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THIS MONTH

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A handwritten signature in black ink, appearing to read 'Greg Brooks'.

Greg Brooks, editor | 303 845 4880 | Greg@cs24.us

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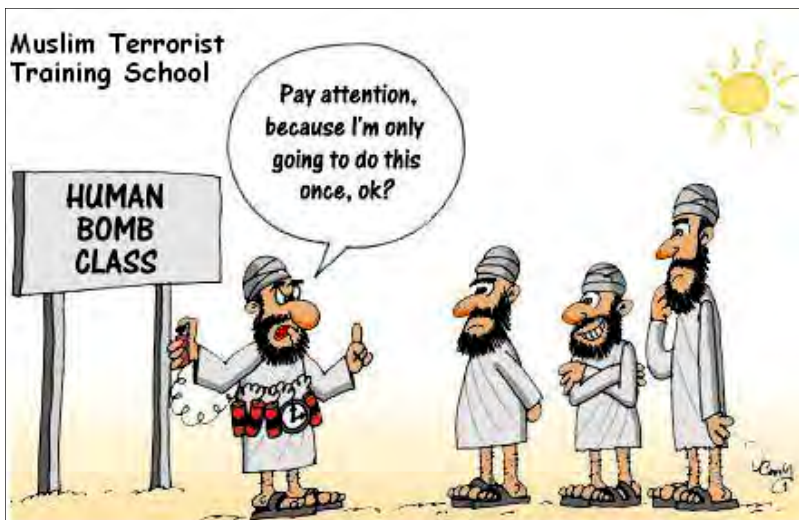
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THIS MONTH

IN CONSTRUCTION SUPPLY

AMERICA GETS ITS MOJO BACK



By Greg Brooks. The “oughts” or whatever you want to call them ended just ten days ago and already pundits are calling them the “[decade from hell](#),” “[woeful](#),” “[worst ever](#),” a “[lost decade](#),” and a “[decade of fear](#).”

A recent [Pew Research](#) poll says just 27% of Americans view the 2000s favorably, half as many as those who liked the 90s or 80s and even less than the 34% who think the 1960s were wonderful (which brings to mind Robin Williams: “If you remember the 60s, you weren’t there.”).

By an overwhelming margin, respondents said the most important event

of the 2000s was 9/11. No argument here. But if terrorism was the defining theme, the decade was hardly a write-off. It began with a meticulously planned and executed attack that killed 3,000 and destroyed a preeminent symbol of U.S. economic strength. It ended with an attack that fizzled in the jockey shorts of a jihadist wannabe now dubbed the “Eunuch Bomber.”

The fact that he made it onto the plane is a problem and there are [plenty of ways to fix it](#). But experts say security can never be perfect. Heroes will always be in demand and we still have them.

The other fact – that the hero of Flight 253 happened to be Dutch – reminded me of an email from a dealer friend a few weeks ago, recounting his conversation with another industry exec who came here 30 years ago from South Africa.

“He’s very bullish on America,” the dealer wrote. “He agrees that we dwell on the negative side of everything, but he says the greatest quality we have is that we examine our mistakes, admit to them, and move on.”

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(Continued from page 1)

His theory is that most countries cover them up and allow things to rot from the inside. Interesting that the most patriotic person I've talked to in a long time wasn't born here."

You don't have to dig deep to confirm the theory; for all the flutter over China's rise, China apparently [cooks its books](#) to make its economy appear healthier than it really is.

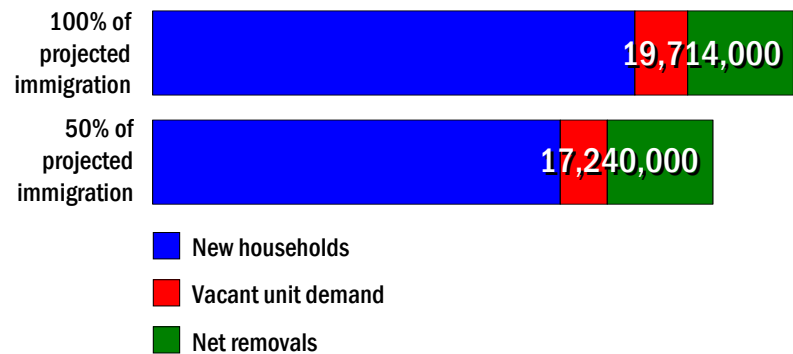
Still, so many Americans are convinced that we're all washed up and the world will soon belong to [China](#) or [India](#) or [Islamists](#) that it makes you wonder if there are any native-born optimists left.

Actually there are. They come from across the political spectrum and they agree on one thing: People who weren't born here are America's ace in the hole.

Daniel Twining ([Cheer Up, America: You're Still On Top of the World](#), *Foreign Policy*, Jan. 5, 2010) was a foreign policy advisor to John McCain and served under Secretary of State Rice in the Bush Administration. "Uniquely within the developed world, America possesses a population that does not face a demographic crisis in the coming few decades, thanks in part to our historical tolerance of immigration."

