



INSIDE:	
Member News	2
Education Corner	3
Cell Phone Courtesy / Top Consumers	
Groups Turn to Sustainability	4

The Weight of the Web	5
HBA of Connecticut News	6
Building Briefs	7
Calendar of Events	8

## President's Message



Hi Everyone,

I've come across a quote that I'd like to share as it is particularly relevant for us now as we navigate our way through the personal, business and economic challenges of these times. Au-

thor, motivator, Wayne Dyer states, "When we change the way we look at things, the things we look at change." The implication here is that how we perceive things influences what happens with "what" we're looking at. In other words, how we think about things and respond to them "now" impacts how our future experiences may unfold.

I find this hopeful. Although I am an incurable optimist, I must admit I have my moments. On the surface of things, the future can look a bit ominous. Wayne's quote inspires me to think about the positive shifts we can, and will, accomplish for ourselves and our businesses when we are grateful for the little things and focus on the positive whenever and wherever we can.

I've awakened to the realization that how we deal with what's happening to us and around us is very important in determining outcome. How we respond to experiences and situations now is an important key to moving us into a more positive and brighter future.

At some time or another most of us have had the experience of sharing our hopes and dreams with a well-meaning friend only to hear, "Don't

get your hopes up." It isn't that they don't want us to succeed, they just don't want us to get hurt or disappointed. In their way of thinking they are trying to protect us. In their way of thinking, we are already doomed to failure. As a young person I was not motivated to set lofty goals or dreams. As I came into my mid to late thirties, I began to realize that, not only could I do more, but that I wanted to do more. I began to see how my attitude had been holding me back. Remarkably as my attitude evolved, my opportunities expanded.

As a struggling optimist, I am frequently berated by pessimists. In fact, I've noted that some negative naysayers seem down right attracted to the challenge of extinguishing even the hint of an optimistic vibe. I am happy to report, that for the most part, I've been able to remain light-hearted and objective. It's worth it to me to be steadfast to accomplishing my goals. I find I can even be entertained and amused when these folks approach. I now utilize these events as an opportunity to be vividly reminded to stay focused on achieving my dreams.

If we focus on what we don't have, we have nothing. If we focus on what we do have, we have it all.

To Our Great Prosperity

Denise Nott  
Nutmeg Building & Remodeling LLC  
BAEC President

## Don't Let Congress Take The Summer Off Tell Them Housing is the Only Way to Create Jobs and Revitalize the Economy

Your senators and representative have returned home for the August Congressional recess. Take advantage of this opportunity to arrange a meeting with your senators and representative and voice your support for housing and its role in fixing the national economy

Over the past few weeks, there have been tentative signs that the economy has hit bottom and could be on the mend; however, it remains very weak. Even if a modest recovery has now begun, most analysts predict that the economy will continue to shed more jobs well into next year and that unemployment will top ten percent. We can't sustain a long-term recovery without creating jobs, which is why this upturn

could run out of steam by the end of the year or continue at a snail's pace.

Housing and related industries account for about 13 percent of the GDP and stand out as one of the few sectors that can revive today's lackluster economy and quickly put Americans back to work. But several critical factors threaten to undercut whatever positive momentum is starting to build in the housing market. The impending expiration of the first-time home buyer tax credit could slow demand and sales, appraisal issues are torpedoing more than a quarter of new-home sales, and ongoing credit problems are hurting builders and buyers alike.

**See How You Can Help on Page 2**



## New Members Welcome!

**Teresa Forrestt of Stock Loan Services**

124 Costello Road

Newington, CT 06111

Ph: (860) 594-7205 Ext 115

Fax: (866) 523-2807

Cell: (203) 507-6321

E-mail: [teresa.forrestt@stockloanservices.com](mailto:teresa.forrestt@stockloanservices.com)

Sponsored by: **Jim Pepitone of Ark Contractors**

## How You Can Help Tell Congress

It is critical that every NAHB member lend his or her voice as a constituent in this effort, by personally communicating with your elected officials while they are home this month. . . To reinforce the message you deliver during your meetings, you can write your member of Congress at [www.capitolconnect.com/builderlink](http://www.capitolconnect.com/builderlink) and/or call at 1-866-924-6242 (NAHB).

