

# CORNERSTONE

The News of the Home Builders Association of

March 2018

## Accountability: The Key to Sales

page 9

STD PRSTD  
U.S. POSTAGE  
PAID  
PENSACOLA, FL  
PERMIT NO. 451

# Call Before You Dig



**Know what's below.  
Call before you dig.**

If you plan to excavate, dig, bore, tunnel or blast please call Sunshine State One-Call of Florida at 811 or the toll-free number, 1-800-432-4770, between the hours of 6 a.m. and 5 p.m. CST, Monday through Friday at least 48 hours before starting the proposed work. If there are buried natural gas facilities in the path of your activity, the location of those facilities will be marked by a Pensacola Energy representative at no expense to you.

Call 436-5050 for more information about our conversion rebates or visit our website at [PensacolaEnergy.com](http://PensacolaEnergy.com).



# 2018 Leadership Board

## 2018 Home Builders Association of West Florida Board of Directors

### Builder Members

Beau Bryant, *Bluewater Signature Homes*  
Dax Campbell, *Campbell Construction & Company*  
Robert Davis, *DC Homes*  
Chad Edgar, *Holiday Builders*  
Robert Harris, *Adams Homes*  
Shelby Johnson, *Johnson Construction*  
Lowell Larson III, *Craftsman Homes*  
Mike Major, *Majors Home Improvements*  
Ron Mangum, *Residential Renovation Company*  
Josh Mayfield, *Coastal Building Concepts*  
Mac McCormick, *Florida 1st Home Construction*  
Russ Parris, *Parris Construction Company*  
Karen Pettinato, *Pettinato Construction*  
Mike Price, *Avant-Price Builders Group*  
Lorie Reed, *DR Horton*  
Newman Rodgers, *Newman Rodgers Construction*  
Douglas Russell, *R-Squared Construction*  
Steve Schuhmann, *Mitchell Homes*  
Eric Shaffer, *Shaffer Construction*  
John Stenicka, *Aberfeldy Home Construction*  
David Teague, *Timberland Contractors*  
Marcus Timpner, *WCI Communities*  
Chris Vail, *Urban Infill Corporation*  
Thomas Westerheim, *Westerheim Properties*

### Associate Members

Bill Batting, *REW Materials*  
Steve Geci, *Geci & Associates Engineers*  
Laura Gilmore, *Fairway Ind. Mortgage*  
Jill Grove, *Pensacola Energy*  
Jeff Hatch, *Gulf Power Company*  
John Hattaway, *Hattaway Home Design*  
Rod Hurston, *Fisher Brown Bottrell Insurance*  
Shellie Isakson-Smith, *Synovus Mortgage Corp.*  
Pat Kozma, *Acme Brick & Tile Company*  
Rick Lewis, *Swift Supply*  
Bill Morrell, *Coastal Insulation Company*  
Ric Nickelsen, *SmartBank*  
Alex Niedermayer, *Underwood Anderson & Associates*  
Bruce O'Neil, *Pensacola Ready Mix USA*  
David Redmond, *Supreme Lending*  
Brian Richardson, *Builders FirstSource*  
Wilma Shortall, *Beach Community Mortgage*  
Gary Sluder, *Gene's Floor Covering*  
Scott Wagner, *Interior/Exterior Building Supply*

### Council Chairs

Lindy Hurd, *First International Title*  
**Sales & Marketing Chair**  
Marty Rich, *The Mortgage Connection*,  
**Membership Council Chair**  
Mary Weaver, *Gulf Coast Advantage Insurance*,  
**Auxiliary Council Chair**  
Doug Whitfield, *Doug Whitfield Residential*  
**Designer, Cost & Codes Chair**

### Pensacola Association of Realtors Liaison

Keith Furrow, *Keith Furrow and Associates Realty*



**Taylor Longworth**  
President  
East Hill Building Design



**Alton Lister**  
1st Vice President  
Lister Builders



**Shelby Johnson**  
Treasurer  
Johnson Construction



**Blaine Flynn**  
Secretary  
Flynn Built



**Charlie Sherrill**  
2nd Vice President  
SunTrust Bank



**Bruce Carpenter**  
3rd Vice President  
Home Mortgage of America



**Bill Daniel**  
Past 2nd Vice President  
Mobile Lumber



**Jon Pruitt**  
Past President  
J.W. Dunnwright Construction



**Amy Stachowicz**  
Financial Officer  
Saltmarsh, Cleveland & Gund



**Stephen Moorhead**  
Legal Counsel  
McDonald, Fleming, Moorhead

## Cornerstone

The official magazine of the  
Home Builders Association of West Florida



4400 Bayou Blvd., Suite 45, Pensacola, Florida 32503

(850) 476-0318

[www.westfloridabuilders.com](http://www.westfloridabuilders.com)

Cornerstone is published for the Home Builders Association of West Florida by Nicholson Publishing and distributed to its members. Reproduction in whole or part is prohibited without written authorization. Articles in Cornerstone do not necessarily reflect the views or policies of the HBA of West Florida. Articles are accepted from various individuals in the industry to provide a forum for our readers.

# In This Issue

## Cornerstone



**David Peaden II**  
Executive Director  
dpeaden@hbawf.com



**Vicki Pelletier**  
Director of Marketing &  
Communication  
vicki@hbawf.com

## Next Issue:

**April  
2018**

Edit: March 2, 2018  
Space: March 16, 2018  
Materials: March 23, 2018

Magazine Design & Layout by  
warren wight - graphic designer  
www.warrenworld.com



# Cover Story

Accountability: The Key to Sales ..... 8

## CORNERSTONE COLUMNS

President's Message: FHBA Provides Great Value Via Legislature Advocacy ..... 5-6

## FEATURE STORIES

FHBA Member Rebate Program ..... 7

What Has Florida Home Builders Association Done For me Lately ..... 9

Lumber Imports and Exports Are on the Rise ..... 15

NAHB News: Energy and Home Tax Credits Included in Budget Accord ..... 16

NAHB News: Multi Family Production Pushes Housing Starts ..... 18

HELOCS Deductible for Capital Improvements, IRS Says ..... 18

Finding Hidden Profits from Chang Orders ..... 19

Keep the Wheels Turning ..... 20

FHBA News: A Houseful of Savings ..... 23

## ASSOCIATION NEWS

Parade of Homes And Fall Showcase of Homes - A Winning Combination ..... 10

Get Involved in Councils and Committees ..... 10

HBA of West Florida's Spring Golf Sponsorship Form ..... 11

Like Us on Facebook ..... 13

Top 10 Reasons to do Business With an Active Associate Member ..... 14

New Member Profile: Angela Lang, Southeast Mortgage ..... 17

Discount Prices for HBA Members ..... 17

Membership News: New Members, Thanks for Renewing, & More ..... 21

HBA Members Doing Business With Members ..... 21

Spike Club Update ..... 22

## DEPARTMENTS INDEX

Next Issue Deadlines ..... 4,13,15 & 21

Advertisers Index, Web, & Email Addresses ..... 22

Cornerstone, the monthly publication of the Home Builders Association of West Florida serving Escambia and Santa Rosa Counties, is published monthly, twelve (12x) per year. Send address changes to HBA of West Florida, 4400 Bayou Boulevard, Suite 45, Pensacola, Florida 32503-1910. Cornerstone, is published in the interests of all segments of the home building industry and is distributed to its members and others associated with the HBA of West Florida. HBA of West Florida and Richard K. Nicholson Pub., Inc. does not accept responsibility for, or endorse any statement or claims made by advertisers or authors of any articles. Every effort has been made to assure accuracy of information, but authenticity cannot be guaranteed. No part of this publication may be reproduced without the written consent of Home Builders Association of West Florida, Copyright ©, 4400 Bayou Boulevard, Suite 45, Pensacola, Florida 32503-1910, 850.476.0318. Advertisers and advertorials in Cornerstone do not constitute an offer for sale in states where prohibited by law.

