

3028

SUMMER 2007

ether

HVAC Industrial Architectural Metal

EXPERTISE PERFORMANCE=TRAINING-STANDARD



-Partners PROGRESS

CONTENTS

NEWS AND SHORTS2
PARTNERSHIP CONFERENCE '083
MEETING CUSTOMER NEEDS4
CROSSWORD PUZZLE
WHERE WE'RE HEADING
FABRI-TECH WANTS IT10
Additional Industry News15
LETTERS TO THE EDITOR15
CROSSWORD SOLUTION15
Ηνάς δατά Βάνκ16

PARTNERS IN PROGRESS SUMMER 2007 VOL.6/NO.1

MICHAEL J. SULLIVAN RICHARD J. CRAMER, SR. CO-PUBLISHERS

> JOE SALIMANDO ECDOTCOM@GMAIL.COM EDITOR

DEBORAH APPEL CREATIVE SERVICES

TWEET GAROT PAGES 4-7 AND COVER PHOTOGRAPHS

FABRI-TECH SHEET METAL PAGES 10-13 PHOTOGRAPHS

PARTNERS IN PROGRESS IS A PUBLICATION OF THE SHEET METAL INDUSTRY LABOR-MANAGEMENT COOPERATION FUND.

ALL CONTENTS ©2007 BY THE SHEET METAL INDUSTRY LABOR-MANAGEMENT COOPERATION FUND, P.O. BOX 221211, CHANTILLY, VA 20153-1211.

FOR SUBSCRIPTIONS AND ADDRESS CHANGES, VISIT WWW.PINP.ORG.

CANADA PUBLICATIONS AGREEMENT NO. 40725004 STATION A, PO BOX 54 WINDSOR, ON, N9A 6J5

PRINTED IN THE U.S.A.

NEWS AND SHORTS

Report On '06 Activities

SMACNA's *SMACNews* newsletter, in a Feb. 20 posting, presented a summary of 2006 activities of the Sheet Metal Industry Labor Management Cooperation Fund. One note: Since its inception, more than 2.3 million copies of this magazine have been distributed.

Visit www.smacna.org/pdf/07FebSMAC-News.pdf; the story is on pages one and two.

HVAC Equipment & Controls Researchers See Growth



The market for HVAC equipment in the U.S. will grow from \$13.3 billion in 2005 to \$18 billion by 2010, according to researchers at SBI. Unitary air conditioners and ground source heat pumps made up a 68% share of total market shipment values.

"Increased energy efficiency in new units and retrofits, along with increased interest in newer conditioning modalities—such as wholehouse ventilation, geothermal HVAC systems, and underfloor air distribution systems—are helping to stimulate interest in the market," SBI said.

"At the same time, the SEER 13 standard and newer technologies are making for superior products, which are winning favor with both consumers and contractors."

Separately, ARC Advisory Group reported that it expects compound annual growth of nearly 4% over the next five years in *the worldwide market for HVAC controls*. That will take the market from \$10 billion in 2006 to nearly \$13 billion in 2011, ARC said.

"Key factors contributing to growth include the drive to upgrade and efficiently operate the aging facilities in mature markets," ARC reported. "Building owners and operators are focusing on the long-term lifecycle costs of owning and operating existing buildings, one of the largest expenses facing companies today."

OSHA Executive Speaks To SMACNA

The 2,300-word speech made in December 2006 to SMACNA's Council of Chapter Representatives by Edwin G. Foulke, Jr., assistant secretary of Labor for Occupational Safety & Health, can now be found on OSHA's website.

From Foulke: "When you see a police officer on a street corner, you are not afraid of him. You might even go up and ask for directions and you'll be grateful for the advice.



"However, you are also aware that if you run a red light, that same friendly, helpful police officer will be obliged to issue you a ticket that could result in your paying a hefty fine for breaking the law.

"This is how I want employers to think of OSHA. I tell them: Do not be afraid to come to us for help and advice. We should all be on the same side of the law, working toward the same goal: Assuring the safety and health of employees."

Find the full text of the speech here: http://tinyurl.com/2k22cw. ■

SAVE THE DATE!

HVAC-Industrial Architectural Metal

EXPERTISE PERFORMANCE TRAINING STANDARDS

MAT

NDMI

April 3-5, 2008 Caesars Palace Las Vegas

Partners in Progress Conference Las Vegas

Face Challenges. Create Solutions. April 3-5, 2008



Featuring: Mark Breslin

STEP UP AND LEAD!

