

# STRUCTURAL BUILDING COMPONENTS MAGAZINE

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## Builder Banter

### BUILDERS CURB HOME BUYER'S QUICK-SELL PLANS

The Related Group of Florida, KB Home, Standard Pacific and Shea Homes are among the residential builders instituting policies to stop speculative buying—primarily in Arizona, California, Virginia and other red-hot markets. Real-estate investors have been reaping substantial profits through the practice known as flipping, which involves the rapid purchase and resale of new dwellings before construction is completed. Speculative buying in the late 1980s left many builders with a glut of unsold units, forcing some to fold.

“When you’re selling a lot of homes to investors, it gives you a false view of the market,” notes Shea Homes sales and marketing executive JoAnne Anderson.

Builders are exercising more caution during this building cycle, hoping to ward off rapid price declines sparked by investors who quickly unload properties when the market weakens. Both KB Home and Standard Pacific now require buyers to commit to living in the home they purchase for at least one year. Miami-based Related Group, meanwhile, forces buyers to disclose contracts for units in other projects built by the company before approving the sale. Between October 2003 and April 2004, the number of homes purchased and sold within six months in Fort Worth, TX; Harrisburg, PA; and Chicago surged 83%, 66% and 54%, respectively, compared to the previous six-month period. [SOURCE: Wall Street Journal, 7/14/04]

### OFFICIAL WEB SITE OPTIMIZES BENEFITS OF NAHB MEMBERSHIP

The National Association of Home Builder’s (NAHB) official web site—[www.nahb.org](http://www.nahb.org)—features more than 4,500 pieces of home building and industry content online. The site provides information on 283 educational opportunities and 35 meetings; is a repository for 96 publications; contains 200 sections of resource content; and gathers a community of 50 committees, councils and interest groups. The site is updated daily in areas such as advocacy, economics, legal issues and business management. It is important for members to log in when they visit [www.nahb.org](http://www.nahb.org). Otherwise, they can’t see more than half of the content on the site. Logging onto [www.nahb.org](http://www.nahb.org) provides valuable access to industry experts, home building information and a powerful network of peers in the industry. [SOURCE: [www.nbnnews.com](http://www.nbnnews.com)]

### LOWER INTEREST RATES BOOST BUILDER CONFIDENCE IN AUGUST

Declining mortgage interest rates helped boost builders' confidence in the market for new single-family homes this month, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). The HMI rose to 71 in August, up four points from July's revised number and equal to its year-ago level. "Long-term mortgage rates fell to 6.05 percent in July, from 6.29 percent the previous month—then continued to fall in the beginning of August. This undoubtedly helped push builder optimism to its highest level since October of 2003 as potential buyers who might have been sitting it out started diving back into the market when rates headed downward," said NAHB President Bobby Rayburn, a home and apartment builder from Jackson, Miss. "With the ongoing favorable financing climate and solid house-price performance, we have good reason to expect continued strength in the housing market in the months ahead." [SOURCE: National Association of Home Builders (NAHB) Press Release, 8/16/04]

## MIXED USE FIGHTS FAT

Builders are stealing obesity headlines since the American Journal of Preventive Medicine in June let slip a report planned for print in August—"Obesity Relationships with Community Design, Physical Activity, and Time Spent in Cars"—and consumer news outlets picked up the story. Researchers documented a link between land use, weight and travel by tracking 11,000 Atlanta-area residents. They found people who live in compact, mixed-use communities generally weigh ten pounds less than those in low-density residential cul-de-sac subdivisions. Those in mixed-use communities are seven percent less likely to be obese, in part because they walk more to various local destinations, even including mass transit stops. In contrast, residents of conventional suburban developments lead a more sedentary living, do a lot of driving and have little time to exercise.

"Builders can profit from this information," says lead report author and researcher Lawrence D. Frank, associate professor at the University of British Columbia's School of Community and Regional Planning. "There seems to be a good deal of demand for builders to profit from if they can provide built environments that promote more physical activity." [SOURCE: [www.housingzone.com](http://www.housingzone.com)]

## MOLD RADAR

Imagine a handheld mold detector about the size of a stud finder. You hold it against a suspect area of wallboard, press a button, and get a reading on how much mold is growing in the cavity beyond. That's the scenario that researchers at Georgia Technical Research Institute hope to create. Using a supersensitive radar device developed by senior scientists Gene Grenaker and Otto Rausch, they want to create an easy-to-use device that allows builders to minimize destructive investigation of structures.

Mold apparently has a unique "blackscatter" signature that radar can pick up, so

even if a wallboard panel is soaked or damaged, it can isolate the actual presence of mold.

The researchers were able to identify mold spores in an experimental panel of wallboard that had been injected with nontoxic mold spores after being soaked then kept in a warm environment. Once they get the algorithms right for identifying mold, the researchers hope to test the equipment on other building materials, such as ceiling tiles. They hope to reduce the cost of the unit to between \$1,000 and \$2,000. [SOURCE: BUILDER Magazine, 7/1/04]

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