



## ASHTABULA COUNTY BUILDERS ASSOCIATION

" The Voice of the Industry in Ashtabula County "

### HAPPY HOLIDAYS!

We hope you have a  
Prosperous and Happy  
Holiday Season!

Your Board of Trustees

#### MARK YOUR CALENDAR

January 14th	General Meeting First Energy Elks Club
February 27th	Reverse Raffle 4-H Building/Jefferson
March 11th	General Meeting Elks
April 8th	General Meeting Elks
May 13th	General Meeting Elks
June 10th	Steak Fry Elks

Happy hour is 6:00pm - 7:00pm

Dinner 7:00pm

RSVP by Monday prior to meeting date and  
if you need to cancel please call by Tuesday evening.

## PRESIDENT'S COMMENTARY

Seasons Greetings to everyone! I would like to thank all of you that attended the annual meeting and for the fine discussion and comments. We will be evaluating all your issues and comments during the coming year so that we may be addressed as soon as possible. At our January meeting we would like members to bring a potential member as a guest on us to meet and mingle with everyone. We would all like to thank you as well for your positive feed back on the Reverse Raffle we have planned for February. I would also like to thank you all for the opportunity of being the President of this fantastic organization the past year. I have learned a lot and hope that I have served you well. The past year has been one of many challenges for us all. The coming year will bring with it new challenges and hopefully the recovery we all are looking for. I hope every one has a healthy and happy holiday season and I look forward to serving you in the future year ahead. As always your association is here to assist you in anyway possible.

Merry Christmas and Happy New Year,  
Rick Miller

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WELCOME

NEW MEMBER

**Growth Partnership for Ashtabula County**

17 North Market Street

Jefferson, Ohio 44047

440-576-9126

BOARD OF TRUSTEES

2009

Officers

Rick Miller, President

Joe Oros, Vice-President

Bill Romanko, Secretary

Rich Vanek, Treasurer

Frank Curtin, Immediate Past President

Trustees

Calvin Brown, Jr.

Bill Claycomb

Doug Spencer

Dan Theiss

Tim Vogel

Director

Michelle Laveck

THANK YOU

Thanks to all the companies and individuals who donated  
to HALO during the holiday season.

# JANUARY MEETING

JANUARY 14, 2010

Elks Lodge

Let us come together and celebrate the past year!

RECOGNITION OF BOARD OF DIRECTORS

BRING A PROSPECTIVE MEMBER TO THE MEETING AT NO COST

SPEAKER:

FIRST ENERGY

**Ashtabula County Builders  
Association Presents:  
First Annual Reverse Raffle  
February 27, 2010**

**Grand Prize: \$1500.00**

50/50 Raffle - Instant Bingo - Black Jack - Silent Auction

**Entertainment Presented By:**

Ashtabula's Own - Don Perry

**\$50.00 a couple**

Includes dinner and open bar

Doors open at 6:00p.m. - Raffle starts at 7:00p.m.

Location: Ashtabula County Fairgrounds  
4-H Building

All Proceeds will Benefit:

**Community Care Committee &  
The Ashtabula County Builders Association**

For more information or tickets contact:

997-1866 or [ashtabulacountybuilders@windstream.net](mailto:ashtabulacountybuilders@windstream.net)

## Eye on the Economy: Tax Credit Brings Hope to Housing

The housing market received what should prove to be a real boost when, earlier this month, Congress and the President extended the first-time [home buyer tax credit](#) that was set to expire on Nov. 30 into the spring and expanded it to include eligible move-up or repeat home buyers.

First-time home buyers will now be eligible for the tax credit if they sign a contract by April 30, 2010, and settle on their home no later than June 30. Likewise, move-up/repeat home buyers (existing home owners) who have lived in their primary residence for five of the last eight years will now be eligible for a tax credit of up to \$6,500.

The tax credits are expected to boost new and existing home sales by 180,000, including sales of about 40,000 new homes and 26,000 in sales of vacant homes. These sales are also expected to generate more than 200,000 new jobs, primarily in residential construction and related fields but also through the jobs created by the ripple effect of the new construction jobs and the additional spending power of the tax credit recipients. While the boost will be temporary, this is just the medicine that housing needs at present.

In addition, other segments of the economy are beginning to show signs of improvement.

The Commerce Department's [Bureau of Economic Analysis reported](#) in its advanced estimate that real (inflation-adjusted) gross domestic product (GDP) for the third quarter rose by 3.5% at a seasonally adjusted annual rate after four consecutive quarters of decline. In addition, industrial production advanced for three months, from July through September, pushing up capacity utilization.

