



“Preserving the Past while Building the Future.”



Celebrating 127 Years of Service

Siewers' Contractor Customers Excel

Currently we are in the midst of a building depression, possibly the worst conditions ever. However, we notice that our customers, as a whole, are staying optimistic and continuing to battle a soft demand by continuing to quote, providing quality craftsmanship, building superior additions and renovations, and keeping informed of industry trends. At Siewers, we are providing information to you through this new e-newsletter, product training for our salesman, updating our showroom, adding new products, and having in-house clinics. Recently, we had deck, exterior materials, and cabinet clinics for customers. Let us know how else we may help you and thanks for your continued business as we celebrate 127 years of serving Richmond. We aim to have you excel at your business.

Economy issues in the news....

The Death of the McMansion

The U.S. housing market is going through an adjustment of historic proportions. The recession, obviously, high unemployment and unease about the economy have made potential first-time homebuyers leery of entering the market.

The other chief cause for weak demand is a slowdown in household formation - - the U.S. Census reports that the rate of household formation is currently lower than at any time since 1947, as people put off getting married and starting a family. According to economist Peter Linnerman, the marginal household size, which has historically hovered around two or three (people), shot up to more than six in 2009 and 2010, the result of doubling-up and moving in with relatives.

Common wisdom is that eventually the housing market will stabilize but there will be smaller lots in inner suburbs, fewer “McMansions”, and fewer planned communities.

(This article was in the Slate - May 11, 2011- www.slate.com/)

Americans shed mortgage debt at record pace.....

Low interest rates, defaults and refinancing have shaved more than \$100 billion off the nation's annual mortgage bill -- an amount comparable to all unemployment benefits for one year or this year's Social Security payroll tax cut.

"This is a form of economic stimulus that goes to Main Street rather than Wall Street," says Nicholas Carroll, a journalist on consumer finance and author of *Walk Away From Debt for a Better Future*. When freed from a mortgage payment, people's first purchases tend to be necessities, such as socks and underwear, he says.

Homeowners have trimmed interest payments alone by 11% or \$67 billion a year from the peak in 2008, according to the Bureau of Economic Analysis (BEA). The savings come equally from grappling lower interest rates and reducing what's owed by paying down principal or defaulting on loans.

Households are saving more than they're spending on mortgage interest. This is a first time since 1998.

"Households are managing their debt down by bringing cash to the table to qualify for super-low rates," Mortgage Bankers Association economist Michael Fratantoni says. That's a change from the housing bubble when "cash-out" loans let borrowers leave mortgage signings with spending money, he says."

Consumers have started borrowing more for cars, appliances and other big-ticket items in the past two months but not for homes, Frantantoni says. "Consumers are cautious". (This article was found in the May 18th USA Today – www.usatoday.com.)

Nation of renters and hoarders.....

If you need any more proof of how sorry a state the housing market is in, look no further than how well real estate investment trusts that own apartments and storage facilities are doing.

Shares of leading apartment REITs Equity Residential (EQR), Apartment Investment & Management (AIV) and UDR are near 52 week highs. Ditto for Public Storage (PSA), the leading owner of self-storage facilities, and smaller rivals Sovran Self Storage (SSS) and U-Store-It Trust (YSI)

"Apartment owners have been on a tear for a couple of years, and should continue to do well," said David Harris, a REIT analyst with Gleacher & Co. in New York. "Some people refer to it as a propensity to rent but in reality, it's an aversion to buy."

According to the most recent figures about housing ownership and vacancies released by the U.S. Census Department Wednesday, rental vacancies fell to 9.7% in the first quarter of this year from 10.6% a year ago. (This article was from the CNN Money April 27th, www.cnn.com/money)

Contractor issues in the news....

EPA Files First Lead Work Rule Violation Case

A Rockland, Maine, renovator is facing penalties for allegedly violating lead safe work practice requirements under the EPA Renovation, Repair and Painting Rule. The contractor is facing a minimum fine of \$150,000.

The case was the result of an anonymous video post on You Tube.

