

North America Bathroom News

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International Market Strategy

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USA: Available BRG Reports

The following reports from BRG CONSULT are immediately available:

1. US Plumbing Regional Database
2. 2007 US Plumbing Report
3. 2007 US Bathing Products Report
4. 2007 US Vitreous China Products Report
5. 2007 US Faucet/Taps&Mixers Products Report
6. 2007 US Showering Products Report
7. 2007 US Hydrotherapy Products Report

8. 2007 Brazil Plumbing Report

For more information, please contact Victor Post at vpost@brggroup.com

Source: BRG CONSULT NORTH AMERICA



USA: Housing Slump Creates Prime Time to Remodel

Contractors may have a deal for you. They can remodel your basement, update your kitchen or modernize your master bath — charging prices as low as those five years ago. And many contractors can start work in a few days.

Fewer homes are being built, freeing contractors for renovation work that they might normally have turned down. The construction slowdown also means lower lumber and drywall prices, making remodeling more attractive to consumers.

"Customers are getting quicker service and five-years-ago prices today," said Kent Therkelsen, owner of Omaha's KRT CONSTRUCTION.

The number of new homes being built in Omaha has dropped about 25 percent since 2005, according to the Greater Omaha Chamber of Commerce.

Over the same period, the price of lumber has dipped nearly 20 percent at MILLARD LUMBER. Drywall prices have dropped roughly 25 percent, too, according to HARTER CO., an Omaha distributor.

Homeowners in western Nebraska are finding the same good deals, said Larry Piester, owner of PIESTER CONSTRUCTION in North Platte, who has been in the business for 46 years. Builders he has talked to from Omaha to Alliance say they're spending more time remodeling than usual.

That's a national trend, said Ken Simonson, chief economist for the ASSOCIATED GENERAL CONTRACTORS OF AMERICA, based in Arlington, VA. Contractors are scrounging for jobs and are charging less for them, Simonson said. Drywall and lumber prices are down as much as 25 percent across the nation.

"That's bad for manufacturers but good for homeowners," Simonson said.

Homeowners are taking advantage of that, said Therkelsen, who builds houses and remodels them. Right now, the building side of his business is slow. His remodeling schedule is near full. "People are definitely more interested in renovating than building," he said.

In addition, because of the stagnant and flooded home sales market, folks who are having trouble selling have decided to remodel houses that are small or old.

Rod Jeck has noticed that trend. The owner of JECK & CO. BUILDERS in Papillion has seen a surge in small additions and remodeling jobs. His crews have been busy building kitchen expansions, finishing basements, constructing covered patios and adding third stalls to garages.

Most of the projects run between \$15,000 and \$40,000, and most customers pay cash instead of taking out loans, Jeck said.

"Those people are capable of purchasing a new home," he said, "but they're electing to stay where they are and work with what they've got."

Prices probably will start to rise again, so renovate now, suggested Walt Slobotski, who builds new



homes for ROGERS CONSTRUCTION and is president of the METRO OMAHA BUILDERS ASSOCIATION. He predicted a homebuilding rebound in 2008. If that happens, the price of materials will rise.

"You aren't going to see many years like this when prices keep sliding," he said. "This is an opportunity that is going to disappear."

Until then, Therkelsen and his fellow contractors plan on heading into bathrooms, kitchens and basements.

"We want the work," he said, "and that's where the work is right now."

Source: Omaha World Herald

USA: The Demand for the Green Office Space

Demand for green buildings is rising like a skyscraper on steroids. In a year that saw the new residential construction market go from boom to bust, green building was one of the construction industry's few bright spots. The green market, has been growing for years, but it began to soar in 2007. As an indication of how big this boom is, one out of 50 projects valued above \$25 million now in development in Manhattan is being built along environmental guidelines. Green building is becoming less the exception, but much more the norm. Nearly 80% of workplace and corporate real estate executives say being more environmentally sustainable is a major issue for today's business, and the companies are willing to pay for this.

