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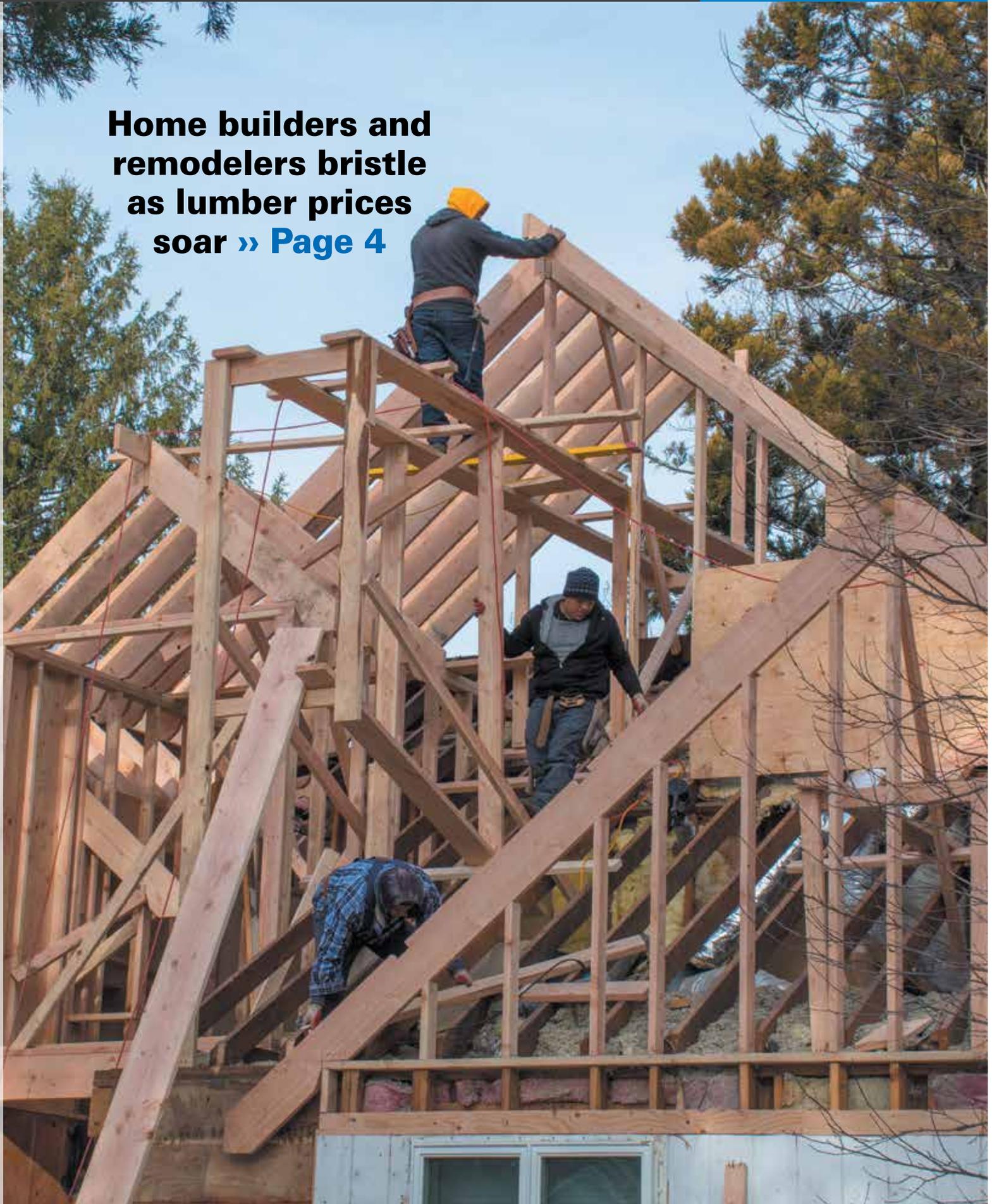
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Photos by Judy Walker

Home builders and remodelers bristle as lumber prices soar

By DAVID WINZELBERG

As builders and remodelers pine for a return to normalcy, lumber prices continue to spiral higher and higher.

