

BUSINESS UPDATE

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54 Do It Right

Touchstone Homes has long had its priorities in order, allowing it to stay profitable now that times are tight.

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Sinking Ships

Stuck between a rock and a hard place, many builders are facing dire fiscal circumstances.

WHILE MANY BUILDERS HAVE been quoted in newspapers saying the media has overblown the severity of the housing downturn, some home building consultants are saying the picture is far bleaker than even the media is portraying.

"We're at complete and utter despair," says Noelle Tarabulski, CEO of Builder Consulting Group in Lakewood, Colo.

Tarabulski means to sound alarmist. Many builders are filing or preparing to file for bankruptcy, and she's even talked to a

number of builders who are leaving the home building business to try and find work elsewhere.

"People have to earn a living, so they're thinking maybe they need to go into oil and gas, or maybe they need to build things for the military," Tarabulski says. "Understand, we're at a catastrophic state as an industry. We're not in a downturn anymore; we're way beyond that."

Rhona Sacks, founder and president of Legal Life Settlements, a mergers and acquisitions advisory company, and an

attorney and business coach who has written a paper on entrepreneurs facing bankruptcy that has appeared in several publications, has seen the downturn spread far beyond housing.

"Restaurants have been deeply impacted by this," says Sacks. "I've seen restaurants offering gasoline vouchers so that people will leave their homes and drive to the restaurants to eat dinner. The collapse of all the home builder construction-related industries is really just the tip."

Why are things

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