed with specific water resistant materials. And, in hot, humid climates, additional requirements apply, such as not using vinyl wallpaper in kitchens and bathrooms.

### **Low-VOC Paint**

The Environments For Living Certified Green program requires that paints contain low levels of VOCs – volatile organic compounds. VOCs are organic substances that can off-gas from solids or liquids, including paint and coatings. By using low-VOC products, exposure to these compounds is reduced, resulting in better indoor air quality in the home.

# **Low-VOC Carpets**

The Environments For Living Certified Green program requires that carpet products carry the Carpet Rug and Institute (CRI) Green Label® for low-VOC (volatile organic compound) emissions. This results in better indoor environmental quality because it limits substances that can off-gas. In addition, the Environments For Living Certified Green program requires low-VOC tack strips and adhesives for carpet installation, and prohibits use of urea formaldehyde wood products under carpets. The program also requires use of an approved central vacuum in homes where carpeting exceeds 70 percent of the floor area in the conditioned space.

### **Optional Acoustical Package**

Indoor environmental quality isn't just about air quality – it also includes attributes such as sound that contribute to the comfort of the home's occupants. As an option under the *Environments For Living Certified Green* program, builders can elect to install an acoustical package, intended to result in a sound transmission coefficient performance of 37 to 39. In a word, quiet.

### **Optional Advanced IEQ System**

With so many consumers increasingly concerned about indoor environmental quality, builders and homebuyers may want to consider adding an advanced IEQ system to provide an even greater range of benefits. As an option under the Environments For Living program or the Environments For Living Certified Green program, builders may choose to offer an advanced IEQ equipment package, which is based on four pillars of improving indoor air quality - source elimination, ventilation, cleaning/purification, and monitoring. Equipment for this option includes a purification system, advanced HEPA filtration, germicidal lamp and other components that vary according to climate.



# **DURABILITY**



# Optional Framing Optimum Value Engineering

At all levels of the *Environments For Living* program, builders are encouraged to apply Optimum Value Engineering (OVE) techniques, also known as advanced framing, in order to reduce lumber requirements while maintaining structural integrity.

### **Air Barrier**

Three primary physical forces adversely affect the durability of building materials - air, heat and moisture - and the physics of how they impact durability often interrelate. The air barrier, thermal barrier, and moisture barrier work together as a system to manage air flow, heat flow, and moisture flow. The air barrier inhibits air from entering and exiting the building envelope, and plays an important role not only in energy efficiency but also in durability - because it is part of the system that controls air, heat and moisture flows. At all levels, the Environments For Living program requires a continuous air barrier and sealing of penetrations. Components and finished surface materials such as drywall and sheathing act as air barriers, but regardless of the material, it's important that the air barrier is continuous and that holes are sealed.

### **Thermal Barrier**

Three primary physical forces adversely affect the durability of building materials – air, heat, and moisture – and the physics of how they impact durability often interrelate. The air barrier, thermal barrier, and moisture barrier work together as a system to manage air flow, heat

### DURABILITY



### PAINT DURABILITY



The Environments For Living Certified Green program requires that paints have verifiable performance in scrub tests and "hiding characteristics," or coverage. Paint meeting these performance criteria, like those offered by Behr, may result in material efficiency. Some Behr paints carry the added benefit of being low-VOC. For more information, visit www.behr.com.

flow, and moisture flow. At all levels, the *Environments For Living* program requires the thermal barrier, or insulation, to be applied in direct physical contact with the continuous air barrier, in order to minimize air flow that can reduce the effectiveness of the insulation. Fiberglass, cellulose and foam insulation materials are all effective thermal barriers, but regardless of the material, it's important that the thermal barrier is in physical contact with the air barrier.

# **Internal Moisture Management**

Moisture is one of the three primary physical forces that can adversely affect the durability of building materials – with air and heat being the other two.

Whether it's naturally occurring from condensation or created by occupant activities such as cooking and showering, it is important to control moisture. At all levels, the Environments For Living program includes a number of requirements that help manage moisture inside the home. Builders must follow the Energy and Environmental Building Association™ (EEBA) Water Management Guide so that moisture entering building assemblies has a way to dry - either to the interior, exterior or both. Tub and shower surrounds must be backed with specific water resistant materials. And, in hot, humid climates, additional requirements apply, such as not using vinyl wallpaper in kitchens and bathrooms.

# ecomagination™ Homebuilder Program

The ecomagination Homebuilder Program™ – a collaboration of GE and Masco Home Services – is an option under the Environments For Living Certified Green program. The program assists builders in delivering homes that provide at least 20 percent in household energy savings, a 20 percent reduction in indoor water consumption, and 20 percent reduction in greenhouse gas emissions associated with the home.





You can find the

Environments For Living Certified Green Home

in the



right outside registration (Central Hall) at the International Builders' Show 2009.

# The Environments For Living Certified Green Home is supported by these sponsors:









# **Featuring Product from the Masco Family**































# A collaboration with







# Complimentary product provided by:

Cambria Caroma USA Codel Entry Systems Crossville Tile Inc. Deceuninck Dupont Emtek Products Inc. ET2 Contemporary Lighting Franke Group **Huttig Building Products** Linkasink L.J. Smith Stair Systems Lumicor Matt Works Orepac Millwork Products **Progress Lighting Systems** Shaw Industries, Inc

Simpson Strong-Tie Company Inc Traba International Doors Tresco International

esco internatio Universal

Universai Vacuflo

Vetrazzo Wayne Dalton Corporation

# **Proudly Built By:**

Palm Harbor Homes



# BUILDING and SELLING HIGH-PERFORMANCE HOMES

Today's new home buyers want resource-efficient homes with all the benefits of utilizing advanced building techniques. And that's exactly what the *Environments For Living Certified Green* program can help builders deliver. This turnkey program is the most comprehensive of its kind, giving builders an edge in selling homes and offering tangible benefits that can be passed on directly to buyers.

### **HOW TO GET STARTED**

It's easy to get started using the *Environments For Living Certified Green* program. It begins with a plan review of the home or homes the builder intends to build. The plan review provides the builder with:

- an energy performance analysis of your home plan(s) under the *Environments* For Living program;
- a comparison of the way your home plan(s) will perform under the Environment For Living program requirements and the identification of and changes necessary for your home plan(s) to conform to the program requirements;

- an estimate of the costs required to meet the program requirements;
- a heating and cooling energy usage estimate: and
- an estimated amount of carbon emissions that will be reduced under the *Environments For Living Certified Green* program.

The Environments For Living Certified Green program staff is available to assist builders in preparing the plan input sheet, as well as help locate qualified and certified subcontractors. Once the plan review is completed and builders understand what they need to do to fulfill the program requirements, the job and specifications are ready to go out for bidding.

# **ONLINE EDUCATION**

Building a high-performance, resource-efficient home isn't difficult, but builders may need more than a checklist to get there. Many builders begin by getting advanced training in building science, both for themselves and key members of their own organizations. Masco Home Services can assist with

this through an exclusive arrangement with Green Builder College™, a Webbased initiative from the publishers of Green Builder® magazine. The five-course Environments For Living Certified Green educational track within Green Builder College offers a unique opportunity for builders and subcontractors to learn the science behind high-performance, resource-efficient construction. The course offers specific training in applying the principles of building science on the job site – and the reasons behind it. Because it was developed with proprietary content from the Environments For Living Certified Green program, this online learning experience provides a solid grounding in building science and the tools and understanding to follow the program's requirements.

### SALES AND MARKETING

Builders using the *Environments For Living Certified Green* program also have the opportunity to take advantage of sales force training and field training and consultation offered by the program.

Marketing materials include appealing, consumer-focused materials that promote the program benefits, and

# Cracking the Code: Selling Green

More builders are incorporating resource efficiency and building science into their homes, and using certification programs to verify performance. But translating this to sales is a challenge because many "green" features are things people can't see or touch. Some builders have become adept at this, but many admit they're looking for better ways to sell the intrinsic features of a home.

For one thing, building science and home performance are new ideas, at least to the consumer.

Builders have been "selling the obvious" for a long time.