# FHBA PROVIDES GREAT VALUE VIA LEGISLATIVE ADVOCACY

I recently traveled to Tallahassee with HBA members to help advance the Florida Home Builders Association (FHBA) legislative agenda. We focused on six priority issues: Statute of Repose; Impact Fees; State Assumption of 404 Permitting; Affordable Housing Funding; Construction Defects and Condominium Bulk Buyer Protections.

It makes a difference when legislators see the “folks from back home” proving that you do care. Here are a few highlights of the two-day conference:

- ★ Tuesday morning’s Legislative Briefing began with comments by Rep. Frank White (R-Pensacola) who is a candidate for Attorney General and Sen. Kathleen Passidomo (R-Naples) who is sponsoring 4 FHBA priorities;
- ★ The legislative briefing packets contained lots of helpful information of where to go, what to do and what to leave behind. The “leave behind” was a big hit with the legislators which briefly summarized the FHBA’s priorities.
- ★ FHBA Governmental Affairs Chair Chair, Frank Severino, offered a Lobbying Seminar for first-time hill visitors. It received great reviews.
- ★ To cap off the day, the FHBA hosted a Legislative Reception Tuesday evening.
  - ★ The event took place at one of Tallahassee’s “historical” watering holes next door to the Capitol.
  - ★ Many of our legislative friends showed up to mingle with FHBA members and staff. A good time was had by all.
  - ★ The following day, FHBA held its Board of Directors meeting.

*continues on page 6*

## President’s Message



*“It makes a difference when legislators see the ‘folks from back home’ proving that you do care.”*



*Representative Clay Ingram meets with HBA members in Tallahassee. Ingram, who is term limited, said he is enjoying his last legislative session. From left, Okaloosa-Walton BIA EO Alan Baggett, HBA Past President Thomas Westerheim, Dream Home Builder Alton Lister, HBA EO David Peaden, Rep. Clay Ingram, HBA President Taylor Longsworth, Chris Thomas of Fisher Brown, and two members from Okaloosa-Walton Cos.*

# FHBA PROVIDES GREAT VALUE VIA LEGISLATIVE ADVOCACY

from page 5

While the FHBA was meeting this week in Tallahassee, the Florida Building Commission (FBC) was meeting in Jacksonville. The main news from the FBC was the establishment of a Residential Construction Cost Impact Work Group.

## Why a Residential Work Group:

To provide a residential builders perspective and comment on impactful code proposals.

- ★ To put a price tag on proposed changes to the code
- ★ To place residential builders on equal footing with other proponents of code changes who are representing Technical Advisory Committees (TACs), i.e. roofing advocates have a Roofing TAC; electrical advocates have an Electrical TAC; fire protection advocates have a Fire TAC, etc.

*Here's a few of FHBA's Top Legislative Priorities:*

### State Assumption of 404 Dredge and Fill Permits:

Senator Simmon's bill, SB 1402, received unanimous approval by the Appropriations Subcommittee on the Environment and Natural Resources. The bill requires the State DEP to enter into negotiations with the Army Corps of Engineers to assume their 404 permitting authority.

### Condominium Bulk Buyer:

HB 841 by Rep. Moraitis received approval by the House

Judiciary Committee, its last committee of reference. The Senate Bill, SB 1274 by Passidomo received approval by the Senate Committee on Community Affairs. These bills delete the sunset provisions relating to the assumption of liability by bulk-buyers. Making permanent that condo bulk buyers do not assume developer liability better positions potential investments into distressed condos.

### Permit Fees:

HB 725 by Rep. Williamson was approved by the full House. This bill requires local governments to post not only permit fees, but also the number of permits issued, how those fees are spent and other relevant issues so local HBA's and others can exert greater accountability with respect to how the fees are spent.

### Affordable Housing:

HB 987 by Rep. Cortes was approved by the House Transportation and Tourism Appropriations Subcommittee. Though the provisions to waive impact fees for affordable housing were removed, it maintained requirements for expedited permits for affordable housing (clearer and more meaningful than current Sadowski Act Requirements). The bill also creates a process for housing recovery after natural disasters and requires more extensive reporting on collection and expenses associated with impact fees.

### Tree Trimming:

SB 574 by Sen. Steube was amended and approved by the Senate Committee on Community Affairs. The amendment significantly revised the thrust of the bill to pre-empt city and counties from tree trimming and debris removal authority from a right of way if the right of way is the jurisdiction of a Special District, Community Development District or other jurisdiction.

### Statute of Repose:

HB 875 by Rep. Leek is scheduled to be heard by the full House this week. The bill provides that repairs and warranty services do not delay the start of the repose clock.



*HBA member and State Representative Jayer Williamson (fourth from the left) meets with HBA members in Tallahassee.*



A Free Member Benefit of FHBA  
[www.FHBArebates.com](http://www.FHBArebates.com)



# WANT TO START GETTING MONEY FOR PRODUCTS YOU ALREADY USE?



If you use any of these  
**50+** participating manufacturers

Then it's **EASY** to participate!

- 1 Register
- 2 Submit a Rebate Claim
- 3 Receive a Rebate Check



The average rebate per Builder/Remodeler company who participated in 2016 was **\$1,206.93!**

Register & Claim:

- 866-849-8400
- [www.FHBArebates.com](http://www.FHBArebates.com)
- [/MemberRebateProgram](https://www.facebook.com/MemberRebateProgram)

# Accountability: The Key to Sales

By KIMBERLY MACKEY

**Have you ever noticed how people who enroll in a weight-loss program that involves accountability and long-term maintenance most often do better than those who try to go it alone? The same is true in sales.**

It is not enough to simply “train” your team with a one-shot, one-size-fits-all motivational “rah, rah.” Often, I am invited by a company to do training on a particular discipline with the sales team because there is the feeling that the team “is not closing enough” or “they are not doing enough to drive traffic,” or their “follow-up needs work,” etc.

*“When you hold sales people accountable, they will resist — until they start seeing results. Once those results start to happen, and we celebrate those results with them, the desire sets in to not only repeat the results, but to up the ante.”*

However, once I begin, I often discover that there is more of a systemic breakdown and that those particular challenges are merely a symptom of a greater issue.

Sales people, like any other, perform in direct proportion to the level of expectations set, and when those expectations are reinforced, coached and inspected. Yet all too often, we leave these sales people out in the field alone without a weekly planned encounter.

We are not working with them on their very specific and time-oriented goals, or even giving them a road map on how to reach those goals and checkpoints along the way where we, as leaders, should be stepping in to guide them. Then, when our sales teams fall short, we start to make excuses for them about what the competition is doing, or they did not have enough traffic. And then we wonder why we are not getting results.

When you hold sales people accountable, they will resist — until they start seeing results. Once those results start to happen, and we celebrate those results with them, the desire sets in to not only repeat the results, but to up the ante. The key is we have to hold ourselves accountable to be the leader our team needs.

Sales results happen in the field, not in your office or corporate headquarters. You must be in the field, spending quality time



with your team every week. If you can't spend at least two to three hours, one on one, with each member of your sales team every week, then either your territory is too large or your priorities are not straight.

You must have, in writing, minimum performance expectations, have each one of your sales staff sign it and have it placed in their files. You can't make exceptions. Reward not only results, but effort. Celebrate successes every step of the way.

Finally, hiring a trainer/consultant adds credibility to your efforts. This may sound familiar to parents, who often notice how their kids will listen to a teacher or a coach, but the same advice from a parent falls on deaf ears.

Your team can perform at a higher level. Successful teams are focused; they have a plan and they are disciplined in working that plan. They know the only way to get out of a hole is to stop digging, and start filling it in by getting more and better sales!

*Management consultant Kimberly Mackey is the founder of New Homes Solutions and a Tampa Bay Builders Association member. This post is adapted from a story in the Jan/Feb 2018 issue of Sales + Marketing Ideas. Download the Sales + Marketing Ideas app on iTunes or Google Play to read it.*

Courtesy of NAHBnow.com



WHAT HAS THE  
**FLORIDA HOME BUILDERS ASSOCIATION**  
 DONE FOR **YOU** LATELY...

