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Big Island Builder

Contractors such as Metzler Contracting use modern methods and technologies to build upon Hawaii's special heritage.

Making Connections

American Bridge goes to new heights with high-profile projects in New York City and the Washington area.

Metzler Contracting Co. is riding the wave of a resort home building boom in Hawaii that isn't expected to end any time soon.



Hawaiian Heirloom Homes

Metzler Contracting is using modern methods to build Hawaiian resort homes that pay homage to the island's heritage. The company's work has generated admiration among its peers, it says.

By JAMES SCALZITTI

Metzler Contracting Co. [MCC] LLC of Hawaii can't help but be flattered every time other firms try to imitate its methods, details and procedures. Sometimes, those other companies are even nice enough to let MCC know how much they admire its work.

"It is not uncommon," says company founder and owner John Metzler, "for an architect, engineer, builder or homeowner to contact us from another state or even another continent, to ask how we achieve a certain look." And what does he tell them is the secret to his company's ability to get a certain look to a project?

"We respond that our preference is to become involved in the project as early as possible in the design phase," he says. "When honored with that trust, we can take input from the owner and their design team and help them create something that fits perfectly within the

island environment, while at the same time maintaining a timeless architectural appeal."

John Metzler was born and raised in New Mexico, the son and grandson of engineering, business and ranching families. He studied engineering at the University of New Mexico, made the move to Honolulu in 1970 and relocated to the Big Island of Hawaii in 1973. He worked in the building trades at the fledgling resort properties on the Kohala Coast, and founded his company in 1976.

"We started building custom homes on the island before there were a lot of resort properties and their large-scale custom homes," Metzler says. "We would build, say, one high-end custom home and two or three more modest custom homes, in the same year. As the island got more popular, we began moving more and more toward the larger projects."

From its early days as a custom home builder, the company has evolved into its present form, as one that builds exclusively in Hawaiian resort communities. Metzler's services include architect/client introduction, pre-construction services, turnkey construction and limit-

Metzler Contracting Co. LLC
www.metzlercontracting.com
2005 sales: \$65 million
Employees: 200
HQ: Kapa'au, Hawaii
Service: Residential builder
John Metzler, founder/owner:
"We measure the success of our business by the level of customer satisfaction achieved."



the owner but his neighbors and the people visiting his home.” The neighbors must be noticing Metzler’s unique homes, because the company says that more than 90 percent of its new business comes from customer and architect referrals.

Another challenge, which all builders in Hawaii face, is the availability of building materials on the islands. “We find that there are almost no materials produced locally,” Metzler says, “which forces all builders on the islands to import building materials.” Although this can certainly be a factor in driving up costs to the builder – and as a consequence, the homeowner, too – Metzler tries to keep those costs down by implementing some smart shopping and innovative purchasing techniques.

“What we’ve done differently,” he says, “is to shop the entire globe for materials of all types. In addition to that, we source direct to the manufacturers at every opportunity. As a result, at any given time we have containers on the waters of every ocean, coming from every major continent laden with building materials for our projects.”

“Living and working on an island present their own special challenges,” the company says. “The integrity of a company spells success or failure in a very short time, so we take seriously our reputation and community standing. Business is handled in a professional manner and we’re proud to be recognized as a leader in Hawaii business.”

Metzler says the home his company builds are of “heirloom quality,” but providing homebuyers with value for their money is also a top concern of Metzler Contracting. He believes that the combination of “the quality of the work and the value derived from this quality being produced at competitive pricing” sets the company apart from its competitors. Additionally, “the long-term durability of the product, and the ease with which our client base and their design professionals interact with the organization are all major distinguishing traits of the company. One senses the difference in product quality immediately upon walking onto one of our jobsites. The difference is seen in a

ed property management for select clients. Metzler says the company can build and manage up to 25 projects simultaneously, “of anywhere from \$3 million to \$45 million in construction contract value.” The company also has a development arm, which works to develop subdivision communities on various areas of the island.

In 2000, the company’s business structure was changed to a Hawaii limited-liability company and John Metzler became managing member and responsible managing employee of the company. That change required additional contractor licensing, and the company now holds licenses for various trades in the construction industry, in addition to its general building contractor’s license.

The company’s primary focus, its

owner says, is “architecturally challenging single-family projects [that] use the very best and latest methods and materials.” Metzler Contracting is “a market leader in the field of research and development of innovative systems and materials to create unique details and operational features for each of the homes we build,” he says.

Island Challenges

“There are plenty of challenges” in the business, Metzler says. “One of the largest challenges is to create a home for the customer that says ‘my home is unique.’” Consequently, Metzler adds, it is also a challenge for the homebuilder “to keep coming up with ever-changing new techniques and new details that will convey this message not only to



visual sense and felt inherently at a more basic level.” Metzler is also proud of the person-to-person, face-to-face interactions between the company and its clients. “With our company-owned business office, you will always know how to find us,” the company says. “Never will you be greeted by a machine when calling during our extended business hours.”

