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Green Builders Sprouting All Over



Recycling wood waste is one of the easiest ways to reduce construction's environmental impact. Here a worker tosses waste wood into a clean bin at the 1991 "Street of Dreams" construction site in Tigard, Oregon. He was participating in "Clean Builders," a project sponsored by the Home Builders Association of Metro Portland and Northwest Natural Gas. The project collected and recycled 50 tons of wood, 20 tons of drywall, and 5 tons of cardboard.

A builder in the Pacific Northwest calls it "building with a conscience"; a California architect calls it "building with nature." Others call it "socially responsible," "sustainable," "ecobuilding," or just plain "green." Whatever you call it, it's a distinct trend spreading throughout the contracting industry, not merely through the marketing efforts of manufacturers anxious to win consumer favor, but, most significantly, through the efforts of small builders and remodelers seeking to work in a way that goes easier on the environment.

The "green" label has been applied to: using construction products manufactured with recycled materials; reusing construction materials; recycling job-site waste; using "nontoxic" materials; using energy-efficient construction practices; and promoting renewable energy use. It can also mean using land-conserving development strategies or building affordable housing.

So far, most green builders are working on their own or networking locally with small groups of like-minded builders. But as more of them share information through demonstration houses, phone lines, publications, and conferences, they are forming a nationwide, grass-roots network.

For instance, Missoula, Mont., builder Steve Loken has completed his "ReCraft" house, made entirely from

resource-efficient materials. Loken, like other builders, found that building a resource-efficient house meant learning a lot of things the hard way. To help spread the benefits of these hard lessons, he put together the *Guide to Resource-Efficient Building Elements*, published by the Center for Resourceful Building Technology.

Meanwhile, the Architects for Social Responsibility (a committee of the Boston Society of Architects) plans to publish a *Sourcebook for Sustainable Design*, which will use the CSI format to list conventional products that are environmentally benign.

At the same time, several groups are meeting to share information about green building. One of the earliest was Vermont's Builders for Social Responsibility. That group recently completed plans for a "healthy, energy-efficient, affordable" demonstration house.

Meanwhile, in Portland, Maine, Builders and Architects for a Sustainable Environment (BASE) recently organized to "educate itself about materials and designs that are environmentally sound." Member Paul Perkins says the group may eventually lobby for new construction standards that would protect the environment.

On the West Coast, Jeff Learned, of Kent, Wash., has

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Who Remodels and Why?

Surveys can confirm conventional wisdom or contradict it; a recent survey on remodeling clients does both. In this case, we find that yuppies indeed hold the dough, but that they don't necessarily make you bid against every other remodeler in town to get it.

Chewing on the upper crust. The results of the survey, which was conducted by the National Association of Home Builders, are probably skewed toward the upper end of the market, since it was sent only to households who had contracted for remodeling work worth \$5,000 or more during the past two years. The sliders, small decks, minor remodels, and countless repair and maintenance jobs that cost less than that were not included. Nevertheless, for that crucial segment of the market paying for more extensive remodeling and additions, the survey reveals some important facts.

K&B leads the way. Perhaps the most significant is the breakdown of projects by type, as shown in the accompanying chart. Remodeled kitchens and baths head the list, with patios, added baths, and new family rooms and master bedrooms coming next.

Family room additions, not surprisingly, were the most expensive jobs, at an average

cost of \$19,902. They were followed closely by kitchen remodels, which averaged \$17,592 per job. Adding a bath cost an average of \$11,600, while remodeling one cost an average of \$9,500. The typical deck job cost about \$4,400.

Who are these people? The survey respondents were well-off and relatively young. The statistically average remodeling customer was a married-couple household with a median household income of \$73,000 and a 2,300 square-foot home; this compares with national medians of \$33,000 and 1,750 square feet, respectively, for all owner-occupied households. Their homes were worth an average of \$160,000, roughly double the national median value of \$79,000. The median age for the heads of these comfortable households was 45 — significantly younger than the national median of 51.

Finding and selecting a contractor. How do these people find their remodelers? The greatest number (47%) find a remodeler by word-of-mouth — specifically, asking friends, relatives, and neighbors. Roughly a quarter (23%) learned of a remodeler by seeing similar jobs by that company (confirming the wisdom of using job-site signage), while only 19% turned

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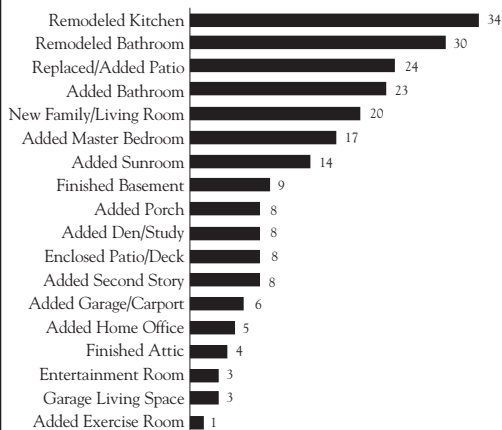
STATE BY STATE

