Membership Cup Award - 2022 Application 1201 15th Street NW Washington, DC 20005 1-800-368-5242

ID: MA15470

To be considered, Applications must be submitted online.

This document is for reference only.

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Membership Cup Award

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Home Builders Association (HBA) De	tails
Association Name:	Wilmington Cape Fear HBA
Association Number:	3471
Website:	wcfhba.com

Membership Plan

Briefly describe how your HBA developed this membership plan. Detail who was included in the development of the plan and explain how the plan is connected to other HBA goals. (Scoring: Up to 10 points):

In late 2020 with the on-going pandemic and the current event/meeting restrictions still in place we knew we needed a plan. We had to have something that was flexible, efficient, and nimble with the ability to adjust as we moved through 2021. With two main sources of revenue – Membership Dues & Non-Dues Revenue It was quickly apparent that for the first half of 2021 Non-Dues Revenue was going to be down. So for at least for the first six months we knew that we were going to still have a virtual component within our overall work scope. Utilizing this as our outline the HBA team worked to develop a plan that focused on Return on Investment (ROI). We did this by breaking down the Associations core values into simple components Membership, Governmental Affairs (Advocacy), Communication, and Education/Professional Development. These four components stand as the pillars of the Association. They serve as the guide. Many times, they seem to act independently, but to move the Association forward, they must come together often working together. Through these four pillars, the association moved incrementally to advance its mission, and in return engaged new members and energized our current membership.

What are the goals of the plan? Were the goals met? Please explain. If the goals were not met, please explain the efforts put forth to meet them. (Scoring: If goals met, up to 10 points.):

Using the four components we broke our goals into two distinct categories – New Members and Retention. We used the four pillars to highlight the Association in many different ways with a distinct message towards a new member and a distinct message towards an existing member. We used this approach throughout the year and placed a 50/50 focus on each of them. We did not want one to lose focus and gain a new member while losing an existing member on the backside. At the beginning of 2021, our association had 1,222 members and a 76% retention rate. This put the HBA within the top 10 of the largest Associations in the Federation. Our goal was to use 2021 to advance the HBA to be within the top 5 of the largest Associations in the Federation by year end. At the same time we set out to increase our retention rate by 5% by year end. By December of 2021, we had a total of 1,384 members, thus placing us as the 5th largest Association, and an 83.1% retention rate. This represented a 13.3% increase in members and a 7.1% increase in our retention rate.

Explain how the membership plan is integrated into other association activities. (Scoring: Up to 10 points):

Using the 4 pillars we worked to integrate our membership plan in every program/event that we could. We did this in coordination with our Membership Committee and HBA Board of Directors. We did this in two distinctly different ways. We incorporated a lot of e-communication tools to bolster the Associations message. We communicated directly to our members what the HBA was doing on their behalf. This included messaging around our members being an essential business, and an essential to the local

economy. We worked aggressively to put this message as well as COVID-19 relief/safety measures, and financial resources in our newsletters, weekly emails, and on our social media feeds. Secondly, we engaged the community to increase public awareness of the HBA. We used local newscast, press releases, our weekly radio show (Construction Connection) to highlight the importance of our industry. We hosted 2 virtual Membership 101 "classes" that showcased the value of the HBA. We partnered with Builders Mutual Insurance and 10 local insurance companies to educate agents about the benefits of the HBA. We also worked in partnership with organizations like the Veterans Business Coalition, AARP, and real estate firms, mortgage lenders and other businesses to highlight the HBA.

Explain how the plan encourages the involvement from all members (builders and associates; new and veteran members, etc). (Scoring: Up to 10 points):

The way we found success was to work towards broadening the scope and the scale of our membership committee. For years our committee had the same volunteers. We changed that by introducing new volunteer sign-up opportunities at our events/programs. In return we saw new faces and leaders start to emerge. We also implemented a guest program where members of the membership committee and the Board have the ability to bring one non-member guest to an event. This was a game changer as it quickly introduced the HBA to the prospective member. They were able to see their peers and competition and quickly realized the value and power of the HBA.

We also looked within our community and created alliances with different organizations and created membership trades with these organizations. This expanded our reach and opened up new doorways. We also had some of our new members as well as our older members create testimonials of their membership and we incorporated this into our messaging. We highlighted NAHB's recruit 1 theme with our Builder members and encouraged them to send us their top 20 sub-contractors. We highlighted who were not members and worked with the builder to bring them on board.

Describe how the plan incorporates both short-term and multi-year membership development initiatives. (Scoring: Up to 5 points):

Using the 4 pillars as our core goals created a very sound multi-pronged approach towards membership. We believe we can take what we have learned and the initiatives that we have put forward and scale them to fit our short term and long term goals. For example, we introduced Instagram into our social media platforms in January 2021. This quickly created an online presence that increased our visibility and fostered a deeper understanding of our impact on the community. It allowed us to quickly get information out to our members instead of bombarding them with emails. It also opened up the HBA to a younger generation of builders and associates. This has allowed us to see a much younger demographic engage with the HBA at our events and programs. In summary we have worked to remain not only relevant but be seen as a disruptor – doings things different and trying new ideas. We asked who is the customer? What do they what? We took this feedback and adopted new member engagement strategies at our events. We used the mindset that nothing is 100% and we are constantly evaluating and working to improve at all levels of the HBA.

Explain how the plan is balanced in its approach to both recruitment and retention initiatives. (Scoring: If yes, effort is evaluated up to 15 points. If no, circumstances evaluated up to 15 points.):

Retaining members is just as important to us as bringing on new members. The key with retention is that those members help to tell the HBA story to prospective members. They drive the peer to peer interactions and in return are recruiting new members. We want our current members to understand the value of membership and understand all benefits so that they have a solid "sales pitch" to give to potential new members when asked about the HBA. Throughout 2021 we focused equally on including strategies for retention as well as recruitment. We worked with our membership committee and focused our monthly meetings with one month on retention and then one month on recruitment. When it came to our programs & events we made sure that time was allocated for our local President and leadership to share with the members what the Association was doing on their behalf. This helped to showcase the value of their membership. On the recruit side we created a prospective member database that included prospects, and expired members and we reached out to see why they did not renew – We wanted to hear from the customer.

Explain how the plan includes and promotes the core benefits of the HBA and of the state and national membership (the 3-in-1 membership). (Scoring: Up to 5 points):

At every turn our membership strategy includes and promotes the core 3 in 1 membership. We consistently promote these core benefits in all of our communication tools. Where applicable through sponsoring agreements we work to showcase many of the NAHB Affinity Member Savings partners. For example at our Spring and Fall golf outings, and our Skeet Shoot we work with our car dealership members to showcase vehicles that are part of the NAHB member savings program. We have also had 3 of our Builder members win the NAHB Napa Valley trip thanks to their dedication to recruitment. On the State level we work hand in hand with NCHBA and Builders Mutual to showcase the NCHBA Member Rebate savings program. We consistently are using all of our communication tools that are at our disposal to place this in front of our members so that they take full advantage. Based upon the feedback and the overall percentage increase in our annual State and National royalty payments to the HBA we believe our messaging is working.

Describe why this plan and its implementation is worthy of winning the NAHB Cup Award for Outstanding Membership Achievement. (Scoring: Up to 10 points):

We are and have been the one and only fastest growing Association in the Nation. For us that speaks volumes that we are doing something right. Our plan and implementation is worthy of winning this award because of the hard work and dedication we put in to creating it and how clear our results were throughout the year and beyond. For the WCFHBA, building and retaining membership is our top priority, and every member can make a difference. When you have a strong membership base, your association is better able to serve. Through our membership plan, we have created a membership of active, engaged, and enthusiastic members and leaders who can recognize opportunities for growth and act on them. We approached membership with a customer service mentality. Recognizing and acting on the unique needs,

customs, and changes in our community has enhanced our ability to increase and retain membership. This is clear in our numbers and retention month after month.

