

Taking a Pulse of the Healthy Building Industry

Andrew Pace: Well neither Jay or I are doctors. We can give you a pulse and that's what we're going to do today in Non Toxic Environments. We're going to give you a pulse of the industry, the healthy building industry. We're going to talk about trends, encouraging, and a couple of disturbing ones. So thanks for joining us again on Non Toxic Environments.

Hey, welcome back to Non Toxic Environments everybody. Jay, as always, great to be with you this week.

Jay Watts: Oh yeah, it's always a good time when we're on the podcast together, Andy, and you're surviving the summer as we are here in San Diego. I know people around the country are dealing with the heat waves that are plaguing just about every place on the planet. We don't call it global warming, we call it climate change. So you can take that for what it's worth. But yeah, it's summer and there's things happen and this is the time of year when people are doing all their stuff, right? They're fixing their homes or building their homes, or they're tidying up. They're doing all those things that you can do during the summer. Today we thought Andy and I thought that what we'd do is kind of talk about the state of healthy building.

Andy: Yeah. State of healthy building, kind of a get a lay of the land, so to speak. We kind of dabbled in this realm a little bit in the last few episodes talking about certain market trends or working with contractors and so forth. I believe right now it's just kind of a good opportunity to assess what's going on. I know that even personally I've gotten many clients, consulting clients, other material customers who have asked me why is this happening or what about this? And it just got me thinking, maybe it's time we just sort of take a take a pulse of the industry.

Jay: Well, why don't you kind of walk down some of those cul de sacs right now and just kinda get us started into discussion here.

Andy: We'll see where it goes. Typical with our podcast- Jay and I love to do these shows where we have... this is not Hollywood, I'll say that. We don't have a script. We have some bullet point notes and we've each got about 30 years of experience and we combine those and it turns into a 30 to 45 minutes of radio brilliance.

Jay: I think most of the brilliance riding on your side of the equation, however, I do have my own brilliance. But what I wanted to add to that was and I think what makes these things kind of interesting to listen to, is everything we share is pretty much anecdotal. These are things that are happening in the world through our clients that we found out about or on the other side of that is things that we actually do ourselves. Andy and I do our own personal remodeling and building, and in fact, we were just talking about that before the show began. So, when we're sharing our experiences, I feel like it's pretty grounded in what we're saying and we're not afraid to admit if we don't know something or if we've discovered something we thought we knew and then we figured out a better way to talk about it.

Andy: Right. Well, and honestly too, we're not afraid to bring up a subject that we've already brought up before. Because you know, this is something you and I could have talked about three weeks ago, but the way that our industry is changing, three weeks is a long time.

Jay: It's a lifetime. I think... Now you've got me started. I think I'm probably one of the things that is changing the landscape is just the way people buy things. Our industry folks is kind of built around the brick and mortar concept. You'd go down to your local supply store and you talk to your local guy, John, Joe or whatever his name is, and you buy your products through that mode and then you can them off to a contractor or if you're a do it yourselfer you start your project, well now what's happening is people are buying things online, right? And so it's changing kind of the way the brick and mortar stores have to respond to that. Andy, you and I know that in our area, in the green building area, that brick and mortar model is under a little bit of stress because of the internet and the way people are buying things that way.

Andy: It is. And I will freely admit to everybody here that we dabbled in the Amazon world for a couple of years. We sold product on an Amazon site and sold quite a bit of material. But at the end of the day, it was a losing proposition for us. As convenient as it is for customers, if you're buying a shirt and a couple of books and a few CDs, and then you throw in a quart of Safecoat flat paint and everything ships for free, to the consumer it sounds great. To the retailer, it doesn't ship free. There's freight costs involved. Nobody actually offers free shipping. You're paying for it in some other way.

Jay: It's tucked in there somehow.

Andy: Right. The biggest problem we had with selling on those portals was that product would be purchased without any involvement from somebody on a sales staff.

Jay: That's the biggest issue.

