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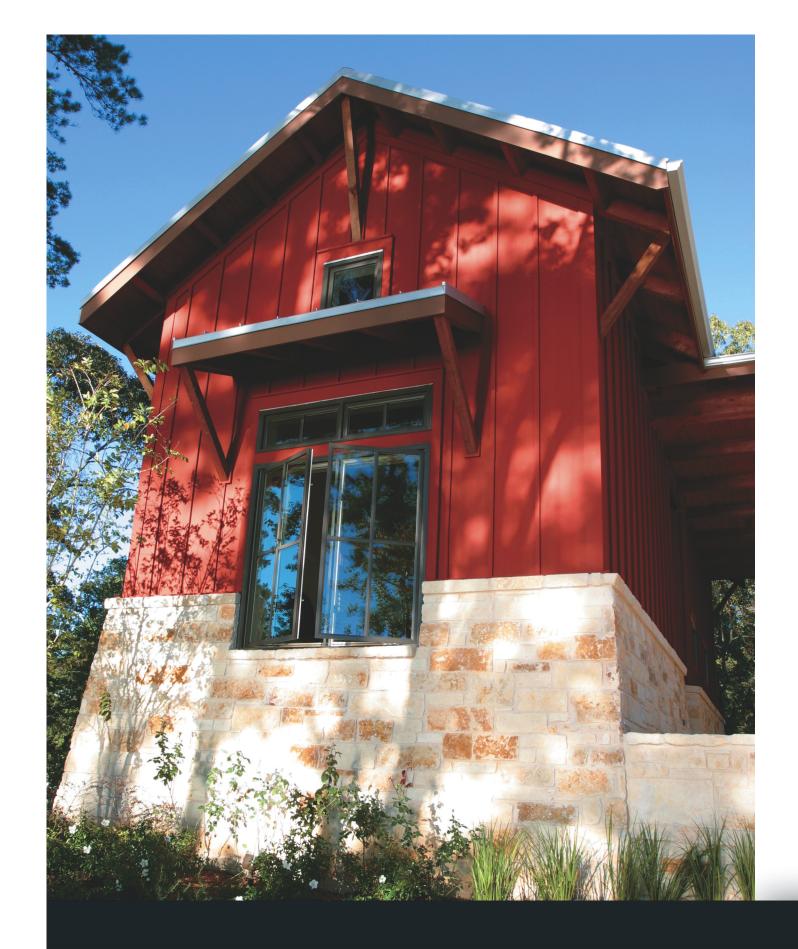
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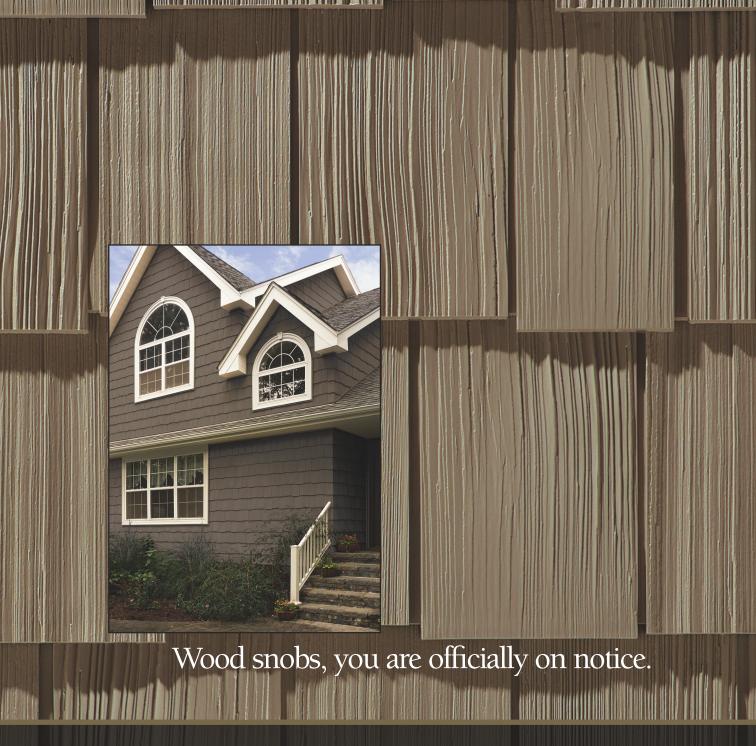
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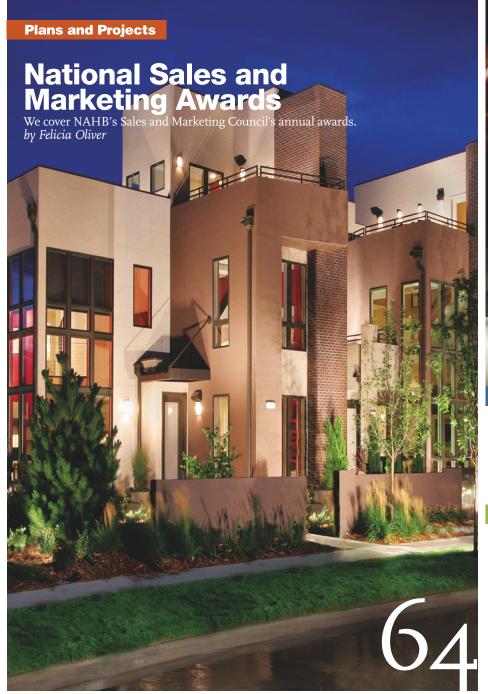
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Sales Leaders

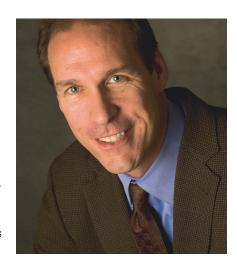
Very few new homes have been bought in the last year; hundreds of thousands, though, have been sold. If you don't quite get that statement, ask your salespeople. They understand it. They see it every day.

Over the last year, we have tended to point an accusatory finger at our sales staffs. For the last decade, they've been order takers, we've said. They've been propped up by a sellers' market where high demand made them fat and happy. Times are harder now, and we expect more from sales staffs that had it so good for so long. I heard of a young salesperson in California earning more then \$300,000 a year. She spent it all on a luxury car, expensive clothes and lavish vacations. Apparently, she didn't

major successes and received industrywide recognition for their efforts.

For 26 years, the National Association of Home Builders' Sales and Marketing Council has presented the National Sales and Marketing Awards. Known simply as "The Nationals," these awards recognize those people on the front lines of the housing industry — the people we scorn when times are tough and acknowledge somewhat enviously and resentfully when times are good. Now, though, is the exact time we should be praising them for their efforts in the face of a thousand "noes."

In this issue, we present all the winners, and we have additional coverage in our sister publications. The March issue of Custom Builder will showcase



ative publicity from the consumer press. How can you sell in a market when the front page story in every major newspaper describes a collapsing housing industry? Only through effective marketing, a strong sales system and great people.

As our industry claws back up to its previous levels (and believe me when I say we will), it will do so by following the leadership of our sales and marketing teams. In a great market, we can all survive. In a tough market, a great sales and marketing team will overcome both the market and our own errors. Didn't get the pricing quite right on phase one? A great sales team will help. Got a black eye in the community? A great marketing team will help.

It is that essential talent and expertise that The Nationals recognize. So, turn to page 64 and become inspired by what is possible with people who don't take "no" for an answer. PB



In a tough market, a **great** sales and marketing team will overcome both the market and our own errors.

believe the spigot could ever turn off. But it did, and in California it turned off quickly. Now she is broke. She had to sell everything and move back to Texas to live with her parents.

Those kinds of stories encourage us to accuse salespeople of a lack of discipline.

This issue of *Professional Builder* lauds the sales and marketing people who have put in the hard work, scored

winners of large production homes and custom homes. The April issue of Housing Giants will profile the people on the front lines: rookie salesperson of the year, salesperson of the year, sales team of the year, sales manager of the year and marketing director of the year.

Some of the stories here are remarkable. Sales teams and marketing campaigns succeeded in spite of shrinking demand and increasing neg-

Do you work for a great home builder?

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Correction

On page 61 of the February issue, we incorrectly identified Kathy Browning's company and location. Browning owns Design Consultants in Virginia Beach, Va.

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Paul Deffenbaugh Editorial Director 630/288.8190 paul.deffenbaugh@reedbusiness.com

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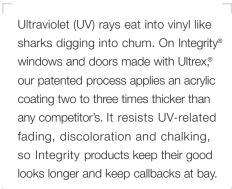
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O CUSTOMER SATISFACTION

Manage Your Stock in Customer Loyalty

Customer satisfaction adds value for shareholders

Ever since the housing market slowed last year, publicly traded home builders have taken a beating on Wall Street. The housing surpluses and sluggish sales, however, are revealing: companies with the highest customer satisfaction ratings have experienced little decline in their stock prices compared to companies not known for outstanding customer service.

Increasing shareholder value is one of management's main responsibilities. This is often accomplished through a series of cost-cutting measures, from staff reductions to renegotiated vendor contracts. Another technique for increasing shareholder value is to shift certain costs to consumers. Externalizing costs to customers, however, is a shortsighted and ill-fated tactic that usually does more to sacrifice customer delight than boost shareholder value.

To understand the link between customer satisfaction and shareholder value, consider Pulte Homes, one of the top builders in the nation when it comes to customer satisfaction. On Jan. 7, Pulte's stock price was down 27 percent from its three-year high. That might seem like a lot, but not when compared with the 50, 70 or even 90 percent declines experienced by some other publicly traded builders.

Pulte is not the only publicly traded builder whose customer satisfaction has insulated it from deep declines in stock price. Others include Lennar Corp., NVR and Centex Corp. — all top performers in customer satisfaction.

A look at how referrals affect a builder's bottom line highlights the link between customer satisfaction and stock performance.

We surveyed prospective home buyers to determine how many were referred by family members or friends. The average builder has 7.4 percent of its prospects referred by family members or friends. Pulte, however, reports more than 40 percent of its prospects come from referrals. Furthermore, we found in a national study that the conversion rate for referred prospects nationally is double that of marketed prospects over a six-month



period. Undoubtedly, a high rate of referrals is one of the most valuable assets a builder can have — especially when business tightens up.

Other industries recognize the close relationship between stock price and customer satisfaction. In late 1990, when IBM Rochester in Minnesota won its Baldrige award, the company initiated a study to develop a methodology for translating customer satisfaction into quantifiable business impacts. The company projected lost revenues based on research that showed each dissatisfied customer tells 10 others about a negative experience and 2 percent of those people act on the information.

The formula for estimating the impact of customer satisfaction on lost revenue

can be modified for home builders as follows:

NR x PT x MD x IR + DL x IR = Lost Revenue

NR=Number of customers who would not recommend the builder to another person or who tell someone not to buy from the builder

PT=Number of people whom the NR told

MD=Number of people who acted on the advice of the NR

IR=Initial revenue per sale, based on the projected sales price of the average home

DL=Number of disloyal customers

Plug in numbers based on your own customer satisfaction ratings and you'll see how quickly lost revenue adds up when home buyers are unhappy. And when lost revenues go up, stock prices naturally come down. **PB**

Paul Cardis is CEO of Avid Ratings Co., formerly known as NRS Corp. Avid Ratings is a research and consulting firm specializing in customer satisfaction for the home-building industry. He can be reached at paul.cardis@avidratings.com.



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Assessing Testing

Should you assess your applicants and employees? Our HR expert offers an overview.

Among the many builders we've worked with over the last 20 years, approximately half utilize some form of the many assessment tools on the market. To gain a better understanding of them I reached out to Gary Williamson, Ph.D, a managing partner with PSP Metrics, an industrial psychology practice specializing in assessments and organizational development. Besides Fortune 500 companies, PSP's client list includes some of the leading home builders in the nation, one with whom Williamson has a 20-plus year relationship.

Assessments or Testing?

We're often told not to call assessment tools "testing." In fact, some people think testing is illegal. "There's nothing illegal about testing in itself," says Williamson. "Most professionals prefer not to use the term because it renders a bad connotation. Tests resurrect unpleasant memories from high school and college. Tests are stressful. And more importantly, they denote right and wrong answers.

"Assessment is a much broader concept incorporating work behaviors, management styles, motivators — characteristics that vary from person to person."

So what does assessment provide the employer? It quickly provides information not obtainable other ways, says Williamson, and allows employers to compare applicants against industry and peer benchmarks. It's also a predictor of job performance and compatibility — and can give insight into potential for growth and development.

Assessment Types

Not all assessment tools measure the same things. Often, a company might use more than one type to gain a more comprehensive understanding. Williamson notes assessments usually fall into one of four categories:

- Work Behaviors: Work habits, people skills, frustration tolerance, drive
- Management Style: Directive, team-oriented, consultative, administrative
- Aptitude/Ability: Ability to learn, critical thinking, analytical reasoning, vocational knowledge/content
- Interests and Motivators: What people like to do, rewards/incentives they respond to besides money



Why Test and Assess?

Assessments and tests help companies gain a better understanding of job applicants for hiring and selection purposes and employees for professional development and promotional purposes. They come in a variety of types and can help measure work behaviors; management style; aptitude and professional abilities; and interests and motivators.

Which is best?

Williamson says there is no one preferred tool. "Much depends on what the company wants to learn about an individual," he says. "What is critical is whether the results are compared with a valid representation for that industry or position."

What to look for: How long has the assessment provider worked in the industry? Has it archived enough data to make a valid comparison? What professional credentials does it have?

Finally, Williamson extends a word of caution: "Assessment should never be used in isolation to make a decision about someone, especially in hiring or promotion situations." Instead, use it alongside other observations and experience to make a more informed decision.

Next month we'll take a closer look at some of the name brand assessment products home builders use. **PB**

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.

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NEW HOME KNOWLEDGE

Participate at Will

Don't let your customers shut out your sales staff.

Did you know that a typical customer will visit eight different builder model centers but will return to only two? This means 75 percent of buyers never return for a second visit.

Most first-time visitors are only looking to tour your models and get your price sheet. That means customers will eliminate the sales professional from the decision process after they have decided the home and community meets their needs.

What's important about the 75 percent who don't return is the impact this behavior has on your sales team's presentations.

Out of the 100 percent of customers who enter your doors, 75 percent will never engage the sales professional and will disappear, never to be heard from again.

When your model homes and prices to become the sole influencer of your customer, less than one in four customers return to seriously discuss their new home purchase with a sales professional.

By waiting for your customers to engage you in their buying process, you're likely to never get the chance to influence their purchase decision.

The old saying that customers are visiting your sales office to eliminate you rather than buy from you, is only

partly true. Most customers want to eliminate the sales person as an influencer in their decision until after they make the determination that the home and community are a match with their needs.

The goals of the sales professional are to (I) Understand the priorities of the customer and (2) Build builder value. You cannot wait for customer questions to begin this process.

You likely only get a couple chances with most customers to engage them in meaningful dialog and begin building value. Meaningful dialog involves questions that cannot typically be answered with numbers. An answer to "How many people will be living in the home?" will bring little understanding of a customer's priorities but does make customers believe they are unwitting inductees into the "New Home Inquisition" academy.

Meaningful questions stimulate the mind and allow customers to provide insight into their needs and priorities of the new home they plan to buy. Your sales staff should ask the following:

1. What would you like to accomplish today?



Did you know?

Most first-time visitors are only looking to tour your models and get your price sheet.

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they have decided
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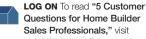
- **2.** What is important about the new home you plan to purchase?
- **3.** If you found the perfect home for you and your family, when would you plan to move?
- **4.** Where are you in the process of buying a home?
- **5.** What have you seen so far that particularly appealed to you?

The answers will help you tailor your presentations and build value.

Your sales team has a choice: wait for your customers to engage you and hope that they come back and allow you to influence their home buying decision; or engage your customers immediately in their new home buying process and have influence over their decisions.

Prepare them to make the right one. **PB**

John Rymer is the founder of New Home Knowledge, which offers sales training for new home builders and realestate professionals. He can be reached at john@newhome-knowledge.com.



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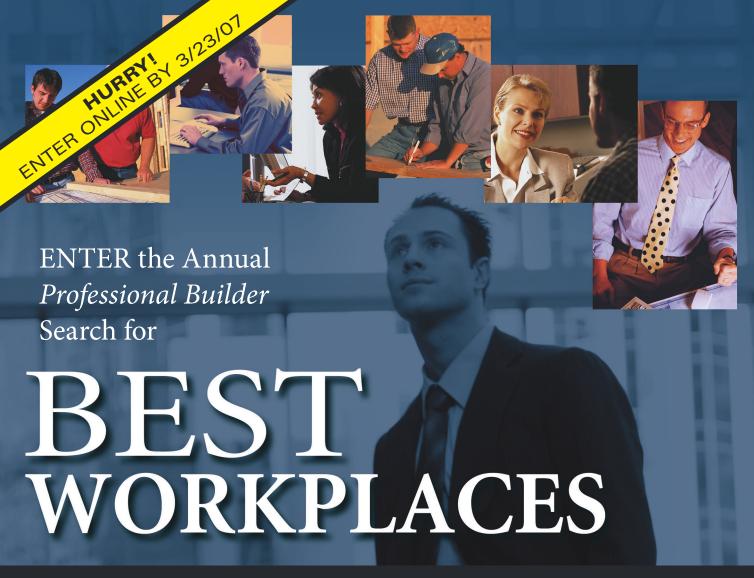
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MANAGEMENT SUCCESSION



Nearsighted Vision

In the corporate world, ambitious executives know the key to climbing the management ladder is grooming a personal successor for the job they now hold. But most home builders don't see succession as an important element of their business plans. Why would they? They're already the big kahuna.

