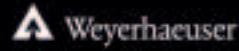


introduction

THE TRIED AND TESTED HAVE PARTNERED WITH THE BOLD AND INNOVATIVE.

Welcome to iLevel™, a new business from the three most respected names in residential framing: Trus Joist, Strukturwood and Weyerhaeuser. We've made the latest product technologies and design services available under one roof, helping you manage costs while minimizing jobsite waste. Go to iLevel.com today, or call 1-888-iLevel8 (1-888-453-8358).



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ABC Arrow Building Center "Dependability from the ground up" Division of Consolidated Lumber Company

Fourteen stocking locations, twice-a-week inner-company shuttle delivery, and an Integrated Network System allow us to have the availability of the building materials you need for your project. Our system also allows you to purchase these materials at any of our locations using your existing Arrow Building Center account.

- **Amery, WI**
843 State Rd. 46 N
715-268-8161
- **Hudson, WI**
876 County Rd. U
715-386-2371
- **Rice Lake, WI**
2120 W Knapp St.
715-234-6932
- **Big Lake, MN**
14813 162nd Ave. SE
763-262-1440
- **Hastings, MN**
755 31st Street E
651-437-8555
- **Milltown, WI**
101 Industrial Ave.
715-825-3287
- **River Falls, WI**
188 County Rd. U
715-425-7245
- **Stillwater, MN**
2000 Tower Drive W
651-439-3518
- **Kasson, MN**
102 1st St. SW
507-634-2471
- **Hayward, WI**
15914 US Hwy 63
715-634-8941
- **Red Wing, MN**
170 Cannon Bottom Rd.
651-388-6741
- **Spooner, WI**
102 Pine St.
715-635-2199
- **Webster, WI**
7454 Elm St. W
715-866-4345
- **Chippewa Falls, WI**
500 E. Park Ave.
715-723-4716



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A **NEWSLETTER** for the
Professional Builder & Remodeler.

THE CONTRACTOR

AUGUST 2007

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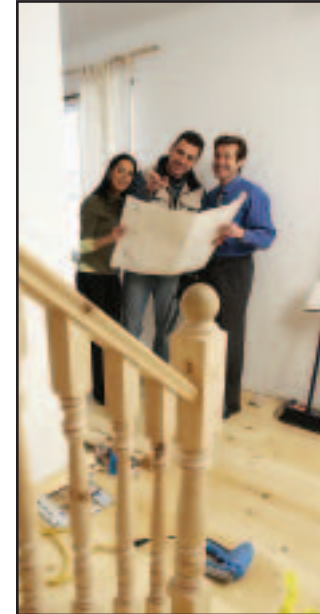
VOLUME NINE NUMBER THREE

ABC Arrow Building Center "Dependability from the ground up" Division of Consolidated Lumber Company

Growth In Remodeling Market Predicted With Emphasis On Specialization

A recent study by the Joint Center for Housing Studies at Harvard University predicts what most industry experts already agree on – that consumer spending on home improvements and remodeling will rebound nicely from the 2006 housing market slow-down.

Authors of the study point to several key trends that support growth in home improvement and remodeling markets: the nation's aging housing stock (two-thirds of existing homes are more than 25 years old), Baby Boomers modifying their homes to suit an older, child-free lifestyle, updates to improve the energy efficiency of homes, and landlords moving forward on some much needed improve-



ments on rental properties.

The Joint Center predicts that the professional-contractor share of the remodeling market will grow by 46 percent (compared with 36 percent for the DIY segment). Further, the study predicts the greatest growth will continue in the high-end sector, noting that

five percent of households who spent the most on home improvement services from 2004-2005 accounted for more than 60 percent of all remodeling expenditures during that period.

The study also remarks about the growing specialization of the remodeling market. From 1999-2005, remodeling companies that offer specialized services such as roofing, siding, window replacements, or kitchen and bath remodeling, experienced revenue growth that exceeded the industry as a whole.

The full report, "Foundations for Future Growth in the Remodeling Industry: Improving America's Housing 2007," can be found at www.jchs.harvard.edu.

Look For The Positive

There are some good signs in the building market today and our company has made some very positive steps to assist our builder customers as the market begins to turn.

We added a Director of Business Development, Brad Marko, for our Northeast District yards. Brad and Jon Coty, our Southwest Director of Business Development, will focus on servicing new customers by introducing them to our expert sales team.

Our goal for new and loyal customers is "providing our customers with construction solutions, quality building materials and superior service."

We're preparing for better times. Three recent reports predict an improving builder market as we move toward the end of this year.

First, the National Association of Realtors (NAR) claims the existing home sales market is stabilizing and that a gradual recovery should start in the second half of this year. The NAR is predicting new home sales to reach 904,000 this year.

The NAR report was bolstered by a second report from Moody's Economy.com. Moody's Chief Economist expects roughly 900,000 new home sales. Both of these forecasts, from well-respected organizations, are far more positive than what you may have read in the popular press.

A third study, by the National Association of Home Builders (NAHB)



Arrow Building Center
President David Majeski

Research Center Study, predicts a rebound in housing as we enter the New Year. What's interesting about this study is how builders and manufacturers are positioning themselves for the rebound.

