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PROFILE IN COMMERCE: *Don Shulman*

Company President Anticipates Surge in Modular Popularity

By **Aglaia Pikounis**

MODULAR HOUSING IS ONE OF THE FASTEST-growing segments of the residential construction industry, according to the Modular Building Systems Council of the National Association of Home Builders. Don Shulman expects the industry to continue to grow as builders recognize its benefits.

Shulman, 54, is president of Realty Development Assoc., a full-service modular homebuilding company serving southeastern Massachusetts. In addition to assembling modular units, the Sagamore-based company takes care of all the engineering, permitting and legal aspects for clients. The firm's real estate division, RDA Real Estate, also can help consumers sell their properties or secure land to build a new home.

With 19 employees, Realty Development Assoc. builds an average of 30 to 35 homes a year. This year, Shulman expects business to be off by about 10 percent to 12 percent. Traffic through the firm's nearly 3,000-square-foot model home in Sagamore, which opened about a year ago, was slow November through February, Shulman said. But the Marstons Mills resident said there's been an increase in traffic, and phone and e-mail inquiries, this spring.

Shulman spoke with Banker & Tradesman just days before his company hosted a free informational seminar on modular construction.

Q: *What did you do before you started Realty Development Assoc.?*

A: I was actually in the hotel and restaurant business.

Q: *Doing what?*

A: Building, designing, managing.

Q: *How did you get into modular home construction and why?*

A: Well ... I had been building restaurants for a fellow on the Cape who is also a developer. I built a couple for him and then decided that I really liked the development side more than I liked the restaurant side. So I did a couple of developments and then back, it would have been about '90 I guess, I was doing a [Chapter] 40B project – and that's be-



B&T staff photo by Aglaia Pikounis

Don Shulman is president of Realty Development Assoc., a Sagamore-based modular homebuilding company.

fore it became so vogue for everybody to be doing them; it was actually the only second one on the Cape. But it was a townhouse project and I had to really figure how you could get the quality that the state required with a 10-year warranty and still be able to make a profit on it. And this was [a] 26-, 28-unit project and it occurred to me really the only way to do it was to be able to cut down on the interest expense to be able to meet those subsidized, reduced selling prices and still, they had to be top-quality. So I looked at modular at that stage. And that was really, really when modular ... was relatively unknown.

So we ended up doing this project, and we had 26 townhouses on site all tight to the weather in 30 days. And it was a no-brainer after that. I will say for the next probably six [to] eight years, 10 years maybe, a lot of our business was educating people. Educating them about modular and getting rid of all those preconceived notions that it has to just be square, boxy.

Q: *What do you think are some of the misconceptions [about] modular housing?*

A: I think, first of all, that people today are extremely educated about it. Many, many, many more people have such a clear knowl-

edge on it and that's largely because of the Internet. That's really given out an awful lot of information and educated people. But I think that people still certainly have preconceived notions, [including] design limitations and substantially lower prices than comparable [stick-built] houses.

Q: *That's a misconception?*

A: Absolutely. And inferior quality. I think those are probably three basic misconceptions.

Q: *Who's buying modular construction nowadays?*

A: Anybody who's building a house. One of our largest markets that we develop here ... has been the tear-down market. And the big attraction for modular construction in that arena is the fact that the true savings is time. That's the key. Today, where land is so scarce, the value, the equity, that all these people have is in the land. On the Cape it's a little different because here we tend to have ... the boomer who's getting more toward retirement period now. They've had the family cottage here for 25 years and it's been great for them to come for two or three weeks every summer for the past 25 years. No way they're going to live in that [cottage] full-time during retirement. So there's a situation where the land is so valuable, the structure has limited, if any, value to it. Tear it down and put the new house up.

Off the Cape, the market's a little different. It's for primary housing, but the same exact scenario. The point is we can get in there, tear down their house and get their new house up in 60 percent less time than comparable [stick-built houses].

Q: *What's one of the more challenging aspects of your business?*

A: Permitting. Permitting today just takes up more and more time. Regulations continue to change. Right now on the Cape, we have the new building code coming out. And it's the first time I think in 10 years they've changed. Cape Cod has been designated as a high-wind zone, the entire Cape and it's just going to continue to raise the price of housing. So land and the issues that go along with it are probably the biggest challenges. ■