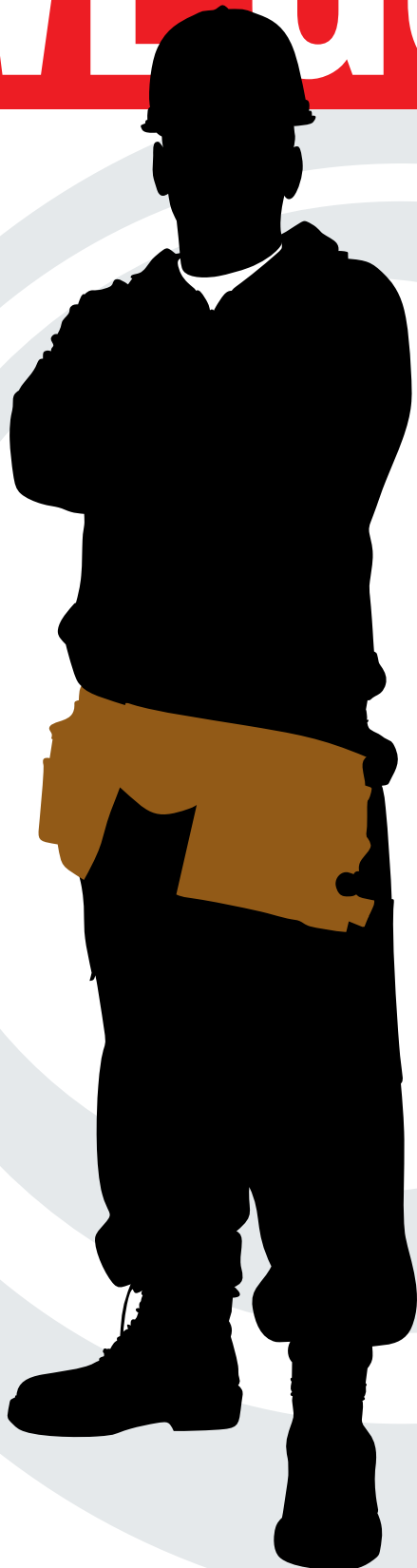


SPECIAL REPORT **WE GOT THIS.**



Top building pros act to reduce the pandemic impact

Flash interviews and data crunching find high-performance pros cautiously upbeat about the future, and adapting quickly to virtual sales, product selections and meetings.

**FROM THE EDITORS OF
GREEN BUILDER MAGAZINE**



**BY MATT POWER, EDITOR-IN-CHIEF,
WITH INTERVIEW CONTENT FROM RON JONES,
SARA GUTTERMAN, ALAN NADITZ AND CATI O'KEEFE**
ADDITIONAL CONTENT FROM EEBA WEBINAR PANEL DISCUSSIONS

TO HEAR SOME OF THE NATION'S most-progressive and sophisticated builders talk about the COVID-19 economic meltdown is to take heart. The party's not over, as far as they're concerned—not even close. Are they right? Do they know something their less successful peers do not? Yes, in all likelihood, they do.

That's because top tier builders are used to fighting for their economic lives. They've ridden out recessions, housing bubbles, market adjustments, housing moratoriums, code changes and more. They're not your run-of-the-mill small contractor, with a company lifespan of three years.

Our talks so far with the industry find that high-performance firms been proactive since the COVID-19 crisis first appeared. They didn't dawdle, the way government officials did.

"We immediately harkened back to prior crises," Gene Myers of Thrive Homes in Denver said while speaking to building pros during an EEBA webinar on April 7. "I remember navigating through 9/11. We immediately started focusing on cash preservation. For a small builder, that is the No. 1 strategy. We started right away looking at across-the-board pay cuts, deferring land deals."

When the first bailout bill from Congress passed, he explains, the company took the lifeline and ran with it. "It's extremely hard to build a good team," he says, "but so far, we've been able to hold onto them.

Myers says two things helped Thrive Homes as high-performance builders: "First, we've seen renewed loyalty from trades in Denver, with a high level of engagement and care," he notes. "Every framer on the jobsite this morning was wearing a mask. The partnership we've built [over the years] is serving us well.

"Secondly—I think we'll talk about this more, but—we've been focused on health...it's not always easy but now we'll be able to have that message resonate much more strongly as a building block for rebuilding our business."

To get a better barometer of where the industry at large is headed in the aftermath of the pandemic—assuming it will come eventually—our staff at *Green Builder* reached out to many builders, architects and manufacturers, looking for a general mood and what we all might expect over the coming months and years.



Gravity first. Although a cloud of "disappointment" and fear lurks in the background, the most prevalent emotional state during the first 90 days of COVID-19 lockdowns was expressed in grateful and "thankful" terms.

“If housing does spread out into the fields and forests, growth patterns and housing performance need to be managed carefully.”

A TALE OF TWO REACTIONS

We'll share the results of our questions and interviews in this article. But before we do so, it's important to note that the views of these industries, by and large, differ dramatically from that of the general public. We know this, because we used our in-house data discovery service, COGNITION Smart Data, to probe public sentiment, mentions and mood about their future housing options.

What we found is that, by and large, Americans gradually circled inward psychologically for the past couple of weeks. This wasn't always the case. The lockdowns didn't take place until end of the month in China and mid March in the U.S., meaning they would have had no effect on housing starts in January.

A FAST-CHANGING SITUATION

By early May, conversations had dwindled on the topic of new home purchasing and remodeling, as households hunkered down and the nation began "opening up" out of lockdown mode.

This re-opening, considered highly risky by medical experts, will likely determine whether the shelter industry can avoid a full-blown recession. It will test the public's capacity to take an existential threat in stride, yet still pursue the conventional American Dream of home ownership and family.

It's possible, as real estate expert John Burns suggests, that the crisis could boost home sales by giving millennials the push they need to abandon rental living and buy into the shelter dynamic of their parents. As a result, they'll be looking for single-family homes with outdoor play space, the traditional neighborhood model developed post World War II.

Of course, that cultural shift could create new problems in terms of our footprint on the planet. Denser populations tend to consume far fewer natural resources per capita than their rural counterparts. If housing does spread out into the fields and forests, growth patterns and housing performance need to be managed carefully. Net zero-plus homes with fossil-fuel-free energy sourcing and low impact transportation are both possible and essential to our future survival.

As the death count from COVID-19 in the U.S. surpasses more than double the American lives lost in the Vietnam War, it's clear that nothing is certain. Instead, we have entered a "limbo" period where politics often trumps science, and dangerous social experiments happen in real time. Can we return to "normal," now that the soft underbelly of our health care system lies bare, not to mention our fragile global economics and even our ability to sift the truth from lies? Is normal the best we can do?

Let's hear what those in our business have to say. The fog of the pandemic is lifting, but what lies behind it is still "murky." The comments that follow include numerous sources: our own interviews and surveys, and a few builder quotes and remarks from an April 2020 EEBA webinar.

"LESS ACTIVITY, BUT HIGHER CONVERSION"

**CR Herro, Vice President of Innovation
Meritage Homes, Scottsdale, AZ
(Corporate Headquarters)**

GB: Are you changing your offerings/services?

CR: There's no doubt that the coronavirus is having a long term impact on the priorities and capabilities of the general public, which creates changes and opportunities for business to respond to these shifts.

GB: Have your customer expectations/demands changed?

CR: It is too soon to capture the impact that March and April will have that will persist in the zeitgeist this time next year. There are certainly rapidly growing skills, and therefore comfort, with remote communication, learning and purchasing that will likely increase the adoption of remote services. It is logical that a pandemic would increase health awareness and promote materials and strategies to better protect families. That will have to be borne out by market adsorption in the last half of 2020.

GB: What, if anything, are you doing differently on your jobsites?

CR: We are trying to maintain as much normalcy as possible, while responding to almost daily shifts in corona requirements. There is still access to material and labor. Many builders have slowed speculative builds, which has provided the needed focus and capacity to build the backlog of sales from Q1.

GB: Have you changed the way you're selling homes?

CR: People have more time to research online, and the industry is promoting connection to the already robust online content that has been evolving for years. Additional research tied with appointment based onsite traffic means that there is less activity, but higher conversion, in the field.

GB: Which aspects of building do you predict will be most impacted, and why?

CR: Based on the growing use of online tools and the current health awareness, those seem to be the largest areas that may have a long term impact on the buying preferences of the public, and are therefore create opportunities to adjust business practices to better serve customers and create new opportunities for innovative business leaders.



“CHANGES IN EXPECTATIONS”

Tim O’Brien, President
Tim O’Brien Homes
Pewaukee, WI

GB: Is the coronavirus changing your business?

TO: Yes, forcing us to look at how we can continue to sell without people coming out to models: a virtual selling strategy. We have developed new methods for selling under these conditions.

GB: Are you changing your offerings/ services? If so, what is driving you to do so?

TO: We are focusing more on the communication of how our homes can be healthier than a standard build. This includes filtration and air exchanges, in addition to reduced effects of outdoor air pollution with a tighter home. We are also looking to make the EPA’s IAQPlus a standard for all homes.