Supporting Documents Uploads (PDF or MS-Word Format)		
Upload a written membership plan:	MembershipCup.pdf	
Supporting Document #1:	2021MembershipInformationPacket.pdf	
Supporting Document #2:	MEmbership101.pdf	
Supporting Document #3:	June2021ToolBox3.pdf	
Supporting Document #4:	BMILunch.docx	

WCFHBA 2021 Membership Plan – Overall Strategy

Main 2021 Goals: Membership Committee & HBA Board of Directors Set Goal

Our goal was to use 2021 to advance the HBA to be within the top 5 of the largest Associations in the Federation by year end. At the same time we set out to increase our retention rate by 5% by year end.

- Work to develop a plan that focused on Return on Investment (ROI). Incorporate the
 Membership Committee and the Board of Directors as well as the HBA staff. Everyone needs to
 be accountable and held accountable.
- Create a position on the Board of Directors as a direct liaison to the Membership Committee.
 Need to create an effective communication tool that worked up/down & down/up the leadership ladder of the HBA.
- Define what are the core values of the HBA? Why do companies want to join? Why do companies want to continue their membership? Why do companies not renew?
- Create an approach that places emphasis on both New Members and Retention

Current Activities – Evaluation

- Need to continue Pandemic response Virtual Platform still has to be part of plan
- Break 2021 into 6 month work scope to continue virtual platforms and work to get back to inperson events.
- Bolster CE Classes for Members and Non-Members.
- Utilize and Enhance the Associations Communication tools.
- Identify new partners. Could be community partners or other Associations.

 Continue to work with Builders Mutual. Place a stronger emphasis on new Insurance Agents
- Clearly articulate our message Continue 2020 messaging around essential business/workforce. This needs to incorporate local, state, and national messaging 3 in 1 membership
- Utilize the Construction Connection on the Big Talker Radio show to educate the public about the importance of our industry.
 - Leverage leaders in the community and topics that are relevant to increase awareness

Member Engagement – Who is the Customer?

- Recognize who our members are Who are the active ones?
 Affiliate Membership matters for this Association. We need to embrace, support, and empower them.
- Participate where applicable in NAHB Spring and Fall membership drives
- Look at ways to increase and broaden the scope of the Membership Committee
- Use NAHB's Recruit One Campaign
 Leadership must be accountable to show success though

- Increase HBA Council Awareness Sales and Marketing Council
- Look into the creation of a Professional Women in Building Council
- Need to move away from emailing statements Move back to Printed Statements
 Key for retention
- Explore more ways to communicate who and what the Association is and what we are doing on the members behalf
- Increase the Associations Social Media presence Members need to know that we are open for business what is the value?
- Showcase the Membership savings by moving more companies to the Associations Membership Packages
- Increase awareness with current Member companies on the NAHB Affinity Programs
 Car Dealerships need to be utilized more at events
 Members need to see the savings apply that in our messaging
- Work to enhance sponsorship opportunities that increases visibility no matter the size of the company. Need to create balance so that all of our members can take part
- Enhance and offer more CE Classes

 Need to explore how we turn these classes into membership opportunities
- Create a Membership Video that works to tell our story
 Engage the younger generation Explore opportunities with the Association's Workforce
 Development initiatives.

"Strength in Numbers"



Membership Information Packet





WHAT IS THE WCFHBA?

Chartered in 1965, the Wilmington - Cape Fear Home Builders Association (WCFHBA) is a nearly 1,000 member-firm trade association that provides services to members which enhance their success and stability. The largest trade association in eastern North Carolina, the Association serves as the voice of the building and development industries and strives to advance professionalism and promote community involvement. The WCFHBA is recognized as a positive influential force for responsible growth by protecting property rights and the privilege of home ownership.

The Association represents an industry that contributes approximately \$2.8 billion to the economy of southeastern North Carolina and supports more than 28,000 jobs in the greater Wilmington area.

We welcome your interest in joining the WCFHBA. Membership is open to all companies and individuals involved in the housing industry in any form.

A MESSAGE FROM THE EXECUTIVE OFFICER

As the largest trade association east of I-95, we offer more programs and services to our members. We also carry the largest responsibility on behalf of our industry within the twenty coastal counties. Our pledge to you is to deliver the least expensive – most effective **RETURN ON YOUR INVESTMENT!**

With that said, let me and our staff share with you some of the reasons why we think that the Wilmington-Cape Fear Home Builders Association is the least expensive yet most productive investment you've ever made!

8 QUICK REASONS TO JOIN

Cameron Moore Executive Officer

INSTANT CREDIBILITY. Membership is a signal to the public that your company is committed to high standards.

ADVOCACY. Powerful representation to defend you against excessive regulations in your community.

NETWORKING. Build relationships with fellow professionals, customers, and suppliers.

CRITICAL INFORMATION. The latest need-to-know industry information from NAHB, NCHBA, and WCFHBA.

EDUCATIONAL PROGRAMS. Gain a competitive edge with continuing education courses, workshops, and webinars.

FUN EVENTS. An oyster roast, shrimparoo, golf tournaments, and free membership mixers throughout the year.

MEMBER DISCOUNTS. Significant discounts on vehicles, office products, payroll services, advertising, and more.

3-IN-1 MEMBERSHIP. One price gets you local, state, and national level membership.

QUESTIONS?

For more information please contact:

Jessica Di Biaggio Director of Business Development (910) 799-2611 jessica@wilmhba.org

BENEFITS OF MEMBERSHIP

3-IN-1 MEMBERSHIP

When you join WCFHBA, you automatically become a member of the North Carolina Home Builders Association (NCHBA) and the National Association of Home Builders (NAHB) with full access to all state and national benefits. As the largest trade association east of I-95, we offer more programs and services to our members. One great price for three memberships!

GOVERNMENTAL AFFAIRS - ADVOCACY

Your legislative and regulatory interests are well-represented by the Association's partnership with Business Alliance for a Sound Economy

(BASE), NCHBA, and NAHB. The Association's governmental affairs staff works closely with local, state, and federal



elected officials on issues that affect the homebuilding and development industries within Southeastern North Carolina. We are your voice!

EVENTS

The Association hosts a multitude of different events allowing members to meet and do business with fellow members in both formal and casual atmospheres including the annual Shrimparoo, Oyster roast, golf tournaments, skeet shoot, and free membership mixers. The WCFHBA also puts together our largest annual event - The Parade of HomesTM (link to POH website) in the Spring, and Southeastern North Carolinas only single site Development-Home Tour Showcase, Homefest (link to Homefest website) in the Fall.

MEMBER DISCOUNTS

Get a return on your investment (ROI) with Builders Mutual Insurance, and other significant discounts on vehicles, office products, travel, lodging, payroll services, advertising, and more through the NAHB and NCHBA member rebate programs. Hint: This is a good way to get your membership for free!

EDUCATION

Whether you're looking to advance in your career or gain additional knowledge about a particular topic, Education through your 3 in 1membership offers a wide-range of learning options. From regular classes and seminars to keynote speakers and nationally-recognized certification programs, the Association keeps our members upto-date on issues and developments crucial to their success in the industry.

MARKETING & ADVERTISING

Increase your business's visibility and credibility by sponsoring an event or membership mixer. The Association offers advertising opportunities on the website, through the Builder News, and The Tool Box (link to Tool Box). We also offer tailored packages for members looking for exposure over a number of different media platforms.

INDUSTRY PUBLICATIONS

We keep our members on top of local, state, and national trends, legislative issues, and technology through various publications. Members receive complimentary subscriptions to the NAHB's Builder Magazine and the e-newsletter Nation's Building News. In addition, the Association produces the following:

The TOOLBOX - E-Newsletter sent monthly this magazine covers local governmental affairs, legal issues, informative articles, and Association news and events. We also profile a member each month in our Member Spotlight.

Builder News - This weekly e-newsletter highlights industry news, educational classes, and Association news and events. Calendar Blast - Want to know where the next event is? Our weekly Calendar Blast details the dates and times of all our upcoming events.

Membership Directory - Produced annually, the directory provides listings for all builder and associate members, WCFHBA contact info, a buyer's guide, and government contact information. You can also view the directory through our online portal.



