



news, events, classes & important issues  
for today's homebuilding industry

March 25, 2011

Home Builders Association  
OF CENTRAL ARIZONA

# news BUILDER



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## EVENTS

### Last Year We Survived...This Year We're Gonna Rock This Town!

The 2011 Southwest Builders Show is Wednesday, October 26<sup>th</sup> at the Phoenix Convention Center. **So, let's R O C K!** As previously announced, the HBACA is accepting booth requests as of Friday, March 25<sup>th</sup> at 9:00 A.M. There is even more exciting news...booth prices are the same as last year! The Standard 10x10 booths are only \$900 and the Premium 10x10s are only \$1,100. When requesting your booth, you may decide to go with your "oldie but goodie" location or perhaps you will decide to go with a rockin' new booth location in the new floor plan we're rollin' out. Check out the Show Floor and dial in to your favorite station. Remember...booth requests will be confirmed on a first-come, first-served basis.

Reserving your booth is easy...just follow these simple steps:

- Go to [www.hbaca.org](http://www.hbaca.org), click on the SWBS logo.
- Click Exhibitors, then Reserve a Booth, then under Members, select Reserve a Booth Now. This will take you to the login page. If you currently do not know your username and password, we strongly suggest that you call the HBACA office to get it before March 25 at 9:00 A.M. to avoid delays in reserving your booth.
- Fill out the Booth Request Form and click Submit Form.



**A few things to keep in mind:**

The Booth Request Form does not allow you to select your booth on a real-time interactive map as you have done in the past, but it will allow you to select your desired booth location on the show floor. The form is simply a request to become an exhibitor. Each request we receive will include a date and time stamp, and exhibitors will be assigned a booth in their desired area (if still available) in the order they were received. Once your booth has been assigned, you will receive an email prompting you to pay for your booth. If you elected to pay by credit card when you filled out the Booth Request Form, the email will include a

link to our online Booth Payment Form. If you elected to pay by check, the email will include an invoice. We suggest that you pay for your booth as soon as possible to confirm your reservation.

Not only are our booth prices great, but you will also find very reasonable pricing on sponsorships and advertising for the Exhibit Guide. And remember, tradeshow exposure is well worth the investment and one of the best decisions you can make. It is the one time of year that you can interact with trade partners, architects, engineers, distributors, remodelers, and (of course) builders all in one place! We know how hard you have worked to rock this town, and the Southwest Builders Show is just another way to roll with your success. We hope that you will join us for this great business-to-business event exclusively for the home building industry. For more information, visit the show's website.

**CONTACT:** [Lisa Rugloski](mailto:Lisa.Rugloski@hbaca.org) ::  
(602) 274-6545

**MORE INFO:**  
[www.southwestbuildersshow.com](http://www.southwestbuildersshow.com)

## calendar of events

4/1		APRIL FOOL'S DAY	
4/5	8:30 AM	Wine Tasting Committee *	HBACA Conference Room
4/6	12:00 PM	Sales Managers Round Table *	HBACA Conference Room
4/13	8:30 AM	SWBS Committee Meeting *	HBACA Conference Room
4/15	8:30 AM	ADOSH Construction Site Safety Management	HBACA Conference Room
4/17		PALM SUNDAY	
4/21	3:30 PM	Remodelers Council *	HBACA Conference Room

\* committee members only

\*\* builder members only

\*\*\*associate members only



# member focus



## Brewer Enterprises, Inc. (Plumbing)

Brewer Plumbing just began its 21<sup>st</sup> year providing plumbing to the new construction market. During that time, we have built a culture, which focuses on our employees and customers. At Brewer, we invent "Best Practices" which lead to defect free homes. One of those best practices is our "Customer First Plumbing Inspection" (CFPI) program, which since inception in 1999 has cut customer service calls by 73 percent. Brewer was the first plumbing contractor in the state of Arizona to be certified through the NAHB Research Center's prestigious National Housing Quality (NHQ) Certified Trade Contractor Program. Our executive and management teams have invested significant time and resources over several years to develop and implement innovative high technology. Our proprietary, cutting edge systems allow Brewer Plumbing to achieve the highest levels of efficiency and quality. If you would like to learn why more homes are plumbed by Brewer and at a lower cost than any other contractor in the state, give us a call.

**CONTACT:** [Mike Brewer](#) :: (602) 909-9677

**MORE INFO:** [www.brewercompanies.com](http://www.brewercompanies.com)

### LEGISLATIVE UPDATES

## Impact Fee Reform Bill Advances

With a vote of 5-2, the Government Committee of the Arizona House of Representatives advanced the Association's impact fee reform bill (SB 1525) moving it one step closer to becoming law. The bill was amended in an attempt to address many of the cities' concerns expressed at stakeholder meetings between the League of Cities and Towns and the Association hosted by the Governor's office. Representatives of the leadership staff for the House and Senate, as well as NAIOP, AMA and SAHBA have also participated in the discussions. The League had former Gilbert city councilman Steve Urie offer their amendment, which was defeated by the Committee.

