

# Building Clark County News

*Professionals Committed to Excellence*



December 2018

## Economic Growth Continues Solid Pace

While the cost of mortgage financing and its impact on housing affordability are giving many prospective home buyers pause, the overall [state of the economy](#) remains positive, according to NAHB Chief Economist Robert Dietz.

Following a 4.2% growth rate in the second quarter, third quarter real GDP growth came in at an annualized rate of 3.5%. This was the strongest two-quarter performance in four years. And in October, the economy created 250,000 jobs, beating expectations and leaving the unemployment rate at a near 50-year low of 3.7%.

Increases in the 10-year Treasury rate have pushed mortgage interest rates up in recent months. In September, the average rate on 30-year mortgages for new homes increased to 4.64%, up from approximately 4% over the last 12 months.

While higher rates have cooled home sales, home price appreciation remains solid, increasing at a 5.8% year-over-year basis according to the Case Shiller Index in August.

Dietz provided this housing industry overview in the bi-weekly newsletter "Eye on the Economy."

## UPCOMING ACTIVITIES

**JANUARY 17**

[BIA Dinner Meeting](#)

Economic outlook with  
Todd Britsch of MetroStudy

**JANUARY 18**

[CPR - First Aid - AED  
Training](#)

**JANUARY 23 & 24**

[Certified Erosion &  
Sediment Control Lead](#)

**JANUARY 25**

[CESCL Recertification](#)

**FEBRUARY 7**

[Nothing But Networking](#)

**FEBRUARY 7**

[SWCA Construction  
Executive Summit](#)

[All Events & Classes](#)

## Famous Last Words

As I was preparing to write my final article as President I took some time to reflect on the last 2 years. Looking back on things I realized that there are a lot of dedicated individuals working incredibly hard to protect not only our industry but also the affordability of living in Southwest WA.



**Aaron Marvin**  
**2018 President**

I am proud to say that I am a member of the BIA of Clark County. Our staff is one of the best and most productive staffs in the state, if not the country, and work incredibly hard to represent and protect all of us on a daily basis. Our organization is strong, healthy and respected throughout the county, state and country and is accomplishing some great things. Over the past 2 years I have had the opportunity to work with some amazing people to represent our industry in a variety of ways and appreciate the trust that has been put in me through that time. I look at our industry and can see it continuing to change. Some changes are good while others are not, but there is one thing that is abundantly clear. It is critical for our association to continue to work together to preserve the affordability of not only housing but the ability to live in this amazing part of the world. I want to end by encouraging everyone to continue to be involved. If we all do a little, together we can accomplish a lot. It has been an absolute honor to serve as President of this amazing association.

Thank you all  
Aaron Marvin  
2017-2018 BIA President

## LEADERSHIP

- PRESIDENT**  
Aaron Marvin, A.C.T. Builders, LLC
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- SUPPORTER DIRECTOR**  
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Season's greetings to our members  
building homes for the holidays  
all year long

Thousands }  
Save Millions }.....

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



## Supreme Court Ruling a Win for NAHB

The U.S. Supreme Court in November handed down a decision in *Weyerhaeuser Co. v. United States Fish and Wildlife Service*, [giving a victory](#) to two NAHB members and land developers across the country.

The case examined the Fish and Wildlife Service's designation of over 1,500 acres of private property in Louisiana as "critical habitat" for the endangered dusky gopher frog. In an 8-0 opinion, the Supreme Court ordered the Court of Appeals for the Fifth Circuit to reconsider its decision that allowed the Service to designate the area as critical habitat.

NAHB filed briefs in both the Fifth Circuit and Supreme Court.

## Settlement Ends "Persuader Rule"

In a victory for NAHB, the Department of Labor on Nov. 9 agreed to a settlement that keeps a permanent injunction in place that stops the ["persuader rule"](#) from taking effect and prevents a future administration from seeking to revive the rule.

The Obama-era persuader rule sought to unfairly

require lawyers and consultants to report to the DOL when counseling employers concerning union organizing. And trade associations like NAHB would have been directly regulated under the rule if they engaged in certain activities, such as holding educational seminars on labor relations topics.

## FHFA Announces Higher Loan Limits

The Federal Housing Finance Agency announced recently that the maximum baseline [conforming loan limits](#) for mortgages acquired by Fannie Mae and Freddie Mac in 2019 will increase from \$453,100 to \$484,350.

