



## BUILDER REALTY COUNCIL OF METROPOLITAN DENVER GENERAL BOARD MEETING MINUTES

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<b>Date of Meeting:</b>	Tues. May 18, 2021
<b>Location:</b>	Zoom Virtual Meeting
<b>Meeting Facilitator:</b>	Susan Sechrist, Treasurer
<b>Attendance:</b>	23 People in Attendance; 61 People Pre-Registered;
<b>Start and End Time:</b>	9:06a.m. to 10:06a.m.

Susan Sechrist facilitated the meeting. Troy Warrick, President, absent.

Sechrist introduced the Guest Speaker. The Guest Speaker- Audree M. Grubescic, owner, CEO, and founder of Modular Sure Site. Topic Title- 'Changing the Way We Build and View Modular Projects'.

Audree M Grubescic is the owner of Modular Sure Site, an Off-Site Construction Company. She has first-hand experience of construction and project management on site of their projects. Over the past 20+ years, Grubescic has excelled in marketing, sales, new business development, and homebuilding. This experience has to lead Grubescic to create a niche modular Construction Company along with providing modular residential and commercial consulting, management services including full team development, set and crane services. Her work background varies from media sales, brand development, publishing, modular industry speaker, author, and marketing consultant with small business owners. Audree's success comes from collaborating with experts in the industry through a podcast called System Build Lifestyles. She has also created a new bi-monthly series to bring together experts in the Off-Site Construction industry to discuss projects, technology, education, and updates. A new show for Grubescic is Offsite Dirt.com. All events are available on the Offsite Dirt.com and ModularSureSite.com website events tab. She and her husband today, are empty nesters.

### Announcements

- BRC is Wed June 23<sup>rd</sup>, Soaring to New Heights, at Wings Over the Rockies. Two times for attendees at 9am – 10:30am. Attendance is limited to real estate agents only. BRC has sponsors and one sponsor is our speaker today. She is our Builder Breakfast Covid safety sponsor.
- Recording of this meeting provided as a member benefit to members on the BRC's secure private FaceBook page.

### Presentation- 'Changing the Way We Build and View Modular Projects'

- Grubescic is honored to be here. She admires us for our dedication to finding inventory that is not there.
  - Grubescic is now focusing on multifamily builds and no longer SFR. Offsite dirt.com website is the most exciting today. Grubescic will share the most current civil engineering, architecture, and structural way of building as posted on her websites, at 10am MST on May 25<sup>th</sup>, 2021.
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- For the best and most current information on modular homes, Grubestic refers everyone to her two websites- **Offsite Dirt.com** and **ModularSureSite.com**. See the website events tab for opportunities to visit projects in the build phase.
- Note, modular homes are not mobile homes.

### **What is Offsite Modular Construction?**

- Modular construction been around for 100+ years. Buckminsterfuller propounded this type of construction. Modular structures are built in a factory and delivered to the construction site.
- Traditional construction is the norm in construction built on the work site. In contrast Modular volumetric, panelized, and container homes are all offsite construction.
- Once the modular box is built, the delivery arrives at the site then the structures are attached to the foundation.

### **Benefits of Offsite Construction**

- Business has quadrupled in size. The biggest benefit is quality control.
- Modular material builds are not cheaper. Lumber costs have increased 120% this 2021. Modular and traditional builds come out to the same price. The benefit is that modular homes are completed faster compared to traditional builds. This speed provides a cost cut by 20%.
- Modular homes provide a traditional look and save time.
- Labor productivity increases due to the precise tools and machinery. This results in more controlled workflow speed.
- Workers are kept from hazards of extreme weather. There is a greater control of the schedule because they are not fighting with the weather conditions.
- Costs are better controlled through predictable as the price is stated and locked in unless there is a client Change Order.
- Modular construction speeds up construction up to 50% over traditional builds. Hence, the costs are cut by 20%.