GB: Have your customer expectations/ demands changed?

TO: Besides thinking builders will be desperate to sell homes during this time? We continue to engage prospective clients with virtual meetings like Zoom and FaceTime for field tours

and home reviews. We expect to experience more changes in expectations as we continue down this path of COVID-19 as well as other potential concerns about coming out to visit a model if the periods of “all-clear” from our government and the CDC are not lasting.

GB: What, if anything, are you doing differently on your job sites?

TO: More sanitation of areas (porta-johns, door handles and final cleaning scope changes). We enforce these, just like we would any other OSHA requirement.

GB: Have you changed the way you’re selling homes?

TO: Yes. See above. We’re also developing tools for virtual design appointments.

GB: Has the coronavirus impacted your sales?

TO: Dramatically at this point. Still worked through a few people that we had in the pipeline before this all hit, but most people are in wait-and-see mode, as it relates to their jobs and the housing market; expecting a drop in prices. We continue to engage people through social media and other marketing strategies, so when we can get back into models, we can start writing contracts.

GB: Are you experiencing material shortages and/or changes in your supplier relationships?

TO: Not yet, but we do expect shortages in anything with sheet metal (HVAC, Appliances, etc.). Products coming from China will also be in short supply. We continue to discuss these challenges/concerns with our suppliers. Trades are holding pretty strong, but anxious about the impending slowdown.

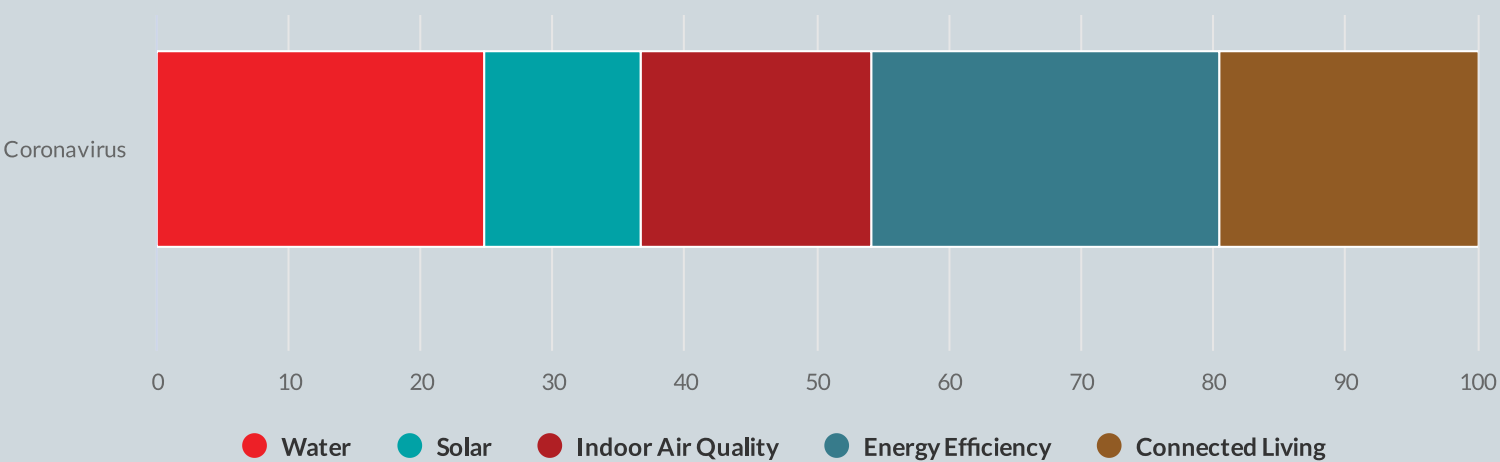
GB: Do you think that the coronavirus will create systemic, long-term change in the building industry?

TO: Yes! More virtual engagement with prospects and customers; more focus in IAQ and built-in products that help keep surfaces cleaner. Design criteria will change too, with more working from home (WFH) office space, kids learning areas, food storage, connectivity, etc.

GB: Which aspects of building do you predict will be most impacted, and why?

TO: WFH, plus pantry storage, cooking and kitchen organizational options, and new emphasis on enough bandwidth and Wi-Fi coverage.

Talking Points: Essentials for Resilient Living



Related conversations. When we correlate specific high-performance building terms with coronavirus discussions, water and energy efficiency arise most often.

“NOT A MARKET FOR TIRE KICKERS”



Robin Sheakley, President
Sibcy Cline Realtors
Cincinnati, OH

GB: How is the real estate market adjusting to COVID-19 realities?

RS: Realtors and their clients have made quick adjustments, allowing them to continue to market and show properties. For instance, sellers are requested to turn on all lights and open all doors prior to showing, and in return, buyers are asked not to touch anything in the house and to leave all lights on and doors open.

GB: Are you also doing business virtually?

RS: Of course. We’ve put our weight behind virtual open houses, and many agents have filmed detailed property tours that can be viewed prior to a buyer coming inside the house.

GB: So you know they’re serious before they get a live tour, assumedly?

RS: Exactly. When buyers have viewed photos online, watched a virtual tour and still desire to see inside, agents move to in-person showings, but space them out to avoid any overlapping of interested parties. This is not a market for tire kickers.

GB: For the greater Cincinnati area, how are showings, sales and closings going in terms of volume?

RS: According to 4/9/2020 NAR Weekly housing monitor, new home listings are down 19 percent from one year ago and new contracts are down

20 to 40 percent in most markets from one year ago. Home prices are holding so far, with the majority the same or higher from one year ago.

GB: You suggest that the market will bounce back in a few weeks. What will have changed for good?

RS: Many people spent their time staying in place at home. In that time, they cleaned their homes, decluttered and made notes of wants and needs at home.

GB: So they’ll want to make changes?

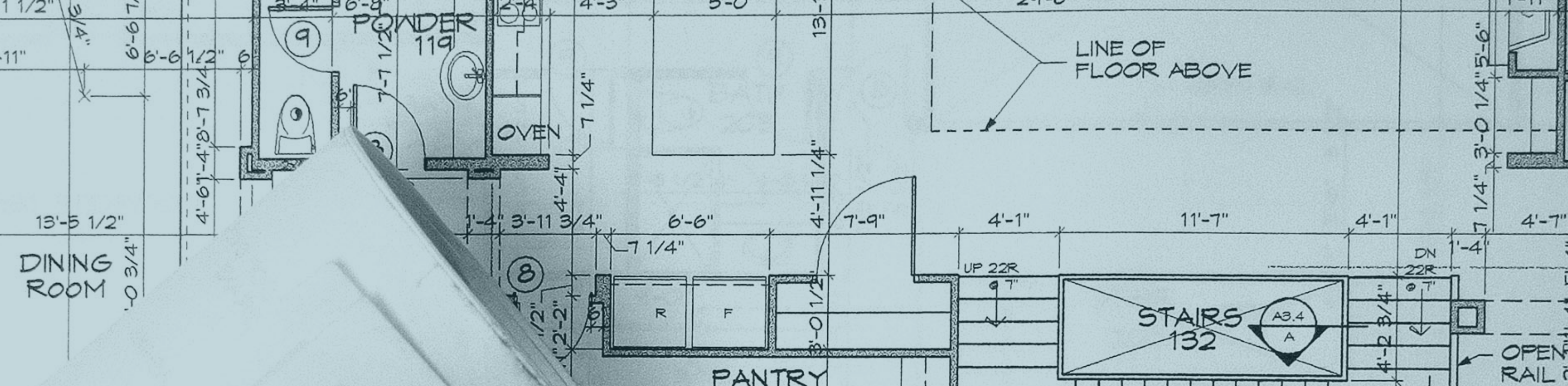
RS: It seems likely. Some are thinking their house is too big, too small, or they just don’t like it anymore. In a few situations, people will emerge with a new perspective on work or family, or their financial picture may have changed, necessitating a move.

GB: Will the houses they want exist? Or will they want to start over and build new?

RS: Pre-virus, we were experiencing one of the tightest levels of inventory in history. As far as home-buying adjustments, we expect to see a shift in priorities. There will be a segment of the population that will have a heightened desire to be close to amenities such as parks, stores and restaurants. Ironically, there will also be a segment of the population influenced by social distancing who will be looking for privacy, land, and solitude.

GB: It sounds like you were pretty well prepared to handle this situation—but you’re learning, too?

RS: At Sibcy Cline, our agents have had the tools available for some time to conduct their work remotely, and we were able to extend that to every employee within 48 hours. We’ve launched a private group for social media support and encouragement, created an alternative way to collect earnest money, leveraged Microsoft teams for virtual sales and clients meetings, hosted live Continuing Education classes, held weekly all-company virtual town halls, and created a robust digital library for our entire Sibcy Cline family. The creativity has been incredible.