James Fallows ([How America Can Rise Again](#), *The Atlantic*, Jan/Feb 2010), was President Carter's chief speech-writer. "As the one truly universal nation, the United States continually refreshes its connections with the world in a way no other nation does,

Underlying housing demand, 2010 - 2020. Source: Harvard Joint Center for Housing Studies tabulations of Census Bureau projections



or will. Countries that are comparably open – Canada, Australia – aren't nearly as large; those whose economies are comparably large – Japan, unified Europe, eventually China or India – aren't nearly as open. The simplest measure of whether a culture is dominant is whether outsiders want to be part of it."

Say what? *The Economist* – once again, people who weren't born here – explains ([A Ponzi Scheme That Works](#), Dec. 19, 2009): "Desirable destinations draw talented and industrious migrants. Less desirable ones suffer a brain drain. The greatest strength of America is that people want to live there."

Like the South Korean immigrant who revels in the freedom to go to the grocery store in shorts and flip-flops without fear of losing face and being ostracized. Or the Somalian

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MARKETTRACKER

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[Economy.com starts and home prices.](#) National starts by quarter through 2012, home price projections through 2011 for the top 100 U.S. metro markets.

[Brookings Institution Metro Monitor](#) (1Q 2009 and 2Q 2009). Unemployment, gross metropolitan product, and home prices for 100 MSAs

[Case-Shiller Index.](#) Seasonally-adjusted home price trends for the 20 major metro markets tracked by Case-Shiller

What's wrong with these pictures?



(Mouse over a photo to find out, Adobe Reader 7.0+ required)

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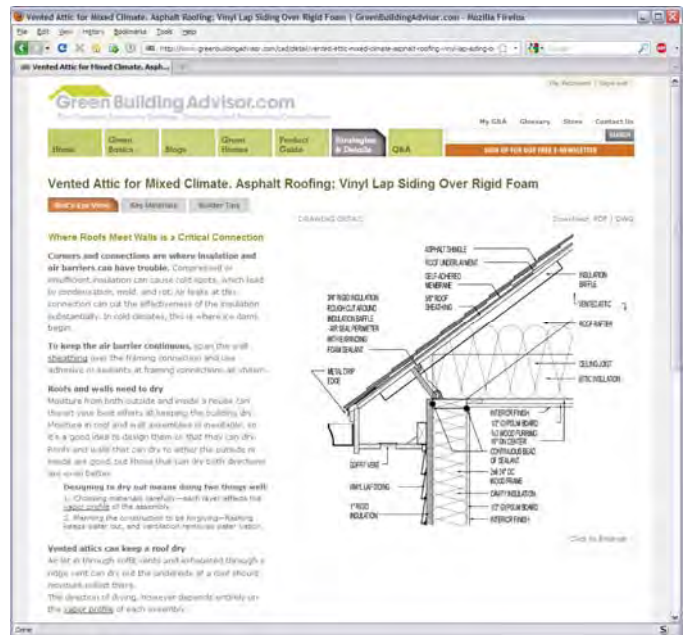
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Greg Brooks, editor, **THISMONTH** in Construction Supply



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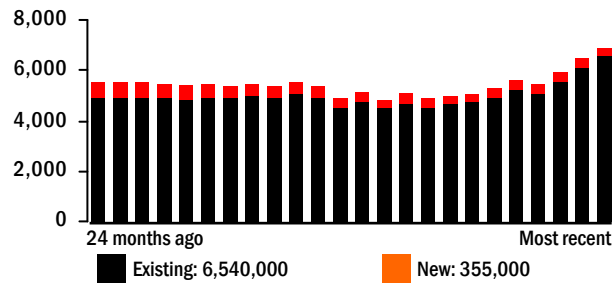
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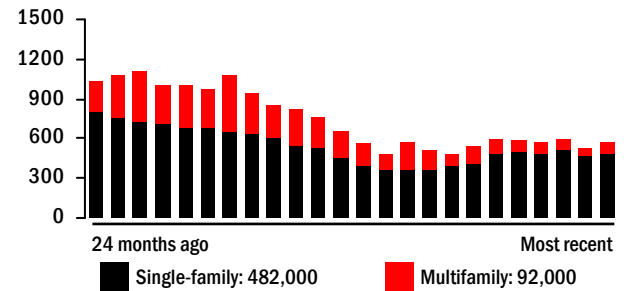
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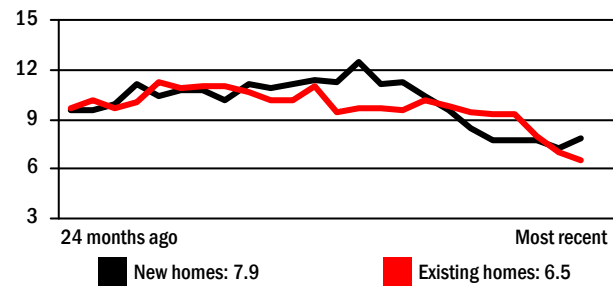
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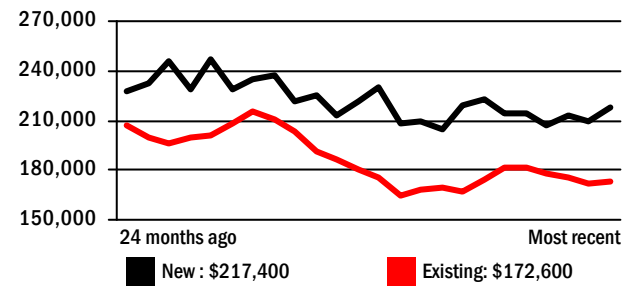
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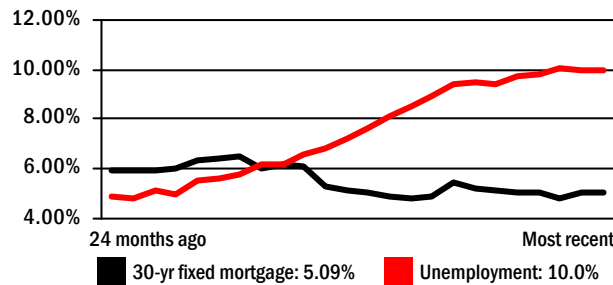
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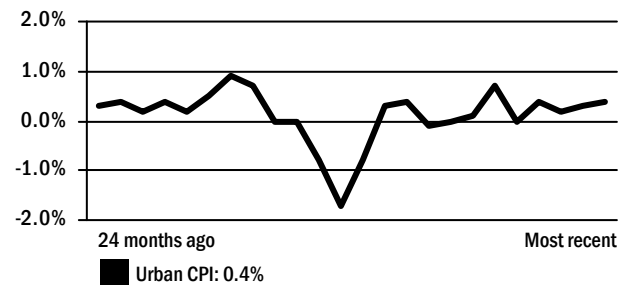
MEDIAN HOME PRICES



