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Men of steel take on state where concrete is king

BYLINE: **Bill Church** correspondent

The men of steel have arrived on the Treasure Coast construction scene.

Nicholas Peragine and Paul Knafle see what they think is a pent-up demand in this area for cold-rolled, light-gauge steel framing, trusses and wall panels for both commercial and residential construction.

Peragine is chief executive and Knafle chief operating officer of Monarch Co., which recently leased 8,000 square feet on Commerce Avenue in south Stuart.

Their product is from .035 to .073 millimeters thick and is rolled into shapes by a roll-forming machine with no heat. Their nearest competitors are in Miami, Sarasota and Orlando.

"Most builders and developers we've talked to want these products," Peragine said. "We're seeing lots of excitement about steel, and demand outstrips supply in this area."

While Peragine and Knafle would love to build entire structures with light-gauge steel, they are open to supplying just roof trusses, floor trusses and wall panels to contractors who want to marry those with existing building materials like concrete block, concrete and stucco.

"We want to bridge that gap," Peragine says.

Monarch is the only general contractor or steel provider in southeast Florida licensed to use the Aegis Metal Framing system. The product comes roll-formed and Monarch does the design, engineering and fabrication.

Monarch soon will add more customization with new roll-forming technology and machines from Nuconsteel.

With that, Monarch can fabricate wall panels on site. Also on tap is installation of an overhead Virtek TrussLine system, which is tied to a computer and projects a template image onto a work surface for ease of assembly.

As licensed general contractors, Monarch installs its truss and wall products after delivery.

"We want to be a one-stop shop, from vision to fruition," Peragine said.

Peragine and Knafle are moving machinery from their Fort Lauderdale location. They started the process in March with pre-built panels, window frames, door frames and wall systems for eight houses under construction in the Bahamas.

"That job gave us proof of concept," Peragine said. "We proved to investors we knew what we were talking about."

Monarch also supplied the roof trusses for the City Mattress building under construction on U.S. 1 in Jensen Beach. Peragine said the company has signed or completed contracts for residential and commercial projects in South Florida totaling more than \$1.5 million.

Peragine and Knafle see the Treasure Coast commercial truss business as potentially their hottest market, especially in strip malls and restaurants. Combining steel trusses and drywall puts those buildings in a different fire code category, meaning the developer may not need sprinkler systems and might pay lower insurance premiums. Steel can span greater distances than wood trusses and can be designed to withstand winds of 160 mph, they said.

Because Monarch fabricates and assembles products at its indoor facility, the company can speed construction for commercial and residential clients.

"While the slab or foundation is being done, we can simultaneously produce and assemble the truss and wall systems on our assembly line," Knafle said. "We keep better control of costs and weather is not a factor. Workers and superintendents are not standing around at the job site waiting for concrete blocks to be delivered and block mason crews to arrive."

As a result, contractors can shave 20 percent off residential construction time.

Another attraction, important to a growing number of customers and contractors, who want to "build green," is that steel is renewable and 99 percent of the metal that Monarch uses is recycled.

Peragine added he hasn't seen price fluctuations in recycled steel that have occurred in the heavy-gauge steel industry.

"Steel is extremely cost competitive with other materials," he said. "Steel trusses are about 5 percent more expensive than wood, and interior and exterior wall systems are virtually the same in price."

Gopal Ahluwalia, staff vice president of research of the Washington D.C.-based National Association of Home Builders, said costs are different at the national level.

"While Florida uses more concrete and the price differential with steel is not as great, nationally we find steel to be 20

percent more expensive than wood," Ahluwalia said. "Wood still dominates, with steel having just 1 percent of the market."

Steel is turning out to be more cost-effective for the commercial market because buildings can be built higher -- up to nine stories, said Maribeth Rizzuto, director of training and education for the Washington D.C.-based Steel Framing Alliance.

"Despite the higher initial costs, the back-end savings more than compensate and bring a lower total cost," Rizzuto said. "Contractors and customers experience lower maintenance costs, shorter construction times and less material for equal-sized buildings."

Are Peragine and Knafle on to something or are they making a mistake in this area where concrete is king? Ken Ringe, current chairman of the Florida Home Builders Association Commercial Builders Council and past president of the Treasure Coast Builders Association, said Monarch's pioneering concept can overcome the past perceptions of concrete's dominance.

"They've taken the benefits of metal studs and added engineering," Ringe says. "They can take a building plan, put it into a machine, deliver the final product to a job site, and have it erected in a short period of time."

Cold-formed steel construction has been more popular in coastal areas because of its ability to withstand high winds and earthquakes, according to Rizzuto of the Steel Framing Alliance. She said the use of steel now is spreading inland.

"Steel is more durable and will not crack, split or creep," she said. "All of the connections are done mechanically with screws, providing good holding power compared to wood and nails, which can pull apart."

The past four years have brought great growth in the commercial market, Rizzuto said, especially in buildings like assisted-living facilities, which must be non-combustible.

Peragine and Knafle are confident enough in the near future to begin recruiting for what could be a 35-person work force before year end. They anticipate needing installers and assemblers.

The two also like their chances of landing a residential project in Indiantown that would include 46 affordable houses. If they can reach final agreement, Monarch would provide the shells, including slabs, interior and exterior walls and roof trusses.

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