“REDUCING OVERHEAD”

Nathan Good, FAIA
Nathan Good Architects
Salem, OR

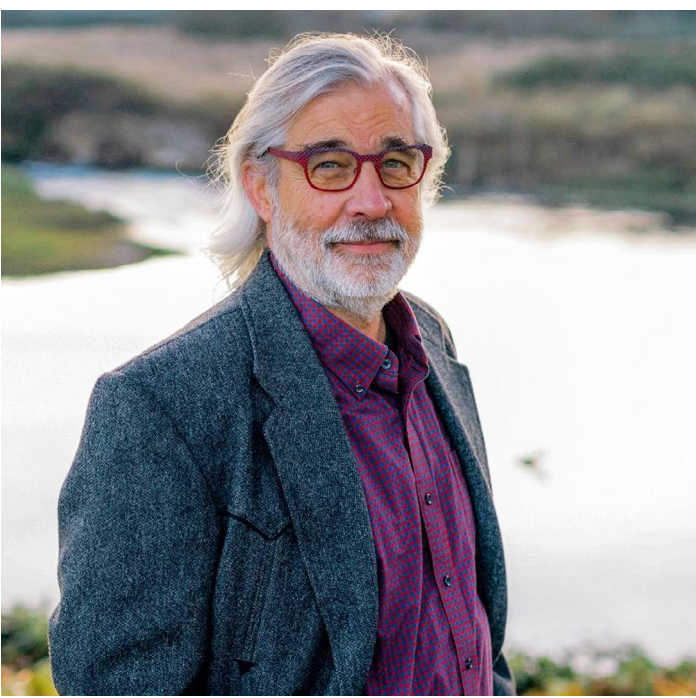
GB: How is the coronavirus changing your business?
NG: Five of our projects have been placed on hold. Four of them are residential projects in design and one of them is a tasting room for a winery that shut down during construction. Our interior designer has been furloughed since April 1. Our other three architects have work on custom residential projects.

Each of us has been set up to work from our homes for the past two years with robust laptops, private office space, strong connections to our shared server at our office, and decent ergonomics.

As our work diminishes and the possibility of the rest of my staff is on furlough status, my office will continue to cover the cost of their health insurance, paid time off (vacation, illness and holidays), and the time for us to stay in touch with one another.

Despite some philosophical hurdles, I did submit an application for a PPP – CARES Act grant. As with seemingly everyone else, I have heard very little about the status of our application. I’ve had hopes that it would help carry my staff through the next two to three months and developed a plan for their utilization if were a recipient. As the likelihood of a PPP grant not coming through, I am developing alternate scenarios for how my office will come out of this.

GB: Are you changing your offerings/services? If so, what is driving you to do so?
NG: We have been able to reduce our overhead expenses by eliminating a number of expenses, negotiating a 50 percent reduction in our rent, and lower rates for our professional liability insurance. We are extending these savings to new and prospective clients through a reduction in our hourly rates.



A few years ago, we provided “aesthetic engineering” and sustainable design consulting services to civil and structural engineers for projects that they were the lead on. We are relaunching this service and have begun pursuing bridge and infrastructure projects with engineering firms.

GB: Have your customer expectations/demands changed?
NG: Our clients with projects nearing the completion of construction documents are anxious for us to submit the permit documents to the city or county in order to get construction started before residential construction is no longer deemed “essential.”

A couple of our clients who were waiting until this winter to start the architecture and spring of 2021 to start construction are asking to move their timelines with us up. These clients speculate that they will get better pricing for labor and materials if they can start construction this summer or fall. Their concern is that if they wait until next year to build, more sub-contractors will be out of business, resulting in a labor shortage and higher prices.

GB: What, if anything, are you doing differently on your job sites?
NG: Most of our job site visits are through FaceTime on our iPhones with our clients and the builders we work with. When we do need to visit construction sites, we respect distancing, wear face masks and avoid touching any surfaces.

GB: Have you changed the way you’re selling homes?
NG: No.

GB: Has the coronavirus impacted your sales?
NG: Yes.

GB: Do you think that the coronavirus will create long-term change in the building industry?
NG: Probably not. The home building industry is like a large ship. It requires a great deal of force and distance to change directions. I do believe, however, that this crisis will result in a number of changes in housing design over the next few years:

- More desire for homes (and businesses) in less-densely populated communities (a flight from cities).
- An increase in demand for residential purchases and rentals that are less dense: less interest in apartments than single-family homes.
- A crisis in affordability coming from high unemployment and high demand for single-family homes will result in new neighborhood clusters of slightly larger than tiny homes, with shared commons and garden space.
- More demand for intentional communities and co-housing with smaller stand-alone homes, also with shared commons, gardens and guest quarters.
- An increase in innovative, cost-conscious, well-designed, ultra-efficient, manufactured homes, i.e., the Pirus Home.

- More demand for homes with dedicated home-office space.
- Larger family rooms that double as space for home schooling with dedicated closets for school supplies.
- Converting garages for home offices, studios, home schooling, exercise and storage .
- Larger pantries for food and household supplies.
- An increase in edible landscapes: vegetable gardens, raised beds, fruit trees and greenhouses.
- A continued increase in healthy homes: methods to enhance hygiene, more heat-recovery ventilation systems (including retrofit and remodel options), less carpet and more hard-surface flooring, and continued efforts to keep pollutants, bacteria and viruses from entering the home.
- More time in the home will result in much higher energy bills, which will further emphasize the benefit of energy efficient homes.
- A continued interest in renewable energy systems to further reduce the cost of monthly energy bills.

“A few years ago, we provided ‘aesthetic engineering’ and sustainable design consulting services to civil and structural engineers for projects that they were the lead on. We are relaunching this service and have begun pursuing bridge and infrastructure projects with engineering firms.”

Tricia L. Nadolny Home sale
 ineffective purchasing process
 mortgage company mortgage backed security
 mortgage holder mortgage lender fresh arrangement
 new home sale mortgage industry mortgage relief
 mortgage market rent payment U.S.
mortgage payment
 App mortgage rate
 mortgage application mortgage servicer
 apartment building U.S. new home sale
 second home owner existing home sale
 totally inefficient purchasing process
 long term mortgage rate
 Canada Mortgage and Housing

Consumer anxiety. When housing terms are correlated with coronavirus keywords, the topics of rent, paying an existing mortgage and, to a lesser degree, new home purchasing show up frequently in social postings.

“STILL BOOKED SOLID”

Ted Clifton, Owner/CEO
 Clifton View Homes and Zero-Energy Plans LLC, Bellingham, WA

GB: Is the coronavirus changing your business?

TC: We are in a state that has shut down all non-government residential and commercial construction, so yes.

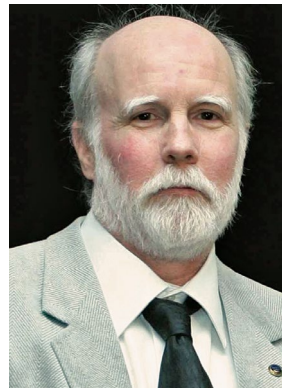
GB: How are clients reacting?

TC: Our customers don't know what to do. They are stuck with half-finished homes, and banks that want them finished on time, but we are not allowed to work. We cannot get doors, because our door supplier is also shut down by the Governor. Without doors, we can't install the finish trim, even if we did "sneak in" and work.

GB: How are you retaining employees?

TC: Despite the Governor's orders, we have continued working where we have the products to do so. We have a very strict policy of only one

person per job site, and NO trips to the store if you need more supplies. The lumber yards will deliver to the doorstep, so they don't need to come in, and we don't need to go out. This will



only be a temporary change, but will continue as long as there is significant risk from the virus.

GB: Have you changed selling techniques as well, and what's the impact?

TC: No. As with Zero-Energy Plans LLC, we are already offering the right product at the right time. It's too soon to tell. We are still booked solid for about two years,

and nobody has cancelled.

GB: Any material shortages?

TC: Certain products are simply unavailable due to the Governor shutting down the suppliers.

GB: What changes will the coronavirus impose upon the building industry?

TC: I fear we are going to lose a lot more small builders and subcontractors who don't have the

staying power to weather this storm. I do not, however, foresee any lasting changes in the way we build homes as a result of this. That being said, I think a lot more people will be thinking about indoor air quality. Also, priorities may shift to features people feel are "must haves," now that they have been cooped up inside their homes for a month or more—but so far, I haven't seen what those might be.

Note: Ted Clifton asked us to mention that his design company, Zero-Energy Plans, has had a more-positive COVID-19 experience than his construction firm, and has seen positive growth during the COVID-19 crisis, with more inquiries and more sales of plans for high-performance homes. The State of Washington was scheduled to re-open in four phases shortly after this interview was conducted (starting May 5). In the second phase, new construction would be allowed to resume as an essential business. —Editor

“THE BUYER IS STILL OUT THERE”

Dennis Webb, Vice President of Operations
 Fulton Homes, Tempe, AZ

GB: Is the coronavirus changing your business?

DW: Of course. Traffic and sales have dropped in half since the third week of March. But the buyer is still out there. Builders tend to take their eye off the ball and shut down mentally, but that's a mistake.

GB: So are you changing your offerings/ services to manage existing customers?

DW: We have about 550 homes under construction, and about 100 people we need to get through our design center—but they're not wild about coming in, so we're doing online appointments. This is all new for us, but it's getting great traction. They can select all finishes and interior options from another state or another city. It's something we will use in the future.