Here are tips from some who have cracked the code:

Green means different things to different people. For some it's "pocketbook" issues, while others care more about their carbon footprints. Probe to learn what their hot buttons are.

Be ready to delve into their concerns. Energy usage is important, but comfort may be a bigger attraction, particularly if they've experienced problems in the past. Or indoor environmental quality. Modify your message based on what people care about.

Close with the performance message, don't lead with it. Technical features and performance will reinforce why consumers should choose your home, once they become interested. You have to connect emotionally with

a car before you're interested enough to hear about the engine. Same thing with a home.

Sell features and benefits, not just "how you built it." Of course you want to educate your sales staff and realtors about how you built the home, but they in turn need to translate this to how it benefits the homeowner.

Show them, don't tell them. Any story is easier to tell with pictures and demonstrations. Use cutaways to show what's behind the walls. Model home displays that offer a glimpse of what's inside and "how things work" make it real, more understandable and memorable.

Give them homework on the way out. You only have a few minutes of the prospect's time. Offering more information as they leave is a great way to send them home with the details. And food for thought.

As energy costs escalate and attention is focused on the environment, builders may find that consumers are increasingly receptive to learning more about home performance. Getting ahead of the trend will be a competitive edge for those who figure out how to effectively sell these features now. It is all about increasing quality to reduce call backs and increase customer satisfaction.

a homeowner package is provided for builders to give to their homeowners, including:

# Heating and Cooling Energy Use Guarantee\*

Each home receives a limited guarantee on the energy used to heat and cool the home.

### **Comfort Guarantee\***

Each home receives a limited comfort guarantee stating that the temperature at the location of the thermostat will not vary more than three degrees from the center of any conditioned room within a zone.

# **Homeowner Manual**

Manuals are provided to help new owners understand the extraordinary qualities of their new homes and provide recommendations for optimal performance.

# Certificate of Compliance & Emissions Statement

Homes built under the *Environments*For Living Certified Green program are
issued a certificate stating that you
have committed to construct the home

according to the *Environments For Living Certified Green* program standards, an estimate of the reduction of carbon dioxide emissions attributable to the home.

# **Model Home Displays**

Builders using the *Environments For Living Certified Green* program can take advantage of special display options, including use of our electronic home tour in model home displays.

\*See the guarantee for complete details and limitations





# AT THE 2009 INTERNATIONAL BUILDERS' SHOW



# **SHOW VILLAGE HOME**



# Make your homes stand out with the *Environments For Living* program.

The Environments For Living program provides solutions and standards that matter, with a comprehensive range of energy-efficiency services and tools. And we make it easy to give home buyers tangible benefits, including limited guarantees\* on comfort, and heating and cooling energy use.

Visit the Environments For Living Certified Green Home in the 2009 Professional Builders' Show Village at the International Builders' Show. When you see in person how the Environments For Living program works, you won't want to build another home without it. To learn more visit www.eflshowhome.com



A Program of Masco Home Services, Inc.

\* See the guarantee for complete details and limitations.



# [ GREEN LITIGATION ]

# Could It Happen to You?

The commercial sector has been slammed with lawsuits regarding green building certification regulations. What does this mean for green home builders?

By Kristin Foster, Staff Writer

EED for Homes, the green home certification leg of the U.S. Green Building Council's Leadership in Energy and Environmental Design program, was launched February of this year, eight years after the inception of the original. Because both LEED for Homes and its competitor, NAHB's National Green Building Program, are

"Entering a green project with a knowledge of the potential risks and a plan for defining and limiting those risks will allow you to tackle the challenges early in the process and avoid expensive legal consequences."

— Brian D. Anderson

less than a year old, builders can look to their friends in the non-residential construction sector for what they can expect from these certification programs and the publicity that surrounds them.

While the positives (i.e. good PR, tax breaks) are plentiful, there is one negative that can't be overlooked: lawsuits. They're already being filed by commercial building owners

and developers who are unhappy when their touted and publicized green building doesn't ultimately live up to the hype. But what about in residential construction?

"Green litigation and insurance related settlements are already occurring," says Brian D. Anderson, an attorney with Whyte Hirschboeck Dudek S.C. in Madison, Wis., "but it's extremely difficult to quantify as most suits — green or not — most often settle out of court."

Anderson cited one case in particular that his firm han-

dled recently, in which a builder failed to obtain the promised level of certification for a home. "We were struggling to determine the value of the certification when the claim settled," he explains.

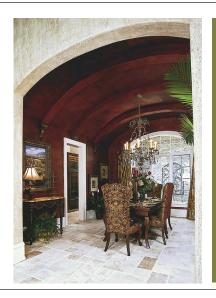
So how do you avoid such lawsuits? Well, the obvious answer would be to deliver what you promise from the get-go. Anderson, however, advises clear communication between you and your client, as well as documentation of their expectations and strict attention to contract details.

# There's more For more on green building, HousingZone. com has a ton of info. Check out Felicia Oliver's article "Managing Your Clients' Green Expectations" from the November issue of Custom Builder, as well as

all of the Green Building

Hot Topics.

**But wait!** 

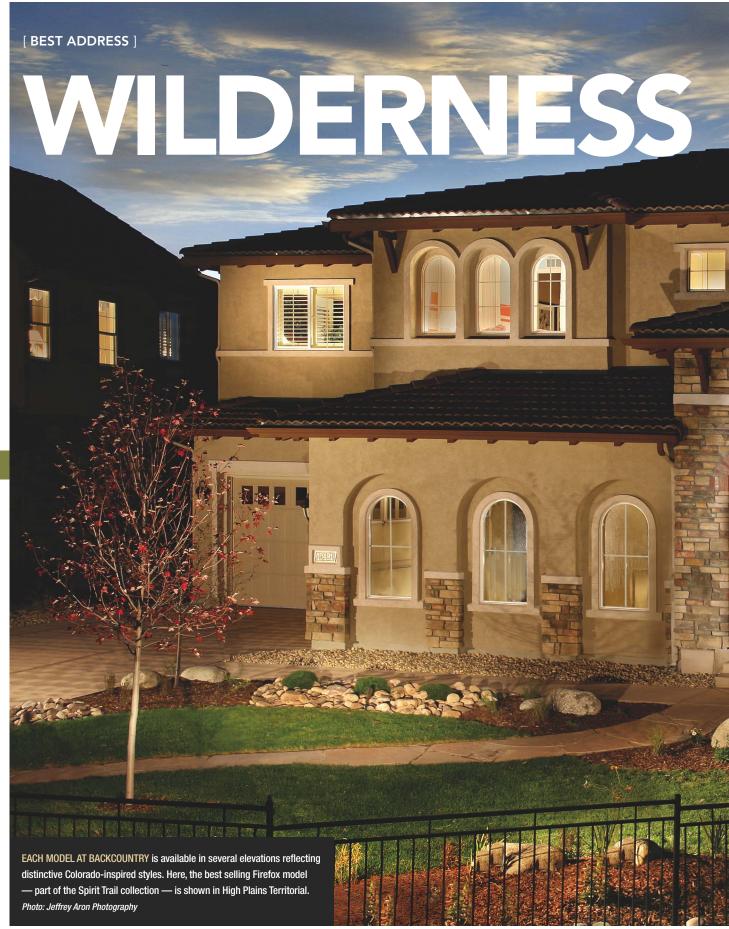


# More than a Ceiling

Ceiling treatments can create high perceived value in a home. Take this dining room: it has a barrel-vaulted ceiling with what appears to be solid wood beams. However, each "beam" is actually made of three 2-by-6s, stacked and covered with drywall and decorated with wood corbels at the bottom. A faux finish completes the effect. Builder David Schenck of Wolfe Homes in Greensboro, N.C., says the ceiling was fairly easy to construct. "You just have to be exacting in your framing and take your time. It looks more expensive than it is." The 6,950-square-foot showcase home was designed by Carolina Design Group of Cornelius, N.C. The Gilded Lily by Patra in High Point, N.C., handled the interior design.