Our message will focus on four aspects of the housing crisis. Specifically, we will be calling on Congress to:

1. Extend the home buyer tax credit for another year and make it available to all eligible buyers (not just first-timers);
2. Urge housing regulators to bring common sense to the appraisal process;
3. Compel regulators to make it easier to access acquisition, development and construction financing; and
4. Support pending legislation to expand Net Operating Loss (NOL) carryback provisions for businesses.

Each of these actions would spur significant job growth, which will be a central message of our campaign. For example, if Congress acts to extend the tax credit program, it would spur 383,000 additional home sales, including 80,000 housing starts down the road. This stimulus alone would create nearly 350,000 jobs over the coming year – which is exactly what the economy needs right now.

Readers of this report will receive more details on the campaign, which we hope will be a massive grass-roots effort, over the coming weeks. Your participation is absolutely necessary for our success, so please respond accordingly to ongoing communications from NAHB and your state/local HBA.

Adoption of these proposals will not only spur job growth, but will build confidence, stimulate demand and have a positive impact on the overall economy and housing market. The best way to accelerate the economic recovery and create jobs is to stimulate housing activity.

**THIS INITIATIVE CANNOT SUCCEED WITHOUT YOU**



## BAEC 2009 Green Showcase Home Update Greenbrier, Oakdale, CT

**Builder: Jim Pepitone, Ark Contractors**

### Schedule of Events

Consumer Class "Green Building 101"

10:00-11:30 a.m. Sat, Aug 15

Consumer Class "Green Building 101"

10:00-11:30 a.m. Sat, Sept 12

### Showcase Home Open House Weekend Tours

ECAR night

5:30 – 7:30 Fri, Sept 25

Open to Public

10:00 am – 4:00 pm Sat, Sept 26

10:00 am – 4:00 pm Sun, Sept 27

Chamber Business After Hours

5:30 – 7:30 pm Wed, Sept 30

**Get Involved in this project to make the web page, these events and associated publicity work for you and your business!**



## Are You in the Running to Win The Kitty? Now at \$885!! Meow!

Our Membership Defenders challenge you to win the kitty by bringing in the most new members in 2009. Competition is pretty tight right now! Make it interesting by joining these members in their recruitment efforts!



- Ed Colburn of All-Phase Building
- David Gesiak of David J. Gesiak LLC
- Bruno Hayn of Home Designs By Bruno (2)
- Scott Gladstone of Wireless Zone (2)
- Attila Keller of Ricon Homes
- Kevin Lathrop of K&N Electric (2)
- John Lombardi Jr. of Lombardi Inside Out
- Matt Ostrowski of Creative Enclosures
- Jim Pepitone of Ark Contractors (2)
- Mike Scarpa of Coastal Construction Mgmt

**AND.....Sponsor our Drive by Donating an  
Auction Item to Raise the Kitty  
You Too Can Be a Hero!**

The BAEC Membership Team

*Frank Winkler Paul Stone Kevin Lathrop*  
*Hepe Sheldon Renee Main Kelly Whipple*

## Education Corner



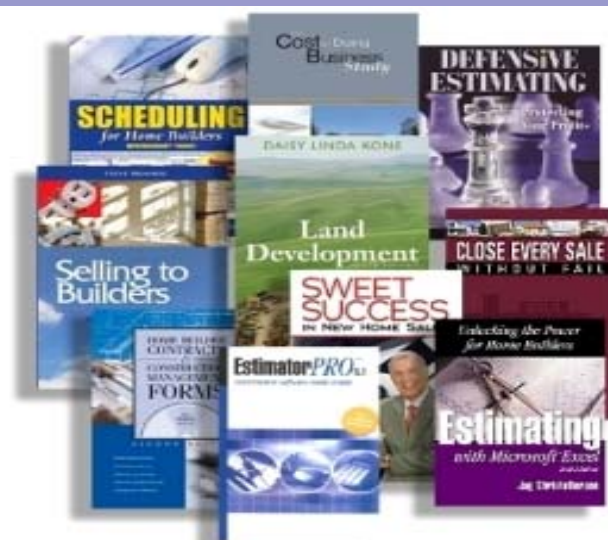
### Green Classes

The Connecticut Energy Efficiency Fund invites you to a series of workshops presented by building science experts from *Steven Winter Associates*.

