Miscellany

Housing: After Black Monday

Despite the fact that housing starts fell in October to the lowest rate since April 1983, the National Association of Home Builders (NAHB) still projects 1.64 million starts for 1987, making it the fifth consecutive year builders have started more than 1.6 million new housing units.

New home sales held steady at a seasonally adjusted annual rate of 680,000 during October, disproving speculation that sales of big ticket items such as homes would immediately nosedive following the Oct. 19 stock market crash. But prices did decline in early November, according to a survey by the Home Loan Bank Board. The average price for a new home fell 8.7 percent to $132,600 from the $145,600 record set the previous month. In a report to the *Commercial Bulletin* [12/11/87], Warren Lasko, exec. v.p. of the Mortgage Bankers Association, pointed out that sales are much slower "in the $200,000-$400,000 range… [in that price range] it's that move-up buyer who's making a discretionary purchase, and people are more cautious."

New Home Sales 1978-1988

(NAHB Figures)

1978	817,000
1979	709,000
1980	545,000
1981	436,000
1982	412,000
1983	623,000
1984	639,000
1985	687,000
1986	750,000
1987	680,000 *(forecast)*
1988	620,000 *(forecast)*

But Kent Colton, executive vice president of the National Association of Home Builders remains optimistic because he feels that buying a home — not stocks, bonds, or T-bills — is still the best and safest investment for the vast majority of U.S. households. "That was true before Black Monday and it is even truer today," Colton said. "Buying a home gives Americans a unique investment opportunity: steady appreciation in the value of the property, lucrative tax deductions for mortgage interest and property taxes, and a place to live."

The decline in interest rates since the stock market crash has also made housing more affordable, Colton said. "Fixed rate mortgages were above 12 percent and heading to 13 percent the week before the crash," he said. "Since then, rates have receded to the 10 1/2 to 10 percent range, reducing the monthly payment on a $90,000 loan by $100." They are expected to remain there through the early part of 1988.

NAHB also projects a modest increase in residential remodeling expenditures from $95 to $97 billion in 1987 to over $100 billion in 1988.

Meanwhile, builders can rest assured that housing has not been altogether ignored by the federal government. In a surprise move just minutes before it adjourned for Christmas recess, Congress enacted its first free-standing housing bill in seven years. Washington observers had begun to believe the bill would die from procedural red tape in the closing days of the first session of the 100th Congress. By the time you read this, President Reagan is expected to have signed the bill into law.

The bill authorizes $15 billion for fiscal 1988, and according to James Fischer, president of NAHB, it is a "major step toward addressing the nation's housing needs." Provisions include permanent authority for the FHA's mortgage insurance program and an increase in the maximum mortgage amount for single-family homes in the high cost range (from $90,000 to $101,250). Other initiatives approved by the bill include funding for rural housing and for all assisted housing at current levels, continuation of the FHA investor loan program, and a prohibition against user fee increases for FHA borrowers and on secondary mortgage market programs. A provision sought by the manufactured housing industry remained intact. It requires HUD to set cost-effective energy standards for manufactured homes that preempt local codes and thereby simplify the regulatory process. ■

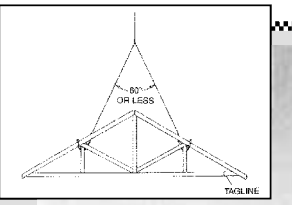
Truss Institute Warns Against Lifting Technique

Tote-Em-Pole is an innovative hoist that gives framing contractors an affordable way to lift trusses up to three stores high. In fact, *New England Builder* was all set to display the product in our special December tool section, when we received a strongly worded memo from the Truss Plate Institute (TPI).

The memo warned that the Tote-Em-Pole literature prominently displayed a dangerous lifting technique — lifting trusses from a single line fastened at the peak (see photo). The proper technique is to always use a sling with at least two lift points, according to TPI.

Regarding the one point lift, the TPI memo states: "Depending on the truss configuration this practice can cause a stress reversal at the peak, and/or overstress the joint due to the dead load of the truss, thereby weakening the joint causing premature failure during erection." The memo calls this practice a threat to life safety, and indicated that TPI's warnings to the manufacturer (Ruger Equipment, Inc. in Urichsville, Ohio) were being ignored.

Ruger president Sherwood Davis, however, told *New England Builder* that the company agreed with the TPI recommendations, and had simply needed time to redo all their literature. The new brochures and ads comply with TPI literature, says Davis. The problems were due, he said, to the contractors who supplied the original photos used in the ads. "Most contractors don't know how to lift trusses," he said. ■



What's Wrong With This Picture? *The photo shows how not to lift a truss according to the Truss Plate Institute. The Tote-Em-Pole hoist seems like just the ticket for lifting trusses, but when you use it, the TPI (and now Tote-Em-Pole) recommends that you always use a sling with at least two lift points — as shown in the inset illustration.*

You Could Get Sued...