—Sue Bady, Senior Editor

Photo: Patrick Tillman/Albion Associates





BackCountry — built on the last available land in Highlands — areas for hiking and biking — and a chance to experience a Ranch — has opened and is selling at an encouraging pace, despite the condition of the Colorado market. The community, as its brochure says, was "years in the making and centuries in the execution" and will be the master-planned community's last single-family home dev<mark>elop</mark>ment (There are a couple multi-family projects and retail projects left to complete).

Part of a rather historic land deal you may have heard of the Louisiana Purchase — the site was part of the original land acquisition of Highlands Ranch in 1979 by the Mission Viejo Co., the entity behind the Mission Viejo master-planned community in California.

In 1997, J. F. Shea, the parent company of Shea Homes acquired the land when it bought the Mission Viejo Co. and its communities.

"The overall acquisition of Highlands Ranch was an incredible opportunity for Shea Homes to establish itself here in Colorado," says Jeff Kappas, vice president of sales and marketing for Shea Homes Colorado. "Just from a quality of place — the land is really the last great place within the master-planned community of Highlands Ranch."

Initially Shea's plan was to develop the BackCountry site into a private golf community. They got pretty far into the analysis when they discovered that despite the great demand for golf, there was more of a demand for quality open spaces genuine Colorado outdoor lifestyle.

### Wide Open Spaces

BackCountry butts up against an 8,200 acre wilderness conservation area dedicated to Highlands Ranch. There's a regional trail that connects various state parks, with an additional web of trails to be built throughout the area. BackCountry has appropriated 467 acres of this wilderness area immediately south of the community for private use by BackCountry residents. This so-called "South Rim" will have private trails and picnic areas.

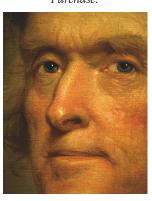
"You'll have the opportunity to get up, walk out your front or back door, hop on your bike or throw on your running shoes and be able to be out into some very significant wilderness area in a matter of 20 minutes," says Kappas.

Sundial House is a private club that will be located on the edge of the community and wilderness area. Kappas says he envisions cycling, running and bird watching clubs meeting there, as well as wildlife tours and discussions with residents about elk migration and the like.

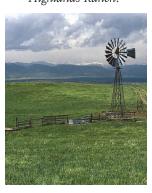
Shea has four collections of homes at BackCountry. The models for Shadow Walk, Water Dance and Spirit Trail opened in September 2007. Each collection features four models ranging from 2,800 to 4,700 square feet with an average price

1997

The land on which the master-planned community of Highlands Ranch and BackCountry is developed was part of the Louisiana Purchase.



Mission Viejo Co. purchases the site of Highlands Ranch.

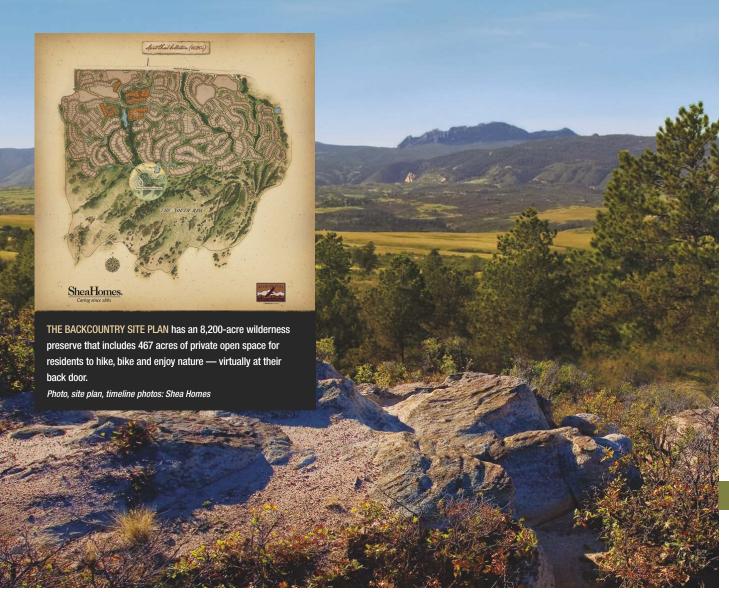


First homes offered for sale



I.F. Shea Co., parent of Shea Homes, acquires Mission Viejo and its communities, including Highlands Ranch.







In-depth market analysis conducted determines concept, theme for BackCountry: open space, Colorado outdoor lifestyle.



"Ideation" sessions take place, building awareness and interest among Highlands Ranch residents looking for a move-up product





The first models open at BackCountry.



Villa Collection Opens





### PROJECT PROFILE

**Community:** BackCountry **Location:** Highlands Ranch, Colo.

Model Featured Here: Foxfire, part of the Spirit Trails Collection; and Serenity Star, part of the Water Dance Collection

**Size:** Foxfire – 4,645 square feet; Serenity Star – 3,523 square feet

Builder: Shea Homes, Highlands Ranch, Colo. Architect: Mike Woodley, Woodley Architectural Group, Highlands Ranch, Colo.

Interior Designer: Foxfire

- Hillary Reed, Littleton, Colo;
Serenity Star - Kimberly
Timmons Interiors, Denver
Price: Foxfire - Base price is
\$709,500; Serenity Star - Base
price is \$601,500

Target demographic: Move-up buyers, particularly from other parts of Highlands Ranch

### PRODUCTS USED

Appliances: GE Monogram Cabinetry: Merillat Classic (standard); Merillat Masterpiece (featured in model)

Plumbing fixtures: Delta (standard); Kohler (featured in model)

Flooring: Selected through Shea Design Studio, model features natural stone; Kahrs engineered oak floors; Shaw carpet; Tuftex carpet

HVAC: Carrier
Windows: Milgard
Exterior Finish: Owens
Corning Cultured Stone; Kwall
Paint

**Roofing:** Monier Lifetile **Lighting:** Hinkley, Progress featured in model.

featured in model. **Doors:** Therma-Tru

Exterior Trims and Handrails: Trex Decking Under Cover

Fireplaces: Heat-n-Glo fireplaces.

of \$700,000 and above. The Whispering Wind Luxury Villa Collection opened this past July and has three models ranging from 2,822 to 4,009 square feet and base priced from \$590,000 to \$672,500.

"Most of the floor plan designs were specifically oriented toward the outdoors, with lots of outdoor living areas and connectivity to the outside," says Kappas. "The intent is to have those outdoor living areas be that buffer living area between [the traditional indoor] space and the trails to the wilderness area."

The community is designed to have more space between homes than normal to allow for larger, more gracious front yards; longer driveways; and immediate adjacencies to open spaces.

BackCountry has sold 122 homes since opening last fall. Brisk sales are due in part to what appears to be pent up demand for this type of product.

"We started doing a public awareness campaign internal to Highlands Ranch and developed a significant interest list," says Kappes, "We had many people who would drive by who lived close to the site. We had several focus groups — called "Ideation" sessions — to help better understand what people were looking for in a community like this."

### Bestseller: Foxfire

The Foxfire model, one of four within the Spirit Trail collection, is BackCountry's top seller. Of the 29 homes sold of Spirit Trail, 10 were Foxfire.

"This plan has a very open and engaging area, kind of offset nook with the family room immediately to the back of the kitchen," says Kappas. "The kitchen is kind of internal, which is different. It has a lot of light and a lot of glazing. The three spaces just work wonderfully together from a standpoint of openness and entertaining."

Many design features reflect the targeting of move-up buyers — primarily in Highlands Ranch — who need a strong motivation to move.

