

## INDUSTRY NEWS

### Florida Slowdown Has Pool Builders on Edge

By Dan Schechner | 4.29.2009

Florida is bracing for a storm.

The state already has been battered by downward spiraling home values and widespread foreclosures.

But with fewer than 2,000 pool permits pulled statewide through the first quarter of 2009 (it was just under 4,000 in 2008), many in the industry now are questioning how Florida's pool-building market can sustain itself.

"A lot of guys will be going out of business soon," said John Kennedy, president of [Elite-Weiler Pools](#) in Sarasota, Fla., a Pool & Spa News Top Builder.

Indeed, some estimate the state could lose the majority of its building community by the end of the year.

"In this market, you can see 60 percent of the pool companies going under," said a Florida builder who requested anonymity. "Everyone is dropping their prices. Guys are down 75 percent and still carrying massive overhead. How much can you keep cutting and still remain viable?"

And those who remain will inherit a new type of market.

"[For those who stay in business], a large percentage of them won't be primarily building pools," said Wendy Parker Barsell, executive director of the Sarasota-based Florida Swimming Pool Association.

As in the rest of the nation, many Florida pool builders now are focusing on repairs and remodels. Even maintenance jobs that once were too insignificant to touch have become hot new leads.

Technically, construction began to taper off after a blockbuster 2005 that saw more than 49,000 pool permits issued statewide. From the standpoint of at least one distributor, it's been a steady decline ever since.

"Everything is proportionately smaller these days — receivables, inventory, writeoffs," said Bill Kent, CEO of HornerXpress in Fort Lauderdale, Fla. "It's definitely a sick, weak market. And it doesn't seem like it's bottomed out yet."

Horner has been forced to trim its own operations, closing offices over the past year in Ocala and Melbourne.

Pensacola Pools owner Larry Robbins, whose new construction is off approximately 50 percent from previous years, cites sharp declines in home prices as a major factor. With median prices dropping 60- to 70 percent in some counties (Palm Beach is expected to stabilize around \$150,000 — about 65 percent off the 2005 peak of \$421,500), banks are increasingly wary of extending credit.

"There's still some demand for pools," he said. "But unless they have the cash, we have no way of helping them. Most people who want a pool don't really have a lot of equity, or no equity at all."

*Technical editor John Miles contributed to this report.*