**Trained over 1,000 students**  
 in the Future Builders of America chapters to help meet your labor needs.

**Waged ongoing legal and media campaigns**  
 against inclusionary zoning to preserve your property rights.

**Expanded online education**  
 through Building Media's Code College Initiative, designed to link industry professionals to experts in learning current practices.

**Changed the Endangered Species Act**  
 to allow for speedier, less-costly development.

**Unveiled marketing tools**  
 for membership recruitment to expand business contacts and leadership opportunities.

**Pushed for solutions** to the property and builders' risk insurance crisis while continuing to promote creation of federal and regional catastrophic loss funds.

**Formed a Commercial Builders Council**  
 to help residential builders diversify into this lucrative market.

**Partnered with the Florida Green Building Coalition** to create uniform, cost-saving green building standards.

**Protected our future** by endorsing pro-housing, pro-business candidates for cabinet and legislative positions.

**Persuaded the Corps of Engineers**  
 to issue a regional general permit for Northeast Florida, streamlining the development process.

**PLENTY!**

**Supported the Florida Building Commission's** decision to uphold the wind-borne zone in the panhandle at 130 miles per hour instead of 120.

CALL 1-800-261-9447 OR E-MAIL FHBA FOR MEMBERSHIP INFORMATION.



## A WINNING COMBINATION

# PARADE OF HOMES AND FALL SHOWCASE OF HOMES

Parade of Homes: May 5 - 13, 2018

Fall Showcase of Homes: October 6 - 14, 2018

For 2018, the Home Builders Association of West Florida (HBA) will host two community events to give consumers a look at new home construction. The annual Parade of Homes will take place May 5 – 13 with scattered sites throughout Escambia and Santa Rosa Counties. The HBA is bringing back the Fall Showcase of Homes, set for October 6-14, and this event will feature the American Dream Home. The American Dream Homes is being constructed by Alton Lister, of Lister Builders, at the Highlands at the Moors in Santa Rosa County. It will be a change having the Dream Home featured in October but it will add value to the Fall Showcase of Homes.



**PARADE OF HOMES**  
HOME BUILDERS ASSOCIATION OF WEST FLORIDA



**SHOWCASE OF HOMES**  
HOME BUILDERS ASSOCIATION OF WEST FLORIDA

## GET INVOLVED IN HBA COUNCILS AND COMMITTEES!

### Auxiliary Council

*Meets Monthly  
2nd Tuesday of each month*

### Membership Committee

*Meets Monthly  
2nd Thursday of each month*

### Sales & Marketing Council

*Meets Monthly*

### Board of Directors

*Meets Monthly  
3rd Tuesday of each month*





**Platinum Sponsor..... \$1000**

♣ **Company Logo on T-Shirt | Golf Package** including Lunch, Cart & Green Fees (\$360 value) | **Banner** Provided by your company displayed on course | **Inclusion** of logo on all tournament related materials | **Special** sponsor recognition at the Tee off | **Representative** can assist at tournament registration | **Opportunity** to include company related items in “**Goodie Bag**” | **Company recognition** in Cornerstone.

**Gold Sponsor..... \$600**

♣ **Golf Package** including Lunch, Cart & Green Fees (\$360 value) | **Set up and Staff** at Hole of Your Choice | **Company Name** and Logo on event banner | **Sign Placed** at Hole | **Items in** “**Goodie Bag**” | **Company recognition** in Cornerstone

**Silver Sponsor..... \$300**

♣ **Golf Package** including Lunch, Cart, Green fees for **2 golfers** (\$180 Value) | **Company Name** and Logo on event banner | items in “**Goodie Bag**” | **Company recognition** in Cornerstone

**Bronze Sponsor..... \$200**

♣ **Golf Package** including Lunch, Cart, Green fees for **1 golfer** (\$90 Value) | items in “**Goodie Bag**” | **Company recognition** in Cornerstone

***Sponsorship  
 Deadline:  
 April 1, 2018***

***No Sponsor Level  
 Will be Secured Without  
 Payment .***

.....  
 Place an "X" next to desired sponsorship level and submit with payment via fax to 494-9764 or email to [vicki@hbawf.com](mailto:vicki@hbawf.com)

\_\_\_ Platinum Sponsor \_\_\_ Gold Sponsor \_\_\_ Silver Sponsor \_\_\_ Bronze Sponsor \_\_\_ Beer Hole Sponsor  
 \_\_\_ Goodie Bag Sponsor \_\_\_ Tee Sign Sponsor \_\_\_ Mulligan Sponsor \_\_\_ Hole Sponsor

Company Name: \_\_\_\_\_ Need receipt? \_\_\_ emailed \_\_\_ mailed

Contact Name : \_\_\_\_\_ Email or Telephone: \_\_\_\_\_

Charge my (Visa, MasterCard or AmEx) in the amount of \$ \_\_\_\_\_ for my selected sponsorship level.

Card Number: \_\_\_\_\_ Expiration: \_\_\_\_\_ CVV Code: \_\_\_\_\_

Signature: \_\_\_\_\_

**For more information contact the HBA at (850) 476-0318 or [vicki@hbawf.com](mailto:vicki@hbawf.com)**



# Quality You Can Trust Service You Can Depend On!

At REW Materials, we have people with the technical expertise to help contractors, architects, and owners stay on top of new methods in construction. Unique to the industry, REW has a team of representatives and leading edge technology to help our customers develop the best possible solutions for today's complex applications.



REW Materials uses all of the latest innovations to meet your residential jobsite needs.



Drywall | Metal Studs | Acoustical Insulation | Roofing | Stucco

Bill Batting  
p 850.471.6291  
f 850.471.6294  
c 850.259.7756

[bbatting@rewmaterials.com](mailto:bbatting@rewmaterials.com)

REW Materials  
8040 N. Palafox Street  
Pensacola, FL 32534

# FHBI THE CONSTRUCTION INDUSTRY'S INSURANCE PARTNER



FHBI, Inc. builds strategic partnerships with companies and agents to customize insurance programs to meet the needs of the building industry.

FHBI services the building industry including:

- Residential & Commercial Contractors
- Trade & Artisan Contractors
- Residential & Commercial Roofers
- Land Developers
- Ground Water Contractors
- Heavy Construction
- Road & Bridge Construction

*For the best combination of coverage and service, contact a FHBI-appointed agent. For a list of authorized agents, contact your local FHBA office today.*

Through the following product lines:

- General Liability
- Umbrella/Excess Liability
- Commercial Automobile
- Builders Risk
- Property and Inland Marine
- Home Warranty
- Residential Wraps
- Contractor's Pollution Liability
- Architects & Engineers Professional Liability
- Miscellaneous Errors & Omissions Liability
- Workers Compensation
- Surety

[www.fhbi.com](http://www.fhbi.com)

2600 Centennial Place  
Tallahassee, FL 32308  
888.513.1222





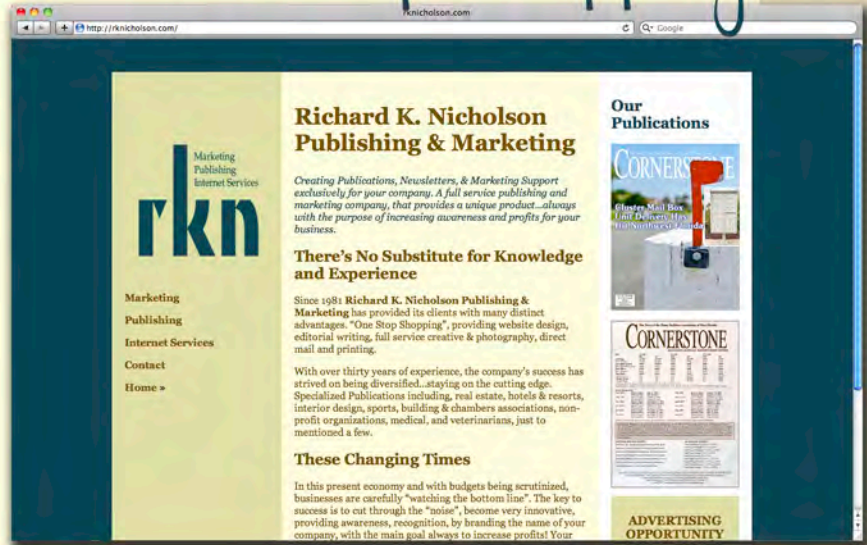
## Publisher of Cornerstone Magazine

RKN Pub. & Mkt. Offers  
One-Stop Shopping

In addition to Publishing Magazines, We Offer Complete Website & Newsletter Design, Including Photography, Copyrighting, Marketing, and Electronic Distribution.