While the nascent recovery is gaining some footing, the economy is still losing jobs — 190,000 in October as the national unemployment rose to 10.2% for the month — up from 9.8% in September.

The construction unemployment rate, which includes residential and commercial construction, increased to 18.7% in October, up from 17.1% the month before. This included a drop in residential construction employment of 15,000.

However, the drop in residential construction employment may not fully reflect residential construction activity spurred by the first-time home buyer tax credit. In our view, when residential construction slowed markedly in 2006, many building firms shifted from residential projects to nonresidential projects without properly reporting the change in classification to the Bureau of Labor Statistics (BLS). Consequently, because those firms were building, the loss in residential construction employment did not appear to totally reflect that slowdown.

Conversely, now that residential construction is showing some improvement with nonresidential construction still in decline, many of the steep job losses from nonresidential construction that are occurring may still be classified and reported to the BLS as residential construction losses, inflating those figures.

There is a little positive news that can be eked out of the overall employment report. Total job losses in October were the smallest recorded since August 2008. In addition, September job figures indicated an increase in the hiring of temporary employees.

Temporary workers are often hired during the early stages of a recovery because, even though business is improving and employers have to hire more people to meet increased demand, they are reluctant to hire permanent, full-time employees until the demand and recovery grow stronger.



# NATION'S BUILDING NEWS

*The Official Online Weekly Newspaper of NAHB*

*Sponsored by McGraw-Hill Construction and Freddie Mae*

The home buyer tax credit will help the housing industry bridge the gap of uncertainty about the recovery path — which promises to be a very long road. It may help calm some of the fear that is keeping many consumers on the sidelines and will help stabilize house prices, which, together with a recovering economy, will help stem the tide of foreclosures.

## **Housing Still Faces Significant Headwinds**

The housing market still faces significant headwinds, even as they begin to abate.

The Federal Reserve's October [Senior Loan Officer Opinion Survey on Bank Lending Practices](#) revealed that the majority of banks are continuing to tighten lending standards for mortgages, as they have every quarter for the last four years.

However, the tightening is significantly below its peak in July 2008. Most banks this quarter reported that they neither tightened nor loosened their standards, those that tightened them reported raising their standards only somewhat and one bank reported that it had loosened its standard for issuing prime mortgages somewhat.

Conditions for builders and developers have continued to tighten in the markets for loans to acquire and develop land and to construct homes — the AD&C credit markets. Not only have they found it increasingly difficult to obtain these loans, in many cases they have faced reductions in lines of credit, demands for increased equity for outstanding loans and, in some cases, demands for full repayment of outstanding loans. In many instances, these increased requirements transformed a performing loan into a non-performing loan.

Nearly three-quarters of the builders surveyed on the state of AD&C lending indicated that obtaining financing for land acquisition and land development was more difficult in the third quarter this year than it was the previous quarter.

Similarly, a high percentage of respondents said that it was more difficult to obtain loans for construction of multifamily projects. For single-family construction, builders generally reported that the financing construction was not quite as difficult it was for multifamily builders, with 57% reporting they had greater difficulty obtaining loans.

Faulty appraisals — appraisals that don't properly account for foreclosures, short sales or dissimilar neighborhoods — also are hindering the housing recovery. One-third of builders responding to an NAHB survey indicated that they lost sales to low appraisals and 63% said they had appraisals coming in below their sales prices.

While only 10% of builders reported that the sale of foreclosed homes had no impact on their sales, 47% said they were somewhat impacted and 35% said they were significantly impacted by them. Many of these foreclosures are concentrated in the formerly hot markets in California, Las Vegas, Phoenix and South Florida and in the economically distressed markets, primarily the Great Lakes region of the Upper Midwest. Foreclosures are expected to continue to rise, especially in these areas, through early 2010.

## **As Housing Improves, Nonresidential Construction Struggles**

Private nonresidential construction fell 7.6% from September 2008 to September 2009 according to the Census Bureau's Value of Construction Put in Place data, which are not adjusted for inflation. Construction of office space was down 25.1%, while commercial construction — which includes restaurants, retail space and warehouses — was down 31.6%.

While single-family home construction was up 2.4% in September from the month before, production was down 47.6% from September 2008.

Multifamily construction, which faces stiff competition from the single-family market and significant obstacles to obtaining financing, decreased 4.1% in September from August. Compared to September 2008, construction was down 28.9%.