Letters

Raising Your Margin

To the Editor:

In the article "The Language of Accounting" (*Strictly Business*, 10/01), Mike Weiss uses a gross margin percentage between 31% and 34% as a minimum. I use Means's estimating manuals and very seldom do they come up with that figure. Take for example 1/2-inch drywall installed on walls, standard, no finish: Material cost is $.21 per sq. ft. and labor is $.24, for a total cost of goods of $.45. With $.18 overhead and profit, Means comes up with a total of $.63 — a 29% gross margin ($.18 / $.63). Many of the components in the Means manual don't measure up to Mike's minimum requirement of 31% to 34%.

Jeff Paquette
Paquette Construction, LLC
Sault Ste. Marie, Mich.

Mike Weiss responds: The numbers you quoted from the Means estimator are not that far off the suggested margin. To find out what the selling price should be to achieve, say, a 32% gross margin, first subtract the desired gross margin from 1: 1 – .32 = .68. Then divide the cost of goods sold (COGS) by the result: $0.45 / 0.68 = $0.66. This is an increase of $0.03 per square foot in installed drywall cost.

The difference between what was quoted by your source and what I recommend as a selling price reflects a difference in business philosophy. I believe a poll of several professional remodelers will show that a gross margin above 31% is considered a must for a company to be successful over the long run.

Long & Short of SIPs Story

To the Editor:

I felt the article about performance problems with structural insulated panel roofs in Juneau, Alaska, was long on speculation and short on facts. In order to assess the situation objectively, SIPA (Structural Insulated Panel Association) initiated a thorough investigation by building scientist Joseph Lstiburek, who has done a careful analysis of these roof assemblies. It is clear from his report that the issue was not the panels, but the way the roofs were put together. Mr. Lstiburek concludes that the damage was caused by leakage of moist air and condensation of humidity at roof panel joints that were not properly sealed against air infiltration and exfiltration. In some cases, according to Mr. Lstiburek, "virtually no effort was provided to obtain an airtight joint. No sealant of any kind was installed. These assemblies clearly failed due to workmanship."

The particular problems you cited represent an unusual situation caused by poor installation in a very difficult climate. The problems did not arise from any manufacturing defect.... Another interesting fact is that homeowners in the majority of the triplexes involved unanimously elected to replace their roofs with SIPs. They are being installed by a quality-conscious builder who pays attention to details.

Bill Wachtler
Executive Director
SIPA

Cool Tool

To the Editor:

The article "Installing Central Vac" (7/01) shows a unique tubing cutter. We're having difficulty locating a source.

Robert K. Hasty, NuTone
Cincinnati, Ohio

The 2-inch thinwall PVC tubing cutter is made by: Hayden Industries of Brantford, Ontario (800/501-5018; www.hayden.ca). Someone at that

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Letters

company can direct callers to local distributors.

Avoid Mold With Good Practice

To the Editor:

Regarding the article on mold (*Notebook*, 12/01), in 30 years of building, we have no homes with moisture problems. Our strategy has been to stop the moisture from the ground up. We install drainage under the basement slab, through the footers, connecting to the perimeter drainage, which is pitched to drain to daylight. We use a 6-mil vapor barrier under the slab and a tough exterior foundation wall coating like Rub-R-Wall. We make sure the foam seal between the mudsill and the top of the foundation wall is tight — a poorly topped concrete wall that undulates allows moisture in.

We wire bathroom ventilators directly to the light switch or, even better, install a humidity sensor that automatically turns the fan on. We always place drains near the boiler, washing machine, and water heater. We always vent dryers and exhaust fans to the side of the home where snow will not block the vents and prevailing winds will not hold the flaps down. We avoid the use of slinky dryer vent hose.

In the tight log and timber-frame homes we build, we always install a heat-recovery ventilator to exhaust the moisture-laden interior air. Even in log structures we have built around indoor swimming pools, we have no trouble.

On the roof, we use Grace membrane in all valleys and at the edges and make sure that the ridge vent has equal net free area in the soffits to pull air through. A 2-inch-diameter round vent here and there doesn't get you much flow.

David Mills
North Woods Log Homes
Stone Ridge, N.Y.

You Say High, I Say Low

To the Editor:

I found it interesting that in the same issue (1/02) you included an article about managing your business with high-powered software ("On the Job With Integrated Construction Software") and one by Rick Stacy on low-tech estimating (*Strictly Business*).

Like Rick, I also work on bids on legal pads. I find that later as I enter them into the computer, I may find a forgotten item or change what I want to charge for something. I am used to double-checking my bids in this way, and it works out well for me. I enjoyed Rick's article; it's nice to see someone else who is not as high tech as many in this business are.

Mark Bisig
via e-mail

KEEP 'EM COMING!

Letters must be signed and include the writer's address. *The Journal of Light Construction* reserves the right to edit for grammar, length, and clarity. Mail letters to *JLC*, 186 Allen Brook Ln., Williston, VT 05495; or e-mail to jlc-editorial@hanley-wood.com.