

Farnsworth Survey Reveals 100% of Builders Want Products that Save Time, Money and Labor

Finished Elegance[®] finished interior moulding saves an average of four days and over \$1,600 per home in overhead, labor and material costs

Many residential builders and remodelers are relishing building activity levels reminiscent of pre-recession times. And yet, they continue to look for avenues to build more efficiently, reduce material and labor costs, and finish projects faster to collect on billings sooner. It seems the recession has led to a “new normal” in the way contractors operate their businesses and build homes.

A recent survey of over 400 U.S. residential construction contractors conducted by The Farnsworth Group found that 100 percent of respondents were extremely interested in a new product that would save time and money.¹

That’s because “time is money” for residential construction contractors. According to the Home Innovations Research Lab, formerly the NAHB Research Center, the average number of days to complete a new home is between 46 and 47 days, and the cost per day is about \$431². By trimming just four days from the construction cycle without expanding the size of their crews, builders can save approximately \$1,672* in overhead costs alone. The benefits of time and cost savings are many:

- Earlier closing date
- Reducing the collection timeline
- Possible referrals from homeowners pleased by an earlier move-in date
- Total net cost savings

* Cost per day: **\$431**

x Days Trimmed from Construction Cycle: **3.88**

Total Saved in **Overhead Costs: \$1,672**

Manufacturers Respond with Beautiful, Prefinished, Easy-to-Install Products

How can contractors finish jobs faster without compromising quality? By using prefinished interior and exterior products that install quickly and more easily than their predecessors. Building products manufacturers now offer a wide variety of ready-to-install products that are not only more convenient for builders, they also meet or exceed homeowners’ expectations for beautiful aesthetics.

For example, Finished Elegance®, a line of finished white interior moulding and trim, eliminates the need to prime and paint interior trim:

- Saving 4 days in the construction timeline³
- Resulting in overhead savings of \$1,672
- Reducing costs for labor and finishing supplies by about \$770⁴

⁴ Labor (trim painter) savings: **\$368**

+ Materials (trim paint) savings: **\$402**

Total Saved for **Labor and Finishing Supplies: \$770**

Finished Elegance = Total Average Savings of \$1,642** per Home

The added convenience and enhanced aesthetics of prefinished products tend to increase the product cost relative to comparable unfinished products but ultimately deliver an overall net cost savings when considering reduced labor, painting-supply and daily-rate costs. Consider, on an average-sized home:

- Unfinished interior trim costs about \$1,868⁵
- Finished Elegance costs \$2,668

When you factor in the money saved in overhead costs, labor, and finishing supplies, you have

- Total average savings of \$1,642** per home

** Cost of unfinished interior trim: **\$1,868**

- Cost of Finished Elegance® interior trim: **\$2,668**

Difference in **material costs: \$-800**

+ Overhead savings achieved by using Finished Elegance®*: **\$1,672**

+ Labor/finishing cost savings achieved by using Finished Elegance®⁴: **\$770**

Total Average Savings **Per Home: \$1,642**

Builders Strongly Interested in Prefinished Interior Trim

Respondents in the Farnsworth survey were strongly interested in a new, complete interior trim solution that comes finished along with color-matched caulk, allowing for a flawless finish. On a scale of 1-10, with 10 being extremely interested, respondents' interest in a new finished trim, such as Finished Elegance, ranked at 8.20.⁶

Adding Flexibility to the Project Sequence

An additional benefit of using Finished Elegance is the flexibility it allows in how a home is completed. Almost 60 percent of the builders surveyed by Farnsworth said they believed the sequence for finishing a home would be changed when using Finished Elegance⁷.

In this new-normal, post-recession environment, builders are experiencing strong production levels yet continue to operate their businesses leanly as though the recession continues. They continue to seek overhead, labor and material costs savings wherever possible. For many, they've come to appreciate the aesthetic appeal and savings provided by newer products such as Finished Elegance.

¹ "Home Building Steps Research Report," Eastman Chemical Company with The Farnsworth Group, June 2013

² "Cycle Time Reduction – What is a Day Worth," NAHB Research Center, 1998; extrapolated to a 2012 value using historical inflation data

³ Based on mean values, "Home Building Steps Research Report," Eastman Chemical Company with The Farnsworth Group, June 2013

⁴ "Home Building Steps Research Report," Eastman Chemical Company with The Farnsworth Group, June 2013

⁵ "Your Stake In Today's 'Average Home,'" ProSales Magazine, January 2013

⁶ ibid

⁷ ibid