Leadership is everyone's responsibility. Mark Breslin, in his dynamic and candid manner will tell labor and management in no uncertain terms what needs to be done.

Transforming the union construction industry and restoring its competitive position in the marketplace is the challenge.

Regional breakout sessions led by Mr. Breslin will insure that you take home solutions that are right for your market.

Business Agents & Managers, JATC Coordinators, SMACNA Contractors, SMACNA Chapter Executives **MUST** save this date.

SHARE IDEAS E LEARN FROM OTHERS CONFRONT PROBLEMS FIND SOLUTIONS SKILLS IMPROVEMENT BOOST APPRENTICESHIP PUBLIC RELATIONS GAIN MARKET SHARE & JOBS; AND LOTS MORE!

MORE INFORMATION TO COME



How Tweet/Garot

Provide customers with more options than they requested? Meet USDA specs? All in a day's work for this Wisconsin company's Food Process Equipment unit.



By Jim Pierzynski

Meets Customers Needs



uestion: How do you cut a 640-pound block of cheese? Answer: You hire Tweet/Garot Mechanical (Green Bay, Wis.) to design and manufacture an automated cheese cutting system to do it for you. The company's Food Process Equipment Division was able to do just that for an Ohio-based customer that recently was in the market for such a system.

Being able to design and fabricate such a complex system, with the versatility to cut multiple sizes and types of cheese on a single unit, is not something that just anybody can do.

"Work in that type of equipment is not something that you can take a class at a local technical school to learn," says Rod LeFevre, sales engineer for Tweet/Garot's Food Process Equipment Division, formed just 18 months ago. "It's a talent that has to be drawn together over years of experience in this business."

Experienced at meeting customer needs

LeFevre relies on a core group of approximately 15 experienced individuals he has worked with for nearly 25 years. This group brings the experience and knowledge necessary for meeting customer needs, which many competitors cannot do.

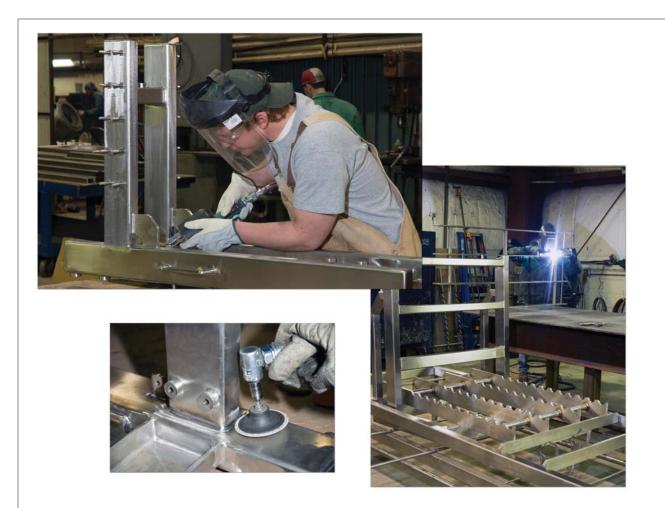
For instance, the customer mentioned above was looking for a cheese cutting system capable of cutting 640-pound blocks of cheese—which typically measure (in inches) 28 x 22 x 28.—into $3\frac{1}{2}$ -inch- and $4\frac{1}{2}$ -inch-square "loaves." These loaves are fed into a cheese slicer.

Note that the same cutting unit had to meet another need: Cutting blocks of Swiss cheese—these measuring (in inches) $31 \times 26 \times 27$ —into the same-size "loaves" for slicing.

Why such specific requirements? Tweet/Garot's customer receives products from multiple suppliers; each supplier's product varies slightly in size and quality of shape. That means the cutting system had to be adaptable, to allow for the variation in block sizes for each product.

A variety of inter-changeable wire harps would be mounted in the cutting assembly to achieve each cut size required.

continued on page 6



Not only was Tweet/Garot Mechanical able to design and fabricate the needed cutting system, it was also able to address other concerns such as cutting rates, cut quality, and accuracy of cut sizes.

Giving the customer new options

One of the main challenges this customer faced, according to LeFevre, was a lack of floor space. By designing a cheese cutter capable of cutting all different types and sizes of cheese on one unit, Tweet/Garot helped its customer solve this problem.

