

Post-Frame Construction Study

Annual survey of practices and perceptions
among builders and others allied to the industry

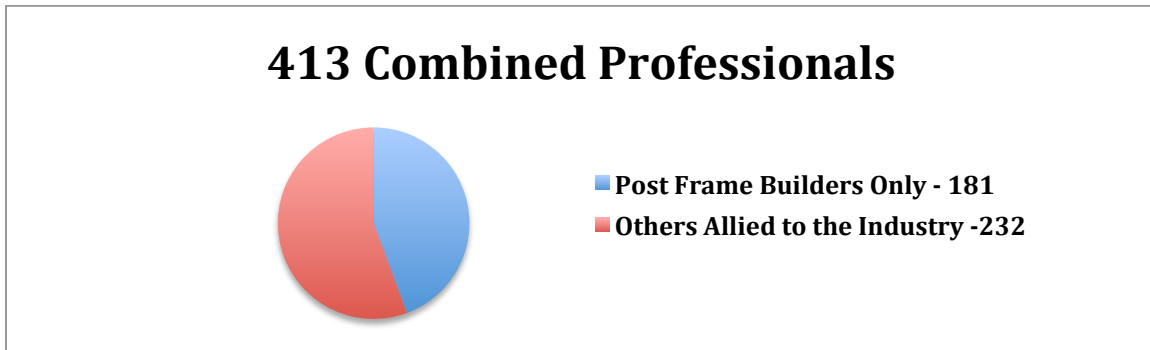


Prepared by Centrifuge Research
Sponsored by Burrow's Post-Frame Supply, Inc.
Fall, 2012

Purpose and Scope

The purpose of the survey was to document the practices and perceptions of post-frame builders and allied professionals across the country regarding post-frame construction and supply. This document summarizes the answers provided by the participants sorted as follows:

- **Combined Professionals** (All Respondents)
- **Post-Frame Builders** (Builder Respondents Only)
- **Others Allied to the Industry** (Non-Builder Respondents)



The survey was open to a range of professionals, with 413 participating. Of these, 181 were post-frame builders and 232 were non-builders allied to the field of post-frame construction.

Others allied to the industry identified themselves as follows:

- 42% - Other (inspectors, consultants, electricians, roofers, painters, educators...)
- 22% - Manufacturer of material or equipment for post-frame
- 14% - Manufacturer's rep, dealer, distributor or reseller to post-frame
- 12% - Commercial lumber yard or retail supplier to post-frame
- 10% - Architect, construction consultant, AG engineer

The findings of this study are being reported back to all survey participants who completed the survey. The data will also form the basis for follow-up reports and possible trade articles on post-frame construction topics and best practices.

The study was produced by Centrifuge Brand Marketing, Inc. Invitations to participate in the survey were emailed by F+W Media, Inc. in October 2012. F+W Media is the publisher of the magazines *Rural Builder* and *Frame Building News*. The survey was sponsored and funded by Burrow's Post-Frame Supply.

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Others Allied to the Industry (Non-Builder Respondents)

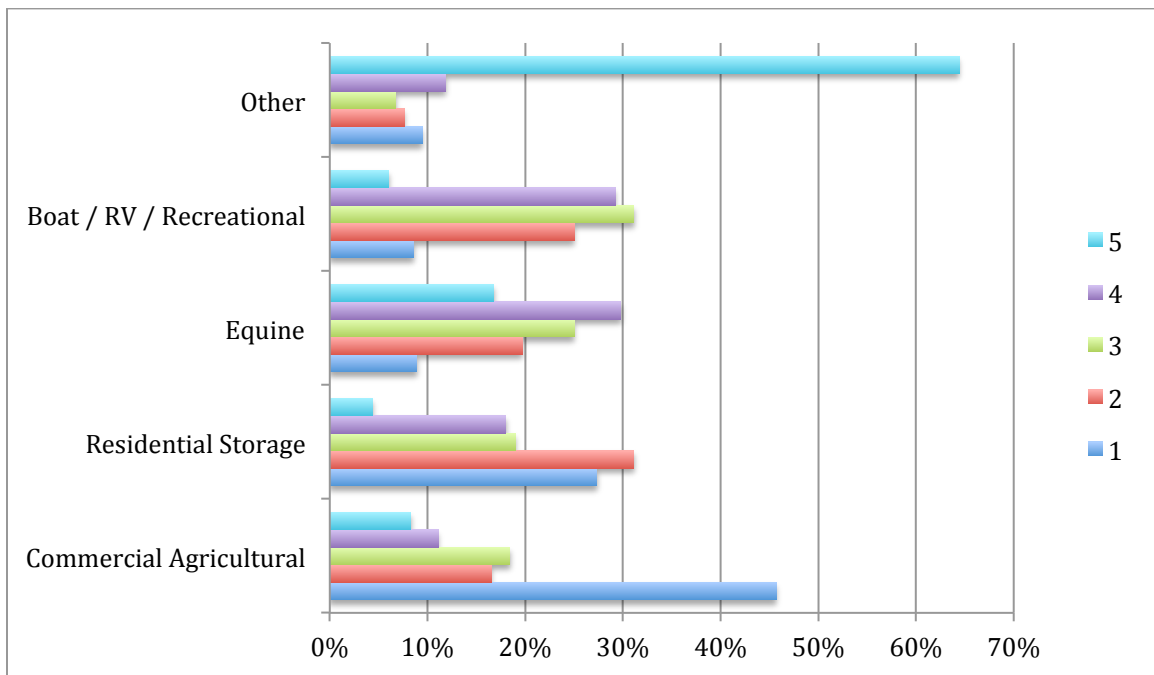
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Combined Professionals (All Respondents)

Rank the types of post-frame projects built in your area.

Of the 315 combined respondents who answered this question, commercial agricultural construction was ranked highest most often at 45.7%, followed by residential storage at 27.3%.

A relatively high response count of 64.4% said they also built other types of structures, including: mini storage, residential, motor home carports, churches, garages, military construction housing, gazebos and workshops.



Combined Professionals

What post-frame construction practices are most common in your area?

Type of Floor:

Of the 293 professionals who answered this question, 83.3% said the most common type of floor in their area was concrete, followed by 9.6% who said dirt, followed by 5.1% who said other materials.

Type of Posts:

Of the 293 professionals who answered this question, 52% said solid sawn was most common in their areas, followed by 25% saying glued laminated, and 20.5% saying nailed laminated was most common in their areas.

Trusses:

Of the 228 professionals who answered this question, 43% said trusses were made mostly of #2 grade lumber, and 35% said trusses in their area were mostly made of #1 grade lumber.

Type of Framing:

Of the 293 professionals who answered this question, 69.3% said #2 lumber was most commonly used in their areas, with 25% saying #1 lumber was most common in their areas.

Roof Metal Gauge:

Of the 293 professionals who answered this question, 48% said 29 gauge metal was most commonly used for metal roofing in their areas, and 45% said 26 gauge was most commonly used for metal roofing in their areas.

Siding Metal Gauge:

Of the 293 professionals builders who answered this question, 59.4% said 29 gauge was most commonly used for metal siding in their areas, and 33.8% said the mostly used 26 gauge for metal siding in their areas.

Combined Professionals

Where do you look for information about the following?

- Code Information
- Construction Best Practices
- Material Options
- Latest Market Information
- Business Growth Ideas

Code Information (341 respondents)

Government:	48.0%
Web Search / Google:	23.2%
Supplier:	9.4%
Other:	8.2%*
Trade Magazines:	5.0%
NFBA:	4.4%
Post-Frame Advantage:	1.8%

Construction Best Practices (390 respondents)

Trade Magazines:	30.8%
Web Search / Google:	20.8%
Supplier:	13.6%
NFBA:	12.6%
Post-Frame Advantage:	9.7%
Other:	6.9%*
Government:	5.6%

Material Options (421 respondents)

Supplier:	39.0%
Web Search / Google:	22.6%
Trade Magazines:	21.4%
Post-Frame Advantage:	7.8%
NFBA:	5.2%
Other:	3.1%*
Government:	0.1%

Latest Market Information (398 respondents)

Trade Magazines:	36.7%
Web Search / Google:	25.9%
Supplier:	12.3%
NFBA:	11.8%
Post-Frame Advantage:	9.6%
Government:	2.0%
Other:	1.8%*

Business Growth Ideas (400 respondents)

Trade Magazines:	36.5%
Web Search / Google:	23.3%
NFBA:	11.8%
Other:	9.3%*
Supplier:	8.8%
Post-Frame Advantage:	8.5%
Government:	2.0%

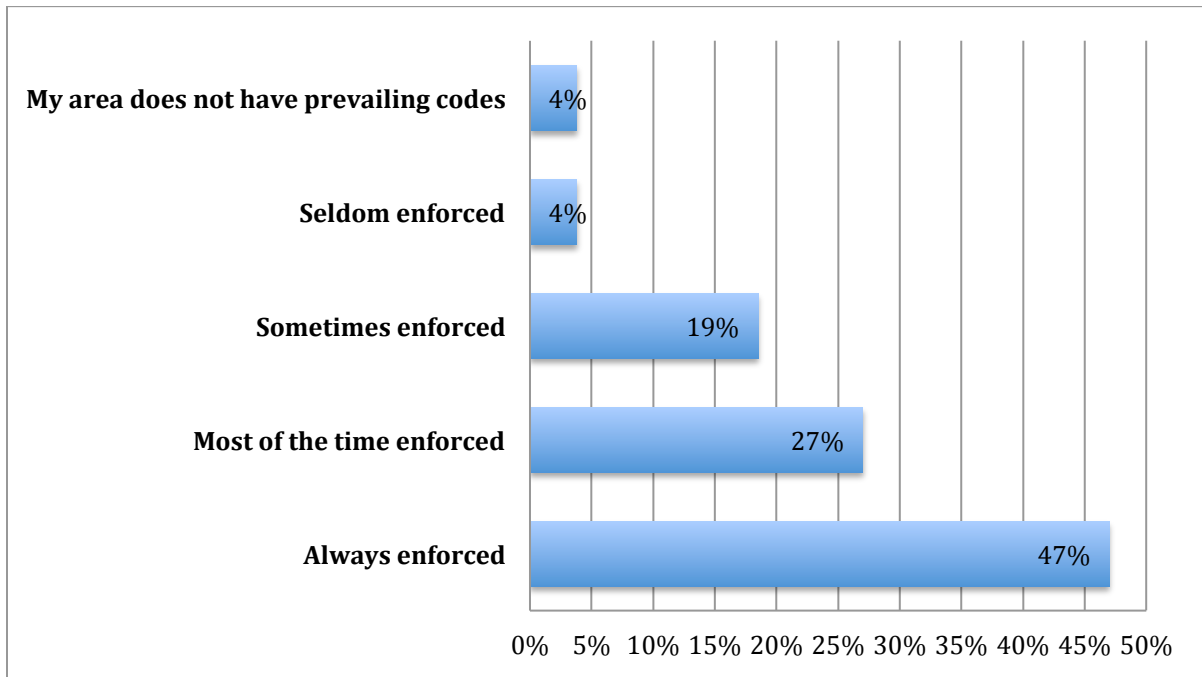
*Other Answers

- Business coaching
- Always looking for new niche in the market
- Other magazines
- Material catalogs
- Builder conventions
- Corporate office
- Technical emails
- Professional associations
- Code books
- Building department meetings
- Research on snow loads
- Engineers

Combined Professionals

How strongly are the codes enforced in your market area?