Virtually all installations of commercial ranges in the home violate manufacturers' specifications and are unsafe. And as a contractor or designer, you are liable for potential fire or injury, according to a report in *Kitchen & Bath Business*. In that report, kitchen design consultant Bill Peterson states that "the fact that a local building inspector will approve an installation in which a range touches the wall and cabinets does not mean he will accept liability for it," and stresses that a 3-inch clearance and fireproofing around commercial ranges in the home is very important. Wolf Range and U.S. Range publish installation instructions which call for a 6 to 8-inch clearance. Such clearances are not usually required in restaurants, according to Peterson, because noncombustible stainless steel or metal shelving, countertops, and cabinets are typically employed.

Since it is unlikely that a homeowner will want the gap between stove and counter that such a clearance will create (food will fall through and cause cleaning headaches), Peterson recommends new models put out by Wolf and Viking that are approved for zero clearance to wood.

Besides liability for fire there are other reasons for discouraging the use of commercial ranges in the home. For one, the doors are uninsulated and can cause severe burns. For another, commercial burners are not equipped to simmer. And finally, the ranges put out a lot of unnecessary heat.

According to Peterson, the main reason people want a commercial range is prestige. But with threats of lawsuits looming, a designer might think twice about whether the prestige is worth it. ■

Only "commercial look" ranges, such as this model from Viking Range Corp., (P.O. Box 8012, Greenwood, MS 38930; 601/455-1200) can be safely installed flush with cabinetry in residential kitchens. With "real" restaurant ranges, you would have to install 6- to 8-inch clearances (3 inches with fireproofing). In addition, some fire/building code inspectors may require that you install a commercial capacity vent hood with an emergency sprinkler system.

Factory-Built Fireplaces Misunderstood

In an effort to "set the record straight," the Wood Heating Alliance (WHA) has released Common Misunderstandings About Factory-Built Fireplaces. Initially targeted to Fire and Building Code Officials, the paper addresses several "myths" about factory-built fireplaces, including the frequently-debated statement that "factory-built fireplaces are more likely to be involved in a chimney fire than masonry fireplaces." The WHA paper reports the following conclusion by the U.S. Consumer Product Safety Commission: "Although the relative risk of a serious chimney fire is about the same in a metal as in a masonry chimney, the frequency of masonry chimney fires is much higher, because there are more masonry chimneys in use. Over all, they (masonry chimneys) account for about three-fourths of all chimney fires." The paper continues: "It is noteworthy that failure to maintain the required clearance from the chimney to combustible materials was cited as the most serious installation problem for factory-built fireplaces, as well as the most serious construction problem for masonry chimneys."

Other "misunderstandings" addressed by the paper include the belief that factory-built fireplaces are not as safe as site-constructed masonry fireplaces; that factory-built fireplaces do not have the quality and safety of site-constructed masonry fireplaces; that the factory-built fireplaces are not covered by building codes; and that requiring factory-built fireplaces to have chimneys tested to higher temperatures will reduce the potential for fires associated with factory-built fireplaces. In each case the WHA provides research results and other information to refute the myth. For a copy of the paper, write to WHA, 1101 Connecticut Avenue, NW. Suite 700, Washington, D.C. 20036; 202/857-1181. ■

Quote *of the* Month

"Currently up to 90 percent of the 5,000 firms offering to remove asbestos are not qualified to conduct such potentially dangerous activities… " according to John Welch, president of the Safe Buildings Alliance, an organization of building product companies that used to make asbestos-containing materials. Asbestos in buildings is rarely a public health concern, he says, unless it is improperly removed.

From What We Gather

Two hours of effective work in an eight hour work day is all you're likely to get from a construction crew, according to a report in *Cockshaw's Construction Labor News and Opinion*. The reason: due to poor scheduling, workers spend a third of the day moving around the job site and another third waiting for materials or for another job to be finished.

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Speaking of affordable housing, payments on an average house in the 1950s took a 14 percent bite out of an average 30-year-old buyer's income. By the 1970s, mortgage payments accounted for 21 percent of income. Now it's risen to 44 percent, according to Sen. Alan Cranston (D-Calif.), who wants affordable housing to become a national priority.

Most contractors in Florida flunked the new licensing exam administered last year to over 1700 contractors. Only 126 passed the 16-hour multiple-choice test covering construction, accounting, insurance, and business administration. The business questions stumped most test takers.

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In an effort to limit growth, California now charges the nation's highest development and utility fees. For a typical single-family unit built in 1987, fees total over $12,000, according to a recent NAHB survey.

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Move-up buyers trading up to bigger and better homes now account for almost two-thirds of all new home sales, according to a survey conducted by NAHB.

Housing may be a priority of Sen. Cranston's, but it's not taken seriously by the Office of Management and Budget. OMB is recommending that the Census Bureau drop about 20 housing questions from the new census forms: on home value, rent, number of bedrooms, taxes, fuel, heating equipment, and cost of utilities. "The OMB proposal would eliminate all affordability measures from the census," says NAHB economist Michael Carliner.

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Lead-paint contamination poses a problem in 30 million homes across the U.S., according to a report in *Building Renovation*. Lead paint on "chewable surfaces" such as woodwork below 4-feet high poses a problem to young children.

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New high-yield pv cells have been developed by combining copper or indium compounds with either sulphur or selenium, according to the Hahn-Meitner Institute in Berlin. The new cells have efficiencies of 10 percent, compared with 6 percent for previous sulphur-based cells.