**September 9, 2009**  
8:30am—12:00pm  
Solar Energy Systems for Homes  
Cost: \$50

The workshops will be at the Lyceum Center, 227 Lawrence Street, Hartford. Free parking is available at the site. Light breakfast will also be included.

RSVP to Justin Lindenmayer at CL&P at 860.832.4915 or [lindejm@nu.com](mailto:lindejm@nu.com). Please RSVP at least one week in advance of workshop.



## BuilderBooks.com®

Log onto [www.baec.net](http://www.baec.net) and click on "helpful Resources" to get to [BuilderBooks.com](http://BuilderBooks.com) where you'll find the latest in books and software to help your business grow!

## Risk Management & Insurance for Building Professionals

HBA of Hartford County, Rocky Hill Aug.28th

Today builders face a liability insurance crisis. Coverage has become scarce, expensive and restrictive. In this environment, builders must use comprehensive risk management strategies to reduce construction risks and other exposures. From overarching principles to practical solutions on obtaining the most competitive insurance quotes, this course gives you the tools you need to manage your risk. As a graduate of this course, you will be able to:

- Grasp and apply insurance terminology
- Use non-insurance risk management strategies
- Recognize the basics of the types of insurance coverage that you need
- Structure company insurance and risk management programs with help from your brokers and counsel.

**Designations:** [CGR](#), [GMB](#), [GMR](#)

To register or to get more information on locations call: 203-239-2002 or 860-563-4212.

# 2010 INTERNATIONAL BUILDERS' SHOW®

January 19-22, 2010 | Las Vegas

The International Builders' Show® (IBS) is the largest annual building industry tradeshow in the country. It's THE place to see and discuss the hottest products on the market and network with your friends and allies. On top of that, IBS offers more than 175 education sessions taught by industry experts.

### For NAHB members ONLY!

For a limited time, NAHB members can receive a complimentary 4-day exhibit registration, giving them access to the hottest exhibit floor in the building industry for absolutely no charge!

### Amazing August Hotel Deals!

ALL Vegas hotels in the NAHB block are offering rooms for \$32 to \$199 a night if you book during the month of August! Rates are guaranteed only through August 31 and availability is limited, so you must book early! Room deposits won't be charged until December so you have nothing to lose. Log onto [www.BUILDERSSHOW.com](http://www.BUILDERSSHOW.com) to get the latest information.

## Cell Phone Courtesy

By Jacqueline Whitmore

Although mobile phones have been around for a couple decades, people still tend to take calls during inappropriate times, and more importantly, discuss confidential business information in public. Is common sense on the phone just wishful thinking?

Etiquette expert Jacqueline Whitmore has been facing this problem head-on since 2002. Whitmore says that "Wireless phones and other electronic devices have become so important to keeping people in touch with information they want and need. It's important to educate people about the proper way to use these devices so that they're still in touch but not annoying those around them."

Since the world of cell phone etiquette can be confusing, Jacqueline Whitmore has compiled these steps to help you make sure you and your colleagues know how to be considerate to others on the phone:

1. **Be all there.** When you're in a meeting, performance, courtroom or other busy area, let calls go to voicemail to avoid a disruption.
2. **Keep it private.** Be aware of your surroundings and avoid discussing private or confidential information in public. You never know who may be in hearing range.
3. **Keep your cool.** Don't display anger during a public call. Conversations that are likely to be emotional should be held where they will not embarrass or intrude on others.
4. **Learn to vibe.** Use your wireless phone's silent or vibration settings in public places such as business meetings, religious services, schools, restaurants, theaters or sporting events so that you do not disrupt your surroundings.
5. **Avoid "cell yell."** Remember to use your regular conversational tone when speaking on your wireless phone. People tend to speak more loudly than normal and often don't recognize how distracting they can be to others.
6. **Follow the rules.** Adhere to posted signs and instructions. Some jurisdictions may also restrict mobile phone use in public places.
7. **Excuse yourself.** If you are expecting a call that can't be postponed, alert your companions ahead of time and excuse yourself when the call comes in; the people you are with should take precedence over calls you want to make or receive.
8. **Send a message.** Use Text Messaging to send and receive messages without saying a single word.
9. **Watch and listen discreetly.** New multimedia applications such as streaming video and music are great ways to stay informed and access the latest entertainment. However, adjust the volume based on your surroundings in much the same way that you would adjust your ringer volume. Earphones are a great way to avoid distracting others in public areas.
10. **Alert silently.** When using your phone's walkie-talkie feature, send the person you're trying to reach a Call Alert before starting to speak. If you're around other people, turn off your phone's external speaker and use the vibration setting to minimize any disturbance and to respect your contact's privacy.