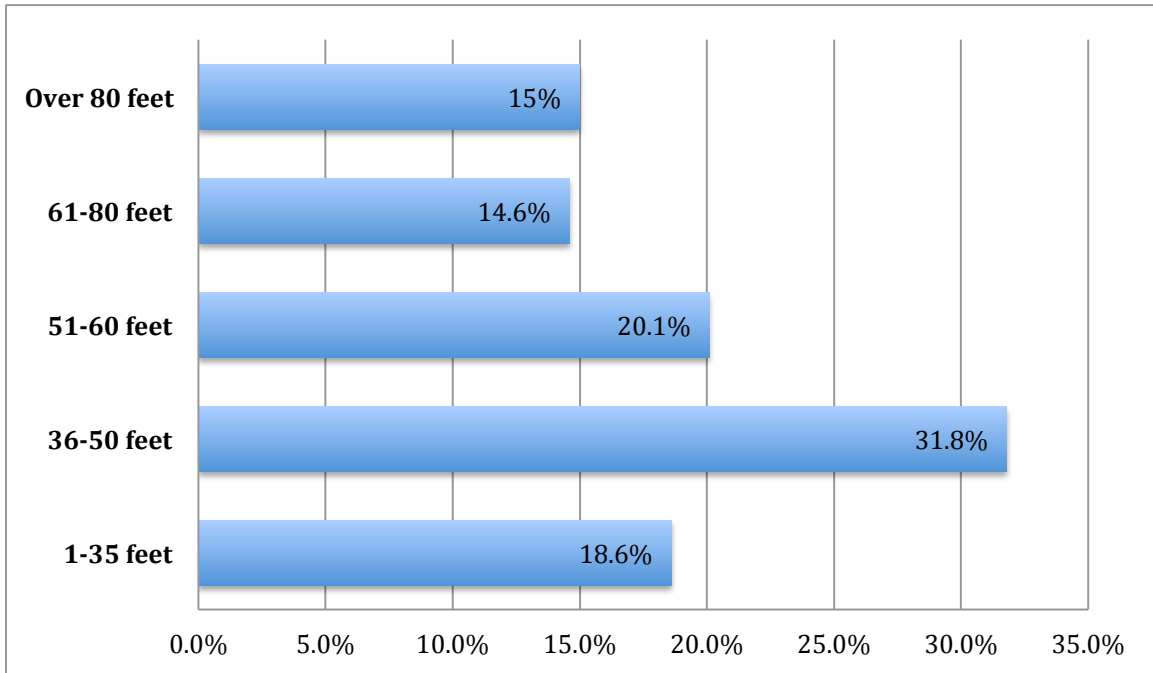
Of the 292 professionals who answered this question, 47% said the building codes were always enforced in their areas; 27% said codes were enforced most of the time; 18.5% said codes were enforced sometimes; and 3.8% said codes were seldom enforced in their areas; with 3.8% saying their areas did not have prevailing codes.



Combined Professionals

In your area, what is the maximum free span width being constructed using post-frame?

Of the 274 professionals who answered this question, 18.6% said the maximum span for post-frame construction was 1-35 feet, while 15% said spans over 80 feet was the maximum.

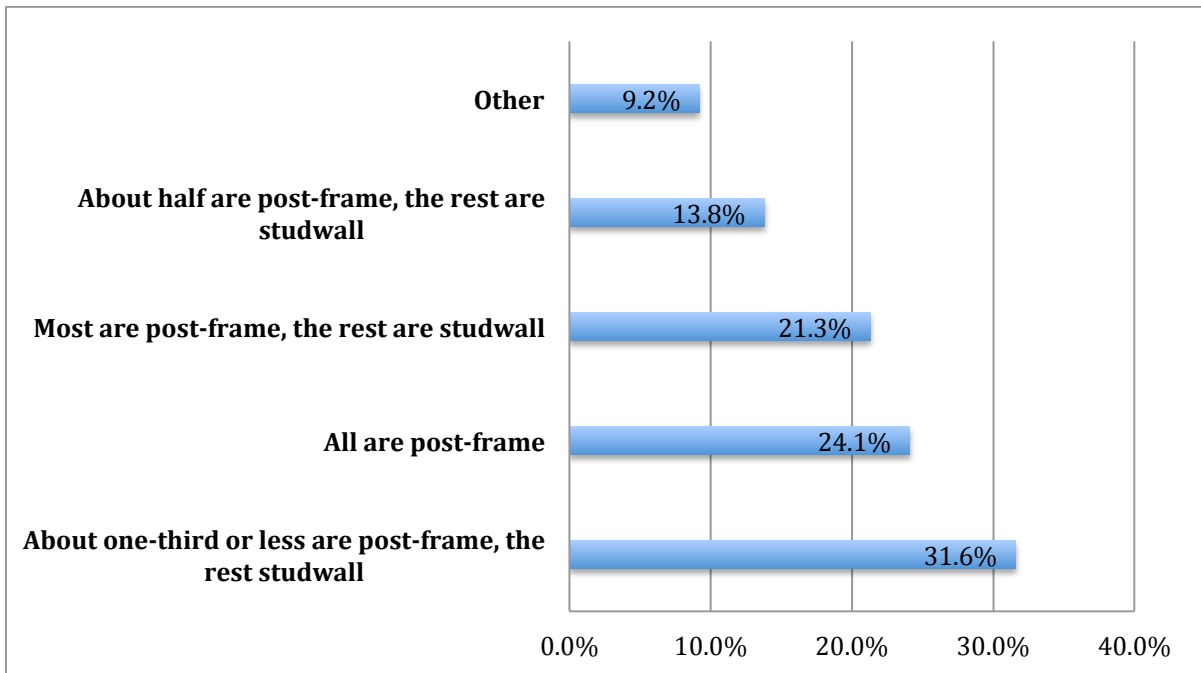


Post-Frame Builders (Builders Only)

All who were given access to the following questions identified themselves as post-frame builders...

How much of your wood construction is post-frame?

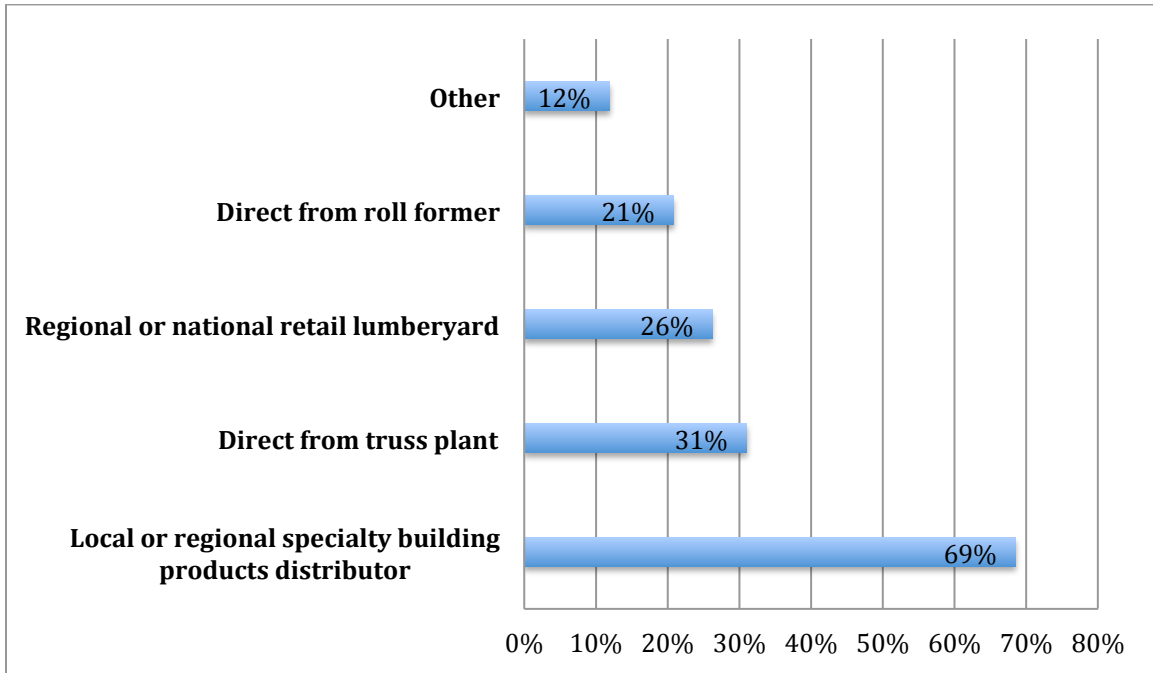
Of the 174 post-frame builder respondents to this question, 24.1% said all of their wood construction business was post-frame. Collectively, about 76% of respondents indicated they conducted other types of wood construction.



Post-Frame Builders

From where do you source your post-frame building materials?

Of the 168 post-frame builders who answered this question, 68.5% said they purchased their supplies from specialty suppliers.



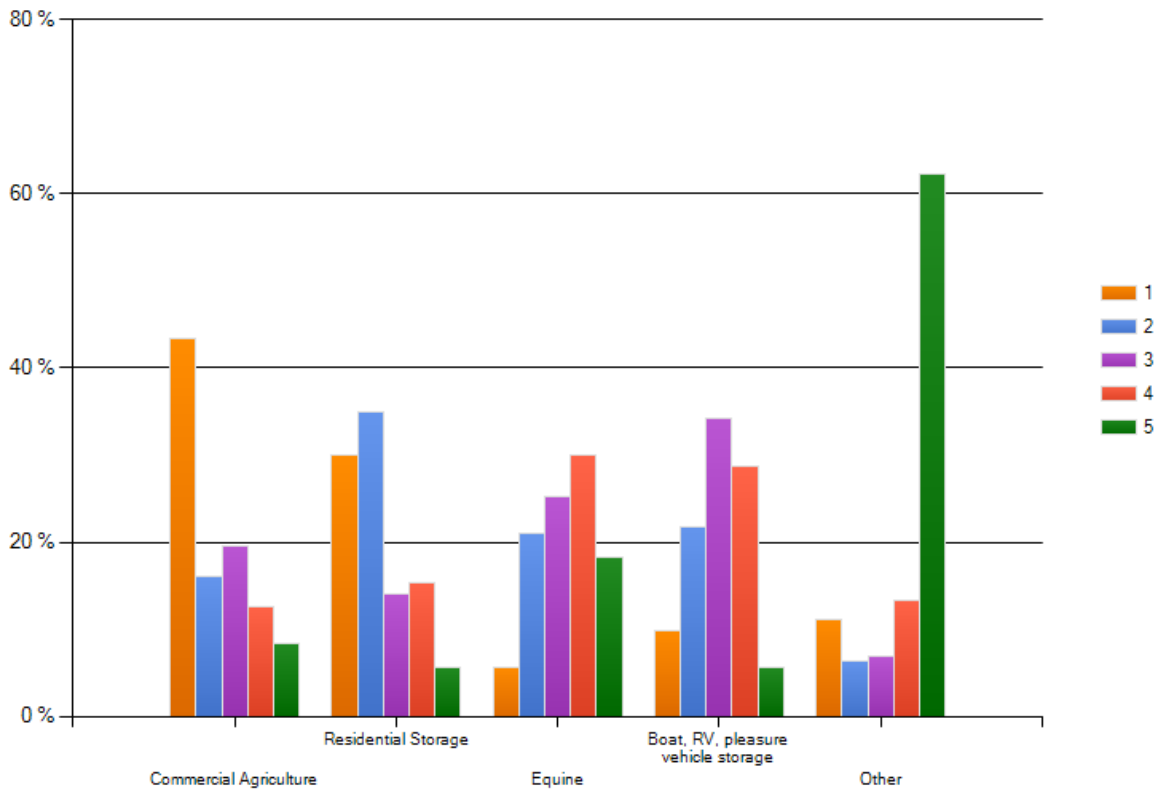
Post-Frame Builders

Rank the types of post-frame buildings built in our area.

Of the 143 post-frame builders who answered this question, commercial agricultural construction was ranked highest most often at 43.4%, followed by residential storage at 35%, followed closely by boat-RV-pleasure storage at 34.3% and equine at 30.1%.

