

TREND WATCH

At your service

More homeowners and renters demand to be treated as they would at an elite hotel or quaint B&B

BY GLENN RITT

Todd LaBarge recently established a concierge division in his construction company. Now, he's likely to remove boats from moorings for his customers. Or arrange limousine service to Logan Airport. Or order groceries for second-home owners before they arrive for the weekend.

LaBarge Homes in Harwich has established this division to complement its design, build and maintain model. Beyond long-established services such as snowplowing and home watching, it now is accepting deliveries, watering house plants, bringing in housekeepers, stocking the wet bar, decorating the house with Christmas lights and preparing parties. LaBarge has even had clients' cars repaired, delivered their firewood and taken down drapes and carpets for dry cleaning.

"Personalized concierge services are becoming a core element of my industry," said the contractor, who's among a growing cadre of peers trying to gain a competitive edge in a housing and rental market increasingly dominated by second-home owners demanding personal attention.

And if builders don't provide concierge services, then real estate agents and property management companies certainly will.

The demand for concierge services is very evident to Beth Wade, vice president



of John C. Ricotta Real Estate in Chatham, which rents about 225 mostly high-end homes every season.

“Both owners and their renters now are seeking hotel-like services. They don’t want to arrive here and begin picking up the phone to plan their week or long weekend,” she said. “They want their itinerary planned already. On Tuesday, they want their tickets to the Monomoy Theater; on Thursday, they want their reservation in place for dinner at Chatham Bars Inn.”

That fast is becoming her staff’s job at Ricotta.

And she expects this trend to accelerate rapidly in the next three years. She points to three major reasons:

- The rental market has become oversaturated with available properties. Owners are seeking a competitive advantage to attract renters. That edge can be concierge services.
- The profile of renters is changing. Wealthier clients won’t hesitate to pay more than \$1,000 a night to stay at the Chatham Bars Inn; they want similar services when staying in a home.
- Many second-home owners are accelerating their plans to move here permanently, but they aren’t retiring. Instead, they are transferring their businesses with the help of broadband communications – so they can better enjoy both the Cape’s quality of life and their expensive homes here.

“They will be just as busy as before, often leaving the Cape on business,” said Wade. “They are used to other people doing things for them, and they will continue to demand that here.”

THE STORY IS THE SAME IN FALMOUTH

As Elizabeth Philbrick sees it, Falmouth has by far the most number of highly valued homes among all Cape Cod towns. And many of them need her tender-loving attention.

A native Falmouth resident, Philbrick left years ago to forge a hospitality and catering career in Boston, where she honed her sales skills. But when she mar-

ried and contemplated a family, it was time to return to the Cape. Her contractor husband was able to establish himself professionally during the Cape’s housing boom.

It wasn’t long before Philbrick figured out how to channel her entrepreneurial spirit. It was while driving along Ocean Drive in her hometown – seeing all the unlit windows in those very expensive homes in the middle of the winter. Their owners not only needed their driveways plowed before arriving for long weekends, but they also wanted their refrigerators stocked, their heat turned on – and maybe a baby sitter arranged for a Saturday night out.

Welcome to Distinctive Property Services, a fledging service company on the cutting edge of Cape Cod new concierge service industry. In fact, the company tagline reads “Concierge for the Finest Homes.”

“Last month, I drove one of my customers to a school reunion,” said Philbrick.

In her new world, there’s no customer request that’s out of line. It’s all part of her market research as she and her husband Matt expand what was once only a construction company into a full-service property and estate management firm.

Right now, she has brought many of her customers – especially those whose homes were built by her husband – together as a virtual focus group to help her package and price her emerging line of services.

Philbrick wants to avoid being seen as just a home-watch service or a handyman business that reacts to customer demands. Instead, she is building specific tiers of service that not only can be marketed, but also clearly evaluated from a financial standpoint. How much time and money does each visit cost? What is the price point customers will accept?

Like the cable company, she has established a basic package and then more premium and customized programs. All this with an eye toward controlling costs on the one hand and establishing clear expectations for customers on the other.

