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Philadelphia-area developers, residential real estate agents adjust to new norms to keep business going

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Tom Bentley, developer of single-family homes and townhouses along Philadelphia's Main Line, has figured out a new way to hold settlements.

The seller is in one room, the buyer in another and the person representing the title company in a middle room. No handshaking, checks get written and all of the money is wired. Wipe downs happen in between to keep everything sanitary.

"We are having a closing on Monday and one on Wednesday," said Bentley, who runs Bentley Homes.

Residential developers and real estate agents have begun to adjust to doing business during the coronavirus pandemic and are finding ways to best to seize upon what is typically a robust spring selling season but is off to a rocky start. Whether the measures they are taking will persevere some of the sales they typically have has yet to be seen. They are hopeful nonetheless.

One of the biggest of casualties has been showings, which are down by 50% to 60% compared with the same period last year, said Joan Docktor, president of Berkshire Hathaway HomeServices-Fox & Roach. "Up until [Monday], I would tell you things are fairly busy," Docktor said. "There are buyers who want to buy, sellers who want to sell and agents who want to work."

While prospective buyers and sellers are taking precautions, Gov. Tom Wolf's orders for non-essential businesses to close and restrict going outside but for emergencies and necessities has meant a temporary cessation of open houses and showings. It's a new reality Docktor understands, given efforts to stem the spread of coronavirus. "I don't think we can conduct business as usual," Docktor said.

Jeff Block, a real estate agent with Compass in Center City who has a team of brokers, took a proactive approach and canceled open houses two weeks ago.

"I got some push back from some Realtors saying that they weren't going to have 50 people in one spot but then it became clear we couldn't have open houses," he said. "Things are changing daily and hourly sometimes."

There are many issues that have cropped up with the new restrictions, Block said. While no open houses are allowed, can it be photographed if there are occupants or only if it's vacant to create a virtual tour? How about meeting with appraisers, title companies and inspectors? Can a contractor go in to get a home to do some touch ups and other improvements to prepare a property to be put on the market? Getting proper readings of utilities has become a problem.

"Everyone on my team has questions on existing deals," Block said. "There are an endless number of little issues and specific issues."

Already Block has seen a drop in business in what would usually be a hectic time. Typically, his brokerage would log five to 10 transactions every week during the spring selling season. "Now, we're down to one or two and it's probably going to get worse."

Peter Rotelle, president of Glenmoore-based Rotelle Development Co. & Studio, splits his business between custom homes and residential communities. He has signed more contracts for homes in subdivisions rather than custom homes, which are



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Peter B. Rotelle is president of Glenmoore-based Rotelle Development Co. & Studio.

often more discretionary financial commitments. The drop off in that segment may be attributed to the nose dive in the stock market.

“We have noticed traffic is down across the board but we don’t have any canceled contracts yet and so far that has been a blessing,” he said.

With restrictions in place, Rotelle has kept his company’s studio open so prospective buyers can make an appointment and visit, one at a time. The space is sanitized after each visit and people are advised to keep proper social distancing. As an alternative, the company has beefed up its online information that provide buyers with options and other information.

“We’re trying to conduct business as much as possible normally but under a different format,” he said.

Construction at Bentley’s communities in Kennett Square and the Main Line have stopped. Videos of all of the models have been uploaded as well as the variety of options a buyer has in fitting out their home.

Last weekend, Bentley sold three houses but expects sales to slow down further. “We’re open for business but our sales office is closed,” Bentley said. He's put that message on his sales offices as well.

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