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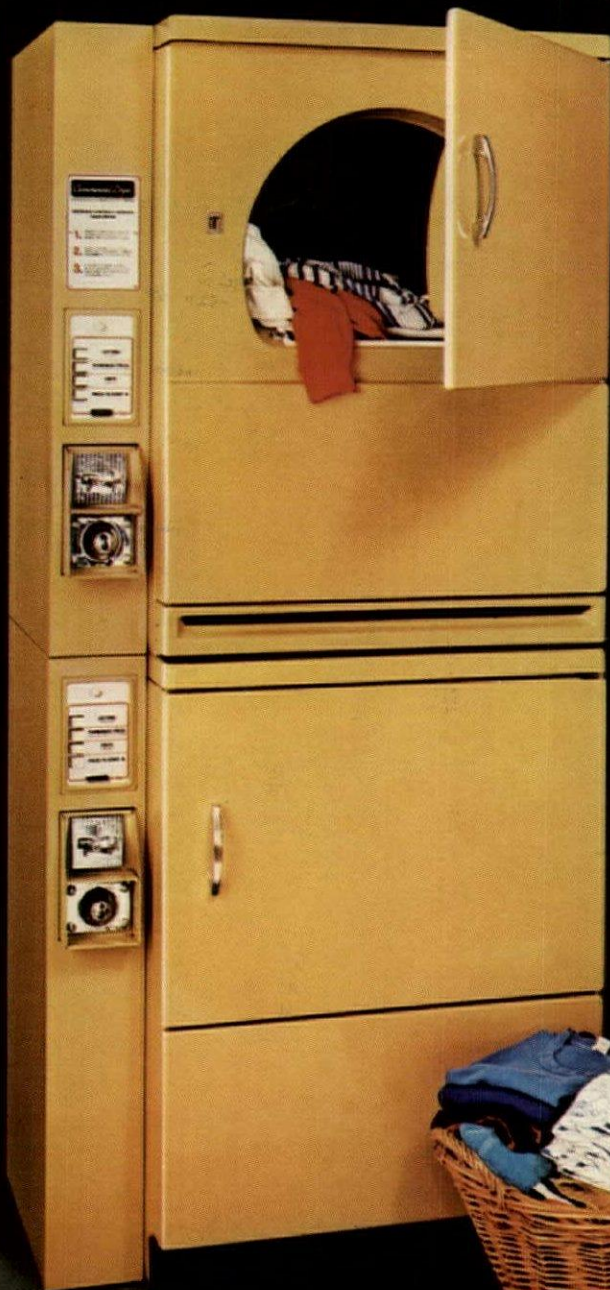
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housing

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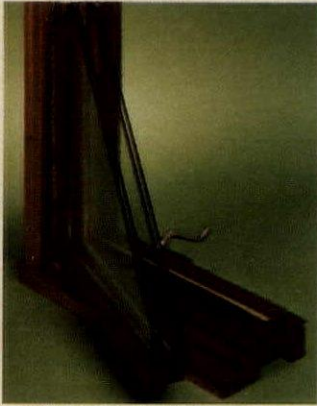
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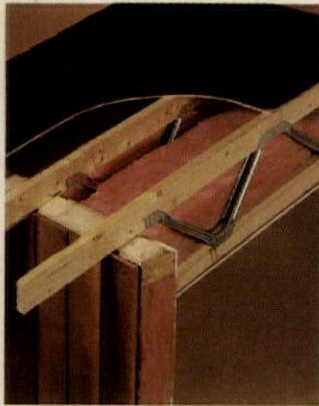
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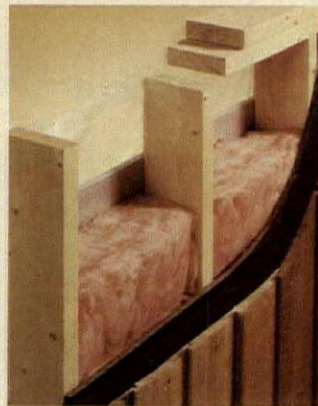
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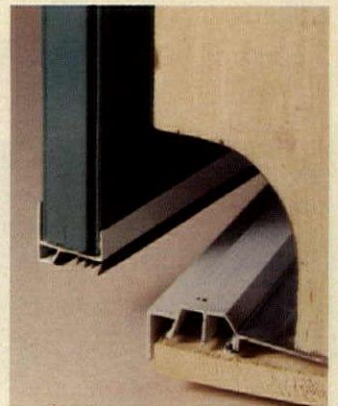
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Steel-webbed roof trusses



Super strength 6" walls



Air tight door entry system

Only Viceroy homes offer all these outstanding innovations

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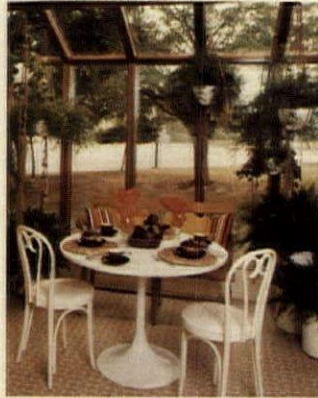
Viceroy has engineered and patented a powerful 15" steel-webbed flat roof truss for sloping ceilings. This truss solves the problem of properly ventilating a cathedral ceiling. It can contain 8" of batt insulation with a 6" air space. This eliminates condensation and moisture buildup. The load bearing capacity is extremely large — over 70 lbs. per square foot. Your Viceroy roof will stay straight and true.

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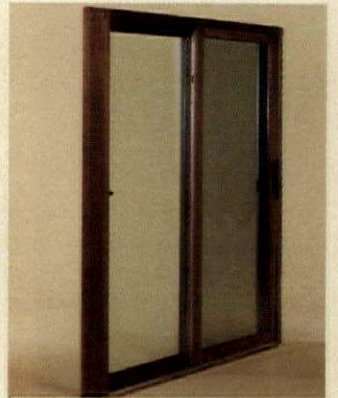
The Viceroy Superhomes are framed with 2" x 6" at 16" o/c on the outside walls, instead of the traditional 2" x 4" studding. These walls can contain 50% more batt insulation than conventional framing. The increase in strength of this heavier construction is tremendous. Engineering studies show the load bearing capacity of these walls is 315% greater than conventional 2" x 4" framing. Your Viceroy home will be built like a fortress!

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Skylights and Greenhouse windows



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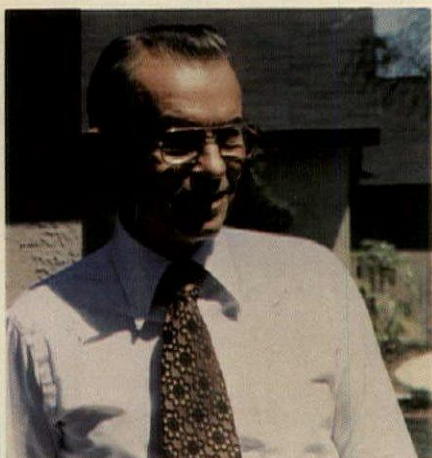
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New life for the land lease



Every builder who's had trouble qualifying buyers at high prices and high interest rates should be aware of some important new developments in residential land leases—developments that will make the leased land option a viable and profitable alternative to more builders than ever before. Land leases, it seems, are making a comeback.

There's nothing new about selling houses on leased land—it's old stuff in Hawaii, for example. Nor are the advantages of leased-land deals new to builders—a land lease, if structured properly, can get a buyer into a home for less down and less a month than can a straight purchase. The obstacle, however, has been that the builder was left holding a large land inventory over the entire term of the lease—a burden most small and even good-sized builders can ill afford to carry.

Today's land leases are changing all that (*see p. 46*). Because of some new wrinkles in the structure of leases, the for-sale house on a leased lot is within reach of that vast majority of builders who could not afford it in the past. Equally important, the new leases will allow buyers to qualify for homes they could never qualify for under a conventional purchase plan.

One significant difference between today's land leases and earlier versions is that most of the current leases let the homeowner buy his land at any time during the term of his lease. The price at which he can do this—the "reversionary price"—escalates over the lease term to reflect the land's appreciation. This purchase option is important to homeowners because it doesn't lock them into a leasehold. When a homeowner's income rises or his financial condition improves, he buys back the lease and converts to fee simple status.

Giving buyers this option to purchase the leasehold paved the way for another important development—the beginning of a secondary market for the sale of land leases to investors. This market, still in the embryonic stage, will work much like the secondary mortgage market. But while mortgages are originated by an S&L, put into a Ginnie Mae or Fannie Mae pool and sold to large investors, the leases will be originated by individual builders who will sell them to, in effect, a lease broker. The broker will, in turn, put the leases into \$5-million and \$10-million pools to be bought by institutional investors—most likely pension funds and insurance companies. The builder benefits by not having to hold onto the land. The investor gets a steady income stream from the leases and cashes in on the equity buildup in the land when the homeowner decides to buy back his lot. This year alone, the California company that pioneered this link between builders and investors expects to do a \$200-million volume in residential land leases.

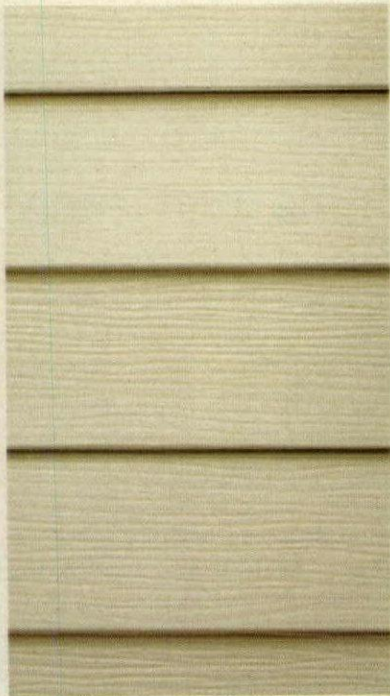
So far, most lease programs have been aimed at the upper end of the market. Which prompts the question: Why not put the idea to work at the lower end? Leased-land deals reduce the buyer's down payment and monthly carrying costs. So they look like a possibility for the families at the heart of today's affordability problem—first-time buyers who can't qualify for home ownership at current prices and interest rates. Land leases can't bring down the high cost of housing—but they could become an important way for both buyers and builders to deal with it.

—JOHN F. GOLDSMITH

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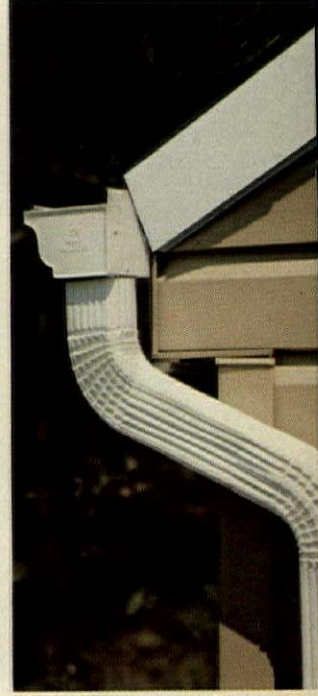
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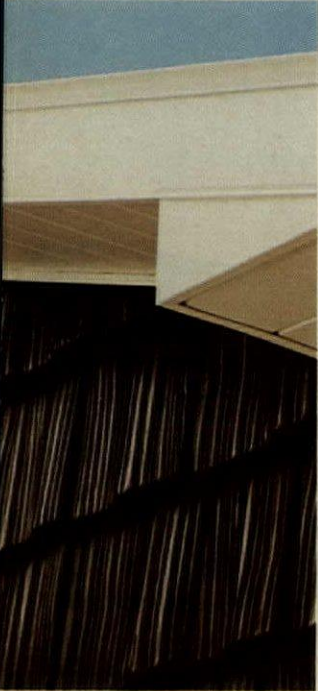


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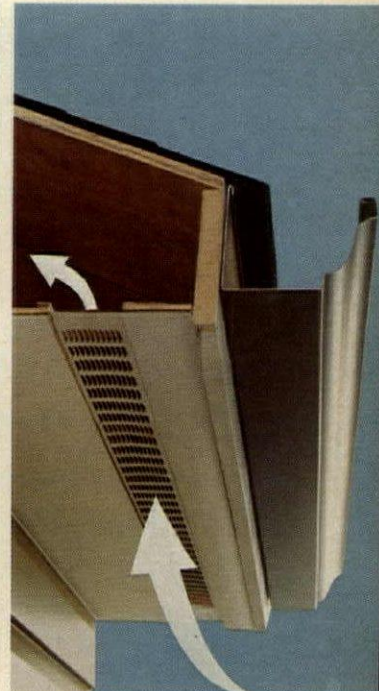
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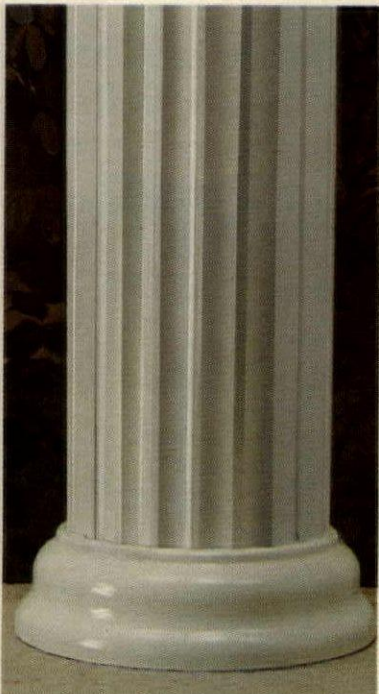
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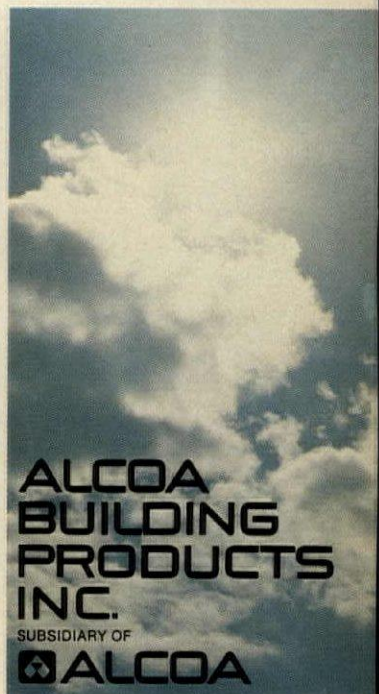
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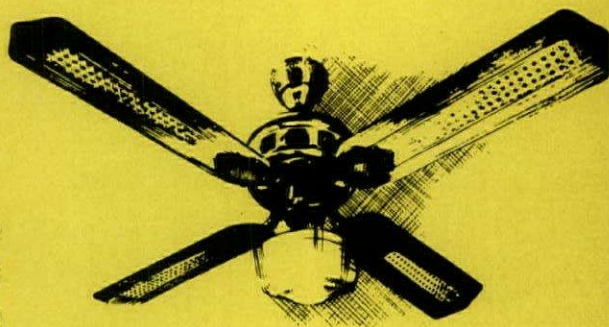
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Hybrid mortgages: new hope for lower rates

With both homebuyers and lenders feeling the pinch from sharply rising interest rates, financiers have turned to a blend of old and new mortgage money to help keep the market alive.

One new approach is the "wrap-around" mortgage—the Federal Home Loan Bank Board's name for its new program. Another newcomer is "mortgage refinancing"—what Fannie Mae calls its system.

Both provide homebuyers with cut-rate loans, in effect, but also enhance the lenders' returns. At the core of both programs are existing loans carrying rates that are mouth-watering by today's standards.

Refinancing. The Fannie Mae approach, already in operation, works like this:

A homeowner whose mortgage is held by Fannie Mae wants to sell his house. The buyer wants to take over the existing loan, which could easily carry a rate of 10% or less.

Under "mortgage refinancing," the prospective buyer can take over the existing loan by getting a new loan, to be held by Fannie Mae, to cover the additional financing. The buyer's rate is determined by a formula based on market rates but is generally under the market rate.

For example, when lenders were offering conventional loans at 16%, Fannie Mae's "refinanced" rates were from 13.5% to 14%. For a \$75,000,

20-year mortgage, the difference to a buyer could be as much as \$140 a month.

Wraparound. The Bank Board's approach works like this:

Assume someone is buying a \$100,000 home which has a mortgage with 20 years to run, a principal balance of \$50,000 and an 8% interest rate. Assume also that the market interest rate is 16%.

Under the Bank Board program, an S&L lends the buyer \$90,000 at 13% or 14%. The S&L receives a monthly payment of \$1,087, keeps \$701 and passes along \$386 to the holder of the original loan. In essence, the S&L makes a loan of \$40,000 (the difference between \$90,000 and \$50,000) at 17% or 18%, and the homebuyer makes payments on a melded mortgage with an effective rate of 13% or 14%. These payments are about \$170 less than those on a \$90,000 loan at 16%.

Compromise loan. Mortgage refinancing is an attempt to finesse a problem Fannie Mae ran into last fall after it said it would stop letting homebuyers assume payments on mortgages in its portfolio. Assumptions had left Fannie Mae holding the bag. It could not cash in the low-yielding mortgages as homeowners moved—and was thus unable to invest in new loans with higher rates.

But the effort to halt assumptions was frustrated by 17 state laws pre-

serving the homebuyer's right to assume a mortgage. So when Fannie Mae launched the mortgage refinancing program in November, it reserved the right to require full payment seven years after closing on all mortgages it buys henceforth from those 17 states. Included in that call provision are Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, Michigan, Minnesota, Mississippi, New Mexico, New York, Ohio, Oklahoma, South Carolina and Washington.

Obstacle. A Fannie Mae spokesman says the new program has aroused considerable interest, but some analysts see problems ahead for both the Fannie Mae and Bank Board programs.

For example, Francis J. Leyhane, vice president and regional counsel for Chicago Title Insurance Co., says the enforceability of due-on-sale clauses banning mortgage assumptions is such a murky issue that a decision by the Supreme Court may be needed to settle the issue.

Leyhane says a recent Illinois test case—Baker vs. Loves Park S&L—permitted enforcement of due-on-sale clauses subject to certain conditions. But, he notes, lenders have generally been reluctant to force a testing of the clauses in court, because of the contradictory nature of other court decisions.

—G. DAVID WALLACE

McGraw-Hill World News, Washington

WASHINGTON

HUD Secretary Pierce: in the GOP tradition

President Reagan's choice for HUD Secretary, Samuel R. Pierce, Jr., is from the same corporate-legal background as previous Republican Secretaries James Lynn and Carla Hills.

The 58-year-old black lawyer from New York is viewed as a liberal on civil rights but a supporter of Reagan's fiscal conservatism. His housing experience is limited.

Already, there's a consensus in the housing industry and among the nation's mayors—the two interest groups most affected by HUD subsidy programs. It sounds like this:

"Let's hope the new administration is going to pick experienced people as undersecretary and assistant secretaries for housing and community development."

One sign that this hope will be realized was Reagan's consideration of Tucson builder Peter D. Herder for

assistant secretary for housing. But Herder's election as NAHB vice president/secretary (see page 27) makes a HUD post unlikely for him.

Lean leaning. Pierce is unlikely to prescribe federal dollars as a cure for housing's current ills. At his first news conference, he gave signals that he's attuned to Reagan's budget-cutting politics—despite his long affiliation

with the more liberal Rockefeller wing of the New York GOP.

He said his goal is to "streamline" HUD so that "the people will get the best they can for the amount of money we can give the programs." The "streamlining" is expected to be orchestrated from the White House and at the Office of Management and Budget. Hard-liners at the OMB have already targeted housing subsidy programs, Urban Development Action Grants, and Community Development Block Grants for cuts.

To further assure HUD conformance with Reagan policies, the Reagan White House is picking Pierce's top aides.

Reactions. The *Philadelphia Tribune*, a black newspaper, used the word "tokenism" in a headline on a story quoting a "prominent New York City

Turn to page 10



HUD's
Pierce:
Budget cuts
promised

WIDE WORLD

attorney" who termed Pierce's selection "window dressing."

(Pierce was the only black cabinet-level nominee by Reagan.)

Another black newspaper, New York's *Amsterdam News*, was kinder. It praised Pierce as "eminently qualified" and said he would be "an effective advocate for rational and humane national urban policies."

Industry reaction was positive. Merrill Butler, NAHB president, expressed support for Pierce. Mortgage Bankers Assn. President Thomas T. Shealy said Pierce's previous work at the Treasury Department would be of "immense value" in helping him to recognize housing needs quickly.

Background. The position Shealy was referring to: Treasury general counsel, a post Pierce held under President Nixon in the '70s. In that job, he supervised 900 attorneys and, among other things, had a hand in working out the \$250-million federal loan-guarantee program that helped keep

Lockheed afloat.

His limited housing experience was as one of three members of New York's Battery Park City Authority, created in 1968 to build a \$1-billion in-town new town on 100 acres of Hudson River landfill next to the World Trade Center. Plans called for 15,000 units. Only last June did the first construction begin—on a 1,642 unit apartment project scheduled for mid-1982 completion.

Pierce's other government experience includes stints as assistant district attorney in New York, assistant U.S. attorney, assistant under-secretary of labor and counsel to the anti-trust subcommittee of the House Judiciary Committee.

In 1959, he was appointed to a judgeship in the New York Court of General Sessions, but lost to a Democrat in a subsequent election. He likes to be called "Judge Pierce."

—DONALD O. LOOMIS

McGraw-Hill World News, Washington

Who is Samuel Riley Pierce, Jr.?

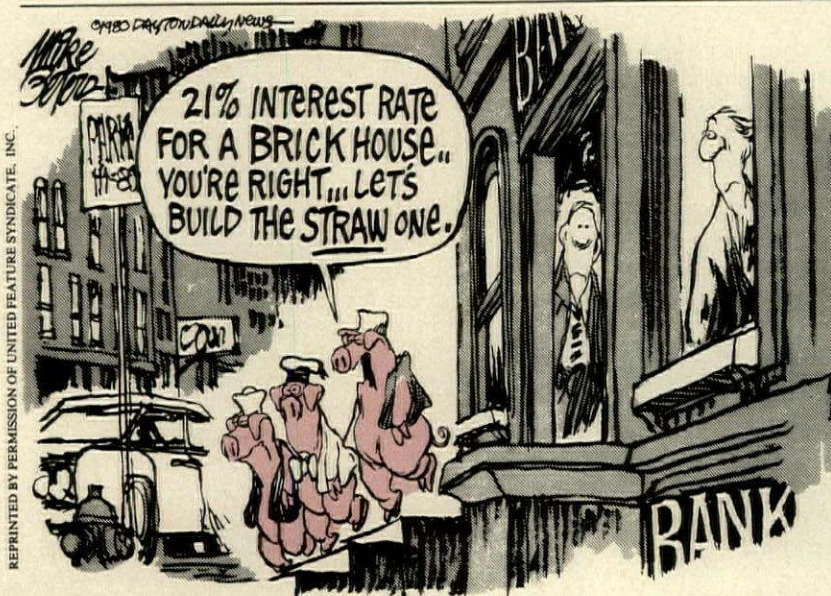
By his accomplishments, the new HUD secretary is a pioneer in American society. His resume reads like a list of breakthroughs for blacks, beginning in the 1940's when he was a star halfback and Phi Beta Kappa student at Cornell University.

Pierce continued to break racial barriers wherever he went. He was the first black partner in the New York labor law firm he has left to head HUD. He was the first black man to serve on the boards of two major corporations—U. S. Industries in 1964 and Prudential Insurance Co. less than a

year later. And in government service, he was the first black to hold a sub-cabinet position at the Treasury Dept.

Pierce's accomplishments have continued. At the time of his confirmation, he was a governor of the American Stock Exchange and a director of General Electric and First National Boston Corp., as well as Prudential.

The new HUD secretary, a native New Yorker and a lifelong Republican, is seen by friends as a hard-driving achiever. Says one: "He's not confused. He knows he's black and competitive with whites." —D.G.



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Public awareness of homebuilders' woes is spreading, as shown by this political cartoon which appeared in the *Dayton Daily News* last month.

BRIEFS

Housing starts fell 1.0% in December to an annual rate of 1.55 million units, the Commerce Dept. reported. Single-family starts were off 6.4% from a month previous. Building permits dropped 9.0% to 1.23 million.

New home sales in November rose 5.9% to a seasonally adjusted annual rate of 577,000 units, Commerce said. This was the first monthly rise, following three months of declines. Sales of existing homes in 1980 hit a five-year low of about 2.86 million, said the National Association of Realtors.

Construction contracts awarded in November rose 13% from a year earlier, to a value of \$13.3 billion, reported McGraw-Hill's F. W. Dodge Division. Residential contract value rose by 24%; non-res rose by 50%; and non-building construction fell 26%.

Mortgage money will come from pension fund investment programs underway in Massachusetts and Texas. Each state has started a pilot program to put \$20 million of public employee pension money into its respective home mortgage markets.

Thrifts are lobbying hard to get larger tax exemptions for savings account interest. The U. S. League of Savings Associations said members have ordered 2 million mail inserts urging depositors to ask their legislators to increase the current exemption—\$200, and \$400 for marrieds.

Energy costs are considered by three out of five lenders when they decide on mortgage applications, reports the Federal Home Loan Mortgage Corporation. (For how energy options work in home sales, see story, page 16).

U.S. Home, the nation's largest builder, has started a new project that makes Pennsylvania the 18th state it's in. The single-family project in Bristol, northeast of Philadelphia, will cover 70 lots and start in the mid \$60s.

The newly elected Congress is learning about high housing costs first hand. A report from *The Washington Post* estimates that almost 80% of the new Republican House members either will be renting or "just not bringing their families at all." As for the Democrats, one Capitol Hill staffer told the *Post*, "The majority are finding out they just can't afford to buy right now." One problem: higher-priced homes for legislators from lower-priced markets. But even those from similar markets have trouble with—guess what?—interest rates.

“I built with Duratex Siding so the owner wouldn't get stuck repainting so often.”

“By the way, I'm the owner.”

—Cary Marmis, Owner
Empire West Companies
Tucson, Arizona

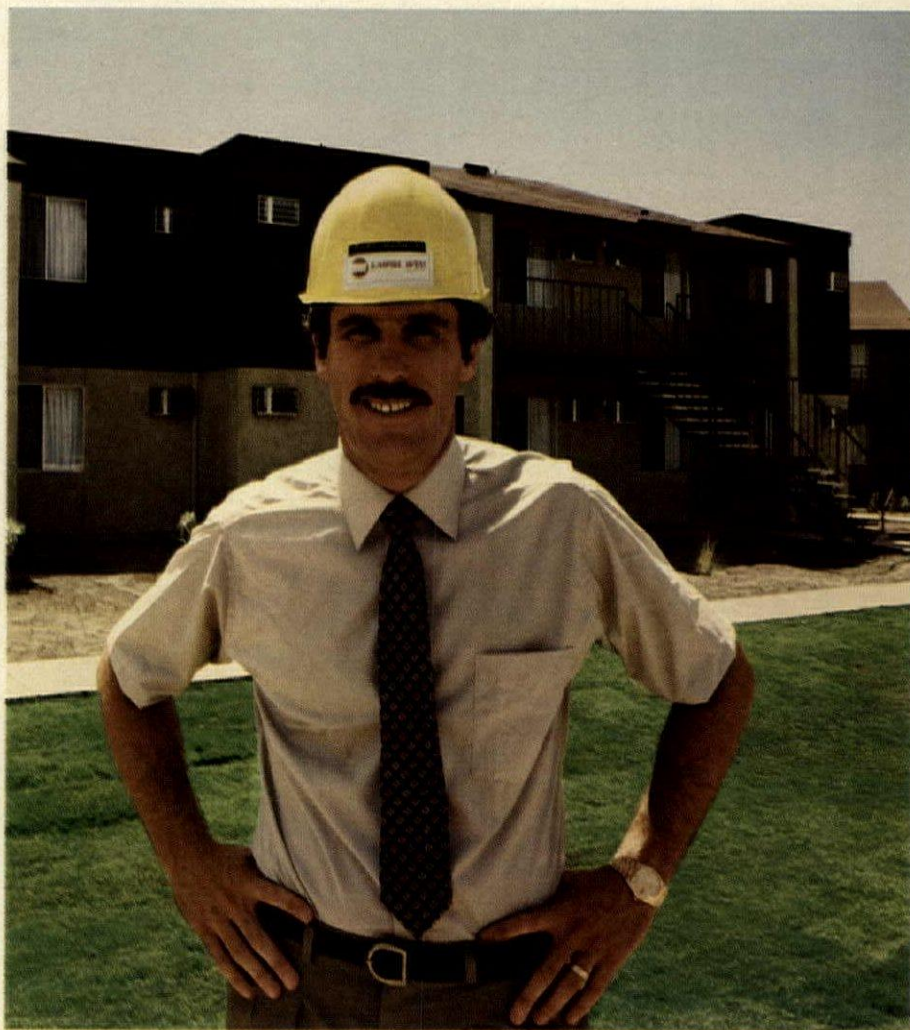
From Arizona to Alaska, more and more builders are discovering the tremendous advantages of Duratex® siding from Champion®.

You see, Duratex combines the proven strength of plywood with a special textured, medium-density overlay surface that minimizes face checking, grain raise and unsightly face patch show-through. The result is siding that withstands weather better, paints easier than a non overlaid plywood siding, with longer lasting results.

In fact, in various demanding climates, tests have shown medium-density overlaid sidings need repainting less frequently than non overlaid plywood sidings. And even when you do re-paint, normally it will require only one coat.

Yes, Duratex's initial cost is higher than conventional plywood sidings. But over the life of a mortgage, it can actually cost substantially less.

So if your next job calls for a siding that can take it, ask for Duratex from your local



building materials retailer or contact your nearest Champion sales office.

After all, your customers deserve a break from painting. Especially if one of them is you.



Champion

Champion International Corporation
Building Products Division

© Champion International Corporation, 1980.

Urban-policy report not a crowd pleaser

During his last days in office, Jimmy Carter voiced "strong disagreement" with some urban-policy recommendations by his own presidential commission. The recommendations, which drew wide criticism, will bolster the Reagan administration's plans to slash the billions in grants—including housing subsidies—that go to cities.

A leaked draft report of The Commission for a National Agenda for the '80s suggests that Carter's urban-policy may actually "undermine" efforts to revive the nation's economy. It asserts that trends leading the Sunbelt to prosperity are not changeable. And it recommends that federal grants be used to help the unemployed move to the South and West rather than to create jobs in the North and East.

Neutral stance. The report's theme is that federal policy should favor no regions over others. Despite the publicized woes of northern and midwestern cities, the report says the North has continued to dominate "on all measures of economic performance and has lost ground to the South and West in relative terms only."

It also says (and this should be music to the ears of budget-cutters):

• "A unified and coherent national urban policy, designed to solve the

problems of the nation's communities and those who live in them, is not possible."

• "Federal urban (and rural) development assistance program efforts should be scrutinized for eventual reduction or elimination...including economic development, community development, and public utilities investment, housing, transportation, and development planning."

• Future urban policy efforts "should not...be used to discourage the deconcentration and dispersal of industry and households from central urban locations."

Many enemies. The report stirred up a storm. A spokesman for the U.S. Conference of Mayors said it "helps those politicians who want to let the easy way be the noble way." Carter's statement blasted the recommendations and in a letter to the commission's executive director, two HUD officials attacked the report as loaded with "inaccuracies," "misleading statements," "distortions" and not supported by "conclusive data."

Said Assistant Secretary Robert Embry Jr. and urban-policy expert Marshall Kaplan in a letter: "Although the text suggests that the federal government bow out of a leader-

ship role, (the report) opts for a new super agency to house and coordinate unidentified 'scattered' development assistance efforts."

