Clichés, Clichés, Clichés

One of the most spot-on clichés I ever heard was, “If you don’t know where you’re going, how will you know when you get there?” There are many more you can pile on like, “Failing to plan is planning to fail,” etc. The bottom line is: For years, we have indicated our mission as an association is to grow the commercial modular industry in North America.

Part of the problem is we never really knew where we stood. We always thought we were around 1 to 2 percent of the total market share, but never really had any hard data to substantiate that claim. We also never had a clear goal of where we wanted to go, and within what timeframe we should get there. Can you feel all those planning and goal setting clichés starting to pile up?

Where are we?
After much debate, your board made an aggressive and audacious goal at the Chicago board meeting in November of 2014 to grow our market share to 5 percent of the construction market in 5 years. There was a lot of excitement in the room and, keeping with the cliché theme, I think I even heard someone utter, “Win one for the Gipper!” I’m not sure who the “Gipper” is in this case, but with that resolution, the “5-in-5” campaign was born. The first step: Where are we now?

A task force was formed and work commenced. All member manufacturers were sent a survey to complete so we could accurately measure our true market share. Adjustments were made to the numbers to account for site work so we were comparing “apples to apples.” (I just love clichés.) When the dust settled, we determined our market share was currently 2.93 percent, which was actually a little better than we thought.

Where do we go from here?
We still needed a roadmap to determine how we get to our destination. The board came together for a retreat in Charlotte in June to analyze the data and set our course for the next four years. New committee chairs were appointed, new training programs laid out, and we discussed ways to achieve even more synergy between the MBI and the two educational foundations. Your board laid the foundation for the “5-in-5” initiative, however, the work doesn’t end there - there’s still much to do.

Who wants to double their business?
To achieve our goal, we must basically double our business over the 5-year period. Sounds good, right? Unfortunately, this is not going to just happen. It’s going to take a lot of work from everyone, but the rewards can be tremendous.

Story continues on page 6.
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MBI is partnering with host Oliver Kinross, which hosts similar expos around the world, to promote commercial modular construction.

Attendance is FREE. The first 10 MBI members that register to exhibit will receive a 10% discount.

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SAVE THE DATES!

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To register for MBI events or to view more upcoming events, please visit our website at modular.org/events_calendar.aspx
The 2016 Awards of Distinction contest is now OPEN. Please share the entry link with your marketing directors, sales directors, branch managers, project managers, and everyone else that might want to enter modular building projects in this increasingly popular industry contest.

For more details or to submit an Award of Distinction entry please visit us at: modular.org/awardentry.aspx

All MBI members have FREE access to the online editions, which include detailed industry data. Additional copies can be ordered through the MBI website for a small cost.

To view reports or order copies visit, modular.org/publications

The MBI Seals also serve a more practical purpose: demonstrating to the end user that the modular building was constructed by a company that subscribes to the Industry Code of Conduct. An MBI Seal is the low cost, equitable way for the industry to fund additional government affairs efforts, reach more customers, invest more in research and training opportunities, and help grow the market share for modular. You can learn more about the MBI Seals program at modular.org.

Sometimes the issue is so pressing that we end up “passing the hat” to cover the extra expenses. If all of our manufacturers fully supported the Seals program, we could throw that hat away!
**DIRTT Environmental Solutions’ Enzo™ System Announced as Winner of the CaGBC 2015 Green Building Product of the Year**

Congratulations to MBI member DIRTT Environmental Solutions for being recognized by the Canada Green Building Council (CaGBC) as the inaugural winner of the CaGBC Green Building Product of the Year Award for their interior wall system, Enzo™. CaGBC’s jury of experts from across Canada chose DIRTT’s Enzo line of prefabricated modular building interiors due to its ingenuity and application, particularly as a benefit to healthcare facilities. Healthcare facilities have unique design challenges due to the regular need for space adaptations; acoustical issues associated with privacy; infection control requirements; limited budgets and other factors. The award was judged on four key areas: sustainability, transparency and verification, innovation, and application.

dirtt.net

**Roan Building Solutions Delivers Much Needed School Places**

De Lucy Primary School commissioned a 670 square meter, two-story modular building comprised of six classroom blocks, two group rooms, office space, male and female bathrooms, and cloakrooms made up of 24 module units. It took only 22 weeks to deliver this school space from design to completion. De Lucy now has a building which not only delivered the extra space they needed, but also enhanced the architectural fabric of the primary school.

roanbuildings.co.uk

**MBI Mourns the Loss of a Founder & Past President**

We are sad to report the passing of Robert Earl Houchin, Sr. on Tuesday, July 21, 2015, after a long battle with lung cancer. He was 64.

Robert (Bob) Houchin, Sr. was a founding member of the Modular Building Institute in 1983, then known as the Mobile Modular Office Association (MMOA). He was a longtime employee of Ramtech Building Systems and served as the first President of MBI in 1983, as an employee of Cliff Industries, and President of MBI again in 1993 - one of three individuals to hold this office twice (Linc Moss & Mike Roman). In 1994, Bob won the coveted MBI Outstanding Achievement Award for his ongoing work in support of the commercial modular construction industry. He is survived by his beloved wife, Cindy Houchin; children, Robert E. Houchin Jr., Christopher Houchin, Shannon Canard, Stephen Yarbrough, Tiffany Yarbrough and Robert Yarbrough; nine grandchildren; brother, Bill Houchin and wife, Patricia; mother, and father, Thelma and Charley Havice; and his children’s spouses, Chris Canard, Amy Rosas Houchin, Delania Houchin, Diana Yarbrough and Saxon Yarbrough.
Here is how MBI will help:

- **Provide industry marketing support** through our Public Relations Committee, as well as information for member companies on exhibiting at relevant trade shows and conventions
- **Provide current, credible market data** to our members broken down into segments and regions — most recently released in our 2015 Annual Reports available at Modular.org
- **Provide relevant and timely training programs** including professional certifications through our Professional Development Committee
- **Protect your business** at the state and national level as the Government Affairs Committee monitors and reviews thousands of different bills and proposed regulations to determine their potential impact on our industry
- **Provide invaluable networking and education** at the industry convention and tradeshow, World of Modular
- **Provide business referrals** through the *Find a Builder* tool at Modular.org
- **Promote Integrity and Professionalism** within our industry through the MBI *Code of Business Ethics & Conduct*.