Andy: And if somebody bought a product they thought they needed, turns out to be the wrong material and it wasn't used properly in the right situation, turns into a complaint against us, the manufacturer, because nobody wants to take responsibility for their own actions. And it has to be somebody else's fault. I got the product that I thought was right. And so it just got to be too much for us. We couldn't represent the manufacturers and the materials that we sell well enough because Amazon and other portals like that don't allow for any interaction with the consumer.

Jay: Yeah. I'm thinking too that part of that real challenge is usually you're spending quite a bit of money and you can spend a lot of money depending on what you're doing. There's nothing better than to have someone that you can call and talk to that can counsel you on the project as you're going through it. Because as you know, things happen, there may be delays in delivery. The contractor may walk off the job site for whatever reason you're looking for another contractor. Anything that could happen can happen and will happen. So if you don't have a go-to, you don't have a paddle going upstream. I think really we all want this, as disconnected as sometimes we seem like in the country, I think people really want more connection. I want more community. I want to have a group that I know I can trust. I can call on, count on, to help me figure it out when I don't know what the heck I'm doing. So I think that's one of the things that's kind of lost in the space, in the retail space, when you're talking about our type of products. There's a lot of things you can buy online. It doesn't matter. You don't need to worry about talking to anybody. It's self-explanatory. You buy it, you're happy, you use your prime account with Amazon, no shipping, blah, blah, blah.

Andy: Well, and the interesting thing about that statement, Jay, is that you are right. I think people are looking for a sense of community, but a lot of times now that's, that community is all virtual. It's all online. To that point and to take it now further about market trends and consumer trends and so forth. So online purchasing, yes. That's, that's here to stay. It's not going anywhere, but it's not going to be, I don't think for these types of products, it's not going to be the Amazon way. It's going to be companies. There aren't Green Design Centers everywhere. There's stores across the country, a handful of them that are really good green, healthy building material stores. But then there's some really good websites and I think that you're gonna find probably that being the key to future business.

Jay: I think that's correct.

Andy: But along those lines, online communities, whether it's Facebook or Pinterest or other types of program, forums, newsgroups. I think that I'm involved in a few of them online. Canary Chat is one of them. There's less than a thousand people in the group.

Jay: Can you explain... I know what Canary Chat means, why don't you tell everybody what this is?

Andy: Canary Chat is an online Facebook group geared towards those who have a chemical sensitivity. Anybody is free to join. It's just a matter of fine Canary Chat on Facebook. You request to join, you have to answer a few questions just to make sure you're not a bot and you're not just somebody trying to push your own individual agenda. It's a group that is designed specifically to allow people to help other people.

Jay: I see the community I was talking about it.

Andy: I see this happening in all walks of life. I don't care if it's going to be about chemical sensitivity or if you're a baseball fan or if you're a lover of poodles. There's a group that you can connect with that you can sit and speak with virtually- typing, speak with other people around the world who share the same passions. At this point, they haven't been around long enough to get a really good understanding of how it's affecting our psyche and affecting our communication skills. But I do believe that in the short term, this is what is here to stay until something else gets invented in its place. But I do find that there is some incredible benefit from joining these types of groups. Here's the downside though, for every person there is an opinion and it seems as if the political issues of the last 10 to 15 years have spilled into all walks of life now. People believe that if you don't agree with me, then you must be a bad person. My friend Debra Lynn Dadd had a online chat group, a Facebook group that she had to close down just recently because she found that, and I agreed with her, people who had chemical sensitivity who had very strong opinions about things working and not working would voice those strong opinions, whether these are educated opinions or not. This is what becomes dangerous. So I think of Debra, I think of AFM and in my company, if we have our own Facebook pages and our own groups, we have to be very careful to only discuss in detail things that we actually have a serious knowledge of.

Jay: Yeah. There's a lot of that, opinions run wild out there. They almost kinda load up, you start to get one opinion and then someone else wants to add to that they want to pile on. So they're piling on all these opinions. And as you said, we're not convinced that there's any credibility to the opinion. And then the fact that everyone's has a right to their opinion, but is it

a knowledgeable opinion? Is it based on some understanding of the complexities and the details of the subject is being discussed

Andy: And what are the ramifications if that opinion is actually highly incorrect? This is what I worry about. If somebody in the group says, I'm looking for a way to increase energy without using stimulants, and then the first person pops up and says, well, I use powdered beet juice and it worked awesome for me. I highly recommend it. What if somebody has a severe reaction like anaphylactic shock? Because they are severely allergic to something in powdered beet juice. We don't know. You don't want to give medical advice and have somebody get seriously injured. You don't want to give advice, have somebody gets seriously hurt because they use it incorrectly. All of a sudden you're in a liability stream.

