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May 2019

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## Home Buyers Reveal What They Want in Their Next Home

By: *Mike Hudak, President*

*Medina County Home Builders Association*

Spring home buying season is underway, and the home building industry is celebrating New Homes Month in April. If you're in the market for a new home, you may be considering what features are essential on your must-have list. Do other home buyers have similar preferences?



A recent survey from the National Association of Home Builders (NAHB) reveals what home features are among the most wanted this year. First-time buyers and existing home owners ranked features based on how essential they are to a home-purchasing decision.

Home buyers ranked a laundry room and energy-saving features such as Energy Star appliances, windows and whole house certification among the most wanted home features. More than a third of home buyers deem a patio, garage storage and exterior lighting as must haves for homes.

When asked specifically about kitchen features, a walk-in pantry, double sink, table space for eating, a central island and granite/natural stone countertops were ranked the most wanted by 75 percent or more of all buyers. Two-thirds of buyers checked stainless steel as their preferred color for appliances.

Are home buyers interested in unique home layouts or more space than what they currently have? By a significant margin, home buyers prefer open layouts.

*(Article continued on page 10)*

### In This Issue ...

**BWC News/Deadlines from CareWorksComp**  
**Legislative Update on Affordable Homebuilding & Housing Act & Testimony by OHBA / Impact Charts**  
**Parade Sponsors ... So Far**  
**OHBA & Lowe's Promoting Skilled Trades**



EXECUTIVE VICE  
PRESIDENT'S COLUMN

By Vincent J. Squillace, CAE  
Executive Vice President

### THE PRESIDENT IS CORRECT

Ken Cleveland	1,068*
Mary Felton	449
John Sumodi	253.5
Andy Leach	131
Bob Knight	95
Mark Zollinger	31.5
Doug Leohr	29.5
Ed Belair	7
Dave LeHotan	6
Mike Hudak	4.5
Ted Curran	3
Rex Gasser	2.5
Jeremy Krahe	2.5
Ray DiYanni	1.5
Chris Chatterelli	1
Sean Smith	1

Above list has been updated via the most current NAHB Spike Club Roster Report  
\*Current Life Spike status

That is Thomas Daniel, OHBA President, of course. Tom has said many times that the best avenue for our industry to address labor shortages is through your local vocational schools and career tech centers. This was fully demonstrated at the recent SkillsUSA Ohio competition where students from across Ohio displayed their skills in a variety of technical demonstrations. OHBA was a major sponsor of the event.

A few thousand young aspirants displayed all types of abilities. Of interest to us was the Teamwork competition where 17 teams demonstrated skills in home construction. They proudly competed to show they can do it all. From carpentry to electrical, plumbing and masonry, they worked in hardhats proudly displaying the OHBA logo... it was a sight to make us all proud. All the young men and women were courteous, respectful and well-groomed and gave a glimpse of a future that should make us smile.

President Tom assembled a team of judges; Ric Johnson, Josh Edgell, Roger and Ryan Puzziello, Stuart Cowan, along with Tony Crasi who donated architectural skills with construction plans for the students to follow. Senior Officers Jeff Wieland and Mark Zollinger were on hand and joined Tom as proud sponsors. This was a pursuit which all are encouraged to attend next year. The link between tech schools and SkillsUSA clearly demonstrates some high caliber young Ohioans have a deep interest in joining our ranks.

The message is simple; you do not need to look further than your own school district to learn more about where a potential cache of future builders are eager and willing to join us in the pursuit of building affordable housing. (See photo on page 17) ■



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## Professional Tools for our Members

The HBA has the professional business tools you need for home sales. The MCHBA Home Construction & Limited Warranty Agreement packages are available at the office for only \$35 each. Or if you have your own contract and you just need the Warranty, the warranty and folder are available for just \$25. We encourage you to use these tools for your protection, peace of mind and they make a great resource tool for your customers to keep all their

pertinent home buying paperwork together. Call the HBA office and order your professional tools today.



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## 2019 Dates To Remember

### June 1-16, 2019

**Spring Parade of Homes**  
- Watch the MCHBA website in the next few weeks for the most up-to-date information.

### September 12, 2019

**MCHBA Annual Golf Outing at Shale Creek** - watch your email for more info.

# From the Executive Director

Members and Friends:

So far, we have a pretty interesting list of Parade builders for this year's spring event. The list is still being compiled at this time so watch our website for up-to-date information shortly, but I'm happy to say that we have a slew of new builder members that are participating, as well as several of our primary Parade Builders - all of which keeps our event fresh and interesting for the consumer.

I would like to thank our Parade sponsors so far: **Major Event Sponsor Carter Lumber**, other Parade partners include: **84 Lumber, All Construction Services, Clement Construction Inc., Medina Lighting, Sundance LTD, Third Federal Savings & Loan, Transfer Title Agency and Wolff Bros. Supply**. There's still time to be a sponsor of this event - just let us know. Thank you to the above companies.

Please see the article on HB 149 and recent testimony on the Affordable Homebuilding and Housing Act. Specifically it deals with taxes and is designed to remove the disincentive for homebuilding to make housing more affordable.

Respectfully:

Dave LeHotan  
Volunteer Executive Director



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Rob Root

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**LOTS & ACREAGE**

**BARBERTON**

**V/L Austin Dr:** 4 acres zoned C3. Adjacent to 397 Austin Dr. Land is essentially flat & cleared. **\$295,000. Gary Stouffer 330-835-4900.**

**BATH TOWNSHIP – Revere Schools**

**392 E Bath Rd:** 5.6 acres in Cuyahoga Falls. 2 parcels (approx. 4.5 acres combined) w/approx 340' frontage on Bath Rd., zoned R-5. 1 parcel (approx. 1.1 acres) w/approx. 115' frontage on Graham Rd, zoned MU-4. Please do not trespass. Call agent to walk property. **\$700,000. Gary Stouffer 330-835-4900, Matt Stouffer 330-814-4616.**

**Lot 45 Ira Rd:** Build your dream home. Large 2.28 acre heavily wooded lot w/matured trees. Located near Cuyahoga Valley National Park. Revere LSD. **\$125,000. Gina Luisi 330-814-4747, Gary Stouffer 330-835-4900.**