The NAHB Research Center Study analyzed how builder expectations, for product manufacturers, have changed and the effects of the new building climate on material usage and selection. These expectations especially relate to product innovations.

The study suggests that manufacturers, who act quickly to make adjustments to their product strategies by offering builders what they want and need most, will see short-term sales improvements as the market rebounds.

To learn about one of these product innovations read, "The Value of Factory Finishing", an article included in this issue of our newsletter.

This is just one example of how we are always on the lookout for innovative building products that help our builders.

The Value of Factory Finishing

The number of builders who specify factory finished exterior building products continues to grow each year. In markets like Chicago, as many as 95% of builders and installers specify that their cedar, fiber cement, and engineered wood siding and trim products be factory finished. In Southern Wisconsin, the percentage of builders who factory finish has grown from approximately 10% ten years ago to about 60% today. Minnesota is showing similar growth in this area. Why is that?



The reason? Factory finishing is a construction solution, and factory finished products carry a value proposition that simply cannot be ignored. Pre-finished products cost less and last longer than the exact same products coated on the jobsite.

When a builder or remodeler provides homeowners with factory finished siding, they also provide their customers with up to a 25-year coating warranty. For homeowners, that means far less maintenance and more free time to do the things they enjoy. It makes perfect sense.

Factory finished products also have considerable benefits for you, the builder. They put one less subcontractor on your jobsite. This saves time and money by decreasing the time it takes to close on your home, and creates less administrative hassle. Factory finished siding offers instant curb appeal, which makes your home look excellent from the moment the siding is nailed up. Factory finishing also offers a consistently even finish coating that cannot be duplicated by jobsite painters.

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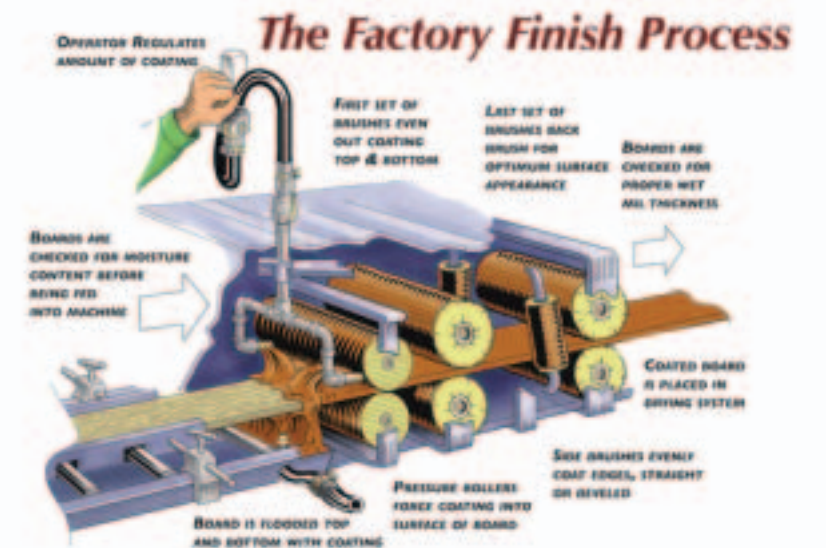
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Too cold to paint? Not in a production facility with temperature and moisture controls. These products can be installed year round and they don't require any messy clean-up. And you can forget about damaged landscaping from careless painters.

Most people have seen the unsightly shrinkage lines left behind when a house with beveled cedar siding is painted on the jobsite. That is guaranteed never to happen with factory finished products because the entire board is coated both front and back.

Innovations in the coatings applied to cedar and alternative siding products have continued to bring more durable and longer-lasting finishes to the market. The machines used to apply those coatings and cure them have evolved as well. Today's builders demand the highest quality products, and that is what they are getting.

The best factory finishers provide packaging solutions for cedar, fiber cement and L-P SmartSide that make



it extremely difficult to harm the finish coat during shipping and installation. Two examples are Cedar Siding Incorporated's boxed siding products, Cedar Side and Cement Side. Both have the best protection available by combining a layer of protective material between each layer of the siding and a shielding box around the siding. Both programs include the most popular colors of siding, trim and accessories that are ready to ship immediately. Unopened boxes of siding can even be returned, making Cedar Side and Cement Side the only returnable fac-

tory finished products available today. CSI's new sub-bundling technique has also solved the problems associated with moving fiber cement, and other alternative siding and trim products, around the jobsite.

Today, more than ever, is the perfect time to consider factory finished siding products for your next home. Ask your Arrow Building Center sales representative for more information, or request an educational meeting with a Cedar Siding, Inc. representative.

Marketing Your Message

What message are you trying to convey to your customers? Do you even have a message? Successful companies have a message that often defines them, and then they market that message relentlessly.

1.) Research your market What sets you apart from the competition? What does the market want or need?

2.) Define yourself What best exemplifies your business? Quality, reliability, your history? Maybe it's a combination. ("Reliability since 1970.")

3.) Market the message Once you know what you want to say, say it everywhere: on invoices, letterheads, business cards, website, on your trucks, on your jobsite signs, any place where potential customers will see it.