62.2% said they also built other types of structures, including: mini storage, residential, motor home carports, churches, garages, military construction housing, gazebos and workshops.

Rank the types of post-frame buildings built in your area (1 being the most frequently built).



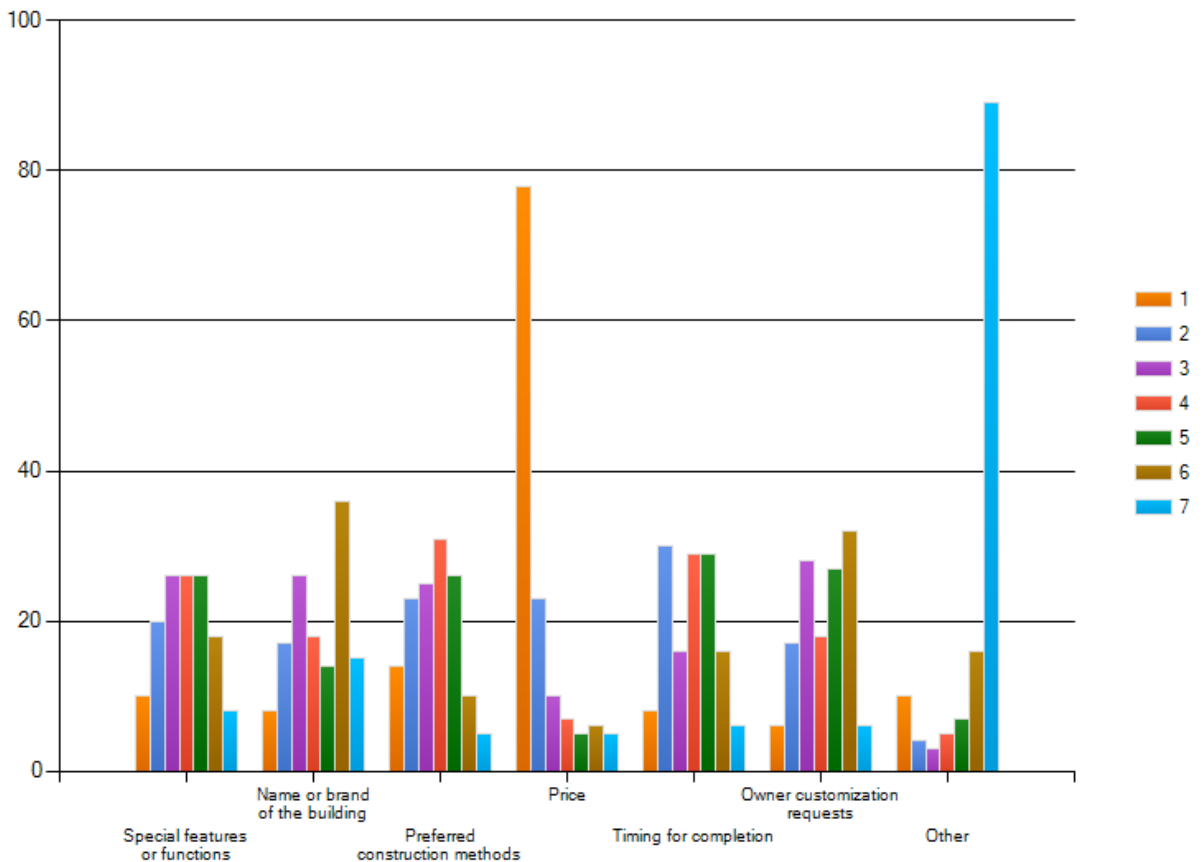
Post-Frame Builders

Rank the criteria that most frequently determines whether you win or lose a job.

Of the 134 post-frame builders who answered this question, 58.2% said price was the number one criteria determining project win or loss. The second most mentioned criteria was the timing for a project's completion, followed by special features or functions, then followed by the brand of the building, and lastly by owner customization requests.

Other criteria for project win or loss reported by 66.4% of respondents included architectural specifications, overall builder performance, foundations, flexibility of design, quality of materials, warranties, licensing, cost for travel, recommendations by previous customers, and effective marketing / selling.

Rank the criteria that most frequently determines whether you win or lose a job.



Post-Frame Builders

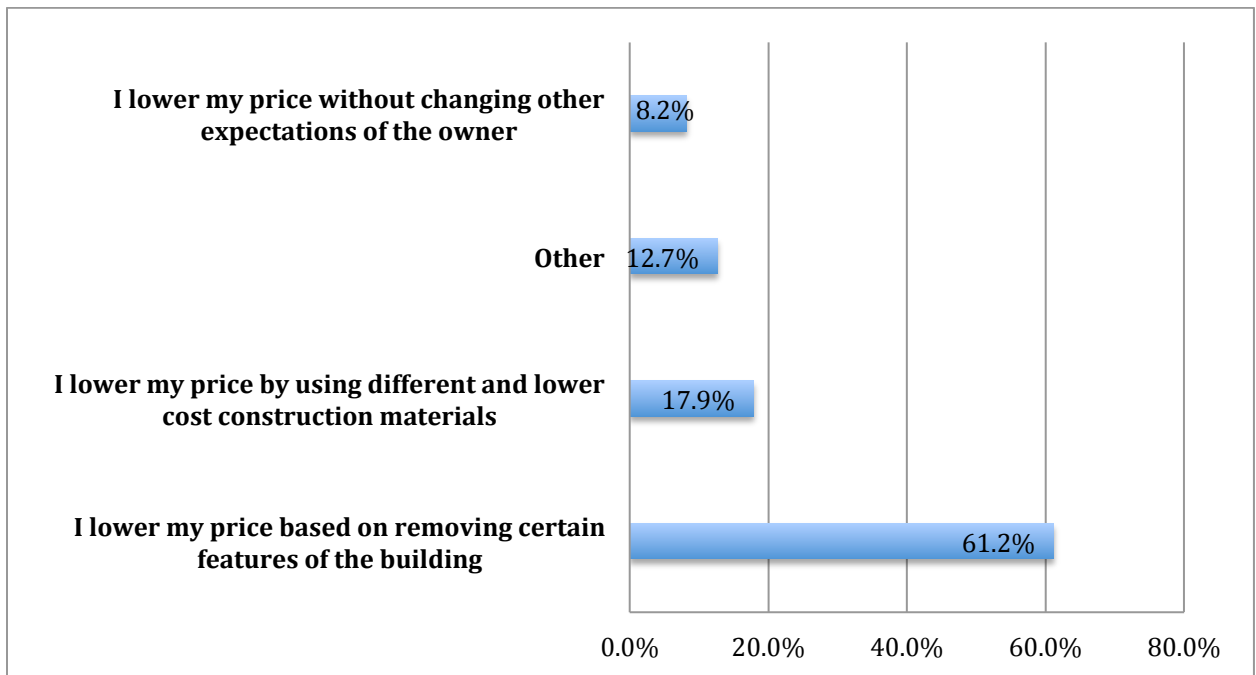
When asked for a lower cost estimate, how do you most often respond?

Of the 134 post-frame builders who answered this question, 61.2% said that when asked to lower their cost estimates, they remove certain features of the building to do so. This was followed by less frequent strategies such as using different and lower cost construction materials (17.9%), and including lowering a price without changing other aspects of delivery (8.2%).

Other strategies for price reduction included as follows:

- Trying to accelerate construction using newest tools
- Using salvaged materials when applicable
- Declining the job

Many respondent comments indicated they avoided reducing prices by meeting customer needs and by demonstrating builder and building value.



Post-Frame Builders

What post-frame construction practices are most common in your area?

Type of Floor:

Of the 134 post-frame builders who answered this question, 79.9% said the most common type of floor in their area was concrete, followed by 14.9% who said dirt, followed by 5.2% who said other materials.

Type of Posts:

Of the 134 post-frame builders who answered this question, 44% said solid sawn was most common in their areas, followed by 27.6% saying nailed laminated was most common in their areas, and 26.9% saying glue laminated was most common in their areas.

Trusses:

(This question was not answered by a valid response count. Of the 21 who answered, most said they required stamped engineered drawings.)

Type of Framing:

Of the 134 post-frame builders who answered this question, 66.4% said #2 lumber was most commonly used in their areas, with 26.9% saying #1 lumber was most common in their areas.

Roof Metal Gauge:

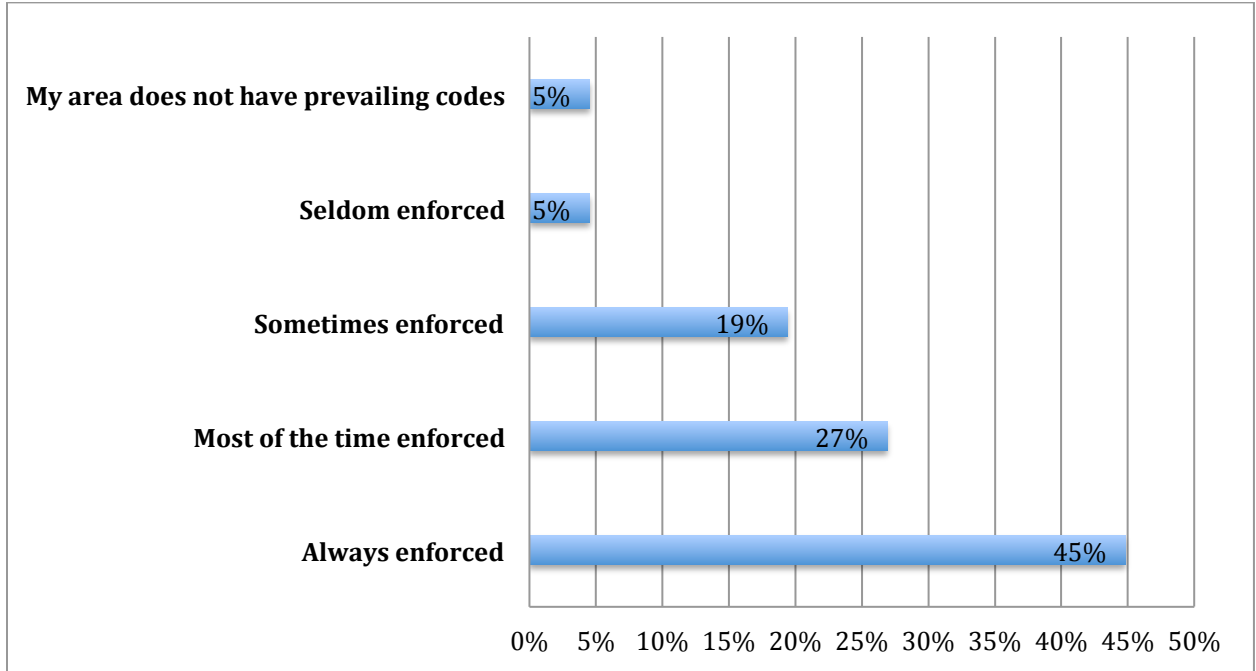
Of the 134 post-frame builders who answered this question, 50% said 29 gauge metal was most commonly used for metal roofing in their areas, and 44% said 26 gauge was most commonly used for metal roofing in their areas.

Siding Metal Gauge:

Of the 134 post-frame builders who answered this question, 63.4% said 29 gauge was most commonly used for metal siding in their areas, and 30.6% said the mostly used 26 gauge for metal siding in their areas.

