



## The right place, the right time



PHOTO BY EDIE GROSSFIELD

Standing on a children's play set at one of their project sites, brothers Joel (top) and John Schwieters actually have little time to play, thanks to a successful construction business.

Since 1980, Joel and John Schwieters, along with other family members, have steadily built a large and successful family construction business in the Twin Cities. Today, they are poised to run with their success as the rental housing market is ripe for development.

by Edie Grossfield

For an established housing construction company with two young and ambitious owners, the Twin Cities is the right place at the right time.

Joel Schwieters, 41, and his brother John, 39, owners of the Spring Lake Park-based Schwieters Group of Cos., are riding a young wave of rental multihousing development expected to be long-lived. Their 20-year-old operation, which started as a single framing company and has grown steadily into several construction-related companies, is expected to produce \$50 million this fiscal year and is poised to take advantage of a multihousing market where vacancies are extremely low and rents continue to climb.

In various combinations with other family members, the Schwieters brothers own six companies. J&L Schwieters Construction is a framing business founded by John and his brother Leo. Schwieters Finished Carpentry, founded by Joel, installs interior components such as wooden

stair rails, base boards and cabinets. The two subcontracting companies have a combined work force of 250 construction workers and primarily do work for national single-family and multifamily building companies, such as Pulte Homes and Centex Homes.

Currently, J&L and Schwieters Finished Carpentry are working on several projects, including a 900-unit, mixed housing development in Apple Valley by Pulte Homes. The project called Regatta, consists primarily of rental townhomes, but also includes single-family, twin and other types of units.

The framing and finishing companies also do work for SB Commercial, a Schwieters general contracting company that exclusively caters to rental multihousing and investors/developers. SB is about halfway through completion of a 48-unit townhome project in New Richmond, Wis., called Dearpath. The project is being developed by Plymouth-based Dominion. SB also is working on Carver Lake, a 52-unit townhome project in Woodbury being developed by Bloomington-based Stuart Management Corp.

Besides the three construction businesses, the brothers operate Buildings Equipment Co., a Mounds View dealership that sells and rents Pettibone fork lifts. And, with their brother Bob, they own Schwieters Chevrolet & Oldsmobile in Glenwood. "And that ties in because we have over 100 company vehicles (in their construction businesses) – Chevy trucks, vans, etc.," Joel says.

In addition, Schwieters Properties is a real estate holding company that temporarily owns properties under construction and owns Schwieters new 39,000 square foot headquar-

ters facility under development in Hugo.

The new facility, expected to be completed by early next year, will provide desperately needed office space for the growing businesses and manufacturing space for a new construction process. Gearing up for more work in the near future, John plans to expand J&L's use of pre-built components for more efficient, accurate construction.

"J&L is going to do component stairways, box windows, headers, fireplaces, TV/entertainment cen-



**“With the tight labor market, you need to come up with fast-track methods.”**

–John Schwieters  
*owner*  
*J&L Schwieters Construction*



ters – any detail inside a place other than the conventional walls.” John says.

The components are pre-built to specification at the manufacturing facility, transported to construction sites and installed, rather than requiring workers to measure and cut wood in the field.

“John’s taken the hardest, most time-consuming part of the process and brought it into a manufacturing facility,” Joel says.

“And, you have less error because you have the same people doing the same products,” John adds. “With the tight labor market, you need to come up with fast-track methods.”

The brothers say their constant strive for efficiency and their rigorous work ethic comes from growing up in a farming family of 14. Joel, the sixth of nine boys, and John the seventh, helped construct many of the buildings on their father’s dairy farm in Greenwald, a town of about 240 people in central Minnesota. The two say their father instilled a “sense of urgency” in his children when it came to chores.

“When he had to go away for a day, he would give us four days of work to do,” John says.

Today, the Schwieters say they continue to expect the same work ethic from themselves and their 250 construction workers.

The Schwieters are one of only a few construction companies in the Twin Cities with such a large work force, but John says it is a definite advantage over hiring subcontractors.

“We’re able to be more in control of our destiny with our commercial and general contracting businesses because we have people working by the hour and we can direct them in the fashion that we need to,” he says.

When it comes to certain aspects of the building process, however, Joel points out that partnering with other companies is the best way to go.

“If you’re totally vertically integrated, you control every aspect of your general contracting – the concrete, sheetrock . . . Years ago, when contractors set out, they did everything. But right now, that’s not the way the construction industry is set up. Partnering is the direction most companies are headed in, and people are finding it becomes certainly more beneficial for quality and economy,” Joel says.

“We have the same mason con-

tractor working with us from job to job,” John adds. “They do a nice job; we learn to understand and get to know their people in the field and their culture. And if it fits our culture, our end goals, then we’re that much closer to being integrated. It’s almost like having them as our own employees.”

Since they began in 1980, the Schwieters have built 30,000 multifamily units; currently, their companies complete 2,500 units per year, Joel says. Most of the companies’ projects have been in the Twin Cities and western Wisconsin, however, they have worked in North and South Dakota, Iowa and southeastern Wisconsin.

“I think we definitely stand out as the leaders in multifamily construction,” Joel says, adding that the company also does single-family, office/warehouse and government-building projects and renovations.

The Schwieters weathered bad

---

**“Partnering is the direction most companies are headed in, and people are finding it becomes certainly more beneficial for quality and economy.”**

**—Joel Schwieters**  
*owner*  
*Schwieters Finished Carpentry*

---

times during the early 1980s, when they were just starting out, and the late 1980s and early 1990s. However, Joel says that although profits suffered during those times, his company outperformed in new business every year.

Considering the current rental market and the several projects they have lined up for the next few years, the Schwieters do not anticipate a slowdown in multihousing development for a long time.

“And with the national builders’ presence in Minneapolis, it brings a more even flow of work and land acquisition,” Joel says. “So, I don’t think you’re going to see the real highs and lows like you’ve had in the last two decades.”

He adds that the dire need for affordable housing in the Twin Cities hasn’t been fulfilled and the Schwieters expect to get heavily involved in that market when development begins. ■