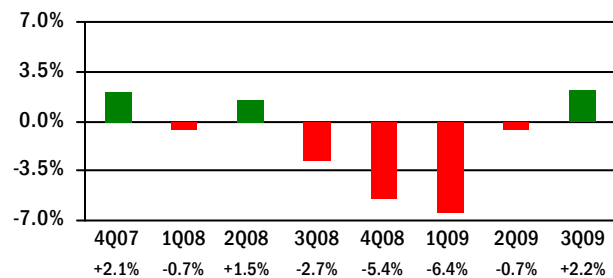
MORTGAGE & UNEMPLOYMENT RATES



INFLATION RATE



GDP CHANGE VS. PREVIOUS QUARTER



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Sources: U.S. Census Bureau, National Association of Realtors, Freddie Mac, U.S. Bureau of Economic Analysis, U.S. Department of Labor. Data compiled by



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Many times it does. But sometimes it doesn’t and now is not the time to be guessing.

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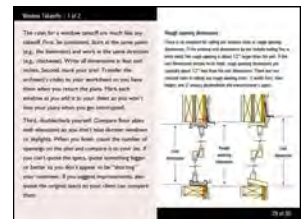
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Greg Brooks
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(Continued from page 2)

woman, a Muslim turned atheist, who fled to the Netherlands to escape civil war, then moved to the U.S. when she was targeted for assassination by jihadists in Europe. “Many Christians ask if she is a believer. When she replies no, she says, ‘they don’t try to kill me. They say they’ll pray for me.’”

Simple stuff we take for granted. Not everyone can.

According to the latest analysis from the Harvard Joint Center for Housing Studies, underlying housing demand – new households plus part-time units and replacements – will be a healthy 17.2 million through 2020 even if immigration levels are just 50% of Census Bureau projections. If everyone comes, we’ll need 19.7 million new units: enough to fuel nearly 2,000,000 starts per year *on average*.

There are some 38 million foreign-born residents in the U.S., over 20% of all immigrants around the world. Roughly 11 million of them came here illegally and many say we ought to bar the door to all immigrants.

Maybe yes, maybe no, but it’s not a new discussion, says historian Cullen Murphy in Fallows’ article. “If you go back and pick any decade in American history, you are guaranteed to find the exact same worries we have now – about our commercial capacities, about the education system, about whether immigrants are ruining our stock and not learning English, about what is happening to the ‘real’ values that built the country.”

Okay, so we’re a bunch of drama queens. Maybe that’s what it means to admit your mistakes and move on.

Economy.com recently released its national housing starts projections through 2014, plus home price projections through 2011 for the top 100 U.S. metro markets. Despite persistent unemployment and ongoing foreclosures, 90 are expected to see price increases (to download market data, see [MarketTracker](#), p 2).

Very nice and by no means the only positive data out there, but everyone knows the recovery is extremely fragile and we face enormous challenges. So where does the rest of the world get off thinking America will win in the end just because we have all this warm and fuzzy “ingenuity” and “can-do spirit?”

Maybe they’ve seen [this video clip](#) (Warning: If jobsite language bothers you, use the Mute button).✚



Greg Brooks, editor of THISMONTH, is a 41-year veteran of the construction supply business with 20 years' experience in the field. Brooks is a former editor of *ProSales*, a steering committee member at the Harvard Joint Center for Housing Studies, and author of *Scope of the LBM Industry*, published by the National Lumber & Building Material Dealers Association.

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Housing starts projections through 2014