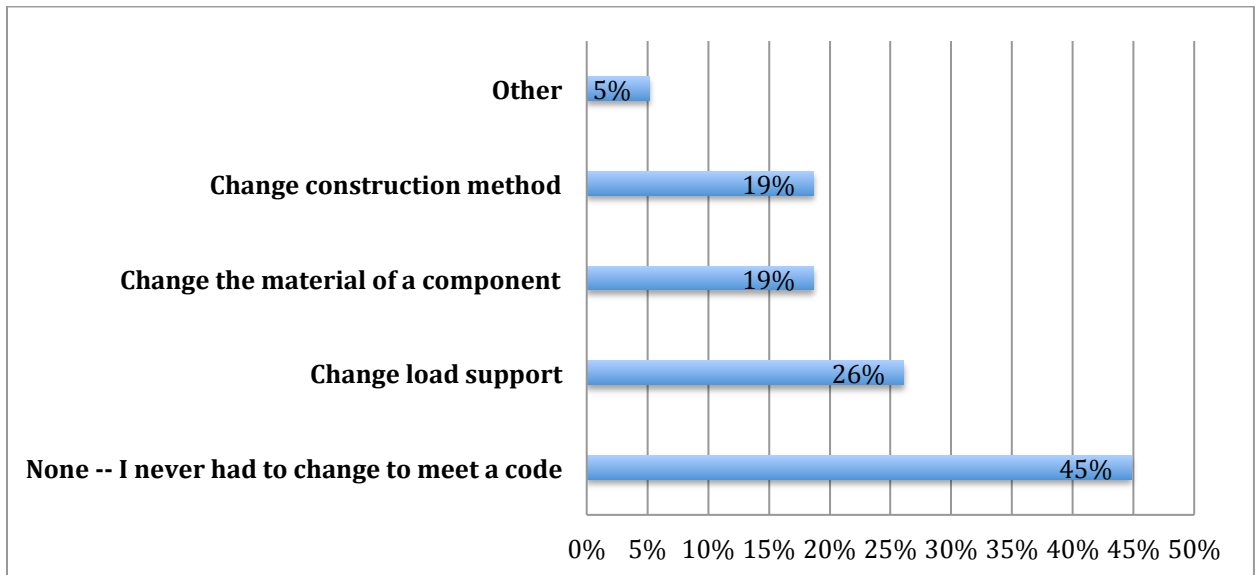
Post-Frame Builders

How strongly are the codes enforced in your market area?



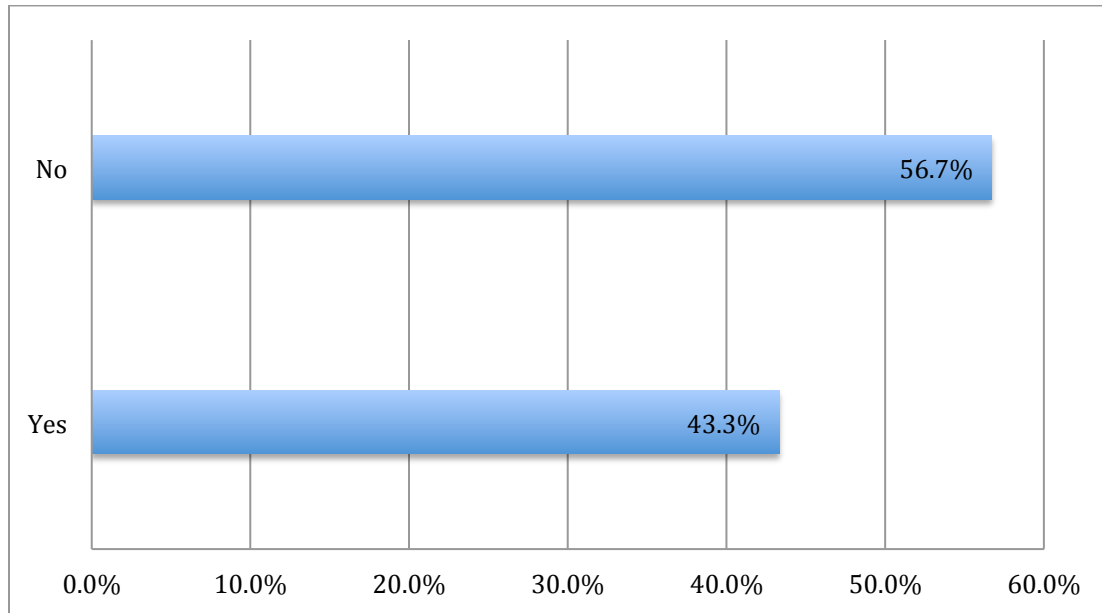
What changes have you most often made to meet code?

Of the 134 post-frame builders who answered this question, 55% have needed on occasion to change their construction to meet a code.



Post-Frame Builders

Have building codes ever prevented you from building in a certain area?



Please explain how and where you were prevented from building to a code.

In follow up to the previous question, of the 43.3% who answered yes, a range of responses were expressed including as follows:

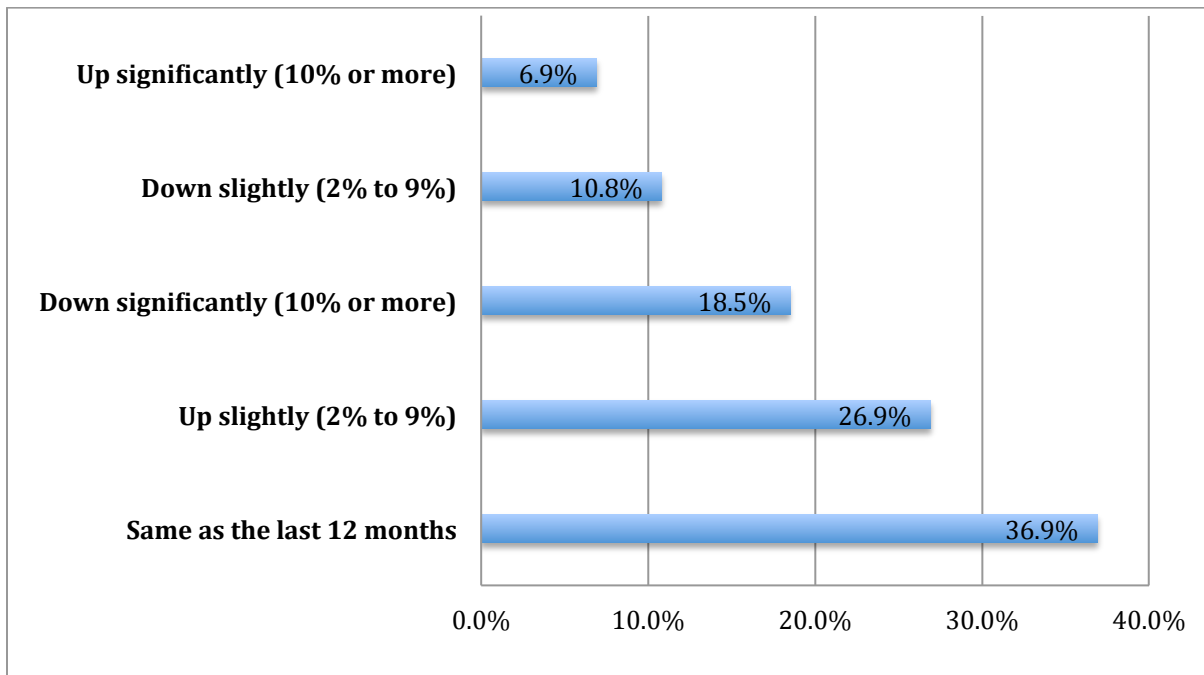
- Municipal service requiring metal panels contrary to customer desires
- Height requirements
- Higher fire hazard or flood areas
- Residential zoning and set-back requirements required relocation of building
- Neighboring state not accepting current state's license
- Local ordinances
- Joshua trees or desert tortoise in the way
- Protecting gophers
- Flood area challenges
- Change some framing
- Post-frame not allowed in some city limits
- Building size limitations
- Lot coverage
- Storm water management
- Conflicts with local code enforcing agent
- Some codes not reasonable
- Codes for non-combustible construction

Post-Frame Builders

How much do you expect your revenue to change in the next 12 months?

Of the 130 post-frame builders who answered this question, 66.2% predicted their sales would be the same or less than the past 12 months; with 36.9% of these predicting revenues to be the same, and 18.5% predicting revenues to be down significantly by 10% or more.

The remainder of post-frame builders predicted an increase in their revenues in the coming year, with 26.9% predicting a 2% to 9% rise and 6.9% of respondents predicting a 10% or more rise in revenues.



Post-Frame Builders

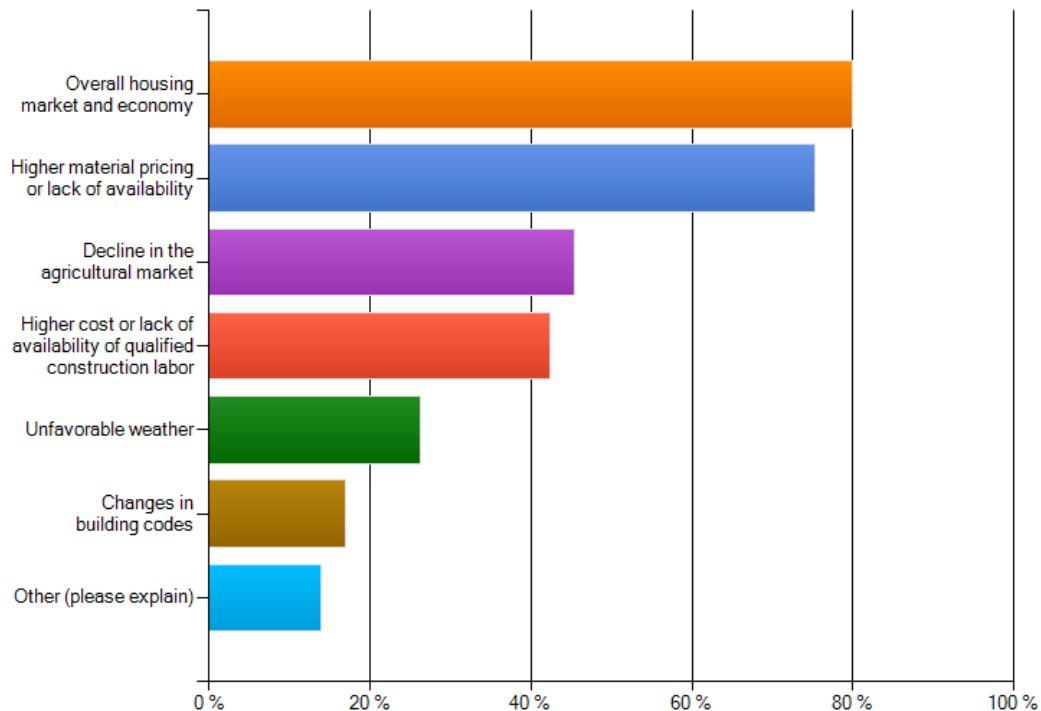
Of the following factors, which THREE are most likely to impede business growth in the coming year?

Of the 130 post-frame builders who answered this question, 80% said the overall housing market and economy will be the largest impediment to revenue growth, followed by 75.4% of respondents saying higher material pricing or lack of availability will most likely impede sales growth.

Other trailing impediments predicted included a decline in the agricultural market (45.4%) and a higher cost or lack of availability of qualified construction labor (42.3%); and changes in building codes (16.9%).

Among OTHER impediments to growth, most mentioned was government related uncertainty on regulations and codes, with several contending local municipal over-regulation at the expense of post-frame construction growth.