"Most builders start with a few employees and build larger companies over many years," notes California-based management consultant Steve McGee. "The human side of that expansion is always troublesome. Entrepreneurs are

rarely enlightened managers. Dictatorial owners certainly find it hard to keep around anyone who might have the makings of a successor. After all, leaders lead; they don't just take orders. Grooming future leaders inside a company requires participatory management and decentralized control. How many builders have that kind of company?"

Many builders don't realize how overpowering their presence is within their companies until age forces them to consider retirement. Then they look around, and there's no one to take over. How deep is your bench? The further you want to get away from day-to-day management, the deeper your bench needs to be.

"Most builders who try to bring in someone to take over fail at it at least once," says Bob Piper, a principal of Dallas-based The Talon Group, a search firm that specializes in finding CEO successors in housing. "They seem to need someone to practice on before they get it right.

"There are big egos in this business," Piper says. "It's not going to work to walk in, throw somebody the keys to the models, and leave the next day for Bimini [Bahamas]. It takes time to find the right person, and the transition of management authority and responsibility works

SUCCESSION TO GROWTH - FREY & SON

Fort Myers, Fla., builder Barry Frey, 43, succeeded his father Bill, 72, as leader of their custom building business, Frey & Son, in the late 1990s. "Dad drifted away from day-to-day involvement as I took more responsibility," he says now.

But Bill Frey did not go quietly. Instead, he became involved in a production building company targeting first-time buyers — America's First Home — in Orlando, Fla., that soon consumed much of both men's time. The growth and broad reorganization of that company has the Freys now engaged in a second level of management succession to a professional management team entirely outside the family.

"The management team we brought in for America's First Home is really more a growth strategy than succession plan," Barry Frey says. "We decided to go to more of a corporate structure. I've never been involved in day-to-day operations of that firm. Dad got into it as an investor in 1999, but he started having issues with his partners, so I took an active role as managing partner in 2001. Then we bought out

the other partners."

With guidance from management consultant and Professional Builder columnist Chuck Shinn, the Freys opened a division of America's First Home in the Southwest Florida market, then split the Orlando division in two. The three divisions were then placed under a new corporate management team led by President Ron Wilson. Shinn advised the Freys to create



a corporate structure with a COO, CFO and vice presidents of human resources, purchasing, sales and production who would report to Wilson, Barry Frey says.

The Freys keep America's First Home (2006 revenues of \$270 million from 1,096 closings) completely separate from the custom building business, but there's no question the tail is now wagging the dog. "I always thought entry-level builders made thin margins," Frey says, "but ours are as good as on custom houses. That was a real eye-opener."

Frey & Son peaked in 1995 with 24 homes for \$32 million and last year dropped to 14 closings at an average price of \$1.4 million. Meanwhile, Wilson has America's First Home poised for a growth spurt whenever the Florida market rebounds. "We haven't bought land for two years, but we're starting to look at deals again," he says. "The public builders are walking away from a lot of good ground."

Bill Frey, a former professor at Penn State University and the University of Massachusetts system, still accompanies Barry on trips to Orlando. It's enough to convince us that no builder can be trusted to stay retired.



best if it happens gradually, over a period of months — perhaps even years.

Many builders have no idea how to answer the questions necessary to plan for succession, Piper says: "Will a son or daughter lead the company? Do you

have a successor among current management? Or will you need to go outside the organization? How much involvement will the founder have after passing the CEO title to a successor?"

They don't think beyond the next land deal until the clock forces them, but by then, it may be too late. If you have no plan for management succession and no vision for what you want to do in retirement, get ready to die with your boots on.

A lot of builders now at retirement age envisioned selling their companies for big bucks to fund a life of leisure. That was realistic until last year, when crashing markets shot company valuations

full of holes. Builders who want to retire right now are hanging around, waiting for a market more favorable to sell the company.

Will builders now in their 50s count on a favorable market 10 years from now, or find a better plan — one with multiple options?

Options Abound

The first step is to write a succession plan. Get down in black and white what your goals are and what the time frame is for transition.

Builders in their 50s still have time to put a succession plan in place, and that opens myriad alternatives beyond selling the company. "Even if you decide to sell, the company is worth more with

A FAMILY AFFAIR - BIGELOW HOMES

Chicago builder Perry Bigelow, 66, is in the final stages of transferring leadership of Bigelow Homes (150 homes closed, \$33 million in 2006 revenue) to his son Jamie, 41. He's also transferring ownership to Jamie and son-in-law Scott Bauer, who works in Bigelow's design and planning department. It's a textbook example of passing

a housing firm to a second generation of management and ownership, but the formula might not work for builders who don't share Perry's religious convictions.

"I decided if it's alright with God, I'd like to die as close to penniless as I can," Perry Bigelow says. "Since Jamie is leading the company, he should have the greater ownership interest. We're not dividing it 50/50. Someone has to be in charge. Six years ago, we decided to get rid of our single company for liability reasons. We restructured into a series of limited liability companies, and set them up so I have 30 percent ownership, Jamie has 42 percent and Scott has 28 percent.

"But when I looked at my net worth, even though I was giving 50 percent of my income to Christian activities, I was still acquiring wealth," Bigelow says. "So in future LLCs, I'm cutting my ownership to 5 percent. Jamie has 57 percent and Scott 38 percent."

When Perry Bigelow confronted succession planning in the early 1990s, Jamie wasn't in the company and showed little interest in home building. He still has none

of the technical expertise in design, community planning and energy efficiency that Perry, a professional engineer, turned into competitive advantages. But Jamie eventually created a career path by entering the company as a sales agent. "He was never given anything," Perry says. "He started at the bottom. He was very good at sales and mastered marketing. He's great with people, much better than me. He's a natural leader. He doesn't know everything about construction, but he's learning, and he's the best sales manager I've ever seen."

Jamie says it was important his father moved him into the presidency before he was ready for it. "Our relationship became stronger because I had to face the challenges of leadership. He became my mentor — helped me get through it."

Perry is thrilled to be out of operations management. "I get my jollies from community design, building systems technology and entrepreneurship. Jamie's better at running the company. And Scott Bauer has a skill set that's a perfect complement to Jamie's: He has design vision and technical expertise."

The Bigelows are working with consultant Scott Sedam on an ambitious program to process map their entire company. "We're documenting, as much as possible, what's in Perry's head," Sedam says. Jamie told Sedam: "I don't know what my dad knows. I need to learn."



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somebody other than the founder in the leadership role," Piper says. "Nobody contemplating an acquisition wants the owner. They want a young, aggressive management team eager to use additional resources to grow the business."

It's probably a good idea to have a management consultant involved in the succession process. Industry mainstays such as Chuck Shinn, Scott Sedam, Doug Wilson and Steve McGee all do this work. But there are others who

specialize in it, beyond the bounds of home building. Carlos Lowenberg Jr. of Austin, Texasbased Lowenberg Wealth Management Group has led succession planning and designed and installed executive reward and retention programs for builders, trade contractors and small manufacturing firms active in the housing industry for 17 years. The CEO says personal discovery is the first step for owners seeking a path into retirement. "They need to understand what they want," he cautions. "It makes no sense to plan on retiring if you don't know what that means.

"We do a discovery process first to see what possibilities may be available. What do the financials look like? What's the human capital like? How

about intellectual capital — the things you know that others don't that keep the company strong? Will there be enough money to fund the principal's retirement without compromising the estate? Without planning, it could all disappear in taxes."

Lowenberg says most entrepreneurs are too valuable to their businesses for their own good. "If the business would

GOLDEN SEARCH - MCSTAIN NEIGHBORHOODS

Stain Neighborhoods

Discovery House

The gold standard for a successor search that went outside McStain Neighborhoods was set by Tom Hoyt, a Boulder, Col.-based builder with an enviable reputation for community design and green building. "Part of the reason we decided to do a search was because of the company's mission," Hoyt, 65, says today. "We felt it was important to keep it in business."

Hoyt began looking for a successor in the mid-1990s. Neither his son nor daughter is active in the company. "There aren't a lot of blueprints for private company succession when no family members are interested in inheriting leadership. We had a diverse ownership base, with two major investors besides my wife, Caroline, and me." (Caroline, an architect, plays a significant role in McStain's design processes.)

> Hoyt eventually decided to combine employee ownership - an ESOP that will top out between 46 percent and 49 percent ownership with an outside search for a new leader, who needed to share the strong sense of values shared by McStain's employees. But his first move was to establish an independent board of directors. "I assumed the role of chairman as well as CEO," he recalls.

Hoyt spent eight months with headhunter Bob Piper on the search that led to Eric Wittenberg, who had worked mostly in California. "It takes a big investment of time, and you need to plan how the transition of authority will take place, as well as the gradual transfer of ownership."

Hoyt believes it's important for foundersturned-investors to have a role in setting strategy and how assets are deployed. His title is now mission advisor and one of the investors has taken over as chairman of the board. "He's converted from being my mentor on day-to-day to more of a strategic advisor," Wittenberg, 41, the company's president, says.

Hoyt says a successful management transition must include equity. "It's a huge motivator for keeping people. That's why Eric and the management team will progressively own more of the company," he says.

"We added the stock grants for senior execu-

tives, then recently showed Tom and Caroline what a total buy out would look like," Wittenberg says. "All of the original shareholders decided they want to keep a small stake because of their emotional attachment to the company. We have plans in place to ultimately buy out their interests from their estates."

Perhaps most important, Hoyt made sure they were aligned with a common set of values and sense of mission. Together, they almost seem like father and son.

McStain ended 2006 with 303 closings for \$120 million in revenue, 18 percent below its business plan in a tough market. And 2007 is likely to see further declines, although Wittenberg expects 400 units and \$160 million in revenue in 2008.





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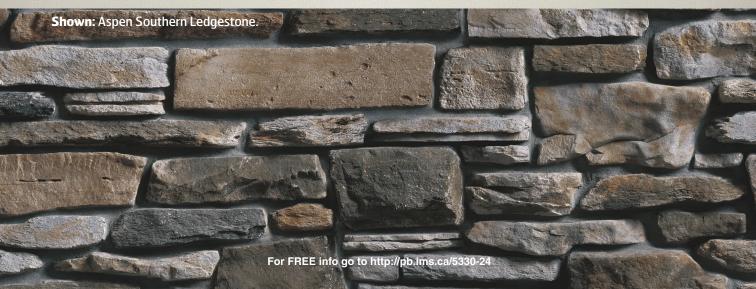
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fall apart without you, that's not good," he says. "You can benefit enormously by finding new people to do as much of what you do now as possible. Nobody wants to buy a company that can't make it without the founder.

"Many owners find that when they bring in a successor and get out of day-to-day management, the desire to retire goes away. We have clients who are now working 20 hours a week instead of 70. They're playing golf but making more money than ever. They're having so much fun they don't want to leave. We call it the 'no-exit exit."

Family Minefields

Consultants in succession planning always start with the family. Is there an heir apparent among the offspring? If so, what does that mean for other children, who usually have an ownership stake in the business and often work in it as well? Succession of a son or daughter to leadership often opens a Pandora's Box of estate planning and family relations issues.

"Any offspring who wants to run the company needs to buy it," says management consultant and Professional Builder columnist Scott Sedam of Northville. Mich.-based True North Development. "That way, the other offspring who don't want to run it get their money from the sale of the company. Successions within the family fail as often as those where an outsider is brought in," he says. "By the third generation, more family businesses are in trouble than are succeeding. Multi-generation successes like Shea Homes in California and History Maker Homes in Fort Worth, Texas, are the exception, not the rule."

Many baby boomers married and had children late in life. That sets up another phenomenon of the 2000s: Builders who have children who may want to run Dad's home building company someday but are not ready yet as the founder approaches retirement age. Such cases create another motivation for builders

to hang onto ownership but bring in a new CEO to bridge the gap between Dad and the offspring. A CEO with talents that complement the owner's can add enormous value to the company and help Dad train the next generation of family leadership, developing a much stronger company.

Independent Board?

Many consultants favor creating an independent board of directors as a first step in transition. "For builders, letting go is the toughest thing they will ever do," says Piper. "Status quo is not a good objective. Any new leader is bound to change something. But it's hard for founders to accept changes brought in by someone else.

"I like the independent board. Outside members who are good business people, perhaps from a variety of industries, can buffer the founder's tendency to intrude in operations. They'll often counsel a chairman to stick to the big, strategic issues," Piper says. "Nose in, fingers out" is a good rule.

An independent board is a natural step toward a more professional management structure — an especially good idea for companies intent on growth, where new levels of management may be created and those where the successor will not be a family member. It's harder for family members to gang up on a new CEO with independent board members voting on critical issues.

Compensation and Equity

Most of the consultants we spoke to about succession come down in favor of an equity stake for a new CEO, whether hired from outside, promoted from within or a member of the family.

"It's hard to convince anyone this is a long-term commitment without significant equity transfer, over time, from the old guard to the new generation of leadership," says management consultant Doug Wilson of Newport Beach, Calif.based Next Solutions. "We've done successions without equity," says Piper. "But the most successful transitions seem to involve it.

"There are a lot of ways to skin a cat. You could use the book value of the company at transition, then compare that to book value at some future date, as a measure of the value added by the new CEO, who would get a percentage of that added value. That gives the person a sense of equity without actually doing it."

Bottom Line

If you're in your 50s, get moving. Allow at least five years to reach the target of full retirement, if that's the goal. Start by writing down what you want the company to look like in five years. What kind of person should the new leader be? Don't undervalue compatible vision and values.

Make sure you have a management information system that produces timely reports on the key metrics you use to measure how well the company is doing. An owner mentoring a successor needs to be able to see those metrics at least weekly to have confidence in gradually letting go of day-to-day management. Use a simple monitoring code, McGee says: "Red, you're in trouble. Yellow, you're OK. Green, you're in bonus territory."

Metrics may differ depending on the builder, product, market position and competition but ought to include progress reports showing how entitlements and development are moving; starts; completions; projected versus actual gross margins; traffic; sales; and customer satisfaction.

If you need to conduct a search for outside candidates for a successor, allow six to eight months, and don't rush it. Bringing a successor into your company is akin to adopting a child. "It takes time for both parties to find compatibility and trust," Piper says. "You have to hit that comfort zone." **PB**

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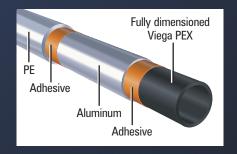








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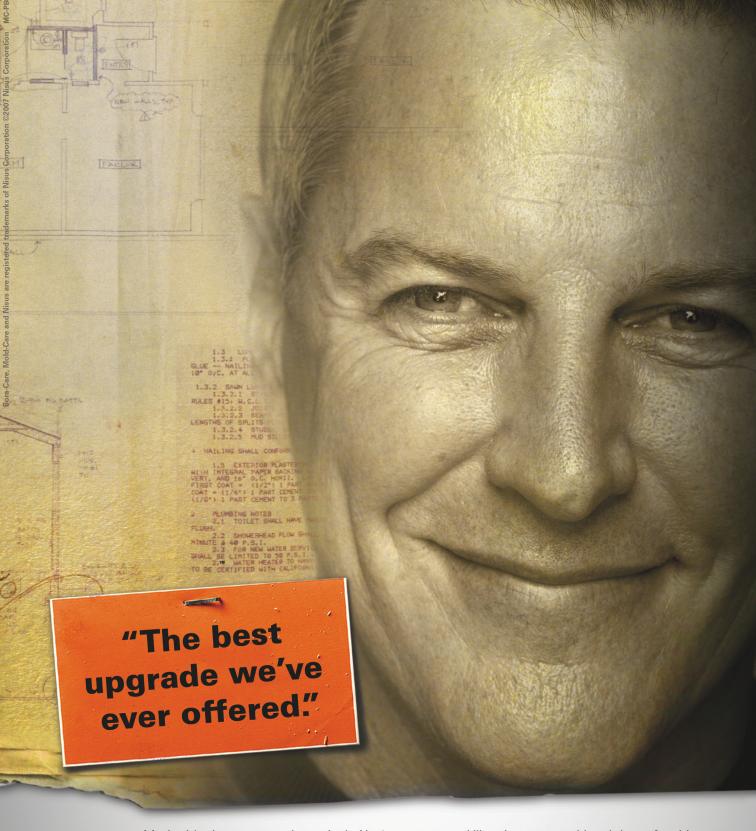
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Industry Analysis

>> BY JENNIFER D. DUELL, CONTRIBUTING EDITOR

Different Strokes

As homeownership among minorities grows, home builders pay attention to culture.

When Jeremy York compares the homes he builds today to the ones he built three years ago, the president of Presidio Homes sees few similarities. "From floor plans to finishes to communicating with home buyers, it's all different because we're trying to accommodate different ethnicities," he says. "As a builder, we have to sell a product that meshes with the ever-changing world."

Atlanta-based Presidio Homes is one of many home builders that have realized today's home buyers cross many cultures and countries. From 1995 to 2005, minorities accounted for nearly two-thirds of household growth, and over the next 10 years, minorities are expected to account for an even larger share of household growth — a record 71 percent, up from 63 percent in 1995 to 2005 — according to the "State of the Nation's Housing 2006," a report published by Harvard University's Joint Center for Housing Studies.

From 1995 to 2005, minorities contributed 49 percent of the 12.5 million growth in homeownership. That number is expected to balloon as immigration to America continues. In 2003, 17 percent of first-time home buyers were foreign born.

Overall, the foreign-born people contributed 37 percent of the net growth in households from 1995 to 2005, bolstering the market for entry-level housing. The Joint Center for Housing Studies projects 1.2 million immigrants will settle in the U.S. annually, putting net household formation at 14.6 million by 2015.

Focus on Family

Hispanic buyers represent the fastest-growing minority group in the U.S. As such, this particular ethnic group receives a lot of attention from builders. In fact, Henry G. Cisneros and John Rosales recently released a book focused on this growing group. "Casa Y Comunidad: Latino Home and Neighborhood Design," takes a look at the growing and increasingly prosperous U.S. Hispanic community and its housing needs.

