



Builder News

Paul Harris, Cole Harris Homes & Archetype – In Darien, we continue to have much interest in the two \$7 million Brush Island spec homes, with an offer coming soon. We closed on 3 lots in Tokeneke (Darien) the end of January, and we'll be doing three (\$4-\$5Mil) Archetype homes there. We've also broken ground on another Archetype 4,300 sq ft home (\$2.8 million) on Settlers Trail, Darien, close to our Clocks Lane homes, and we are building a Cole Harris Homes custom design build for a private client.

ANTHONY DEROSA, DEROSA BUILDERS – In the Greenwich market, year over year, our growth is up, but I expect home prices to continue to slide. Instead of spec or custom homes, we are doing a lot of big remodels. The mega mansions of the 80's and 90's need a ton of work, and instead of moving, these homeowners are hiring us to do \$3 million whole house remodels.

Chris Nelson, Nelson Construction – In Simsbury, we have 5 spec homes and can't sell a thing, but our multi-family rental is doing great!... Our rental community pays \$1 million per year in taxes or \$4,500 per unit for 225 units. Reducing property taxes would allow a subsidy for more affordable housing and both sides would win!

Tony Denorfria, A.A. Denorfria Builders – In Southington, new construction sales dropped precipitously. However our rentals at \$1,600 per month are doing well.

Liz Verna, Verna Builders We had no sales during the last quarter of 2018. In Southington, our price point is \$379,000-439,000 with 3 quick delivery homes, but nobody's biting.

Mario DiGioia, DonMar Development – In North Haven, we're busy with 8-30G of 76 homes at \$207,000-299,000 with only 2 affordable homes left. In Branford, we broke ground the end of 2018 on 11 lots with houses at \$469,900.

Louis Tagliatella, Franklin Construction – In Hamden, we have built 3 buildings and leased 185 apartments in one year – first building 100 percent rented six weeks after CO. When completed, Canal Crossing will have 393 apts. in seven buildings.



Builders Bob Wiedenmann, Sunwood Development and Liz Verna, Verna Builders, were enthusiastic campaigners for Senator Len Fasano who was re-elected to his Senate seat and Leader of Senate Republicans in the Connecticut legislature.

Harrison Playhouse Lofts Groundbreaking

With the help and support of family, friends and local elected officials, John Verni and Chris Verni, partners in Verco Properties, broke ground on their latest project, the *Harrison Playhouse Lofts* in downtown Harrison. "The Verni brothers look forward to jump starting the rebirth of downtown Harrison as the next great destination in Westchester County" said John Verni. In attendance were Harrison Mayor Ron Belmont, NYS Senator Shelly Mayer, NYS Assemblyman Steve Otis, and County Legislator Catherine Parker.

The Harrison Playhouse Lofts project is an adaptive reuse of the old Harrison movie theater that has been closed for over a dozen years. The project is a mixed-use, transit-oriented development that will add 36 luxury rental units as well as a new street-level



café on Purdy Street and refurbished stores on Harrison Avenue.

Designed by noted architect, Stephen Tilly Architects, known for their "green building" projects and historical restoration work, the *Harrison Playhouse Lofts* will incorporate several environmentally sustainable design elements to be one of the first Westchester County buildings to

satisfy the FitWel™ standard, the world's leading healthy building certification. The project will be built by Murphy Brothers Contracting of Mamaroneck who have built several high-end, boutique residential projects along the Sound Shore of Westchester County as well as many luxury homes in Westchester and Fairfield County. Sterling National Bank will provide the financing for this exciting, transit-oriented development.

On the Market

Connecticut Builder asked some of Connecticut's leading new home realtors to comment on the 2018 market and what's in store for 2019!

Calcagni New Business Development Director, Joel Grossman CRS GRI Vice-President of the CT Association of Realtors

"Expect a slower start to 2019 than we saw in 2018 which saw strong first quartersales—Although the shutdown lingers, our builders who repositioned their product and pricing are seeing renewed interest and traffic at the communities that we represent.

- ▶ The stock market ups and downs may discourage would be 2nd home buyers; we don't expect this to effect typical buyers that just want a new place to call home
- ▶ It is still a little early to determine what effect new leadership in Hartford will have on housing, there is a desire to strengthen the housing markets and make new homes more affordable in CT and that is a good thing
- ▶ Builders will have to be nimble and prepared to increase their value proposition.
- ▶ Move-in or quick delivery homes must be a part of the mix of offerings.
- ▶ Builders must be accepting of and offer features that are trending. Specs can no longer be basic and builders must move past stainless steel, hardwood and granite.

Here is how Calcagni is positioning our builders for success

- ▶ Our builder clients benefit from our extensive knowledge about the local markets, keeping a keen eye on buyer's attitudes and what they want and expect in new houses.

- ▶ Trends are spotted quickly with recommendations for changes in models, specs and pricing
- ▶ At HillCrest Village for example, a HOBI winner for Best Option Upgrade, we initiated an across the board revision to plans and 5% adjustment to pricing, which is resulting in renewed interest and sales. Better to take a little less, resulting in higher paced sales, which can lead to momentum that can eventually lead to increasing prices.

Looking back at 2018 and into 2019 regarding sales.