### Advertising Bonus

All Cornerstone advertiser's will now be featured on the RKN Pub. & Mkt. Website, with a link to their website!



2947 SW 22nd Circle, Ste.#28-B | Delray Beach, Florida 33445 | 561.843.5857 | rknichent@aol.com

[www.rknicholson.com](http://www.rknicholson.com)

## Like us on Facebook!



- ✓ Stay up-to-date on news and events
- ✓ Have access to exclusive promotions and giveaways
- ✓ Check out polls and fun facts on the page

Have pictures from HBA events?  
Share them with us!  
Tag yourself in our photos!



<https://www.facebook.com/HBAWF>

## Join our team of solution-providers and sell more homes, save more energy and make more money!

- Award-winning customer service
- Residential Energy Guarantee®
- Proven ease of doing business
- 25+ years of new-home warranties
- Backed by Bankers Financial Corp.



**Bonded Builders**  
WARRANTY GROUP

Contact Doug Wenzel at 866.440.7271  
800.749.0381 x4700  
[dwenzel@bondedbuilders.com](mailto:dwenzel@bondedbuilders.com)

FOR FUTURE UPCOMING EVENTS, PLEASE CALL  
THE HBA OFFICE AT 850.476.0318

Dream Big  
with  
Home Mortgage of America



Home Mortgage  
of America, Inc.

NMLS # 149932  
4400 Bayou Blvd. Suite 40  
Pensacola, FL 32503  
850-316-4123



Bruce H. Carpenter III  
NMLS # 215146  
850-232-6416



Diana Melton  
NMLS # 370939  
850-516-1579



warren wight  
graphic designer



*offering creative services  
to the building community  
and related industries*



print

not everything is about  
the internet ... print does  
still exist ... all is not lost



web

warren has been designing  
websites since the 80's ...  
he knows what he's doing



corporate id

your logo is truly your  
company's identity ... make  
it a good one

p 407.920.1478  
warren@warrenworld.com

warrenworld.com

## TOP 10 REASONS TO DO BUSINESS WITH AN ACTIVE ASSOCIATE MEMBER

1. They support the industry at the local, state and national levels.
2. They volunteer time, talent and treasure to help the association accomplish its goals.

3. They recruit their colleagues & business contacts to become members.
4. They serve on committees and councils gaining valuable networking opportunity while helping to advance the association's mission.

7. They are a major source of non-dues revenue through sponsorships, advertising, etc.

8. As industry partners, they are a valuable resource for business and management tips.

5. By doing so, you increase the value proposition for all membership in our HBA.

9. They are heavily invested in your business success: You win, they win!

6. They are strong supporters of local and state PACs and BUILD-PAC.

10. Why wouldn't you do business with a member?



# Lumber Exports and Imports are on the Rise

**As punitive duties averaging more than 20% were imposed on Canadian softwood lumber imports in 2017, domestic producers responded by shipping record amounts of lumber overseas.**

U.S. exports overseas climbed 9% in 2017, compared to a modest 1% increase in 2016 and a sharp 16% drop in 2015. Exports to China, the largest U.S. offshore customer, were up 21% from 2016. Producers of southern yellow pine exported 41% more to China in 2017 than they did in 2016.

At the same time that domestic lumber producers claimed they were being harmed by Canadian imports, they were sending record amounts of softwood lumber overseas because they could charge a higher premium to foreign nations.

Meanwhile, the tariffs are harming housing affordability, causing extreme price volatility and incentivizing foreign nations to boost lumber exports to the U.S. because of record-high prices.

Lumber imports posted their fifth consecutive yearly gain in 2017. However, unlike the previous four years, the increase was accompanied by a decline in imports from Canada—the first such decline in six years.

Roughly one-third of the lumber used in the U.S. last year was imported. Even with rising imports from other nations, the bulk of imported lumber — more than 95% — came from Canada.

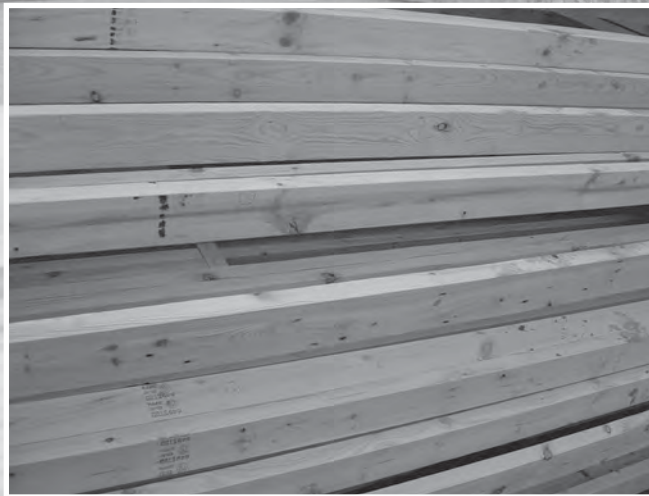
This is why NAHB believes it is imperative that the U.S. and Canada find an equitable long-term solution in lumber trade that provides a steady supply of lumber at a reasonable price.

In addition to working with political and industry leaders in Canada and the U.S. on the trade front, NAHB is urging top congressional and administration officials to open more public lands for domestic timber production.

This is the most straightforward way to diminish reliance on imported lumber.

At the same time, we are calling on domestic producers to curb their timber exports when there is a gaping need at home.

*Courtesy of NAHBnow.com*



**NEXT  
CORNERSTONE  
ISSUE:**

**April 2018**

**To advertise, call  
Richard Nicholson  
561.843.5857**

**RKNICHOLSON.COM**

# ENERGY AND HOME OWNER TAX CREDITS INCLUDED IN BUDGET ACCORD

**As part of the Bipartisan Budget Act of 2018, which was signed into law on February 9, Congress retroactively extended a number of expired energy and home owner tax provisions.**

The following tax credits were reinstated on a retroactive basis for 2017 only:

• **Section 45L Credit for Energy-efficient New Homes:**

Provides a \$2,000 tax credit for the construction of homes exceeding heating and cooling energy standards by 50%. The base energy code is the 2006 International Energy Conservation Code plus supplements. Builders must have tax basis in the home to claim the credit (i.e., they must own and then sell/lease the residence).

• **Section 179D Energy Efficient Commercial Buildings Deduction.**

Provides a deduction up to \$1.80 per square foot for commercial and multifamily buildings that exceed specific energy efficiency requirements under ASHRAE 2007.

• **Section 25C Tax Credit for Qualified Energy Efficiency Improvements.** This policy offers a credit worth up to \$500 (subject to a \$500 lifetime cap), with lower caps for certain products like windows, for consumers to install qualified energy-efficient upgrades.

• **Mortgage insurance premiums.** Subject to income phase outs, consumers who file their taxes can deduct premiums paid for private mortgage insurance in 2017.

