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The Nail Bender

December 2010



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A word from your president by Steve Arnold

Here we are at the year's end, and still stuffed from the entire Thanksgiving feast and all that I have been blessed with and thankful for. Being the association president has been an experience, one that I have enjoyed and honored to have served and thankful for this opportunity.

This year the focus I had was to revisit the past while preparing for a rebuilding of the foundation of the RCHBA to serve the professionals in our industry. Visiting with some of the past presidents, hearing of some of the success stories they experienced. I also met with some of our active members and leaders of the association and our industry we serve. With these notes in hand and revisiting the RCHBA strategic plan already in place, the goal was to build on a new but strong foundation while maintaining member benefits so the future of the RCHBA will be more secured and the desire to be a proud member of the Home Builders Association, because of its service to our industry and the community we live in. I believe with the help from the executive committee and Board of Directors we have accomplished this goal. This year appears by review

alongside the treasurer, Gentry Wheat and from reports during our last Board of Directors meeting; the RCHBA will complete 2010 in a positive dollar figure for the first time in the last four years without having to transfer funds of any other account. I am please with the efforts, sacrifice and support given to me and the executive committee members in the accomplishment of this plan.

November had so much information provided to us, the elections with new officials, our local Government Affairs Committee still hard at work on issues we face in the near future, Edsel Charles reported to membership the industry forecast. So now let's prepare for the year 2011. During the annual membership meeting the members elected the officers and directors for the year 2011. Newly elected President, Suzanne Slayton from Slayton Homes brings in the understanding and experience to the plan in place along with creative ideas she has gathered while serving other community programs, Vice-President, Steve Jensen with Jensen Quality Homes having great re-

spect from the industry and dedication to the cause of this association, Associate Vice-President, Donna Wilson from Husky Lumber a lady of great character and with plans of programs benefiting the associates along with the all the RCHBA members, Keith Caywood of Caywood Builders as Secretary. Keith has served as chairman of the Certified Professional Builders/Remodeling program and has the responsibility of mem-



bership recruitment and retention. Edsel Charles stated he felt the economic struggles have caused a loss of nearly fifty percent of those serving our industry. I believe as those return to our industry along with the ones who have maintain survival the need for membership in the industry's leading association is a must. I have always believed membership has a positive effect on me and my company, especially when you are serving an active role. Treasurer, Gentry Wheat from F & M Bank having served two years as treasurer working hard in the balancing of a budget the association can grow with, has graciously accepted to serve

another year continuing in a very responsible role. Congratulations to all of these volunteers, the executive committee and the Board of Directors elected to serve the RCHBA. I look forward to 2011 and what the RCHBA has for each of us as members, I pledge continued support. But before I rush into the upcoming year I don't want to forget its December, a wonderful time of the year. Underway is the Home Builders Care / Toys for Tots program with needs for volunteers and gifts as we prepare to serve over 1500 children right here in our community so be sure to contact the RCHBA office to attend a meeting, also plan to come to the Christmas Open House at the RCHBA office, I look forward to seeing you there and remember the reason for the season (Matthew 1:23-25).

With warm appreciation of our association during the past year, I personally wish you the gift of faith, the blessing of hope and the peace of HIS love at Christmas and always

Merry Christmas
Steve Arnold

Builder Confidence Improves Slightly in November

November 16, 2010 - Builder confidence in the market for newly built, single-family homes improved slightly in November, according to the National Association of Home Builders/Wells Fargo Housing Market Index (HMI), released today. The HMI rose one notch to 16 from a downwardly revised level of 15 in the previous month.

"Though the gains have been incremental, the fact that builder confidence has improved over the past two months is encouraging," said NAHB Chairman Bob Jones, a home builder from Bloomfield Hills, Mich. "Many builders are reporting that while the quantity of buyer traffic through their model homes has not improved dramatically, the quality of that traffic seems to be getting better - meaning that more people appear to be serious about buying in the near future. Builders remain very concerned, however, about the lack of available financing for new-home construction at a time when inventories of completed new homes are quite thin; after all, you can't sell what you can't build."

"The most positive aspect of today's report is the future expectations component, which not only held onto the five-point gain it registered in October, but improved by an additional two points to 25 for November," said NAHB Chief Economist David Crowe. "This is the highest that component of the HMI has been since the home buyer tax credit program spurred sales activity this spring." At the same time, he noted, "The most concerning aspect of the report is that survey participants say they have observed absolutely no improvement in their ability to access credit to build viable new projects. This problem is clearly a roadblock to recovery in many markets."

Derived from a monthly survey that NAHB has been conducting for more than 20 years, the NAHB/Wells Fargo Housing Market Index gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low."

Scores from each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

Two out of three of the HMI's component indexes registered improvement in November, while the third component held steady. The component gauging sales expectations in the next six months rose two points to 25, the component gauging traffic of prospective buyers rose one point to 12, and the component gauging current sales conditions held unchanged at 16.

