

FOCUS ON SUCCESS 2008

ADVERTORIAL PROFILE

Opportunity Knocks on Homeowners' Doors!

Value Returns to the Renovation Industry

Are you tired of hearing all the bad news about the world financial markets and real estate prices? Well the good news is that if you are planning on living in your home for the next 5 years or more then there is no better time to renovate! "The tide is turning in our industry these days" says Eric Schapira, founder and partner at Klondike Contracting Corporation, a design build renovation firm based in Vancouver.

"As the demand for new housing is starting to taper, there is a growing trend to staying put until people can regain confidence in the real estate market. With interest rates and unemployment at historic lows, increasing immigration, falling gas prices and the 2010 Olympics at our doorsteps, now is the best time to plan a renovation. Our suppliers and sub-trades are starting to offer highly competitive prices in order to reduce their inventories and increase their bookings."

Klondike Contracting offers award-winning design and budgeting services as well as project management for commercial and residential renovation and construction projects. The company was founded in 1998 with the goal of improving their clients' work and leisure spaces. Schapira set out to create a company that would be known for both its quality workmanship and significant value. Growing up in a family of accountants, he learned early on that reputation and integrity are among the most important assets a person can possess. It's a lesson he took to heart and a principle on which he built the business.

"If you work hard and you are professional and ethical, people like to work with you and they refer you to their friends and family," he says. "At Klondike, we're focused on integrity and on building relationships with our clients, sub-trades, suppliers and staff." In fact, building quality relationships is something he believes in so strongly that he changed his title to Chief Relationship Builder.

For clients, this means listening to their needs and helping them see their creative vision take shape within a set time frame and budget. To make this possible, Klondike is constantly negotiating preferred rates with suppliers and sub-trades in order to pro-



Left to Right: Jacqueline Brynjolfson, Shan Warburton, Burton Hartmann, Susan Allison, Kelly Gordon, Kelly Schmidt, Lisa Calder, Eric Schapira, Sabrina Dalen

vide their clients with the best value. Klondike audits vendor pricing on a regular basis to ensure prices always remain competitive. In addition, they offer an open-book policy where clients have the option to review their project bills whenever they want.

"Throughout this process they are getting to learn how we work and that we have steadfast systems in place to ensure that things will run smoothly," says Schapira. "Creating a good relationship in the pre-construction phase – from design through to budgeting & scheduling – is essential to ensuring that the construction phase runs efficiently."

Quality relationships with sub-trades and suppliers can take years to develop. Klondike evaluates new sub-trades on small projects first, assessing the quality of their workmanship, follow-up, attention to detail, and their interactions with the client. If all that meets with Klondike's high standards and they work well with Klondike's Project Managers, then Klondike gives them larger projects to bid on. In return, sub-trades can expect detailed plans, a clearly defined scope of work, reasonable advance notice for doing the work, good direction and prompt payment. Because of the solid relationships they've built with their subcontractors

over the years, Klondike has a low turnover rate of its sub-trades and enjoys preferential pricing and service, an important advantage in Vancouver's tight labour market.

While Klondike has been around for over a decade, it has experienced its most significant growth in the past four years. "We're a different company today than we were four years ago," Schapira says. "It was a difficult stage in our development as we had to figure out how to grow the business, build the infrastructure and recruit more personnel, all without sacrificing our standards." Schapira then chose to bring in a partner, Burton Hartmann, whose years of construction experience and dedication to customer service complement Schapira's skill set. Their first order of business was to hire and train "extremely bright, dedicated and detail-oriented individuals with strong work ethics and a team-oriented focus."

Hartmann and Schapira are proud of their trades, staff, project managers and designers who make up Klondike's team, without whom they believe its growth could not have been achieved. They both agree that "it's about finding good people who love what they do." They now employ between 15 to 20 people who work full time with the company. "Three years ago we would not have been able to handle the volume of business that we handle today, but due to our people, our infrastructure and our systems, we can forge ahead with new opportunities."

In recent months, many have asked Schapira about the current state of the renovation and construction industry given what is going on in the world. Are people still renovating today? Schapira says that "home owners with very little equity in their homes are sitting on the sidelines. However, those with significant equity are actually in great shape to take advantage of the competitive pricing in the renovation industry."

Schapira states that "the construction industry has been maxed out for the past few years allowing suppliers and sub-trades to increase their prices and profit margins while still booking projects months in advance. Now, as the prices of raw materials and transportation drop and competition among trades increases, there are some great deals to be had!"

Interestingly, in October of this year, the World Economic Forum declared

Canada's banking system as the soundest in the world out of 134 countries (the United States ranked 44th). Furthermore, a recently released RBC survey found that Canadians' overall intentions to purchase a home in the next two years remain steady at 22 per cent and have not changed since January 2008. As well, renovation intentions are slightly higher than last year – up four percentage points with over 70 per cent of respondents planning to renovate in the next two years. This means that home owners who have enjoyed significant increases in their property values over the recent years are planning on re-investing this money in their homes to ensure it maintains its long term value.

For those with equity in their homes and/or money in the bank, there is no better time to take advantage of the value returning to the renovation industry! ♦

FEATURED CLIENTS

- ☐ 7-Eleven Stores: Recently renovated 36 stores, working two 12-hour night shifts at each store so client could continue doing business in the day and have as little 'closed' time as possible.
- ☐ North South Travel: Transformed the old TD Bank building at West 10th and Alma from an eyesore into a significant architectural building (major structural & seismic upgrades).
- ☐ Lignol Energy: Played a large role in the construction of their new offices, pilot plant and laboratory located on BCIT's Burnaby campus. Klondike is proud to be working for one of the world's most promising biofuel refining companies.
- ☐ Whole Foods: Lead contractor for Whole Foods / Capers renovations projects in Vancouver and West Vancouver.

ACHIEVEMENTS

- ☐ 2008 Georgie Award Finalist:
 - Best Residential Renovation – \$100,000 - \$250,000
 - Best Residential Renovation – \$250,000 - \$500,000
 - Best Renovation - Any Room
 - Best Interior Design Custom Residence
- ☐ 2007 Georgie Award Gold Winner for Best Kitchen in BC
- ☐ 2007 Business in Vancouver's Top Forty under 40 Award

AFFILIATIONS

- ☐ Better Business Bureau of Mainland BC
- ☐ Greater Vancouver Home Builders' Association
- ☐ National Kitchen & Bath Association
- ☐ Gay & Lesbian Business Association
- ☐ Entrepreneurs Organization
- ☐ Built Green BC
- ☐ Retail BC



2008 **Top 40**
under 40



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