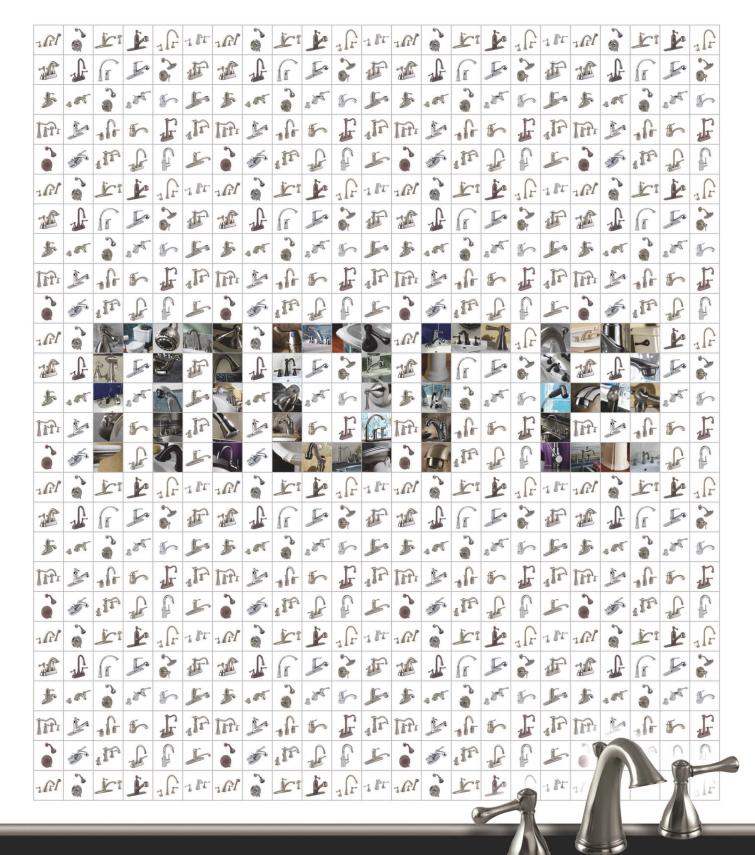
"That was our whole idea — to do something that reflects their lifestyle today more than their existing home," says Mike Woodley, principal of Woodley Architectural Group in Highlands Ranch and head architect for several models at Back Country.

Concerning Foxfire, he cites the double set of stairs in back and front. The front stairs serve the master wing of the house; the back stairs serve the bonus room and kids' wing. This model also has a large master bedroom with a very defined his and hers bath space with separate vanities, closets and toilets, and a shower that can accessed on three sides.

"The kitchen is in the center and looks out to the great room," says Woodley. "On one side is a morning room, and the other side is a flex space that could be an office. There's [a space that] could be a formal living room, but they merchandise it as a study. The whole idea is designing for the reality of the way people live.

The plan successfully packs a lot of house into a relatively small lot size. One way this was achieved was by extending the architecture all the way to the back of the house, with the "backyard" woven into the plan.

"The great room is the furthest projection," explains Woodley. "Then there are outdoor rooms on each side of it. So rather than just tacking on a balcony in back, the outdoor spaces are integrated."



It's what you want and what we've got.

More faucets with more variety than ever. New vitreous china "suites" with classically styled, high-performance toilets and pedestal lavatories. More profit potential, because Gerber is still loyal to the trade. Give your customers more, and make more, with Gerber in your showroom!

For FREE info go to http://pb.hotims.com/20670-15



www.gerberonline.com

# Serenity Star

The second best seller – Serenity Star – comes from the Water Dance collection. Out of 41 sold within the collection, 11 are of this model. It has the same design objective as Foxfire but achieves it on a smaller scale.

"Here is a good-sized house — 3,500 square feet — and no formal living room," says Woodley, who also designed this model. "It has a study and then a formal dining room. The back of the house is very informal, but with a good-sized morning room that can accommodate seating. Though it

has a smaller square footage [than Foxfire], it still reads really large. It has a lot of impact and takes advantage of these views, too. On the balcony you're looking out on these windows that are framing that whole front range in Denver."

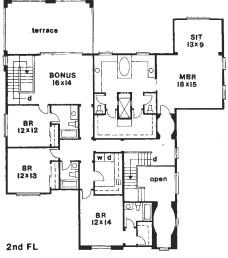
The oversized laundry room is on the first floor, which Woodley says is important for Colorado.

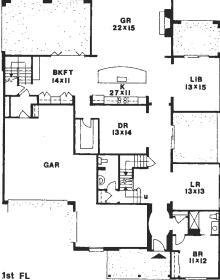
"People here have lots of dogs and want to have a place for them to come in," Woodley says. "We even put dog baths in some of them. You also need [a place] to come in and put your coat and [winter gear]." **PB** 



THE GREAT ROOM surrounds the kitchen, along with the morning room and a flex room that can be used as a hearth room or kid's playroom — all creating a great space for entertaining.

Photo: Ken Paul, Sunlit Unlimited; Floor plan: Shea Homes







# THE NEW COMMERCIAL STANDARD (3





# **BUILT FOR THE LONG HAUL.**

DODGE RAM 4500 AND 5500 CHASSIS CABS. Inside these new trucks sits the 6.7L Cummins® Turbo Diesel, an engine that's Clean Idle Certified, when properly equipped. That means you can idle as long as you want, instead of hitting the 5-minute limit you have in a Ford or Chevy diesel in certain states. This Cummins puts out 610 lb-ft of torque, and it's rugged enough to be backed by a 5-year/100,000-mile Diesel Engine Limited Warranty,\* Paired with an available, commercial-grade AISIN 6-speed automatic transmission, this powerful combination makes Ram 5500 Chassis Cab 14 percent more fuel efficient than Ford F-550 and 23 percent more than Chevy Kodiak 5500. For more information, go to dodge.com/chassis\_cab or call 800-4ADODGE.

\*The Cummins Turbo Diesel engine is protected by a separate Diesel Engine Limited Warranty, covering the engine for 5 years or 100,000 miles, whichever comes first. See your dealer for complete details. †Estimated fuel economy based on independent testing on 2008 models. When properly equipped. Properly secure all cargo. Cummins is a registered trademark of Cummins, Inc. Independent testing on 2008 models has proven Dodge Ram 5500 more fuel efficient than Ford and Chevy Class 5 chassis cabs, helping you save.







Let BuyerZone take a load off.

Get free advice, pricing articles, ratings and quotes on all your business purchases, anything from skid steer loaders, to aerial lifts, to air compressors and more. BuyerZone will help you make the right choice for your company and your budget, free of charge. At BuyerZone, you're in control. We're just here to make your work easier.

Join the millions who've already saved time and money on many of their Construction Equipment purchases by taking advantage of BuyerZone's FREE, no obligation services like:

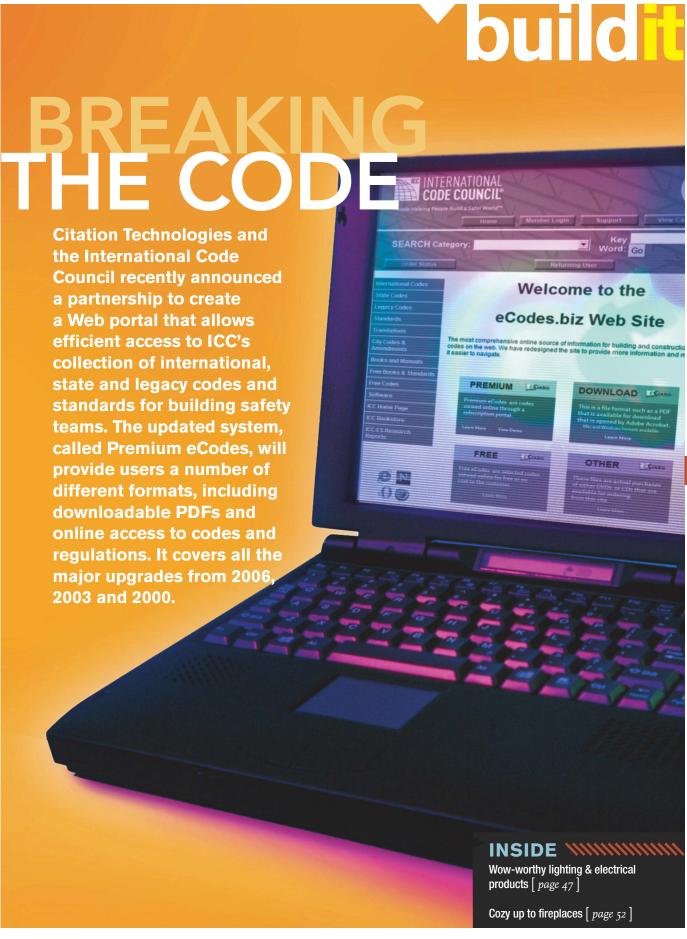
- Quotes from multiple suppliers
- Pricing articles
- Buyer's guides
- Supplier ratings
- Supplier comparisons

