Forecasted by the Industry's Suppliers
Construction Dimensions asked members of AWCI’s Suppliers Council to predict the 1996 construction-industry economy based on their company's business activity levels for 1995. One respondent wrote, “Many assume economics is a science ... [we are] well served to realize economic forecasts are more art form than quantitative modeling. Especially when forecasting, economic quantitative models may have some value in explaining; the past, but even economists cannot agree in that regard”

So let us have that serve as our disclaimer. Whether you call it a prognostication, a prophecy or a prediction, we won’t know exactly what 1996 holds in store for us until it is over. Turn the page to see what the suppliers have to say.
Il the current economic indicators point to a continuation of the current overall gypsum demand pattern. A slight dip in single-family residential starts is offset by small increases in multifamily, manufactured housing and commercial floor area awards. Residential and commercial R & R should be stable to slightly improved in 1996.

Craig Weisbruch, Vice President, Marketing
National Gypsum Company, Charlotte, North Carolina

John Wagner Associates Inc. specifically targets commercial construction, which continues to lag, with significant problems in California and New England. Residential has remained positive in Dockets and is becoming increasingly more valuable to JWA, as the migration from screws to nails accelerates.

The international sector has been a bright spot for our business, with growth in double digits for the past three years. Commercial construction remains primarily government sponsored. The private sector office buildings, hotels and apartment buildings are still about 12 to 18 months from reversing the supply/demand imbalance.

We are experiencing a classic “margin squeeze” as supply is significantly ahead of demand for screw fasteners worldwide. We expect continued downward pressure until the balance of supply and demand regains equilibrium. We anticipate the increase of factory inventory levels, general sluggish nature of the economy and the upcoming election would portend lower interest rates; however, our continued fiscal deficit and pressure on the dollar makes significant reductions in interest rates risky. We still must sell our debt at treasury auctions and maintain some base-line support for the dollar.

Considering all of this, we at JWA anticipate a marginal growth (comparable to CPI) rate for 1996-97. We anticipate continued pressure to find greater efficiencies in decosting our manufacturing and distribution channels. Productivity gains will be required. Bottom line: We are going to have to invest in personal productivity.

Robert Ceyer, Vice President
John Wagner Associates Inc./Grabber Southeast
Fort Lauderdale, Florida
look for business in our industry [metal building products] to improve at least through the first three quarters of 1996, impelled by the presidential and other national elections that stimulate government spending and by the possibility of lower interest rates spurring new home starts. Another possibility of growth is a stronger dollar acting to spur foreign investments, leading to increased construction in the United States.

**Thomas E. Bowen, President**  
Wiles Building Products Company, Wiles, Ohio

Believe 1996 will see product changes of textured coatings of interior walls and ceilings, especially in commercial construction: seamless wall coatings and washable textures.

**Keith Goulet, President**  
Spray Connection, Eustis, Florida

And we expect the 1996 level of business to be similar-possibly better than the 1995 level. The 1996 level will depend on interest rates, consumer confidence and the level of general business activity. As we approach 1996, these factors appear to be positive drivers regarding our business opportunity.

**Jerry Kopkash, Marketing Promotion Manager**  
United States Gypsum Company, Chicago, Illinois
Dryvit is cautiously optimistic for 1996. Despite low interest rates, housing starts are lagging. We have seen EIFS gaining market share, however, and Dryvit is benefiting from these residential market gains. In the nonresidential market, the office market is showing signs of life; commercial, retail and institutional are plugging along, and only the hotel market is expected to slow down appreciably. Overall, we are looking for growth in the range of 12 percent to 15 percent during the first half of 1996, slowing to a range of 10 percent to 12 percent in the second half of the year.

Duncan B. Crowther, Vice President, Saks
Dryvit Systems, Inc., West Warwick, Rhode Island

Because Celotex has a strong market in the residential arena, we keep a close watch on housing starts, mortgage rates and applications for building permits, along with other economic indicators.

What we have found is that despite a general decline in costs, many low- and moderate-income households are still unable to move up the housing ladder to homeownership. For some households, the obstacle is lack of funds for making the down payment on a home; for others, it is lack of housing suitable for purchase. And for still others, discrimination is the primary barrier to homeownership.

To unlock the enormous potential for expanded homeownership among these groups, public and private organizations must help open the doors to all currently qualified buyers as well as those now on the margin. Strategies to achieve this goal must be tailored to specific household groups and specific housing markets. Targeting programs carefully to potential homeowners will not only expand the market for housing construction, home sales and mortgage lending, but also reduce the substantial disparities in access to homeownership that exist in many communities today.

Jerry Fisch, Product Manager
The Celotex Corporation, Tampa, Florida