• **Mortgage forgiveness tax relief.** The budget accord eliminates any taxes home owners might face due to renegotiating the terms of a home loan, which result in forgiving or canceling a portion of the outstanding mortgage, particularly in con-

nection with short sales. The debt forgiveness pertains to debt discharged in 2017 but not in 2018.

NAHB members should note that this extension does not indicate future extensions will occur again. The White House's official Statement of Administration Policy on the enacted bill questions the need for future extensions: "Furthermore, the Administration is concerned with future extensions of special interest tax deductions and benefits in the wake of tax cuts and reforms that were enacted in December 2017."

**Section 25D Tax Credit for Power Production Property**

Congress also included a fix NAHB had sought for the Section 25D tax credit, which offers a 30% tax credit for the installation of qualifying alternative energy equipment. In 2016, Congress extended the 25D tax credit but limited its use to solar technology only.

This bill restores the ability to claim the 25D tax credit for geothermal heat pumps, small wind turbines, and fuel cell property. Unlike the credits listed above, the Section 25D tax credit remains in effect for 2018 under a phase-out regime. The applicable credit rates under the phase-out regime are:

- 30% in the case of property placed in service before Jan. 1, 2020
- 26% in the case of property placed in service after Dec. 31 2019 and before Jan. 1, 2021
- 22% in the case of property placed in service after Dec. 31 2020 and before Jan. 1, 2022

Starting in 2022, this credit is scheduled to expire.

For more information, contact J.P. Delmore at 800-368-5242 x8412.

*Courtesy of NAHBnow.com*





**Angela Lane**  
Senior Mortgage Loan Originator

Southeast Mortgage  
244 E. Intendencia Street  
Pensacola, FL 32502

p 850-776-6094  
f 850-361-2968

angela.lane@southeastmortgage.com  
www.southeastmortgage.com



Southeast Mortgage started back in 1993. They are the largest non-bank builder in the state of Georgia. I am licensed in Florida, Georgia, Alabama and Mississippi. Southeast Mortgage handles all processing and underwriting in house. We have an entire builder division that know the ins and outs of new home construction. We are able to provide VA, FHA, USDA and of course Conventional financing. Our Pensacola office is located on Intendencia.

**Why is it important to be a member of the HBA?**

At Southeast Mortgage we recognize the importance of our builder relationships and appreciate opportunities to support and serve alongside the construction community?

**What are my personal interests**

I am at my happiest with a houseful of family, but love any day spent at the beach or traveling.

### DISCOUNT PRICING FOR HBA MEMBERS

National Purchasing Partners negotiates discounted rates on products and services, and passes the savings to our members.

### EMPLOYEE DISCOUNTS

Your employees have access to discount pricing through NPP as well. Here are the products and services available to them:

- verizon** Up to 18% off eligible plans.
- Expedia** 10% off hotel bookings.
- LifeLock** 15% off identity theft protection services.
- ITF** Save on over 150,000 brand-name products.
- LegalZoom** 15% off online legal protection.
- myAutoLoan** Save an average of \$1,900.
- petfirst** 10% off pet insurance.
- flowers.com** 20% off flowers, gift baskets, and more.
- CLUB W** \$20 off first month's wine shipment.
- SPY** Save 50% when you shop at spyshop.com with your NPP promo code.

### CORPORATE DISCOUNTS

The nation's largest and most reliable 4G LTE network. **22% discount** on mobile-wireless calling plans \$34.99 and higher five-line minimum. Two corporate lines required.

Start saving today on **over 150,000 brand-name products.**

Office Depot offers premier pricing on **over 16,000 in-stock products**, 2,400 custom priced items and up to **8% back** in rebates.

Discount pricing on coatings, supplies, and more.

Go paperless with electronic signatures. Sign legally enforceable documents from anywhere, any time, on any device. Pricing options starting at **10% off**.

Complete expense management solution for commercial fleets of all sizes.

Contracted pricing on **over 30,000 items.**

**10% off** hotel bookings.

**80% savings** on National and Regional LTL shipments. **10% savings** on YRC Time Critical.

Top-tier pricing with one of the nation's leading single-source suppliers of industrial gases, head-to-toe safety equipment, and welding supplies.

- EN POINTE** Discount pricing on volume hardware and software.
- Actsoft** **10% discount** on GPS tracking products.
- CarAmp** **10% off** monthly rates for fleet tracking devices.
- Complete Office** 50,000 online office products averaging **51% off** list price.
- cradlepoint** **10% off** wireless routers and mobile hotspots.
- EarthCam** **50% off** monthly service and up to **25% off** camera equipment.
- FleetLocate** Exclusive monthly pricing and waived activation on fleet management products.
- KimballOffice** Quality crafted office furnishings.
- KNOX** Discount pricing on printers and copiers.
- legalzoom** **15% off** online legal services.
- Level(3)** On demand teleconferencing and web collaboration that's simple, easy to use, and available anytime.
- vantiv** Discount pricing on merchant services solutions.
- verizon terremark** Enterprise Cloud, Colocation Services and Virtualized Disaster Recovery.

\*Eligibility Requirement: Company must be a commercial construction company, home builder, remodeler or other trade craftsman

All Verizon Wireless offers are for a limited time only and are subject to equipment availability. Verizon Wireless reserves the right to change or modify all offers at any time without notice. All terms and conditions are subject to and governed by Verizon Wireless Agreement with Customer including, but not limited to, Customer eligibility requirements. Every effort is made to ensure the accuracy of this Verizon Wireless offers, however, Verizon Wireless is not responsible for any errors or omissions.

### GET STARTED

Sign up with NPP to access these discounts.

- Visit [www.mynpp.com](http://www.mynpp.com), click on "Join Now."
- Select "Company" then "Construction," then "Residential."
- Select "HBA-Home Builders Association" from the Association dropdown menu and complete enrollment.

**npp** mynpp.com  
800.810.3909  
customerservice@mynpp.com

© 2016 National Purchasing Partners

# Multifamily Production Pushes Housing Starts

**A surge in multifamily production pushed overall housing starts up 9.7% in January to a seasonally adjusted annual rate of 1.33 million units after an upwardly revised December reading, according to newly released data from HUD and the Commerce Department.**

Multifamily starts rose 23.7% to a seasonally adjusted annual rate of 449,000 units. Meanwhile, single-family production posted a healthy 3.7% gain to 877,000 units.

“The growth in production is in line with our reports of solid builder confidence in the housing market,” said NAHB Chairman Randy Noel. “A pro-business regulatory climate and

increasing housing demand are boosting builders’ optimism, even as they continue to face supply-side hurdles such as rising construction material prices and access to lots and labor.”

“Demand for owner-occupied housing is rising due to favorable demographic tailwinds and a healthy labor market. Increases in after-tax incomes should help prospective buyers save for a downpayment on a home,” said NAHB Chief Economist Robert Dietz. “As consumers continue to enter the single-family market, we should see builders increase production to meet this demand.”

Regionally in January, combined single- and multifamily housing production increased 45.5% in the Northeast, 10.7% in the West, and



9.3% in the South. Starts fell 10.2% in the Midwest.

Overall permit issuance rose 7.4% to a seasonally adjusted annual rate of 1.4 million units, which is a post-recession high. Multifamily permits registered a 26.5% gain to 530,000 while single-family permits edged down 1.7% to 866,000.

Permit issuance rose 92.5% in the South and 17.1% in the West. Permits declined 2.6% in the Midwest and 21.7% in the Northeast.

*Courtesy of NAHBnow.com*

## HELOCS Deductible for Capital Improvements, IRS Says

**In a victory for NAHB remodelers, the IRS in late February issued a letter clarifying changes to home equity loans and lines of credit to confirm that households may take a tax deduction when these loans are used for home improvements.**

The Tax Cuts and Jobs Act of 2017, enacted Dec. 22, suspends from 2018 until 2026 the deduction for interest paid on home equity loans and lines of credit, unless they are used to buy, build or substantially improve the taxpayer’s home that secures the loan, the letter said.