GB: So can final product selections be made virtually?

DW: Yes. And another benefit is that buyers can go into the virtual showroom any time before the appointment, and spend a lot of time to look at everything. We had one customer on there for 36 hours before the actual selection. Another spent 15 hours.

GB: How will you make up the dip in sales?

DW: We've got great salespeople who sell on 100 percent commission, so their livelihood depends on selling houses. They're extremely motivated and good at what they do.

GB: So you're still having a lot of conversations?

DW: Yes, but you have to reach [clients] differently, so we're connecting with them via our website, email, phone calls, Zoom meetings.

GB: What, if anything, are you doing differently on your jobsites?

DW: Like everyone, we're practicing social distancing, limiting the number of trades in a home.

GB: Some builders report material shortages. Have you encountered those?

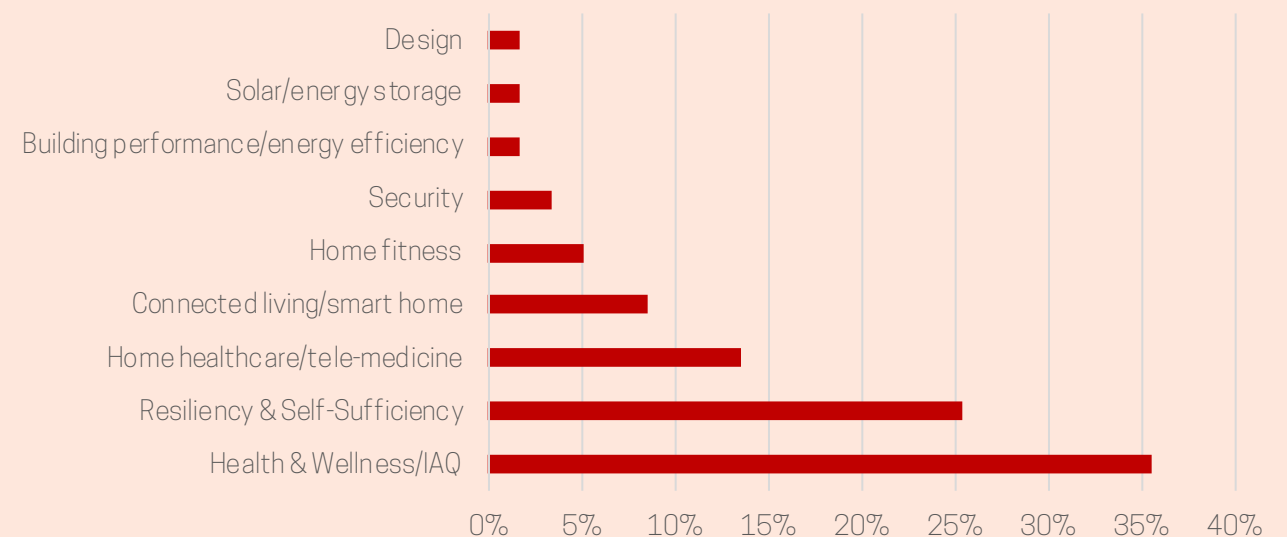
DW: No.

GB: Do you think that the coronavirus will create any lasting change in the industry?

DW: It will force builders to be able to offer services that don't require people to physically be in certain places.

“They can select all finishes and interior options from another state or another city.”

According to a Green Builder Media survey, the most impacted sectors will be:



“PART OF THE SOLUTION”



**Frank Carroll, President/CEO
Broan Nu-Tone, Hartford, WI**

GB: How is the coronavirus affecting your company?

FC: The coronavirus has affected Broan Nu-Tone in a number of ways. The downturn in new construction demand is the most-direct effect. We supply to most of the new home builders, so there is a direct correlation there for us. On the consumer side, now that they are spending more time in their homes, we have seen an emphasis in online sales for upgrade motors and grills. Internally, we have created a company-wide work-from-home strategy for those employees that are able. We have also emphasized and reinvented a “healthier” safe working environment for those employees that have to be in our factories, given we are deemed “essential,” with ventilation and fresh air products.

GB: Did you expect this type of impact?

FC: Initially, I am not sure anyone saw this level of activity coming, but the team responded with the utmost professionalism. I am very proud of the way so many employees rallied together to enable our company to continue working while protecting employees at the same time.

So many functions come together to prepare for business in a new way—the finance team, the IT specialists, the HR team, our web specialists, and our remote customer service teams are just a few to call out.

Our real front line is our operations and factory employees that make our essential products. Because of everyone working together, we have been able to stay in business to support our customers and builders with the ventilation products they need to finish their jobs.

GB: What is your company doing to address the challenges caused by COVID-19?

FC: In our facilities, we have established a number of safety actions such as spatial distancing, encouraging use of masks, increasing sanitation, creating schedule adjustments, and providing consistent communication across teams.

However, while we have had to make some adjustments in our work, a big focus for our company has been on how to be part of the solution going forward. The importance of ventilation and fresh air has been a growing topic in this time, so we have been working on sharing our existing solutions and creating new product solutions that address that.

GB: How affected did you think your company will be if the coronavirus leads to a recession?

FC: Our business would definitely be affected by a recession, as would any other company. The one helpful difference that we have in working through a recession is a diversified business over a few different categories of ventilation, fresh air solutions and home appliances. This diversity is further complimented by our channel diversity via new housing, remodeling and regional balance.

Another element in fighting through a recession is new products and new market demand. The understanding of ventilation solutions and indoor air quality through this challenging time is increasing. With that we see opportunities for growth in the future, but we just have to help each other manage the near term.

GB: What are your customers doing differently?

FC: The immediate reaction we are seeing is that customers are looking for repair/replace/remodel solutions as well as more of a focus online. Our customers are also getting really creative with ways to service their contractors.

In addition, we are seeing more requests for sanitizing and clean air solutions. We recently launched *SurfaceShield*, a fan that incorporates a special light module powered by Vital Vio technology that limits the growth of mold, mildew, fungi and bacteria. This type of product meets this growing need.

From a builder’s perspective, we see the building codes and ASHRAE specifications being published that are calling for more fresh air solutions, continuous run and minimum balanced air capabilities.

GB: How do you think the coronavirus will change the homebuilding sector in the short term (30-60 days)?

FC: In the short term, builders are completing the jobs and sites they started before the crisis, but home building statistics point to an expected short-term drop in manufacturing thereafter. With that, we expect that the discussion and topic of energy efficient, code-compliant ventilation—both whole home and bathroom/kitchen exhaust—will be at the center of builder conversations and considerations.

We expect that more builders will not only want to meet minimum ventilation code requirements but go above and beyond with solutions that offer premium indoor air quality. This will be a significantly more sought-after feature in the eyes of health-conscious prospective buyers wanting to protect their families.

GB: How do you think the coronavirus will change the homebuilding sector in the long term (61+ days)?

FC: In general, our understanding is that many people are only delaying purchase activity, not giving up on it. So, we expect more of a V-shaped recovery. It may not reach forecasts of 3-6 months ago this year, but by next year we don’t expect there to be lingering effects.

Specific to Broan Nu-Tone, we have already seen a lot of activity as builders turn to us to learn more about our fresh air systems and

ventilation solutions. As stated above, I think the builder conversations will get more serious and start to incorporate more advanced fresh air options. We expect that all builders will now be accelerating their plans to incorporate these options into their homes. Previously, if offered, this was a premium option.

Building codes were starting to change, but we expect this crisis will accelerate all these discussions and actions. Now, building scientists will be sitting at the head of the table when home builders are creating the next generation of homes that don’t compromise between health/indoor air quality and energy efficiency.

GB: How do you think coronavirus will impact consumer behavior in the short term (30-60 days)?

FC: As expected, there has been a shift to online buying. Consumers are looking around their homes to see what they can repair, upgrade and remodel themselves in the place they will be spending most of their time. As such, we expect our series of products that can be installed by the homeowner to upgrade their ventilation, their grill or add features without having to cut into the plaster/drywall will be helpful solutions for them.

GB: How do you think coronavirus will impact consumer behavior in the long term (61+ days)?

FC: We expect there to be a heightened awareness of indoor air quality and wellness topics from both the home buyer and DIYers. We also expect to see more building of Indoor airPLUS-certified homes for health-conscious buyers, and increased requests for higher quality ventilation systems or new solutions like our *SurfaceShield*.

GB: Any additional thoughts?

FC: While the events around COVID-19 are unprecedented and the timetable for when things return to normal are a little muddy right now, we believe that ultimately the experiences and knowledge gained during this time will have a positive effect on the green builder community, especially if they leverage the economic benefits of green building and the wellness opportunity that comes with a proper ventilation strategy to match it.

“We expect that more builders will not only want to meet minimum ventilation code requirements but go above and beyond with solutions that offer premium indoor air quality.”

“THE INDUSTRY WILL REBOUND”

**Steve Baden, Executive Director
RESNET, Lake Forest, CA**

GB: How is the coronavirus changing how your organization works?