Hispanics represent the largest minority group in the U.S., with 42.7 million people in 2005. At more than 14 percent the of U.S. population, Hispanics are projected to account for 18 percent of the nation's population by 2020. According to the Joint Center for Housing Studies, Hispanics will make

De la Rosa notes that his Hispanic clients typically choose floor plans that offer open layouts with large kitchens and a second master suite on the first level. "When Hispanics buy homes, their decisions revolve around their families," he says. "Hispanic buyers make the family a priority, and the house must be comfortable for the family to be together."

Homes with "blended" spaces work better for Hispanic families, says Jeffrey



Hispanic Buyer:

Home buyers with roots in Mexico; Latin American countries such as Guatemala, Honduras, and Panama; as well as South American countries Columbia, Peru and Chile.

up 40 percent of first-time home buyers in the next 20 years.

Hispanics account for the majority of buyers in Rey Homes' newest community, VillaSol, in Kissimmee, Fla., says to sales manager Patrick de la Rosa. Houses in VillaSol range from 2,000 square feet to more than 3,000 square feet and are priced from the upper \$200,000s to the mid \$600,000s.

Czar Jr., COO of San Antonio, Texasbased Armadillo Homes, which has 22 communities under development in Laredo along the Texas-Mexico border, San Antonio and Austin. It will build about 1,200 homes this year.

"With Hispanics, less defined spaces seem to work better," Czar notes. "In a lot of the plans we've designed, especially for our entry-level housing, we've done away

Industry Analysis

with the formal living room and replaced it with a large family room with a fire place that opens to the backyard."

In particular, large kitchens that open into a family room are popular with Hispanic buyers, de la Rosa says. "Hispanic families gather around the kitchen, so they need kitchens that can accommodate a lot of people," he notes, adding that outside porches, courtyards and covered lanais are also key selling points. "Gathering areas are very important."

Most Hispanic homeowners end up hosting extended family at one time or another. It's not unusual to see multiple generations living together, says York, who has nine communities under construction in Atlanta and plans to build about 215 houses this year.

"Hispanics prefer multiple bedrooms because they have cousins, aunts and grandparents who need a place too," York says. "They don't want large bedrooms, but they do want as many as they can get under one roof."

De la Rosa concurs: "Hispanic families always have relatives around, either because they're visiting from out of town or living there." With that in mind, Rey Homes introduced a townhome with a "lock-out room" – a 12-foot x 17-foot bedroom and bathroom that is separate from the main rooms in the house. "It's worked out very well," he says, adding that this particular layout provides residents with some peace and quiet even with a full house.

Push for Privacy

Hispanic buyers may be the fastest growing minority group, but Asians are becoming homeowners far more quickly, according to a recent study by the Asian Real Estate Association of America and the University of California, Los Angeles Asian American Studies Center. Since 2000, homeownership among Asians has grown to 60 percent from 52 percent compared with roughly 49 percent for Hispanics, according to the U.S. Census Bureau.



"As a builder, we have to sell a product that meshes with the ever-changing world."

- Jeremy York, Presidio Homes

There are about 12 million Asians — people from countries such as China, Vietnam, Japan and Taiwan — in the U.S. today, accounting for 4.2 percent of the total U.S. population. With a growth rate of 69 percent, this demographic group is expected to account for 13 percent in household growth, or about 3.5 million new households, according to the Joint Center for Housing Studies. And over the next two decades, about two-thirds of these new households, or approximately 2.3 million, will become homeowners.

Like many Hispanics, family is at the root of Asian life and factors heavily in home-buying decisions. Asians often live with extended family, including grandparents, children and grandchildren and represent the largest contingent of multigenerational households, according to the U.S. Census Bureau.

"Asians like to eat together, so we design a lot of places for them eat and

gather," says Roger Menard, Northern California regional president of John Laing Homes, a Newport Beach, Califbased home builder with eight developments around the Bay Area. "We emphasize eating bars and kitchen nooks."

Mike Forsum, president of Taylor Woodrow Homes' western region, says Asian families have a much stronger sense of privacy and prefer spaces that are more "compartmentalized." Forsum is heading up the development of Sterling Square, an infill project in Cupertino, Calif., with townhouses and single-family detached homes ranging from 1,800 square feet to 2,200 square feet.

According to our sources, "Asian buyers are looking for defined spaces," Forsum notes. "Rooms that are blended or combined like a great room attached

> to a dining room are not well received. They want spaces where they can be alone."

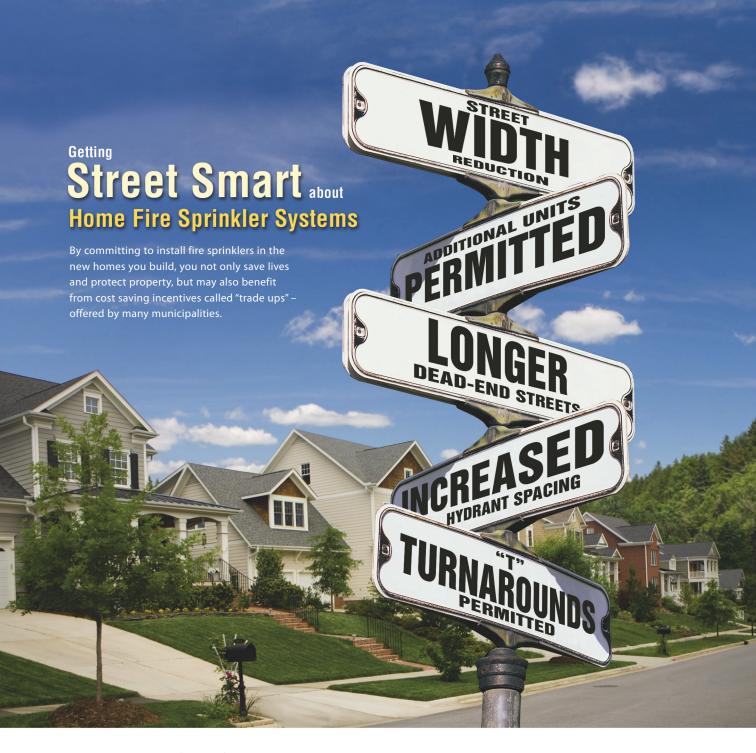
> Asian buyers also have an emotional

investment in their homes. "A new home is very important to this culture because they consider it to be a new beginning – a new life," Menard notes.

That's why John Laing Homes follows Feng Shui principles in all of its housing development, he says. Feng Shui, pronounced "fung shway," is an ancient Chinese practice that arranges space to achieve harmony.

"Asian buyers look for evidence of Feng Shui," Menard says. "It's about positive energy and luck."

For example, none of John Laing Homes' floorplans are designed where the stairs end at the front door. "If the stairs empty at the front doors, Asians believe that the luck is flowing out of the house," Menard explains. Similarly, Asian homebuyers will not purchase a house if they can see from the front door to the back door – again believing that the "luck" flows out of the house rather than staying in it.



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>> BY FELICIA OLIVER, SENIOR EDITOR

The Building Divide

Although minorities have succeeded in home building, few actually own companies. Why? And how should the industry react?

We've seen it over and over again.

When the housing industry gathers, there are few minority faces in the crowd. At PCBC last year, a black woman came up to me in between sessions and excitedly said something to the effect of, "Wow, there are two of us here!'" At an event with thousands of attendees, spotting someone black, Asian, Latino or Native American is a big deal — and a bigger deal still if they are actually builders. The few in attendance, like me and the woman I encountered, often aren't builders but work in another capacity in the industry.

I'm not surprised that those who constitute a minority of the population don't constitute a majority — or even large minority — of the industry. But except for Hispanics and Latinos in certain parts of the country, the number of minorities at the reins of builder companies is miniscule. I wanted to know why opportunities afforded these groups in certain other industries have eluded them here.

I could not find reliable statistics on the exact number of minority owners in the home building industry.

"Nobody has any good numbers," says Jay Shackford, NAHB staff vice president for public affairs. "We don't ask about ethnic or racial backgrounds, so nobody knows. But you would assume they are underrepresented. I think that's a fair assumption."

"The census on construction takes place only every five years, and that data is not even separated [according to minority ownership]," says Gopal Ahluwalia, staff vice president of research for the NAHB's Economics Group. "They have the ability to separate them, but the Census Bureau has some criteria. They don't collect racial information on this because of federal laws. We know the population [by race] and the household number. We know from the Department of Labor the [racial makeup] of trade workers. But beyond that the information is very narrow and limited."

Barriers to entry

"The industry is not particularly minority sensitive," says Allen Warren, president of New Faze Development in Sacramento, Calif., and one of the black builders with whom I spoke. "Throughout the construction industry as a whole, the percentage of minorities is pretty low. As you move up into management, and then into ownership, it's much lower."

With the exception of Hispanics and Latinos, minorities aren't well represented in the trades, which is where a great number of people learn the business and go on to work for themselves.

"You don't see as many African Americans in the home building trade any more as laborers or workers," says Frank Hawkins, president and executive director for the Community Development Programs Center of Nevada, a non-profit corporation that promotes community and economic development, housing and lending. He is a builder and developer.

"They are in the union, but they are not in the field





"The workforce is really driven by Latinos. Upper management, older company owners or executives are usually your Anglos or people who have been here for a very long time."

 Augusto J. Gil, builder

per se or in the non-union business. On the West Coast, it's 90 percent-plus Hispanic. If we're not the contractors or the lead foremen or working in the trades, the likelihood of starting our own subcontractor company or being a developer or home builder isn't very good."

Even those in the trades can have a hard time breaking through the glass HENRY G. CISNEROS ceiling.

"I've been going to builder shows for a long time," says Augusto J. Gil, president of Gil Development in Miami and president of the Latin Builders Association, which advocates for builders in the area. "You have your Hispanic and Latino builders, but you don't see it as much. I think the workforce is really driven by Latinos. Upper management, older company owners or executives are usually your Anglos, or people who have been educated and have lived here for a very long time."

"The challenges that minority builders confront are not dissimilar from the general market," says Henry G. Cisneros, former Housing and Urban Development secretary under President Bill Clinton. "This is a tough business. It requires some



very tough and focused people to succeed. But minority builders have some particular hurdles. You have to have resources in capital, assets and experience. You just don't go out and start building overnight. If your family wasn't in the business, you start from scratch. That's a challenge."

Cisneros is the chairman of CityView, a development company with access to about \$600 million of funding from

the California Public Employee Retirement system and other investors to build for-sale homes for working families in urban areas. His company often works with minority construction firms and subcontractors.

Cash, capital and collateral

Several black builders I spoke with say access to funds is a prime reason they are poorly represented in the industry.

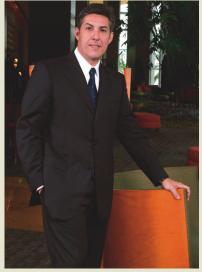
"Traditionally our community faces issues of low credit, low assets, low home ownership and a lack of banking relationships," says Robb Jones, a partner with JLW Homes and Communities in Atlanta. "In this industry, these are the primary things you really need to get started."

ASSOCIATION PROFILE

Latin Builders Association, Miami, President Augusto J. Gil, President, Gil Development

The Latin Builders Association was founded in 1971 by a small group of Hispanic contractors and a few builders who felt they weren't fairly represented. Back then it focused on residential issues; today it lobbies for issues concerning both commercial and residential developers in the state and county - Hispanic or not.

Bridging the divide: "There are a lot of people who have ventured with private money from places like Chile, Argentina and Venezuela. A lot of them seek the Latin Builders Association to make contacts and build relationships. We deal with people from Spain



AUGUSTO J. GIL is a second-generation builder and president of Gil Development.

who have engineering firms that have actually moved into our market. They have issues with getting certifications for their engineers, things like that. That's where we come in and help out."

BUILDER PROFILE

Alexander Muhammad, President, Eastern **Design Home Builders, Houston**

How he started: After he got out of college, Muhammad knew he wanted to be a home builder, but he didn't know how to go about it. Then he read an article in the newspaper about a building class at a church.

"It was a six-week course," says Muhammad. "The guy had been a builder for 30 years. He told us a lot of good things. A lot of people in that class just wanted to build a house for themselves. But I wanted to be there as a builder."

He's built on his own for about 12 years.

Bridging the divide: "The Builders' Show should seek out minority builders to speak at the convention. I know it's a volunteer thing, but you have to reach out to them and let them know that their input could be valuable."

Perspective: "I've been lucky and blessed that I've gotten a lot of projects where owners wanted me to build on their lot. That helped me

"I don't get discouraged very quickly," he adds. "I already knew this was going to be my life's work."



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"If I had someone to tell me about this step, that step—to talk to consistently—then I could have made a lot more progress than I have made."—Alexander Muhammad, builder

"Cash flow is so important," says Hawkins. "To get a project underway is a 12- to 18-month process. To turn your first unit after all your entitlements, acquisition and development, you're talking another eight to 12 months. So you've got to have cash flow to carry your payroll and not get the benefit from overhead and profit until you close. The banks don't want to fund your profit and overhead. They want you to get that at closing. It's a difficult process."

There are several reasons minorities have difficulties accessing credit. Part of it is that some have high income to debt ratios, which credit-granting entities frown upon. Countless reports show that minorities' average income is lower than whites'; it follows that those with less-disposable income would become more credit-card reliant.

"Some of it is inherent bias," says Cisneros.
"That is to say, they have a little bit tougher time
persuading the investment banker. Part of it is that
they have not been in the position to inherit something, to continue something, to build on someone

else's platform, or stand on someone else's shoulders. That by definition makes it more difficult."

Overcoming the novelty of the business

Many people came from the trades or worked for a builder before launching on their own. But there are many more who have had no prior exposure to the industry.

Alexander Muhammad is black and is president of Eastern Design Home Builders in Houston. A first-generation builder, he says, "I never knew anyone in the business, black or white."

Says Hawkins: "Most of these guys who become home builders first worked for a big corporate builder. They were a vice president or president who left the company after 10 or 12 years. They went out and formed a company. They knew industry people. They had people invest in their business to help them get started. From the minority side, you don't have those kinds of resources readily available."

Working for a home builder in a below-C-level position means there can be information holes when it comes to running your own business.

"My first job as a home builder I worked for Kimball Hill Homes," Muhammad says. "I learned a lot about the building process, how to get your subcontractors together, how to schedule a plan. But I didn't know how to get financing and how to purchase land. I didn't know about the sewage, water and the electricity. I never had to worry about that. It was already done.

"It's easy now," Muhammad adds, "because I understand it. But the time that it has taken me — if I had someone to tell me about this step, that step — to talk to consistently — then I could have made a lot more progress than I have made."

The need for relationships

In the world of business — and home building is no exception — it's about whom you know. Many builders I spoke with echo Muhammad's sentiments. They are disappointed there wasn't someone to mentor them and show them the ropes as they learned the business. Was there really no one they could turn to, no one to take them under their wing, and if so, why not? Is some form of discrimination taking place?

None of the builders with whom I spoke pointed to that as the explicit cause. But the underlying issue is one I think most of us know if only on a subconscious level: We have our comfort zones, and transcending racial, ethnic and cultural differences takes us out of them. It's reflected in our

BUILDER PROFILE

Robert Jones, Partner, JLW Homes and Communities, Atlanta

How he started: Jones went to college with Gregory Winn, whom he now partners with at JLW. Winn's dad, Carey Winn, is a longtime Atlanta home builder.

"My other partner, Komichel Johnson, was buying a house from Greg's dad, who's now our mentor," says Jones. "Carey saw the potential in Komichel as a business person. I was in business school with Komichel. So I came in as the third piece of the puzzle. That's how the partnership was formed."

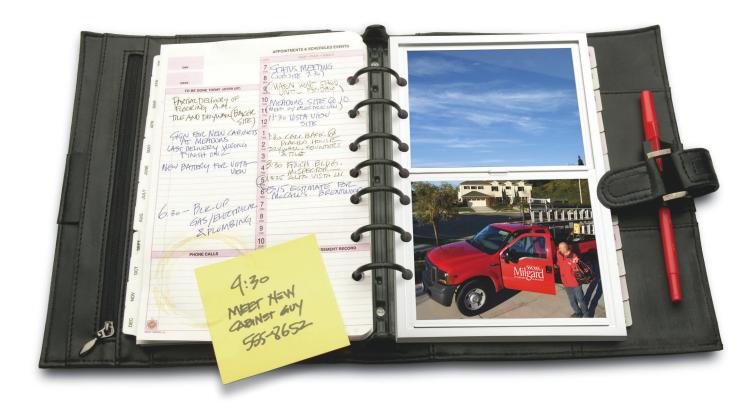
Bridging the divide: "A lot of minorities don't know there is a white-collar side to a blue-collar industry. You see the homes being built, but you don't see the bank account, the offices



ROBERT JONES MET his future home-building partners while in college.

and the internal operations of the people that built it. It's not just a good of boy, back-of-the-truck industry anymore."

Perspective: "If there are challenges that presented themselves to us as minorities, we were so persistent and dogmatic about success that we probably just overlooked it," says Jones. "If we were discriminated against, it wasn't overt. I'm not saying that it's not there. But a challenge is a challenge for us. At the end of the day, it's about finding solutions."



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"It's the socialization.
People find it easier to do business with people they are comfortable with."

—Allen Warren,builder

social networks, and in lieu of some formal system that dictates otherwise, our mentors come from these groups.

"If you don't have minorities in the industry," says Warren, "and generally people hire people that they know, their parents know, their kids go to school with, etc., I have to believe that's a factor. It's the socialization. People find it easier to do business with people they are comfortable with."

Outside of our family, school and community, we build social networks through shared common interests, which can still pose problems.

