

On The Level

**January, 2011 Newsletter of the
Home Builders Association of Wayne County, Inc.**

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Happy New Year!

Let's start the year off right!

Join us as we meet at **Wilber's Barbecue at 12:00 Noon on Tuesday, January 11, 2010** for our first meeting of the year. We will have a **Family Style meal** consisting of Barbecue and Fried Chicken with all the good stuff that goes with it. **The cost of your meal is included in your membership dues.** Your spouse or guests will be charged \$10 each. At this meeting Patrick Mann, our Regional Director from NCHBA, will install our Officers and Directors for the year 2011 and Ed Cianfarra, City of Goldsboro Building Inspector will update us on building code changes. We count on every member to be involved in the affairs of **YOUR** association through this coming year and support our efforts. We plan to meet the **first Tuesday of every other month.** We will make an effort to keep the meetings at one hour in length so that those of you who are on lunch break can return to work on time. **Mark your calendar now.** Firm dates, times and places will be published in this newsletter prior to each meeting.

Your Board of Directors is making plans for the new year and are willing and ready to serve **you**, the membership, in any way possible. We are looking forward to a brighter and more productive and prosperous year in 2011. Please contact the office or any Board member with any suggestions or comments you have that might make our association more effective. If there are programs, classes or seminars that you feel would be beneficial to the members, please let us know. It is our goal to offer you ideas and ways to help you grow your business. But we need to hear from you!!

We will soon be planning a **Membership Drive** for 2011 and will need everyone to help us recruit new members and encourage those we've lost to come back. As you go about your day and as you see those with whom you do business that are not members of our Association, please invite them to join and take advantage of all the benefits of being a member through networking and communication with the HBA. A member prospect can attend one meeting free if they would like to just see what we are about. If you need application forms or any other membership information, please call the office at 735-1991. Watch for more detailed information soon.

2011 Board of Directors

OFFICERS: President - Bryan Vanderpool, Vanderbilt Homes/Century 21; 1st Vice President - Bill Edgerton, Edgerton Home Builders; 2nd Vice President - Jane Bartlett, REMAX Complete; Secretary - Amy Head, Bank of America; Treasurer - Debra Bedford, Hill Home Builders; Ex Officio President - Mike Gurley, Mike Gurley, Inc.

DIRECTORS: Ed Cianfarra, City of Goldsboro Inspections Department; Brad Curtis, Eastern Carolina Building Products; Glenn Lancaster, Lancaster Builders; Sheri McDonald, Stone Construction Company; Karen Schneider, Premiere Insurance Partners; Mac Allen, Goldsboro Glass Company; Ken Jones, Ken Jones Construction; Rick Martin, Goldsboro Builders Supply; Kristy Thompson, Goldsboro Builders Supply; Gary Westbrook, Westbrook Builders.

"Impact Wayne" Campaign - The Wayne County Economic Development Commission's "Impact Wayne" Campaign has made great strides in the past five years with the help of businesses, small and large, in Wayne County. Our community is growing, bringing new industry, new jobs, and new people as well as retention and expansion of existing business and industry. All this growth requires housing and strengthens the economy in the homebuilding industry as well as others. Your Board of Directors discussed this at our September meeting and made a decision that **we will pledge \$500 per year for the next five years for a total of \$2,500 as we have in the past five years.** We look forward to better economic times in Wayne County and are happy to help any way we can.

Free labor law posters available from North Carolina Department of Labor.

N.C. Department of Labor officials continue to urge businesses to ignore threatening mail from private poster companies. These companies make money selling expensive posters by threatening businesses into buying the latest poster or risk incurring fines of up to \$17,000 from the N.C. Department of Labor. The poster companies have been known to charge as much as \$100 per poster.

The Labor Department will not fine businesses that have the old posters displayed. NCDOL inspectors carry the newest posters in their vehicles and will offer them free to employers who have out-of-date posters. The labor law posters carry information on the state's Wage and Hour Act and the Occupational Safety and Health Act. **To order a free labor law poster, visit www.nclabor.com/posters/posters.htm.**

Upcoming Classes and Events

****January 11, 2011 - Membership Meeting** and Installation of Officers and Directors - Wilber's Barbecue

****January 12-15, 2011 - International Builders Show, Orlando, Florida**

****February 1, 2011 - NCHBA Region I meeting, Jacksonville**

****February 15-16, 2011 - 1st Quarter NCHBA Board and Committee Meetings - Pinehurst**

****March 1-3, 2011 - N.C. Builder Institute, Raleigh**

Talking Points Prepared by NAHB Public Affairs for the weeks of December 20 and 27, 2010.

Key Message

- Short-term outlook: A number of factors should help the housing market move forward in the near term. Over the past couple of years, there has been pent-up demand - people have doubled up and moved in with family and friends during the recession.

We anticipate that low mortgage rates, stabilizing home values and these demographic trends should result in more households entering the housing market in the coming months.

- Long-term outlook: As household formation rates return to norm, the prospects for housing are much brighter. NAHB economists project that the industry will need to deliver 16 million homes over the next decade just to keep pace with demand.
 1. Main industry challenges: NAHB's top priority is opening up the lines of credit for new housing production; and
 2. Resolving problems with the appraisal process.

Tepid Economy Hampers Housing Recovery

- Meanwhile, recent data indicate that the lackluster economic recovery and job market have placed housing in a holding pattern.
- NAHB's Housing Market Index (HMI), which measures builder confidence in the single-family market, remains at a low level - unchanged in December from last month.
- Builders are on the sidelines waiting for the consumer and the consumer is on the sidelines waiting for the economy to improve.
- Having said that, there are signs that conditions in the housing market should show modest improvement in the coming months:
 1. Stabilizing home prices provide a boost to consumer confidence.
 2. Low mortgage interest rates keep housing affordable.
 3. Three years of sub-normal household formation rates has created pent-up demand that will help reduce some of the excess housing inventory.

