

McStain closing home office

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LOUISVILLE -- Local homebuilder McStain Neighborhoods is closing its home office in Louisville and going mobile in a bid to survive the economic downturn.

"In the past couple of months, things have unraveled so quickly in the economy," said Caroline Hoyt, who founded McStain Neighborhoods with her husband, Tom Hoyt. "We thought for a long time that we wanted to go virtual, but now we really don't have a choice. Homebuilding has taken the brunt of this recession."

Since the start of the year, McStain also has cut its staff from 90 employees down to 21.

"I expect it will go lower," Hoyt said.

McStain started in the 1960s in Boulder, moving its home office to Louisville four years ago. The company is known for its "green" building practices.

Current projects include Indian Peaks in Lafayette, along with projects in Westminster and Denver. Plans for Lafayette's Indian Peaks South development, on 100 acres on Colo. Hwy. 42, include 307 residences -- 157 single-family homes, 11 custom homes, 40 duplex units 11 custom homes and 99 townhomes.

A planned Longmont project also recently was postponed.

While the sales staff has always worked in the field, the home office was more traditional, Hoyt said. Now, people will either work from home or in sales models.

"It just gets rid of a whole layer of bureaucracy," she said.

Amie Mayhew, spokeswoman for the Colorado Association of Homebuilders, said she's seeing builders reorganize "across the board."

"If you don't change at this point, you're going to go out of business," she said. "It's a very new market and a very new business environment."

Hoyt said McStain is still seeing a fair number of "lookers," but few buyers. While it's become tougher to qualify for a loan or come up with a down payment, she said the main issue is consumer confidence.

"People are just very nervous," she said.

Lou Barnes, owner of Boulder West Financial Services, said consumer "shock" over the state of the economy encompasses not just the housing market, but every sector.

"The consumer, for almost every product, seems to be in a state of deferral," he said. "It's hard to tell how long that shock may last. The question is: At what point will we bottom out and at what point will we start to come out of it?"