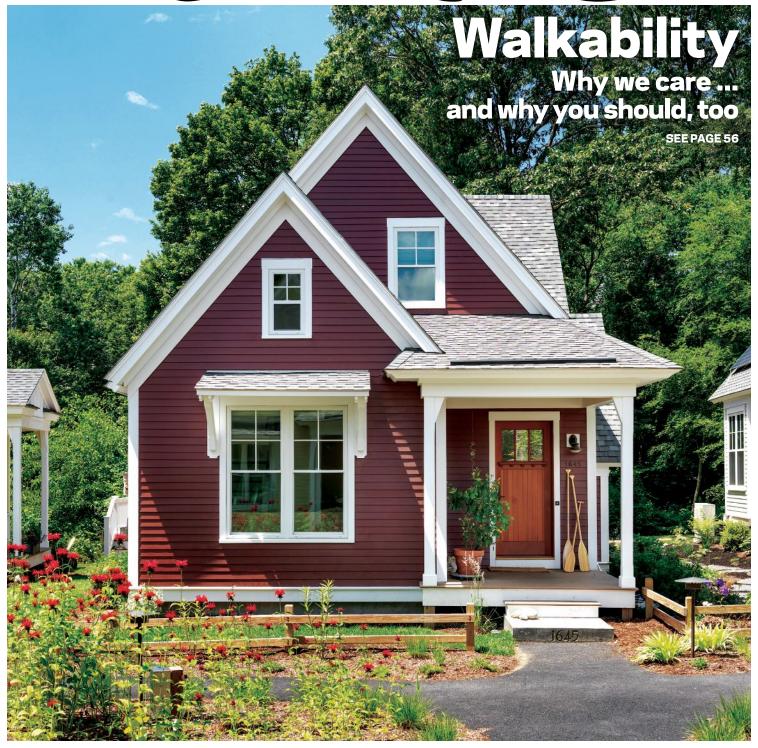
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#### Walkability: Why We Care

Many of us are opting to drive less, which means that foot-friendly places could be your next great business opportunity.

#### **Helping Hands**

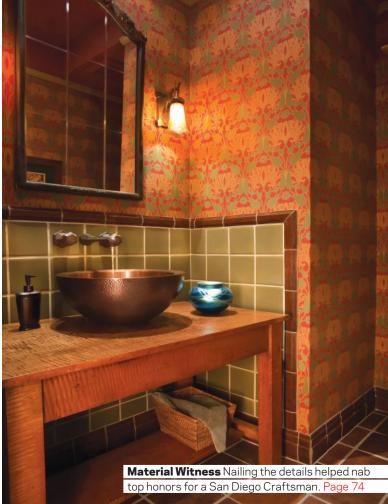
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#### Masterful Craftsman

A second floor was added and a major rebuild was done. Yet on a tight lot in an old neighborhood, this rehab rebuild shines.

On the Cover The Concord Riverwalk community in Concord, Mass. designed by Union Studio Architecture and Community Design. Photography:

Nat Rea/Courtesy Union Studio Volume 37, number 3. Builder (ISSN 0744-1193; USPS 370-600) is published 12 times per year: monthly in Jan., Feb., March, April, May, June, July, Aug., Sept., Oct., Nov., and Dec. by Hanley Wood, One Thomas Circle, N.W., Suite 600, Washington, DC 20005, for the National Association of Home Builders and printed in the USA, Copyright 2014 by Hanley Wood, Opinions expressed are those of the authors or persons quoted and not necessarily those of the NAHB. Reproduction in whole or in part prohibited without written authorization. Single-copy price: \$8.00 (except House Plans issues, which are \$12.95). Periodicals postage paid at Washington, D.C., and at additional mailing offices. Postmaster: Send address changes to Builder, P.O. Box 3494, Northbrook, IL 60065. Member: Business Publications Audit, American Business Media







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#### 2014 Spring Selling Predictions

Harmony Homes' Geoff Gorman and Toll Brothers' David Straub discuss their optimistic predictions for the 2014 spring home selling season in Las Vegas. go.hw.net/bol-2014-spring-selling



#### **HOUSE PLANS**

#### **Master Foyers**

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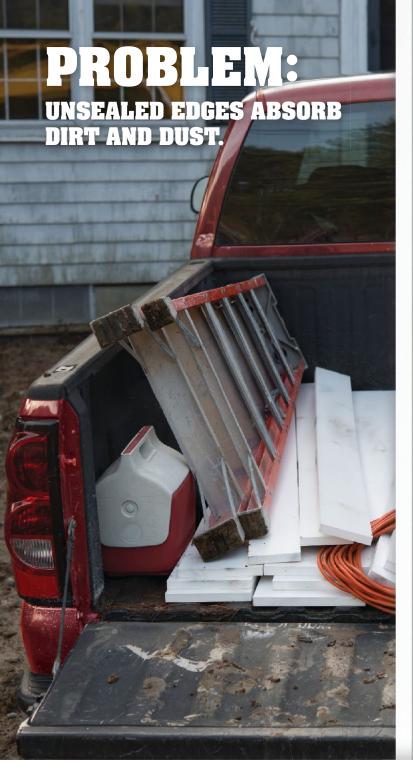
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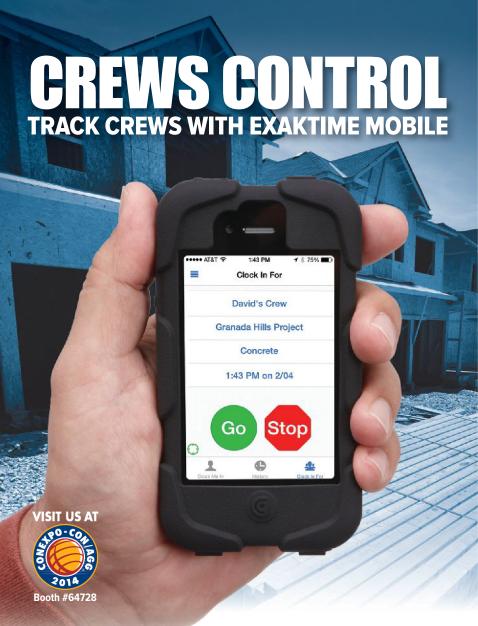
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### **Editor's Notes**

## John McManus EDITORIAL DIRECTOR

## Positive Outlook?

As builders seem confident about a housing recovery, we pose 10 burning questions going into early spring 2014 n February, about 75,000 people packed the aisles at the International Builders' Show (IBS) and the Kitchen & Bath Industry Show in Las Vegas. The consensus seems to be that 2014 will be the year recovery truly takes hold in the American housing landscape.

Global jitters over a Chinese economic retrenchment, domestic angst in the face of the Federal Reserve's plan to pare back its blitz of monetary accommodation each successive month, and a wearisome, unrelenting cold grip of unkind winter weather have riled investors for more than a month during the first part of 2014.

Weighed down by those fears, the NAHB/ Wells Fargo Housing Market Index of home builder confidence fell by 10 points in January, from 56 to 46. Still, real-time builder sentiment at IBS was positive, if not fearless.

For perspective, we visited a couple of communities in the Las Vegas Valley before the start of the trade shows. We toured Toll Brothers' Santaluz and Harmony Homes' family-oriented Silhouette neighborhood to get a sense of the "barbell" of demand at the higher and lower price spectrum in the market.

The contrast, on the eve of selling season, was palpable in the respective sales centers. From Toll Brothers Las Vegas division president David Straub we got a strong sense that, having sold 39 of the community's 53 properties from the mid-\$500s to mid-\$600s, demand at this higher end has held up through 2013 and into the start of 2014. What's not so clear, as we ascertained from Harmony Homes general sales manager Geoff Gorman, is what the optics are on demand at the lower end of Las Vegas' price continuum.

Here, we use the perspective we got from outside the convention center to ask 10 burning questions of the moment:

- **1.** Will the entry-level, first-time buyer participate this year, and stabilize demand for new homes at the low-end of the spectrum?
- **2.** Will the economy create enough well-paying jobs to lead to household formations and

new-home demand at a normalized level versus a level suppressed by economic anemia?

- **3.** What will new-home builders' active role be in stimulating those entry-level buyers to move off the sideline with disruptively low-priced opportunities at homeownership as an escape-route from spiraling rents?
- **4.** Will less uncertainty vis-à-vis bank regulation in the wake of clear-if-tough guidelines on ability-to-repay criteria eventually cause national banks and regional banks to move assertively back into mortgage finance?
- **5.** Will vacant developed lot supply constraints in the markets that have thriving jobs, household formations, and income continue to bubble, while other markets and submarkets operate on a slowly improving trajectory?
- **6.** Will Asian and other non-U.S.-based reside ntial property buyers play as big a role in housing markets this year as in 2012 and 2013?
- **7.** Will builders and their materials, labor, and manufacturer vendors work toward greater SKU visibility and transparency as a means of slicing time and other cost run-ups out of the construction cycle, or as a cash-preservation and margin improvement strategy?
- **8.** Will the opening of new master planned communities in the Southern and Northern California regions, Texas, and Colorado give home builders more visibility into the pace and price of the demand?
- **9.** Having booked profitability for eight or more quarters on the back of land-asset writedowns and other massive overhead cost-cuts, will builders be able to scale their expansion of community counts and add 2015 and 2016 lots in a way that continues to show profits?
- **10.** Who is out there to hire? What is their job description? And how does one retain, motivate, and inspire the current talent base to excel at every operational level? **B**

Will the entry-level, firsttime buyer participate this year and stabilize demand for new homes at the low-end of the spectrum?

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### In The News

## Meritage, SunPower Team on National Solar Deal

Meritage Homes, a top 10 national home building enterprise that currently builds in eight states, soon will announce a major national sourcing agreement with SunPower to provide solar in its new homes.

BUILDER first learned of the agreement in early February at the NAHB International Builders' Show in Las Vegas.

The deal is noteworthy, especially in the wake of the recent announcement by SolarCity that it will partner with Taylor Morrison Homes as the solar provider in a number of Phoenix area communities. It means that two companies, SunPower and SolarCity, are in a heated rivalry to sign home builders for their rapidly growing home solar programs.

We hear that Meritage has leaned toward SunPower for its national new-home solar program because SunPower's marketing, sales, and training force will make itself available alongside Meritage's home sales associates to answer prospective home buyers questions and challenges regarding solar systems and their benefits.

"We've found that our own sales associates have so much to address as it is and the technical knowledge on the solar side is beyond many of them," said an executive with knowledge of the deal. "Having SunPower involved in the sales process, explaining the technical deals and answering questions is going to be an increasingly important dimension of the sales process." — John McManus

## Deal Near for California's Marblehead Coastal

Finalists in the bidding for the vaunted 200acre California property in Orange County known as Marblehead Coastal have been winnowed to a single home builder in negotiations with seller Lehman Brothers Holdings and its representative, Land Advisors Organization. So who wins? And is the winner a moneymaker? We're hearing that the final sale price for the parcel, which maps to 308 entitled home properties in one of the highest-profile deals still to be done in that part of California, could go for a range from \$230 million to \$235 million, or from \$700,000 to \$770,000 per building lot.

This housing news raises the question of whether and how a home builder might market the new-home community profitably, even at that exorbitant per-lot price.

Earlier this year, the process called for final bids, which resulted in a short-list of potential buyers that included a Brookfield Residential/Standard Pacific Homes joint bid, and separate bids from Taylor Morrison, The New Home Co., and Toll Brothers. Additional bids of substance included an entity-level offer from a large private equity player, as well as one from Southern California upand-comer home building enterprise, Woodbridge Pacific Group, with backing from Anchorage Capital.

As of press time, word is that one final bidder—most likely Taylor Morrison Homes—is in a letter-of-agreement stage with the sellers, although final negotiations may continue for a bit. — J.M.

## **EPA Fines Contractors** and Training Providers

The EPA settled with 35 contractors and training providers on more than \$274,000 worth of civil penalties for violations relating to the Lead Paint Renovation, Repair, and Painting Rule.

The violations, which occurred May 2013 to January 2014, include 17 instances where contractors failed to obtain certification for renovation on homes built before lead paint was banned in 1978, and 21 instances where contractors failed to comply with required lead-safe work practices.

Two of the involved companies, HarenLaughlin Construction and Exterior Energy Consultants, will fund lead abatement work on local properties as part of their settlements. "Families deserve the peace of mind that home renovations occur without harming children," said Cynthia Giles, assistant administrator for EPA's office of enforcement and compliance assurance. "Businesses that play by the rules deserve to compete on a level playing field. EPA will continue to enforce the nation's lead rules to protect the public from illegal and dangerous lead exposure."

Lead paint has been a hot topic as of late: In January, a California judge ordered a \$1.15 billion abatement against three lead paint companies. Attorneys from both sides say that case will be appealed. — Tim Regan

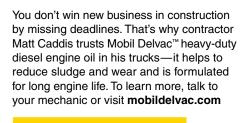
#### Wheelock Street Lands Community in Denver

Just shy of a week into 2014, home building and development had its first significant strategic land-play closing—a 1,036-acre master planned community called Rocking Horse, located just a few miles southeast of Denver in Aurora, Colo. The buyer is a reunited tandem of Wheelock Street Capital and its local operator Oread Capital and Development; the seller is a Lennar Homes-led joint enterprise named Rocking Horse Ventures.

The deal's surface details and magnitude are impressive in their own right, but beneath the top layer, there are implications beyond the transfer of ownership of a master planned community's lot pipeline.

Single-builder developers of master plans—a hallmark of the bygone mid-2000s boom that suggested home builders could profit in every facet of the land development, sale, construction, marketing, and merchandising business—may realize they're at a disadvantage in a marketplace that puts more discriminating buyers at the center of the new-home universe.

A new paradigm for what has been termed "active adult" may be emerging in markets other than Arizona, Florida, and Southern California. The model that appears to be taking shape as evidence in this deal is one in which a fully age-targeted and amenitized



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### In The News

community functions in close proximity and total accessibility with non-age aimed market-rate neighborhoods. New 55-plus home buyers are "too active for active adult" in the traditional sense; and they want to be closer geographically to their children and grandchildren, which makes pairing up the two types of communities in one broad master plan make a lot of sense.

The Douglas County parcel—permitted for 1,800 single-family homes—mirrors, to some extent, Wheelock Street Capital's 2011 acquisition of Anthem Ranch, a 1,700-acre master plan to the north of Denver in Broomfield, Colo. Like Anthem, the Rocking Horse master plan divides a roughly equal number of market-rate, nonage-targeted residences and an adjacent active adult neighborhood.

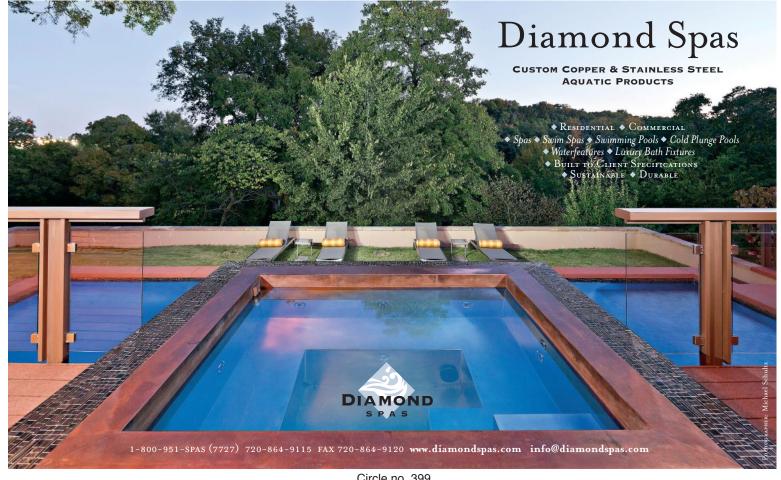
A press release issued by Wheelock Street Capital notes, "Like Rocking Horse, Anthem originally had a single home builder in the community and that builder was also the developer. Under Wheelock, four builders are now offering homes at Anthem. 'We think it's important to have a suite of builders offering a wide array of home choices,' Oread principal Jeff Handlin said. 'We also think it's important to provide outstanding amenities that foster connectivity among the residents of our communities."