Bipartisan wrath. Republicans, including prominent Reaganites, joined the attack. Congressman Jack Kemp (R-N.Y.) the tax-cut champion, called the report "outrageous." Reagan "will not write off the Northeast and depressed cities," said Kemp, whose heavy industrialized district adjacent to Buffalo needs all the help it can get. Some people "may accept the report out of ignorance," Kemp added. "I assure you the president-elect will not."

Caution on high. Reagan himself has been cautious about expressing his plans for the cities. His most explicit statement, a post-election message to the National League of Cities, endorsed only a test of a plan for "enterprise zones" in depressed urban areas. [HOUSING, Oct. '80]. The plan is based on radical tax incentives for new development and less government regulation of new investment.

Moreover, Reagan has repeatedly said his "first responsibility" is to reverse our nation's economic decline." And this, he holds, requires big cuts in taxes and spending. —D.O.L.

Carter's last try for fair housing

The lame duck Carter administration left office with a flurry of activity intended to improve the chances of the poor and minorities to obtain housing wherever they choose.

Early in January Carter ordered HUD to devise guidelines spelling out how other federal agencies must make sure recipients of federal grants, loans or contracts are doing all they can "to promote fair housing." Each agency is then supposed to come up with its own regulations. The ultimate penalty for non-complying recipients: a cutoff of their federal aid.

Quartet. The Justice Dept. has already been active. In December, it rushed four civil rights cases into court. The most sweeping accuses the Hartford, Conn., suburb of Glastonbury, of thwarting the 1968 act by holding its minority population to less than 1%. More than 35% of Hartford's population is black or hispanic. Justice claims that Glastonbury has consistently rejected multifamily projects that would house low- and moderate-income families—while approving de-



Carter with housing leaders: a final effort to fight discrimination.

velopments aimed at a more affluent market that "would be exclusively or predominantly white." The government won an earlier similar case against Parma, Ohio, Cleveland's largest suburb, and in December the court ordered the city to build new housing for low-income persons [HOUSING, Aug. '80].

In the other three December cases, Justice charges that:

• Great Western Bank & Trust Co. of Phoenix—with 34 Arizona branches—unlawfully discriminated against Indians by not making mortgages for reservation properties.


• Yonkers, N.Y.—the state's fourth largest city—perpetuates school segregation by locating nearly all subsidized

housing where the schools already have mostly minority enrollments.

• Troup, Tex., discriminates against its roughly 600 black residents by refusing to supply their part of town with as good public services as it provides for white neighborhoods.

Question. Carter's executive order to HUD went as far as the White House could under the 1968 Fair Housing Act. But he insisted in January that new legislation—like that rejected recently by Congress—will be needed "to close the gap between the present reality and the national fair housing objectives." Whether the Reagan administration and a Republican-dominated Congress see it that way remains to be seen. —D.B.M.

TIMBERLINE[®] LOOKS SO MUCH LIKE WOOD, OUR COMPETITION'S TRYING TO LOOK LIKE TIMBERLINE.



In 1968, we captured the beauty of wood in an asphalt shingle. We did it so well that since then just about every one of our competitors have come out with something like Timberline.[®]

You can't blame them for trying.

Timberline's unusual thickness and deep irregular shadow pattern makes our shingles look great. And they wear even better than they look.

Timberline shingles are composed of the highest quality, specially refined asphalt. They also have a ceramic baked, granular surface that resists fire and reflects the harmful ultra violet rays that eat away even the best of roofs.

But the fact of the matter is, for all their originality Timberline shingles don't really cost any more than most of our competitor's imitations.

So use Timberline shingles, the number one selling shingles of their kind.

After all, they're number one because they're easier to sell than their imitations.



TIMBERLINE[®]
ASPHALT ROOFING

On top of the industry.

Circle 13 on reader service card

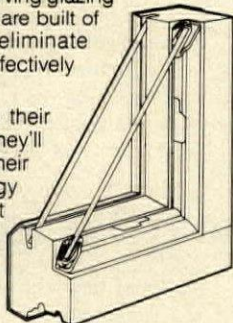


"Do I appreciate how Pella's double glass insulation cuts energy costs?"

I'll tell the world!"

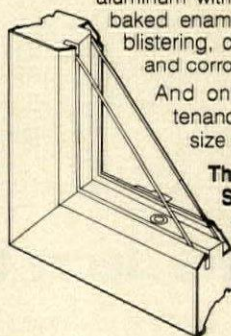
Your best advertising is the satisfied customer who'll "tell the world" that you built a home he or she is proud of. A home, for example, that you built with consideration for how they will cope with increasing operating costs. Considerations such as using Pella windows and doors that exceed air infiltration standards up to 16 times better than industry requirements. And offer six energy conserving glazing and shading options. And are built of solid wood to virtually eliminate thermal conduction and effectively control condensation.

Every time they calculate their heating and cooling costs they'll thank you. And they'll tell their friends. Of course, energy efficiency in itself isn't the whole Pella story. There's more.



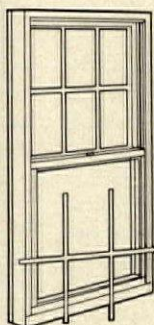
rotated 360°. Every corner can be easily reached for cleaning, and the weight of the sash is counter-balanced for safe handling.

They're sold on fuss-free maintenance. Pella's low-maintenance exterior features sturdy aluminum with a tough, high-temperature baked enamel finish. It resists peeling, blistering, chipping, cracking, chalking and corrosion.



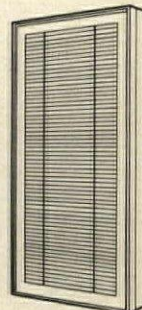
And only Pella offers this maintenance-free exterior on custom size and shape windows.

They're sold on the exclusive Slimshade®. Here's an extra-special feature they're anxious to show their friends. It's an adjustable



They're sold on inside appearance that's compatible with fine furniture. Like the removable window-pane dividers that are made of real wood, not plastic. And the trim look of screens held in place by inconspicuous cam-action clips. And low-key, bronze-finished screen and double glazing panel frames and hardware. Not to mention the warmth and beauty of natural wood frame and sash.

narrow slat blind that sits in the dust-free space between the panels of Pella's exclusive Double Glass Insulating system. Slats are opened or closed to any position for sun control with just a turn of a small dial in the corner of the panel.



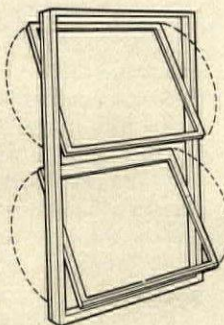
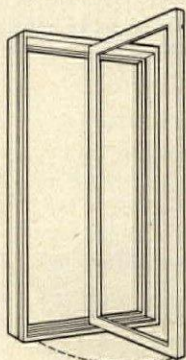
They'll be sold on your homes.

Your business is built on satisfied customers — people who are proud to show off the home you built for them. And, while we agree that having all the high-quality Pella features is only one of the reasons that your homes are great, it's a significant part of making satisfied customers the best sales force you can have.

They're sold on Pella's easy washing. On Casement and Awning windows, Pella's unique patented hinging system allows the sash to open towards the center of the frame. There's more than ample room to wash both sides of the window without leaving the house or teetering precariously on a ladder.

And our Double Hung windows have a special spring-loaded vinyl jamb that allows each sash to be

We have a full line, full-color Sweet's Light Residential catalog for you. Call your local Pella Distributor for your free copy or drop in at one of his Planning Centers. You can find his name in the Yellow Pages under "Windows". Or we'll send you the catalog if you'll just fill out this coupon.



Please send me your 1981 Residential/Light Construction Catalog

Name _____

Firm _____

Address _____

City _____

State _____ Zip _____

Telephone _____

Mail to: Pella Windows & Doors, Dept. T 40B1, 100 Main St., Pella, Iowa 50219

Also available throughout Canada. Coupon answered within 24 hours. © 1981 Rolscreen Co.



Every Pella home you build gives you a salesman for life.

HOW hikes its prices and sets regional rates

Home Owners Warranty (HOW) premiums are going up by as much as 95% beginning February 1. At the same time, a switch from a uniform rate for all builders to five different regional rates—based on actual losses in the region—will help shift the financial burden into those areas with high losses. This rise marks the first increase since the program was started six years ago.

Regional increases. The increases range from 30% to a high of 95%. Builders in Atlanta, Ft. Worth, Philadelphia, and all over Colorado will see the highest increase of 95%; their premiums will rise from the nationwide \$2.00 per \$1,000 of sales price to \$3.90 per \$1,000. This takes the rate on a

\$65,000 house (the average price of a HOW-insured home) to \$253.50. Eleven HOW councils, including Dallas, Seattle and northern California, will pay the new lowest rate of \$2.60 per \$1,000—a 30% increase.

Most of the 16,000 subscriber-members in 96 areas will see an increase of 62.5% when their premiums go up to \$3.25. Two other areas (Baltimore and south Florida) will be charged \$3.60.

Justification. In January, 1980, the HOW board of directors imposed a one-shot assessment in areas where builders were generating "excessive claims." The new premium schedule, HOW officials said, will "shift the burden of high losses...into the region where those losses occur, rather than penalizing builders in regions with low loss ratios."

Another change: HOW will act as co-warrantor with the builder for the first two years of coverage. Thus it expects to offer faster settlement on claims because no insurance company

will be involved.

Affordability. To help keep premiums "down to an affordable level," HOW also instituted a new one-time consumer deductible of \$250 for any repair during the first two years, which the HOW program pays for if the builder fails to do it.

In addition, there's a new deductible of 1% of the sales price of the house for any major structural defect which turns up during years three through ten. According to HOW, "this is designed to eliminate the 'nuisance' claims made on items which do not actually constitute major defects but still require costly investigation."

There will also be a surcharge for "builders with excessive claims," but HOW sources say that "fewer than 25" of the 16,000 builders in the program will be subject to this surcharge. The surcharge should have the effect of forcing some builders out of the program.

—DONALD O. LOOMIS,

McGraw-Hill World News, Washington

Builders decry the HOW rate increases

The builder response to the HOW rate increases can be summed up in one word: anger.

"We've paid more than \$50,000 into the program and never had a claim," says Bob Satter, a HOW builder in West Palm Beach, Fla. "Now they want to raise our total cost 35%. I blame the HOW management."

Several areas are considering starting their own programs. In Richmond, Va., where the loss ratio is significantly under the national average, Thomas G. Cauble says: "Richmond builders will go along with the HOW proposal if there's nothing else available, although we may lose a fifth of our members. But if we can come up with an alternative program, we would leave the national one."

In Chicago, there's no talk of seces-

sion, but builders are grumbling about the increases, says Martin L. Bartling, executive officer of the HBA of Greater Chicago.

"All the builders accept that the original rate structure was based on a program conceived with no experience," he says, "but everybody resists a price hike."

The Hoffman Group, a large Chicago-area builder, will be eligible for two alternatives under the new program because large-volume builders have a "quantity-discount" option. It "will definitely stay in the program," says Vice President Bert Boje.

Criticisms. "The increases are due to lack of knowledge and experience with the actuarial work that should have been done before the program was started," says builder Doyle

Stuckey in Houston.

And he echoed the complaint of many builders when he said: "There was no quality control. Nearly any builder who paid his dues could get into the program. If he went out of business, those who stayed in business ended up paying his claims."

Stuckey supports the concept of a HOW program, but admonishes: "It's a big-business sort of thing, and it needs big-business thinking."

Pluses. Builders did admit to a couple of bright spots in the program revision. Arbitration and conciliation will be less time-consuming and more knowledgeably handled under new procedures. And the program seems to be headed toward a more selective policy on membership, so future losses may be reduced.

—D.G.

Don't count only on energy to sell the house

Energy-saving features in houses don't sell as well as an attractive financing package or a good sales price. That's what builders around the country have found when they analyze their marketing tactics.

As Central Florida builder Richard Levine of H. Miller & Sons says, "Whether or not the home is the most energy-efficient just isn't the buying button."

Of course, the energy features in a house do play a part in a buyer's decision. But not a very big part—at

the present time.

Says Gautam Dutt, a Princeton University energy researcher, "Builders are building what people want to buy, and people are not rushing to buy energy-efficient houses." Dutt says this is because "energy costs are not high enough yet to create the demand."

Unaware public. John P. Stabile II, a Nashua, N.H. builder, won't promote energy options because the public won't buy them. "They'll take energy-saving equipment as part of the

house," he says, "but if I'm not offering a particular item and my competition is—at a higher price for the whole house—then the buyer will buy from me."

Stabile, who has done buyer surveys on energy options, says "A small, vocal portion of the public is energy-conscious but most people aren't."

His marketing strategy? "We're doing the same thing as Chrysler," says Stabile. Price and affordability seem to be what works." Typical financing offered: 13¾% mortgages

(bought down from 15% by the builder on a three-year rollover).

In West Palm Beach, Fla., builder Bob Satter has put a strong emphasis on energy-efficiency in the construction of his homes, with standard R-30 insulation in the ceiling, R-19 in the sidewalls, high-efficiency air conditioners, and carefully studied passive solar siting.

But he doesn't emphasize energy savings in his advertising—and he considers offering options a waste of time.

"In the last two years, we've installed one set of double-glazed windows at customer's request," says Satter.

To him, one sure sign the buying public isn't too concerned with energy efficiency is that "they don't ask the hard questions: Does it cost \$60 a month to operate, for example, or \$120 a month?"

Informed salespeople. A few builders have had success with an energy-merchandising approach. One crucial factor: clear explanations of what energy-savings equipment is, and what it can do.

One medium-volume builder complains, "The problem lies with the sales staff. The average salesperson doesn't know enough about energy to sell an extra \$1,000 in energy options."

Success story. Builder Thomas Cauble, president of Tomac Corp. in Midlothian, Va., has delved deeply into ways of promoting energy-saving homes—and it has paid off for him.

"In the last three months of 1980, when we expected poor sales because of the market, our energy program was a major reason for sales. And we did much better than most builders."

Cauble uses as part of his merchandising campaign the E-7 promotion program. Originally developed by the Suburban Maryland Home Builders Assn. near Washington, D.C., the E-7 program ("E is for energy, 7 is for seven-year payback") concentrates on educating the buyer about how energy is saved.

Tomac's standard energy package includes a heat pump with a cutoff switch, polyurethane foam sealing of cracks in exterior walls, an attic fan, storm windows, and heating and cooling ductwork that runs through the living areas rather than through the unheated attic or crawl spaces.

But even with his unabashed enthusiasm for energy features, he only offers one energy-saving option—a glass door for the fireplace.

Slick explanation. Hovnanian Georgia, a subsidiary of New Jersey-

based Hovnanian Enterprises, Inc., had strong sales thanks to an energy promotion of Covered Bridge, a Marietta, Ga. condo project.

Says John Strama, executive vice president, "We promoted it by giving examples of the actual construction of a wall. We got our salespeople very excited about it."

Part of the program was a slick eight-page, four-color brochure. Two pages were devoted to an explanation

of the condo's energy features, and showed with illustrations how they worked.

For Hovnanian, energy features played a "very substantial" part in its promotion of Covered Bridge. Because a lot of other competitive projects were converted older buildings, the builder chose energy promotion "to single out the product in the marketplace and to differentiate us from the old construction."
—DAVID GARFINKEL

Beware the FTC when you advertise energy savings

You've done your homework on insulation, windows, heating systems—even the siting and landscaping of your houses—and you're convinced you're offering an energy-efficient package. Your local utility concurs, and gives you an estimate of the annual cost of heating and air conditioning. You've got a great sales tool to use in your advertising. Right?

Wrong.

The FTC will be looking over your shoulder, and if you make specific promises that buyers will save a certain percentage or a certain number of dollars on fuel bills, the consumer watchdog agency will almost surely suggest that the copy be changed at once. A number of builders—including one major one in the Southwest—have already dropped promotional claims of energy savings because of pressure from the FTC.

Technical claims. "We have an ongoing program that monitors energy-saving claims for homes," explains Linda Dorian, assistant director of the Commission's Bureau of Consumer Protection and head of the energy programs there. FTC field offices around the country have an eye out for builder ads that make such claims, and when they have doubts about their legitimacy, they write the builders and ask them for verification.

The standard Dorian's office uses in evaluating the ads are the same that the Commission uses for any kind of technical claim: Does the advertiser have in hand, before running the ad, tests or other firm data to back up the claim?

That does not mean that the Commission is cracking down only on false ads: It is moving against all claims that the advertiser cannot prove—to the FTC's satisfaction—are true.

Specific estimates. The problem does not arise where the builder simply lists the features his homes have that

should cut down on heating and cooling bills, for it is fairly easy to satisfy the FTC that these features have in fact been furnished. It arises when the builder makes some specific estimate of savings. The FTC has yet to find a builder with back-up data that meets its standards.

"The area that's most troublesome is where it's just a guesstimate," Dorian says. Often, in those cases, the builders admit they have no technical back-up for the claims and drop them on their own.

But even builders who think they do have the technical support needed are finding the FTC doesn't agree. This is particularly true where they rely on studies made by local utilities to peg the savings from certain construction decisions, for these studies often rely on computer simulations.

"Some of the computer simulations make a lot of assumptions that are just that: assumptions," insists Anne Maher, an FTC attorney who works on the homebuilder energy claims program. "If the utility does not have scientific reasons for the assumptions made, none of the rest of the computer program will be persuasive to the FTC."

Disclaimers. Even builders who can back up their promises to the FTC's satisfaction should include a disclaimer in their ads, Dorian advises. Since energy savings depend on so many variables—from the kind of weather to the size of family—it is wise to spell out that what is true for an average buyer may not be true for any specific buyer.

Dorian has a final reminder for builders: Regardless of whether or not a builder makes energy-saving claims in promoting new houses, the FTC has required since September 29, disclosure in the contract of sale of the R-value of the insulation in each new dwelling.

—DANIEL B. MOSKOWITZ
McGraw-Hill World News, Washington

Costain lures Zenobia from his own firm

Last August, 58-year-old Mark Zenobia took a salaried job for the first time in 33 years.

Zenobia had previously built a thriving homebuilding and commercial/industrial business in South Florida. Shortly after World War II he became his own boss, and since then has built some 1,500 residential units as well as a few larger structures.

But he left his own enterprise to join Canadian builder Costain, Ltd. (HOUSING, Jan.) as chief of its Florida subsidiary. Why?

"It sounded like a challenge to go with a worldwide company," says Zenobia.

Air-conditioned comfort. One of the challenges was adapting to a major shift in how he spends his time. Administrative duties, in the office, now take about 85% of his time—the same percentage he once spent in the field.

"I'm still finding, buying and devel-

oping sites," Zenobia notes, "but it's on a larger scale. I'm enjoying it."

Moving on. Don Carr, 36, has left his post at the NAHB as director of technical services to join the New York engineering consulting firm of Steve Winter and Associates.

The switch lets him specialize in what he likes best: "Winter works with my primary interests, energy efficiency and construction techniques," Carr says. "Also, as an engineer, I need to focus on tasks for specific builders, projects that have a beginning, middle and end...rather than on issues that affect the whole industry and seem endless."

Moving up. Ron Thon credits his promotion to the presidency of American Home Mortgage to his success in attracting pension funds as mortgage investors. Last year the Newport Beach, Calif. lender borrowed \$15 million from corporate and individual pension plans—and lent it out to homebuyers as high-yielding deeds of trust.

Builders/Developers: Robert P. Redinger is appointed vice president of sales, eastern operations of Leisure Technology Corp. (LTC), Lakewood, New Jersey. He had been sales manag-



Costain Florida's Zenobia
One duty is deskwork

Product shown: Hallmark Shangle®

HOME BUYERS WANT MORE CERTAINTEED PREMIUM

Quality-conscious Americans are ready for added value.

Home buyers demand more today. More quality, character and beauty. And that's what CertainTeed top-of-the-line roofing gives them.

Top-of-the-line gives you a broad selection of styles, textures and colors to complement any architectural design. And when

you add more quality and character to homes, you're likely to sell more of them. Faster.

We'll even help you make the sale. By giving you all the vital sales tools and important information you need. Just ask us.



Give them the most options: Styles, colors.

Show the Hallmark Shangle® and the Independence Shangle®—with the deep-sculptured look of a shake, the durability of a shingle. Or Glasstex®—the only fiber glass-based shingle with a wood-grain texture. Mention its Class "A" fire-resistance rating—another strong sales feature.

er at an LTC project in New Jersey...The Warmington-Carma Group, Irvine (Calif.), names Jack R. Mauer controller. He was vice president of finance for Foxx Development Corp., Huntington Beach (Calif.)...Levitt Homes appoints three senior vice presidents: Elliott M. Weiner, Harvey P. Rafofsky, and Nat Greenberg, all promoted from within...Hoffman Homes (Hoffman Estates, Ill.) names Buzz Hoffman president. A grandson of the company founder, Hoffman was previously vice president of Hoffman Rosner Corp. in Pennsylvania...Miami-based Planned Development Corp. selects Frank P. Stass as vice president



Winter Associates' Carr: Concentrating on energy

of construction and construction management. He was regional vice president of Pavarini Construction Co. (Fla.)...Stanley C. Swartz and A. P. (Skip) Lench have established

Swartz/Lench Companies, a residential development partnership based in San Diego...U.S. Home promotes Phillip D. Switzer to vice president, operations, the corporation's national headquarters in Houston. Switzer was previously president of the firm's Louisiana division...The National Corporation for Housing Partnerships (Washington, D.C.) makes John C. Carroll vice president, development. In addition, Carroll is promoted to executive vice president of the Housing Partnership's joint-venture subsidiary, the Housing Capital Corp. Carroll previously developed West Coast joint ventures for the HCC.

-TOM READ

Erdman promoted to group VP at Ramos/Jensen

Patricia Erdman, new group vice president at Ramos/Jensen Co. (San Marcos, Calif.), started her career with a suggestion to aim high.

On her first day at work eleven years ago, her boss Arnold Jensen admonished her not to think of herself as a secretary—which she was—but “as a builder.”

Now, at age 30, Erdman has good

reason to think of herself that way.

From purchasing manager, she moved to project manager after taking Ron Ramos's “through the knot-hole” course [HOUSING, June '80].

And now, she is in charge of all projects and project managers. And now, she can tell her own secretary what she was once told—and say it with some authority.

-T.R.



Ramos/Jensen's Erdman: To the executive ranks

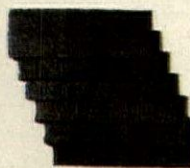
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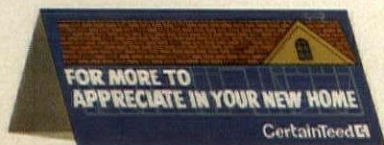
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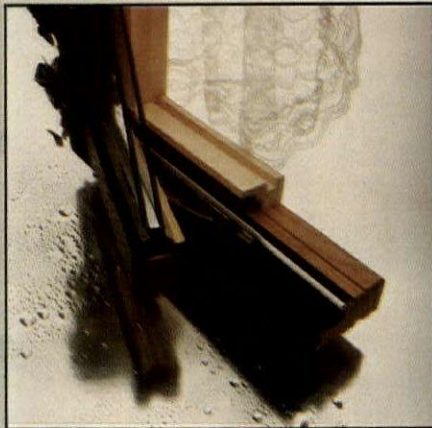
There is a new kind of home-buyer in America right now. He is educating himself on energy savings, efficient design and quality. He has to. For himself and for America. We can't afford waste anymore; it's too expensive, and he knows it. Recognize this new attitude and your homes will sell sooner. At the bottom line, you can't afford to offer less than your customers look for . . . and need.

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you a giant step ahead of short-sighted competitors . . . who are content to offer less.

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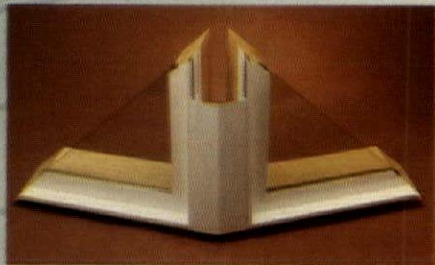
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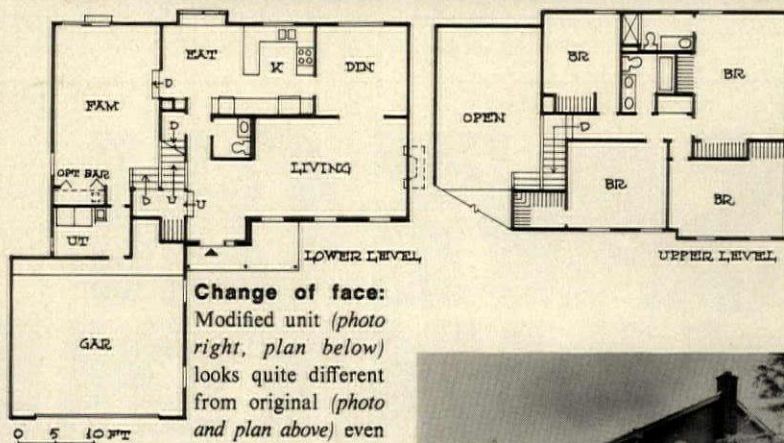
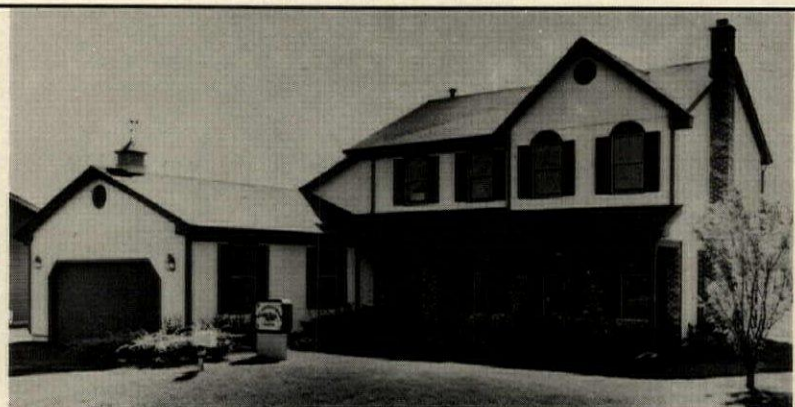
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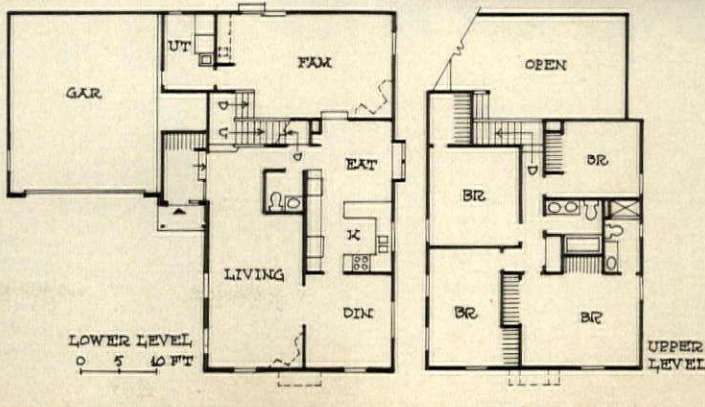
Two faces to the street: Which sells better?

Any subdivision builder knows you can mitigate the look-alike problem by offering buyers a choice of exterior styles and materials with the same plan. That, in fact, is what Bill Maybrook of Lexington Development Corp. did with this two-story model in Schaumburg, Ill. But he also went a step further—turning the original plan (top) 90 degrees clockwise so that one

end, instead of the front, faces the street (bottom). To accommodate the switch, architect Charles Harker enlarged the foyer, added and relocated living room and bedroom windows, and repositioned the garage. The 2,208-sq.-ft. original model sells for \$120,000, the 2,304-sq.-ft. alternate for \$124,000. Buyers' choice? The original, by 28 sales to seven. —S.L.



Change of face: Modified unit (photo right, plan below) looks quite different from original (photo and plan above) even though layouts are nearly identical. Major plan changes: garage aligns with rear of house and entry is redesigned so it still faces the street.



Builders get an assist from computers

More and more builders are turning to computers for help in controlling costs and managing effectively. And the industry is responding with programs and services that put computer expertise within reach of even the smallest builder.

Here are some programs or services that have recently become available.

The "Framing Calculator" is a new program that computes the amount of lumber, nails, drywall and other materials, plus the number of man-hours needed to complete walls, floors, roofs, partitions and exteriors of any house. Its use requires little computer expertise. And it can be run on micro- or mini-computers costing as little as \$3,000.

The information can be combined with a builder's own cost data to get quicker and more accurate estimates than are normally possible without the aid of a computer.

The only tools a builder needs to employ the program are basic comput-

er hardware and a software disc [HOUSING, Nov. '79]. Architectural specs are typed into a computer terminal. The program, consisting of several simple mathematical formulas, then uses this information to make computations on the materials required.

The user can change built-in formulas to accommodate his circumstances. For example, the program's standard formula for calculating the amount of labor needed to install wall studs, plates and blocking is 22 man-hours/1,000 ft. If a builder finds this ratio doesn't accurately reflect his own crews' work rate, he can plug in new numbers.

The "Framing Calculator" may be used alone or in conjunction with most cost-estimating programs, including the manufacturer's own \$150 version. For more information, write Mendocino Software, P.O. Box 1564, Willits, Calif. 95490.

An estimating program makes it possible for custom homebuilders and remodelers to use their computer as a marketing tool. And it helps production builders get the best price from their suppliers.

Builder Scott Sloan of Contractors Management Systems developed the program for his own custom home

market. However, he says, the system's database is extensive and flexible enough to be used by just about any builder anywhere.

By answering a standard set of 403 questions, which can be changed to fit the builder's needs, with dimensional data from the blueprints, the estimator can submit a bid to a customer in a matter of hours. The system is accurate to within two percent.

The estimating system provides:

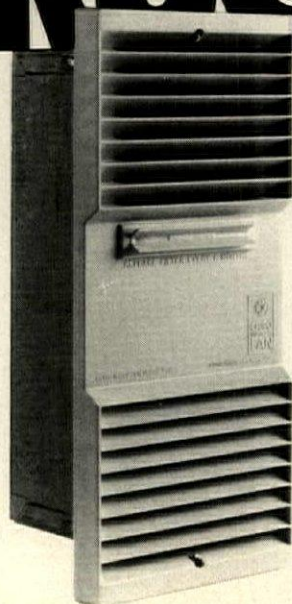
- A complete estimate in three or four hours with waste and inflation percentages factored in. Or the customer can take part of the list home, answer the questions and, providing the builder has answered his part of the list, have a price quote in 15 minutes once he gets back to the estimator's office.

- A materials take-off list that includes everything "down to the tubes of glue." The system automatically converts materials to ordering units.

- The ability to ask "what if" questions. Many custom-home buyers don't realize what the cost of a new home can be. The first bid they get may be way out of line.

"The system allows them to make changes in the original plans," Sloan says. "You can say let's change the

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brick veneer to lap siding or the cedar shakes to composite shingles, and keep changing until the price comes into range."

For production builders, the Model Home Cost Extensions Application lets the builder compare prices among his suppliers. This part of the system works on the idea of a purchase order. It contains three separate files:

- A Model Master File that identifies each model the builder wishes to price.

- A Quantity File that lists the amount of material needed to build a particular model. This file is set up like a purchase order for each model.

- A cost file that contains a price book for each vendor.

An optional feature of the system prints the purchase order.

