

***THE REMODELING TREND***  
**HOW HOME OWNERS,  
DEVELOPERS AND SUB-CONTRACTORS  
ARE BEATING THE SLOW HOUSING MARKET**

BY KEVIN CAFFREY

**In a housing sales and rental market that remains tenuous and inventory heavy, remodeling is a trend that continues to gather momentum throughout Southwest Florida. Home owners and owners of rental properties are not the only ones benefiting from the trend. Developers and sub-contractors are discovering new markets that can help them weather the down market storm.**

**How is the construction industry reacting to the opportunity? What market influences are driving the trend? When should a home owner remodel and what should they keep in mind? What are people doing to improve their properties?**

**Before and after photos of the remodeling projects described here are available through our website.**

George and Dee Wardeberg wanted to wake-up a tired looking condominium in Bay Colony in North Naples. Down the street, David and Judy Jones wanted to make their condominium on Vanderbilt Beach more attractive to potential renters. These are just two examples of a trend that has plenty of property owners in Southwest Florida remodeling, renovating or adding on in response to a soft real estate market and a rental market that has grown increasingly competitive due to saturated inventories. It's a trend that's also providing developers and subcontractors new opportunities in a residential construction market that has ground to a virtual standstill.

Naples-based Granite Development, LLC is one developer who is making the most of the opportunity. Founded in 1993 as a subsidiary of Relleum, Inc, Granite is finding fertile ground in the remodeling market even as it continues to build luxury homes in Renaissance in Fort Myers and at Bellagio in the Colony in Bonita Springs.

"Remodeling, renovation and additions are an obvious opportunity. We've done these types of jobs in the past, although we did not pursue developing that side of our business. Now it's an option for us," said Gregory A Wardeberg, Vice President of Development for Granite. "People are waiting for the market to stabilize and they seem to be more prone to putting a little money into enhancing what they own now rather than buying in what is perceived to be an unstable market. Maybe they're trying to sell and they're finding they need to soup up their property to make it more marketable in a very tough, very competitive market that is full of new properties. It's a great fit for us."

For owners of rental properties, particularly owners of older rental properties, remodeling has practically become an imperative. The investor driven real estate market of 2004 and 2005 created a glut of new rental properties that typically include the latest features and finishes. Rental property owners looking to stay competitive have been a major contributor to the remodeling trend.

“If they have rental properties and they want to be competitive in this market, they’ve got to have a nice product to show,” said Kit Mathews, Design Director for Agostino’s Design Group in Naples. “And if they have one of the older condos that has seen better days and hasn’t been touched in ten years, then if they remodel and get it up to standard, new countertops, new cabinetry, new carpeting, new crown molding, everything like that, they’re going to have a better product out there.”

David and Judy Jones live in Collier’s Reserve in North Naples and own two condominium residences in the Barcelona building on Vanderbilt Beach. They also have a home in California and typically spend at least two months a year traveling. Judy is a retired municipal bond trader and David is the owner of David M Jones & Associates which specializes in estate planning. He has lived in Naples for over 30 years and has witnessed the evolution of the rental market.

“I think in the old days when someone bought a condo like this, it was just a little hole in the wall and the really didn’t put a whole lot of money into it,” said David. “It was just all about the beach. Today’s buyers and renters are much more particular. They want high speed internet, they want all the bells and whistles, they also want the beach and they’re willing to pay for it. You either provide what the higher end rental market expects or you realize you’ll be attracting the other end of the market which is the budget traveler who is looking for the best deal and doesn’t necessarily care about those items.”

David and Judy are no strangers to rental property remodeling projects. They purchased their first residence in the Barcelona in 2004 and did a complete make-over of what is now a prime beachfront rental unit. They purchased their second residence in April of 2007 and just completed another substantial remodeling project that was executed by Granite Development.

“The owners had lived there since the building was built, so everything was in its original 1982 condition when wallpaper was in so it was on every wall, including the kitchen door,” said Judy. “I think everybody likes a new kitchen and a new bathroom. So we tore the kitchen out, the bathrooms, we took up the carpet, we gave it that clean tile look which is so popular in Florida and bright colors and scraped that popcorn ceiling off to give it a much more up to date look.”

“Judy had a good idea of what she wanted the unit to look like and she had done another unit previously,” said Greg Wardeberg. “Because she had such a good idea of what she wanted, it made our job relatively easy. It was a total renovation of the entire unit. We stripped it down to drywall and concrete. Prior to putting new tile down, we

waterproofed the decking. They style that she picked is more of a Bermuda look with a lot of white, a sort of cottage look within a condo. The floor plan has remained the same and we did take out some half walls. The unit is about 1,700 square feet and was built in approximately 1980. There had been no substantial updating until now other than periodic painting, wallpaper and new appliances.”

