

LP Warns of Deteriorating Decking

Louisiana-Pacific Corp. announced in August that some WeatherBest, Veranda, and ABTCo decking and railing products have shown signs of premature deterioration. Only products that were manufactured in Meridian, Idaho, before November 2007 and sold after January 1, 2005, are affected by the company's advisory.

WeatherBest products manufactured after Fiber Composites acquired the WeatherBest brand and the Meridian manufacturing facility in November 2007 are not subject to the LP advisory. According to a statement by Fiber Composites, it reformulated the composition of WeatherBest decking at the time of the acquisition. An easy way to tell if a WeatherBest board was made by Fiber Composites is it will have either a kerf or a groove cut into the side, whereas the LP board's profile is smooth.

Affected Veranda and ABTCo products were sold in the western U.S. at The Home Depot, and affected WeatherBest products were sold nationwide through building-product distributors and dealers. LP recommends that customers who have decks made with these products register at the Web site deckingnotice.com or call 888/325-1184, even if they see no signs of cracking or chipping. Builders with a supply of this decking should contact LP to arrange for the return of the material. — Laurie Elden

What goes up doesn't always come down, at least when you're talking about gas prices. Regular gas will continue to average more than \$4 a gallon until late 2009, according to the U.S. Department of Energy. In the report "Short-Term Energy Outlook" released on July 8, the DOE projects regular gas will cost an average of \$3.84 a gallon in 2008, and an average of \$4.06 in 2009. Average prices for diesel are projected to be \$4.35 a gallon in 2008 and \$4.48 in 2009.

In response to high gas prices and the resulting greater cost of operating an automobile for business purposes, the IRS increased the standard business mileage rate to 58.5 cents per mile for the last six months of 2008. For business travel made in the first half of the year, the rate is 50.5 cents per mile. Taxpayers may choose instead to calculate the actual cost of operating their automobile.

Haven't tried out deck-design software yet? Test the waters with the free "Deck Designer" at the Western Red Cedar Lumber Association (WRCLA) Web site. The program is simple to use and requires no particular computer skills beyond using a mouse and keyboard. The user inputs the required live and static loads as well as the footer depth and the deck's height above ground. Then it's just a matter of selecting one of a few basic shapes; maybe adding a hole or a notch for a tree; sizing the deck; and adding stairs, benches, and railings. The program does some basic calculations and provides a PDF with a finished drawing, a materials list, a cut list, and an analysis of the stresses on the finished deck. It also creates a 3-D model that can be rotated so it can be viewed from all sides and above and below. Find it at wrcla.org/deck_designer/.

How Low Will the Housing Market Go?

The best that can be said of the current slump in housing is that it will hit bottom eventually, though most analysts agree it hasn't yet.

All the latest housing numbers from the U.S. Census Bureau are down. The seasonally adjusted annual rate for single-family housing starts in July — 641,000 — showed a 30 percent drop from the year before and was the lowest it's been since the early 1990s. The annual rate of sales of new single-family houses in July was 515,000, which is 35.3 percent lower than in July 2007. Based on that rate, there was a 10.1-month supply of unsold new homes at the end of July; generally, a five- to six-month supply signals a healthy market. Prices also were down in most of the country: The national median sales price of a new home sold in July was \$230,700, down from \$246,200 in July 2007.

Where home building leads, the remodeling market follows, according to researchers at the Joint Center for Housing Studies (JCHS) at Harvard University. As Nicholas P. Retsinas, director of the center, said in a recent press release, "The slumping economy and struggling housing sector continues to drag down spending on home improvements. Households are reluctant to undertake major improvements in the context of falling prices. Weak home sales and a growing inventory of unsold homes have discouraged upper-end remodeling activity in many areas." For context, in July the national median price of an existing single-family-home was \$210,900,

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down 7.7 percent from July 2007, according to the National Association of Realtors (NAR), and inventory stood at a 10.6-month supply.

Not surprisingly, the Remodeling Market Index of the National Association of Home Builders (NAHB) for the second quarter showed that more than half of remodelers polled had a negative view of the market. Activity was down in major projects and in maintenance and repair and up in small projects. Regionally, the Midwest was the only area where more than half of remodelers believed conditions had improved since the previous quarter.

Pockets of Good News

In a report released in August by the NAR, not all the numbers were gloomy: The annual sales rate of existing single-family homes in the West was up in July from a year earlier; according to NAR economist Lawrence Yun, sales have also improved in several Florida and California markets.

Builder confidence was still low in August and unchanged from July, as measured by the NAHB/Wells Fargo Housing Market Index (HMI); however, builders' views of both current sales conditions and future sales improved slightly, possibly "an indication that we are nearing the bottom of the long downswing in new-home sales," says David Seiders, an economist at NAHB, in a press release.

The tax credit for first-time home buyers has given hope to some in the industry. It's actually a zero-interest loan rather than a traditional tax

credit, because it must be repaid. Still, the amount of interest a buyer will save is a substantial incentive to take advantage of the program, which is available for the purchase of a new or existing home through June 30, 2009 (federal housingtaxcredit.com). Sandy Dunn, president of NAHB, notes that builders "are optimistic that the tax credit will give those buyers who've been sitting on the fence the reason they need to jump back into the market."

Predictions

"Our current forecast shows stabilization of [new-home] sales during the second half of this year, followed by solid recovery in 2009 and beyond," NAHB economist David Seiders says in a statement released in late August. Harvard's JCHS Leading Indicator of Remodeling Activity predicts that home improvement spending will be down 11.1 percent over the previous year by the first quarter of 2009. After that, Seiders notes in *Nation's Building News Online*, "We expect remodeling to remain generally flat in 2009, followed by strong growth due to home maintenance needs."

A less definitive prediction was offered by former Federal Reserve chair Alan Greenspan in an interview with the *Wall Street Journal* in August: "Home prices in the U.S. are likely to start to stabilize or touch bottom sometime in the first half of 2009." However, he went on to say, "Prices could continue to drift lower through 2009 and beyond." — L. E.

2008 Shows & Events

October 7–10

JLC Live Midwest

Hanley Wood Exhibitions*
Minneapolis
800/261-7769
jlclive.com

October 30

Southwest Builders Show

Home Builders Association of
Central Arizona
Phoenix
602/274-6545
southwestbuildersshow.com

November 15–20

International Pool | Spa | Patio Expo

Hanley Wood Exhibitions*
Las Vegas
888/869-8522
poolspapatio.com

November 6–8

Sunbelt Builders Show

Texas Association of Builders
Grapevine, Texas
800/252-3625
sunbeltbuildersshow.com

November 12–15

JLC Live Pacific Northwest

Hanley Wood Exhibitions*
Seattle
800/261-7769
jlclive.com

December 8–10

Northwest Builders Show

Master Builders Association of King
and Snohomish Counties
Bellevue, Wash.
425/451-7920
northwestbuildersshow.com

2009 Shows & Events

January 20–23

International Builders' Show & NextBuild

National Association of Home
Builders
Las Vegas
800/967-8619
buildersshow.com

*Hanley Wood Exhibitions is owned
by Hanley Wood, which also owns
Professional Deck Builder. ❖