"I would like to be able to buy acres of land and develop it," says Muhammad. "But I don't play golf with the guys who would be able to say, 'Hey Alexander, you could probably get this.' If you don't play golf — and I don't; I play basketball — [it's a disadvantage]. The culture is a little different."

"You're not there where the power is because it's not your way of having fun," says Fernando Pagés Ruiz, president of Brighton Construction and author of "Building an Affordable House." "Right now I live in a place where everybody is into American football. I don't have any connection with that whatsoever."

Industry response

I know NAHB and local HBAs and BIAs offer various conferences and programs to specifically give builders an opportunity to learn more about the business and network with each other. But builders with small staffs and small budgets often can't afford the cost or time away.

"I know some builders building three or four houses a year," says Hawkins. "They are their business. They are out there hammering, doing the numbers — they are doing everything."

"Because of communication issues, because of cultural differences, [immigrants] are reluctant to become involved in an association that probably looks and feels very Anglo," says Jim Folkman, executive vice president of the Home Builders Association of Central New Mexico.

"They feel like they would be intimidated," says Margie Lopez-Bolivar, accounting manager at the HBACNM and unofficial liaison with its Hispanic membership. "They also try to save money, so they want to understand the benefits of membership. It's hard ... when they are intimated by the members."

Folkman told me the association doesn't have a lot of resources to reach out to minority communities, which is why he solicited the volunteer efforts of Lopez-Bolivar. "But it certainly has been a shift in our attention and consciousness."

The NAHB is in the initial stages of forming a task force to look into better ways of reaching the Hispanic building community.

"There is no doubt that is among the fastest growing segment of the industry, particularly among subcontractors," says Shackford. "It's obviously an area of interest for the association."

"I think our association probably does a better job understanding and knowing how to reach the Hispanic and Latino community," says Folkman, "because Margie is from Guatemala, and I was born and raised here next to a barrio and have a fundamental understanding of the culture."

The challenge many builders face, he suspects, is not understanding the different cultures. "It's vastly different. I think they've done a poor job, quite honestly, of understanding the culture, reaching out and being of more service to them. They need to start making that shift in their thinking."

The outlook

I'm certain the success or failure of minority builders has consequences for the future of the building industry as a whole. The industry can't

BUILDER PROFILE

Fernando Pagés Ruiz, President, Brighton Construction

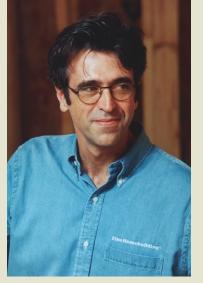
A deep divide: Pagés Ruiz says a friend wanted to bring him into an

affordable housing project — a specialty of his and a subject he's written a book about.

"Then it kind of ran into static," says Pagés Ruiz. "I suddenly started getting this feeling that something's going wrong, and I think it's related to me."

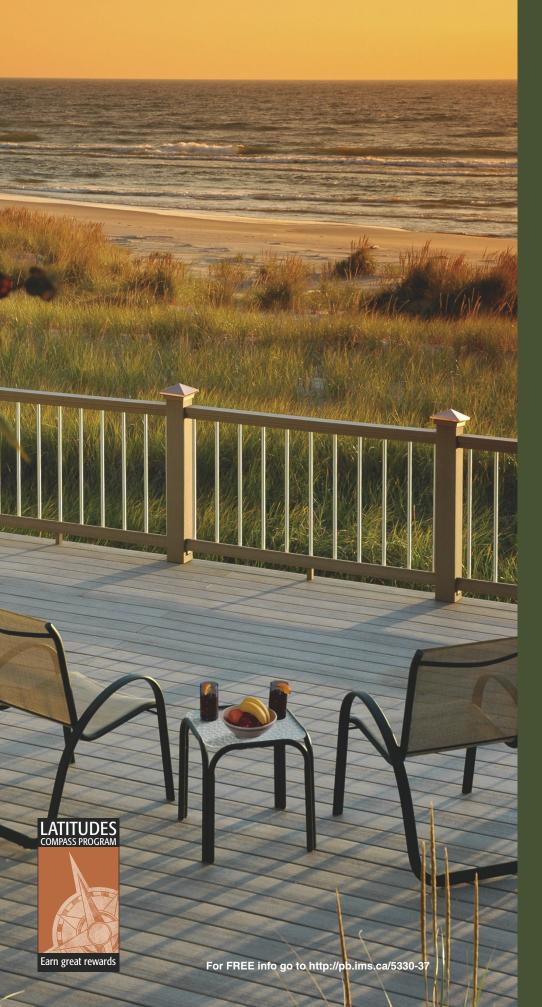
His friend was at a party with the mayor of this community, who'd had a little too much to drink. "The mayor pulls him over and says, 'Look, I don't know about that Fernando guy. I don't want him bringing a lot of Mexicans to my town (Pagés Ruiz is Venezuelan)." I ended up just telling him, 'Don't worry about it. I'm out of it."

Perspective: "I'm really grateful to have immigrated to the United States where I have



FERNANDO PAGÉS RUIZ SAYS Latinos are often seen as loyal, hard workers, but not intellectual or company leaders.

been able to overcome any obstacles and find my way. I found my niche. I was willing to go into the heart of the inner city and work and do projects and fix buildings and make repairs. That's why I do affordable housing. I go where no white contractor dares to go."



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"Minorities are going to constitute the live-or-die dimension for some home builders. They are either going to get it ... or they are going to wonder where the market went." Henry G. Cisneros. former HUD secretary

be dynamic if it lags in opportunities for the country's growing minority population, many of whom are concentrated in city centers — a target of future home-building growth. As the need for new homes increases, the industry would do well to encourage the success of all comers, especially those buying in and familiar with the country's urban core.

"One of the great untold stories of the American future truly is the growth of minority populations, their increasing prosperity, their movement into the middle class, and their pursuit of the American dream," says Cisneros. "Those things are going to converge in a way that is going to transform particular American industries. And home building is one of those. Minorities are going to constitute the live-or-die dimension for some home builders. They are either going to get it, and they are going to build appropriately and they are going to grow, or they are going to wonder where the market went."

"Inner-city or minority talent is one of the largest untouched resources we have in our country," says Warren. "These inner cities are becoming more popular, and people are moving from the suburbs back in. One of the biggest value propositions in

our country is to really understand and redevelop these urban cores and make them vibrant."

And guess what? Many minority builders know the neighborhoods where larger builders will want and need to build in the future.

"You will find some high-production builders teaming up with minority firms in joint ventures to produce in central city areas and particular markets," Cisneros says. "You may also see partnership groups where big projects are involved, where a city is assembling land that has a public interest component. In the interest of fostering a diverse team they would partner a high-production builder and a minority firm."

CityView has such a partnership with Mel Washington, a black builder who is president of Phoenix Development outside Detroit. With Kimball Hill Homes and a non-profit community group, he is developing a 700-acre site.

"Mel is going to be the principal vertical builder on the ground," Cisneros says. "Having someone like Mel Washington who knows the situation on the ground is invaluable."

And partnering with a larger firm provides the mentorship so many minority builders want, which strikes me as a win-win-win situation. The larger builder has access to knowledge about the markets in which he'll have to build in the future: the minority builders gets the help they need to better run their businesses; and together, they begin to bridge this building divide.

As Muhammad says, "If you help us, then you've got a friend for life. We won't forget it. "PB

BUILDER PROFILE

Allen Warren, President, New Faze Development, Sacramento, Calif.

How he started: "My college roommate was white. I got to know his family, and he got to know mine. His father was a realestate developer and encouraged me to consider the industry. At the time, his son did not want to go into the industry. After graduation I took a job as a stock broker. In analyzing financial statements and different sectors of the economy, I saw that the real-estate sector is so vast vou don't even have to scratch really work at it. So I called him up one day and said 'Hey, I think could be profitable. I want to give it a shot."



the surface to make a living if you ALLEN WARREN KNEW THAT from his stockbroker days the building industry

Perspective: "We're an edgy company. We're a little spicy. We like challenging projects, and we like to do things a little more creatively. Everyone here in Sacramento knows I'm black; our company is very well-known. It's not to be hidden or it's not for me to wear a shining star. It's just who I am. I didn't think about building a black-owned company; I thought about building a company."

BUILDER PROFILE

Frank Hawkins, President and Exec. Dir., **Community Development Programs** Center of Nevada, Las Vegas

What he does: "I'm a production builder and developer. We build multi-family for seniors and families, and we do for sale. We are also a general contractor."

Bridging the divide: "We build 60 houses and 100 apartments a year. Our goal is to get up to 100 houses. But to do that, you've got to have the land. You've got to have the entitlements - and that requires cash. I'm sure the majority would argue the same thing, that they face the same challenges. But not to the same degree."

Perspective: Hawkins says he goes to IBS, PCBC and other annual conferences. "I learn so much it takes me until the next conference to get everything read. But I add it to my business plan, and every day I try to do something."





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And the Winners And And Land A

The past year has been a challenge for anyone in new-home sales. The good news is that the successes prove superb design and savvy marketing for your target home buyers will keep your product first in the mind of prospects when they are ready to buy.

Take a look at some of the finalists winning gold this year.

Many took a creative approach to a problem — reaching a niche market, building at a challenging location, differentiating themselves among similar products — and came out on top. See if any of their lessons learned can apply to your business and market.

GOLD WINNER

SKY TERRACE AT STAPLETON, DENVER

Not Your Dad's Townhouse



Sky Terrace was Infinity Home Collection's first attempt at an attached home, so its fresh look isn't surprising. What surprises is that with such a short learning curve, it built an attached-home community of edgy, contemporary houses that have generated lots of buzz, traffic and steady sales in a market that, like most in the country, isn't that hot.

Selling townhomes for over half a million dollars in a master-planned community with available attached homes for less was a challenge. Sky Terrace proves great design excels in any sales environment.

Floor plans soar two and three stories over main living areas, with 9-foot ceilings everywhere else. The design incorporates lots of glass, natural light and outdoor spaces, including a roof deck.

"Even the interior units have a very private indoor/outdoor relationship in the center of the unit that separates it from the other unit next to it," says David Steinke, marketing director for Infinity Home Collections, Greenwood Village, Colo. "You have no idea you're in the middle of the building at all. It has the same sense of light and privacy that they all do."

The redevelopment of Denver's Stapleton International Airport is one of the country's largest urban redevelopment projects. The site is being transformed into a community of 12,000 new homes. Infinity is one of about 20 builders there. "We're lucky to be able to bring product to market in a community like Stapleton," says Steinke. "They were okay with us taking a very bold step in the direction of the contemporary."

BEST ATTACHED COMMUNITY OF THE YEAR









Target buyers are empty nesters or working people looking for a relatively maintenance-free home who have an appreciation for design.

"They are excited about some of the vertical designs we were creating and the blends of stucco and glass and soaring spaces," says Steinke.

"We wanted the accessories — the art and furnishings — to be every bit as exciting as the architecture. Hillary Reed Interiors did the merchandising, and they nailed it." The judges agree — the Guggenheim won gold for Best Interior Merchandising of a Model Priced \$400,000 to \$650,000.

The Pompidou, named Best Attached Home Plan Priced \$500,000 and Under, has two bedrooms and a study. It features a three-story ceiling that leads to the sky deck — all visible from the main living area.

Builder: Infinity Home Collection, Greenwood Village, Colo. Architect: Woodley Architecture Group, Highlands Ranch, Colo. Interior Designer: Hillary Reed Interiors, Littleton, Colo.

Ad Agency/PR Firm: Milesbrand, Denver

Number of units: 44

Price range of units: \$544,900 to \$624,900

Square footage of units: 1,903 (plus 752 of finished outdoor living space) to 2,254 (plus 1,020 of finished outdoor living space); Pompidou – 1,988 indoor (plus 945 of finished outdoor living space)

Merchandising cost per square foot (Guggenheim): \$33



BEST INTERIOR MERCHANDISING
OF A MODEL PRICED \$400,000-\$650,000

Unify and Conquer

Encantada in Covenant Hills, the only gated village in Ladera Ranch, Calif., was designed to attract move-up buyers with a viable alternative to a custom home site. "We feel it's every bit the quality and the caliber of a custom home for someone who doesn't want to spend the time and money to build a custom home," says Jessica Fabricant, regional marketing director for the Orange County division of Los Angeles-based Pardee Homes.

The community pays homage to the arts and crafts tradition of the late 19th and early 20th centuries with a cohesive integration of architecture, landscaping, interiors and graphics. Encantada presented a strong, unified program. "We liked it. Its marketing was one of the best in this category," says Nationals judge Patti Guthrie of Marc-Michael Interior Design.

"I think we really did a good job of working together with our consultants and our team to make the details a harmonious blend both indoors and outdoors," says Fabricant. "We didn't do a contemporary interior with Spanish outside. We stayed very authentic to the period. The merchandising and the landscaping and the architecture all stayed true to form."

Fabricant says the architecture dictated the landscape.

"It really complimented rather than contrasted or overshadowed the architecture," she says. Plan 2, a Colonial Monterey, used brick elements on the house and in the landscaping and white climbing roses to capture the style.

Encantada creates a relationship between indoor and outdoor spaces through landscape details.

"We tried to capture through the landscaping how people can use the courtyards as part of their yard," says Fabricant. "Flooring used on the inside carries through to the outside so that there is a seamless blend."

Builder: Pardee Homes, Orange County

Architect: Scheurer Architects, Newport Beach, Calif.

Interior Designer: Color Art Design, Culver City, Calif.

Landscape Architect: The Collaborative West,

San Clemente, Calif.

Ad Agency/PR Firm: Allan Zukor Advertising Design, San Diego

Number of units: 37

Price range per unit: \$1,394,425 to \$1,757,650

Square footage of units: Approximately 4,350 to 4,901





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BEST MASTERPLANNED COMMUNITY OF THE YEAR

Seabridge, a 135-acre residential marina master-planned community, lies within easy water access of Santa Barbara, Los Angeles and Orange County. This gated island residence boasts exclusive recreation and waterfront amenities — a marina, pedestrian bridges and a village — all within walking distance. It offers a variety of homes — upscale flats over live-work units, attached homes and luxurious waterfront detached homes, many with private boat slips.

"The marketing objective for Seabridge was to brand the community as an enduring coastal lifestyle landmark, show-casing its character, promoting its lifestyle and generating compelling buyer motivation well before model homes were available," says Mike Higgins, vice president of sales and marketing for D.R. Horton's Los Angeles/Ventura/Kern division. "Our goal was to establish lasting brand equity while we aimed for the earliest and strongest possible sales success through previews, presales and ongoing buyer relationship building."

Easy access to nearby business centers makes this estate community accessible to entertainment industry executives and others of their ilk who can chart their own course close to home on their private vessels. The variety of product Seabridge has to offer requires a marketing strategy that embraces buyers at every age and household makeup, both primary residence and second-home buyers.

"We were successful in speaking the language of that buyer," says Higgins, "both in graphics, imaging and copy. While this particular geographic area might not otherwise have drawn the luxury market buyer, the creation of Seabridge transformed the buying proposition, successfully redefining the location as a preferred destination.

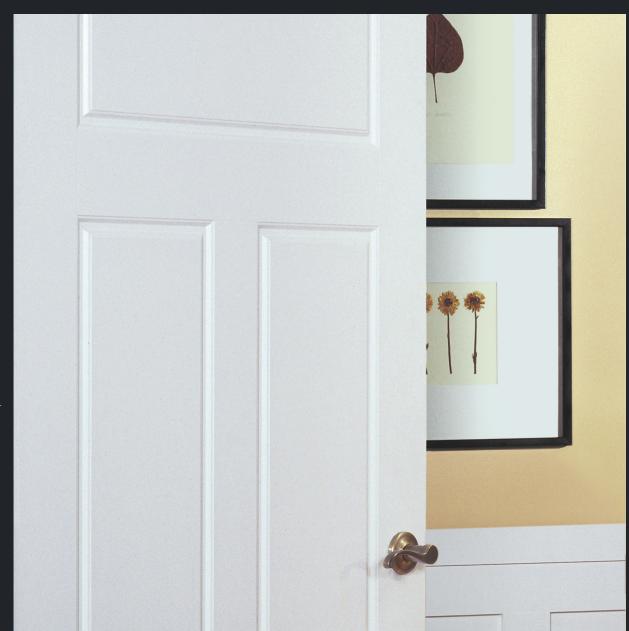
"In spite of the volatility of the declining southern California real-estate market, Seabridge has enjoyed sustained sales momentum, with nearly half of its six neighborhoods sold out within the year," says Higgins.

Builder/Architect/Interior Designer: D.R. Horton, Los Angeles/Ventura/Kern Division, Simi Valley, Calif.

Ad Agency/PR Firm: Hayes Martin Associates, Newport Beach,

Number of units: 700

Price of units: \$1,737,900 to \$2,124,900 Square footage of units: 910 to 6395



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GOLD WINNER

MADEIRA DEL SUR, SAN DIEGO, RESIDENCE 4

A Plan that Corners the Small Lot



The marketing objective for Shea Homes was to create a plan with curb appeal that maximized every square inch of the rather small lot — 31 feet in width, 2,131 square feet — with which the developer of Madera Del Sur gave the builder to work.

"We had fairly small lots," says Teri Shusterman, director of marketing for Shea Homes San Diego. "Most of them were alley loaded; a few of them – some corners – loaded from the street."

The solution was a successful interplay of indoor and outdoor spaces and a unique corner lot design.

"What's unique about Plan 4," says Shusterman, "is it's one of two front-loaded home designs, and it was specifically designed for corner lot conditions. The front could be considered the short side of the house where the garage is, and the long side of the house is what you would typically call your side yard."

"When you walk in from what you think is the front door," she adds, "you're actually walking into a covered courtyard that leads to an open courtyard that gets you to the actual interior of the home."

If you turn and enter the other side in the open courtyard, you're in the guest suite.

