

Eight-Denny News

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Soft New England Market Spawns Services

In the wake of the softened real estate market in southern New Hampshire and northern Massachusetts, several specialized financial services for builders, developers, and real-estate lenders are cropping up. These heavily computerized services offer detailed, highly specific financial information that can help you sell, plan, or finance development projects.

HABS, Inc., of Bedford, N.H. (603/669-7441), specializes in what HABS vice president Scott Pollock calls "workouts," providing detailed market information and financial consulting to developers of projects that are in trouble or selling slowly. Pollock uses an extensive computer database of real estate transactions and trends over the past three years to identify what is selling where and for how much.

Pollock says he has worked on projects ranging from individual spec homes to 40-unit subdivisions. He evaluates each project and its viability and then gives the client a list of recommended options. These might be anything from lowering prices to making changes in the units themselves. But often, Pollock says, "all a project needs is time." In that case, he tries to negotiate a new arrangement between

developer and bank.

Market Intelligence, Inc., of Hopkinton, Mass. (508/435-6312), helps its clients plan and target Boston-area developments on what it calls "the only accurate level of market clarity: the town or city neighborhood." The company's town/community analysis evaluates an area's development prospects by looking at sales for the last 12 months, existing for-sale inventory, and the economic/investment profile of the community. With this information, they project the most viable marketing niches existing there.

Finally, for the builder or developer ready to build but in need of a strong lender, Veribanc, Inc., of Woburn, Mass. (617/245-8370), offers reports on the health (or lack thereof) of banks, savings and loan institutions, and credit unions nationwide. The reports may be sorted according to both geographic and/or financial criteria, such as all the "blue ribbon" lenders in your state, or all the banks in your state with excessive problem loans. Instant summary ratings of banks and S&Ls are available by phone, and customized reports are also available, though those take longer.—David Dobbs

Dealers Reveal K & B Trends

A recent survey of dealer members of the National Kitchen & Bath Association (NKBA) revealed trends in kitchen and bath design and the products used in these rooms.

On a national average, NKBA dealers used custom cabinets 70% of the time in bathrooms and 76% of the time in kitchens. Wood was the most popular cabinet material (used 61% of the time in baths and 80.5% of the time in kitchens). Laminate was also popular in bathroom and kitchen cabinetry, used 37% and 16.5% of the time, respectively. Traditional style cabinetry was most prevalent in kitchens (72%) followed by Euro-style (19%).

Choice for bathroom counter materials was split evenly among laminate (popular 33% of the time), solid surface materials (31%) and cultured marble (21%). Tile and marble were used in a small percentage of bathroom counters.

In Kitchens, laminates were far and away the most popular counter material with 62%. Solid surface materials were used 25% of the time, while tile, marble, granite, and cultured marble made small showings (5% or less each).

In bathroom details, whirlpool

tubs were included in 30% of the bathroom jobs being done by NKBA members nationally. Nearly half (43%) of the bathrooms were designed for use by more than one person at a time. This trend was supported by other results: 33% of bathroom jobs included a separate tub and shower, and 39% included more than one lavatory.

Specialized areas frequently installed in residential bathrooms included make-up/grooming centers (76%) and customized storage areas (66%).

The most popular size of the bathrooms being designed was between 35 and 75 square feet (36%), followed by 75 to 100 square feet (28%), and 100 to 150 square feet (17%). The average cost to the customer for a bathroom job was \$9,749.

In kitchens, island and penin-

sula counters were incorporated into designs 38% and 32% of the time, respectively. Forty percent of kitchen jobs included a separate table and chairs.

Kitchens frequently included built-in appliances (79% of the time); free-standing appliances were used less often (28% of the time). Microwave ovens were included 88% of the time.

Frequently installed kitchen amenities, as indicated by more than 50% of respondents, included lazy susans, appliance garages, pantries, pull-out shelves, tilt-down sink fronts, and cutlery drawers.