- ▶ Multi family housing units were the rage, and the trend should continue into 2019
- ▶ No one town saw spectacular sales and there was ample supply of new homes in just about all price ranges.
- ▶ For 2018, Hartford County median closed price were \$483,740 with 2,485 sf. Total sales were just 208 units as compared to 2017 with median closed price of \$495,000 with 2,504 sf and just 197 units sold.
- ▶ In New Haven County, 2018 saw an uptick on total sales at 192 compared to 142 in 2017. 2018 median price was \$429,988 with 2,200 sf and 2017 median price was \$411,250 at 2,214 sf.
- ▶ The slight upticks in units sold is promising, and if builders can control costs, respond to the market dynamics, and offer products that appeal to today's buyers, 2019 could be a better year." (Sales info sourced from SmartMLS.)

Denise Walsh – 2918 New Home Salesperson of the Year

William Raveis Real Estate Top 1 Percent, Luxury Properties Division
"The Fall market was slower than expected in 2018, with many new homes carrying over into this Winter/Spring market. Several sources site Fairfield County as having a decrease of 4-9% in average sales prices. The slight decline in pricing, coupled with buyer's reticence and lack of urgency, I am expecting we will all be working hard right out of the gate this year to firm up purchase agreements and stay close in touch with prospective buyers.

The good news is the reports of financial bonuses, a bit lower current inventory and the increase in showings and offers. Buyers are enthusiastic with new homes that still offer some customization, and they continue to look for white kitchens and baths, a home office, larger walk in closets, laundry rooms, pantries, wet bars or wine fridge/rooms and finished lower levels. In the upper tier, exterior amenities are favored as well.

There are opportunities for builders in 2019:

Empty nesters are getting frustrated with the lack of housing geared for their lifestyle at under \$1 million and not necessarily in 55+ communities. Millennials are starting to purchase in all price ranges, and while they know what they want, some still need to be guided through the process for the best experience. On another positive note, there is a noticeably growing number of buyers that prefer new to renovated or older homes. And, while number of homes sold may be down in outlying areas, many have seen an increase in average sales price. The value is bringing buyers over the line."



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Builder News

Karp Associates has been selected by This Old House to build their 2019 Idea House!

Follow the renovation and addition to 4 Main Street in the historic district of New Canaan.

Film crews from the PBS show will follow the transformation of the Circa 1840 Greek revival farmhouse, as Karp Associates restores some antique features and builds a new extension with modern conveniences.

As part of the 5th annual Idea House show, the program will document several steps of the project. Two 24-hour webcams have been installed, “so people can watch the demolition and the renovation,” on This Old House website, said Robin Carroll, project manager for Karp Associates. The webcam can be found at thisoldhouse.com by clicking “watch.”

When the work is done, thousands are expected to tour the house, a tradition with projects featured on the popular reality fix-up show.

“This will be good for New Canaan,” said Arnold Karp, because the broadcast will invariably show off the town.

When Karp purchased the 7,000 sf house for \$810,000, he wanted to save it from demolition. Before he bought it, the once dignified looking building appeared blighted, with overgrown vegetation and the porch missing a pillar. Inside, the roof was leaking and raccoons were wreaking havoc.

“We liked the look of the house,” said Karp who plans to “build something that will last the next 100 years and keep its historic look.”

“It will look old from the street, but have the latest and greatest features,” said Karp.

The house will have many modern conveniences including, security, a professional kitchen, state-of-the-art lighting, new baths and a three-car garage. While downsizing to a 6,000-square-foot building, Karp plans to save the antique facade. He has removed eight of the 200-year-old windows, and plans to them and strip and remove lead from the old window sills. A beehive oven from the 1700s, which was used to heat and cook in the original house, will be maintained.

This Old House is part of the American home improvement media brand with television shows, a magazine and a website. The company is headquartered in Stamford.

How’s Business? We’re #3!

by Dan Woog, town blogger extraordinaire

Chain stores are fleeing Main Street. “Retail Space Available” signs fill the Post Road. Westport (06880) commenters warn that high taxes, crumbling infrastructure and many other factors put our town in peril. But a business environment is more than merchants. And a new study from the Yankee Institute ranks Westport as Connecticut’s 3rd most business-friendly town.

The public policy institute collected and measured data from the state’s 50 largest municipalities. Criteria included economic vitality (median income and job growth), tax burden, transportation, and “community allure” (education, crime rates, cost of living).

The Yankee Institute report says Westport is heavily reliant on financial service companies, with over 7,000 financial-sector employees. Major companies include Bridgewater Associates and Canaan Partners from the financial services area. But Westport is also home to Terex, a Fortune 500 industrial equipment manufacturing company.

The Yankee Institute adds: “Westport’s score was lowered by its high tax burden. But high community allure, economic vitality and transportation infrastructure kept it high on our list.”

I’m not sure what “transportation infrastructure” means — something about ports of entry, interstate highways and rail lines — but we’ll take it.

Westport followed Fairfield and Greenwich. Ridgefield was 4th, Simsbury 5th — meaning the state’s 4 most business-friendly towns are in Fairfield County. The least business-friendly places were cities like Waterbury, New Haven and Hartford. All face severe fiscal challenges. Stamford was the only major city to score in the top 25. [n](#)



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