The loan limit will rise 6.9% in

2019 because FHFA has determined that the average U.S. home value increased 6.9% between the third quarters of 2017 and 2018.

Higher loan limits will be in effect in higher-cost areas as well, rising from \$679,650 to \$726,525.

## LEADERSHIP

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### STATE DIRECTOR

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## GOVERNMENT AFFAIRS

Although a year end wrap-up would normally fill this space, I will just highlight a few things we've accomplished and continue to work on so there is space to discuss a timely and important issue.

**Please take the time to read through the two articles below and offer input.**



**Jamie Howsley**  
**Govt. Affairs Director**

**The Government Affairs Committee meets at the BIA on the 2nd Monday of each month at 3:30 pm. Please join us in 2019.**

Over the past year, we have worked with Waste Connections to address new asbestos rules, developed a compromise tree plan with the City of Camas, spoke on behalf of the industry at local and county council meetings and follow issues that you have deemed important.

We continue to work on permit and inspection issues and, according to some, the county has been able to cut permitting times. One facet of this effort has been the development of the Functional Oversight Team (FOT) which was created to streamline the tax lot permitting process through a detailed review of current practices and finding solutions to implement over the next year. In addition to helping those specific projects, this model of analysis will be followed with the same process for other types of permits. This effort is ongoing with a few FOT meetings left and final implementation to be first quarter of 2019. We will continue to work with the department and stakeholders on this and will follow the implementation closely with your input.

Thank you! We will need your help next year to continue this success.

### **Minimum Wage Act Exemptions - BIA member input needed!**

The Washington State Department of Labor and Industries has proposed a rule change intended to address minimum wage act exemptions for Executive, Administrative, Professional and outside sales employees.

The department is on its 2nd draft of the proposed rule change, scheduled to go into effect January 1, 2020. The main issues being proposed by this change are updating regulations to define position types that qualify for exemptions and increasing the minimum compensation level above which salary exemptions are allowed. Basically, any position below the defined salary level would not be eligible for exemption and the employee would be entitled to hourly wages including overtime.

The BIA along with the BIAW have submitted comments asking that the definitions of exempt employees align with the federal Fair Labor Standards Act (FLSA) in order to alleviate confusion, and in recognition that many of you already work with these standards. We have proposed that the increased salary exemption be \$455/week or \$25,480/year (also aligned with federal standards) which is an 82% increase over current practices.

## GOVERNMENT AFFAIRS (CONT.)

It is the intent of the department to increase the minimum salary exemption to 2-2.5 times the minimum wage, which at 2020 minimum wage would be \$56,160 – 70,200/year. This would change as the minimum wage increases.

Based on your current staff and hiring practices how would this change affect you? How many salaried employees do you have that would be converted to hourly under this scenario?

Comments are due by COB December 31. We've prepared [talking points](#) to assist your efforts.

Please submit comments on the "[EAP Pre-Draft Proposed Rule Language \(Second Version\)](#)" page of the engagement site, or via email to [EAPRules@Lni.wa.gov](mailto:EAPRules@Lni.wa.gov). Please note that feedback submitted via email will be added to the engagement site as well. Please also take a moment to call me with examples of how this will affect your business or [fill out this form](#).

Your information is critical for our industry's argument against these changes.

## Final Site Stabilization Notice from Clark County Community Development

Over the past few years, Clark County offered a "stormwater extension" permit that allowed a final and certificate of occupancy on a home with this separate permit issued to finish the site stabilization requirements after final.

This was only intended to be a temporary solution, although some thought it was a permanent offering.

The idea was to offer transition help to builders to get adjusted to the stormwater ordinance requirements and enforcement; the planning and timing needed to procure resources; and winter weather challenges. Clark County's stormwater permit from the Department of Ecology requires final site stabilization in the form of vegetation or pre-approved permanent measures.

Clark County has moved to a "request for special circumstance" review and approval for such extensions, but does not offer them in general. A special request approval will be considered under a situation where there was no reasonable way to plan for and address the requirements or foresee the issue, e.g. a new builder to the area or a homeowner builder; late addition of a new accessory building to the project, or other circumstances.

Please contact Jim Muir, Senior Building Official, Clark County Community Development at [Jim.Muir@clark.wa.gov](mailto:Jim.Muir@clark.wa.gov) or 360-397-2470 for more information.