Two-thirds of the kitchens were between 150 and 300 square feet; while 15% were less than 150 sq. ft., 14% were 300 to 400 square feet, and 3% were more than 400 square feet in size. The average cost to the customer for a kitchen job was \$17,803.—Adapted with permission from NKBA Perspective.

Average Kitchen Costs

National	\$17,803
Northeast	\$17,404
Southeast	\$17,226
Midwest	\$15,009
Midwest	\$16,917
Southwest	\$17,275
West	\$22,986

Average Bathroom Costs

National	\$ 9,749
Northeast	\$13,777
Southeast	\$ 8,807
Midwest	\$ 6,922
Midwest	\$ 6,357
Southwest	\$10,206
West	\$12,422

New England Business Roundup

Mixed signals nationally and a stumbling but still standing New England housing construction market continue to make business and economic forecasting difficult. A few trends are worth noting:

- Housing starts for 1989 are down slightly nationally (about 2%) and dramatically in much of New England (about 22%). Cahners Economics, a Boston-based firm, says housing starts will resume their growth by the new year, spurred mainly by continued low mortgage rates. Whether this trend will extend to New England is unclear and may depend on the level of development in a particular area.
- Massachusetts continues to get hit the hardest. New construction has slid 28% from last summer and, more alarmingly, unemployment hit a five-year high of 4.5% in July.
- New Hampshire, though still blessed with unemployment under 3%, has had the biggest increase of any state in bankruptcy filings over the last nine months. Filings for the first half of 1989 were up 38% compared to last year.

- On the bright side, both government agencies and private lenders are developing new programs to make homeownership more affordable. These range widely. There is the federally supported HOME plan being jointly proposed by the National People's Actions and the Mortgage Insurance Companies of America. With this program, low-income buyers who save for a house are rewarded with matching funds from the government. Another plan is a mortgage program at Massachusetts' Haymarket bank which lets qualified first-time home buyers allocate up to 50% (rather than the usual 28%) of their income toward house payments.
- If all this makes your head spin looking for greener pastures, there's always California. The Riverside/San Bernardino area is, for the second straight year, the nation's hottest market for single-family home construction. ■

New Host for 'This Old House'

This fall, millions of Americans will get their remodeling ideas and inspiration from a new face on the block (see photo). Where's Bob Vila, you might wonder?

Some say it was the beginning of the end for Bob when he appeared on Hollywood Squares looking like a lost school kid. Others claim his freewheeling affair with product endorsements didn't sit well with educational television's virtuous image.

According to a lengthy article in the August issue of Boston Business, however, it was not that Bob capitalized on his newfound success—that was expected of underpaid PBS stars. Rather, the article claimed that Vila got too big for his overalls and snubbed the show's producer, whose cardinal rule was thou shalt not do product endorsements for companies that compete with the show's corporate sponsors. The article points out that in the process of endorsing numerous products, Vila acquired a sleek yacht, a Jaguar, and a Boston penthouse.

The show went upscale, too, featuring custom Persian carpets (and \$1,000 toilets (donated by sponsors), leaving behind the less glamorous realities of remodeling within a budget. But, as they say, biting the hand that feeds you can leave you with an empty food dish.

For those of you who were among the 400 or so resumes

and inquiries submitted to fill the empty slot, sorry folks. The man selected to accompany 'America's favorite remodeler,' Norm Abrams, this spring will be Stephen Thomas, a one-time ship's carpenter, Pacific Northwest contractor, and old home fixer-upper. He's also a writer and avid sailer, whose experiences learning to sail by the stars in Micronesia were the subject of

a PBS "Adventure" episode last year.

The JLC editors wish Stephen the best of luck as the show's new host. We hope he'll fire up the viewers' imaginations (and their urge to remodel) and that his experience as a craftsman and contractor will help him portray remodeling accurately as a mix of inspiration, perspiration, and paying bills. ■



New PBS host Stephen Thomas, at left, poses with 'This Old House' remodeling star Norm Abrams.