*Jacqueline Whitmore is the author of Business Class: Etiquette Essentials for Success at Work and the founder of The Protocol School of Palm Beach.*



## Top Consumer Groups Turn to Sustainability

**Boost revenue by going green and targeting the youth, women and CEOs.** By Bill Roth

Al Gore noted at the recent Wall Street Journal ECO:nomics conference that 26 was the average age of system engineers at NASA's Houston control room when Neil Armstrong walked on the moon. Gore's point was these engineers were only 18 years old when President Kennedy announced his vision for placing men on the moon.

Why is this historical observation important to your business? At the Sustainable Brands Conference 2009 (SB09) it was the youth, women and CEOs were identified as the drivers in the adoption of sustainability. These three demographic groups, with buying power of \$10 trillion dollars, are searching for brands that relate to their unique definitions of sustainability.

The youth view the 20th century as leaving them a legacy of problems like climate change and sustainability as the future. Women define sustainability in terms of wellness, including issues such as product safety, medical insurance availability/cost and healthy foods.

As you might expect, the adoption of sustainability by CEOs is numbers-driven. Many of them believe that climate change is real, manmade and their organization should contribute to solving this problem by reducing its carbon footprint.

Women account for nearly 85 percent of retail purchases, says Diane MacEachern, founder and CEO of Big Green Purse, adding that mothers are embracing sustainability as "concerned caretakers." They are buying locally grown, organic foods that are healthier for their families. They are buying automobiles with lower emissions because they want a cleaner environment for their children. MacEachern has issued a challenge for one million of these concerned caretakers to increase their purchase of green goods and services and shift \$1,000 (for a total of \$1 billion) into a "green purse."

As for the youth, they have adopted sustainability as their North Star--a major branding theme at SB09. The concept implies a point of direction, the enabling information for the execution of a path. According to an annual survey developed by global public relations firm Cohn & Wolfe and a host of other brand consulting firms, young people are linking "value and values" as their guide for evaluating what to buy and where to buy it.

It is young consumers who have driven the paradigm shift from CDs to digital downloads and from written letters to e-mails. Their vision of the future holds the expectation that green will cost less and be cool. By 2017 18-year-olds will be 26 and will have entered their prime years for making purchases and they will be focusing their trillions of dollars in buying power toward securing their future and that of the families they are beginning to form.

If you are an entrepreneur looking to increase revenues and to build your brand equity then focus on the adoption of sustainability by the youth, women and CEOs.

*Bill Roth is president of NCCT, a San Francisco-based consulting firm facilitating innovations in sustainability marketing and green business strategies.*

# The Weight of the Web

## Having an online presence isn't enough -customers and closings must follow.

By Jerry Rouleau, owner, J. Rouleau & Associates LLC

According to some estimates, more than 80 percent of all new homebuyers begin their search online. In addition, industry statistics and surveys show that Internet leads are the best and least expensive source for new clients. Builders and Realtors should not only understand how to create a web presence but also how to maximize that presence and turn it into a sale.

Whether you decide to hire a designer or do the work yourself, understanding today's online consumers will help you deliver your message effectively. This is true whether you're dealing with your first online project or looking to improve your current Internet image.

### A Seven-Second Window

For many consumers, a website has fewer than seven seconds to make a positive impression. If it fails to do so, consumers will move on. Because of this, business owners should ask themselves the following questions:

- Does my home page make an immediate positive impact?
- Am I selling a lifestyle?
- Do I represent homebuyers from different backgrounds adequately?

Remember that marketing isn't just about you; it's also about your customers. Your website's home page should be attractive enough to encourage consumers to spend time looking around the site and informative enough to answer their main questions. You could have the best product, but until you grab consumers' attention, you will never be able to prove it. The idea is to make the site as sticky as possible.

Though it's important to address consumers' questions and desires, it's also important to realize that many homebuyers choose who they will buy from based on who that person is and how they represent themselves. Make sure to inform potential clients about your past successes, your community-service efforts and your personal hobbies. Promote your personal narrative, your staff specialists and your service. Use testimonials and industry affiliations to your advantage. The idea is to make a connection and to build trust and confidence.