**681 - S/L 29 Trellis Green Dr., Akron:** Private lot in Arbour Green Dev. w/frontage & possible walk-out basement. Wooded in front & open at the back w/beautiful views. City sewer. **\$113,999. Gary Stouffer 330-835-4900.**

**BRECKSVILLE**

**7273 Canyon Point Circle:** Build your dream home on this 1.26 acre lot. 164x386 surrounded by lush & beautiful Cuyahoga Valley National Park. **\$188,500. Gary Stouffer 330-835-4900.**

**COPLEY**

**209 V/L Rothrock Rd:** Approx. 1.43 acre commercial lot near Montrose shopping. Flat land. Minimal trees & a driveway. **\$149,900. Gary Stouffer 330-835-4900.**

**4520 V/L Medina Rd:** 2.21 acre commercial lot across from Akron Gen'l Wellness Ctr. Water & sewer avail. **\$300K. Gary Stouffer 330-835-4900.**

**V/L Plainview Dr:** Over 6 acres of heavily wooded property located at end of cul-de-sac. Near highways, local shops & restaurants. **\$69,900. Gary Stouffer 330-835-4900, Gina Luisi 330-814-4747.**

**4533 Minor Rd:** Approx. 30 acres of scenic meadow lined by woods on all sides. Zoned Residential Low Density. Close to Route 21. Shed on property w/gas & electric hook-up. **\$350,000. Gary Stouffer 330-835-4900.**

**CUYAHOGA FALLS**

**412-432 E. Bath Rd:** 2.08 acre parcel of land on E. Bath Rd. Zoned R-5. There are 2 homes on property. Please do not trespass. Call agent for showing. **\$250,000. Matt Stouffer 330-814-4616, Gary Stouffer 330-835-4900.**

**S/L 1 Hampton Ledges:** Neighborhood of 6 homes. Located at end of cul-de-sac & situated on 2.492 acres. Perfect setting for walkout lower level. **\$109,000. Gary Stouffer 330-835-4900, Mari O'Neill 330-414-2652.**

**HINCKLEY**

**The Trails at Redwood Falls:** Located where old Skyland Golf Course was. Conservation development will have 97 parcels, walking trails, club house & 5 lakes. City water & sewer. **Robin Pickett 330-322-3181.**

**The Hollow at Willow Lakes:** 47-acre new development w/city water. Over 20 2-acre homesites. Call today to build your dream home with Legacy-Carrington Builders. **Robin Pickett 330-322-3181.**

**MEDINA**

**V/L Brynwood Dr:** Approx. 6 acres w/pond to build your dream home in Montville Twp. Unique lot truly one-of-a-kind. Sale of lot contingent on sale of home at 6233 Brynwood Dr. first. That buyer will have first right of refusal on lot. **\$200,000. Gary Stouffer 330-835-4900, Gina Luisi 330-814-4747.**

**2080 Wilbur Rd:** Approx. 50 acres in Granger Twp/Highland School District w/about 37 acres cleared rolling farmland w/pond & approx. 8 wooded acres. City water. Home on property, value in the land. **\$485,000. Gary Stouffer 330-835-4900, Matt Stouffer 330-814-4616.**

**V/L Winterberry Ln:** Approx. 2.94 acres in Winterberry Estates. Sale of lot contingent on sale of home at 1222 Winterberry first. That buyer will have first right of refusal on lot. **\$149,900. Gary Stouffer 330-835-4900, Gina Luisi 330-814-4747.**

**LIVERPOOL TOWNSHIP**

**Estates at Rim Rock:** Spectacular 2-3 acre homesites, secluded cul-de-sacs, peaceful country setting. 3 lots left. **Robin Pickett 330-322-3181.**

**KENT**

**4980 St.Rt. 43:** Approx. 2.45 acres in Brimfield Twp, currently a garden center. 160' frontage on St.Rt. 43. **\$386,000. Gary Stouffer 330-835-4900.**

**NORTON**

**V/L Knecht Ave & Carl St:** Nearly 1 acre, level corner lot adjacent to Loyal Oak Park yet private w/mature trees. Requires well & septic, w/gas & electric available on Carl St. Home can face Carl St. or Knecht. Bring your own builder. **\$37,500. Ryan Shaffer 330-329-6904.**

[www.StoufferRealty.com](http://www.StoufferRealty.com)

**RAVENNA**

**V/L Emerald Pkwy:** Approx. 120 wooded fairly flat acres in City of Ravenna zoned R-4. Original approved plan was for 300-400 units w/large pond/wetland area in middle of property. **\$875,000. Gary Stouffer 330-835-4900.**

**RICHFIELD – Revere Schools**

**Lot 33-A Briarwood Rd:** Approx. 1.36 acre corner lot across from National Park. Wooded, fairly flat w/slight rise from street. Well & septic needed. Per County Health Dept., lot is only approved for 2-bedroom home. **\$59,995. Gary Stouffer 330-835-4900.**

**Glencairn Forest:** Lots ranging from **\$75,000 to \$255,000.** Breathtaking views; Stunning homes; City water & sewer, Bring your own builder. **Easy access to 77 & 271. Laura Horning Duryea 330-606-7131, Gary Stouffer 330-835-4900.**

**V/L Brecksville Rd:** 3.36 acres w/water & sewer available. Limited industrial/office. **\$230,160. Gary Stouffer 330-835-4900, Linda Manfull 330-283-0851.**

**V/L Everett Rd:** Approx. 3.4 acres w/400' frontage on Everett. Close to Revere Rd. intersection. Bring your own builder. Only 5 min. walking distance from schools and Cuyahoga Valley Nat'l Park. **\$135,000. Gary Stouffer 330-835-4900, Sandy LoCascio 330-572-3471.**

**SHARON TWP – Highland Schools**

**Bonnie Glen -** Beautiful lots ranging from 2 to 4 acres w/ravines, woods & open landscape. Spectacular development to bring your own builder & build your dream home. **Robin Pickett 330-322-3181, Gary Stouffer 330-835-4900.**

**STOW**

**2815-2845 Graham Rd:** 4.38 wooded acres perfect for dream home. Zoned R-3. 2 rental homes on property currently at \$500-\$600 monthly (month-to-month). **\$186,000. Matt Stouffer 330-814-4616, Gary Stouffer 330-835-4900.**