Metzler’s work has earned recognition from its peers and the business community. The company has garnered honors from the Building Industry of Hawaii, the American Plywood Association Code Plus Program, the Hawaii Renaissance competition (Grand Award winner), the Building Industry Association of Hawaii (Parade of Homes winner) and Pacific Business

News, which has named Metzler among the largest neighbor island contractors.

“We’re proud of our standing in the business community,” Metzler says. The company has been recognized “for the manner of which we do business and the scope of work we bring to the marketplace, and our ability to transact business with integrity over a long period of time.” Ask John Metzler what others are saying about the company, and all he has to do is recall voicemails received from homeowners and architects who told him how impressed they were with the company’s work, as well as its approach.

An Expanding Market

“The market on the Kona Coast of Hawaii’s Big Island is expanding and

accelerating at a rate that has never before been experienced in the islands,” Metzler says.

“The market has grown to include high-net-worth individuals and their families, young and old alike, who enjoy the wide diversity of activities and culture that the Big Island has to offer. This market condition is forcing the lowest unemployment rate in decades and importation of labor forces from other islands and West Coast states, primarily California,” he says.

“The company is adapting by reinforcing its commitment to its long-standing employee and subcontractor rosters, hiring select new employees, training new employees in its cutting-edge technologies and practices, cultivating new subcontractor relationships



things down a bit, they are seriously considering making their second home in Hawaii. This interest by the boomer population is expected to hold strong at least through 2030, they say.

“More affluent baby boomers, coupled with positive market conditions,” the Star-Bulletin reported, “have led to booming residential resort development on the Big Island, where resort homes make up as much as 35 percent of the total residential sales revenues.”

The industry sources cited in the Star-Bulletin story agreed that the boom in Hawaii would only get better, as long as the visitor industry remains healthy. As long as hotel occupancy rates and room prices remain high, the publication said, investment in resorts is going to remain attractive, especially because there aren't that many new hotels being built.

A General Housing Boom

The news is good for resort and other home construction, according to a report published in the Pacific Business News this spring.

Pacific Business News cited an economic report issued by the University of Hawaii Economic Research Organization in April. According to the report, “the Hawaii construction industry boom will persist for years, producing the greatest expansionary cycle in a generation.”

In 2004, contracting jobs grew statewide by 4.9 percent, the report said,

with the fastest growth being 6.5 percent on Oahu,

and developing new material suppliers across the globe.”

“Our office is equipped with the very best technological equipment and is in constant contact with the field offices,” the company says. “Our state-of-the-art computer network keeps our system running in real time all day long, so [a] project is updated from each jobsite office with every keystroke. Digital photography is used to relay information to owners, architects, engineers and designers all over the country. We want to be completely accessible to our clients and will use all of today's tools to give them every opportunity to communicate with us.”

Boomers Lead to a Boom

For resort community builders such as Metzler, these are the best of times. Throughout Hawaii, from Oahu to the Big Island, “demand for second homes and residential investment properties by an aging baby boomer population has spurred a wave of development that developers expect to ride for at least two more decades,” according to a 2004 story in the Honolulu Star-Bulletin.

The Star-Bulletin story pointed out that as the nation's “78 million baby boomers, born between 1946 and 1964, begin to enter middle age and look to retirement, many are gaining wealth by becoming empty-nesters or through inheritance.

“Peak hotel occupancy rates, rising hotel prices and a healthy visitor industry have also fueled the second-home market,” the Star-Bulletin story continued,

“by creating economic conditions that have allowed Hawaii's resort and second-home developers to offer a slew of new inventory to the aging baby boomer population.”

A Hawaiian Habit

The story cited industry sources who said that the boomers have been going to Hawaii for decades, and now, as they look to slow

Homes built by Metzler take advantage of the stunning views offered them by the surroundings on the Big Island of Hawaii.





followed by the Big Island, with 4.5 percent.

In addition to the long-term construction contracts let by the U.S. military, the report said expansion is being driven by “moderate but steady local economic expansion, a return to positive net migration and stronger population growth, a seemingly insatiable appetite for Hawaii resort properties by out-of-state second-home buyers, and an extraordinary period of low interest rates,” according to Pacific Business News. Interestingly, the publication noted, “the economists suggest that soaring home prices, which many worry will choke off the expansionary cycle, actually may prolong it by preventing the expansion from overheating.”

Work Force Development

Metzler’s work force “is developed in several ways,” John Metzler says, “primarily by in-house training of personnel up through the ranks, and subsequent placement into meaningful and appropriate positions. The key element

here is to match the employee to the task for which he or she is best suited, while paying close attention to the individual’s level of fulfillment, health, happiness and overall well-being.

“Other methods of developing and enhancing worker skills are achieved through constant training, both onsite and in the classroom,” Metzler says. “Safety and First Aid training are administered through the company and include certification on various levels of heavy machinery,” he adds. “All applicable OSHA and HIOSH [Hawaii Occupational Safety and Health] rules are constantly reviewed and developed into company procedures and policies.”