In many cases, music and videos distract consumers, and gaudy design can cause Web shoppers to click away quickly. Websites that take too long to load also are likely to fail. If you want to use video and audio elements, allow users the option of selecting those items rather than having them launch automatically.

Also make sure to update your site often. A good website is never complete. It's a living thing that reaches its potential only with new and interesting material. Maintaining a blog is another way to keep information on your site current. This can be done on the site itself or through a third-party service.

### Drive Traffic

The time and effort you put into web design won't matter unless people find your site. The following list offers some simple ways to drive traffic to your site:

- Post comments to blogs other than your own. Make sure to include your name, your company and web address whenever possible.
- Place resource links on your site. This adds value to users, who may end up thinking of your site as an important web

tool. Consider linking to community events, local school districts and government agencies, and anything else about which homebuyers in your area should be aware.

- Ask others to link to your site.
- Join online social networks and link to your site.
- Consider business-directory listings and ads in the phone book. It's OK to drive traffic from a printed page to the web. Generally speaking, phone-book listings also appear in the associated directory's online pages.
- Post your company's news releases on appropriate public relations sites. These releases often get picked up by other websites and can improve your search rankings.
- Research which keywords home buying customers use in their Internet searches and consider purchasing pay-per-click advertisements on popular search engines. These ads can appear next to keyword search results for the products you offer.

### Create Leads

Beyond getting people to your website and keeping them there, it's also crucial to turn the best prospects into business. One way to do this is to include a contact button on each page of your site. This makes it easy for customers to get in touch with you, especially via e-mail. When they do reach out, make sure to respond quickly.

According to one survey, when customers submit information online, 21 percent expect an instantaneous response, 44 percent expect a response within 40 minutes, and 100 percent expect a response within one day.

Think of your site as a lead-generator and demand its top performance. Make sure to track your website statistics, including the number of unique and new visitors and the amount of time spent on the site. Relate those statistics to the number of clients you gain from the site and make adjustments as necessary.

Another great way to utilize your website is to include hidden pages where you post special information or data to which you wish to control access. This can be ideal for forms, sample quotes or contract examples. When you meet customers in the field, you can let them know specific Internet addresses -make them easy to remember -where they can find items invisible to other site visitors.

Finally, make numerous attempts to collect customers' information -if only an email address and first name -but do so without disturbing their web experience. A strong email database can represent powerful currency both today and as the market recovers. Create newsletters, articles, special promotions and seasonal specials that call site visitors to action and entice them to share their contact information.

Having a website is one thing. Making that site an attractive lead-generating machine is quite another. Builders and realtors should understand how to drive website users to their sites, how to keep them there after they arrive, and how to turn shoppers into customers.

*Jerry Rouleau is the owner of public-relations and marketing firm J. Rouleau & Associates LLC. He also is the founder of BuilderRadio.com and co-host of the popular weekly radio program "Selling More Homes. II"*



## HBA of Connecticut News

### Local Regulatory Affairs Program

Six towns have been designated "Advocate Pilot Communities" under a new state program aimed at strengthening farming. The towns are **Ashford, Brooklyn, Canterbury, Franklin, Sterling, and Thompson**. As part of the program, these towns will examine taxation of agricultural land and zoning related to agriculture, which could impact the land market.

The **town of Stonington** has created an architectural design review board. The board will issue advisory recommendations on PZC applications for all development, except single-family homes.

### The New Basics of Marketing & Sales – Webinar Series

The HBA of CT's Sales & Marketing Council is sponsoring a webinar series produced by HBA and SMC member Jerry Rouleau and his company, BuilderRadio.

Aug. 26 **Identifying Your Target Market** by Jerry Costanzo  
 Sept. 16 **Creating Traffic to Model Homes & Sales Centers** by Bonnie Alfriend

You'll be able to attend all six dynamic 1-hour webinars as live presentations for \$185 or purchase each webinar separately for just \$37 each.

View and review the recorded video as many times as you like, and even gather the entire team around the computer and use these as sales meetings or training sessions.

