

# HOMES ARE HAPPENING

Guest Columnist, Duo Dickinson

“Food, shelter and clothing” – the Big three, the “Necessities,” the essential consumables humans need to survive. When the economy crashes and family funding ebbs, people still spend on these three basic sectors – they spend less, but they spend – strategically.

People have never stopped spending on their homes. I have been an architect for 30 years over three of these economic cycles, and the déjà vu is reaching the level of familiarity not seen since the movie *Groundhog Day*. Each of these low ebbs revealed that there are two types of spenders during the dark days – the opportunists and the realists.

Opportunists know that recessions mean things cost less – land, homes, building materials and the services of all those who design and build. In a down market opportunists use their willingness to buy to leverage value from builders and developers in some simple ways. Spec upgrades can be made as a condition of a purchase or renovation for siding, windows or floors. Enhanced aesthetic features, such as an entry porch versus a pre-formed plastic lintel over a naked front door, can be bargained for.

In terms of design services in this market, you can talk fee first (the limit you'd like to spend on the design) and see what services the designer can offer based on that. For interior designers, you can actually press for direct purchases of furnishings versus having the interior designer bill you for them through their company (at bust-out retail). Most architects

in these economic times will actually be happy to serve as a low or no cost purchasing agent, where you can end up getting furnishings at their cost if you pay directly.

Similarly real estate agents are willing to bend over backwards to give you options and to hunt down properties you're interested in rather than those that are on the market. They are also willing to work with you in terms of the fees they charge. Builders are willing to work their schedules in ways that benefit you versus their most profitable ways of working.

The other type of homeowner who is spending money is the realist. Sometimes you simply have to spend some now, or you will end up spending a lot more later when the bitter fruits of standing pat become unavoidable.

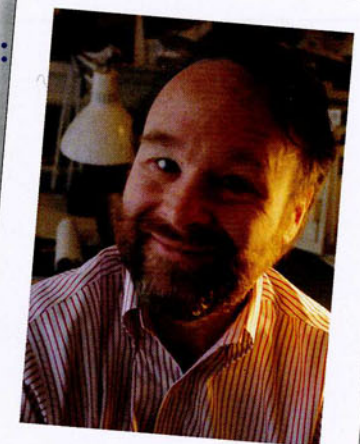
If the roof or plumbing leaks, the water will damage your home's interior finishes first, and then can progress into the structure that literally keeps that roof over your head. Leaking windows can similarly bring destructive water inside your walls, but they also cost real dollars in keeping heated or cooled air inside and your HVAC

equipment operating efficiently. It all comes down to the cost charged by those selling all things domestic versus the value received by homeowners. Leveraging a higher price tag without a genuine, measurable increase in value created today's housing market. Charging what thoughtful and educated people are willing to pay automatically creates a baseline of real worth – value versus the auctioneer's price tag or whatever herd and hype will leverage.

Realists are preserving the value they have by buying the goods and services required to maintain the worth of the money they have invested in their homes. This “new” world is actually the oldest paradigm in economics – a free market economy.

Vacations, hobbies, education and any number of budgeted expenses have suddenly become discretionary. All of us have to live somewhere – the opportunists will spend and are spending some money now to realize value. Similarly realists are paying for work that protects the investment they have. Billions of dollars are being spent – only this time the left lobe of our brains, the thinking part, is in charge of the purse strings.

An architect for almost 30 years, and co-founder of the Congress of Residential Architecture, Mr. Dickinson is Contributing Editor in Home Design for *Money Magazine* and is co-host of the 14-part CNN/Money web site series “Home Work.” He is the author of six books on home design and is the recipient of numerous awards for residential design including *Architectural Record Record House*, *Metropolitan Home Met Home Awards* and Connecticut and New York AIA design awards.



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