# **REQUEST FREE QUOTES NOW!**

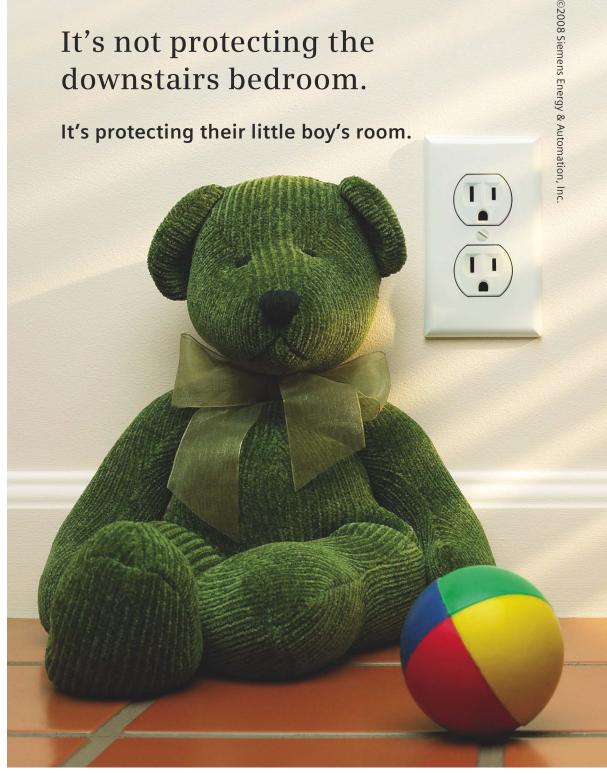
Call (866) 623-5448 or visit BuyerZoneConstruction.com

Buyerzene
Where Smart Businesses Buy and Sell

A division of Reed Business Information...



It's protecting their little boy's room.



Electrical fires can start in any room of the house. Something as insignificant as a nail, meant to hang a family picture can damage a wire's insulation just enough to start a fire. That's why Siemens new Combination-Type Arc Fault Circuit Interrupters detect and prevent arc-faults for every room in the house, and more importantly everyone in the house. Siemens Whole House Safety includes AFCI, GFCI, Surge Protection and Load Centers. Please call the number below to receive your free Whole House Safety Kit.

1-800-964-4114 • ref. code AFCIPB

www.sea.siemens.com/wholehousesafety For FREE info go to http://pb.hotims.com/20670-16 **SIEMENS** 



[LIGHTING + ELECTRICAL]

What **Luminous Beings** We Are



# Goodbye to Incandescent

Leviton now has the first CFL ceiling Lampholder for closed spaces such as closets and work spaces. The efficient model uses a 13-watt GU24 bi-pin bulb that lasts more than 10,000 hours. It consumes 13 watts of electricity while producing the same amount of light as a 60-watt incandescent. For FREE information, visit http://pb.hotims.com/20670-252



CFL-based lighting systems are popping up everywhere. Cooper Lighting recently added two new slope ceiling CFL housings to its Energy Star and Title 24 compliant recessed downlighting line. The 6-inch aperture Air-Tite housings are designed for 2/12 to 6/12 ceilings to provide light by aiming the lamp straight down regardless of ceiling pitch. For FREE information, visit http://pb.hotims.com/20670-251





# -Lights In and All Around

The Q-Scape, made by Q-Tran, is a complete system of 217 originally designed components that encompasses most fixtures in and around the home. To facilitate multiple connections securely and safely, a triangular in-ground hub box (the injection molded Q-Trix) was designed with a total of 160 cubic inches to allow dozens of wire pairs to be connected. The versatile system is UL listed. For FREE information, visit http://pb.hotims.

# Solar's Best Friend

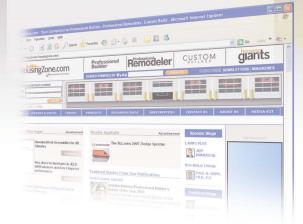
If you have a solar system in mind, you better think hard about the inverter. Square D, from Schneider Electric, has the new Combination Service Entrance Device line suitable for use with a utility interactive inverter by featuring space for a back-fed inverter circuit breaker, along with current transformer mounting for existing monitoring equipment. For FREE information, visit http://pb.hotims.com/20670-254

# GET INTO THE HOUSING

Make HousingZone.com your first stop every morningand stay on top of critical issues impacting your business day.

# You can:

- see videos featuring new product info
- link to valuable white papers or research reports to support your next proposal
- access FREE archived Web casts
- check out the Forums on Green Building, Building Science and NHQ
- enjoy interesting blogs by industry thought leaders
- catch featured stories from the pages of Professional Builder, Professional Remodeler, Custom Builder and Housing Giants.
- update your subscription info or sign up for outstanding e-newsletters
- register for upcoming Web casts and events





From HousingZone.com, you can click over to these favorite sites and and dig even deeper into topics of specific interest to you:

- ProBuilder.com
- ProRemodeler.com
- CustomBuilderOnline.com
- HousingGiants.com

# **Bookmark it:**

www.HousingZone.com







Want to offer 50,000 hours of maintenancefree lighting? Hubbell's line of outdoor lighting products now includes the 309-10LEDML Bullet Landscape Flood light. The 10-watt, 120-277-volt with medium flood beam light provides 3,500-degree Kelvin lighting even in wet areas. Housings are available in a dark bronze finish. For

FREE information, visit http://pb.hotims. com/20670-255



# Refreshing Lighting

Coca-Cola shades are designed with beige, red and green stained glass that displays the famous brand name and image. The collection, made by Meyda Tiffany, has table and floor lamps, ceiling pendants, and oblong pendants in its lineup. All are ideal for illuminating billiard tables and kitchen islands. For FREE information, visit http://pb.hotims.com/20670-256



# doesn't cost the earth to move it!







# The original and well proven muck-truck is the world's no.1

- Built for a rugged outdoor life
- Fitted with a Honda 160cc engine
- Skip capacity of 1/4 ton (550lbs)
- The snow plow attaches easily to front of muck-truck
- The blade can be raised for maneuvering which enables you to angle the removal of snow in the desired direction
- muck-truck also offers a full range of interchangeable accessories

Telephone: 772-621-3951 Fax: 772-621-3817 Email: sales@mucktruckamerica.com Web: www.mucktruckamerica.com For FREE info go to http://pb.hotims.com/20670-18

Phone: 1 800 624 5269 • Fax: 1 800 624 5299

# SV09 **Professional**



Tues. - Thurs. 8:30 a.m. to 6 p.m.



Friday 8:30 a.m. to 1 p.m.

**Quiet Living Home** 





**Learning Center** 

# **Build the Future Today**

International Builders' Show® January 20-23, 2009, Las Vegas

Homes being built today do not take advantage of the technology available now. In fact, most homes are built with technology and design that was available a decade ago. The *Professional Builder* Show Village 2009 will showcase our abilities today, taking full advantage of all the latest construction techniques, design opportunities and product technology.

We will show IBS attendees today the technology they will be using for the foreseeable future in these dynamic homes.

