



Portland Cement Association

2009 MID-SIZE PRODUCTION BUILDER PROGRESSIVE INCENTIVE PROGRAM

Program Description:

Overall Goal:

An industry incentive program designed for Homebuilders using concrete products for the first time in their projects.

Introduction:

The Low Rise Buildings Department at the Portland Cement Association, (PCA) continues to strive to increase concrete market share and enhance the intensity of cement products used within the single family residential market. Early on, it was recognized that the strength of use of concrete systems in residential construction centered primarily on custom home builders. Local and national efforts continue to support this important component. This incentive program is designed to introduce concrete homebuilding technologies into markets where growth of single family concrete construction has been slow, and to regional production builders who previously have not built concrete homes.

Progressive Incentive:

The new program would provide a progressive incentive, with increases in the financial and collateral benefits directly proportional to the number of homes completed by the first time concrete builder. By offering a progressive incentive, the builder will be enticed to work through the typical learning curve associated with any new construction product, knowing there will be a larger payoff later, when realistic efficiencies are being realized.

Quality and Value:

This program offers the innovative homebuilder the value and quality of concrete home technologies. Homes built with concrete will enable quality builders to set themselves apart from lesser competitors. The current weakness in the housing market is placing new demands on builders to find ways to attract buyers. The benefits of concrete can help builders with these challenges.

Regional Builders:

This incentive program is designed to address those homebuilders that typically build 20 or more homes per year and concentrate on a specific geographic area. These builders are often looking for a niche, other than low price, to differentiate their product from competitors. In the past regional production builders that have established a reputation for consistent quality and value have used concrete technologies to their advantage. They are the targeted type of builder for this program.

Eligible Residential Concrete Technologies/Applications:

The program is not limited strictly to exterior above grade wall systems. The first time incorporation of up to three of the concrete technologies listed below will qualify a builder for participation in the program. Builders can only qualify for the incentives offered for concrete technologies that they have never worked with before. If a builder has built with any of the 8 listed technologies in the past, they are not eligible for the corresponding incentives offered for that technology.

Concrete Technology 1: Above-Grade Wall Systems

- Types: Insulating Concrete Form
- Concrete Masonry
- Removable Concrete Form
- Autoclave Aerated Concrete
- Precast Concrete
- Tilt-up

Concrete Technology 2: Floor and Roof Systems

- Types: Composite Steel Joist
- Insulating Concrete Form
- Precast Plank
- Removable Form
- Autoclaved Aerated Concrete

Concrete Technology 3: Full Basements

Type: Incorporation of basements in concrete slab on grade subdivisions not previously offering basements.

Concrete Technology 5: Patios:

Types: Concrete
Interlocking Concrete Pavers
Pervious Concrete
Permeable Concrete Pavers

Concrete Technology 7: Retaining Walls

Types: Segmental masonry
Concrete Masonry

Concrete Technology 4: Driveways:

Types: Concrete
Interlocking Concrete Pavers
Pervious Concrete
Permeable Concrete Pavers

Concrete Technology 6: Exterior Finishes

Types: Stucco
Concrete Brick
Fiber Cement Siding
Manufactured Stone
Concrete Roof Tile

Concrete Technology 8: Interior Treatments

Concrete Countertops
Decorative Concrete Floors

Incentive Example:

A homebuilder, ***New to Concrete Inc.***, who has previously been building homes with wood frame, concrete slab on grade, and asphalt driveways decides to participate in the program, agreeing to build ten homes with concrete above-grade exterior walls, full concrete basements, and concrete driveways at their new development, "***First Time Concrete Estates***".

The builder completes the Schedule of Incentives, providing the name and location of the subdivision where the ten homes will be built, and selects the three concrete technologies that will be introduced for the first time in a project. The total incentive for each home is tallied, full contact information for the builder is provided, the completed Schedule of Values is signed and then mailed or faxed back to the program contact at PCA. See page 5 for a sample of a completed Schedule of Values for this example project.

Upon receipt of the Schedule of Values, PCA will verify the eligibility of the builder. Once qualified, the Schedule of Values will be signed and dated by PCA and returned to the builder. PCA will identify a suitable local concrete industry representative to verify the installation of the identified cement based products and provide contact information to the builder. The builder will have 24 months from the date of PCA signature to complete 10 homes incorporating the concrete systems identified.

The builder completes the first house, obtains a certificate of occupancy, and contacts the local concrete industry representative to arrange for an inspection to verify that the concrete technologies have been installed. During the inspection, the builder provides the local representative with a copy of the certificate of occupancy. The local representative verifies the installation of the products, documents the inspection findings in writing, then submits this information and the copy of the certificate of occupancy to the Program Contact at PCA. PCA will issue an incentive payment for the completed house within 30 days of receipt of the information from the local representative.

