

Homebuilder survival in trying times

Georgann Yara, Special for The ABGazcentral.com 7:18 p.m. MST September 7, 2014

Enduring one recession early in his career gave Cachet Homes founder and President Matt Cody the perspective he needed to weather the most recent housing downturn even as other builders struggled.



(Photo: Mark Henle/ABG)

Enduring one recession early in his career gave Cachet Homes founder and President Matt Cody the perspective he needed to weather the most recent housing downturn even as other builders struggled.

"It was a very stressful and anxious time. We had to settle up with the banks, and we didn't know what position they were going to take," Cody said of the latest downturn. "I honestly believe because we acted early and with integrity, that has guided and protected us through this whole thing."

In late 2007, Cody, who started his luxury-homebuilding company in Scottsdale in 1990, noticed foot traffic in sales offices decrease and saw monthly sales dwindle from four to two. It wasn't the first time he'd experienced

a recession.

During the recession of the early '90s, Cody was working for a developer who hired him right out of college. But Cody always had designs on being his own boss, and he launched Cachet with his employer's blessing as a side project while he continued with his day job.

By 1992, conditions began to recover.

Although he owned a fledgling business, Cody experienced the first recession primarily as an employee, which provided some financial cushion. The second time around, however, he was in an ownership capacity.

"(In the previous recession) a lot (of builders) didn't understand the problem until they ran out of cash. But I realized this was different," he said. "Having gone through a recession, it all began to feel a little too familiar."

Instead of waiting until conditions were dismal, he took steps to work with financial institutions before Cachet's relationships with them soured. This included halting sales and returning property to banks via foreclosure.

"That was very difficult. We went to them and said, 'Do not give up on us. What would you like us to do?' " Cody recalled.

Before the recession, Cachet had nearly 100 employees and was building and selling 300 homes a year. At the height of the impact, layoffs thinned the staff to 17 and slowed work to 50 homes a year, Cody said.

The early intervention and proactive approach helped, and by 2010, conditions were less messy with Cachet holding on to and completing some communities and buying back at least one. The progress continued, and by late 2012, Cachet was closing on apartments and condominiums.

Today, all but one of the communities Cachet started have been finished, and the company continues to do business with some of the banks it worked with prior to the crash. Cachet even purchased and finished Monterey Ridge, a condominium community in Scottsdale that was formerly owned by another builder who was unable to complete it.

Currently, Cachet is steadily building 80 homes a month, Cody said. It also remains one of the few locally owned homebuilders in the state.

"There are moments you reflect and are sad there are 80 people who aren't working with you anymore," Cody said. "But there's a great deal of pride in that we survived,"

In some of their communities, Cachet redesigned homes better suited to what Cody called today's lifestyle, making them single-level, adding an elevator and eliminating stairs to make them more friendly to Baby Boomers, among their largest clientele.

Scottsdale homeowner Penny Keaton purchased her condominium from Cachet this spring after looking for a residence that was more suited to her traveling lifestyle and required less maintenance than the house she lived in for 19 years.

She found her condo in the same neighborhood, which she liked, and it was at a price point she could live with. Keaton appreciated how easy the process was, from touring the models to handpicking each amenity.

"There was a lot of communication, and I liked that," she said. "I wasn't sure what it was going to be like, but the entire experience has been a joy. They made it easy and fun."

A native of Racine, Wis., Cody graduated from the University of Wisconsin with a master's degree in 1984 and moved to Arizona. Four years after starting Cachet, he left his former employer to run Cachet full-time in 1994.

"I always wanted to go out on my own. I knew I wanted to be my own boss," Cody said. "I felt I had developed enough skills to do this on my own."

Being able to survive over the decades can be attributed to the same old-fashioned principles that Cody credited with making it through the recession.

"I think you just treat people the way you'd like to be treated. Pay when you pay, pay how much you say you're going to pay," he said. "Good communication and honesty is our approach, and that's why we're where we are today."

Cachet Homes

Where: 17200 N. Perimeter Drive, #102, Scottsdale.

Employees: 18.

Interesting stat: At 31 percent, Generation Y comprises the largest share of homebuyers, followed by Generation X at 30 percent, according to the National Association of Realtors.

Details: 480-556-7000, [cachethomes.net](http://www.cachethomes.net) (<http://www.cachethomes.net/>).

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