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Remodelers crafting a new niche



Still cooking: John Beach, left, and Richard Everett of Paces Construction Co. remodel a client's kitchen.

By Lisa R. Schoolcraft
STAFF WRITER

A slumping economy may be hurting the home-building business, but area remodelers say work has been steady.

One reason, they believe, is because with houses so difficult to buy or sell, homeowners needing more

space are opting to remodel their existing homes.

"Remodeling has always been a strong industry, even in a down economy," said Rocco Sinisgalli, CEO of **Oneida Builders Inc.** in Dunwoody and chairman of the remodeler's council of the Greater Atlanta Home Builders Association.

The change has been clients are scaling back the upgrades, spending about 20 percent less, said Sinisgalli. "Instead of an \$8,000 stove, they pick out a \$6,000 stove."

The remodeling business seems to fare well "every time we have a recession," said John Beach, a partner
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Two builders get out of local market

By Lisa R. Schoolcraft
STAFF WRITER

Two regional home builders are exiting the metro Atlanta market.

Arlington, Texas-based **Choice Homes Inc.** and Reston, Va.-based **Comstock Homebuilding Companies Inc.** are both winding down operations in metro Atlanta.

Choice Homes, which ranked as metro Atlanta's 17th-largest home builder in 2006, once built more than 500 homes in the market, according to company information.

Comstock Homebuilding (Nasdaq: CHCI) entered the Atlanta market in 2006 with the purchase of Parker Chandler Homes Inc.

Neither Choice Homes nor Comstock returned calls for comment, but Atlanta has been removed from Choice Homes' Web site. Comstock filed reports Nov. 14 with the Securities and Exchange Commission saying the majority of its metro Atlanta properties had gone inactive.

Some of Comstock's metro Atlanta and Virginia properties and related secured debt — a total of \$36.5 million — have gone back to **BB&T** and **Regions Bank** via foreclosure.

"Atlanta is a tough market to build in, and a lot of builders coming in from out of town have not been able
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Remodelers crafting a new niche

Continued

in **Paces Construction Co. LLC** in Buckhead. "People decide to nest, not buy a bigger house."

Despite the financial turmoil, some families still need more space, he said. "By far, what we see the most of is [adding] ground-floor master suites," Beach said of current remodel jobs.

Kitchen and bathroom remodels also remain popular, Beach said.

Another big remodeling trend is to "go green," Sinisgalli said, and make homes eco-friendly and energy-efficient. "We know energy is going to increase in cost."

The financial turmoil has had its effect, however.

In the past month, with the financial markets tanking, "we've seen some jobs postponed until the first of the year," Beach said.

Jay Rhoden, principal of **Macallan Residential LLC**, sees it, too.



"This is the best time to improve your property. There is lots of labor force out there."

Rocco Sinisgalli
Oneida Builders Inc.

The remodeling work he's done on higher-end homes, those \$1 million and up, hadn't changed much until about 60 days ago.

"I think people are starting to look at their stock portfolio and postponing [projects] until they see how things shake out," he said.

Remodelers are also seeing a lot more competition from former home builders. Randy Glazer, owner and president of **Glazer Design & Construction**, is both a home builder and a remodeler.

"Right now, remodeling is on fire and new-home construction is dead," he said.

Sinisgalli expects the remodeling business will be slow to stagnant at the start of 2009, but thinks the final three quarters will see an increase.

"This is the best time to improve your property," he said. "There is lots of labor force out there."

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