Want to be more involved with elections, endorsements and political action? The BIG PAC is always looking for active trustees and those willing to serve on the board. Contact Ryan Makinster for more info.



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# MEMBERSHIP

## Top 7 Reasons You Should Be at IBS!

- **Business Benefit** IBS is your one-stop shop for knowledge, new products and powerful connections—you can't get this much business-building access for such low pricing anywhere else!
- **Education** Access fresh strategies, trends and solutions for beginner and experienced professionals with 70% new content and 45% new speakers covering 7 industry tracks.
- **1,500 Exhibitors** Gain in-depth product knowledge when you explore the hottest new products and technology in over 300 categories on our industry's largest exhibit floor.
- **Construction Demos** Discover best practices and new methods for improving efficiency in all areas of the home with construction demos led by top building science experts.
- **Niche Focused Programming** Connect with like-minded professionals and industry experts in 6 niche-specific Centrals for expert solutions, workshops, roundtables and networking events in 55+ Housing, Custom Building, Design, Multifamily, Remodelers & Sales.
- **Complimentary Tours** Tour **The New American Home®**, featuring contemporary-modern design, minimal decoration, abundant glass and flat rooflines and **The New American Remodel™**, featuring a 1950s home transformed with new products and techniques.
- **Connections** Network with industry experts and meet new business partners. The entire building industry will be at IBS so you'll have numerous opportunities to connect, pick up tips & grow your business.

If you are planning to attend, let [Karen Hall](#) know so we can help you connect with all of the activities offered for BIA members. **REGISTER today!**



**Karen Hall**  
Membership Director

## WELCOME New Members

- Lifetime Exteriors
- NV Transport
- Maul Foster & Alongi, Inc.

## THANK YOU RENEWING MEMBERS

### 28 Years

Aho Construction

### 22 Years

Milwaukie Lumber Company /  
Pacific Lumber

### 21 Years

Columbia Stone Inc.  
Right Way Excavation

### 20 Years

Lakeside Lumber Company

### 15 - 19 Years

Cascade Title Company of  
Clark County

### 10 - 14 Years

Fletcher Painting Co. Inc.  
Construction Industry Training  
Council



## EVENTS

The BIA offers many options for business-to-business connections and reaching qualified consumers in Clark County. Let me know what you'd like to achieve in 2019 and we can design a marketing/sponsorship plan to get you results!

**360.694.0933**

[danielle@BIAofClarkCounty.org](mailto:danielle@BIAofClarkCounty.org)



**Danielle Kilian**  
**Events Director**

## Housing Forecast & CPR?

Todd Britsch of MetroStudy returns on January 17 to give us our annual peek at the region's crystal ball for the housing market. (Click graphic below to register). In case we need some reviving after this dinner meeting, the Remodelers of Clark County (ROCC) are offering a CPR/First Aid/AED training course the next day. This class will provide attendees with a two-year certification card. [View Events](#)

## Sponsorship Updates

Our [online menu](#) of sponsorship and advertising opportunities has been freshly updated for 2019. Check out event dates for this coming year and see what options help you increase your visibility in the new year!

JANUARY DINNER MEETING | HOUSING MARKET FORECAST



**5:00 pm SOCIAL HOUR** Sponsored by WFG Title  
**6:00 pm DINNER & PROGRAM** Featuring MetroStudy's  
Regional Director Todd Britsch



## THANK YOU RENEWING MEMBERS

### 10 - 14 Years

Evergreen Homes NW  
Shur-Way Building Centers Inc.

### 5 - 9 Years

Riverview Community Bank  
Coughlin Custom Cabinets Inc.  
2-10 Home Buyers Warranty  
Vik's Professional Cleaning  
Top Shelf Closets  
A-1 Security Metal Fab Inc.  
Westside Drywall & Insulation  
Hinton Development Corp.  
Spike Builders Inc.  
Glavin Development LLC  
Prime Contractors Inc.

### 1 - 4 Years

Greenhaven Landscapes Inc.  
Advanced Air Systems Inc.  
Concrete Forming & Placing  
LLC  
Pacwest Electric Inc.  
Berkshire Hathaway  
HomeServices NW  
Jacobs Heating & Air  
Conditioning Inc.  
Wharton Construction &  
Restoration  
Day Star Construction Inc.  
NW Kitchen Designs LLC  
SHOP  
L & M Construction &  
Remodeling LLC  
PNW Property Development  
HAPO Community Credit  
Union

## Roughly 13% Plan to Purchase a Home in the Next Year

Only 13% of adults are planning to buy a home in the next 12 months, according to NAHB's [Housing Trends Report](#) for the third quarter of 2018.