Jay: Right. Don't you think that there's filtering out there? Like for example, you know, you look for something and then there's a Yelp review. So then people have had a chance to kind of weigh in on the Yelp side and tell people their experience. So I guess there's ways for people to kind of vet the information, but you're right, there's a real big danger that they're going to get this information and think it's gospel and then they're going to take action and it's going to be the exact wrong thing to do.

Andy: Right? Yes, you can come back and say, and I did this quite a bit in Debra's group, I would actually be the one to pipe up and say, I believe that's probably not the best choice for everybody and here's why. Well, I'm in the industry and obviously I do consulting and so I'm used to having to sort of provide that caveat, but just some random consumer with an opinion can actually recommend some things that are highly dangerous and inappropriate, what have you, and get others into trouble because people are looking for help and sometimes they'll,

they'll accept whatever help they're given, whether they know it's good or bad. I find this as going to be a serious problem down the road.

Jay: There's the positive and the negative on all of this. There's a lot of good things and of course we have to be watchful for those things maybe not so good. I guess what I wanted to think about is in terms of construction and new building that's going on, I know here in San Diego, there's a been a major push for many years to increase the density, especially in the downtown core here of San Diego. So what I'm seeing month after month is old blocks of old buildings that are being demoed and then they're building these like super high rise apartments or condominiums and they're just popping up everywhere. I'm wondering how the trends around the country are evolving in similar fashion. I'm in Southern California, it's very expensive real estate here. I actually frankly wonder how people can afford these places. I drive down to downtown, driving around at night and I'm looking up and there's no lights on in any of these buildings. And I'm thinking, they're empty.

Andy: Right. Well then who knows why. I mean, did the developer lose funding before the project opened?

Jay: That's one of the things that happens, or maybe they're too expensive?

Andy: If you're a developer, you're selling at least... you have under contract 30% of the building before you actually start to build.

Jay: Yeah. And that's the model too. They put retail on the bottom. So they have retail clients on the bottom and then everyone was on top. So, yeah.

Andy: I have seen here in Southeastern Wisconsin area numerous multimillion dollar projects that I have been held in the bands for years because of developer issues. Developer bankruptcies. They have these grandiose ideas and then they start the process and they realize that they severely under planned for the expenses involved just in the infrastructure of the project.

Jay: Yes, yes, yes.

Andy: To your point there, I think that trends in construction... there's a lot of condos and a lot of apartments going up. There are other podcasts that talk about this people can listen to for better information on the numbers, but I can tell you that trends for the younger generations from millennials are that they don't necessarily want to buy a house. They don't want the the responsibility of having to take care of a yard and shoveling snow. And so on. They want to either rent or they want to buy a condo where everything's pretty much taken care of for them. They sometimes that it's a fear of the unknown. It's a fear of am I going to have this job in five years? And that this goes into the whole psychology of what it is to be a millennial in today's labor force.

Jay: Not only that they're strapped with college debt. I mean there's the other problem, they've got this giant bill to pay off from school and there's no way, they haven't gotten that \$125,000, entry job in their career trajectory. Then there's looking at a a hundred thousand dollars worth of debt to pay off, they don't want a mortgage.

Andy: Right. And they can't qualify what for one with that type of debt. Again, now that's a five hour podcast right there. So we're not going to touch on that, but I mean, folks, this is what we're talking about just on trends. From a healthy standpoint, we are going to find developers and builders and even occupants requesting for healthier materials in their apartments, healthier materials in their condominiums, which up until this point, Jay, we haven't really seen, there's a couple of developments here and there that might use healthier or they'll market it as sustainable or green. They don't really talk about health. But I think this is going to become much more requested because they want to live in a healthy space, whether it's something they own or something they rent.