What Wheelock Street Capital and Oread have learned particular to the Denver market is that leading edge baby boom buyers interested in the 55-plus communities show a strong preference for proximity to their children and grandchildren, which makes

the intergenerational approach—separately amenitized but integrated geographicallyto the master plan a draw. The marketing mantra developers have focused on has been to create separation and promote integration.

Since Toll Brothers came in last year as Anthem Ranch's active adult builder, it's sold at a pace of eight to 10 homes without the benefit of model homes, which open next month.

What appears to be clear is that the days where big builders opted to take on the role of master plan developer appear to be bygone, as it makes more sense from a place-making view point to integrate different builders with varying product programs, price points, and options for buyers to propel the uniqueness of the location. - J.M.





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#### **Foundations**



Project Kensett, Darien,

Developer/Architect/ Builder Sun Homes, Pawling, N.Y.

Landscape Architect HartlHowerton, New York **Biologist** New England Environmental Inc., Middlefield, Conn.

Site Size 15 acres Number of Units 62

Add to the mix a location like Darien, Conn. a historic town on the shores of Long Island Sound that's within easy commuting distance of Manhattan—and it's easy to see why the price tags on these 4,000- to 5,500-squarefoot houses are appealing.

Architect Bill McGuinness, co-founder of Sun Homes along with builder Bob Dale, developed and designed Kensett to respect its natural site. Protecting nearly 5 acres for a nature preserve meant siting the houses with a higher density. This smart planning generated several benefits for the develop/ design/build firm. "Because we have this density, we can reallocate construction costs for built-ins and higher quality details," Mc-Guinness explains.

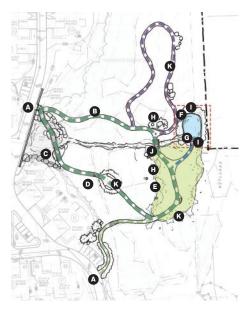
"We get to design the houses the way we'd want to live," McGuinness adds. Builtins are thoughtfully speced to improve organization while reducing clutter and the need for a lot of furniture. Including details typically found in custom houses attracts buyers and doesn't have to strain the budget or cut into profit margins. Off-the-shelf cab-

inets and shelves are ordered in bulk then put together in creative ways. Being your own developer, designer, and general contractor affords clever cost-saving moves like this without dumbing down the design. The high-density site plan also allowed for funds that normally would go toward landscaping large yards to be used elsewhere. McGuinness emphasizes that the tight siting also "makes the community very walkable and accessible."

Empty-nesters are the target buyers, so walkability, accessibility, being close to neighbors, and having multiple leisure time options at hand are all appealing amenities. A big part of achieving those attractive selling points involved getting approval for humans to occupy the preserve. "We hired biologist Michelle Ford to come do impact studies on mixing safe habitats with nature trails," McGuinness says. "We eventually got the state to allow us to use the land as recreational area instead of just fencing it off."

Those 5 acres were cleaned up by removing invasive species, planting native flora such as a field of wildflowers, opening up the forest canopy so heirloom trees can thrive, and adding mostly flat, gravel trails wide enough for wheelchairs. Kensett residents also enjoy a large pond with an interesting history.

"We dredged this rectangular pond and discovered it was a foundation of an old



A Trail Entry

**B** Trail

C Feature Bridge

**D** Stream Crossing E Bird Boxes

F Pond Overlook

**G** Observation Dock

H Flora Signage

I Fauna Signage

J Bridge at Pond

K Seating Areas

 Oak Loop Trail Hickory Loop Trail Pond Path

**Entry Path** 

**Attachment Issues** Placing multimillion-dollar houses side-by-side isn't a typical approach, but it should be. It builds neighborhood bonds, makes communities walkable, and preserves large swaths of land as wildlife habitats.

homestead," McGuinness says. Based on Ford's recommendations, native grasses to attract other pest control creatures like dragonflies and ladybugs were planted. Properly spaced bird houses around the pond's perimeter—along with Adirondack chairs—encourage a hangout for people and wildlife.

McGuinness gave just as much consideration to the built environment. A three-story community center modeled on New England meeting houses—aptly called the Meeting House—provides an architectural focal point while housing multiple activities. All mail pickup happens here, so residents mingle daily. A fitness center, swimming pool, hot tub, pool table, grand piano, indoor fireplace, outdoor fire pit, wet bar, and plush furnishings are all arranged for maximum community building and entertainment. Beneath the eaves is a guest suite that residents can rent.

A custom clock graces the building's façade. Like many of Kensett's features, the clock serves double duty: It keeps time for the neighborhood and provides secondary egress for the guest suite. The whole mechanism swings open on iron hinges. "I'd never designed a clock before," McGuinness admits, "but our gate maker created the face, hinges, and latch then we ordered clockworks and glass for both sides so light filters through—like in [the movie] 'Hugo.'"

There also are plans to add a community garden and perhaps a coffee shop inside the Meeting House. Although the development is geared toward active empty-nesters, several young families also have bought here. "It's a nice mix of people," McGuinness adds.

Kensett's success proves that a variety of home buyers, even in luxury markets, are willing to live in high-density communities that offer walkability, accessibility, recreation, interaction with neighbors, easy commuting, and a strong connection to nature.



Visit go.hw.net/0314bol-naturalconnections to see additional photos of this project.



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#### **Foundations**

#### FIELD REPORT

### **Luxe Home Prices** and Auto Jobs on the Rise

Economic news from across the country. EDITED BY JENNIFER LASH

News You Can Use BUILDER scans news across the nation each month for interesting, informative, and useful items, choosing a handful of the most significant for this Field Report.

#### **Denver Luxury Home Prices Spike**

A recent report from Kentwood Real Estate shows that continued low inventory among luxury homes in Denver drove prices higher and average days on the market lower, says the Denver Business Journal. In January, 26 homes priced at more than \$1 million sold, down 16 percent from the 31 sold last year. Average prices jumped 14 percent year over year and days on the market declined almost 50 percent, from 209 days in January 2013 to 108 days last month. The highest price home sold in January was for \$5.8 million: there currently are 449 \$1 million-plus homes on the market in metro Denver, according to the report.

#### Roval Oaks Moves Into Knightdale

Raleigh, N.C.-based Royal Oaks Homes is building at the 200-acre Rockbridge community in the town of Knightdale. According to the Triangle Business Journal, Royal Oaks has contracted to buy 122 home lots in Rockbridge and will begin building soon. The homes will be priced from the \$220,000 and will feature floor plans that include ranch homes. first-floor owner's suites. finished and unfinished third floors, three-car garages, and other options. Homes will range from 2,090 square feet to 3,360 square feet.

#### **Automakers Are Hiring in Buffalo**

In the Buffalo, N.Y., area. auto plants are getting more than \$1 billion in planned and recent investments, says The Buffalo News. At the General Motors plant in Tonawanda, two new engine lines—a combined \$825 million investment-are slated to support more vehicles this year. Ford is investing \$150 million and adding 350 jobs to its Hamburg plant. The GM plant in Lockport, where 113 fulltime jobs were added last year, is wrapping up \$44 million in new investment that began in 2012. And the Cummins Inc. engine plant is undergoing \$20 million in improvements.

#### J.C. Penney Sells Land for Mixed-Use

Plans are moving forward to develop 240 acres recently purchased from J.C. Penney Co. Inc. in Plano, Texas, into a \$2 billion mixed-use development. The Dallas Business Journal reports that the land could accommodate a similar density to nearby Legacy Town Center, which has 3,000 apartments and 300 townhomes. The development partnership includes the Karahan Cos., Columbus Realty, and KDC. Construction is slated to begin within the next year.

#### **Apartments Are Hot in Alabama**

Apartment properties are a hot item for real estate brokers. reports the Birmingham Business Journal. New units are being built and existing communities are attracting buyers and investors. Hendricks-Berkadia, an apartment real estate firm, negotiated the sale of three Alabama apartment communities totaling 367 units for \$14.6 million. In 2013, the Alabama arm of the firm brokered the sale of 39 apartment communities totaling more than 9,000 units for nearly \$510 million.

"It's not land in Chicago or Manhattan, but Plano's not nowhere. Land is not free there." — Paul Swinand, retail analyst at investment research firm Morningstar



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#### **Foundations**

#### **DASHBOARD**

## Resilient Housing in Florida

South Florida's slowdown of new-home construction in late 2013 was only temporary

outh Florida has been one of the most dynamic U.S. home building markets for the past 30 years. It was once labeled "ground zero" (along with Las Vegas and Phoenix) for the housing collapse, with home production dropping by 90 percent from the peak levels. But for the past three years it's been rebounding, and builders are barely able to keep up with demand.

Home sales slowed in the second half of 2013, thanks to a rise in mortgage rates and a surge in new-home prices that left buyers with sticker shock. The pace of new-home construction in South Florida slowed by 20 percent in the fourth quarter of 2013, with 1,437 housing starts versus 1,799 in the prior quarter. This level of home building is 4.7 percent higher than in the fourth quarter of 2012, but 29 percent off the 2013 peak attained in the second quarter. With that pause behind us, new-home activity has been gaining in 2014.

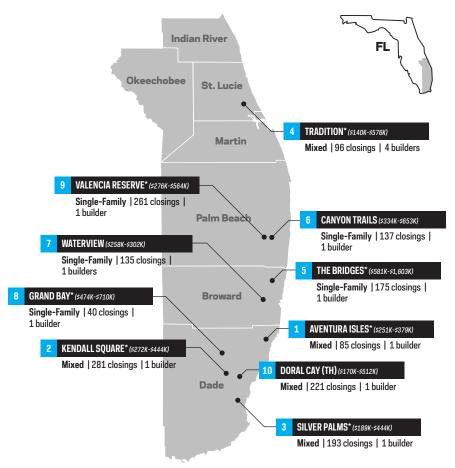
The resilience of home building in South Florida has been remarkable in the face of a once huge inventory of bank-owned properties, called REO (real estate owned) by the banks. Today, those REOs are no longer a competitive threat to new-home builders.

In this market, lot shortages are a serious issue. Builders are having to pay peak prices again for developed lots in high-demand areas. Land developers and investors are looking for ways to reuse golf course land for residential development to meet demand.

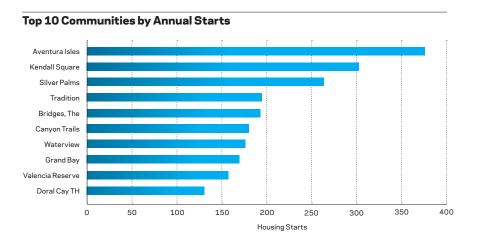
South Florida's housing outlook is strong, both in terms of builder pricing power and future demand. Active adult buyers are coming down from the north in larger numbers, and working-age buyers are buying as their incomes improve. — BRAD HUNTER

#### **Healthy Housing Production in South Florida**

Palm Beach County was the leader in housing production up until last year, when Miami-Dade County shot ahead. Even the beleaguered South Dade market is seeing strong volume now. The long-term future for South Florida also will include a huge surge of activity in St. Lucie County.



\* Collection of multiple subdivisions that share a marketing



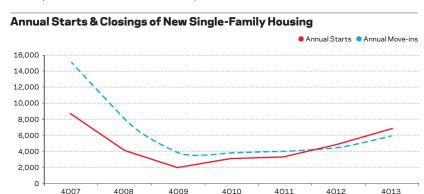
#### **Production Builder Ranking (Top 25)**

Rank Builder		Observed Closings	Market Share				
1.	Lennar	1,457	25.7%				
2.	GL Homes	592	10.5%				
3.	D. R. Horton Homes	576	10.2%				
4.	Minto Builders	333	5.9%				
5.	CC Devco Homes	265	4.7%				
6.	Standard Pacific	232	4.1%				
7.	Kolter Communities	219	3.9%				
8.	Divosta Homes	209	3.7%				
9.	Toll Brothers	128	2.3%				
10.	WCI Communities	120	2.1%				
11.	JV Shoma Group/Terra	115	2.0%				
12.	Terra Group	115	2.0%				
13.	K. Hovnanian Homes	100	1.8%				
14.	Centerline Homes	84	1.5%				
15.	Pulte	78	1.4%				
16.	Southern Homes	77	1.4%				
<b>17</b> .	GHO Homes	65	1.1%				
18.	Home Dynamics	53	0.9%				
19.	Maronda Homes	51	0.9%				
20.	Jeannie Homes	40	0.7%				
21.	360 Homebuilders	33	0.6%				
22.	Centex Homes	29	0.5%				
23.	South Bay Construction	28	0.5%				
24.	Label & Co Development	27	0.5%				
25.	Stiles Development	27	0.5%				

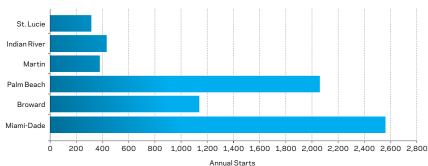
The percentage of all new homes that are built by the top three builders in South Florida

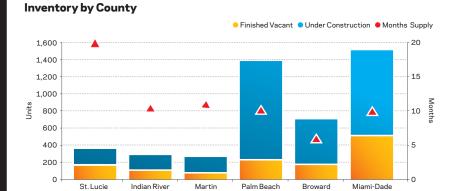
#### **CONSTRUCTION IS BACK**

Since bottoming out in 2009, construction has tripled and housing has been on the rebound in the South Florida market. Miami-Dade has surpassed Palm Beach County in annual starts and inventory.



### **Annual Starts by County**







#### **Foundations**

#### **DETAILS**

### Gate Gravitas

A steel gate imparts both heft and lightness as a standout feature on a bland streetscape

hange can be daunting for anyone, but homeowner associations find it especially difficult to handle. For example, this artful yet unassuming steel gate caused quite the uproar with the client's association which, according to architect Teresa Rosano, thought it was too crazy for their uniform rows of matching façades. Rosano and partner Luis Ibarra eventually compromised by agreeing to keep the house's exterior paint color in the beige range in exchange for getting the gate approved. "The design is kind of see-though, but it still has substance to create a strong threshold," Rosano describes. "It's your one clue that this house is different from all the rest."

Rusted steel in 2x6 strips wraps around itself in an elongated Greek key pattern with slivers of light and views filtering through the gaps. The steel's 11-foot-tall-by-4-foot-wide mass juxtaposed with the design's translucency hints at what's to come within the new entry courtyard and renovated interiors. Below the swinging sculpture, a bed of smooth stones set in concrete further enhance the idea that this is more than just a doorway. Once people step through this portal they find themselves in a completely different world full of bold style, open spaces, and immense pieces of art collected by the homeowners.