The program costs \$2,900 and is available through Contractors Management Systems and IBM. Sloan says IBM purchased licensing rights after reviewing a number of different estimating systems. The program is written in BASIC and can be used on IBM 5110 and 5120, Wang 2200 series, Radio Shack TRS 80, Hewlett-Packard and Texas Instruments systems.

For more information contact: Scott Sloan, Contractors Management Sys-

tems, 1762 Wainwright Drive, Reston, Va. 22090, (703) 435-3172.

Solcost by Solec (Solar Energy Corp.) is a computer service that takes the guesswork out of designing solar hot water systems. It is a simplified version of a program developed by Martin Marietta Corp. for the Department of Energy.

The design method can help builders select the best double-tank system for their needs. It provides specifications for collector size, collector tilt angles and storage tank size. Customers also receive a detailed cash flow summary that includes payback period and rate of return for the optimum collector configuration. Or a designer can plug in his own collector size and tilt angle and see how the system will perform for a 20-year period.

Customers receive a 44-question computer input form, but they have to answer only 15 to come up with an efficient cost-effective design. The system has pre-programmed values for the other questions.

"The builder really doesn't have to know anything other than the answer to those 15 questions," says Robert Aresty, president of the Solar Energy Corp. "We've covered a lot more ground than the builder has to know.

He will get a good simulation if he answers those questions."

Solec's computer compares life-cycle costs of a solar design supplemented by a standard, back-up hot water system to a conventional system that would normally be used. The results take into account income tax credits and weather data for the builder's area.

The input form comes with a users manual to help answer the questions. Certain questions cannot be answered without knowing who will be living in the house. But each input form can be run through the computer up to five times. By altering certain factors, the builder can get an idea of how the system will work with six rather than four people in the house. Or he can compare different types of collectors and manufacturers.

The input form and users manual costs \$6. The first run on the computer is \$25 with each succeeding run decreasing \$5. For \$2 extra per run, builders can have a copy of the results sent to their customers.

Solec plans to introduce a passive design method in May. For more information on the hot water method contact: Solar Energy Corp., Box 3065, Princeton, N.J. 08540. □

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Two routes to model-home savings: lease and leaseback

In the former, builders lease rather than buy model-home furnishings. In the latter, they sell a project's model homes to investors, then lease the models back for the sales program.

The furniture-lease option is being offered to west-coast builders by Far West Interiors, of Santa Ana, Calif. Leases, which may run for as little as six months, differ from typical model-home furniture-rental deals in that they include the services of a professional interior designer.

According to Morene Crowther, president of the interior design firm, there are other advantages to a leasing program of this kind. Since furnishings

are coming from the designer's warehouse, the builder is assured of on-time delivery and set-up when his models are being decorated. Also, the builder doesn't have to worry about storing or selling the furnishings when he's ready to sell his models.

Cash-flow boost. On the other side of the continent, a Florida real estate firm—American Model Investors—buys model homes from local builders, who then rent them back for as long as it takes to sell their projects. The scheme's obvious advantage: The cost of carrying model-home construction loans is eliminated.

Leasebacks run for a minimum of

one year, with options to renew. According to Marketing Director Sydney M. Sherman, the annual rent on each lease is generally less than yearly principal and interest payments on construction loans. In other words, leaseback arrangements can reduce gross yearly expenses, besides increasing cash-on-hand.

Shortly after purchase, A.M.I. resells the model homes at a mark-up of 15% to foreign investors, who are looking for a piece of the rapidly appreciating American real estate market. As an optional extra, A.M.I. offers to act as the property manager for its overseas investors. —S.L.

Flower power draws prospects

If you're looking for ways to get people out to your models, consider the case of Arizona builder Von Dix. He staged a seminar on horticulture and landscaping at the opening of his Villa Capistrano models in Scottsdale.

The seminar, led by a horticulture professor from a state university, was pitched to newcomers from out-of-state who were unfamiliar with warm-climate flora. Among topics discussed: how to reduce home energy costs through landscaping, how to set up backyard greenhouses, and how to maintain and care for indoor and outdoor plants.

Says Dix, "the seminar gave us a lot of good p.r. and an opportunity to get our name around town for not a whole lot of money."

Judging by results, Dix apparently hit on a real consumer nerve. The proof: More than 500 people showed up for the seminar sessions.

Any direct effect on sales? Dix can't say for sure. But two of the attendees bought new houses, each priced at \$268,700. —S.L.



Recipe for a good reputation: An after-closing cooking show

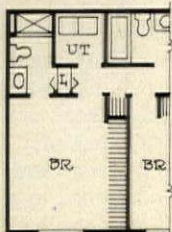
After spending bundles of money on a new house, it's quite a letdown for homeowners to find they don't know how to use their fancy new kitchen appliances. So J.M. Peters Company, Newport Beach, Calif., held a post-closing cooking demonstration at Turtle Rock Ridge, in Irvine. The cooking show at the luxury duplex

project was hosted by a representative of the appliance supplier, who taught the new owners how to use the microwave ovens, convection-heating ovens and convertible cooktops that came standard with their homes.

The goal: to maintain good will and minimize future complaints.

Two-way

It gives bathroom users easy access to towels or washcloths, since one side opens onto the bathroom (see plan right). And, since the other side opens onto the hall, it makes it easy to carry linen from an adjacent laundry room



linen closet is convenient two ways

to storage space in the closet.

The two-way closet is found in one of the models at BrandyChase at Eastmoor Park, a townhouse condominium in Denver, Colo. The project was constructed by MDC Corp., of Denver.

Peek-a-boo. The closet was merchandised in a model home by removing both doors and installing glass win-

dows on both sides; this got the idea across to prospects fast. There is, however, one drawback. Explains vice-president Steve Chotin, "When owners use the bath, they have to be careful to keep the door on the bathroom side closed; otherwise, if the door on the hall side is opened, someone might get embarrassed." —S.L.

OSCAR & ASSOCIATES, INC.



Open-air opening ceremonies featured colorful hot-air balloons, in contrast to the somber mood of the rest of the convention proceedings.

Hanging on until the storm blows over

In Las Vegas, the key word was "optimism," despite a somewhat serious mood among the conventioners at NAHB's 37th annual show.

The word showed up in the most unlikely places: Even the industry's don of doom, NAHB economist Michael Sumichrast, urged reporters at an economic outlook press conference to understand how important optimism is to builders at this time.

NAHB's incoming president, Herman J. Smith, said the estimated convention attendance of 51,500 indicated builder optimism, considering the depressed state of the industry. (That figure is down 10% from last year's show.) And exhibitor Dennis Cook of Congoleum Co. remarked, "We're optimistic about the housing market. Complaining that business is bad leads to bad business."

Stodious, not surly. If builders were optimistic, they kept it largely to themselves. But the mood was not morose. Said one observer, "You didn't see all the draggy faces like you did during the last downturn."

There were fewer gimmicks and festivities on the floor and in the meeting

halls than in the boom years of the '70s. Gone were the straw hats handed out to promote candidates for NAHB office. Exhibitors concentrated more on hard product information and less on performers and prizes.

Builders, too, took a more serious approach to the convention. Numerous exhibitors commented that if the quantity of the traffic was down, the quality was up. Seminars on such topics as cost estimating, passive solar design, the economic outlook and small business management overflowed from meeting rooms into the halls.

Predictions. The panels of experts who spoke at the convention had little to offer in the way of good news. For the most part, they predicted more of the same: volatile interest rates and unstable market conditions.

They also predicted the demise of the traditional, long-term, fixed-rate mortgage and foresaw the emergence of a wide range of alternative mortgage instruments with flexible rates.

Finally, some also predicted the demise of the traditional, four-bedroom single-family-detached home. They pointed out that a large propor-

tion of the market now consists of people who in the past were traditionally apartment dwellers: singles who must double up to afford shelter, childless couples and one-parent families.

Changing of the guard. Herman J. Smith, a Fort Worth, Tex., builder, took over the NAHB presidency from Merrill Butler of Irvine, Calif.

Butler departed as the bearer of bad tidings, noting that NAHB lost 30% of its members last year and that builder bankruptcies increased some 58% in 1980 from the previous year.

"Sales are failing to materialize," he said. "Builders are uncertain whether the homes they are building will be affordable once they are finished, and the cost of carrying unsold units has dealt a crushing blow."

New President Smith, armed with a projected recovery which should be underway by mid-year, said, "We can get out of this recession with dignity." He spoke optimistically of the Reagan administration: "I think their attitude toward housing...and homeownership is good."

Savings stimulus. Both Smith and Peter Herder, NAHB's new vice president/secretary (see box at right), promised support of a bill that would exempt savings interest from taxation if the money is used to buy housing. The bill was recently introduced by Sen. Robert Dole (R-Kans.).

Dues blues. An attempt to raise national dues for NAHB members from \$50 a year to \$100 a year over a three-year period was voted down after long debate. Smith said a task force will study the issue and report its findings at the Spring meeting of the association's board. Among other things, the task force will list NAHB services that can be maintained at the present dues.

More troubles surfaced for an NAHB subsidiary, the Home Owners Warranty Corp., which has had to raise its premiums (see p. 16). A *Washington Star* report from the convention said U.S. Home Corp., the nation's largest builder, is withdrawing from HOW. And there were rumors that two local HOW Councils—one in Ohio and one in Milwaukee—are in serious financial straits and may have to disband.

Worries and interests. As much as they had to worry about with their own association, builders were keenly interested in the economy at large.

Said Harry Crowell, a diversified, large-volume builder from Upland,

Calif.: "I saw [Fed Chairman] Paul Volcker at a roundtable. Paul Volcker has got an attitude that high interest rates are going to cure inflation. That man was a poor, misguided, lost soul."

Builder Dan Buchly, president of Bellamah Corp., said an understanding of new types of financing will be crucial to his company's future. Bellamah operates in Arizona, New Mexico and Colorado.

"Two of my three state managers have extensive mortgage banking backgrounds," Buchly said. "I make sure they are aware of what financing is available, and then that they know who it works for and who it doesn't."

Strategies and changes. The smaller house is spreading like wildfire throughout the building industry, judging from builders' comments at a demonstration house in nearby Sunrise Valley (see p. 31).

Sponsored by the American Plywood Assn., *Family Circle* magazine and Lewis Homes, the 1,100-sq.-ft. house attracted a lot of builders. Said APA's Byron Oberg: "All agree that smaller houses are coming because of rising energy costs, rising land costs and smaller households." However, he added, "Not all of us are used to the idea yet."

Both at seminars and in the corridors, much convention talk dealt with a familiar subject: how to cope with recession and uncertainty.

A small-volume builder from Saginaw, Mich.—one of the markets hardest hit by the recession—has found survival in diversification. He stopped building houses and, instead, built a small automotive repair shop for a national chain.

"I got 100% financing, put it on a 10-year lease, and the rent they're paying will pay off the mortgage in seven years," he said.

What recession? Perhaps the ultimate strategy was explained by Frances Milam, a small builder from Atlanta.

"I've participated in all the recessions in the 16½ years I've been building," she said, "but I decided I'm not going to participate in this one. If you're very positive of what's going on in your city—which I am—there always seems to be a market."

Her "blissful ignorance" strategy seems to have worked: "Last year was my best year ever," she said. "I built 15 houses and sold them all." —D.G.

Meet NAHB's 1984 president

Victory by a mere 16 votes put Tucson builder Peter D. Herder on the path to the NAHB presidency in 1984. Herder, 51, won the post of vice president/secretary after two rounds of voting, edging out John J. Koelemij, of Tallahassee, Fla. Placing a distant third: Joel R. Streich of Flint, Mich.

Herder, president of Herder Construction Co., builds about 200 houses a year in the \$45,000 to \$100,000 range. He also has a commercial/industrial construction operation and a brick manufacturing company.

In his victory speech, Herder said his main goal is "to help make housing a national political and economic priority in the '80s."

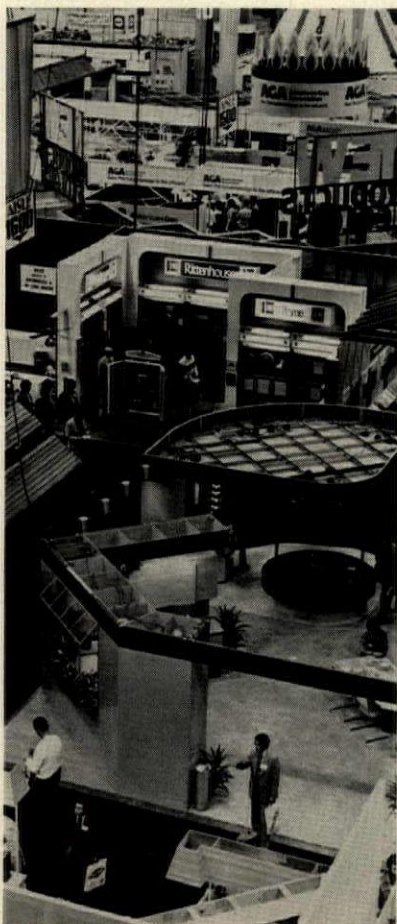
His first priority: to lobby in support of legislation to give tax incentives for savings that may later be spent on housing.

Says Herder: "Politically, we've



got a lot going for us because the industry's needs closely parallel the consumer's needs."

Herder's victory places him on the bottom rung of a ladder that will advance him automatically through the ranks to NAHB president. He will be inaugurated as president at the 1984 convention in Houston. —T.R.



OSCAR & ASSOCIATES, INC.

Manufacturers exhibit optimism as well as new products

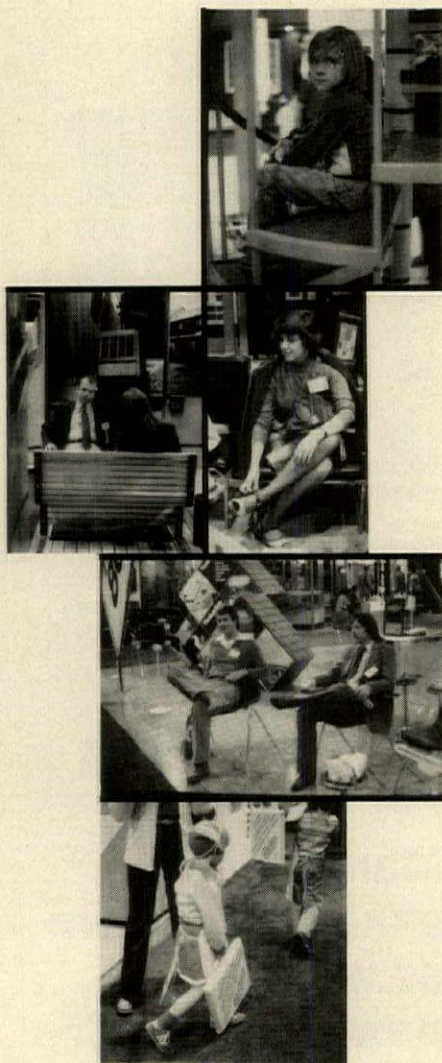
The atmosphere on the NAHB convention floor was not exactly euphoric—but neither was it as gloomy as some expected. Despite the estimated 10% decline in builder attendance, many manufacturers—the smaller ones in particular—were pleased with the exposure and the response received at their exhibits.

Much of the manufacturers' satisfaction stemmed from the quality of the traffic. Ernie Leger of Closet Maid, a kitchen cabinet manufacturer in Ocala, Fla., commented that he doesn't miss the traffic because "whoever is here is very serious about looking for products, and each person has a better chance of being a buyer."

Among the products those buyers saw: a predictably large number of remodeling items, particularly replacement components. There were replacement doors from General Products, Pease, U.S. Gypsum and Weather

Turn to page 28

CONVENTION SPOT NEWS FROM LAS VEGAS



Optimism *continued from page 27*

Shield, windows from Andersen, Caradco and Capitol Products—plus a wide range of kitchen cabinet systems designed to fit into older homes. Notable here were smaller laundry pairs and dishwashers from Sanyo.

Also predictably, energy products were legion, with solar equipment, wood stoves and fireplaces drawing plenty of traffic. Also of interest: Thoro introduced an insulating plaster, and Q-Bond displayed a decorative insulated brick that gives walls an R-value of 13.

Exhibitors upbeat. The manufacturers' impression of the show may be upbeat because over the past year they have changed their own future strategies—and the builders responded.

"Priorities are changing dramatically," said Jack Fahey of Temco, a fireplace manufacturer from Nashville, Tenn., "and you start to think a lot more."

Fahey went on to describe what he saw as a necessary move toward market "supersegmentation"—emphasizing the uniqueness of your product, and pinpointing its particular consumer segment. He noted that he would pay more attention to training his sales force to use a more sophisticated pitch—for more sophisticated buyers.

Randal Van Dyne of Hancor, Inc., a waste management equipment manufacturer in Findlay, Ohio, agreed. Hancor's display was more elabo-

rate—and twice the size—of last year's. Like Fahey, Van Dyne advocated weathering the storm by keeping the company name before the public so that when the economy bounces back "people will remember that you were there during the rough period."

In contrast to the aggressive, almost do-or-die attitude among many smaller companies, some of the larger ones seem to be playing it safe. Kitchen Kompact, for example, a Jeffersonville, Ind. cabinet manufacturer, is not introducing a large number of new lines—preferring instead to stick to the "tried and true."
—J.A.W.

Some manufacturers opted out

It was called by many "a thinning of the ranks," as a number of leading manufacturers—such as Champion Building Products and Weyerhaeuser—were conspicuously absent from the NAHB exhibit floor. The thinning was selective, however; solar equipment exhibitors increased in numbers from five last year to fifty this year.

The most likely reason some major building product suppliers opted out of the show this year: cost. One cabinet manufacturer estimated that with \$20-\$25,000 spent on space rental, another \$20,000 on the display (at union wages) plus hotel and entertainment bills—the price of its show ticket was about \$100,000.
—J.A.W.

CONVENTION BRIEFS

Here are some words of wisdom, some helpful hints and some random thoughts—all garnered by the editorial staff of HOUSING at the 1981 NAHB Convention during the four days of seminars, press conferences, workshops and assorted meetings.

The path to **diversification** for the homebuilder isn't as difficult as you might think, says Robert L. Siegel, president, R. L. Siegel Associates, New Orleans. And you needn't walk it in one day, he says. His recommendation: Start out on a part-time basis—and put all of your spare time into it. For example: Forget about watching Sunday afternoon football for a while and use the time to scout out non-res opportunities.

It'll be a new ballgame when the market comes back. Say we can qualify the buyer when rates drop to 12%. We're going to have to offer a **different product** than we have in the past. Take what we're doing now: an 800-sq.-ft. house on leased land, which sells for under \$40,000.—Bob Gardner, builder, Grand Junction, Colo.

This is the first house to receive California's **passive solar credit**.—Carroll Brock, vice president, M.J. Brock and Sons. The house: one created for NAHB's Energy Saver House Program. One innovative idea in the house design: A thermal wall that stops short of the ceiling so air can circulate through the house from a greenhouse which serves as a passive collector.

The automobile has destroyed the feeling of **neighborhood** by taking us away from our immediate communities.—Barry Berkus, president, The Berkus Group Architects, Santa Barbara, Calif.

Doing non-res rehabbing? If so, are you listed in the yellow pages as a **commercial rehabber**? Let people know you're not just a homebuilder.—Another tip from Robert L. Siegel.

Constructing an **all-wood foundation** is like framing a wall. It's simple enough for your carpenter to do.—E. Lee Fisher, director of industrial engineering, NAHB Research Foundation, at a session on cost-saving construction techniques.

Housing's future: Experts chart critical path

What's ahead for the '80s? And what can builders and manufacturers do to prepare for a decade of change?

A panel of experts offered answers to these questions at HOUSING magazine's annual Market Information Briefing and breakfast.

Among the highlights:

Starts. Economist Eric Herr predicted that recovery from the current housing recession will begin in the second half of 1981. Herr, who is vice president of economics for the McGraw-Hill Publishing Co., projected starts at a rate of 1.2 million for the first half of the year and 1.4 million for the second half. For 1982, he saw 1.7 to 1.8 million starts.

Said Herr: "In economists' language, we'll substitute capital for energy in the homes we build in the '80s. In other words, we'll put in more things like insulation and triple-glazing, and we'll consume fewer BTUs."

Markets. Best bets for building in 1981, according to market analyst Al Gobar of Brea, Calif., are San Antonio, Tex.; Baton Rouge, La.; Richland, Wash.; Gainesville, Fla., and Boston, Mass.

Gobar, who tracks conditions in 136 SMSAs (Standard Metropolitan Statistical Areas), said these five areas are the only ones that meet his three conditions for an ideal market: They're underbuilt, they have strong economies, and their housing prices aren't out of sight.

On the minus side, Gobar listed the ten worst markets: Detroit and Flint, Mich.; Chicago, Ill.; Cleveland and Dayton, Ohio; Atlanta, Ga.; St. Louis and Kansas City, Mo.; Buffalo, N.Y.; and Pittsburgh, Pa. Chicago and Atlanta are likely to have faster recoveries than the rest, he said.

Money. "Financing isn't what's holding us back," said Dennis Kelley, senior vice president, real estate advisory of the La Salle National Bank in Chicago.

The problem, he said, is that people who have been pushed into higher tax brackets because of inflation are just beginning to recognize the value of the tax benefits they gain from mortgages with high interest rates.

"As soon as a large number of them are fully confident that they'll not be the only ones who took a 17% loan the week before rates dropped 4 points," said Kelley, "they'll be prepared socio-

logically and psychologically to make what in savings and tax terms still represents the best investment the average family can make.

"In the meantime, the industry must figure out how to make the public understand that buying a house—even at high interest rates—is smart."

Buyers. Marketing expert Lewis Goodkin, of Ft. Lauderdale, Fla., sees builders competing for the young, two-income families that can afford their products. "It's going to be so competitive out there that missing the market a little bit will be tantamount to missing it altogether," he warned.

At the opposite end of the spectrum, Goodkin predicted a period of what he called "counter-market segmentation"—in other words, "getting back to the Henry Ford syndrome where price becomes the ultimate amenity."

Said Goodkin: "We'll have to start looking at the creative things that have been done in mobile homes and second homes. That kind of compact planning will have to go into primary housing."

Design. Such rethinking is already taking place, according to architect Barry Berkus of Santa Barbara, Calif. "We're going to return to some type of basics, but the basics will not be no-frill," he said. "Small is quality, small is manageable, small is affordable. And we'll have to find ways to maintain individual identity even at small square footage."

Berkus pointed to the example of Japan, where a four-bedroom, single-family-detached house might have only 800 sq. ft. and be built on a lot that's 20 or 30 ft. wide and 60 or 70 ft. deep. "We know that we're approaching that kind of marketplace," he said.

Berkus also discussed housing design changes that will come about because so many unrelated people are doubling up and buying homes together in order to afford shelter.

"The two master bedrooms are going to become apartments within one housing unit," he said. "They'll allow people to have individual identities—seclusion, privacy." Berkus predicted that bathrooms would not be just utilitarian, but would be spas, with whirlpool baths, sitting areas and fireplaces. They will also have laundry facilities, he said, so that each "apartment" will be private and almost self-contained. Living rooms and kitchens will be shared.

And the kitchen will become the gathering spot in the house of the future, as smaller square footage starts to dictate multiple use of space.

"We're looking at a new frontier—one that's exciting for us as architects and planners," he concluded. And he told the building product manufacturers in the audience, "I hope you respond and allow us to move forward with a new vocabulary." —N.G.



Herr: Predicting a better second half



Gobar: Rating the housing markets



Goodkin: Planning for new types of buyers



Berkus: Looking for a new vocabulary



Kelley: Educating the public to buy

Energy: No shortage of information

Energy played a major role at the annual convention and exposition. And with good reason. One Department of Energy spokesman said the solar industry reached the \$7-billion mark last year.

Builders packed seminars looking for the latest ideas on energy-conserving techniques. And 120 exhibitors of energy-saving products bought space on the showroom floor.

Some of the seminars dealt with:

• *The NAHB Energy Saver House Program.* At last year's convention, the association called for energy-saving design ideas. It received over 300 responses and chose designs submitted by the following ten builders: M.J. Brock and Sons, Sacramento, Calif.; Wonderland Hills Development Corp., Boulder, Colo. [HOUSING, Nov. '80]; Chateau Homes, Boca Raton, Fla.; Ryland Homes, Columbia, Md. [HOUSING, Nov., '80]; Marvin H. Anderson Co., Bloomington, Minn.; Hunt-Westwood Builders, Akron, Ohio; James R. Partin, Stillwater, Okla.; Donald W. Terrell, Inc., Nashville, Tenn.; Doyle Stuckey Homes,

Houston; Fort Lincoln New Town Corp., Washington, D.C.

This year, designers reported on the progress of their projects. The NAHB Research Foundation will spend 1981 monitoring the houses and present results at next year's convention.

• *Energy Efficient Residence.* EER is a program sponsored by HUD and conducted by the NAHB Research Foundation. Researchers wanted to find out how a house built with available energy-saving materials and practices would compare in energy usage with the same size house built with standard practices and materials.

From the outside, the houses looked the same. The 26 ft. by 46 ft. homes were built on adjacent lots in Mt. Airy, Md. But at the end of the test period, the EER house had used 48.6% less energy than the standard house. That translates into a \$649 annual savings.

Designers beefed up the insulation, installed heat pumps, used both double and triple-glazed windows and chose energy-efficient appliances. But they also found that doing less exotic things like regulating water flow and setting

the water heater at 120° contributed to the house's fuel efficiency.

The energy extras added \$5,382 to the cost. After subtracting some of the features that were not cost-effective, including the entry vestibule and a hot-water preheater, the payback period penciled out to 6.7 years.

The Research Foundation plans to move on to EER II. This program will test features that should become more popular in the next 5-10 years, such as passive solar space and water heating and heat pumps that draw energy from ground water.

• *Passive Solar Design: Opportunities for the '80s.* Builders heard designers and other builders discuss how to gain the most benefits from the various passive solar features they design into their homes.

Speakers gave their experiences on using thermal mass, south-facing windows, vents, earth berming and fans to circulate heated air.

Other seminars covered energy-saving techniques, the Brookhaven House and BEPS and other energy regulations. —F.J.D.

CONVENTION BRIEFS *continued from page 28*

Energy problems are leading a lot of planning officials to recognize that maybe **higher density** is in order. And affordability is becoming a political issue too.—Daniel K. Whitehurst, Mayor of Fresno, Calif. The offshoot, he adds: It may be easier to get innovatively planned communities through planning and zoning boards than it used to be.

A **low level of production** is actually inflationary. If starts fall below a 1.5 million annual rate, it's inflationary because you have a lot of people chasing a few products.—Herman Smith, incoming NAHB president.

For an industry that practically didn't exist a few years ago, **solar** has come a long way in a short time. Currently about 5.5% of the country's energy supply comes from solar and other so-called renewable resources like geothermal and wind.—Robert San Martin, Deputy Assistant Secretary, U. S. Dept. of Energy.

Any builder who isn't capitalizing on **passive solar** techniques is fooling himself.—John Crowley, senior solar architect, NAHB Research Foundation, to a standing-room-only seminar.

Try something new if you're looking to make a profit on a \$50,000 house in an area where the average unit comes in at about \$70,000. Something new for John Signorelli, president, Landtech Industries Inc., Conroe, Texas: 2,000 **sectional units** that will retail for \$39,900 to \$52,000.

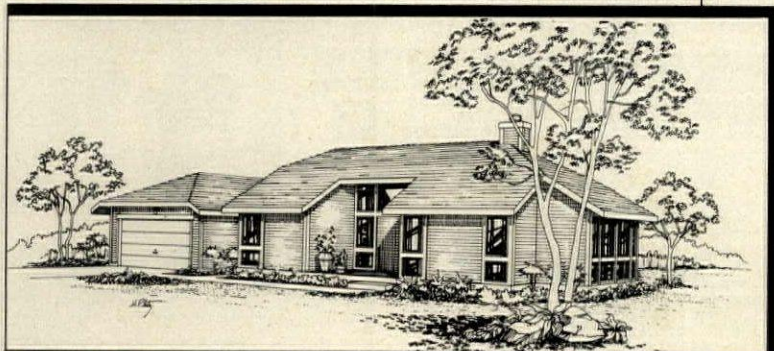
Housing has to be **affordable** for the builder to build as well as for the buyer to buy.—Talmadge Tinsley, president, Talmadge Tinsley Co., Dallas.

We're all going to have to learn to deal with **smaller space**. We can take a lesson from the Orient, where people have adapted their lifestyles to their space instead of the other way around.—Gene Dreyfus, president, The Childs/Dreyfus Group, Chicago.

No one expects any **new housing initiatives** from Washington through the direct spending route. I believe direct spending programs for housing will be under attack. I have heard Sen. Garn, an influential Republican, use the word "cut" a lot.—Sen. James L. Blanchard (D-Mich.).

I wish **solar** manufacturers would help us by sizing equipment properly. Collectors and water-storage tanks are usually too large, and therefore not cost-effective to do the job properly.—Ralph Johnson, president, NAHB Research Foundation.

Our generation is really sticking it to the next generation. We're **metering out housing**—and it has become political. We've got to get back politically and make an issue out of creating enough housing to satisfy both present and future demand—the way we did in the '50s.—Rod Friedman, president, Fisher-Friedman Associates, San Francisco.



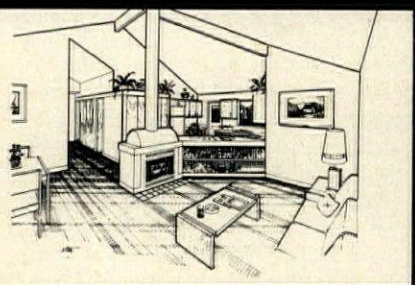
Prototype house shows small can be super

For touring builders, the 1,100 square footer built by Lewis Homes, Las Vegas, in cooperation with the American Plywood Assn. and *Family Circle* magazine was a textbook on how to restrict space without sacrificing excitement or functionality. Here's some of what they saw:

- A cathedral-ceilinged great room with an angled combination breakfast bar/entertainment center (see plan and rendering above).

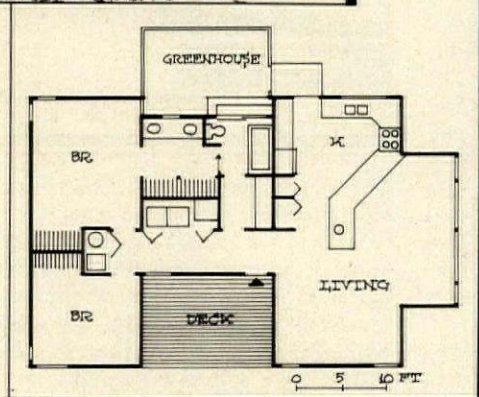
- A multi-purpose greenhouse that offers living space as well as supplementary heat.

- A three-way bath—it's master bath, powder room and mud room all in one.



Contemporary-style exterior (above left) features 24 in. overhangs to shade windows from the hot summer sun. The two-car garage is detached.

High-ceilinged great room (plan left, rendering, above) is separated from the kitchen by an angled eating counter. On the living area side, the counter has built-in shelves for TV or stereo equipment.



"It's sure different from what we build in Kansas City," said Brian Hilton of James Hilton Jr. & Sons. "But I know we're going to have to learn to disguise the fact that we can't build them as big anymore."

"I just don't see any other way to go," said Willis C. Cecil of Cecil Construction Co., Radcliff, Ky.—a builder

whose typical product now is as much as six times larger than the prototype.

The house was designed by J. Donald Bowman of Mithun Associates, Bellevue, Wash. For more information about it, write to the American Plywood Association, BBH, P.O. Box 11700, Tacoma, Wash. 98411.

—B.B.G.

