

# Magic Valley BUILDER

*The Newsletter of the Magic Valley Builders Association*



## May 2019

### Surveying Remodelers about Costs

NAHB is currently surveying all of its remodeler members to determine reliable benchmarks on the profitability of the remodeling business. Remodelers will be able to use this data to compare their business to others, pinpoint improvement opportunities and set budget targets.

NAHB recently conducted a similar survey among its builder members to develop the Cost of Doing Business Study, 2019 Edition. The study found that in 2017, single-family builders had an average revenue of \$16.4 million, with an industry average gross profit margin of 19.0%, while the average net profit margin reached 7.6%.

The success of this project depends entirely on collecting accurate information from NAHB's remodeler members. Survey participants will receive a free copy of the final report – the 2020 Remodelers' Cost of Doing Business Study – a \$149.95 value.

The information is kept completely confidential. Only the NAHB research team conducting the survey will see the responses, and only industry averages will be published.

For information on how to receive and submit the survey, please email NAHB's Assistant Vice President for Survey Research Rose Quint.

### LEADERSHIP

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**Member at Large:**

**Cindy Collins**

**Executive Officer:**

**Sari Jayo**

## Affordable Project Enlivens Philly Community

Oxford Mills, a \$38 million historic rehabilitation in Philadelphia's Kensington neighborhood, seeks to create a vibrant, education-based community of teacher housing and nonprofit organizations.



Photo by Imagic Photography

Composed of two former industrial buildings, this high-density housing project includes 114 apartments that provide much-needed workforce housing and 38,000 square feet of commercial/office space for more than 10 different nonprofit organizations. Ninety of the apartments are rented to residents earning up to 80 percent of the area median income (AMI), with 68 of those units reserved for local teachers. The remaining apartments are rented at market rates.

The collaborative, education-centered model for Oxford Mills replicates other similar successful historic rehabilitation projects. Seawall Development's Donald Manekin developed this model based on his experience as a board member of Teach for America and a two-year stint as interim chief operating officer of the Baltimore, Md., city school system. Based in Baltimore, Seawall Development partnered with another private developer, D3 Development in Philadelphia, to launch the model there.

Although there was some pushback from local residents due to concerns about gentrification, several key strategies were utilized to maintain a sense of community, including discounted rents for teachers, designated office space for nonprofits and other educational organizations, social and professional programming and events, and community meeting spaces that are open to the public.

For more housing affordability resources, visit [nahb.org/housingforall](http://nahb.org/housingforall).

## CALENDAR OF EVENTS

**2019 Post Parade Builder's Meeting June 11th Canyon Crest NOON**

**JUNE Board Meeting June 13th NOON Idaho Pizza**

**MVBA GOLF TOURNEY June 21st 8 AM Flight 1:30 PM Flight**

## DOL Issues Proposed Joint Employer Rule

The Labor Department has announced a [proposed rule](#) to provide a clearer methodology for determining joint employer status. The proposal is meant to provide employers clarity and certainty regarding their responsibility to pay federal minimum wage and overtime for all hours worked over 40 in a workweek.

NAHB believes the Labor Department's focus on whether the potential joint employer actually exercises authority over the worksite is an important step in the right direction.

## Treasury Publishes Opportunity Zone Regs

The U.S. Treasury Department recently issued its second set of proposed regulations related to the new opportunity zones tax incentive.

Established as part of the Tax Cuts and Jobs Act of 2017, [opportunity zones](#) provide tax incentives for investors to invest in and provide an economic boost to underserved communities. More than 8,700 zones, or approximately 11% of all Census tracts in the United States, have been identified as being eligible for investment.

For more information on opportunity zones, visit NAHB's Opportunity Zones resource page.

## Review Shows Tariffs Equal \$1 Billion Tax

The U.S. Trade Representative last year announced its [intention to levy tariffs](#) on a series of imports from China. USTR rolled out proposed tariffs in three waves, with the third list (List 3) covering approximately \$200 billion worth of Chinese imports.

The NAHB economics department examined the imports identified on List 3 and found that the value of the 450 building materials included on List 3 is roughly \$10 billion. So a 10 percent tariff on these goods would represent a \$1 billion tax increase on the housing industry.

## NAHB, HUD to Host Housing Showcase

NAHB and HUD are hosting an "Innovative Housing Showcase" to educate policy makers and the public on housing innovations and technologies that are helping address the affordable housing challenges across the country.

[The Showcase](#) will be held on the National Mall June 1-5, 2019.

## NAHB Commends Housing Legislation

NAHB Chairman Greg Ugalde commended House Financial Services Chairwoman Maxine Waters for seeking to address the housing affordability crisis by introducing the ['Housing is Infrastructure Act.'](#)

"The chairwoman's bill highlights the role that additional costs, such as fees associated with infrastructure, play in housing affordability," Ugalde said. "Providing increased funding for important affordable housing programs and working to lower impact fees and streamline the development process are positive steps."