"The gate embodies the entire project," Rosano explains. "It was all about liberating the house and opening it up to the views while giving it more gravitas." — SHELLEY D. HUTCHINS



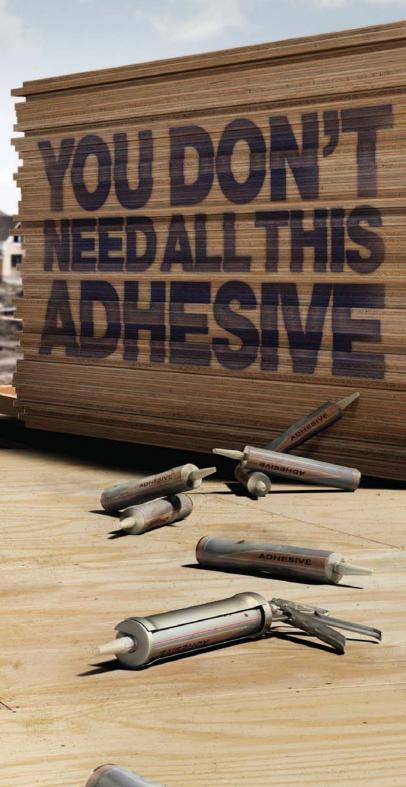
**Project** Pontatoc Residence, Tucson, Ariz.

Architect Ibarra Rosano Design Architects, Tucson

**Fabricator** Graphic Iron, Tucson







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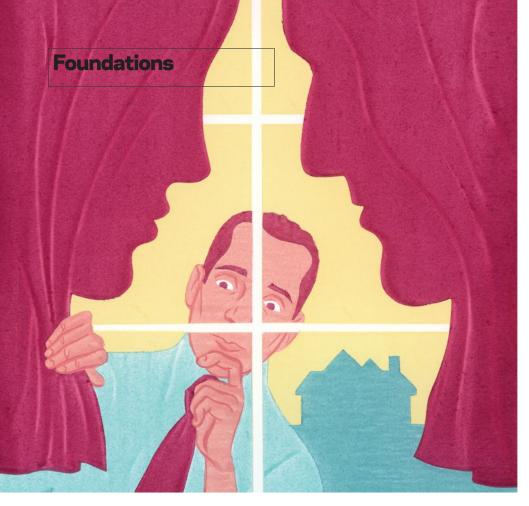


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**SALES STRATEGIES** 

## **Dig Deep With Buyers**

No question is too personal when it comes to connecting with clients

ales professionals who understand the whys behind their prospect's desires gain a competitive edge over salespeople who only understand their desires.

In order to understand the whys, you have to dig with customers. That means nothing is off limits—family situations, W2s, and even marital disputes. Sure, that may seem intense, but I am convinced that it's the only way to do the best thing for your clients.

Buyers are motivated by more than sharp kitchen designs, functional storage spaces, and good school districts. They are motivated to improve their lives. If they just wanted a product, they wouldn't need you. They'd need an order form. They do need you though because what they really want is a home—a place to entertain guests, host family events, and build memories with their kids. X-factor sales pros (those with the competitive edge)

dig beyond the what so they can understand the why. They ask questions so they can address the things that really matter to buyers, which gives them confidence in their purchase. When they uncover the whys behind their buyers' desires, they can then sell to those deeper desires.

How Personal Is Too Personal? Some people might be feeling a little uncomfortable with this and wondering, "What about the customers who want to be left alone and the thinkers who want to process things internally? What about those who appear closed-off and don't want to share their mission? Isn't it too pushy to pry into their deepest whys?"

In this situation, think about what you look for in a doctor. Do you want someone who asks what you came in for, writes a prescription, and then rushes to next patient, or do you want one who takes the time to ask ques-

tions to make sure they understand what's going on? Unless you want to remain sick, you probably want the latter—one who responds to everything you say with sincere interest and gives you confidence in their leadership. This is the kind of doctor who asks about your bowel movements, your sexual activity, and your bad habits. They dig, which is exactly what makes you feel like they are working with you as a partner in resolving your issue.

If, as a salesperson, you don't know what the consequences are if the customer doesn't make a change, you will not have enough information to give them the best "prescription" for their needs. You won't be able to talk about how to improve their lives, and you will be forced to focus on the product or the price.

Keep Asking For More Let's again consider the question of what is too personal by examining the following scenario. A couple walks in and says they need an extra bedroom. You could dive right in and talk about your three-bedroom models, but you want to know why, so you ask what the extra room will be used for. It turns out they have a newborn. Armed with this information, you ask, "What's happening in your current home that is leading you to look for a change?"

That's when the wife steps closer to you and you notice her bloodshot eyes. She reveals that the two older kids are sharing rooms and keeping each other up at night, which makes for miserable days. You take it one step further by asking her how that's making her feel, and she responds that it's making her second guess the decision of staying at home and causing tension with her husband. There it is! They don't need another bedroom for their newborn; they need another bedroom for their marriage.

Did you really need to dig that far? Absolutely. Now you know what really brought them through your door. With that information, you can inspire them to sign the contract and move forward even when they get cold feet or find out they have to sell their home for less than they thought.

With that perspective the question changes from "How personal is too personal?" to "Is it possible to lead prospects to a solution that improves their lives if I don't get too personal?"

Jason Forrest is chief sales officer at Fort Worth, Texas-based Forrest Performance Group.

BUILDER MARCH 2014





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#### **Foundations**

#### **TACTICS**

### **How to Hire the Best**

An 11-step hiring process is time consuming, but one builder swears by it and touts a 90 percent success rate

It takes me longer to hire someone for my staff than it does to design a home. My policy when it comes to hiring: Make the applicant work to get the job. Yes, that takes time. But my success rate with this 11-step system is 90 percent, and when I've failed to follow it, I've regretted it every time.

#### 1. Know What You Want

Define the job you're trying to fill, very specifically. Write an eight- to 10-sentence description. Ask your staff for help. I have made the mistake of starting to recruit for a position, only to discover later that staff had other, better ideas for a job description.

#### 2. Rely on Word of Mouth

Ask friends, subcontractors, suppliers and employees to recommend candidates so you get some perspective about the applicant from people you trust. I find 10 percent of my new hires that way.

#### 3. Advertise Accordingly

Post help-wanted ads in the newspaper, on sites like CareerBuilder.com, and on Craigslist. Include as much of your eight- to 10-sentence job description as possible, and reveal your non-negotiables. For example, if the candidate must have three years of experience and his own tools, say so. Don't give your phone number in the ad.

#### 4. Pay Attention to Details

Weed out résumés with spelling errors, long stretches of unemployment, lack of experience, or the wrong kind of experience for the job. Look for education and training that could help them succeed.

#### 5. Gauge Their Interest

Email candidates in your "yes" pile with questions about why they want the job, what their primary skills and strengths are, and what salary range they're looking for. Only candidates who are truly interested will bother to respond. Follow up with those who reply by asking a few more questions and, if their answers satisfy you, offer a phone interview.

#### 6. Personality Matters

Before that phone interview, I ask each candidate to complete a Myers-Briggs Type Indicator personality inventory, which indicates whether his or her personality type will fit the job. For a sales or office manager job, for instance, I'm looking for an extrovert, but introverted architects and bookkeepers do fine working in the office on their own.

#### 7. Ask About Their Skill Set

During the interview, pinpoint whether the candidate has the critical skills needed for the job. For example, I ask carpenters about their tools and press bookkeepers about how well they know construction accounting.

#### 8. Meet in Person

Once I conduct phone interviews, I select candidates for a 15-minute face-to-face interview to determine whose personality will fit best with my staff's. I ask them about their experience and why they chose their career paths, their schools, and their prior jobs.

#### 9. Introduce the Staff

If the in-person interview goes well, I invite a couple of staff members to join us for five minutes. This generates further evidence of whether they'd be a good or poor fit.

#### 10. Allow Current Staff to Weigh In

Next, staff members interview the remaining few candidates without me. Interviewees will reveal things to colleagues that they never would say to a future boss. Once, a candidate answered his phone during a staff interview to talk about his boat. He didn't get the job.

#### 11. Make an Offer—on Your Terms

Finally, I talk more specifically about money with the candidate and make an offer, contingent on the results of a drug test and background check. I don't let the new hire start work until I see those results.

Most builders say they don't have time for a process like this. But I figure it costs up to \$10,000 to hire the wrong person, once you consider training and having to start the process over if a quick hire doesn't work out.

Jeb Breithaupt is a third-generation builder, designer, and remodeler, and the owner of JEB Design/Build in Shreveport, La. A version of this story originally appeared in our sister brand, Remodeling.

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**SUCCESS STORY** 

## **Verity Boosts Net Profit**

North Dakota builder links multiple software systems to eliminate duplicated efforts and speed up front- and back-end processes

t's not easy to find back-office employees with construction experience in Bismarck, N.D., yet as the housing market there began to rebound, Verity Homes needed to hire five new workers.

So as the Red Door Homes licensee ramped up from 127 single-family starts in 2011 to 154 in 2012, Verity Group CEO Arthur Goldammer needed to figure out how to scale up the 26-employee, semi-custom home building business by 20 percent without the help of new hires in purchasing, estimating, and other back-office functions.

His solution: link multiple computer software systems to omit duplicated efforts and speed up processes like options management,

contract generation, bidding, estimating, purchasing, and invoicing. This isn't so different from what big, national home builders do, Goldammer says, "but for where we're at, it's unique and a first. Home building is antiquated here. The market hasn't forced builders to start using best-practice methods."

His result: A \$300,000 increase in net profit, even though "we're running five resources short of where we would be if we were doing it more the manual way," says the builder, who forecasts a bump up to 165 homes—including a 30-unit multifamily building—for 2013.

That will help pay off a six-figure investment in computer systems, licensing, and

Company Verity Homes
Location Bismarck, N.D.

Founded 2006 Employees 26 Price Range of Homes \$180,000 to \$750,000 **Total Homes Sold in 2013** 165

consulting fees that, Goldammer figures, can estimate five homes in the time it typically takes a trained estimator to do one.

It also lightens the load on the front end for the sales reps who record their clients' requests for options and upgrades from a catalog of more than 5 million possible combinations—including structural changes—among the builder's 38 base home plans.

Five Programs Share Data, Save Time Verity Homes has combined CAD, CRM, workflow, accounting, and BIM software from five sources—Sales Simplicity, BuilderMT, Sage, CG Visions, and Vertex—in an arrangement that allows each one to share information with the others. That omits the need for a sales rep, for instance, to search for and key in a price for each option because the correct prices are already in a product database to which the rep has access.

It saves the purchasing agent, drafter, superintendent, and accountant from rekeying that information during the design, bidding, scheduling, production, and invoicing stages of the project.

"The amount of time it saves just to produce a contract is immeasurable because you just click, click, click," says Barry Forbes, president of Chandler, Ariz.-based Sales Simplicity Software, who notes the system also cuts down on pricing errors. "And that's just on the sales side."

Tom Gebes, president of Lakewood, Colobased BuilderMT, says his firm's WMS (workflow management system) offers core applications for bidding, purchasing, and scheduling, and also acts as a portal through which software from different vendors for CAD, estimating, BIM, sales and other functions can communicate with each other.

Such an "enterprise system," he says, can allow firms like Verity to double or triple in size without adding any back-office staff. And he estimates that most builders can see their net margins increase by at least 2 percent within a year to 18 months.

The system could allow Verity to expand beyond its Bismarck and Minot, N.D., markets and into the eastern part of the state. "We have the capacity to be scalable that we couldn't have had without it," says Goldammer, who adds that it took Verity a year and a half to make the system fully operational.

He advises builders: "Stick with it because it will pay off." — SHARON O'MALLEY

38 BUILDER MARCH 2014



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# Products

Top Shelf					P	a	g	Je	4	42	
Category Review									. 4	40	



#### **Redbacks Knee Pads**

The leaf-spring technology in Redbacks Knee Pads slows, controls, disperses, and reduces point pressure on the knee by distributing weight more evenly than foam. Constructed from thermoplastic elastomer, the low-density material is lightweight, durable, and does not retain moisture. www.redbackkneepads.co.uk. Circle No. 1.

41

#### **Products**



#### **TOP SHELF**

## Safety First

Our editors' list of eight products to aid in jobsite safety
EDITED BY SANDRA MALM







#### 1. Falltech Body Harness

Safety harnesses are known for two things: saving lives and being uncomfortable. Falltech hopes to eliminate the second part of that equation with Flowtech. The lightweight harness reduces heat discomfort by allowing air to circulate around the padded back shoulder and waist areas. It has quick-connect clips, twist-resistant straps, forged aluminum D-rings, and a nineposition belt to support tool bags. www.falltech.com. Circle No. 2.

#### 2. Miller Fall Limiter

Starting at 2.3 pounds, this personal fall limiter from Miller by Honeywell is the lightest weight 9-foot unit available, says the firm. A compact alternative to shock-absorbing lanyards, TurboLite attaches directly to the harness D-ring for increased worker mobility and features a durable nylon housing and abrasion-resistant webbing. All models meet OSHA requirements. www.millerfall protection.com. Circle No. 3.

#### 3. Gateway Safety Glasses

Get the benefits of safety glasses and goggles in one with Swap. The eyewear fills both roles as the temples and head strap easily can be switched with the touch of a button. The one-piece wraparound polycarbonate lens provides durable protection, while venting channels around the frame reduce the hot air buildup that causes fogging. Soft foam lining blocks dust and debris. www. gatewaysafety.com. Circle No. 4.

#### 4.3M Headset

This earmuff headset lets you to listen to music while protecting your hearing from construction noise. It has a noise-reduction rating (NRR) of 24 dB. The built-in AM/FM radio has an LCD screen and will accept up to 50 station presets. Large knobs and voice control assistance allow you to operate the tuner without removing the headset to see what you're doing. There's also a jack to connect an MP3 player. www.3m.com. Circle No. 5.

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#### **Products**





#### 5. Werner Ladder

The Podium Series step ladder has an oversize top step that functions as a standing platform, and a waist-height guard rail doubles as a tray for small tools and parts. The features make it possible for users to safely and comfortably work facing any direction, with no possibility of standing too high on the ladder. The ladders will be available with platform heights of 3, 4, 6, 8, and 10 feet. us.wernerco. com. Circle No. 6.

#### 6. Casella Dust Monitor

The rugged CEL-712 Microdust Pro is a data logging instrument for real-time detection of airborne dusts, fumes, and aerosols. With an icon-driven user interface and large graphical color display, the tool performs well for walk-through surveys or continuous evaluation of the workplace. The monitor can be zero- and span-calibrated in the field and stores up to 999 data measurements. www. casellausa.com. Circle No. 7.

#### 7. Hammerhead System

The Gear Keeper Hardhat
Lanyard Retention System from
Hammerhead Industries has
been tested to safely tether
all common industrial hardhats,
mitigating the risk of a falling
hardhat endangering the jobsite.
The device easily attaches with
Velcro strap loops. The design
is meant to keep the lanyard
close to the body to avoid
discomfort and entanglement
while working. www.gearkeeper.
com. Circle No. 8.

#### 8. Super Anchor Safety Bar

The Safety Bar provides open framing fall protection. The product is OSHA and ANSI compliant, and offers a sturdy tie-off point for two workers. It spans three trusses at the same time, can be rolled down the roof as the trusses are placed, and also can be used inverted. The best part? It's easy and fast to set up, according to Tools of the Trade contributing editor Tim Uhler. www.superanchor. com. Circle No. 9.

