

## Seminar will present a practical plan for business success

### Educational event set for September 15 at Kings Island Resort & Conference Center

"I'm passionate about the need for contractors to systematize their estimating," says Michael Gorman, CR, the featured presenter for the Ohio Valley NARI seminar on September 15 at the Kings Island Resort and Conference Center. "I'm also passionate about the need for a selling system in your business. In fact, I think that the three most important systems in your business, in order of importance are estimating, sales and marketing."

According to Mike these are the three areas contractors hate most and try to ignore whenever possible, but avoidance carries a high price. Without a quick and accurate system of estimating, remodelers spend too many hours working for free for prospects don't turn into clients. Contractors who have an effective sales system are able to convert many of those prospects into clients. Without



*In the unlikely event you don't know how to get to Kings Island, here's a map! Drive north on I-71 to Exit 25. Head east then turn right on Kings Island Drive. It's the first road you will come to after you leave the exit ramp.*

a marketing system to generate an abundance of business leads contractors can't be selective and must try to sell to prospects who are unwilling or unable to pay a fair and reasonable price for the job.

"Let me put that another way," says Mike, "Without marketing a terrible thing happens—no sales. Without sales another terrible thing happens—nothing!"

After his seminars Mike helps participants apply what they learn. He is available to provide follow up information in person, by phone, or through the Internet.

To participate in the OVNARI seminar return the registration form included with this newsletter, or you can register on line at [www.naricincinnati.org](http://www.naricincinnati.org) or by calling the Ohio Valley NARI office at 1-800-498.6274. Don't delay. Send your registration today.

## Plan for greater success!

**What:** Ohio Valley NARI Seminar  
**Speaker:** Michael Gorman, CR  
**When:** Thursday, September 15  
**Where:** Kings Island Resort & Conf. Cntr.  
 Kings Mills (I-71 exit 25)  
**Time:** 9:00 a.m. (continental breakfast at 8:30 a.m.)  
**Register:** Return form to NARI office  
**Cost:** \$159 per person

## House passes OSHA reform package to benefit small businesses

The U.S. House of Representatives has passed a legislative package introduced by Rep. Charlie Norwood (R-GA) intended to enhance worker safety and improve the enforcement of the Occupational Safety and Health Administration's (OSHA) many rules and regulations among small business owners.

Of special interest to contractors among the four bills are H.R. 739, the "Occupational Safety and Health Small Business Day in Court Act," and H.R. 742, the "Occupational Safety and Health Small Employer Access to Justice Act." The first bill would allow OSHA to give businesses more than 15 days to respond to a citation; the second would make it easier for companies to recover attorney fees when they successfully defend themselves against a citation.

The package also includes H.R. 740, the "Occupational Safety and Health Review Commission Efficiency Act," and H.R. 741, the "Occupational Safety and Health Independent Review of OSHA Citations Act." These bills would add two more administrative law judges to the three-panel Occupational Safety and Health Review Commission (OSHRC), which hears appeals of violations, and would require judges to defer to the OSHRC when OSHA cases are appealed to the courts.

OSHA compliance is a special problem for contractors, because OSHA has up to six months to assess a violation following an inspection and jobs are often completed

before the contractor receives notification. This makes it impossible for the contractor to correct the specific violation.

Sen. Johnny Isakson (R-GA) and Sen. Mike Enzi (R-WY) have committed to introducing companion reform measures in the Senate later this year.

### People entering ranks of "senior citizens" don't plan to sacrifice amenities in their retirement homes

Contractors who expect the aging U.S. population to produce demand for smaller homes and growth of "retirement communities" may have a long wait, according to speakers at the Building for Boomers and Beyond Seniors Housing Symposium, sponsored recently by the National Association of Home Builders.

The 50+ population is looking for new housing, but not minimalist housing. By and large aging boomers expect to be moving up to the best housing they have ever had, even if it means taking out a hefty mortgage.

"Probably the most striking thing we've found over the last few years is that many home buyers over 50 are not simply cashing out the equity they've built in their family home, nor are they downsizing into a less expensive house or apartment," said Jack Haynes, executive vice president of the National Builder Division at Countrywide Home Loans.

A study conducted by Countrywide in conjunction with NAHB found that one-fourth of home buyers aged 50 and older paid more for their "retirement homes" than for their previous home. These new homes were likely to feature next-generation amenities like structured wiring and exterior maintenance services. Older buyers are willing to pay for and to finance these options, and that trend appears to be intensifying.

