

A surge in Sarasota-Manatee residential remodeling

By Dylan Hart Staff Writer

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John King's company, Rampart Homes, is capitalizing on the local boom.

John King, president of Rampart Homes says the remodeling side of his business has definitely had more activity this year. Rampart Homes specializes in high-level and large-scale remodeling, as well as new homes. A lot of people are buying older homes that are in great locations and want to update them versus just tearing them down, King said. [Herald-Tribune staff photo / Mike Lang]



Before and after photos of residential remodeling projects by Rampart Homes. This “before” photo of a Siesta Key home. [Provided by Rampart Homes]



Before

After



Before and after photos of residential remodeling projects by Rampart Homes. A “before” photo of a ranch home. [Provided by Rampart Homes]



Before

After



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John King's company, Rampart Homes, is capitalizing on the local boom.

Residential remodeling has been on a national upswing for the past few years, but Sarasota-Manatee is feeling stronger effects as that sector of the construction industry reaches new heights.

"(The remodeling industry) is on the upswing, that's for sure," said Jon Mast, CEO of the Manatee-Sarasota Building Industry Association. "The remodeling market is going to heat up — the National Association (of Home Builders) is also saying that. Especially people with money will be remodeling more. I know that the market's hot right now because everybody's busy."

The Manatee-Sarasota Building Industry Association website lists 22 contractors as "remodeling and renovation contractors," but Mast says that some businesses do remodeling in addition to other services and are not listed as remodeling contractors.

"There is a dearth of available buildable lots in Sarasota-Manatee," Mast said. "A lot of the contractors can't compete with national contractors' pocketbooks for land positions," he said, so many local contractors tend to focus on remodeling.

Mast's statements are supported by the NAHB, which said that remodeling will rise 1.6% in 2019 followed by a 1.1% increase in 2020.

John King, owner of Rampart Homes, said that his business has definitely had more activity this year. Rampart Homes specializes in high-level and large-scale remodeling, as well as new homes. He echoed Mast's sentiment that the remodeling market is on an upswing locally.

"A lot of people are buying older homes that are in great locations and want to update them versus just tearing them down," King said.

King says that Sarasota's benefits as a location give it longevity in the remodeling market.

"I think that Sarasota is a pretty unique area in Florida," King said. "It's not quite Naples or Palm Beach, but it is certainly a very desirable destination. We're one of the places for people to retire and there's a lot of business opportunities here for people. I don't foresee it being a real issue. Even in the down market, people were still remodeling their homes."

The area also has a wealth of old homes that often stand as prime candidates for remodeling, King said.

“There are so many great homes here — on the keys, on the waterside, on the bayside, on the mainland — that people are looking to upgrade and just take their home to the next level for the next 40 years,” he said. “If someone is looking to truly remodel their home, they should do their research and make sure they’re getting a qualified remodeler.”

A national trend

Metrostudy, a company that provides housing market intelligence and proprietary research, released a new report on its Residential Remodeling Index for the first quarter of 2019.

The RRI measures 381 metropolitan statistical areas in the United States and details national activity in the remodeling and replacement industry. “Activity” includes home improvement and replacement projects but does not include maintenance or projects of less than \$1,000.

The new report says that the index has reached a new high of 117.5 during the first quarter of 2019. Of all 381 MSAs measured, only Bismarck, North Dakota, recorded a decline in the RRI index.

A number above 100 indicates a level of remodeling activity higher than the level of activity at the beginning of 2007, which was the peak of remodeling activity in the prior decade, Metrostudy said in a press release accompanying the report.

According to Metrostudy, the RRI is expected to continue to grow, but at a slower pace than previous years. The RRI increased 4.1 percent since the first quarter of 2018 and is expected to increase 3.2 percent in 2019 and 2021 and 2.3 percent in 2020, on average.

This year’s first quarter marks the 28th consecutive quarter of growth since the market hit its low point in 2011, Metrostudy says.

“The healthy economy continues to drive the US home improvement market,” said Mark Boud, chief economist at Metrostudy. “Our forecast for remodeling activity remains on an upward trajectory; however, we do expect growth rates to cool this year, and next, due to lower housing turnover via the slowdown in existing home sales.”

The housing website Houzz, which acts as an online community for homeowners, an online shopping network and a site to direct homeowners to professional local remodeling contractors, designers and builders, released their home renovation study for 2018 in February.

Houzz says that in its survey of 4,780 U.S. residential renovation businesses, which includes remodelers, designers, architects and builders, more than half were optimistic about the rest of 2019. It also says that “a majority of firms in all industry groups other than architects expect profit to increase this year.”

However, the survey also concluded that their outlook on the economy was “neutral at best,” that 2018 revenue growth was the lowest in five years and that rising business costs and poor labor availability were two of the top challenges in 2018. Remodelers reported that they were among the hardest hit by these challenges.

“Industry groups predict the national economy is much more likely to deteriorate than to improve,” the survey says. “Furthermore, the outlook on local economies has shifted to largely neutral (from 54 percent to 66 percent).”

Regardless, Mast expects the upward trend to continue in the Sarasota-Manatee area.

“As governmental costs continue to decline, like impact fees, more people — wealthy and in the middle class — will be remodeling their homes,” Mast said.

Remodeling also includes securing homes against hurricanes, flooding and other natural disasters.

“Some folks are just wanting to upgrade or harden their home to be more hurricane-resistant — metal roofs, impact windows and garage doors, doing tie-downs on their existing roof and those kinds of things,” King said.

Now that the hurricane season has begun, these sorts of additions and upgrades will start to ramp up in residential remodeling, especially in areas that are prone to flooding or structural damage.

More than 368,000 homes in Southwest Florida are in danger of hurricane storm surge, and Sarasota-Manatee ranks No. 8 among the most vulnerable US metro areas for homes, according to real estate database CoreLogic. It has been in the top 8 for the past six years.

Some remodeling contractors, such as Fruitville-based Accutech Restoration and Remodeling, work to remodel homes after they've been hit by flooding or fire.

Buyer beware

Sarasota County Sheriff Chief Deputy Kurt A. Holland echoed King's sentiment that research is important. At a June 5 Manatee-Sarasota Building Industry Association luncheon, Holland taught attendees the potential dangers of unlicensed contracting.

The Sarasota County Sheriff's Office has conducted seven operations resulting in 80 total arrests for unlicensed contracting since 2014, Holland said.

“A lot of times, the sheriff gets a bit of grief on social media over this for ‘hurting the working guy,’ but we see it differently,” Holland said. “It affects everybody and it’s fundamentally unfair to both licensed contractors and residents that unlicensed contractors are out there.”

The sheriff’s office has run several iterations of two operations — Operation Freelancer and Operation Hammer Down. Many of the arrests made in these operations resulted in felony charges for working without a permit or a license, which can bar them from ever obtaining a license in the future.

“These are people you do not want inside your home,” Holland said. “We’ve always done it from the perspective that we’re protecting citizens in Sarasota County.”

The Sarasota County government website, scgov.net, provides information on how to hire a housing contractor as well as how to report an unlicensed contractor. Alternatively, citizens can report unlicensed contractors at 941-861-5000 or by emailing ULA@scgov.net