“This is a major victory for remodelers and for home owners who want to invest in their homes,” said NAHB chairman Randy Noel.

“NAHB has been pushing hard for this outcome since December, when act was signed into law. We will continue to work with Congress and the administration as they hammer out the details of the new tax law.”

*Courtesy of NAHBnow.com*

# FINDING HIDDEN PROFITS FROM CHANGE ORDERS

**Is work-related stress causing you heart burn, high blood pressure or even hair loss? There's a chance that improving your health might — to some degree — involve improving your contracts.**

Many builders have contracts and change order policies that leave too much room for interpretation and an excessive amount of client flexibility. That could potentially add stress for the builder that could have been avoided.

Dennis Dixon is the owner of Dixon Builders in Flagstaff, Ariz. Throughout his 34-year career in home building, he's learned the key to finding hidden profits — and maintaining his sanity — is in change orders. But it requires having a refined contract that thoroughly explains your change order policies.

“Your contract doesn't have to be fancy. It just needs to be in plain, simple English, clearly stating what the builder will and will not do, and what will be required of the client,” Dixon said. “It's incredible how much time and effort you can save by having things spelled out in the contract beforehand.”

Last month during the 2018 International Builders' Show, Dixon led an education session called *Making Money with Change Orders & Allowances*. Some of the key points he shared include:

## **Determine How Much You're Worth**

First, specify each step of the change order process, no matter how small, and decide how much time it takes to complete each step. Then, determine exactly what you need to charge by the hour, the day and the week to generate enough income — including administrative fees.

Dixon advises never to negotiate on your rate and to establish a minimum fee for each change order to reinforce the seriousness of each request.

“People always tell me, ‘Dennis, I can't do that. People will get mad.’ But I tell them they don't have to explain themselves. By

[adding the cost of processing the change order] you're not a criminal. That's how you stay alive in this business.”

## **Do Not Proceed Without Formal Client Approval**

Each change order is a mini contract. It must include a decision due date, which if it isn't met, will result in the change order being cancelled.

Dixon is not a fan of clients sending and approving requests electronically. In his experience, those methods can make the process seem less serious to the client and, in fact, encourage them to make more change orders.

“Getting client signatures on change orders sometimes feels like you're asking them to reach into a bag of rattlesnakes,” Dixon said. But obtaining that signature first will save the builder from running into significant issues down the road.

## **Document everything, every time**

Dixon says it doesn't matter what you use to make out a change order. “You could write it on a scrap of wood, if you want to,” just as long as it's written down on something and the client has signed off.



“To those who aren't willing to write up change orders, I say, ‘Buck up! Or else you might want to consider a different line of work.’ Not only are they missing out on additional profits, they could also be losing money.”

Those with a paid, full registration to the 2018 IBS can get more in-depth by using their complimentary one-year subscription to IBS Education on Demand. They can download full recordings and handouts of presentations such as *Making Money with Change Orders & Allowances* as well as other sessions. Visit [BuildersShow.com/ondemand](http://BuildersShow.com/ondemand) to learn more.

*Courtesy of NAHBnow.com*

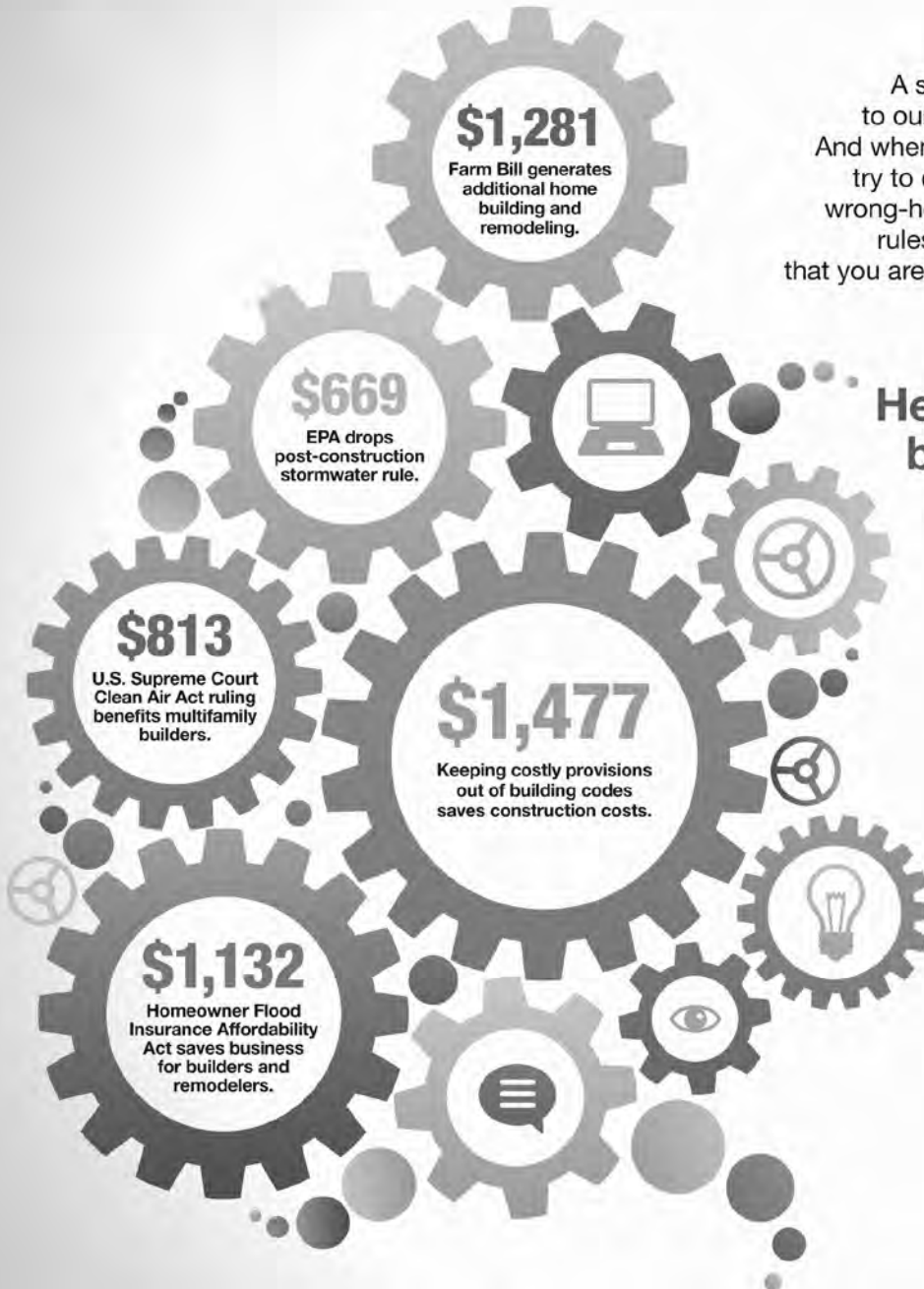
# NAHB Keeps the Wheels Turning

A strong housing industry is key to our nation's economic recovery. And when lawmakers and bureaucrats try to chip away at your profits with wrong-headed or just plain expensive rules, NAHB is here to make sure that you aren't regulated out of business.

**Here's what we've been working on so far this year.**

These dollar values represent the **savings per housing start** a typical builder will see as a result of select NAHB advocacy victories in 2016. Some members will experience more of these benefits than others, depending on location and market segment.