SB: The RESNET team already worked from dispersed home offices, so we will not be affected by the quarantine. To ensure employee and public health, RESNET employees will not be traveling to meetings or conferences [until conditions improve]. In addition, the RESNET Quality Assurance Team is working on alternatives to onsite quality assurance monitoring.

GB: So you’re looking at ways to keep HERS energy ratings moving forward?

SB: Yes, but it’s important to note that the pandemic is having an impact on the energy rating industry in two ways:

1. **Demand.** With the general slowdown in home construction, the demand for HERS ratings is expected to slow. RESNET is closely tracking rating activity to discern longer trends.
2. **Safe scheduling.** With all states having proclaimed social distancing, there will be challenges in scheduling ratings. Even though most states have determined construction as an essential activity and not affected by the close of business proclamations, there is the concern over HERS Rater safety.

GB: Can you translate what that means to someone trying to get a home rated?

SB: Sure. First off, we’re providing guidance on how HERS Raters and Rating Field Inspectors can limit exposure to the COVID-19 pandemic when they go to a construction site to conduct the inspections and testing.

GB: That makes sense. Can any of the rating process be done remotely?

SB: We’ve proposed an emergency interim amendment to RESNET’s standard, which will allow diagnostic testing alternatives. In other words, raters can allow default values in lieu of field testing.

GB: How can builders, architects and so on keep up with changes like that?

SB: We have set up a new web page—[RESNET COVID-19 Updates](#)—that keeps the industry up to date during the pandemic. The web page covers:

- RESNET COVID-19 Announcements.
- Resources for Rating Industry on COVID-19 Pandemic.
- General Resources on the COVID-19 Pandemic—Covers such resources as *OSHA Guidance on Preparing Workplaces for COVID-19*, *NAHB Construction Jobsite Safety Recommendations for Coronavirus*, and *Builder Coronavirus Construction Limits: State-by-State Tracker*.

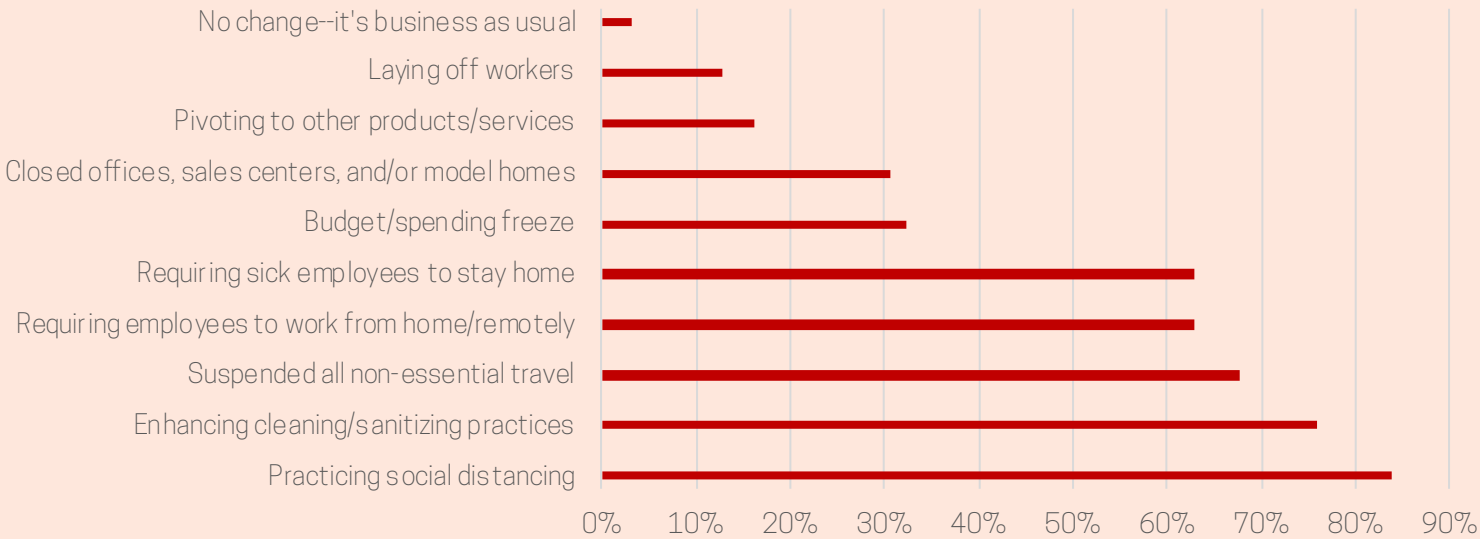
GB: Will the coronavirus will create systemic, long-term change in the building industry or ratings such as HERS?

SB: At this time it’s hard to say; [it] will depend on how long the pandemic and economic slowdown lasts. There are hopeful signs that the housing industry will rebound. Mortgage interest rates are historically low, meaning buying a home is more affordable, and with the federal Paycheck Protection Program, builders can keep staff rather than simply laying them off as happened in the 2007-2008 recession. This will mean that the builders will not lose the infrastructure and will be able to start building again.

GB: Which aspects of building do you expect to be most impacted?

SB: Healthy homes will become more normalized. High performance energy efficient construction is the foundation for a healthy home, and we expect to see growing interest from builders, homeowners and others in the future.

According to a Green Builder Media survey, builders are:



“ACCELERATED SHIFT TO E-COMMERCE”

**Rüdiger Schmitz, Vice President
Trinseo, Berwyn, PA**

GB: How is the coronavirus affecting your company?

RS: Trinseo’s manufacturing operations are considered essential by government authorities around the world because we produce materials that are intrinsic to life-sustaining products such as medical devices, protective equipment and food packaging. Our plants continue to operate, produce and ship materials to our customers.

GB: Did you expect this type of impact?

RS: We are currently in uncharted territory but have been tracking this from early on to anticipate impacts and make plans to ensure the safety of our employees while meeting customer demand.

GB: What is your company doing to address the challenges caused by COVID-19?

RS: In any decision we make, we are guided through our core values of safety and Responsible Care®. Since the beginning of the coronavirus disease outbreak, Trinseo has set up a Global Crisis Management Team to closely monitor the situation and take appropriate actions, including precautionary safety measures inside our plants, offices, and other locations.

GB: How impacted do you think your company will be if the coronavirus leads to a recession?

RS: We intend for Trinseo to weather the storm. We are taking short-term actions to ensure short-term financial stability, as well as longer-term strategic actions to better position Trinseo in the future.

GB: What are your customers doing differently?

RS: Many of our customers supply critical resources for commercial and residential construction projects that have been deemed essential during this time. They’ve taken

various steps to adhere to CDC guidelines while continuing their work, including ensuring their employees wear masks and staggering work shifts to reduce person-to-person contact wherever possible.

GB: How do you think the coronavirus will change the homebuilding sector in the short term (30-60 days)?

RS: We anticipate there will likely be a prolonged impact on construction overall. And while we can’t know for certain exactly what changes may come of this, it may mirror the industry impact we experienced following the 2008 recession in many ways. We’ll be keeping a close eye on consumer behavior and emerging megatrends in order to pivot and meet the new demands that the future presents.

While e-commerce already has a stronghold in retail and consumer spaces, we’re likely to see a more accelerated shift to bring e-commerce into the B2B world with industrial goods. We expect companies will prioritize this much higher on strategic agendas than previously.

We anticipate there will be a heightened focus on safety and personal protective equipment, and that many aspects of the industry will move more rapidly toward embracing digitization and Internet of Things solutions, which includes increased reliance on virtual tools in place of traditional face-to-face sales meetings and travel.

GB: How do you think coronavirus will impact consumer behavior in the long term (61+ days)?

RS: While it’s too early to know just how consumer behavior will change in the wake of the COVID-19 pandemic, this is certainly something companies will need to consider as they plan for the future across each step of the value chain. We already see shifts in how consumers are spending their discretionary income, and this will likely continue as we experience volatility and uncertainty in the economy. Inevitably, this will place prolonged pressure on industries



“While e-commerce already has a stronghold in retail and consumer spaces, we’re likely to see a more accelerated shift to bring e-commerce into the B2B world with industrial goods.”

directly tied to consumer demand. For example, hygiene is currently taking up more consumer mindshare, potentially making this a stronger purchasing consideration for the future. We’ve also seen a jump in do-it-yourself projects spurred by the increased amount of time consumers are spending at home. And similarly, demand of package food has increased as a direct consequence of the stay-at-home orders. This is expected to return to normal demands after the lockdowns are lifted. However, we expect this to happen gradually due to the controlled back to normal plans. As an industry, we’ll need to closely monitor these changes and make considerations for where we can innovate to meet future demand.

“One thing we are doing a lot more of is communicating – openly and often – with all of our Trex employees and associates, as well as with our channel partners.”

“IN THIS TOGETHER”

**Bryan Fairbanks, President/CEO
Trex, Winchester, VA**

GB: How is the coronavirus affecting your company?

BF: COVID-19 has affected virtually every aspect of our business in one way or another. Like most companies, we are actively managing our business to respond to the conditions of this health crisis and continue to evaluate the nature and extent of its impact.

