

## From the desk of Chris Nelson



As I start my time as state President, I would like to congratulate Greg Ugalde for the incredible achievement of being installed Chairman and President of the National Association of Home Builders. Greg, you have our thanks, our congratulations, and our

full support for your work at NAHB. You are going to be Awesome!

Next, I want to thank Pete Fusaro for his leadership over the past two years as our State Chairman and President. Under Pete's leadership we have revised our State strategic plan, seen Bill Ethier retire in style, and brought in a new highly capable EO and lobbyist in Jim Perras. Thanks for your commitment and Leadership, Pete!

### Continuing to Adapt – CT Housing in 2019!

As our newly elected Lamont Administration and Democratic House and Senate take control, what should we, as the homebuilding industry in Connecticut, expect in 2019? Will our statewide new home permit numbers finally start to recover this year? Or will this be the year where mortgage rates start climbing again, dampening the few bright spots that exist in our weak housing market?

### 2019 is going to be another year that is hard to read and plan for as a builder or remodeler business.

Only time will tell on most of these questions. For the past several years, I have found myself pinning my turnaround hopes on the business cycle recovery, then on the federal elections, and most recently on our state elections. We have been hoping a change in leadership will somehow reinvigorate our CT housing economy.

### So how do we as businesses and as an industry thrive in 2019?

Maybe, it's time to stop complaining, and stop hoping for external fixes to our homebuilding marketplace in Connecticut.

### The truth is, there are select homebuilding and remodeling businesses in every corner of our state that have plenty of work, and are thriving right now.

They have figured something out. In spite of the generally weak market, there are remodelers booked 9 months out, there are new homes, and new rental communities popping

up, and there are beautiful high end custom homes under construction. Just take a look at our 2018 HOBI awards entries. Some builders, remodelers, and associates have been quietly adapting to what our new Connecticut marketplace needs and is looking for.

- ▶ Instead of opening new subdivisions, we are seeing builders opening new rental communities.
- ▶ In place of major kitchen renovations, we're seeing new in-law suite additions and aging in place renovations.
- ▶ We are seeing builders diversify into commercial work to augment their workload.
- ▶ In place of big spec homes, we are seeing builders offer more value with smaller in town spec homes and design/build work.
- ▶ In place of renovations following the resale of existing homes, we are seeing needed home improvements to help sell those existing homes.
- ▶ Builders are re-learning how to build and offer homes and condominiums at prices unheard of 10 years ago.
- ▶ Developers are getting more creative and retargeting their work to transit lines, health employment centers and more urban neighborhoods.
- ▶ Members are buying distressed properties, fixing them, and turning them into home rentals.

### We have some exceedingly sharp members! We are continuing to learn, get creative and adapt!

We may be a small State, but we are incredibly diverse. From Greenwich to Plainfield, from Stamford to Hartford to New London, one thing is certain, ALL our markets are changing. But then our markets have always been changing, so why should we expect anything different in 2019?

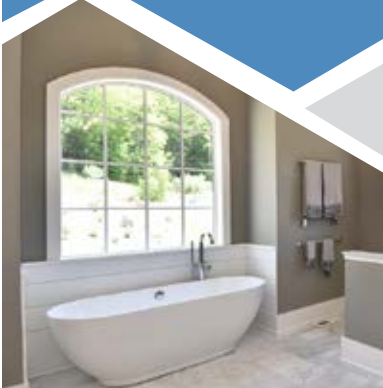
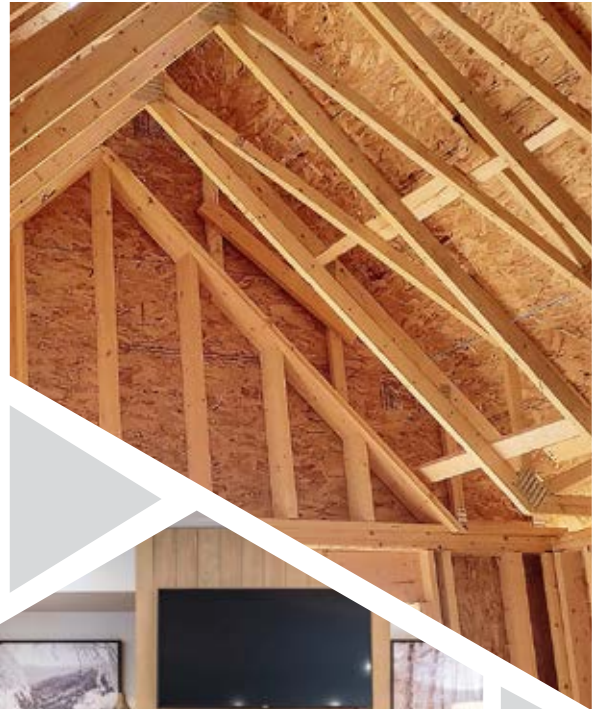
This year, maybe more of us need to focus on how to change our products and services to meet the new market. Maybe more of us can get in front of change, and create our own "new market" – someone will. As homebuilders, we are often slow to change, because as small businesses, we are often too busy working IN our business rather than ON our business. Maybe we need to take a page from other industries and be willing to reinvent our businesses to position our offerings and services for the next 5 years.

*(continued)*

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