

Builders offering incentives to buy

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The federal government is not the only one with a stimulus package; home builders are offering economic incentives of their own.

Appliances, granite counter tops, environmentally friendly green features, even down-payment assists are up for grabs as home builders do their part to stimulate the economy, at least as far as home purchases go.

David D'Agostino, 2009 president of the Home Builders Association of Chester and Delaware Counties, as well as president of D'Agostino Builders of Tredyffrin, has seen down times before in his 22 years in the industry, but this recession is getting old.

"This is very similar to the early '90s but a little longer," D'Agostino said. The '90s, was a "14-month stretch, now this has been going on two

and a half years."

So it is not a surprise builders are getting creative and adding perks to motivate buyers to sign on the bottom line. But there is a process on who gives away what.

"It depends on the pricing range. In the \$200,000, \$300,000 or \$400,000, appliances would be appropriate," D'Agostino said.

Some builders with homes in the \$800,000 to \$1 million range are offering free upgrades such as molding, wainscoting and partially finished basements, he said.

D'Agostino, who has Fox Meadows under way in West Pikeland in the \$1 million range, is working with buyers on green upgrades such as geothermal heating/air conditioning and solar panels. D'Agostino puts the green upgrades in and charges the home buyer the direct cost. At \$40,000 to \$50,000, D'Agostino said those are not upgrades any builder can give away.

Paying merely cost should work out well for the home buyers who can factor in federal rebates for the environmentally friendly upgrade plus count on a 40 percent reduction in their monthly utility bill, the builder said.

In this economy, "we try to work with buyers as best we can," D'Agostino said.

D'Agostino is beginning to see a light at the end of the recession tunnel. The builder said traffic and interest have picked up over the last two to three months. He recently inked

two deals, compared to this time last year when people were only looking.

Nationwide, new homes sales are perking up, too.

Earlier this week, the federal government reported an 11 percent rise in new-home sales from May to June, the largest monthly gain in nine years. Sales of previously owned homes jumped for the third straight month, up 3.6 percent in June, the National Association of Realtors said.

Whether the trends can be sustained depends on how large a share of future home sales are the result of foreclosures and other distressed sales, Mark Zandi, chief economist at Moody's Economy.com of West Chester, said in a published report in the Washington Post.

Orleans' Mews at Byers Station is using free appliances as a way to piggyback on the \$8,000 federal tax credit for first-time homebuyers, expanded by the American Recovery and Reinvestment Act of 2009 for primary homes purchased before Dec. 1.

Quinn Burroughs, community sales manager at the Mews, said a washer, dryer and refrigerator are a big help for first-time homebuyers.

"They don't have to invest \$2,000 plus in appliances and can use that money toward their home," Burroughs said.

The Mews, a Chester Springs development of townhouses with condominium ownership, starts in the low \$200,000s.

Free appliances will be available in existing inventory until Nov. 30, Burroughs said, along with a program that assists first-time buyers with closing costs.

In a down market, incentives help to make the home more attractive to buyers, she said.

Virginia Jarden, director of sales and marketing at Rouse Chamberlin, headquartered in West Whiteland, said her company is putting in free granite countertops in the kitchens of new homes until Aug. 15.

There is also Rouse Chamberlin's Move-In package, a five-option package offered to homebuyers at half price. The choices of options include hardwood floors, 9-foot walls, full basement, ice-maker line in the kitchen and a fireplace. The package could save a homebuyer \$5,000 to \$6,000.

"For first-time homebuyers it's a nice little treat," Jarden said.

Rouse Chamberlin has two single-family home developments under way in Chester County, Providence Hill in East Fallowfield in the low \$200,000s and Century Oak in Oxford in the high \$200,000s.

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