The comprehensive reforms include among other things, the definition of "necessary public services" for which an impact fee can be charged, a refund provision in the event a facility is not provided to the homeowner within 10 years, a requirement for a city to have a ten year infrastructure improvement plan, an advisory committee to work with the city to ensure that the general plan and the infrastructure improvement plan work together, new impact fee credit/offset language, and a grandfathering provision for infrastructure currently funded by bonds with impact fees as repayment.

The Association will continue to work with the cities to address their concerns as the bill moves forward for a final vote on the House floor. Thanks to all of you who called or e-mailed your legislators on this issue! We will be reactivating the grassroots again before the House floor vote. It really does make a difference! If you have any questions on the bill, please call the Association office and talk to Connie, Spencer or Scot.

**CONTACT:** [Connie Spencer](#) or [Scot](#) :: (602) 274-6545

### PAC NEWS

## Help the HBACA PAC Meet Our Goal of 500 Members!

The Home Builders Association of Central Arizona Political Action Committee (HBACA PAC) is designated by the Secretary of State as a "SUPER PAC," meaning we are one of the largest and most influential PACs in the state. It is truly an honor for the PAC to achieve this status, and maintaining it requires the participation of all HBACA members. We hope you are up to the challenge!

To continue participating in the political process as a SUPER PAC, state statutes require the HBACA PAC to submit a list of 500 members every two years who have each contributed \$10 or more during the one-year period preceding the filing date. The HBACA PAC is on an odd-year schedule, meaning it's time for us to file once again in April 2011. Recruiting 500+ members is a lofty challenge at any time, but even more difficult during these days of tremendous downsizing within our industry. Your help is needed at this time to ensure the PAC hits the 500 member mark.

The big benefit of being a SUPER PAC is this designation allows the PAC to contribute up to five times as much to money to candidates as a standard PAC. To a lesser degree, being a SUPER PAC is also a point of pride for the association. The HBACA PAC was one of the first two PACs in the state to secure this designation more than a decade ago, and it has been a Super PAC every year since!

To help the PAC accomplish this goal, the HBACA is asking all members to take on a "SUPER-SIZE Challenge" which is to recruit 25 individual contributors each giving \$10 or more to the HBACA PAC. These contributors can be co-workers, spouses, family members over the age of 18 or industry associates. The reward for collecting \$10 contributions from 25 individuals is complimentary entry for you (or another representative from your company) into the PAC Chairman's Cup Golf Tournament which takes place on April

*continued >>*



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BELFIORE REAL ESTATE CONSULTING



*The following is a summary excerpt from Belfiore Real Estate Consulting's latest monthly "KnowledgeBase Current and Future Market Insights" publication. Belfiore Real Estate Consulting is an independent real estate advisory firm, providing market feasibility studies, asset management reports, access to the most powerful new web-based tool, The New Home Subdivision Database, and advisory services. Jim Belfiore and his team of analysts can be reached at 480-706-1002, or visit BREC's website: [www.belfioreconsulting.com](http://www.belfioreconsulting.com).*

### Current Market Conditions

Last month resembled the previous few months for Metro Phoenix Area homebuilders, slow with limited activity, and no pricing power. Traffic did tick up, although not in the East Valley, as did home sales, but the near-term outlook requires at least the same amount of or more belt-tightening in the foreseeable future. The "spring" selling season is upon us, but the inventory builders are most hopeful of selling off, is the distressed supply, so better times can be experienced sometime sooner rather than later.

New home subdivision activity remained limited. Traffic was up in most submarket areas, although average traffic levels moderated in the East Valley Region. Sales moved upward amongst the 426 active new home subdivisions, albeit minimally, by 0.1 unit per subdivision per month through mid-February. Current traffic levels should result in a few more sales for builders this year, but permit activity was limited to just 419 in January according to the U.S. Census Bureau. BREC anticipates a better year than last, with 8,800 permits being issued- versus the 7,259 issued in 2010.

Good news, news that should have those hoping for a recovery almost jumping up and down, was reported by Cromford Report recently. Cromford reported the number of listings in the Arizona Regional Multiple Listing Service ("MLS") database declined by 5.4% from January to February. This decline prompted the stabilization of existing prices. BREC believes an additional decline of 2,200 units could result in price increases. The median selling price of an existing home listed with the MLS was \$109,000 during the last 30 days, an increase of \$500 from the previous 30 days. Prices are down 12.8% year-over-year.

More good news: employment growth is quickly becoming "THE" headline. Nearly 30,000 jobs have been created (net) in the last five months. Less than two weeks ago, Intel Corporation announced plans to build a new \$5 Billion semi-conductor chip plant in Chandler. Construction will start in mid- 2011! This and other recent,

smaller announcements will result in better times for housing. Moody's Economy.com forecasts flat employment this year, followed by stronger growth in 2012, 2013, and 2014; BREC believes Moody's forecast will likely improve in coming months due to recent announcements; the hiring outlook is positive.