LOCAL BENEFITS

INSURANCE

Builders Mutual Insurance, the Association's premier provider of worker's compensation insurance, offers significant money-saving discounts exclusively to members. Builders Mutual Insurance Company is endorsed by the NCHBA to provide all commercial lines of insurance coverage to its members. Their WorkSafe Workers' Comp is known as the industry standard and offers features such as job site evaluations to help prevent workplace accidents and injuries. BMIC experts help you create the safest working environment possible and offer ongoing education and training. Partnered with WorkSafe, their Builders



Best policies round out all the coverage those in the residential building industry need. From general liability to inland marine and builders risk, Builders Best has you covered

EMAIL MARKETING

The WCFHBA has partnered with Constanct Contact to bring you email marketing at a substantial discount. When you register through the WCFHBA partner program, you save 15% off month-to-month, 20% off 6-month prepaid, and 25% off 12-month prepaid marketing. Already a member of Constant Contact? No problem! You can still switch and save.

WCFHBA STAFF

The Wilmington - Cape Fear Home Builders Association staff is here to help you. Please feel free to reach out to us for any reason. If we don't know the answer to your question, we will find it for you.

We're available by phone at (910) 799-2611 during office hours and you can also email us using the information to the right. We're always happy to assist our members!

Cameron Moore, Executive Officer

cameron@wilmhba.org

Elizabeth Meacham, Director of Programs & Special Events elizabeth@wilmhba.org

Jessica Di Biaggio, Director of Business Development jessica@wilmhba.org

Lauren Dodge, Director of Advertising & Media Relations lauren@wilmhba.org

Tyler Newman, BASE, CEO tyler@ncbase.org

Office hours: Mon. - Thurs. 8:30 a.m. - 5 p.m., Fri. 8:30 a.m. - 1 p.m.

STATE BENEFITS

NCHBA MEMBER REBATE PROGRAM

The nation's leading manufacturers pay rebates as their way of thanking the building community for their loyalty to their products. To be eligible, you must be an active builder or remodeler member. Membership will be verified before rebates are distributed. Rebate checks are mailed on a quarterly basis and the best part about this program is that you don't even have to keep your receipts! Just submit your company form each quarter and you'll receive a check in the mail. Our members are currently averaging just over \$200 back each quarter. Click here to learn how you can save money



NATIONAL BENEFITS



As a benefit of being a Federation (Local, State, & National) member, you have access to discounts and savings opportunities offered by many top companies.

To download a one-page overview of all discounts including phone numbers and program codes NAHB members can access each program by clicking the co-branded logos below.

When using these programs please identify yourself as a member of the National Association of Home Builders.

<u>Amazon Business</u> - Create an Amazon Business account and gain access to the NAHB Amazon store which offers recommended products tailored to your industry's needs while unlocking additional business savings. Sign up here, <u>amazon.com/NAHB</u>

<u>Kabbage®</u> created a new way to provide flexible access to small business financing. They use an online application to provide a quick decision. <u>Kabbage.com/nahb</u> has provided access to over \$5 billion in funding."

FCA US LLC - A \$500 cash allowance for members, employees and household family members. This offer is good toward many new models in the Chrysler, Dodge, Jeep®, Ram or FIAT® vehicle lineup and is stackable with most current local or national incentives. Visit nahb.org/fca to learn more

<u>Lowe's</u> - Visit <u>LowesForPros.com/NAHB</u> or call 877-435-2440 and register to save 2% on your Lowe's Accounts Receivable (LAR) or Lowe's Business Accounts (LBA) purchases and free delivery on purchases over \$500. Save an additional 5% every day at the store when you mention the 5% at time of purchase and when using your LAR or LBA.

<u>General Motors</u> – General Motors is proud to offer NAHB Members a Private Offer of up to \$1,000 on your next Chevrolet, Buick and GMC vehicle. Visit <u>nahb.org/qm</u> to learn more.

<u>Ticket Monster</u> – NEW! MemberDeals is pleased to offer entertainment and travel discounts for both regional and nationwide attractions and events to all NAHB members. Access exclusive savings on movie tickets, theme parks, hotels, tours, Broadway and Vegas shows & more. Visit memberdeals.com/nahb to learn more!

Nissan/Infiniti Commercial Vehicles – NEW! Nissan North America presents NAHB Members, their employees and HBA staff with a program allowing exclusive incentives off various Nissan and Infiniti vehicles. You can save thousands! Learn more at nahb.org/Nissan

<u>UPS Savings Program & YRC Freight</u> - UPS discounts of up to 36% on a broad portfolio of shipping services. Savings of at least 70% on less-than-truckload shipments 150 lbs. or more with UPS Freight and YRC Freight. Visit <u>1800members.com/NAHB</u> or call 1-800-MEMBERS (800-636-2377) for more information.

GEICO - Exclusive NAHB discounts for members on auto insurance. Visit <u>geico.com/disc/nahb</u> or call 800-368-2734. Mention NAHB for auto, homeowners, and commercial auto quotes.

2-10 Home Buyers Warranty - Visit <u>2-10.com/NAHB</u> or call 855-280-1328 to receive exclusive access to discounts on select products, including the Builder Backed Service Program and the systems and appliances warranty.

<u>TSYS</u> - Payment solutions with average savings of 16% per year. Web/mobile tools, credit card and eCheck processing and more. Free "Savings Analysis" call 800-613-0148 or visit <u>tsysassociation.com/NAHB</u>.

Dell - Up to 30% off on all Dell computers. Call 800-757-8442 and Mention NAHB or visit dell.com/nahb.

<u>ConstructionJobs.com</u> - NAHB offers a recruitment tool to all NAHB members in their search for new employees. NAHB members enjoy a 20% discount off standard rates. Visit: nahb.org/en/members/member-discounts/archived-webpages/nahb-career-center.aspx to connect with top talent and top employers in the construction industry today.

Hertz - Up to 20% off on rental cars and FREE Gold Plus Rewards membership. Visit hertz.com/nahb, or call 800-654-2200 and use CDP# 51046.

Avis - Up to 25% off car rental base rates and FREE Avis Preferred Service membership at avis.com/nahb, or call 800-331-1212 and use AWD code G572900.

<u>Budget</u> - Up to 25% off car rental base rates and FREE Budget Fastbreak at <u>budget.com/nahb</u>, or call 800-283-4387 and use BCD code Z536900.

Office Depot - Office Depot - Save up to 80% in-store or online. Free shipping on orders of \$50 or more. Visit www.officediscounts.org/NAHB or call Jeremy Kirkland for assistance with your business account; 855-337-6811 Ext. 2897

Omaha Steaks - Save 10%, in addition to any online specials. OSincentives.com/promo/nahb

FTD - 20% off floral arrangements and gifts at ftd.com/nahb or call 800-SEND-FTD use code 17421.

Houzz – Free access to the concierge service, instant approval into the Houzz Trade Program giving trade-only discounts up to 50% off, plus special discounts on local advertising. Visit houzz.com/NAHBmembers

HOW CAN I GET INVOLVED?

COUNCILS -

REMODELERS COUNCIL The purpose of the council is to develop, improve, and promote the skills and professionalism of WCFHBA member companies whose primary focus is remodeling and renovation. This includes builder members in remodeling, as well as suppliers, distributors, and subcontractors.

SALES & MARKETING COUNCIL The Cape Fear New Home Sales & Marketing Council is dedicated to developing and promoting skills and professionalism in the home building industry, specifically in sales and marketing of new homes. The council provides continuing education, fosters the exchange of ideas and promotes community involvement and awareness.

COMMITTEES —

MEMBERSHIP COMMITTEE This committee helps our Association grow by recruiting and retaining members. The committee encourages active participation in Association councils, committees, and programs. Committee members liais with new members to ease their transition into the Association.

PARADE OF HOMES COMMITTEE These volunteers plan and implement various aspects of the Association's premier event each year. Opportunities exist on several subcommittees, including budget, special event planning, sponsors, judging, and marketing. This committee meets in the spring preceding the event.

SMC COMMITTEE The Cape Fear Sales & Marketing Council (SMC) is a key committee wihin the menbership of the Association., dedicated to New Home Sales and New Home Buyers. SMC events include: MAX! Awards, SMC's annual Neighborhoods on Parade Bus Tour, Broker and Builder Panel Breakfast Events, SMC University classes and seminars, Builder/REALTOR® EXPO and more!

GOLF TOURNAMENT COMMITTEE This committee plans and implements our Spring and Fall Hammer & Nails golf tournaments. Volunteers sell sponsorships and coordinate all details of each of these events.