"You can use it for an office," says Shusterman. "It's kind of detached from the living area. It's attached from the roof."

This plan had a broader appeal than expected, divided almost evenly between couples with and without kids, singles and empty nesters.

"We had to put a sign on the model, saying it was not a model," says Shusterman, "because so many people wanted it and we only had so many of them."

Builder: Shea Homes, San Diego
Architect: Woodley Architectural Group, Highlands
Ranch, Colo.
Interior Design: CH Design Group, San Diego
Price of Unit: \$777,000
Square footage of unit: 2,131



PHOTOS COURTESY ARON PHOTOGRAPHY



BEST SINGLE-FAMILY DETACHED HOME PRICED \$650,000 TO \$1 MILLION

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insulation products blocked air leakage three times better than 7/16" OSB covered with housewrap and six times better than 7/16" asphalt-impregnated fiberboard covered with housewrap. And with the joints properly sealed, rigid foam insulation from Dow qualifies as a weather-resistive barrier.*

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In these graphic depictions of thermal bridging, heat loss is indicated on a scale of red (the most heat loss) to purple/blue (no heat loss). Yellow areas indicate heat loss through uninsulated wood studs.



Housewrap helps reduce air infiltration, but does not insulate.



Even 1/2" of rigid foam insulation from Dow significantly reduces heat loss.







PHOTOS BY ARON PHOTOGRAPHY



A Place Where Singles Can Mingle

Just minutes from the trolley stop, shops, galleries, restaurants and downtown La Mesa, Calif., Aragon's infill condominium community revitalized the site of an abandoned trailer park, providing a well-positioned, appealing product for first-time home buyers seeking an urban residence outside the congestion of San Diego.

"The target market is first-time home buyers who know and love La Mesa," says Lenette Hewitt, vice president of sales and marketing for Carlsbad, Calif.-based Barratt American.

The neighborhood comprises 58 Mediterranean-style three-story attached homes available in eight floor plans. The layout allows homeowners entry at the street level, just above the parking structure, through their own individually gated porches. The three-story design also gives greater privacy because no one lives above or below them.

"The living space feels very open for the amount of square footage," says Hewitt of Plan One. "It was also designed to fit the 'mingles' buyer singles who buy a home together. It has two bedrooms – dual masters. With home prices where they are today, it takes two incomes for people to afford a home. So we have designed floor plans to work for this buyer profile."

Builder: Barratt American, Carlsbad, Calif. Architect: Starck Architecture & Planning, San Diego Interior Design: Ami Samuel Interiors, San Diego Price of Unit: Low \$400,000s Square footage of unit: 1,052



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Soft Touches Mix with Bold Contrasts



BEST INTERIOR MERCHANDISING OF A MODEL PRICED OVER \$2 MILLION

Beaumere is WCI Communities' new product in its Old Palm Beach golf community.

"Our objective was to showcase these extremely unique home sites we have that back onto a water feature," says Connie McGinnis, community representative for WCI Homes. "This particular model has high ceilings and floor-to-ceiling glass in the living room. It's there to take advantage of the views."

"We were asked to create a unique interior for a very sophisticated and upscale potential buyer," says Lorraine Rogers-Bolton of Rogers Design Group. "We decided to create a cleaner, softer, more 'classical metropolitan,' contemporary interior. We assisted with the structural changes to compliment this theme ... eliminating many of the arches and all of the pre-cast stone work and creating multi-level coffered ceilings."

Builder: WCI Communities, Bonita Springs, Fla.
Architect: Randall Stofft Architects, Delray Beach, Fla.
Interior Designer: Rogers Design Group, Palm
Beach Gardens, Fla.

Square footage of unit: 6,256 Merchandising cost per square foot: \$55.00

GOLD WINNER

STOCKWELL MANOR, INNISBROOK MODEL, FALLS CHURCH, VA.

Bold Colors Make a Memorable Impact

Nestled in a quiet, established neighborhood just outside Washington, D.C., this semi-custom home is designed to appeal to young, dual-income professionals coming out of a smaller, less well-appointed home, or to those entering the area from myriad locations.

"The objective of the interior design of the Innisbrook model is to showcase the sophisticated, luxury style of living that urban families enjoy in D.C.," says Matt Lefler, Bethesda, Md.-based Camberley Homes' director of operations. "The Innisbrook model is designed and merchandised to meet the needs of today's executive family."

The bold design and color in the media room packs a punch.

"I think it's exciting," says Nationals judge Patti Guthrie of Marc-Michaels Interior Design. "The blue is unexpected. It was memorable. You don't see that everyday."



Builder/Architect: Camberley Homes, a division of Winchester Homes, Bethesda, Md.,

Interior Designer: Carlyn and Company Interiors, Great Falls, Va.

Price of units: \$1.6 million to \$1.8 million Square footage of model: 6,344

Merchandising cost per square foot: \$43

BEST INTERIOR MERCHANDISING OF A MODEL PRICED \$1-\$2 MILLION PROFESSIONAL BUILDER 3.2007 WWW.PROBUILDER.COM



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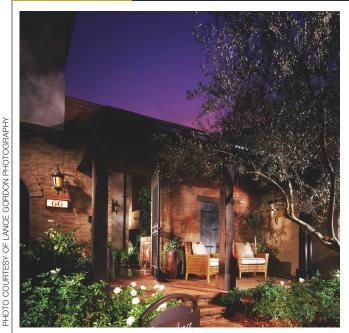
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STURDYP

PROFESSIONAL BUILDER 3.2007 WWW.PROBUILDER.COM

GOLD WINNER

LOS ARBOLES, PORTOLA SPRINGS, IRVINE, CALIF.



Welcoming Spaces, Inside and Out

Sunny courtyards, charming decks and sheltered loggias expand a home's living and entertainment spaces outdoors. These indoor/outdoor spaces are a southern California tradition, and the landscaping makes the most of it at Los Arboles.

The landscape conveys classic Santa Barbara and Monterey styles with natural plantings and rich hardscape materials — stone, slate, brick and colored, textured concrete. Wrought-iron gates frame the entry; the exterior is dotted with garden spaces fit for entertaining: a fireplace, barbecue, dining area and spa.

"We worked closely with Taylor Woodrow Homes to obtain our goal of providing quality outdoor rooms for young families to enjoy," says Faye Pokletar, associate with The Collaborative West, San Clemente, Calif.

Builder: Taylor Woodrow Homes, Irvine, Calif.
Architect: EBTA Architects, Irvine, Calif.
Landscape Design: The Collaborative West,
San Clemente, Calif.
Price of units: High \$900,000s and above

BEST LANDSCAPE DESIGN FOR AN ATTACHED COMMUNITY

GOLD WINNER

PORTOLA SPRINGS, IRVINE, CALIF.

Happy Trails to Buyers

The Portola Springs community at Irvine Ranch was positioned as both "near and far," conveniently located in Orange County next to thousands of acres of open spaces and appealing to buyers wanting urban convenience with a rural feel.

"This piece was to communicate with the interest list and set the tone for the village from the time we started our marketing efforts about eight months prior all the way through to the grand opening," says Suzanne Maddalon, senior director of marketing research for The Irvine Company of Newport Beach, Calif, the master developer of Irvine Ranch.

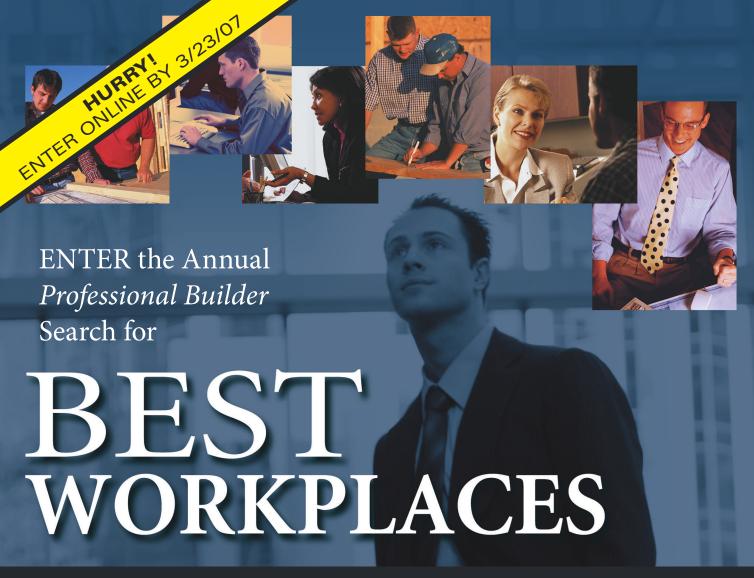
Prospects were sent a trail map listing the different neighborhoods that would be offered at grand opening, including all the trails where you could go biking within and surrounding Portola Springs. The grand opening piece was a box that opens with three folds and reads, 'We would never suggest exploring 34 model homes without a little sustenance." The inside of the box holds a two-fold grand opening invitation that lists all the model homes that are going to be offered and even includes a little package of trail mix underneath.

"It drew you in," says Maddalon. "We had 10,000 people show up opening weekend,"



Developer: Irvine Community Development Co., Newport Beach, Calif. **Ad Agency/PR Firm:** Greenhaus, San Diego





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Professional Builder

C Stands Out in a Sea of Sameness







In Tampa's competitive market, the marketing for C — a collection of 144 modern condominium residences, town homes and penthouses — needed to create strong recognition and differentiation, leveraging the cache of its Bayshore Boulevard address, urban walkability and spectacular downtown views.

Word play with the letter C as well as a bold, distinctive logo used in a variety of media and promotion materials did the trick.

"A series of billboards conveyed an initial 'C for yourself' teaser," says Joy Wynne Galatro, vice president of brand strategy at Tampa's Walker Brand Communications, "followed by 'What do you C?' and finally 'C it all' which revealed the development and call to action."

Other campaign components included a sales brochure bound with a single grommet and C logo medallion, a Web site with a video presentation of C views, and a sales center environment featuring branded storytelling graphics and C coasters.

BEST OVERALL AD CAMPAIGN

Builder: Crescent Resources, Tampa, Fla. **Ad Agency/PR Firm:** Walker Brand Communications, Tampa, Fla.

GOLD WINNER

GREEN BUILT HOME PROGRAM, MADISON, WIS.

Campaign Makes Green Building as Easy as 1-2-3

Green Built Home is an award-winning green building initiative implemented in partnership with the Madison Area Builders Association.

"We wanted to create consumer recognition," says Jeffrey Ohm, account executive with Kennedy Communications, Madison, Wis. "We wanted consumers to ask builders about a Green Built home, why their home isn't Green Built, or how they can make their home Green Built."

The ad campaign demonstrates through clever visuals simple steps that can add up to the 60 points needed to qualify a home as Green Built, i.e., a camel representing the use of water conserving appliances and fixtures, and an upside down photo of penguins reflecting points granted to homes oriented within 15 degrees of south.

The entire campaign — print, radio and TV ads — cost about \$20,000.

"We shot the TV spots ourselves using the cable company's facilities," says Annie Johnson, also an account executive with Kennedy Communications. "To further stretch the campaign, we want to solicit vendor dollars from some of the companies that produce goods, services and products that relate to green building, to roll their message into ours."



Builder: Madison Area Builders Association, Madison, Wis. Ad Agency/PR Firm: Kennedy Communications, Madison, Wis.





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for you. To find a distributor near you, call 1-800-SIMONTON or visit us at www.simonton.com.

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Simonton Windows® received the highest numerical score in the proprietary J.D. Power and Associates/McGraw-Hill Construction 2006 Residential Window and Patio Door Builder and Remodeler Satisfaction Study™. Study based on 2,343 responses measuring 10 companies and measures opinions of new home builders and remodelers. Proprietary study results are based on experiences and perceptions of new home builders and remodelers surveyed in May through July 2006. Your experiences may vary. Visit jdpower.com.

^{*}Under normal conditions, from your supplier's weekly cutoff date. Impact-resistant products require additional lead time.

Lofts Brought Down to Earth

"We wanted to capture all the great qualities and essence of a home but with the hip and open lifestyle of a loft," says Alison Banks, marketing director at Standard Pacific Homes' L.A. division. "These lofts have hardwood floors, granite counters and no exposed ducts."

The target market for this "livable loft" product is the firsttime buyer who's young, urban and eager to get into a place of his or her own.

"It's really all about location and lifestyle," says Kelly Borgen, account executive with the Roxburgh Agency, Costa Mesa, Calif. "So you see big visuals and photography throughout the brochure. It's very colorful and vibrant."

The brochure has high-gloss pages that depict the different materials and textures found within the loft, with velum sheets that overlay the floor plans to give potential buyers an idea where to put their furniture. Many people like the idea of a loft but have no idea how to furnish open spaces.



"Let's show them the basics," says Banks. "You can put your bed there, your dresser here. A lot of folks find that really helpful — that it's practical. You could actually live there."

Builder: Standard Pacific Homes – Los Angeles Division Ad Agency/PR Firm: The Roxburgh Agency, Costa Mesa, Calif. Cost: \$8.47 per piece for 10,000



GOLD WINNER

BROOKFIELD HOMES' SOUTHLAND GROUP, COSTA MESA, CALIF.

Coffee Table Piece Educates the Enthusiasts

Ec

Builder: Brookfield Homes' Southland Group, Costa Mesa, Calif.

Ad Agency/PR Firm: Weston/Mason Marketing, Santa Monica, Calif.

Cost: \$8.34 a piece for 3,500 brochures

BEST BROCHURE FOR A BUILDER Brookfield Homes' Southland Group division decided to "preach to the choir" with this piece.

"Rather than try to always go out to a broad-based audience to educate them as to who and what Brookfield is," says Tom Weston, a partner with Santa Monica-based Weston/Mason Marketing, "what better audience to focus on than existing buyers and new buyers as they come into the family."

The brochure is designed to reinforce the specialness of owning a Brookfield home to a group of about 5,000 homeowners expected to expand by another 500-800 each year, Weston says, as well as create a conversation piece with their friends and acquaintances.

The challenge was producing a brochure that mimics a coffee table book using a limited budget and small rollout. Weston/Mason used a "Chinese sew" instead of perfect binding for the brochures. The brochure is French folded — regular, uncoated paper stock printed only on one side and folded over so that only the printed side is visible — to give the feel of heavier stock. And it uses a thermo graphic process in which each layer of ink was heat-sealed as it was laid onto the paper, causing the ink to dry on top of the sheet instead of soaking in.

"As a result, the depth and richness of the photography is not something you've ever seen before," says Weston.













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An Ad with Brains, Heart and Courage



Most people start their search for a home on the Internet. And most people are familiar with Dorothy's wistful statement at the end of "The Wizard of Oz." This clever ad spoke loudly and clearly to a broad audience.

"The target market was anyone seeking a new home who would use the Internet for their search," says Bridgett Wright, marketing director at the Jones Company, Franklin, Tenn. "We wanted to draw traffic to our Web site. We saw a marked increase in traffic for the day that the ad ran, as well as the next day."

The advertisement ran full-page and full-color.

Says Wright: "Obviously, the size of the ad contributed to the sizzle."

Builder: The Jones Company of Tennessee, Franklin, Tenn.

Ad Agency/PR Firm: The Point Group, Dallas Cost of ad: \$450 for 2006 print campaign

BEST COLOR AD CORPORATE COMBO

GOLD WINNER

SEAHAUS, LA JOLLA, CALIF.

Seahaus Lures Buyers with a Breath Of Fresh Air

"This particular ad was designed to reach out-ofstate buyers in Arizona and Nevada where it is very hot in the summer months," says Lenette Hewitt, marketing director at Barratt American, Carlsbad, Calif. "The ocean view shot — taken from one of the actual units at Seahaus — was the draw to get buyers to purchase a second home in La Jolla.

"The biggest challenge," says Hewitt, "was selling to an upscale buyer that could afford to pay \$1.2 million to \$1.9 million for a luxury or second home. And the market really took a turn for us in the last year and we went from 75-100 a week traffic to 15-35 a week."

"It paints a picture immediately that is very simple, says Nationals judge Laura Lynn Reising of Petros Homes. "It's amazing how powerful it is."

Seahaus' sales were very successful all 138 town homes and condominiums were completely sold out by last November.



Builder/Developer: Barrett American, Carlsbad, Calif. Ad Agency/PR Firm: Greenhaus, San Diego



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GOLD WINNER

REYNOLDS PLANTATION, GREENSBORO, GA.

A Diamond on the Green

The Reynolds Plantation is a luxury golf resort community.

"There were four or five courses down there already," says Todd Haislip, creative director at

Denmark agency, Atlanta. "They were opening another more exclusive golf course – the Creek Club. This is going to be the first members' only golf course — a bit higher echelon."

Ads for golf communities play to the natural strengths, showing beautiful photography of acres and acres of meticulously landscaped courses. But these visual aren't the best course for differentiation because they all look virtually the same. Instead, the Creek Club features a diamond.

Builder/Developer: Linger Longer Development Company, Greensboro, Ga.

Ad Agency/PR Firm: Denmark agency, Atlanta

"Our goal was to stop people in their tracks," says Haislip. "We thought the diamond on the tee was a good way to do that. The diamond represents a new standard in golf."



BEST COLOR AD FOR A MASTERPLANNED COMMUNITY

GOLD WINNER

AZZURRA, MARINA DEL REY, CALIF.

Artists in Residence



Developer: Colony Capital, Los Angeles Architect: GMP Architects, Santa Monica, Calif. Ad Agency/PR Firm: InterCommunications, Newport Beach, Calif.

Price range of units: \$600,000 to \$4.4 million Square footage of unit: 811 to 3571

BEST SPECIAL PROMOTION

Twenty artists, 200 guests and 60 members of the media attended the opening, but it wasn't that of a movie, theater or gallery. Instead, they visited Azzurra, a high-rise luxury condominium project in Marina del Rey.