A confluence of issues, not the least of which being the pandemic and tariffs on Canada, have caused lumber prices to jump three- to four-times higher in just the last year, creating angst and uncertainty in the industries that rely on wood.

The rapid velocity of the lumber price increases have also kept developers from nailing down bids, as suppliers must constantly recalculate what they need to charge for the product amid high demand.

Mitch Pally, CEO of the Long Island Builders Institute, says there are a variety of issues on why the historic price hikes are occurring.

“Some of it is the tariffs with Canada that were put in place by former President Trump,” Pally said. “Some of it relates to

the fact that many of the mills reduced their output during the pandemic without realizing that the demand for lumber would continue, because construction, especially home building and home renovations, has been one of the strongest parts of the economy.”

The situation has thrown home builders and related businesses for a loop and raised costs that will ultimately be passed onto homebuyers, renters and homeowners looking to remodel.

“It’s not just the lumber that goes into building the houses, it also the things that go into a house made of wood, like cabinets, furniture, all types of things, not just the house itself,” Pally said. “It has caused a significant backlog in being able to get these materials and a substantial increase in the cost of these materials.”

Vincent Calvosa, owner of Holbrook-based Calvosa Organization, is one of those caught in the middle.

“We work a lot off of contracts, which means that you’re



ARTIE CIPOLETTI: The owner of DaVinci Construction at Tritec's The Wel in Lindenhurst. The framing contractor has struggled with the velocity of lumber price hikes.



SAL FERRO: 'We're doing projects that we quoted quite a long time ago with today's lumber prices. It's really having an effect on our bottom line.'

kind of stuck with the price you've given, and when materials jump so high in a short period of time, it puts some strain on the contracts," Calvosa said. "I've been building for 30 years. It's the biggest jump I've ever seen in my career, it's also the longest period of time it's been this way and it just keeps increasing. A year ago the number was \$300 per 1,000 board-feet. It's now \$1,200 per 1,000 board-feet."

Artie Cipoletti, owner of West Islip-based DaVinci Construction, does a lot of the framing work for multi-family projects on Long Island, and the quick rise in the cost of his main building material has been hard to keep up with.

When DaVinci was working on Tritec's The Wel in Lindenhurst project in Feb. 2020, Cipoletti said a sheet of three-quarter-inch plywood cost him about \$30 a sheet. Now that same piece of plywood is \$87.

"I'm pricing out another job for them in Bay Shore and that project is a little bit bigger than the Lindenhurst project," Cipoletti said, now unsure how to quote Tritec on its new development.

'A YEAR AGO THE NUMBER WAS \$300 PER 1,000 BOARD-FEET. IT'S NOW \$1,200 PER 1,000 BOARD-FEET.'

DaVinci is also doing the framing for Conifer Realty's affordable housing project called Port Jefferson Crossing, which will bring 45 rental apartments over 3,200 square feet of retail space to a site next to the Port Jefferson Long Island Rail Road station.

"We wrapped that one up in terms of pricing and contracts in November, but from November until now, the lumber prices have gone up about 60 percent," Cipoletti said. "I'm taking a partial hit, but because it's such a good customer, I explained to them what was going on and they agreed to pick up some of the costs. It was very gracious of them since they didn't have to do it."

The lumber price hikes are making just about everything made of wood more expensive.

"A single-family house has gone up about \$27,000 in the past couple of months just because of the materials," Cipoletti said. "So, when it costs you \$27,000 more and you still have to make your overhead, it's making it impossible."

And while the recent spike in demand for remodeling has been a boon to companies like East Meadow-based Alure Home Improvements, owner Sal Ferro has been sticking to prior job quotes and absorbing most of the price increases.

"If I sign a contract today for a job that includes a room addition, a dormer extension, a house remodel, by the time that goes through the permit process, it can be six or eight months, maybe longer," Ferro said. "So, we're doing projects that we quoted quite a long time ago with today's lumber prices. It's really having an effect on our bottom line."