Metzler says one of the things he is most proud of at the company is the growth of its employees, whether it has been by their advancing up through the company or even when it means they have moved on to other jobs.

“One of our biggest achievements,” he says, “is that our employees have advanced over the years, to go from laborers to foremen to superintendents to project managers. They’ve raised

their families, they’ve built their own homes, and they’ve even gone out and started businesses of their own. I think this is a testament to them and their desire for a better life.”

Fulfilled and engaged employees are one aspect by which the company measures its success.

“We measure the success of our business by the level of customer satisfaction achieved,” Metzler says. “The secondary goal in the arena of success is to allow our employees to flourish. Our goals are simply stated: delighted customers, engaged employees and productive operations.” Some employees and subcontractors have been with the company for more than 20 years, Metzler says.

Metzler also places a premium on its relationships with subcontractors.

“We’ve been in business for over 30 years in this one geographic area,” Metzler says. “That allows us to have worked with the best subcontractors on the Big Island. Over time, those relationships have grown, by Metzler Contracting being able to control and



A sense of serenity along with landscapes that blend in with their surroundings are traits shared by Metzler Contracting's resort homes on the Big Island of Hawaii. Modern technology and amenities meet traditional island design, for homes that give modern homeowners everything they may desire, while the way of life the homes evoke resembles the relaxed ways of the past.



teach our subcontractors and our suppliers the best way to achieve the product our customers require. In exchange for that," he says, "the company strives to provide a clear and open workplace for our subcontractors, and ensures that when they arrive at the jobsite they're scheduled properly for optimum production."

Community Standing

"We are very proud of our standing in the community," Metzler says, and the company regularly takes part in charitable and other community-related activities.

"We support many community-based efforts in the fields of youth sports and hospital and hospice care," he says. "We do a lot of benefit work," he adds, mentioning that the company is an annual sponsor of the American Cancer Society's "Relay For Life," last year raising more than \$17,000 for this one event. The company is involved in supporting local schools, but its efforts to promote education aren't limited to the Big Island Metzler calls home.

"We have an international affiliation with several school groups in Ireland," he says. Each summer, anywhere from four to 10 civil engineering students and graduates from Ireland travel to Hawaii to work with Metzler Contracting.

Modern Materials, Softer Living

"Building on the Big Island of Hawaii for the past 30 years," the company says, "we have steadily improved on the practices started by the earliest settlers to this beautiful island. More and more, using modern building materials, we are building to accommodate a way of life that more closely resembles the relaxed ways of the past. Open lanais, large walls of glass and screen that open into pockets inside exterior walls, inviting the outdoors in, lava stone pavers with grass growing where before there would have been grout ... all of these signal a softer approach to living."

That approach is reflected in the homes built by Metzler. The company's Kuku home, for instance, was designed by the project's architect to be "for-

ward-looking ... with ties to generations past," the company says. Kuku, which means "grandfather" in Hawaiian, provides an environment of "total relaxation and serenity."

Blending In

Its Ka Hale Wai Aka Uhi home, which Metzler Contracting calls "a garden near the sea," is "landscaped to blend with the surroundings and provide its occupants with the natural experience required to forget the harried world outside," the company says. "The entry garden with its stream running into the natural koi pond is the first hint of what lies ahead," the company says. "The varied and meticulously maintained landscape of this project encourages one to enjoy the great Hawaiian outdoors." The modern and the traditional meet in many ways in these homes, such as the home entertainment systems that are concealed by cabinetry which seems as though it has been around for generations. An Old World welcoming gate houses

a modern opening and security system. Additional privacy is created around the home "by intelligent use of nature," the company says, with "bamboo and local field stone."

Metzler's Umikuamamaono home is set on a golf course designed by Jack Nicholas, but the entertainment and relaxation options encompass a wide range of activities. For instance, the entertainment room within this oceanfront environment features ceiling materials that were chosen for their acoustic qualities, and drapery and louver doors that create a theater experience. The dining room opens to the outdoors on two sides, and a restaurant-quality kitchen on another.

Controlled Growth

While Metzler intends to manage the growth of his company, he wants that growth to be intelligent and he has no plans to work off the island of Hawaii.

The company's immediate plans are the "purchase of additional equip-

ment and computer technologies to enhance the company's operational efficiencies, productivity and communication with design professionals," Metzler says. "Growth is not anticipated to exceed 5 percent per year for the next two to three years," he says, and that is intentional.

"The market is much hotter than 5 percent per year," he says, "but this is a deliberate decision on our part to control growth and keep our quality and efficiency at an optimum.

"Investments are expanding to real estate purchases for future development of single-family housing, commercial and industrial development," Metzler says. "Acquisitions will be limited to real estate assets for the coming three to five years."

In addition to keeping the rate of the company's growth low, Metzler wants to keep his company's focus on Hawaii. "We've found it's best, from a service standpoint," he says, "to concentrate on a smaller geographic area." ■