West Virginia: The state's supreme court recently confirmed a damage award against a contractor who undercut a subcontractor by hiring one of the sub's employees on the side. The GC had hired the sub to do concrete and framing work. While that was being done, the GC also hired the sub's supervisor to come in off-hours and finish the underground utility lines. The GC rejected all bids for that work, including one from the sub. The sub fired the supervisor and stopped all work, which was then finished by the fired supervisor. The jury found this improper and ordered the GC to pay the subcontractor \$24,000 in actual compensation and \$75,000 in punitive damages for interfering with the sub-superintendent relationship.

Mississippi: The Home Builders Association of Mississippi has decided to provide its own workers compensation coverage to its members, according to a report in the National Association of Home Builders *State and Local Reporter*. HBA members will pool their premiums to form a self-insured insurance fund administered through the HBA. It is hoped the plan will provide fairer premiums, faster claims, and better service.

Maryland: Montgomery County is considering a plan that will pool public and private funds to help finance real estate developers who are having trouble borrowing through traditional channels. Part of the plan would also raise land deed and mortgage fees and use the extra money, along with the existing tax on new construction, to finance road and other new-development infrastructure costs. □

Major Remodeling Projects (Percentage of all jobs)



From What We Gather

Spec housing accounted for only 41% of all U.S. housing sales in the first quarter of 1991, the lowest percentage ever recorded. Spec housing generally takes a smaller share of the market in slow times. By comparison, it hit highs of 60% in the 1972 building boom and 56% in 1984.

Real estate auctions more than doubled in 1991, according to industry sources. Some 4,551 units were sold at auction that year, up from 1,811 sold in 1990; the sales fetched \$760 million, up from \$399 million. California led the activity, accounting for 63% of all the auctions conducted. The Northeast, however, posted the largest growth in activity.

Home Depot is expanding its "installed sales" service from a test-market of only four stores. The move should put the fast-growing chain of homeowner-oriented building supply stores into competition with Sears (the nation's largest provider of installed sales), and put yet more pressure on those independent contractors it doesn't hire to do the installations. Installed sales, which offer a kind of one-stop shopping to consumers wanting home improvements, have increased rapidly in the last few years.

Name a name called NAIMA, and you have named the new acronym for the former Mineral Insulation Manufacturers Association (MIMA), now called the North American Insulation Manufacturers Association.

The trade association includes manufacturers of fiberglass, rock wool, and slag wool insulation products.

Lose your job, and we'll pick up the house payments: that's the promise made by at least one home builder operating in California to entice cautious consumers to buy new homes. Barratt American, a British home builder, will cover the house payments if one of its customers loses his or her job within 12 months of buying, according to a *Los Angeles Times* story. Barratt is also offering to take customers' old homes in trade if the owners can't sell them.

Remodeling spending is expected to grow, increasing to \$112 billion from \$106 billion in 1992, according to Cahner's Publishing Company economist Kermit Baker.

The size of new homes shrank in 1991 — if only slightly — for the first time in 10 years. According to the National Association of Home Builders, the average new home, at 2,075 square feet, was 5 square feet smaller than the average home built in 1990. Previous to that, the average square footage had shot from 1,720 in 1981, to 1,825 in 1986, and 2,080 in 1990. Homes usually shrink with decreases in home building. This statistical average may also be due to the surge of homebuilding in the Midwest and South, where average sizes are smaller (1,800 sq.ft. and 1,870 sq.ft., respectively) than in the West (1,975 sq.ft.) and Northeast (1,955). □

California Blown-Glass Ban Blown Back

A bill seeking to ban loose-fill fiberglass insulation in California because of supposed health risks associated with the material was recently amended by the state's assembly, which called for a review of existing research rather than a ban.

The legislation, introduced by Assemblyman Tom Bane, followed a national debate over the suspected carcinogenicity of the material (see "Eight-Penny News," 9/91). The debate reached a crescent

do last fall when CBS's 60 Minutes news program did a story on it. One association, called Victims of Fiberglass, has compared the properties found in glass fibers to those of asbestos, a known carcinogen. But the North American Insulation Manufacturers Association, a trade group, says the two materials differ fundamentally, and that no reliable studies link fiberglass to cancer.

David Horowitz, a consultant to Assemblyman Bane,

says that while he is disappointed that the legislation was revised, he expects similar legislation to be introduced soon. "This issue is not going away," he says. "There's just too much danger involved."

