

INSIDE:

|   |   |   |   |
|---|---|---|---|
| Member News   | 2 | New Consumer Mindset Embraces Happiness | 5 |
| Education & Training Corner                                       | 3 | HBACT News                              | 6 |
| Ten Tips To Value Engineer Home Designs & Don't Sell Me! Help Me! | 4 | Building Briefs                         | 7 |
|   |   | Calendar of Events                      | 8 |



## President's Message

If you're like most people I work with, the demands come at you from every angle, all day long, and you have to make difficult decisions without much time to

think about them. What enduring principles can you rely on to make choices that reflect openness, integrity and authenticity? I read an article by Tony Schwartz, the president and CEO of The Energy Project called **Ten Principles to Live by in Fiercely Complex Times** and he offered these ten tips I'd like to share with you:

**1. Always challenge certainty, especially your own.** When you think you're undeniably right, ask yourself "What might I be missing here?" If we could truly figure it all out, what else would there be left to do?

**2. Excellence is an unrelenting struggle, but it's also the surest route to enduring satisfaction.** Amy Chua, the over-the-top "Tiger Mother," was right that there's no shortcut to excellence. Getting there requires practicing deliberately, delaying gratification, and forever challenging your current comfort zone.

**3. Emotions are contagious, so it pays to know what you're feeling.** Think of the best boss you ever had. How did he or she make you feel? That's the way you want to make others feel.

**4. When in doubt, ask yourself, "How would I behave here at my best?"** We know instinctively what it means to do the right thing, even when we're inclined to do the opposite. If you find it impossible, in a challenging moment, to envision how you'd behave at your best, try imagining how someone you admire would respond.

**5. If you do what you love, the money may or may not follow, but you'll love what you do.** It's magical thinking to assume you'll be rewarded with riches for following your heart. What it will give you is a richer life. If material riches don't follow, and you decide they're important, there's always time for Plan B.

**6. You need less than you think you do.** All your life, you've been led to believe that more is better, and that whatever you have isn't enough. It's a prescription for disappointment. Instead ask yourself

this: How much of what you already have truly adds value in your life? What could you do without?

**7. Accept yourself exactly as you are but never stop trying to learn and grow.** One without the other just doesn't cut it. The first, by itself, leads to complacency, the second to self-flagellation. The paradoxical trick is to embrace these opposites, using self-acceptance as an antidote to fear and as a cushion in the face of setbacks.

**8. Meaning isn't something you discover, it's something you create, one step at a time.** Meaning is derived from finding a way to express your unique skills and passion in the service of something larger than yourself. Figuring out how best to contribute is a lifelong challenge, reborn every day.

**9. You can't change what you don't notice and not noticing won't make it go away.** Each of us has an infinite capacity for self-deception. To avoid pain, we rationalize, minimize, deny, and go numb. The antidote is the willingness to look at yourself with unsparing honesty, and to hold yourself accountable to the person you want to be.

**10. When in doubt, take responsibility.** It's called being a true adult.

We've all got ways to cope with this crazy world and we can continue the discussion at BAEC's Pig Roast on August 24th. Hosts Tim and Deb Applegate are shining up the bar at New London County Landscaping's outdoor showroom. It's been a slow summer so Renee and Dy will be watching the pig go round and round on the spit all day, making sure it's roasted to perfection.

Please register early so we can be sure we've gotten a pig big enough to satisfy all of our appetites and enter into the BBQ cook off to wow your friends. Bring your staff and significant others for a fun and relaxing last event of the summer.

See you there!

Chad Whitcomb  
The Greensulators Inc.  
BAEC President

THE STRAIGHTEDGE

## Members On The Move

Norton Wheeler, owner of the Mystic River Building Co. LLC, is proud to introduce their company's newest employee, Andrew J Gil. As General Manager, Andy provides oversight of all office and construction activities, including design, estimating, purchasing, project management, energy efficiency / quality standards and warrantee services.

Andy adds technical knowledge to the Mystic River Building Co. team with his experience in energy efficiency, green building concepts, geo thermal heating and other high performance technology systems. Andy is a HERS rater and recognized as a Certified Building Analyst by the Building Performance Institute. He serves on the BAEC Board of Directors, Membership Committee and is Chairman of the 2011 House of the Year Committee.



