

# The region's construction industry sees signs of a busy 2011

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Aaron Eisenhauer Aaron Eisenhauer - [aeisenhauer@poststar.com](#) Matt Monahan and Matt Little of J.D. Boucher Concrete set up concrete forms, creating a foundation for a new kitchen area for a home that is under renovation in Wilton on Tuesday, January 25, 2011. Contractor Alec Stephens says this near million-dollar project is one example of the increase in home construction in the area.



If a builder wants to know how good business will be in 2011, there's really only one person to call: the architect.

And at least one of those architects, Saratoga Springs-based Gabe Hodge, said the hammers ought to be swinging a bit more in the coming months.

After seeing his firm's workload drop nearly in half over the last two years, Hodge said he and his partners are moving a spate of residential and commercial projects toward the permitting stage in the Glens Falls and Saratoga markets.

"There was a period of time where we put almost nothing out to permit, but we've actually over the last four months been seeing a real upswing in the volume of work coming in," said Hodge, a partner at Balzer Hodge Tuck Architecture.

Such signs of activity will come as welcome news to those who make a living in the region's beleaguered building industry.

A review of building permits issued by several area towns shows a dramatic fall-off in new construction over the last several years as the recession took hold and the housing market seized up.

In the town of Wilton, there were just 30 permits for new single-family homes issued last year, down from 43 in 2006. In Greenfield, the number fell from 43 in 2006 to 15 last year. And in Corinth, permits fell from 46 to 13 over the same period. Wilton's numbers are down from about 200 permits per year during the period from 2001 to 2003.

And even in Malta, home to the computer chip-maker GlobalFoundries, the number of permits for new single-family homes has fallen, from 92 in 2007 to 40 last year.

The issue is hardly local.

Nationally, the Commerce Department reported there were 598,000 building permits issued for new home construction last year, the second-lowest number in U.S. history. The lowest was 2009, when there were 583,000 building permits issued.

"The last couple of years, things have really just ground to a halt," said Frank Laskey, president of Capital Construction, which builds new homes in Saratoga and southern Warren counties.

Laskey said that three or four years ago, his company was designing up to 12 projects at a time and building as many as five homes simultaneously. The last few years, the company has been designing only three or four homes at a time and building just two simultaneously.

The homes his firm is being asked to build now are also less expensive, falling from the \$750,000 range to the \$400,000 to \$500,000 range, Laskey said. He and other builders are bullish about their prospects, despite the drop in activity.

Sonny Bonacio, owner of Bonacio Construction in Saratoga Springs, is among those who expects 2011 to mark a turnaround for his business. Already, he said he's seeing evidence that the worst may be over.

His company's work schedule has been filling just three weeks out in recent years, but it is now back to the point that new work will have to wait up to six months - a backlog Bonacio said is more in line with pre-recession levels.

"It's still slow, but absolutely things have picked up," said Bonacio, who is building homes in Lake George, Brant Lake and Elizabethtown. "The opportunities we have now are exponentially more than they have been."

Bonacio does a combination of residential, commercial, renovation and multi-family projects and is behind one of Saratoga Springs' newest condominium projects, Park Place, located next to Congress Park.

Among his biggest efforts this year could be the construction of a new six-story apartment-retail complex that will replace the Price Chopper grocery store in downtown Saratoga Springs. Bonacio said he is still working out some engineering details on the project, but that he hopes to begin construction sometime this year.

Cindy Quade, director of sales and marketing at the Michaels Group, said her company is forging ahead and finding success with a series of residential projects in Glens Falls, Queensbury and Moreau.

Many area residents who had been waiting until their previous homes sold before upgrading to new properties are beginning to make the switch, she said.

There is enough inventory to satisfy buyers for up to six months, but re-sales priced aggressively are selling, and Quade said she expects the company's construction efforts to increase in the years ahead.

"The indications are that 2011 will be good to us, and that 2012 will be even better," she said.

Alec Stephens, owner of SAS Builders in Saratoga Springs, is similarly optimistic. After watching business stagnate over the last two years, he expects 2011 to be his 6-year-old company's best ever.

This week, he was working on a \$1 million renovation in Wilton, and in the spring, he will be begin building two new homes in a subdivision he's working on in Greenfield.

Stephens said those who can act now would be wise to do so because the market conditions are still working in buyers' favor.

"Material, labor rates and interest rates are low, and with all of those things considered, it's a great time to do a project," he said. "But that's not going to last forever, and the window is starting to close."