

# Government Work to be Strong Through '08

Aligning with contractors who service the government sector may prove to be a profitable tactic for 2008. While other areas of the building industry remain slow and continue to make cutbacks, purchasing officials at state and local government and educational entities are indicating they plan to maintain or increase spending.

“Our findings are good news for many businesses selling to the government,” says Michael Balsam, vice president of products and services at Onvia. “Government spending for infrastructure should continue to

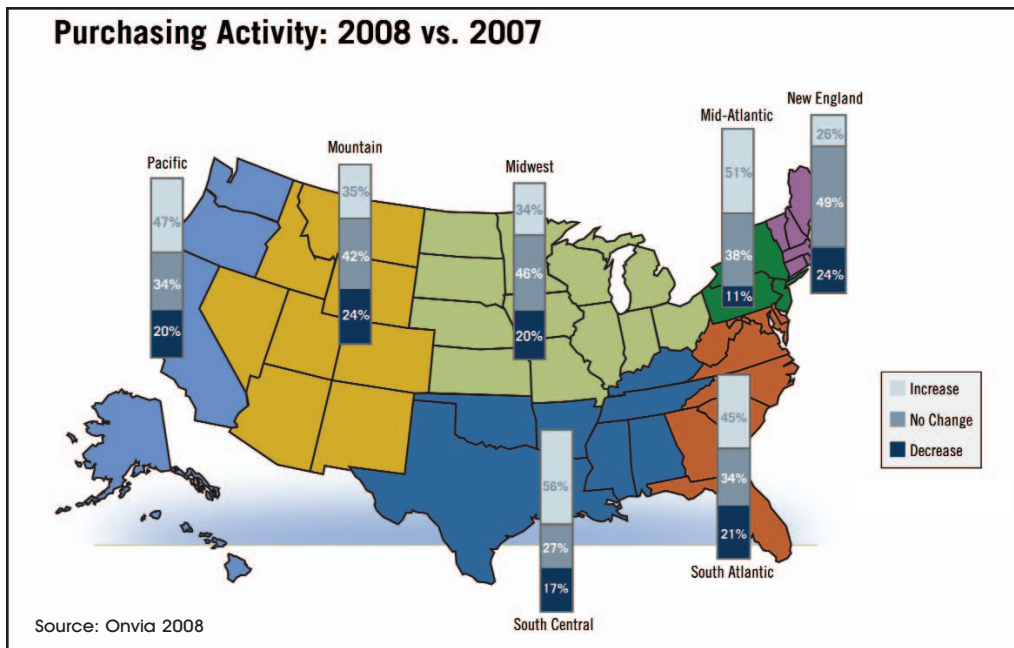
help compensate for the residential construction downturn.”

The findings Balsam refers to are those of the 2008 Onvia Government Procurement Outlook. The Seattle, Wash.-based company researches government purchasing activity and provides actionable sales opportunities and information to businesses. Its 2008 report summarizes the findings of a January 2008 survey of 1,400 purchasing officials at state, local and educational entities.

According to the results, government infrastructure and construction procurement will grow and benefit businesses such as architects, engineers and companies providing building products and construction services. Overall, 41 percent of agencies plan to increase spending activity on infrastructure in 2008 and 38 percent plan to maintain current spending activity levels. The South-Central U.S. region anticipates the most growth in government spending activity, while New England expects more moderate growth rates.

A free copy of Onvia's report can be obtained from the company's website: [www.onvia.com](http://www.onvia.com)

While most sectors continue to report cutbacks, government infrastructure and construction procurement is scheduled to grow.



## Builder Confidence Remains Unchanged in March, NAHB Reports

Builder confidence in the market for new single-family homes remained low in March, according to the latest NAHB/Wells Fargo Housing Market Index (HMI). The HMI held firm at 20, which is near its historic low of 18. The record-low score of 18 was set in December 2007.

“Our surveys confirm what I’ve been hearing personally from builders across the country, which is that interested buyers are out there, but they are either reluctant to go ahead with a home purchase or they are unable to find mortgage financing they can afford,” says NAHB president Sandy Dunn, a home builder from Point Pleasant, W. Va.

NAHB chief economist David Seiders says the group still hopes Congress might enact measures to stimulate the housing industry.

“With the deepening problems in today’s economy and financial markets, Congress and the administration should enact additional stimulative measures, and the next round should be directed squarely at the housing sector,” Seiders says. “A temporary home buyer tax credit, FHA modernization and GSE oversight reform are the three most important things that Congress can accomplish right now to help ensure that housing does not drag the economy into a full-blown recession. Provided that the necessary actions are taken promptly, a housing market recovery most likely would take shape by the second half of this year.”