



Strong subcontractor relationships help Source Construction offer a high level of service. <<

Inside Scoop

CONSTRUCTION
SEPTEMBER 2016

SOURCE CONSTRUCTION DELIVERS ON CLIENTS' INTERIOR CONSTRUCTION DEMANDS. BY JANICE HOPPE

Source Construction founder Joe DiPalermo has a passion for turning the residential and commercial interiors of New York City's elite from ordinary to extraordinary. "We are positioning ourselves to a specialty niche by focusing more and more on townhouses," he says. "We define ourselves as a boutique service company and we will continue to offer that service by only focusing on a handful of projects at a time."

Although the New York, N.Y.-based company is only about nine years old, renovations and construction have been the family business for more than 60 years. "I have been in the business my whole life," DiPalermo explains. "My father was a general contractor; he's retired now. I tell people I've been building houses since I was 10 years old, working

with my father and honing my skills."

Source Construction specializes in remodeling high-end commercial and residential interiors throughout New York City. "I chose to focus on interiors because it's what's familiar to me and what I prefer to do," DiPalermo says. "I grew up redefining interior space and that's where I feel comfortable. I pursued finance and accounting degrees in college because I wanted to bring that expertise to my own construction business one day. So, now I've created a company that's different from most – we are expert builders – but we always have an eye on numbers and budgets."

Solid Reputation

Because almost all of its work comes through word-of-mouth, Source Con-

struction understands the importance of delivering boutique service and going the extra mile to make the project happen on time and in budget. "Your reputation filters out into the industry and after a while

Source Construction

www.sourceconstruction.net

- Sales: \$27 million
- Headquarters: New York, N.Y.
- Employees: 15

"Your reputation filters out into the industry and after a while people come to know you and know you're a company they want to work with."

– Joe DiPalermo, owner and president

'Once I get my foot in the door, I can show them what I can do.'

people come to know you and know you're a company they want to work with," DiPalermo explains. "Our clients are our best marketers. Prospective clients can get a real feel for what it's like to work with us by speaking with our existing clients and architects."

Developing long-term relationships with subcontractors is just as important as doing so with clients. DiPalermo says most of Source Construction's subs have worked with him since the beginning and for his father for 25 years before that. "I try to treat everyone and work with everyone like they are extensions of me and my family," he explains. "You have to have something that distinguishes you in the industry and we are all about serving the client and working well together. We have just been together forever. It's organic; everyone knows everyone and jumps in to help each other. Because I have a longstanding relationship with my subs, I'm able to negotiate the best rates for my clients."

Source Construction is able to offer a high level of service because of its relationships with subcontractors. Its core team is always there when needed and works daily to minimize issues that can arise on the job site. "We are able to offer that kind of service to our clients who are very demanding," DiPalermo says. "We are dealing with the top one percent and we live in the city in which everything is expected to happen in a New York minute. We have to be that responsive, service the client, get the job done and keep our reputation strong."

Residential Boom

Source Construction has seen an increase in residential interior work. The company recently completed an \$8 million townhouse renovation in Manhattan's Greenwich Village. Source Construction added a steam room, rooftop pool and elevator to the home, but the biggest improvement was dropping the basement slab three feet.

Dropping the slab allowed for a new configuration of the townhome's main entrance and for a wine cellar to be created in the basement. "Now, you go up a flight of stairs to the main entrance and underneath that is the entrance to the cellar level," DiPalermo explains. "We made the basement into a cellar and took out the back of the building to put in floor-to-ceiling glass. We restored the façade of the building back to the way it was when it was originally built."

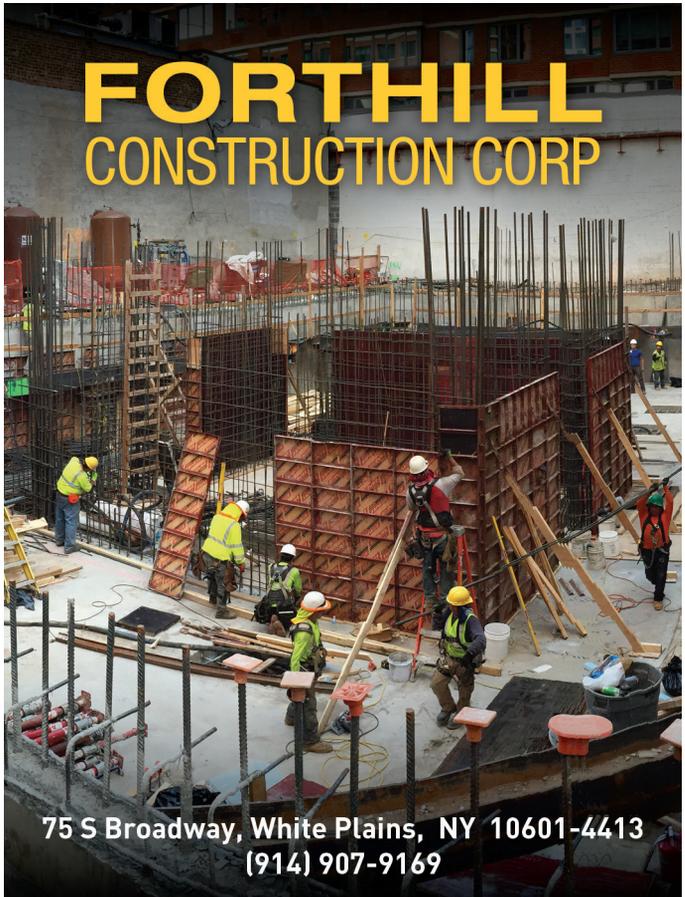
Twenty-five years ago, DiPalermo and his father restored a Brooklyn Heights townhouse back to its original façade, and received an award from The New York Landmarks Preservation Commission for their work. Today, Source Construction continues to perform maintenance on the home for the same client. DiPalermo says his father tags along whenever the company gets the call to catch up with his old client. "That's my father's client and I was in my early 20s when we remodeled the townhouse," he remembers. "The client now calls me to help service his townhouse."

Opportunities for residential work continue to present themselves. Source Construction will be completing a loft on 17th Street and another in Manhattan's SoHo neighborhood. The company will also be starting the interior construction of three apartment combinations on Fifth Avenue near New York University.

Although most of Source Construction's focus is on residential interiors, the company is in the middle of a commercial project to transform a four-story residential townhome into the offices of the Richard Avedon Foundation.

"It was a residential space, and we turned it into the foundation's flagship," DiPalermo says. "We put in new steel framing, fire stairs and a new elevator. We also put in new finishes, floors, walls and ceilings – basically everything."

Moving forward, Source Construction plans to continue its focus on residential townhome interiors and building its niche. "We are moving in that direction now," DiPalermo says. "I've been in the business for a long time. Once I get my foot in the door, I can show them what I can do and develop a long-term relationship with the client." ♦



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