

November 2017 Newsletter



“Whenever you are about to find fault with someone, ask yourself the following question: what fault of mine most nearly resembles the one I am about to

criticize?”~ Marcus Aurelius

Happy Thanksgiving  *From Robinson Builders Mart*

Visit our Website robinsonbuildersmartnc.com

BELIEF

An amazing number of us in the construction business suffer from a lack of belief in our own talents and abilities. We become our own worst enemy. When you predict you can't, you work harder to prove just that. You might even avoid asking for the business to remove the possibility of rejection. But when a prospect says no, it does not mean the end of the world, our life, or our career. It only means that this prospect has chosen to say no at that particular moment. It does not mean that the customer will say no forever. Remind our-self how many times we've been able to turn a no into a yes in the past to restore belief in our own abilities. remind your younger employees of how important this message is.

Business Trends for Residential Construction Contractors

Consolidation - National firms continue to grow through acquisitions, the easiest way to enter new markets. Larger firms, which stock piled cash and land during the downturn, are looking to expand especially as home values and buyer demand stabilizes. Large homebuilders enjoy economies of scale, with national purchasing power for materials and greater access to capital. Small homebuilders generally don't grow beyond the 30-home annual building level because of the intensely local nature of real estate.

Non-Homebuilding Services - Some large builders have branched into the related fields of modular and manufactured housing, construction materials, commercial construction, mortgages, and insurance. Some builders have established mortgage banking arms to provide financing for home buyers; typically, these operations originate mortgages, then sell them to other investors. During the recent market downturn, major construction companies pulled back from some of their non-core

business segments, such as home services, commercial construction operations, and sub-prime lending services.

High-Tech Homes - Builders are responding to consumer demand by building more new houses with advanced data and other communication capabilities installed. Younger consumers, raised on electronics and computers, expect "structured" wiring that supports computer networks, advanced stereo systems, cable TV, and Internet access. Along with Internet service, low-voltage wiring is fast becoming a fourth utility.

Competition from Commercial Builders - More commercial builders are considering residential construction an extension of their regular business, although homebuilding requires different contractor skills and activities and often has different demand cycles than commercial construction. Homebuilding offers increased risks, but also offers higher margins than commercial work.

Green Construction Growing - Although a green home can cost more than a conventional house, some lenders offer mortgage incentives for energy-efficient homes. Green building innovations include more porous materials in walkways and patios to prevent erosion from rain runoff, engineered recycled lumber in building, and the conversion of wood or drywall construction waste onsite into landscape mulch. The US Green Building Council offers LEED (Leadership in Energy and Environmental Design) for Homes, a green home rating system, which has continued to evolve with technological advancements.

Robinson Builders Mart, PO Box 345, Newton, NC 28658