End result, for the customer: Labor savings, operator safety, quick product changeover, product handling, and integration of process controls.

"Although the system may be recognized in the cheese industry as a 640-pound cutting unit, it also provides the customer many options for different sizes and products," says LeFevre.

Providing this type of system becomes even more challenging when you add in the fact that it must meet the USDA–3A standard.

Sometimes, customers will ask Tweet/Garot to do things in a way that do not meet the USDA standard; the contractor

won't do that. Although the company has passed on some work because of this, it is often able to still meet the challenge.

"Usually we come up with an alternative design that still meets the customer's needs," LeFevre says—and stays within the Department of Agriculture's specifications.

Craftsmanship provides solutions

Being able to provide turn-key products that meet these stringent standards requires collaborative effort throughout all phases of product design and fabrication. This includes inhouse engineering, Auto-CAD drawing, start-up assistance, training and process controls.

An essential element in this process is the experience and craftsmanship of skilled sheet metal workers. This is where SMWIA Local 18 comes into play.

"I believe our union puts out some of the best individuals in this industry," LeFevre says. He should know – he's one of them. Before he began his career as a sales engineer 12 years ago, LeFevre worked as a sheet metal journeyman doing this same type of work.

Local 18 craftsmen play a critical role that goes beyond product fabrication. They get involved in the installation and



customer training. LeFevre says this provides customers the best training possible.

Why? "They're talking to the individual who fabricated the product," LeFevre says.

With first-hand knowledge of what goes into fabricating this complex equipment, LeFevre says these craftsmen take great pride in the work they do: "Individuals on the job are proud of what they made. They're representing their own work in front of the customer."

Although located in Central Wisconsin, Tweet/Garot provides this state-of-the-art equipment for customers throughout the country and even overseas. "A lot of times our equipment may be integrated with other equipment," LeFevre says.

Providing turn-key products—from the design all the way to the installation and process controls—provides the entire Tweet/Garot Food Process Equipment Division with a sense of accomplishment.

"We pride ourselves on providing creative, well thoughtthrough ideas," LeFevre says. ■

PIERZYNSKI IS A FLORIDA-BASED WRITER WITH PREVIOUS EXPERIENCE ON SMACNA'S STAFF.

About Tweet/Garot

For more than 100 years, Tweet/Garot Mechanical has distinguished itself as a leader in the fields of process piping, sheet metal and plate fabrication, industrial ventilation, HVAC, and plumbing.

Tweet/Garot Mechanical performs this work in the commercial, industrial, and institutional marketplace utilizing mechanical engineers, plumbers, steamfitters, boilermakers, sheet metal workers, and service technicians. Our longstanding motto of "on time, on budget, and on quality" is embodied in the attitude of our 300+ employees every day of the year.

With more than 70,000 square feet of fabrication space and facilities in Green Bay, Wisconsin Rapids, and Menominee, Mich., we effectively service our customers in Northeastern and Central Wisconsin, Upper Michigan, and locations throughout the Midwest.

We are proud of what we do at Tweet/Garot Mechanical and what we do is important to you. And... you are important to us.

Additional information about Tweet/Garot is available online at www.tweet-garot.com.

SHEET METAL/HVAC CROSSWORD PUZZLE

1		2			3			4			5			6
													7	
8			9				10		11					
		12			С						13			
14				15					16				17	18
		19						(r.)	-			20		
				21			22	23		24				
		25				26		27			28			
29						30	31			32				
		33		34				35	36		37			
								38						
39							40		41			42		43
												44	45	
	46		47		48									
49														

ACROSS

- 1. Why a furnace may not work
- 7. Pressure, abbr.
- 8. Able to be copied
- 12. Aluminum, abbr.
- 13. Over, abbr.
- 14. Unless otherwise noted, plan abbr.
- 15. Normally open, abbr.
- 16. Plastic is ____-conductive
- 17. Stainless steel, abbr.
- 19. It's all right with me
- 20. Electrical energy efficiency
- 21. All right
- 22. Elbow, abbr.
- 25. Duct with open end, abbr.