# See the latest building products installed and in action from these premier sponsors:

**BASF** I Insulation

BaySystems North America | Insulation

Beam | Central Vac

Behr | Exterior and Interior Paint

**CONTECH Bridge Solutions** 

| Bridge Solutions

Cultured Stone | Exterior Stone

Danze | Faucets and Toilets

**Deceuninck North America** 

| Siding and Windows

Deck Images | Exterior Deck Railings

**Dow Building Solutions** 

| Structural Insulated Sheathing

GE Appliances | Appliances

Generac | Generator

Honeywell | Insulation

Icynene | Insulation

Interceramic Tile and Stone

I Tile and Stone

Koma Trim Products | Exterior Trim

Lasco Bathware | Bathtubs

Latitudes | Decking and Railings **LG Solid Source** | Countertops

Masco Corp.

| Environments For Living Certification Program

Maze Nails | Nails

Nisus Corp. | Bora-Care with Mold-Care

**Owens Corning** 

| Roof Underlayment, Shingles and HVAC

Panasonic | Ventilation Fans and TVs

Plastpro | Exterior Doors Ply Gem | Siding and Windows

Rinnai | Fireplace and Tankless Water Heater

Schlage | Door Hardware

Sony | TVs & Home Theater System Sprint | Communication Provider

Therma-Tru Doors | Exterior Doors ThyssenKrupp Access | Elevators

TimberTech | Decking and Railings

Wayne-Dalton | Garage Door Systems

For more information visit:



# [LIGHTING + ELECTRICAL]



# Limiting Factors -

WAC Lighting's Track Current Limiter ensures that track installations meet wattage limitations according to size and usage of space. It can be mounted as a standard canopy, used in place of an 'l' connector or as a live-end. Its circuit breaker will trip and shut down power if the track gets overloaded. For FREE information, visit http://pb.hotims.com/20670-257



# Dimming Buddies

Seek some electrical balance with Pass & Seymour's Harmony Dimmer. Designed for use with 120-volt, 2-wire dimming ballasts, the dimmers feature a large, attractive captive paddle on/off air-gap switch, a preset dimmer slide, a Green LED locator light, and EMI/RFI reduction circuitry. Power-failure memory is standard. For FREE information, visit http://pb.hotims. com/20670-258

# There's a reason frying pans are made of aluminum, not concrete.



# Warmboard comfortably heats homes using the same logic.

The thick aluminum surface of Warmboard radiant subfloor possesses the two most important properties for excellent thermodynamic performance: high conductivity and low thermal mass.

Aluminum is hundreds of times more conductive than concrete, which results in the lowest water temperatures in the radiant heat industry and reduced energy bills. Warmboard's low thermal mass permits it to heat up faster and respond more rapidly than concrete slabbased systems. This allows the right amount of radiant heat where and when it is wanted.

When thinking about high performance and efficiency of radiant heat systems, think aluminum, not concrete.

Contact us today for more information: 877-338-5493 | warmboard.com



US Patent No. 5,788,152



[FIREPLACES]

# Gather 'Round the Fire



# Cast into the Flame

The Bella's unique styling and cast-iron finish makes it both an attractive new fireplace and the first cast-iron pellet stove Lennox offers. The standout fireplace features an ultra-quiet direct-current brushless auger motor paired with a double-cushioned combustion fan. Homeowners can control the flame with a built-in LCD screen. For FREE information, visit http://pb.hotims.com/20670-259

# Warm and Fuzzy

Regency's new fireplaces sport optional reflective panels to amplify the appearance of the fire. Each model has a colored frame and a face without louvers. The collection can be included in blue-prints or added to a home during a remodel. The L676 Sunrise (shown) frames a 676-square-inch opening. For FREE information, visit http://pb.hotims.com/20670-260

# PROPANE TANKLESS WATER HEATERS. EASY INSTALLATION FOR YOU,





# Topas, not Tapas

Plenty of people still use wood stoves to provide supplemental or even primary heat, and Rais' Topas can provide plenty of it. It features a large opening and firewood holder and an innovative air wash system to allow for a more efficient flame. Standard features include steel side and top plates and the necessary connecting pipe. For FREE information, visit http://pb.hotims. com/20670-261





# Sack the Smokiness

Morsø's new 5660 Std fireplace features a convection system that ensures optimum heat distribution in the room and a large combustion chamber that can take logs of up to 20 inches. The fireplace can pump out a maximum of 50,000 BTUs per hour. For FREE information, visit http://pb.hotims.com/20670-262

# **ENDLESS HOT WATER** AND ENERGY SAVINGS FOR THEM.



What makes propane tankless water heaters ideal for you and your customers? Let's count the ways. On-demand hot water is more efficient and can lower water heating bills up to 60%. Compact design frees up room. Innovative engineering means longer appliance life. They're also easy to install. For more on tankless water heaters, visit buildwithpropane.com.

PROPANE



**EXCEPTIONAL ENERGY** 

54

# **PRODUCT SHOWCASE / INTERIOR & EXTERIOR**











# PRODUCT SHOWCASE / INTERIOR & EXTERIOR

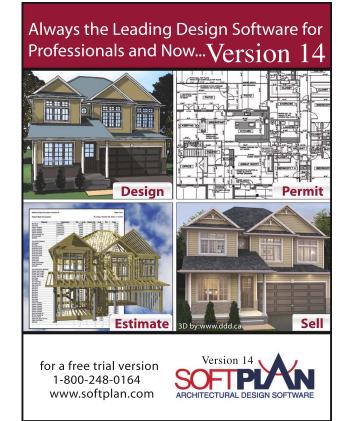






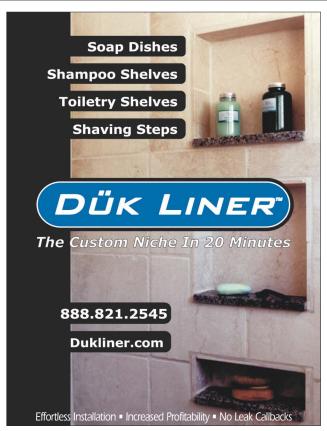
For FREE info go to http://pb.hotims.com/20669-129





# 56

# PRODUCT SHOWCASE / INTERIOR & EXTERIOR



For FREE info go to http://pb.hotims.com/20669-131

# **Incentives For Sustainability**

Take advantage of programs that help home buyers reduce their energy use-- and make your bottom line a little greener too. Incentives of up to \$2,000 per unit are currently available for qualifying residential new construction. Visit www.socalgas.com/construction for details.





Southern California Gas Company NewHomes@socalgas.com or 866-563-2637

For FREE info go to http://pb.hotims.com/20669-132

# Staron® Adds New Colors to **Tempest Line**



Staron Samsung added 10 new colors to its popular Tempest line. Tempest offers the functional benefits of a solid surface (non-porous, hygienic, seamless appearance) while providing the depth and beauty that rivals natural stone and quartz.

www.staron.com Ph: 800-795-7177

For FREE info go to http://pb.hotims.com/20669-133





resistant alloyed aluminum with an elastomericwaterproofing and anti-fracture coating combined with an aggregate bonding base. Finished materials, ceramic tile, marble, granite, etc. can be applied immediately after product installation utilizing standard mastics or thinset. No additional additives are required. Listed products are supplied with (4) multipurpose wall fasteners which may be used with/without preinstalled wood blocking.

# **The Shower Bench** Solution

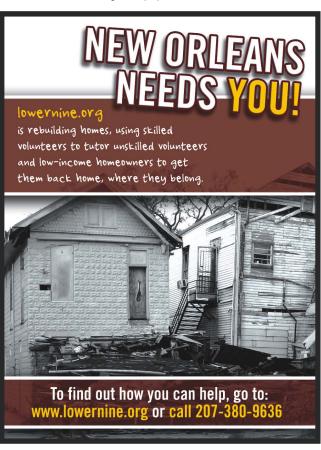
An easy to install benchforming system that replaces the complex methods currently in use.

This fully independent supporting unit can be mounted to most vertical surfaces quickly and efficiently, saving the installer valuable time. What once took two days to complete can now be done in about an hour! BETTER-BENCH<sup>TM</sup> provides design flexibility and is ideal for new or retrofit applications. Patented



For more information or a distributor near you, call

1-800-382-9653 INNOVIS CORPORATION www.innoviscorp.com



# Professional Builders deserve Professional Solutions



- Construction Documents
- 3D Models
- Framing
- Bill of Materials
- Graphics
- Manufacturing Links







- Powered by Autodesk Technology
- Efficient Workflow and Processes
- Accurate Intelligent Models

WWW.VISIONRF7.COM











# COLUMNS, BALUSTRADES & MOULDINGS

- Fiberglass Columns
- Poly/Marble Columns
- Synthetic Stone Balustrades
- & Columns
   Wood Columns
- Cast Stone Balustrades & Details
- Polyurethane Balustrades, Mouldings & Details
- GFRC Columns & Cornices
- GRG Columns & Details

**800-963-3060** 









For FREE info go to http://pb.hotims.com/20669-201





For FREE info go to http://pb.hotims.com/20669-210



For FREE info go to http://pb.hotims.com/20669-211



For FREE info go to http://pb.hotims.com/20669-205

Advertise on Housing Zone.com Call Shelley Perez at 630-288-8022 • Fax: 630-288-8145



# Nobody dreams of having multiple sclerosis

Some dreams are universal: scoring a perfect 10 on your last attempt to win the Gold medal; standing on the podium as the national anthem fills the arena. Finding out that you have multiple sclerosis is not one of them.

