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Treading water

Sales of inground pools, thrown in the deep end by the recession, are improving, but it's been slow going, Jersey Shore pool dealers say.

By **DAVID P. WILLIS** • STAFF WRITER • June 20, 2010

This spring, a pool went in the backyard of Jay Silverman's Oceanport house, fulfilling his wife's dreams.

"My wife (Tami) has always wanted one from the time she grew up," said Silverman. They bought their house about 18 months ago, and having saved the money, they decided a pool was the next step.

"Over the cold winter, we started dreaming about a pool," Silverman said. "Financially, we were able to make it happen this year."

After seeing sales drop last year, Jersey Shore pool dealers hope there are more customers out there like the Silvermans.

It was tough for pool dealers in 2009 as people cut back on their spending. With home values shrinking, people had less equity in their homes, making it difficult to get a loan to pay for a new pool. Customers had to pay cash, dealers say.

New pool sales were down about 40 percent last year, said Michael Brozo, general manager at **Paradise Pool Builders** in Toms River.

"Financing is literally nonexistent at this point," Brozo said. "People just can't get the loans because they think they have equity and they don't."

Pool companies saw a rise in homeowners paying to renovate their pools, such as installing new liners or buying new equipment. "Our renovations are doing very well," Brozo said.

Now pool companies say they see the market starting to turn as new pool sales rise over last year's low levels. "We are in a positive growth pattern, no doubt about it," Brozo said.

One real estate expert says there are positive signs

for the pool industry.

Homeowners started putting in backyard pools in the 1980s. It was part of a trend that saw people build rear decks and plant dense shrubs, setting up their homes as cocoons.

"This was a time when homeowners began to create an enclave that would shut out as much of the world as possible," said real estate consultant Jeffrey Otteau, president of **Otteau Valuation Group** in East Brunswick.

Over the next two decades, wealth grew and people started to move to newer houses in more expensive areas rather than upgrade their current homes, he said.

Now the old trend is starting to take hold again.

Homeowners are increasingly likely to stay in their current homes and make improvements, Otteau said. "Hand in hand are these sort of upgrades and improvements to houses that not only bring them up to date, (but) create that insular effect, shield out the madness of the outside world."

It means installing pools and finishing attics and basements, he added.

Prices for inground pools can start at about \$15,000 and work their way up to hundreds of thousands of dollars, depending on the design,

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Otteau said.

But they should never be considered an investment as they add less to the value of a home than their cost, Otteau said. It varies, but generally, they can add about half of their cost to a property's value, he added.

"No one builds a pool as an investment," Otteau said. "You do it because you want to be the sole member of a swim club in your backyard."

Pool sales are starting to look better, said Kirstin Pires, spokeswoman for the [Association of Pool and Spa Professionals](#).

"Most pool builders had to get by on closer margins, maybe take jobs that they would not have taken in the past because of lower profit margins," she said.

New pool sales at [Aqualand Pools](#) in Wall are up about 25 percent to 30 percent this year over last year, said co-owner Christopher Carroll. Customers are also renovating their pools.

"With the way the economy is they're not traveling as much and if they're going to be in their backyard with their pool, you might as well at least spend it there and have it look nice," Carroll said.

There's another side effect of the economy in the pool business. Carroll said some pool owners are saving money and opening their pools this summer themselves, rather than hiring companies to do the work. "I guess we might be down a few in the openings, but not many," he said. "We still close those pools."

At [Kinney's Pool Service](#) in Brick, construction of inground pools is down because of the economy, but renovations and service are up.

"We're not doing badly, we're doing OK," owner Ed Kinney said. "We're still selling a lot of inground pools, which surprised me because there are still people out there (who) waited and they decided this was the year they're going to do it and they did it."

The company, which has 45 to 60 employees depending on business conditions, is running all its trucks, he said.

Like other pool installers, Kinney said he thinks this year will be better than last. "But the money is tight, so we are not going to hit the numbers we did six years ago," he said.

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Jay Silverman and his wife saved their money to pay for this pool installed recently in the backyard of their Oceanport home. (STAFF PHOTO: KEITH J. WOODS)

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A construction crew from DiGioia Construction installs an in-ground pool in Howell last year. (PRESS FILE PHOTO)

Sinking sales

U.S. inground pool sales have struggled in recent years.

- 2005 176,500
- 2006 166,750
- 2007 147,156
- 2008 129,765
- 2009 54,000

Source: The Association of Pool and Spa Professionals.

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