So how big is the green market. In 2007 the market was estimated at \$1.35 billion. It is believed the market will more than double to \$4.7 billion by 2011. In 2007 the Green Build Construction grew 17% over 2006.

Source: www.greenbiz.com



USA: Rosy Commercial Picture

While the residential side of the construction business faltered for plumbing contractors during 2007, good news was found on the Commercial/Industrial/Institutional side.

Some 41% of respondents to this year's REEVES JOURNAL survey reported seeing an increase on CII construction in their respective areas. This is eerily similar to the predictions made by respondents to last year's survey, in which 40.7% said they were anticipating an increase for 2007.

Other figures on the CII side reported for the 2007 survey were almost spot-on reflective of the predictions made by respondents in the 2006 survey. For example, 52% of 2007 respondents reported CII construction had stayed the same in their markets. During 2006, 45.6% predicted CII would be about the same in 2007. Similarly, only 7% of 2007 respondents said CII construction had decreased during the year. Back in 2006, however, 13.9% were expecting a decrease in CII construction.

This year's respondents, when asked to predict CII performance for 2008, expressed cautious optimism, with 34% predicting an increase during 2008, 50% opining CII work would remain at 2007 levels, and 16% predicting 2008 CII work would see a decline.

Methodology

For this year's survey, 1,500 questionnaires were mailed to active, qualified REEVES JOURNAL contractor subscribers who reported holding the job title of Owner/Partner, President/Officer or Manager.

Questionnaires were mailed Sept. 21 and 184 usable forms had come back by Oct. 23, the deadline to return the questionnaires. This produced a 12 percent response rate.

Source: 2007 Western Trends Survey



USA: Changes in Management

WILO USA LLC, subsidiary of German-based WILO AG, has announced the appointment of Michael Easterly as President and CEO.

MUELLER WATER PRODUCTS, INC. announced that Dr. Lydia W. Thomas was elected to its board of directors. Thomas is the retired president and chief executive officer of NOBLIS, INC., a nonprofit foundation dedicated to science, technology and strategy.

NORTHWEST PIPE CO. announced that Gary Stokes, Senior Vice President, Sales and Marketing, WATER TRANSMISSION GROUP, is replacing the retiring Charles Koeng as Senior VP of the WATER TRANSMISSION GROUP.

DANZE promoted Jeff Greenway to Regional Sales Manager of its Northeast region. Greenway previously served as regional builder sales manager in the Midwest region for the company.

JACUZZI BRANDS CORP. has named Michelle Cervantez as Chief Marketing Officer, JACUZZI BRANDS CORP and Vice President Marketing, JACUZZI WHIRLPOOL BATH.

At JAY R. SMITH MANUFACTURING, John Roberts has been promoted from National Sales Manager to Vice President of Domestic Sales. Charles White has been promoted from marketing manager to Vice President of marketing. Mario Stan, marketing analyst has been promoted and will now perform a dual role as marketing analyst and manager Canadian Operations.

WATTS WATER TECHNOLOGIES appointed Gisela Martinez as National Sales Manager for WATTS and SAVARD WATER connector products.

Source: BRG Industry Insights



USA: ZURN to Buy GA INDUSTRIES

REXNORD LLC announced that its affiliate, ZURN INDUSTRIES has entered into a definitive agreement to acquire the stock of GA INDUSTRIES, INC., which includes the RODNEY HUNT CO, for a cash purchase price of \$76 million. Based in Cranberry, PA, GA manufactures automatic control valves and other flow control products for the water and wastewater industry. Combined sales of GA and RODNEY HUNT are around \$60 million.

The acquisition is expected to close in the first calendar quarter of 2008 and will expand REXNORD's strategic water management platform, which was created with the company's acquisition of ZURN INDUSTRIES in February, 2007. REXNORD anticipates funding the acquisition within its existing credit facilities.

