

## Permits slump in city, county

**Builders enduring slowdown in home construction**

by Chuck Slothower  
*Herald Staff Writer*

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Article Last Updated; Wednesday, August 05, 2009 7:24AM

Building activity in Durango and La Plata County has fallen precipitously from previous years, indicating the residential construction industry remains mired in a slump while a substantial inventory of existing homes sits unsold.

Building permit data from La Plata County and the city of Durango indicate construction continues at a much slower pace than previous years.

"In general, there is a slowdown," said Alix Kogan, president of Kogan Builders in Durango.

La Plata County issued only seven single-family residential building permits during the traditionally busy month of July, compared with 24 for the month in 2008 and 32 in 2007.

Through July, the county had issued 38 single-family building permits this year. During the same period in 2008, the county issued 81 permits.

Data for the city of Durango show a similar drop-off. The city issued only four single-family residential permits for the year through June, compared with 11 in all of 2008. Data for July were not yet available.

Kogan said people looking to build increasingly show interest in scaling back, building a 2,500 square foot home instead of a 4,000 square foot home, for example.

"Generally, it's less expensive to go smaller," he said. "It's also more energy efficient."

Still, some prefer larger houses. Kogan is building a 4,000-square-foot home with energy-efficient features in Shenandoah for a Florida transplant.

Kurt Will, owner of Will Construction in Bayfield, said the market is slower than in recent years but still busy.

"The phone's not ringing off the hook, but I'm getting some decent leads," he said.

Will blamed low appraisals, in part because of foreclosures, for some of the slowdown.

"The biggest challenge is financing," he said. "I seem to find more people who want to build than can build."

Will is building a duplex in north Durango, a home near Breen and another in the Forest Grove subdivision off Florida Road (County Road 240).

Building permit data show the slowdown is spread across most categories - the county has not issued a multifamily building permit since 2007.

It's unclear when the building industry may turn around, builders said.

A glut of unsold homes remains on the market. As of Tuesday, the county had 1,339 residential listings not  
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under contract.

Sales also have slowed. In Durango, 45 homes sold from April to June, down from 90 during the same period in 200. The number of country homes sold dropped 33 percent.

[chuck@durangoherald.com](mailto:chuck@durangoherald.com)