If the builder decides not to install one or more of the concrete systems that were identified for installation in the Schedule of Values, no incentive for that product will be paid on that home. Lets say **New to Concrete Inc.** decides not to install concrete driveways on house 3, 4, and 5. The incentives for above grade exterior walls and full concrete basements will be paid as each home is finalized and inspected, but no incentive would be paid for concrete driveways. Our builder then decides to install concrete driveways on home 6. The amount of the incentive paid for the concrete driveway for home 6 will be the amount listed on the Schedule of Values for home 3, the next incentive amount due for the concrete driveway commitment. The builder continues to install concrete driveways in homes 7, 8, 9, and 10. The driveway incentives due for home 4, 5, 6, and 7 are paid as the final four homes eligible for the program are completed.

Once the builder has completed 10 homes within the program, no additional incentives will be paid. In our example, **New to Concrete Inc.** will not realize the full \$31,000 overall incentive value since concrete driveways were not installed in all ten homes. Participating builders are encouraged to honor the full ten home commitment for each selected concrete system to maximize the value of the progressive payments available for ten homes.

Completion of ten concrete homes will demonstrate the value of offering the solid benefits of concrete and create lasting relationships between the homebuilder and the local concrete industry that will continue to insure a successful quality residential project.

2009 PCA Mid-Size Production Builder Progress Incentive Program – Example Schedule of Incentives

Project Name: First Time Concrete Estates **Project Location:** Anytown, USA

Completed House Number:	1	2	3	4	5	6	7	8	9	10	Total:
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1) Concrete Wall Systems: ___ Insulating Concrete Form, ___ Concrete Masonry, **X** Removable Concrete Form, ___ Autoclave Aerated Concrete, ___ Precast Concrete, ___ Tilt-up

___ sf of wall area and/or ___ cu. yds. Concrete per home

	\$1,000	\$1,000	\$1,500	\$1,500	\$2,000	\$2,000	\$2,500	\$2,500	\$3,000	\$3,000	\$20,000
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2) Floor and Roof Concrete System: ___ Composite Steel Joist, ___ Insulating Concrete Form, ___ Precast Plank, ___ Removable Form, ___ Autoclaved Aerated,

___ sf of floor area and/or ___ cu. yds. Concrete per home

	\$500	\$500	\$750	\$750	\$1,000	\$1,000	\$1,250	\$1,250	\$1,500	\$1,500	\$10,000
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3) Concrete Basements: (Incorporation of full basements in place of slab on grade)

___ sf of increased foundation area/ ___ cu. yds. Concrete per home

	\$350	\$350	\$520	\$520	\$700	\$700	\$880	\$880	\$1,050	\$1,050	\$7,000
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4) Driveways: ___ Concrete, ___ Interlocking Concrete Pavers, ___ Pervious Concrete, ___ Permeable Concrete Pavers

___ sf of driveway area and/or ___ cu. yds. Concrete per home

	\$200	\$200	\$300	\$300	\$400	\$400	\$500	\$500	\$600	\$600	\$4,000
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5) Patios: ___ Concrete, ___ Interlocking Concrete Pavers, ___ Pervious Concrete, ___ Permeable Concrete Pavers

___ sf of paved area and/or ___ cu. yds. Concrete per home

	\$150	\$150	\$225	\$225	\$300	\$300	\$375	\$375	\$450	\$450	\$3,000
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6) Exterior Finishes: ___ Stucco, ___ Concrete Brick, ___ Fiber Cement Siding, ___ Manufactured Stone, ___ Concrete Roof Tile

___ sf of wall/roof area per home

	\$150	\$150	\$225	\$225	\$300	\$300	\$375	\$375	\$450	\$450	\$3,000
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7) Retaining Walls or Security Walls: ___ Segmental Masonry, ___ Concrete Masonry

___ sf of wall area per home

	\$100	\$100	\$150	\$150	\$200	\$200	\$250	\$250	\$300	\$300	\$2,000
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8) Interior Treatments: ___ Concrete Countertops, ___ Decorative Concrete Floors

___ sf of floor/counter area and/or ___ cu. yds. Concrete per home

	\$50	\$50	\$75	\$75	\$100	\$100	\$125	\$125	\$150	\$150	\$1,000
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Total Incentive per Home:	\$1,550	\$1,550	\$2,320	\$2,320	\$3,100	\$3,100	\$3,880	\$3,880	\$4,650	\$4,650	\$31,000
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<p>Portland Cement Association</p> <p>5420 Old Orchard Road, Skokie, IL 60077 (847) 972 9166</p> <p>By: <u>Donn C. Thompson</u></p> <p>Title: <u>Mgr. Low Rise Sust. & Tech</u> Date: <u>01/01/2009</u></p>	<p>Builder: <u>New To Concrete Inc.</u></p> <p>Address: <u>1234 Count on Concrete Lane, Anytown USA</u> Phone: <u>000-000-0000</u></p> <p>By: <u>New to Concrete Inc.</u></p> <p>Title: <u>One Smart Builder</u></p>
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