Most of these prospective buyers (58%) report this is the first time in their lives they would be buying a home.

The younger people are, the more likely they are to be interested in purchasing a home. The data shows that 19% of millennials have plans to purchase a home in the next year, with the percentage falling to 13% among the Gen Xers, 7% for the baby boomers and a scant 3% for seniors.

These results are not surprising, given that mobility rates decline significantly with age. According to the Census Bureau's 2017 Current Population Survey, 18% of those under 40 years of age moved in the previous year, compared to 9% in the 40-49 age range, 6% of people aged 50-69, and 3% who were 70 or older.

The Housing Trends Report is a research product created by the NAHB Economics team to track changes in buyers' perceptions over time. The data are derived from national polls of representative samples of American adults conducted for NAHB by Morning Consult.

### Study Looks at Non-Metro Areas

Of the 848,000 single-family homes started in 2017, roughly 79,000 were nonmetropolitan – that is, they were built outside of one of the officially-defined metropolitan areas. This is one finding of a special study from NAHB Economics looking at characteristics of newly built [nonmetropolitan homes](#). Other highlights include:

**The 79,000 nonmetropolitan single-family starts** in 2017 is a 40% increase from 2011, compared to 97% for single-family starts overall.

**The average size** of a single-family home built in the nonmetropolitan part of the U.S. was 2,148 square feet in 2017, compared to 2,639 square feet inside metropolitan areas.

**The average price** of a single-family home built for sale in the nonmetropolitan part of the U.S. was \$245,552, about a third less than in metropolitan areas.

### Builders Report Shortage of Lots

In a recent NAHB survey, 65% of builders reported that the overall supply of developed lots in their area was low to very low. This is up only 1% from June 2017, but is significantly higher than the 42% posted in September 2012.

The focus on lots was included in a special survey section in September's NAHB/Wells Fargo Housing Market Index (HMI). The 65% of respondents citing a shortage of lots represents the largest low-supply percentage recorded since NAHB began periodically asking the question in the HMI survey in 1997.

The 65% includes 43% who characterized the supply of lots simply as low and 22% who said the supply of lots was very low.

The continued [low supply of developed lots](#) is a hindrance to a fuller housing recovery.



## Veterans Find New Careers in Home Building

In the home building industry, rather than simply thanking veterans for their service to our country, many builders also are hiring veterans.

The industry has long focused on training veterans through the Home Builders Institute, the nonprofit partner of NAHB. The HBI [Military and Veterans Program](#) operates on a number of U.S. military bases with training, certification and placement services focused on landing home building jobs for transitioning military members and veterans.

Skills learned in the military can easily transfer to the home building industry.

Marci O'Brien, a new home sales specialist in California, served in the Marine Corps from 1989 to 1994. She then got a real estate license and began participating in the housing boom in Southern California during the mid-90s.

O'Brien noted that the Marines' unofficial slogan "Improvise, Adapt and Overcome" helped her a great deal in 2008 and 2009 during the housing market collapse. "The ability to confront challenges head-on and the thick skin I developed were invaluable during that time," she said.

Looking to join a supportive community, O'Brien became involved in the Sales & Marketing Council of the BIA of Southern California soon after starting in the industry, eventually serving on its board.

That sense of belonging and validation also rings true for Air Force veteran Quint Lears, MIRM, who specializes in new home sales in New Mexico.

Lears also became involved with NAHB and his local Las Cruces (N.M.) HBA early in his career. He won the 2012 Salesperson of the Year at The Nationals and has recently published a book through Builder Books, "Partnering with Brokers to Win More Sales."



### BIA President Building Home for Veteran

Aaron Marvin and his team at A.C.T. Builders, LLC. are building a specially adapted smart home for US Army SSG Rico Roman (Ret.) in 2019. [more](#)

The R.I.S.E. program of the Gary Sinise Foundation is focused on providing these one-of-a-kind homes for our nation's most severely wounded veterans.

All BIA members can participate by purchasing a flag pole brick or providing in kind donations to the project.

[Contact Aaron](#) to learn more about how to donate.

