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Vacation-to-Primary *Clemledy Construction* Brings New Life to the Old Pocono Mainstay

Cover Story Reprint

Vacation-to-Primary

Clemleddy Construction Brings New Life to the Old Pocono Mainstay

By Jack O'Hara

The boom was on when Craig Smyth moved to the Poconos in 1986, setting up business as a framing contractor who subbed for major developers. Saltboxes and chalets were the rage,

and Smyth would frame 100 or so as upscale New Jersey suburbanites bought weekend getaways for not much more than the cost of a luxury automobile.

A dozen years later, Smyth, in a sense, is right back where he started from. Owner of Clemleddy Construction of Hawley, Smyth has carved a niche in the volatile Pocono housing

"We sell ourselves," says Craig Smyth. "Our company, our experience, and our ability to accomplish complete vacation-to-primary conversions. That is what sells." Photographic presentation by S.A. Shane Photography.





What was once a small, basic cabin is now a comfortable home. Photographic presentation by S.A. Shane Photography.

market, ironically, working on vacation homes he helped build a decade ago.

With their families grown and retirement on the horizon, buyers of decade-old vacation homes are hiring Clemleddy to convert the 1,200-square-foot boxes into primary residences geared for year-round living.

"They're putting in master bedroom suites, adding on family rooms and modernizing kitchens," Smyth said. "They're putting in all the things that weren't in these houses in the first

place, and we decided to take advantage of that."

The trend toward conversions was helped along by a slump in the vacation home market.

Times and tastes have changed since the fast-moving 1980s, when Ronald Reagan was president, junk bonds were the rage, and a vacation home in the Poconos was a status symbol. The boom went bust, and banks were left holding vacation homes too small to meet the needs for today's lifestyle. The result: falling

property values and a glut of bare-bone, outdated homes.

Smyth and company noticed that, after bottoming out two or so years ago, vacation homes began selling. A new type of buyer had emerged—older, nearing retirement, and looking for a primary residence.

"The banks had all these vacation homes and, little by little, they were getting back into circulation," Smyth said. "Why build a new house when you can buy one that's 12 years old for \$65,000 or \$70,000, which puts

you about \$20,000 ahead of the game."

The new buyers, Smyth observed, were empty nesters who wanted to live nine months in the Poconos, and three months in their condos in North Carolina, Florida, or Arizona. The Poconos would, in effect, be their primary residence after they sold their homes in Philadelphia, New Jersey, New York or Connecticut.

"They'd look in the *Yellow Pages* and see hundreds of window, siding and roofing contractors, even new home builders," Smyth said, "but they didn't see anybody who did conversions."

Clemleddy moved headlong into the vacuum, positioning themselves early on as a specialist for this untapped market. With eight carpenters and Smyth as a pinch-hitter, the Hawley-based company hired Mike McKalotz, an experienced construc-

tion manager. Clemleddy found that these new customers appreciate the personal touch, like having a real person answer the phone, so Smyth added an office manager. And with this market looking for conversion ideas, an in-house designer, may be next in the cards.

Offering advice on remodeling, conversions, and often sizable additions to the outdated vacation homes.

Vacation homes, which originally sold for \$40,000-\$60,000, were designed to be inexpensive and built quickly. A tiny kitchen, a small living area, three bedrooms and a single bath was all that were needed for a weekend of roughing it in the mountains. Easily installed electric heat, wood paneled walls and a 100-amp service rounded out the package.

All that's history now.

A typical Clemleddy conversion

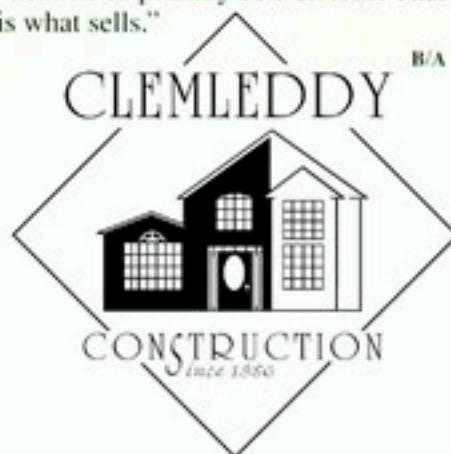
removes the electric heat, replacing it with oil. The paneling comes off the walls, insulation R-values are beefed up, and electric systems are upgraded from 100- to 200-amp services.

With grown children and their families as frequent visitors, the new owners are adding bedrooms. And, closets, closets, closets.

About 89 percent of Clemleddy's business comes from clients moving from the New York/New Jersey metro area.

Ironically, Clemleddy has found that providing the lowest bid is not the determining factor in the vacation-to-primary conversion market. Clients, often nearing retirement and having owned several homes in their lifetimes, have typically gained substantial equity from selling homes in the metropolitan area. Savings, investments and retirement income allow—not to mention low interest rates—allow clients to focus more on comfort and quality over economy. Plus, as previous homeowners, they're knowledgeable about products, and what they want and don't want in their new residence.

"We sell ourselves," said Smyth. "Our company, our experience, and our ability to accomplish complete vacation-to-primary conversions. That is what sells."



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With their families grown and retirement on the horizon, buyers of decade-old vacation homes are hiring Clemleddy to convert the 1,200-square-foot boxes into primary residences geared for year-round living. Photographic presentation by S.A. Shane Photography