The acquisition further expands ZURN's presence in water and wastewater markets in municipal, hydropower, and industrial environments. GA INDUSTRIES, INC. (GAI), which includes the RODNEY HUNT COMPANY, manufactures automatic control valves, check valves, gate valves, and other engineered flow control products.

Alex P. Marini, President and CEO of REXNORD's WATER MANAGEMENT GROUP, said, "The addition of GAI and the RODNEY HUNT COMPANY will greatly expand and enhance our water management portfolio and make ZURN INDUSTRIES the preeminent provider of engineered water management solutions."

Source: www.waterandwastewater.com

Canada: RONA Increases its Presence in the CII Market by acquiring BEST-MAR

January 9, 2008, Boucherville, Quebec – RONA, the leading Canadian distributor and retailer of hardware, home renovation and gardening products, increased its presence in the specialized plumbing and heating market in Ontario by acquiring the operating assets of BEST-MAR PLUMBING AND HEATING SUPPLIES INC. ("BEST-MAR"). This transaction further strengthens RONA's position in the fast growing ICI market ("Institutional, commercial and industrial") and follows the 2007 NOBLE TRADE acquisition. The three BEST-MAR locations will be integrated to Noble Trade's existing network of 19 branches. The transaction has been finalized pending certain conditions. The transaction is expected to close in the first quarter of 2008 and will be financed through RONA's existing credit facilities.

BEST-MAR (www.bestmar.com) was founded in July 1994. Today, it generates close to \$20.0 million in sales and operates three convenient Ontario locations, including its flagship in Cornwall, its head office in Ottawa and its newest showroom in Brockville. For more than a decade, BEST-MAR has delivered superior products and service to the greater Ottawa/Gatineau area.

Source: www.rona.ca



USA: GERBER Goes Green

The GERBER Ultra Flush line of toilets recently received WaterSense certification for water conservation efficiency. WaterSense is a voluntary public-private partnership program sponsored by the EPA that promotes water efficient products. Unlike previous water-saving programs and mandates, the WaterSense criteria include a performance requirement in addition to water efficiency.

Generally, WaterSense-labeled products are about 20% more water efficient than their counterparts in the same category. GERBER Ultra Dual-Flush models meet these criteria, while the Ultra Flush 1.1 gpf models have an even higher level of performance. With a powerful, yet quiet pressure-assist system, these low-consumption toilets help reduce ecologic and economic concerns affiliated with waste disposal. The pressure assist flush uses compressed air to force 1.6 gallons of waste out with 1.1 gallons of water.

Source: Reeves Journal

USA: KOHLER CO. Joins Alliance for Water Efficiency

KOHLER CO. has joined the newly formed Alliance for Water Efficiency as a charter sponsor.

The Alliance for Water Efficiency addresses several key objectives: providing comprehensive information about water efficient products, practices and programs; representing the interest of water efficiency in the development of codes and standards; and coordinating green building initiatives to institutionalize water efficiency. The Alliance is comprised of product manufacturers, water utilities, environmental advocacy groups, consultants and other interested parties who are committed to conserving water resources in North America.

“The Alliance for Water Efficiency is poised to be the nation’s foremost authority and advocate for water-use efficiency and conservation,” said Rob Zimmerman, senior staff engineer, water conservation initiatives, KOHLER CO. “With this partnership, KOHLER aims to keep water conservation at the forefront of the kitchen and bath industry, and increase awareness of products that help consumers use less water more efficiently.”

“The Alliance for Water Efficiency is pleased to welcome KOHLER and appreciates its commitment to our organization,” said Mary Ann Dickinson, executive director, Alliance for Water Efficiency. “Support from companies such as KOHLER is essential for us to transform the way people think and behave when it comes to water conservation.”