44

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#### **CATEGORY REVIEW**

## **Natural Instincts**

Wood-inspired flooring materials bring nature indoors and continue to gain popularity, especially in open floor plans. BY SANDRA MALM

loors are the single biggest visual element in a home. They set the mood and tie the house together. In kitchens and, increasingly, great rooms, putting the floor to work as a warm visual element is paramount.

Open floor plans present a challenge when specing flooring. Great rooms lend themselves to a monolithic look for which wood floors are well suited. "Running the same species, the same color, through the entire floor of the house creates a seamless look for open floor plans," says Sara Babinski, principal designer for hardwood and laminate at Armstrong.

Hardwood—still less common than ceramic tile—accounted for one-third of kitchen floors installed in new homes in 2012, according to the most recent Builder Practices Survey by Home Innovation Research Labs. While tile remained steady over the past eight years, hardwood snapped up 13 percent of the market share and is the fastest growing material in the category.

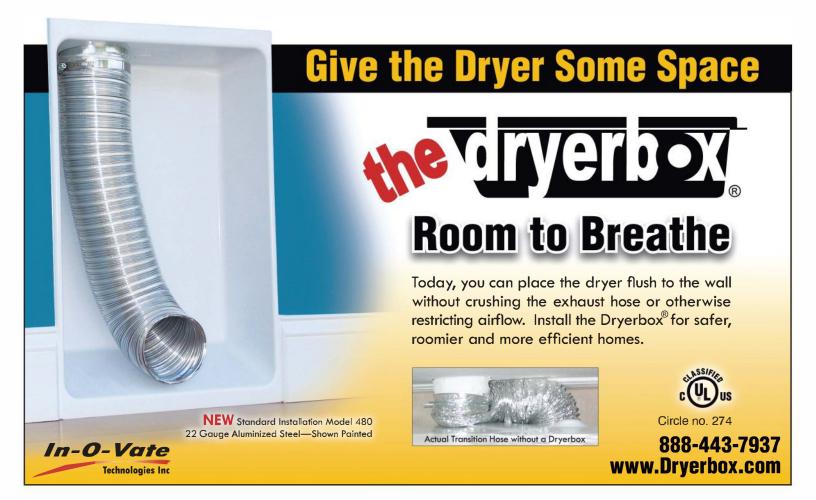
The study shows that 12 percent of entrylevel homes and 40 percent of move-up and luxury homes use hardwood in the kitchen. "It makes sense that people want to invest in a floor that lasts forever," says Chris Sy, vice president of contractor sales and development

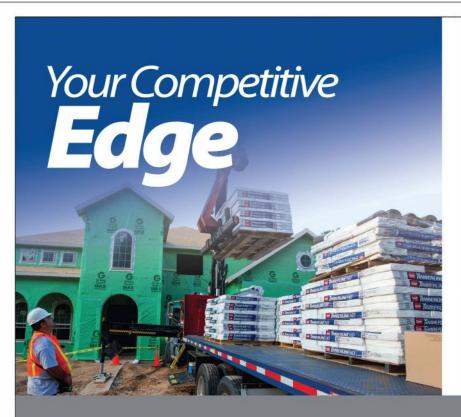
#### Hardwood Design Co.

The mesquite flooring in this Texas home and Watermark Awards merit winner captures a pure, site-specific essence. Mesquite is also extremely stable and is about equal on the Janka hardness scale to exotic woods such as mahogany. For this custom installation the 6-inch planks feature a beveled edge to distinguish each board. Pricing starts at \$12 to \$14 per square foot. www.hardwooddesigns. net. Circle No. 10.



Paul Fink





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#### **Products**

at Carlisle Wide Plank Floors. "Taking out your flooring is a disruption at a high cost. With hardwood, you're putting down a surface that may outlast the lifetime of your house."

Dawn McElfresh, builder channel marketing manager for Armstrong, says hardwood is the best return on investment. "As the housing market comes back and there's more money available, we'll see more buyers taking advantage of the return hardwood offers," which comes from appraiser recognition of resale values as well as the material's longevity.

Moving into 2014, hardwood designs are in tune with the rising popularity of Belgian style. The transitional movement mixes raw and polished finishes, light and dark hues, and rough and soft textures. "We're transitioning from dark black and brown colors, like natural walnuts and heavy stains, to whitewash and driftwood grays," says Sy. "The finishes are much more matte, giving an unfinished feel to the floor."

The lower gloss, textured products are also known to hide dust and imperfections. "Most scratches you see in wood floors are in the poly, breaks in the sheen," Sy explains. "Matte finishes tend not to show scratches."

The designers at Armstrong echo Sy's observations, though Babinski predicts true rustics reached their height in 2013. "The grays won't go away, though," she says.

Carlisle's most popular products aren't just

getting lighter, they're getting wider. "In our market we've gone from having a 6.5-inchwide average to a 9 to 10 inch," Sy says, though he advises builders to be more critical of wood quality when installing wider planks.

Of the new homes from the survey built with wood in the kitchen, about two-thirds used solid hardwood and one-third used engineered hardwood. The wood-inspired look also can be achieved with laminates, vinyl sheets, and alternatives such as bamboo and cork. The challenge is staying true to what attracts homeowners to hardwood in the first place.

"It's about warmth and comfort," Babinski says. "Wood brings nature inside, and the natural textures are hard to beat." B



#### **Armstrong**

Laminate flooring has an inner core made from wood fibers, but it is the photo-realistic image on what Armstrong calls the design layer that captures the essence of genuine wood. With eight color choices, the Architectural Remnants line mimics the look of reclaimed wood. The 12mm laminate features the firm's VisionGuard wear layer to protect from staining, fading, and wear. Prices start at roughly \$3.50 to \$5 per square foot. www. armstrong.com. Circle No. 11.



#### Carlisle Wide Plank

Carlisle Wide Plank Flooring has developed its SlowCraft process to deliver solid wood planks up to 20 inches wide. Its premier lines of solid pine and oak floors average widths of 8 to 10 inches, the company says. The Oyster Bay Collection (shown) offers neutral tones with minimal sheen, creating a natural, matte look. The product also is offered as an engineered wood. Pricing starts at \$18 per square foot. www.wideplankflooring.com. Circle No. 12.



#### **Shaw Floors**

Engineered hardwood is made with three to five layers of hardwood stacked in a crossgrain configuration and bonded together under high heat and pressure. It offers more durability compared with solid hardwood, say manufacturers, and is less likely to be affected by humidity and moisture. The Acadian line uses Shaw's environmentally friendly EnviroCore, made of recycled wood fiber. Prices start at \$8 per square foot, www. shawfloors.com. Circle No. 13.

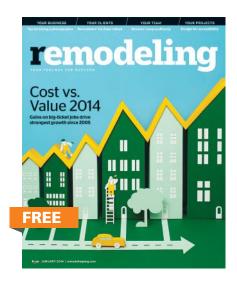


#### Bellawood

Bellawood says Ultra-Strand is crafted from fine bamboo fibers pressed together with a resin, which is why you won't see the knuckling common to many bamboo products. A sustainable alternative to hardwood, bamboo continues to grow from the stalk that is harvested and has a short. five-year harvest cycle. Ultra-Strand features a tongue-andgroove profile type and comes in three finishes. Pricing starts at \$5 per square foot, www. bellawood.com. Circle No. 14.

### remodeling





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# Brad Hunter CHIEF ECONOMIST METROSTUDY bhunter@metrostudy.com

## Buyers Moving Forward

If you want a sense of the demand drivers active in the market right now, take a look at our research etrostudy has just completed its comprehensive year-end 2013 nationwide research, which offers a summary of the high-level findings that have come back from the field. The

research is at the subdivision level, where Metrostudy's field researchers count activity on the ground, lot by lot and house by house. Metrostudy counts actual starts, inventory, lot supplies, move-ins, and other key statistics every quarter in 30,000 subdivisions nationwide. The company deploys a team of 350 trained researchers to count every start, lot, and inventory home in every subdivision in the markets it covers nationwide.

Metrostudy has found that, although sales slumped in recent months, the overall trajectory of demand is still upward. The drop in sales in the summer and fall precipitated what Metrostudy measured as a 22 percent drop in housing starts (fourth quarter versus third quarter, not seasonally adjusted).

#### Construction Fell in the Fourth Quarter

Metrostudy's proprietary data on new construction show that the pace of housing starts fell in almost every market in the country in the final three months of the year, reflecting a slowdown in orders that took hold starting midway through the year. This was a reversal of prior trends, which had reflected robust growth in home construction.

Some highlights from the fourth quarter study, just focusing on the year-over-year change in starts:

The steepest declines were in suburban Maryland (Washington, D.C., area), Albuquerque, N.M., Boise, Idaho, and Nashville, Tenn. Nashville is a noteworthy case, because that market has seen a massive influx of national builders, and Metrostudy performed a several market studies last year for builders who are still poised to enter.

The slowdown in starts that occurred all across the country has its roots in the slow-

down in sales that started in the late summer, which many builders refer to as "the pause."

#### The Pause May Be Resolving Now

The pause occurred because builders pushed prices up too fast and too far in the first half of 2013, and many buyers got sticker shock. As an example, this is what happened in Southern California. There was a surge in net contracts per subdivision in the first half of 2013 (the normal seasonal pattern), but highly exaggerated. There was a frenzy of home buying that was accelerated by the rapid upward movement of prices, which motivated many buyers to pull their purchasing decision forward to beat further price increases.

Of course, the announcement of the Fed's "taper" at mid-year took the wind out of the sails of a lot of buyers, because as they approached closing, their mortgage rate (read: monthly payment) suddenly increased.

Now, buyers seem to be moving ahead with their purchases once again.

#### A Cautiously Optimistic Outlook for Spring Selling Season

Our builder contacts nationwide are generally saying they are "cautiously optimistic" about the upcoming spring selling season. Traffic is up for many builders, indicating an increased interest in shopping for a home. The key then is what builders call 'conversions'—how many of those shopping for a new home are also ready, willing, and able to buy a new home.

It also should be noted that, although starts fell sequentially on the quarter, home construction is up 8 percent when comparing year-end 2013 to year-end 2012, and the expectation is that there will be a larger rate of gain in 2014.

#### Lot Shortages Are Impacting Builders

Many markets and submarkets are experiencing severe lot shortages (and record lot prices). That said, Metrostudy's research indicates that lot production is increasing. The problem is that it is not increasing as fast as home construction. **B** 

Traffic is up for many builders, indicating an increased interest in shopping for a home.



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## Bringing Workers Back

Labor shortages caused by the downturn might present a problem as the construction industry rebounds critical component in building homes is the labor pool. The industry collapse sent many construction workers into other fields or to other locations. A similar trend occurred in the industries that make products for homes as purchases of building materials, appliances, flooring, and fixtures also crumpled.

Labor Shortage Problems Reacquiring trained and willing workers has presented a problem to rebuilding the industry. In a recent NAHB survey, builders rated challenges from the past year and those that face them in 2014. At the end of 2012, 30 percent of builders rated labor as a significant problem; by the end of 2013, that number rose to 53 percent. And 65 percent of builders expect the cost and availability of labor to be a major issue in 2014.

Another 2013 NAHB survey shows that the greatest shortages are in framers and carpenters, regardless of whether the builder is hiring an employee or a subcontractor. Builders coped with the limitations in several ways such as raising the home price, increasing wages, searching for labor in a wider geography, and slowing or turning down work.

Total residential construction employment peaked at 3.45 million workers in April 2006, when we were building 2 million homes per year. Employed residential construction workers dropped to 2 million in March 2011, when we were building about 500,000 homes. Construction dropped by more than 75 percent, but employment dropped by less than half. Many builders and subs kept their staff even though they didn't have the same amount of work; some employees worked fewer hours. As construction revives, retained workers are working longer hours while firms wait to confirm a full recovery before committing to new hires.

From peak to trough, construction unemployment (residential construction unemployment is not broken out from all

construction unemployment) rose from 6.5 percent to more than 20 percent. Since the trough, about 180,000 construction workers have returned to work, but the number of unemployed former construction workers fell by 725,000. Former construction workers found work in other industries or stopped working altogether. Even if the 180,000 expansion came from former construction workers, that still leaves 545,000 lost construction workers, most of whom either have been out of work for a while or have gotten another job and aren't returning to home building.

These days, fewer young people are choosing construction. An emphasis on college and the collapse of the housing industry, as well as a decline in commercial construction activity, increased the diversion from a construction career to sexier careers in computers, electronics, and less cyclic businesses. Trade schools also have disappeared as the means to construction career paths. From 2005 to 2012, the share of construction workers age 20 to 24 fell from 10.7 percent to 6.7 percent, while the share 55 or older rose from 11.7 percent to 18.6 percent. Combined with the fall in construction workers, there are half as many 20 to 24 year olds in construction now as at the peak.

**Wages on the Rise** Construction workers earn near the upper end of the wage distribution. In 2012, the median weekly earnings for all full-time wage and salary workers was \$768; \$740 for construction and extraction occupations. While general weekly earnings rose 18 percent from 2005 to 2012, construction and extraction weekly earnings rose 22.5 percent.

As housing rebounds, it is hoped that labor will do the same. Builders will further raise wages and offer other benefits to attract workers, while state and local associations will try to attract and train more employees. The Home Builders Institute will continue to provide Job Corps—which offers construction training, employability skills education, and job placement services for youth ages 16 to 24—and other programs to bring more qualified workers into the industry. **B** 

Fewer young people are choosing construction: from 2005 to 2012, the share of construction workers age 20 to 24 fell from 10.7 percent to 6.7 percent.

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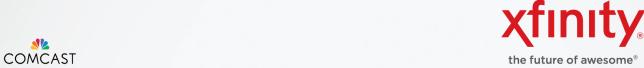
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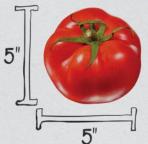
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# Walkability: Why We Care

For the biggest single investment of their lifetime, more buyers are voting with their feet

By Amy Albert and Jennifer Goodman



The more you talk about walkability, the clearer it becomes that it's a vast subject, involving health, community, the environment, demographics, and economics, to name a few. "It's so complicated, and it's so simple," says Carson Looney, principal of Looney Ricks Kiss in Memphis, Tenn. In the end, he says, "walkability is common sense."

Having designed walkable places in urban, suburban, and rural locations, Looney is quick to add that walkability doesn't have to be synonymous with urban core. Vibrant city neighborhoods are wonderful, but "only a segment of the population gets to experience that," he says. "It's about creating a better place, a destination, an experience."

Walkability is also a business opportunity. Oft-cited studies by economist Joe Cortright and by developer Christopher Leinberger (both nonresident senior fellows at the Brookings Institution) confirm that homes with access to goods and services by foot perform better economically. "The typical working American pays as much for transportation as housing," says city planner Jeff Speck, principal of Speck & Associates. "Home builders need to realize that when they build a home where people don't need to drive, they should be able to charge more."

Millennials are a big force in the demand for walkability, and they're opting for the city in droves, says Speck in his latest book, Walkable City. "The biggest population bubble in the last 50 years" wants to live in places with excitement and buzz. How to create that where it doesn't exist? "If we're talking

about new communities, the only answer is mixed-use and walkability," Speck says.