Jay: Right. One of the other trends we're seeing, and maybe it has something to do with the fact that the graying of America is happening. So I'm a baby boomer, everybody. So in my age group these folks, families where the kids have moved out. So the couple left in the home, they don't want a big home anymore. There's a trend for small houses and this has been on the news and it's been talked about tiny homes, the tiny home movement where people are downscaling, they're building smaller homes. But the other part of the equation is it's just our own health. As we get older these health issues become more front page for us. And so what we're thinking and it's totally makes... Andy and I always talk about common sense decisions. So this is a good common sense one. Do I want to live in a healthy home when I'm getting old? Yeah, I don't want to go to the doctor, I just don't. It's going to cost too much to do that. So let's try to avoid that when we can. How do we do that? Well, we take certain steps to do that and one of them seems logical, well, we're going to live in a healthier home. We want to breathe good, healthy air and then you add all the other parts of the pie on top of that. You know how you eat, how you exercise, how you do those stress reduction, blah, blah, blah. But I

guess my point is there's going to be this trend for people who are going to want to be smaller and they're going to want to be healthier.

Andy: One of the reasons why they're also looking for their home to be a source of healing, or at least not a source of more toxicity in their life is because of their healthcare situation. In the last 15 years we've all been asked to kind of take our healthcare into our own hands and the trends for holistic, alternative, have really started to take off at a level it's never seen before.

Jay: Yeah. We've done a couple of interviews in the past where we've interviewed some interesting people on different modalities of building. We've talked to the Vastu expert, we talked to a Feng Shui expert. We're going to have some new people coming on the show in the future, going to talk about a whole host of things that are right up what Andy's talking about. And those are always really good shows.

Andy: They are, and it speaks to these points and it's all of these items we're discussing are just sort of pointing them towards the exact same end point here or direction, which is we're all trying to do our own part individually to live a healthier lifestyle. But we're also going to be asking those who have influence over that: the builders, the suppliers, the renters, the food producers, the clothing manufacturers. We're asking them as a society to be good corporate citizens do their part, to help us live a healthier lifestyle.

Jay: Yes. You were talking earlier about some projects you've got going on now that you thought it might be something you could talk about in the cast today. What, what was that?

Andy: Well, this discussion so far and how we've looked at trends of different age groups and in how we're living. One of the trends that I'm seeing, which is a very disturbing trend, and this will be no surprise to anybody who listens regularly that I'm going to scare people or kind of bring a downer to the show for a little bit. But I have to point it out. There's a trend in new home construction where builders are starting to subsidize the use of spray foam insulation. What they're doing is they're telling their customers that now they're saying we do spray foam now in all of our homes because you can't imagine how good the energy efficiency is and we do the blower door tests and these homes are tight and you're going to see your energy bills half of what they would be if we didn't do spray foam insulation. They're subsidizing the price in a way of maybe not even marking it up because they want people to use spray foam. And here is why- the same builder today who's touting the virtues of using spray foam insulation because of high energy efficient is three years ago, could care less about energy efficiency. They're doing this because of the trend in construction, the trend in the labor force of not enough people to do the work. So builders are extending their build times because they can't get subs on site to finish segments of the project. When they finally do get a sub and maybe it's somebody new they're working with, they have somebody new on staff. They're not trained very well. So I think what's happening, and this is not an indictment of the entire industry folks, I'm not pointing fingers at specific companies. I am saying this based upon what customers are telling me it's happened on their jobs.

A framing crew will come in who either has a very little experience or is just plain lazy and they do a poor job framing the house. They use a lumber that is substandard and we're seeing lumber that's very wet, full of mold that's already starting to warp. They're doing a poor job of their work and they're using poor materials. The builder under the guise of trying to do the right

thing from an energy efficiency standpoint is using the spray foam insulation because it heals these wounds. This is the big thing that they're not telling you. Spray foam insulation will fill in all the gaps between the warped boards. It'll make up for some pretty shoddy installation methods. It's like covering the house in duct tape but with spray foam insulation and spray foam insulation is making people sick.