Any legislation passed in California may have national implications, both because it is such a large market, and because California frequently sets regulatory trends that spread throughout the country. □

Tough Termite Heading North

 A warm-weather dry-wood termite, the West Indian powder-post termite, has recently begun showing its tiny, ugly head in homes in Canada, according to a *Toronto Globe & Mail* story. The rice grain-sized bugs, most likely imported in furniture, crates, and large plants, survive the northern winters by staying indoors, where they munch

on furniture and structural wood. Unlike the subterranean termites northerners are used to fighting, powder-post termites live inside all year. Exterminating them (by encasing and fogging the house) can cost up to \$15,000, and requires using severe pesticides.

Dry-wood termites reproduce quickly. If ignored, they can spread throughout a city

 or country in just a few years, as they did in South Africa and Australia earlier in this century. An earlier termite import to Canada, the eastern subterranean (a smaller cousin to the West Indian), was first discovered in Toronto in 1938; it now works on close to 500 city blocks in Toronto, costing property owners over \$1 million a year. □ 

Friendlier Span Tables

Sizing rafters and joists should be a bit easier with the new span tables presented by the Canadian Wood Council (CWC) in the Canadian Dimension Lumber Book. The new tables are based on the "In-Grade" lumber specifications recently developed by the Canadian and U.S. lumber industries (see "New Numbers for Dimensional Lumber," 7/91). The new specs affect truss and panel manufacturers the most, since they tend to push the wood to its design limits.

But builders and house designers should also be using the new numbers for sizing wood framing.

The CWC's Lumber Book improves on many sizing manuals. The data is clearly presented and widely relevant to U.S. builders.

The CWC tables are based on those published by the National Forest Products Association, but are organized by lumber species rather than design value. This allows those of us who are more used to handling

lumber than numbers to easily check joist and rafter sizing. The rafter tables also include a simple table to convert horizontal distance to sloping distance for accurate sizing.

The book also includes additional tables for floor joists supporting a lightweight concrete subfloor topping. These tables aren't included in other association manuals.

The Canadian Lumber Data Book can be purchased for \$6 from the Canadian Wood Council, P.O. Box C-88880, Seattle, WA 98138; 800/531-3122. □

Mystery Drying Process Stumps Experts

There's a secret brewing in the Tennessee hills, and it isn't moonshine.

Eugene Sexton of Jones Cove, Tenn., says he's developed a new drying process for lumber — a process so revolutionary it keeps logs from checking, so "pure" that it leaves cell walls intact, and so basic that "one TV broadcast and the whole world would have it," according to Sexton.

Sexton has baffled several wood experts around the nation with samples of his product.

"Something is definitely happening to the wood. But I can't figure out how he's cheated mother nature," said Kent McDonald, a wood scientist at the U.S. Department of Agriculture's Forest Products Laboratory (FPL) in Madison, Wis.

After running numerous tests on wood samples provided by Sexton, McDonald concluded that many of the samples registered a moisture content of 7% to 8% (standard for kiln-dried), yet showed virtually none of the

checking, cupping, warping, and discoloration that one often sees in wood dried by conventional means.

Other benefits of the process, Sexton claims, are that it dries large logs almost as fast as small ones, works for boards as well as whole logs, and keeps drying loss to a maximum of 10%.

The advantages of this process would significantly impact the wood industry. Stockpiling logs and lumber could be virtually risk-free. And reducing the damage loss from drying would

Everyone, however, seems to be at a loss in figuring out what Sexton is doing.

"We don't see any evidence of chemicals in the wood," says the FPL's McDonald, nor any sign of salt. He and other researchers have also eliminated microwaving, solar drying, and pressure treating from the possible approaches Sexton might be using. Among the few options McDonald hasn't been able to eliminate is some kind of gas treatment.

Sexton won't say much about his formula, only that it is called ESP '90 (for Eugene Sexton's Process, perfected in 1990).

close-mouthed about the specifics that he refuses even to seek a patent, considering patent attorneys "treacherous." He won't even write the details down on paper, for fear someone will rob him.

The only thing that will make him sing, says Sexton (who quit his job at General Motors in 1980 to pursue his technique) is a return on his investment. He won't say exactly how much: \$2 million maybe, or \$10 million. So far he has tried to interest both the U.S. and Japanese governments in buying his process, as well as some private companies. Among those is Hillerich and Bradsby, the Louisville, Ky., company that makes Louisville Slugger baseball bats.

