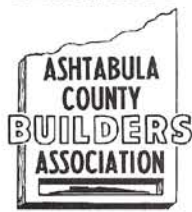


INTEGRITY



## BUILDERS PLAN

March 2010

P.O. Box 745

Ashtabula, Ohio 44005-0745

Telephone (440)992-2727

ashtabulacountybuilders@windstream.net

www.ashtabulacountybuildersassociation.org

### ASHTABULA COUNTY BUILDERS ASSOCIATION

"The Voice of the Industry in Ashtabula County"

BRING A POTENTIAL MEMBER  
TO THE MARCH MEETING  
ON THE BUILDERS!

#### MARK YOUR CALENDAR

March 11th	BWC Elks
April 8th	General Meeting Elks
May 13th	General Meeting Elks
June 10th	Steak Fry Elks
July 8th	Golf Outing TBA
August 12th	Summer Social TBA
September 9th	Clam Bake 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

Greetings Everyone,

I want to thank everyone that attended our first annual reverse raffle! Turn out was pretty good considering the wonderful weather that Saturday brought. The board of Directors and I would especially like to thank the ladies of the Community Care Committee for their assistance in bringing this event together. The food that the ladies prepared was fantastic! I had a lot of compliments on the food. Thanks again ladies! I would also like to thank all of the members of the Board of Directors for their efforts in bringing this event together especially Calvin Brown Jr. for getting it started. Looking forward to our March meeting; Mr. Jerry Palfy an industrial safety consultant specialist with the BWC will be giving us an update on some of the changes in safety rules. With only a month of winter left I hope everyone is starting to see some activity for the months ahead. As always your association is here to assist you in way we can.

Thank you,  
Rick Miller

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# Great Lakes GMC Buick

## MAKE YOUR BEST DEAL

then present coupon for an additional

**\$100.00 OFF**

Expires March 31, 2010

Coupon valid to Ashtabula County Builders Members Only

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2010

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#### Director

Michelle Laveck

## THANK YOU

A special thanks to all those who donated items to the **First Annual Reverse Raffle.**

**Your help made it a success!**

A. Louis Supply  
Active Plumbing  
Advance Auto Parts  
Adventure Zone  
Andover Bank  
APLElectric  
Ashtabula Concrete  
Auto Zone  
Baymount Inn & Suites  
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Woody's World

## Housing Affordability Near Record High for Fourth Straight Quarter

Favorable mortgage interest rates and low home prices pushed the [NAHB/Wells Fargo Housing Opportunity Index's](#) (HOI) measurement of housing affordability to its highest level since the index was first compiled 18 years ago.

The HOI showed that 70.8% of all new and existing homes sold in the final quarter of 2009 were affordable to families earning the national median income of \$64,000, slightly higher than the previous quarter and near the record-high 72.5% set during the first quarter of 2009. Affordability during the final quarter of the year was up from 62.4% for the fourth quarter of 2008.

“Favorable mortgage rates and sliding house prices that have now started to stabilize nationally have both contributed to a record year for housing affordability in 2009,” said NAHB Chairman Bob Jones. “With interest rates still hovering at low levels and the economy beginning to rebound, the federal housing tax credit will encourage even more first-time and repeat home buyers to enter the market and help further stabilize housing and the economy by creating new jobs, stimulating home sales and reducing foreclosures.”

Indianapolis was the most affordable major housing market in the country during the fourth quarter, a position the metro area now has held for four and a half years. More than 95% of all homes sold in that market were affordable to households earning the area’s median family income of \$68,100.

Following in descending order at the top of the list of the most affordable major metro housing markets were: Detroit-Livonia-Dearborn, Mich.; Dayton, Ohio; Youngstown-Warren-Boardman, Ohio-Pa.; and Akron, Ohio.

Five smaller housing markets posted even higher affordability scores than Indianapolis, with Kokomo, Ind., which historically has had a favorable income-to-house price ratio, outscoring all others. In Kokomo, 98% of homes sold during the fourth quarter of 2009 were affordable to median-income earners. Kokomo was followed by Monroe, Mich.; Flint, Mich.; Lima, Ohio; and Bay City, Mich., respectively.

New York-White Plains-Wayne, N.Y.-N.J., continued to lead the nation as its least affordable major housing market during the fourth quarter. The metro area has occupied this position for seven consecutive quarters. Slightly less than 20% of all homes sold during last year’s final quarter were affordable to those earning the area’s median income of \$64,800.

Rounding out the list of the five least affordable major markets were: San Francisco; Honolulu; Santa Ana-Anaheim-Irvine, Calif.; and Los Angeles-Long Beach-Redwood City, Calif.

San Luis Obispo-Paso Robles, Calif. was the least affordable of the smaller metro housing markets in the country in the fourth quarter, followed by Santa Cruz-Watsonville, Calif.; Ocean City, N.J.; Napa, Calif.; and Santa Barbara-Santa Maria-Goleta, Calif.



