

Rich Elstrom Construction

How long have you been in the construction business?

"I started contracting in 1978, formed corporation in 1980. I worked in home construction prior to that."

What motivated your pursuit it as a career?

"It was what I knew how to do."

What's been the biggest lesson you've learned through experience?

"It will almost always take longer, be more involved and cost more than you originally thought."

Is there any wisdom you've obtained that you wish you knew when you started?

"Pay attention to your instincts about new clients."

What are the obstacles facing the industry?

"Labor force, new regulations and ever-changing fee structures such as SDC's."

What are SDCs?

"System Development Charges. For instance, here in Seaside, in addition to the building permit, sewer and water hookup fees, there's a system development charge which was about \$9,000. That's a pretty hefty fee that didn't exist 30 years ago. More cities and municipalities are jumping on that bandwagon. If you build out of the city, you don't have that."

What costs do new homebuilders often overlook?

"A large percentage of people buy a house that's already constructed, probably less than 25 percent have a custom home built. There aren't many that are given that choice (of custom home construction). The only way they can choose is deciding which home to buy, and all they typically know is what it costs and how many square feet they get. What they don't know is how long their home will last, they don't know the quality of materials. When people buy they generally think I can get this many square feet for this many dollars and I've cut a pretty good deal, but they move in and five years later they're replacing flooring, cabinets, siding, windows etc. They don't have that



Rich Elstrom has been building custom homes on the coast since 1978. "We try to build to last, that's been our philosophy," he said.

factor of dollars per square foot per year of lifetime, but when we're building custom we can get into that conversation and talk to people about what products are more durable, what floor coverings work, which windows and siding will last, whether you spend more for a valve on your kitchen sink, one that will last five years or 30 years. We try to build to last, that's been our philosophy."

Is there an average price for a custom home build?

"The industry has a huge price spread. Budget, custom homes used to be \$100 per square foot, now their \$125 or \$150, but that's the baseline. We're starting at \$200-250, up to \$350."

How does your business today compare to 10 years ago?

"We have grown and become more adept about defining roles and levels of management."

Is there a building or project you're particularly proud of?

"The reconstruction of the Governor Oswald West log home in



Rich Elstrom established his custom home construction business in 1980. He mentioned the labor force, new regulations and 'ever-changing system development charges' as the obstacles facing the industry.

Cannon Beach. I'm most proud of seeing the structures we have built still performing well. We have also been involved in a number of 'green' construction jobs that had us working with different materials and sources. A lot of our clients ask for green aspects of construction, whether it be the sourcing of the material, responsibility harvested lumber or formaldehyde-free panel goods. Most of the suppli-

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ers have embraced their products being greener. There's a lot more repurposing and recycling lumber too. When they took the logs off port dock #1, Trails End Recovery bought a bunch of them. We've done seven or eight mantles with that."

Have there been any trends that have come and gone?

"Yes, there are lots of trends. I think everybody still wants to get the most for the least amount of money. A big trend in our industry is the building envelope — the siding, the perimeter of the structure we've gone to a drainage plane. The codes

have adopted that. We don't just put siding straight on nailed over the plywood side, we put an airspace in behind. It's a way for the house to last longer. Building science has caught up with building code. Not all builders do that, it adds to the price. We've remodeled during the winter on some homes and found that if siding or shingles get wet on the backside, they never dry out all winter. It's not healthy for the building paper and everything else.

How have the building materials changed over the years?

"One of the big changes are floor joists that support the floors. Those have gone from solid lumber to an I-joist, which is an engineered wood product made out of wood flakes and fibers. They're much lighter and more stable. It's been a big deal, it changed a lot. The beams and everything aren't just timber anymore, they're all engineered. They've found a way to more fully use the timber products that are harvested."

What are the unique challenges or obstacles to building on the coast?

"Primarily the unrelenting climatic conditions and corrosive elements."

Are there things that are often overlooked by less scrupulous builders?

"Water tight integrity of the building envelope, particularly the installation of windows, doors and siding."

What things should a customer consider when selecting a contractor?

"Look for a builder experienced dealing with local conditions and carefully check references."

How do you distinguish your business among others (that may offer similar services)?

"We strive to have our employees on site during the entire job with continuous management. Most of our carpentry work is performed by our direct employees which allows us to carefully manage results."

How many employees do you have?

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