The developer purchased a \$2 million art collection representing the artists from the L.A. school of art: painters, sculptors and photographers such as David Hockney, Roy Lichtenstein and Dennis Hopper who lived together and practiced their respective arts together in the 1960s just blocks from where Azzurra is now located. Each floor of the building would feature one particular artist in the hallways.

A group photo was taken in front of a billboard of Dennis Hopper's famous photo, "Double Standard, 1961" — identical to the shot taken 40 years ago of the same guys.

The artists were invited back to celebrate their art and mingle with potential buyers and brokers. The opening was promoted though an invitation, brochure, note cards and other promotional activities. People, Forbes and Variety were among the publications covering this event.

"It created a buzz that allowed us to sell 390 units at price points between \$1.5 (million) and \$1.8 million in essentially 11 months," says Alexander. "And we were able to get Dennis Hopper, Joe Goode and Peter Alexander to move into this building to paint in residence."



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Gold winners not pictured

*Best Rookie Sales Person of the Year

Kyle Krecklow, Ryland Homes, Twin Cities, Eden Prairie, Minn.

*Best Sales Person of the Year

Sheena M. Guido. The Marketing Directors. a Ryness Company, New York

*Best Sales Team of the Year

Maria Sirgo, Eduardo Pena, Johnny Hackett, Michelle Lo, Robert Taylor, Paul Cinciripini, Lisa Tran, Gus Garcia, Sarah Ta and Quyen Nguyen - Royce Builders, Houston AND

Theresa Maisen, CSP; James I. Park, CSP, and Lindsay Wilson, CSP

The Ryness Company, Urban West, Irvine, Calif.

*Best Sales Manager of the Year

Rich Rudnicki, Winchester Homes, Bethesda,

*Best Marketing Director of the Year

Peggy Sullivan, Pathway Communities,

Sales and Marketing Council of the Year - Under 250 Members

Horry Georgetown Sales & Marketing Council, Conway, S.C.

Sales and Marketing Council of the Year - 250-500 Members

Atlanta Sales and Marketing Council of the Greater Atlanta Home Builders Association

Sales and Marketing Council of the Year - Over 500 Members

Inland Sales & Marketing Council, Huntington Beach, Calif.

Best Logo

East Pier, Boston, Mass.

Builder: Lennar Urban, Weehawken, N.J. Ad Agency/PR Firm: ADD Inc., Cambridge, Mass.

Best Graphic Continuity

The Ocean Club, Revere Beach, Mass. Builder: Fustolo Development, Burlington,

Ad Agency/PR Firm: Doerr Associates/ Conventures, Winchester, Mass.

*Will be featured in the April issue of Housing Giants.

Best Brochure for a Community Priced Under \$400,000

Allev24. Seattle

Builder: Vulcan Real Estate, Seattle Ad Agency/PR Firm: DEI Creative, Seattle

Best Brochure for a Community Priced \$650,000-\$1,000,000

Union Row, Washington, D.C.

Builder: PN Hoffman, Washington, D.C. Ad Agency/PR Firm: Eason Associates, Washington, D.C.

Best Brochure for a Community Priced Over \$1 Million

Henley on Hudson, Weehawken, N.J. Builder: Lennar Urban, Weehawken, N.J. Ad Agency/PR Firm: The 7th Art, New York City

Special Award: Best Brochure for a **Community Priced Over \$1 Million**

Azzurra, Marina del Rey, Calif. **Developer:** Colony Capital, Los Angeles Ad Agency/PR Firm: InterCommunications, Newport Beach, Calif.

Best Brochure for a Resort Community Mountain Air. Burnsville, N.C.

Developer: Mountain Air Development Corp. Ad Agency/

PR Firm: Applied Communications

Best Brochure for a Masterplanned Community

River Hall, Alva, Fla.

Developer: The LandMar Group, Jacksonville, Fla.

Ad Agency/PR Firm: Full Circle Productions,

Best Internet Marketing Campaign

John Laing Homes Corporate Lost Looker Survey, San Diego

Builder: John Laing Homes Corporate, Newport Beach, Calif.

Online Marketing Firm: Interactivate, San

Ad Agency/PR Firm: Greenhaus, San Diego

Best Black & White Ad

Watermark, San Francisco

Builder: San Francisco Cruise Terminal, San

Ad Agency/PR Firm: Gauger + Associates, San Francisco

Best Radio Commercial

Stapleton, "Mr. In Between Guy" **Developer:** Forest City Stapleton, Denver Ad Agency: Strada Advertising, Denver

Best Television Commercial

Centex Homes, "Dad"

Builder: Centex Homes New Mexico, Albuquerque, N.M.

Ad Agency: MudHouse Advertising, Albuquerque, N.M.

Best Buyer Retention Program

"My Home" Online Membership

Builder: John Laing Homes, Newport Beach,

Ad Agency: Greenhaus, San Diego

Best Marketing Promotion by an Associate or Supplier Serving the **Housing Industry**

Gauger + Associates Real Estate Brochure Associate: Gauger + Associates, San Francisco

Best Community Service Project or

Clay Shoot/Golf Tournament, Houston Builder: Royce Builders, Houston Ad Agency/PR Firm: In-house

Best Website for a Community

www.heritagecreekmilton.com Builder: Schell Brothers, Milton. Del. Web site Designer: Elevated Line Design,

Best Website for a Builder

www.thejackparkercorporation.com Builder: The Jack Parker Corporation, Fort Myers, Fla.

Web site Designer: B-Squared Advertising, Naples, Fla.

Best Website for an Associate

www.DTDesignConcepts.com

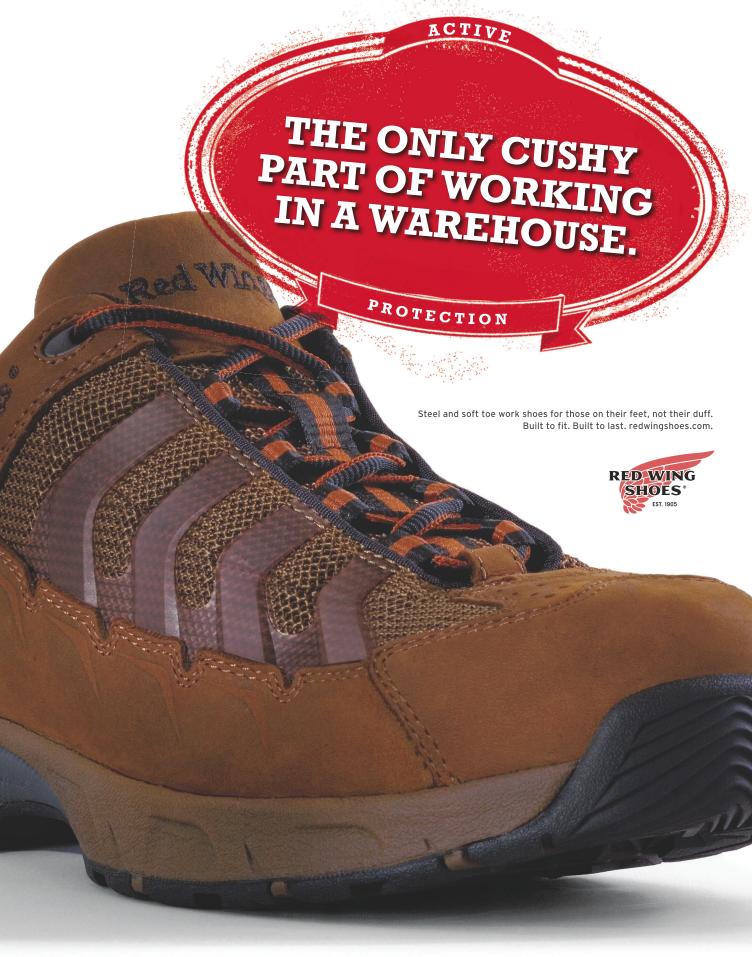
D & T Design Concepts, Cape Coral, Fla. Web Site Designer: Devious Design Studio, Fort Meyers, Fla.

Best Urban Sales Office

The Residences at Maple Leaf, Toronto **Developer:** Lanterra Developments,

Interior Design: Munge/Leung Design

Associates, Toronto



GOLD WINNER

Gold winners not pictured cont.

Best Suburban Sales Office

Harbors at Haverstraw, Haverstraw, N.Y. **Developer:** Ginsburg Development Companies, Valhalla, N.Y.

Architect: Niles Bolton Associates, Atlanta/ Do Chung and Partners, Stamford, Conn. **Interior Design:** DEI Design Environment **Ad Agency:** The Marcon Group/Miller-Mohr

Best Sales Information Center

Del Sur Ranch House Welcome Center **Builder:** Black Mountain Ranch, San Diego **Architect:** Nick Fullerton Architects, P.C., Kalispell, Mont.

Interior Design: Design Line Interiors, San Diego

Landscape Designer: Vita Planning and Landscape Architecture, San Rafael, Calif. Ad Agency/PR Firm: InterCommunication, Newport Beach, Calif.

Best Design Center

Renaissance Homes Design Center **Builder:** Renaissance Homes, Lake Oswego, Ore.

Interior Design: Renaissance Homes Design Team and Jane Meagher, consultant

Best Signage

Seacrest, Crystal Cove, Calif.

Builder: Laing Luxury, Newport Beach, Calif. **Ad Agency/PR Firm:** P11 Creative, Santa Ana Heights, Calif.

Best Interior Merchandising of a Model Priced Under \$400,000

Southtown – The Uptown, Southgate, Mich. **Builder/Architect:** Adco Group, Novi, Mich. **Interior Designer:** Stephanie Kallen, Boerema Chaben & Company, Novi, Mich.

Best Interior Merchandising of a Model Priced \$650,000-\$1,000,000

La Cantera - The Santa Rosa. La Quinta, Calif.

Builder/Architect: La Playa Properties, Santa Barbara, Calif.

Interior designer: Parisi, Del Mar, Calif.

Best Single Family Detached Home Priced Under \$400,000

Parkway Lakes - The Jefferson, Richmond, Texas

Builder: Royce Builders, Houston **Architect:** P.L. Murray & Associates, Plano,

Texas Interior Designer: Impact Design, Houston

Best Single Family Detached Home Priced \$400,000 to \$650,000

Inspiration - Lexington Lodge Plan, Bayport, Minn.



THE JUDGES (from left to right): Michael Copp-NAHB, Bill Kreager, John Sims, Patti Guthrie, Dominique Sampson, Lyda Akin, Nick Lehnert, Jim Hale and Laura Lynn Reising

Builder/Architect: Rottlund Company, Roseville, Minn.

Interior Designer: Janelle Rasmussen, Rottlund Company, Roseville, Minn.

**Best Single Family Detached Home Priced \$1 million to \$2 million

Capistrano Plan 3, Ladera Ranch, Calif. **Builder:** K. Hovnanian Homes, Bakersfield, Calif

Architect: Lim Chang Rohling Architects, Pasadena, Calif.

Interior Designer: Design Tec Inc., Newport Beach, Calif.

Landscape Designer: Land Concern, Santa Ana, Calif.

**Best Single Family Detached Home Priced Over \$2 million

Atterbury at Villanova, Montgomery Model, Villanova. Pa.

Builder: Moser Builders, Berwyn, Pa. **Architects:** McIntyre, Capron & Associates,

Paoli, Pa. **Landscape Designer:** Gordon Eadie, Valley Forge, Pa.

Interior Designer: Alex Cole Interiors, Tampa

**Best One-of-a-Kind Home

Kinsley Place, Deland, Fla.

Builder: The St. Joe Company, Deland, Fla. **Architect:** Looney Ricks Kiss Architects **Landscape Designer:** Dix Lathrop & Associates, Longwood, Fla.

Interior Designer: Brooks Interior Design, Maitland, Fla.

JUDGES

2007 Nationals Judges

LYDA AKIN

The Point Group, Dallas

PATTI GUTHRIE

Marc-Michael Interior Design, Winter Park, Fla.

JIM HALE

Fonville Morisey, Builder Marketing Group Raleigh, N.C.

BILL KREAGER

Mithun Pier 56, Seattle

NICK LEHNERT

Lehnert & Associates, Placentia, Calif.

LAURA LYNN REISING

Petros Homes, Broadview Heights, Ohio

DOMINIQUE SAMPSON

The Green Companies , Newton, Mass.

JOHN SIMS

Builder Marketing Services, Long Valley, N.J.

MICHAEL COPP

NAHB Liaison

PETER M. MAYER

Judging Chairman

Peter M. Mayer Productions, Alta Loma, Calif.

For more information about the National Sales and Marketing Awards, visit **www.thenationals.com**.

**Will be featured in our April issue of *Custom Builder*.

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rimline Ridge Vents provide superior ventilation by creating a balanced system that continuously releases hot, moist attic air while drawing fresh air through soffit vents. Creating a balanced, continuous ventilation system increases a home's total energy-efficiency while extending the life expectancy of its roof material - a great selling point for your customers. Engineered from a unique corrugated plastic



material, Trimline vents fit a variety of roof styles including shingle, cedar, tile and metal. Designed to vent at the ridge the hottest point of the roof – the Trimline vent system has the added benefit of creating a smooth roofline, eliminating the unsightly louver vents commonly found on



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Kendall Klimper, president of Start to Finish Roofing in Portland, OR, says that Riverside Homes exclusively uses Trimline Ridge Vents on all new construction homes. Klimper says "We are convinced that the Trimline Ridge Vent is the best ridge vent and provides great results when the ventilation is balanced at

both the ridge and the soffit." Klimper says whenever he presents Trimline Ridge Vent to a builder he educates them on the benefits of using Trimline, stating the quality performance, great appearance and quick installation.

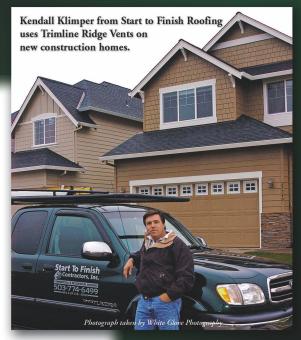


Klimper says houses are being built so they are sealed tight these days and become a moisture collector. However, ridge vents help move airflow throughout the house, including the attic. The builders that work with Klimper know that Trimline Ridge Vents protect the investment of the home and add value to the entire house. Klimper believes in the Trimline Ridge Vent product so much that he promotes the product to builders and distributors in the Northwest.

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Product News

Softwood
Makes
a Hard
Sell

Builders still worry about lumber prices; neither the U.S. nor Canada satisfied with lumber deal.



On the longest unprotected border in the world, a

war of wood and words has been waging for years over softwood lumber imports into the U.S. An April agreement has calmed the situation, but neither side is particularly pleased with the compromise, and builders still worry.

A battle between the U.S. and Canadian lumber producers has been building since the April 2001 expiration of a U.S./Canadian Softwood Lumber Agreement reached in 1996. Under the terms of that agreement, Canada had a limit of 14.7 billion board feet of duty-free lumber to U.S. lumber yards each year. Tariffs set for shipments would kick in beyond that level. In return, the U.S. agreed not to launch any trade action against Canada.

In April 2006, a proposal reached under NAFTA stated Canadian lumber firms would be held to 34 percent share of the softwood lumber market in the U.S., broken down regionally between Canada's lumber-producing provinces and based on 2004-05 exports. In return, the U.S. would give back about \$4 billion of the \$5 billion it collected in duties since the expiration of the previous agreement. Canada would impose an export tax that would vary according to lumber prices, export levels and the value of the Canadian dollar.

Although most U.S. timber is harvested from private land at market prices, the Canadian government owns 90 percent of the country's timberlands and charges stumpage fees for logging based on the cost of maintaining the forest. U.S. timber companies contended Canada's stumpage fees were kept artificially low to allow mills to sell wood below market value. U.S. firms pressured the American government to impose extra duties on Canadian lumber to lock-in prices. After the duties were continued on Page 92

>> BY FELICIA OLIVER, SENIOR EDITOR

A Traditional Green Home in the Neighborhood

A 'GreenHome' demonstrates the affordability and practicality of sustainable building

WHEN YOU INTEGRATE GREEN ELEMENTS EARLY IN THE DESIGN PROCESS, a green home's look can fit into a typical neighborhood. And when you plan ahead, the costs of building green can be manageable. The National Homebuilder Mainstream GreenHome in Raleigh, N.C., will showcase products, systems and techniques that can be used for individual homes or large-scale developments.

Lutron Electronics and Cherokee Investment Partners teamed up to build the Mainstream GreenHome, the first home in the country to be built in a subdivision under the NAHB's Model Green Home Building Guidelines. Only three homes to date have met these guidelines.

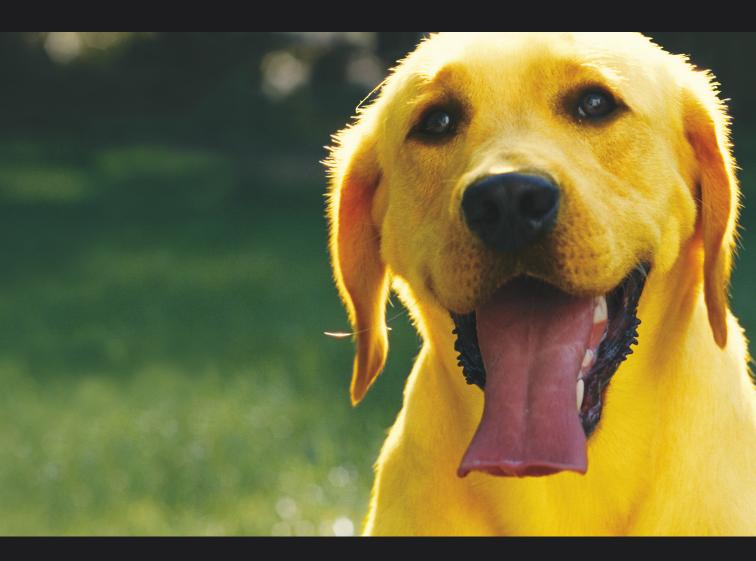
"Not only are we cleaning and greening hundreds of brownfield sites nationally," says Tom Darden, CEO of Cherokee, "we are exploring innovative ways to integrate more sustainable features into the horizontal and vertical construction of our sites."