Without question, the Trex family has risen to the occasion. I couldn't be prouder of the way our entire organization has responded and how quickly they've adapted to the changes to our business. We are following all CDC and public officials' guidelines, along with implementing local emergency response plans at each of our locations, including our Trex Residential operations in Winchester, Va., and Fernley, Nev., along with our Trex Commercial Products and Staging Concepts facilities in Minneapolis. We are adhering to social distancing and sanitation requirements. In fact, we have team members that are fully dedicated to keeping all high-touch areas, such as break rooms, door handles, etc., continually cleaned on a 24/7 basis across all of our facilities to help ensure the safety and health of our workforce.

Thanks to our committed employees, our facilities have remained fully operational throughout this crisis and we have been able to continue production in a safe and effective manner to meet demand for Trex products.

GB: Did you expect this type of impact?

BF: This is truly uncharted territory. There are playbooks for fires, hurricanes and other natural disasters but the playbooks really haven't been written for pandemics that close down a large portion of commercial activity across the United States and, for that matter, the world.

That said, we've been able to use a lot of the pre-planning we've done for other disaster scenarios and apply those strategies and tools to respond to this crisis. Companies that have been proactive in their crisis planning and have

response procedures in place, as we have at Trex, have been able to adapt more quickly and are better equipped to weather the storm.

GB: What is your company doing to address the challenges caused by COVID-19?

BF: As mentioned earlier, Trex is fortunate in that we have been able to remain fully operational during this crisis. Our manufacturing process allows for adherence to appropriate social distancing guidelines. As the industry's low-cost producer, Trex has considerable financial and operational flexibility. At this time, we have no supply issues; however, we maintain inventories of materials sourced from diversified geographies, which allows Trex to better tolerate short term supply chain disruptions. From an end-market perspective, we have approximately 100 exclusive distribution locations and 6,700 channel partner outlets where consumers can purchase our products.

One thing we are doing a lot more of is communicating – openly and often – with all of our Trex employees and associates, as well as with our channel partners. This is a time of tremendous uncertainty and we want our stakeholders to know that we are in this together. We communicate daily with the dedicated associates who are keeping our manufacturing facilities running, those who are in the field and our corporate employees that are working from home. And, through our sales team, we are maintaining close contact with our distributors, dealers and retailers to understand the impacts of this crisis on their operations and to ascertain the various geographic differences so that we may provide the most effective and meaningful support during this challenging time.

We also are taking steps to support our community—both on a national and local level. We have partnered with Feeding America and are currently donating the proceeds from the sale of all Trex® deck samples ordered through Shop.Trex.com to aide in domestic hunger relief.

At the local level, as we source [personal protection equipment] for our plants, we are



also purchasing enough to be able to donate to our local medical community. Additionally, our research and development team identified a way to manufacture face shields for medical use – a prime example of how our teams are quickly pivoting and thinking not just about our own needs but those of others in the community.

GB: How impacted do you think your company will be if the coronavirus leads to a recession?

BF: Trex's generally conservative financial structure allows us to be able to work our way through virtually any type of downturn scenario. From a financial perspective, we are in a strong cash position with almost zero debt, and a credit line that affords us strong liquidity. Additionally, Trex generates substantial free cash flow, which gives us great financial flexibility.

Our growth strategy also positions us to better handle a recession. Our primary business focus is on converting an increased share of the wood decking market to Trex composite products. The deterioration of wood decks will not take time off during an economic downturn and recent product introductions from Trex, offering pricing that competes more directly

with wood, position us to help fill consumer demand at the entry level more readily, particularly for homeowners with a DIY talent.

GB: What are your customers doing differently?

BF: Our channel partners have suddenly found themselves in a completely changed selling environment with an entirely different set of rules and conditions from the normal face-to-face transactions for which they are normally equipped. They are having to figure out how they can effectively sell to their customers while maintaining appropriate social distancing and conducting no-touch transactions either via telephone or online. They are also making revisions to accommodate delivery of Trex products in a safe and effective manner to the end consumer.

GB: How do you think the coronavirus will change the homebuilding sector in the short term (30-60 days)?

BF: It's a mixed bag out there right now. In some areas, contractors' phones are ringing, and decks are being built. In others, business has come to a standstill due to mandated shutdowns. Across the country, we are seeing strong results from our Decks.com website,

which appeals primarily to the DIY homeowner. I expect we will continue to see strength in the DIY sector, which will benefit our retail and channel partners. Given the latest reports on the virus, we don't anticipate any major changes in the next 30 days but are hopeful that we will begin to see a wide re-opening of commercial activity within the next 60-90 days.

GB: How do you think coronavirus will impact consumer behavior in the short term (30-60 days)?

BF: A positive impact of this crisis on our industry has been an increased interest among consumers in their homes – including the spaces that extend the home to the outdoors. As people are spending more time at home, they want to have attractive and low maintenance living spaces. Having more time on their hands, many are tackling home improvement projects themselves.

At Trex, we've seen an uptick in traffic to our website since the shelter-in-place orders have been issued. We believe there will be increased demand for products that add beauty, value and are easy to maintain. The Trex portfolio of products clearly fit into that trend.

GB: How do you think coronavirus will impact consumer behavior in the long term (61+ days)?

BF: We anticipate that interest in the home will continue for some time as a result of this crisis, which bodes well for our industry. People will have had time to view and experience their homes in a different way and as we emerge from a period of economic uncertainty, consumer confidence will return and homeowners will feel comfortable investing in value-added improvements to their homes, such as decks and outdoor living spaces.

“DIGITAL TRANSFORMATION”

Brett Joerger, CEO
Westhaven Solar, Yuba City, CA

GB: How is the coronavirus affecting your company?

BJ: As a company, we’ve been very fortunate that every one of our employees remains healthy during this time. While it has made us leaner as a team, we continue to operate and accommodate customers on essential services as appropriate. With permit jurisdictions tightened up, we are able to service a select number of cities and counties.

Overall, the pandemic has brought on tremendous opportunities for us in terms of a digital transformation. More than ever, it has enabled us to meet our customers where they are – and that is online.

GB: Did you expect this type of impact?

BJ: No one anticipates this kind of impact so soon nor can any protocol or strategic plan really address the needs of a business entirely, especially during a global health crisis. Where we were six weeks ago compared to today is inconceivable. However, as a next-gen visionary company on the front lines of driving a more sustainable future, this type of impact further underscores the need for cleaner, reliable energy in the world.

GB: What is your company doing to address the challenges caused by COVID-19?

BJ: We’ve reevaluated our 2020 approach and execution across the organization. In this time of uncertainty, we take it one day at a time because at the end of the day, we’re human too.

More driven than ever before by our purpose to bring reliable power and savings to our customers, we begin each morning with a huddle and disperse to conquer the day.

As a team, we work diligently and remotely where we can, practice CDC guidelines, and continue to help sustain the energy optimization and efficiency of communities.

With limited resources and permit jurisdictions in some of our service areas, we do our best to work smart. As such, our departments have banded together as a collective to continue to deliver on our company’s promise, regardless of



the challenges.

GB: How impacted do you think your company will be if the coronavirus leads to a recession?

BJ: We are an essential part of sustaining homes during this time, especially during the upcoming wildfire season and power shutdowns. We are on a cost-absorbing model and foresee the company strategically scaling with the economy and customer demands.

GB: What are your customers doing differently?

BJ: Our customers are more engaged with us online and over the phone. As we are an essential part of their everyday lives and our products can improve the quality of life, there is a sense of urgency for our customers. They are quicker to purchase than pre-COVID-19.

GB: How do you think the coronavirus will change the homebuilding sector in the short term (30-60 days)?

BJ: In the short term, we think it will slow down and tread conservatively. However, given that the sector continues to be an essential priority, we continue to see construction proceed accordingly.

GB: How do you think the coronavirus will change the homebuilding sector in the long term (61+ days)?

BJ: We believe the homebuilding sector has already experienced its recession from the past

mortgage meltdown. While we imagine it will begin to slow down as builders and companies trim their teams, we believe it is an opportunity to explore clean energy technology and automation for construction and homebuilding.

GB: How do you think coronavirus will impact consumer behavior in the short term (30-60 days)?

