# In the News

## Nail Prices Spike

Stiff duties on imported nails — along with price hikes in the cost of Chinese steel — have led to double-digit increases in the cost of most types of commonly used nails. The steep duties (roofing nails and collated staples and finish nails are exempt) are the result of an anti-dumping petition filed with the U.S. Department of Commerce in May 2007 by five domestic manufacturers and a labor union. In mid-January of 2008, the department issued a preliminary determination in favor of the petitioners and began requiring that importers pay duties ranging from just over 20 percent of invoice value to nearly 120 percent. The actual duty charged each individual manufacturer varies according to a complex formula best understood by specialists in international trade, but it averages out to about 30 percent across the industry.

Is the price spike just a short-term market blip? Probably not. Although the Commerce Department will recalculate the duties before issuing a final ruling in early June of this year, industry observers hold out little hope that they will be rolled back significantly. "History tells you that the numbers might go up or down a little with the final determination," says Stanley-Bostitch spokesman Chris Dutra. "But they don't usually change much either way." Dutra predicts that the final import duty — whatever it proves to be — will remain in effect for at least five years.

Best advice for builders who don't already include a material escalation clause in their standard contracts: Add one now, just in case the June DOC ruling does ratchet up nail prices even further — and to protect yourself from spikes in the price of cement, OSB, or drywall. To download a sample clause provided by the NAHB, go to www.jlconline.com/public/escalation.pdf. — *Jon Vara*

## Remodeler and Homeowner Clash Over Stash

Most remodelers have probably fantasized — while ripping down old lath and plaster — about finding a diamond ring or a sack of gold coins inside a wall. But after actually making such a discovery, remodeler Bob Kitts of Lakewood, Ohio, could be forgiven for concluding that the dream is more fun than the reality.

In April 2006, Kitts was gutting the bathroom of a Cleveland home belonging to former high school classmate Amanda Reece when he came upon a box within a stud cavity, buried beneath a mound of rusty razor blades from the blade-disposal slot in the medicine cabinet.

■ To cut costs, several major production builders have sharply reduced the number of options available to buyers, reports Dow Jones Newswires. Beazer Homes, for example, has reduced carpet offerings by 85 percent, while Lennar is reportedly moving toward a "one-faucet-fits-similar-price-points" approach. Centex has weeded out about half the 4,500 plans formerly offered, and Pulte Homes has cut its plan offerings from more than 2,000 to a mere 400. "If you don't like cookie-cutter housing, you're not going to like the next few years," the online news service quoted one housing-sector analyst as saying.

■ The California Building Industry Association predicts that building permits issued in the state during 2008 will increase by 10 percent over the 2007 figure. (From 2006 to 2007, there was a 29 percent decline in permits.) However, several housing economists interviewed by the *San Francisco Chronicle* suggested that the CBIA prediction may have been influenced by wishful thinking. "I understand that they're hopeful, that their constituency is looking for some light in the distance," said one economist cited in the article. "The reality is that it's just not realistic."

# In the News

Clash Over Stash
continued from page 1

Upon finding that it was stuffed with bundles of greenbacks wrapped in half-century-old sheets of newspaper, he telephoned Reece, who was at work, and told her she'd better come home right away. Kitts and Reece counted the money together and found that it totaled $157,000.

A few days later, when Kitts got back to work, he found three more boxes, containing an additional $25,000. According to Kitts, he and Reece agreed to split the money 50–50 and to put the bathroom job on hold.

From there, Kitts says, things went downhill. In September 2006, Reece — who still had the money — revised her offer downward to a 10 percent finder's fee on the $182,000 face value of the find. (Because the old bills are valuable to collectors, a currency appraiser told Kitts that the actual value may be as high as $500,000.)

Increasingly frustrated as months passed and Reece failed to produce even that smaller sum, Kitts took his story to *The Cleveland Plain Dealer* in December 2007. "One of the things about this trade is that you never hear anything good about a contractor," he says. "You mostly see stories about how they're crooks or liars. I thought this might show people that contractors could be honest, and take away a few of those black eyes."

Kitts' decision to go public apparently enraged Reece, who claimed he was trying to extort money from her. She later accused him of breaking into her house sometime after the original discovery to punch holes in her walls while searching for more hidden treasure. Denying he'd done anything of the kind, Kitts filed two lawsuits against Reece in January of this year, seeking 40 percent of the recovered money plus unspecified damages for defamation of character.

If the case goes all the way to trial, it will fall to a state court judge to decide who gets what. According to Heidi Robertson, a professor of property law at Cleveland State University, the court would most likely award something to both claimants. "The homeowner probably has a stronger claim," she says, "but giving her everything would basically punish the builder for doing the right thing. Most courts would rather encourage good behavior than create incentives for people to behave badly."