Jay: I had a guy call me today about it.

Andy: Well, and it's going to happen Jay, I am telling you, I just read an article that I posted on one of my Facebook groups and I'll link it in the show notes for this episode. About how spray foam insulation is not only highly toxic, but it does contain formaldehyde. It's impossible for it not to. Personally, I have tested several brands of spray foam insulation where I have a contractor send me recently foamed piece and fully cured. He sends it to me and I find staggering amounts of formaldehyde doing a FRAT test. People are sick. People will get even sicker because of the trend in construction of not enough people, quality laborers to do the work and not good quality material. Spray foam becomes the fix. I said it today in a LinkedIn group of professionals. I said this is a crisis in its infancy stages. So that's the last thing I'm gonna say today that's really unnerving.

Jay: Well I think making people aware of these things is part and parcel to what we're hoping we're doing here in the podcast.

Andy: And I believe we have to.

Jay: It's our responsibility to, I feel the same way.

Andy: On that we will also give recommendations of what to use in the place of these lousy products. That's what we do. We've talked about insulation in other episodes. So one of the other trends I wanted to talk about as well is from a customer standpoint. And I know I did an episode... I think I did it by myself. You might've been on it as well, Jay. Because we were talking about customer service going both ways. Real early podcast we did. What I meant by that is that you have to understand that currently we're in the busiest time of the year for the industry. Things may take a little bit longer to ship. Things may take a little bit longer for you to get, the process is a little bit slower right now because so many people need product for their projects. There's kind of this disturbing trend happening in consumerism. I think this has to do a lot with what happened 10 years ago with the last recession. We had a lot of manufacturers, a lot of suppliers were going out of business and the ones that survived it if somebody called up and said, listen, I'll buy this from you, can you give me a discount? There wasn't a manufacturer or a supplier that said no. Yeah, because they needed the cash flow. Well, times have changed and it's 10 years past and companies like mine and others are happy to have a lot of business and happy to be servicing a lot of people. But customers are still calling up demanding discounts. The reason for this is, I believe, and coming full circle is because of the Amazon effect.

Jay: Exactly as I was gonna say.

Andy: Why can't I get free shipping? How come shipping is so expensive? How come this is so expensive? Why can't I have a discount? I have been emboldened now to ask for discounts almost as if they're saying hello and then get upset if they don't get one.

Jay: Yeah. Yeah, that's a tough one. You know, I don't know. This may be a reach, but I'm just thinking, when you're buying premium products, you're going to spend more for those things. Typically in my experience has been this; there's no discounting. There's a company here in San Diego called Bread and Sea, they make the best bread. All right? I go down there and I buy my fresh bread. Well, I know that bread is worth every penny. It's worth every penny I'm going to spend on it. I'm not asking for a discount. I'm happy I'm getting the best bread in town. God, it's hot. I'm going to take it home. I'm going to make some toast right now. That doesn't cross my mind that I would ask them to give me a discount. I'm getting a great deal. It's the best deal going. If it's eight bucks a loaf, I don't care. That's what I want. That's what I'm going to get. And it's there every day. It's consistent. That's the other thing too, about this thing. You know, people really expect consistency. I think that's part of the problem with the internet sales, you can deal with companies that are very consistent in the products come all the time and it's very good. Then you'll deal with some companies, things are broken. The instructions, you can't read them. I mean, there's all kinds of problems here, right? In our business here where we're dealing with really, really good products, what we consider to be... and Andy's done a phenomenal job of vetting the products that he has in his stable of products at the Green Design Center. You can always go to the website there and see what he's offering, but I'm telling you, you need someone behind the curtain that does that. All right. I'm getting off subject a little bit, but I just want to make the point that the point is, the products that are out there that we represent, that we talk about our products that we know are going to give you the best performance. And if you think about that in the long picture, right? If you're paying a little bit more, but you know that price is going to do some things that other products that are cheaper and you might've got a discount on, aren't going to do it, then it's worth every cent.

Andy: It is. If a retailer is constantly asked to lower their prices, you know what happens? They start to lower the amount of service they offer.

Jay: That's right.

