

Retooling the U.S. Housing Industry

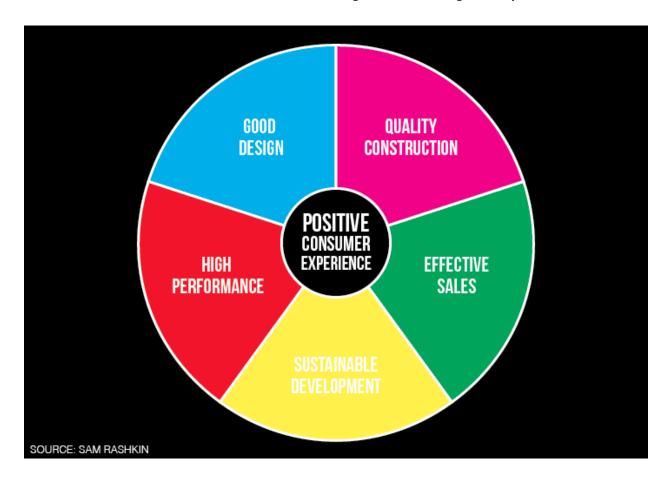
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If It Can Be Done, It Will

Housing can no longer sit on the innovation sidelines

Sam Rashkin – Founder, Retooling the U.S. Housing Industry



Welcome to the first feature column on housing innovation based on my book, 'Retooling the U.S. Housing Industry: How It Got Here, Why It's Broken, and How to Fix It.' This book takes a hard look at the housing industry relative to five key components: 1) Sustainable Development, 2) Good Design, 3) High-Performance, 4) Quality Construction, and 5) Effective Sales (see figure below). The key message for all builders is that there are profound opportunities to improve the new homebuyer consumer experience with every key component: communities can dramatically improve opportunities to engage neighbors and protect future value for each resident; designs can much better reflect how we live in homes and integrate key systems; performance can transform our comfort, health, and peace-of-mind

far beyond current practice; construction quality can ensure superior technologies along with less defects and waste, and the sales process can turn each homebuyer into a customer for life rather than too often lead into a 'hit and run' experience.

Which brings us to the title of this first column, "If it can be done, it will." This is a quote from the book 'Flash Foresight' by Daniel Burrus. He suggests all businesses are experiencing accelerating change whereby if there is a better solution, it will be provided. Think Apple, Amazon, Starbucks, Chipotle, Southwest, Google, and you get the idea. And one of the primary reasons for accelerated change is effectively revealed in Daniel Pink's book, 'To Sell is Human.' It details the current transformation from information inequality where the buyer knows much less than the seller to information parity where the buyer knows as much as the seller. In other words, if there is a better experience, the knowledge of this opportunity spreads exponentially faster among consumers than it did just a few years ago.

And watch out housing; over a recent four-year period, the amount of homebuyers searching the web before shopping a builder increased more than 250%. Today, over 90 percent of all buyers search the web for their shortlist of builders to consider. Now stay tuned for the huge increase in content about the home buying experience. Simply messaging about location, price and floor plan soon won't "get'er done." If home buying web content tracks what has become available for automobiles, consumers will soon have access to a whole array of new information about home builders including: professional home builder reviews; buyer reviews; advertised selling prices vs. actual selling prices; costs of popular upgrade features; length and coverage of warranties; pending litigation; call-back repair records; aftersales service programs; special recognition labels for green, energy efficiency, health, water conservation, and disaster resistance; regional and national awards for excellence; comparative energy efficiency based on HERS Index scores and actual utility billing data; and the list goes on.

Housing can no longer sit on the innovation sidelines. All five key components are ripe for change and new consumers, particularly the rising Gen-Y and Gen-Z population, crave innovation. Maybe most important about the "if it can be done, it will" new business model is its corollary; "If you don't do it, someone else will."

So please join me each month as we explore one key innovation at a time and then introduce a special leading builder effectively paving the way. We'll share what each builder has learned including solutions that work and don't and real business outcomes. These builders will be harvested from quarterly executive workshops on Retooling the U.S. Housing Industry I provide with key decision-makers. What could be a better job than working with builders to accelerate housing innovation?

Five Key Housing Industry Components



This article is part of a series on housing innovation based on the author's book, 'Retooling the U.S. Housing Industry: How It Got Here, Why It's Broken, and How to Fix It.' This book examines opportunities to transform the homebuyer experience relative to five key components: 1) Sustainable Development, 2) Good Design, 3) High-Performance, 4) Quality Construction, and 5) Effective Sales. Each article features one innovation or business principle covered in workshops with builder executives. Find out more at www.SamRashkin.com.