This is an exciting time in our industry — interest in off-site construction has never been greater. It is a privilege and an honor to be your President. I look forward to working with the Board of Directors and MBI staff to achieve our 2015 goals and to lay the groundwork for the future of our industry. To quote one of my favorite movies, *Miracle*, “This is your time, now go out there and take it!”

Kelly Williams
President, MBI Board of Directors
Senior Manager, New Business Development, Wallmasters Modular, Inc.

**REGIONAL SPOTLIGHT: EASTERN CANADA - MANITOBA, ONTARIO, AND QUEBEC**

MBI’s annual reports are out and new this year is the inclusion of better forecasting data provided by CMD Group (formerly Reed Construction Data).

According to CMD, this region had approximately C$13.3 billion in new construction put in place in MBI’s key markets in 2014. CMD forecasts 50.9 percent growth in these key markets during the next five years.

Growth projections are driven by the retail, general office, multi-family, health-care and education markets. In fact, CMD projects growth in all key MBI markets for this region but particularly the multifamily market in Ontario, projected at over $5 billion annually.

In the 2015 Ontario budget, the government decided to invest in Hamilton transit as part of the “Moving Ontario Forward” plan. Over the next 10 years, the province will invest C$31.5 billion in public transit, transportation, and other priority infrastructure projects. The plan is expected to support more than 20,000 jobs per year in construction and related industries over the next decade. (Source: *Construction Canada*)

To see the full report, go to modular.org/publications.
MBI currently has two outside firms contracted to assist with government affairs efforts:

**Capitol Advisors Group** – This California lobby firm has been assisting MBI in monitoring and preventing the spread of the California prevailing wages laws into various "offsite" segments of the construction industry such as deliveries and asphalt plants. Their retainer is $6,500 per month and this effort is being fully funded by MBI due to the potential precedent the expansion could set.

We recently held a conference call with Capitol Advisors and about a dozen MBI members. The members were updated on prevailing wage bills, as well as educational related legislation. The California Assembly reconvenes this month and is expected to take up some bills that could impact our industry. This is also the time where legislators’ ‘gut and amend’ bills that have advanced through committees. We are also working to expand the sales tax exemption for modular homes to include multi-family, dorms, and hotels. Capitol Advisors will closely monitor these activities for MBI.

**Intercode Consultants** – They are working on getting modular friendly language included in the 2018 IBC and the IEBC, particularly language beneficial to the relocatable buildings segment. We are in the middle of the current code development process with the final action hearing set for October. MBI pays $5,000 per month for this contract and fully funds it from current revenues. The code development process is a relatively new area that MBI has been addressing over the past five years.

Aside from these two outside contracts, the rest of MBI’s government affairs efforts are handled by staff and volunteers. The foundation of the government affairs effort is a monitoring and reporting process handled at MBI HQ by Tom Hardiman. MBI pays for a database/subscription through Thomson Reuters that allows for identification, tracking and monitoring of legislation and regulations in all fifty states, as well as at the federal level in Congress and all federal agencies. These potential issues are identified through a key word process and are reviewed by HQ. From there, the issues are further reviewed for relevancy, then distributed to the G.A. committee members for discussion. In any given year, about 2,000 bills or regulations are flagged for review, with a small percentage actually impacting our industry and passed on to the committee.

Currently, MBI staff is working on getting proposed new language into the South Carolina program aimed at protecting existing units, particularly construction site offices. We are also working to finalize the rules in Pennsylvania to finally bring the commercial modular industry under a single statewide program.

MBI also needs to revisit a prior initiative to standardize transportation requirements among NE states. We have contacted a lobbyist to review this and submit a proposal to assist. The current hotspot is in CT. We can expect significant financial support from the modular and manufactured home industries if we pursue this as they have the same transportation challenges.

It is rare that MBI needs to address specific state level legislation aimed at our industry, but that has been the case on a few occasions – Maryland, Massachusetts, and Connecticut for example.

More often than not, MBI deals with regulatory issues at the state level. These regulatory issues generally involve proposed changes to the state administrative program rules that regulate our industry and typically impact the relocation of fleet units. In other circumstances, MBI has been involved with states on sales and use tax issues and transportation issues.

As these issues arise (generally from members in those regions reporting them), MBI gathers information about the issue, then coordinates a call with the impacted members in the region to discuss strategies. In any given week, there can be multiple agencies within multiple states that can adversely impact the industry.

MBI’s Government Affairs Committee consists of several MBI board members, as well as a handful of actively engaged members in different parts of the country. When issues arise in certain regions, other members are brought in on a case by case basis.

**Issue Summary:**

- **Code development** – 2018 IBC and the IEBC modular friendly language for the RB segment.
- **California** – prevailing wage monitoring, educational related legislation, expansion of sales tax exemption, newly formed industry advisory council to meet with California Housing and Community Development.
- **Northeast** – consider initiating and leading the effort to standardize transportation regulations in the region.
- **Pennsylvania** – new program close. Benefits PMC, needs fine tuning for the RB segment.
- **South Carolina** – beginning stages of attempting to change program language.
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