

May 16, 2013



“Preserving the Past while Building the Future.”



Celebrating 129 Years of Service

A note from the Siewers Family...

Happy Birthday!

Siewers Lumber will be celebrating its 129th Birthday this year. We will celebrate our Founder's Day on Thursday, May 23rd from 12 p.m. to 1 p.m. Cox Industries and Simpson Strong-Tie will be providing a BBQ Lunch! They will also be constructing a deck and be on hand to answer any questions you may have about deck building or their products. We feel that this celebration is not for just the company but for all of our customers, because without you and the previous years of valued customers, we would not have made it through the years. We have come a long way since they were delivering lumber by horse and buggy and we thank you for all the wonderful years!

Tonight, May 16th, our fathers Freddie and Johnny are being inducted in the Greater Richmond Business Hall of Fame hosted by the Junior Achievement of Central Virginia. Both gentlemen have been working here for over 50 years, starting in their early teens! They contribute their success to their parents, loving wives, family and many colleagues they worked with throughout the years and all the amazing relationships with the Commonwealth's finest architects, designers and contractors. In the past when we have given out a Christmas Bonus it was their common response to say, "Don't thank me, thank the customer – they are the one who is really signing your paycheck." Please join us in congratulating our dads for all their accomplishments. We thank them for all they have done for our business, our family and our community.

Thank you for reading our newsletter and for your feedback on ways of making it better. Please continue to let us know your needs and that your needs are being met! We look forward to having Lunch and some Birthday Cake with you on Thursday, May 23rd!

-The Siewers Family

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Economic News

Current Conditions Assessment Shows Improvement

The Conference Board Consumer Confidence Index, conducted by Nielsen, showed increases in both the Present Situation Index and the Expectations Index, which helped bring the Index to 68.1 for April. The monthly Consumer Confidence Survey showed that consumers' assessment of the labor market is mixed, with increases in both those claiming jobs are "plentiful" and "hard to get".

The Index also indicates that consumers are considerably more upbeat about the short-term outlook in April. The percentage of consumers expecting business conditions to improve over the next six months increased to 16.9% from 15%, while those anticipating business conditions to worsen decreased to 15.1% from 17.7%.

Further information about the Consumer Confidence Index and The Conference Board can be found here www.conference-board.org.

Pending home sales improved in March

The Pending Home Sales Index, a forward-looking indicator based on contract signings, rose 1.5% to 105.7 in March from a downwardly revised 104.1 in February, and is 7% above March 2012 when it was 98.8, according to the National Association of Realtors. Pending sales have been above year-ago levels for the past 23 months; the data reflect contracts but not closings.

Contract activity has been in the narrow range in recent months, not from a pause in demand but because of limited supply of homes. Job additions and rising household wealth will continue to support the increase in sales contracts.

Total existing home sales are projected to increase 6.5% to 7% over 2012 to nearly 5 million sales this year, while the national median existing-home price is forecast to rise about 7.5%. *Article found at www.homechannelnews.com.*

Virginia ranks 34th most stressed out....

The state that holds the record for least stressed out state is Hawaii. I guess all those beaches help keep you calm.

Remodeling Business Conditions Reaching New Heights

The first quarter Remodeling Business Pulse (RBP) data, collected by the National Association of the Remodeling Industry (NARI), reports that quarter-over-quarter increases are being seen across all sub-components measuring remodeling industry. The overall current business conditions have seen steady increases since March of 2012, reaching a statistically significant 5.97 rating.

Growth indicators seen in the first quarter of 2013 have included sharp increases in the number of inquiries and requests for bids, which speak to an increase in consumer

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confidence. Also, 76% of remodelers believe there will be growth in the next 3 months, compared to 2/3s of remodelers forecasting growth in December 2012.

More information about NARI's first quarter RBP data or about the organization itself can be found www.nari.org.

Richmond ranks # 3rd in the country

Markets with the highest percentage of homeowner respondents planning major remodeling projects or new custom homes by 2015 has Richmond listed in third place. In first place was Santa Barbara with 50%, San Francisco showed 48% and Richmond listed 45% for third place in the country.

Contractor News

Kitchen Remodeling Helps Contractors Boost Revenue Year-round

One of the biggest challenges general contractors face is the intermittent nature of remodeling work.

Weather is one challenge. Rain can scuttle and delay jobs and wreak havoc on schedules, and when winter rolls around, jobs can vanish completely for months at a time.

Managing your sales pipeline is another challenge. How do you avoid a boom and bust cycle of job-job-job, followed by nothing-nothing-nothing.

There are two ways to develop year around business so that you don't cycle through feast and famine.