- 27. Some AC units go here
- 27. Some AC units go no 29. A long time
- 30. Same as 9 down
- Condenser return, abbr.
- 33. Changeable
- 37. _____tropic, as some refrigerants
- 38. Flexible conduit
- 39. Chlorine, fluorine, bromine
- 41. Cooling unit
- 44. Equals 12,000 Btu/hr
- 46. Makes things cold
- 49. Same as 21 down

DOWN

- 1. For precise tightening
- 2. Controls refrigerant to the evaporator
- 3. As opposed to new installations
- 4. American Gas Assn., abbr.
- 5. Refrigerant
- 6. Roof drain, abbr.
- 7. Motor measurement
- 9. Refrigerant liquid, abbr.
- 10. Throttle
- 11. Measured in length of radius
- 18. Square feet, abbr.
- 21. Outside diameter, abbr.
- 23. ____ and behold
- 24. Automatic temperature control, abbr.

- 26. What we do with
- apprentices
- 28. Tab Process metal
- 31. Sixteen ounces, abbr.
- 34. Affirmation
- 35. Same as 31 down
- 36. Work added to a contract
- 40. Where tools might be stored42. Start,
- 43. Down, abbr.
- 45. Off,
- 46. Same as 6 down
- 47. Fuel oil, abbr.
- 48. Internal diameter, abbr.

labor/management: Working Together to Achieve a Brighter Future

Working together, SMWIA and SMACNA hold regular meetings where labor issues are put aside and together, they look at the industry in its entirety—investigating ways together to strengthen and expand market share for union sheet metal construction. For more than a decade, the combined executive committees have met twice-yearly.

Recently, SMACNA and the SMWIA formed a Best Practices Market Expansion Task Force charged with implementing strategies and projects to gain market share. This group has been mapping out approaches so building owners, general contractors, industrial owners and large engineering and construction firms and all other decision-makers will know more about the unionized sector of the sheet metal industry.

The Task Force's goal is to achieve a net tripling of membership in the next ten years. The slides you'll find below and on page 14 provide a short, concise explanation of what the union and contractor representatives on the Task Force are doing to meet its goals.

> Best Practices Market Expansion Task Force

Ten-year Vision: achieve a net tripling of membership



Project Goals

- Provide guidance to enhance local market performance
- Identify high performing areas

 Currently growing market share
- Currently have high market share
- Determine high performance traits
- Identify area "Best Practices"
- · Gain area commitment to take action

The Challenges

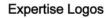
- Shortage of construction workers at all levels
- Shortage of union contractors
- Record construction levels
- Aging construction workforce
- Custom local demographics
 Replacements / Recruitment?
- Demographics (Future Workforce)

Project Results

- Internal Communications
 - Partners in Progress

- Partnership Communicator Newsletter





0



Project Results

- External Communications
 - Logos
 - HVAC Expertise
 - Architectural Expertise
 Industrial Expertise
 - Industrial Expertise
 Comprehensive Expertise
 - Areas using logos to support local marketing
 - campaigns (Seattle, San Francisco, etc.)
 - Focus Groups

0

If Others Can't Do It...

ISSANC















Architectural sheet metal work is a specialty. Meet a St. Louis ASM contractor that, thanks to a skilled workforce, specializes within that specialty!

By Jim Pierzynski

Fabri-Tech Wants It!



hen asked to describe the philosophy of St. Louis-based Fabri-Tech Sheet Metal, Inc., company president Jim Van Becelaere provides a simple answer:

"We go for work others don't do."

Not only do most of Fabri-Tech's competitors not do the type of work this specialty architectural firm does, but most aren't capable of doing it. This has enabled the nearly 20-year-old company to become a major player in all aspects of the architectural sheet metal business in St. Louis and surrounding areas.

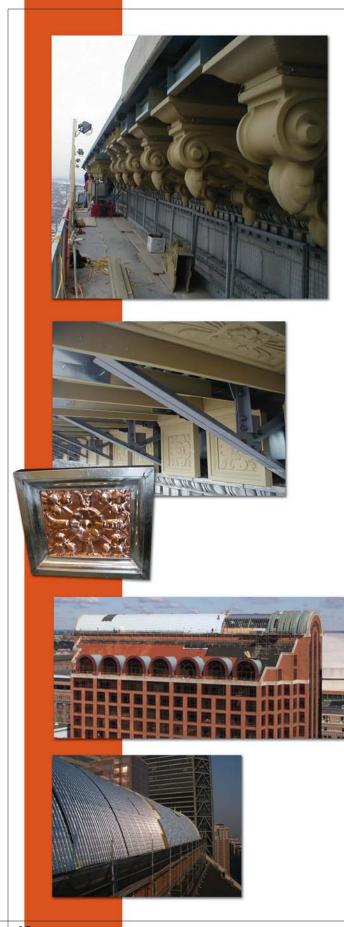
Fabri-Tech's specialty areas include restoration work, which has enabled the company to play an integral role in the revitalization of a key section of downtown St. Louis. With its highly skilled SMWIA Local 36 workforce, Fabri-Tech did extensive sheet metal work on five historic properties within a one-block radius near the St. Louis Convention Center.