Multiple sclerosis is a devastating disease of the central nervous system where the body's immune system attacks the insulation surrounding the nerves. It strikes adults in the prime of life - and changes lives forever.

This is why the National MS Society funds more research and provides more services for people with multiple sclerosis than any other organization in the world. But we can't do it alone.

To help make the dream of ending MS come true, call 1-800-FIGHT MS or visit us online at nationalmssociety.org.



# Fill, bond, and laminate AZEK\* Trimboards!



# **TrimBonder**Bonding System

- ▼ Fills nail holes, joints, and gaps quickly and permanently
- ▼ Bonds/laminates AZEK® Trimboards, metal, wood, and PVC
- ▼ Non-yellowing, sandable, paintable
- ▼ Easy to use, fits standard caulking gun



1-800-933-8266 www.trimbonder.com

AZEK is a registered trademark of Vycom Corporation.

Devcon and TrimBonder are registered trademarks of Illinois Tool Works.

© 2006 ITW Devcon. All rights reserved.

Available through your local AZEK® Trimboards dealer

For FREE info go to http://pb.hotims.com/20669-206



# HERITAGE BUILDING SYSTEMS.

We are committed to providing the finest-quality steel buildings at the lowest possible price. Call for a FREE quote today!

30' x 40' x 10' ...... \$7,895 40' x 60' x 12' ..... \$13,987

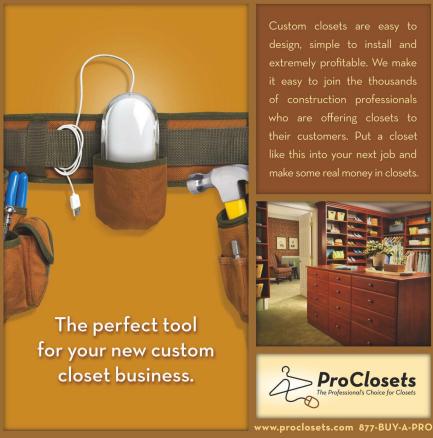
> 1.800.643.5555 www.heritagebuildings.com

For FREE info go to http://pb.hotims.com/20669-208

check out: housingzone.com

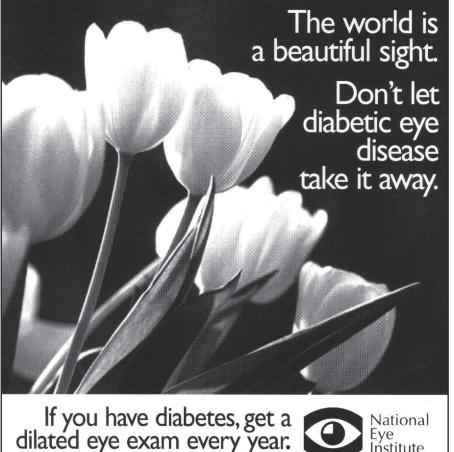


For FREE info go to http://pb.hotims.com/20669-207





For FREE info go to http://pb.hotims.com/20669-204



NATIONAL INSTITUTES OF HEALTH





Write: 2020 Vision Place, Bethesda, MD 20892-3655

# advertising sales

Tony Mancini, 610/205-1180 Fax 610/205-1183 armancini@reedbusiness.com

Director of Sales

Jeff Elliott, 616/846-4633 Fax 616/846-4802, jelliott@reedbusiness.com

**Emedia Solutions Manager** 

Shannon Darmody, 630/288-7963 Fax 630/288-8145 shannon.darmody@reedbusiness.com

Regional Manager Northeast

CT, DC, DE, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV

John Huff, 630/288-8189 Fax 630/288-8145, john.huff@reedbusiness.com

Regional Manager Southern

**United States** AL, AR, FL, GA, LA, MS, NC, NM, OK, SC. TN. TX

Craig Coale, 630/288-8207,

Fax 303/265-5990, ccoale@reedbusiness.com

**Regional Manager Western United States** AK, AZ, CA, CO, HI, ID, MT, ND, NV, OR, SD, UT, WA, WY, Western Canada Jessica Elliott, 651/290-7694

Fax 303/265-2064 iessica.elliott@reedbusiness.com

**Regional Manager Midwest** 

IA, IL, IN, KS, KY, MN, MO, NE, OH, WI Tim Gillerlain, 630/288-8168 Fax 630/288-8145

tim.gillerlain@reedbusiness.com

Senior Account Manager Michigan and Inside Sales

Rob Bertrand, 630/288-8615 Fax 303/265-2526

rob.bertrand@reedbusiness.com Inside Sales

Shelley Perez, 630/288-8022 Fax 630/288-8145 shelley.perez@reedbusiness.com

**Administrative Support** 

Rebecca Breskman, Administrative Assistant 610/205-1179, Fax 610/205-1183 rebecca.breskman@reedbusiness.com

Pat Mustari, Administrative Assistant 630/288-8223, Fax 303/265-5469 pmustari@reedbusiness.com

Director of Events

Judy Brociek, 630/288-8184 Fax 630/288-8145, jbrociek@reedbusiness.com

**Director of Custom Publishing** 

*Emily Yarina*, 630/288-8109 Fax 630/288-8145 emily.yarina@reedbusiness.com

Custom reprints and electronic usage Angie Van Gorder, 717/399-1900 x176 angie.vangorder@theygsgroup.com

**Advertising Production Manager** 

Eletta Harris, 630/288-8074 harrise@reedbusiness.com

**Advertising Contracts** 

Stephanie West. 630/288-8419 stephanie.west@reedbusiness.com

**Graphic Production Manager** Rick Lesser, 630/288-8443

rick.lesser@reedbusiness.com

**Editorial & Publishing Office** Professional Builder

2000 Clearwater Drive, Oak Brook, IL 60523 Phone: 630/288-8000, Fax: 630/288-8145

To Advertise: See above for the office closest to you, or write to the Publisher. Best in American Living Award: To enter this design contest, contact address above. Annual Report of Housing's GIANTS®: To request a survey form, contact  ${\it GIANTS400@reedbusiness.com.} \ {\it For subscription}$ inquiries and change of address: Customer Service, Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80126-2345; phone: 303/470-4445; fax: 303/470-4280: e-mail: subsmail@reedbusiness.com.

+Regional Ads



# ad index

Company	Page #	Circle #	Phone	Web site
AT&T	17	7	866/372-2806	http://pb.hotims.com/20670-7
Broan-NuTone	19	8	800/548-0790	http://pb.hotims.com/20670-8
DaimlerChrysler Corp.	43		248/576-5741	
+ECR International	21	9		http://pb.hotims.com/20670-9
Ford Motor Company	23		800/258-FORD	
GMC Commercial Vehicles	30		800/GMC-8782	
+Georgia-Pacific Wood Products	10	6	800/BUILD G-P	http://pb.hotims.com/20670-6
Gerber Plumbing Fixtures	41	15		http://pb.hotims.com/20670-15
JELD-WEN	C-4	22	800/535-3462	http://pb.hotims.com/20670-22
Knauf Insulation	28	13	800/825-4434	http://pb.hotims.com/20670-13
Kohler Company	4, 5	2, 3	800/4KOHLER	http://pb.hotims.com/20670-2
Kwikset	8	5	800/327-LOCK (5625)	http://pb.hotims.com/20670-5
Masco Contractor Services	34A-34P		800/773-4253	
Muck Truck Ltd.	49	18	772/621-3951	http://pb.hotims.com/20670-18
NAHB	C-3	21	800/368-5242	http://pb.hotims.com/20670-21
Palm Harbor Homes	32	14	800/456-8744	http://pb.hotims.com/20670-14
Propane Education & Research Council	52, 53	20	202/261-2200	http://pb.hotims.com/20670-20
Quality Cabinets	24	11	800/284-3888	http://pb.hotims.com/20670-11
Salsbury Industries	49	17	800/624-5269	http://pb.hotims.com/20670-17
Samsung Staron	6	4	800/795-7177	http://pb.hotims.com/20670-4
+San Diego Gas & Electric Company	21	10	866/631-1744	http://pb.hotims.com/20670-10
Siemens Energy & Automation, Inc.	46	16	800/964.4114	http://pb.hotims.com/20670-16
Verizon Wireless	C-2	1	800/VZW-4-BIZ	http://pb.hotims.com/20670-1
Viega	26	12	877/VIEGA-NA	http://pb.hotims.com/20670-12
Warmboard	51	19	877/338-5493	http://pb.hotims.com/20670-19