**UNIONTOWN**

**3663 S. Arlington Rd:** Over 4 acres of commercial land with 194' frontage on S. Arlington Rd. & Fortuna Dr. Zoned B-3. Utilities at street. Convenient to I-77 & shopping/retail. **\$450,000. Gary Stouffer 330-835-4900, Matt Stouffer 330-814-4616.**

**WADSWORTH**

**599 Brentwood Way S/L 17:** Highland LSD. 2.84 acres on cul-de-sac, well, septic. **\$175,000. Gary Stouffer 330-835-4900.**



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2/19



# Member**News**

## *New Builders*

### ***Edgewood Homes, Inc.***

P.O. Box 33891  
North Royalton, OH 44133  
Contact: Mike Kandra  
Phone: 440-521-2770  
Email: mkandra@edgewoodhomesinc.com  
Web: edgewoodhomesinc.com  
Sponsor: John Sumodi  
Business: *New Home Builder*

### ***Europa Custom Homes***

4600 Boston Road  
Brecksville, OH 44141  
Contact: Dan Kovacevic  
Phone: 440-343-1212  
Email: europacustomhomes@gmail.com  
Web: europacustomhomes.com  
Sponsor: Jeff Barnes  
Business: *Custom Home Builder*

### ***Kensington Custom Builders, LLC***

4021 Deerspring Court  
Norton, OH 44203  
Contact: Mike Primovero  
Phone: 330-606.6499  
Email: stevenporter86@hotmail.com  
Web: kensingtoncustomhomes.com  
Sponsor: Mike Hudak  
Business: *New Home Builder*

## *New Associates*

### ***Great Lakes Portable Toilet Rental***

8676 Norwalk Road  
Litchfield, OH 44253  
Contact: Nick Tavernelli  
Phone: 330-416-6212  
Email: office@greatlakesportables.com  
Web: greatlakesportables.com  
Sponsor: Mike Hudak  
Business: *Portable toilet rentals / septic services*

*Know someone interested in joining the Medina County HBA? Doing business with companies that aren't members? They should be! Download a member application from our website under Join Us.*

## *New Associates (con'd)*

### ***BASF***

6390 68th Street, SE  
Caledonia, MI 49316  
Contact: Lisa Render  
Phone: 616-840-1685  
Email: lisa.render@BASF.com  
Web: BASF.com  
Sponsor: Jake Berger  
Business: *Supplier of high performance insulation & wall systems*

### ***First Commonwealth Bank***

1790 Stoney Hill Drive  
Hudson, OH 44236  
Contact: James Nelson  
Phone: 330-734-6736  
Email: jnelson@fcbanking.com  
Web: fcbanking.com  
Sponsor: Mike Hudak  
Business: *Mortgage banking specializing in construction financing*

### ***Collins Excavating & Construction, LLC***

4524 S. Medina Line Road  
Norton, OH 44203  
Contact: Josh Collins  
Phone: 330-607-2640  
Sponsor: Mike Hudak  
Business: *Excavator*

## *Renewed Builders*

Aspen Builders – Wooster  
Knight Development Corporation – Brunswick  
Legacy Homes of Medina, Inc. – Hinckley  
Sturgess Construction, Inc. – Medina

## *Renewed Associates*

Sundance, LTD – Copley

## *Dropped Members*

Eric Schroeder Const., Inc. – Seville  
Rea & Associates, Inc. – Medina



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# April 2019 BWC News from CareWorks Comp

*"I like to encourage people to realize that any action is good action if it's proactive and there is a positive intent behind it." ~Michael J. Fox*

## Register Now: CareWorks Comp Risk Management Cost Control 2-Hour Seminars!

CareWorks Comp will be holding 3 different 2-hour Safety Seminars this spring throughout Ohio. The topic of each Seminar will be: Managing Safety and Risk in a Changing World. This Seminar will count as 2-hours of BWC approved safety training for the 2018 policy year for private employers, and 2-hours for public employers for the 2019 policy year. The cost is \$40 per person. For registration, please complete the attached flyer and send it to Marcia Dennis at: [marcia.dennis@yorkrisk.com](mailto:marcia.dennis@yorkrisk.com)

### Dates & Locations:

<b>April 30th - Cleveland</b> <b>10am - 12pm</b> Holiday Inn 15471 Royalton Rd Strongsville, Oh 44136	<b>May 9th - Columbus</b> <b>10am - 12pm</b> BMI 6165 Emerald Pkwy Dublin, OH 43016	<b>May 14th - Cincinnati</b> <b>10am - 12pm</b> Holiday Inn 5800 Muhlhauser Rd West Chester, OH 45069
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## May 1st: BWC mailing 2019 Notice of Estimated Annual Premium for 2019 Policy Year to employers

On or about May 1, 2019, the Ohio BWC will be mailing your Annual Notice of Estimated Premium to you for the upcoming 2019 Policy Year that starts on July 1, 2019 and ends on June 30, 2020. When you receive this Notice, we highly suggest that you review it in detail and confirm if the estimated payroll numbers that the BWC is projecting match what you are projecting for your company.

### Important Deadlines:

- **May 15, 2019:** last day for employers to change their Premium Installment Plan with the Ohio BWC for the 2019 Policy Year. This can be done online at [www.bwc.ohio.gov](http://www.bwc.ohio.gov) in your account under "My Policy" or by calling the Ohio BWC at 1.800.644.6292.
- **May 31, 2019:** Application deadlines for 7/1/19 start date for the BWC's Drug Free Safety Program (DFSP), Industry Specific Safety Program (ISSP), and Transitional Work Bonus Program (TWB). Apply online at [www.bwc.ohio.gov](http://www.bwc.ohio.gov).

## BWC Monthly Webinars

The Ohio BWC hosts monthly webinars for Ohio employers to help keep you informed and up-to-date on all things BWC. They last about 20 minutes and you

can attend them in person at a local BWC office, or you can watch them from the comfort of your office. Please visit the BWC's webinar page to register, and if you would like, you are able to view recorded sessions as well.