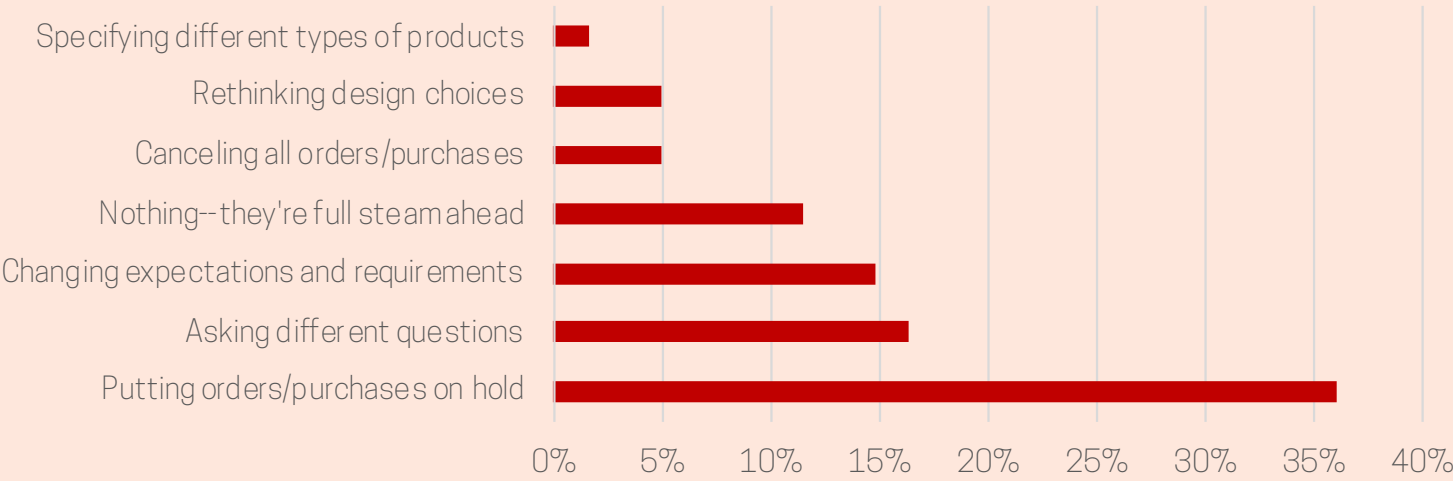
BJ: Pre-lockdown, we saw everyone panic purchase out of anxiety and from fear of shortage surrounding essential products. In the next few weeks, consumers will have adjusted to the new normal of a stay-at-home lifestyle. The demand for new homes or home building will continue to plunge in tandem with the unemployment rate.

GB: How do you think coronavirus will impact consumer behavior in the long term (61+ days)?

BJ: We will see more house upgrades versus new project add-ons or property purchases because people want to improve the place in which they live—especially as they spend 24/7 in the home during this pandemic.

Consumers will move into preservation mode for survival and only engage with essential and necessary products and services. For the general consumer, buying a home in a market where over 22 million are unemployed is a risky business.

According to a Green Builder Media survey, consumers are:



“GOOD COMMUNICATION IS OF UTMOST IMPORTANCE”

Judy Hedreen, Vice President/Co-Owner
Peter Ollestad, Vice President of Sales
Strasser Woodenworks, Woodinville, WA

GB: How is the coronavirus affecting your company?

JH: We have taken several definite steps to protect, safeguard and support our employees. All our customer service associates are working remotely from home; we reacted quickly and invested in new laptops, printers, and cell phones for our customer service people. In addition, all management was given the opportunity to



work from home, and encouraged to do so. And our essential factory workers are instructed (and reminded) to keep “the distance” from each other. They are also all wearing protective gloves and the majority are wearing face masks which are supplied by the company.

GB: Did you expect this type of impact?

JH: I don’t think anyone could have imagined such an impact—not just on our industry, but our country and the entire globe—but when such catastrophes happen, it’s those companies that react quickly and that make compassionate smart moves with the welfare of their associates in mind that will survive and thrive over the long haul.

GB: What is your company doing to address the challenges caused by COVID-19?

JH: To ensure a safe environment for all, we made sure that:

- All machines, door handles, light switches and bathrooms are

- disinfected with 75 percent alcohol solution several times daily.
- Employees are wearing protective gloves and the majority are wearing face masks which are supplied by the company.
- Sanitary hand wipe containers and 75 percent alcohol spray bottles are placed throughout the company for cleaning hands and/or equipment throughout the day.

GB: How impacted do you think your company will be if the coronavirus leads to a recession?

PO: I anticipate Strasser will be in a better position than some, as we are a true “Made in the USA” company, and COVID-19 has shown us the absolute value of having products made in America, and not just in our industry. I believe it is imperative to have U.S. domestic production of almost all goods and services.



GB: What are your customers doing differently?

PO: Our customers are spending more time online, which is why we consistently work to stay top of mind, and remind them we are their design partner and are available to support them in any way we can. Good communication is of utmost importance right now, and we’ll continue and grow our efforts to stay in touch with our industry partners and customers in the places they are going to online, including builder, kitchen and bath, and designer-focus webzines, blogs and newsletters, and social media. We also send out periodic “Constant Contact” updates with important news about our company and the information and resources our industry partners need now, from price lists to catalogs.

“PRICES ARE HOLDING”

“Mortgage standards are tighter, and most people have equity in their homes and are not under water like during 2007-8.”

**Ken Gear, CEO
Leading Builders of America
(representing production
builders, Washington, DC)**

GB: How is COVID-19 changing things for production builders?

KG: These are unprecedented times. Everyone is doing his or her best to comply, with the number one issue being the safety of workers and customers, and making sure protocols are in place. Clearly, there has been a drop in customer traffic through the job sites, but in most places we can stay up and running with social distancing in place.

We’re seeing a lot of creativity with virtual home models, including using Zoom to walk around with an iPhone and show a virtual tour. It’s challenging, but most of showings are by appointment, with no one else actually in the home. Trades are allowed in the home one at a time, so ten workers maximum. This may slow down construction time.

GB: Have you been forced to lower prices?

KG: To date, prices are holding. Traffic has slowed down, but the crazy thing is that it was already a great year for the housing market coming into [the virus crisis]. The fundamentals are strong. We’re still seeing people out there looking, but it is more challenging. Sales are not as strong as a few weeks ago.

GB: Your organization got involved with PPE gear, yes?

KG: We put out a call to action on protective gear. As an organization, we conducted an industry-wide effort, and delivered 175,000 pieces of equipment to hospitals and medical facilities. That was literally cleaning out stock rooms and backs of trucks. These were masks and eye protection. The production builder CEOs put out a call to get this equipment to the medical industry, and we are very proud of how the industry responded. We set up 20 drop off spots in the top 20 markets. Some contractors personally delivered equipment directly to hospitals.

GB: What’s the biggest challenge for production builders in the coming weeks?

KG: One of the critical issues now, the life

blood of the industry, is mortgage liquidity. We are seeing what the government did with the CARES Act, and providing forbearance [for renters and home owners] and that’s a great idea in this time. But what about the servicers? The payment from the buyer goes to a mortgage servicer, who takes some money, and then the rest goes to the investors of mortgage-backed securities. Servicers have to pay the investors regardless of what’s going on. Without the money coming in from the buyers, the banks are now afraid to take on new loans, so that creates a liquidity problem. Mortgage and rents make this system run and when they stop you can’t expect people in chain to meet obligations.

LBA is doing its best to explain this to policy makers that they need to do a short term loan or credit facility so servicers can pay investors. We have seen signs of FICO score increase for home purchases. They are saying not lending anymore, unless it is to a super high quality buyer. This is an issue working hard to educate folks on the hill.

GB: Do you foresee permanent change in the industry going forward?

KG: I guess what I would say this is very different from the great recession. I think reaction will likely be different as well. We had very stable and hot market coming into the year this time, so there was demand there. Mortgage standards are tighter, and most people have equity in their homes and are not under water like during 2007-8. They have equity and the housing supply is tighter dramatically. Fundamentals are good and builders will look forward to getting back to work.

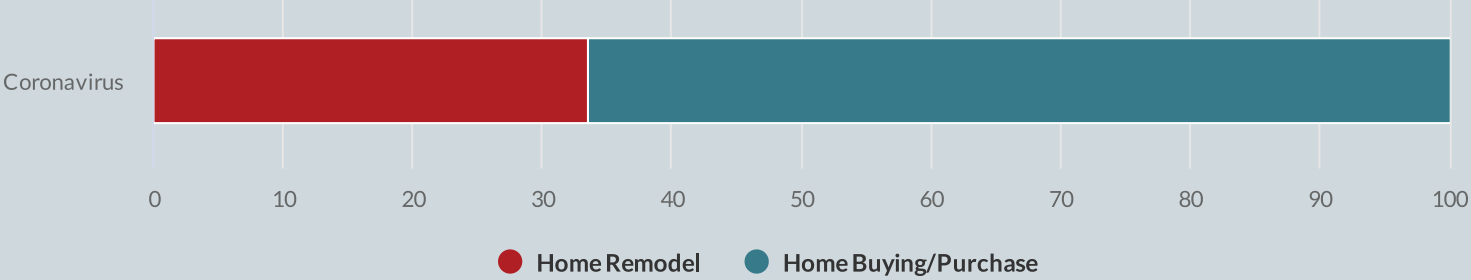
GB: [But] some financial business can be done online now, right?

KG: Yes. Because people can’t get together, there are online or drive-through closings in most states. The notary stands next to the car, or even if they do meet in person, there is Plexiglas down the center of the table. There are also Zoom meetings and DocuSign allowing the notary to watch from afar.