SPONSORSHIPS —

We are always looking for new sponsors for our annual events, new events, networking events, and more. If you're interested in getting more involved with the WCFHBA and using a sponsorship to market your business, contact Elizabeth Meacham, Director of Programs & Special Events, at (910) 799-2611 or elizabeth@wilmhba.org.

ADVERTISING —

There are a multitude of ways to spotlight your company through the Association. Advertising opportunities are available in our monthly print magazine, our weekly e-newsletter, on our website, and in our annual Membership Directory. To learn more about your advertising options, contact Lauren Dodge, Director of Advertising & Media Relations at (910) 799-2611 or lauren@wilmhba.org.



Membership Application

3801-5 Wrightsville Avenue • PO Box 3101 Wilmington, NC 28406 P: (910) 799-2611 • F: (910) 799-2610

www.wilmingtonhomebuilders.com

COMPANY INFORMATION Questions? Contact Jessica Di Biaggio at (910) 799-2611

First & Last Na	me:					
Company Name	e:			Title:		
Phone:		F	ax:		Mobile:	
Email:			Websit	e:		
[] GO PAPERI	LESS! Pleas	e send all comm	nunications	electronically.		
Mailing Addres	s:					
		Street/PO	Box		City/State/Zip	p
Physical Addres	ss:					
		Street/PO	Box		City/State/Zij	p
Builders Mutual Insurance Participant: [] Yes [] No Sponsors Name (if applicable):						
General Contra	ctor's Licen	se #:				
MEMBERSH	IIP PACK	AGE				
Below are four membership (4) package options. Option (1) provides the basic package with only one (1) primary contact as a member. For any additional employees to be considered a member, they must join as an affiliate at \$50 per affiliate. All other packages include a primary member and a set range of affiliates as registered members, and all other employees of that company are considered members at any and all WCFHBA events throughout the year.						
Check	Option	Builder or Associate	Yearly	Primary	Affiliates	Savings

Check	Option	Associate (Circle One)	Yearly Dues	Primary Contact	Affiliates	Savings
	(1)	B/A	\$550	1	0 (\$50 per affiliate)	\$0
	(2)	B/A	\$600	1	1 - 4	\$15 - \$115
	(3)	B/A	\$700	1	5 - 9	\$15 - \$265
	(4)	B/A	\$900	1	10 - 15*	Minimum savings of \$115 per person

*Any additional Affiliate over 15 within \$900 package is \$35.00

are you already signed up as an	Affiliate member of WCFHBA	and interested in SMC membershi	p?
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For Affiliate members that have al	ready signed up with $WCFHBA$ as an individual OR as part of a membership package.
Individual SMC – \$60	(Member is already listed as an Affiliate under Primary Company)

Public Directory Information Questions? Contact Jessica Di Biaggio at (910) 799-2611

Please list your information exactly as you'd like it to appear in our PUBLIC directory.

Company Name:		
Builder Name:		
Address:		
Phone:	Street/PO BoxFax:	City/State/Zip
Email:	Website:	
Affiliate Member Info	ormation	
If you are an employee o	f a company that has chosen Option (1), you option (2), Option (3), or Option (4), you o	u may join as an affiliate for \$50. If you are a may list your affiliates here. All affiliates are
1. Name:	Email:	
2. Name:		
3. Name:		
4. Name:	Email:	
5. Name:		
6. Name:		
7. Name:		
8. Name:		
9. Name:		
10. Name:		
[] My check is enclosed.		ard [] Discover
Card Number:	Ex_	piration Date:
ACKNOWLEDGE & Your remittance represents you edge that a portion of these du Home Builders. You agree to a tions for income tax purposes. lobbying activity. Because a pudues are not deductible for inc of their regular annual dues of	at SIGN The same of the Wilmington-Cape Figure annual membership dues in the Wilmington-Cape Figure also covers your membership in the North Carolina bide by the Constitution and Bylaws of all three organ However, dues payments may be deductible as ordinated ordinated for the same of the same	Fear Home Builders Association. With this payment you acknowla Home Builders Association and the National Association of inizations. Dues paid are not tax deductible as charitable contribuary and necessary business expenses, subject to exclusion for CHBA, and WCFHBA the following percentage and amount of annual dues of \$198.00 is non-deductible NCHBA 44% - \$30.80 their regular annual dues of \$282.00 is non-deductible For more
Signature:	Date:	



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JUNE 2021

Volume 37 Number 6



June President's Pen

June Legislative Update from BASE

Event Recap: 2021 Spring Golf Tournament

Key Trends in the 2021 Cost vs Value Report



Turn to page 4 for more details











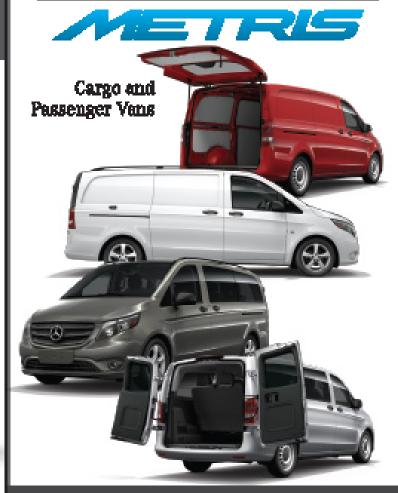




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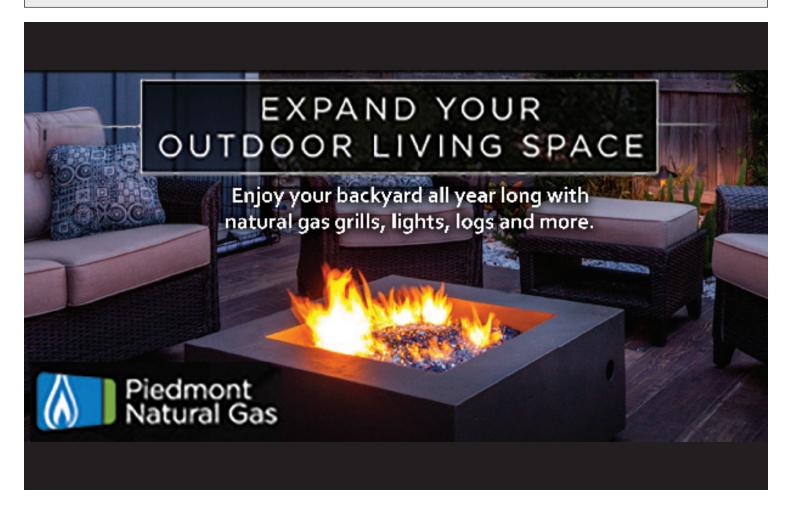


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JUNE PRESIDENT'S PEN We Are Open For Business



On May 19th, as 100+ golfers ascended on Magnolia Greens for our Annual Spring Hammers and Nails golf tournament, I saw something that I have not personally seen in almost 18 months – a gathered crowd of members! Everyone was excited, smiling, and just plain happy to be at an in-person event, without any type of distancing or gathering restrictions to contend with. It was such a weird feeling because we all strive and long for some type of human interaction. It is as they would say, "human nature."

As I mingled around and talked with different members, it was clear that everyone felt as though we have finally turned a corner, to the point where you could see the sense of relief on their faces. For almost 18 months the Association would take two steps forward only to get knocked back four each time. We learned and adopted some new terms in our Association vocabulary. Terms like pivot, adjust, change course, and alter were not just expressions anymore and became everyday terms within the office. Trust me, there were other terms used that were a little more explicit as well. To be honest, last year was tough. It was tough on the members, our Board, and volunteers. But it was especially tough on the Association's staff. It seemed like every time they felt like they had a solid plan, the goal post moved again. However, they stayed strong and persevered, and as the President, I truly thank them for their devotion and fortitude last year. No matter what, they remained positive and found ways to turn challenges into opportunities. Because of this, the Association now finds itself in a situation where it can quickly ramp back up and move away from the virtual platform and get back in the swing of things. And boy, are we moving quickly!?

Coming up on deck in June is our annual MAX! Awards. This event will take place on June 17th at CFCC's Union Station with no social distancing requirements or gathering limitations to worry about.

