



# THE NARI RENOVATOR

The Ohio Valley Chapter of the National Association of the Remodeling Industry

March 2005

[www.naricincinnati.org](http://www.naricincinnati.org)

## Marsh will host Ohio Valley NARI for March meeting Industry report & Montgomery Inn dinner to be served up at Loveland location

It's a great time to be a NARI member! Just a couple weeks ago we had an outstanding February Ohio Valley NARI meeting with a fine dinner and a great educational program. (It was so good, in fact that the bartender commented on how interesting it was.) The March NARI meeting promises to be just as good.

Marsh Building Products will host the meeting on March 10 at the Loveland location on East Kemper Road. Marsh has arranged for a prominent guest speaker to give a report on the business outlook for the residential and light commercial construction industries. Just as important, they have also arranged for The Montgomery Inn to serve a buffet dinner.

This would be a very good meeting for you to introduce prospective members, your employees, and your subs to NARI. If you haven't visited the Marsh showroom and service center in Loveland this is your chance to tour one of the most impressive facilities of its type in the entire region.

Marsh is located at 10078 East Kemper Road. To get there take Exit 52 from I-275 and

drive north on Loveland-Madeira Road to Kemper Road. It's the first big street north of the freeway. Turn right (east) on Kemper. Marsh is about a half mile from the intersection, on the left. (It can't be on the right or it would be in the Little Miami River.)

Since Marsh is hosting the meeting we want to extend the courtesy of giving them a guest count several days in advance. To R.S.V.P. for the meeting please call the Ohio Valley NARI office at 1-800-498-6274 by Monday, March 7.



### Call NARI to R.S.V.P.

**What:** March Dinner Meeting  
**When:** Thursday, March 10  
**Where:** Marsh Building Products  
10078 E. Kemper Rd., Loveland  
**Time:** 6:30 p.m.  
**RSVP:** Ohio Valley NARI at 800-498-6274  
**Cost:** Hosted by Marsh

### NARI members get moisture education

*"Don't do this!" Brent Rice, from Parksite Plunkett-Webster, may be advising Ohio Valley NARI members who attended the February OVNARI dinner meeting. The 20+ people at the meeting got a great return on their time investment. They left with a basic understanding of the moisture elements of building science and the principal causes—and cures of water and moisture problems. Brent's presentation featured photographs showing design and construction mistakes—many of which brought on immediate laughter—that resulted in major problems.*

## Harvard study finds remodeling continues to lead light construction market

With the nation's residential remodeling market approaching an annual volume of one-quarter of a trillion dollars, Kermit Baker, director of the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University, noted trends affecting the industry at a time when it is poised to continue the real annual growth of roughly 3% characterizing the past 10 years.

The remodeling market has become increasingly dominated by home owners, who have been contributing about 75% of all remodeling expenditures, and 80% of that spending has been on improvements and only 20% on maintenance and repairs, according to a new Joint Center report, "The Changing Structure of the Home Remodeling Industry."

Baker said that 45% of spending for home owner improvements — or \$60 billion of the almost \$140 billion spent in 2003 — involves changes to interior space such as kitchen and bathroom remodels and additions, other room additions and other structural additions. Replacements to exteriors (including roofing, siding, windows and doors) and interiors (such as flooring, wall finishes and ceilings) represented about 28% of the home owner spending on improvements in 2003. The remaining 18% went toward general improvements, such as driveways and retaining walls.

Home improvement activity has been concentrated in the Northeast and Midwest, where the housing stock is older, but homes built in the 1960s and the 1970s in the Sunbelt are now reaching their prime remodeling age.

Over the past decade, home owners on average spent about 10% of the 1995 value of their homes on improvements. However, 44% reported spending between 10% and 50% of their home's market value, and 6.7% spent more than 50%.