“It has new cabinets, new fixtures and new lights,” said David. “We put on hurricane shutters, valances and we raised the kitchen ceiling. We just tried to bring it up to current times and what the expectations are today. We filled up a couple of dumpsters and at one point we went in and everything was in a big heap. They’ve just taken everything out of there which is really nice.”

“In the kitchen, we used a lot of white because I think that’s refreshing when you’re at the beach,” added Judy. “No dark colors, so we went with a light tile floor, a white painted kitchen, and I actually did a white marble countertop in the kitchen and in the two bathrooms. We lifted the ceiling as much as we could in the kitchen to make it go a little bit taller. The appliances are the GE Profile series.”

Susan Raine Kester, owner of Raine Interiors in Fort Myers, worked with Judy on the interior design.

“Judy’s place is gorgeous, like a watercolor painting basically,” said Kester. “The fabric of the sofa and loveseat in the main living area was the inspiration for the room décor. The fabric has a crisp white canvas background with a seashell toile motif in vibrant fun fuchsia. It’s playful and elegant at the same time. We added coordinating fabrics with apple and lime greens and sunny yellow accents, with backdrops of crisp white canvas and linens. The living room cornice is a vibrant apple green trellis on white linen. We added a cabana striped canvas fabric on a chair, with fuchsia, lime greens, yellow, and crisp white. All fabrics are fade resistant indoor/outdoor fabrics. The décor is a sea motif basically, a beach motif, a little bit of seashells. One of the bedrooms has a pretty soft blue, like a periwinkle blue, a little bit of soft green and then on the her bedrooms has a soft yellow and a soft mint green and a lot of white. It’s very much of a beach-sea theme. It has a cottage feel with a lot of whitewashed wood, pale blues in the bedroom, pale greens, pales yellows.”

George and Dee Wardeberg are from Milwaukee. He retired as Vice Chairman and COO of Whirlpool Corporation in 1989 and retired a second time a Vice Chairman of Wisconsin Energy in 2002. After vacationing in Naples for many years, they bought a condominium in the Biltmore building at Bay Colony in 2001 and did extensive remodeling work. While Naples is now their primary residence, they recently purchased a new condominium in Milwaukee. After a long visit to Milwaukee in their new surroundings, they returned to Naples and realized just how dated their 3,325 square foot under air Biltmore residence had become.

“We went back down to Naples and we walked in the door and I said ‘Oh, this is kind of tired,’” said Dee. “So we started from that point and I guess when I say tired, I wanted

to start in the kitchen. We had high gloss white cabinets with awful granite. They were very stark and I wanted something that was warm and friendly. I love to cook and I like to spend time in the kitchen and the other thing is I'm spoiled. I'm used to new appliances. I like new appliances and it was time for me to have that."

Granite Development completed remodeling of the Biltmore residence in October.

Our objective was to update the kitchen and warm up the unit," said Greg Wardeberg. "We tore out the cabinets, the casing, the base and the molding and removed the appliances. Then we redid the kitchen with granite, new appliances, new casing, new base and new molding. The wall coverings were updated in 2001 when they moved in as a faux finish and they chose to keep that look."

"There is a standard little bar area in the living room that had the same granite as what was in the kitchen and an awful little refrigerator," said Dee. "They also tore all of that out and put in the same new wood cabinets we chose for the kitchen with a double door refrigerator."

Kit Mathews of Agostino's Design Group worked with George and Dee when they remodeled their Biltmore unit in 2001. They call on his expertise again for the kitchen and bar area project.

"George and Dee's residence at the Biltmore had no 'pop' to it, it didn't have any warmth," said Mathews. "The kitchens in the units at the Biltmore were all done identically with the very high gloss white shiny cabinets and the exact same granite went into every single one of them – the grey type granite with the black specs in it that is so outdated. White shiny cabinets are excellent for people who want a contemporary look, but over the past two years many home owners have turned more towards deeper woods."

Mathews started his design of the kitchen by replacing the white cabinetry with maple Wood Made Cabinets with a cream-like espresso glaze. The old white appliances were replaced with stainless steel Kitchen-Aid appliances. New moldings, baseboards, backsplashes and countertops were installed by Granite Development.

"They put in all new crown molding and baseboards," said Mathews. "The crown molding that was there was probably no more than five inches. The new crown molding is eight inches and just richens up the whole look. The new baseboards are now about two inches higher than the old ones. I selected a tumbled marble for all of their backsplashes. They were carried up under the windowsill on the window above the sink. That too just adds to the warmth of their cabinetry. Then the granite I selected is called 'Picasso.' It's got all the brown tones in it. The floor covering stayed the same, the Travertine marble."