First, diversify by adding a reliable indoor specialty. If you do doors, windows, fences, decks and or siding, you already deal with customers who are eager to improve their homes. Adding a specialty like kitchens and/or bathrooms give you a job indoors that is not affected by the weather.

Second, kitchen remodeling is consistently one of the most popular home improvement projects. Your schedule will not be in the lurch due to Mother Nature.

To avoid dry spells, marketing needs to be an ongoing effort.

Probably the single biggest mistake contractors make is focusing solely on customers who are ready to sign on the dotted line. Remodeling projects are major investments for homeowners, and this process can takes months and in some cases years. Listen well and communicate in ways that make the homeowner comfortable with you and confident in their eventual decision. You need to act more like a consultant and less like a pushy sales guy. If you build trust and stay in touch with people who need your advice, the sales will flow in steadily. *This article found at www.forresidentialpros.com.*

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The Five Biggest Financial Related Mistakes Contractors Make

1. *Guessing at the markup used to determine selling price*

Unless a business knows what markup to use to determine the right selling price, it puts itself at risk of actually **buying jobs instead of selling them.**

2. *Using different markups on different cost categories without knowing the impact on required gross profit.*

This is like a Super-Sized mistake! Unless you use a single across the board markup on all estimated costs, you will need to be very accurate when anticipating how much you will sell of, and how much you will markup, each category of costs your business includes in estimates throughout the course of the year.

3. *Not factoring for the cost of non productive time in the labor rate used when Estimating*

Using the wrong labor rate can have a double negative effect. Not only will you not charge enough to cover labor costs, you will also lose the markup on the missing labor dollars.

4. *Not estimating and job costing apples to apples*

10% of contractors can job cost their labor costs the same way they estimate them

5. *Not factoring for actual costs at time of production when estimating*

Keep in mind that some reports anticipate many construction materials will increase in cost as much as 25% this year.

To solve this, use the free labor cost worksheet used on the www.shawnmccadden.com.

Everything a Contractor Needs to Know About Certificates of Insurance:

http://www.shawnmccadden.com/the-design-builders-blog/bid/87131/everything-a-contractor-needs-to-know-about-certificates-of-insurance?source=Blog_Email [Everything%20A%20Contrac]



Waterproof Window Installation

By [Rick Arnold](#) on January 25, 2013

One of the most important aspects of window installation is weatherproofing. I've seen too many jobs with window flashing installed improperly, allowing moisture to penetrate the jamb, leading to air and water leaks, rot, mold—the whole mess. [Read the full article...](#)

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Did You Know: That Siewers keeps over 20 different styles of wood siding in stock?

Quick Contractor Tip

Extend the life of your deck frame

I built a deck more than 25 years ago and used construction spruce for the beams and joists – not pressure treated wood. I put strips of tar paper about 3” wide on top of the 2 x 6 joists, then fastened the white-cedar decking with galvanized nails. The cedar has rotted, so I am replacing it. But the spruce, protected by the tar paper, is still in excellent shape. I live in Ontario, where there is lots of snow, and the deck has been exposed to it for all those years. John McCubbin – Warsaw, Ontario.

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.

Join us

Thursday, May 23rd (12:00 p.m. to 1:00 p.m.)

Siewers Founders Day Picnic & Deck Demo

Sponsors: Cox Wood & Simpson Strong Ties

R.S.V.P. to

<http://coxdecksiewers2013.eventbrite.com/>



Siewers Lumber & Millwork

**Will be closed Monday the 27th of May for Memorial Day
We will reopen Tuesday at 7:30 a.m. the 28th of May.**

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2013 Greater Richmond Business Hall of Fame May 16, 2013

John C. Siewers, II
Frederick W. Siewers, Jr.



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>
April 2013	7.5%	68.1	853,000
Prior Month – March 2013	7.6%	61.9	1,021,000
Prior Year – April 2012	8.1%	68.7	754,000

	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales</u>
April 30, 2013	\$3.52	N/A
Prior Month – March 2013	\$3.64	4,920,000
Prior Year – April 2012	\$3.80	4,530,000

Market Summary

	<u>May 16, 2013</u>	<u>1/01/13</u>	<u>5/01/12</u>
DOW	15,275	13,104	13,213
NASDAQ	3,471	3,019	3,046
S&P 500	1,658	1,426	1,397

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Company Mission

To serve the needs of contractors and do-it-yourselfers.



“People who work together will win, whether it be against complex football defenses, or the problems of modern society.” Vince Lombardi

**Siewers Lumber & Millwork
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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.**

**If you wish to receive our newsletter each month, forward your email address to
laurenf@siewers.com or call us at 804-358-2103.**