Builders considered the environment in various aspects of the home by using edible or drought-tolerant plants for landscaping to incorporating rainwater catchment and reuse systems.

The GreenHome will use Lutron products, including RadioRA, a radio frequency lighting control system to control electric light, and Sivoia QED shades to control daylight. The RadioRA Chronos package uses an astronomical clock to automate lighting changes to save energy. For example, driveway lights can be programmed to turn on at sunset and turn off at 11 p.m.

The GreenHome is expected to be complete in early 2007. For more information, visit www.MainstreamGreenHome.com.

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Product News

imposed, Canada took its case to the World Trade Organization and NAFTA in May 2003.

Though an agreement has been reached, neither side is completely happy with the deal. U.S. lumber producers fear dramatic price shifts, and some builders remain worried about softwood's price. "The NAFTA panel decision is gravely flawed and signifies a potential end to an important antidote in the U.S. lumber industry's efforts to counter the poison that is Canadian lumber industry practices," said Steve Swanson, chairman of the Coalition for Fair Lumber Imports, in his address to the U.S. Senate Commerce Committee Subcommittee on Trade, Tourism and Economic Development.

Bernie Markstein, director of forecasting and assistant staff vice president of the NAHB, says that under the terms of the agreement, "Canadian firms can still import as much as they want to ... if they are willing to pay the price. But some of the more stringent rules, some of which aren't being enforced as of yet, impose big limits on the amount of lumber that can be imported."

If the U.S. tightens its grip on Canadian imports, builders may have to look to other sources, such as Europe, for their lumber. "Even if you want more, you can't have it. We have lots of lumber sitting to the North of us but we might not even be allowed to use it. We would have to import lumber from Europe at a higher cost," Markstein says. "From a builder's perspective, this is just crazy. Technically either side can opt-out after two years, but I think this will stick for awhile. And it still officially hasn't passed yet. Both sides are still pushing it through."

>> BY FELICIA OLIVER, SENIOR EDITOR

A Bright Idea

Lead and mercury on the outs at Philips plants.

Philips Lighting Co. has partnered with the Environmental Protection Agency to get the lead and mercury out of its U.S. manufacturing processes. The company has been recognized by the EPA as the first U.S. corporation to launch a company-wide effort to meet EPA's National Partnership for Environmental Priorities waste minimization standards.

The NPEP encourages public and private organizations to form voluntary partnerships with the EPA to reduce the use or release of any of 31 priority chemicals, including cadmium, lead and mercury.

EPA first approached Philips about reducing chemical waste at its Fairmont, W.V., plant. But Steve McGuire, Philips Lighting Co.'s environmental manager, says the NPEP goals fell in line with existing company initiatives.

"Instead of having one plant here, one plant there, I thought we should join it as a corporation," says McGuire. "Sustainability can't work in bits and pieces."

"As Philips continues to reduce our dependence on both mercury and lead to produce our lighting products," McGuire adds, "we'll be using less of these materials in all our plants and will help prevent higher levels of mercury from entering the environment."

Philips has volunteered to significantly reduce the levels of mercury in the manufacturing of its fluorescent lighting by the end of 2007 and to virtually eliminate all lead in the manufacturing of its lighting products at all of its U.S. plants by 2010.

The EPA estimates Philips' waste reduction commitment will represent 37 percent of the EPA's national chemical reduction goal for 2011 for all businesses and companies reporting priority chemicals.

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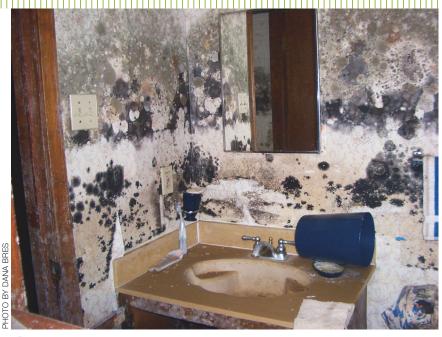
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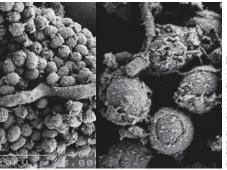
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Answer: In 2007, it took 41 sponsors. For information on Professional Builder SHOW VILLAGE 2008, go to www.ProBuilder.com.



MOLDS PRODUCE ALLERGENS, IRRITANTS

and, in some cases, potentially toxic substances, seen below. Inhaling or touching mold or mold spores may cause allergic reactions and illnesses. Millions of spores can be seen in this post-Katrina bathroom in New Orleans, left.



HOTO BY JOHN MARYNY, E

PATH REPORT

Builders Tap Mold-resistant Gypsum

Approximately 55 percent of homeowners express concern about mold, according to a 2005 survey by CertainTeed.

For builders, mold can translate into costly and time-consuming callbacks for remediation, particularly if mold is found in the drywall.

With news about the dangers of mold spreading, innovative manufacturers have launched mold-resistant gypsum products.

These products not only can be good for your homes but can be — if you promote the gypsum board to your customers — a powerful and distinctive marketing strategy as well, particularly in conjunction with aggressive advertising by manufacturers.

"From a consumer awareness point of view, it has been phenomenal," says Leo Bissonnette, manager of Georgia-Pacific's Dens Products. He notes the product does well among do-it-yourselfers, who find it in major stores like Lowe's and Home Depot, and "because of its popularity with consumers, we have seen some more interest from builders. It is creating a bit of a pullthrough of the product."

Mold-resistant gypsum is not a substitute for good building practices, however. Proper roof pitch and window flashing; minimal roof penetrations; a well-drained, weather-resistant envelope; and other design elements can reduce the likelihood of moisture penetration, and you should include them. But mold-resistant drywall provides a good layer of extra protection, especially in high-humidity rooms.

Cause for Concern

Unchecked, mold growth can rot wood and damage drywall. It can even cause structural damage.

But the main concern for homeowners is the health implications.

Molds produce allergens, irritants and, in some cases, potentially toxic substances. Inhaling or touching mold or mold spores may cause allergic reactions and illnesses. Mold can be a serious concern for people with weakened or suppressed immune systems.

"We've seen a real concern about mold from our clients," says Paul Boa, a production manager with Bensonwood Homes in Walpole, N.H. "In terms of selling it to customers, it's been pretty easy."

Bensonwood installs mold-resistant drywall on the interior of the exterior walls of all of its factory-built timber-frame custom homes. Because the preassembled walls can be exposed to the elements, Boa said Bensonwood wanted to provide an extra layer of protection from mold growth. And most of the firm's clients have been excited to see the mold-resistant product.

A Financial Nightmare

But mold is such a concern, even the finance industry is weighing in.

"A home with mold loses its value dramatically. For example, a \$250,000 home can have \$100,000 worth of mold problems. All of a sudden, a lender finds their loan is worth more than the home," says Charlie Perry, president of the Environmental Assurance Group, a consulting firm that addresses mold issues in real-estate.

On behalf of lenders, investors and insurance companies, Perry helps prevent losses from mold-infested homes. But the best-case scenario, he says, is that mold growth never starts.

"Unlike some other environmental issues, there are no good fixes for mold. Once the problem sets in, it is almost always there, and sometimes the remediation is more costly than the house is worth," Perry says.

little condensation in a bathroom or around a windowsill can be enough. For food, almost any organic substance

Therefore, gypsum board manufacturers have developed a variety of products that eliminate either food or water.

Several manufacturers, including USG Corp. (Sheetrock's Humitek), National Gypsum Co. (Gold Bond Brand XP), and Temple-Inland (Silent-Guard TS gypsum shaftliner), chemically treat the paper on both sides of the gypsum board. This means the gypsum cores don't absorb moisture as easily.

Another tactic is eliminating the source of food — the paper. Georgia-Pacific (using DensArmor Plus) replaces the paper with glass mat facings, while USG (using FiberRoc AquaTough) uses a paperless gypsum-cellulose combination.

In all cases, the product mounts almost identically to regular gypsum.

The products mentioned above achieved ratings between eight and 10, with 10 being the best rating.

It is important to note, however, that materials are tested only for 30 days, so the standard does not address longevity of the mold-resistance treatment.

With both types of mold-resistant gypsum, it's important to keep the material dry and clean on the job site. If not, you will be giving mold a place to thrive, despite the design of the gypsum board.

Worthy Investment

Like many technological advancements, mold-resistant gypsum comes at a cost premium. The product can cost 30 to 50 percent more than traditional drywall. Georgia-Pacific estimates that a 2,500square-foot home uses about 10,000 square feet of drywall; if you replaced it all with paperless gypsum, your drywall would cost \$1,500 to \$2,000 more. At that price, many builders tend to use it just in bathrooms, kitchens, exterior basement walls and other areas where moisture or humidity is high.

But in storm- and flood-prone regions of the country, it may make sense in every room. For example, the Katrina Cottages — the 544 to 936-square-foot home kits sold by Lowe's in the Gulf Coast region — include mold-resistant drywall throughout.

Although the cost of the drywall is higher, compare it to the expense of remediation.

And when you weigh the cost premium against the reputation of your business or the health of your clients, the cost may be negligible. PB

Scott T. Shepherd writes about better building practices on behalf of the Partnership for Advancing Technology in Housing (www.pathnet.org). PATH is administered by the U.S. Department of Housing and Urban Development. Learn more at www.pathnet.org.



LOG ON To read 'Building Manufacturers Launch New Mold-Resistant Products' log on to www.probuilder.com/innovations



Look for more info on mold-resistant gypsum in PATH's Top 10 Technologies for 2007 at www.pathnet.org

To highlight the importance of mold prevention, Perry has started design and construction of the Mold Safe Model Home project. Sponsored by the Partnership for Advancing Technology in Housing (PATH), the 3,000-squarefoot home in Chesterfield, N.H., will include paperless drywall, vapor barriers, proper water drainage design and other features.

"With mold, it is about prevention, prevention, prevention," he says. "We started the Mold Safe Model Home to demonstrate the value and easy application of mold-resistant products, such as mold-resistant gypsum board."

Nothing to Eat

What exactly is mold-resistant gypsum and how is it different from your usual drywall? Mold requires two elements to grow: moisture and food. For water, a

The dimensions, installation methods and finishing techniques are the same.

Boa says workers have complained about the amount of dust generated during cutting, but Bensonwood has adjusted by cutting the drywall with handsaws.

How Resistant Is It?

Mold-resistant does not mean mold-free. The current standard for mold-resistant characteristics of drywall is the ASTM D3273 Standard Test Method for Resistance to Growth of Mold on the Surface of Interior Coatings in an Environmental Chamber. D3273 measures the ability of the drywall to resist mold and mildew growth under prescribed moisture conditions. Several manufacturers measure the performance of their products against this standard.



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Pringle Development



Joe Ziler
Director of Homebuilding
Operations
Eustis, Fla.

▶ Wellborn Cabinet

The Cherry Hill Arch cabinet from Wellborn Cabinet's Woodcraft series has a full over-lay and is made from kiln-dried, 1% by %4-inch solid cherry. It has a solid wood raised center panel and features concealed adjustable hinges. Interiors are made with natural maple laminates, and the drawer's sides are made with %4-inch solid maple with finished plywood bottoms. For FREE information, visit http://pb.ims.ca/5330-125



In My Own Words

"I recently visited and toured this incredible facility. Words cannot describe the pride and dedication that the employees of Wellborn have. It was the most impressive manufacturing facility I have ever toured. Although they are highly automated and quality driven, they truly 'hand build' their fine cabinets."

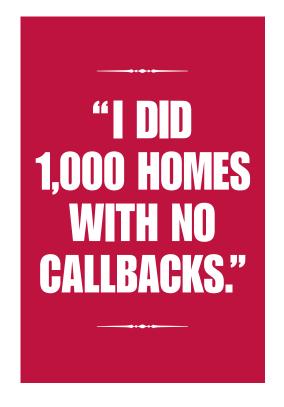


Owens Corning

The Cultured Stone Shale Pro-Fit Alpine Ledgestone for interior and exterior applications from Owens Corning features modular components with the company's patented interlocking mortar groove for secure adhesion and tight-fitting installation. New colors include autumn, Mojave and shale. The line also includes the Black Rundle Country Ledgestone. For FREE information, visit http://pb.ims.ca/5330-126

In My Own Words

"Owens Corning products not only have great brand recognition in the housing market but excellent performance results. Specifically for Pringle their shingle and insulation products are of great value. We have found the performance of their products to exceed our expectations and their builder support is exemplary."



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>> Pringle Development cont'd

Shaw

With new textures and patterns, Everyday Elegance carpets from Shaw feature 20 styles made with the company's EverTouch and EverTouch SD nylon. Patterns include geometric and bamboo. The carpets are treated with Shaw's R2X stain and soil resistance treatment and carry a 10-year warranty against wrinkles. For FREE information, visit http://pb.ims. ca/5330-127



In My Own Words

"Shaw has done an exceptional job of merchandising our Design Center and packaging their products in a retail environment. This not only makes it easy for the builder but easy and affordable for our customer. Prepackaged see-it-and-buy-it tile selections, beautiful carpet, hardwood samples and a professional display have really helped our customer design experience."



▲ Sherwin Williams

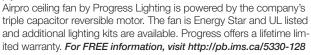
Made by Sherwin Williams, the Loxon paint system is designed for all types of concrete and masonry applications, including tilt-up, precast, poured-in-place, CMU, cement block and stucco. According to the company, the coating does its job in one less coat with no need for primer. Loxon has resistance to alkali and efflorescence and can be applied to concrete less than 28 days old. For FREE information, visit http://pb.ims.ca/5330-129

In My Own Words

"We take the quality of our homes very seriously. Quality finish is what sets Pringle Development apart from our competition. The quality of Loxon Paint System is exceptional. This product that has been wind-driven tested to 98 mph and substantially de-creases the chances of water infiltration here in Florida."

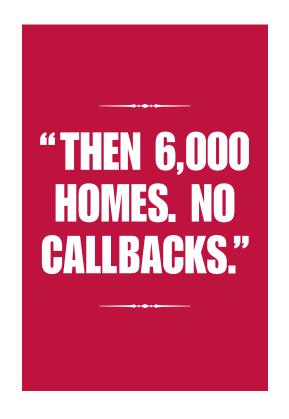


Featuring medium oak and dark teak plywood blades, the



In My Own Words

"Progress has a much diversified lighting array that is not only satisfactory to the entry level buyer but for the discriminating high-end buyer that we service here at Pringle. We have found their builder support, quality products and ever-changing selections really compliment the housing market."





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ProBuilder Product Report:

New Products



Vinyl window sills from Sill-Rite are made with pre-finished composite PVC that requires no priming or painting. The white sills wrap around the sides of the window as opposed to having a butt cut; can be installed during or after applying drywall; and help prevent moisture damage. The product has two lines: classic and streamline. For FREE information, visit http://pb.ims.ca/5330-130



Variform

The Timber Oak Ascent vinyl siding from Variform employs BASF's Permahue in nine different colors for a wood grain look. Two Traditional and one Dutch Lamp profiles are available. The siding also sports a six-layer Pointe-Lock system and a curled-over nailing hem that, according to the company, has a 222mph wind resistance. For FREE information, visit http://pb.ims.ca/5330-132



Eighty percent AFUE Comfortmaker two-stage condensing gas furnaces from International Comfort Products includes the SoftSound VS80. The furnaces feature new variable-speed motors with 12 speed selections. The VS80s can be installed in upflow, downflow or horizontal configurations and have larger panels for access. For FREE information, visit http://pb.ims.ca/5330-133





▲ Sirius Range Hoods

The SIU405 range hood from Sirius Range Hoods is a 16-inch wide and deep island-style hood with a telescoping chimney. It features a 4-speed 600CFM motor that operates via wireless remote. The unit includes a 10-minute-delay off timer, heat overload sensor and a dishwasher-safe aluminum filter. For FREE information, visit http://pb.ims. ca/5330-131



Water Inc.

Designed to operate kitchen garbage disposals, the Everpure Air Switch from Water Inc. can remotely operate two 120-volt appliances. The system's components include an air transmitter, electric controller and air hose. When the user depresses the system's button, air is forced down the hose to activate the appliance's electrical switch. For FREE information, visit http://pb.ims.ca/5330-134

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up water like a sponge. But wicking is almost nonexistent with DensShield.

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"Based on our labor and time savings, I'd say that DensShield is saving us at least \$60,000 a year. So I can't imagine using anything else."

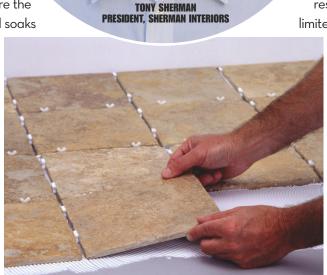
Tony's experience isn't unique. Georgia-Pacific has experienced virtually not be to be a superior of the second of the se

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For FREE info go to http://pb.ims.ca/5330-66



ProBuilder Product Report:

Windows



Kolbe & Kolbe Millwork

Designed for coastal or high-wind applications, the K-Force impact-resistant windows from Kolbe & Kolbe Millwork feature a Low-E2 coating to reduce heat gain and a sound-dampening laminate. The windows have no brackets or visible rods, and no extra locks are required. The glass' glaze is rated to withstand hurricane-force winds and flying debris. Casement, awning and double-hung options are offered. For FREE information, visit http://pb.ims.ca/5330-137

Jeld-Wen

The Flat Casing Windows for Colonial-style homes feature a 3½-inch trim casing and authentic sill styles for architectural accuracy. The complete collection includes double-hung, awning, casement, fixed, radius and geometric windows. Sliding patio doors are available. For FREE information, visit http://pb.ims.ca/5330-138

▲ Milgard Windows

Vinyl replacement options from Milgard Windows include the Mastri series. The line features an argon gas interior with dualinsulated glass and the company's non-metallic Super Spacer technology that separates the panes. The windows also have the company's SunCoat Low-E insulation. On double-hung options, the Mastri series has thicker weather-stripping with a triple interlock frame. Light oak, medium oak and cherry finishes are available. For FREE information, visit http:// pb.ims.ca/5330-135

▶ Pella Windows and Doors

Mahogony, Alder, Douglas fir and Douglas pine are the latest additions to Pella's Architect series. The mahogany is designed to match contemporary cabinets, floors and trim. The Alder is made for rustic décor, and the grain patterns for the Douglas fir and pine options are meant for paints or stains. The Architect series features proprietary shapes and sizes. Custom grille patterns are available.

