



SUNWOOD DEVELOPMENT CORP.
CUSTOM BUILT HOMES AND ADDITIONS
LAND DEVELOPMENT

TO: Senator Cathy Osten, Co-Chairman
Representative Jason Rojas, Co-Chairman
Members of the Planning and Development Committee

FROM: Robert G. Wiedenmann, Jr., President

RE: Raised Bill 5510, An Act Providing a Limited Property Tax Exemption for
Homes Under Construction

I am a homebuilder/developer from central Connecticut and an active member of the HBRA of Connecticut. My company employs seven full-time employees, in addition to keeping over 25 subcontracted trade businesses and vendors very busy building and supplying material to more than 25 homes and condos per year.

When we build a neighborhood, as part of the course of business, we pay many fees and taxes to the town or city along the way, including utility connections, permit fees, application fees, conveyance taxes and real estate property taxes.

A model home is an integral part of the successful marketing of a real estate project. As in the case of existing tax exemptions for the inventory held by other types of businesses (e.g., autos on an auto dealer's lot), providing an exemption from higher assessments for a home builder's inventory makes sense in that the municipality does not provide services to these homes until they are transferred to a buyer. For instance, in our three most recent developments:

Cobblestone, Meriden CT

We increased Meriden's grand list by almost \$9,000,000 resulting in additional tax revenue of approximately \$315,000 per year. During construction, we paid almost \$30,000 in real estate taxes for model homes.

Sonoma Woods, Active Adult Community, Middletown, CT

When our project is complete by the end of this year, Middletown's grand list will be increased by almost \$5,500,000 resulting in additional tax revenue of approximately \$155,000 per year. Real estate taxes we will pay are estimated to be almost \$12,000 for the model home at Sonoma Woods.

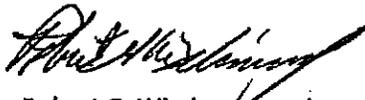
The Willows, Wallingford, CT

We increased Wallingford's grand list by almost \$20,500,000 resulting in additional tax revenue of approximately \$550,000 per year. During construction, we paid almost \$68,000 in real estate taxes on our model homes.

I strongly support HB 5510 and support the HBRA of Connecticut's cleaner and simpler substitute language that is subject to far less interpretation.

Please provide this relief to a still struggling home building industry and remove a huge disincentive to build housing in Connecticut. Thank you for the opportunity to provide my view on this critically important legislation.

Sincerely,



Robert G. Wiedemann, Jr.
President

RGW/elg