## 20% Reduction in BWC Rates for Private Employers

Ohio private employers will receive a 20 percent reduction in the average premium rates beginning July 1, 2019. BWC Administrator/CEO Stephanie McCloud said several factors make the reduction possible, including safer workplaces, fewer and less costly workplace injury claims and low medical cost inflation. Claims have fallen 18 percent since 2010 to 85,136 in 2018. "We're pleased to continue the trend of falling rates with a reduction that will save Ohio private employers more than \$200 million next year," said McCloud. Governor Mike DeWine praised the move to reduce the rates. "Thanks to this substantial rate decrease, Ohio's private employers will see significant cost-savings that they can reinvest in their products and employees," said Governor DeWine. "This is a positive step toward helping to ensure that Ohio's economy continues to thrive." The 20 percent rate cut represents an average statewide change. The actual total premium paid by individual private employers depends on a number of factors, including the expected future claims costs in their industry, their company's recent claims history, participation in various BWC rebate programs and assessments collected to fund the operations of the system.

*(Continued on next page)*

## Go Green for 1% rebate with BWC

In order to receive your 1% rebate (up to \$2,000 annually) from the Ohio BWC by paying your premiums online via the website [www.bwc.ohio.gov](http://www.bwc.ohio.gov), your company or organization must now be enrolled to receive all policy notifications from the BWC electronically via email. To enroll, employers must update their electronic notifications on their "My Policy" page of their account at [www.bwc.ohio.gov](http://www.bwc.ohio.gov). This must be completed prior to the annual True-Up this August in order for the 1% Go Green Rebate to be received.

## OSHA Increases Penalties

As of January 23, 2019, the penalties for violation of OSHA standards and regulations have increased. Below are the maximum penalty amounts, adjusted for inflation. The increase is due to the enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (e.g., Inflation Adjustment Act).

Type of Violation	2015	2016	2017	2018	2019
Serious Other-Than-Serious Posting Requirements (1)	\$7,000	\$12,471	\$12,675	\$12,934	\$13,260
Failure to Abate (2)	\$7,000	\$12,471	\$12,675	\$12,934	\$13,260
Willful or Repeated (3)	\$70,000	\$124,709	\$126,749	\$129,336	\$132,598

*1,3 per violation*

*2 per day beyond the abatement date*

States that operate their own Occupational Safety and Health Plans are required to adopt maximum penalty levels that are at least as effective as Federal OSHA's. ■

*(What Home Buyers Want –  
Continued from front cover)*

The amount of space varied across generations. Millennials wanted more space than what they currently have whereas seniors are looking to downsize. Recent trends show the size of new homes has been decreasing since 2016; fewer have four or more bedrooms, or three or more bathrooms.

Single-family detached homes have always been the first choice for an overwhelming majority of buyers, while home location preferences varied across generations. Nearly a quarter of millennials would like to buy a home in the central city, more than twice the rate of any other generation. However, almost twice as many millennials would prefer to live in the suburbs, a preference shared by a majority of Gen Xers and Boomers. More than 80 percent of seniors prefer the suburbs.

A commitment to energy efficiency continued in 2019 among home buyers.



Buyers are willing to pay extra for a home if it means more energy savings on utility bills. In addition to Energy Star items, most wanted energy-conserving features include efficient lighting, triple-pane insulating glass windows and insulation higher than required by code.

Unlike other home preferences, interest in home technologies was strong across all generations. Home buyers indicated their interest in technology features designed to enhance the security of their homes. The top three most wanted technology features are security cameras, a video doorbell and a wireless home system. Home buyers were divided about the need for technology features to be responsive to voice commands.



Contact Dave LeHotan, Executive Director of the Medina County HBA or Mike Hudak, President of the Medina County HBA to learn about the latest features available in new homes in the Medina County area. ■



# 2019 CareWorks Comp Risk Management Cost Control Seminars

CareWorks Comp seminars will take place from 10:00 a.m. – 12:00 p.m. Our panel of experts will discuss rates, claims management, safety and cost containment. The seminars will fulfill BWC’s two-hour safety training for employers that must meet the requirement.

The fee is \$40.

**PRIVATE EMPLOYERS**

Two-hour requirement for 2018 policy year with a claim from 7/1/16 to 9/30/17.

**PUBLIC ORGANIZATIONS**

Two-hour requirement for 2018 policy year with a claim from 1/1/17 to 3/31/18.

**Dates and Locations**

**APRIL 30, 2019 – CLEVELAND**

Holiday Inn  
15471 Royalton Rd.  
Strongsville, OH 44136

**MAY 9, 2019 – COLUMBUS**

BMI  
6165 Emerald Parkway.  
Dublin, OH 43016

**MAY 14, 2019 – CINCINNATI**

Holiday Inn – West Chester  
5800 Muhlhauser Rd.  
West Chester, OH 45069

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## HOUSE COMMITTEE HOLDS FIRST HEARING ON PROPERTY TAX LEGISLATION

The House Economic and Workforce Development Committee held its first hearing on HB 149 Tax Exemption (Merrin, D.), the Affordable Homebuilding and Housing Act. The bill sponsor, Representative Derek Merrin gave very thorough fact-based testimony, laying out for the committee members details on the state of the homebuilding industry in Ohio, and the potential impact HB 149 could have on land development. He addressed numerous questions from the both Republicans and Democrats on the committee, as to how the property tax exemption would work. Rep. Merrin's testimony can be found starting on page 19. The Chairman scheduled proponent testimony for HB 149 Wednesday, April 10th at 10:00am. OHBA gave testimony in support, and had several members who also planned to offer testimony. Feel free to contact OHBA with any questions.

## OHBA TESTIFIES IN SUPPORT OF AFFORDABLE HOMEBUILDING AND HOUSING ACT

The House Economic and Workforce Development Committee held its second hearing on HB 149 Tax Exemption (Merrin, D.), the Affordable Homebuilding and Housing Act. As a strong proponent of the bill, both

OHBA's Area VP Richard Bancroft, as well as, OHBA Executive Vice President, Vince Squillace, gave detailed testimony on the state of housing in Ohio, and benefits of HB 149.

Testifying first, Richard Bancroft, told the committee members the bill is more about fairness and equity to the way that development is taxed, rather than providing a tax break to developers. The current system in which new properties are taxed result in higher prices for developers and homebuyers because land is taxed at a higher value even before construction begins. Any effort that reduces home prices can result in an increase in sales and help more people afford homes. Instead of local governments seeing the bill as a tax revenue loss, they should recognize that it would help spur development and get lots into construction sooner, Mr. Bancroft said. That result, he added, would increase the assessed property values sooner.