### **Set & Stich**

- When the panels and boxes are loaded for travel, the windows are boarded up. Boxes move from the truck from the crane to the foundation system of construction. See the website for commercial projects. The box is set on the foundation after 24 hours of settling for the weight to distribute. The box(s) is attached to the foundation. A video played to illustrate this construction process. For a current new build site go to 14<sup>th</sup> and Tamarac.

### **International Residential Code**

- A modular home appraises for the same value as a traditional and can appraise up to 30% more due to the IRC code under which the modular homes are built.
- IRC codes are different in each municipality and are fulfilled in the construction phase of the build.
- Inspection and approval of factory plans by the state are included in the building permit set at the time of construction.

### **Offsite Build Process for New Home Construction**

- The last process is the site construction. We have all preconstruction plans ready.
- If a client buys land for their home, we recommend the client test the soil. The land is the biggest area of negotiation. If the land requires a lot of additional new fill then the construction is more expensive.
- Realtors, we recommend that you take care of client, manage their expectations so they know what be ahead for them and have their back.
- If Realtors need lenders, find them listed on Grubestic's website as this can be a particular type of funding. See ModularSureSite.com website modular.
- With modular homes, everything may be included even with some builders, the appliances.
- Once the home arrives on-site, the entire home is completed with floors, counters, countertops, sinks, toilets, lights, trim, doors and windows.
- Modular home inspection is the same as with traditional construction. The set & stitch is also inspected by the state.

### **Modular Factory Setup**

- The factory setup begins by already having the build plans approved and stamped by the state
- Next is the zero through eight phases.
  - Phase 0 is material assembly
  - Phase 1 is floor framing & decking, interior/exterior wall framing, then the 'box' mounted to the chassis.
  - Phase 2 is roof framing/mounting, ceilings attached to the 'box', the interior partition installation and finally rough-in the plumbing.
  - Phase 3 adheres the sheetrock walls, then rough-in the electrical
  - Phase 4 adheres the sheetrock ceiling, then spray insulation, then finish the rough electrical.
  - Phase 5 attach the exterior plywood sheathing, cut rough opening cleanup, and interior cleanup.
  - Phase 6 apply exterior plastic sheathing, then execute the interior print, trim finishing.
  - Phase 7 complete plumbing, electrical, and install flooring.
  - Phase 8 install windows, siding, and finally weatherproof.
- It takes just three weeks to execute zero through eight phases.
- A problem with homes built on-site is the amount of water entering the building at the site. The water intrusion may create mold growth. Generally, this is the nature of building outdoors. Modular home builds deliver a healthier home.

### **Commercial Projects**

- New builds scheduled out to end of May 2021
- For a modular home build to be successful, we must understand the preconstruction team. Civil, architecture, and the set and stitch process. Modular structures are built under the IBC codes.
- Many modular builders brand out their builds with NDAs due to the bad connotations associated with modular builds. Traditional builders are told that modular home builds are bad. But today, modular projects are a mature process and industry, now.
- The size of the boxes can be from 20' to 72' depending on how the boxes and panels are transported on the truck. It depends on how the corridors are designed and built per the floor system.
- If Realtor wants to undertake a modular construction go to Website [offsitedirt.com](http://offsitedirt.com) site, see the interviews with the builder's architectures with great modular builds around the world.

- The industry changing very fast. On the Website Offsitedirt.com most of these changes are discussed. Learn from this site if you want to get into this space. More and more people are involved in this industry. This increasing adoption and change is a big shift due to not having the skilled tradesmen anymore around various building techniques and construction. Know that collaborative carpenters are joining for sustainable projects.
- Modular designs can easily do traditional structures that look great onsite. Simply connect 4 boxes that stamp together.