The Northeast was the only region to post a decline in its HMI score in November, with a three-point drop to 13. Meanwhile, the Midwest posted a five-point gain to 18, the West posted a three-point gain to 15 and the South held even at 18.

DECEMBER 2010

Watch for the "What's Happening" emails for weekly updates. Not getting the emails? Call Jessica at 615-890-8224

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 11AM Assoc/Non Dues	2 2PM Toys for Tots	3	4
5	6 1 PM Gov't Affairs	7 1 PM CPB/R	8	9	10	11
12	13 1 PM Executive Committee	14	15	16	17	18
19	20	10:30 AM BOD21	22	23 Nail Bender Article Deadline	24	25
26	27	28	29	30	31	

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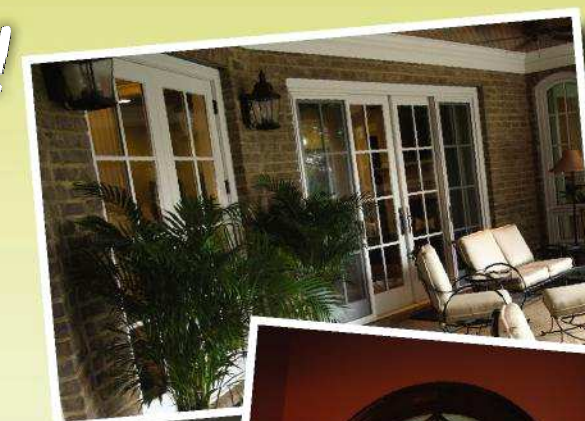


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RCHBA Christmas Open House



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Super Spike – 250 to 499 points

Halliburton, Ken ...Miller Loughry Beach. . .	280.5
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Royal Spike – 150 to 249.5

Swanson, Joe Jr...Swanson Realty.....	235.5
Floyd, John...Ole South Properties.....	215
Sharp, Brenda...Atmos Energy.....	183
Snell, Freddie...F&M Builders.....	172.5

Red Spike – 100 to 149.5

Averwater, Jim...Averwater Construction.....	121
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Green Spike – 50 to 99.5

Arnold, Steve...Skill Construction.....	88.5
Seals, Dan...Alley-Casserty.....	86.5
Johns, John M...J. Johns Construction.....	62
Allen, Barry...Pinnacle Financial.....	62
Wood, Mark...Mark Wood's Construction...	59.5
Hastings, Denny...American Homes.....	57.5
Dillon, Richard...Properties Unlimited	55.5
Summar, Carl...Summar Swafford.....	55

Life Spike – 25 to 49.5

Raborn, Derek...Raborn Insurance.....	52
Moreland, Tom...MTEMC.....	49
Beasley, Charles...Stoney Brook.....	38.5
Belt, Wayne...Decker & Belt.....	36
E.C. Coe...Associated Masonry.....	35.5

Slayton, Suzanne...Slayton Homes.....	26
Eaglen, Marvin...Southland Brick.....	25.5

Blue Spike – 6 to 24.5

Henley, Sam...Henley Supply.....	24
Scott, Thom...Bank Of America.....	18
Yates, James...Red Realty.....	16
Hicks, Shannon...Home Team.....	14.5
Bird, Nicole...Nikkin Construction.....	13.5
Mayfield, John...Mayfield Floor Covering...	12.5
Davis, Beverly...Dempsey Vantrease Fol- lis.....	11
Parks, Eric...Regions Bank.....	6

Candidates

Steve Jensen . Jensen Quality Homes.	4.0
Douglas Morgan . Morgan Insurance....	3.0
Ed Hoover . Pinnacle Financial	3.0
Keith Caywood . Caywood Builders . .	2.0
Mike Shivers. . Churchill Mortgage.....	2.0
Gentry Wheat...F&M Bank.....	2.0
Joey Ferrell . Tennessee Home Thr . . .	1.5
David Broyles . . Bonded Builders	1.0
Beth Furbush . Better Business Bureau	1.0
Lory Breckler . . Keller Williams Realty	.05



Official NAHB

Standings as of October 15, 2010

How do I earn Spike credits?

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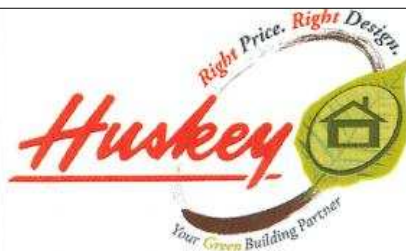
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The Nail Bender is a publication of the Rutherford County Home Builders Association, a non-profit organization of building industry professionals who work together to promote high standards, education and housing opportunities in our community.

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Big Deficit of New Single-Family Homes Will Need to Be Addressed as Economy Improves

November 17, 2010 - Annual single-family housing production in 2008 and 2009 fell about one million units short of the housing that would be needed in a normally functioning economy, suggesting that builders will have a lot of catching up to do as the economy improves and household formations return to trend levels, according to a special study by economists at the National Association of Home Builders.

