



Sticks & Bricks

OFFICIAL NEWSLETTER OF THE GREATER BRAZOS VALLEY BUILDERS ASSOCIATION

June 2021



President's Letter

*Howdy and welcome to this month's edition of
"Sticks and Bricks"*

Howdy,
The past year has been full of surprises and challenges for the Residential Building industry to say the least! From going through COVID-19 to record breaking home sales and soaring material pricing AND a lack of work force to meet the demand. But with our Strong leadership not only on a National level with the NAHB and a State level with TAB fighting for us on all fronts we here at the local level are starting to see signs of getting through this and back to a sense of normalcy.

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The first half of 2021 we have not only been able to get back to our regular monthly Board meetings but we have been able to have our monthly luncheon with guest speakers updating us with the growth and potential growth of our community.

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We have also been able to not only hold our Home Expo event that was very successful, but we were able to hold our Annual Spring Parade of homes® that was a big hit!

This year was the first year our Parade of Homes™ became a ticketed event. It went over quite well in fact with the proceeds the GBVBA was able to provide contributions in the amount of \$5,000.00 to the Kent Moore Family Support Fund and just over that for the St. Jude Children's Research Hospital. I would like to congratulate all those who were involved in the St. Jude Dream Home for another successful year in raising funds!

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I am also proud to announce that we were able to bring back the Golf Tournament this year with a record-breaking attendance and like to thank all of those who participated or sponsored the event.

I want to give a big shout out to our Executive Director Rose Selman and GBVBA local team for all they have done on keeping us all inform! They were instrumental in local policies that were established over the last year for our industry. Along with planning not only the events we have had this year so far but also what they have working for the future successes of our organization.

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- 5-7 GBVBA Golf Tournament
- 8- Member Mixer
- 9- Builders BBQ & Family Festival
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I also would like to thank the Government Affairs Committee and Board for all the work they have put in and the significant improvements in our local government affairs.

I want to remind everyone to check the calendar of events that we have coming up in the next few months and hope everyone can attend and if so help sponsor some of the great events, like our Monthly luncheons, the Builders BBQ & Family Festival out at Millican Reserve, our Fall Parade of Homes® along with the Builder/REALTOR® Fall Fest at The Reserve at Cottonwood Creek scheduled for October 28th .

Finally, I would like to thank all of the members of the GBVBA for their continued support. year and please let us know if we can help with anything.

Sticks & Bricks is the official publication of the BCS Home Builders Association. Any opinions expressed in the articles are those of the authors and do not necessarily reflect the viewpoints of BCSHBA. Contact Rose Selman for article reprint permissions

David Deutsch

DAVID DEUTSCH

HBA President, Stoneside Custom Homes

IN REMEMBRANCE OF TIMOTHY SMITH

A Thank You Letter to the Community

The tragic events of Thursday, April 8th, 2021 shocked our community with a senseless act of violence, and simultaneously galvanized the collective goodness that resides in us all and defined our core values over the moments, days and weeks that followed.

The outpouring of support will never be forgotten, and symbolizes what makes this community, and indeed our country, truly great.

From the 581 members of the statewide Kent Moore Cabinets family,
a sincere and heartfelt *thank you*.



WHAT'S NEXT

July 13th-16th- Sunbelt Builders Show at Hilton Anatole in Dallas

July 29th- Builders Breakfast- College Station Training Center on Graham Road

August 4th- GBVBA Member Luncheon at The Hilton

September 1st- GBVBA Member Luncheon at The Hilton

September 11th- GBVBA Builders BBQ & Family Festival at Millican Reserve

October 6th- GBVBA Member Luncheon

October 14th- Fall Parade of Homes™ Kick Off Party at
Mission Ranch

October 16th & 17th- 2021 Fall Parade of Homes™

October 25th- TAB Contracts Class with Don Shelton

October 28th- Builder/REALTOR® Fall Fest at The Reserve at Cottonwood Creek



SUNBELT
BUILDERS SHOW™

JULY 13-16, 2021

Trade Show: July 14-15 | Conference: July 13-16

HILTON ANATOLE | DALLAS, TEXAS

2021 GBVBA GOLF TOURNAMENT



CONGRATULATIONS TO THE WINNING TEAMS!