This will be a party, I can promise you that.

Then the following week, on June 24th, the Cape Fear Sales & Marketing Council will hold their first in-person Real Estate Roundtable luncheon. Event details are in their final stages, but I will let it slip that we will be at a local brewery.

In July, we set our sights on one of our largest annual networking events of the year, with our annual Shrimparoo. This event will take place on July 15th at Builders First Source off of Market Street.

We appreciate their support as they have hosted this event for the last 10 years. This is just a snapshot of the next two months. We are quickly putting the finishing touches on the Builder/Realtor Expo, Fall Swing for Education Golf Tournament, Skeet Shoot, and all of our other calendared events as we speak.

So come out and mix and mingle with us, and let's have a beer and reconnect. We can't wait to see you, and do me a favor as we get back out and about, please make sure to come up to the staff and thank them. They are the unsung heroes that make it all happen.

Craig Smith
Cray Smith



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Welcome New Members!

THE VALUE OF MEMBERSHIP



These are unprecedented fitnes that remind us how quickly things can change. It's times like this that it is even more important to be educating yourself of what's happening in our industry as things change almost daily. Being a member of the Home Builders Association has provided me much of the insight and updated reports that I need to advise my agents and clients in the best way possible!"

The Keith Beatty Team, Intracoastal Realty

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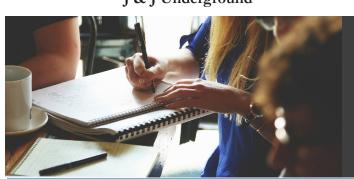
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Contact Cameron Moore at (910) 799-2611 or Cameron@wilmhba.org to join!

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Have any questions about membership? Contact **Cameron Moore**, WCFHBA Executive Officer, at (910) 799-2611 or Cameron@wilmhba.org

MEMBER NEWS

Denise Kinney Now President of Coldwell Banker Sea Coast Advantage

Formerly the Senior Vice President and General Manager, Denise Kinney has been promoted to President of Coldwell Banker Sea Coast Advantage. "The level of enthusiasm and energy that Denise brings to our business every day is simply unsurpassed," said Tim Milam, who is transitioning to the role of CEO. "She is well-liked and highly respected throughout the real estate community. With her extensive knowledge of real estate and our operations, I am confident that our business will continue to grow and reach even greater heights under her leadership."

Kinney has a long and impressive track record in real estate and management. A successful agent for 20 years, she served as broker in charge for two other companies before joining Coldwell Banker Sea Coast Advantage in 2008. Kinney's rise through the ranks began with serving in several management positions until her last position as Senior Vice President and General Manager.

"Promoting from within ensures that our management has a thorough understanding not only of the industry in general but also all of our company policies and culture. And of course the many advantages we have in being associated with the power and network of the Coldwell Banker brand," added Milam. "I am so excited for Denise, but I'm also personally excited for the opportunity that this will give me to focus on the more big-picture items that will drive our company forward."

Kinney earned the Certified Real Estate Brokerage Manager designation and is also a graduate of the Ascend Executive Leadership program, an intensive, 46-week educational curriculum that equips leaders who are committed to their own personal and professional development and to using their skills to develop others to make a positive impact on their organization. "This was a formative experience for me," said Kinney. "The program is focused on helping current and future leaders elevate their capacity for leadership and professional skills. It reinforces the concept that true success results from the people that I get to lead and encourage in my day-to-day interactions."

"I'm very thankful for the opportunity to continue supporting our agents in their efforts to serve their clients, and our community," said Kinney. "The company has already built a comprehensive framework of agent support systems, all designed with a focus on delivering exceptional customer service to our clients. I love being directly involved with our agents, solving problems and helping them succeed."

Leland's Bluffs on The Cape Fear Community Welcomes Award-Winning Kent Homes to Featured Builders Team



The Bluffs on The Cape Fear, located in thriving northeastern Brunswick County along the banks of The Cape Fear River, announces the addition of award-winning Kent Homes to their Featured Builder team. The community is proud to be partnered with some of southeastern NC's best builders: AR Homes, Legacy Homes by Bill Clark, Southern Pines Homes, and now Kent Homes.

"We're thrilled to welcome Kent Homes to our team. The company's commitment to customer satisfaction and building excellence will bring enhanced value to our growing community," said Doug Talbot, Managing Partner and Developer of The Bluffs on The Cape Fear.

With a keen attention to every detail and distinguished reputations with clients, both past and present, The Bluffs Featured Builders are helping to shape a community unlike any other. And Kent Homes is no exception. The homebuilder was recently awarded, for the 10th consecutive year, the 2021 GuildMaster award for exceptional customer service in the residential construction industry. Out of nearly 2,000 eligible applicants across the country, Kent Homes was one of just 9 of new homebuilders in North Carolina to receive this distinction by GuildQuality.

"The Kent Homes team understands that building a home is one of the largest investments a family will make," said Ashley Kent, President of Kent Homes. "We take

pride in understanding the individual needs of our clients at The Bluffs and look forward to providing an exceptional experience for all involved."

Bluffs on the Cape Fear homesite owners will work with the talented design team at Kent Homes to select from a portfolio of award-winning floorplans, incorporate their individual design choices and watch the finishing touches and craftsmanship come together to build their dream home. Their first model home in the community, The Shelter Bay, is slated to begin construction soon and will be available to a new homeowner soon.







Registration closes June 15th at 5pm













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021 EVENT CALENDAR

The Real Estate Roundtable Lunch and Learn Series

Presented by the Cape Fear Sales & Marketing Council

Thursday, June 24th @ Wrightsville Beach Brewery

MAX! Awards

Thursday, June 17th @ Windell Daniels Hall in Union Station, CFCC

Annual Shrimparoo

Thursday, July 15th @ Builders FirstSource

Builder/REALTOR® EXPO, presented in partnership with Cape Fear REALTORS®

August TBD (Event discussions underway)

The Real Estate Roundtable Lunch and Learn Series

Presented by the Cape Fear Sales & Marketing Council

Thursday, September 30th (Venue TBD)

Fall Golf Tournament

Wednesday, September 8th @ Magnolia Greens

Remodeled Home Showcase

Saturday & Sunday, October 9th & 10th

Skeet Tournament

Thursday, October 14th (Venue TBD)

Annual Oyster Roast

Wednesday, November 10th @ Professional Builders Supply

The Real Estate Roundtable Lunch and Learn Series

Presented by the Cape Fear Sales & Marketing Council

Thursday, December 2nd (Venue TBD)

NOTE: Save these important dates for 2022 Parade of Homes!

Judging: Friday, April 22nd

Builder Pick-Up Day: Wednesday, April 27th

Public Touring Weekends: Saturday and Sunday, April 30th - May 1st, and May 7th - May 8th



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PRESIDENT'S EDUCATION CIRCLE

Recognition in the Presidents Education Circle honors the Association's staunchest supporters, who make an annual commitment to the Paul Gregory Foundation. The Paul Gregory Foundation was created many years ago to serve as the philanthropic arm of the Wilmington-Cape Fear Home Builders Association to help advance our industry by exposing young adults to the construction industry. The Foundation is named in honor of retired local builder Paul Gregory, who provided quality housing in Wilmington for more than 35 years and was the initial founder of the Association in 1965. These direct contributions provide key financial help and program funding to students who are actively enrolled in construction-related programs around the Wilmington Region.



The Wilmington-Cape Fear Home Builders Association is pleased to recognize the following member companies that have contributed directly to the Paul Gregory Foundation – Educational Scholarship Funds.

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EVENT RECAP









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LEGISLATIVE ISSUES | BASE



BASE SUBMITS URBAN AREA COMMENTS WHICH WILL SHAPE FUTURE OF MSA

Since Brunswick County was removed from the Wilmington Metropolitan Statistical Area following the 2010 Census, BASE, our partners, regional local governments and other major stakeholders have been focused on the 2020 Census and the re-delineation of MSAs.

We are focused on the urban area criteria standards and 2020 Census because we want the resultant MSA designation to reflect our actual area, which includes Brunswick County. While the MSAs aren't intended for "nonstatistical purposes," we know a number of programs including federal funding are based on or tied to MSAs. We need it to be accurate and reflect the situation on the ground, which has not been the case since 2013.

