

## NLRB RULING WILL HARM BUILDERS AND HOUSING AFFORDABILITY

A recent ruling by the National Labor Relations Board (NLRB) to expand its joint employer standard will hurt housing affordability and small businesses, a Texas home builder told Congress.

Testifying before the Senate Committee on Health, Education, Labor, and Pensions, Ed Martin, president and CEO of Tilson Home Corp. and a past president of the Texas Association of Builders, called the new joint employer standard “alarming.”

“Businesses could be found to be joint employers of another company’s workers by merely setting the work schedule of their subcontractors or requesting additional subcontractors to complete a job that is running behind schedule,” Martin said. “There is no certainty or predictability regarding the identity of the employer under this new standard. It is fundamentally unrealistic.”

On Aug. 27, the NLRB overturned decades of precedents by expanding the traditional test for joint employer status in which a company must exercise “direct and immediate control” over an employment relationship.

Under the new joint employer standard adopted by the NLRB, a company could be considered a joint employer if it has indirect control or the potential to exercise control of a subcontractor’s employee’s employment, including hiring and firing, discipline, supervision, scheduling, and assigning work.

The new test leaves employers guessing over how much indirect control they must have over another employer’s workers to be considered a joint employer. This is especially problematic for home building firms, which rely on an average of 22 subcontractors to build a typical single-family home.

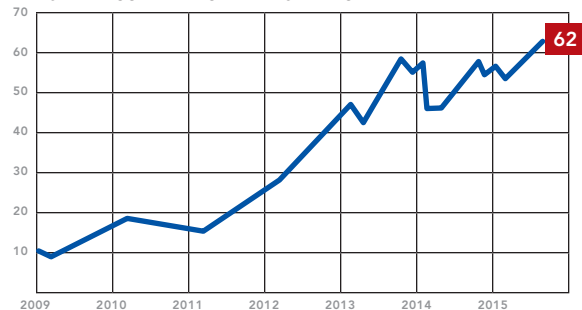
“We question whether the simple act of choosing a project’s completion date would trigger a finding of joint employment,” Martin said. “For example, if Tilson Homes contracted with a painting company for a home in Austin, would we be prevented from telling the subcontractors when to paint the walls or even when the walls would be constructed?”

Martin said that the decision will needlessly drive up the cost of housing and could force many small builders out of business. **PB**

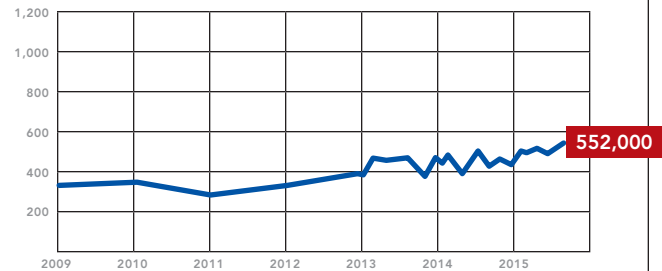
ABOUT NAHB: THE NATIONAL ASSOCIATION OF HOME BUILDERS IS A WASHINGTON, D.C.-BASED TRADE ASSOCIATION REPRESENTING MORE THAN 140,000 MEMBERS INVOLVED IN REMODELING, HOME BUILDING, MULTIFAMILY CONSTRUCTION, PROPERTY MANAGEMENT, SUBCONTRACTING, DESIGN, HOUSING FINANCE, BUILDING PRODUCT MANUFACTURING, AND OTHER ASPECTS OF RESIDENTIAL AND LIGHT COMMERCIAL CONSTRUCTION. FOR MORE INFORMATION, VISIT NAHB.ORG.

### HOUSING MARKET SNAPSHOT

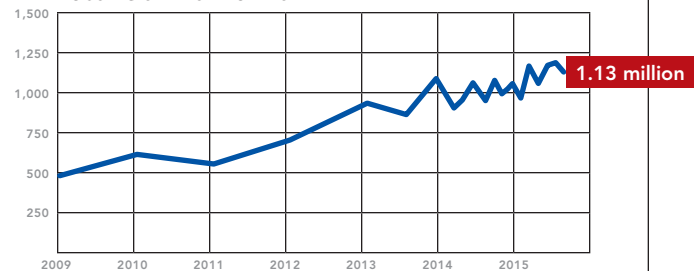
BUILDER CONFIDENCE LEVELS IMPROVED



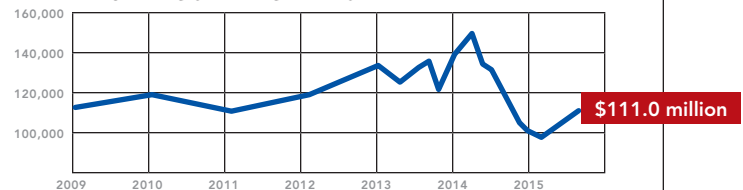
NEW-HOME SALES ROSE



HOUSING STARTS DECREASED



REMODELING SPENDING WENT UP



According to the NAHB/Wells Fargo Housing Index, builder confidence improved slightly in September, rising to 62. August new-home sales increased 5.7 percent from July to an annual rate of 552,000, while new-home starts decreased 3 percent during the same period to an annual rate of 1.13 million. Remodeling spending in August rose 0.7 percent to \$111.0 million.