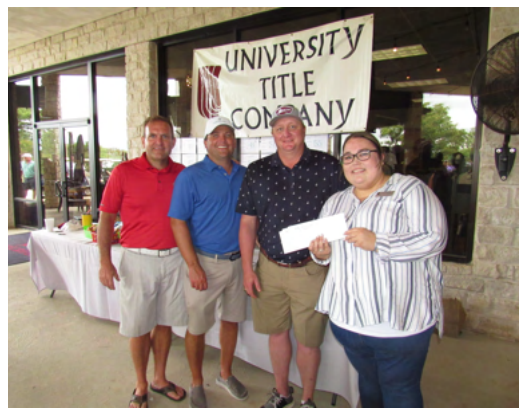
First Flight-

- 1st BVR Waste and Recycling dba Brannon Industrial Group
- 2nd- Berkshire Hathaway
- 3rd- City Bank

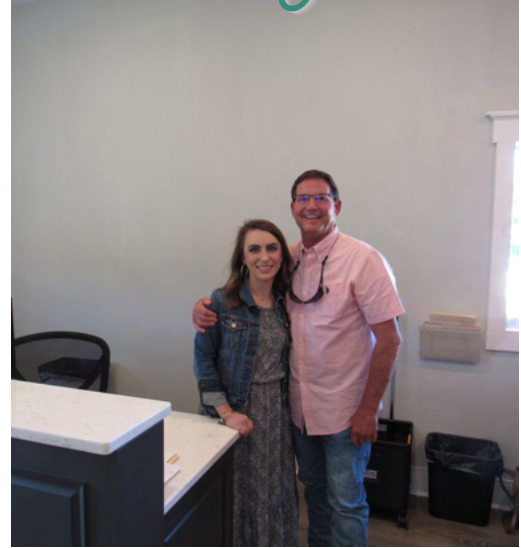
Second Flight-

- 1st- Southland Title
- 2nd- Vera Bank
- 3rd- Reece Homes





Member Mixer at Premier Countertop Design



09.11

GBVBA

10AM-6PM

BARBECUE

*cookoff &
family festival*



BOUNCE HOUSES
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- ▶ **Also, the fixed price contracts help protect you from rising lumber costs. They include a detailed escalation clause to address unforeseen increases in the price of various supplies, such as lumber, and are a great tool to help ensure you are protected throughout the building process.**

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TAB has been working with our exclusive, private partner, Small Business Growth Partners (SBGP) to help our members reach maximum growth and potential through their one of a kind BPA Process. This has been refined for over 10 years of working exclusively with Builders, Remodelers & HBA Associate Members.

WHAT IS A BPA?

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How Lumber Prices are Hammering Housing Affordability for Home Owners

Skyrocketing lumber prices and supply-chain challenges continue to slow home construction, even amid higher demand. Both new home sales and existing home sales have cooled as prospective buyers are priced out of the market.

As appraisals struggle to reflect these ever-rising costs, home owners and builders continue to look for opportunities to minimize the impact these prices are having on the overall cost of the home. But as they strategize, prices are only getting worse.

"I am trying to build my own home — we are general contractors — and the price of lumber has set us back twice," Michelle Govro from Missouri explains. "My permits are waiting, but in the one month of waiting for permits, the price of our bids in lumber went up substantially."

"We even redrew house plans and are trying to build a smaller 1,600-square-foot home, and the lumber price is outrageous," she added.

Others, such as Angela Cross from New York, have been watching the market to try to build their home at a better time only to be met with continued disappointment.

The Cross family began their home-building journey in April 2020, with an initial quote from a contractor in July 2020 once their land had been surveyed. Lumber prices had begun to ramp up, so a final quote was prepared in September 2020. The price of their turnkey home jumped 20% in just those two months.

"That was over our budget at that time," she notes, "and after discussing it with our contractor, we decided to wait until February 2021, as he was hopeful lumber prices would come down."

However, lumber prices have continued to rise instead, and what had been a 20% increase in September had become a 38% increase as of April 2021. Like Govro, the Crosses have tried to find every opportunity to cut costs — including reducing the square footage from 1,656 square feet to 1,500 square feet, and exploring alternative construction methods such as modular — as they continue to rent a two-bedroom house with their two daughters. But the costs are still too high.

Even the existing home market isn't providing any relief.