Since the <u>urban area criteria standards</u> were released, we have been working with the University of North Carolina – Wilmington and Cape Fear Collective to analyze the rules and model how our population growth may be impacted by the proposed rules. Using some of the state demographic and population data, it is clear that eastern Brunswick County has continued to grow in a way that solidifies our case, but we are currently focused on the rulemaking to ensure we are in the best position possible.

To that end, in the proposed rules, a heavy emphasis is on the data showing worker flow and commuting patterns. In the case of New Hanover and Brunswick, the LEHD data – and more specifically the LEHD Origin-Destination Employment Statistics (LODES) data –shows the flow of Brunswick residents to their place of work. It can be interpreted thusly:

- 42.1% of Brunswick residents work in Brunswick
- 26.8% of Brunswick residents work in New Hanover
- 3.0% of Brunswick residents work in Horry
- 27.3% of Brunswick residents work in a NC county other than New Hanover or Brunswick 0.9% of Brunswick residents work in a SC county other than Horry

Brunswick County has a clear worker flow and commuting pattern link to New Hanover and Wilmington. These commuting links are obviously transportation facilities like the Cape Fear Memorial Bridge, I140 and the Isabel Holmes Bridge. But we also have workers/commuters that use the Southport-Fort Fisher Ferry to travel back and forth to work between New Hanover and Brunswick Counties.

While the Census data is extremely important, the specifics of the urban area criteria have a significant impact on the resultant delineation of MSAs. We feel very strongly that Brunswick County is in the Wilmington MSA and the growth, commuting patterns prove it. Enhancing the "noncontiguous territory separated by exempted territory" provisions to account for water-borne commuters would further refine and enhance the final output and better reflect the situation on the ground. As we saw last time, once the MSA delineations are set, it can be many years before an opportunity arises to fix it and make it right.

LEGISLATIVE ISSUES | BASE

REAL ESTATE INDUSTRY UNITED AGAINST WHITE HOUSE TAX PROPOSALS

NAHB and NAR, along with the major real estate trade associations representing both the commercial and residential real estate sectors, pushed back in identical joint statements to the House Ways and Means Committee and the Senate Finance Committee on tax increases proposed as part of the Biden administration's push on infrastructure.

The submission focuses on changes that would directly and negatively affect real estate, including limiting 1031 Like-Kind Exchanges; doubling the long-term capital gains tax rate; eliminating carried interest; and significant increases to the estate tax.

The administration's tax plan faces an uncertain future as no Republicans are expected to support it, and proceeding forward with only Democrat support will be challenging with the slim majorities they hold in the House and Senate. View the joint letter to Congress.

GENERAL ASSEMBLY CLEARS CROSSOVER, MOVES TO BUDGET

Having met the crossover deadline (where a bill has to have passed its chamber of origin), the North Carolina General Assembly has taken a slight break over the past two weeks as it negotiates the terms of a budget. House and Senate leaders are working to agree on an overall budget number and then the provisions which will be included.

One of the significant recent announcements was the Senate plan to continue efforts to reduce both personal and business tax rates. Per NCHBA:

The Senate Finance Committee chairs rolled out a finance package which would both provide tax relief as well as address the tax status of North Carolina businesses who obtained federal Paycheck Protection Program (PPP) loans. The Senate Committee Substitute for HB 344 (JOBS Grants and Tax Relief) would reduce the tax burden on North Carolinians as well as provide a different approach than the House on state tax treatment of PPP loans.

The tax relief part of the package would reduce the personal income tax rate from 5.25% to 4.99% and increase the standard deduction to mirror that of federal tax policy. Additional tax relief would be

extended to North Carolina businesses including the further reduction of the state's corporate income tax. Beginning in 2024, the current tax rate of 2.5% would be reduced by .5% over each of the next five years resulting in the complete elimination of the corporate tax by 2028. The state's franchise tax would see the elimination of two of the three required calculations where currently a company has to pay the one that produces the most tax for the state.

Another provision of the finance package would give grants of up to \$18,750 to businesses that applied for and received assistance during the pandemic from the federal Paycheck Protection Program (PPP). The Senate is setting aside \$1 billion in federal COVID relief dollars to operate this grant program. The Senate plan differs from the House plan which would conform the state tax policy to mirror the federal tax code to permit expense deductions for the 2020 tax year for businesses who applied for and received these loans.

The latest information can be found at https://www.ncleg.gov/

JOINT WORKFORCE HOUSING ADVISORY COMMITTEE MOVING TOWARD CONCLUSION

In June, it is anticipated that the final recommendations from the New Hanover-Wilmington Joint Workforce Housing Advisory Committee will be discussed by the County Commissioners and City Council. Our partners at the Wilmington-Cape Fear Home Builders Association and Cape Fear REALTORS provided substantive comments throughout the process and on the final recommendations. We will continue to monitor this important issue, especially as the policy changes (and potential \$50 million bond) are further discussed.

BIDEN EXECUTIVE ORDER ON CLIMATE CHANGE WILL IMPACT HOUSING

(NAHB) President Joe Biden signed a sweeping executive order on climate change entitled "Executive Order on Climate-Related Financial Risk," that the White House says "will help the American people better understand how climate change can impact their financial security." Of note to the housing community, the executive order will reinstate the 2015 Obama-era Federal Flood Risk Management Standard (FFRMS) which was revoked by the Trump administration.

NAHB opposed the 2015 FFRMS because it would dramatically expand regulated floodplain areas without congressional oversight, new floodplain maps, supporting technical data or comprehensive regulatory impact and cost-benefit analyses.

The executive order also requires the secretary of Agriculture, the secretary of Housing and Urban Development, and the secretary of Veterans Affairs to consider approaches to better integrate climate-related financial risk into underwriting standards, loan terms and conditions, and asset management and servicing procedures, as related to their federal lending policies and programs.

These changes could make FHA, VA and USDA-rural development mortgages more expensive and harder to get in places with high risks due to climate change. Additionally, the executive order directs the National Economic Council to assess the risk of climate change on government programs, which could have serious ramifications for the National Flood Insurance Program. Likewise, it tells financial regulators to determine if climate change may threaten financial stability.

NAHB is examining the ramifications of the executive order and will be urging policymakers not to take any regulatory actions that could harm housing affordability. View a White House fact sheet on the executive order. The full executive order is available here.

REGULATORY COSTS ADD ALMOST \$100K TO NEW HOME PRICES

(NAHB) Regulations imposed by all levels of government account for \$93,870, or 23.8% of the current average sales price (\$397,300) of a new single-family home, according to a new study by NAHB. Of the \$93,870 figure, \$41,330 is attributable to regulation during development, and \$52,540 is due to regulation during construction.

"This study illustrates how overregulation is exacerbating the nation's housing affordability crisis and that policymakers need to take bold steps to reduce or eliminate unnecessary regulations that will help builders increase the production of quality, affordable housing to meet growing market demand," said NAHB Chairman Chuck Fowke.

Of note, the study on the cost of regulation does not take into effect how rising lumber and other material prices over the past 12 months have raised housing costs. NAHB completed another report last month that shows rising lumber prices, which have soared more than 250% since April 2020, have added \$35,872 to the price of a typical new home. This figure is on top of the \$93,870 cost due solely to regulation.

While NAHB's previous regulatory estimates in a 2016 study were fairly similar, the price of new homes increased substantially in the interim. When applying these percentages to Census data on new home prices, the data show an estimate that regulatory costs in an average home built for sale went from \$84,671 to \$93,879 — a 10.9% increase during the five-year span between NAHB's 2016 and 2021 estimates.

View the full study on the cost of regulation and the analysis on rising lumber prices increasing home prices nearly \$36,000.

NAHB STATEMENT ON COMMERCE PROPOSAL TO DOUBLE LUMBER TARIFF

NAHB Chairman Chuck Fowke issued the following statement following the U.S. Commerce Department's desire to double lumber tariffs on Canadian lumber shipments into the U.S from 9% to 18.32%:

"At a time when soaring lumber prices have added nearly \$36,000 to the price of a new home and priced millions of middle class households out of the housing market, the Biden administration's preliminary finding on Friday to double the tariffs on Canadian lumber shipments into the U.S. shows the White House does not care about the plight of American home buyers and renters who have been forced to pay much higher costs for housing.