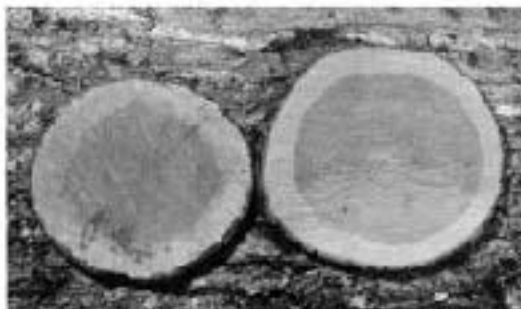
Jack Hillerich, the company's president, said he wasn't able to use the samples Sexton sent him because they were turned around the heartwood center, and Louisville Sluggers are turned from quarter-sawn sections of ash. But that doesn't mean Hillerich wasn't impressed.

"I've been in this business 40 years," he says. "We've tried drying a zillion different ways. And I have never seen timber dried quite like this before."

— Condensed from a story in Woodshop News

Eugene Sexton won't say how his new wood-drying process works.

But he will show its results: whole logs that have none of the checking, warping, or other problems common in conventionally dried lumber.



Green, continued

given up his building business to promote the West Coast Ecobuilding Network. The Network has already published the *Pacific Northwest Ecobuilding Directory*, listing 90 builders in the Northwest who claim to practice "green" construction. Learned hopes to eventually form a guild that will certify members and promote a green code of ethics for the building business.

As these resources expand, they should ease some of the difficulties faced by builders seeking information and materials to help them build environmentally responsible homes. As construction recycling specialist Robert Sawatsky recently said at the 1992 New England Sustainable Energy Association's Quality Building Conference, "All this information right now is scattered, and it's very hard to use. But as we start to see what works and share things with each other, we'll start to get a coherent picture of how we can build more efficiently."

For a list of green building groups and resources around the country, send a self-addressed, stamped envelope to: JLC News Editor, *The Journal of Light Construction*, RR2, Box 146, Richmond, VT 05477.

— Kathleen O'Brien

Remodels, continued

to the Yellow Pages to find one.

Half the clients cited the company's reputation as a leading factor in contractor selection; this is followed closely by personal or professional recommendation (45%), the company's professionalism (41%), and the offer of a warranty (40%).

Contractors tired of the bidding game will be glad to learn that 30% of the customers received only one bid before signing a contract. Fifty-five percent received either two or three; only 15% received more than three bids. Of those taking more than one bid, only 28% signed with the lowest bidder.

Financing. To pay for the work, most customers (52%) drew on personal savings.

Twenty-seven percent took out equity loans, while 18% took out other bank loans. Only 5% sold other assets to pay for the job, and only 4% paid with profits from the sale of a previous home.

Length of ownership. The average length of homeownership for these customers was 11 years, compared to the national average of 10 years. This goes against both other surveys and conventional wisdom saying that a large portion of remodeling work comes soon after the purchase of a home. This may be skewed, however, by the fact that the survey includes only major remodeling jobs; presumably, newer homeowners can afford only smaller jobs, perhaps of the repair and alterations variety, rather than major remodels and additions. □

Hertz Offers the Heavy Stuff

How about a trencher and a loader? Need a used backhoe, air compressor, or generator? Hertz, the rental company, gives you a single source for such treasures: their biannual color catalog called "The Source," 36 pages spotlighting what Hertz calls the nation's largest selection of used equipment.

According to Jim Broussard, director of Hertz Used

Equipment Sales, the advantages of buying this equipment include low use on most pieces and the availability of complete service histories. The equipment is available through the 90 HERC rental outlets around the country.

For a copy of the catalog, contact HERC, 225 Brae Blvd., Park Ridge, NJ 07656; 201/307-2098. □

TAX

Disability Traps... And Mileage Increases

by Irving L. Blackman

Most owners of closely held businesses have the corporations pay the premiums for their disability insurance coverage; others offer the same benefit to their employees. On the surface, it's a win-win situation: The company gets a tax deduction equal to the premium cost, and the owner or employee gets a tax-free benefit.

But that's only the good half of the story. The bad half can show up later, if the owner or employee is disabled and starts collecting the disability payments: When a company pays the disability insurance premiums for an employee, the disability benefits, when disbursed, are taxable as income. If the employee pays the premiums, however, the disability payouts are nontaxable — something that can be crucial, given that many disability plans provide less than the worker's predisability income.

Knowing this, you still might decide to take either option: Pay the tax-free bene-

fit and pay for a disability level that will be adequate after taxes; or simply give the employee a raise (though paying the usual employment taxes on the income paid) with which he or she can pay the premiums, and thereby ensure that the disability benefits won't be taxed. Either way, be frank with your employees about it.

On the auto front: The IRS raised the mileage allowance for business use of an auto from 27.5 cents a mile to 28 cents a mile for use in 1992. This is for people who track expenses by the mile, rather than writing off all or a portion of a car's actual expenses (purchase, repair, insurance, gas, oil, and maintenance). If your vehicle is inexpensive or already paid for, it can be advantageous to deduct actual mileage instead of expenses. □

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