"The homes are either sold very quickly, or are out of our price range, or need so much work that it is not worth it to us," she shares. "Especially since we now own our own piece of land and have dreamed of building our home."

Problem with rising costs and supply chain challenges are only bound to make these issues worse, as they continue to complicate the home building process.

Mark Reifsnyder, a mortgage banker of 22 years in Michigan, observes: "With construction, there is always the likelihood that costs change during the build due to fluctuations in the supply chain in any given year, as well as the customer making costly changes along the way. We plan ahead for that."

"But when a builder cannot bottom-line a total cost because the costs run out of control due to an endless list of issues, it leads to a lengthier build," he adds. "The problems just compound themselves."

Home buyers in the current market need to earmark an additional 20%, beyond their 20% down payment, just to cover 'what-ifs' — and in some cases, "that isn't even enough," he notes.

"What confuses things even more is one day there is a news story about supply shortages, but the next day there is a story about stocked lumber yards that simply don't have the manpower to get materials out the door fast enough," he adds. "Forrest infestations in Canada, resin factories in Texas still offline due to the ice storm five months ago — the lists go on. This only adds to the confusion and frustration for people."



Housing Prices Likely to Remain High as Supply Remains Low, Disproportionately Affecting Minorities

Housing demand remains strong amid tight supply, a tight credit market and low interest rates, while major urban areas experience higher-than-average vacancy rates and declines in rent as renters shift to suburban markets.

However, the pandemic has not only created a shift in demand; it has also shone a brighter light on housing disparities, according to The State of the Nation's Housing 2021 report from Harvard University's Joint Center for Housing Studies (JCHS).

Data from the report note that households of color and renters are more likely to be behind on payments — a concerning factor as forbearance and eviction moratoria policies begin to expire. Many households were already cost burdened — i.e., paying more than 50% of their income toward rent — prior to the pandemic, placing additional financial burden on them. Overall, 17% of renters are in arrears, with a greater percentage of Black (29%), Hispanic (21%) and Asian (18%) renters behind in payments than white (11%) renters.

Home owners have fared somewhat better, with a majority of the 7.1 million loans in forbearance either current or paid off as of March 2021. But the 2.3 million borrowers that have not resumed payments may face challenges, especially if the missed payments, property taxes and insurance premiums exceed the value of the home. Racial disparities are present here as well, with Black, Hispanic and Asian home owners making up a greater percentage (15%+ each) of borrowers in arrears than white home owners (less than 10%).



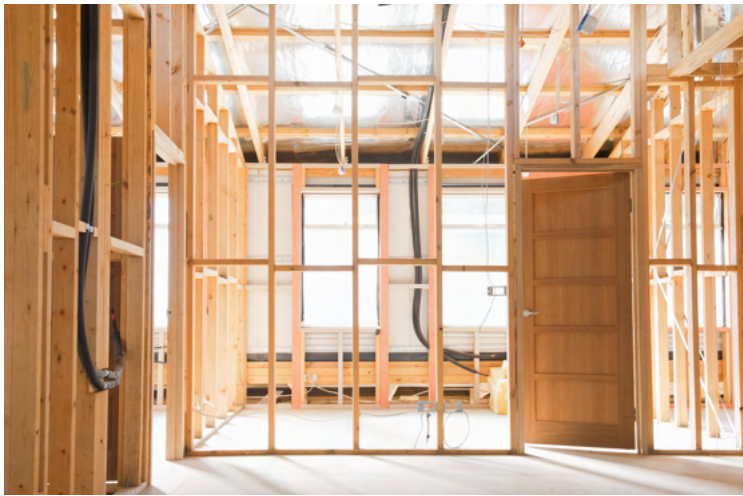
Spikes in home prices will also challenge housing affordability moving forward. The market's historically low supply — which dropped below two months for the first time ever — will need to catch up for the market to moderate.

"I don't think we're in a bubble," noted Chris Herbert, JCHS managing director, during the report's livestream release. The factors contributing to the current rise in housing prices is substantially different from the rise seen before the Great Recession, he added, which was fueled in large part by a less stringent lending market.

The Joint Center for Housing Studies 2021 report confirms NAHB’s overview of the housing market over the past few years,” said NAHB Chief Economist Rob Dietz. “The housing market lacks supply, and residential construction has been challenged by a number of issues such as regulatory burdens, building material availability, land/lot access, and a skilled labor shortage.”

