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Nigh plans auction to liquidate stock

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SANTA CRUZ — Three years of declining sales forced building supply retailer Nigh Lumber to close up shop, owner Sam Nigh Jr. said Thursday.

The lumber yard and hardware store had been growing at 10 to 20 percent a year until things slowed in 1988. Revenues were flat for two years then "last year was just a bomb," said Nigh. "We started losing money, losing serious money."

Nigh, who built his business based on service, found customers were increasingly more interested in price and "we can't compete with the big guys."

Nigh and his father founded the store in 1977 at the site of the former Freeway Lumber Co. Previously, the elder Nigh co-owned Hebbbron and Nigh Lumber Co. in downtown Santa Cruz for many years.

Typical customers were home-owners and do-it-yourselfers. The store did not have the volume as larger lumber yards such as San Lorenzo, Scarborough and Big Creek that allowed for better buying power.

"It was kind of a mom and pop store," he recalled Thursday.

Nigh specialized in personal attention and added-value lumber products such as sheds, dog houses, fence sections and planter boxes built at the site.

A liquidation sale that began last month with discounts of 20 and 25 percent proved the price point, Nigh said. "Stuff was flying out of here." But "that's our profit."

Nigh shut the doors for the last time Wednesday. An auction is scheduled for Dec. 14 beginning at noon, when the remaining items, store fixtures and equipment will be sold.

Nigh's greatest asset is the land along Soquel Avenue with prime freeway exposure. Nigh and his father own eight acres. He said he plans to rent out the property for recreational vehicle storage, the same use as an adjoining parcel his father owns. "It's a good use of the land for the time being," he said.

Nigh said he has been talking with developers about leasing the land but has no plans to sell. He has talked for 10 years with developers but the conversations ended two years ago after the Live Oak-Soquel Redevelopment Agency announced plans for Nigh's property and other nearby parcels for an automobile sales center. Nigh said he would have leased to the agency but did not want to sell.

The auto center plans are dead now and the unnamed developers are back at the talking stage.

"We don't blame anybody," said Nigh of the business's troubles. "People have been good to us. This is just something that happened."

He said he may go back into business at the site, but it will be another business. "It is difficult to be a manufacturer and a retailer," he said. "If I go into it again I'm not going to manufacture things. I'll get products in there and sell them."