### Sign Up Today! BAEC Annual Golf Tournament



**Wednesday, September 14, 2011**

**12:30pm Registration / Lunch  
1:30pm Shotgun start  
6:30pm Dinner Banquet**

**Get your foursomes together!**

**Put your company in the spotlight by  
being a golf tournament sponsor!**

**To register, call BAEC at  
860-859-3518**



## 2011 BAEC House of the Year Update

Three workers from Erik's Design Build helped finish the miscellaneous framing and hurricane hold downs. Half of the rough-in plumbing is completed with a special thanks to Jeff Ploughman of Ploughman Heating & Cooling. He donated his time last Saturday to help Andy by installing the drainage and waterliner. And another special thanks goes to Joe and Charlie of Tewksbury Electric who are donating labor and materials to the project.



We'd also like to thank our Mini Project Manager, Weston Gil, for all his hard work helping dad at the site. Keep Weston in your thoughts on August 24th when he goes in for surgery.

Finish features have been finalized to include

- Gravel drive
- Landscaping and hydro seed
- Low Maintenance vinyl siding
- Front portico/porch azek low maintenance no rails
- Exterior 6 panel insulated steel door
- Huber Advantech subflooring and zip wall and roof system
- Boise truss roof and floor system, engineered so duct work is in a conditioned space
- Nuwool Cellulose Insulation **R-35 walls and R-60 Attic!!**
- Mitsubishi Hyper heat Technology Air source Heat Pump mini split for heating and cooling
- Hybrid Air Source Heat pump 80 gallon domestic hot water
- Upper levels feature third-year bamboo flooring and stairs
- Lower level features cork flooring in bathroom and den
- Lighting fixtures – oil rubbed bronze and satin nickel
- Kraftsmaid Kitchen Cabinets in oak with chocolate finish with slow-closing doors and Formica countertops
- Baths feature Kraftsmaid Vanities in oak with chocolate finish and cultured marble tops, Tub shower combos and Elongated Comfort Height, dual flush water saving toilets
- Second floor laundry

### House of the Year Contributors *And the list is growing!*

Aiudi Concrete  
Boise Cascade LLC  
Boundaries LLC  
Camaro Signs  
Chelsea Groton Bank  
Chowanec Well Drilling  
CJ Septic Services  
Coastal Home Inspection  
Conway, Londregan, Sheehan & Monaco  
Cyclone Home Systems  
D & M Custom Homes  
Erik's Design/Build Associates  
Falco Siding  
John C. George Co. Inc.  
The Granite Group  
The Greensulators, Inc.  
Home Designs By Bruno

Huber Engineered Woods  
The Kitchen Guy  
Lombardi Realty LLC  
Major Electric Supply of CT  
Mercury Excelum Inc.  
Moen  
Mystic River Building Co. LLC  
Nardone Construction  
Norwich Lumber Co.  
Overhead Door Co. of Norwich  
Ploughman Heating & Cooling  
Progress Lighting  
RM Maynard Home Improvement  
Standard Electric  
TB Framing  
Tewksbury Electric  
Willi Wnnelson



## Education and Training



### HBA of Hartford Holding Fall Classes

The HBA of Hartford will be holding the following classes at their facility in Rocky Hill, CT.

|          |   |
|----------|---|
| 9/9/11   | BAR & PREP  |
| 9/21/11  | Green Building (Day 1)  |
| 9/22/11  | Green Building (Day 2)<br>(Must complete both days for certification) |
| 10/4/11  | Business Management   |
| 10/19/11 | CAPS I  |
| 10/20/11 | CAPS II   |
| 11/8/11  | Sales & Marketing   |
| 11/22/11 | Project Management  |
| 12/6/11  | Estimating  |

To register for any of these classes, please contact Pam Zimmerman at 860-563-4212 or email her at [pam@hbahartford.com](mailto:pam@hbahartford.com)

**Not finding the courses you are looking for?  
Contact the BAEC office and we'll try to set up a class in our area!**

### 2011 Legislative Breakfast Thursday, September 8, 2011 8:30 AM



CHAMBER of COMMERCE  
EASTERN CONNECTICUT



Holiday Inn  
10 Laura Blvd.  
Norwich, CT  
Breakfast Buffet \$11.95 pp (after 9/2/11, cost is \$15 pp)

Express your views to local candidates for mayor and selectman of Eastern Connecticut municipalities

They have all been invited!