"This action clearly shows the White House is disingenuous when it claims the nation's housing affordability crisis must be an important priority. Lumber prices are already up more than 300 percent from a year ago. If the administration's decision to double tariffs is allowed to go into effect, it will further exacerbate the nation's housing affordability crisis, put even more upward pressure on the price of lumber and force millions of U.S. home buyers and lumber consumers to foot the bill for this ill-conceived protectionist action.

"A failure to act decisively will show that the White House has lost all credibility in its claims of fighting for housing affordability and the interests of working-class families."

DRAFT NEW HANOVER STORMWATER ORDINANCE HEADED TO JUNE VOTE

New Hanover County staff has released a revised Stormwater Ordinance and a summary of the major changes. To meet the deadline of the newly created Stormwater Utility, the County will be bringing this item before the Commissioners at the June 7th meeting. If you have land in the unincorporated County, please consider reviewing the ordinance prior to June 7.

SUNSET BEACH CONTINUES MOVING FORWARD WITH HOSTILE ACTIONS

Even as Rep. Frank Iler has filed in a bill in Raleigh to deannex part of Sunset Beach, the Town continues to move forward with actions hostile to major landowners and private property rights. Over the past 90 days, the Town has advanced several challenging text amendments—despite significant concerns raised by the development and business community. In June, the Sunset Beach Planning Board is set to consider tree ordinance amendments with the sole intent of being "stricter."

In May, BASE outlined some of our concerns in response to an email from Town Attorney Grady Richardson:

We continue to have significant concerns about the text amendments being advanced, their impact on landowners in Sunset Beach and the Town's overall dismissiveness of feedback from property owners.

On numerous occasions, landowners have provided specific concerns regarding the proposals put forth by the Town. Unfortunately,, these concerns appear to continue to fall on deaf ears.

As noted on a number of occasions, the major issue is the ongoing barrage of text amendments which remove certainty and frustrate investment. These text amendments have included changes to public notice/public hearing (and the mysterious interim changes of this amendment), multifamily SUP, MR3 lot sizes, setbacks and lot widths, townhome SUP and tree regulations.

In the big picture, what is also challenging is the general hostility toward development and major landowners. We have brought up the concerns above on a number of occasions, yet here we are recounting them again.

Overall, our concerns continue to be the constantly changing regulatory regime in Sunset Beach and the negative impact that has on property rights and investment.

PENDER COMMISSIONERS TO THROTTLE GROWTH IN HAMPSTEAD AREA

At their meeting May in Hampstead, the Pender County Commissioners effectively put in place a moratorium on growth "until at least the first leg of the bypass is completed." The first section of the Hampstead Bypass, which has yet to start construction, is not scheduled to be completed until 2025-26.

In specific remarks at the meeting, Commissioners Brown, McCoy, Piepmeyer and Williams all voiced support to restricting growth and investment. Understanding that some by-right development is inevitable, the Commissioners appear to be focused on halting any rezoning or land use action which will increase density.

You can watch their specific comments here: https://youtu.be/L1xAp5lpSSU starting at 3:19:00

The meeting in Hampstead was supposed to include a Public Hearing for a Conditional Rezoning for a parcel on Highway 17. The applicant requested a continuance on that item, as they awaited a final TIA scoping letter.

When the Commissioners appeared to be unwilling to grant the continuance, the project was withdrawn. It was following this action that the comments about controlling growth were made from the podium.

Prior to the meeting, BASE submitted comments to the Commissioners regarding some of the previously expressed infrastructure concerns about schools.

Following the meeting, we have heard significant concerns from developers and landowners about the future of development in eastern Pender County. BASE leadership has communicated with Pender County Commissioners regarding the vote and how to move forward with any certainty on projects increasing density in eastern Pender County. We are working to secure a meeting with Pender County Commissioners and staff to discuss infrastructure needs and planning.

While this situation is challenging, it has been simmering for some time.

From the February 21, 2016 Wilmington Star-News:

BURGAW -- The Pender County Board of Commissioners last week

reiterated their frustrations with the county school board and residential developers -- especially those with operations in and around Hampstead. Commissioner David Williams, as he has done in the past, floated the idea of a development moratorium in Hampstead, this time suggesting that putting a temporary freeze to real estate development might convince Realtors and homebuilders -- who have the most powerful lobbies in Raleigh, he noted -- to throw their support behind the proposed Hampstead bypass. If they had wanted it done, Williams noted, the road would already be a reality. They have not stepped up to the plate, the commissioner suggested, because they don't want to shoulder the blame and responsibility of such an intensively developed Hampstead.

In the interim, a stakeholder group is continuing to work on updates to the Pender County Collector Street Plan.

SOUTHPORT FORGING AHEAD WITH SHORT TERM RENTAL REGULATIONS

At their May meeting, the Southport Planning Board discussed draft regulations to curtail Short Term Rentals. The proposal, which resurfaced after a year hold due to COVID, is modeled on the Wilmington ordinance which differentiates between whole house rentals and home stay rentals. In the Southport ordinance, whole house rentals will not be permitted in the City's residential districts.

Below are comments submitted by BASE to the Planning Board. Ultimately, the Planning Board decided to send the regulations back to a committee and bring revisions back to the June meeting:

At your meeting this evening, you are set to consider enhancements to the Southport's Short Term Rental Ordinance. Due to specifics of the ordinance, the undefined issues it is attempting to solve and other similar ordinances tied up legally, we encourage you NOT to approve the proposal as presented. As Wilmington can attest, a hastily adopted Short Term Rental ordinance can quickly be deemed "void and unenforceable."

As we all know, Southport is a major destination community with a huge tourism component. As a region, we continue to see significant economic benefit from lodging options that meet the needs of a range of potential visitors, guests and local citizens. As we move forward, the community will have a growing need to embrace mixes of housing options and opportunities within in its small footprint.

Unfortunately, there isn't a silver bullet to address the perceived short term rental problem. This is further supported by the wide range of approaches by other communities in a range of states have tried—and failed—to get their arms around this complex property rights issue. Based on the experiences of other cities in North Carolina and the fact that entities like the UNC School of Government, General Assembly and Real Estate Commission haven't weighed in with clear guidance, we would reiterate the path forward is unclear.

As proposed, the ordinance will do many things, but chief among them is create definitions and separate criteria for home stays and short term vacation rentals. Both types will require annual permits. Home stays will require someone on site at all times. Short term vacation rentals will be restricted to being located in non-residential zoning districts. This appears to be a solution looking for a problem, rather than a fix for an actual issue.

Throughout the process of discussing this proposed ordinance, the concerns that we have heard regarding short term rentals don't really deal with the short term or long-term length of stay—it seems to be more about the behavior of the potential occupant. Thus, the issue is really about enforcement. As yet, we have not seen specific data on noise or trash or parking infractions directly tied to short

term rentals in Southport. If an ordinance moves forward, the City will have to invest in administration, staff and technology to administer this ordinance. If we are going to create a new City department and staff it, is short term rental enforcement the most pressing need?

In closing, while we appreciate the hard work, we would like to formally request that this issue be set aside. We support the other organizations, businesses, citizens and property owners that have expressed concerns with this proposal. Instead of being mired down with this topic, we would encourage you to look at other ways to make Southport a welcoming place for residents, business owners, property owners and businesses.



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5 CLOSE. OR FOLLOW UP.

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Key Trends in the 2021 Cost vs. Value Report by Clayton DeKorne

The release by Zonda of the 34th annual Cost vs. Value report finds exterior improvement projects continuing a multiyear trend of providing the greatest return on investment (ROI) for homeowners. Indeed, 11 out of the 12 projects with the highest ROI were exterior improvements. At the top is the replacement garage door (No. 1), sidings (including manufactured stone veneer at No. 2), and windows. The indoor exception, sitting at No. 3, is the minor kitchen remodel – a modest face lift of kitchen surfaces that offers a relatively high return when done prior to the sale of a house.