Addressing the Credit Crisis is Job One

- However, most builders still have no access to credit for building homes - a problem that threatens to severely slow the housing and economic recovery.
- That is why the NAHB Board of Directors on Sept. 25 voted to make this issue the association's top priority.
- NAHB continues to reach out to regulators, banks, Washington policymakers, other industry groups and the media to pursue intensive efforts to improve the availability of credit for home builders.
- On Nov. 15, NAHB met with the staff of the White House National Economic Council to discuss home builder financing problems regarding acquisition, development and construction (AD&C) credit conditions.
- Similar concerns were raised in a September meeting with Federal Reserve Chairman Ben Bernanke. We also met with leaders of Fannie Mae, the Mortgage Bankers Association, and the National Association of Realtors to seek practical solutions to the AD&C mess.
- NAHB CEO Jerry Howard also highlighted the need to act in recent interviews with the Wall Street Journal, Bloomberg Businessweek, Cox Business Network, the Financial Times of London and NBC News.
- To resolve the credit crisis, we are urging regulators to issue more flexible guidelines that will encourage banks to maintain funding for AD&C loans in good standing that fall below their underlying value.

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- To assist members in dealing with problems with new and outstanding loans, NAHB has developed reference materials. They are available in the Housing Topics section of nahb.org at www.nahb.org/adcreources.
- Going forward, we will continue to reach out to every possible bank regulator, lender and policymaker who has the ability to help restore the flow of credit to our industry.

Appraisals

- Meanwhile, appraisals remain a major problem for the industry, particularly the inappropriate use of foreclosed and distressed properties as comparables.
- This has negatively affected property values and remains an obstacle to the recovery of the housing market.
- To help find constructive solutions to appraisal problems, NAHB on Dec. 9 hosted its third "Appraisal Summit" with federal regulatory agencies and the major housing and financial institution stakeholder and appraisal groups.
- The summit provided a good venue to further explore opportunities for clarifying and improving methods used in valuing newly built homes.
- NAHB continues to work with all stakeholders involved in this issue to enact concrete reforms to ensure that appraisals accurately reflect true market values.

Deficit Panel Targets Mortgage Interest Deduction

- As the government seeks to rein in the ballooning federal deficit, the mortgage interest deduction is once again falling under the scrutiny of policymakers.
- Released on Dec. 1, the final report of the President's deficit commission includes disturbing recommendations what would curtail or eliminate essential housing incentives such as the mortgage interest deduction.
- Although the report failed to garner the necessary votes required to issue a formal recommendation to Congress, the proposal can be expected to form the basis for discussions next year about ways to bring down the national debt.

SaveMyMortgageInterestDeduction.com

- NAHB was well prepared for this expected development, and immediately rolled out a new consumer-oriented website, SaveMyMortgageInterestDeduction.com, that will be a critical tool in our fight to preserve the MID as a cornerstone of American housing policy.
- The website contains fact sheets, frequently asked questions, statistics, and other important information to allow consumers to stay informed as debate on the mortgage interest deduction moves forward.
- Most importantly, SaveMyMortgageInterestDeduction.com tells visitors how to remain engaged and make sure their opinions are heard on this important issue by connecting through NAHB's Facebook and Twitter mortgage interest deduction communities and Eye On Housing blog.

Voters Strongly Support Mortgage Interest Deduction

- To assess the public's attitude toward the mortgage interest deduction and homeownership, NAHB recently commissioned a nationwide survey of likely voters.
- The poll found that Americans overwhelmingly oppose any action by Congress to tamper with the mortgage interest deduction. Among its key findings:
 - 79 percent of all respondents - both owners and renters - believe the federal government should provide tax incentives to promote homeownership.
 - Even when told that getting rid of the mortgage interest deduction would help ease the federal budget deficit, 72 percent of voters opposed any proposal to abolish the home mortgage interest

deduction. This strong consensus cuts across partisan lines; 76 percent of Republicans, 75 percent of Independents and 64 percent of Democrats oppose eliminating the deduction.

- 70 percent would be less likely to vote for a candidate for congress who proposed to eliminate the home mortgage interest deduction, and 63 percent would be less likely to vote for a candidate who supports reducing this tax deduction.
- Clearly, voters have a strong connection to the mortgage interest deduction and are not likely to respond well to efforts to reduce or eliminate it.

Housing Market Snapshot

Housing Starts* (November 2010)
Total: 550,000 Single 465,000 Multi: 90,000

Home Sales* (October 2010)
New: 283,000 Existing: 4:43 million

Median Home Prices (October 2010)
New: \$194,900 Existing: \$170,500

- Seasonally Adjusted Annual Rate

NAHB/Wells Fargo Housing Market Index - The index, which measures builder confidence in the market for newly-built single family home, held unchanged in December from the previous month's low level of 16. Any number under 50 indicates that more builders view sales conditions as poor than good.

NAHB Chief Economist David Crowe's analysis: "Builders and consumers have yet to see consistent signs that the economy is improving. The key to recovery is job growth. NAHB expects an improving job market this spring will help prospective buyers feel more confident and propel more sales activity in 2011. However, the continued problems that builders are facing in obtaining construction credit and accurate appraisal values could significantly slow the onset of a housing recovery."

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OF WAYNE COUNTY
P.O. BOX 1961
GOLDSBORO, NC 27533**

Happy New Year!

Tuesday, January 11, 2011
will be our first meeting of
the New Year -

Wilber's Barbecue

12:00 Noon -

Board of Directors meets at 11:00 a.m.