Growing demand for property management and concierge services

- The average second home purchase today may involve more money than a person’s primary home. It’s a major investment that needs to be managed professionally, much like a portfolio would be managed by a financial services company.
- In the face of a housing slowdown, many sellers would prefer to take their homes off the market rather than sell at a discount. But that requires them to maintain that investment’s value with greater upkeep for future sale.
- The specter of 9/11 still permeates people’s thinking. There is a greater emphasis on security and safety. It’s why home security services are on the rise, as well as a growing trend toward home automation that lets owners monitor their houses remotely.
- Wealthier people between 45 and 65 years of age are moving to the Cape, and they are not retiring. Instead, they are continuing their businesses or buying new ones here. They don’t have the time or patience to maintain their home. “They may tend their garden, but not want to mow their lawn,” said Beth Wade, vice president of John C. Ricotta Real Estate.
- More people can afford to be coddled. In Chatham, for example, the number of households reporting income between \$150,000 and \$200,000 a year will increase by more than a third between 2005 and 2010.

It also provides her with concrete marketing materials for a business that still is very much based on word of mouth.

The more she studied her customers’ needs, the more Philbrick realized she was able to identify different levels of service.

“It is critical for us as a startup to structure our business and it provide a cohesive product line to establish our value to

Why one builder established a concierge division

Is builder Todd LaBarge ahead of the curve? He recently established a concierge division in his construction company. Here are examples of the services he has been asked to provide from long-time customers and new clients:

- Remove boats from moorings and store for the winter.
- Arrange for limousine service to pick up clients up at Logan airport.
- Accept deliveries of packages and furniture.
- Order and stock groceries.
- Get second-home owner's car repaired on the Cape and drive it back to his primary home off-Cape.
- Have firewood delivered and stacked ready for fireplace upon arrival.
- Have house cleaned and set up for party.
- Open house for guests and instruct them on operating appliances.
- Take down and arrange for drapes and carpets to be dry-cleaned.

customers," said Philbrick. "It's also easier now for happy customers to pass on something concrete to other neighbors and friends."

But what justifies her 'distinctive' label will be the customization, insisted Philbrick. "It's not only the landscaping, plowing, home-watch services, but the e-mails, the phone calls back and forth. Homeowners like to know they have a virtual neighbor to take care of their big investment on Cape Cod."

"We have customers who want the refrigerator stocked with breakfast items so they can arrive late on a Thursday or Friday night and not worry about the next day," she said. She frequently stocks homes with beer and wine and makes sure fresh flowers are on the table.

"For Halloween, some clients want pumpkins on the front steps and mums planted. It's the soup-to-nuts treatment," she said. "They want to have their second home have all the personal touches as their first home."

What keeps Philbrick up at night is the challenge of keeping up with growth. "How do you grow and do it successfully? Everybody will want the right service at the right time. I think this can be enormous."

A year ago, her fledgling company had only five clients. Today, it is up to 23 – and it only has begun to market itself in the last few months.

Philbrick hopes that her management division is established firmly enough to help her husband's construction business now that the housing market is slowing down. Such diversification can allow her young company to move from total reliance on construction and remodeling to maintenance and other services.

"The new-home construction is a no-brainer," said Philbrick. "It leads into the relationship, especially for second-home owners. Concierge services are not quite as necessary for primary home owners."

Her company has begun to build its other services into construction contracts. Depending on the size of the project, she will include one of her three management programs complimentary for the first year.

THE COMPETITIVE LANDSCAPE

Philbrick and Wade understand that not only do they face growing competition for management and concierge services, but the market is converging. Like LaBarge, homebuilders across the Cape have begun to offer their construction clients continued service after homes are occupied.

Even savvy restaurant owners – watching their traditional seasonal business become less predictable in recent years – are establishing executive chef and high-end take out services, especially for second-home owners.

Philbrick is reaching out to local real estate and agents and insurance brokers to create informal working relationships and referral arrangements.

"One way or the other, Ricotta will be bringing the B&B experience to the rental market. It's flowers on the table when people arrive. It's muffins, coffee, tea, linen napkins in place for breakfast," said Ricotta's Sonnie Hall, who is its rental department director.

It also opens up new avenues of collaboration with other companies. They are working with The Corner Store in Chatham to provide food to renters.

Said Wade: "Our owner clients are happy because they want to have some type of service that puts their house in a different category. It also helps us build shoulder season business for them. Renters in the spring and fall usually come without children and they demand something more akin to a high-end hotel or quaint B&B."

LaBarge, Wade and Philbrick articulate something that applies to almost every business on Cape Cod.

No longer can any company here rely on what worked in the past. The key is to listen to client and customer demands – and react rapidly and well. If that is too expensive to do as a single business, the alternative is to find other companies – even perceived competitors – to align with. ■

What do renters demand?