Builder Fined for Wetlands Violation

Thomas Ferreira, a builder in Mattapoisett, Mass., was smacked in early June with a \$200,675 fine for allegedly destroying and altering wetlands on three acres of home sites he was developing for sale in Mattapoisett and Fairhaven. The fines were levied by the Massachusetts Department of Environmental Quality Engineering (DEQE), which is an office of the state's Executive Office of Environmental Affairs. Katie Stimmel, a DEQE spokesperson, and the department decided on the fine, which is the highest ever levied by the DEQE, after finding what she

called a "clear history" of repeated violations by Ferreira. Stimmel said that Ferreira filled, graded, or altered the wetlands in question despite being issued three different enforcement orders. The DEQE also alleged that Ferreira ignored a May 1988 cease-and-desist order concerning work on his Mattapoisett property. At the Mattapoisett property the alterations allegedly helped contribute to flooding problems in the basements of some of Ferreira's neighbors. Not surprisingly, Ferreira's attorney, Jay Horowitz, describes a different version of events.

Horowitz said Ferreira met with the DEQE and conservation commissions numerous times in an attempt to reach an agreement on what was acceptable, but that ambiguities in the DEQE's and conservation commission's responses combined with a long review process led to his client's actions. The case is now in appeal and may not be settled for a few months. In the meantime, the signal the DEQE sent still hangs in the air. "We want developers to know we're serious about wetlands violations," says Stimmel. —David Dobbs

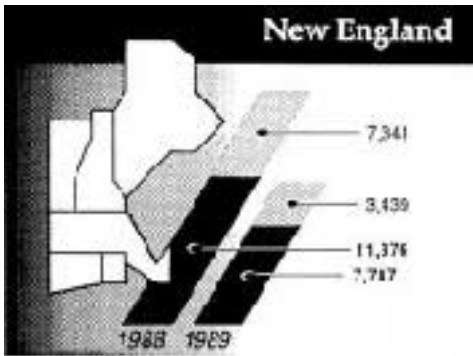
FROM WHAT WE GATHER

New housing is hottest in the West, which records 2.2 starts for every 100 households, compared to 1.8 in the South and 1.2 in the Northeast and Midwest. Starts are slumping in the Northeast, which as of June was down over 22% from a year ago. The Midwest, by contrast, is up 4%, the South is up 1%, and the West is up about 2%.

The average American household is shrinking—from 5.8 people in 1790, the first year of the Census, to 2.5 people in 1988, according to the Census Bureau. Today's 91.5 million

households are smaller due to more young people and elderly people maintaining households, more single-parent households, and families having fewer kids.

CADD systems increase productivity, according to a recent survey which found that design firms with CADD reported 11% higher revenues on a pre-staff basis than non-computerized firms. About 80% of design firms now have CADD, up from 71% last year, according to the report from Professional Services Management Journal, in Newton, Mass.



Housing Permits for the first 3 months of 1989 compared to 1988 figures. Source: Lomas Mortgage USA.



Project managers can get help job scheduling with Strategic Software Planning Corp.'s Project Outlook 2.0. It allows planning and modifying projects on screen, with room for adjusting and updating schedules. Its "cut and paste" capability allows you to move tasks. For more information, contact Strategic Software Planning Corp., 1 Athenaeum, Cambridge, MA 02142; 617/577-8800.

Design professionals can now talk to their computers... and get a response. Voice Technologies has VoiceCAD, a voice-input system for their widely used AutoCAD system. The user has single command access to over 200 of the AutoCAD commands and access to more than 250 additional commands. For more information, contact Voice Technologies, 120 Village Square, #143, Orinda, CA 94563; 415/283-7586.