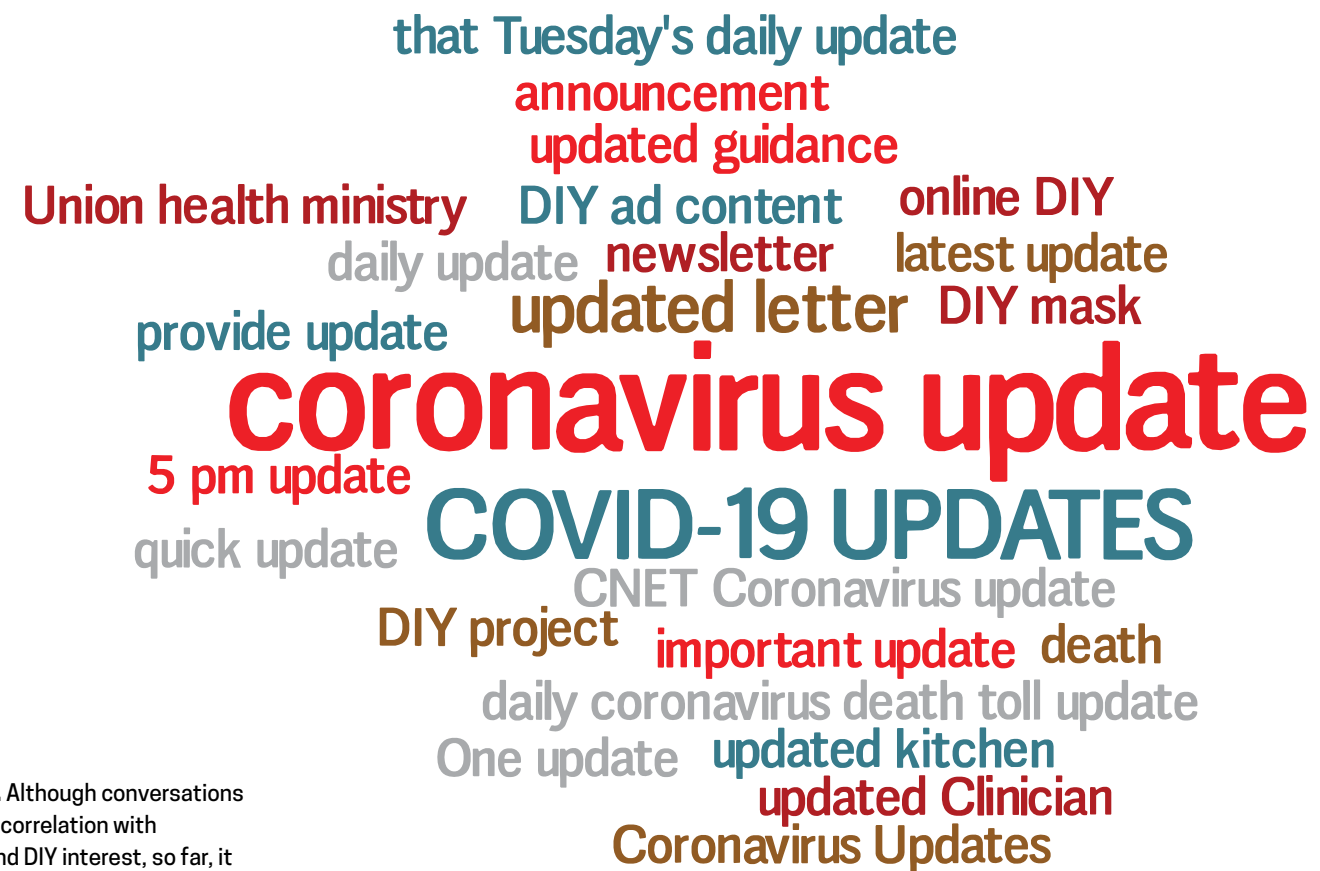
Note: Other online virtual conference formats are probably more secure than Zoom, including Microsoft Teams. —Editor



Interest in Buying versus Remodeling



New home interest. Correlation of COVID-19 discussion with buying used or new homes finds new purchases strongly preferred.



DIY projects. Although conversations show a minor correlation with remodeling and DIY interest, so far, it hasn't been a market changer.

“MOVING AHEAD AS PLANNED”

Ryan Moore, CEO
Green Insight, Albuquerque, NM

GB: Is the coronavirus changing your business?

RM: Not very much. We have 52 projects in four different states and the Cayman Islands, and we are providing testing and verification work on. We have one market-rate project that is slowing down that is under construction, but our other projects seem to be moving ahead as planned. We have signed \$120,000 worth of projects in the last two months. The pipeline for future projects remains fairly robust as well, but we are not sure how long that will last.

GB: Are you changing your offerings/services? If so, what is driving you to do so?

RM: Not really. We have had some discussion regarding offering an online LEED for Homes Green Rater mentoring program, but have not made any concrete decisions to do that yet.

GB: Have your customer expectations/demands changed?

RM: We are all adapting to social distancing recommendations, which affects whether we send people into the field at all or how they operate in the field. A lot of our inspection work can be done via remote video, which works out well, but as far as the on-site testing we are taking precautions to make sure we are working alone in empty homes for the hour or so that we are there. We have suspended the on-site testing of occupied units. Everyone seems to be understanding, and we are not getting any pushback.

GB: Has the coronavirus impacted your sales or prospects?

RM: Not so far. We continue on pace to beat last year, but it's difficult to discern if this is really due to of increased sales effort. It could be that we would have been doing even better without the crisis, but business has been solid and it looks like it will continue in the short-term. It gets a little murky in the future, but most developers seem to be taking the attitude

that this will be over in a few months and won't be a factor when their construction starts in 8-12 months.

GB: Do you think that the coronavirus will create systemic, long-term change in the building industry?

RM: I think remote video inspections will become more common, but other than that I don't see much changing.

GB: Which aspects of building do you predict will be most impacted, and why?

RM: I'm really not sure residential construction will be much impacted. I think just about everyone is viewing the coronavirus as an unrelated crisis—and once it is defeated, it's going to be business as usual. If any changes stick, it will be because somebody figured out how to do something more efficiently and/or less expensively. For us, that would be the remote video inspections. On the consumer side, there might be more demand for better indoor air quality, which was already on an upward trajectory.

“A FAIR AMOUNT OF BOUNCE-BACK”

Qianyan Cheng, Co-Founder/Vice President of Product Development, INOX, Sacramento, CA

GB: How is the coronavirus affecting your company?

QC: The modern-day supply chain makes it hard to keep such an impact to only certain businesses, so coronavirus has affected INOX as well as our customers and vendors primarily through loss of sales revenue. Fortunately, INOX was able to remain fully operational as an essential manufacturing business. We quickly implemented new product offerings and marketing campaigns in order to meet new market demands and create new business opportunities.

GB: Did you expect this type of impact?

QC: We knew the impact would be inevitable and serious, which pushed us to act quickly. We stayed informed about what was happening overseas, discussed changes to our daily operations and planned new product strategies early on which set us up to be more successful.

GB: What is your company doing to address the challenges caused by COVID-19?

QC: INOX implemented several measures to ensure employees' safety. We sourced masks and gloves for our production and warehouse employees, and supplied webcams and headsets for our office staff in order for them to successfully work from home. Company leadership held daily meetings with each individual employee to check on their health and provide support, and our customer service team executed a “smile and dial” with our customers. We have donated medical masks to distributors and clients who live in critical areas and may be in need of additional protection.

We also quickly shifted our research and development focus to products that can help lessen the spread of harmful bacteria to make them immediately available to hospitals and healthcare facilities. We developed *INOX MicroArmor™*, a powder coating infused with antimicrobial technology that offers 24/7 protection once applied to any commercial or residential hardware.

GB: How impacted do you think your company will be if the coronavirus leads to a recession?

QC: Although we anticipate that the hospitality industry will be slow to recover, INOX is also seeing new business opportunities in healthcare and other institutional construction projects. Hospitals,

healthcare facilities and schools are accelerating construction projects to renovate facilities and incorporate more sanitation and safety measures.

GB: What are your customers doing differently?

QC: Our retail customers are shifting their focus to establish a strong online presence, including updating their online stores and increasing social media posting and engagement. Our clients in new construction as well as OEM have seen a large shift from using traditional swing doors to more space-efficient sliding doors, especially in the healthcare industry.

GB: How do you think the coronavirus will change the homebuilding sector in the short term (30-60 days)?

QC: Overall, we estimate that shelter-in-place orders may negatively impact current homebuilding and home renovations, but there should still be a fair amount of bounce back with

market demand, especially in the affluent market.

GB: How do you think the coronavirus will change the homebuilding sector in the long term (61+ days)?

QC: With millions working from home, we anticipate the door and hardware industry will see an increased demand for pocket doors or sliding doors to section off areas of the home and create more private office space.

GB: How do you think coronavirus will impact consumer behavior in the short term (30-60 days)?

QC: Right now, consumer purchases are trending heavily towards products that will create a healthy home environment, so door hardware with antimicrobial protection or touchless controls are more attractive than before.

GB: How do you think coronavirus will impact consumer behavior in the long term (61+ days)?

QC: Research is showing that consumers will continue to prioritize products that increase health and wellness and will incorporate these into their daily routine well into the future, so research and development, and innovation, will need to shift to meet this demand. It will also be important for manufacturers to maintain a strong online presence, as there may be a lasting effect of the tremendous growth in online purchasing and spending.





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