We asked the professionals what attracts discriminating seasonal renters in an increasingly competitive market. Here are their top answers:

- Value
- Wireless Internet
- Air-conditioning
- Hot tubs and Jacuzzis
- Pristine condition
- Contemporary Capes with wide-open spaces
- Cathedral ceilings and skylights
- Gas grills and outdoor fireplaces
- Gourmet kitchens

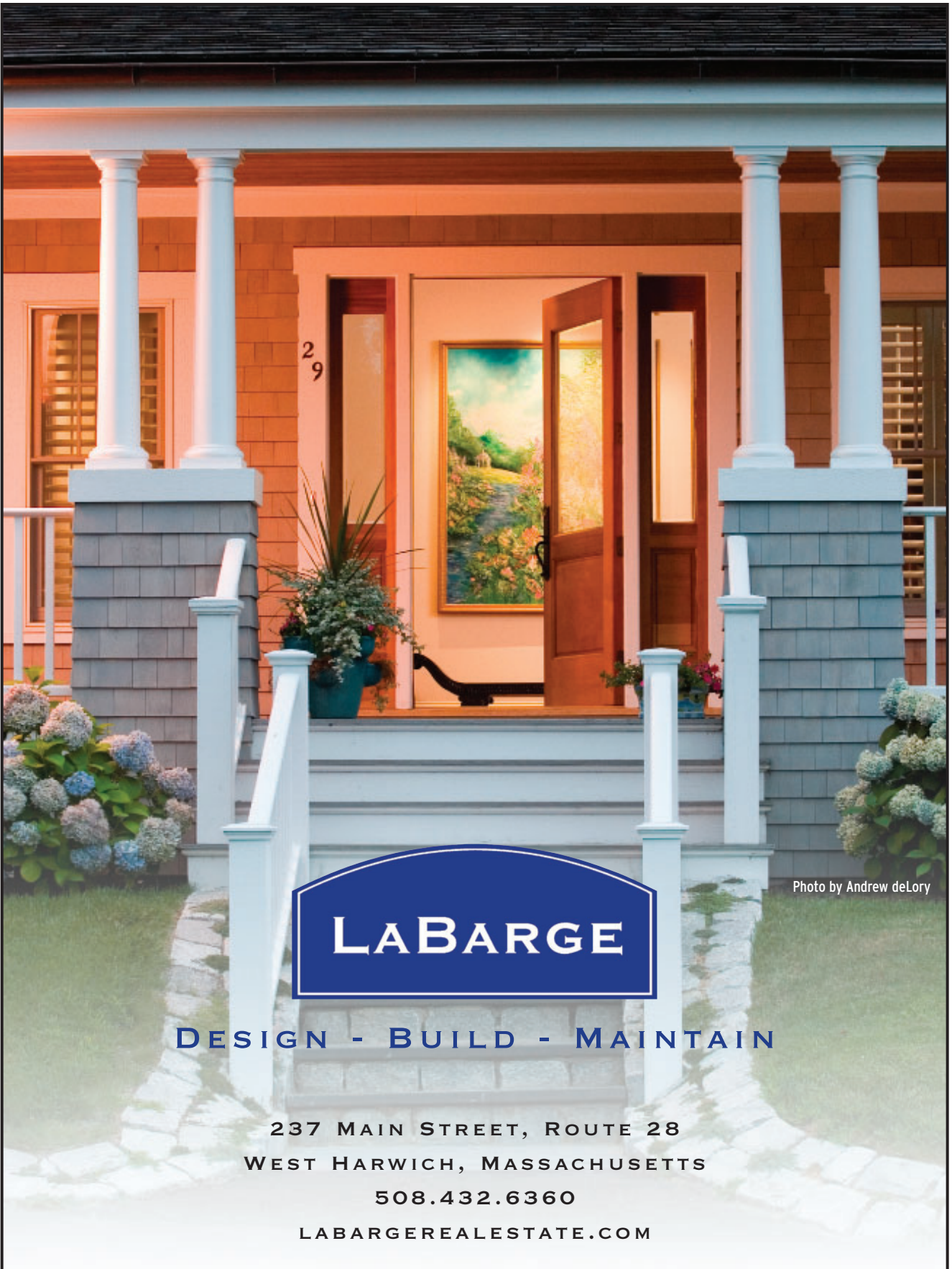


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