All the winners weren't at the casinos

Excellence in every phase of the building process—from planning to model merchandising—was recognized at award ceremonies held during the convention. Here are the top winners in some of this year's housing industry competitions:

MIRM awards, presented by the Institute of Residential Marketing (IRM) of the NAHB went to these marketing innovators:

J. Stiles Inc., Dallas, won the gold award for best sales/marketing organization.

MIRM's marketing innovation award—for concepts considered "life-savers" in 1980—went to three companies: Strickland Communications and

Marketing Ltd., Phoenix; J. Stiles Inc., Dallas and The Fritsche Corp., Columbus, Ohio.

Fox and Jacobs Inc., Carrollton, Tex., was honored for best market research.

Wood Brothers Homes, Golden, Colo., carried away the award for best salesperson motivation and development.

The Inside Story Inc., Palo Alto, Calif. and The Childs/Dreyfus Group, Chicago, were named best in the interior design category.

J. Stiles Inc., Dallas, and the Doan Corp. of San Francisco shared honors for best marketing communications. Doan was also rated top in on-site

merchandising.

NAHB's Sales and Marketing Council recognized six top achievers for 1980.

William R. Smolkin, president of Smolkin Consulting Services of New Orleans, earned the Bill Molster Award for contributing most to furthering the council's goals.

Rita T. Dickey, vice president of marketing for the Irvine Pacific Development Co. was named large-volume marketing director of the year while Donald Cary, vice president of marketing for The Fritsche Corp., Columbus, Ohio, was named small-volume marketing director of the year.

Turn to page 32

Energy survey: Builders forecast smaller houses

Possibly taking their cues from the nation's automobile manufacturers, homebuilders will also be turning to compacts—in the shape of tomorrow's new homes.

At least that's what a recent Dow Chemical Co. survey indicates.

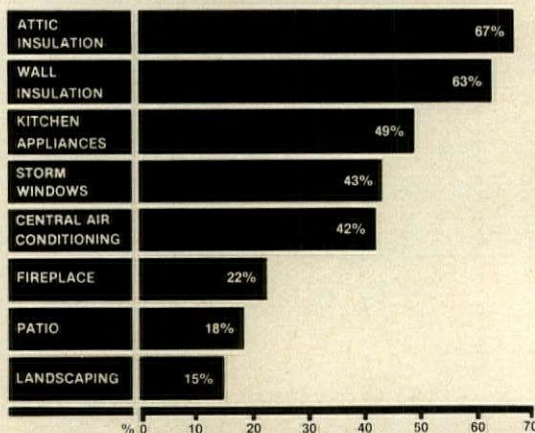
The study, third in a series conducted by the manufacturer of Styrofoam brand insulation, involved 743 builders from 30 metropolitan areas.

As might be expected, the predicted change to "smaller" is linked to the energy crunch. So are other predicted changes—the way buyers shop for new homes, the way housing is sold and the way financing is handled.

Builders report they are responding to buyers' demands for energy-efficient housing by including attic (96%) and wall (98%) insulation along with caulking and weather stripping (96%) as standard in their homes. Over 80% also offer storm or thermal windows (88%) and storm or insulated doors (82%) at no extra cost.

They also report merchandising these energy-saving benefits more than in the past. Eight of ten say they "sell" energy efficiency today as against 18% five years ago. And 88% see energy

ENERGY-SAVING FEATURES TOP HOME BUYERS' PRIORITY LIST



efficiency as even more important a selling tool five years from now.

So it's not surprising that when asked to rate the importance buyers place on features or amenities, they ranked attic and wall insulation at the head of the list (see chart), over such features as fireplaces and patios.

As in the company's two previous surveys (one of homeowners, the other of real estate professionals) indepth

telephone interviews were conducted by Opinion Research Corp. of Princeton, N.J.

Cities covered include: Atlanta, Albuquerque, Boston, Charlotte, Chicago, Cincinnati, Cleveland, Dallas, Denver, Detroit, Houston, Jacksonville, Minneapolis, Milwaukee, New York, Philadelphia, Pittsburgh, Portland, St. Louis, Salt Lake City, Seattle and Washington, D.C. —J.R.V.

Winners *continued from page 31*

Maureen White of the Irvine Pacific Development Co. was lauded as national salesperson of the year.

Cliff Sinclair, corporate vice president for sales for J. Stiles Inc., Dallas, won the sales manager of the year title.

Thomas W. Richey, president of T. Richey and Co., Houston, received "Idea of the Year" honors.

The Sensible Growth Awards, a design and planning competition sponsored by the NAHB and *Better Homes and Gardens* magazine, recognized three grand-award winners:

Windsor Village Townhomes, a high-density urban project in Los Angeles. Architect: Collins & Wraight Inc. Developer: the Richelieu Development Corp.

The Market Place, a specialty shopping center in Long Beach, Calif. Architect: Richardson, Nagy, Martin. Developer: The Bixby Ranch Co.

Victoria Community, a multi-product project on the boards for Rancho Cucamonga, Calif. Architect: The

SWA Group. Developer: The William Lyon Co.

Distinguished Development Awards were presented to eleven building firms by the Housing Capital Corporation (HCC), a subsidiary of the National Housing Partnership, Washington, D.C.

The firms have all completed for-sale housing developments as joint ventures with HCC. They are:

Atlantis Construction Co. Inc., Myrtle Beach, S.C. The project: Tarpon Bay (200 detached homes).

Crismar Development Corp., Santa Monica, Calif. The project: Rejada Ranch, Moorpark, Calif. (94 single-family units).

First National Realty Group Inc., Ft. Lauderdale, Fla. The project: Coral Ridge Bay Townhouses (3 waterfront units).

The Innisfree Companies, Sausalito, Calif. The project: Cypress Point, Daly City, Calif. (80 hillside condos).

Marc Kogan Construction Co., Los Angeles. The project: Plummer Grove,

Panorama City, Calif. (32 in-city townhouses).

Praver Enterprises Inc., Lake Worth, Fla. for two developments—Lucerne Homes North (120 detached units) and Villas of Lucerne Lakes (69 townhomes).

Rescom Development Corp., Westlake Village, Calif. The project: Laurelwood, Camarillo, Calif. (130 single-family and duplex units).

Ridgewood Development Inc., Irvine, Calif. The project: Ridgewood, West Covina, Calif. (157 detached homes).

The Snyder Co. Inc., Essex Junction, Vt. for two projects—Essex Green (43 single-family units) and Essex Green Townhouses (16 units).

Tumex Development Corp., Tucson, Ariz. The project: Ironwood Ridge, Tucson (95 single-family detached units).

Woodvale of Pine Island Ridge, Inc., Ft. Lauderdale, Fla. The project: Pine Island Ridge (99 quadruplex units). —B.B.G.

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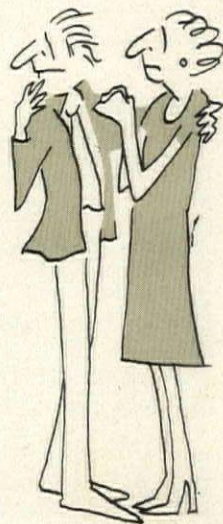
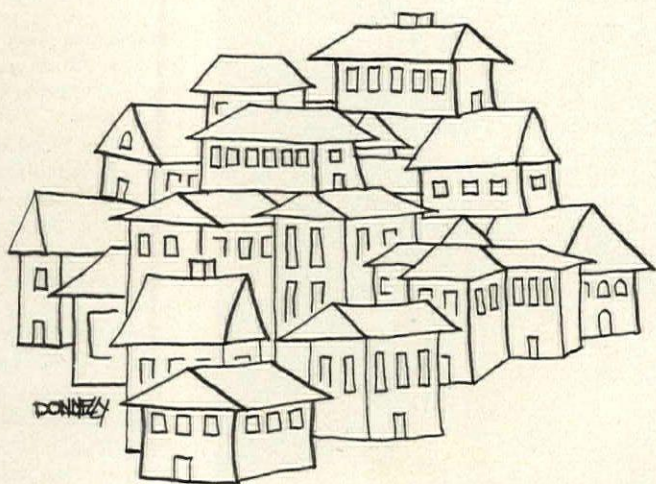
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Your prospects may be disheartened—convinced there's no way they can afford a home. Or just plain stubborn—determined to sit things out until interest rates tumble.

Selling them may be tough—but it's not impossible. Builders are still moving houses in markets as different as Pittsburgh and Phoenix. Some of their methods may work for you. So we've compiled a mixed bag of their ideas.

On the next eight pages, you'll find ways to boost consumers' confidence in their ability to buy (*see next page*) and methods for fostering a sense of urgency (*p. 40*).

You'll discover creative ways to ferret out prospects (*p. 43*) and how to get brokers to bring their clients to you (*p. 42*).

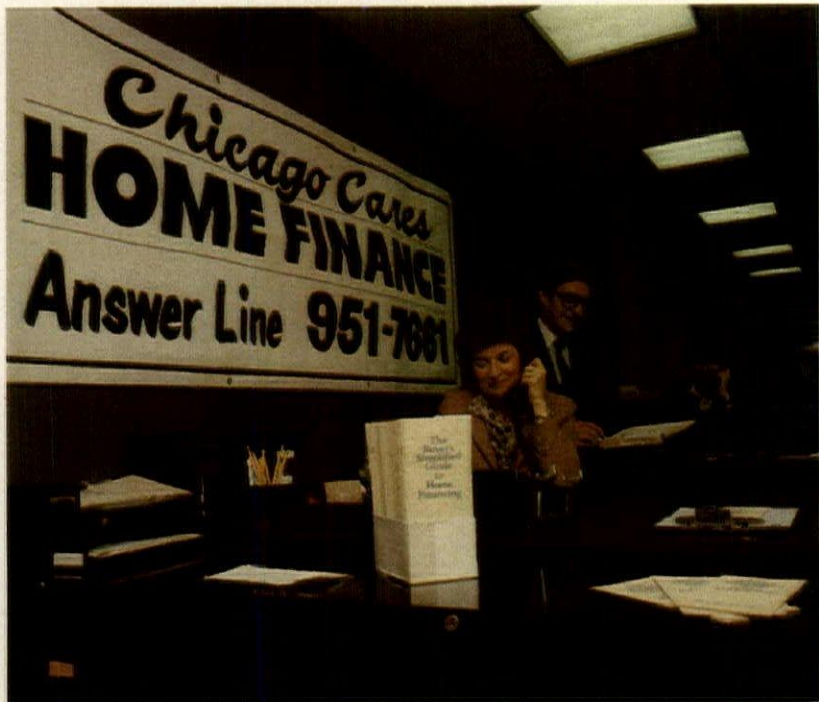
There are tips for sales offices, too. For instance, did you ever think of including a "Money Room" to focus prospects' attention on housing as an investment (*p. 44*)?

For these ideas and more, read on. You may find it's time to add a few new pages to your sales manual.

—BARBARA BEHRENS GERS

HOW TO SELL TODAY'S WARY HOMEBUYER

I. BUILD CONFIDENCE



...by lending an ear to consumers' questions

"Builders suffer because people are confused by the variety of home-financing arrangements available today," says Virgil Owings, president of United Development Co., Chicago.

That's why his company is funding and helping to staff the Home Finance Answerline, a consumer service that has logged over 10,000 calls since it was instituted last May (*photo above*).

The Answerline is sponsored by the Chicago Association of Commerce and Industry, so no selling goes on over the phone.

"In fact, the staff isn't even allowed to give the telephone numbers of our sales offices if people ask for them," says Owings. "But having our name associated with the program helps create the image of a responsible, consumer-oriented company with plenty of expertise in financing."

Consumers learn of the service from TV and newspapers. In fact, one newspaper routinely runs the Answerline number—along with the name of its funder—in its "Mortgage Watch" department.

"People will never see an ad for the Answerline because that would hurt its credibility," says Ed Havlick, who helped develop the program. Havlick is president of Home Data Corp., Hinsdale, Ill., a real estate marketing firm.

...by putting industry leaders in the spotlight

That's what the HBA of Central Florida plans to do this spring.

The association is putting together a "Why it's smart to buy now" campaign that will include appearances by the HBA president on TV and radio talk shows. "The public is scared and needs fatherly counsel," says Richard Levine, chairman of the HBA's sales and marketing committee.

...by employing third-party endorsements

"People are more likely to believe a neutral third party than someone who's trying to sell them something."

So says Virgil Owings, president of United Development, Chicago. And that's why United Development introduced an equity-participation mortgage at a press conference rather than in advertising.

"We got five minutes on the evening news," says Owings. "The consumer reporter and a financial analyst discussed some of the pitfalls of this new type of mortgage, but basically told people it was the wave of the future."

And, of course, they also told them that United Development was the only local builder offering such mortgages.

Third-party endorsements work on a smaller scale, too.

Thomas Richey, a Houston-based sales consultant, suggests that salespeople use reprints of articles from respected publications, such as "The Kiplinger Letter," to help convince prospects they should buy now.

"What a salesperson shows is more convincing than what he knows," says Richey.

Another idea: use booklets to explain your financing packages that have your S&L's name on them, not yours.

FREE! DON'T MISS IT!



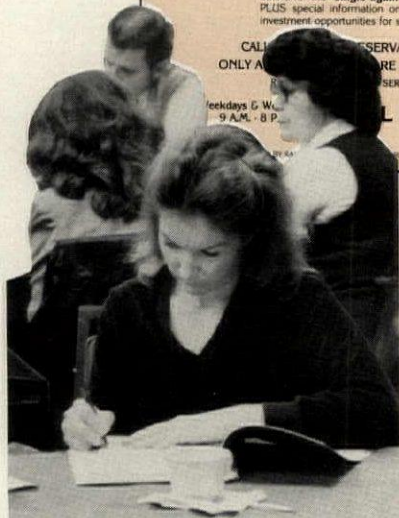
SINGLE PERSONS' HOMEBUYING SEMINAR!

DATE: SUNDAY, DEC. 14, 1980
PLACE: MADERO BALLROOM CENTRAL & WEST LA MANSION DEL NORTE
TIME: 1 P.M.
SPEAKER: KRISTELLE PETERSEN

Award-winning editor of a national real estate magazine addresses the special needs, concerns and discriminatory pitfalls that **single homebuyers** encounter. Practical guidance on how to screen real estate brokers, attorneys, lenders, appraisers and insurance agents. Priceless information on loans, contracts and wills for **unmarried co-owners**; advice for the **"single again"** and **single parents**. PLUS special information on vacation homes and investment opportunities for singles!

CALL FOR RESERVATIONS!
ONLY A FEW SEATS ARE AVAILABLE!
RESERVED.

Weekdays 9 A.M. - 6 P.M. Call 681-3020



...by schooling prospects

"You have to convince people that it's still possible to buy a home," says Jack Willome, president of Ellison Industries, San Antonio, Tex.

To that end, his company has sponsored two free home-buyer seminars and plans more. The first—"How to buy new and resale homes"—was held in November, with an audience attracted by a couple of newspaper ads.

"Even with a nasty freezing rain we had over 100 people," says Willome.

What's more, when seminar speaker Dick Russell, a California-based real estate consultant, asked if attendees would come again—and bring a friend—almost everyone raised his hand. And, reports Willome, "when Russell talked about different ways of getting down payment money out of Mom and Dad, the young couples in the audience just turned to each other and smiled."

The second Ellison-sponsored seminar homed in on singles (*ad and photo left*). Ads in the sports and financial sections of the newspaper as well as in the real estate pages drew around 350 hopeful homebuyers.

"We sold at least six houses as a direct result of it," says Willome.

2. KEEP YOUR NAME BEFORE THE PUBLIC

...by running ads in unexpected places

"People who don't believe they can buy now won't see a builder's ad in the real estate pages," says Marketing Consultant Lester Goodman of Brea, Calif. "They don't read that section."

Instead, Goodman suggests ads in the financial, sports or entertainment sections—places where a potential prospect will be caught unaware.

Or, says Houston-based consultant Thomas Richey, "try ads in ethnic newspapers, such as a Chinese or Jewish weekly."

...by advertising non-stop

"We run ads 365 days a year," says Tony Boquer, marketing director of Harry Hebert Homes, Lafayette, La. "And we send out a news release every month on something new we're doing."

Why does the 200-unit-a-year builder think constant advertising is so important?

"It creates confidence that we're a stable company at a time when so much is being said about builders going out of business," says Boquer.

...by using eye-catching advertising

The merry ad at right was intended merely to keep an Alexandria, Va. condo project's name in view during the 1980 holiday season.

As it turned out, the small ad, which ran twice the week before Christmas, did much more.

"Six contracts were written at a time when any sales activity would be considered miraculous," says Ken Miller, president of Miller, Addison, Steele, Inc., New York City, whose company came up with the advertising campaign.

Reserve now for the best prices

**Ha, ha, ha,
ha, ha, ha, ha,
Ho, ho, ho,
ho, ho.**

Give yourself the perfect holiday gift: an Alexandria condominium that lets you laugh at inflation, high prices and long-distance commuting. Our location is ideal—60 minutes from the Metro and Orinay Highway, 5 minutes from Springfield Mall, 11 minutes from downtown D.C. Our apartments are spacious with between 750 and 1,351 sq. ft. They're totally refurbished and located right from us, so low as they'll ever be.

FROM \$44,950
1 bedroom: \$44,950 • 2 bedrooms: \$50,950 • 3 bedrooms: \$60,950

Valley Park
A CONDOMINIUM

9632 Barnhart Drive, Alexandria, Virginia, District 2 • Take I-395/Spotsylvania Highway and exit onto Edgar Road East. Turn right immediately, continue past Center 1, turn right at Chester House. Turn left onto Barnhart Drive. Follow the Valley Park directional signs. Our entrance is on your left. Open seven days, 10AM-6PM. (703) 344-0744.

HOW TO SELL TODAY'S WARY HOMEBUYER

3. CREATE URGENCY

...by making an offer prospects can't refuse

Namely, a guarantee that the home can be refinanced when interest rates drop (see ad right).

"It takes the teeth out of the argument 'I'll wait for interest rates to come down,'" says Ray Samanic, vice president/sales and marketing for Florida Residential Communities (FRC), the company which came up with the mortgage rollback guarantee [HOUSING, May '80, p. 58].

It's a tool that FRC used to snag 16 sales last April. And the company dusted it off in December, when rates were high again, and sold six houses the first weekend the guarantee was advertised.

"Our staff has been quite successful in convincing prospects that it's better to pay a higher interest rate for a short time rather than wait to buy and lose out on the appreciation," says Samanic.

Another reason the program works: "Mortgage rollback guarantee" is an immediately understandable title.

"We worked hard to get a name that was self-explanatory rather than an acronym that would require interpretation," says Samanic.

FRC exclusive:

**Buy a home NOW!
Pick a Lower interest rate...
anytime within the next year.
Mortgage Rollback
Guarantee**



...by fostering fears of loss

"Fear of loss is a tremendous motivator," says Houston-based sales consultant Thomas Richey. So he suggests using a closing argument like this:

"Remind the prospect that to qualify next year for the house he's looking at now, he'll have to earn more—e.g. \$4,848 more for today's

\$100,000 house (assuming 80% financing, 15% interest rate and 10% increase in building costs due to inflation). What's more, he might not be able to get a fixed-rate mortgage."

A twist on the same idea comes from Superior Homes, Houston, which uses a "How high is up" chart in its sales effort.

The chart, which shows home price hikes from \$29,300 in 1975 to \$57,500 in 1980 ("Don't you wish you'd bought in 75?") and the anticipated \$117,200 median price by 1985 ("If you wait longer, it can only get worse") brings home to prospects the consequences of putting off a purchase.

THE BIGGEST COUPON SAVING IN TEXAS!

Save \$4,000 on a new home purchase. This is the biggest coupon saving in Texas! Save \$4,000 on a new home purchase. This is the biggest coupon saving in Texas!

SAVE \$4,000 1001 Longhorn Drive, Plano \$62,500 \$62,500	SAVE \$4,000 1001 Longhorn Drive, Plano \$62,500 \$62,500
SAVE \$4,000 1001 Longhorn Drive, Plano \$63,500 \$63,500	SAVE \$4,000 1001 Longhorn Drive, Plano \$63,950 \$63,950
SAVE \$4,000 1001 Longhorn Drive, Plano \$64,500 \$64,500	SAVE \$4,000 1001 Longhorn Drive, Plano \$64,500 \$64,500

by FOX & JACOBS

YEAR-END TAG SALE!

What you buy a new home in December...
RED TAG SAVE \$4,000
BLUE TAG SAVE \$3,000

PLUS MORE GREAT DISCOUNTS!

Constructive thinking by Fox & Jacobs.

...by running retail-style sales

"Even when people are withdrawn and confused, they'll respond to a legitimate bargain," says Bob Harper, director of sales and merchandising for Fox & Jacobs.

That's why the Dallas builder has been cutting prices on completed homes and running ads like those at left.

"In the last couple of months they've been responsible for well over 300 sales," says Harper.

HOW TO SELL TODAY'S WARY HOMEBUYER

4. MOTIVATE SALESPEOPLE-AND BROKERS

...by offering bonuses

Builder Al Hogan of Victoria, Tex. promised each of his salespeople an extra 1/4% commission if he wrote \$500,000 worth of sales in the last quarter of 1980. The result?

"Two of the four made it," says Hogan.

Builder Doug Sandahl took a different tack. When he saw times getting tougher, he decided to generate more sales from brokers, who get most of the Phoenix transferee business.

The method: a "Go For Brokers" promotion described in a poster-size flyer (right). Brokers who signed up at Sandahl's Moon Valley model complex in August or September—and 500 or 600 did—were promised a new Cadillac if they sold five homes before the end of the year. To make the offer even more attractive, their buyers received a \$2,500 discount.

"Of the 50 units we've sold since the program started, about 80% have been Realtor-generated," says Sandahl. "In good times, that proportion is only 20%."

August is
Go For Brokers Month
at Sandahl Homes
in Moon Valley!

Registration
Deadline
Extended to
Sept. 15

1981 Cadillac
Coupe de Ville
for you!

A \$2,500.00
discount for
your buyers!

866-0110
**Sandahl
HOMES**
it's what Arizona families are looking for.

How to qualify for the discount & the Cadillac:
1. Your car dealer is willing to accept Sandahl Homes in Moon Valley as down payment. These are family style homes with spacious bedrooms, family rooms, walk-in closets, large double garages — built on big lots with fenced rear yards. Remember, the only way you can sell these homes is to build and approve model homes!
2. Fill out your registration certificate. Also having the number, show by the Sales Office and complete a Registration Certificate. This entitles you to the \$2,500.00 discount, and qualifies your customer for the \$2,500.00 discount. All participants must complete a Registration Certificate during the month of August, 1981 to qualify.
3. Sell five Sandahl Homes in the Cadillac to your buyer.
Sales apply only to new homes in Sandahl Homes - Moon Valley made between August 1, 1980 and December 31, 1981. All sales must close prior to April 1, 1982. All buyers must be registered buyers and were approved during the same period and receive the \$2,500.00 discount regardless of salesperson's location in meeting contract date.
Contract awards may change any 1981 Cadillac Coupe de Ville from Chrysler Cadillac's existing inventory.

...by creating confidence in your company

"We don't want salespeople to worry about losing their jobs," says Jack Willome, president of Ellison Industries, San Antonio, Tex. "We want them to worry about doing their jobs better."

So his company makes a point of reinforcing the salesperson's confidence in his ability to close deals.

"We continually stress all the different opportunities in financing, for example," says Willome, "and we assure salespeople that we're not going to stop building houses."

Brokers need regular doses of positive thinking, too.

That's why J. Stiles Inc., Dallas, holds quarterly day-long seminars for new brokers to fill them in on the latest in financing and sales techniques. In addition, the company hosts monthly breakfast meetings for Realtors who have sold a Stiles home.

"We show brokers that if they bring a prospect to us, we can find ways to help that person buy," says Sales Vice President Cliff Sinclair.

Kansas City builder Saul Ellis is carrying a similar message to brokers in his area—many of whom have invited him to speak.

"We have to educate the consumer through the agent," says Ellis, who tells brokers he has never lost a deal because of financing.

"I advise them to stop worrying about creative financing—which is all they're interested in right now," says Ellis, "and to concentrate instead on getting a customer interested in the builder's product."

...by keeping them involved

"A positive, well-informed salesperson is the key to success in a tough market," says Ed Havlick, president of Home Data Corp., Hinsdale, Ill. "So you can't let him feel like an old shoe sitting in an empty sales office."

That means he has to be kept working, even if traffic is down. Havlick suggests you:

- Give the salesperson a check list for inspecting models and spec homes on a daily basis.

- Give the salesperson a list of calls to make on businesses, Realtors' offices, the Chamber of Commerce, etc. Not only are these people the ones likely to know of transferees and others still in the market, but the calls provide face-to-face contact.

"Otherwise," says Havlick, "the salesperson might not have much opportunity to practice using the information you've given him to sell houses with."

- Make sure the salesperson learns everything about the community you build in.

"He should be a walking encyclopedia," says Havlick.

He cites the example of a sale made recently to a couple with a child who had a learning disability. The parents bought a house because the salesperson knew that the local school district had the second-best program in the state for such children.

- Involve the salesperson in your company's planning process.

"If you don't," says Havlick, "he may feel he has no future."

5. PROSPECT CREATIVELY

...by contacting owners of unimproved lots

Superior Homes, Houston, has started sending salespeople to local tax offices to find the names of people paying taxes on vacant lots.

Most of these property owners plan to build—eventually. So Superior sends them an attention-getting mailgram. “Prices can only go higher,” it says, “and in most cases we can get 100% financing for a Superior Home, helping you fulfill dreams at today’s lower prices.”

Superior’s salespeople follow up the mailgram with a phone call to set up an appointment. If that pans out, they then send a personal letter offering a free ceiling fan if a purchase is made within thirty days.

“One of our agents has already sold nine homes while sitting in lot owners’ living rooms,” says Superior’s Vice President of Marketing Julian Pugh. “What’s more, all nine were to people who hadn’t been in the market for a house.”

Sales aren’t limited to the company’s build-on-your-lot program.

“We’ve written two contracts with people who are selling their land to make a down payment on a spec house,” says Pugh. “And we expect more spec sales. People we contact sometimes don’t even wait for a salesperson to call—they just show up at a subdivision, mailgram in hand.”

...by offering owners a bounty for buyers

“Any couple who buys a new house has moved out of an old neighborhood where they have friends,” says builder Al Hogan, Victoria, Tex.

So from time to time he offers rewards to owners who bring those friends to his company’s sales offices—rewards payable when the friend closes on a house.

In a lower-priced subdivision, the reward was \$500, and six late-summer sales resulted. In an upper-priced subdivision, buyer-bringers were promised an expense-paid weekend in New Orleans, and ten couples have enjoyed that trip so far.

The rewards were announced during parties at model complexes.

...by making a bid for transferees

“For the first time, we’re going to major employers in our area and making them aware of our product and how we can work with them,” says Richard Levine, vice president of H. Miller & Sons, central Florida division.

The single-family builder has put together a packet that companies can hand out to relocated employees. It includes information about local points of interest and facts about financing and other aspects of homebuying, as well as a list of H. Miller subdivisions and a locator map.

“We try to tailor the packets to the company,” says Levine.

Thus information about university extension programs, drama series, etc. is provided for companies with many highly technical or managerial posts. If blue-collar workers predominate, sporting events are emphasized.

The effort has paid off.

“We’ve seen a 15% increase in sales to transferees,” says Levine.

...by plotting sales patterns

If you take a map and mark the neighborhoods your recent buyers have moved from, you may discover an area to mine for prospects—a subdivision with assumable mortgages, for example.

Thomas Richey, a Houston-based sales consultant, reports that Centennial Homes, Dallas, tried this technique and it hit upon an apartment complex with high-income tenants—many of whom hadn’t realized they could afford to buy.

...by having invite-your-friends parties

“Throw a party at your project and invite homeowners to bring their friends along,” says Thomas Richey. “It gives you a chance to show off your product to people who may be unfamiliar with it.” (*See above for another Richey idea.*)

6. COMBAT BUYER REMORSE

...by staying close after the sale

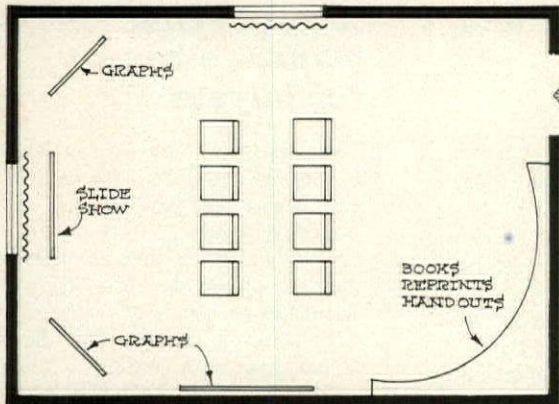
“We want buyers to think of us as friends, not adversaries, when their parents come to town and say ‘What do you mean you’re paying 12%!’”

So says builder Al Hogan of Victoria, Tex., whose buyers include many first-timers. That’s one reason his salespeople work especially hard to establish rapport with their often-anxious customers. Standard follow-up procedures include:

- telephoning and/or visiting buyers to keep them posted on the progress of their house—e.g. “They’re putting up the roof today.”
- sending complimentary bottles of wine if the buyer refers a friend.
- remembering important family events—e.g. buying gifts for new babies.

HOW TO SELL TODAY'S WARY HOMEBUYER

7. GIVE SALESPEOPLE THE TOOLS THEY NEED



...by adding a new room to the sales office

It's called "The Money Room" and it's the brainchild of Pittsburgh marketing man John Ceranic.

The Money Room is being installed in a bedroom of the model at a Thomson Homes condo project in Franklin Park, Pa. The room is being fitted out to recall an executive board room, with chairs and screen for a 20-minute slide presentation, oak-framed wall displays and shelves filled with books and handouts—all on the theme "buy now" (see sketch above).

"The idea grew out of a series of free seminars I gave which stressed the importance of homebuying as an investment," says Ceranic. "The seminars led to 11 sales at a time when interest rates were very high. So we decided to take the seminar theme into the sales office."

What's more, the materials Ceranic is using are easy for any builder to obtain. The slide show and accompanying tapes, for instance, can be purchased from the Realtors' National Marketing Institute (Title: "Condominiums and Equity"). Handouts include brochures published by the National Association of Home Builders and reprints from business journals, such as *Real Estate Today*. Wall-mounted charts were developed from information published by such sources as the United States League of Savings Associations.

...by providing carry-home information

This could be a three-page mimeographed explanation of renegotiable rate mortgages, such as J. Stiles Inc., Dallas, provides. Or a printed booklet, such as those available from the National Association of Home Builders.

"Even shoppers who have owned two or three homes are relatively unsophisticated about homebuying," says Cliff Sinclair, vice president of sales for J. Stiles. "You have to make as much information available as possible."

And don't forget to include your name and phone number on handouts, so prospects can call you for more information.

...by displaying financial facts

"If the information you want shoppers to understand is up on the wall, the pressure is off the salesperson—he doesn't have to provide every fact and figure."

That's the philosophy of Denver consultant Kent Colburn. So in the sales offices he's setting up for Nu-West, there will be a display titled "Facts you should know about buying a home." Included will be:

- an explanation of renegotiable rate mortgages.
- an explanation of shared appreciation mortgages.
- a table showing effective after-tax interest rates.
- an inflation graph, showing the anticipated appreciation of a \$50,000 home over the next ten years, with various rates of inflation.

To make sure prospects study the charts, they will be placed strategically—right above the brochures.

