

Remodelor™ of the Month

**KIRK MORRIS, CGR, CAPS
MORRIS BUILDERS INC.
ROCKFORD, MICH.**



Kirk Morris of Morris Builders Inc., Rockford, Mich., has been named national Remodelor™ of the Month, by the Remodelors™ Council of the National Association of Home Builders. Morris, whose firm is celebrating its 20th year in 2006, has been extremely active in local, state and regional association activity since joining the HBA of Greater Grand Rapids in 1989.

In that time he has served as chairman of his local council and has been a trustee of the state and local board of directors. He has also been named Remodeler of the Year four times by his local association. But his biggest achievements remain in the area of remodeling success, particularly in customer service. In March, he was awarded the 2006 Integrity Award by the Better Business Bureau of Western Michigan, an area that spans 37 counties.

"I've grown my company now, and I am teaching our people the personalized service aspect," says Morris. "It is not just about price. It is about service and what you get out of that. We have a lot of clients who are very proud to have us in their lives because of the personalized service we give. We give tender loving care to these projects, and we get to know their kids and their dogs and their lives. Remodeling is more about relationship building and personalized service than it is a job anymore."

A long list of business best practices have also helped the company earn the respect of its peers. Billing, on average, \$1.2 million per year, Morris Builders has moved from smaller, hard-to-do jobs 20 years ago to 90 percent residential design/build work. Today the firm employs an office manager, an estimator/CAD specialist, and three lead carpenters. Kirk and his wife Joy do the sell in a team approach.

The company offers in-house design services and 3-D CAD drawings. To help set proper customer expectations, the company also uses proprietary selection sheets — complete with color photos of the items chosen by the client. In addition, Morris or a team member writes progress notes to the client each day as a way to keep in touch with the homeowner. The company also e-mails photographs of progress to clients who are out of town.

"I am very analytical, right down to the last detail," says Morris. "There are no loose ends. We have decision worksheets that aid in the design process. It is kind of like a funnel. At the first meeting we start with a wide range of information; then we trickle down to contract signing. So the expectations are set upfront. From there it is 'rock and roll and let's have fun.'"

overall expansion, as housing yields its position as the economy's major growth engine to other economic sectors.

"The housing sector is going through an adjustment, not a collapse," agreed Michael Moran, chief economist at Daiwa Securities America Inc.

Taking a bullish view on the economic outlook, Jim Glassman, managing director of JP Morgan Chase & Co., said several factors will bode well for housing.

"Real estate is pricing itself back to reality, and in the long run it is reasonable to expect starts in the 1.8 million to 2 million range," said Glassman. "Housing won't continue to make the same contribution to the economy that it has. But when I think about where the economy is, I think we're in the fifth inning with a good chance of going into extra innings. This expansion may prove to be the longest one ever seen."

Looking ahead, Seiders noted that new-home sales in the first quarter of 2006 were down 10 percent from the fourth quarter in 2005, and said that he expects them to ease further in the coming months before leveling off in 2007. The NAHB is forecasting new-home sales will hit 1.13 million units in 2006, down 12 percent from last year's all-time high of 1.28 million units, and then move down slightly in 2007 to 1.09 million.

After posting a record 1.716 million single-family starts in 2005, NAHB is predicting new-home construction will level off to 1.595 million units in 2006 and 1.488 million in 2007, which would still rank high by historical standards.

Lumber Prices

NAHB Calls Proposed Pact a Bad Deal

American home buyers will be forced to pay a premium for lumber if a tentative trade agreement between the United States and Canada goes into effect in the coming months, says the NAHB.

Under the accord, taxes on Canadian lumber shipments into the United States would move progressively higher once the price drops below the following thresholds: \$355, \$335 or \$315 per thousand board feet. The price of lumber was \$377 per thousand board feet when the pact was announced on April 28 and has since fallen to \$364 as supplies have increased and demand has fallen. "By the time the agreement is finalized, prices may well be down below \$315, in which case its implementation would be a severe jolt to the market," said NAHB CEO Jerry Howard.

In the interim, U.S. consumers pay tariffs totaling nearly 11 percent on Canadian lumber shipments, despite several NAFTA panels that have ruled U.S. lumber producers are not threatened.