To register or learn more about Taking Control of Your Sales Webinar Series: The New Basics of Marketing and Sales, go to [http://www.builderradio.com/CTWebinars\\_](http://www.builderradio.com/CTWebinars_)

Please note: when you register via this link, the HBA of CT will receive a royalty.

All webinars are one hour: 5 min intro & overview, 45 minute presentations with power point & 10 min Q&A; and begin at 2PM (EST).

All individuals who register (even if they can't make the call) will be given a link after the seminar, to download an audio copy of the tele-seminar.

### Build PAC Tournament Raises \$51,590

The 7th Annual NAHB Build PAC Golf Tournament was held at the TPC River Highlands in Cromwell on July 13. On one of the few sunny days all month, 71 HBACT members and guests enjoyed a great day of golf while raising money to fund lobbying efforts in Washington, DC. A few more guests joined the group for the Post Play Reception bringing the total to 95 participants. Again this year, the Tournament Committee, led by Larry Fiano, did an incredible job, raising more than \$51,000. Thanks to all who participated to make the event a success.

Special thanks and gratitude to the event's sponsors:

- JM Huber Engineered Wood Products,
- Modern Plumbing Supply Inc.,
- The Roberts Agency/The Hartford,
- Rockville Bank,
- Russin Lumber Company, Montgomery, NY,
- Sanford & Hawley,
- Viking Kitchen Cabinets, LLC

### HBACT Addressing AD&C Credit Crunch, And Other Industry Issues

Many members have expressed concern about problems with acquisition, development & construction lending, and problems being caused by new appraisal regulations. The HBACT is working to pull together a coalition of organizations to address these issues with Connecticut's congressional Leaders (Sens. Dodd and Lieberman, Reps. Courtney, DeLauro, Himes, Larson and Murphy). We are planning roundtable discussions with the legislators so they can hear first-hand about the impact that pressure from regulators is having on home builders and how it's impacting the state's economy. We will also reach out to state legislators, the Governor's office, and the Governor's Economic Task Force to join these meetings.

As part of that effort, the HBA of CT is collecting information from members who are struggling with these issues. We've already heard from several members, but we need to hear from more of you! We need to offer as many specific cases

as possible, to give our legislators information they can use to push regulators to restore AD&C lending and bring some common sense back to the appraisal process.

If you are having problems with these issues, please contact the HBACT office, 860-521-1905, or send an e-mail to [admin@hbact.org](mailto:admin@hbact.org). You can also go to the HBACT website for more information (click "Addressing the AD&C Credit Crunch") and a "case history form" to fill out. If you are willing to attend a meeting and speak to legislators or reporters, please let us know that as well.

Watch your e-mail for Government Affairs Alerts for updates. If you don't currently receive Government Affairs Alerts and would like to be added to the distribution list, please contact Joanne Hoerrner, [jhoerrner@hbact.org](mailto:jhoerrner@hbact.org), or 860-521-1905.

## BUILDING BRIEFS

### SBA Stimulus Program to Help Builders, Suppliers Pay Their Bills

A new, short-term program offered by the Small Business Administration (SBA) may provide some temporary relief to thousands of small businesses — including home builders and suppliers — by offering interest-free loans to help them pay their bills.

The America's Recovery Capital (ARC) loan program, which began on June 15, offers small businesses guaranteed deferred-payment, interest-free loans of up to \$35,000 that they can use to pay principal and interest on existing loans; qualifying small business debt, including mortgages; term and revolving lines of credit; capital leases; credit card obligations; and notes payable to vendors, suppliers and utilities.

The SBA \$255 million program will continue through Sept. 30, 2010 or until the funding is exhausted.

SBA-approved lenders, who are being encouraged to make the loans, will disburse each loan over a six-month period. Borrowers will not be required to begin repaying the loans

until 12 months after final disbursement and will have five years to repay the loan. While the loans are available interest-free to small businesses, SBA will pay the lenders the prime rate plus 2% for the loans.

SBA classifies companies as small businesses based on their annual revenue thresholds or their number of employees. Home builders are considered a small business if their annual revenues do not exceed \$37.5 million, while the annual revenues of contractors are capped at \$14 million. Manufacturers, such as those who make components used in home construction, are limited to 500 or fewer employees, while wholesalers may employ up to 100 persons.