"If they want a brochure, they can't miss it," says Colburn.

...by teaching them to deal with the new math

Says Sales Consultant Thomas Richey, Houston: "Most salespeople aren't trained to answer shoppers' objections to high interest rates."

He suggests these lessons:

- Train your salesmen not to get bogged down in financing before a prospect is emotionally hooked on his dream house.

When a prospect asks "What's your interest rate?," the salesperson should answer: "Let's find a house you like first. We have a number of financing plans."

- Train your salespeople to explain the real after-tax cost of money—i.e., at \$40,000 adjusted gross income, a 14% mortgage rate equals only 6.6% simple interest, once tax deductions are taken into account.

- Train your salespeople to dramatize tax deductions. Teach them how to figure tax savings, based on the particular house a prospect likes and on his tax bracket.

"You can often show a prospect that his employer could then withhold less from his paycheck, creating additional cash flow to help carry the debt service," says Richey.

Another idea comes from Julian Pugh, vice president of marketing for Superior Homes, Houston.

"We're schooling our salespeople to point out that a 15% interest rate is a bargain, compared to the prime rate big companies pay for money," says Pugh.

8. DON'T BLAME THE ECONOMY FOR ALL YOUR WOES

Your product could be off-color...

Sales Consultant Thomas Richey of Houston describes a builder who swore he couldn't sell a spec house because interest rates were 14%. That is, until he repainted it.

"The house sold right away," says Richey. "People just didn't like the original color scheme."

...or out of sync with shoppers' desires

The before-and-after plans at right are the result of giving consumers a look at floor plans before models were built—an approach that resulted in some surprises for The Westminster Co., developer of The Ranch, Denver.

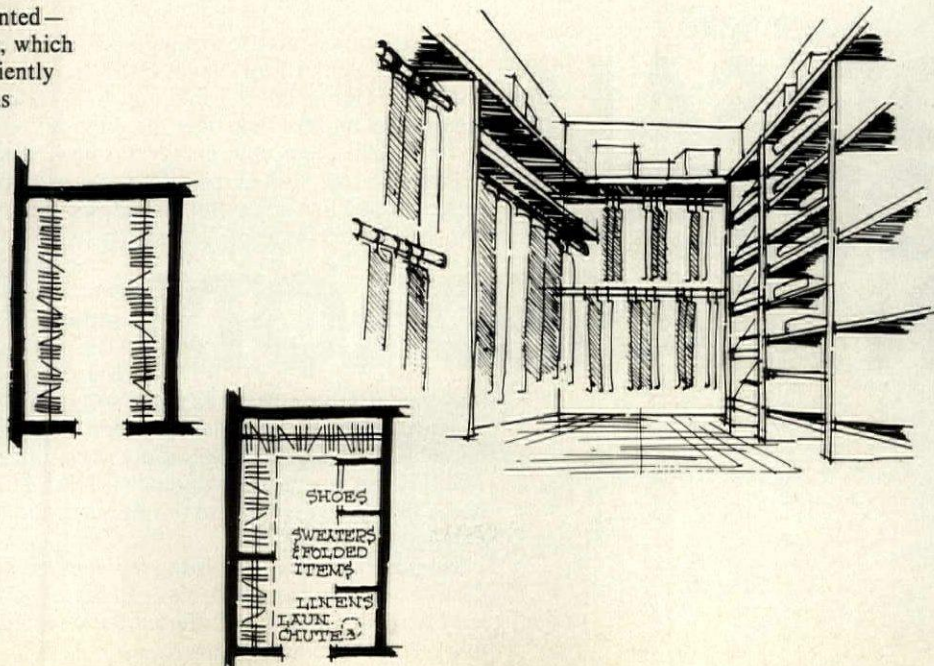
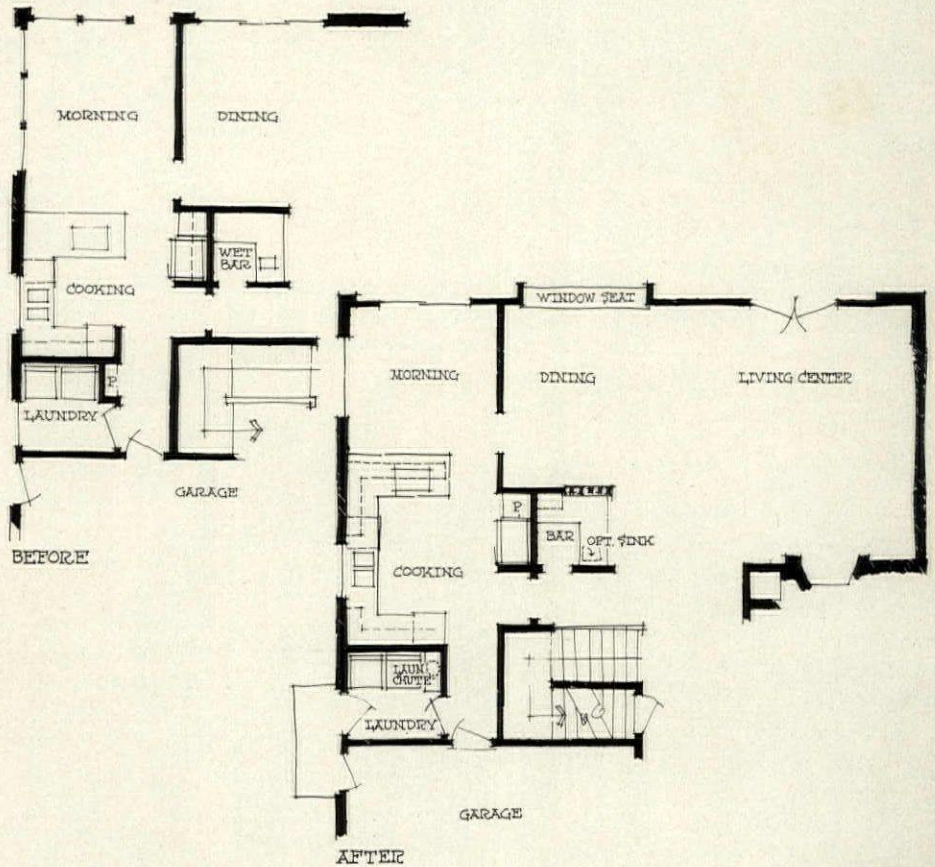
For instance, the wet bar in one plan was scotched—"too close to the kitchen sink" said the nine-woman panel of critics.

Sliding glass doors in the dining area were replaced with a window seat, and sliders were provided in the breakfast nook instead.

A laundry chute—a convenience all the panelists wanted—was added, and the pantry, which had been located inconveniently near the laundry room, was moved to the kitchen.

The walk-in closet in the upstairs master bedroom (right) was redesigned to accommodate the laundry chute and built-in shelves for shoes and folded items.

Planters around the tub in the master bath were eliminated in favor of easier-to-clean tile—a not unimportant change in light of one consumer's comment: "If I don't like the bathroom, I won't buy the house."





To spark business in face of high interest rates, builders are turning to

FOR-SALE HOUSES ON LEASED LOTS

Leased land deals are turning up all over the country — from Farmington, Conn. to San Diego, Calif. In fact, says California-based market analyst Al Gobar, more residential land-lease deals have been done within the past six months than over the previous ten years.

There are several reasons for this new popularity. First, today's land leases are being written so builders can sell them to outside investors. This makes leased lots an option for the vast majority of builders who cannot afford to hold a large land inventory over the term of a leasehold.

Second, the leases are now being structured to meet the requirements of entities like Freddie Mac and Fannie Mae. This makes financing homes on leased land easier since lenders know they can sell the mortgages in the secondary market.

Third, and most important, buyers are responding enthusiastically to the leased land concept. Quite simply, the reduced down payment and lower monthly carrying costs available via lease deals allow buyers to purchase a home they could not afford through a conventional purchase at current mortgage rates.

No one expects leaseholds to replace free-simple ownership of land. But they can solve some problems — especially in today's economy. Here's how they work and how five different builders with projects aimed at different markets have benefitted from leasehold deals.



Red Oak Village, our cover project, is under construction in Farmington, Conn. For data on its leased-land program, see page 48.

The lease program offered by Charter Development Company, Tustin, Calif., best represents the new trend in residential land leasing. If sold conventionally, a \$129,000 home in its Charter Crest project would require \$25,800 down and a \$103,200 mortgage with monthly payments of \$1,513, assuming a 13¾% mortgage rate.

"With the lease option," says Charter's president John Ullom, "we deduct a \$40,000 lot cost—that's within a few dollars of what it cost us—and charge \$89,000 for the structure. This way, the buyer is eligible for 90% financing rather than 80%. So we reduce the down payment to \$8,900, or ⅓ of the \$25,800 required under conventional purchase."

Lease payments are \$267 per month, .67% of the lot value per month (8% on an annual basis). Added to the \$900 mortgage payment on the \$80,100 loan, monthly carrying costs come to \$1,167 with the lease program, a \$346 per month saving when compared to a straight purchase (see table on page 53 for lease deal offered at earlier Charter project).

The homebuyer may exercise his option to purchase his lease anytime after the first year of its term. The purchase price is pre-determined and calculated by adding a 7% compounded escalator each year to the original value of the land.

Key to Charter's program is the lease payment and reversion structure. Rent remains constant for the first fifteen years, \$267 in the previous example, and goes up by 50% every five years for the remaining 55 years on the lease. This fifteen-year constant was chosen to meet Freddie Mac guidelines.

The escalating reversion price gives the homeowner an incentive to purchase the leasehold even though rent is constant for 15 years. Ullom expects that leases will remain outstanding for an average of four to seven years. This combined income stream and equity appreciation is what makes the leases attractive to investors.

The link between builders and investors will be companies like HOWLCO—Home Ownership

With Leasing Company—which was started early this year by Ullom and Anaheim Savings and Loan, Charter's parent company. Already HOWLCO has begun packaging leases from individual builders into \$5 million and \$10 million lots. Ullom says he now has commitments from pension funds and insurance companies to put \$75 million into such leases.

Woodward Companies offers a similar deal to buyers at its Park Lane project outside San Diego, but adds an interesting twist: Buyers can further reduce monthly payments over the first two years of the lease by deferring a portion of the lease payment (see table, page 51).

For instance, the rent on a \$45,000 lot in Woodward's program is normally \$450 a month—1% of the lot value. For two years, Woodward reduces that payment to \$150 and kicks back the deferred portion to the reversion price. This increases the reversion price by \$7,200 over the two years, but gets the buyer into a \$146,000 home—a price including the \$45,000 lot—for a mere \$10,100 down and \$1,227 a month for the first two years as compared to the \$29,200 down and \$1,384 a month needed via conventional purchase (see table, page 51). An S&L service corporation has agreed to purchase 37 of these leases.

Both Woodward and Charter have gotten enthusiastic response from consumers. "At our Park Lane project," says Scott Woodward, a Woodward vice president, "sales went from .33 per week to about 5.2 per week after instituting the lease program." He says about 95% of those who took the lease option also chose the deferred payments scheme.

At Charter Crest, a Charter Development project, sales went well until the mortgage rate hit 13%. Then, Charter couldn't sell any of the remaining 17 units for three months. "We tried the lease option," says Ullom, "and the project sold out in two weeks—14 of the sales were with land leases."

In mid-1980, Christiana Companies began offering a land lease option at Villa Dominique in San Diego where prices for townhouses and detached homes run from \$149,000 to \$225,000. The Christiana lease runs 85 years and includes this feature: If a homeowner decides to buy his lease, all lease payments made in the year of purchase are applicable to the reversion price. The reversion price is figured on the original value of the land plus an annual increase of between 8% and 13%. After the seventh year, the price is set by appraisal. (See table, page 51).

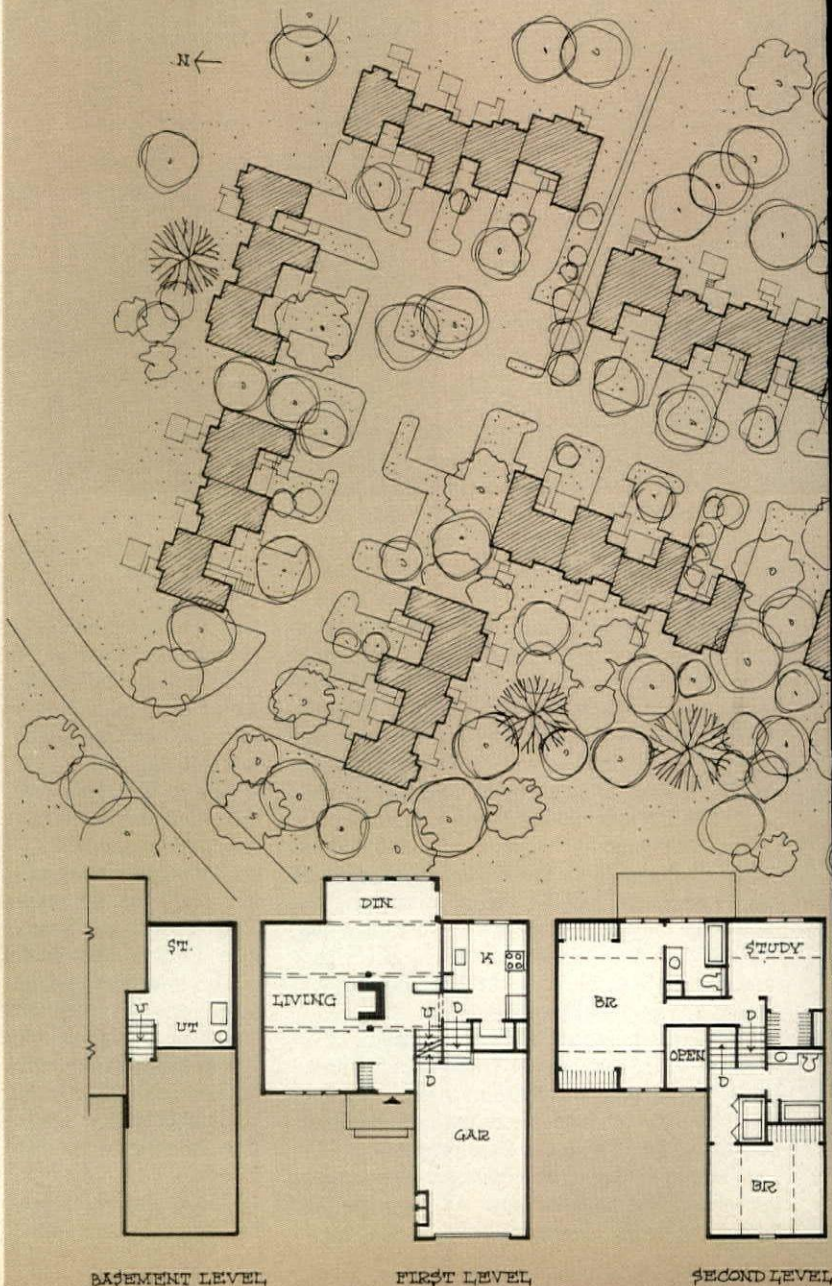
Christiana, unlike Charter and Woodward, plans to hold the leases for the income and equity appreciation. Martin Fenton, Christiana's president, admits the return on the leases might now lag behind other investments available, "but what we're addressing here," he says, "is the affordability of housing. We're getting the buyer in and selling homes."

Expensive units for first-time buyers—they can get in for 10% down

The units sell for \$70,000 to \$90,500 so most two-income couples can afford 10% down—at least that's the theory behind the leased-land plan for our cover project, Red Oak Village in Farmington, Conn. But if the developer were selling conventionally with the land value (\$12,500), few people without equity from a resale could come up with the money to buy one of these attached units.

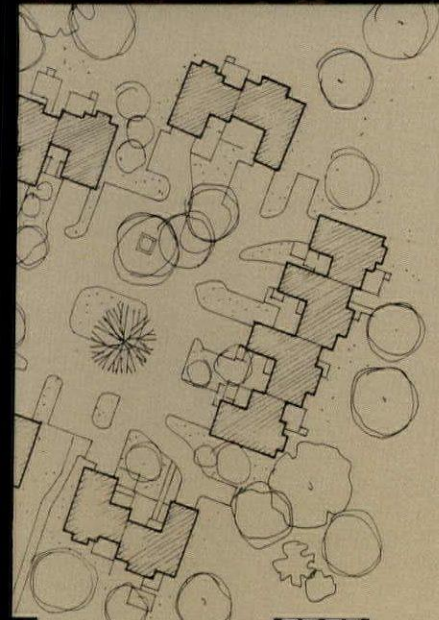
This is not the first leased-land project masterminded by Otto Paparazzo for first-time buyers [HOUSING, Nov. '76 and Jan. '78]. For more data on the structure of this land-lease program, see page 50.

PROJECT: Red Oak Village, Farmington, Conn.
 DEVELOPER: Otto Paparazzo, Waterbury, Conn.
 ARCHITECT: Callister, Payne & Bischoff, Tiburon, Calif.



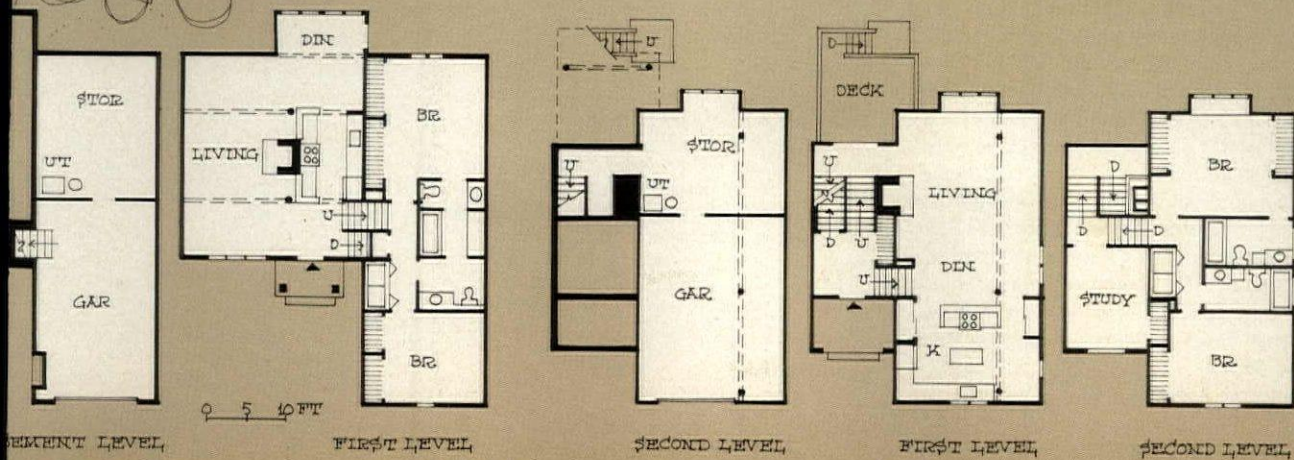


ESTO PHOTOGRAPHICS



Old New England streetscape is emulated in the cul-de-sac of new units. Houses are sited close to the street, have small yards and picket fences. Interiors (not shown) are more contemporary, featuring high ceilings.

Clustered units—they can be attached in groups of two to four, as shown at left—contain from 1,440 to 1,800 sq. ft. In all, 277 units are planned for cul-de-sacs like that shown; 35 units are completed, 17 are under construction and 24 were sold between August and December.



Besides, Fenton figures his return looks better if inflation subsides. If it continues at current rates, says Fenton, "it'll destroy the industry and the economy and I won't be any worse off anyway."

To date, most builders have yet to develop a lease program with a link to investors. But even for these builders the lease option—although it means tying up money in land—is often a better alternative than not selling homes. "I'm sitting on a subdivision with furnished models, fully developed lots and a tremendous inventory," says Lynn Krause, president of Link Construction Company, Joliet, Ill. "I'd rather have people buy on a leased land basis than not at all."

So to move the \$135,500 homes at his Countryside project, Krause started his "Lynk-Lease" program. The lease runs 99 years with annual lease payments of 2% of lot value in the first year increasing by 50% per year to a peak of 10% in the fifth year where it remains thereafter. On a typical lot value at \$32,000, payments are \$53 a month the first year and \$340 a month from the fifth year on. The price at which the homeowner can buy his lot increases at 5% per year from the original lot value (see table, page 53).

Krause will hold the leases, but figures the income from them will take some of the peaks and valleys out of his cash flow. "So far, response has been good," says Krause. "But most of it has been from other builders."

Not all land lease deals offer the homeowner the chance to buy his lot. Since 1976, Otto Paparazzo, the Connecticut developer, has used land leases which revert to a homeowners association [HOUSING, Nov. '76 and Jan. '78]. And at Red Oak, his most recent project in Farmington, Conn., he's done a similar 50-year leasehold (see pages 48 and 49).

Paparazzo's plan goes like this: All homebuyers pay a \$65 per month lease payment over the fifty year term of the lease. To maintain common areas, each owner also pays a \$33 per month homeowners association fee, from which \$.50 is deducted and placed into an escrow fund. According to a contract between Paparazzo and the association, at the end of the lease's term the money in the fund goes to him, the leasehold reverts to the association. The association then decides what future rents, if any, will be. The 70-acre site has not been subdivided, so it's unlikely homeowners there will ever own their own lots. They will own an undivided interest in the project's land. Still, Paparazzo has gotten local lenders to recognize lot value when making mortgages on homes in Red Oak. The lenders add a "shadow" \$12,500 lot value into the unit price and extend an 80% mortgage against this combined value of house and land. On a \$90,000 home at Red Oak, this reduces the down payment required from \$18,000 to \$9,000.

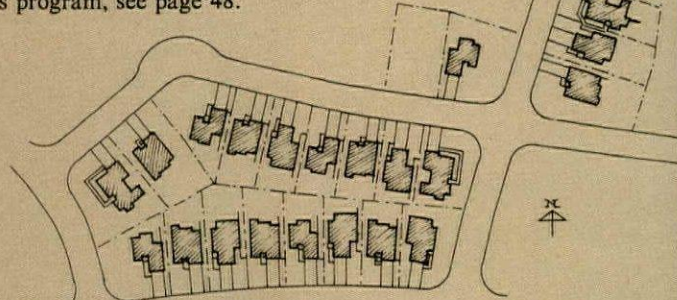
Although the structure of lease programs

Down payment

- \$29,200 with land
- \$10,100 without land

With typical reductions of \$19,000 through a leased-land program (see example, facing page), the sales rate at Park Lane increased from .33 to 5.2 units per week and the project quickly sold out.

Where did the extra buyers come from? Some were first-timers, people with good incomes but no equity or other source for a large down payment. Still others were move-ups who couldn't sell their present homes because of market conditions. Many could come up with the lower down payment, so they simply kept their previous homes and rented them. Primarily they were professionals in the 28-to-38 year-old range, with zero to two children. For more on this developer's program, see page 48.



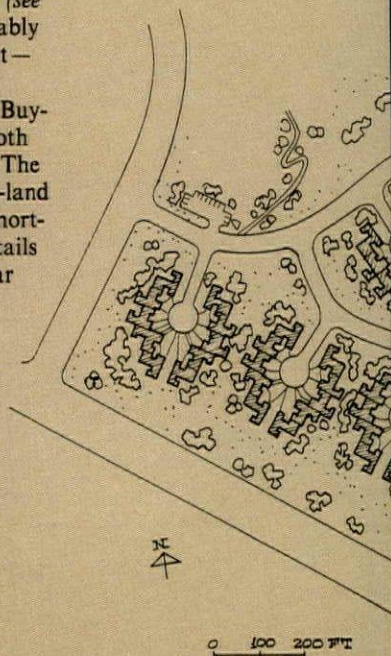
PROJECT: Park Lane, Rancho La Costa, Calif.
DEVELOPER: The Woodward Companies, Carlsbad, Calif.
ARCHITECT: Red Moltz & Associates, Irvine, Calif.

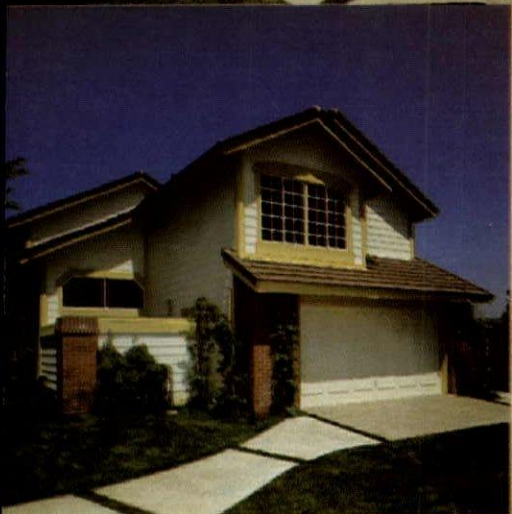
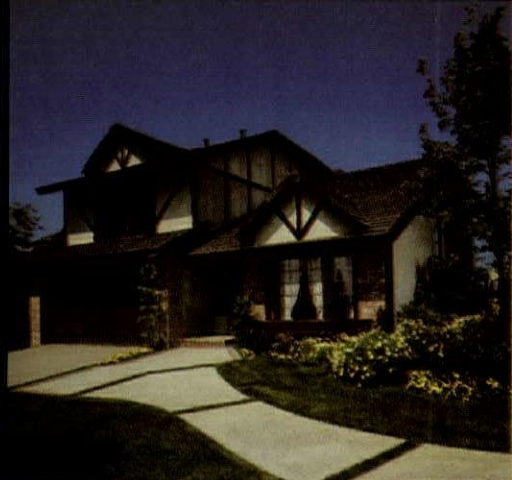
Monthly payment

- \$1,267 with land
- \$1,053 without land

At Villa Dominique, there's a big difference between principal and interest payments even though interest rates are higher for leased-land-deal mortgages than for straight fee-simple (see example, facing page). That's probably why 31% of 93 sales at the project—including 35 for townhouses like these—have been on leased land. Buyers: move-up, childless couples (both working) in their 30s to mid-40s. The developer says requests for leased-land deals dropped during the period mortgage rates fell last year. More details on this developer's program appear on page 48.

PROJECT: Villa Dominique, Tierrasanta, San Diego
DEVELOPER: Christiana Companies Inc., San Diego
ARCHITECT: The Landau Partnership, West Los Angeles





Conventional Purchase		Leased-land Purchase	
Sales price	\$ 146,000.00	Sales price	\$146,000.00
		Leasehold value	45,000.00
80% loan amount (14% Interest)	116,800.00	House value	\$101,000.00
Down payment	\$ 29,200.00	90% loan amount (14% Interest)	90,900.00
		Down payment	\$ 10,100.00
		Monthly payment	\$1,077.04 (P&I)
		Land-lease payment (see A below)	450.00
			\$1,527.04
		or	
		Monthly payment	\$1,077.04 (P&I)
		Land-lease payment (see B below)	150.00
Monthly payment	\$1,383.92 (P&I)		\$1,227.04

Purchase Methods

A	\$450.00	Monthly lease payment through year 15
	45,000.00	Constant land purchase price through year 5*
B	\$450.00	Monthly lease payment through year 5
	-300.00	Less deferred payment option
	\$150.00	Monthly lease payment first 2 years
	\$300.00	Deferred payment option
	× 24	Months deferred
	7,200.00	Total deferred payment
	+45,000.00	Constant land purchase price through year 5*
	\$52,200.00	Deferred payment option purchase price through year 5

* Plus cost of living index or appraised value of land, whichever is greater, year 5-70. (The option to purchase may be exercised at any time during the lease term (70 yrs.) after the first two lease years.)



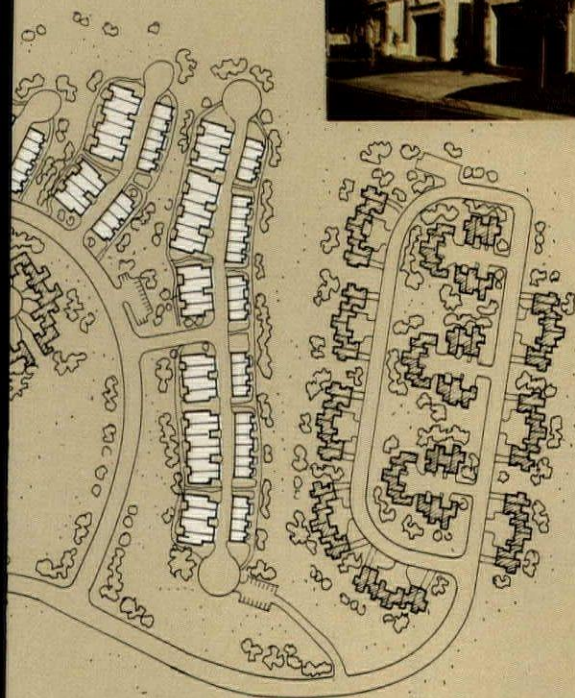
KENT OPPENHEIMER

Conventional Purchase		Leased-land Purchase	
Sales price	\$135,900	House price	\$97,900
		Leasehold value	38,000**
Down payment	27,200	Down payment	19,600
Loan (80%)	108,700	Loan (80%)	78,300
Monthly payment*	1,267 (first 2 years) 1,397 (thereafter)	Monthly payment*	1,053
		Land-lease payment	100†
Income to qualify	50,400	Income to qualify	42,000

* Mtge. rate for conventional purchase is 13¾% for first two years, 15¼% thereafter; mtge. rate for leased-land purchase is 16%.

† Monthly land-lease payments escalate in third year to \$200; in fourth year to \$400; in fifth year to \$600; and in seventh year to \$800, where it remains until land is purchased.

** Land price escalates at between 8% and 13% a year; purchase price reduced by total of monthly land-lease payments made in year of purchase.



now differs widely from builder to builder, there is a move toward standardization (see *How to set up a land lease, below*). That move is likely to be speeded up if home prices continue to rise faster than buyers' incomes. Their appeal is similar to that of the shared appreciation mortgages: Get a buyer into a home for fewer dollars down and fewer dollars a month. John Ullom thinks land leases do that as well, if not better, than the SAMs. "Of course," he admits. "I really believe in this program, so I tend to get a little evangelical about it."

How to set up a land lease

Dennis Hill, an attorney with the firm Hill, Wynne, Troop and Meisinger, Los Angeles, has structured residential leasehold agreements for several builders. In the course of that work, he's come up with a standard leasing form which combines the interests of builders, consumers, lenders and investors. Hill recommends that residential land leases include the following features:

Realistic rent structure. Make sure the lease payment schedule won't break the consumer's back somewhere down the road. Mortgage lenders will shy away from deals where lease payments drastically increase after a few years and inhibit the homeowner's ability to make lease and mortgage payments. Hill's leases offer a constant rent the first fifteen years—a Freddie Mac requirement—and increase at specific rates thereafter.

Assignable interest. The land lease should be freely assignable to future homebuyers. This is often a necessary feature for obtaining mortgage financing, particularly if the mortgage will be sold in the secondary market. It is also important in protecting resale value.

Option to purchase. Both the homeowner and the lender should have the option of purchasing the leasehold. If lender exercises that right, the homeowner still has the right to then buy from the lender. This feature not only protects the lender, it makes the lease attractive to investors who will take their profit when the leasehold is purchased.