Of the following factors, which THREE are most likely to impede business growth in the coming year? (Please check 3)



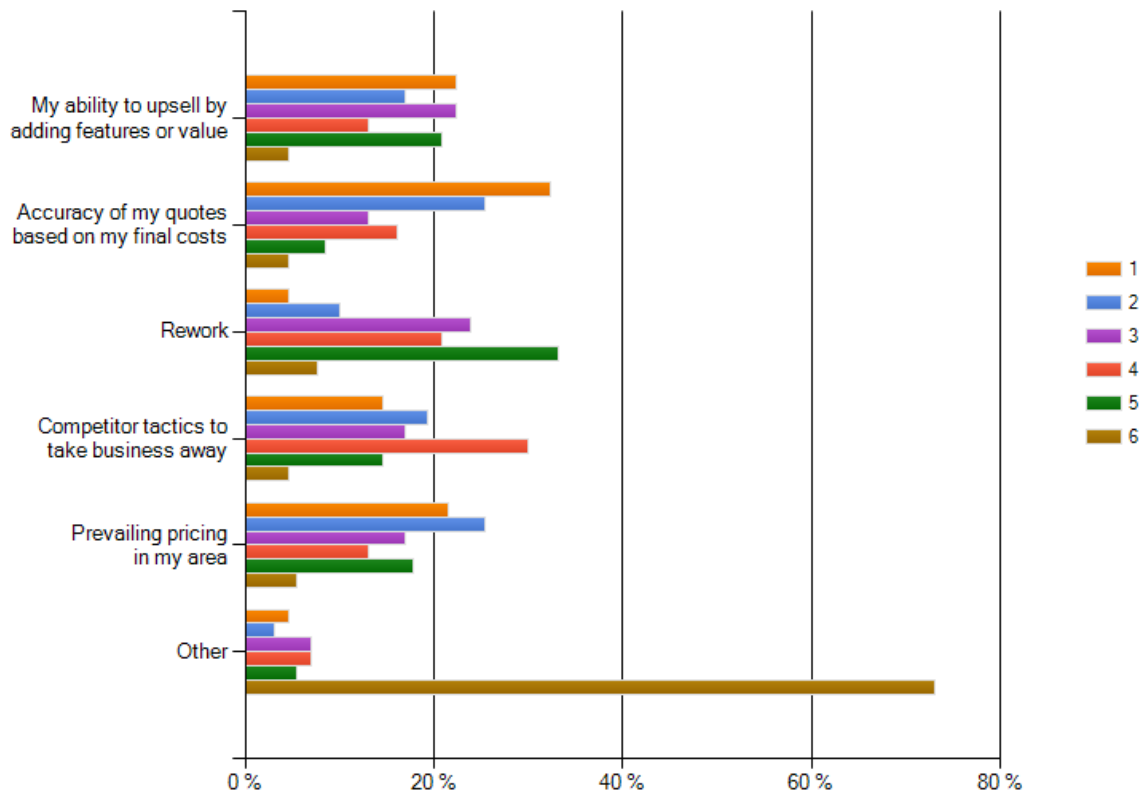
Post-Frame Builders

Please rank how strongly the following factors affect your profitability. (1= strongest, 5=weakest)

Of the 130 post-frame builders who answered this question, 32.3% ranked accuracy of quotes based on final costs as their #1 factor affecting their profitability; followed by 22.3% citing their ability to upsell by adding features or value; followed by prevailing pricing in the area as most impacting profitability. Competitor tactics to take business away was relatively strong factor; as was rework.

Other factors affecting profitability included: things overlooked; “draconian building code enforcement”; building charges; quality of my material compared to competitors; needing faster ways to do labor intensive installations; customer attitude; delivery costs; turnkey projects versus just shell projects; material pricing; cost of advertising; illegal aliens; lowballing; weather; fluctuating lumber pricing; and the ability to get materials in a timely manner.

Please rank how strongly the following factors affect your profitability
(1=strongest, 5 = weakest)



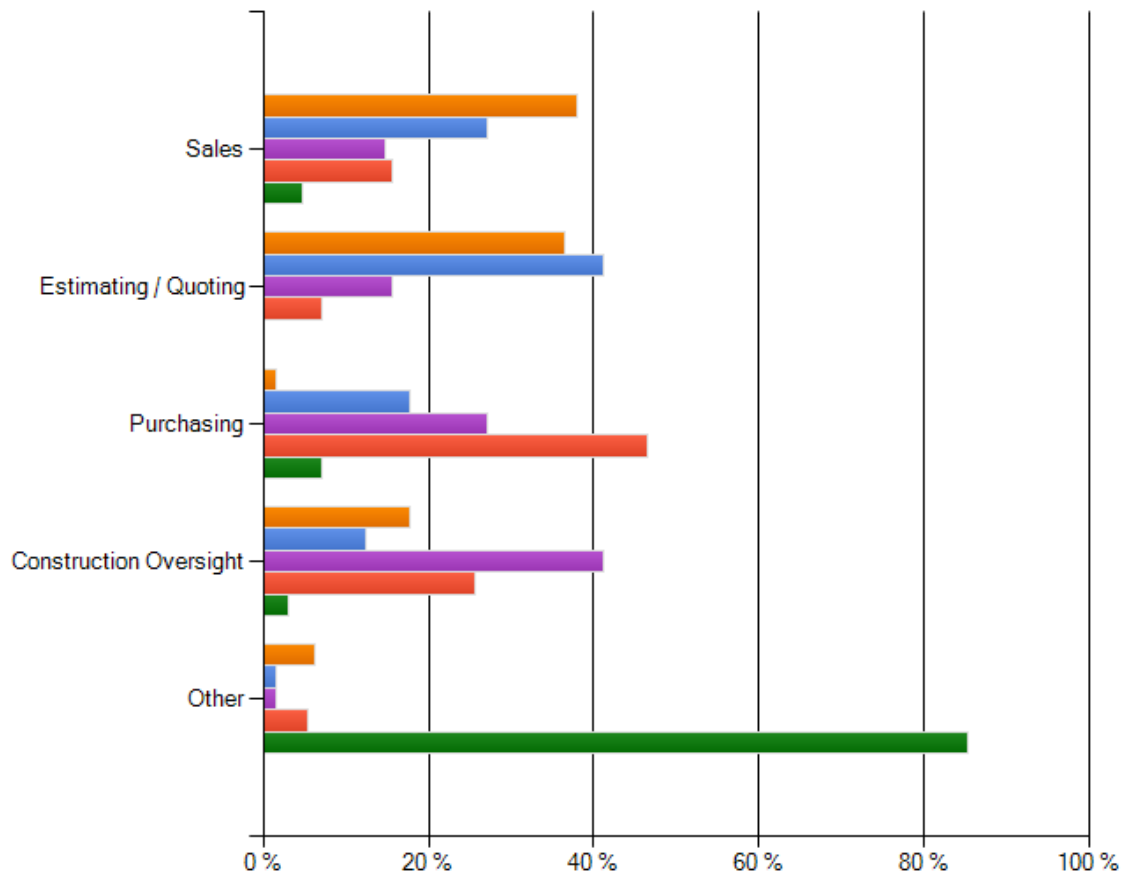
Post-Frame Builders

Please rank the activities where you and your top management spend your time. (1=most, 5=least)

Of the 129 post-frame builders who answered this question, 38% said sales was their top management's most time consuming activity, followed closely by 36.4% saying estimating/quoting was their number one time consuming activity; followed by construction oversight, then purchasing.

Other activities said to occupy their top management most of the time were reported to include: project seeking; office work; advertising; meetings; putting out tactical fires; looking for innovation in construction; labor relations; involvement in service clubs and chambers; production oversight; quality control once a job is won; permitting; local codes; and warranty research and follow-ups.

Please rank the activities where you and your top management spend your time. (1=most, 5=least)



Post-Frame Builders

Where do you look for information about the following?

- Code Information
- Construction Best Practices
- Material Options
- Latest Market Information
- Business Growth Ideas

Code Information (169 respondents)

Government:	46.7%
Web Search / Google:	23.7%
Other:	8.9%*
Supplier:	7.1%
Trade Magazines:	5.3%
NFBA:	4.7%
Post-Frame Advantage	3.6%

Construction Best Practices (191 respondents)

Trade Magazines:	29.8%
Web Search / Google:	18.3%
Post-Frame Advantage:	14.1%
NFBA:	13.6%
Supplier:	12%
Other:	9.4%*
Government:	2.6%

Material Options (214 respondents)

Supplier:	38.3%
Trade Magazines:	20.1%
Web Search / Google:	20%
Post-Frame Advantage:	9.8%
NFBA:	7%
Other:	4.2%*
Government:	.5%

Latest Market Information (202 respondents)

Trade Magazines:	31.7%
Web Search / Google:	22.8%
NFBA:	14.4%
Post-Frame Advantage:	12.9%
Supplier:	11.4%
Other:	3.5%*
Government:	3.5%

Business Growth Ideas (205 respondents)

Trade Magazines:	32.2%
Web Search / Google:	22.4%
NFBA:	13.7%
Post-Frame Advantage:	11.7%
Other:	10.2%*
Supplier:	8.3%
Government:	1.5%

*Other Answers

- Business coaching
- Always looking for new niche in the market
- Other magazines
- Material catalogs
- Builder conventions
- Corporate office
- Technical emails
- Professional associations
- Code books
- Building department meetings
- Research on snow loads
- Engineers

Post-Frame Builders

Rank the following marketing tactics from most to least effective. (1=most effective)

- My Company's Website
- My Supplier's Website
- Print Advertising
- Direct Mail
- Phone Calls
- Word of Mouth
- Other

126 post-frame builders responded to this question as follows:

1) Word of Mouth -- Word of mouth was said to be the most effective marketing tactic with a combined ranking for number one and number two of 77%.

2) Company Website -- The second most ranked marketing tactic was the company's website, with a combined number one and number two ranking by 39.7% of respondents.

3) Phone Calling -- The third most ranked marketing tactic was phone calling, with a combined number one and number two ranking by 29.3% of respondents.

4) Print Advertising -- The 4th most ranked marketing tactic was print advertising with a cumulative of number one and two rankings by 22.3% of respondents.

5) Direct Mail -- The fifth most ranked marketing tactic was direct mail, with a cumulative of number one and number two rankings by 22.3% of respondents.

6) Supplier Website -- The sixth most ranked marketing tactic was supplier website support, with a cumulative of number one and number two rankings by 11.9% of respondents.

7) OTHER marketing tactics reported:

- Architectural networking
- Local sales flyers
- Signs
- Promoting website in print ads
- Offering a no-leak guarantee
- Canvassing
- Reputation
- Invite potential buyers to tour my business
- Friend telling friend
- Company logo on trailers and trucks
- Trade shows
- Referrals
- Social websites
- Huge banner sign on very project
- Suppliers yellow pages
- Coupons for discounts
- Distributors' information
- Cold calls
- Asking other builders

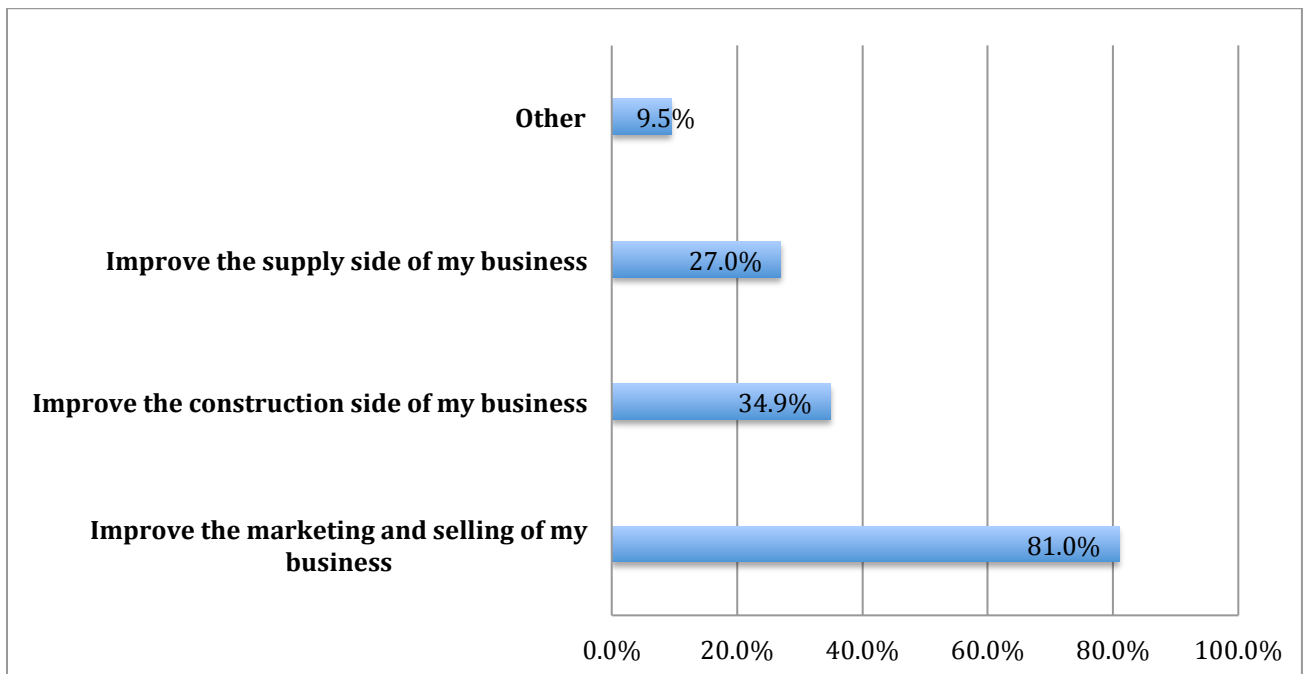
Post-Frame Builders

What steps will you take to grow your business in the coming year?