## **Obama \$3.8 Billion Budget Keys on Jobs, Deficit Trimming**

President Barack Obama on Feb. 1 unveiled a \$3.8 trillion fiscal 2011 budget that seeks to create jobs in the near term through additional stimulus spending and reduce the deficit by imposing nearly \$1 trillion in higher taxes and fees over the next decade on households earning more than \$250,000.

To spur job growth, Obama is seeking \$100 billion in additional tax cuts and public works spending right away, including a \$33 billion tax cut in a new jobs bill that would give firms a \$5,000 tax credit for each new worker they hire this year. Businesses that increase wages or hours for their current workers in 2010 would be reimbursed for the extra Social Security payroll taxes they would pay. The tax credit would not apply to jobs paying more than \$106,800. Obama also proposes to eliminate capital gains taxes on new investments for small businesses and extend through 2010 a provision that allows small businesses to write off in the first year up to \$250,000 in equipment investments.

Obama has also proposed to include a rebate for those who retrofit their homes, a plan that is gaining traction on Capitol Hill.

NAHB this month sent a letter to Senate leaders urging them to support the comprehensive home energy retrofit program being developed as part of pending job creation legislation. The letter stated that this program has the potential to “create thousands of jobs for home builders, remodelers and contractors” and will improve energy efficiency in the existing housing stock. NAHB also emphasized the importance of enacting a program that includes all qualified, properly-trained contractors who have access to diverse training and certification options, such as those offered by the [Home Builders Institute](#).

Of concern to the housing community, part of the White House plan to produce a decade-long reduction in the deficit from \$1.6 trillion this year would be to limit the mortgage interest deduction, real estate tax deductions and all other itemized deductions for couples making over \$250,000 and single taxpayers earning more than \$200,000. Those in the highest tax brackets would, in effect, be able to deduct only 28% of these expenses, instead of a percentage equal to their top marginal tax rate. The plan also seeks to tax carried interest as ordinary income, which could have a significant impact on the multifamily and commercial real estate sectors at a time when they are already experiencing a severe downswing.

It's important to note that no White House budget is ever approved “as is” by the Congress. In fact, the proposals to limit the itemized tax deductions for high earners and raise the tax rate on carried interest were included in the President's budget from last year and received a chilly reception on Capitol Hill. NAHB will work to ensure that they are once again stripped from a final budget plan to emerge from Congress.

Meanwhile, the NAHB staff continues to analyze the massive 1,000-plus page budget proposal and is in the process of preparing a more detailed analysis.

Obama is expected to send Congress a complete budget plan in April and Congress is not likely to approve the fiscal year 2011 budget until later in the year. Given the size, cost, complexities and major policy overhauls that this blueprint entails, the budget battle in the weeks and months ahead is likely to be contentious as lawmakers on both sides of the aisle debate its merits on an array of fronts — from taxes, to energy policy to social spending.

## **Remodeling Market Looks in Worse Shape in Fourth Quarter**

Market conditions for residential remodeling continued to slide during the fourth quarter of 2009 in the estimation of remodelers who were surveyed for the latest [NAHB Remodeling Market Index](#) (RMI).

The component index on current market conditions fell to 36.4 in the fourth quarter, down from 39.8 in the third quarter; while future conditions dropped from 38.7 to 31.4 over that period.

Any number below 50 indicates that more remodelers say market conditions are getting worse than improving. The RMI has been running below 50 since the final quarter of 2005.

"We're hearing many remodelers have laid off workers because they have no jobs coming in and are struggling to survive," said NAHB Remodelers Chairman Donna Shirey, CGR, CAPS, CGP, a remodeler from Issaquah, Wash. "Remodelers are pounding the pavement to find work and stay open, including taking on smaller jobs and competing with unqualified contractors."

Regionally, current market conditions from the third to fourth quarter declined from 33.7 to 27.7 in the Northeast, from 43.2 to 37.5 in the Midwest and from 47.3 to 41.7 in the West. In the South, the index rose from 38.6 to 40.

Other components of the index eroded from the third to fourth quarter: major additions dropped from 41.9 to 40, minor additions from 43.2 to 40.7 and maintenance and repair from 33.1 to 27.1.

Indicators of future market activity were also down, with calls for bids falling from 46.5 in the third quarter to 37.5 in the fourth, and downward movement in appointments for proposals, from 43.5 to 34.4; in the backlog of jobs, from 37.2 to 31.9; and in the amount of work committed for the next three months, from 27.5 to 21.9.

"Although earlier quarters of 2009 showed tentative improvements for remodeling market conditions, remodelers saw work fall backward at the end of the year," said NAHB Chief Economist David Crowe. "Like new home construction, remodelers are feeling the effects of consumers' uncertain job future, their level of confidence and unwillingness to spend their equity or savings. Competition from new home construction workers entering the remodeling market and unemployed contractors have stretched an already thin customer base."