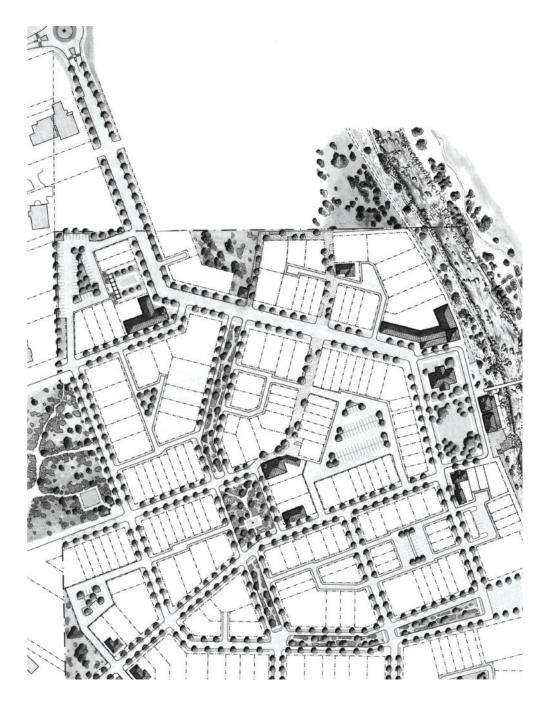
Millennials, though, are just part of the picture. As baby boomers get older, many are opting to live in places where they don't have to drive as much to get to services and where they can age in place. Walk Score, a metric that's the current darling of the real estate market, is a basic measure of services within a certain radius. However, it doesn't take into account the quality of the walk to get there—a gritty quarter mile along an underpass being vastly different than a treelined three-quarter mile with interesting



Live/Work, Old Style Housing types vary at South Main, from old-style flats above retail establishments (left) to rustic single-family townhomes (right).



Photos: Dustin Urban (left) and Kenny Craft (right); Site Plan: Courtesy Dover, Kohl & Partners and JJ Kinsfathe



#### **BACK TO THE FUTURE**

#### South Main Buena Vista, Colo.

**DEVELOPERS** Jed Selby and Katherine Selby Urban, Buena

**BUILDER** South Main Building Co., Buena Vista

**ARCHITECT** Craft Design Studio, Buena Vista

#### **WALK SCORE** 52

#### **METROSTUDY SAYS**

The project is unique to the area, and it's definitely walkable. The town center is less than a 15-minute walk away.

#### **DU/ACRE** About 11

#### **CONSTRUCTION COST**

\$215 to \$270 per square foot (including land)

SIZE OF UNITS 800 to more than 5,000 square feet (live/work unit)

Nestled at the base of Colorado's Collegiate Peaks, the new homes and shops of South Main mimic the aesthetics and attitude of the neighboring town of Buena Vista. The mixed-use development adheres to the principles that were in place

when the mining town was settled in the 1880s: Residents can walk or bike to restaurants and shops and can even live just a few steps from work, thanks to six live/work buildings that serve as retail storefronts and offices below second-story apartments. The commercial space fronts directly onto

a wide sidewalk lined with trees and protected from traffic by abundant on-street parking. About 40 residential units are now complete with a goal of 300, says design director Kenny Craft. The look of the

neighborhood is modeled on the pattern-based approach of architect Steve Mouzon, who consulted on the project. The result includes steeply pitched metal roofs, exposed stovepipes, and lots of local river rock. "We took our clues from the local context," Craft says.

houses and shops along the way. Still, Walk Score is a start, so the numbers are included in the projects profiled here, as well as market data from Metrostudy, Hanley Wood's research arm.

Here's what's important when you're thinking about building good places that are walkable.

#### **LOOK TO THE PAST**

The past is a great source of ideas that work, says Donald Powers, principal of Union Studio Architecture & Community Design in Providence, R.I. "Density and adjacency increase sociability," he says. Mid-block alleys, "a staple of residential planning from the 1920s and 30s," says Powers, lessen emphasis on the car. Small setbacks can help houses relate to the sidewalk, and courtyards encourage interaction. Corners are important, says Looney, and houses built on them should play to the street. "Give 5 more feet to the corner lot and let the porch wrap," says Looney. "The house is just one element, not the element."

#### TAKE THE LONG VIEW

"Built with craft and care, well-designed places that people want to spend time in never lose their luster. They remain vital and continue to appreciate in value," says Stefanos Polyzoides, principal of Moule and Polyzoides in Pasadena, Calif., a firm that has brought walkability to unlikely places such as Orange County, Calif., Tucson, Ariz., and El Paso, Texas. A big part of that is ensuring there's interest and variety in the streetscape.

Appealing neighborhoods are a longterm proposition. Forest Hills in Queens, N.Y.—widely seen as one of the most successful master planned communities everstarted 100 years ago; it earned that inviting patina over time. "Once upon a time, the trees were little twigs," Powers notes. So, what about that artificial feel that some new communities are criticized for? "Fifty years from now, people will say Kentlands was the Forest Hills of its time," says Powers of the Gaithersburg, Md., community developed in the late '80s. "One of the goals is to create a pattern that will be picked up on and connects the new with the old," instead of erecting buffers between them.

#### **BE STREET SMART**

"Four-foot sidewalks aren't wide enough for couples to stroll, or for people to stop and talk and a baby carriage to pass by," says Looney, who notes that 4½ feet is a good



#### A CONNECTED COMMUNITY

### Concord Riverwalk Concord, Mass.

**BUILDER/DEVELOPER** NOW Communities LLC, Concord

**ARCHITECT** Union Studio, Providence, R.I.

#### **WALK SCORE** 40

#### **METROSTUDY SAYS** This is the only new

community within a mile radius of West Concord's town center-the river is on one side, and town is on the other. A similar home in a non-walkable development would sell for considerably less.

#### DU/ACRE 3

**AVERAGE SALES** PRICE \$400 per square foot

**SIZE OF UNITS 1.340** to 1,760 square feet







#### In the Pocket

Sited among mature trees on a gentle slope adjacent to the Assabet River, the homes have expansive front porches that face a common park.



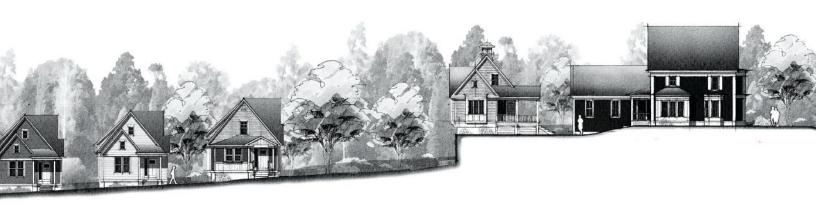
At Concord Riverwalk, cars take a back seat to pedestrians. The 3.7-acre enclave of 13 netzero-possible houses invites residents to hoof it, with humanscaled elevations, large front porches that face a common park area, a community garden, and wide gravel footpaths. Cars are tucked in detached garages and

parking spaces that are clustered away from the living areas.

The two- and three-bedroom houses, located a pleasant halfmile walk from the shops and services of West Concord's town center, range in size from 1,340 to 1,760 square feet. Union

Studio expanded the initial master plan by pocket neighborhood master Ross Chapin while developing the distinctive look of the individual homes, which stay true to the character of New England cottages. Residents adore the neighborhood's old-fashioned vibe and don't mind carrying groceries from their car to the

kitchen, says Union Studio founder Donald Powers. In fact, Riverwalk's success "suggests there is an alternative market for housing besides single-family housing with an attached garage on its own lot," he says.



width, and 5 feet is even better.

"Each place is different," says Speck, but "home builders who are interested in longterm value will insist that all streets are lined on both sides by trees approximately 30 feet on center." Looney suggests going for "as many and as big as the budget allows, and mix them up, so that some are in full glory in the fall while others are blooming in the spring."

#### **ENCOURAGE INTERACTION**

Design public spaces as outdoor rooms with a sense of enclosure. Configure them so storefronts face each other, instead of being lined up strip-mall style. Include large front porches to help encourage neighborhood interaction while providing a buffer for private living spaces. Special care needs to be taken for porches that are very close to the sidewalk. Buena Vista, Colo., design director Kenny Craft took a cue from the playbook of urban planner Steve Mouzon and elevated these types of porches 3 feet or 4 feet to help homeowners feel comfortable with instead of vulnerable to action from the street.

#### **BE PICKY ABOUT MIXED USE**

"If you take the first tenant who comes along, you might end up with a cell phone store, a dollar store, and a liquor store," instead of a coffee shop, a bookstore, a clothing store, and a restaurant, Powers says. "Pick tenants that contribute to each other and to the public realm," he adds.

#### **PUSH FOR CHANGE, BUT DON'T FORCE A VIEW**

Admittedly, the federal government doesn't make it easy to get funding, says John Norquist, president and CEO of the Congress for New Urbanism, citing the 25 percent commercial cap imposed by Fannie Mae and Freddie Mac for mixed use. The FHA recently raised the cap to 35 percent, and Norquist is lobbying for Fannie, Freddie, and HUD to follow the FHA's lead. Speck is hopeful that other groups will join in. "Wouldn't it be great if the power of the home building industry were also brought to bear?"

Though increased foot traffic is one of the chief goals here, Powers knows that delivering great options for home buyers remains essential. "We're not saying 'give up your car entirely," he adds. "Walkability is marketdriven. It's about creating more choice and may the best man win." B



For additional walkable project case studies, visit go.hw.net/ bol0314-walkability.

#### LIVELY AND LIVABLE DOWNTOWN

## 901 Jefferson Oakland, Calif.

**BUILDER** Johnstone Moyer, San Jose, Calif.

**DEVELOPER** A.F. Evans, Oakland

ARCHITECT Pyatok Architects, Oakland

**WALK SCORE** 95

#### METROSTUDY SAYS

The project is closer to the heart of Oakland and City Center than any

other new development. Other Oakland communities may have high Walk Scores as well. but 901 Jefferson is the closest to the action.

**DU/ACRE** 150

SIZE OF UNITS 850 square feet



Close to transit, offices, retail, entertainment, and great food shopping in Chinatown, 901 Jefferson is a contemporary building that uses its moderate scale to bridge the transition between the Victorian houses of old Oakland and downtown. Architect Peter Waller, principalin-charge of the project, says that one hurdle was convincing the community that street-level

retail wasn't a viable option. "We have too much street front retail in Oakland," he points out. Twostory apartments on the ground floor are slightly angled so they don't face the street straight on. They attract renters with lots of natural light, as well as raised planted setbacks and gated entries that provide transition from the street.



# Photos: Frank Domin; Site Plan: Courtesy Pyatok Architects

### **Privacy Please**

In downtown Oakland, there's ample space for retail. The big challenge here wasn't mixed use, it was creating groundfloor residences that were light-filled and tranquil.



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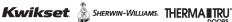


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One Tough Animal







hen you first hear there's a network of meticulously assembled groups of builders and remodelers from across the country who meet regularly to support one another in an atmosphere of fraternity and trust, visions of chairs arrayed in a circle, 12-step programs, and even "chicken soup for the builder" pamphlets might come to mind. Coming out of the housing crash of the late 2000s, this thinking wouldn't be too far-fetched.

Called 20 Clubs because of the cap at 20 members, the residential construction executives are carefully screened and selected to be non-competitive within geographic markets and product lines. And yes, there is that helping-hands-for-those-who-havefallen-on-hard-times element.

But it would be a mistake to think that's all the 20 Clubs have to offer.

The 20 Clubs were created by the NAHB 20 years ago for a singular primary purpose: to help members build better businesses that make more money. According to the NAHB, that's precisely what the clubs do: Statistics compiled by the trade group show that members consistently double their net profit by their third year of membership in a 20 Club.

Yet, after two decades, there are slightly fewer than 400 members in the 26 20 Clubs that have been established across the country. The NAHB at the end of 2011 had 43,238 builder members, down from 69,182 before the housing crash. Fewer than 1 percent have joined 20 Clubs. Why so few, comparatively?

Both the NAHB and 20 Club members have a few theories. There is the issue of perceived cost, but at an average of \$700 per year per member, the dues don't seem a big im-

pediment. There also is the time away from business and the expense required to attend the two annual meetings of each club, one usually held at a conference center or resort and the other on site at or near a member's company. Members interviewed for this story estimate the annual cost of travel and lodging associated with the meetings at \$5,000 to \$7,000.

But the primary reason, according to Kimberly Bailey, who has been working with the 20 Clubs for 14 years and since 2007 has run them as executive director, networking programs for NAHB, is that they are largely unknown. "There are many times that I have conversations with potential members at the Builders' Show and they've never heard of the program, which just floors me every time," she says. As such, the association this year kicked

"If there is a builder out there who wants to improve business ... then a 20 Club is a natural choice."

off a marketing effort to increase awareness. There is room—and good reason—for builders and remodelers to form and join 20 Clubs.

"It's the best investment I've ever made," says Lawson Calhoun, owner of Calhoun Properties, an Atlanta-area high-end custom home builder that has turned to remodeling during the downturn. Calhoun, who joined 20 Club No. 1—dubbed "The Hammers"—when it was formed in 1994, offers this advice to his colleagues: "If there is a builder out there who wants to improve business ... then a 20 Club is a natural choice."

Here's how they work: Prospective members file an application with the 20 Club program at NAHB. Applications are screened and, if accepted, the builder or remodeler is placed in a club with members of relatively similar size and scope from regions outside their area of business (i.e., a production home builder will not be placed in a group with remodelers or smaller custom builders, but some midsized privates might). The result is a club with like-minded members from across the country who do not compete with one another.

Each member shares financials via a form produced and compiled by the NAHB, and the results are distributed to the other members of the club. Each spring, the club meets in the equivalent of a corporate annual meeting. Members then serve as a de-facto board of directors for each company, though their power is solely advisory. Each member business is fully vetted with the ultimate goal of improving the bottom line. Some clubs go further. "When a club gets formed, let's all compare our contracts," explains Steve Spanjer, president of Spanjer Homes, a custom home builder in Ft. Collins, Colo. (Club R3, The Doors). "It doesn't matter if you share your laundry."

A second meeting is held in the fall, usually for the purposes of planning, but it's often on site at a member's company, which is in turn evaluated by the group for potential deficiencies and good ideas that can be borrowed and brought back home.

In between meetings, the club members stay in touch, often emailing the group for advice or information that is not readily available in the local marketplace. They often become friends. Sometimes, they even save each other's businesses.

Shawn Nelson, president of New Spaces, a remodeler based in Burnsville, Minn. (Remodeler Club No. 3—different from R3 above—The Big Dogs), tells of a member who was taken ill and was unable to work for a stretch of several months (no names are used as members are sworn to confidentiality). Members of the Big Dogs, two or three at a time for as much as a week at a time, "essentially stepped in and ran his business until he recovered."

Spanjer has a similar story: "We had a member on the East Coast before the meltdown who was hit by management and financial issues. Several of our members, on their own dime, flew in and did sort of a crisis intervention."

The NAHB has identified 20 reasons why a builder or remodeler should consider forming or joining a 20 Club beyond the simple fact that most builders are builders, not accountants or marketers. We've narrowed that list down to seven reasons to sign up.





PROFIT MARGINS "When I started in the club, if I made 5 percent at the end of the year, I thought that was pretty good," says Chris Nelson (no relation to Shawn Nelson), president of Nelson Construction in Simsbury, Conn., a single-family and multifamily developer doing \$10 million to \$20 million in annual revenue. "Then I started to see others making 15 percent to 20 percent. Of course, that was when times were good."

