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The Green Future

By Rick Schumacher

It's all true, all the reports you read here and elsewhere about flagging builder optimism, the meltdown in the sub-prime lending market, and cautious consumers. I'm here to tell you that the news isn't all bad—it's not the end of the world as we know it.

What the negative news stories fail to mention are the solid opportunities in remodeling and the fast-growing "green" building movement. Remodeling has nearly doubled in the past decade—reaching \$280 billion in 2005. While the new construction market recovers from the last building boom—and prepares for the next, the remodeling industry has stepped up to fill the gap. We covered the remodeling opportunity in depth in our February issue, and will continue to in coming issues.

The next big opportunity is one that we devote an issue to every year: green building. After years of simmering just under the surface, green building is busting out in markets throughout the U.S. As with most movements, "green" got its start in California. Companies like Hayward Lumber and Truitt & White, both in the San Francisco Bay area, have been serving up environmentally friendly building materials for decades. But only now are LBM dealers in other areas beginning to view green building materials as a permanent movement, and not just a passing fancy. For those in search of the next big thing...it appears that your wait is over.

A recent study by NAHB and McGraw-Hill Construction quantified this reality. According to the study, the number of homebuilders focused on green building issues increased by 20% in 2005 alone—and another 30% in 2006. Harvey Bernstein, vice president of industry analytics and alliances for McGraw-Hill Construction, predicts that green building's share of the market will jump from \$7.4 billion and 2% of housing starts in 2005 to \$19-\$38 billion and 5-10% of new homes by 2010.

Most industry experts agree that green is the next major opportunity, yet the industry at large is struggling to define what is green. When the market called for certified lumber, the industry responded with two competing standards—SFI and FSC. Builders wanting to build green must choose between conflicting guidelines from competing organizations—the Green Building Initiative and LEED for

Homes. Ask 10 different people what green means, and you'll get 10 different answers. It's time to end the confusion.

To tackle this issue head-on, I'm pleased to introduce a new member of our editorial team, and a new feature in every issue of LBM Journal: John Wagner on Green Building. John was most recently editor-in-chief of Green Builder Magazine, and a cofounder of Green Builder Media. John is the award-winning author of nine books about homebuilding, and more than 1,200 magazine articles about the building trades. Bottom

line: When it comes to green building, John Wagner is as good as it gets.

John's mission is to demystify this topic, and help you understand what you and your staff need to know to be the go-to supplier of green building materials. That position may not mean much right now, but it's our job to help you lay the foundation for what looks to be a very green future.