



*“Preserving the Past while Building the Future.”*



*Celebrating 128 Years of Service*

*A note from the Siewers Family...*

*Hot, Hot, Hot*

Numerous times this summer the Caribbean sounding song, “Hot, Hot, Hot” has been played in people’s minds due to the weather that has hit Richmond. Like a customer recently reminded us, “it is summer in Richmond, after all.” Yes, that is true, but it is still “Hot, Hot, Hot!” We hope you and your crews are surviving and it never hurts to remind others about safety and hydration during these extreme days.

We have heard positive feedback about our “Made in the USA” section of the newsletter and we hope you too are enjoying this section. This month it focuses on Southern Yellow Pine Lumber. Not only is this made in the USA and providing numerous jobs to our fellow Americans, it is a very green product – a true natural resource that is also a sustainable resource.

Although it is “HOT”, we hope you are enjoying your summer and hopefully taking a little time off to spend with your family and loved ones. Thank you for reading our newsletter and for your feedback on ways of making it better. As always, thank you for your business!

*-The Siewers Family*

### *Economic News*

#### *The Mother Hoard*

The U.S. government's Strategic Petroleum Reserve (SPR) is a 727 million barrel underground facility kept as an insurance policy for national emergencies.

The SPR was a response to the oil embargo imposed by the Organization of Arab Petroleum Exporting Countries after the 1973 Arab-Israeli War. It comprises five underground storage facilities, hollowed out of salt domes, located in Texas and Louisiana. To put SPR's size into perspective, its current storage would cover about 71 days of US crude oil imports or 47 days of total US crude oil consumption.

So what are the parameters for the US using this oil? The government does not have any specified release rules. There is no written insurance policy. In essence no one knows.

A stronger dollar and market based release rules for SPR would provide relief from sky-high crude oil prices.

#### *“The State of the Nation’s Housing reveals complicated picture*

Housing markets are showing signs of reviving, concluded “The State of the Nation’s Housing” report released by Cambridge, Mass. Based Joint Center for Housing Studies of Harvard University. But we’re not out of the woods, yet.

Rental markets have turned the corner, home sales are strengthening and a floor is beginning to form under home prices. New home inventories are at a record low and unless the broader economy goes down again, stronger sales should further stabilize prices and help housing construction over the course of 2011. Rental vacancy rates are falling, rents are increasing and multi-family construction is up solidly.

Surveys have shown that young adults plan to own a home in the future, but job outlook and house prices make the market tighter. With rents up, home prices sharply down and mortgage rates at a record low, monthly mortgage costs relative to monthly rents haven't been this favorable since the early 1970s.

The 40 page report covers the yin and yang of home prices and housing affordability and cautions that the homeowner market faces numerous challenges. *The entire report can be found at the [www.homechannelnews.com](http://www.homechannelnews.com) June 19<sup>th</sup>, 2012 article.*

### Contractor News

#### Remodeling takeaways from “The State of the Nation’s Housing 2012 report

Although “The State of the Nation’s Housing 2012 “ report, released recently by The Joint Center for Housing Studies, doesn’t cover remodeling specifically, data trends and indicators from the housing market often causes a ripple effect of the remodeling market.

The signs for recovery expected the for-sale housing market in the next year show signs of improvement. This could create opportunities since research has shown that people tend to renovate their home within the first three years of moving in.

The nation’s rate of homeownership within the over 65 group has seen near record highs. This market can mean new revenue for remodelers who create a niche within the universal design space, as the baby boomers will want improvements that can allow them to stay in their homes.

Homeowner demographics are shifting as new housing trends emerge. Over the next few years the number of renters will continue to outpace the number of homeowners. This is always a big opportunity for remodelers. *For the complete report visit, [www.jchs.harvard.edu/research/publications/state-nation%E%80%99s-housing-2012](http://www.jchs.harvard.edu/research/publications/state-nation%E%80%99s-housing-2012)*

#### Workforce shortages in construction industry:

A study by McGraw Hill Construction in May came out with some disturbing finds. The study looked at the groups that constitute the residential and commercial construction industries: architectural and engineering, general contractors, construction managers, design/builders and specialty trade contractors.

The study identified two main points impacting the construction industry today and possibly hindering future growth. The first was a decrease in construction jobs because of recent economic conditions and the second is an aging demographic in the workforce. As the industry evolves into green and other specialty areas, the available workforce continues to fall behind in skill level needed to fulfill jobs that are in demand.