Construction professionals seeking computer information may find the Construction Computer Applications Newsletter (CCAN) a useful tool. The slim newsletter includes software reviews, new product listings, and general-interest articles. For more information, contact Construction Industry Press, P.O. Box 9838, San Rafael, CA 94912. ■

Computer Bits:

Vision 2000: Looking Ahead

by Ted Pappas

Last year, the American Institute of Architects (AIA) embarked on a program called *Vision 2000* to help architects and other design and construction professionals respond effectively to the changes occurring in American society. It is an ongoing program that seeks to reduce uncertainties about the future of our built environment, to identify opportunities and dangers facing the construction industry, and to help designers and builders better serve the needs of the American people. This program draws on resources far beyond the AIA itself, including the Institute of Alternative Futures, the Louis Harris polling organization, and some 200 individuals from a broad range of fields.

As president of the AIA, I spoke to many U.S. and foreign groups about the program—trying to convey how the world has changed and how this will require new ways of thinking and new approaches to problem solving. To help illustrate this point I used statistics culled from various individuals involved in the program. They paint a picture of a changing American landscape:

- Americans are getting older. There are now 30,000 people over the age of 100; 2.2 million over 85; and more than 25 million over 65.
- The average age in the U.S.: white—31, black—25, Hispanic—22.
- There are more Americans over 65 than there are

teenagers.

- Family demographics are changing. Only four percent of U.S. families are "typical" (father, mother, and two children).
 - Forty percent of supermarket shoppers are male.
 - All developed Western nations have declining birth rates. Thirty years ago, these countries accounted for 40 percent of the world's population; by the year 2000 the number will be nine percent.
 - Our economy is shifting. National revenue pays for defense, interest, and transfer payments only; we borrow for education, parks, and arts.
 - Computers are manufactured in 10 countries: Indonesia, China, Korea, Hong Kong, Japan, and the Philippines...very few in the U.S.
 - In 1985, American high school graduates finished in the lower one-third of all graduates world-wide in technological studies.
 - We have gone from a manufacturing to a service economy. More people work for MacDonald's than General Motors; New York City's largest export is legal services.
 - Unlike manufacturing, services are easily moved, and that movement is taking place.
- Once the American dream was to live in the city, but following World War II, people left the central cities in large numbers for the suburbs. What we are

seeing now is the development of satellite cities around central metropolitan areas, where you can live, work, and have easy access to leisure and entertainment without a long commute, heavy traffic, or parking problems. Quite simply, Americans continue to move looking for a better quality of life.

But the ideas generated by *Vision 2000* will prove futile until we learn new ways of working together. We are no longer in an age of plenty in which competition and adversity thrive. We are now in an age of

limits—limits on wealth, production, energy, and opportunity. New approaches based on collaboration and cooperation are essential.

For more information on *Vision 2000*, contact the AIA at 1735 New York Avenue, N.W., Washington, DC, 20006; 202/626-7300. ■

Ted Pappas, FAIA, recently completed his term as AIA president, and is the principal of Pappas Associates Architects, Inc., in Jacksonville, Fla.

Profits in Interior Design

If interior designer Jacki Stone is right, builders stand to make a lot of money after they build a house, by getting into interior design.

Stone, president of Castle Decor in Edison, N.J., is trying to interest builders in doing just that. She's convinced that interior design is a natural extension for builders. "Traditionally, the point of departure between builder and customer is after the sale of the home," she says. "But more and more, builders are realizing there are profits to be made by tapping into the after-sale market."

Stone envisions the decorating service selling items such as a builder now sells options—but with more sophistication. Instead of simply selling a customer on, say, upgraded windows, a builder with an interior design service could sell custom window treatments, too. The design service might also help in sales of custom fixtures, wall coverings, and

even furnishings. "These are items that home buyers would eventually purchase anyway from various suppliers and subcontractors," Stone says. "But they would prefer having them supplied by one source."

One-stop shopping spells convenience—something move-up working couples desire. Stone projects up to 30% increase in profits for builders who sell interior design services.