Each candidate will have a brief opportunity to address the group.

Co-Sponsored with  
The Eastern Connecticut Association of Realtors, and  
The Chamber of Commerce of Eastern CT.

To register, visit [www.easternctrealtors.com](http://www.easternctrealtors.com)



### What's Hot in Residential Building

8/24/2011 2:00-3:00PM  
BAEC Member Fee: 24.95

This unique professional development session will provide insights into new trends for both single-family and multi-family homes, products, and strategies that help enhance design and business development as well as take advantage of new market opportunities.



#### Learning Outcomes:

- Learn about the key market trends emerging in interior, exterior and outdoor living design
- Explore tricks of the trade for achieving hot new looks on a tight budget and how to understand home buyers wants and needs.

To register, contact Jaclyn Toole, Assoc. AIA at 800-368-5242 x8469 or by email at [jtoole@nahb.org](mailto:jtoole@nahb.org).

This webinar counts as one hour of continuing education credit for NAHB professional designations.

### 5 Tips to Fast-Track Your Internet Market Plan

8/31/2011 2:00 - 3:00PM  
BAEC Member Fee: \$24.95

More buyers are turning to the internet first when looking for a house, either existing construction or for new construction. Moreover, younger buyers stay abreast of new developments constantly, using social media resources to communicate their preferences and find out what's hot.

In the post-recovery marketplace you need to understand what buyers want. You also need to effectively utilize social media with existing marketing tools to reach the younger demographic that will be an increasingly important sector of the market.

Register Now, or for more information or inquiries about this product, contact: Office of the Registrar at 800-368-5242 x8338 or [registrar@nahb.org](mailto:registrar@nahb.org).



2012 NAHB INTERNATIONAL BUILDERS' SHOW • FEBRUARY 8-11 • ORLANDO

Registration for the 2012 NAHB International Builders' Show® opens September 1. During September only, you can register for a **FREE** expo pass and all spouse registrations are free.



## Ten Tips to Value-Engineer Home Designs

Architect James Wentling offers suggestions for outfitting your homes to fit the new marketplace, ensuring buyers get everything they want at a price they can afford.

Value-engineering is a tricky operation, since it is easy to remove critically important features and amenities, which could be deal-breakers for potential buyers. However, in this market keeping prices competitive generally means rethinking design decisions made prior to the recession. Here are some ways to value-engineer your homes to cut prices down while keeping your design standards high.

1. **Bring the fireplace inside.** Historically the wood-burning fireplace was a brick chimney located on an outside wall extending to the roof. As the fireplace evolved into a gas or electric appliance, projecting the firebox outside the wall can only be justified if the room becomes too small by not doing so. Better yet, make the fireplace an option on smaller plans
2. **Larger pantries.** In the kitchen, drywall pantries are less costly than cabinetry pantries, and larger, walk-in pantries can justify much less cabinetry. Wire shelving is far more cost-effective than cabinetry for storage of kitchen supplies.
3. **Smaller porches.** People love having a porch in front of their house, but if you offer two or three porch sizes—small, medium, and large—the cost of a larger porch can be optioned to reduce the base house cost.
4. **Master bath options.** The oversized soaking tub takes up a lot of space, and many buyers would prefer to do without it. The most common solution is to include a 42x60 tub/shower combo with a separate shower as an option, although vice versa can work as well. The extra space is a linen closet in the base design.
5. **Foundation alternatives.** We are seeing slab foundations creep north into traditional basement markets. By adding storage space over the garage and in attic roof trusses, storage space can be delivered more cost-effectively.
6. **Straight-up walls.** By minimizing foundation jogs and covering most or all of the first floor with second-floor space, the cost per square foot will be minimized. Eliminate two-story and vaulted space and minimize second-floor setbacks, except to provide interest in the elevation.
7. **Option the powder room.** This is aggressive cost cutting, but we are seeing this more often even in mid-price models. Use the space as a closet, and rough in the plumbing for a future installment as a home-improvement project.
8. **Straight-run stairs.** During the heyday housing market almost all stairs had at least one turn or angle, generally with a landing included. Straight runs are more cost-effective and can turn at the base or top of the steps with a one-step landing for interest.
9. **Simplified roof systems.** Try to reduce the number of roof truss profiles to two or three, and keep roof pitches reasonable for transport and assembly costs. Use bearing walls where possible to avoid large girder trusses
10. **Window count and placement.** Look to competing product to see if your plans are over-windowed. Do secondary bedrooms have one or two windows? Does the master suite have two or three? Given a choice of locations, windows on the front wall/street facade will add perceived value to the plan.