Included in these projects was a renovation of the Renaissance St. Louis Grand Hotel (the original Statler Hotel, built in 1917). Also included was the restoration of the Federal Reserve Bank, the One Financial Building, the Marquette Building and the Old Post Office. The latter two are listed on the National Register of Historic Places.

Intricate Installation

An example of the intricate work Fabri-Tech does that others don't is found on the Federal Reserve project. Because this is a fully functional Federal Reserve Bank, security is a high priority.

continued on page 12



Fabri-Tech was asked to fabricate and install a 250-foot stainless steel screen that separated the Federal Reserve building from two levels of the adjacent parking garage constructed during the renovation project.

Other examples of the specialized work performed by Local 36 members working for Fabri-Tech include:

- the redoing of old cornices on the Renaissance Hotel; and
- changing the One Financial Building's custom copper curved batten roof to a pre-finished aluminum standing seam—and clay roof tiles to stamped metal tiles.

"There are not a lot of people who can do this kind of work," explains Van Becelaere. "We like to do the specialty items that nobody else does."

One reason others stay away, according to Van Becelaere, is that certain restoration work is a challenge. Where some companies would like to avoid it, his people want to work with these unique shapes and styles of sheet metal.

"We try to tool ourselves to do this work," he notes.

Unique Skills Needed

Such "tooling" includes utilizing the unique skills of Local 36 journeymen. For instance, the work on the Old Post Office building included restoring ornate sheet metal and hand-rails—which requires highly skilled workers in specialty sheet metal—as well as soldering.

"They (Local 36) helped as far as supplying people that could do ornate layouts, custom fabrication, soldering, and other specialty work," Van Becelaere says.

David Zimmermann, president and business manager of Local 36, says the SWMIA operation in St. Louis does everything it can to help Fabri-Tech successfully complete these types of projects. Additionally, he largely credits Fabri-Tech for the fact that the local has enhanced its architectural training—specifically in soldering, which requires a great deal of training and experience to excel at.

"We started up a soldering class and really boosted up the architectural training," Zimmermann says. "The apprentices get a lot more (architectural) training than they used to. They get a good training in soldering."

While Local 36 has a number of contractors that do architectural sheet metal work, Zimmerman notes, they tend to be smaller firms and don't perform the full spectrum of work that Fabri-Tech does. "They've been a big asset," Zimmermann says, noting that Fabri-Tech employs about 60 Local 36 members. "We have a good partnership with them."

Special People and Equipment

Van Becelaere says the skilled workers provided by Local 36 are essential for the company to be able to be successful in this business. What's more, the company's preferred special-ty work—which includes modern architectural sheet metal work along with restoration—often requires even experienced workers to learn on the job.

Fabri-Tech's diversity of work types helps it gain ground. The company does plenty of more-conventional

About Fabri-Tech

Fabri-Tech Sheet Metal, Inc. (www.fabri-tech.org) has become one of the premier architectural sheet metal contractors in St. Louis and surrounding areas. The company employs approximately 60 sheet metal workers from SMWIA Local 36.

However, according to Jim Van Becelaere, president and part owner of the company, had it not been for his background in the sheet metal trade the company might not have had its current level of success.

"We wouldn't be able to do that kind of work if I didn't have that background," Van Becelaere says.

He first entered the sheet metal industry in 1970, working in volume box production—beginning as an apprentice. Eventually, he moved up to operations manager. From 1970 to 1990, Van Becelaere worked at A. Zahner Sheet Metal (Kansas City, Mo.).

From there, Van Becelaere started up an architectural sheet metal division at C&R Mechanical, in Bridgeton, Mo.

In 1995, he assumed his current position at Fabri-Tech, which is successful in all facets of the architectural sheet metal business, including historic restoration and modern architectural sheet metal work.

architectural sheet metal work. That allows it to bring in apprentices and new journeymen and identify those who demonstrate the skill needed to perform the specialty work.