The aforementioned NAHB statistic on the improvement in profit during the first three years of membership notwithstanding, Nelson, who is the vice chairman of the 20 Club program at this writing, adds, "We have watched people double, triple, and even quadruple their margins."

The interplay goes beyond simple accounting and financial advice. "It's kind of like [having] a board of directors for your company," says Charles Ruma, president of Virginia Homes in Columbus, Ohio, with \$15 million in annual revenue (Club No. 13, Builder Excellence). "During the downturn, the group was more vital to me than ever before." He says that because the club helped him restructure his company. "It's the No. 1 reason why I'm still in business today."

**BEST PRACTICES** In construction, design, land acquisition, finance, accounting, human resources, marketing, and more, the ability to see how other similar businesses are doing things is one of the most salient benefits of the club, according to members. "It is a style of learning you can't get anywhere else," Ruma says. "You're talking about real issues and real solutions."

Chris Nelson agrees. "This has been the best program for educational systems of anything we've done. You always have resources to go to." And those resources extend beyond core club members as Shawn Nelson notes that in addition to the owners, "our staffs are able to collaborate."

FINANCIAL ADVICE While the club members interviewed for this article were reluctant to talk about finance—as in availability of capital—particularly for AD&C in the recent absence of bank loans, NAHB's Bailey says there have been instances where club members put money into other members' companies as so-called angel investors. As one of the builders notes, however, such dealings

can prove troublesome. He recounts a particular incident in which a member squandered other club members' investments. That member, of course, is no longer in the club.

There also are areas of expertise at one company that may be short at another. Spanjer recalls a club member who was a banker before entering construction who not only advised other members on finance during the downturn but actually represented several of them in workout negotiations with banks.

**COST CONTROL** A builder can't normally call another builder in the next town to ask how much he's paying his subcontractors or the lumber supplier—at least not if he wants a straight answer. Plus, there are federal antitrust laws that frown on that sort of thing. But a 20 Club member can ask his group, and even if there are regional differences in costs of labor and materials, the ability to see what others are paying ("comparing our contracts," as Spanjer puts it) helps.

"During the downturn, the group was more vital to me than ever before. It's the No. 1 reason why I'm still in business today."

**MARKETING STRATEGIES** As most builders know, selling homes or renovation projects is no longer a matter of running traditional ads in newspapers, which in the past often was handled by sales. Social media and the Internet have largely supplanted the traditional conduits to the consumer. Now, marketing and sales involve first identifying the target customer, finding that customer, and then reaching that customer in the manner in which they wished to be reached. This is another area in which builders might be considered deficient.

Shawn Nelson's company used to operate with a combined marketing/sales and design function. The group convinced Nelson to let the design team design and the marketing and sales people sell. He split the functions

and says, "We're stronger now than we were going into the recession."

Spanjer credits his club with educating him on SEO (search engine optimization), which essentially governs how your company and products how up on Internet search engines. The club brought in an SEO consultant to meet with the group. "If you're a guy here in Fort Collins, you never get exposure like that," he says.

**THE NETWORK** Imagine if participation in 20 Clubs were such that, when the first builder sniffed the odoriferous concoction known colloquially as Chinese drywall, he emailed his discovery to members of his club—and the NAHB. Club members do just that, although none interviewed were affected by the defective drywall.

"Where do I find an ADA compliant shower where I don't have to reframe?" asks Shawn Nelson, illustrating the type of communication that routinely occurs. Calhoun recalls an alert that came from a member around Wilmington, N.C., whose local building code required installation of a vapor barrier on interior walls. The exterior of a home he was building was clad in EIFS. The result was moisture trapped in the walls—and mold. The alert warned members who had to deal with similar codes to steer clear of EIFS.

**THE FRATERNITY** For some members, the 20 Club has grown far beyond a business affiliation. "Had it not been for my 20 Club, I would probably be out of business or in some other industry right now," says Keith Allen, president of Keith Allen Custom Homes in Germantown, Tenn. "Some people like to say the club is a board of directors, but we think it's more like family. These guys are genuinely concerned about you, your business, your family, your life."

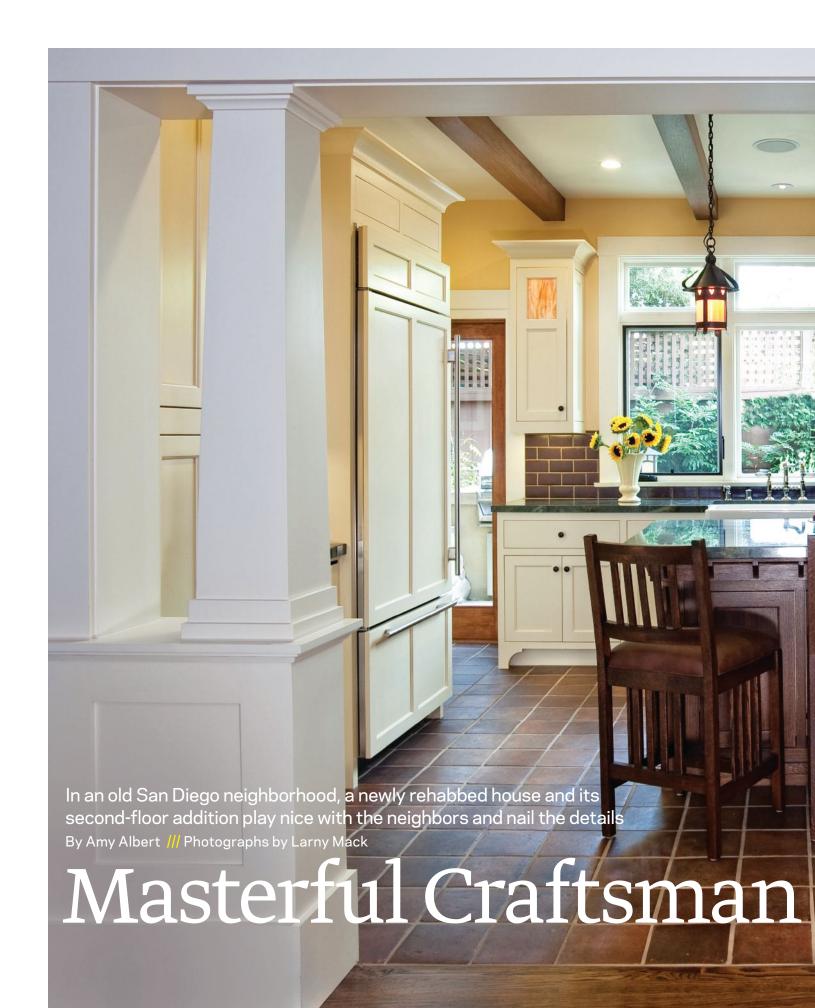
Shawn Nelson concurs. "I've been to weddings, funerals—well, mostly weddings, thankfully."

Calhoun, days after he was interviewed, emailed the following: "Forgot to say that being a member of the Hammers has been a lifechanging experience. We don't have many good ones in our lifetime." **B** 



For a behind-the-scenes look at what happens during a 20 Club meeting, visit go.hw.net/20-club.

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### BALA HOME OF THE YEAR —



here were good bones already in place, and the place "looked beautiful cosmetically," says Ione Stiegler, principal of IS Architecture, which specializes in historic preservation of Spanish-style, Prairie, and Craftsman

houses. Still, this Craftsman, located in the established Mission Hills neighborhood of San Diego, needed major help. It got the right kind. The house nabbed the Home of the Year prize in the 2014 Best in American Living Awards, sponsored by the NAHB. While careful attention to design detail wowed the jury, so did an updated floor plan that had aging in place very much in mind.

#### **BUILDING UP, NOT OUT**

The house was on a small lot (see the site plan on the facing page), so the only way to expand was up. A second floor with a master suite and guest room added more than 1,000 square feet to the century-old home.

All the first floor underpinnings had to carry the new live and dead load of the second floor. It also was essential that the second-floor addition play well with both the neighboring houses and the façade of the original home. The second-floor addition is set back from the front to prevent the façade from looking imposing.

As is normal for a house this old, structural issues arose. "A very big surprise," says project architect Joe Reid, is that the front porch columns weren't load-bearing—they had neither foundations nor interior structural posts. "The porch columns were empty boxes, so during demolition, the front porch walls had to be shored in place," says Ryan Hill, principal of Hill Construction. Luckily, the project team knew how to take their cues in the rebuilding. "A lot of the elements were already there: columns, layout of the living room, crown molding, and beams," Reid says. Many pictures were snapped before demolition began to ensure that this house would remain faithful to its Craftsman roots.

#### **INFRASTRUCTURE UPGRADES**

"Anytime we're working on older historic projects, the building systems need to be completely updated," Hill says. While the walls were open, the team took the opportunity to insulate the building and upgrade the electrical, plumbing, and mechanicals. Dual-pane windows aren't as historically accurate (on restorations like this one, Stiegler prefers quarter-inch laminate glass), but they were a must because of brushfires. Additional fire measures were taken as well. The home's exterior is Heavy Timber, Type IV construction. Eaves are exposed 4x tails with 2x starter board, and Hardie-board siding is nailed over a fireproof gypsum substrate over the framed walls to satisfy San Diego's one-hour fire rating.

#### **DELVING INTO DETAILS**

The homeowner bought the house back in the 1990s and hadn't spent much time there because at that point he was living in Michigan full time. But he had spent a decade imagining what the house could be, collecting furniture and cabinetry. Now ready to put time and resources into the home, the client moved to San Diego and got to work on this passion project.

Historic refurbishing often involves clients who care about period accuracy and sweating the details. But this one, a car designer, was "exceptional," say both Hill and Reid. In addition to having a keen visual sense, the homeowner was a Craftsman fanatic. It was he who sourced many of the

**PROJECT** Mission Hills Craftsman, San Diego

**BUILDER/ENTRANT** Hill Construction Co., San Diego

**ARCHITECT IS** Architecture, San Diego

**CABINET MAKER** Hartmann Custom Cabinets, Escondido. Calif.

LANDSCAPE **ARCHITECT** Jeffrey Rule, Inc., La Mesa, Calif.

PROJECT SIZE 2,987 square feet

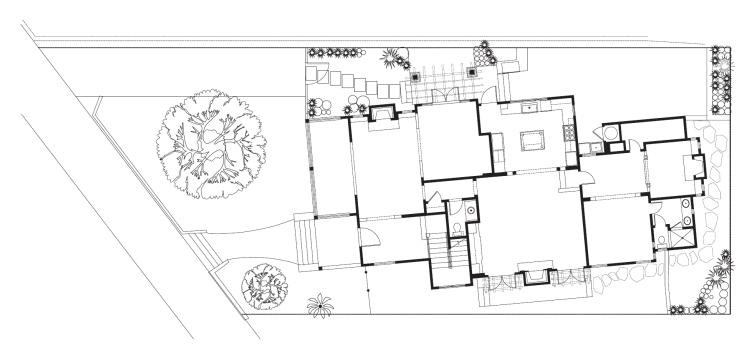
LOT SIZE 5,000 square

### Small Lot, **Big Challenge**

The original entry sequence of the floor plan was kept intact. But now there's a bedroom on the first floor, so the homeowners can age in place. One of the hardest aspects of this remodel were the constraints posed by the small site. The house sits at an angle on the lot, making it difficult to expand the house and still have outdoor space. Making room for the patio turned out to be a matter of inches and feet. Reid responded with the fine-tuning typical of the rest of the house. He describes holding a tape measure and standing outside in those small outdoor spaces with the client, asking, "Do we want the wall here or here?" The second-floor addition houses the master suite and a guest room.



### Site Plan



materials that make this house feel so authentically of its time, along with the team at IS Architecture.

"Our tile and stone supplier goes all over the world picking up architectural salvage," Reid says. "He found a mantel in England years before and set it aside thinking that someone in one of our projects could probably use it. One day we were picking up tile, saw it, and said, 'Wow, I think we can get this to work."

Of his client, Reid says, "Furnishings, art—he really tried to bring the house together" by collecting antiques from the period. Those fittings that he was unable to find—the lighting in the entryway, the kitchen pendants, and the range's vent hood—channel that Craftsman spirit in a masterful way.

### **CENTURY-OLD LOOKS, MODERN IDEAS**

Though the house looks a century old, many of the design choices are modern. The original entry sequence of the house remains enter through the living room, dining room, and then into the kitchen-but there's increased connection to the outdoors. "The only way to get to the outside of the house besides the front door was the through the kitchen and out the laundry room door," Reid says. To remedy this, he replaced large windows with larger glass doors that open out onto the patio, forging a connection to the side yard. The kitchen is linked to the family in room in a way that never would have been done 100 years ago, notes Reid, but the open plan is how we live today. Kitchen windows are casement (rather than sash), which are easier to operate. Much of the cabinetry is new, but built in the old style.

Craftsman houses can be dark, but in this instance, lots of light comes in from the entry and the stairwell. "Lots aren't very big in this neighborhood," says Reid of Mission Hills. "It's neighbor to neighbor and everyone is close, but by using stained and leaded glass on the second floor and up the stairwell, we created this jewel-like effect. You don't notice the neighbors."

At the start of the project, the neighbors expressed concern that the rebuild "would detract from the Craftsman feel of the neighborhood," Hill recalls. "But at the end of the day, they were thrilled by how well the project fit in." **B** 

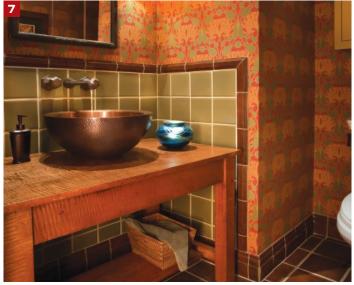












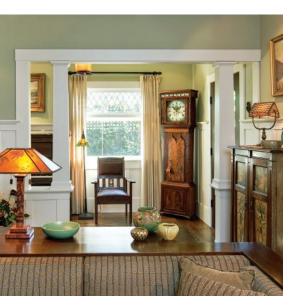














#### **Crafty Work**

- 1. Authentic period touches abound. Fireplace tile is by Pewabic Pottery, a Detroit studio and school founded in 1903.
- 2. In an old house, indoor-outdoor connections were forged in a modern
- 3. The kitchen cabinets are new, with period detailing faithfully reproduced.
- **4.** The stonework is a new addition but takes its cues from the iconic houses of the Greene Brothers.
- 5. Bathtub and cabinets are old-style, but both are brand new.
- 6. A new, secondfloor addition to this San Diego Craftsman includes a master suite and guest room.
- **7.** Period wallcovering, a bowl sink, and a quartersawn oak vanity merge modern and traditional.
- 8. Inside and out, the traditional scale of the house remains, though much is rebuilt.
- **9.** The hammered copper vent hood was custom-made in the spirit of Craftsman-era metalwork.