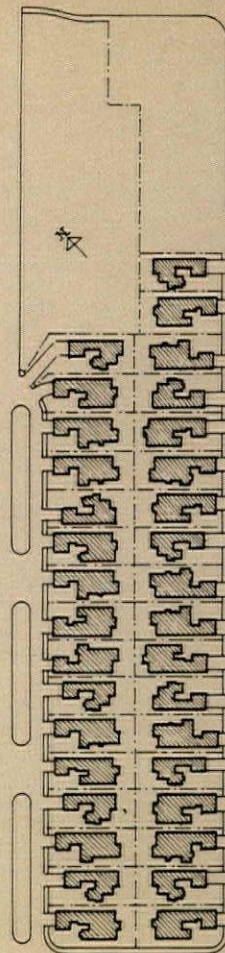
Pre-set reversion price. The price at which the leasehold can be purchased should be set in advance, usually by adding an annual percentage increase to the original value of the land. Hill advises against tying the selling price to an appraisal or the consumer price index. Investors prefer dealing with a known reversion price.

Down payment —\$28,600 with land —\$10,600 without land

The down payment here is especially low, as the example on the facing page shows. So you might expect that most prospects at Camden Corners would be first-time buyers. Not so: of the project's 34 zero-lot-line units, all but five were bought by move-ups. And unlike the market at Park-Lane (see box page 50), these move-ups had to sell their older homes before the lender would approve a mortgage.

What seems to be the big attraction is the reduced land-payment option, which all 33 purchasers who bought under the leased-land program took. Nevertheless, the developer does not offer that option at newer projects because of Freddie Mac regulations. (See "How to set up a land lease," left.)

PROJECT: Camden Corners, Irvine, Calif.
DEVELOPER: Charter Development Corp., Irvine
ARCHITECT: Sutton, Collins, Moyer Architecture Inc., Tustin, Calif.



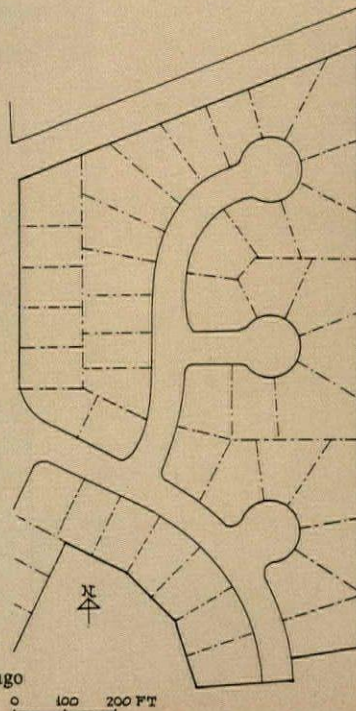
Monthly payment —\$1,161.93 with land —\$838.92 without land

That big spread in outlays for principal, interest, taxes and insurance means that the income needed to qualify for a typical Countryside detached house drops from almost \$50,000 for a conventional fee-simple purchase to well under \$39,000 for a leased-land deal (see example, facing page).

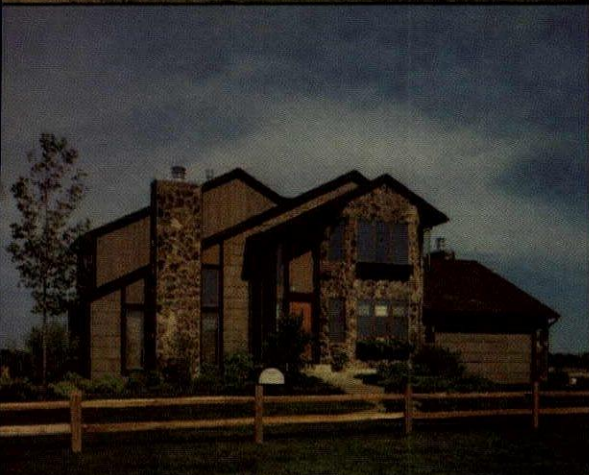
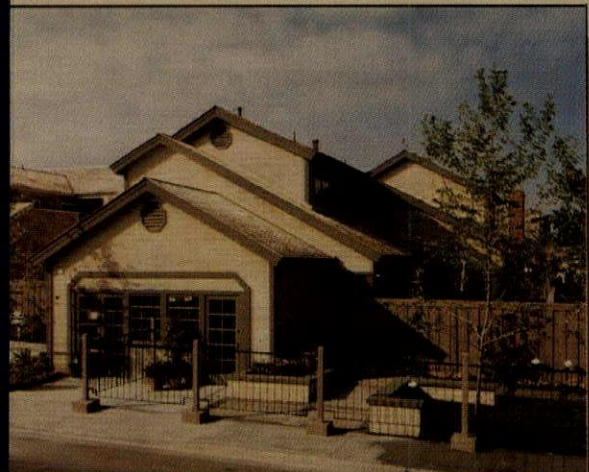
And while the leased-land program hasn't caused an avalanche of purchases since its introduction last year, it has "brought us more sales than we would have had," the developer reports.

There's also been an increase in traffic, with promises of future sales to prospects who feel more comfortable with conventional fee-simple arrangements, but want to wait for mortgage rates to drop. (For more on this developer's program, see page 50).

PROJECT: Countryside, Naperville, Ill.
DEVELOPER: Link Constr. Co., Joliet, Ill.
ARCHITECT: Paul Stevens & Assoc., Chicago



PHOTOS: RONALD MOORE PHOTOGRAPHS



PHOTOS: ROBERT SAVELY

	Conventional Purchase	Leased-land Purchase
Sales price	\$143,000	\$143,000
Deduct leasehold value	n/a	-40,000
Home price	\$143,000	\$103,000
Down payment	\$ 28,600 (20%)	\$ 10,600 [†]
Loan amount	\$114,400	\$ 92,400
Monthly P & I	1,333 (13¾%)	1,077 (13¾%)
Lease payment*	n/a	100
Monthly taxes (approx.)	119	119
Insurance (approx.)	45	45
Total monthly payment	\$ 1,497	\$ 1,341

[†] Slightly higher than 10% due to Freddie Mac maximum loan.
 A. Payments (standard) are \$400 per month for the first 15 years.
 B. Buyer may pay \$100 per month for the first 2 years of the lease.
 C. The \$300 per month that the builder is carrying may be paid back at any time during the life of the lease (total amount is \$7,200), but must be paid back when buyer exercises option to purchase land.
 D. The land can be purchased at \$40,000 from the first through the fifth years, and at an increased rate thereafter.
 E. The lease is assumable by a new buyer at any time during the life of the lease.

	Conventional Purchase	Leased-land Purchase
Lot	\$ 32,000.00	\$ -0-
House	103,500.00	103,500.00
Total price	135,500.00	103,500.00
Down payment	40,700.00	40,700.00
3% closing	2,844.00	1,884.00
Mortgage	94,800.00	62,800.00
Interest rate	11.75%	11.75%
P & I	956.93	633.92
Tax	175.00	175.00
Insurance	30.00	30.00
Lynk land-lease	-0-	53.33*
Monthly payment	1,161.93	892.25
Income to qualify	\$ 49,797.00	\$ 38,229.00

* Lease payments increase by 2% per year for first five years of 99-year lease to a monthly rate of \$340.33, then remain frozen.

Innovative 12-plexes with home-like apartments -and they're pre-selling fast

Even though the first phase of The Gables in Bradenton, Fla. won't get under way until next month, these plans and elevation have already garnered 40 hold agreements. And that, says developer Chuck Parr, includes "enough serious deposits for us to know we're on the right track."

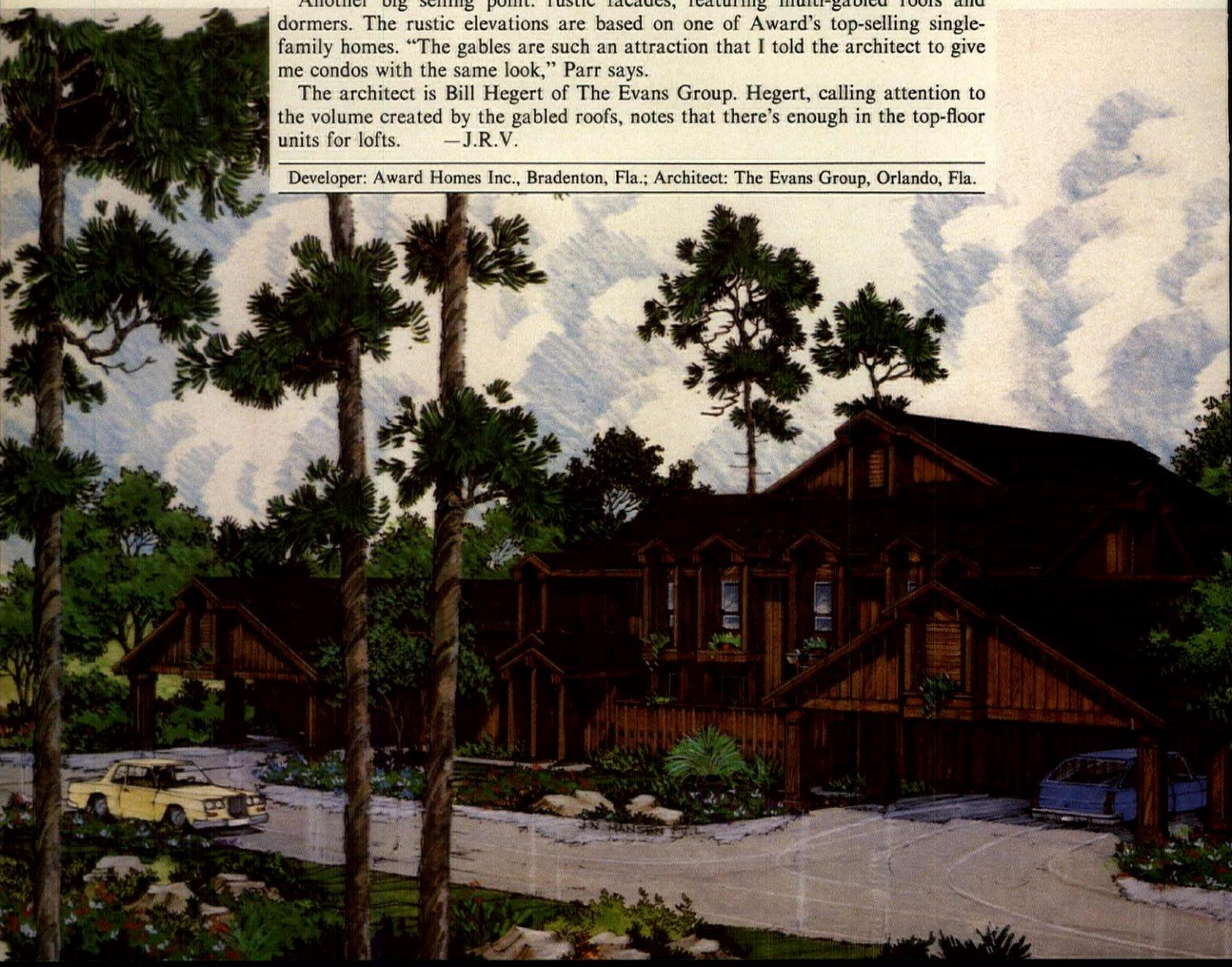
What, besides Award's reputation as a single-family builder, is the big attraction? The project's strong single-family-like quality, which is created by a rather atypical building plan.

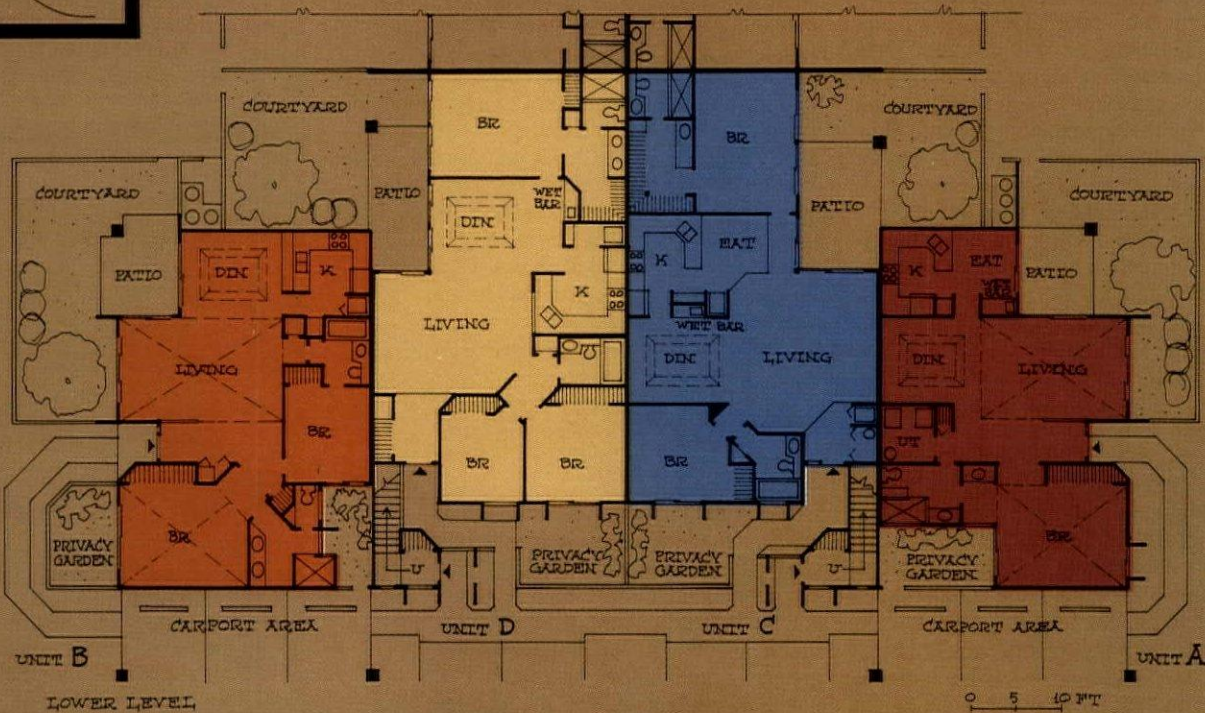
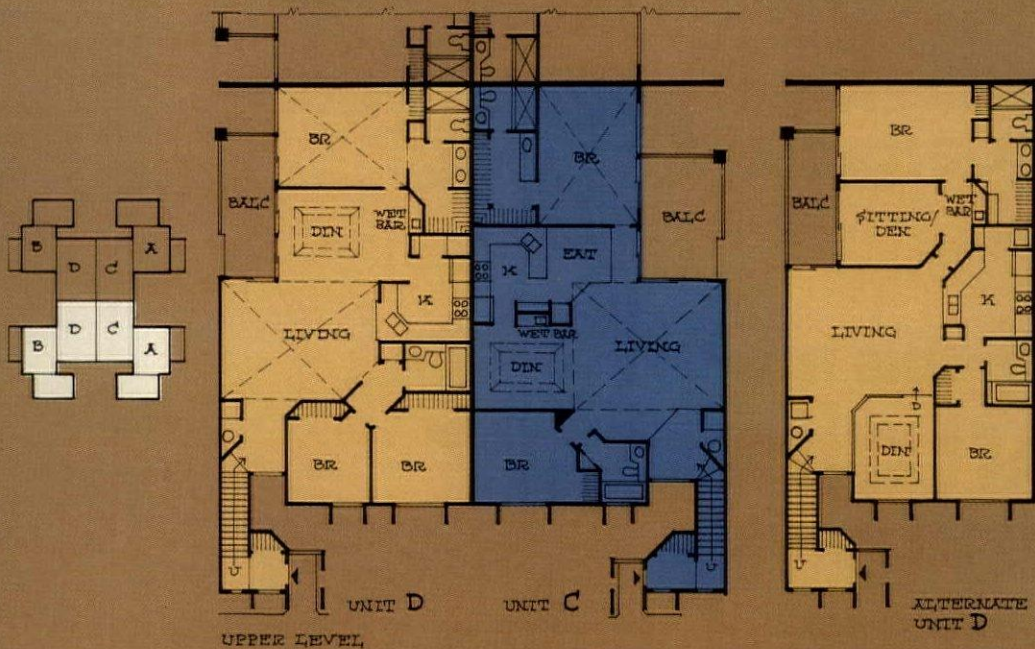
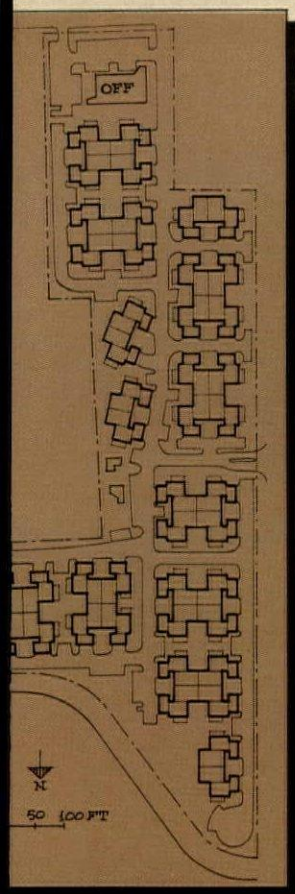
The key idea is the way a 12-plex's core of eight units (four over four) is linked to other sections of the building. Specifically, each corner of a core is "wrapped" with a wing consisting of a one-story unit and carport. Joining building segments this way creates spaces for secluded outdoor living areas and private entrances for each unit. It also paves the way for open floor plans that provide views of the outdoors from the entry—a layout feature more often associated with detached housing or "plexes" with fewer units.

Another big selling point: rustic facades, featuring multi-gabled roofs and dormers. The rustic elevations are based on one of Award's top-selling single-family homes. "The gables are such an attraction that I told the architect to give me condos with the same look," Parr says.

The architect is Bill Hegert of The Evans Group. Hegert, calling attention to the volume created by the gabled roofs, notes that there's enough in the top-floor units for lofts. —J.R.V.

Developer: Award Homes Inc., Bradenton, Fla.; Architect: The Evans Group, Orlando, Fla.





12-plex layout consists of two segments of units like the one shown above. (Full building outline is shown at right of site plan). Note that entries for second-floor units in the central core are pulled out to the building line, avoiding the use of valuable living area for that purpose. Units, which are slated to start at \$60,000 to \$70,000, contain from 1,000 to 1,470 sq. ft. The targeted market: professionals and empty nesters.

Irregular site is 12.18 acres, of which slightly over an acre will be developed with the office building outlined at top of plan. As indicated, there will be four six-plexes in the 132-unit project. Units in those buildings will have rear windows and more courtyard space.



Underground housing?

No—this is one stage in... An all-winter building system

The system combines indoor and outdoor prefabrication. Roofs (*photo above*) and second-story floors are completed at ground level, on the slabs of townhouses, then craned into place. Other components—primarily wall and partition panels—are made in a shed at the building site. This way of working saves time and money for Louisville builder Roger Bright—“mostly,” he says, “by giving me control, control, control.” What Bright controls so well is:

- **His labor.** Since Bright builds in the off-season—starting a phase in late fall and working through the cold months—he can pick from the cream of local subs.

- **His material.** Since everything from lumber to nails is delivered to his framing shed, pilferage is minimal and there's little if any damage from workmen's carelessness or weather. “None of my lumber is ever rained on,” Bright says. In fact, he adds, all the lost material for any one building (typically five units) would fit into a wheelbarrow.

- **His quality.** Since so much is done indoors, framing sub Jerry Wing can keep close tabs on workmanship. What's more, there's less chance of post-construction problems—nail popping, for example—because materials aren't exposed to the elements.

- **His schedule.** Bad weather has little effect on production for a couple of reasons: first, because so much work is done in the shed; second, because it takes no more than a day to close in each townhouse—namely, to erect the wall panels, the second-story floor assembly and the finished roof.

“Our production goes boom, boom, boom,” says Bright, “and we can usually close in a full building in five days.”

Bright has always believed in building in winter, when it's easiest to find a good supply of labor and materials. He tried it first on a stick-built job—and discovered why most builders shy away from winter work. Whenever it snowed, work had to halt; if the ground was muddy, workmen used his lumber for walkways; and bulldozers ran over his materials.

“My losses in time and material were killing me,” Bright says, “So I looked around for a better way” and—with the help of Jerry Wing, his framing sub—came up with the system shown here.

It's getting its first test at the new project shown on page 59. And Bright now estimates construction-cost savings at about 10% to 12%. He's hard put to cite a precise overall figure. But he has already identified some specific savings. Two examples:

- A \$3-per-square (27%) reduction on roofing costs. His roofing sub charges only \$8 per square because of the relative ease of sheathing and shingling roofs at ground level.

- About a 15% cut in the cost of framing materials and windows—to roughly \$7,300 a unit—because of reduced damage and pilferage.

Finally, there's the time element. Says Bright: “This system should shorten a 15- to 16-month job by two or three months. When you translate that into a saving of construction-money interest, it runs to a lot of dollars.”

—JUNE R. VOLLMAN



1 It all starts in this shed where everything from dormers to wall panels, with siding and windows in place, is built under the supervision of framing sub Jerry Wing (shown). The shed is erected close to the site of the last building in a phase because most of its parts will be reused in the last building—the roof trusses, for example, and the plywood walls (for subflooring).



4 Wall and partition panels, previously stacked in order of installation, are set in place with an eight-ton crane, also rented.

7 It all ends here, as the final building in the phase waits for its roof to be lifted off the framing shed. Hence, the temporary poly roof shown. A shed costs between \$5,000 and \$6,000—an upfront expense that's almost completely recaptured once a phase is complete. Upfront costs for materials is about the only negative in the system, Bright says.



2 Roof systems and second-story floors for each building are prefabricated atop the building's slab to insure proper alignment when they are erected. The sequence: Bottom plates of first-floor walls are nailed to slab; top plates are laid on bottom plates but not nailed; web trusses of second floor are nailed to top plates; plywood subflooring is nailed to trusses; bottom plates of second-floor walls are nailed to subflooring; top plates are laid on bottom plates but not nailed; roof trusses are nailed to top plates; roofs are sheathed and shingled; gable ends are sheathed and sided. Says Bright: "When we finally erect the building (*below*), top and bottom plates are sure to meet because they were laid at the same time in the same place."



3 Erection sequence begins when rented, heavy-duty crane removes complete roof sections, and then second-story floors from the slab so that wall panels can be installed. Note residue of recent snowfall on roof.



5 With first-story wall panels positioned, second floor is placed. To speed up job—and keep costly cranes busy—framers from shed augment erection crew.



6 Roof section is set atop a walled-in unit. Note other sections on the ground awaiting positioning. End unit (*left*) awaits a porch to be attached on upper level.





'I worked at my first homebuilding job when I was 12'



LOUISVILLE COURIER JOURNAL

Roger Bright's first employer was his stepfather; the job was sweeping up—not the most glamorous way to learn the business. But it interested young Bright enough to start him thinking of homebuilding as a runner-up career choice.

His first choice was professional baseball. And until he was badly wounded as a paratrooper in Vietnam, the job he coveted most was major-league shortstop.

Instead, at age 33, Bright heads an amalgam of five companies—the Bright Group—that does everything from single-family (“very few these days,” he says) to multifamily, non-res and property management.

“I needed a full-service real estate company to serve the rest of my companies,” Bright explains, “because by relying on others I was losing some control.”

Construction management is another Bright Group activity. “As our reputation in condos and commercial

work grew, people began asking us to put their developments together,” Bright says. Result: In the second half of 1980, he signed up \$8.5 million in construction management for other developers.

Each deal involves one or more of the three packages:

- Engineering, architectural, budgets, codes—“anything needed to get a project rolling,” he says.
- Actual construction.
- Marketing and advertising.

Bright is also part-owner of a minority construction firm, which signed with the city to build 50 public housing units on six small sites.

Bright's career began when he was recovering from his war wounds. Almost totally immobilized, he spent about seven months studying design.

Then came some practical experience with a couple of builders (including Wes Logsdon Co. Builders) first as a superintendent, then as a vice president and general manager.

He formed Roger Bright Builders in 1974, starting out in single-family and branching into multifamily with Logsdon a couple of years later.

At Bright's Yorkwood

A trade-off that paid off

Yorkwood at Plainview is Bright and Logsdon's first on-slab project in an area where most, if not all, houses are built with basements. So Bright was concerned about how the first units would fare in the marketplace.

“People in this area really think they're losing something if they don't get a basement,” he says. “Also, I knew we'd be competing with resales from our older project (Sycamore, nearby), where the units have basements and are larger too.”

Why, then, did Bright decide against basements? It was a trade-off, he says. He figured the money saved, about \$3,000 per townhouse, could be better used for features and amenities that would appeal to his market— young, mostly childless, apartment renters.

Apparently, he figured right. Of the 69 units in Yorkwood's first phase, 48 have been sold since June, according to Bright. And work has now started on the 64-unit second phase. First-phase prices range from \$57,950 for a 1,000-sq.-ft. flat to \$77,500 for the largest of three townhouses (1,450 sq. ft.).

Features and amenities include:

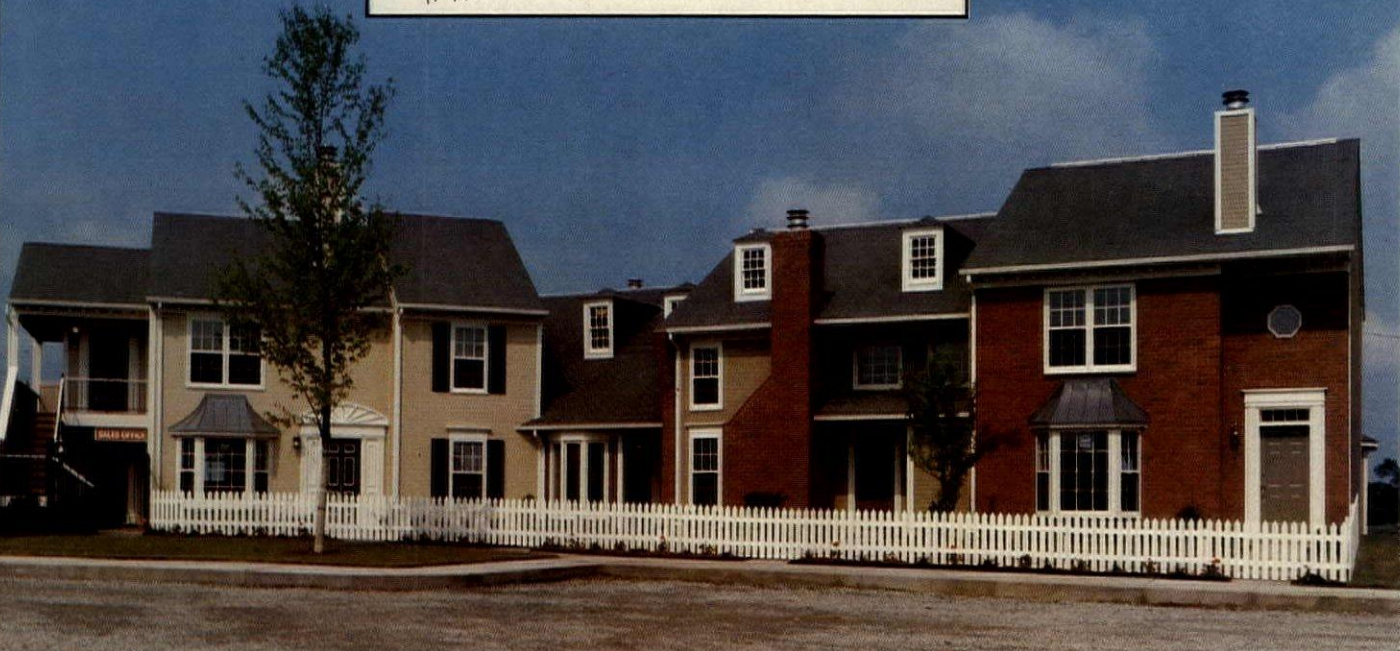
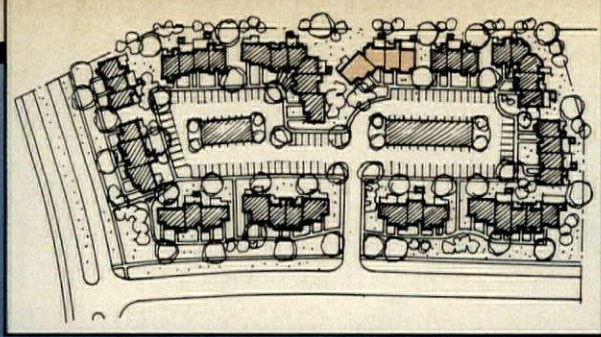
- *Quality items* such as heat-circulating fireplaces, custom-made oak cabinets and double ovens with microwave compartments.

- *Attached outdoor storage units* (see plans). “This way,” says Bright, “buyers have a place for the kind of household overflow that usually finds its way into the basement.”

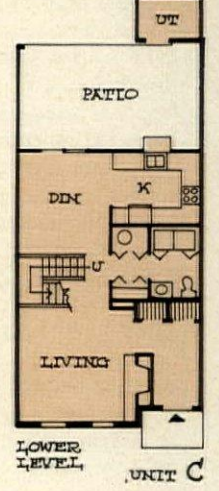
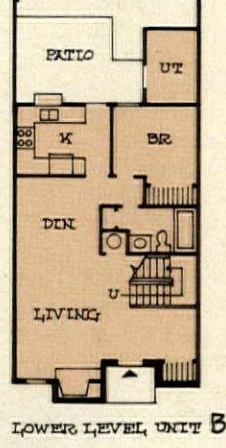
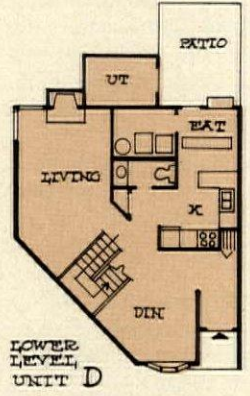
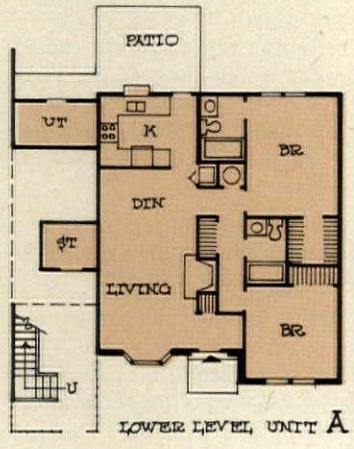
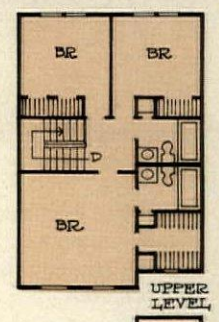
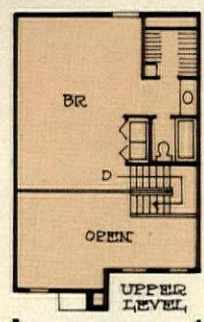
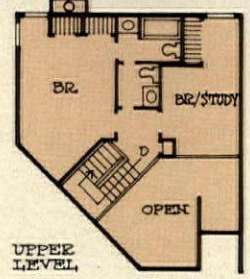
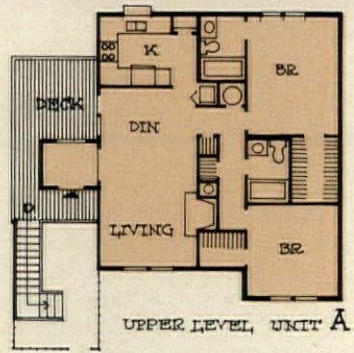
- *High-style interior spaces*, with sleeping lofts and cathedral ceilings that are much in vogue these days with the 25-to-34-year-olds whom Bright wants to attract. “They're my age,” he says, “and they're looking for something nifty at a price they can afford.”

- *Optional carports*—\$1,250 extras that, Bright says, ring a bell with people who “are tired of scraping their windshields on winter mornings.” He points out that carports are not available in most of the area's apartment projects or, for that matter, with his nearby earlier housing.