The remodeling industry continues to be fragmented. "While the top 10 U.S. home builders doubled their mid-1990s market share to over 20% of all homes sold in 2003," the Harvard report says, "the top 10 remodeling firms that year captured just 1% of home owners." The top 500 remodeling contractors accounted for less than a 4% share.

Small companies may be better poised to withstand downturns and to meet local demand, the Harvard report says, but it notes that "small contractors are increasingly out of step in an industry that is becoming more and more specialized."

## Neal's receives two regional CotYs

Neal's Design-Remodel, an Ohio Valley NARI member, and Greater Dayton Building and Remodeling, a member of Miami Valley NARI, represent southwest Ohio on the list of regional Contractor of the Year award winners announced by the national NARAI office on February 17.

Neal's Design-Remodel received awards in the Residential Bath Over \$60,000 and Residential Addition Under \$100,000 categories. Greater Dayton Building & Remodeling won awards in the Entire House \$250,000 to \$500,000 and the Commercial Specialty categories.

The four regional awards presented to the Cincinnati and Dayton companies are among 130 regional CotY awards and five honorable mentions given during the regional awards stage of the 2005 Contractor of the Year program. Judging for the regional projects took place in early February. Regional CotY Winners automatically advance as finalists to the national level. Winners of National CotY Awards will be honored at NARI's Evening of Excellence on Saturday, April 2, in Chicago.

### THE NARI RENOVATOR A Publication of Ohio Valley NARI

The NARI Renovator is produced by Ohio Valley NARI as a service and benefit to its members. The organization's office is located at 136 South Keowee Street, Dayton, Ohio 45402; (800) 498-NARI or fax (937) 222-5794.

#### Ohio Valley NARI Board of Directors

*Chairman of the Board:* Greg Fischer, CR, Gregory Construction  
*President:* Norb Boh, CR, Norb Boh Construction  
*Vice President:* Jeff McCoy, Exteriors Unlimited, Inc.  
*Secretary:* Matt Bliemeister, Nationwide Floor & Window Coverings  
*Treasurer:* Steve McCord, CR, Steve McCord Carpentry  
*Directors:*  
 Fred Cernetisch, Pella Windows of Cincinnati; Glen Hollon, Hollon Construction; Jeff McCoy, Exteriors Unlimited

## Michael Stone to be featured presenter at Miami Valley NARI seminar in April

Put the date April 6 in your PDA, or “X” it out on your calendar if you’re still using 19th century technology. That’s the day remodelers from central and southern Ohio will have a chance to get a crash course in remodeling business management from one of the nation’s real experts in the field.

Every NARI seminar is a great educational event, but this year’s Miami Valley NARI seminar program is special. The Dayton chapter’s Education Committee has arranged for Michael Stone, one of the nation’s recognized authorities in marketing and business management for remodeling contractors, to present a comprehensive program to help remodelers grow revenue, increase margins, and enhance productivity.

He will cover such subjects as “Why Remodeling Companies Fail,” “Calculating Overhead,” “Figuring Markup,” “Calculating the Corporate Break-Even Point,” and “Recognizing Financial Problems Before They Become Problems.” He will also discuss contracts, marketing, customer service and many other aspects of operating a successful business.

Michael Stone literally grew up in the remodeling business, starting as a “gopher” in his father’s construction business. He subsequently worked in such diverse trades as wiring, plumbing, and HVAC installation.

The seminar will run from 9:00 a.m. until 4:00 p.m. at the Holiday Inn Dayton South, in Moraine. The cost for NARI members is a modest \$159, for those who register by March 11. The meeting site is at I-75 Exit 50 (Dryden Road). It’s just 50 miles north of the river, so it’s less an hour’s drive from almost anywhere in greater Cincinnati.

By now you have received a brochure describing the seminar in greater detail. If you haven’t sent your registration form yet, there’s another copy of the form with this newsletter for your use. Complete the form and send it to the NARI office today.

This seminar is a NARI event you can’t afford to miss!



