

# BUSINESS

## Downturn leads to lower building costs

BY JANE DOVE  
Country Club Homes

Despite the well-documented downturn of the economy in general and the real estate market in particular, there is still some positive news: the cost of building and renovating is down dramatically. Experts say now is the time to get some excellent prices on almost everything related to home construction.

"There are a lot of benefits to designing, building and renovating at this particular point in time," said Carolyn Wheeler, co-owner of Country Club Homes, Inc. of Wilton. "Both land values and material costs are down significantly. If you have, or can get, the money, there are great opportunities out there."

David Campbell, president of Rings End, Inc., a Fairfield County leader in sales of building supplies, agreed.

"In our business, the drop in commodities prices has had a major impact on the price of the building materials we sell," he said. "For example,

lumber and framing are down a full 40%, something we have not seen in a very long time."

Mr. Campbell ticked off a list of other "bargain" building materials.

"Metal products, plywood and molding are down about 10% to 15%," he said. "Sheetrock is off about 20%, and even kitchens and baths are seeing a 5% to 10% decline in price."

Mr. Campbell said two areas still holding the line in price are windows and roofing. "But these are due to come down too," he said. "The point is that there are significant savings out there now for individuals that want to build or renovate."

And building materials are not the only component of home construction that is down in price. "We are now better able to negotiate with subcontractors who are hungry for work," Ms. Wheeler said. "You will find builders and subcontractors more responsive."

Mr. Campbell agreed that labor costs are down. "It's supply and demand," he said.

"Prices for labor are way down because there is very little demand right now in the home building industry."

Ms. Wheeler said that there are many top-flight architects and builders now eager to do work. "These are quality professionals that may have not been as available before," she said. "They provide a great product that will result in a solid return on your investment in your home over time."

With the increased interest in and availability of green building materials and technologies, Ms. Wheeler said now is an ideal time to explore these alternatives.

"The market has changed

and although clients may want smaller homes, or a less extensive renovation, they still want top quality," Ms. Wheeler said. "They also realize that putting money into quality construction might be a better investment than putting money into equities right now. And there is also the important factor of enriching quality of family life through improvements to your home."

Both Ms. Wheeler and Mr. Campbell said overall construction costs for quality work are down anywhere between 10% and 20%, depending on the job. This means that a

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new luxury home costing \$2 million during the peak of the real estate boom may have come down in price to as little as \$1.6 million to construct today, a significant savings.

And once the decision to build or renovate has been made, clients will be surprised at the smooth going they encounter. Both Ms. Wheeler and Mr. Campbell agree that projects are moving more quickly and efficiently.

Projects before town boards also go much faster, with municipal reviews and approvals taking place more quickly because of reduced activity.

"Now is a good time to do those renovation projects you may have been waiting to do," Ms. Wheeler said. "Your family can enjoy them now and they will add value when it's time to sell."

Mr. Campbell said he was confident that the local build-

ing industry and the real estate market would weather the current economic downturn.

"What we are going through is similar to the last major real estate downturn that started in 1987, but this time things are even slower," he said. "Our business is off significantly with the big builders and contractors but, fortunately, retail is still holding up quite well. It's a business cycle that will turn around."

Ms. Wheeler was also confident that the market would recover. "I have seen a slight up tick of interest in building recently," she said. "There is a lot of pent-up demand and I believe it is due to be released."

Ms. Wheeler said "veteran" builders have positioned themselves to cope with the current economic conditions and are set to help their clients get the most value possible in today's market.

She added a "buyer beware" note of caution with regards

to less well-established and financially sound contractors. Some have gone bankrupt and walked off jobs midway, leaving their clients to absorb substantial losses.

Mr. Campbell said he had also seen customers left in a bind. "The fact is there are plenty of homes for sale," he said. "Builders that don't realize this by now can get into serious trouble if they try to continue at their previous pace."

Ms. Wheeler said she encourages her clients to take a positive attitude towards the opportunities presented in the current economy.

"This is one of the best times I have seen in recent years to take advantage of the current low pricing in construction-related costs," she said. "Builders and designers can help their clients get truly outstanding values and achieve a top quality result for significantly less."