Residential Construction:
A BOOMING MARKET

Housing Starts—Representing Tremendous Drywall Opportunities—
Has Taken Off and Should Remain Strong Through ’85

Following two years in a nosedive that verged on, and in some cases was, a disaster, housing has led the way out of the recession. Pent-up demand combined with an improving economy and housing construction once more became a healthy, thriving market in this country.

In late 1982, many experts were predicting an outer limit of 1.4 million housing starts for 1983. Year-end saw that total a 1.7 million. Furthermore, this strong market has carried over into 1984 with some predictions now that the 2 million mark in starts is possible.

The residential sector represents a tremendous potential market, available now and probably for some time to come. It is a market that should not be slighted, even at a time when many drywall contractors are busier than ever.

A record amount of gypsum wallboard was produced in 1983 by gypsum manufacturers and it is likely this record will be broken in 1984. Capacity has been increased almost ten percent over last year. This translates to a record amount of drywall products to be sold and installed in coming years—a large percentage in the residential market.

Contractors with an eye to the future will be closely attuned to this market, prepared to take full advantage of its many opportunities. Pent-up demand should help assure a healthy climate for some time to come.

Just this month, Martin Feldstein, Chairman of President Reagan’s Council of Economic Advisors, dismissed fears that the economy was overheating, stating that “We are coming up from a very deep hole, so we are still a long way from the capacity ceiling.” He also said that further increases in interest rates won’t be large enough to “choke off the recovery.”

Of interest is a study of home ownership and housing affordability in the United States made this past year by the Joint Center of Urban Studies of the Massachusetts Institute of Technology and Harvard University, which shows that just over 62% of 1982 private housing starts were single-family detached units, 17% were condo units, and the balance mobile homes. There is also some evidence (although by no means conclusive as yet) that those who have bought homes since 1981 purchased “less” housing.

New homes have somewhat less interior space, fewer bathrooms, and are less likely to have a garage. Although interior space has gradually declined since 1979, the decline has been slight and the average interior space in 1982 was greater than in 1975 and considerably greater than in 1970, so it is not appropriate yet to consider it a significant trend.
Gypsum board continues to be the material of preference for interior walls and ceilings of these homes. It is a market that should be attracting an increasing interest from contractors who want a greater slice of the gypsum board installation business. To ignore it is to limit your business and its future.

Contractors with the brightest future are those who pay full attention to the potential provided by housing construction and its capacity to utilize fire resistance, sound control and structural qualities of gypsum board products. They are also aware that structural integrity depends on proper installation of the correct product. The basic concern of building inspectors when considering construction containing gypsum products is: are these materials properly installed and applied? The presence alone of gypsum products in building construction is no guarantee of structural adequacy, or fire resistance or sound control. To comply with building codes and so derive full benefit from these materials—proper installation and application are
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absolutely essential. Besides, if your work satisfies the building codes the first time around, your profits will obviously be bigger than if you have to go back and fix mistakes.

Sound Construction . . .

When we are speaking of “structural adequacy” we are, in other words, talking about good, sound construction. To insure this, at least minimum standards, as set forth by the industry, should be maintained. To assure compliance, and therefore increase profits, refer to the Gypsum Association publication “Recommended Specifications for the Application and Fishing of Gypsum Board” (GA 216-82). This publication, along with the Gypsum Association “Fire Resistance Design Manual,” can save you considerable headaches. Copies of these publications are available from the Gypsum Association, 1603 Orrington Avenue, Evanston, Illinois 60201.

A few key items of interest from these publications:

• In fire rated assemblies you are now permitted screws for nails one-for-one, provided the screws meet ASTM Standard C 1002 and the head dimension, length and spacing of the screws are nominally equal to those of the nails used in the tested assembly.

• When fire ratings are not required, the use of floating interior angles is recommended to minimize cracking from truss uplift. Also, while the problem of fastener popping in areas adjacent to wall and ceiling intersections due to truss uplift has been studied extensively, but the exact cause remains unknown; however, the floating angle method of application should be used for either single
or double layer application of gypsum board to wood framing. This method is applicable where single nailing, double nailing or screw attachment is used. Gypsum board should be applied to the ceiling first.

- The adhesive nail-on application method with wood framing will minimize nail-popping, particularly where that problem is magnified by green lumber.

- Gypsum board at the job-site should be carefully stacked to avoid damage to the board and avoid a safety hazard. Its weight should be distributed throughout the unit rather than concentrated in one place, particularly where flat trusses are used or joists are spaced 24” on center.

Following the above suggestions will help you do the kind of quality work that assures you a profit and a reputation which leads to even bigger jobs in the future. This is a good position to be in at a time when usually reliable forecasters are looking at a growth market in residential housing for the next several years.

For example, Mr. Robert Gough, a senior vice president at Data Resources, has concluded his recent analysis of the construction market by stating: “There’s some tremendous momentum developing in housing. The 1.7 million starts in 1983 aren’t enough to satisfy the pent-up demand. That’s why at some point in the next few years I think housing is going to have a very good year.”

This could be that year. The market is there. Make sure you get your share.