Learn more at [valueofnabh.org](http://valueofnabh.org)



*Bring a  
friend to  
our next  
meeting!*



## NEW MEMBERS APPROVED BY THE BOARD

### Applied Construction Management

Shawna Motala  
410 B Airport Blvd  
Pensacola, FL 32503  
p (850) 776-2898

### Evolution Drywall, Inc.

Delmy Haddad  
9555 Holsberry Rd Unit 6  
Pensacola, FL 32534  
p (850) 760-6124

### Grayes Granite

Christopher Grayes  
3141 Potter St.  
Pensacola, FL 32514  
p (850) 293-8865

### Mosquito Authority of Northwest Florida

Steven Robertson  
5757 Loring Dr.  
Milton, FL 32583  
p (850) 888-2494

### Southeast Mortgage

Angela Lane  
244 E. Intendencia St.  
Pensacola, FL 32502  
p (850) 776-6094

### Trident Home Loans

Elena Sharikhina  
913 Gulf Breeze Pkwy Suite 23  
Gulf Breeze, FL 32561  
p (850) 343-0400

## THANK YOU FOR RENEWING

Arcadia ICR

ARGOS

B B & T (Branch Banking & Trust)

Better Homes and Garden/  
Main Street Properties

Coastal ICF Concrete Wall Systems

Doodlebuggers Service Network

Fairway Independent Mortgage Corp.

Fidelity Bank

Interior / Exterior Building Supply

Pensacola State College -  
Carpentry Department

ProSource of Pensacola

Sandy Sansing Dealerships

Wiggins Plumbing, LLC

Avant-Price Builders Group

Builders FirstSource

Country Manor Homes, Inc.

Florida 1st Home Construction

John S. Carr & Company

Roads, Inc.

Shaffer Construction



**If you do business with previous members, please  
give them a call and reinforce the value of  
membership as well as the importance of**

**Members Doing Business  
with Members.**

## NEXT CORNERSTONE ISSUE

**April 2018**

To advertise, contact Richard Nicholson  
561.843.5857 | rknichent@aol.com

**RKNICHOLSON.COM**

### Architectural Concepts International LLC

33 SW 12th Way, Boca Raton, FL 33486  
*Specializing in Car Wash Designs*

Licenses: NCARB, Florida  
AR-0007424, ID-0003692, CGC-008183

561.613.2488

www.car-wash-architect.com | www.paintconceptsplus.com





In construction, a spike is a steel object that is essential to making a building strong. As in construction, the HBA of West Florida sees a Spike as someone that works to keep our association strong. Spikes work on the recruitment and retention of members in addition to keeping members active with the association. Anyone is eligible for Spike status. On Spike credit is awarded for each new member recruited and an additional credit is awarded for that new member's renewal on or before their anniversary date. If you help to retain a member, you are eligible to receive a half point for each member.

### Spike Club Levels

|                    |             |
|--------------------|-------------|
| Spike Candidate    | 1-5 credits |
| Blue Spike         | 6-24        |
| Life Spike         | 25-49       |
| Green Spike        | 50-99       |
| Red Spike          | 100-149     |
| Royal Spike        | 150-249     |
| Super Spike        | 250-499     |
| Statesman Spike    | 500-999     |
| Grand Spike        | 1000-1499   |
| All-Time Big Spike | 1500+       |

*Spike Club Members and their credits as of 01/31/2018.*

#### Statesman Spike 500 Credits

Harold Logan 515

#### Super Spike 250 Credits

Rod Hurston 414.5  
Jack McCombs 293

#### Royal Spike 150 Credits

Rick Sprague 202  
Edwin Henry 198.5  
Bob Boccanfuso 162.5  
William "Billy" Moore 160

#### Red Spike 100 Credits

Charlie Rotenberry 148  
Lee Magaha 128.5  
Oliver Gore 111.5  
Ron Tuttle 102

#### Green Spike 50 Credits

Ricky Wiggins 97.5  
David Holcomb 90.5  
Doug Sprague 86  
Kenneth Ellzey, Sr. 69.5  
Newman Rodgers IV 59.5  
Bob Price, Jr. 57  
Russ Parris 53.5  
Thomas Westerheim 50.5

#### Life Spike 25 Credits

West Calhoun 48.5  
Wilma Shortall 48.5  
Darrell Gooden 45.5  
Eddie Zarahn 41.5  
John Hattaway 37  
Garrett Walton 31.5  
Doug Whitfield 29

#### Blue Spike 6 Credits

Bill Daniel 24.5  
Luke Shows 21.5  
Keith Swilley 20.5  
Towana Henry 20.5  
Steve Moorhead 16.5  
Brent Woody 16  
Larry Hunter 15  
Doug Herrick 13.5  
Bernie Mostoller 11  
Dean Williams 11  
Doug Henry 11  
Kim Cheney 9.5



*If you would like to join the Spike Club or Desire Additional Information, please contact Vicki Pelletier*

**(850) 476-0318**

### ADVERTISER'S INDEX

|   |            |
|---|------------|
| Architectural Concepts International, LLC<br>561.613.2488<br>www.paintconceptsplus.com<br>jrd@paintconceptsplus.com       | 21         |
| Bonded Builders<br>www.bondedbuilders.com<br>wenzeldo@att.net<br>866.440.7271<br>800.749.0381 x4700                       | 13         |
| Fisher Brown Insurance<br>Office: 850.444.7613<br>Cell: 850.982.7300<br>Rod Hurston, AAI<br>rhurston@fbbins.com           | 22         |
| Florida Home Builders Insurance<br>888.513.1222<br>www.fhbi.com   | 12         |
| Home Mortgage of America, Inc<br>Office: 850.332.5221<br>Cell: 850.332.2416<br>bcarpenter@hmoa1.com                       | 14         |
| Norbord<br>www.norbord.com/windstorm  | Back Cover |
| Pensacola Energy<br>850.436.5050<br>www.espnaturalgas.com   | 2          |
| Rew Building Materials, Inc.<br>850.471.6291, Office<br>850.259.7756, Cell<br>www.ecbmfl.com<br>bbatting@rewmaterials.com | 12         |
| RKN Publishing and Marketing<br>561.843.5857<br>rknichent@aol.com<br>www.rknicholson.com                                  | 13         |
| warren wight - graphic designer<br>407.920.1478<br>warren@warrenworld.com<br>warrenworld.com                              | 14         |

