LETTERS

Building on a Budget

To the Editor:

In this age of burning bans, I am amazed (and as a builder/designer, somewhat insulted) that Gordon Tully in his article “Reforming a Planbook Colonial” (3/96) adds fuel to the fire between builders and designers and architects. As a builder/designer, I must be in tune with the “market.” I spend a lot of time reading and attending seminars to keep up on what my potential clients want and need, balanced with what they can afford. If I build and design homes with the attitude that “the market is out to lunch,” I would own a lot of homes that I like and would be bankrupt. I would encourage Mr. Tully to try his hand at being a speculative builder and experience firsthand the pressures we are under to trim every cost (including custom design fees) from the home.

Mr. Tully spends considerable verbiage insulting builders in general because we build repeat (i.e., cost-effective) designs that meet the minimum desires of the market. He congratulates himself on the fact that for only $10,000, he vastly improved the home. Did this paltry sum include his design fees? Does he realize the number of people (the market) who cannot afford that extra cost? Anyone can improve any design with an additional $10,000.

I presently offer economical, client-specific computerized design to my custom home clients, but that feature is only one part of my building market. There is a large percentage of the buyers who either don’t have the time or the inclination to go through that process and want to buy a completed home, at the least possible price, today. Their buying decision is a balance between (in order of importance) cost, size, and design features. Anyone who ignores that will not be building for long.

Michael Roberts
Cascade Energy Homes
Bellingham, Wash.

Gordon Tully responds:

We must respect the market in order to stay in business, but we don’t have to worship it. Buyers generally ignore the long-term consequences of their buying decisions: Their wants and their needs are poles apart. Any thoughtful person knows that a market “out to lunch” on such a scale cannot continue indefinitely.

Neither this house nor any Mr. Roberts builds even comes close to the “minimum affordable” new home, which might be a single-wide manufactured house sited in the woods and costing $25,000. We are not talking about minimums or affordability, we are talking about making choices. My contention is that, individually and as a society, the choices we make are highly irrational and that good designers can sometimes make a difference by applying common sense and a long-term outlook to the selection process.

Designers have a responsibility to show options and educate buyers whenever they can. A typical home buyer with extra cash usually spends it on jacuzzis, whole-house acoustic systems, community guards, or a third garage. For my fee of $750, I helped my client make what we jointly felt were much more rational choices. For the record, the builder is now offering a wider variety of models to new buyers.

Deflection of OSB

To the Editor:

In the *On the House* column of your April 1996 issue, Michael Byrne responded to a reader’s question on installing ceramic tile over wood subfloor. We take issue with Byrne’s statement that OSB cannot sustain the weight nor meet a L/360 deflection requirement. To the contrary, OSB span-rated by APA must meet this requirement at 100 pounds per square foot to be qualified. This requirement is in excess of any weight added by a tile floor.

The reader also inquired about panel spacing, which Mr. Byrne did not address. APA recommends a spacing of 1/8 inch at panel ends and edges for all subfloor products. Further information is available in APA’s Technical Note D481, *Buckling of Panel Sheathing* and Form M300, *Cut Callbacks with Proper Spacing and Nailing*, available from the APA, P.O. Box 11700, Tacoma, WA 98411.

Michael O’Halloran
Director, Technical Services
APA, The Engineered Wood Association
Tacoma, Wash.

Pocket Door Pros & Cons

To the Editor:

Regarding the article “Fighting for Inches — A Guide to Small Bathroom Design” (4/96): It’s a shame when an experienced architect can’t move past the same old designs. The simple application of a pocket door could move small bathrooms into the 21st century rather than remaining in the past one hundred years. Lena Savage needs a refresher course! The locking hardware is easy to locate and is built into the handles. Shame on you for featuring such drab solutions.

Earlleen Proctor
Cartersville, Ga.