Begin the loan process by first contacting local banks. Because the program is new, many lenders may not be aware of it. For more information, including frequently asked questions, visit [www.sba.gov/recovery/arcloanprogram](http://www.sba.gov/recovery/arcloanprogram).

### Making Home Affordable

HUD plans to use the Federal Housing Administration Program (FHA) to step up home loan modifications by offering incentives to servicers willing to work with struggling homeowners.

HUD Secretary Shaun Donovan rolled out provisions in the plan that allow homeowners who owe up to 125% of a home's true value to qualify for the administration's Making Home Affordable effort, as had been predicted by *Housing Market Report and Housing Affairs Letter*, both continuously updated online news services exclusively focusing on devel-

opments affecting residential housing in the U.S. HUD, which administers the FHA program, notified servicers that it would pay them an extra incentive for each qualified loan modification they make.

The incentives come in response to growing criticism from consumers, lawmakers and advocacy groups that mortgage reworks aren't occurring on a widespread scale because of continued reluctance by mortgage servicers. Several industry groups, notably the Mortgage Bankers Assn, are pleased with the move.

### 2009 RECOVERY ACT



### Building Materials Prices Improve, But a Rougher Road May Lie Ahead

Not surprisingly, during a typical housing recession, building materials prices moderate, giving some relief to builders, remodelers and new home buyers. Certainly that was the expectation in the current housing cycle, where overbuilding contributed to large increases in many building materials prices.

In fact, some materials prices have fallen dramatically — notably lumber, gypsum and insulation. But other prices — notably in steel, copper, cement and energy — have continued to rise due to demand outside residential construction. The net effect, until recently, was to see overall building materials prices rise at a fairly rapid pace.

More recently, with the worldwide recession, demand for industrial products has fallen, sending related product prices down. Steel prices, which peaked in third quarter of 2008, are now back around their 2004 level.

Softwood lumber prices, which hit a peak of \$473 per thousand board feet in August 2004 and fell to a low \$195 in March of this year, have risen back to \$222 as of June, according to Random Lengths. Some of this bounce-back

represents producers closing unprofitable operations, which reduced supply. A similar story can be told for gypsum and insulation manufacturers.

The rate of increase in overall building material prices moderated in the latter half of 2006 and through 2007. But then, beginning in September 2007, materials prices rose dramatically through the first three quarters of 2008 — up 9.0% for single-family builders and 9.3% for multifamily builders by September 2008 from 12 months before.

Prices have now fallen somewhat. As of June, they are down 2.0% for single-family builders and 4.6% for multifamily builders from their June 2008 levels. Nonetheless, June prices are still up 3.4% for single-family builders and 1.9% for multifamily builders from the end of 2007.

Although there may be some further downward pressure in the near term on many of these prices, once the world economy is back on a growth path and residential construction is further along in its recovery, building materials prices can be expected to increase again.

**WE'RE ON THE WEB!**  
**WWW.BAEC.NET**



**Johnny D's  
Words of  
Wisdom**

Success without honor is  
an unseasoned dish;  
it will satisfy your hunger,  
but it won't taste good.

*~Joe Paterno*



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has brought color to the BAEC world of news!

*BAEC is the recognized source of quality building services and information.  
We build neighborhoods and improve the communities in which we live and work.*

**Associate Night  
Trade Show**

**BACK BY POPULAR DEMAND**  
**BAEC 2009 TRADE SHOW**

**Wednesday,  
September 23, 2009  
The Holiday Inn,  
Norwich  
5:30 PM—9:00 PM**

**Calendar  
of Events**

**AUGUST 2009**

Tues.	18th	12:00 PM	BAEC Home Show Mtg.
Wed.	19th	5:30 PM	Cruise on the ARGIA Mystic, CT

**SEPTEMBER 2009**

Tues.	1st	6:00 PM	BAEC Board Meeting
Mon.	7th	Labor Day	Office closed
Thurs.	3rd	6:00 PM	HBACT Developers Council
Wed.	16th	12:00 PM	BAEC Golf Tournament Richmond Country Club Hope Valley, RI
Wed.	23rd	5:30 PM	General Membership Mtg. Associates Night Trade Show, Holiday Inn, Norwich, CT

**For more information or to sign  
up, call the BAEC office at  
860.859.3518!**

**For more information or to  
register for events, visit our  
calendar at [www.BAEC.net](http://www.BAEC.net)**