Stone's role is as consultant to the builder. Her firm will analyze the marketability of a builder's homes, help prepare option books, guide client builders in finding qualified design staff, help them deal with subcontractors in the related areas, and coordinate the design work with other functions of the builder. Interior design work might also interest continued customers in more building services, such as additions, remodelings, or bigger homes. ■

Copy-Writing Architecture

The United States Copyright Office currently is deciding if two Wrighths make a wrong. The Frank Lloyd Wright Foundation recently submitted copyright applications for two of the late architect's buildings: the Guggenheim Museum in New York City, and the Beth Shalom Synagogue in Elkins Park, Pa.

Recent copyright-related action may have impact on the Wright Foundation's application. In March 1989, the United States joined the Berne Convention, a multi-national copyright treaty which includes copyright protection for works of architecture. Although endorsed by the American Institute of Architects, the Berne Convention faces a 14-month delay, while the U.S. Copyright Office studies how to enact the agreement.

Current U.S. copyright law prohibits unauthorized copying of architectural plans, sketches and models, but does not outlaw "copycat" buildings. Buildings are currently placed in the "useful articles" category, along with such items as alarm clocks, toasters, and automobiles, which have no guarantee of copyright protection. An option now under consideration would exclude "unique architectural structures" from the useful objects category. This stipulation would allow protection for "exceptional" buildings, but not for such items as strip malls and tract housing.

—Keith Ginnido

Households Shrinking

The size of the average American household is now smaller than ever, according to a Census Bureau Report. Today the typical household has 2.62 members, down from 2.75 people in the 1980 census, and a mere wisp of the nearly 6 persons claimed by the first national census 200 years ago.

While household size contin-

ues to decline steadily, the member of households is growing at a faster rate than the overall population. As of July 1, 1988, there were 91.5 million, an increase of 13.9 percent from 1980 to 1988. During the same period the population of the country climbed only 8.5 percent.

Urban Areas Grow in '80s

The nation's cities and their surrounding suburbs have grown faster than rural areas in the 1980s, the census Bureau reports.

In its latest study of population shifts, the bureau reports that the 1970s trend toward rural growth halted after 1980. Instead, cities gained 86% of the nation's population growth in the past decade. While cities in southern and southwestern states grew at the fastest rate, eastern cities reversed their losses of the 1970s.

The most urban of all states is New Jersey, with 100% of its population living in standard metropolitan statistical areas (areas that encompass cities and adjacent heavily developed areas that share that city's economy). Of the other states with more than 90 percent of their people living in urban areas, five are in

the east: Maryland (92.9%), Connecticut (92.6%), Rhode Island (92.6%), Massachusetts (90.7%), and New York (90.5%). The other two states with more than 90% urban residents are California (95.7%) and Florida (90.8%). Not far behind is Pennsylvania (84.7%).

The biggest metropolitan statistical area is New York, with 18 million people. That includes the city and adjacent areas in New York state, Connecticut, and New Jersey. Los Angeles is the second biggest, with 13.5 million people. Ten states, mostly in the Midwest, showed shrinking rural populations in the past decade: Illinois, Indiana, Iowa, Kansas, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and West Virginia. ■

The following Standard Metropolitan Statistical Areas have more than 1 million residents:

Metropolitan Area	Population in millions		
Atlanta, GA.	2.6	Minneapolis, Minn.	2.3
Baltimore, MD.	2.3	New Orleans, La.	1.3
Boston, Mass.	4.1	New York, N.Y.	18.0
Buffalo, N.Y.	1.2	Norfolk, Va.	1.3
Charlotte, N.C.	1.1	Philadelphia, Pa.	5.9
Chicago, Ill.	8.1	Phoenix, Ariz.	1.9
Cincinnati, Ohio	1.7	Pittsburgh, Pa.	2.3
Cleveland, Ohio	1.3	Portland, Ore.	1.4
Dallas, Texas	3.7	Providence, R.I.	1.1
Denver, Colo.	1.8	St. Louis, Mo.	2.4
Detroit, Mich.	4.6	Sacramento, Calif.	1.3
Hartford, Conn.	1.1	Salt Lake City, Utah	1.1
Houston, Texas	3.6	San Antonio, Texas	1.3
Indianapolis, Ind.	1.2	San Diego, Calif.	2.3
Kansas, Mo.	1.5	San Francisco, Calif.	5.9
Los Angeles, Calif.	13.5	Seattle, Wash.	2.3
Miami, Fla.	2.9	Tampa, Fla.	1.9
Milwaukee, Wis.	1.5	Washington, D.C.	3.6