Lena Savage responds:

I agree with you: Pocket doors should definitely be in the designer’s toolbox, and I have used them on occasion. But using pocket doors has several hidden consequences: Inexpensive pocket door “kits” result in a very flimsy wall. There are many innovative ways to frame pocket doors to gain strength, including split 2x6 studs and adding plywood before drywall, but they are all expensive in terms of labor, and a 6-inch wall takes up more space (remember, the article was about fighting for inches). The thin studs that create the cavity for a 4 1/2-inch wall effectively eliminate the use of electrical switches and outlets, *unless you specify "pancake" boxes. Door pockets also can't have DWV piping in them, which further restricts design latitude for that wall. Quality sliding hardware with ball bearings is expensive and time-consuming to install. Quality handles have limited style options and are difficult to lock. But the main reason I avoid pocket doors is the best reason of all: Clients — the people who pay me — hate them.*

Tips for Working Downtown

To the Editor:

Phil Hubbard's article "Survival Tips for Downtown Remodelers" (3/96) reminded me of my own techniques for working in high-rises in downtown Chicago. I owned a millwork shop that built and installed high-end wall units and entertainment centers. After my first few high-rise installations I realized my employees and I were better cabinetmakers than movers. Movers have the trucks, pads, dollies, and the experience scheduling the elevators and getting in and out of these places. It was also cheaper to let the movers wait for elevators while my guys stayed in the shop working.

While field-measuring the job, I'd check the service elevator, loading dock and building access, making sure the pieces could get in the apartment. Then I'd hire movers to deliver the cabinet units and materials along with tools loaded in the gang box. The following day I'd park my station wagon in the building garage, go in the front entrance and get in a full day's work. At the end of the installation I'd have my helpers bring the tools and stuff down in the service elevator while I'd drive around to the loading dock where we'd load up and leave. This may not work for a major high-rise remodel, but it certainly reduces the hassles on smaller jobs. The best part was having time to remember what you forgot to send to the job site before you ever started the installation.

Brian Lisk
Chicago, Ill.

Bank Woes

To the Editor:

I am a general contractor doing both remodeling and new construction since 1980. My company is reputable and well-known for honesty and quality. I have run into a problem dealing with a bank that handles construction loans and mortgages: In distributing construction loan funds, the bank will pay no money up front to begin the project, but pays only upon receipt of my customer invoice, which must be supported by supplier and subcontractor invoices. Plus, no markup is allowed. The bank then issues checks directly to the suppliers and subcontractors, bypassing my company. This payment method continues throughout the job. The only way I am allowed profit is if I have disclosed it. (A complete breakdown of building costs including my profit on the job must be disclosed in the contract and specifications.)

I believe this bank is interfering with the way I do business, and I would appreciate any advice you can give me.

Joe Holvoet
High Country Construction
Crawford, Colo.

Robert Woods responds:

Sounds like your bank would like to take over as general contractor, but I don't think they are doing anything illegal. They are operating under their own version of the Golden Rule, which is: "He who has the gold makes the rules."

I suspect this particular bank has been burned in the past by builders who skipped out on their bills or used advances from one job to pay bills on another job. Refusing to pay you anything up front is standard. That's what working capital is for. Bonding companies, who know far more about construction and builders than banks ever will, have long required contractors to have working capital equal to 10% of their revenues. If you have contracts with an uncompleted value of $500,000 in progress, for example, the rule of thumb is that you need $50,000 working capital to run these projects without feeling a cash squeeze.

Normal payment procedure is for the general contractor to develop a schedule of values for the job and be paid as the job progresses according to how much work is actually done. Many builders routinely inflate the front end of this schedule so they receive their total profit plus extra cash to finance the job in their first few payment applications. If concrete work for the foundation actually costs the builder $8,000 and he puts this value on his schedule as $14,000, he has picked up $6,000 he has not yet earned. This is what the bank wants to avoid.

Profit and overhead should be included in every payment application, preferably as an undisclosed percentage of each item cost. I see no reason for them to be broken out separately unless the bank or the owner wants to use these figures as a club to beat you with. It's easy for a bank or owner to find out if the builder is making too much money (a rare problem in construction). All they have to do is get another bid.

Your bank is out of line. There are sufficient safeguards it can use to protect its money without making it nearly impossible for you to run your job. The bank is unnecessarily and adversely undercutting your authority and position. After all, how much will subs or suppliers respect and listen to you when they realize you're not really the boss on this job, but the bank is?

Robert Woods is chairman of Woods Capital Corp. in Park City, Utah (800/892-7707). He specializes in helping builders and contractors nationwide obtain financing.

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