

# Building Innovators Series - Q&A's

Donna Kamps, CEO of AmeriSus Homes interviewed at Building Industry Association of Philadelphia's Mid-Summer Event at Morgans Pier on the Delaware 7/25/18. Segment of Q&A's follow:

*By Jim Westlake:*

**Today you announced that AmeriSus would be launching a national program for ADU kits. Tell me about this market.**

The home building industry has ignored the market for affordable SOCO housing. That's Single Or Couple Occupied. While most everyone in construction still keeps building McMansions and luxury apartments we've been focusing on smaller stand-alone units that are high in features, low in price and easily approved. Our ADU effort kicks off in one week.

**Tell me about approvals for ADU's.**

Simply put, many places have run out of developable property or they don't want all the issues that come with multi-family mid-rise projects. So, cities and entire states are changing legislation and zoning to allow ADU's as second structures on single-family properties. ADU's are the quick and easy way to create housing without placing additional burdens on the community. There's two big pluses as well. One is that an ADU's ROI can't be beat and it helps owners maintain & afford their existing homes with an income stream. The other plus is that ADU's fill a void that helps "every" demographic.

**You made a point earlier of stating that this program shouldn't be labeled as an affordable housing effort.**

That's right. No matter where you go the term "affordable housing" brings with it a stigma and often a NIMBY response. We've created a product that is in demand by everyone regardless of their economic situation. Just go talk to families and you will hear of somebody with a mother that's downsizing, a son or daughter that just graduated college

and needs something basic. Maybe a brother that got divorced and will be paying for his next home plus his ex-wife's. The list is endless. Our homes, as we say, are affordable for everyone even couples earning minimum wage. Can you imagine that! Two people earning the bare minimum and our homes only consume 30% of their pay. And that's with no government subsidy. Not many firms can match that?

**Someone commented that your ADU designs are not kid friendly.**

That's true. Understand, we've got nothing against kids. The SOCO housing shortage is immense. Everyone keeps building products for families while our population of homes without kids keeps expanding. We're focusing on that unserved market which is also the easiest to get approved. SOCO's are every town's best residents. They spend locally, make few demands and they have nominal impact on a town's infrastructure. We will let the big production builders address the kid market.

**You have been delivering kit homes for many years now. Will these ADU's use the same process?**

Absolutely. We've invested considerably in what probably is the most advanced data-management system in the home building business. Literally millions of parts coming from various sources going to dozens of project sites each and every week. On top of that, it is not the same home over and over again. Roughly 70% of the homes we create end up being custom projects with many being rebuilds after disasters, infill projects or part of teardown initiatives.

**You said your price to value ratio was unbeatable, how do your customers realize that?**

Most new home projects are burdened with land acquisition costs and site approval and development costs. ADU's are quickly becoming a welcomed addition to communities nationwide where the land is already owned and developed. Our ADU kit package added



to a foundation creates a fantastic new home for an amazingly low cost where the combined savings on materials and labor (improved constructability) can reduce construction costs by 30% compared to traditional building techniques. Costs can be lowered further by the owner doing some of the work. Small builders looking to be a part of this market using our ADU kits can enjoy a protected niche since big builders can't function in this market.

**Does AmeriSus not being a local company set any roadblocks to this effort? What if a project has a problem?**

Go to most projects and nobody has a clue as to what's happening next, it is a wait and fix game. Our exceptional success in managing data has enabled us to be on top of each schedule getting the right components to the right job when and where needed. This ADU program adds a few new features that improve upon the process. We have a SIP partner with an experienced network of 400+ dealer/builders that enhances delivery & construction of our ADU's structural shell. Next we have an expanded network of supply centers for the balance of components. If something shows up broken, gets damaged during construction, or is simply wrong we can have a replacement part there in 24 hours and often the same day. Since each ADU is built by a local builder, the property owner or a combination of the two it really is a local project compared to modular efforts built somewhere else and then transported.