Rising home prices are likely to continue as supply remains low, due in part to sharply rising material costs. This will continue to price people out of the market, particularly people of color. The report notes that neighborhoods in which minorities comprise more than half the population saw price increases on average of 14.3% — 3.5 percentage points higher than the average for metro areas overall.

“The best solution to tame recent unsustainable gains in home prices, and to similarly ease rent burdens is more supply: more single-family and multifamily construction and more remodeling of the existing housing stock,” Dietz added.





Bobby Bones

Radio & TV Personality, Author, Comedian, Musician

SUNBELT
BUILDERS SHOW™

KEYNOTE SPEAKER

Thursday, July 15, 2021

9:30 AM | Hilton Anatole | Dallas



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Jess Little
General Manager

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PROFESSIONAL LIABILITY INSURANCE FOR HOMEBUILDERS/CONTRACTORS

Carefully crafted to respond to liability exposures homebuilders have to errors and omissions (E&O) claims, professional liability insurance can fill potential coverage gaps found in many general liability policies. Specific to homebuilders and contractors who offer design and building services, coverage can respond to mistakes made by the contractor as well as errors and omissions made by third parties hired by the homebuilder/contractor, such as engineers and architects.

In some ways, the financial loss from poor or faulty design work is outside the realm of the traditionally thought of construction project risks but can result in costly claims. Generally, all claims will flow through the homebuilder whom, in many cases, is the only party that has entered into contracts with vendors and subcontractors.

Professional liability policies do not require bodily injury or property damage to trigger coverage and the coverage form may respond to claims of nonphysical and purely economic damages.

Typical claim scenarios where a professional liability policy may respond:

- Subcontractor vicarious liability
- Failure to deliver promised services
- Design errors and any resulting delays
- Negligence in providing services
- Alleged quality concerns of materials

As the construction industry continues to change and grow, your insurance program should keep pace with those changes.

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Development News

	Last Month MAY	Value	YTD21	YTD 21 Value	YTD 20	YTD 20 Value
Bryan	93	16.27M	428	82.49M	277	53.51M
College Station	41	8.88M	283	55.59M	213	43.5M
Total	134	25.15M	711	138.08M	490	97.01M
Total Permit History (End of Year)						
Year	2020	2019	2018	2017	2016	2015
Bryan	720	594	466	445	392	271
College Station	497	423	462	659	808	902
Total	1,217	1,017	928	1,104	1200	1173
College Station Inspection Report						
	Building	Plumbing	Electric	Mechanical	Lawn	Pool
Total	322	238	265	254	57	26
	Last Month April	Value	YTD21	YTD 21 Value	YTD 20	YTD 20 Value
Bryan	87	17.83M	335	66.22M	222	41.41M
College Station	85	15.38M	242	46.61M	188	38.23M
Total	173	33.21M	577	112.83M	410	79.64M
Total Permit History (End of Year)						
Year	2020	2019	2018	2017	2016	2015
Bryan	720	594	466	445	392	271
College Station	497	423	462	659	808	902
Total	1,217	1,017	928	1,104	1200	1173
College Station Inspection Report						
	Building	Plumbing	Electric	Mechanical	Lawn	Pool
Total	492	321	352	245	59	29

Development News cntd.

	Last Month March	Value	YTD21	YTD 21 Value	YTD 20	YTD 20 Value
Bryan	98	18.33M	248	48.38M	184	34.68M
College Station	67	13.05M	157	31.23M	170	34.65M
Total	165	31.38M	405	79.61M	354	69.33M
Total Permit History (End of Year)						
Year	2020	2019	2018	2017	2016	2015
Bryan	720	594	466	445	392	271
College Station	497	423	462	659	808	902
Total	1,217	1,017	928	1,104	1200	1173
College Station Inspection Report						
	Building	Plumbing	Electric	Mechanical	Lawn	Pool
Total	416	300	263	234	40	26

City of College Station

City Council meets on the 2nd and 4th Thursday of the month

City Council Workshop begins at 5:30 pm, regular meeting at 7 pm Planning & Zoning meets on the 1st and 3rd Thursday at 7 pm



City of Bryan-City Council meets on the 2nd and 4th Tuesday of the month at 3:30 pm

Planning & Zoning meets 1st and 3rd Thursday

Workshop at 5:00 pm, Regular at 6:00 pm

Building & Standards Commission meets on the 4th Monday at 6:00 pm

Membership Update

Growing Our Strength Through Member Recruitment,
Retention, and Involvement

Welcome New Members!