Vince Squillace further detailed Ohio's low housing start numbers in recent years, explaining, home development in the state has been lower due to demographic shifts and other factors. As a result, lot development has declined, and is almost non-existent in

some places. He went on to say land development is a difficult, lengthy, risky and expensive endeavor. The current tax system further discourages those efforts.

Both Richard and Vince responded to several questions ranging from impact on CAUV valuations, to 'lot flipping'.

Also testifying in favor of HB 149 was Dan Acton, government affairs director for the Ohio Real Estate Investors Association, as well as, written testimony submitted by Parkview Homes. All testimony is available on the committee website under April 10.

OHBA is waiting to hear from the Chairman's office on whether the committee will have opponent testimony next week, or wait until after the Spring break. Given the opposing testimony last General Assembly, it could be an entertaining hearing.

Feel free to contact OHBA with any questions.

## SAVE THE DATE SUMMER BOARD MEETING

OHBA Summer Board of Trustees Meeting material has been e-mailed out. If you did not receive the information, please contact OHBA. Reminder, room cut-off date is Sunday, May 12th. ■

## Members ...

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- Your logo on the MCHBA website links to your website
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COUNTY**  
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**DATES:** Sat., June 1st – Sun., June 16th

**HOURS:** Sat & Sun ONLY 12-5 pm,  
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### *Planned Media Promotion / Advertising:*

Virtual tour / tab / map online (*each model has its own page & links*); Advance Ohio (*targeted online marketing*); The Plain Dealer (*print advertising*); Sun News (*editorial, online and print advertising*); The Post (*editorial and print advertising*); Beacon Journal (*editorial, online and print advertising*); Cleveland.com (*online advertising*); Homes.Ohio.com & potentially more (*dependent on budget*)

**Participation Deadline: April 29, 2019**

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The Medina County Home Builders Association would like to take this opportunity to thank each and every one of our sponsors and supporters of the Parade of Homes. Your response continues to be unprecedented and your participation will enable us to promote this event even more than we have in the past.

As most of you are aware, there is a lot of construction activity in Medina County and your support keeps that momentum rolling.

Be sure to take time to visit each of the model homes being presented. The builders have made a huge commitment themselves to being in this Parade,

even some of the homeowners have allowed their homes to be presented as well. The best way we can support them, aside from what all of you have already done, is to tour the homes, tell your friends and neighbors and show your support.

We would like to thank all of our Parade Builders as well for continuing to participate in this event that puts our association at the forefront of residential construction in Northeast Ohio.

Watch for more information on the builders, models and their locations coming in the next issue of Building Blocks or online as June draws closer.

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**Kabbage®** created a new way to provide flexible access to small business financing. They use an online application to provide a quick decision. [Kabbage.com/nahb](http://Kabbage.com/nahb) 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](http://nahb.org/fca) to learn more.

**Lowe's** - Visit [LoweForPros.com/NAHB](http://LoweForPros.com/NAHB) 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.

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SkillsUSA OHBA attendees, (L-R) OHBA Senior Officers Jeff Wieland, Thomas Daniel and Mark Zollinger

## Lowe's has come out swinging in the war for talent with a new campaign to fill millions of skilled trades jobs



Lowe's wants to make plumbers, electricians, and mechanics cool.

The home improvement retailer is spearheading an organization called Generation T — "T" as in trade skills — that's looking to solve the skilled trades labor gap. Businesses and organizations like 3M, Timberland, Samsung, Bosch, the National

Association of Home Builders, and local trade organizations have also signed on to Generation T.

Because if things keep going the way they're going, the US could be in for a bumpy road forward, according to Lowe's trade skills director Michael Mitchell.

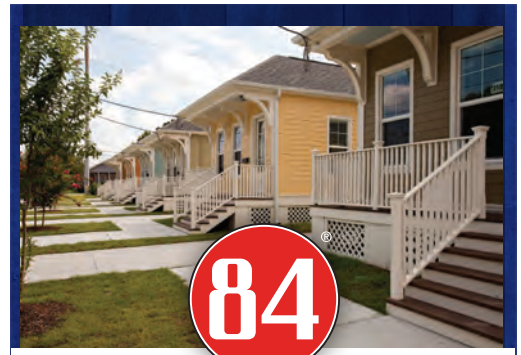


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Mitchell cited the National Association of Home Builders' study which found that 69% of its members reported delays on projects due to a shortage of skilled trades workers.

So what's driving this shortage? After all, Department of Labor data indicates that electricians rake in a median annual wage of \$55,190, while carpenters earn \$46,590 and plumbers take home \$53,910. Meanwhile, LendEDU's 2019 survey found that college graduates zero to five years out of school made a median salary of \$48,400.

"The cause is two-fold," Mitchell said. "Past generations of skilled trade workers are retiring, and there aren't enough trained workers to replace them. And for 40 years the skilled trades have been miscast. We need to help students understand the path to success leads through education that doesn't have to be a four-year degree; skilled trades education is simply a different brand of education."

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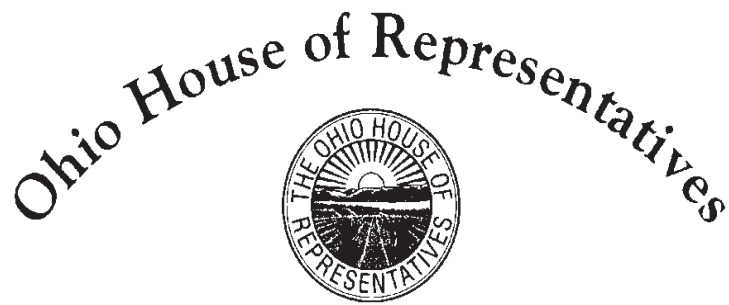
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**State Representative Derek Merrin  
District 47**

**House Bill 149 – Sponsor Testimony  
Economic Workforce and Development Committee  
April 3, 2019**

---

Chairman Zeltwanger, Vice-Chair Powell, Ranking Member Sobeki, and Committee Members, thank you for the opportunity to present testimony on the Affordable Homebuilding and Housing Act. Ohio has performed far below the national average in single-family and multi-family residential construction for the last eighteen years. New homebuilding provides huge economic benefits and supplies new housing that alleviates soaring prices. The construction bolsters jobs, population growth, and leads to increased tax revenue. House Bill 149 removes a disincentive for homebuilding and makes housing more affordable.