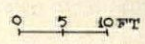
Architects for Yorkwood were Dan Fultz and Rick Grammer of Archiform. Engineer and landscape architect: Saback & Wilson. Nicki Shutt of Executive Designs coordinated interior and exterior colors and decorated models, which aren't shown.

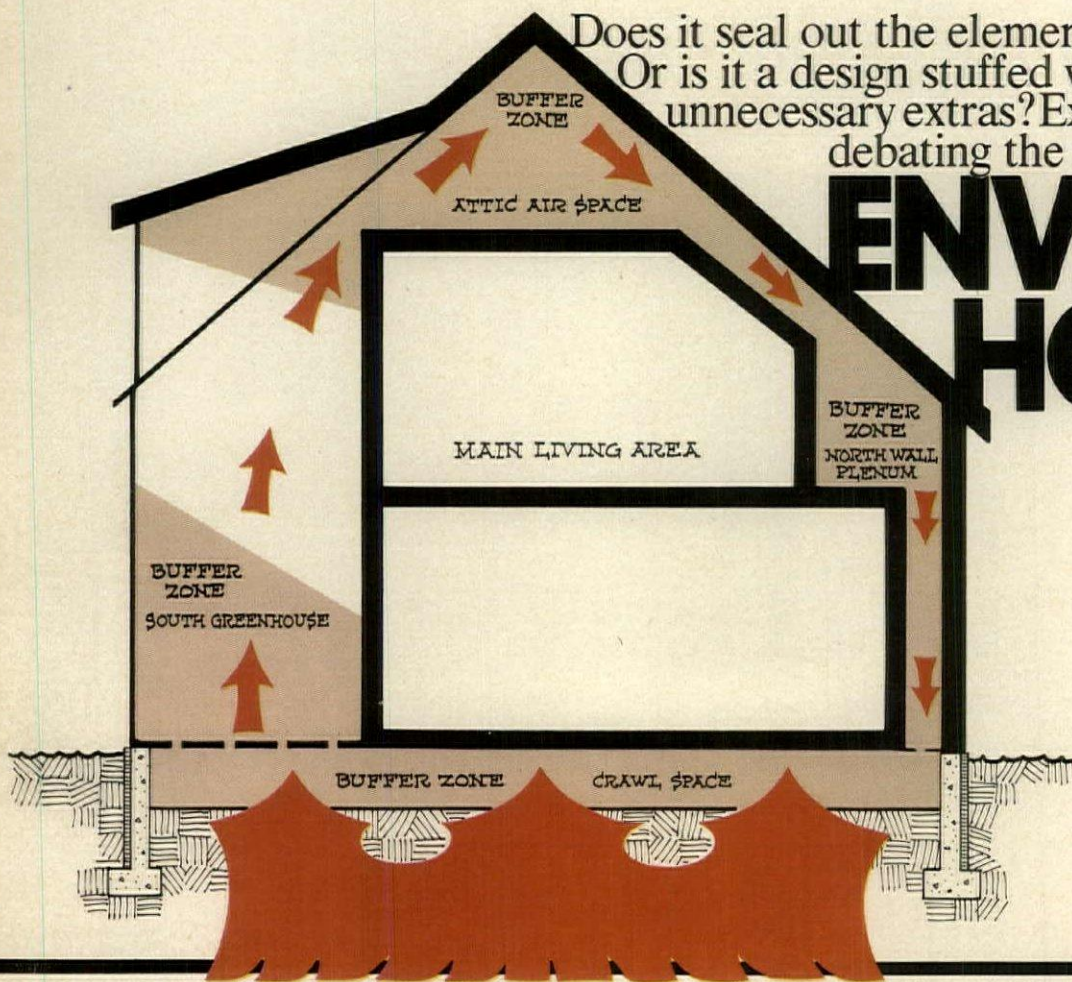


PHOTOS: JOHN MAY



Model complex (photos above and facing page) shows that while Bright broke with tradition in not offering basements, he stayed with traditional exterior styling. Note plan D. It is a corner turner—designed to avoid what Roger Bright terms the “dead-end” look often seen when townhomes are placed at right angles to each other.





Does it seal out the elements?
Or is it a design stuffed with
unnecessary extras? Experts are
debating the merits of

THE ENVELOPE HOUSE

The first envelope or double-shell house went up about three years ago, and the debate has gone on ever since.

Some proponents call it revolutionary, a new, energy-efficient way to build houses. Others term it a step in the evolution of passive solar design. Opponents say it wastes captured energy, is too expensive and dangerous.

Everyone agrees envelopes have lower fuel requirements than conventionally built houses. But almost every other aspect of envelopes has been argued over by passive solar designers and builders. Even supporters disagree, to the point where two envelope enthusiasts may find themselves in a court battle this year.

One thing is certain, however: you'll be hearing more and more about the envelope house. So here's the theory behind these controversial houses.

The envelope is a well-insulated house within a well-insulated house

As you can see in the diagram, (above) an air space or buffer zone surrounds the living area and connects the south-

facing greenhouse, attic, north wall and crawl space. The east and west sides are single, well-insulated walls.

Heat from the sun and earth tempers the air spaces that separate the living area from the snowstorm outside. Thus the living areas and the heating system respond to 50° weather rather than subzero temperatures.

When people started building envelope houses, they wanted to keep them simple. Builders use standard materials and practices, but in a different manner:

- Both the top and bottom of the attic air space are insulated.

- Foundation insulation protects the open earth crawl space.

- In the north wall, both sides of the air space are insulated. That means building two walls, usually with extra insulation. Some designers specify exterior walls built with 2×6s and rigid insulated sheathing on the outside. Others feel 2×4 construction is adequate. Most agree the inner wall requires less insulation and in most cases can be constructed with 2×4s.

- Windows on the north are two sets of double-pane glass. The assembly

spans the open air space, which can vary from 4 to 12 inches. Some builders close in the sides of the windows and put a grate or slats at the top and bottom. This allows the air to pass through and provide a buffer zone between the glass panes.

- Continuous vapor barriers should be attached to the inside of the outer wall. The envelope maintains its own 40-60% relative humidity, and vapor usually travels from the air space to the outside.

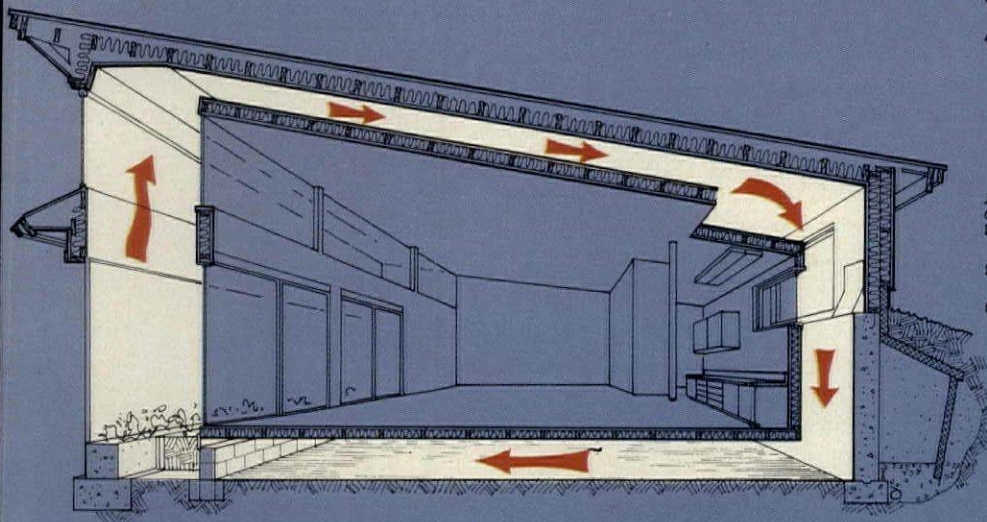
Sun and earth-tempered air surrounds the living area giving it its own 'California' climate

Three things cause structures to lose heat:

- the area exposed to the outside;
- the conductivity of the materials at the surface—the U factors;
- the temperature difference between the inside and the outside of the structure—the ΔT .

You find the ΔT by subtracting the outside temperature from the inside temperature. So if it is 10° outside and 70° inside, the ΔT is 60°.

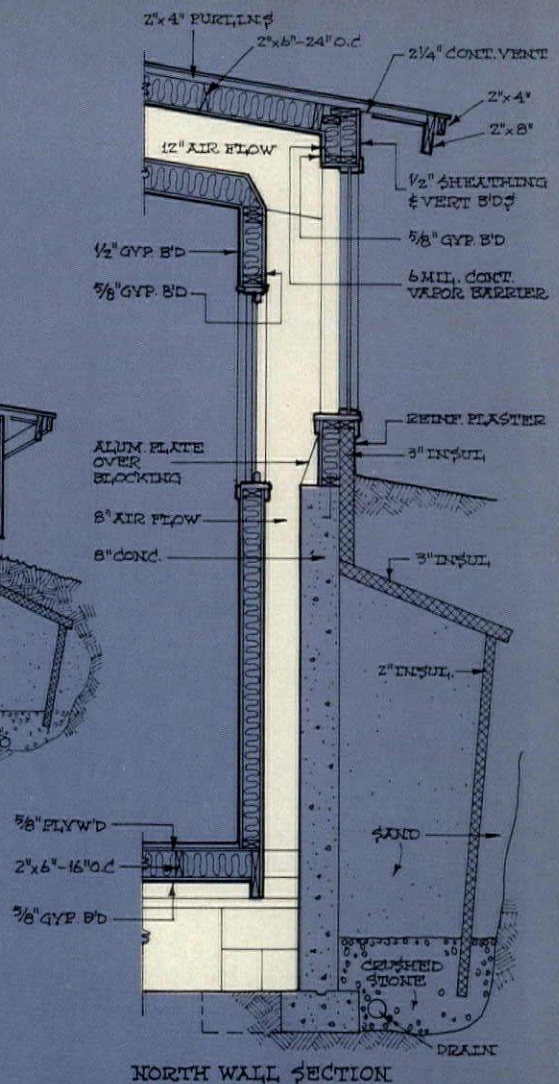
Designers have always been able to



Burns House, Canterbury, N.H.
 Designed and built by Community Builders
 Area: 1,300 sq. ft. (not including garage and partial basement)
 Cost: \$70,000 (total)

Don Booth felt he could increase the useful earth mass by putting some of the earth outside the building in contact with the foundation wall. He did this by building the foundation insulation three ft. out from the wall on the north side.

To help the air flow on the north side, Booth placed an aluminum deflector over the top edge of the foundation.



NORTH WALL SECTION

manipulate the first two to save energy. They either decrease the area of poor U factors or add insulation. But working with the temperature difference is something new. This is where the envelope comes in.

The theory goes like this: during the day, the sun heats the air in the south-facing greenhouse. The air rises and travels through the attic.

At the same time, air in the north wall space cools, sinks and is replaced by warm air coming from the attic. The air from the attic cools as it travels further from the heat source. It flows down the north wall, hits the earth in the crawl space and is stored there. This convective current works as long as the sun heats the air in the greenhouse.

At night or on cloudy days, the reverse happens. The greenhouse temperature drops, because of the large area of exposed glass, and forces cool air into the crawl space on the south side. The earth in the crawl space contains heat from previous sunny days. Thus the air is warmed and then it flows up the north wall. At the same time, air in the north wall is warmer

than the greenhouse, so it travels through the attic into the greenhouse. The flow returns to the greenhouse-to-attic direction as the temperature in the greenhouse rises.

When the first envelope houses were built, designers thought the reverse current was strong enough and the earth's storage capacity large enough to keep the envelope warm. But Ralph Jones of the Brookhaven National Laboratory who has been monitoring an envelope house says, "So far we haven't seen too strong a reverse current. And I don't believe most people who have studied these systems have either. There are minor loops going, but not the complete, strong drive one gets on a sunny day."

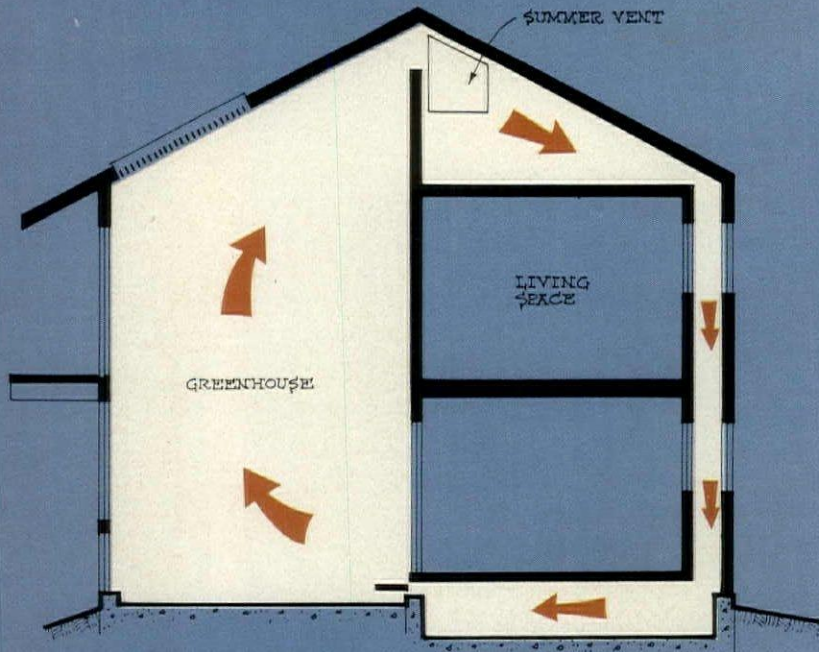
A study conducted by Community Builders on the Burns House in New Hampshire found less than 20% of the energy entering the greenhouse made it to the earth storage. That, plus any energy stored in the mass of the house itself, cannot keep the envelope warm through the night or a string of cloudy days.

However, the same study showed the Burns envelope's coldest spot, the

greenhouse, never dropped as low as 40°, while the other air spaces hovered around 50°. The living area's temperature dipped to a 55° low but responded quickly to heat from a wood-burning stove, the house's only internal heat source. Outside temperatures fluctuated from below zero to about 12°.

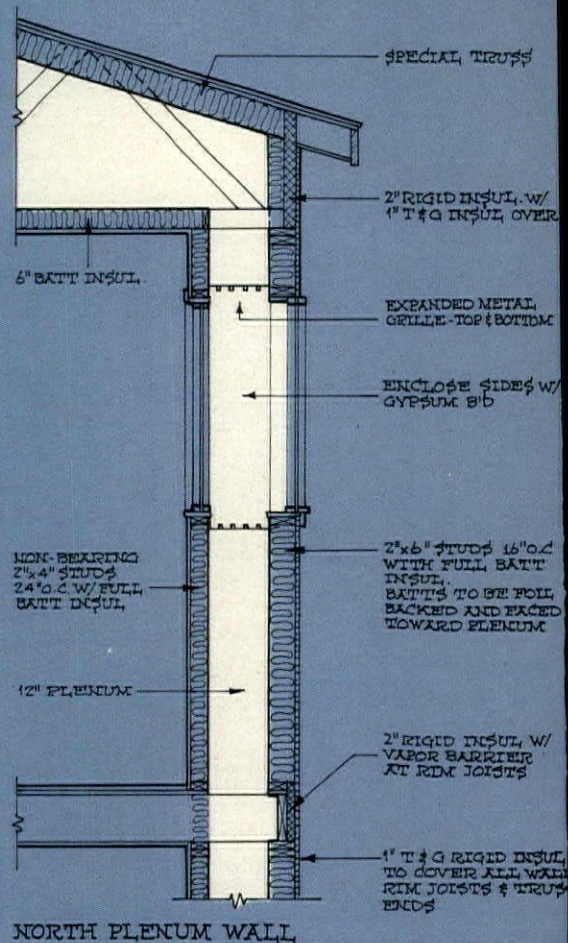
Designers now realize the earth has its own energy source. The earth within the insulated foundation stays in the 40s and 50s. Phil Henshaw, an architectural consultant, did a study on an envelope built by Rick Cowlshaw in Colorado Springs, Colo. He said of the earth's heat: "The best general statement seems to be that the air temperature in an enclosure will tend to be at least as warm as the enclosure's lowest surface, in this case, the earth."

Even the envelope's severest critics agree the earth does play an important, if little understood, role in tempering the air spaces. Its constant 50° temperature allows the living area to respond to the milder climate. It cuts the temperature difference—the ΔT . Now instead of a 60° temperature difference (70° inside minus 10° outside), the ΔT is 20°.



The Evergreen, Colorado Springs, Colo. Designed by Rick Cowlshaw; built by Colorado Homes, Inc. Area: 2,100 sq. ft.; Cost: \$106,000

Rick Cowlshaw's ideas on wall and window design are shown at right. His original plans called for surrounding the entire window with 1/4 in. redwood slats.



Builders use familiar materials and practices to reduce heating bills

Living areas not only respond to a milder climate, but double-shell construction also cuts down on infiltration. Surfaces, including walls, do not feel cold. Some say these two things—warmer surfaces and reduced drafts—let people living in the house be comfortable at lower temperatures.

Critics contend a super-insulated wall works just as well as a double wall. Collapse the two walls and combine the insulation, they say, and you will get the same resistance to heat loss. Supporters, however, say a super-insulated wall is not as effective because it will not reduce infiltration as well as a double wall.

Some of the early publicity on envelope houses claimed the buildings did not need an auxiliary heat source, the double shell was 100% self-sufficient. Most designers and builders do not agree. Envelopes do need an internal heat source, but it isn't used as often. Many are heated by nothing more than a wood-burning stove. In New Hampshire last winter, the Burns's

stove consumed 400 lbs., or 1/10 of a cord, of wood.

Tom Smith of Positive Technologies Corp., who has been involved with designing and consulting on hundreds of envelopes, says, "The house does not get cold in the usual concept of cold. You don't have to heat the house, you have to take the chill off it."

Smith says his own envelope, which is 7,000 ft. above sea level and 20 miles from Donner Pass, costs 80% less to heat than its neighbors. In fact, he found that cooking a Thanksgiving dinner was enough to heat the house while a snowstorm raged outside.

Many of the envelopes built so far cost more than conventional houses

This is probably the murkiest part of the whole controversy. Here are some examples:

- Don Booth of Community Builders, Canterbury, N.H., says an envelope house costs about 10% more than a conventional house. That 10% doesn't include the price of the greenhouse.

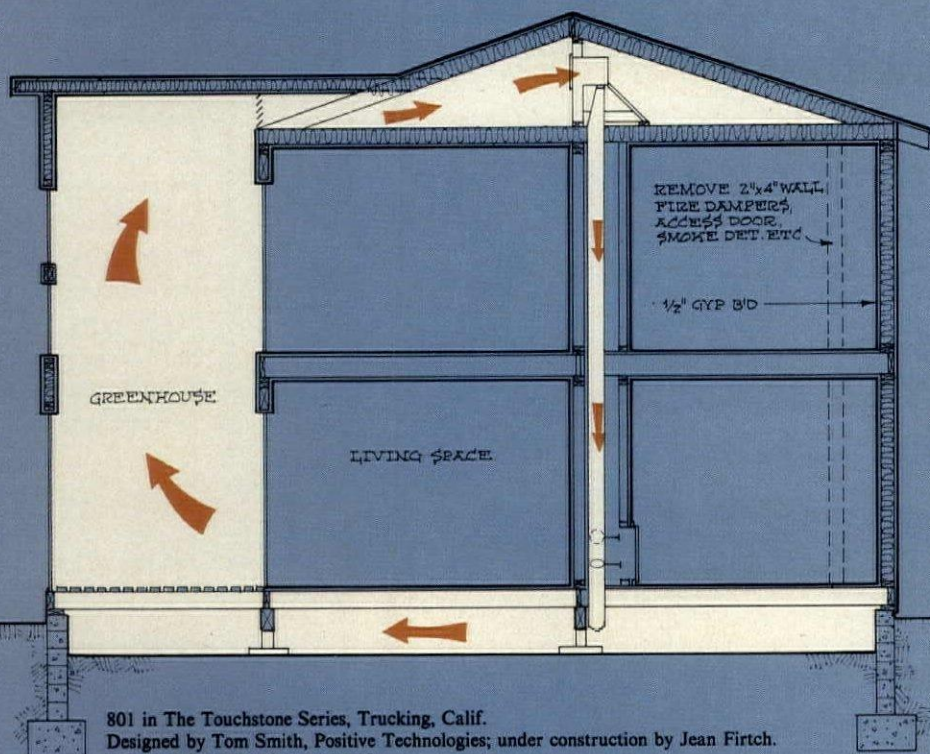
- Jan Pfuhl from Ekose'a Homes in

San Francisco puts the figure at 5%, but says some have been built for the same price as comparable housing.

- In Colorado Springs, Colo., Rick Cowlshaw built his envelope to learn how to do it. He has since found ways to reduce the cost. But the original 2,100 sq.-ft. building cost about \$6,000 more than a conventional house. And this does not include the cost of a greenhouse.

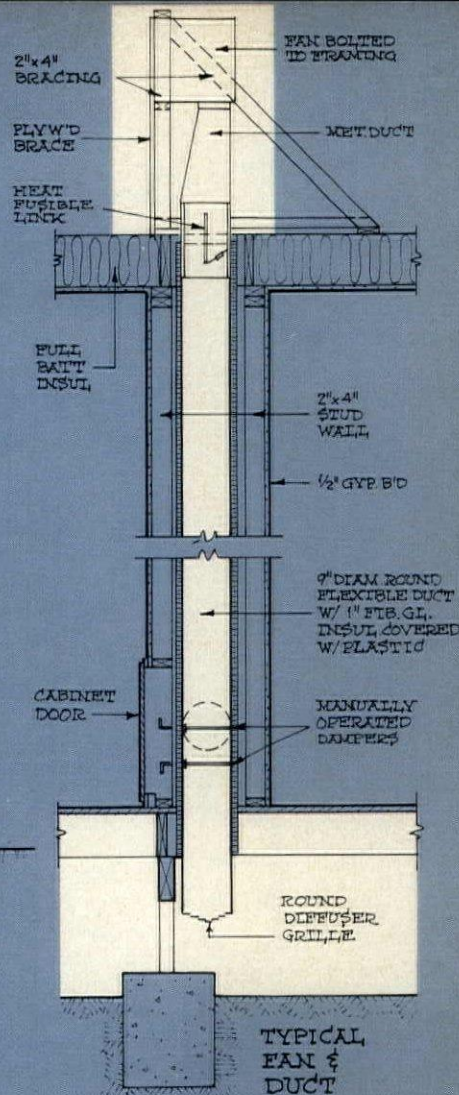
- All of Tom Smith's envelopes, he operates out of Olympic Valley, Calif., have priced out to be the same as the local average. He says some designers drive up the price by overkill. They add too much insulation or install thermal mass to make the greenhouse more efficient. Both are unnecessary in his opinion. The quality of the installation is more important than the quantity of the insulation.

Smith says the envelope itself shouldn't be that much more expensive. Normal design already includes two of the four buffer zones: attic and crawl space. Greenhouses are extra, but becoming more and more popular. The north wall can be a simple curtain wall.



801 in The Touchstone Series, Trucking, Calif.
 Designed by Tom Smith, Positive Technologies; under construction by Jean Firtch.
 Area: 1,636 sq. ft.; Cost: \$85,000

Tom Smith considers the envelope house a step in the evolution of passive solar design, not "the" most efficient energy-saving method. All models in the Touchstone Series, like the one above, can be adapted to a fan/duct system. This gets rid of the double north wall, but still allows the earth mass to temper the greenhouse area.



Critics cite built-in disadvantages of envelope design

- The whole-house buffer zone violates two conventional solar energy design laws: it moves warmed air over large areas, and it places heated air next to cold outside air. To solar purists the house fails in the blueprint stage.

- The initial cost of an envelope does not make the savings in fuel worthwhile in the long run. A well-insulated house that takes advantage of direct solar gain and conventional storage will be just as effective.

As mentioned, this is still open to discussion. Work currently under way at the Solar Energy Research Institute and the Brookhaven National Laboratory may supply some answers.

- The envelope can feed a fire that starts in the loop. When Rick Cowlshaw built his house, he installed heat detectors at the top of the north wall and a smoke detector in the greenhouse. He hooked them up to the smoke detectors that are required near the bedrooms. When one goes off, they all go off. Other builders have installed dampers in the air spaces that are

connected by heat-fusible links. If a fire starts, the dampers close to contain the blaze. Many install sheetrock along the north wall and ceiling.

- Sun-heated air can stagnate at the top of the greenhouse, cutting off the rest of the loop. Some designers specify fans and vents to help the current.

The envelope house offers something other solar designs don't

It taps and contains the earth's energy in the buffer zone. Even critics see this as an important, although bewildering, development.

Smith feels the earth-buffered zone allows the designer to do away with thermal mass. The expense can be put into more mundane energy-saving devices like weatherstripping or better windows. The greenhouse may be too cool to use at night, but the earth's energy cuts the energy drain of exposed glass.

Smith says it "gives all of the qualities of glass in collecting the sun's heat in the daytime, while practically eliminating the disadvantages of the poor insulating qualities of glass at night

and during inclement weather. It is a sort of solar alchemist's Philosopher's Stone without the magic...it is what sets our work apart from any of the other popular approaches."

—FRAN J. DONEGAN

For more information on envelope houses, contact:

Don Booth for a copy of *The Double-Shell Solar House*. Community Builders, Shaker Road, Canterbury, N.H. 03224. (603) 783-4743.

Rick Cowlshaw for *Experiences/Improvements Constructing the Envelope House*. P.O. Box 7604, Colorado Springs, Colo. 80933. (303) 598-8843.

W. Shurcliff for *Superinsulated and Double-Envelope Houses. Preliminary Survey of Principles and Practices*. 19 Appleton St., Cambridge, Mass. 02138.

Tom Smith for an information packet on Geo-Solar Energy. Positive Technologies, P.O. Box 2356, Olympic Valley, Calif. 95730. (916) 583-6929.

Two articles from the November issue of *Solar Age Magazine* deal with envelope houses. "Shakedown of the Envelope House: Trial by Computer," and "A Physical Exam."

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Computers 77
Doors & windows 70
Kitchens 66
Interiors 72

Carrying prospects over the sales threshold

A prospect's first impression of your model home is made when he's walking up to the door. So why not start your sales pitch right there—at the front door?

One type to consider, for example, is the wide range of insulated steel doors, like those shown here. Since their introduction about 15 years ago, they have lagged in sales behind their wood counterparts, despite a number of advantages:

- They're more durable: 24-gauge galvanized steel does not split or warp and lasts up to 20 years;
- They're more secure against intrusion and fire;
- They're better insulators (*see graph below*).

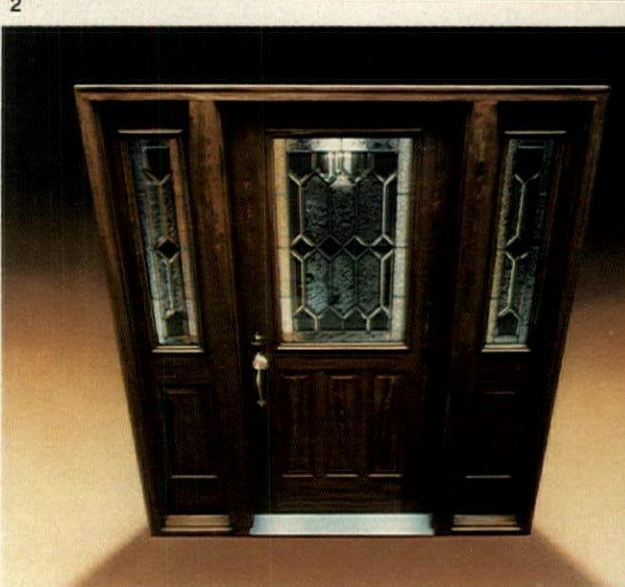
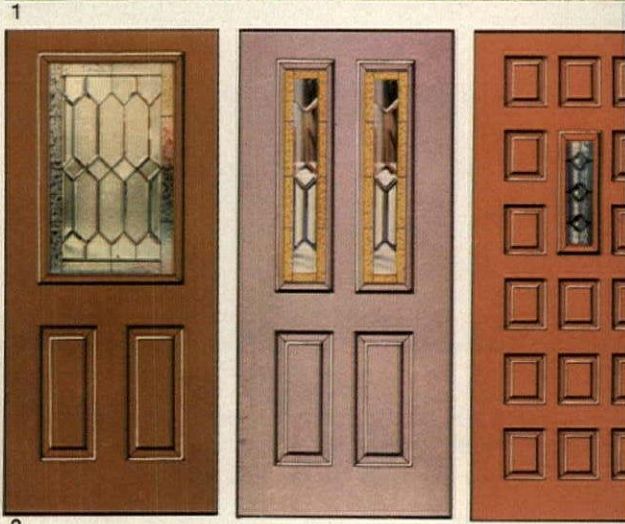
Door construction—with steel skins, foam core, thermal break and weather stripping—gives today's units an R-value somewhere between 10 and 15.5—an insulating capability up to 2½ times that of a typical wood door.

None of those advantages, however, could offset one disadvantage: a utilitarian appearance.

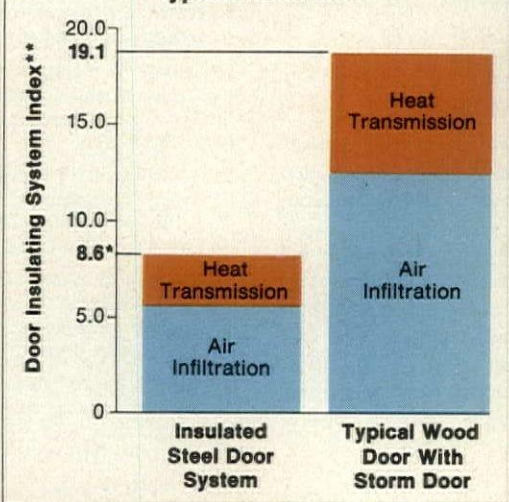
But that's changed. Most manufacturers now offer a wide range of single and double doors, with optional side- and top-lights. Some offer a choice of steel or wood frames. And new steel embossing techniques allow manufacturers to simulate wood-grain designs.

Steel doors are also gaining favor in the remodeling market. Previously, irregular door openings discouraged the use of insulated steel replacement doors, which, unlike wood doors, could not be modified on site. Today some systems are designed to get around this problem. For example, one type slides into the old frame; another has an adjustable steel frame.

—JENNIFER A. WAGNER



Insulated steel door system compared to typical wood unit



*This is the maximum level recommended by ISDSI, and is accepted as the industry standard.

**Source: Insulated Steel Door Systems Institute (ISDSI). The index on the vertical axis is based on BTU loss through the door combined with loss due to infiltration.