## Don't Sell Me...Help Me!

By Jose Perez, RISMEDIA

There are some interesting things happening when it comes to doing business in the current environment.

- If it used to take 30 days to get a transaction closed, it now takes 120 or more
- If it used to take 20 contacts to get someone to listen to you, it now takes 100 or more
- If someone was inclined to do business with you before, they are now inclined to make sure they are getting the best deal regardless of their relationship with you

It's a scary world for your clients. As a result, you must recognize this and change the way you approach "sales," or you are likely to suffer.



People just aren't in the mood to be sold. There are a variety of reasons for this all borne from the harsh economic realities we are living through. With all the negativity surrounding us every day, consumers are thinking any financially impactful decision through much more thoroughly than they ever have. This means they are taking much longer to commit and, in many cases, postponing decisions until things "get better."

So what can you do to increase sales?

- Don't sell, help.
- Don't close, advise.
- Don't push, encourage.
- Become completely indispensable.

It's a totally different mindset but one that must be adopted in order to survive, no matter how counterintuitive it might be to the most hardcore of salespeople. Furthermore, besides the economic reasons driving this necessity to change your approach, today's online consumer also doesn't want to be "sold."

- Let's look at what we do online to engage consumers: We blog about interesting topics that will position us as thought leaders.
- We post interesting articles, videos, etc. that provide engaging and relevant information.
- We allow the online consumer to interact with us without forcing them to make a decision...they control the process and call the shots.

We should be doing the same thing in the offline world. The more we are able to uncover someone's needs and help them understand how much their issue could be costing them, the more we can prove to be an indispensable resource in helping them analyze their challenges. If we accomplish this, the more likely that consumer will be inclined to do business with us when they are ready to make a commitment.

As I mentioned above, the challenge is that we now have to do this with a significantly larger number of prospects because there are fewer willing to take chances and will only do so at their own pace. If you and your team increase your prospecting activity and become indispensable, you will be able to ride out the storm ahead of your competition.

## New Consumer Mindset Embraces Happiness, Family and Friends

Builders who believe that their marketplace will be driven largely by economics are in danger of misreading the mindset of their prospective customers, J. Walker Smith, executive chairman, The Futures Company, told a PCBC audience in San Francisco on June 22.

Consumers are going through the biggest shift in decades in how they decide which products and services are worth buying, he said, and they are looking for what leads to happiness.

“One predictor of happiness is relationships with others,” Smith said. Consumers are creating a “culture of contentment,” he added, which is “more and more rooted to their intimate relationships with others.”

Referencing the latest consumer survey research and comparing it with earlier findings, Smith suggested there are several things that home builders should keep in mind as they approach their buyers:

- “Debt is just bad,” in the minds of consumers, and it “influences their judgments,” he said. “There is a visceral fear or distaste for being obligated in that way, and this does have an important bearing in how they think about housing.”

Consumers believe that “you can’t get to a better life by taking on financial risks and they are more attentive to the consequences.”

With good reason, about three-quarters of today’s consumers say they are aware of the need to identify and manage risk; 61% say they have cut back on spending because of concerns about the future and 60% are concerned about the state of the economy in general.

The challenge for builders is to take the risk out of buying. Smith cited several examples where corporations and retailers have done just that: Hyundai’s assurance plan, in which buyers who lose their job can return their car without adverse consequences; Jos. A. Banks’ risk-free suit, which provided refunds for job losers; a MasterCard program that enables borrowers to impose credit limits in various spending categories; and builders who have offered recession-proof houses that made payments after owners lost their jobs.

- Just because they are taking on more responsibility in the face of significant financial constraints “does not mean that consumers want to retreat from the marketplace or are pessimistic about life,” Smith said. Eleven percent currently believe that their personal happiness and well being are on the decline, he said, compared to 44% who expect to see them increase.

In reaching out to consumers, “don’t echo their fears, but resonate with their enduring optimism,” he advised.

- “You have to connect with the consumer in a very different way,” Smith said, suggesting that people are spending considerably more time in social networks and, more importantly, being influenced by what their friends like.