Of the 126 post-frame builders who answered this question, 81% said they will improve the marketing and selling side of their business; 34.9% said they will improve the construction side of their business; 27% said they would improve the supply side of their business; and 9.5% said they would undertake other steps to grow their businesses.

Other steps reported for business growth included:

- Improving website and web presence
- Looking for ways to speed up the business
- Looking for new transformational methods of construction
- Purchasing construction vehicles rather than renting
- Training employees
- Online advertising
- Increasing speed of quoting and accuracy
- Diversifying



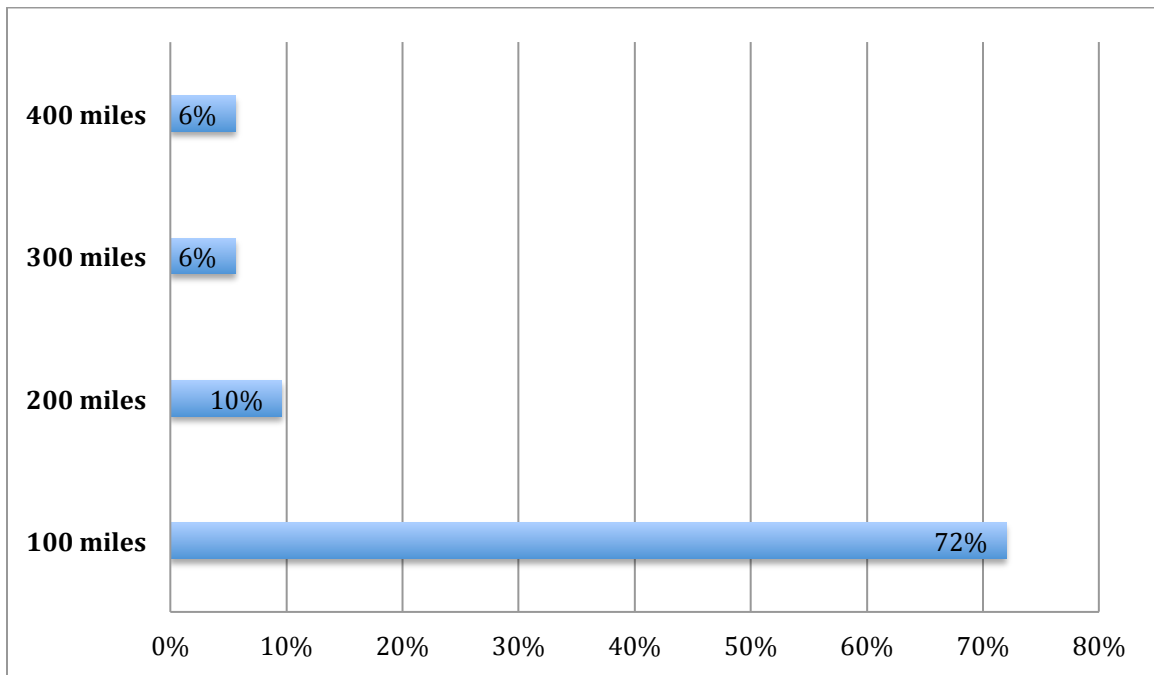
Post-Frame Builders

Where is your main office located?

Of the 125 post-frame builders who answered this question, a sampling of states from coast to coast were represented, with no concentration of regional response.

Within what radius of your office do you conduct the majority of your projects?

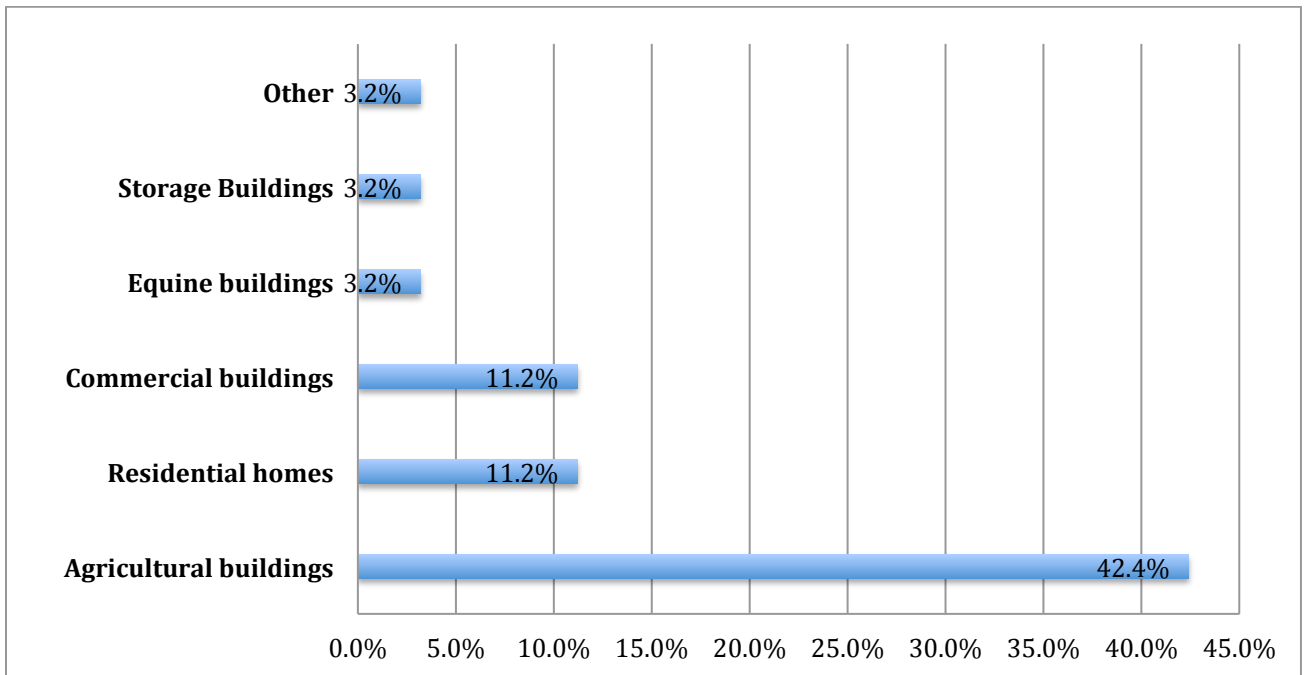
Of the 125 post-frame builders who answered this question, 72% said the majority of their projects were within a 100 mile radius; 9.6% said within a 200 mile radius; 7.2% said over 400 miles; 5.6% said within 300 miles; and 5.6% said within 400 miles.



Post-Frame Builders

What types of post-frame buildings do you most frequently construct?

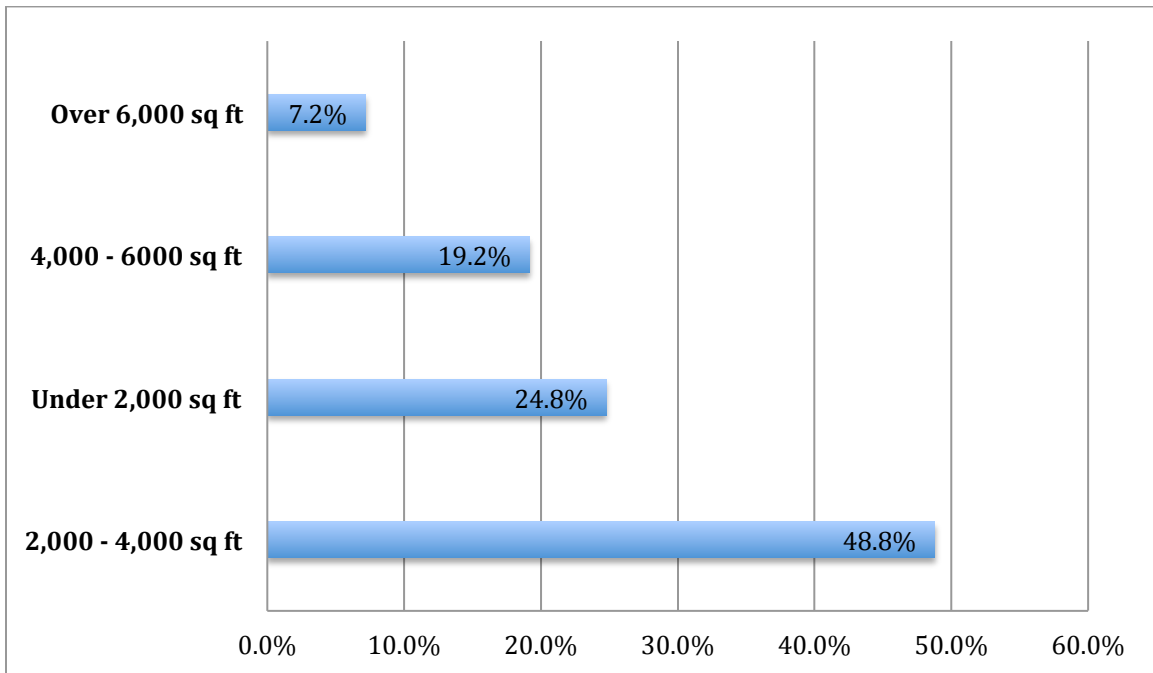
Of the 125 post-frame builders who answered this question, 42.4% said they most frequently construct agricultural buildings; 28.8% said storage buildings; 11.2% said residential homes; 11.2% said commercial buildings; 3.2% said equine buildings; and 3.2% said other.



Post-Frame Builders

What is the average size of your post-frame building projects?