How does one identify such a worker? "The worker has to have a somewhat open mind," Van Becelaere says. One thing Fabri-Tech's people don't want to see is an individual who takes a look at what's required and says . . . "I can't do it."

In addition to skilled labor, Van Becelaere credits staying on top of technology for helping Fabri-Tech excel in restoration work. "We use a lot of modern technology to fabricate the material," he says. While the original construction of the historic buildings was labor intensive, Van Becelaere says that doing this work today wouldn't be possible without technology.

"We duplicate crafted work done 100 years ago in about one-fifth of the time [that it took back then], with digital imaging replication and layout."

A Mix of Buildings

Being a part of the revitalization of downtown St. Louis, including restoring historic buildings, is exciting for Van Becelaere. But, he says successful completion of these projects secures more modern work for Fabri-Tech, another area in which the company stands above its competition.

"They're also adding a variety of new ones (buildings)," he says. These include a lot of modern condos, lofts and specialty shops.

Fabri-Tech's diversification should enable the company and its skilled labor force to remain viable for many years to come.

PIERZYNSKI IS A FLORIDA-BASED WRITER WITH PREVIOUS EXPERIENCE ON SMACNA'S STAFF.





labor/management: Working Together to Achieve a Brighter Future continued from page 9

Reasons for Contractors to Grow

- · Key employees career growth
- Best of the best employees
- · Increased incentives
- Funds for improved systems, facilities, and equipment?
- · Satisfy customer needs

Reasons for Contractor to Grow (continued)

- · Improve competitive position
- · Improve services to new customers
- · Stimulate creativity
- Improve the life for employees in the Sheet Metal Industry



Summary

- Growth is critical to our future.
- · Leadership is vital to achieve growth.
- Effective growth strategies and tactics exist.
- Cooperation is the key to achieving your goals.

Cooperation (continued)

() Print

Cooperative Recruiting

- · Joint attendance at job fairs
- Joint presentations to high schools, vocational schools and community colleges
- Planning for the future, identify future needs and explore ways to enhance the future workforce

Cooperation (continued)

Cooperative Marketing

- Advertising-targeted and general public-relations (end users/decision makers)
- Marketing committees to market image of union sheet metal
- · Internet business development and recruiting
- · Formalized Labor/Management partnering process

Cooperation

Joint Labor/Management Committee

Meets regularly to achieve the vision

Contra la

- · Monitors strategy implementation and progress toward goals
- Promotes cooperation by resolving problems before they become grievances, building long-term personal relationships and trust among participants
- Forum to foster long term planning, cooperative marketing efforts, legislative, and cooperative recruiting efforts

- Reasons for Sheet Metal Locals to Grow
- Attract new entrants More vibrant local union membership
- Improve pension, health and welfare programs
- · Enhance benefits with more members
- · New market penetration
- Union local improve financial position with more members

- Commitment to Working Together
 - Joint Labor/Management Committee
 Joint Labor/Management Activities and Initiatives
- Commitment to Growth
- Joint Labor/Management Marketing Activities
- Joint Labor/Management Recruiting Activities





ADDITIONAL INDUSTRY NEWS

SMWIA-UTU Merger: Read All About It

Visit www.smwia.org/news and click on the July 24, 2007, link to see an article about the pending merger of SMWIA with the United Transportation Union. When the two groups are brought together, the total membership will number 230,000.

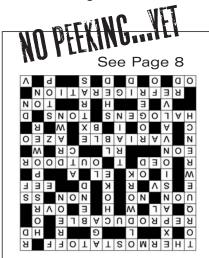
SMACNA Works On IAQ With Five Other Groups

From the July issue of SMACNA's SMACNews newsletter:

SMACNA is one of six organizations related to the built environment collaborating to provide advanced indoor air quality (IAQ) design guidance for the industry. The collaboration will develop a book and professional development course that will describe an integrated process for achieving improved IAQ in all elements of a building.

Other participating organizations are the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), the American Institute of Architects (AIA), the Building Owners and Managers Association (BOMA), the U.S. Environmental Protection Agency (EPA), and the U.S. Green Building Council (USGBC).

The groups recently formalized the collaboration through a memorandum of understanding.