“The similarity of choices is much greater under social influence conditions,” he said. And “the stronger the influence, the stronger the effect.”

“The house I’m going to buy is the house my friends like, the house that gets talked about on social networks,” he said. “This is the new connection with others.”

Seventy-seven percent of today’s consumers say it is impor-

tant to be seen as a good neighbor, 89% as a good friend.

- Material things aren’t as important to how consumers feel as they become more internally directed in the contentment culture. In the U.S., on a scale of one to nine, happiness received an average score of 8.1 in importance, compared to 6.7 for wealth. In China, those scores were 7.3 and 7.0, respectively, Smith said.

In the U.S., 18% of those surveyed said that more material possessions would make them happier, compared with 68% in China.

Relationships with friends and family were at the top of the list in importance for U.S. respondents. And 76% agreed that they preferred to spend money on experiences they could share with others.

### New Business Models

Sharing the stage with Smith at PCBC, James Chung, president of Reach Advisors, emphasized that builders need to be creating new models for their businesses to correspond with the demographic changes now afoot.

The good news from a demographic perspective is that the U.S. population is projected to grow by about 100 million over the next 100 years.

However, more than half of that growth will be among minorities and the younger population is on an ascendant path, both suggesting a shift in housing demand that many experienced builders may not be geared up to meet.

In the meantime, among the 65+ population headed for a 36% increase over the next decade and contemplating moving to smaller homes, selling existing trade-up homes will become more difficult, with demand veering to properties for households just starting out.

Long-time builders also seem disposed to continuing to build for households comprised of married couples with children, Chung observed, when their predominance has steadily evaporated — from half in the 1960s to one in five in 2010.

Chung also cited the growing need for housing to accommodate lifestyles with which traditional builders may have little experience. For instance, some communities have recently seen single women account for 40% of sales, many of whom, depending upon the locality, are beginning to surpass their male counterparts in earning power.

The gender gap in how leisure time is spent is growing dramatically, he added, a departure from the baby boom generation, which closed that gap. Young Gen Y women are more engaged in sports and fitness than young men; they have accounted for 93% of recent growth in running. And young women are more productive in how they employ technology, he said, using it to save money or network at work while men are using it to play video games or gamble online.

Chung emphasized the importance of looking at what is occurring in local markets because factors vary significantly around the country.

For example, only 30% to 40% of adults in many major metropolitan markets have married. In San Francisco, the share is one in five. However, in many cases, this may only represent delayed marriages, he said.



## HBA of Connecticut News

### Area I Caucus is Scheduled

Tuesday, August 30  
Newton Marriott,  
2345 Commonwealth Ave.  
Newton, MA

The NAHB Area 1 Summer Caucus is more exciting and jam packed with information than ever before!! Make sure that you attend this meeting to learn about Harvard University's take on the housing market, strategic marketing skills and the issues that the NAHB Senior Officers and Board of Directors are addressing. During these challenging times it is more important than ever to network and learn what

your colleagues are doing in their business.

- **NAHB SENIOR LEADERSHIP:** A member of the NAHB Senior Officers will be joining us for the day. This is a great opportunity to hear first hand the issues that are affecting NAHB, and ask your own questions of our national leadership.
- **EDUCATION SEMINAR:** How to incorporate social media into your marketing strategy - Jeffrey Cohn, President of ImageWorks, LLC. Whether you are a builder or associate, make sure you understand

the strategies of using social media to reach customers.

- **KEYNOTE SPEAKER:** Dan McCue, Joint Center for Housing Studies at Harvard University. "State of the Nation's Housing 2011"
- **STATE and COMMITTEE/COUNCIL UPDATES and MUCH, MUCH MORE...**

Call the HBA of  
Hartford to reserve  
your seat today at  
860-563-4212



### 2011 HOBI Applications Are Due September 14th!

The 2011 HOBI Awards Gala will be held on Nov. 15, 2011. Mark your calendars and join your colleagues to celebrate the best of the home building industry.

Winning a HOBI Award is a great marketing tool and provides a competitive edge. Only HBA of Connecticut members are eligible to enter and categories

include: custom homes, spec homes, communities, and remodeling projects. Special categories include green/energy efficient homes to accessory buildings. Awards are also given for sales and marketing, home financing and community service projects. If you've never submitted a project for a HOBI Award, look over the list of categories and you'll be surprised at the options.

