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Declining housing market hardly affecting custom homebuilders, remodelers

By **CARLOS RICO**, The Daily Transcript

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Custom homebuilding and remodeling companies around San Diego County say business has been steady over the last year, in spite of continued decline in home sales.

"Business has pretty much stayed consistent," said Don Dewhurst, chairman of **Dewhurst & Associates**, a family-based custom homebuilding and remodeling company.

Home prices have been sliding every month, but according to Dewhurst, it seems more and more people are fixing and having upgrades performed on their homes.

"Most home owners would rather improve and invest in their current home than buy a new home," he added.

Jorge Arangure, who works for a local custom homebuilding and remodeling company, also said he has not felt the slow down in the housing market.

"People are still remodeling their homes," he said. "Some of the more popular work being done is in the kitchen and bathrooms."

Arangure added that "older" homes are being renovated like areas in downtown Chula Vista, where he has recently finished up work.

Statistics recently released by the California Association of Realtors reflect what local custom homebuilding and modeling workers are saying. If cities in San Diego County are in the top 10 in terms of highest median home prices in the state, people are less likely to buy a new home and more likely to remodel their existing one.

"The people that can't afford to buy a new house or are hesitant because of the housing market," Arangure explained, "seem to be the ones remodeling."

Encinitas came in fourth in the state with a median home sales price at \$842,500 and Carlsbad ranked at number 10 in February at \$675,000.

For custom homes, however, Arangure said there is always a market with La Jolla, Del Mar, Coronado and the eastern part of Chula Vista being some of the most popular areas where this type of home construction is being completed.

"These types of clients are mainly ones that have a lot of money to spend and will do so pretty much at any stage the market is in," he said. "These types of clients are good for custom homebuilders and the housing market."

Tom Grunow, who has a small custom building and remodeling company of about 20 people, said his business has remained steady over the past year and also has not really felt the decline of the housing market.

"We have a couple big projects we are currently working on and smaller ones as well," said the **Grunow Construction** company owner.

But he was quick to point out that he is being cautious in case the market for custom building and remodeling does go down due to people's apprehension over a bad economy.

"I want to keep my employees employed," he explained, "so in the past where we have been working on various homebuilding and remodeling projects, we might not have been so quick to react to take up more jobs as we are now because of the current housing market."

What has also helped these businesses is customer service. They said having great relations with former clients has led to consistent job opportunities.

"Our clients are often referred to us," Dewhurst, whose company has been in business for 79 years, said. "Continuity has been key for us."

As for the future, these custom homebuilding and remodeling companies look for business to stay the same for the rest of the year and see the housing market getting better in 2009.

Send your comments to Carlos.Rico@sddt.com