For local suppliers like Riverhead Building Supply, the price hikes have rankled customers.

"Customers are concerned," says Greg Goodale, who handles purchasing for the family-owned business that began in 1948. "They ask 'What did I bid this at and what am I going to be able to purchase it for?' And will there be any delays in getting the materials?"

Goodale added that robust demand for home remodeling and new home construction from all over the country is driving the price hikes and material shortages.

"Almost every single product that we sell through our location has had a price increase in the last six months, if not two or three price increases, and they continue to come even as we speak," Goodale said.

Meanwhile, Ferro says this has been "the most difficult time" in his 40 years in business, as the lumber hikes threaten to splinter relationships with customers.

"You're balancing as much as you can because you want to work with your homeowners, those clients are going to be with you for life and the best part about that is they keep calling you," Ferro said. "If you do right by them, they'll do right by you, but there comes a point where the return is getting hit hard by these price increases and where's the relief?"

Cipoletti says the issues with the lumber industry are unprecedented.

"What's happening now, for the first time, is the lumber supplier calls me and says he can't honor the contract," he said. "I said what do you mean you can't honor the contract? He said 'What are you going to do? You can sue me or we can try to figure something out.'"

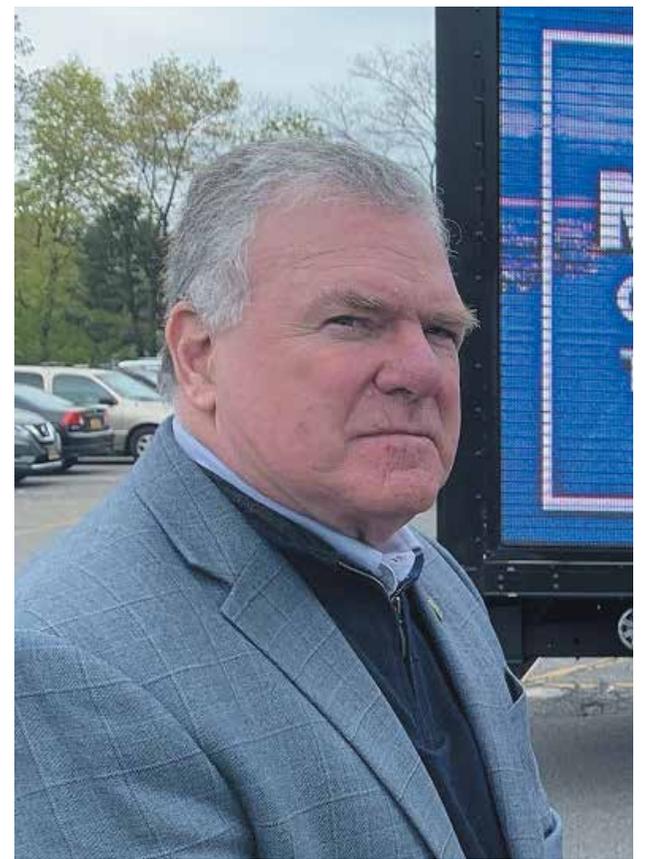
Calvosa said something must be done.

"There are a number of issues that are keeping lumber from being less expensive," he said. "They have to eliminate these tariffs with Canada that came out of the Trump administration. And production in the U.S. has to increase. Our harvesters are really hurting."

Pally said LIBI is working on it.

"We have raised these issues with our national association, because it's not just a Long Island issue and with Senator Schumer and his staff and they've promised us that they will investigate and look into it," Pally said.

"Unfortunately, there's no single bullet. It's not like there's a bill where if it passes it's all taken care of. There are a variety of issues on why it's occurring, and there's going to have to be a variety of remedies."



MITCH PALLY: 'There are a variety of issues on why it's occurring, and there's going to have to be a variety of remedies.'



SAW SPOT: Lumber prices have risen more than 150 percent in the last year.