Andrews Myers, P.C.

Bryan + College Station Real Producers

Stoneside Custom Homes

Stormwater Controls

The First National Bank of Central Texas

Membership Renewal

Thank you for renewing!

2-D Residential Forensic Inspections

AcesBuilders Warranty

Acme Glass Company

Action Gypsum Supply

Aggieland Title Company

All-Tex Roofing

Ambit Homes, LLC

Audio Video

BCS Habitat for Humanity

Board & Beam Construction

Brazos Valley Affordable Housing Co

Brazos Valley Construction

Bryan Broadcasting Corp.

Budget Blinds of BCS

Builders Post-Tension

BV Southern Pointe Development

Cabinet Expression

Callaway Lumber

Cedar Bend Homes, LLC

Civil Engineering Consultatnts

Climate Doctors of BC/S

Dailey Company, Inc.

Donovan Custom Homes

Ellis Custom Homes, LLC

Engel & Volkers BCS

Extraco Bank

Fierce Custom Homes, LLC

Frontier Title

Guaranty Bank & Trust

Guardian Mortgage-Team 12th

Jeff Jones Custom Homes, Inc.

K&C Electric

Kelly Burt Dozer

KMC Forklift

Lawyers Title Co., Brazos County

Lone-Star Roof Systems

M.G. Cangelose

MayBuilt LLC

McCoys Building Supply

Mitchell & Morgan, LLP

Mobley Pool Company

Northwestern Mutual

Omega Builders

Pebble Creek Land Company

Prewitt Management Co.

Prosperity Bank

Richmon Homes

Ridgewood Custom Homes

Rock-Crete Foam Insulating

Ronnie White Custom Home Bldg

Russell Hall Construction, LLC

Schulte Roofing, inc.

Smiling Mallard Development

Southern Creek Homes

Southern Shingles

Southwest Homes

StrucSure Home Warranty

Suncoast Post-Tension, LTD

Sunshine Fun Pools

TDT Trucking, Inc.

University Title

Vera Bank

Weatherford Door Company

Weber Custom Homes, LLC



June Spike Report

Victor Drozd 764.00

Randy French 377.00

Bill Pitman 335.50

Michael Schaefer 349.50

Cerene Wharton 255.00

Randy Birdwell 239.50

Keith Ellis 218.00

Claire Hammack 162.00

John Howe 147.50

Larry Mariott 114.0

D'Ann Brown 118.50

John Magruder 128.50

Buck Prewitt 105.0

Donald Borski 101.0

Roger Williams 93.00

Paul Turney 101.75

John Godfrey 87.50

Doug Groves 83.75

Tina Sides 67.50

Jimmy Pitman 76.0

Billy Chenault 63.50

Bill Lero 61.50

Brian Windham 66.50

Melanie Becka 48.25

Randall Pitcock 43.25

Charles Thomas 37.00

Mark Weber 36.50

Coulter Mariott 30.50

Ron Lightsey 29.00

Pam Cemino 30.50

Maegan Rich 30.50

Alison Windham 27.00

Stacy Worden 21.00

Recruiting new members to your local association is an activity recognized and rewarded through the Spike Club.

Those who participate are called Spikes, and they are among the most valued members of the association.

Member-to-member recruitment and retention efforts are the largest source of growth for the federation. Spikes bring grassroots growth and stability. These efforts lend to the development of the general membership and our leadership pipeline, keeping the face of the federation true to that of our industry and the scope of interests we represent. Spikes are the membership leaders of our federation, building the voice, power and influence on every level, in every state. We would like to say Thank you! to all of our wonderful members, without whom we could not do all that we do.

Greater Brazos Valley Builders
Association
230 Southwest Pkwy East
College Station, Texas 77840



WANT TO START GETTING MONEY BACK FOR PRODUCTS YOU ALREADY USE?

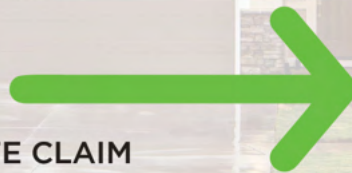


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