According to the data, the construction industry has experienced massive volatility in employment activity from 2008 to 2011. The U.S. Bureau of Labor Statistics reported a 19 percent decrease in employment in the construction industry as a whole. General contractor and trade contractors, however, experienced an even deeper decline as employment was down by 21%.

Slight variances in regional data shows how powerful economic influences can be. The Western and Southern regions reported higher layoff incidence than the Northeast or Midwest regions.

Also by 2014, general contractors and A/E firms combined identified the top five skilled labor shortages as:

- Carpentry and millwork (30 % shortage)
- Electrical (24% shortage)
- HVAC/boilermaker (23% shortage)
- Concrete finisher/cement mason (20% shortage)
- Ironwork – steel erection/fabrication/welding (18% shortage)

### *New to you....*

#### *The Educated Contractor*

When was the last time you attended a seminar or read a book that would help your business? Education does not stop after high school or college. The business environment is changing so rapidly that it is essential to continue to educate yourself and keep finding areas to improve your businesses. Whether it is your leadership and management skills, marketing, technology or trade education, these are just some of the areas everyone could use some improvement. Contractors today are multitasking and wearing many hats throughout the business and working 60 hours a week, but they still need to find the time to improve themselves.

There are several good trade magazines you can subscribe to or make it a habit to go to the book store or library once a month. One of the best resources is to join a trade association. Central Virginia is very fortunate to have a local chapter of the National Association of the Remodeling Industry (NARI).

The chapter provides wonderful opportunities to educate you and keep up with the current regulations in the industry. Sometimes even just networking with peers in the industry is a great source of education and NARI ([www.naricentralva.org](http://www.naricentralva.org)) provides many opportunities to meet other remodelers and learn from each other and develop friendships.

Siewers Lumber & Millwork is also a member of the Southern Building Materials Association (SBMA), a regional association for lumber dealers and suppliers that provides tremendous education and networking opportunities for our employees. The association keeps the company informed on all current laws & regulations in the industry and provides excellent updates and seminars on all issues and topics within the building and remodeling industry. Despite the long hours and frustration with this economy it is essential that everyone find the time to continue to educate ourselves. It is not only critical to keeping ahead of the competition but it could be a matter of survival.



**Made in the USA!**

### **Southern Yellow Pine Lumber**

One of the oldest “Made in the USA” products would have to be one of our natural resources. Since the colonists at Williamsburg discovered that Southern Yellow Pine lumber is a durable and versatile wood. It has since been used in thousands of houses, decks, commercial buildings and other projects where strength, durability and beauty have been required. Southern Yellow Pine has a wonderful light natural color that brightens up any room when used for paneling, ceiling or flooring.

Grown from Virginia to Texas, this is an abundant and completely renewable “green” resource. Siewers carries a variety of Southern Yellow Pine products and would be happy to help you complete your wood needs with this historical “Made in the USA” product.

### **Quick Contractor Tip**

#### **Honing the inside bevel of a gouge**

Here’s a simple way to sharpen or hone the inner flute of a carving or turning gouge. Start by ordering a set of contoured profile sanding grips. These inexpensive rubber sanding profiles come in a set of several convex and concave sizes. Pick the radius that matches your gouge and wrap the sanding grip with a fine grit of wet-or-dry abrasive paper to push back the burr. To hone the flute, replace the abrasive paper with a piece of leather loaded with polishing compound. *Mickey Callahan, Bellingham, MA*

#### **How would you like to be published in a future issue of Siewers Newsletter?**

Be sure it is a quick tip that can help another contractor and one that is simple to understand (“Even I need to understand it!”) It also must be economical to create. Submit your tips to [laurenf@siewers.com](mailto:laurenf@siewers.com)

#### **In case you missed it!**

Check out Siewers Lumber & Millwork on WTVR 6.

<http://wtvr.com/2012/07/11/virginia-politics-one-on-one-with-george-allen/>



**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>
June 2012	8.2%	62.0	760,000
Prior Month – May 2012	8.2 %	64.4	711,000
Prior Year – June 2011	9.2%	57.6	615,000
	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>	
June 30, 2012	\$3.38	N/A	
Prior Month – May 2012	\$3.61	4,550,000	
Prior Year – June 2011	\$3.57	4,180.000	

**Market Summary**

	<u>July 18, 2012</u>	<u>1/01/12</u>	<u>6/30/11</u>
DOW	12,805	12,217	12,414
NASDAQ	2,910	2,605	2,773
S&P 500	1,363	1,257	1,320

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.



“Tragedy and comedy are but two aspects of what is real, and whether we see the tragic or the humorous is a matter of perspective.” Arnold Beisser

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