Even if he does end up with a significant share of whatever money remains once the lawyers take their cut, it's easy to wonder whether Kitts wishes he'd just tucked the money into a toolbox without saying anything to anyone. When asked, he laughs. "I get that question all the time at the lumberyard," he says. His answer? "No, I don't. That's not how I was brought up. But if I'd known it was going to be like this, I might have thought about it for a minute." — *J.V.*

■ A provision in the 2007 energy bill signed by President Bush in December has placed traditional incandescent light bulbs on a slow dimmer switch. Over a three-year phase-in period from 2012 to 2014, all new bulbs will be required to use 25 percent to 30 percent less energy than the current generation of incandescents. While the new requirement is expected to lead to wider use of compact fluorescent bulbs — virtually all of which already meet the new, tougher standard — the law does not specifically ban incandescents, and General Electric has already announced plans to develop energy-efficient incandescent bulbs that comply.

■ Bathroom-fixture designers are no doubt taking a professional interest in New York City's new state-of-the-art public pay toilets, unveiled to great fanfare in mid-January. After each use, the door automatically closes and locks as the unit undergoes an automated 90-second cleaning cycle in which the toilet bowl and washbasin are sprayed with water and disinfectant and dried with jets of hot air. The rubber floor is simultaneously washed with additional water and disinfectant. Early reviews have been generally favorable, although some environmentalists have expressed dismay over the loo's water use, which comes to a whopping 14 gallons per flush-and-wash cycle.

■ The ongoing housing slump is beginning to affect horses, reports the *New Hampshire Union Leader.* Decreased demand for lumber has led to a severe shortage of the sawdust and shavings that many horse owners traditionally rely on for the animals' winter bedding. According to the paper, some owners have tried using shredded paper instead, but it "tends to blow around."

# Carbon Monoxide Kills Montana Worker

A lethal combination of ignorance and poor communication is apparently to blame for the carbon monoxide death of a 24-year-old worker on a residential masonry project in Madison County, Mont., in December. Everardo Federico Millan-Nunez was pronounced dead at Yellowstone Village, an exclusive gated development south of Big Sky, where he had been working for a Carbondale, Colo.–based masonry subcontractor.

According to Madison County deputy coroner Steve Orr, Millan-Nunez had been working from staging inside a wood-framed poly enclosure atop a chimney that was being faced with stone. Although outdoor temperatures were in the teens, Millan-Nunez may not have realized that the heat source for the home was its main boiler, which vented through the chimney and into the space he occupied. Because he was alone in the enclosure, it's not clear when he was overcome by the gas, or whether earlier detection by co-workers might have saved his life. "The other workers on the site weren't close by," Orr says. "No one knew anything was wrong until that afternoon, when someone apparently noticed he'd gone down." No other workers suffered ill effects, Orr noted. — *J.V.*

# Hurricane To Go

The University of Florida's new hurricane simulator peels the shingles from an experimental roof and wall assembly.

For the past 10 years, the Florida Coastal Monitoring Program has been developing better methods for studying near-surface hurricane winds and measuring the loads they exert on residential structures. Researchers at participating engineering schools — the University of Florida, Clemson University, Florida International University, and the Florida Institute of Technology — have placed towers equipped with mobile instruments in the paths of 18 named storms and have fitted 30 residential structures along the Florida coast with sensors that measure wind pressure. The houses have also been retrofitted for added structural strength, so that any hurricane damage they sustain can be compared with that of unretrofitted neighbors.

Not surprisingly, the projects have been hampered by the unpredictability of hurricanes; researchers must either chase storms or sit back and wait, hoping a significant hurricane will come to them. That problem was at least partially solved earlier this year, when a University of Florida team put the finishing touches on a portable wind generator that — conveniently enough — can produce a hurricane wherever and whenever needed.

The heart of the 12-ton machine consists of a bank of eight 5-foot industrial fans connected to a hydraulic drive system powered by four 700-horsepower Detroit Diesel marine engines. A 5,000-gallon tank truck that travels with the simulator provides cooling water. As air leaves the fans, it passes through a velocity-boosting duct and directional rudders equipped with a water-injection system; the result is simulated wind-driven rain. According to Forrest Masters, a professor at the University of Florida and the leader of the hurricane-simulator project, the machine can generate winds of up to 130 mph over a 10-foot-by-10-foot area — a figure that provides some perspective on the horsepower of a real hurricane, which can produce such forces over hundreds of square miles.

So far, Masters says, the simulator has been used on both test assemblies and actual houses, most of them structurally intact flood-damaged structures owned by the state. While the initial focus has been on moisture penetration through the building envelope, Masters notes the simulator will also be perfect for testing critical roof-to-wall connections; the resultant data would be used to develop future Florida building codes. — *J.V.*