The application for the 2011 HOBI Awards is posted at [www.hbact.org](http://www.hbact.org). Deadline for applications is Wednesday, September 14th.

For questions or more information, please contact Joanne Carroll, JMC Resources, 203-453-5420 or email her at [jmcreources@snet.net](mailto:jmcreources@snet.net).

### 2011 HOPE Regional Housing Forum

Creating the Housing We Need For the People We Need With Community Input and Support Without Controversy, Conflict and Court Fights

Regional Forum for the Southeastern Connecticut Council of Governments  
Friday, September 9, 2011,  
8:00-10:00 AM  
(8:00 am pre-event breakfast welcome,  
8:30 am forum event)  
Mohegan Sun,  
Convention Center Ballroom  
1 Mohegan Sun Blvd,  
Uncasville, CT 06382

The effect of the national economy on Connecticut, resulting in a fluctuation in housing prices and the lack of sufficient housing supply, has hurt the state's economy and burdened its municipalities. Connecticut has lost a higher percentage of its 25-34 year-old skilled and educated labor force than any other state in our country. Like many areas of

our state, Southeastern CT cities and towns lack the housing options needed to adequately house folks who support our communities such as teachers, firefighters, police, municipal workers; folks who wish to reside here like our elderly parents, low and moderate income families, adult children wishing to return to the CT towns where they grew-up; and many others who make CT a richly diversified and welcoming place to live and work.

This free 90-minute housing forum is for town officials and leaders within our community such as Mayors, First Selectmen, Zoning Commissioners, and other Business & Community Leaders. This forum will be hosted by the Mohegan Tribe, sponsored by the Partnership for Strong Communities, Connecticut Association of Realtors, and the Hope Partnership, and co-sponsored by the Southeastern Connecticut Housing Alliance.

This forum will:

- Provide town-by-town housing market and municipal impact data.
- Offer financing, planning and development tools.
- Describe successful strategies for drawing on community understanding and support.
- Dispel myths and misinformation.
- Display examples of attractive, lasting mixed-income homes.

Whether housing creation is in your near-term or long-term plans, REGISTER NOW, to learn how your municipality can create the housing it needs to strengthen your community:

To register for this event, please contact Nancy MacMillan, SECHA Director at 860-204 9050, or contact David Fink, with the Partnership for Strong Communities at 860-244-0066. Parking is available near the Sky Casino.



# BUILDING BRIEFS

## EPA Publishes Final RRP Lead Rule

EPA has published the final rule for the Lead Renovation, Repair and Painting Rule (LRRP) in the August 5, 2011 edition of the Federal Register. The changes made to the LRRP go into effect on October 4, 2011.

The good news is: EPA will not require clearance and dust wipe testing!

There are several changes which will directly affect your job sites. These are summarized below.

- Certified Renovators may collect a paint chip, from the components to be disturbed, for laboratory analysis. This is an alternative to performing an EPA recognized test kit. EPA will be publishing guidance on how those renovators previously certified will be able to receive training on this option.
- Vertical containment or equivalent extra precautions in containing the work area must be used on exterior renovations performed within 10 feet of the property line. By incorporating the phrase "or equivalent extra precautions" EPA is allowing contractors to use the technique which best suits the situation in order to contain dust during an exterior renovation. EPA is

additionally allowing the use of less than 10 feet (for exteriors) and less than 6 feet (for interiors) of plastic sheeting or other impermeable material to be placed on the ground/floor if used in conjunction with a vertical containment.

- EPA is clarifying that the prohibited practices apply to all painted surfaces, not just "lead-based paint." To do this EPA replaced the term "lead-based paint" with "painted surfaces" and added "painted surfaces" to the definitions within the regulation.
- HEPA vacuums must now be operated in accordance with manufacturer's instructions.
- EPA is clarifying that the on the job training required to be provided by the certified renovator refers to only those lead-safe work practices required by the LRRP.
- The recordkeeping and post renovation reporting requirements are modified to include paint chip sampling results similar to the previous requirements of recognized test kits.

As you can see these changes are relatively minor, allowing the certified renovator and the renovation firms to stay in compliance with the regulation without a significant change to their business practices.