Cost vs. Value: National Averages

PROJECT	Job Cost	Value at Sale	% Cost Recovered
Garage Door Replacement	\$3,907	\$3,663	94%
Manufactured Stone Veneer	\$10,386	\$9,571	92%
Minor Kitchen Remodel	\$26,214	\$18,927	72%
Siding Replacement (Fiber Cement)	\$19,626	\$13,618	69%
Window Replacement (Vinyl)	\$19,385	\$13,297	69%
Siding Replacement (Vinyl)	\$16,576	\$11,315	68%
Window Replacement (Wood)	\$23,219	\$15,644	67%
Deck Addition (Wood)	\$16,766	\$11,038	66%
Entry Door Replacement (Steel)	\$2,082	\$1,353	65%
Deck Addition (Composite)	\$22,426	\$14,169	63%
Grand Entrance (Fiberglass)	\$10,044	\$6,116	61%
Roofing Replacement (Asphalt Shingles)	\$28,256	\$17,147	61%
Bathroom Remodel Mid-Range	\$24,424	\$14,671	60%
Universal Design Bathroom	\$38,813	\$22,475	58%
Major Kitchen Remodel Mid-Range	\$75,571	\$43,364	57%
Roofing Replacement (Metal)	\$46,031	\$25,816	56%
Bathroom Remodel Upscale	\$75,692	\$41,473	55%
Master Suite Addition Mid-Range	\$156,741	\$85,672	55%
Major Kitchen Remodel Upscale	\$149,079	\$80,284	54%
Bathroom Addition Mid-Range	\$56,946	\$30,237	53%
Bathroom Addition Upscale	\$103,613	\$54,701	53%
Master Suite Addition Upscale	\$320,976	\$152,996	48%

Cost Influence

The trend of exterior replacements outperforming larger discretionary remodeling projects has been accelerated, no doubt, by a year in which COVID has made people reluctant to have contractors inside their homes, but yearning to improve outdoor spaces. It's been a year when we'd expect decks to reign supreme, but the data doesn't track what's most popular. The Cost vs. Value report tracks the ratio of value over cost for 22 common remodeling projects, and in that ratio lies the rub: Material costs, especially for decking and pressure-treated framing lumber, started going through the roof in 2020, bringing down the return despite the project's value.

The effect on ROI of rising material costs is shown across the board for all projects, with the ROI for all projects down an average of 3 percentage points. The wood deck project shows the greatest decrease in ROI (-10.3%) and the highest increase in material costs (+13.6%).

A look at yearly trends (see chart) shows that project costs have risen consistently since 2014, with a sharp increase in costs in the last year brought on by supplychain disruptions largely created by the pandemic but complicated by global trading tariffs. Mirroring the increase in costs, the value-over-cost ratio as a percentage has steadily declined over the same period, with the sharpest decline (-3.7%) in the last decade occurring in 2020 (compare to a decrease of -2.4% for the year before).

The Focus on Home Sale Price

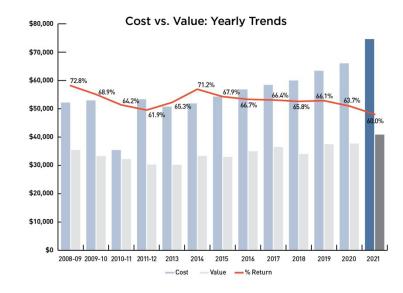
The Cost vs. Value report aims at a very specific question: What value does a particular remodeling project add to the sale price of a home? This is only one kind of value that homes can provide, but it proves to be an important assessment.

The value data in the report was derived in prior years from surveys of real estate professionals asked to rate the value of the 22 projects. For 2021, Zonda has revamped the report's methodology, providing an econometric model that overcomes a past problem of surveying enough real estate professionals. Built onto the survey results, the new model sifts in a range of other variables, including local GDP, housing starts, existing home sales, existing home values, changes in existing home sales and existing home values, among others. What's important to grasp here is that all of these are variables that influence the sale price of homes in a specific location, and that is what defines the value side of the calculated ROI.

"Location, location, location" we know as the first principle of real estate, and the Cost vs. Value report addresses this by providing data for 150 metro areas (up from 100 last year). New for 2021, the report also allows users to drill down to data at the ZIP code level within each metro area covered to get a more fine-grained view of how costs and values differ on a local basis.

If we begin to think a bit more like a real estate professional, we begin to grasp how to fully understand Cost vs. Value.

Exterior projects. To begin with, it helps explain why exterior projects retain their strong return on investment: "Curb appeal" and "first impressions" are strong concepts in real estate because they have a big impact on how much money prospective home buyers are willing to pay for a home. If they start



out thinking the house looks good - is in good shape, has "good bones" - they begin to fit all the new information they learn once they walk through the front door around these positive impressions. The reverse - driving up and seeing a dilapidated garage door or a house in need of a paint job - has the reverse effect: Buyers start to downgrade what they are willing to pay for it. While these impressions are highly subjective, they tend to influence buyers in a remarkably consistent ways.

Discretionary projects. While still returning a decent return on investment, the larger discretionary projects, such as kitchen, bath, and master-suite remodels, tend to have a lower impact on the price of a home. These projects typically involve a number of product options that have strong appeal to the client making the selections but tend to be too individualized to provide broad appeal. There is no one best cabinet style or color, no perfect tile, or fixture design that everyone likes. Certainly, there are design trends that have wide appeal among a range of homeowners. But because of the vast differences in aesthetic tastes, real estate brokers know that one person's elegant new kitchen or bath may be viewed by other prospective buyers as unappealing, overstated, or otherwise in need of a reset.

Get the Conversation Started

Building professionals are focused on a lot more than resale value when they begin discussing a project budget with prospective clients. Pride in design and craftsmanship, occupant health and safety, long-term durability of materials, reductions in liability, and potential for repeat business are all top of mind for the professional remodeler entering into a new project. But all these factors, and the different values attached to them, are not necessarily understood by clients.

Cost vs. Value serves to get the conversation started. By focusing first on the value of the client's investment, defining it the way a broker might, a remodeler can zero-in on a client's biggest anxiety, cost. Instead of leading with their costs, they can first deliver a generalized cost that demonstrates that the project they are considering will have a definite return. Once that's established, the contractor can go on to show the client how to think like a remodeler, raising the client's understanding and appreciation of the total value of a company's work. And finally the remodeler can move the conversation forward to reveal the specific costs they have for the project at hand.

The cost data in the Cost vs. Value report does include a standard mark-up of 10% on materials and 10% on labor. This is a starting point. It may be considered low by many contractors who build high value into their work with things like a well-paid workforce that receives good benefits to ensure that a high level of dedicated, skilled, and trust-worthy talent will be working on the project. Those are the sort of details that contractors will discuss with clients as they work to broaden the definition of home value, and distinguish their company as the best one to complete the project.

About the Author: Clay DeKorne is the Chief Editor of the JLC Group, which includes The Journal of Light Construction, Remodeling, Tools of the Trade and Professional Deck Builder. He was the founding editor of Tools of the Trade (1993) and Coastal Contractor (2004), and the founding educational director for JLC Live (1995). Before venturing into writing and education for the building industry, he was a renovation contractor and carpenter in Burlington, Vt.







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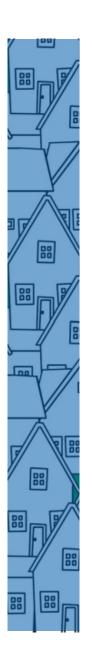














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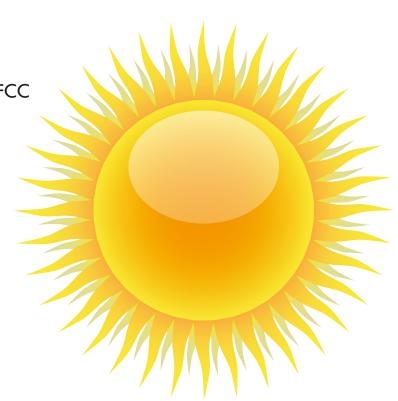
6:30pm-9:00pm

Daniels Hall in Union Station, CFCC

June 24, 2021 **SMC Real Estate Roundtable** 11:00am-2:00pm Wrightsville Beach Brewery

July 15, 2021 **Shrimparoo** 4:30pm-6:30pm Builders FirstSource

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