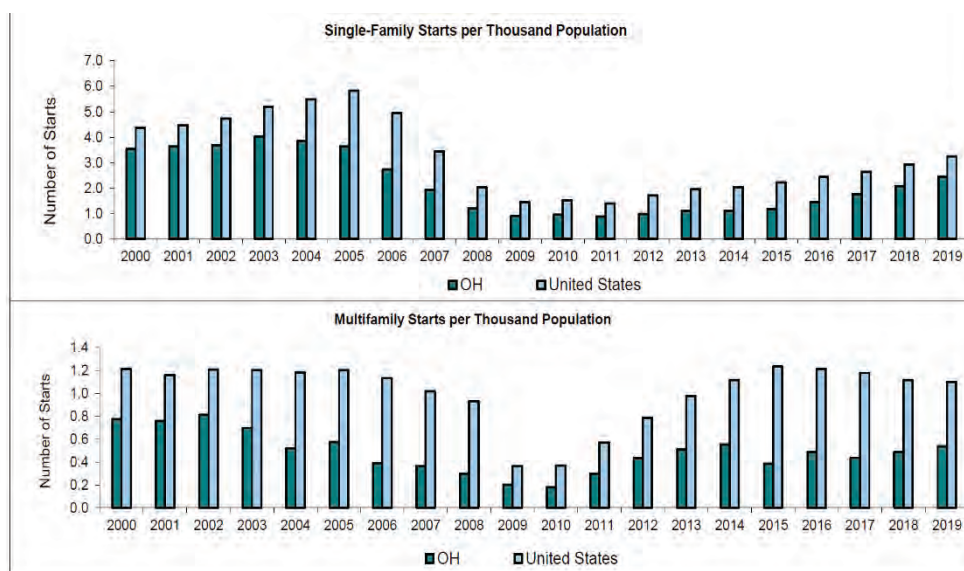
In a *Wall Street Journal* article, “The Next Housing Crisis: A Historic Shortage of New Homes” detailed how in 2018 America was short 400,000 new homes to keep up with the population growth. This pushes home prices higher. The problem is more acute in Ohio where we ranked 44<sup>th</sup> nationally in new residential homebuilding in 2016. Since 2000, our state every year has performed below the national average in single-family and multi-family residential construction.

**Quick Homebuilding Economics:**

- **100 New Homes Built = \$30 million in new income for state residents**
- **100 New Homes Built = \$6 million in additional tax revenue**
- **100 New Homes Built = 419 full-time jobs created during construction**

The on-going annual impact of 100 single-family homes is \$4.6 million in new income for residents, \$1.6 million in state/local tax revenue, and 78 jobs.

Source: NAHB Economic Impact Study



Platting and subdividing land is critical to igniting new homebuilding. Homebuilders need access to ready-to-build lots. Typically, the platting of land is the first step. However, our tax laws discourage landowners from taking this first step. House Bill 149 seeks to reform our tax code to be pro-homebuilding and spur land development.

Let me provide an example how our tax code increases risk to developers. A hypothetical developer purchases ten acres of vacant land for \$100,000. Assuming the Auditor values it at \$100,000 with a 2% tax rate that equates to \$2,000 in annual taxes. The developer plans to divide the land into ten residential lots and build ten homes. The developer gets local approval to subdivide the land creating ten new lots or parcels.

The County Auditor now places a \$50,000 value on each of the ten lots. Without any construction or sale, the land's tax value increased from \$100,000 to \$500,000. The hike in property value increases property taxes, at a 2% rate, annually from \$2,000 to \$10,000. This is a major disincentive for landowners to plat and subdivide land to sell to developers. Additionally, developers may own vacant land that is not subdivided; they can be slow to plat and subdivide because of the looming increase in property taxes. This makes homebuilding more risky; because if the lots do not sell quickly, developers are on the hook for the property tax bills. During the Great Recession, the property taxes on unsold lots is the what put many homebuilders out of business and still makes developers hesitant to start new developments.

Under House Bill 149, the land is still taxable, but increased value due to subdividing is not subject to taxation, thus removing the tax disincentive to prepare land for homebuilding. The hypothetical developer purchasing ten vacant acres valued at \$100,000 would not have his overall tax burden increase. It is important to note property taxes paid by a developer on lots during development typically inflate the final cost to the buyer, which makes home ownership more expensive.

This bill is not about giving homebuilders a tax break; it is about reducing risk for land development that will lead to increased home construction and affordable housing. My legislation exempts pre-residential lots from the increased tax value on land due until construction commences, the land is sold, or after 8 years. In the long-term, the Affordable Homebuilding and Housing Act will increase local government revenue by creating new value that will be taxed.

