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Build it in 2010!By *Sophie Braccini*

Partners Matt Kunz (left) and Jeff Wendt (right) in front of one of their projects. Picture courtesy of KW Builders Inc.

Jeff Wendt, Judy Dinkle, and Kathy Kovell agree, 2010 will be a good year for their construction businesses in Lamorinda. The three contractors specialize in remodeling; a large majority of their business is done locally and their perspective for 2010 is very good. The outlook is not quite as optimistic for the new-home builders in Lamorinda, in sync with the Builders' Association's prediction of a mild recovery in 2010. As for realtors, they are conscious of operating in a protected market, and even if they do not expect a boom in 2010, they believe that the market will stay stable with a healthy demand for homes priced at less than one million dollars.

There are projects in the pipeline for new construction in Lamorinda, but according to Orinda Planning Director Emmanuel Ursu, it appears that developers are getting things in order and approved, but are waiting for the economy to pick-up before breaking ground. "In Orinda, the 245-home Wilder project should break ground with a private pool and recreation center, and according to the Development Agreement, they should construct two new public ball fields," said Ursu, who adds that if the economy gets better, Orinda could see the start of the Orinda Grove project, a 73-unit residential project, and several others including senior housing developments.

"We've seen a 35% drop in the number of planning and building applications during the first semester of 2009," said Ursu,

"and I do not expect activity to really pick up before the mid to end of 2010."

In Moraga, Planning Director Lori Salamack sees potential on the 2010 horizon as well. "The 123-home Palos Colorados development should start grading of the property in 2010," said Salamack, "and other projects such as the 20-dwelling-units per acre zone in the Town Center, or the 67 approved lots in the Country Club, could start being developed, economic conditions permitting."

Builders of new homes may be hesitant for good reason, since local real estate professionals report that sales of expensive homes continue to be sluggish, while in turn, the market for homes priced at less than a million dollars stays active. "Growth is in the under \$1million market," says Keith Miller, Manager of the Contra Costa Pacific Union Real Estate Office, "as long as the schools' scores in Lamorinda remain the same we'll have a demand." For Miller, one difficulty is that sellers still expect their homes to be valued at the level they reached four years ago.

"We've seen a build-up of inventory that has dragged the prices a bit down," says Ben Olsen, a realtor with Village Associates, "but they have now stabilized." According to Olsen the average time on the market is now 30 days, and the selling price varies around 2% of the asking price. Elena Hood, Coldwell Banker, agrees that the difficulty is in the higher end market. "Homes over one million are under pressure because banks are reticent to lend," says Hood, "they make the process longer and sellers are hesitant because the market is low."

Neither building nor buying, many Lamorindans continue to provide work for local contractors, or at least for the ones who have survived. "The bad economy has weeded out some not-so-good contractors, so the ones who are left have good perspectives for 2010," says Kunz. He reports that his company, KW Builders Inc., had a good year in 2009 and expects that more people will want to remodel in 2010, taking advantage of lower labor costs.

Dinkle, and her JD Design Company, have an optimistic perspective as well. She reports more projects slated for 2010 than she usually has at this time of the year. Contrary to others who see more smaller projects, she envisions larger developments next year.

Big Red Construction's Kovell sees fewer people doing larger jobs or people buying older homes and remodeling them. She also says 2009 was a good year, and that 2010 promises to be so busy that she recently hired two new employees.

Whether they remodel, build new, buy or sell, Lamorindans may have new opportunities in 2010. "Everybody has cut back so much that now there is a light at the end of the tunnel," says Cheryl O'Connor, Acting CEO of the Home Builders Association in San Ramon, "lenders are more conservative, but mortgage financing is getting better, and affordability levels have never been as good, which makes for great opportunities."

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