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GET INTO THE NEIGHBORHOOD



Remodeling Fever?

The bad economy means lower construction costs

By Julie Foster

The glass is half full. Every cloud has a silver lining. Look at the bright side. These are clichés. If you've been considering a home remodeling project but been deterred by the current cloudy economic environment, it's time to re-evaluate your plans. For homeowners with a desire to remodel, these quaint sayings are true. Consider these scenarios:

A few years ago, a Davis couple decided to build their dream kitchen. When the contractor gave them a \$130,000 cost estimate, they gave up on the idea because it was too expensive. Today, they are building that same kitchen for about \$60,000.

An East Sac couple wanted to build a detached garage a few years ago, but the plans came in at \$70,000. So they opted against it. They're doing the project now for \$30,000.

What makes these numbers possible?



Lincoln and Cynthia Mortensen's East Sacramento home before the remodel



The exterior of the Mortensen residence during construction

"Right now, there is a window of opportunity for homeowners considering remodeling," says local architect Michael Malinowski.

By his estimate, remodeling prices are down 40 percent from their peak. A home remodel that would have

cost \$300,000 a couple of years ago now comes in at around \$180,000. Prices for materials have not dropped significantly; some may even have gone up a bit. But the economic crunch has caused the cost of labor to drop dramatically.

The variation between subcontractors' bids has surprised Malinowski. A good example of this is Lincoln and Cynthia Mortensen's remodel in East Sacramento. Lincoln works as a senior designer and project manager at Applied Architecture, Malinowski's firm, and he designed the project himself. It included adding a second story, remodeling the

kitchen, reconfiguring the existing bedrooms into a new family room, adding a rear covered porch and a new indoor laundry. The bids for the project's electrical work ranged from \$8,900 to more than \$20,000.

The couple had been contemplating a remodel to fix problems such as leaks in the roof, cracked tile in the kitchen and a den that was home to termites. They also debated going up a story or going out and losing precious yard space. In the midst of the planning process, prices began to drop. The slow economy gave them

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Cynthia and Lincoln Mortensen with their daughters Ella and Eden in their new kitchen



Lincoln Mortensen has included unique architectural features throughout the home, including this little reading nook at the top of the stairs

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the means to get what they really wanted: a second story and a new family room. To keep the project within their budget, they chose to phase in the upstairs, leaving half of the space unfinished.

“I took advantage of the good value on the labor cost and can finish doing what work I feel comfortable with doing when we have a little more money,” says Mortensen.

Lower labor costs and lower costs of some materials allowed them

to get some of the upgrades they originally thought they’d have to eliminate, including art lights, crown moldings, wood windows and tile flooring.

Malinowski offers a caveat regarding today’s bargain prices: Don’t necessarily go with the lowest bidder. You could end up with people who are not reputable, don’t work as a team and produce change orders, costing you more money in the end. Working with a good contractor eliminates these problems.

The economic turmoil has also changed what has historically been

true when it came to getting more for your dollar.

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“Say you live in East Sacramento or Land Park and want to add 600 square feet to your 1,400-square-foot

home,” Malinowski says. “Today it is less costly to do that remodel than to buy a new home. It is relatively rare to be in this type of environment.”

Malinowski says he first noticed the consequences of the economic downturn in late 2007. That’s when his firm began to get calls from contractors looking for work.

“Now that the weather is warming up, there are a few glimmers of interest,” Malinowski says. “But values are so low and it will be a long way until they get back to where they were, so conditions for homeowners will be favorable for a while.”

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