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Expo Apartments, Seattle, 2013 Merit Award for Best Mixed-Income Project of the Year. Photo: Michael Seidl

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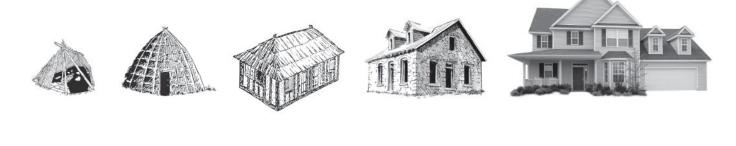
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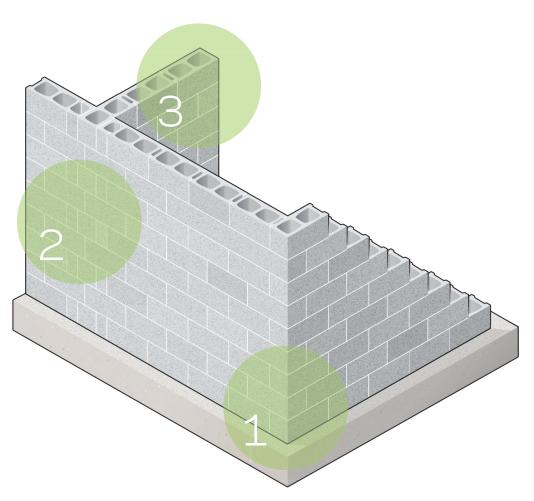
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Circle no. 272







### How-To Page 86 Redline 88 Callbacks 92

- bond starts from the corner with each course offset by half a block from the one below it. By building up the corner first, a mason can establish the course heights and the plumb of the wall.
- 2. Accuracy Matters If blocks must be cut, maintain a running bond by staggering the cut blocks symmetrically. Joints as close as 4 inches from a joint in the course above and below will not affect the strength of the wall, but the appearance will suffer if the joints are offcenter. Where portions of the wall will have the cores filled with concrete, keep the halfbond dead accurate.
- 3. Wings for Strength Wall intersections add strength to help resist soil pressure. Buttresses or "wing walls" can be built to stiffen main walls even if no partition is called for. Weave alternate courses in wing walls together as in a corner, and grout all cores and reinforce with steel.

### **Block Foundation Corners**

Concrete blocks are designed to be laid in a running-bond (sometimes called a half-bond) pattern, with the vertical joints between blocks falling over the centers of the block below. If you have control over design decisions, lay out the distances between corners and bump-outs—as well as the width of door and window openings—in 8- or 16-inch increments to match the full- and half-length blocks.

Illustration by Pete Sucheski

MARCH 2014 BUILDER

### Mille Second

**HOW-TC** 

### Installing Dense-Pack Cellulose

Properly applied dense-pack cellulose provides excellent air sealing at a lower cost than spray foam

ense-pack cellulose is installed with a powerful truck-mounted blower that mixes the fiber with air and distributes it through a large-diameter hose. The same setup is used to blow loose-fill material into attics, but the technique differs: Instead of allowing the cellulose to pour out of the hose into open space, it's forced into framing cavities under pressure, resulting in a firm, compact material that can't settle and is highly resistant to air infiltration.

Some installers try to dense-pack closed cavities that contain existing fiberglass, but I find that this always leaves some voids. In that situation we'll remove a 2-foot strip of drywall at the bottom or a strip of sheathing on the outside, pull out and discard the batts, and then net the opening before blowing the empty cavities.

Blowing dense-pack cellulose into closed cavities also is slowed by the need to seek out and fill every framing cavity, including oddly shaped or unexpected ones behind blocking or diagonal braces. A light touch is needed because trying to force in too much material in too little time can bow out existing drywall or plaster.

In new construction and gut retrofits, we staple non-woven polyester netting over the entire frame and blow the cellulose behind the netting, making it easy to inspect the material for voids. The permeable netting gives the air in the cavities an easy route of escape, making it possible to fill the cavities quickly. — JONATHAN TAUER



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1. Net the Framing Cavities

Netting is stretched tight between framing members to minimize bulging of the cellulose. A pneumatic upholstery stapler—which continuously spits out fasteners as long as the trigger is depressed—speeds the job along but requires an experienced operator.



2. Blow the Cellulose

The hose nozzle is inserted into the netting, pushed to the bottom plate, and withdrawn as the cavity is filled. Once the cavity has been filled to the insertion point, the nozzle and hose are pushed to the top plate and the rest of the cavity is filled from the top back to the middle.



3. Flatten the Surface

Take the time to compact the filled cavities with an aluminum roller. If this step is omitted, any bulging of the netted insulation between studs will put pressure on the drywall, eventually causing the screws to pull through its paper facing. A quick pass of the hand is enough to confirm that the insulation lies flush with the framing.



4. Air-Seal Band Joists

Dense-pack is an effective air barrier, and in the hands of a skilled installer it can be successful in areas that might otherwise call for spray foam. Here, netting has been carefully stapled between the joist ends and filled with cellulose to form insulating and air-sealing "pillows."

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The planted-on hip return tries to break up the vertical plane, but it's too skimpy. It also introduces yet another detail that doesn't relate to the rest of the elevation.

Shingle siding, lap siding, vertical siding, and brick used like wallpaper are confusing. They make this house look like it doesn't know what it wants to be.

Flat Out This house seems to be trying to be a Craftsman, but the façade is full of missed opportunities to make the house look real and lasting.

#### **REDLINE**

### House Rules for **Authenticity**

Even if you use synthetic materials, finessing key transition points helps an elevation look like the real deal

ou can call an elevation just a pretty face, but a good one does far more than make a house look nice. Houses with friendly, handsome faces make a neighborhood a place you'd like to be. Good-looking elevations sell homes.

Separating yourself from the crowd is key in a competitive market, of course. But there are some common traps that are easy to fall into when it comes to thinking creatively and making homes that look distinctive.

One such pitfall is building homes with front elevations that look papered-on and fake. This easily can be avoided, and I don't



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An additional porch column helps to anchor the porch and add substance for the porch beam.



Anne Postle is principal of Osmosis Architecture in Niwot, Colo. apostle@osmosisarchitecture.com mean by specing costly, high-ticket touches. Even if you're using synthetic materials to stay on budget, a couple of design moves will ensure that the whole package looks real.

The first drawing is of a home that my husband (a builder) and I saw for sale online. The exterior looks like it's made of wallpaper instead of strong, substantial building materials—it feels pasted-together, fake, and flimsy. The problem is the location of the material transitions. The place clearly was designed in two dimensions, with no attention paid to what you see when you turn a corner.

An easy remedy and good rule of thumb is that all material transitions should occur at inside corners—never change a material at an outside corner.

Added Dimension Because the house seemed to be going in a Craftsman direction, we chose a style and stuck with it. The house looks substantial and gives a clear message about what it is—and what it isn't.

Clipped hip changed to a Dutch gable gives a more

horizontal eave line,

Raised-panel garage door adds texture and offers a more substantial feel.

All materials transition at outside corners for a more authentic, historically accurate look.

and a location to

repeat the gable

bracket detail.

We went in a Craftsman direction with this facelift. The brick wraps the corner and returns to an inside corner on the porch, giving the appearance of a real masonry wainscot. Vertical siding is gone; lap siding with shingle accent siding gives a truer Craftsman look. There's consistency in detailing—we went with just one style instead of mixing styles in an attempt to be inventive. A home's elevation can be detailed to look like the real thing—and that strategy helps sell homes. **B** 



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### Build Severe

#### **CALLBACKS**

### Widening a Bathroom Doorway

A simple hinge swap provides 2 inches of extra width in a doorway

e recently finished a bathroom remodel that included
a new curbless shower. We
wanted to allow for future
use of a walker or wheelchair by widening the doorway, but the existing opening took up all the available space,
and there was no way to stretch the budget
enough to relocate the wall.

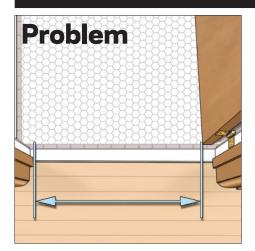
Instead, we used a two-step approach to widen the opening by about 2 inches at very low cost. First, we replaced the existing butt hinges with a set of offset hinges, also known as swing-away or wide-throw hinges, which allowed the door to swing completely out of the opening. Lowe's has offset hinges in several finishes, or you can order them from a specialty supplier of accessibility goods.

With barely more than the 3-inch minimum needed to accommodate the hinge pins, we also framed a small recess in the wall after we'd removed the old drywall. When our tile guy installed the wainscoting, he finished this area like a shower niche, providing space for the doorknob and allowing the door to lie flat against the wall when opened.

It would be possible to gain another inch of clearance by removing the stop molding on each side of the door to wheelchair height. We left the molding in place for now, but it would be quick and easy to make that change sometime down the road. — ROBERT CRINER

<u>JLC</u>

For more construction technology articles, go to www.jlconline.com.



#### A Space-Eating Door

A partition wall on the hinge side of the existing door limited its swing, reducing the usable width of the opening by nearly 2 inches. Given the tight project budget, moving the partition and reframing the opening to provide more clearance was out of the question.





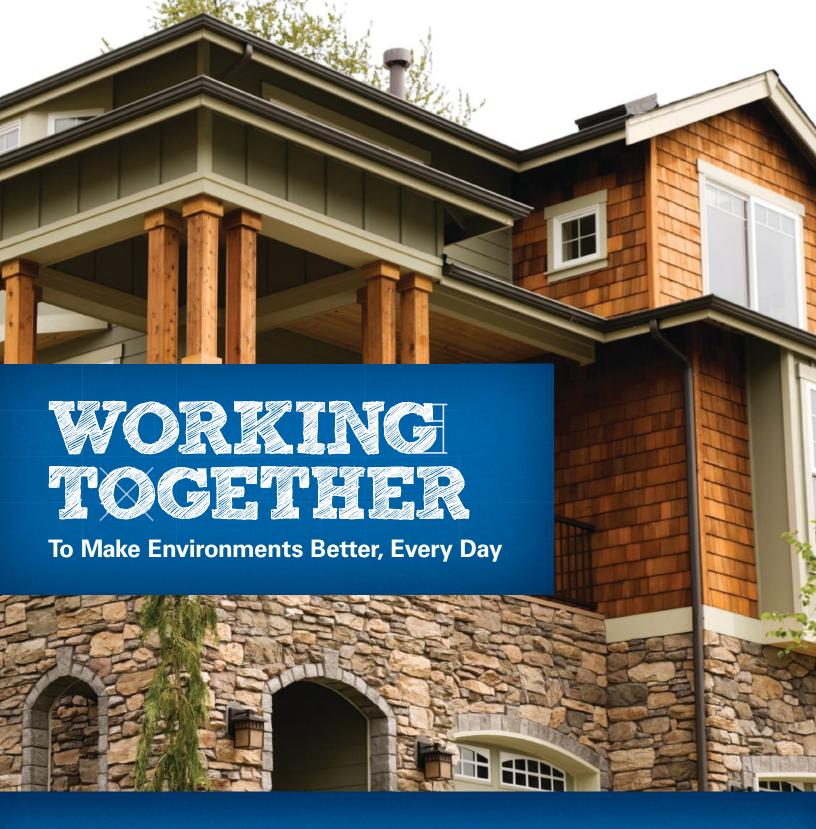
### Swinging Away

Replacing the original butt hinges with a set inexpensive offset hinges effectively provides a wider opening with no changes to the framing or trim. Even the existing mortises and screw holes remain the same.

#### **Knob Niche**

A niche in the tile wainscoting allows the fully opened door to sit flat against the partition wall, leaving the width of the original doorway completely unobstructed.

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### NATIONAL BEAT

### NAHB Briefs

#### **Health Care Extension**

The White House recently announced that it will grant employers with 50 to 99 full-time workers an additional one-year extension to Jan. 1, 2016, to comply with the requirements under the Affordable Care Act (ACA). By that date, these employers must provide health care coverage or pay a tax penalty. Those who own and control multiple business entities may need to jointly calculate the number of employees in all of their business entities, as the law is still unclear whether the owner of multiple businesses is considered a single employer.

Companies with 100 workers or more still face the Jan. 1, 2015, deadline. Instead of being required in 2015 to cover at least 95 percent of their full-time employees, these larger employers can avoid a fine by offering health insurance to 70 percent of them. As of Jan. 1, 2016, they will need to provide coverage to all full-time workers.

In 2016, all employers with at least 50 full-time workers are required to provide health insurance to their employees and must provide a plan that pays for at least 60 percent of their employees' health care

### Continuing Legacy

New NAHB chairman follows in the footsteps of a mentor and prepares to lead the association and its members in the coming year

By Kevin Kelly CHAIRMAN OF THE BOARD, NAHB WASHINGTON, D.C.



I am proud and honored to serve as NAHB's chairman this year. In being elected to head NAHB, I am following in the footsteps of the founder of my company, the late Leon N. Weiner, who was NAHB's president in 1967.

Of course, today's housing market is vastly different from the market of 1967, and the issues we will be addressing are different as well.

Among our priorities will be protecting the mortgage interest deduction, the Low Income Housing Tax

Credit (LIHTC), and other housing provisions in the tax code. It's no secret that some people on Capitol Hill would like to eliminate or dramatically reduce these important tax measures. And as lawmakers continue their sporadic efforts to reform the tax code, any or all of them could come under fire.

The NAHB has worked hard to position the association to be highly engaged in any debates that occur, and we are prepared to defend the mortgage interest deduction, the LIHTC, and all other housing-related tax provisions.

We also will continue to build on the progress we have made toward ensuring that appraisals accurately reflect true market value of new homes and to ensure that affordable long-term, fixed-rate mortgages are readily available to home buyers and multifamily builders.

Restructuring the housing finance system is a priority for Congress, and during that process, the NAHB will advocate strongly for a federal backstop to the housing finance system. Without such a backstop—which would be triggered only by (see page 98)

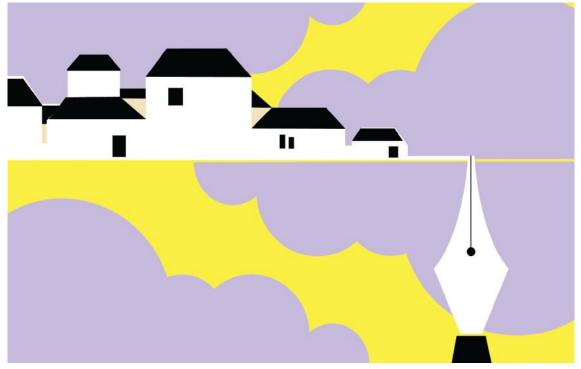


Illustration by Sirichai MARCH 2014 BUILDER MARCH 2014 BUILDER

# PLANS



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an extreme emergency—it is likely that mortgages would be more expensive, and the 30-year fixed rate mortgage might disappear all together.

Fighting onerous regulations that impede newhome construction and remodeling but provide no benefit to home buyers or owners also will continue to be a priority for the NAHB. On Capitol Hill, in the regulatory agencies and in the courts, we will be vigilant in the effort to prevent or minimize the impact of the regulations that can leach the life out of our industry without providing measurable benefits to buyers.

All of these issues can have a direct and significant impact on a builder's bottom line. They can drive up the cost of new construction or remodeling. They can make it harder and more costly for consumers to get financing, make owning a home more expensive, and ultimately result in fewer new-home sales. They translate into dollars and cents on a company balance sheet, and that's why they are the focus of NAHB's efforts.

While these issues reflect our legislative and regulatory priorities for 2014, they are by no means our only concerns. The NAHB exists to serve its members' needs, and that means providing the support services that help to set our members apart from their competition and help them excel. Education, networking opportunities, and assistance with best business practices are just some of the ways that the NAHB helps its members work smarter and better.

This year, we will continue to expand and refine our efforts for maximum value and efficiency. We also will work to provide members with the information that they need to comply with the Affordable Care Act when the regulations applying to employers go into effect in January 2015. There's a lot of misinformation out there about the legislation, and it is very important to help our members understand what is required so they do not incur unnecessary costs.

