

When builders, remodeling don't mix

Homeowners often left with unfinished projects as companies back out.

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When metro Atlanta home building slowed to a crawl a couple of years ago, area remodeling companies received some unexpected company.

Small and midsize builders, who traditionally built homes, were migrating into the remodeling market. And frankly, they were a nuisance.

"I can understand it, and I can appreciate it. I mean every-

body's trying to make a living out here, but I just wish they'd have picked something else," said H. Dale Contant, president of Atlanta Design & Build, a renovation and remodeling firm based in Marietta.

There is no data on the number of builders who added remodeling to their list of services, but those in the industry felt their presence. Not just because bid prices started to drop, but stories about shoddy work and jobs left incomplete began to circulate, Contant said.

"We've heard stories about these guys getting into jobs, and they can't finish it for what they priced it at," he said. "And



Atlanta Design & Build Project Manager David Newell (right) and apprentice Courtney Olson work on a home recently in Roswell.

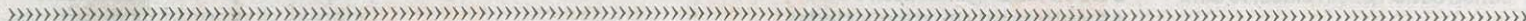
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it's not that a builder can't do the work, but they think about the overall project much differently than we do."

Though their professions both pertain to the American dwelling, builders and remodelers have completely different skill sets, said Tony Pourhasan, principal of Highlight Homes, an Atlanta-based home builder who expanded his company's services to include remodeling when things got slow.

"I probably know five or six guys who tried it and had to stop," he said of builders working as remodelers. "Not everybody realizes how different

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these two businesses are.”

Pourhassan said adjusting to working around existing structures and adjusting to a different type of client are major obstacles for builders trying to make the transition.

A close relationship with your remodeler or renovator is a must, said Frances Weissert, who is working on her fourth project with Contant's company, Atlanta Design & Build.

“You have to be confident they understand your vision and that they will take care of your home” she said. “And that takes a lot of talking and a lot of time.”

Talking and time – two things traditional home builders are not accustomed to, Pourhassan said.

Mark Buelow, president of Atlanta's National Association of the Remodeling Industry chapter, said he noticed things were changing two years ago. Customers were being dazzled by bids from former home builders that were thousands of dollars less than traditional remodelers.

Jobs were becoming more price-driven, said Buelow, who also owns Distinctive Remodeling Solutions Inc. in Roswell. That trend is fading.



Employees of Atlanta Design & Build finish the ceiling over a porch during a remodeling project recently at a home in Roswell. “It’s not that a builder can’t do the work, but they think about the overall project much differently than we do,” says H. Dale Contant, president Atlanta Design & Build. Jason Getz jgetz@ajc.com

“Customers are becoming more value-oriented in their selections again,” he said. “And that is because of their experience over the past two years, I think.”

Pourhassan, who got his start in remodeling when he was younger, started building homes in Atlanta in the '90s and eventually transitioned into land development. He'd been approached on occasion to take on remodeling and renovation jobs, but he declined until early 2008, when it was no longer prudent to build a new home without a buyer already attached to it.

“At first I said no because

that wasn't the industry we're in,” he said. “We were building homes. But then I thought maybe I'm not serving myself or my business well if I didn't take these offers seriously.”

Pourhassan said he was able to avoid many of the errors that some traditional home builders make when transitioning to remodeling and renovation. Costs such as protective coverings for the home and demolition don't always make it into the bids of moonlighting remodelers, he said.

“If you didn't have things like that in your budget and then suddenly had to provide them, it could eat into your bottom

line considerably,” Pourhassan said.

Another major snag many traditional home builders run into is the client, said Bill Culbreath, owner of Renaissance Group, an Atlanta-based remodeling and renovations business.

“Builders put up a home and don't have a lot to do with it after people move in, for the most part,” he said. “But us, once we finish the job, it doesn't end there. We come back when they want to change something or do something different.”

Pourhassan said some builders who tried their hand at remodeling have gone out of busi-

ness, making it nearly impossible to contact them if there is a problem or additional work is required.

Before hiring Culbreath to work on their Atlanta home, the Rev. Paul Thibodeaux and his wife Yvette asked friends for referrals, ensuring the company they would eventually pick had satisfied customers and a track record.

Thibodeaux knows he might have gotten the work done for a cheaper price if he'd gone with a builder looking for some extra work, but he needed to be sure the contractor he picked would still be around down the line.

“We didn't want just anybody working on our home,” he said. “When we bought our house, we knew there were things we wanted to do to make it more comfortable, and we wanted someone experienced in that sort of work to help us achieve our vision.”

How we got the story

Residential real estate reporter Michelle E. Shaw received a tip from a reader that remodelers were upset with traditional home builders for poaching customers. She called several remodelers and found it wasn't that they were upset about the competition, but they were more concerned about the qualifications of home builders who were moonlighting as remodelers. She also called several traditional home builders to hear what they had to say, but very few admitted to trying their hand at remodeling. Consumers and trade organizations were also part of her reporting.