The cabinets in the bar area were also replace with espresso glazed maple cabinetry with glass doors. Smoked glass was installed between the cabinets. According to

Mathews, the type of make-over just completed by George and Dee is something home owners need to consider every 7 to 8 years.

“The average age for things to change, for a whole new look to become popular, is usually around seven to eight years,” he said. “After people live in an environment for, say, seven years, they’ve looked at it for a long time. They want a change. They want a change for their own life. And they want a new look. That’s when they call in an interior designer and usually ask ‘What’s new?’ Because they know if it is now brand new, then they know that it won’t get tired and it won’t go out of date for a good seven to eight years. They want new things, they want the newer looks.”

The state of the housing market has not only created the remodeling trend, but has also created an environment in which virtually any type of building project can be more affordable than it might have been in the recent past. The payback period on a remodeling investment is all a matter of timing.

“How remodeling impacts an owner’s financial position with a property is related in many ways to when they originally purchased the property,” said Greg Wardeberg. “I can absolutely say that owners need to know that right now is a great time to build. Whether you’re going to build a house or remodel, the subs are all looking for work, prices are better, some of the material prices have come down and the labor market is definitely priced better than we’ve seen in the past couple of years. The quality of the labor availability is much better, too. Everyone has trimmed down and kept their best folks and that translates into a higher quality labor pool. All of these factors play into this being a good time to do something.”

Home owners considering remodeling projects, particularly those who are remodeling condominiums, need to be aware of several things. Proper scheduling of a project is the first step.

“There’s a limited window to get condominium work completed due to association rules,” said Greg Wardeberg. “They want these types of projects completed no later than October 31. The window typically opens May 1. There is a lot of lead time involved and that interim provides the lead time to make design decisions, to order cabinets and so forth. So the fall and winter are perfect times to initiate the process.”

“I basically started last fall,” said Dee Wardeberg. “Greg sent me to two different cabinet companies to interview people that he used and so I selected the ones I felt I would like the best. And I started working with one of the gentlemen out there to design the kitchen as I wanted it, like the cabinet styles and the knobs and all that kind of stuff. It takes a lot of time. By the time I left the first of May, all of the decisions were made.”

“Try to get the decisions made before you head north for the summer,” added George Wardeberg. “Put trust in the general contractor you hire and let them do the work and get done before you come back down again.”

David and Judy Jones managed their first remodeling project themselves. They know the value of being able to put their trust in an experienced builder like Granite Development III LLC.

“We did the unit in 2004 ourselves working with subcontractors,” said Judy. “I set up my tile man to work on a given day because I only had that May to October window and the day he was supposed to start he wasn’t there. I called and they said, ‘He’s on vacation.’ So he started like three weeks late. When we had to replace some dry wall in that unit, it was not even. So, it was just getting the workers to show up and then poor construction on their part. So, we felt that on this second go around we’re just going to have somebody run the job for us.”

“Greg has told us on a couple of different items that he wouldn’t select that, take this one because it’s a much better deal for the money,” said David. “They just come from a different perspective than most builders today. Most contractors, especially on a cost plus, don’t do that. They push you towards the higher items and they don’t really tell you what the deals are simply because it’s not in their best financial interest.”

Finding a reputable builder like Granite Development to handle a remodeling project can take a little homework. According to Bob Hanley, Appliance Division Manager for Contractor’s Choice Supply, a Raymond Company, it’s all a matter of asking the right questions.

“Certainly you need to do your due diligence,” he said. “Do your homework, ask for references. Make sure the builder’s or remodeler’s insurances and licenses are up to date and on file. Call prior customers. There’s no better feedback than a builder’s customer list and don’t be afraid to make the calls. Ask them: ‘How was the experience? Was it done properly, on time, was the price fair?’ That’s the best feedback you can get. You really need to do your homework in that respect. If you’re dealing with a guy who we call in the industry ‘a trunk builder,’ you know, they work out of the trunk of their car, their office is on their dashboards, take that for what it’s worth. Good customer faith and a lot of positive feedback, make sure you’re going to get the job that you’re paying for.”

“Owners interested in remodeling need to set a realistic budget of what they want to spend,” said David Jones. “Don’t try to do it yourself. We’ve seen that in other units where people have maybe done one item but they haven’t done the whole thing and, once you’re in there and everything’s taken apart, it’s just easier to include everything on your wish list. It takes a while to get the permit. So, once you get that permit it’s just easier to get in there and do everything you can in your budget. We’ve seen a lot of people try to do it yourself and we don’t think that works. Working with a reputable, dependable builder has made it so easy that we certainly wouldn’t mind doing it again.”