Window Specs—How Specific Are They?

With winter coming up, everyone—including your clients—is hoping their windows are as snug and tight as the makers and installers said they would be. But according to Randy Crooks, product development manager for Andersen Windows, testing standards for window infiltration rates are loose. No strict industry-wide testing standards exist. Because of this, says Crooks, specifications for new windows can mislead in several fundamental ways:

They can be derived from highly controlled conditions. Many specs are derived from tests conducted at room temperature. More realistic conditions such as extreme cold can increase infiltration rates up to 200%. As Crooks points out, "Air leakage at 0°F is more important than it is at 70°F."

They can be derived from unrepresentative windows.

Some specs are taken not from random units, but from units selected by the manufacturers. This means that a company can virtually custom-build a unit for spec testing. If production quality control is not good, the units you find in the store can fall far short of the specs printed on them.

Since specs apply to new windows, there is great variation in how close windows will stay to the original specifications. Factors such as temperature extremes and ultraviolet radiation can cause shrinkage, crazing, brittleness, warpage, and bowing. These affect the performance of the weatherstripping and closure systems. Preventing such distortions and shrinking depends on quality materials and workmanship.

What's a builder to do? Crooks suggests visiting the manufacturer—a good idea if you can afford it. Short of that, he suggests you ask your manufacturer or supplier

Trade Materials for Tax Credit

Homeowners with incomes below \$10,000 a year aren't exactly the prime targets of your typical building supply center. So, it's lucky for those low-income homeowners that the Loading Dock in Baltimore and the Building Materials Exchange in Philadelphia aren't typical building centers. Both serve poor homeowners who would otherwise go without the improvements they need to bring their homes up to standard. The materials are donations of manufacturers, builders, and contractors who swap the goods for tax breaks. The materials go to the homeowners at substantial savings—or even at no cost.

There's no telling what might be available to customers, says Hope Cucina, director of the Loading Dock. "Individual builders just drop by after a project," she says. "They may drop off two or three windows," some are used; some are new. But all are welcome. The exchange gives the materials away free to homeowners to qualify under city guidelines. The homeowners pay only a small service fee. They typically get 45 minutes of instruction with the materials they receive. Pennsylvania-based firms that donate materials get a state income-tax credit equal to half the cost of the materials.

Donations run the gamut. American Orlean donated ceramic tile. The Prudential insurance companies gave salvaged furniture from claims settlements. Small firms participate, too. "Our paint is primarily from painting contractors," says Charles Ritchie, director of the program. Left-over paint comes in soon after completion of a job.

While the materials may not be first rate or precisely what looks best in a job, Ritchie says his clients learn to make do. "People get real creative," he says, "when they're used to having nothing." Now, at least in Baltimore and Philadelphia, they have help. More than 20 agencies in other cities are considering similar efforts, Cucina says. ■

Tax Talk: S Corporations

By Irving Blackman

Recently, I completed a tax seminar tour. It gave me a chance to touch, feel, and hear business owners' problems firsthand. The complex tax laws have prevented most business owners from doing effective tax planning. Unquestionably, the most common tax blunders I ran into were businesses that were tax-paying, regular corporations that should have been S corporations. Put another way, they were in a regular corporation tax trap. The way out of the trap is simple: elect S corporation status.

