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# Homebuilder lands financing for phase one of Halfmoon development

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Chris Abele, president of Abele Builders in Clifton Park, is moving forward on building the first phase of a 201-unit subdivision in Halfmoon.

DONNA ABBOTT-VLAHOS

By Chelsea Diana - Reporter, Albany Business Review Oct 30, 2022

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Chris Abele Person

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It took more than five years for Chris Abele to get all the approvals and the land ready to redevelop the old Betts Farm in Halfmoon, where Abele Homes has approval for a 201-lot residential subdivision off Route 236.

The president of Abele Builders in Clifton Park said the company closed on a \$6 million loan with Pioneer Bank for phase one of the project in August. Details were not made public until it was recorded in Saratoga County last week.

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"The project was a long-term approval and it took us well over five or six years. It was long. There were a lot of upfront costs," Abele said. "It was like you paid for half of the project in the first phase."

Preliminary work on Betts Lane included widening the road, which cost about \$800,000, installing a sidewalk and getting power to the site.

The development will be called Juniper Ridge. Phase one includes 65 lots. He expects to open up for sales in the spring of 2023.



Betts Lane in Halfmoon. DONNA ABBOTT-VLAHOS | ALBANY BUSINESS REVIEW

The land is ready to build on now as interest rates have risen to the highest level since 2002 and the once red-hot real estate market cools.

Interest rates on the average 30-year mortgage have jumped to over 7%, from about 3% at the start of the year. That has added hundreds of dollars a month to the typical house payment and disqualified or discouraged many buyers.

Higher interest rates makes financing costs for builders a lot more expensive too, and Abele said it will hurt lot of builders on carrying costs with projects. For this project, he said it's about a \$350,000 carry for the year.

"When you have a big project, the length of the approvals does not allow you to time it," Abele said. "When you get approval you get approval. It could be a year or a year and a half, but eventually things will come back good."

On top of higher interest rates, home prices have increased by double-digit percentages and material costs are still high. The median sales price for a new-construction home was \$479,040 for September, according to the Greater Capital Association of Realtors. That's a 10% increase over 2021.

The cost of lumber, which had nearly tripled, has dropped to its lowest level in two years, but everything else, from labor to sheetrock to concrete siding, has gotten more expensive.

That has translated into more expensive new construction homes and a slowdown in interested buyers.

For the Halfmoon development, Abele is going to offer a few floor plans for single-family homes at different price points, with a range between \$450,000 and \$600,000.

"Prices in the Capital Region, where it used to be \$350,000 are now \$450,000 or \$500,000," Abele said. "I still think the market eventually is going to be good, but everything now has pretty well slowed down."

Abele is still optimistic about the project. It's in a good location, across Route 236 from the town park, with public utilities in a good school district. GlobalFoundries is about an 18-minute drive away. Clifton Park Center is a 10-minute drive.

The full scope of the project - preparing and building all 201 units - is expected to take five to seven years.

"Pioneer, they understand the builder scenario. You're up against a lot," Abele said. "It's almost a perfect storm of high cost. The area is still a good idea, but I do think we'll have a little bit of a downturn before it goes up."

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