These trends, plus the preference of many home owners to upgrade their living environment without the trauma of moving, is a favorable indicator for the remodeling market.

That conclusion was supported by two other symposium panelists. William Feinberg, presi-

*(Continued on page 4)*

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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.

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# U.S. remodeling industry grew 12.3% in 2004, boom continues in 2005

Americans spent \$198.6 billion on remodeling projects in 2004, according to the U.S. Census Bureau. This was a 12.3% increase over the \$176.9 billion Americans spent in 2003. It was the largest year-to-year increase in more than a decade, and the boom continued into the first quarter of 2005.

Record high sales of existing homes, growth of owner equity due to rising home prices, and low mortgage rates all contributed to remodeling boom.

There was a great increase in remodeling of owner-occupied properties to \$143.4 billion in 2004 from \$119.9 billion in 2003. At the same time, spending on rental properties decreased slightly last year from \$57 billion to \$55.1 billion.

Remodeling activity strengthened in this year's first quarter, according to the Remodeling Market Index (RMI) compiled by the National Association of Home Builders, moving up two points from its seasonally adjusted level for the fourth quarter of 2004. The RMI is derived from a quarterly national survey of more than 500 remodelers.

"We saw solid growth in the first quarter of this year and continued positive momentum into the next quarter," said NAHB Chief Economist Dave Seiders. "Calls for bids, amounts of work committed and backlogs of remodeling jobs are all up, leading us to expect continued healthy growth over the balance of 2005."

Rising home prices have encouraged remodeling in several ways, including:

- Remodeling has become easier to finance with the increased equity that home owners can tap into, either through refinancing or home equity loans.
- Home owners may decide to remain and improve their homes when faced with

sticker shock from home prices, which nationwide appreciated by 15.1% last year.

- Rising prices make improvements look like better investments, with a higher percentage of the cost likely to be recouped in the home's sale. In markets with rapidly rising prices, it is not unreasonable for the home owner to expect to eventually recoup the full cost or more of an improvement project.

The aging housing stock — with homes an average 32 years old and rising — also contributes significantly to remodeling demand, creating ongoing opportunities for maintenance, repairs and improvements.

The rapidly-growing population of 50+ retired, semi-retired, and soon-to-be-retired people who want to upgrade their living environment without going to the trouble of moving to a new home (see story on page 2) is also driving the current remodeling market and is a favorable indicator of future trends.



#### 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

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## Coming Events

### Ohio Valley NARI Seminar

September 15

Kings Island Resort & Conference Center

Michael S. Gorman, CR

author of

*If I **Sell** You I Have a Job;*

*If I **Serve** You I Create a Career*

### Vendor Showcase

October 20, 6:30 p.m.

Holiday Inn I-275 North

### November Dinner Meeting

November 9, 6:30 p.m.

Holiday Inn I-275 North

John Hester, P.E.

Hamilton County Chief Plan Examiner

### Contractor of the Year Awards Deadline

End of the business day

Monday, November 14

### Evening of Excellence Awards Dinner

December 8, 6:30 p.m.

Montgomery Inn

9440 Montgomery Road

## Retirement homes *(Continued from page 2)*

dent of Feinberg and Associates, an architect and designer based in Vorhees, NJ, and Myril Axelrod, president of Marketing Directions Associates, indicated that the concept of the active-adult community has little appeal to the 30 million Americans in the 47-58 age group.

“Those on the leading edge aren’t ready to move and they aren’t thinking of retirement,” said Feinberg. “They are looking at real estate as an investment and not because they need to move to a new home.”

“The idea of retiring and doing nothing is not for them,” Axelrod said of the boomers.

“They’re a Peter Pan generation. They feel they’re going to be young forever.”

While leading-edge boomers are not interested in moving to smaller homes, they do want to get rid of any parts of the house that are not being used so that they can enjoy bigger spaces in the rooms they use the most. Lots of open space, fewer walls and plenty of flow are selling points.

Home owners in this age group are also looking for kitchens with lots of light that double as the social center of the home for informal entertaining.

Flex space that provides the opportunity to individualize their home is also a plus.

Boomers will spend freely for customized design and amenity features.

“We did not hear the word downsizing in any of our focus groups,” said Feinberg.