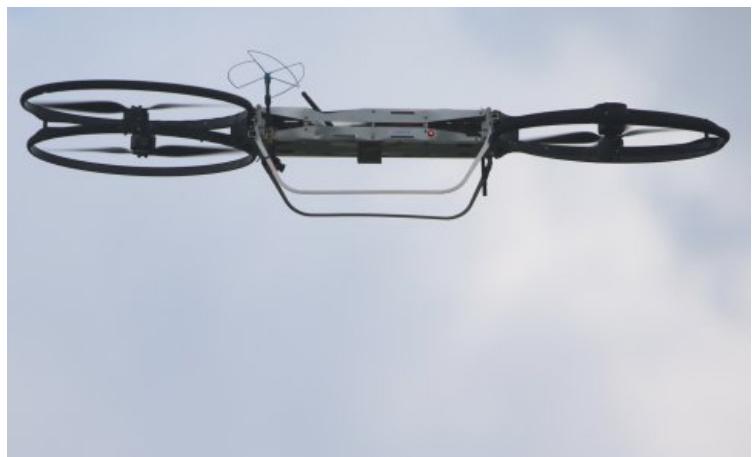
# OSHA Needs Consent to Use Drones on Your Worksite

OSHA is sometimes using drones during worksite inspections in areas that are inaccessible or pose a safety risk to inspection personnel.

The potential for [\*\*OSHA to use drones\*\*](#) in enforcement activities has raised concerns from home builders and other contractors.

In a memorandum to Regional Administrators last year, OSHA set forth its policy related to the use of drones during inspections.

The memorandum includes “Recommended Best Practices” to be followed by inspectors when using drones. Notably, OSHA must



receive consent from the employer to use the drone. OSHA must also notify all affected personnel on the job site that it will be using a drone.

## How Big Are Our Living Spaces?

Bedrooms and kitchens account for 28% and 11.2%, respectively, of the space in the average new home, according to a [\*\*new study\*\*](#) from NAHB Economics. The master bedroom alone typically accounts for 10.7% of the home, with other bedrooms comprising 17.3% of the overall square footage.

Kitchens have a slightly larger relative footprint in small homes (12.7%) than in large homes (10.5%) — although the latter allocate a larger percentage to nooks (3.4% vs. 3.1%) and walk-in pantries (3% vs. 1.9%), which were calculated separately from the kitchen.

Overall, the largest percentage difference comes from the living room or area: 10% of small homes compared to only 4.4% of large homes.

The data come from responses to the November 2018 survey for the NAHB/Wells Fargo Housing Market Index.

## What Buyers Will Pay for Green

On average, home buyers are willing to pay an additional \$8,728 upfront on a home in order to save \$1,000 a year in utility bills, according to NAHB's recently released study, *What Home Buyers Really Want* (2019 Edition).

The study is based on a survey asking recent and prospective home buyers (people who bought homes in the previous three years or are planning to do so in the next three years) what they want in a home and community.

It is important to note that while the average amount a home buyer is [\*\*willing to pay\*\*](#) is \$8,728, the median is \$5,000. The difference can be explained by the presence of some very green-motivated home buyers who are willing to pay more than \$50,000 upfront to save \$1,000 a year.

It may also be the case that these particular home buyers have the means to make a bigger upfront payment.

# **Building Permits for April 2019:**

## **Twin Falls City: 59**

## **Jerome City: 5**

## **MEMBER ADVANTAGE SPOTLIGHT:**



### **Business Savings**

As a member of your local Home Builder's Association, you can gain access to Amazon Business' vast selection, competitive pricing and shipping options to meet your needs.

Pocket  
the Savings

**CLICK HERE FOR MORE INFO!**

[nahb.org/MA](http://nahb.org/MA)





**MVBA PRESENTS:  
2019 Annual  
GOLF  
TOURNAMENT  
JUNE 21, 2019**

**CANYON SPRINGS GOLF COURSE  
FLIGHTS: 8 AM & 1:30 PM  
BREAKFAST FOR AM FLIGHT  
LUNCH SERVED 11:30-2:30 FOR  
BOTH FLIGHTS**

**TEAM PRIZES  
-AND-  
RAFFLE PRIZES PER FLIGHT!**



**\$300 per Team  
\$75 Tee Box Sign  
\$300 Hole Sponsorship  
5 for \$20 mulligan/raffle  
tickets**

**FOR MORE DETAILS  
PLEASE CALL: 208-390-2029**

**[www.magicvalleybuilders.org](http://www.magicvalleybuilders.org)**

HELLO

# NEW MEMBERS



# 2019 Parade of Homes Winners:

## \$259,000 - \$295,000 Category:

- Best Kitchen: Jade Development · Best Master Suite: Jade Development
  - Best Curb Appeal: Luis Montero Custom Homes
- Judges Choice: Jade Development, \* People's Choice: Jade Development

## \$325,000 - \$350,000 Category:

- \* Best Kitchen: Kanner Creek Custom Homes
- \* Best Master Suite: TKO Homes Best Curb Appeal: TKO Homes
- Judge's Choice: TKO Homes, People's Choice: TKO Homes

## \$489,000 - \$430,000 Category:

- Best Kitchen: Castle's Custom Homes · Best Master Suite: Castle's Custom Homes
  - \* Best Curb Appeal: Wolverton Homes
- Judge's Choice: Castle's Custom Homes and Advantage Homes,
  - \* People's Choice: Advantage Homes

## \$499,000 and UP:

- Best Kitchen: Richey Custom Homes and James Ray Construction
  - Best Master Suite: Richey Custom Homes ·
  - Best Curb Appeal: Bridger Smith Custom Homes
  - Judges' Choice: Bridger Smith Custom Homes, \*
  - People's Choice: Bridger Smith Custom Homes

## \$1,000,000 & UP:

- Best Kitchen: Western Visions, Inc. Best Master Suite: Western Visions, Inc.
- Best Curb Appeal: Powlus Construction
- Judge's Choice: Mike Shetler Homes
- People's Choice: Powlus Construction

# THANK YOU FOR ANOTHER SUCCESSFUL SNEAK PEEK!