I joined the NAHB early in my home building career when I realized what a great value it provides for members. My assessment of NAHB's value to members hasn't changed during more than three decades of membership, and I'm pleased to note that in recent years we have been able to quantify that value.

In 2013, NAHB victories saved members more than \$6,200 per housing start, including both single-family and multifamily homes.

I'm looking forward to leading the NAHB as we strive to provide similar value in 2014.

expenses. Additionally, employees must not pay more than 9.5 percent of their family income for the employer-provided health coverage. If a qualifying employer does not meet these requirements, it can pay penalties of \$2,000 to \$3,000 per employee.

NAHB continues to fight to repeal the law and to gain more time for its members to adjust to the ACA. NAHB's fourpart webinar series on what the ACA requires will be posted online as they become available. All ACA webinars are free and available only to NAHB members. More information is online at nahb.org/healthcarelaw.

### **Home Innovation Research Labs**

### Standard Revisions

### Plans are underway for the 2015 National Green **Building Standard**

In February, Home Innovation Research Labs, in its capacity as an ANSI-approved standard developer, announced preparations for the development of the 2015 version of the National Green Building Standard (NGBS) were officially underway. Home Innovation is again serving as the administrator of the standard development process.

The 2015 version of the NGBS will be the third iteration of this national residential standard. It originally was developed by a consensus committee and approved by the American National Standards Institute (ANSI) in January 2009, making it the first point-based rating system for green residential construction, remodeling, and land development to be approved by ANSI. The document is subject to periodic updates as a way to ensure that advances in building codes, technology, and other developments can be considered for incorporation. The NGBS was updated in 2012 and again approved by ANSI in January 2013.

To be eligible for ANSI approval, the development of the standard must follow an ANSI-approved process, which is now underway with Home Innovation issuing a call for members of the consensus committee that will be charged with developing NGBS updates. Similar to the groups convened to develop the 2008 and 2012 NGBS versions, the committee for the 2015 updates will include government officials, advocacy groups, home builders, product manufacturers, and other affected industry stakeholders.

The committee members and other interested parties will be assigned to task groups, each specializing in a different area of the NGBS-such as energy efficiency, indoor environmental quality, or lot and site development. Those interested in serving on the committee

must submit their applications online (www.HomeInnovation.com/ 2015NGBSCommitteeApplication) by March 16.

Home Innovation also announced a call for proposed changes to the 2012 NGBS; individuals and groups can submit their changes online (www.HomeInnovation. com/2015NGBSComments) before March 24. Task groups will then review the submissions and develop committee proposals.

The consensus committee will hold two hearings in Washington, D.C., in 2014.

- At the first hearing, committee members will initiate the review of all proposed changes to the NGBS, which will include input from members of the relevant task groups.
- At the second hearing, committee members will consider, discuss, and take formal action on all proposed changes.

Once the committee has completed its work, the newly updated NGBS will be submitted to ANSI for approval in 2015.

For more on the 2015 NGBS development process, visit www. HomeInnovation.com/NGBS.

### Legislative Conference

During the week of March 17-21, the NAHB will host its weeklong "Bring Housing Home" Legislative Conference designed for NAHB members to engage their federal legislators in their congressional districts.

An entire week will give the NAHB time to advance its priorities in the shortened 2014 legislative calendar. This weeklong event provides an opportunity for NAHB members to show federal lawmakers the economic power of the housing industry and to take the concerns of the home building community to their representatives and senators in their home offices. It also allows NAHB members who do not normally participate in board meetings or the annual conference to make their voices heard.

Our goal is to hold 535 legislative meetings. Visit BringingHousingHome. com for more details.



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Circle no. 394

# Kevin Kelly Focuses on Post-Recession Challenges

#### New NAHB chairman is determined to keep the industry's comeback on track

Interview by Jennifer Goodman

Kevin Kelly, a Delaware builder with more than 30 years of experience in the housing industry, began his one-year term as chairman of the NAHB in January. The builder and developer has been actively involved with the organization since the mid-1980s and has been a member of its executive board for more than a decade.

Kelly is the president of Wilmington, Del.-based Leon N. Weiner & Associates, a home building company focused largely on affordable housing. Shortly after taking office, Kelly shared his thoughts on several pressing topics with BUILDER senior editor Jennifer Goodman:

## Builders across the country struggle with the home appraisal system. What is the NAHB doing to address its flaws?

The NAHB has taken a number of steps to address the problem of appraisals that do not accurately reflect the value of new homes. In fact, the organization has compiled a set of specific recommendations for reforming the system.

Among other things, these recommendations would: make the appraisal process more consistent, ensure that appraisers have authoritative information about the cost of producing new homes, establish uniform credentialing standards for residential appraisers, and establish workable procedures for expedited appeals of inaccurate or faulty residential appraisals.

NAHB staff and officials have reached out to multiple stakeholders in the legislative, regulatory and appraisal communi-



ties in order to achieve these goals, and we have made considerable progress toward meaningful reform.

## The slow-but-steady housing recovery is issue No. 1 for most U.S. builders. What factors could affect it?

Consumer confidence is one of the most important factors currently affecting the hous-

ing recovery. Anything that affects the public's perception of the economy and their own prospects for financial security and prosperity—good or bad—can have a significant impact on new-home sales. In the wake of the prolonged housing market downturn and recession, consumer confidence is likely to be vulnerable to even relatively minor events affecting the marketplace.

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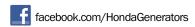




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Another very important factor is job growth. When jobs are growing and the economy is moving in a positive direction, prospective home buyers have more confidence and are more likely to make the decision to purchase a home.

Many of the factors that could impact the housing recovery negatively are directly related to people's pocketbooks. Increasing prices for building materials, higher mortgage interest rates, and rebounding home prices could all slow the pace of sales.

## Will housing finance restructuring come into play this year? What is the NAHB's response to the idea?

Restructuring of the nation's housing finance system is long overdue, and the NAHB continues to urge Congress to address this important issue as soon as possible. In particular, we believe that affordable long-term fixed rate financing must be readily available to home buyers, and home builders should have access to affordable funding for acquisition and development of land and construction of new single-family and multifamily homes.

It is also essential that there be a federal backstop to the nation's housing finance system, which would only be triggered in an extreme emergency. While the housing finance system should be powered largely by private capital, only the federal government has the resources to shore up the system should there be another crisis such as the housing market experienced in recent years. Equally important, there must be extensive safeguards to prevent the housing market from ever experiencing another such meltdown.

#### What are your goals for the year?

NAHB's fundamental mission is to serve its members' best interests, and that means ensuring a housing market environment where homeownership is readily available to responsible consumers and an ample supply of affordable homes for those who choose to rent.

Protecting the housing-related measures in the tax code also will be a priority. It's no secret that many members of Congress seek to eliminate or reduce the mortgage interest and property tax deductions and the Low Income Housing Tax Credit. This could send the housing market plunging back into recession and stall or reverse the nation's economic recovery. We can't afford to let that happen.

As a member-focused organization, the NAHB seeks to provide extraordinary value to members. Last year, NAHB's advocacy efforts saved the industry about \$6,200 per housing start. That's a really significant amount, and we have set our sights on providing equal value to members in 2014. **B** 









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## **Plan View**

#### **DESIGN TRENDS**

## Standout Bathrooms

Dazzle your buyers with these spa-inspired bathroom retreats

he fantasy bathroom has changed.
Think more emphasis on the shower, less on a grand tub. Sink space matters, especially for older owners. For more insights, check out the Bathroom Remodeling Survey on Houzz. (This super-popular site is mainly used by consumers who are remodeling, but it also has lots of great information about consumer preferences.)

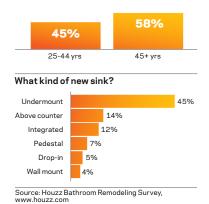
Here are four house plans with notable bathrooms. Your buyers will love the large showers, freestanding tubs, and thoughtful details like easy access to the laundry room (check out the second plan below). Other modern amenities in these homes include mudrooms, big kitchen islands, and indoor/outdoor living.

To see more plans with great bathrooms, head to www.BuilderHousePlans.com.

#### Make Mine a Double

Homeowners going to the trouble of remodeling their master bathroom want double sinks (55 percent will have them after the remodel, versus 35 percent before). Building for older buyers? It's even more important.

Percentage of homeowners installing two sinks by age.



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PDF	\$1,115





**Optional Bonus Space** 

#### Laundry in the Master Bath Plan #HWB1650002



Total	3,622 Sq. Ft
Main Level	2,319 Sq. Ft
Second Level	1,303 Sq. Ft
Bedrooms	4
Bathrooms	3½
Dimensions	77' - 8" x 88' - 9'
FoundationUnfin	ished Basement
5 sets	\$1,304
8 sets	\$1,376
Repro	\$1,702
CAD	\$2,644
PDF	\$1,702





Second Level

105

#### **Plan View**

#### **Dual Vanities and Closets**

Plan #HWB1650003



Total	3,091 Sq. Ft.
Main Leve	l1,694 Sq. Ft.
Second Le	evel
Bedrooms	3
Bathrooms.	2½
Dimensions	76' - 0" x 39' - 0"
Foundation	Optional Finished Basement (see plan online)
5 sets	N/A
8 sets	N/A
Repro	\$1,495
CAD	\$3,495
PDF	\$1,495
	,





**Main Level** 

Second Level

#### **Freestanding Corner Tub**

Plan #HWB1650004



Total	3,454 Sq. Ft.
Main Level	2,250 Sq. Ft.
Second Level	1,204 Sq. Ft.
Bedrooms	4
Bathrooms	5
Dimensions	66' - 4" x 61' - 0"
Foundation	. Unfinished Daylight Basement
5 sets	\$1,130
8 sets	\$1,205
Repro	\$1,450
CAD	\$2,500
PDF	\$1,450





**Main Level** 

Second Level

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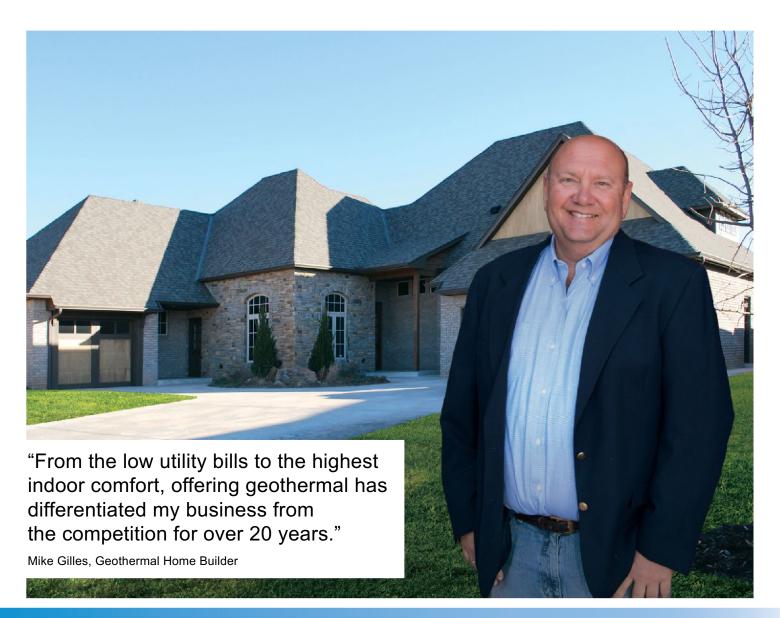
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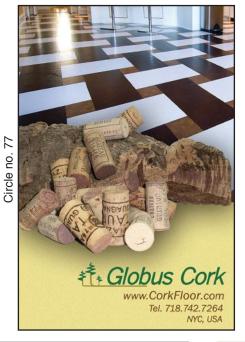
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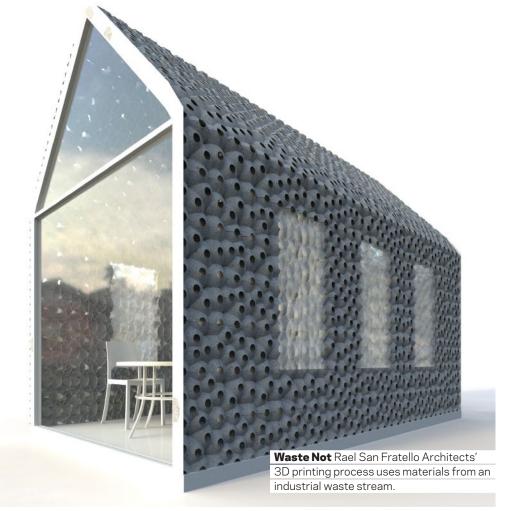
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## **Total Fabrication**

3D printing is about to change everything—residential design and construction included, by BRUCE D. SNIDER

iomedical engineers are using 3D printing to fabricate surgical implants from titanium, and NASA is funding development of autonomous 3D printers to build a base on Mars. The implications of 3D printing for architects and builders range from merely practical to truly revolutionary.

Also called additive manufacturing, 3D printing deposits raw material in thin, precise layers. Imagine an ink-jet printer retracing the letter "I" until it becomes a miniature I-beam, except the "ink" is plastic or metalor Martian soil—and the output is anything that can be encoded in a CAD file.

As a design tool, 3D printing has arrived. Architect Elizabeth Whittaker says 3D printers produce architectural models better and faster than manual techniques. "I have one where I teach [at the Harvard University Graduate School of Design], and more people are using it to make things that are otherwise unmakeable." Moderately priced 3D machines print relatively small objects "but that's going to change," Whittaker says. "Everyone is going to have one in their office in 10 years, and you'll be able to print something 8 feet tall."

With their ability to produce complex shapes, 3D printers have revolutionized model-making and product prototyping, Whittaker says, and are destined to influence the design process. "They make forms you can't make with flat materials," she says, whichlike CAD and 3D computer modeling-will free architects to think in new ways.

Architect Ronald Rael is using 3D printing technology to translate CAD drawings to fullscale custom architectural components-"from walls and facades to interiors and furniture," Rael says. His Oakland, Calif.-based firm, Rael San Fratello Architects, uses a printer with output up to 3 meters by 3 meters "by as long as you want," he says.

The machine can use a variety of powdered base materials, and Rael and his partners adapted theirs to output in concrete polymer, wood fiber, or even salt. "Our process has zero waste," Rael says. "We're hoping [to produce] curtain wall applications, interior walls, freestanding spaces or rooms, and furnishings."

Production builders see a printed future. Salt Lake City-based Garbett Homes uses a 3D printer to produce stunningly accurate multicolor models of its new-home communities. The cost is half that of handmade models, says acquisitions director Rene Oehlerking.

Oehlerking predicts that scaled-up versions of the same machinery will become a mainstay of the industry. "Why couldn't 3D printing be a natural next step for panelization?" he asks. "You could have a 3D printer on site and print out panels with channels for the conduit, HVAC, data, and ducting."

"Construction is the last human endeavor that isn't automated," says Behrokh Khoshnevis, a professor of industrial and systems engineering at the University of Southern California. He invented Contour Crafting, a supersized application of 3D printing aimed at producing entire concrete buildings.

"So far, my funding is from NASA," which hopes to use the technology in building that Mars base, Khoshnevis says. If all goes to plan, the effort will also support development of an earthbound house printer. "If there is sufficient funding, in two years I will make the first machines available for commercial use."

The original version of this article appeared in our sister brand, Custom Home.

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