

Thanks for being a member of the builders association

The month of April is national new home month and the month that the Indiana Builders Association is conducting its annual statewide membership renewal drive. As 2008 President of the IBA, I want to be the first to thank you for your membership in the IBA and your dedication to the industry.

I feel like Rocky Balboa in the fifth round of a fifteen round fight. As an industry, we are still standing and fighting, although our nose may be bloodied and our lip swollen. Each day, I — like many of you — pick up the newspaper or click onto MSN news looking for something to indicate that we are turning the corner.

The Fed has been aggressive in cutting short term interest rates in an effort to stabilize the banking industry and provide relief to homebuyers

who have adjustable rate mortgages. However, because we live in a world economy, these rate cuts come at a price that includes higher gas prices and inflation. Not much good news, but some.

It will be a long and winding road on a national level for the economy and for the housing industry. We are taking baby steps toward a slow recovery.

However, I have seen better news com-



President's Message

By David Compton

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ing out of the Indiana Statehouse. H.B. 1001 was signed by Gov. Mitch Daniels on March 19, bringing forth the most sweeping property tax reform that has ever been proposed,

discussed, shaped and passed in the state of Indiana.

Homeowners will save about 30 percent off their tax bills from 2007 with a property tax

cap amendment capping property taxes at 1 percent of a homes assessed value. In addition, tighter spending controls through a referendum process will be available for schools and government construction projects.

Congratulations to all involved in shaping this legislation that has brought clarity to property taxes in Indiana and has taken away a major uncertainty that was keeping

Hoosiers from buying new homes due to property tax concerns.

I also want to take a moment to congratulate Rick Wadja, IBA's CEO, and the IBA governmental affairs team who successfully helped pass H.B. 1164, the Model Home Act. The Model Home Act provides a 50 percent tax credit on the structure for model and speculative homes built for up to a three year period. This bill will save our builder members thousands of dollars on model homes that they build to showcase their homes and our associates' products to the buying public. No longer will we as an industry be penalized for showcasing our inventory.

As we move into the spring and summer months, I look forward with optimism. With clarity on property taxes, qualified buyers will be less apprehensive about a new home purchase. The national credit crunch will begin to correct itself albeit slowly.

We as an industry will begin to take small steps forward on the long and winding road to recovery. In the meantime, it is imperative that we continue to support the efforts of the IBA in protecting the affordability of housing within the state of Indiana.

Thanks for being part of the association and may God bless you, your business and your family.

Best regards,
David

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