## **Projects**

- See that the fireplaces are already done in Keystone project. When the Keystone project was inspected. the floor system was all done.
- New projects already in flight, have a factory behind them. It is not one square home it can be arranged to any shape as you wish just like with traditional builds.
- Today they are building more duplexes and fourplexes, in TX, Missouri, North Carolina and more.
- Construction is really changing fast and other solutions are open to your clients not offered by traditional builders.
- Factories are Bonneville, Champion, Heritage, Family Built Home, Fading West Developments
- There are problems and challenges with tiny homes because the home is not attached to a foundation and they can be removed. Therefore funding is difficult for tiny homes.
- Look at urban air living which is a good source. they can be financed. A client can do an ADU which can be a source for income.
- Modular homes are built in Teller county and Clear Creek and Denver county and all easily obtained building permits.

## **Questions from Affiliates and Builders**

### Chat questions-

- Do modular homes use steel? Steel is not used in the building unless its five or more stories tall.
- Where can we go to visit modular homes? Simply google modular homes in the Denver metro area and will find them. When Grubestic started her business she visited all of the modular home builders to understand how they built. There are many factories in Colorado including Delta, Pueblo, and other towns.
- Do modular homes have basements? Yes, modular can have basements or crawl space or slabs. It depends on the budget as it is always the issue.
- How is land acquired for a project? Typically with residential homes, the land is purchased first. With larger commercial projects they find where gutters, and roads and utilities must be and meet with planning dept.
- Do you conduct co-op projects with Realtors? Yes, we have contracts already set up to conduct co-op projects with Realtors. Grubestic suggests that you bring her into the contract when you will get paid. We are paid at the end of the project with her modular part of the project. Grubestic no longer undertakes SFR but only 10SFR or more. Yes Grubestic educates her clients and helps other general contractors get into this space.
- What is the minimum amount of land required for a modular home? Grubestic suggests that the best land is the land no one wants. Land is the key. A 50'x60' typical square footage smaller lots are the best

land and create projects that are affordable on these small lots of land that no one wants. Grubestic works closely with civil engineers to use these types of land.

- What about commercial modular builds? in keystone they said no modular. However, after 3mths of discussion, Keystone changed their minds. It is all about the builder and developer and how to educate the locals. Rick Miller works on 4 projects now in Georgetown TX, see video. The project is a condo build. The build consists of 4 different buildings for sale. The condos are a slab on grade product. The build uses different building materials; quarts counter tops, black facets, and more.
- Is a separate Realtor certification required in order to undertake modular projects? No, if a Realtor sells modular homes. However, if a person sells modular boxes and panels from a factory, then yes, the Realtor-seller must have a surety bond on the project.
- What about printing modular homes vs factory built modular homes? Grubestic has not looked at and printing occurs mostly in Europe.
- Where are the places that modular are accepted? Modular builds are accepted in many places. See our modularsure.com to see plans. Note that Grubestic no longer does SFR homes. Seeing more intelligence via Champion per their designs. Champion factory is found in Nebraska with great build products and with factory, Art of Construction builders too. Both of these factories are good choices to help with SFR homes. Grubestic works only with big developers with 10 units or more. Grubestic is also working with clients who need hospitality, restaurant, and office buildings.
- Does Grubestic have a list to share of GCs? Not really. It is too hard to find GCs with the modular build experience. Grubestic suggests asking the GC if they have a list of other GCs to send you who have modular build experience. Grubestic today mostly educates others about the in's & outs' of undertaking modular projects.
- Does Grubestic have any GCs that do modular SFR? No. check out Grubestic Website, offsite.dirt.com and the LinkedIn platform. LinkedIn is the biggest platform she uses.

#### **Debriefing by Affiliate Members & Builder Reps**

- Ron Meier, announces and reminds that BRC has CE classes Wed. 5/19 and all through the summer. To register, go to BRCDenver/classes for the schedule. Tell others to visit classes.
- Patrick Scheetz, informs the Board, that builders are now offering just 1% commission on the sale of their houses. Builders seek to minimize the cost increases that are passed on to the buyers by reducing the commissions paid to the realtors. Builders ask that realtors take less commission. Drop from 3% to 1% is the trend. This enables Builders keep home prices attainable to buyers in the current marketplace.

Respectfully submitted,  
C.J. Wells  
Secretary