## FOMC Announces Long-Term Commitment to Low Rates: Impact on Housing

Coming soon after the Congressional effort to lift the debt ceiling, the S&P downgrade of the credit rating of the Federal government, and elevated volatility for stock market prices, the Federal Reserve's Open Market Committee (FOMC) reported a long-term commitment to low interest rates during its August 2011 meeting.

Information received since the Federal Open Market Committee met in June indicates that economic growth so far this year has been considerably slower than the Committee had expected. Indicators suggest a deterioration in overall labor market conditions in recent months, and the unemployment rate has moved up. Household spending has flattened out, investment in nonresidential structures is still weak, and the housing sector remains depressed.

For housing, the Fed's explicit commitment to maintain low short-term interest rates through at least mid-2013, coupled with bond market activity in a period with multiple downside risks, set the stage for an overall lower yield curve. This interest rate environment is consistent with NAHB's forecast of low mortgage interest rates over the next two years. Low rates should help support housing demand as it emerges with a healing labor market, provided fiscal and regulatory policies do not prevent large numbers of potential homebuyers from qualifying for mortgages. However, recent low interest rates have not helped lending to small businesses, which is holding back employment growth.

## OSHA to Begin Enforcing New Fall Protection Guidelines Sept. 16

The 90-day phase-in period giving residential construction companies additional time to come into compliance with OSHA's new "Compliance Guidance for Residential Construction" directive (STD 03-11-002) on fall protection ends on Sept. 15. Builders must take whatever steps are needed to be in compliance with OSHA's Subpart M-Fall Protection beginning on Sept. 16.

Employers are being required to provide conventional fall protection systems, guardrails, personal fall arrest systems or safety nets, when workers are exposed to falls six feet or more above a lower level. There is an exception if an employer determines that using conventional fall protection is either infeasible or creates a greater hazard. In that case, the employer can implement alternative fall protection practices and must provide a written fall protection plan. OSHA is presuming that conventional fall protection systems can be used for most tasks, putting the burden on the employer to demonstrate otherwise.

Going forward, NAHB is continuing to work with OSHA to resolve compliance questions and the content of ongoing training efforts. For more information on fall protection requirements and the phase-in, visit [www.nahb.org/fallprotection](http://www.nahb.org/fallprotection); see OSHA's residential fall protection compliance assistance website; or contact Rob Matuga at 800-368-5242, x8507.



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



Builders Association of Eastern Connecticut Inc.  
20 Hartford Road, Suite 18, Salem, CT 06420  
Phone: 860.859.3518 / Fax: 860.859.1713  
BAEC@aol.com

**Bulk Mail  
Permit No. 9  
Bozrah, CT**

"Money won't buy happiness, but it will pay the salaries of a large research staff to study the problem."

 **Copies PLUS...more**  
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.*

## COME TO THE BAEC PIGAPALOOZA!



Tim and Deb Applegate have invited us back to their outdoor showroom again this year for a Pig Roast and BBQ Cook-Off on Wed., August 24th at New London County Landscaping in Bozrah. We've invited our Past Presidents, and Building Officials as

our guests, so there will be plenty of opportunity to network at this event!

Delight the crowd by entering your favorite picnic recipe in one of three categories:

Side dish/salad,  
BBQ'd item, or dessert!  
Everyone's a winner!



Everyone really enjoyed our classic cars last year, so dust off that beauty and park it in the side parking lot!

The fun begins at 5:00 PM!

## CALENDAR OF EVENTS

### AUGUST 2011

Wed. 24th 5:00 PM BAEC Pig Roast  
N L County Landscaping  
Area I Caucus, Boston  
Tues. 30th

### SEPTEMBER 2010

Mon. 5th Labor Day Office Closed  
Tues. 6th BAEC Board of Directors  
Thurs. 8th Legislative Breakfast  
Holiday Inn, Norwich  
Thurs. 8th Lead Certification Training  
Thurs. 8th 8:00 AM CT Economy Conference  
Thurs. 8th 8:30 AM 2011 HOPE Regional  
Fri. 9th 8:00 AM Housing Forums  
Wed. 15th 1:00 PM BAEC Golf Tournament  
Richmond Country Club  
Wed. 22nd 5:30 PM BAEC Membership Mtg.  
Holiday Inn, Norwich, CT

**Call 860.859.3518 for more  
information or to register!**

**For more information visit our  
calendar at [www.BAEC.net](http://www.BAEC.net)**