The report, "Extent of Underbuilding in the Single-Family Housing Market," finds that there was an excessive amount of single-family building from 2003 through 2005, but overbuilding largely ended by 2006 and the subsequent downturn was severe enough to more than offset those annual surpluses. This year is likely to add to the growing deficit of single-family homes by another one million units,

the report finds.

"The single-family housing market in the U.S. currently finds itself in a significantly underbuilt state," said NAHB Chairman Bob Jones, a home builder from Bloomfield Hills, Mich. "Pent-up demand for housing will at some point need to be worked off, pushing single-family production in a positive direction. In the meantime, the deficit continues to grow as builders remain cut off from the credit they need to begin developing and building new housing"

The analysis compares levels of single-family permits in recent years with the long-term trend that would be seen if housing, labor and credit markets were functioning normally and generating a normal rate of household formations.

Permits were used instead of housing starts because they are based on a much larger sample and provide more geographic detail, which enabled the study to be extended to the state level. (A building or zoning permit represents housing units that are authorized to be built. According to the Census Bureau, all but a small percentage of permits become starts. A start is when ground is first broken for the foundation of the building.)

Single-family permits plunged to a trough of 441,000 in 2009, their lowest level since World War II. The previous post-war low occurred in 1981, when 550,000 single-family permits were recorded. Adding to the magnitude of the recent downturn, multifamily starts and permits last year fell below 150,000 units, an historic low, compared

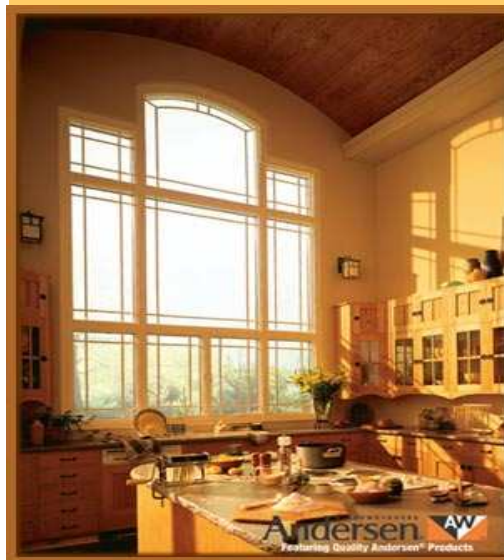
to about 400,000 units annually during the early 1980s.

"Moreover, the population and stock of housing in the U.S. have continued to expand," the report says. "In 1980, there were roughly 226 million people and 88 million housing units in the country. By 2009, these numbers had increased to 307 million people and 130 million housing units, so in that year the U.S. added a record low number of new housing units to a population and housing base that was larger than it had ever been before."

From 1988 through 2003, the U.S. population was growing at a fairly steady average annual rate of 1.15 percent and varied only between 0.90 percent and 1.35 percent. During the recession, household formations slowed markedly below this pace, delaying two million household

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Merry Christmas

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formations. The deficit in new single-family homes can continue as long as household formations remain depressed.

Over the 1988-2003 period — which goes right up to the housing boom years of 2004 and 2005 and can be considered a fairly normal one for housing — the number of single-family permits issued was increasing at an average of about 36,000 per year, consistent with a growing population that needs housing and an expanding inventory of older homes that need to be replaced.

Projecting that trend past 2003, single-family permits should have hit 1.4 million by 2005, 1.5 million by 2008 and around 1.56 million in 2009, the report finds. Instead, permits were well over 1.4 million in 2003 and pushed past 1.6 million in both 2004 and 2005, "a period of serious overbuilding."

Subsequently, however, permits dropped to under 1.4 million by 2006 — already slightly below trend — and continued to fall through last year.

Single-family surpluses

occurred from 2002 to 2006 and they were well over 200,000 annually in 2004 and 2005. Deficits, which began to materialize after 2005, reached about a half a million units in 2007 and one million every year since then as single-family permits dropped below 500,000 — more than a million units per year below trend.

Accumulating annual surpluses peaked at 493,000 single-family units in 2005, and that was worked off entirely by the end of 2007. Depressed levels of single-family housing production resulted in a cumulative deficit of 2.17 million units by 2009 and will likely grow to 3.28 million by the end of this year.

The study also found that there are now single-family housing deficits in most of the states. This includes the states that had the hottest markets during the boom: Arizona, with a deficit of 144,500; California, 49,500; Florida, 112,600; and Nevada, 75,600. •



- Steve Arnold, Skill Construction, CPB/R
- Jim Averwater, Averwater Constructions, CPB
- Keith Caywood, Caywood Builders, CPB
- Steve Jensen, Jensen Quality Homes, CPB
- Thad McKellar, McKellar-Farrer Renovations and Design, CPB
- Bob Slayton, Slayton Homes, CPB/R
- Freddie Snell, F&M Builders, CPR
- Joe Swanson Jr, Swanson Realty and Construction CPB/R
- Patric Bouton, Remodeling Services Unlimited, CPR

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