The Alliance for Water Efficiency is a stakeholder-based 501(c)3 non-profit organization dedicated to the efficient and sustainable use of water. Located in Chicago, the Alliance serves as a North American advocate for water efficient products and programs, and provides information and assistance on water conservation efforts. Visit www.allianceforwaterefficiency.org for more information.

Source: www.us.kohler.com



USA: SLOAN VALVE Honored for Focus on Environment

SLOAN VALVE COMPANY, the Franklin Park, IL-based manufacturer of plumbing systems, has been awarded the Green Power Leadership award by the EPA. SLOAN was honored for “Green Power Purchase”, the company said, noting that it offsets 100% of the energy used in its Franklin Park facility with renewable energy.

Source: Kitchen and Bath

USA: Code Council to Support CA Code Transition

An experienced team of California code experts assembled by the International Code Council will assist the state’s code users in the transition to updated plumbing and mechanical codes. The 2007 editions of the California Plumbing Code (CPC) and California Mechanical Code (CMC) take effect on January 1. It is the first update for California’s plumbing and mechanical codes since 2001.

“Even though the CPC and CMC are not based on the International Codes, the Code Council is committed to supporting its membership and the industry in the transition to updated codes,” said Jay Peters, International Code Council Executive Director of Plumbing, Mechanical and Fuel Gas (PMG). “The key staff members leading this initiative are as experienced with the California plumbing and mechanical codes as anyone in the industry.”

Source: PM Engineer



USA: Green Developers Could Get Faster Permit Process

Developers who score high on a green building checklist could be fast-tracked through the San Mateo County permitting process under a new ordinance on its way to the Board of Supervisors for consideration.

The ordinance approved by the county's Planning Commission would affect remodels and new construction in unincorporated areas. Officials say it would make the county a leader in green construction.

Projects could receive points for everything from drought-tolerant plants to insulated water pipes to solar panels. Developers would be required to score at least 50 points on the checklist, but getting extra credit would mean their permits and building inspections would be prioritized.

The nonprofit developer of the checklist, BUILD IT GREEN, has created a rating system based on a building's energy use and impact on the environment. The list is designed to let developers choose the items that best fit their plans.

Under the recommendations passed Wednesday, new homes and remodel projects that would add more than 50 percent of the value of a home would be required to fill out the green checklist. Commercial buildings would also be included. Projects that get 75 points on the checklist would be guaranteed a 30-day turnaround for comments on the initial building permit — a process that usually takes two to three months.

Source: San Mateo County Wire



USA: Olympics Boosts Plumbers' Morale

SARASOTA COUNTY, FL - By day, James Calvert wields a monkey wrench and a plumber's snake like a pro. But, by night, he is a competitive athlete - in toilet seat tossing, speed PVC pipe sawing and shopping cart racing.

Calvert, who works for TERRY'S PLUMBING SERVICE, stood proudly Wednesday with his co-workers as the grand prize winners of the first Plumber Olympics. PLUMBING PARTS AND SPECIALTIES INC. sponsored the games and open house at its warehouse near Clark Road. There was live music, free ribs and chicken, and vendors.

PP&S's owner, Seth Koplín, said he wanted to show his appreciation and boost morale. "The economy was not good for a lot of plumbers in 2007," Koplín said. "I wanted a way to give back and really kick off 2008. Also this is good for business."

"I think it's pretty good that they are doing this," said Kyle Milligan of LAGASSE'S PLUMBING in Sarasota. "It really brings everyone together."

About 100 plumbers and their families attended, and Koplín is already planning for next year. "There is going to be a buzz in the industry about this," Koplín said. "Everyone is going to want to come next year."

Source: Sarasota Herald Tribune

USA: Corrections

In our January e-newsletter, we featured an article on STANDARD PLUMBING SUPPLY being selected by SUPPLY HOUSE TIMES as the Wholesaler of the Year.

Please note that STANDARD PLUMBING SUPPLY currently has 70 branches and employs 349 people.

Source: BRG CONSULT