3



1. Castlegate™ double door has a 1½ hr. Class B fire rating and an R-value of 15.3. Other features: metal-clad security frame system. Kinkead. *Circle 200 on reader service card*

2. Three embossed-design doors, from the Crystalline® series, include leaded, beveled or etched glass panes, as shown. Doors feature self-sealing sill. ThermaTru. *Circle 201 on reader service card*

3. Woodgrain-design door, also from the Crystalline series, is shown here with two glass-paned sidelights. Glass is available in clear or amber. Therma-Tru. *Circle 202 on reader service card*

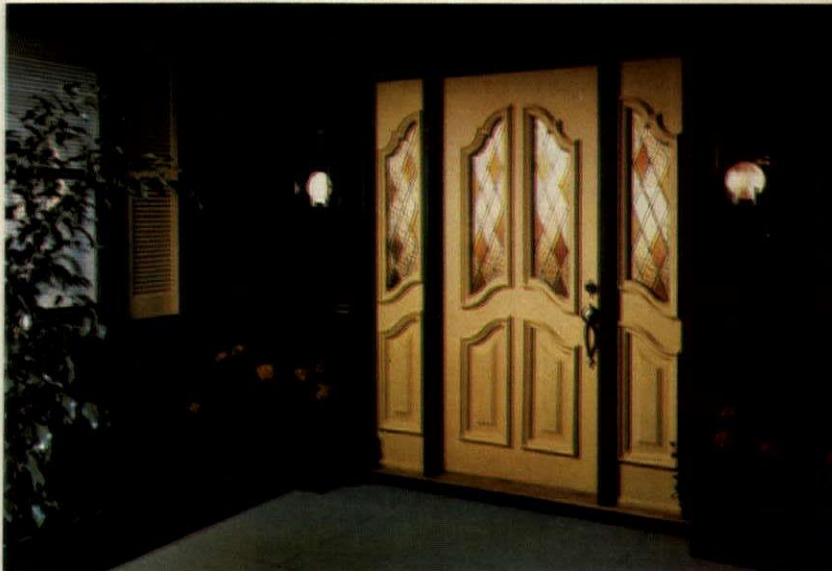
4. Centurion™ entry door has a thermal break, an adjustable threshold, a wood frame and a core of expanded polyurethane foam. R-value: 14.0. Jim Walter Doors. *Circle 203 on reader service card*

5. Sesamee™ doors have laminate panels that are bonded to an insulated steel door. Woodgrain design finishes include: golden oak, dark oak and walnut. Kay-lien. *Circle 204 on reader service card*

6. Embossed "Avanti" door incorporates a polyurethane core, "Enduraseal" weather stripping and adjustable threshold. R-value: 14.9. Peachtree Doors. *Circle 205 on reader service card*

7. Prehung replacement door has a steel frame designed to be anchored to wall studs. Over 50 embossed styles are available in two widths: 2' 8" and 3'. Pease. *Circle 206 on reader service card*

8. Non-handed door system is part of a line that offers embossed and raised trim styles, with matching door and sidelights, as shown. R-value: 12.46. Ceco. *Circle 207 on reader service card*



1. Undercounter dishwasher, the "Powerhouse," has a 16-place-setting capacity. The dishwasher has eight cycle selections, two spray arms, and a three-light "signal center." Magic Chef. *Circle 215 on reader service card*

2. Self-defrosting refrigerator features easy-to-reach controls and extra-deep storage shelves inside door. Unit is offered with manual or self-defrosting freezer compartment. Whirlpool. *Circle 216 on reader service card*

3. Accessory cabinetry, designed to accommodate microwaves and range hoods, as shown, complements other oak units in the manufacturer's line. Range hood cabinet, 30" or 36" wide, includes metal liner, blower and light. Merillat. *Circle 217 on reader service card*

4. Woodland hickory cabinetry comes with soft-brush finish brass drawer and door pulls. The "Gardencourt Lakeshore" cabinetry line includes smooth-glide drawers, slide-out shelves in base cabinets, and cutlery trays. H. J. Scheirich. *Circle 218 on reader service card*

5. Contemporary-style cabinetry, is available in oak (shown) or maple. A variety of stain and enamel finishes are offered. Storage features (not shown) include swing-out spice racks and revolving shelves. Coppes. *Circle 219 on reader service card*

6. Prewired range hood is available with Magic Lung® dual exhaust blower for use over indoor grills, as shown. Preadsembled unit can also be installed furred down. Vent-A-Hood. *Circle 220 on reader service card*

7. Fold-out ironing board has a 42" heavy-gauge ventilated steel board supported by two steel tube-and-rod braces. The cabinet is made of unfinished wood with a paint grade fiberwood door. The built-in unit includes board, cover, pad and an insulated compartment for iron storage. Iron-A-Way. *Circle 221 on reader service card*

8. Glide-out undersink rack, from the Cabinet Aides™ accessory line, installs in base cabinets with 14½" and longer openings. Top rack installs right or left to accommodate plumbing fixtures. Amerock. *Circle 222 on reader service card*

9. "Country Oak" cabinetry features oak-grain door panels recessed in solid oak frames. Cabinetry has a hand-rubbed finish and antique-style door and drawer pulls. Yorktowne. *Circle 223 on reader service card*

10. Pull-out breadboard, one of many accessories available with the manufacturer's cabinetry, is suitable for installation above the drawer in an 18" base cabinet. A model for 24" base cabinets is also available. Other accessories include cutting board and spice racks. Long-Bell. *Circle 224 on reader service card*

11. Microwave oven is one of three countertop models introduced by the manufacturer. The Auto-Cook™ oven features variable temperature and defrost modes; clock and timer. Litton. *Circle 225 on reader service card*

12. "Tantara" cabinetry, with reverse-bevel construction, has a light-tone pecan look, and a protective "Aristex" finish. Optional hardware is available. A wide variety of adjustable and roll-out storage features are offered. AristOKraft. *Circle 226 on reader service card*



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12

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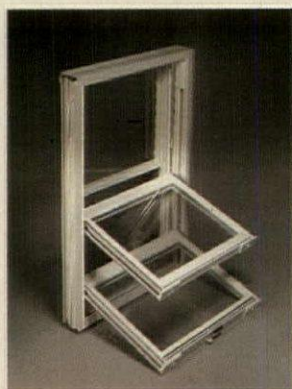
"WoodGlassic"™ bi-pass mirrored doors have solid oak frames. Unit comes with light or dark finish, fully assembled. Monarch. Circle 266 on reader service card



"Four Seasons" patio door (above) has ponderosa pine frame, double-pane glass, and full weather stripping. A removable wood grille is also available. Maywood. Circle 267 on reader service card



Dutch door (right) is one of a varied line of exterior and interior styles. All are of solid, seasoned western wood. Various dimensions and finishes are offered. Jessup. Circle 268 on reader service card



"Strata-Sash"® window (left) consists of 1½"-thick insulating glass and a storm window. Window panels tilt in for cleaning. Alside. Circle 269 on reader service card

Steel entrance door (below), from the "San Francisco Group," is insulated and weather stripped. Choice of several center-panel designs. General Products. Circle 270 on reader service card



"Magna-Glide" slider features 1"-thick insulated tempered glass and steel ball bearing rollers. Panels reverse. Three Rivers Aluminum. Circle 271 on reader service card



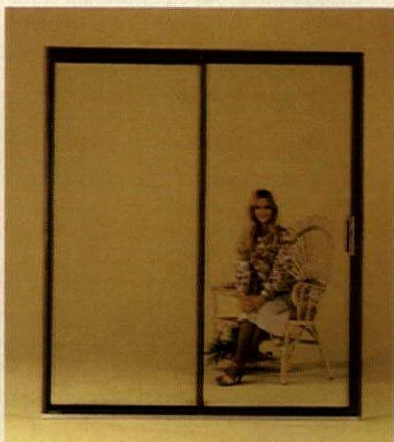
"Garden Wall System" (above) is constructed of insulated, tempered glass set into a rigid vinyl frame, with mullions spaced 24" apart. System is flexible in both height and width. Thermomodular Designs. *Circle 239 on reader service card*



Stained glass window (above) consists of leaded, tempered glass in a redwood frame. Windows come circular, as shown, or octagonal. Stud opening is roughly 1' 9/4" square; masonry opening roughly 2' 1/4" square. American Woodwork Specialty. *Circle 242 on reader service card*



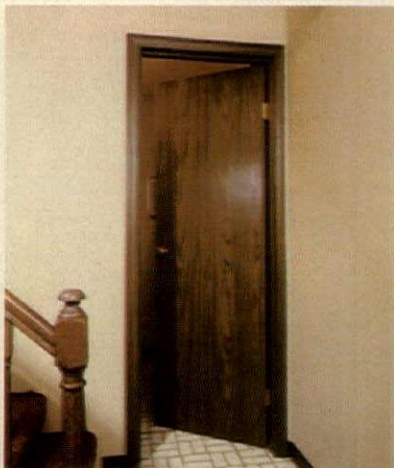
Weather Breaker™ garage door (above) features a 1 1/4"-thick polyurethane core between aluminum panels. Door weighs less than half that of a standard wood door, according to the manufacturer. Howmet Aluminum. *Circle 240 on reader service card*



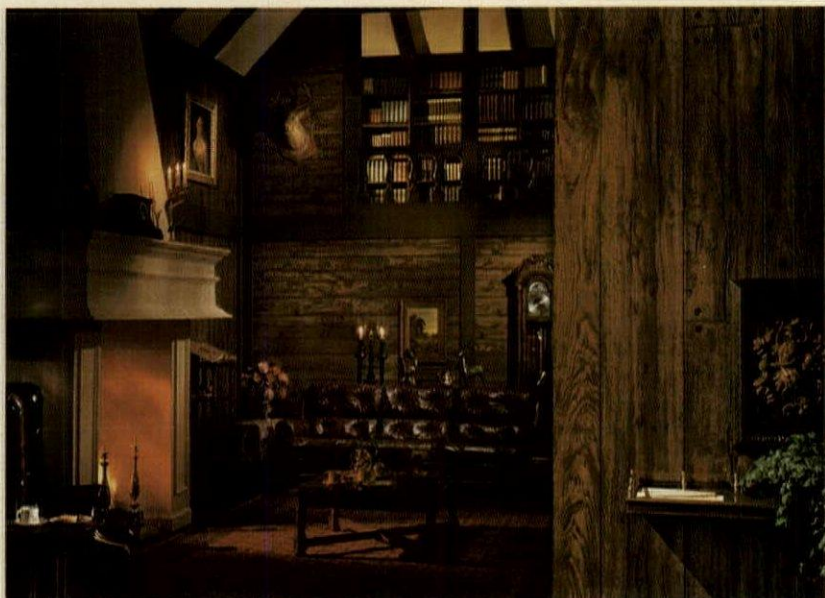
Two-panel slider (above) is constructed of safety glass in an aluminum frame. The latter comes with a mill, white or bronze finish. Sold in northern states only. Alcan. *Circle 243 on reader service card*



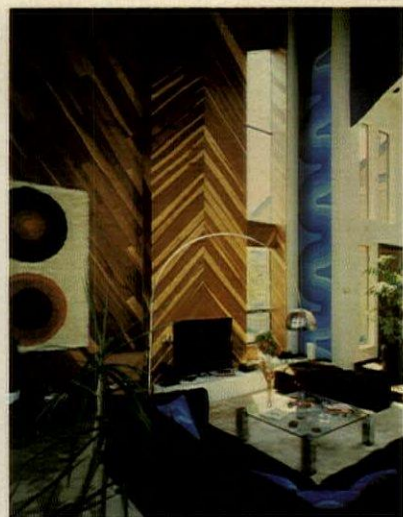
Rolling shutter (above) is constructed of extruded, rigid vinyl slats which roll up into an exterior-mounted housing. Shutter provides insulation and privacy benefits. Pease. *Circle 241 on reader service card*



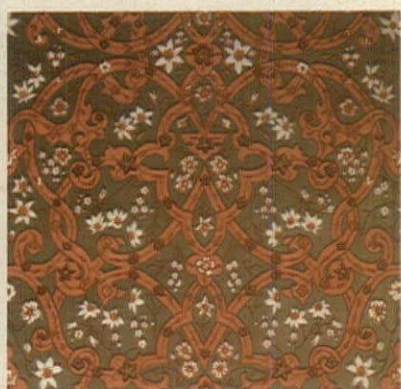
Door jamb system (above) reduces installation time to 15 minutes or less, according to the manufacturer. Jambster® system, premeasured for accurate assembly, is available in standard door sizes. Matching doors are available. Gossen. *Circle 244 on reader service card*



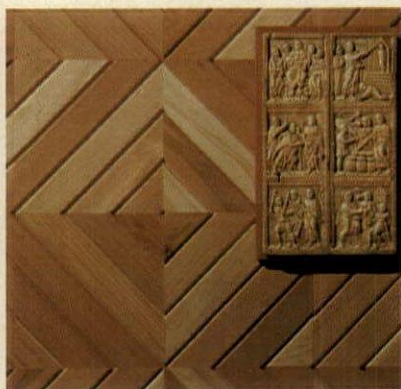
Hardboard paneling (above), from the "Charter Collection," looks like oak. Paneling, with a plank-and-peg design, comes in 4' x 8' x 1/4" sheets. Two stain finishes are offered. Abitibi. Circle 251 on reader service card



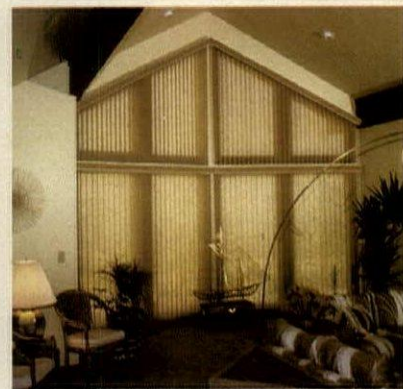
Clear grade redwood lumber, installed above in a chevron pattern, comes in 4", 6" and 8" widths. Tongue-and-groove segments, a mix of light and dark tones, come unfinished. California Redwood Assn. Circle 255 on reader service card



Pretrimmed "Aladdin" wallcovering (above) is made of strippable, vinyl-coated paper. The wallcovering is available in four colorways. Albert Van Luit. Circle 252 on reader service card



Redwood wall tiles, in one ft. squares, are constructed of wood segments glued to backing paper. Shown above is the "Sutter Creek" pattern. Finlay Research. Circle 253 on reader service card



Specialty blinds (above), for large glass areas, have motorized controls to open and close blinds and a switch to control direction and degree of tilt. Hunter-Douglas. Circle 256 on reader service card



Random-groove paneling is constructed of plywood with a hardwood veneer. Renaissance® paneling, with a Class C flame spread rating, comes in 4' x 8' x 1/4" sheets. Georgia-Pacific. Circle 254 on reader service card



Complementary wallcoverings are from the "10th Edition" collection of vinyl, strippable wallcoverings. The four patterns shown come in four colorways. WallTex. Circle 257 on reader service card



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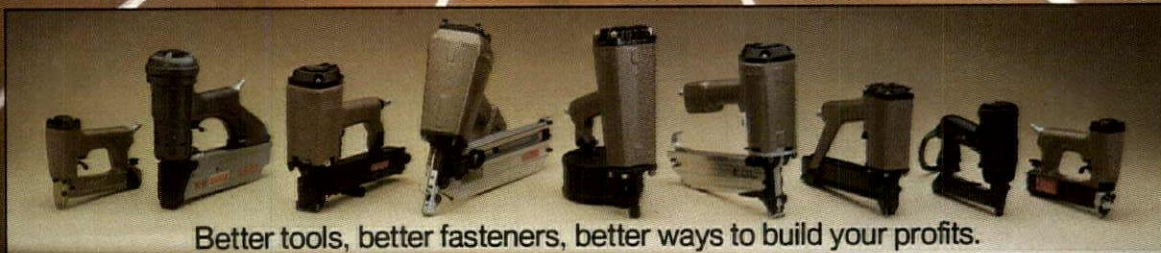
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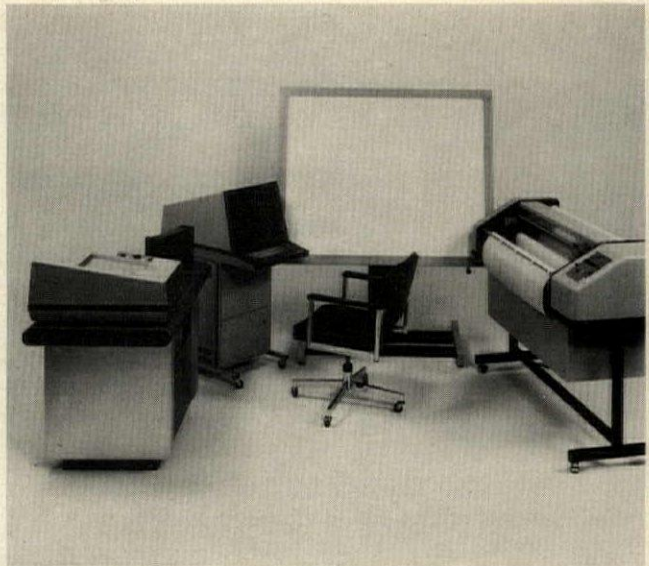
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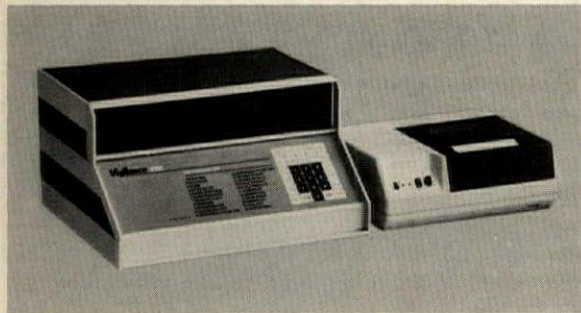
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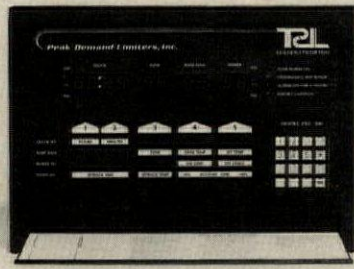


Sigmagraphics II™ CAD system (above), with a wide variety of standard graphic functions, can produce complete drawings with notes and alternative views of a plan. Hardware shown above includes (left to right) a microprocessor, graphic CRT and drum plotter. Sigma Design West. *Circle 227 on reader service card*

Energy management system (left) keeps track of tenants' after-hours use of services such as heating/AC and lighting in office buildings. Vigilance Systems. *Circle 228 on reader service card*



Security system (above) can monitor up to 3,000 cardholders at up to eight remote locations. Other monitoring capabilities: intrusion, smoke and water alarms. Card-key. *Circle 229 on reader service card*



Energy management system (above), designed for all-electric houses, controls room temperatures while limiting excessive electricity usage. Peak Demand Limiters. *Circle 230 on reader service card*

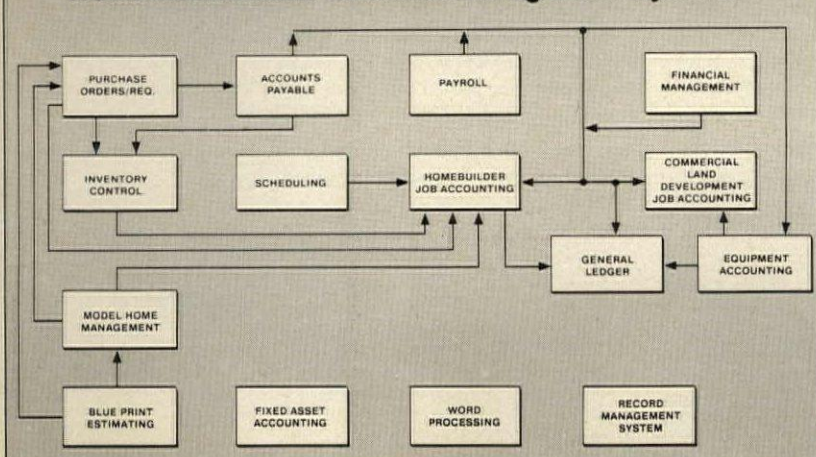


Cost estimation system (above) offers access to the manufacturer's data bank of residential, commercial and industrial building costs. E. H. Boeckh. *Circle 231 on reader service card*

Financial accounting software package is designed for manufacturer's hardware, as shown below. General ledger functions include invoicing and updated reports. Hewlett-Packard. *Circle 232 on reader service card*



T.O.M. Homebuilder Business Management Systems



Computer software package, diagrammed above, is designed specifically for builders. The 15-module system includes job costing, general accounting and job scheduling functions. T.O.M. *Circle 233 on reader service card*



Surface-mount medicine cabinet (above), with three mirrored doors, is available in five frame sizes ranging from 26" x 24" to 50" x 26". Hardwood frame has a light oak finish. Triangle Home. Circle 258 on reader service card



Washerless faucet (left) features a "Suprvalve" which limits rate of flow. The "Mark V" faucet comes with clear acrylic handles, as shown, or with an antique bronze finish and matching charcoal handles. Union Brass. Circle 259 on reader service card



"Homestead" vanity (above) features a Formica®-surfaced cabinet and molded polyurethane doors. Unit is available in 24" and 30" widths, and is 22 1/4" deep. A walnut finish is also available. Kinzee. Circle 260 on reader service card

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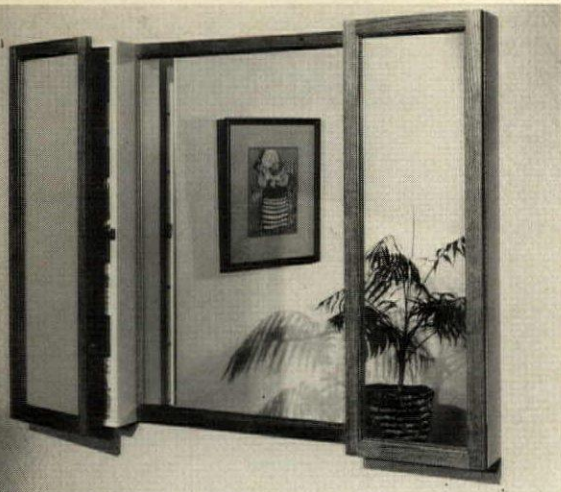
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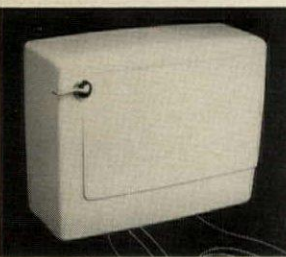
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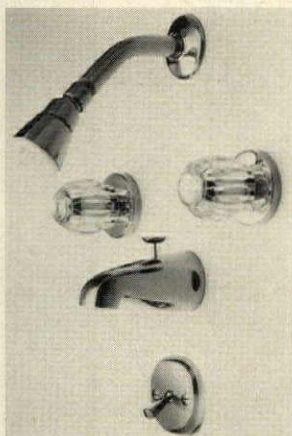


Triple-mirror medicine cabinet (above) consists of storage units on either side of a 24" x 36" mirror. Overall size: 48" x 36" x 5 1/4". Surface-mount assembly is from the "Sorrento" collection. Miami-Carey. Circle 261 on reader service card

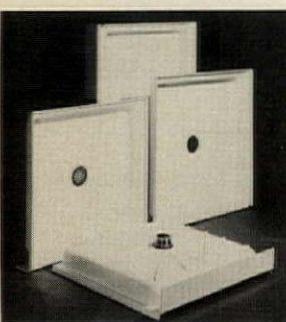


Replacement tank (left), for use with most china toilet bowls, comes with non-corrosive brass and resin flush valve. Molded tank, with a five gal. capacity, is offered with a valve that limits water use to 2 1/2 gal/flush. Middlefield. Circle 262 on reader service card

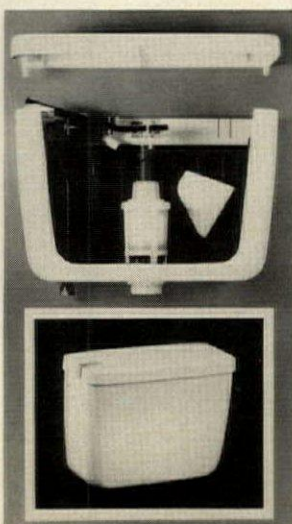
Fixture collection includes shower head, widespread faucet set, and drain controls shown at right. Finishes: antique bronze, colonial pewter, and polished brass. Sterling Faucet. Circle 263 on reader service card



Non-slip shower floors (below) are designed for use with fiber glass tub and shower enclosures. Rigid floors, offered in white with molded-in pebble design, come in five square and rectangular sizes. Swan. Circle 264 on reader service card



"Maxi-mizer" toilet tank (right) is designed to install onto most bowls. Water-saving valves limit water use to under 3.5 gal/flush. Vinyl tank weighs only 14 lbs. Geberit. Circle 265 on reader service card



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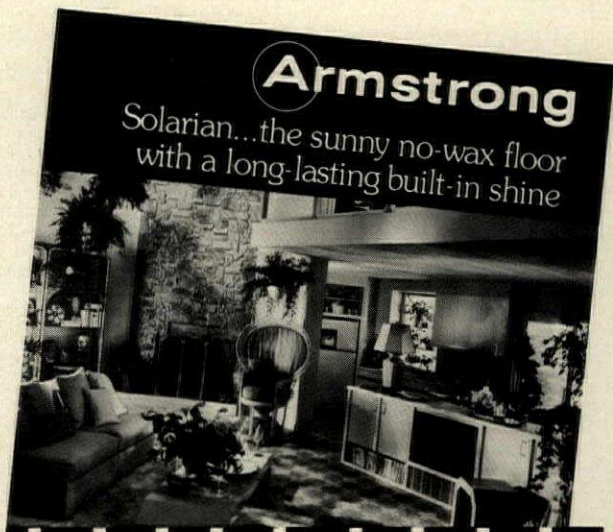
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Opening doors to entrance appeal

Steel entry door systems, like those discussed on pp. 64-65, are indeed growing in popularity. Some more data on this type of door is included in the literature discussed below. And—for those who may prefer wood, fiber glass or aluminum-clad doors—here's a sampling of recent publications discussing some of them.

An eight-page brochure displays a line of solid timber, handcarved **wood doors**. Over ten styles, in rosewood and mahogany, are illustrated, with size and options included. Line drawings show additional intricate, handcarved panel designs. Also illustrated: brass hardware, including hinges and entrance handles. *Elegant Entries*. Circle 300 in reader service card.

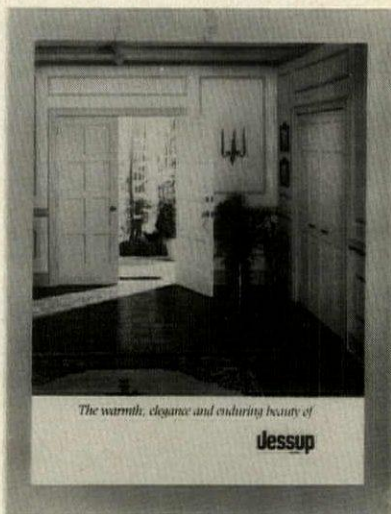
A six-page four-color foldout features 12 styles in a line of handcrafted **teak doors**. Specifications are included. International Wood Products. Circle 301 in reader service card.

The Centry™ **entrance system**, an all-wood system that includes door, frame, assembled sidelights and aluminum sills, is featured in an eight-page booklet. Insulation advantages are discussed. Entrance details are included in line drawings. Four-color photographs show several styles, and a few of the sidelight options available from the manufacturer. C. E. Morgan. Circle 302 in reader service card.

The same manufacturer has published a guide to coordinated residential **pine doors** for the exterior and interior. The 20-page booklet includes photographs and drawings of many styles. Also shown: entrance systems and accessories such as sidelights and sidelight grilles. C. E. Morgan. Circle 303 in reader service card.

The range of **door products** available from this manufacturer is highlighted in the brochure shown above. Included in the 12-page publication are entry doors, Dutch doors, patio doors and interior doors, including folding panel units. Many of these products, all made of hardwood, are illustrated in four-color photographs. Jessup. Circle 304 in reader service card.

Crossbanding construction featured on this manufacturer's 3-ply panel door is said to help reduce split-throughs common in many wood doors. The four-color two-page sheet describes the manufacturer's guarantee. Nicolai. Circle 306 in reader service card.



Twelve styles of **all-mahogany doors** are shown in a four-page brochure. Styles pictured include raised-panel, carved and glazed. National Enterprises. Circle 305 in reader service card.

Insulated **fiber glass doors** are the subject of a four-page booklet. Ten styles are shown in color, some with glass panels, some with decorative panels that simulate handcarved wood. Elixir. Circle 307 in reader service card.

The Floridor® **louvered insulating door** has a particleboard core that acts as a thermal barrier in winter, according to a two-color flyer. Door construction features are detailed in drawings. Continental Aluminum Products. Circle 308 in reader service card.

A four-page brochure provides a showcase for the manufacturer's line of aluminum **storm doors**. Shown are 20 styles, some with grilles, some with glass panels, some with vents. Storm Weather Products. Circle 309 in reader service card.

Patio sliders are the subject of a four-page publication. Photographs show several styles, with and without diamond or colonial-style grilles. Also included: illustrated installation details and sizes. Klein. Circle 310 in reader service card.

A six-page foldout displays solid **brass hardware** including handlesets and door knockers. Four-color photographs illustrate many of these products. Urfic. Circle 311 in reader service card.

An 18-page catalog provides a showcase for the manufacturer's insulated **steel door entry systems**. Four-color photographs throughout show single

and double doors, French doors, decorative side- and top-lights. Also discussed and illustrated in the publication are replacement doors and options such as removable muntins. A fold-out back cover features line-drawings of a variety of door styles, and includes general information on framing hardware, thresholds and door construction. Taylor Building Products. Circle 312 in reader service card.

Nine steel entry doors with **embossed panels** are highlighted in an eight-page pamphlet. The publication details door construction by using cross sections showing the polyurethane core, thermal break and threshold. Also featured: double-door entry systems and options such as sidelights. Detailed products information and specifications are included. National Industries. Circle 313 in reader service card.

A 16-page booklet catalogs the insulated **steel doors** available from this manufacturer. Included are styrene-core entry doors, full-glass doors with steel frames, extra-heavy security doors and fire doors. Detailed product information is included, with charts listing models and sizes. Doors, frames and other construction features are shown in cross-section. Amweld. Circle 314 in reader service card.

A four-page brochure introduces a line of stained glass **sidelights and accent panels**. Line drawings illustrate only a few styles. According to the brochure, the glass is handcut, so styles can be customized. Architectural Emphasis. Circle 315 in reader service card.

A catalog of cast-brass **lever sets** is available. Nine handles are shown in four-color photographs, with cross-sections showing construction details. Valli & Columbo. Circle 316 in reader service card.

High-security **brass handlesets** are the subject of a four-color foldout. Two handle styles, the "DeVille" and the "ElDorado", are displayed in each of four finishes. Interior knobs and levers in brass, nickel and bronze are also shown. Installation information and specifications are included. Kwikset. Circle 317 in reader service card.

Snap-on Entry Way® **door surrounds** are featured in a foldout. Line drawings illustrate the versatility of the Acrylium® colonial-style millwork. Nailite Weather Shield Products. Circle 318 in reader service card.

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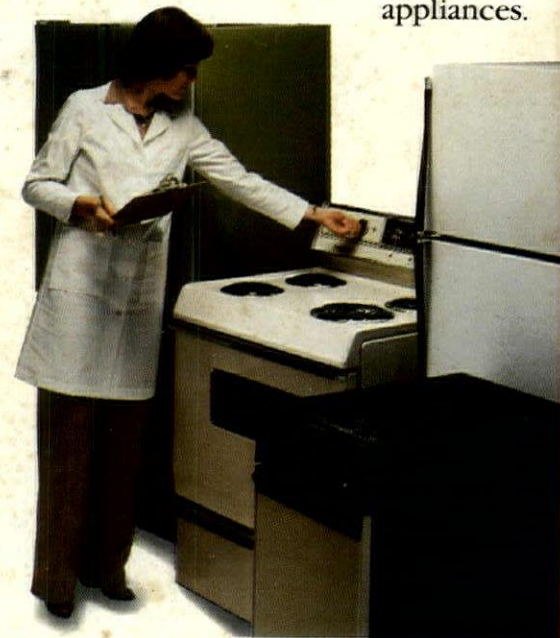
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