E-Mails To The Editor

[NOTE: The writers of both e-mails below reference the Fall '06 issue of Partners In Progress, page 8. If you don't have access to a printed copy, download a 20-page PDF from here: http://www.pinp.org/resources/PIP/Fall_2006_PIP_Magazine.pdf]

To The Editor:

Here are questions [about the article]:

- 1. Section 2 titled Software and More states that upon completion of the program that each student will receive a copy of "construction coordination software", what is this? Is it CAD software? Or is it what is sounds like "construction coordination" software?
- 2. Is there going to be an accreditation program for those of us who have been doing it successfully for 10 years already?

It is good to see "detailing" getting more attention and educating people that what we do is a benefit... if done correctly. Actually I think we need to come up with a better title than "detailing" because what we do is much more than detailing.

Typically we "re-engineer" (so to speak) and I think of your typical detailer as someone out of ITT Tech who knows nothing about being a Union Sheet Metal Worker.

Thanks,

Matthew Hall

CADD Manager/Engineering Services Group (and SMWIA member) Pahor Mechanical Contractors, Inc. Las Vegas, NV

Response: 1 - it's coordination software that adds on to AutoCad. 2 - there is a provision for accrediting those with detailing experience and expertise.

To The Editor:

This article on detailing mentions, more or less, a movement towards unifying the software used in detailing. It mentions AutoCAD, yet it again says that "apprentices who successfully complete the detailing program will receive construction coordination software."

What exactly is this software referred to and how does one get it? AutoCAD is a standalone software.

Can you please supply me with more information regarding this movement and software as I am a detailer and am very interested in staying informed with any software or concepts new to the trade.

Don Lemas, Member, SMWIA Local 104 San Francisco Bay area

Response: The detailing software interfaces with AutoCAD to ultimately help the detailer become more productive. ITI recommends you contact your local JATC immediately for answers.

Note: The plan for implementing the detailing curriculum, certification, and software does have provisions to assist professional detailers.

Got a beef, something we should be talking about, or even some praise? Write Joe Salimando, Editor of Partners In Progress, at ecdotcom@gmail.com.

HVACDatabank

Early '08 Forecasts

S ummer is too soon for "official" forecasts from the various construction economic services and associations. However, one can get a few glimmers from various sources – and we've put them together here.

Residential

David Seiders, the chief economist for the National Association of Home Builders (he's been there for two decades), writes a twice-monthly column, "Eye on the Economy." His July 18 piece included this:

"Although we expect most housing aggregates to bottomout by the end of this year, the projected recoveries in 2008 produce only modest year-over-year gains. In this regard, NAHB's forecasts for 2007-2008 show the following broad patterns for the key components of housing production:

- 23% decline in single-family starts in 2007, followed by a 2% recovery in 2008.
- 16% decline in multifamily starts in 2007, followed by another 2% decline in 2008 as the condo market weakens further.
- 19% decline in manufactured home shipments in 2007, followed by a 10% recovery in 2008 from a historically low level.
- 2% declines in the real value of residential remodeling in both 2007 and 2008, driven by 5% declines in improvements – particularly on owneroccupied housing.
- 14% decline in real Residential Fixed Investment in 2007, followed by a 1% recovery in 2008."

Find Seiders' free column online at www.nbnnews.com/eyeonecon/issues.



THE SHEET METAL INDUSTRY LABOR-MANAGEMENT COOPERATION FUND P.O. Box 221211 CHANTILLY, VA 20153-1211

Nonresidential

The American Institute of Architects fashions a "consensus forecast" on the nonresidential markets twice a year – using a survey of members to create the numbers on various niches within the industry. Here's the outlook, as revealed in late June:

Commercial/Industrial	2007	2008
Hotels	26.4%	1.3%
Office buildings	11.2%	3.5%
Industrial facilities	6.5%	5.2%
Retail	3.7%	-0.9%
Institutional	2007	2008
Health care facilities	8.5%	5.0%
Public safety	8.6%	3.3%
Education	5.9%	4.1%
Amusement/recreation	4.2%	2.7%
Religious	1.3%	4.3%

Table One

Unadjusted Totals, In Millions								
	6 Months <u>2007</u>	6 Months <u>2006</u>	<u>% Change</u>					
Nonresidential Building	\$105,918	\$105,920	-0-					
Residential Building	141,611	192,662	-26%					
Nonbuilding Construction	62,568	60,035	+4%					
Total Construction	\$310,097	\$358,617	-14%					

Year-to-Date Construction Starts

Nonprofit Org. U.S. Postage PAID Permit #354 Long Prairie, MN