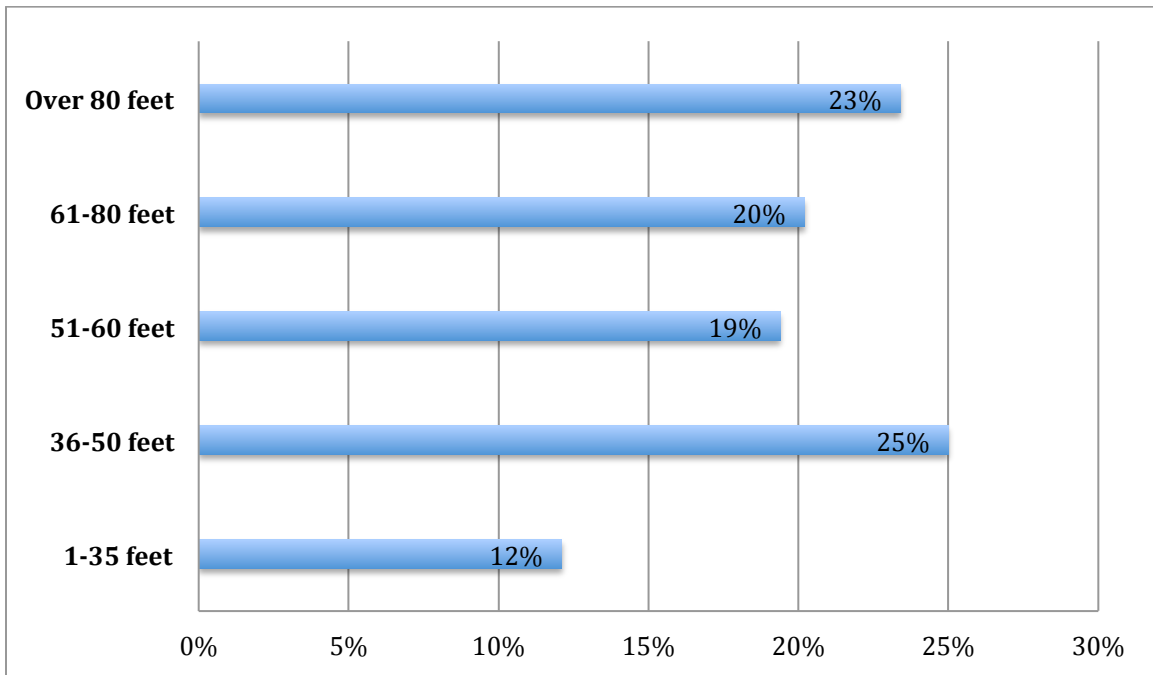
Of the 125 post-frame builders who answered this question, 48.8% said the average size of their post-frame projects was between 2,000 and 4,000 square feet; 24.8% said under 2,000 square feet; 19.2% said 4,000 to 6,000 square feet; and 7.2% said over 6,000 square feet.



Post-Frame Builders

What is the maximum free span width that you will construct using post-frame?

Of the 124 post-frame builders who answered this question, responses were fairly evenly distributed for spans over 35 feet, with the longest spans of over 80 feet said to be built by 23.4% of respondents.

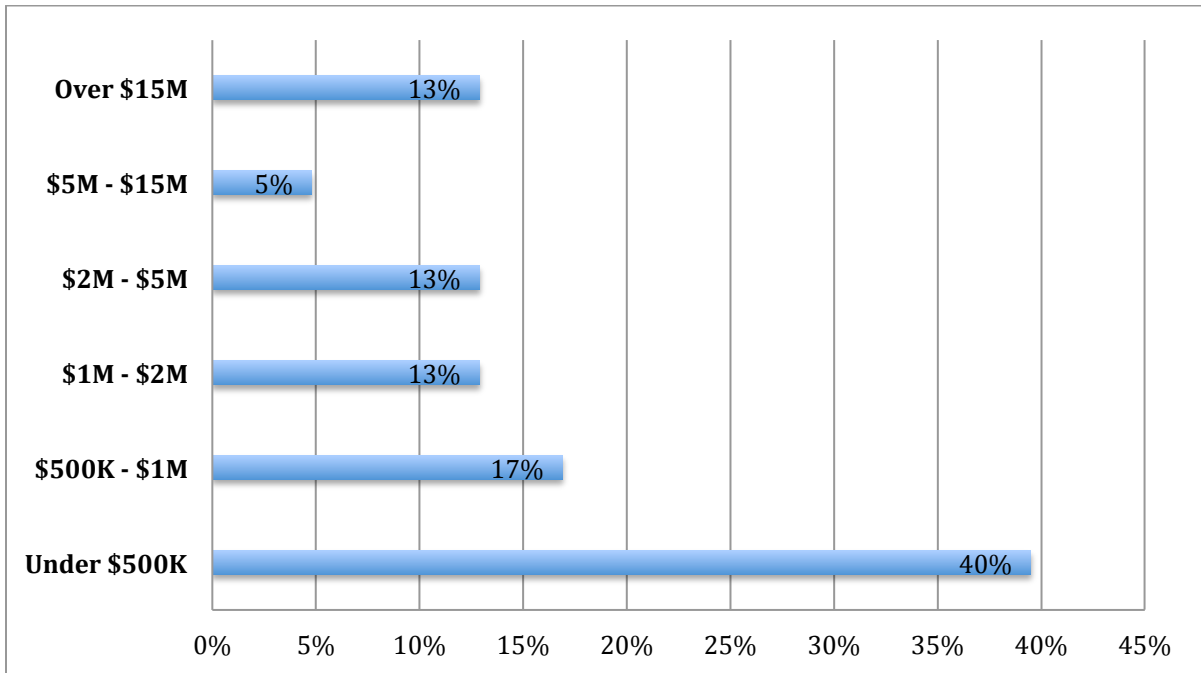


Post-Frame Builders

Please roughly indicate your company's annual revenue.

Of the 124 post-frame builders who answered this question, 39.5% said their annual revenues were under \$500,000.

Annual revenues were reported as follows:



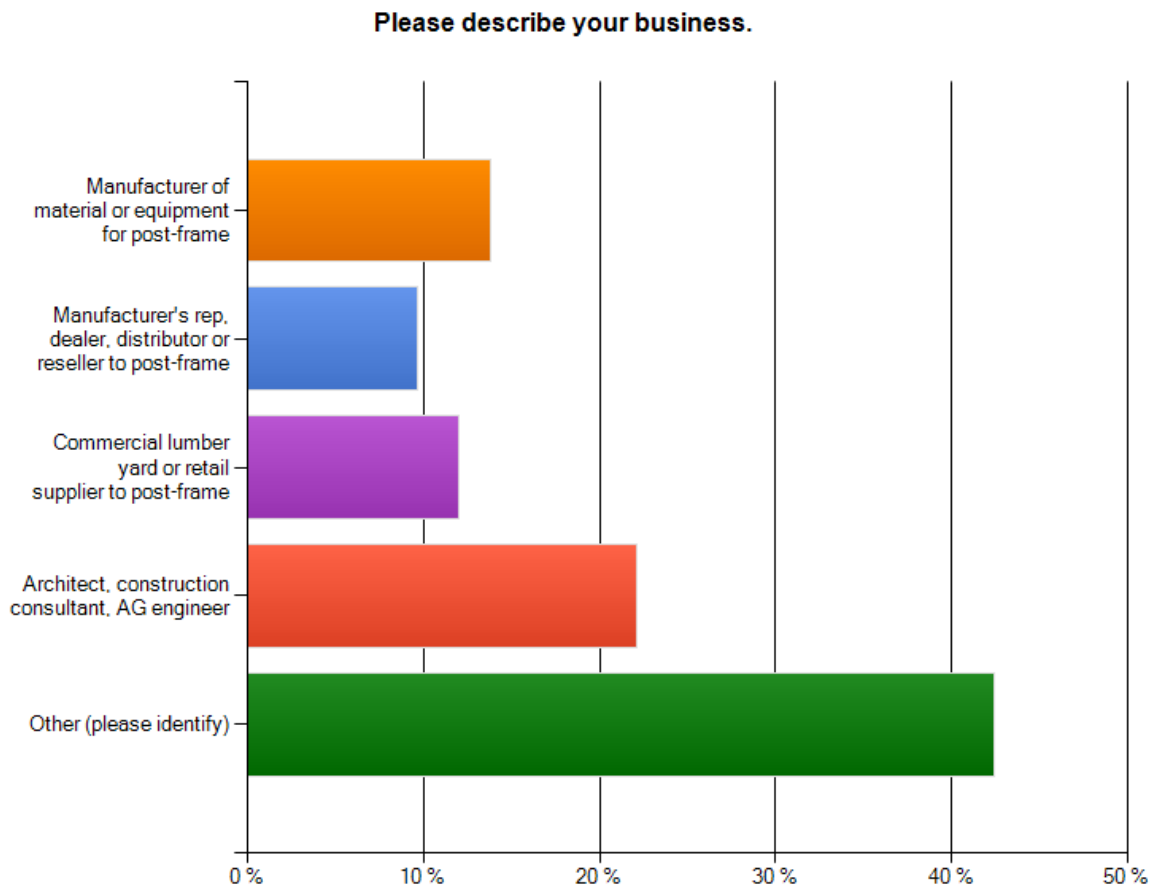
Others Allied to the Industry

All who answered the following questions identified themselves as non-builders allied to the field of post-frame construction.

Please describe your business.

The 217 non-builder professionals who answered this question represented a range of occupations associated with post-frame construction, including architecture, engineering, manufacturing, and supply.

Among the 42.4% who identified themselves as “Other” were inspectors, mechanical contracting, building officials, and roofing contractors.



Others Allied to the Industry

What post-frame construction practices are most common in your area?

Type of Floor:

Of the 159 allied professionals who answered this question, 83.6% said the most common type of floor in their area was concrete, followed by 11.3% who said dirt, followed by 5% who said other materials.

Type of Posts:

Of the 159 allied professionals who answered this question, 58.5% said solid sawn was most common in their areas, followed by 14.5% saying nailed laminated was most common in their areas, and 23.3% saying glue laminated was most common in their areas.

Grade of Trusses:

Of the 159 allied professionals who answered this question, 57.9% said #2 lumber, 39.6% said #1 lumber.

Grade of Framing:

Of the 159 allied professionals who answered this question, 71.7% said #2 lumber was most commonly used in their areas, with 23.9% saying #1 lumber was most common in their areas.

Roof Metal Gauge:

Of the 159 allied professionals who answered this question, 45.9% said 29 gauge metal was most commonly used for metal roofing in their areas, and 45.3% said 26 gauge was most commonly used for metal roofing in their areas.

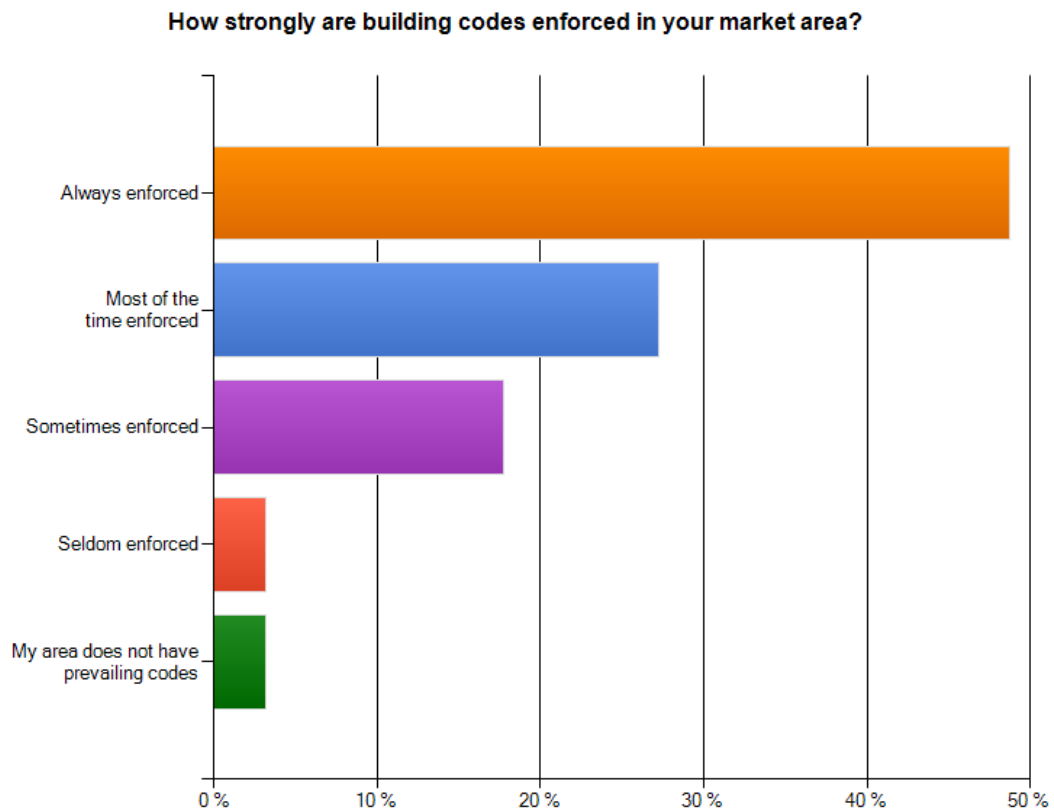
Siding Metal Gauge:

Of the 159 allied professionals who answered this question, 56% said 29 gauge was most commonly used for metal siding in their areas, and 36.5% said the mostly used 26 gauge for metal siding in their areas.

