

Plan your renovations now

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You might expect a pandemic to curb the home improvement surge we typically see in spring and summer. Turns out, quite the opposite is expected. “We’re seeing lots of hints of an increase in what is already a busy season,” said Financeit Canada Inc. CEO Michael Garrity, pointing to data that shows the industry is busier than ever. “This worldwide nesting seems to be increasing people’s focus on things they would like to do to improve and maintain the value of their home,” said Garrity, whose firm provides consumer financing solutions. “Demand is certainly going to be high as we head into summer.”

We spoke with Garrity about the challenges associated with planning, scheduling and moving forward with home improvement during COVID-19.

Q: What advice do you have for homeowners who are considering a project?

A: Assuming demand will exceed supply of tradespeople who can do the work, it’s probably not a bad idea to get out in front of it by scheduling now. Essential repairs — like a roof in dire need of replacement or an HVAC unit that could conk out by the time summer rolls around — will have a lot of demand placed on them when things start to open up a little bit. More germane outdoor jobs like gutters or siding would be great projects to prioritize now.

Q: What changes are you seeing within the home improvement industry in response to the pandemic?

A: Tradespeople have traditionally focused on their craft as opposed to automation but the pandemic is forcing people to change their behaviours in order to keep business coming in. We’re seeing an increasing use of virtual consultations where the customer takes pictures or a video of the affected area and consults with their tradesperson online. Invoicing and payments are handled electronically. The entire process is handled on your computer or mobile device and we never need to see the consumer.

Q: Should homeowners defer their plans if funds are tight?

A: There’s deferring the job and then there’s deferring when payments would be due. I would caution people against what I call the COVID backlog, if a whole bunch of people defer things from happening, there’s going to be a race to get things done. In terms of deferral of payment, any merchant on our platform has the flexibility to add a three- or six-month payment deferral as a feature. There is a cost to the merchant, but we have some who love it as a selling feature.



The Gatti Group won a BILD Best Renovation Award for its renovation of a 1950s-style Streetsville, Ont. bungalow which involved transforming a 1,200 sq. ft. home into a 2,800 sq. ft. two-storey masterpiece.

A WINNING ATTITUDE

Award-winning reno firm sees opportunities for industry improvement and efficiencies



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When brothers Joe and Tony Gatti launched their design build and custom renovation business back in April 2008, they never dreamt they would be facing such trying times.

In 2008, the economy was sinking into the subprime financial crisis — but that does not compare to this COVID-19-pandemic, which has job sites shut down and customers cancelling or postponing contracts.

“There is so much uncertainty and confusion out there,” says Tony Gatti, a partner with GTA-based The Gatti Group. The brothers were finalists in five categories for BILD’s 2020 Renovation and Custom Home awards and they were ecstatic to win in the Best Renovation (Addition) Over \$500,000 category.

Sadly, due to the pandemic, BILD (Building Industry and Land Devel-

opment Association) cancelled the awards luncheon, as well as the National Home Show, both held in March. So, instead of proudly accepting the award in front of their teammates and industry colleagues, it was a virtual celebration. “That was a bit disappointing, but totally understandable,” says Tony.

This year, in an all-important industry which has grown to \$78 billion across Canada and accounts for 7% of the nation’s GDP, there were a record 117 submissions with 25 winners. The Gatti Group won for its renovation project of a 1950s-style Streetsville, Ont. bungalow, which involved transforming a 1,200 sq. ft. home into a 2,800 sq. ft. two-storey masterpiece, while maintaining the small-town charm of the Town of Streetsville, a quaint historic hub west of Toronto.

With GTA home prices going through the roof and a lack of inventory, the Gatti Group has benefitted from a renovation business that’s been booming in recent years. But



Joe and Tony Gatti remain optimistic about the future and believe the industry will bounce back, although “not sure what the landscape will look like and how long it will take.”

today, despite a push to start reopening the Ontario economy, this sector sits near a standstill, as consumers continue to abide by isolation and self-distancing rules.

Ontario had ruled only construction projects with proper permits prior to April 4 could proceed, but with strict rules around self-distancing, sanitation, protective gear, etc.

Employers who violated the Essential Services List regulations could face stiff fines and prison sentences.

In early May, these rules were relaxed somewhat allowing construction of below grade multi-unit residential projects like apartments and condos, while the City of Toronto announced building permits and inspection services are again being offered, some electronically. Still, uncertainty lingers.

“Many of our suppliers are closed, and many trades are reluctant to work on job sites because it is difficult to self-isolate,” says Tony. He points out that one of their projects, under way months ago in Toronto, is now stalled awaiting product that is delayed.

So for now, the Gatti Group decided to put projects on hold. “This is tough because we still have overhead to pay.” They continue to communicate with suppliers, trades, consumers and prospective clients by phone, emails and holding virtual meetings.

His advice to consumers who are sitting at home dreaming of a renovation is put the wheels in motion now. “Do not wait until this viral pandemic is over to choose a designer, contractor and sign a contract.

Municipalities are still accepting and processing building permits, so it is wise to move your renovation plans forward and not get caught in the backlog.” He points out most of the pre-planning process can be accomplished virtually.

He also cautions consumers to be wary of renovators who are not following Ontario’s new rules, or who may advise to proceed without proper permits.

The Gatti Group is registered with BILD’s Renomark program, whose members adhere to a strict code of conduct. This includes a written contract for all jobs, carrying applicable licenses and permits, offering warranty on the work, carrying a minimum of \$2 million in liability insurance, and working only with subcontractors who are properly insured. Visit renomark.ca

Joe and Tony Gatti remain optimistic about the future. “I do believe our industry will bounce back, but just not sure what the landscape will look like and how long it will take. Still, people need homes and their space to function according to their needs,” says Tony.

He points out there are also opportunities for industry improvements and efficiencies. For example, some municipalities have been utilizing video inspections which speed up the process. He hopes this will continue after the pandemic.

A lesson learned for both brothers during this pandemic is the importance of family. “One nice thing is increased family time and sitting down to have a proper meal all together,” says Tony, who only leaves his family home, where his aged parents also live, for groceries and essentials. “Maybe we’ve all learned to slow down a bit and enjoy what matters most.”

Linda Leatherdale, a freelance financial journalist and commentator, is former Money Editor of the Toronto Sun.