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Local housing slump hurts the working man the most

By Staff Reports · & 2008

Updated 10/26/08 - 12:16 AM |



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Dale Pfeil, who is in the construction business, talks about how hard economic times have affected his business and family.

Above, Pfeil stands in his garage where he does maintenance on his construction equipment. He will have to sell his equipment and relocate his family.

YORK -- Nobody has to tell York's Dale Pfeil the economy stinks. After 22 years in York County working masonry construction, employing more than 30 people in boom times, Pfeil has no workers anymore.

Because he has no work.

New housing starts in York County are down by almost half from just two years ago. Construction is down, if current trends hold this year, to 2001 levels. That means many people out of work, going broke and nervous.

There are home loans for people with good credit and the ability to pay it back, but consumers are worried they won't have jobs to pay loans so houses aren't getting built nearly as often, say Pfeil and so many others in construction. Commercial credit -- the problem of much of the national credit crisis -- is worse.

So Pfeil, 48, is selling his tools, his trucks, his equipment, even his house he built with his own hands, to pay off his creditors and start over. Pfeil showed me a bill from a concrete supply company that showed a balance of just more than \$30,000. The company -- and who can blame them? -- has even filed a lawsuit against Pfeil to get the money.

"I put an ad in the new phone book that came out last month, and I haven't gotten a single call," Pfeil said. "There just isn't any work. What do you do, file bankruptcy? I want to pay people back."

Pfeil is packing up his life, his family, and soon moving to western Pennsylvania where he was raised.

Pfeil said banks, brokerages and insurance companies have gotten bailouts. He gets to sell everything instead.

"Where's the justice in that?" he asked. "My guys made good livings. I was proud to pay them. Now, I got one guy who told me yesterday that he had to apply for welfare. He never did nothing but work all his life."

At least working people can get unemployment for a while. Pfeil's brother, Brian, a carpenter, just got his last check. Now, his benefits have run out.

"I'll just try and figure out what's next," Brian Pfeil said.

In construction, there is a domino effect in slack times that hurts the working man the most. Construction means jobs for concrete guys like Pfeil, framing carpenters, graders, drywall workers, painters, finish carpenters, plumbers, electricians and on down the line. Fewer houses means less work. It is so bad for some that a few companies have just pulled out of the area, said Curt Sieck, president of the Homebuilders Association of York County. Other contractors have laid off workers, he said.

"Right now, so many people can't buy a job," Sieck said. "If builders don't have houses to build, they don't have a need for subcontractors to do the work."

The economy and credit crunch means "people can't spend money they don't have," Sieck said. "We're struggling."

But Sieck said the crisis was "brought on ourselves," meaning mortgages given by lenders to people who probably shouldn't have gotten them.

"The days of anybody with a pulse got a house loan are gone," Sieck said.

The new home construction slowdown shows no sign of imminent change, said Mike Vead, who tracks permit data for the Catawba Regional Council of Governments. New home figures for July through September aren't in yet, Vead, said, but, "there's no reason to believe they will be better."

Barbara O'Connell, who runs O'Connell Signature Homes with her husband Dennis, a former head of the Homebuilders association, said houses built "on spec," meaning built ahead of time without a buyer, have slowed significantly.

That was a norm for many builders for years as customers raced to buy homes before paint was dry.

That leaves Tim Minor, a 44-year-old bricklayer, with nothing to say but, "There's just not any work."

Minor takes every job he can now "to make a few bucks these days," but that is a far cry from a couple years ago when construction guys had more work than they could do and made top dollar.

"Four, five years ago you'd be lucky to get somebody to come to you in four or five weeks," said Butch Brindel, CEO of the Piedmont Regional Association of Realtors. Brindel also sits on the Homebuilders board. "Now subcontractors can come right away. They are looking for work."

There is hope out there, though, said O'Connell, Sieck and Brindel. The local market, while not what it was, isn't nearly as bad as most places in the country. South Carolina housing starts, while down, are still sixth-highest in the country, Sieck said.

"Prices are down, interest rates are down for those with good credit. It's a perfect time to buy a house," Sieck said. "We are hopeful. We have to be."

The average time a house stays on the market is about 15 days longer than this time last year, and the average price is only down about 2 percent, Brindel said.

"We are off on sales, but the sky is not falling," he said.

On Nov. 15, an auction house will sell almost everything Dale Pfeil has.

Pfeil's hands are worn and rough. A lifetime of cement and concrete blocks will do that. In a few weeks, he might have almost nothing to show for his calluses.

For guys like Dale Pfeil, after so long working hard, it looks like Chicken Little was right: The sky has already fallen.

BY THE NUMBERS
York County single-family building permits:
2000: 1,743
2001: 1,926
2002: 2,134

2003: 2,483
2004: 3,007
2005: 3,143
2006: 3,757
2007: 2,863
2008: 1,001 (through June 30)
<i>Source: Catawba Regional Council of Governments</i>

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