Others Allied to the Industry

How strongly are building codes enforced in your market area?

Of the 158 allied professionals who answered this question, 48.7% said codes were always enforced in their areas; 27.2% said codes were enforced most of the time in their areas; 17.7% said codes were sometimes enforced; 3.2% said codes were seldom enforced; and 3.2% said they did not have prevailing codes in their areas.



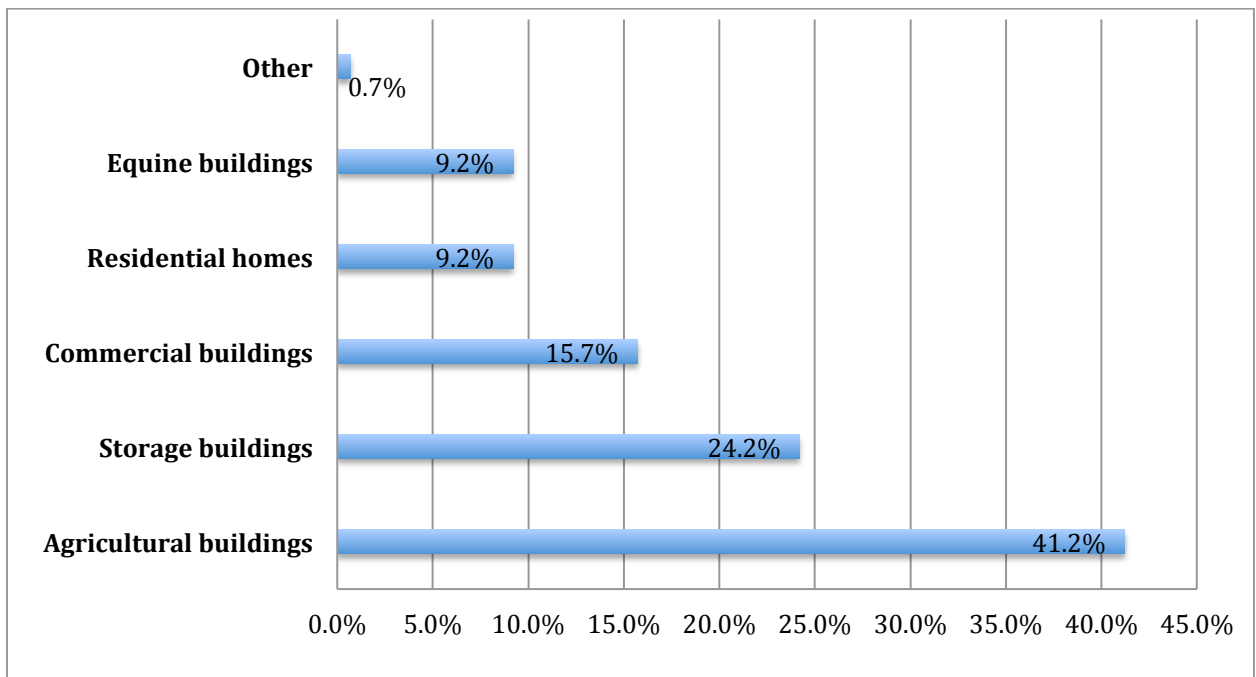
Others Allied to the Industry

Where is your main office located?

Of the 155 allied professionals who answered this question, a sampling of states from coast to coast were represented, with no concentration of regional response.

What types of post-frame buildings are most frequently constructed in your area?

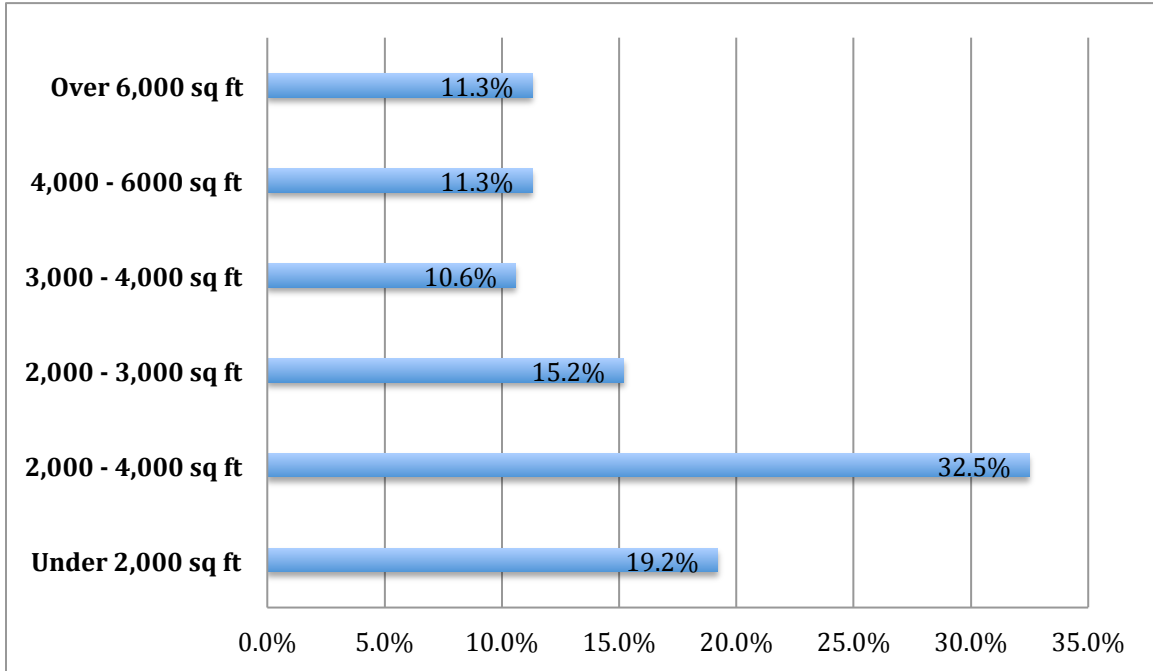
Of the 153 allied professionals who answered this question, 41.2% said they most frequently construct agricultural buildings; 24.2% said storage buildings; 15.7% said commercial buildings; 9.2% said residential homes; 9.2% said equine buildings; and .7% said other.



Others Allied to the Industry

What is the average size of the post-frame building projects in your area?

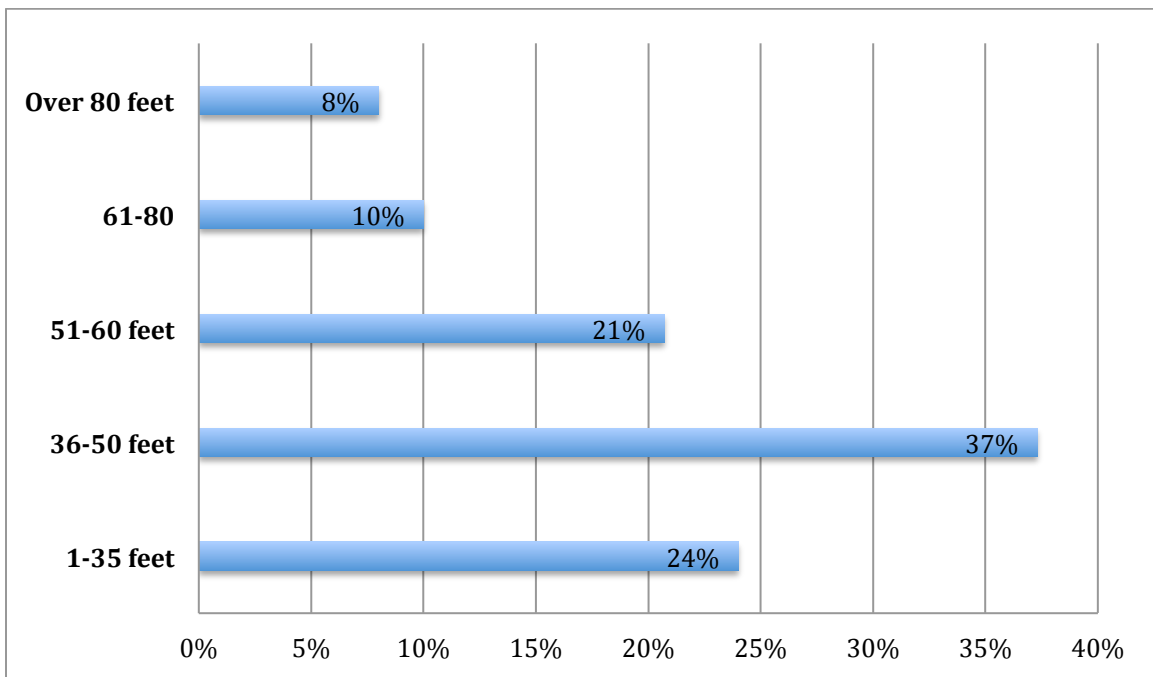
Of the 151 allied professionals who answered this question, 32.5% said the post-frame projects in their area were sized from 2,000 to 4,000 square feet; 19.2% said they were sized under 2,000 square feet.



Others Allied to the Industry

In your area, what is the maximum free span width being constructed using post-frame?

Of the 150 allied professionals who answered this question, 37.3% said 36-50 feet was the maximum free span width being constructed using post-frame in their areas; 24% said 1-35 feet was the maximum free span; 20.7% said 51-60 feet; 10% said 61 to 80 feet; and 8% said over 80 feet.



Others Allied to the Industry

Where do you look for information about the following?

- Code Information
- Construction Best Practices
- Material Options
- Latest Market Information
- Business Growth Ideas

Code Information (172 respondents)

Government:	49.4%
Web Search / Google:	22.7%
Supplier:	11.6%
Other:	7.6%*
Trade Magazines:	4.7%
NFBA:	4.1%
Post-Frame Advantage:	0%

Construction Best Practices (199 respondents)

Trade Magazines:	31.7%
Web Search / Google:	23.1%
Supplier:	15.1%
NFBA:	11.6%
Government:	8.5%
Post-Frame Advantage:	5.5%
Other:	4.5%*

Material Options (207 respondents)

Supplier:	39.6%
Web Search / Google:	25.1%
Trade Magazines:	22.7%
Post-Frame Advantage:	5.8%
NFBA:	3.4%
Other:	1.9%*
Government:	1.4%

Latest Market Information (200 respondents)

Trade Magazines:	41%
Web Search / Google:	28.5%
Supplier:	13%
NFBA:	9%
Post-Frame Advantage:	6%
Other:	2%*
Government:	.5%

Business Growth Ideas (195 respondents)

Trade Magazines:	41%
Web Search / Google:	24.1%
NFBA:	9.7%
Supplier:	9.2%
Other:	8.2%*
Post-Frame Advantage:	5.1%
Government:	2.6%

*Other Answers

- Trade shows
- Code manuals
- Inspection department
- Code enforcement people
- FMI