Reed Business Information, A Division of Reed Elsevier Inc. I Specialized Business Magazines for Building & Construction | Research | Technology | Electronics | Computing | Printing | Publishing | Health Care | Footservice | Packaging | Environmental Engineering | Manufacturing | Entertainment | Media | Home Furnishing | Interior Design | and Lodging, Specialized Consumer Magazines for Residential Design. PROFESSIONAL BULDER (LISPS 976-140, CST #123397457, C.P.C. Intil Pub Mall #280631) Vol. 73, No. 12 is published 13 times a year, monthly except semi-monthly in December by Reed Business Information , 8878 S. Barrors Bud, Highlands Renarb, 05 00 126, elubscription includes all issues; Reed Business Information is a Noision of Reed Elevere Inc., 300 Park Avenue South, New York, NY 10010. Publisher, Tony Manchir, Editor, Paul Defenchaugh; Ta Child Eleverating, Coll. 2016 Eleveration (South Renard and additional mailing) offices. Circulation records are maintenanced and additional mailing offices. tained at Reed Business Information, 8878 S. Barrons Blvd. Highlands Ranch, CO 80126-2345. Phone: 303/470-4445. PDSTMASTER: Send address changes to PROFESSIONAL BUILDER, P.O. Box 7500, Highlands Ranch, CO 80163-7500. Publications Mail Agreement No. 40685520. Return undeliverable Caradian addresses to: Deutsche Post, 4960-2 Walker Road, Windsor ON N9A 6.13. Email: subsmail@reedbusiness.com PROFESSIONAL BUILDER coppright 2008 by Rect Besider Inc. Rates for nonqualified subscriptions: USA \$121.99 1 -year, CNA \$198.99 1 -year, MEX \$181.99 1 -year, FCN \$322.99. Except for special issues where price changes are indicated, single copies are available for \$10 US and \$15 foreign. Please address all subscription mail to PROFESSIONAL BUILDER, P.O. Box 7500, Highlands Ranch, CO 80163-7500. PROFESSIONAL BUILDER and ANNUAL REPORT OF HOUSING'S GIAVITS are registered trademarks of Reed Properties Inc., used under license. Printed in the USA. PS Form-3526-R September 2007

# numbercrunch

# **SPECIAL BAILOUT EDITION**

# Think about it

2

According to the bailout bill, two oversight committees will be



set up. The first one is a Financial Stability Board, which will include the Federal Reserve chairman: the Securities and Exchange Commission chairman; the Federal Home Finance Agency director; the Housing and **Urban Development** secretary; and the Treasury secretary. That oversight committee will report to the second oversight committee, which will be a congressional oversight panel. The second committee will have five members appointed by House and Senate leadership from both parties.

**76%** 

According to a poll by CNN.com, 76 percent of readers think the bailout plan will ultimately fail. But 24 percent are optimistic and think it will help the economy. What do you think?

**\$237.2 billion** According to MarketWatch, the **U.S. federal government deficit** soared to \$237.2 billion in October after the government **invested more than \$136 billion** in various bailout programs.

11.9% The Mortgage
Bankers Association reports that
in Mid-November, mortgage
applications rose to 11.9%. Slow
and steady does it ...



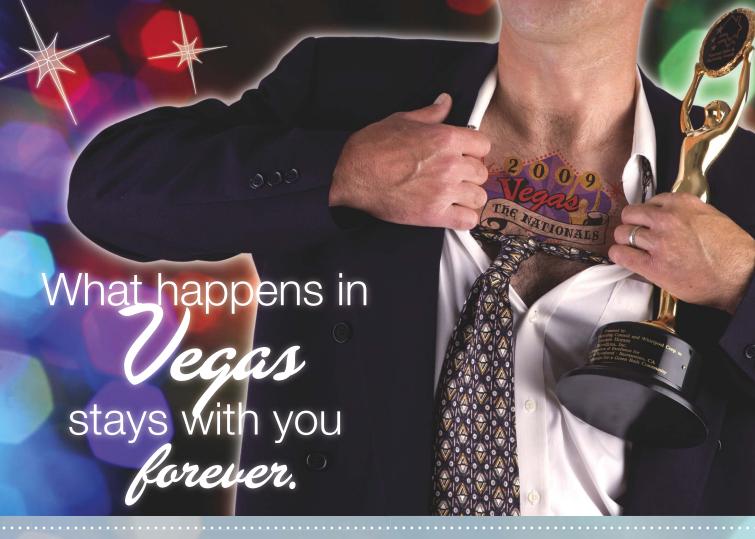
\$750 billion \$750 billion is not how much we'll necessarily spend (we hope). If the government needs more than \$750 billion, then they will have to pass new legislation. Estimated figures for fixing the financial mess is between \$500 billion and \$1 trillion. Should we be optimistic and say it will only cost \$500 billion to fix?



2 It took two tries to pass the bailout bill, with a vote of 263–171 in the House. President Bush signed it immediately into law after it passed.

\$85 billion This is the estimated cost for the government to bail out American International Group (AIG). In addition to that, there's also the \$29 billion the government pledged for the joining of Bear Stearns and JPMorgan Chase. And if that wasn't all, it could cost \$25 billion to bail out Fannie Mae and Freddie Mac. And that's in addition to the \$750 billion bailout plan the government passed.

\$250,000 In the revised bailout bill that passed, Congress added a provision: temporarily raising the FDIC insurance cap to \$250,000 from \$100,000, which has been in place since 1980.



Attend The Nationals 2009 and see who is branded a winner.

> *Gala* January 20, 2009 CAESARS PALACE Las Vegas, Nevada

Make your plans now to attend The Nationals™ 2009 in Las Vegas and see who gets branded a winner. The Nationals™ is the largest networking event for sales and marketing professionals which takes place during the International Builder Show and it'll be the biggest party in Las Vegas.

Join us as we recognize Legends of Residential Marketing -Adrienne Albert of The Marketing Directors, Inc. and Mark Paris of Basic Management, Inc. Great food. Fabulous entertainment. Prestigious awards.

# TO PURCHASE TICKETS:

Visit: www.TheNationals.com Phone: 800-658-2751 or 909-987-2758

Email: LParrish@TheNationals.com

Get your tickets

**Legends Winners** 

**Presented by NAHB's National Sales and Marketing Council** 











**Exclusive Co-Sponsor** 













**Adrienne Albert** 

# EARIE

These days, it's easy to find products that claim to be environmentally friendly. But it's much tougher to find ones that actually are. Products like JELD-WEN® windows and doors made with AuraLast® wood.

**WATER:** The AuraLast process captures and recycles water, conserving a vital resource.

AIR: The AuraLast process reduces VOCs by 96% when compared to traditional, solvent-based, dip-treated wood methods, preserving air quality.

LAND: AuraLast is made to be long-lasting, resulting in less waste in our landfills and reducing reharvesting. Additionally, SFI® certified wood is an available option.

ENERGY EFFICIENCY: JELD-WEN windows and doors with Low-E glass meet ENERGY STAR® qualifications.

For more information call 800.877.9482, ext. 11214, or visit www.jeld-wen.com/11214.



RELIABILITY for real life®

JELD-WEN.