(This was found in the May 18th W&D Weekly – Wdweekly@WindowsandDoor.com)

Coming Soon to a Jobsite Near You...

Unwelcome news from OSHA is that starting June 16, 2011, the agency will require builders and subcontractors working at a height of more than 6 feet above a lower level be protected by guardrails, safety nets, or a personal fall arrest system. The full extent of this regulation can be found at the OSHA website (www.osha.gov)

The Boomer Tsunami

There are a lot of folks nearing retirement age. Baby Boomers have a tidal-wave-like effect of remodeling, and we are beginning to see the early signs.

AARP surveyed members and found a large majority want to stay in their current homes. Many such homes need to be modified for safety and mobility because as we get older, getting around and taking care of ourselves become more challenging.

CAPS (Certified Aging-in-Place Specialist) has proved very successful in helping remodelers in how to ask the right questions, design and build, rapport building and helping with peculiar modifications for this target customer.

AARP has a CAPS link on its Web site to help locate CAPS accredited professionals by Zip Code, city or state.

There are 77 million Baby Boomers, and they're all getting older. Maybe you ought to look into offering aging-in-place modifications as an adjunct to your business before you get much older, while you're here..... *(This article was found in the May 2011 Qualified Remodeler - www.qualifiedremodeler.com)*

Note: Some websites are time sensitive. If you have any problems opening the site or you wish to recommend an idea for a future story contact Lauren Fields at 358-2103 or email laurenf@siewers.com.

New to you....

2011 Energy Tax Credits for Windows and Doors

- Windows – 10% credit up to \$200
- Doors – 10% credit up to \$500
- “Lifetime Limitation” – There is a \$500 maximum that homeowners can claim from January 1, 2006 to December 31, 2011, excluding the \$1,500 limit in 2009 – 2010. If the homeowner has reached or exceeded the \$500 limit; they are no longer eligible to claim the credit in 2011. The \$500 aggregate lifetime limit is for any combination of all tax credit qualifying products (HVAC, Insulation, Roofing, etc), not just windows and doors.
- Installation cost not included in credit.
- To qualify, all eligible windows and doors need to be Energy Star qualified products.
- Must be with existing home and principal residence, additions qualify
- Do not have to replace all windows and doors
- Check with your accountant for further details on the 2011 Energy Tax Credits

Quick Contractor Tip

To avoid the high price of cylindrical cardboard concrete forms, use sheets of scrap corrugated-metal roofing. Use self-tapping screws to affix the overlapping ends at the seams. After 24 hours, while the concrete is still green, you can unscrew the seam and pull the form away from you concrete column. You can use the same form for several pours. - Miles Eddins, Tuscaloosa, AL

SAVE THE DATE.....Sept. 22, 2011 – 5:00 to 7:30 p.m.

SIEWERS 2011 ARCHITECTURAL PRODUCTS SHOW



Economy Snap Shot.....

	<u>Unemployment Rate – Entire U.S.</u>	<u>Consumer Confidence (Indexed to value of 100 in 1985)</u>	<u>Total Housing Starts /Seasonally Adjusted Annual Rate</u>
May 2011	9.1%	60.8	560,000
Prior Month – April 2011	9.0%	66.0	541,000
Prior Year – May 2010	9.7%	62.7	580,000
	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales (in Millions)</u>	
May 31, 2011	\$3.79	N/A	
Prior Month – April 2011	\$3.91	5.05	
Prior Year – May 2010	\$2.74	5.68	

Market Summary

	<u>June 16, 2011</u>	<u>1/01/11</u>	<u>6/1/10</u>
DOW	11,897	11577	9744
NASDAQ	2,631	2653	2109
S&P 500	1,265	1257	1030

Company Mission

To operate and maintain a genuine state-of-the-art lumberyard and mill for Richmond remodelers, with service that is second to none.



“The true test of character is not how much we know how to do, but how we behave when we don’t know what to do.” **John Holt**

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**Visit our website for product and general information.
www.siewers.com**

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**Hours:
Monday - Friday
7:30 a.m. – 4:30 p.m.**