Let's explore some traps. Let's say your corporation has accumulated too much surplus. When your surplus exceeds \$250,000, the possibility of the IRS attacking you for unreasonable accumulation of surplus raises its ugly head. The trap: High, non-deductible penalties can result. Electing S corporation status makes the trap disappear for future years. In general, at higher income levels corporations pay at a higher tax rate than individuals with

the same income. Since the stockholders of an S corporation pay tax on the corporate income, it is possible to save as much as 6% as an S corporation. See your tax adviser and make the computations to determine if your tax liability will be more or less as an S corporation. Do it.

The pay-a-second-tax trap is rarely considered. Suppose you make the computations as outlined in the paragraph above and discover that the tax is less as a regular corporation than as an S corporation. Believe it or not, an S corporation may still be the best choice. Let's play with some figures.

For example, a regular corporation would pay about \$22,000 on \$100,000 of income, leaving \$78,000. An individual would pay about \$28,000 on the same \$100,000 (assume it is income from an S corporation), leaving only \$72,000. You're \$6,000 better off as a regular corporation. Right? Well, maybe. Suppose you want that \$78,000 left behind in the corporation—as a

dividend or because you are going to sell the corporation. Sorry. When you take your money, you must pay a second tax. How much? About \$22,000. Now the total tax bill as a regular corporation adds up to \$44,000 (\$22,000 plus \$22,000), leaving only \$56,000 after taxes. That makes the S corporation a better bet by \$16,000 (\$72,000 less \$56,000).

Are you thinking of selling your business? The sale could trigger the biggest trap of all. Typically, you will realize a large profit on the sale of equipment and real estate. Also, the money you get from the sale of the goodwill of the business is considered profit. All of these profits are subject to two taxes, the first at the corporate level and the second when you take the money after the corporation liquidates. A new S corporation can avoid this second tax trap after a 10-year waiting period. Needless to say, this article can't begin to cover all the rules, exceptions, and traps. ■

Irving Blackman, CPA, J.D., specializes in closely held businesses. For more information about S corporations, send \$25 for A New Tax Supersaver...S Corporations to Blackman, Kallick, Bartelstein, 300 South Riverside Plaza, Chicago, IL 60606.

about testing methods, materials used, how long a design has been in production, and whether any warranty exists to back up manufacturing defects. Also, ask for performance data based on results from many windows tested over a period of time, rather than a single unit.

If all this seems like a lot of trouble, take heart. Beginning this year, the frame correction factors used by the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) to estimate window frame performance will be more accurate. The frame correction factor often is combined with a glazing's thermal performance to come up with the overall unit's "U" or "R" values (measuring transmittance or insulation, respectively). This worked well at first, but as glazing materials improved they became better insulators than the frames were. As a result the old formula, which assumed the glazing was the weak point in a window, began to produce better-than-real thermal ratings for many windows. The new frame

correction factors correct this problem.

Other testing associations, such as the ASTM, are developing tests to measure such relevant things as how a window's performance will hold up with age or through temperature change. Contractors and consumers

should examine window performance specs critically. Keep in mind the consumer's golden rule: If it sounds too good to be true, it probably is.

—David Dobbs

Brick Steady, Uses Change

Residential construction is the major market for brick, but its use as a siding material in single-family homes has been declining. In 1987, only 18 percent of new homes had brick siding, down from 32 percent in 1982. However, brick is being used increasingly for exterior cladding, in interior portions of nonresidential buildings, for privacy and special purpose barriers, and for paving. The renovation market, both residential and nonresidential, has also added to the demand. Shipments by the brick and structural clay-tile industry

declined about 2 percent in 1988 (in 1982 dollars) largely due to the drop in housing starts and nonresidential building construction.

Despite steady overall demand, price increases since 1982 have been modest due to a low rate of inflation and competition from within the industry and from other products. The producer price index for clay brick and structural tile rose about 2.5 percent in 1988 and 2.9 percent in 1987.—Gopal Ahluwalia. Adapted by permission from NAHB's Housing Economics.