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## New Lead-Paint Law Heavy on Budgets

*EPA Requires Workers on Older Building Sites to Adhere to Strict Safety Practices; Contractors Worry About the Costs*

By SARAH E. NEEDLEMAN

Contractors and other professionals who work on building renovations are worried that a new government ruling aimed at protecting against the risks of lead-paint poisoning will add another financial burden to their already distressed sector of the economy.

As of late last month, businesses that repair or renovate older buildings—specifically homes, schools and daycare centers built before the federal government banned the use of lead-based paint in housing in 1978—are required by the U.S. Environmental Protection Agency to adhere to strict lead-safe work practices. To comply with the new regulation, those working on older sites will need to invest in lead-testing kits, plastic sheeting, respirators, protective clothing and other lead-safety materials.

At least one worker involved in such projects will also need to become certified, at a cost of \$300 every five years, and pay out-of-pocket for eight hours of training. Those who don't comply could face fines up to \$37,500 a day.

Renovation activities that disturb lead-based paint can create hazardous lead dust and chips, the EPA says. The agency—which estimates that 87% of homes built before 1940 and 24% of homes built between 1960 and 1978 have some lead-based paint—launched a public-service campaign last month to warn consumers about the hazards of lead-paint poisoning, which can lead to nerve disorders, high-blood pressure and memory loss.

The new law went into effect in April, but the hazards of lead-based paint have long been known and many businesses have been taking precautions to protect against lead poisoning since the late 1970s.

But small businesses with limited cash flow, including home-repair providers, property-management firms and even landlords, say that while they support the ruling's health benefits, they are concerned about its costs.

Michael Davis, chief executive of Guardian Preservation Services Inc., a Chicago mold-removal company, figures the new ruling will add \$160,000 to \$300,000 a year in equipment and labor expenses. He's concerned about his ability to pass the extra expense along to homeowner customers, who have already reined in spending.

"We expect profits to decrease by about 12% if we can't recoup the cost from the client," says Mr. Davis.

A spokesman for the EPA says it conducted extensive research to determine the impact of the ruling on businesses and found the requirements "are not excessive or overly burdensome." The agency estimates that the costs will range from \$8 to \$167 per interior job, with exterior jobs likely to cost more.

Hadley Hurford Jr., owner of a Mr. Handyman International LLC franchise in Nashville, says he has so far invested about \$2,200 in training and certification fees for himself and four employees. "It's a lot of money for a small business," says Mr. Hurford, whose company saw its sales drop to \$500,000 in 2009, down from \$600,000 a year earlier.

About 15% of his territory is made up of older homes, and he estimates jobs on those properties will cost an extra \$15,000 to \$60,000 a year.

Given the weak housing market, attempting to charge customers higher prices could backfire, says Bill Carter, chairman of the National Association of the Remodeling Industry, a 7,800-member trade group.

"Homeowners don't want to pay anything more than they have to on replacement and repair," he says, adding that it's possible some small home-renovation companies will go out of business as a result.

Homeowners invested \$115.8 billion in renovations in 2009, down from \$144.9 billion in 2006, according to Harvard's Joint Center for Housing Studies. At the same time, it has become more expensive to make home renovations. The average wood-window replacement job, for instance, cost \$11,700 in 2009, up from \$9,684 in 2005, according to annual reports from Remodeling, a monthly magazine published by media company Hanley Wood LLC. The new EPA ruling adds between 5.3% and 11.2% in material and labor expenses to the cost of home-renovation projects in older homes, the magazine estimates.

Sal Alfano, Remodeling's editorial director, says he expects some homeowners to take on renovation projects themselves to avoid paying higher fees that professionals may charge, since homeowners aren't covered under the ruling. Or, they might seek out professionals who ignore it and can therefore afford to charge less. "It's really going to pinch everybody," he says.

The U.S. House of Representatives voted recently in favor of the Home Star Energy Retrofit Act, a bill that if passed by the Senate would create a program offering financial incentives to Americans who make their homes more energy efficient.

John Demetriou, owner of a ProTect Painters International LLC franchise in Ann Arbor, Mich., with 10 employees, says he's hopeful that such efforts will help increase business by encouraging more homeowners to invest in repair or renovation projects.

"Lead is a bad thing," says Mr. Demetriou, who launched his business a year ago. If homeowners "are environmentally aware, they will want to try and do something about it."

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