Andy: They start to reduce the amount of, of help they give. And so if you want to go to your bakery and buy a loaf of that bread and you go there someday and you only have three bucks in your pocket, when you say, well, what do you give me for \$3? They'll rip the loaf of bread in half and give you half.

Jay: Exactly. Or I'll buy cookies or something like that.

Andy: But at least you got some of exactly what you wanted. And that's, and that's better than none of it. And I guess that's the point of all of this. We're all trying to provide good products, good services, and we hope that and honestly, folks, I'm blessed. I've helped over 20,000 people in my career and I can probably count on one hand the amount of situations where I just don't want to be involved in again. I have been blessed. I have awesome customers and they are very, very thoughtful. They are very appreciative for what we do and what we can do for them. I'm just using this as a in generality what's happening so folks, if you're at the butcher and you've got 10 bucks to buy dinner, don't ask for a discount, just buy a smaller portion. So I think that's pretty good. I would say that right now the state of the healthy building industry is really good. If I had to sum it up, I think it's strong, it's gaining momentum. It's definitely not a fad, but it's a trend that's going to turn into just the way it is.

Jay: Yeah, and the bigger it gets, the easier things are going to get. That's my theory for sure. There'll be more people around that will understand the talk and they'll walk their talk. There'll be projects that will be available all across the country. We're working with some folks already that we've done some interviews with and we're going to be doing followup interviews with a couple of firms that we're working with that are doing some really exciting things, folks. So, yeah. So stay tuned to that. Yeah, I think the future is really bright. I really think it is.

Andy: And I think of back in 1992 when I first started working with these materials and I had no idea it would be like this. I was happy to talk to one person every other day who needed to buy a healthier paint because of some unknown disease at the time. And now, we're finding that from a medical standpoint, chemical sensitivity is actually a symptom of more involved diseases and afflictions. I think in the last couple of years we've come a very far way in learning more about it. And so that makes me really hopeful that in the next couple of years, folks, I think that this is going to be so ingrained in our everyday life and that not just for all of us who are in this together, but for those who have absolutely no idea what this is about, pretty soon they'll know because I think companies will start to recognize that this is the wave of the future.

Jay:: Yeah. I guess my last comment here is I think about this all the time because we're surrounded by children both here at the office and you know, our friends. I always think about that seventh generation idea, right? I mean, what are we doing to make things better for the future coming behind us? I think I want to feel like we're leaving a legacy that paves the way for people to live a very fulfilling and healthful life. That's my goal and I want all the kids in the world to be able to have those things. I don't think anyone would argue with me at that I don't think that's, it's just not an arguable point.

Andy: No, not at all.

Jay: So that's my last comment on it.

Andy: Well, that's a great one to end on. Totally agree. Jay, as always, it was a pleasure being with you this week.

Jay: Oh, always good Andy.

Andy: Folks, we'll be back next week with another exciting episode of Non Toxic Environments. Feel free to go to iTunes. I know a lot of people have this week. They've actually gone to iTunes and rated us, given us five stars. We greatly appreciate that. There are almost a million podcast shows on iTunes right now, almost a million. We're just one and we're getting a lot of people responding extremely positively to our show. We hope that we are going to be influencing the industry and we do that by gaining more listeners, getting more five star ratings and reviews. Even if you gave us a rating or a review, tell your spouse, your significant other, your best friend. Heck, open up an iTunes account for your dog and have them score us.

But honestly, folks, we want people to find the show and we can only do so much with our own marketing. The best way for folks to find this show is just by doing a simple search of healthy home podcasts. And the higher our score, the more scores we have. The further up the list we get put. So people find this easier.]

Jay: I'll just do a quick pitch, so on our website that's AFMSafecoat.com. There's a link right at the top of the homepage. If you scroll down a little bit, there's a hot link to the podcast.

Andy: Oh, fantastic. Yeah, that's great. And so as you're getting information about paints and coatings for your next project you can also link right to the show and listen to us while you're shopping.

Jay: I love it.

Andy: Excellent. All right folks. We'll be back next week. Thank you so much.

Jay: Alright, bye everybody. Bye. Bye.