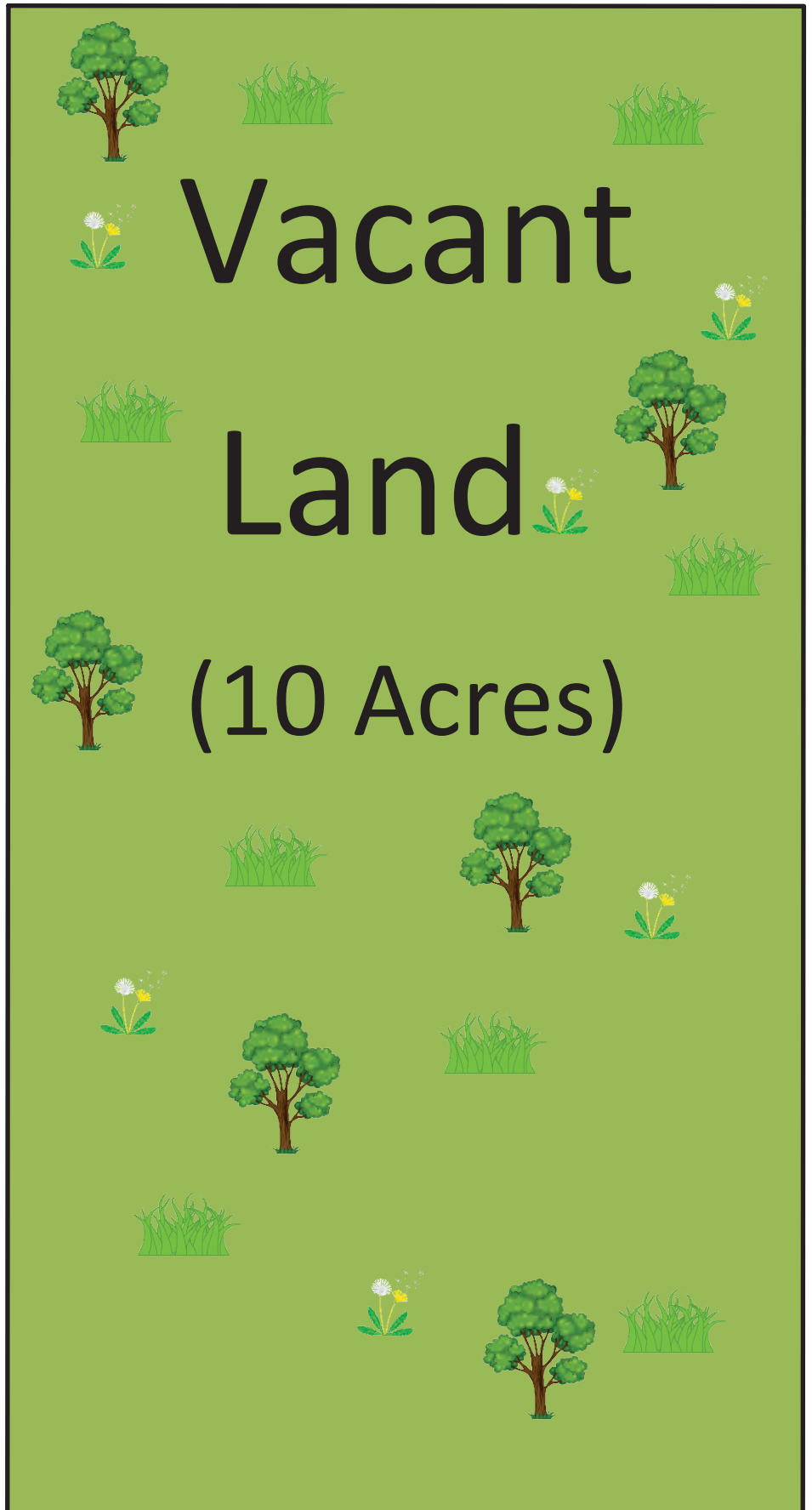
Our tax code should be fair and encourage economic growth. I strongly believe the legislation will spur land development and jump-start homebuilding in Ohio. When considering this bill, please remember the chart demonstrating Ohio's dismal homebuilding performance compared to the national average. Ohio must and should do better. Remember, when new homes are built, everyone wins!

I hope to have your support and I welcome the opportunity to walk through the attached handouts that provide a visual illustration on how the legislation would work.

See example charts on the next few pages showing development and the effect of the Affordable Homebuilding and Housing Act will impact taxing values.

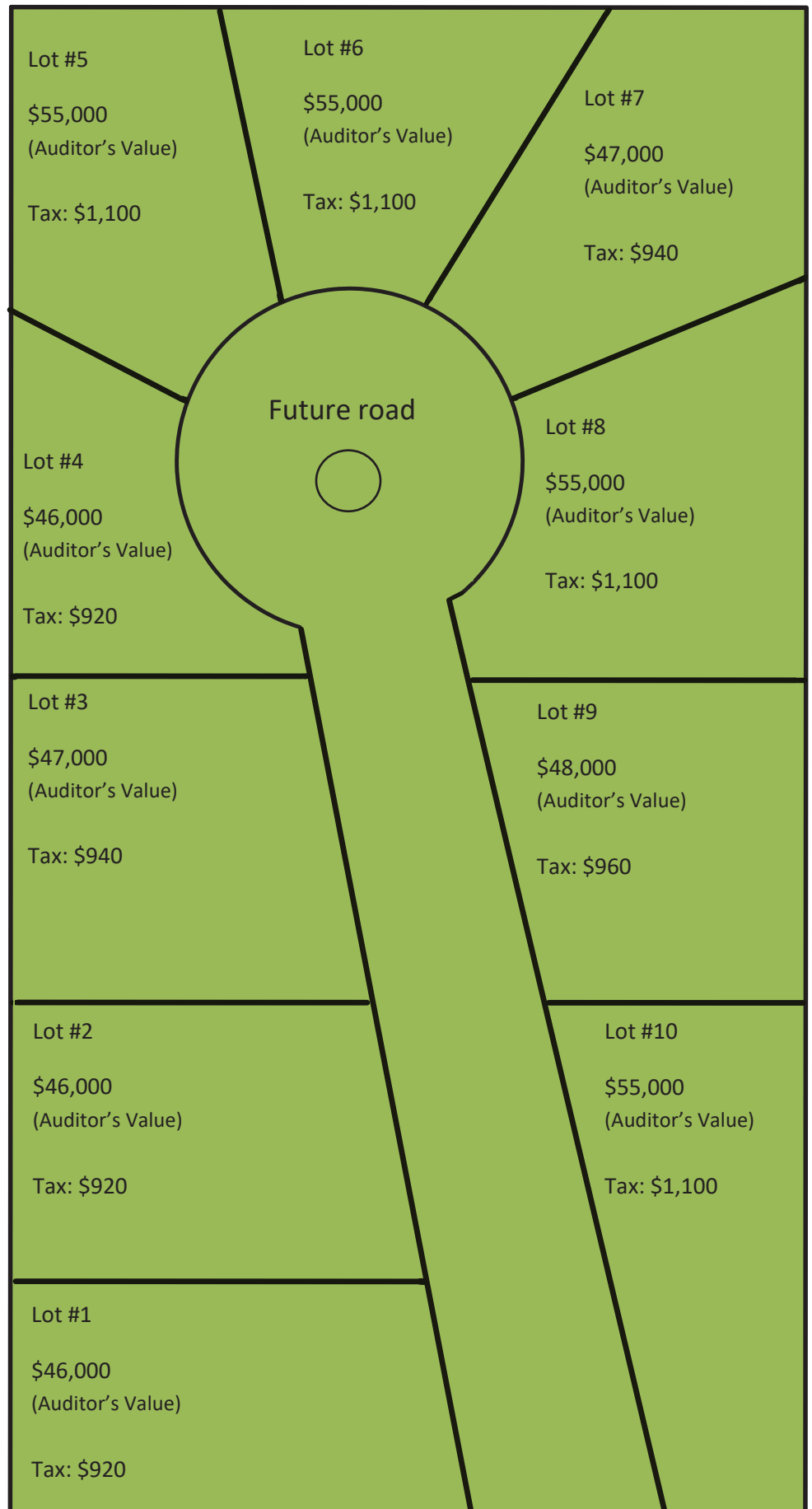
## Current Example:

- 10 acres of vacant land is purchased by a developer
- County Auditor assesses the property at a \$100,000 value
- Taxed at an annual 2% rate
- Taxes owed are \$2,000 per year



## Current Problem:

- Land is subdivided into 10 lots to prepare for homebuilding
- The land is still vacant
- County Auditor must place a new value on each lot; theoretically, raising the overall value to \$500,000
- Taxed at an annual 2% rate
- Taxes owed are now \$10,000 per year

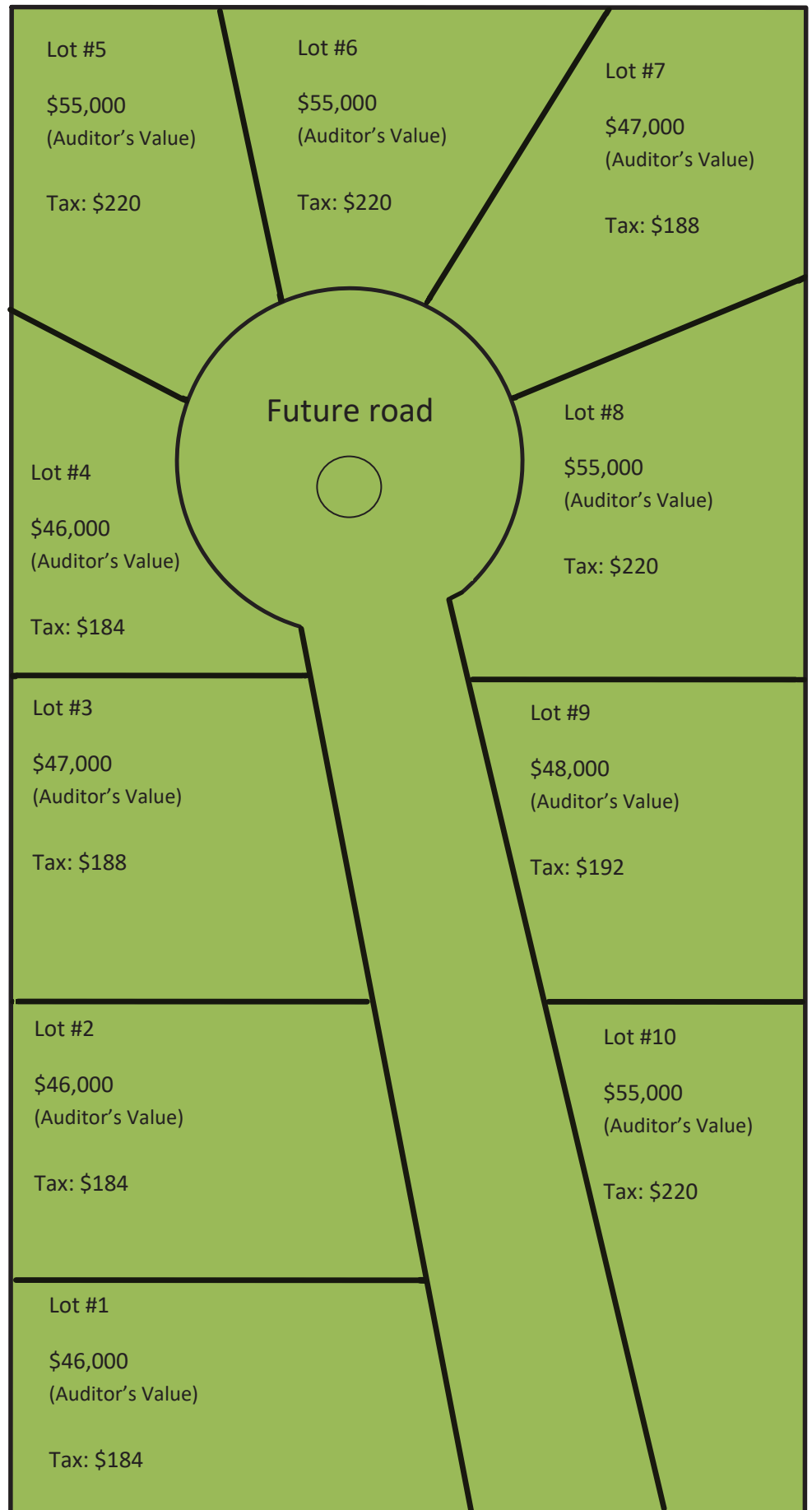


## Affordable Homebuilding and Housing Act Impact:

- The owner is taxed on the original \$100,000, valued by the auditor, instead of the \$500,000 valuation created after land was subdivided for development
- \$100,000 property value
- Taxed at a 2% rate
- \$2,000 in annual taxes owed

## Details of HB 149

- When lot is sold, the exemption ends
- When construction begins, the exemption ends
- After 8 years, the exemption ends





## Homes Constructed:

- Each lot is now fully taxed at the auditor's value after homes are built
- Total value of the 10 acres is now \$3,500,000
- Taxed at a 2% rate
- \$70,000 tax is generated annually

## Benefits of HB 149 – 10 Homes

- Reduces the final cost of new homes
- Removes the tax disincentive for developing land to build homes
- Projected 41.9 new FTE's created during construction
- Projected 7.8 permanent, FTE's created
- Projected \$3,000,000 of new income for state residents
- Projected \$410,000 of recurring income for local economy
- \$68,000 increase in local government revenue