### Now the NARI office remodeling is really finished!

*The last issue of The NARI Renovator reported on the completion of an addition to the NARI office in Dayton. The report was just a little premature, because while construction of the addition was finished there was one detail left to be completed—installation of an awning with the NARI logo over the outside entrance to the new conference room. The awning, which covers the entire ADA compliant wheelchair accessible entrance, was installed during the last week of February. It features the NARI logo developed by Miami Valley NARI screened in red and white on blue fabric. The awning with the NARI logo is easily visible to drivers on Keowee Street*

#### **The mission of Ohio Valley NARI is:**

- ✓ To establish and maintain the association’s firm commitment to developing and sustaining programs that expand and unite the remodeling industry as well as to ensure the industry’s growth and security.
- ✓ To encourage ethical conduct, sound business practices, and professionalism in the remodeling industry.
- ✓ To present NARI as the recognized authority in the remodeling industry.

#### **These missions are carried out by:**

- ✓ Promoting the common business interests of those engaged in the industry.
- ✓ Sponsoring educational programs and activities for members.
- ✓ Enlightening consumers to the needs and advantages of home remodeling and maintenance, thereby improving the nation’s housing inventory.
- ✓ Recommending legislative and regulatory action that safeguards and preserves the remodeling industry, and stimulates the marketplace.

#### **Goals of chapter to accomplish mission:**

- ✓ To provide education to enhance professional and personal competencies.
- ✓ To create and encourage networking.
- ✓ To develop and promote the profession.
- ✓ To serve as a resource center.
- ✓ To provide quality publications to members.
- ✓ To improve membership and membership participation.
- ✓ To improve consumer awareness.
- ✓ To remain proactive on current and pending legislation.



## Ohio Valley NARI

Serving the Cincinnati Metropolitan Area  
136 South Keowee Street • Dayton, Ohio 45402  
800.498.NARI



### Coming Events

#### **March Dinner Meeting**

March 10, 6:30 p.m.  
Marsh Building Products  
10078 E. Kemper Rd.  
Loveland, OH

*Residential Construction Update*

#### **NARI National Board Meeting**

March 29 - April 2  
Renaissance Chicago Hotel  
Chicago, IL

*All members are welcome to attend*

#### **Miami Valley NARI Seminar**

April 6, 8:30 a.m. - 4:40 p.m.  
Holiday Inn Dayton South  
2455 Dryden Road  
Moraine, OH

*How to Put More Money In Your Pocket*  
a seminar by Michael Stone

Construction Programs & Results

#### **April Lunch Meeting**

April 14, 6:30 p.m.  
Pella Windows & Doors  
9869 Montgomery Road  
Montgomery, OH

*Business Success Presentation*  
& Report from NARI National

### HGTVPro.com is a useful Internet site

With all the junk and fluff you find on the Internet it's sometimes forgotten that the Internet is undoubtedly the greatest information resource to come along since television—which also has a lot of junk and fluff. One especially useful site for the construction industry is [www.HGTVPro.com](http://www.HGTVPro.com), a website for homebuilders, contractors and remodelers.

In the past residential construction has been taught largely through an oral tradition passed down from father to son, master to apprentice. As the industry has evolved so has the need for a better teaching mechanism. The Internet is a rich training ground for contractors because it provides a central source of information that can be accessed at any time of the day from any place in the country.

HGTVPro.com integrates content from several Scripps networks—HGTV, DIY the Do It Yourself Network, Food Network, and Fine Living—on a single website that's rich with useful information in the form of easy to access videos, illustrations, demonstrations, personal contractor experiences, new product rollouts, and virtual trade shows. The site features best practices information; useful downloadable tools, such as spreadsheet templates, forms, calculators, and plans; general business tips and information; and a professionals forum for the exchange of "war stories."

When you have an opportunity check out [www.HGTVPro.com](http://www.HGTVPro.com). It's worth a mouse click.