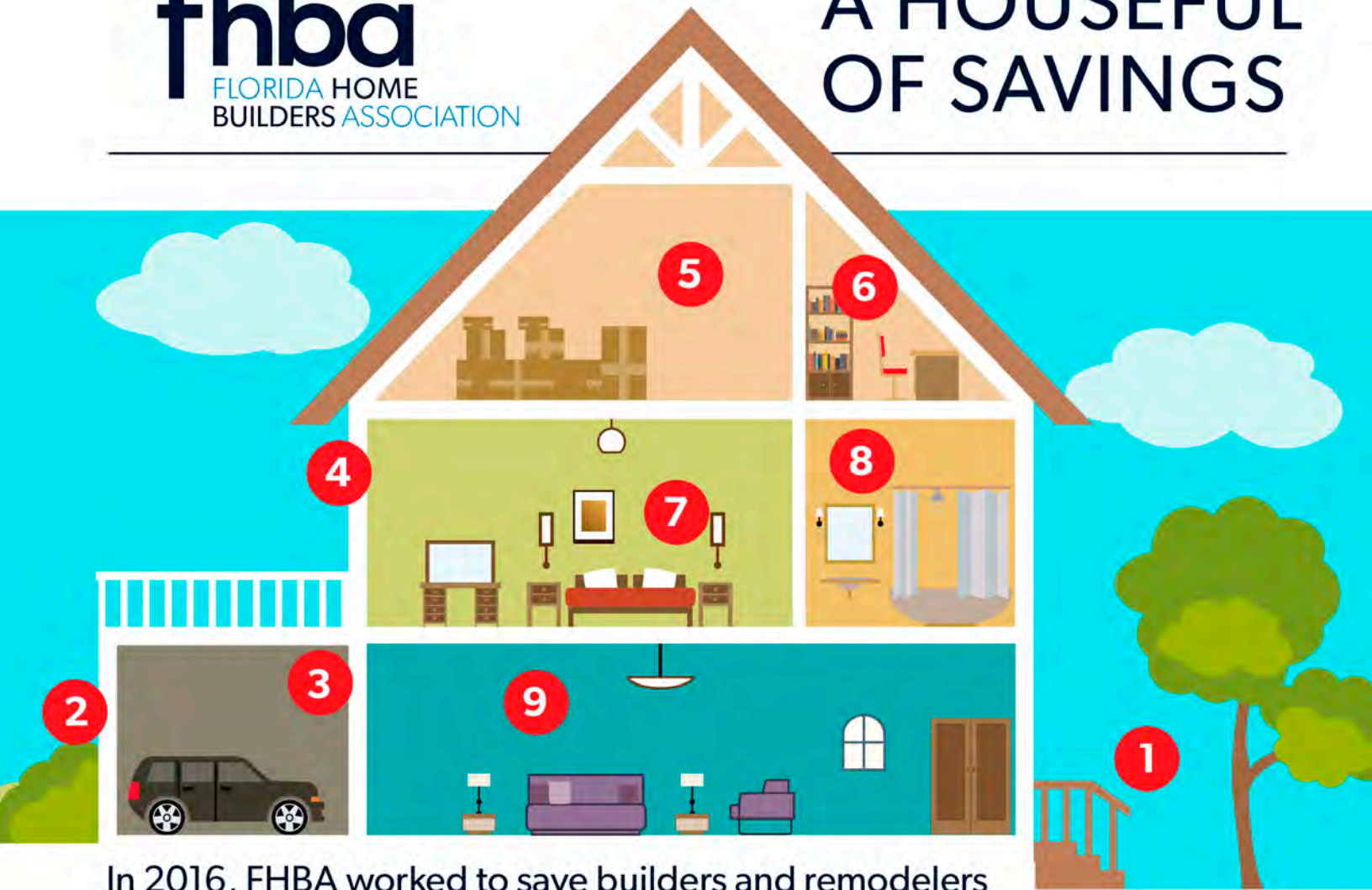
**Please Support Our Advertisers!**



**Fisher Brown**  
INSURANCE & BONDING SOLUTIONS SINCE 1911

**Rod Hurston, AAI**  
Vice President  
(850) 444-7613 PHONE  
(850) 438-4678 FAX  
(850) 982-7300 MOBILE  
rhurston@fbbins.com

1701 W. Garden Street • P.O. Box 711, Zip 32591 • Pensacola, FL 32502



In 2016, FHBA worked to save builders and remodelers **over \$7,000\***



**1. Guard Measurement = \$1,500**  
Reduces horizontal distance from 36 to 24 inches



**4. Stucco = \$1,100**  
Reduced time between coats and curing from seven days per ASTM 926



**7. Custom Doors = \$500**  
Provides criteria for custom one-of-a-kind doors (FBC-B & R)



**2. Fire Separation = \$2,500**  
Reverts to three feet and adds options to fire rating soffits



**5. Air Leakage = \$175**  
Provides option for testing in multi-family as single and modified 5 ACH to 7 ACH



**8. Shower Liner = \$75**  
Reinstates exception to shower liner on SOG (FBC-R & P)



**3. Duct Penetration Garage = \$300**  
Retained provisions allowing use of duct board



**6. Mechanical Ventilation = \$75**  
Reduced from 5 ACH to less than 3 ACH

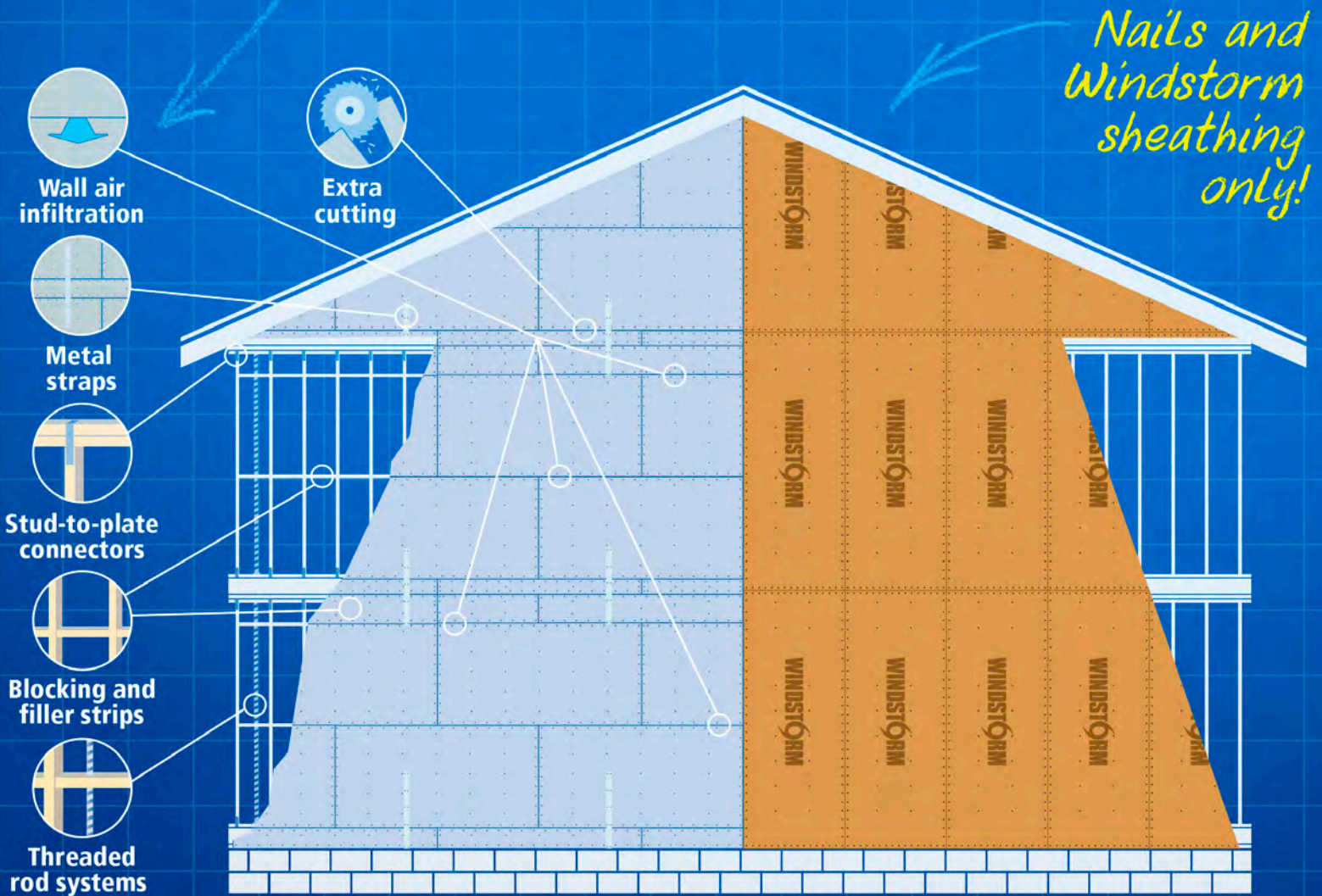


**9. Door Swing = \$750**  
Revisions permitting doors to outswing over egress, two risers, and an exception for landings

FHBA also stopped issues from passing, which resulted in additional builder savings: Flood Provisions = \$10,000, Irrigation = \$1,000, and Water Saving Fixtures = \$250.

\*Approximate cost savings per house/lot impacted.

# MORE WORK **vs** LESS WORK



In this labor market, builders and framers need wall sheathing that lets them build faster and more efficiently. Windstorm sheathing comes pre-trimmed for the way you frame and can save you up to \$1000 or more per house. Slab or raised floor, bungalow or two-story, frame or block & frame — Windstorm delivers!



**THE SMARTER, FASTER, MORE PROFITABLE WAY TO FRAME AROUND THE LABOR SHORTAGE.**

**VISIT [WWW.NORBORD.COM/WINDSTORM](http://WWW.NORBORD.COM/WINDSTORM)**

**WINDSTORM**<sup>®</sup>  
Wall Sheathing