The recovery hinges on supply, and specifically, the distressed existing supply. How much of it flows through the market, how much of it is purchased, how quickly it is absorbed, and how much more of it will be created in coming months are the questions that remain. In 2010, more than 58,000 homes were repossessed by lenders in the Metro Phoenix Area. The previous year, a record year prior to 2010, more than 56,000 units were repossessed, according to MDA DataQuick. This year, BREC believes 51,500 units will be repossessed, as lenders work through a thick backlog of Notices of Trustee's Sale.

Builders have restrained themselves, building only units demanded in the last 18 months. Fewer than 2,500 speculative new homes exist today – a nominal, necessary supply expected by potential buyers. The 7,200 permits issued in 2010 were for homes that homebuilders were able to sell in 2010.

The extended period of price discounting that has occurred since early 2006 has likely not ended, but if existing supply continues to decline, home prices will stabilize in coming months. The homebuilding market will improve in 2011 – but significant improvement is not likely until a definitive, sustained decline in distressed supply occurs.

>> PAC continued

28. The feeling of accomplishment you will receive for doing this great deed is...well...priceless!

To date, companies who have indicated they are taking on the SUPER-SIZE Challenge include: Adams Bros., Arizona Wholesale, Ashton Woods, Bean Drywall, D.R. Horton, Standard Pacific, and Taylor Morrison. The PAC's goal is to have 20–25 companies participating – so we hope you will consider joining this illustrious group of HBACA members today.

To take on the "SUPER-SIZE Challenge," or for additional information on the April 28 PAC Golf Tournament, please contact Lisa.

**CONTACT:** [Lisa Rugloski](mailto:Lisa.Rugloski@hbaca.org) :: (602) 274-6545

## UPCOMING EVENTS &amp; CLASSES

**She-Conomy – What Women Want****WED 4/13/11 :: 3:00 – 5:00 P.M. :: Scottsdale Design Center  
Arizona Wholesale Supply Co.**[Download PDF](#)[Register Now](#)*This class is pending 2 hours of General Real Estate Credit.*

We have always valued the importance of the woman in the home buying decision, but now it's more important than ever to understand what a woman wants. Today's female buyer is very different than previous generations and women truly are wired differently than men. We need to understand these differences and modify our marketing accordingly. If not, we run the risk of not appealing to the female buyer, or even worse, truly alienating her. During this session, we will discuss:

**4/13**

- Biological differences between men and women
- Personality differences and how that influences purchasing decisions
- How women think / react / experience the world differently
- What appeals to the female buyer, and what turns her off
- Best practices from the homebuilding industry and beyond
- How female buyers approach "green" differently than males

Speakers: Melissa Morman, VP &amp; GM of Customer Experience, BDX :: Cost: \$15

**ADOSH Construction Site Safety Management****FRI 4/15/11 :: 8:30 A.M. :: HBACA NEW Office**[Download PDF](#)[Register Now](#)

Does your company have a comprehensive written safety plan that complies with OSHA guidelines? Do you identify and discuss safety and hazard recognition specific to your jobsites and your scopes of work during regularly conducted training sessions? Have you successfully established a "safety culture" at your organization? Are your workers as safe as they could be? If the answer to any of these questions is no, or if you feel the need for assistance with these areas of safety, this class will guide your path. Jenny Mandeville, ADOSH Safety Consultant, will cover all the bases in this broad look at construction safety management for residential construction.

**4/15**

Speakers: Jenny Mandeville, Safety Consultant, ADOSH :: Cost: FREE

**Builder Breakfast****FRI 4/27/11 :: 8:00 A.M. :: Phoenix Airport Marriott**[Download PDF](#)[Register Now](#)

For Associates who want to become better acquainted with the Valley's home builders or who are wondering what new builders are members of the association, attending our monthly forum featuring Valley builders who will provide an in-depth look at their company's past, present and future is a great opportunity. We schedule two builders at each breakfast, one small volume or custom builder and one high production builder. The HBACA continues to support these informative business development events and networking forums geared toward the Associate members to assist in the professional relationships between our members.

**4/27**

Speakers: Mark Weber, K. Hovnanian Homes; Andy Warren, Maracay Homes :: Cost: \$35 before 4/20, \$55 after 4/20

**PAC 2011 Chairman's Cup Golf Tournament****THU 4/28/11 :: 7:00 A.M. - 2:00 P.M. :: Gainey Ranch Golf Club**[Download PDF](#)[Register Now](#)

Every two years, the HBACA PAC is required to submit a list of 500 contributors who have each given \$10 or more for recertification as a Super PAC. By having this certification, the HBACA PAC is allowed to provide candidates with up to five times the amount of money as a standard PAC. To help the HBACA PAC "Super-Size", all HBACA members are invited to join us on Thursday, April 28, for our annual Chairman's Cup Golf Tournament. The ultimate goal of this tournament is to raise much needed funds for the HBACA PAC.

**4/28**

Cost: \$1000 (Chairman's Club), \$500 (President's Club), or \$250 (Patron's Club)