For FREE information, visit http://pb.ims. ca/5330-136



The Armor Impact Plus (AIP) windows from Gorell pass ASTM Large Missile Impact and Cycling tests up to 129 miles per hour and are approved for "C" level performance. The windows carry a DP-50 rating in accordance with the American Architectural Manufacturers Association's standard for air. water and structural wind load testing. The 5301 picture, 5352 lift-out sliding and the 5121 Dryer Vent window are among other new lines from the company. For FREE information, visit http://pb.ims.ca/5330-139



Monarch Windows and Doors

have an integrated tie slot mounting system for

fastening the frame to the form. The sashes are

removable and weather-stripped. The windows

have replaceable sill and head tracks, a cam-style

locking system, brass rollers and the company's

proprietary track system. Five glazing options in-

clude single glaze, insulated glass and laminated

glass for lower sound transmission. For FREE

information, visit http://pb.ims.ca/5330-140

The Premier Vinyl windows from Monarch

▼ Weather Shield Windows & Doors

The Aesthetics casement windows from Weather Shield are available in both aluminum-clad and wood exteriors. The aluminum-clad version has two profiles: colonial and putty glazed. The colonial has rounded accents and the putty glaze features sharper angles. Both offer a simulated divided lite bar made in 7/8-, 1 3/8- and 2-inch profiles. For FREE information, visit http://pb.ims.ca/5330-141



▲ Velux

The latest electrochromatic glass option for skylights from Velux allows homeowners to electronically control the amount of light and heat entering a room. The system uses the company's SageGlass glazing. Made out of multiple layers of ceramic film and measuring only 1/50 of the thickness of a hair, the SageGlass uses a low-voltage DC current that causes the electrochromatic film to darken and uses as much energy as a 40-watt incandescent bulb. For FREE information, visit http://pb.ims.ca/5330-142





▲ ViWinTech Windows & Doors

The 4100R series of replacement windows now features a heat-reflective clay coating and is made with a white interior and tan exterior. The 4100R from ViWinTech has a flat two-toned grid between the panes. The windows have several color, glazing, screen and mullion options and feature the company's Emax Plus high-performance, energy-efficient glass. For FREE information, visit http://pb.ims.ca/5330-143



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* Variform commissioned an independent research study of homeowners in 2005 that was conducted by the Vernon Research Group. Respondents did not include homeowners with primary brick or stucco exteriors.



ProBuilder Product Report:

Decking



Fiber Composites

The Exotics from Fiber Composites' Fiberon family is a composite deck line designed to mimic exotic tropical wood. Two options are available: the Jatoba, which copies the grains of woods such as ipe and cambara, and the Mahogany, made to look similar to natural mahogany, redwood or Brazilian cherry. The line features a 20-year limited warranty. For FREE information, visit http://pb.ims.ca/5330-146



Deckorators

Made in 6- by 6-foot sections, the latest post covers from Deckorators include the Stacked Stone Collection made in the company's canyon, gray and Sedona colors. Each post cover is 24 inches tall and is made of a high-density polyurethane epoxy with a proprietary molding process that mimics the look of stone. Connectors accommodate a variety of rail angles, and the product features a 25-year warranty against cracking, splitting or warping. For FREE information, visit http://pb.ims.ca/5330-144

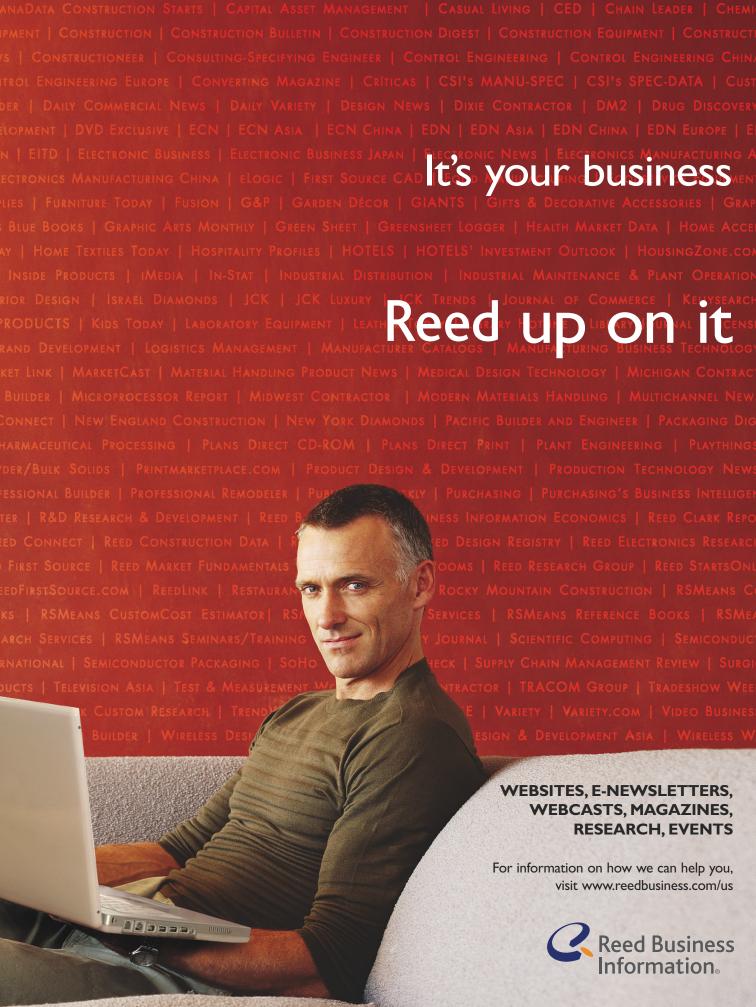


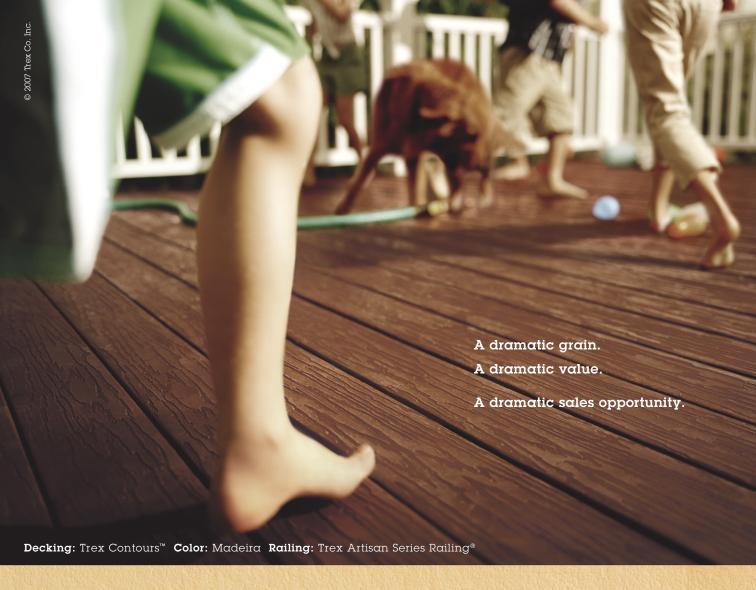
The Elements Grain decking material from Tamko comprises recycled plastic and wood fiber and doesn't require painting or staining. The latest colors include Elements Corded, matte finish, Cape Cod grey, cedar, redwood and weathered wood. The product has a matching designer railing system and carries a limited warranty against rotting, splintering and termite damage. For FREE information, visit http://pb.ims. ca/5330-145

Universal Forest **Products**

The ProWood Micro decking lumber from Universal Forest Products is pressure-treated with a copper and quaternary compound-based preservative to protect from insect infestation, fastener corrosion and decay. The treated boards are odorless, non-staining and non-irritating. The lumber can also be used for structural, dock, railing and fencing applications. For FREE information, visit http://pb.ims. ca/5330-148







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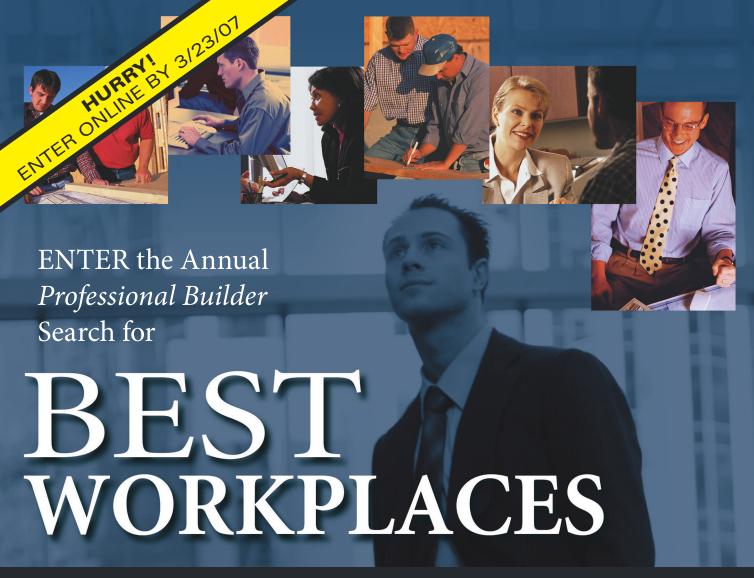
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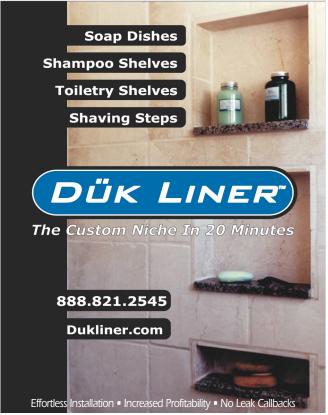
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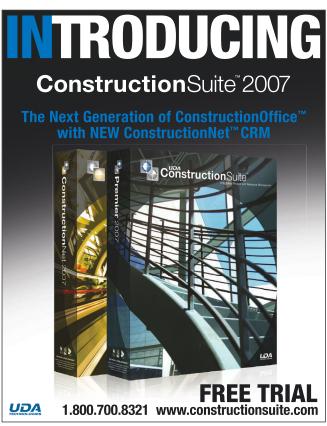


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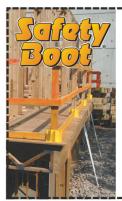
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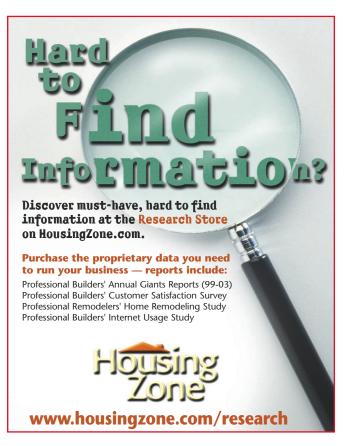
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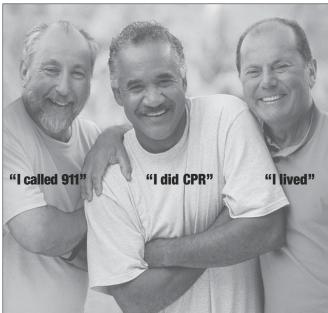
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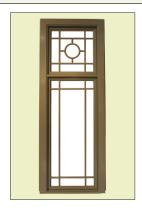


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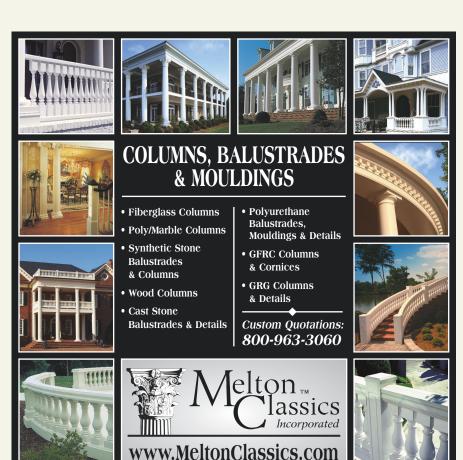
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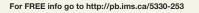


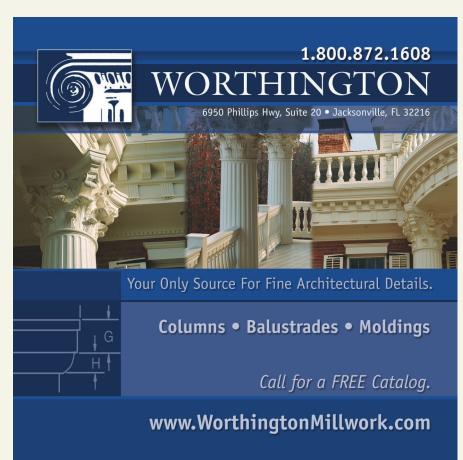
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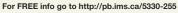
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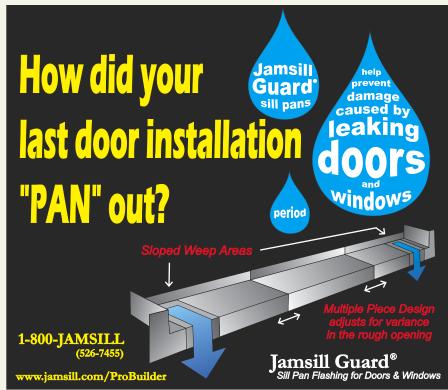


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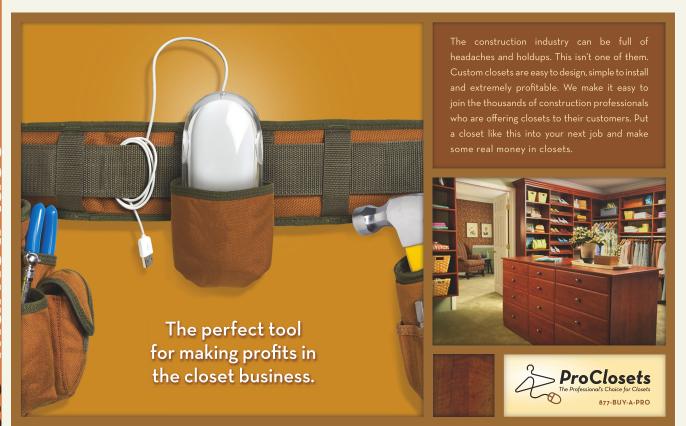
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The Supplier and Trade Tip-Off

Even 'skinny' builders can use partnerships to trim the fat.

>> BY SCOTT SEDAM, TRUE NORTH DEVELOPMENT

lam spending a week with a local builder in a major market. In the eight years I've known this company, it has tripled its staff yet increased its sales by a factor of five. It is now a major player with a gorgeous headquarters and a first-class design center. It has won a top national building award. It has an exceptional culture and wonderful, intensely loyal employees. Its supplier/trade relationships are equally strong.

This home builder is one of the most efficient I have observed in my many years in the business, with a build time of 68 days. It builds a competent, simple product without a lot of options. In short, it isn't the type of company where you find abundant waste that can be readily cut. By typical builder standards, this company is "skinny." Its margins are strong - it had double digit growth in 2006 and now it is buying land at a big discount as the regionals and nationals retreat in their market. It does a lot of things right.

I completed two days of intense meetings with 18 of the firm's key suppliers and trades, one hour at a time, looking for money. No, the builder did not take the easy way out and issue a "demand letter" saying "Cut 10 percent or else." Instead, the builder asked its suppliers and trades to help it identify waste in processes, materials and labor using a structured process. The message from

the builder was "Help me preserve my margins without cutting yours."

The result? In two days, the company identified more than \$1 million in savings. Nearly half of the supplier/ trade proposals had to be marked "TBD" — there just wasn't enough time or information to estimate a savings yet. The reactions of the suppliers and trades were positive across the board, many expressing sincere appreciation for the builder and the approach, not just for this initiative, but for how the builder does business every day.

Will this company actually save \$1 million? It'll do much better than that. It came up with additional ideas that will produce more results. It has also begun a new tradition of involving suppliers and trades more often that will continue to generate improvements. This is what partnership is all about.

So here's the challenge. Take your company to the mirror and give it a cold hard stare. If a builder this efficient could find that much waste in just two days, how much do you think is lurking around your shop? For 99 percent of you, it's more. Way more.

Can you get at it? Maybe; this company has some things yours might not. They have exceptional leadership. They have guts. They have a process, and they have unusually strong supplier and trade relationships — strong enough that they truly want to help this builder succeed in tough times, not out of fear, but out of respect and a genuine desire to help.

You'd better get started. This builder might be in your market and people have long memories. When the markets turn around and you're out there competing for the best suppliers and trades,

Challenge Your Company

Take a cold, hard look at your suppliers and trades.

Can you cut out any fat?

who do you think is going to get them? **PB**

Scott Sedam is president of TrueNorth Development, a nationwide consulting and training firm focused on quality, process improvement and organizational development. He can be reached at scott@truen.com.

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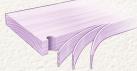
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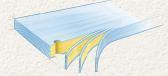


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