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# LOOKING FORWARD



It's the start of a new year, so it's a great time to think about the trends that may impact your business. Economic trends, advances in technology and green building materials are all likely to have an effect on the home design and construction business.

But the American Institute of Architects (AIA) is looking even further into the future, and how com-

ing trends will affect the industry. For the 10th anniversary of the AIA Home Design Trends Survey, the association asked more than 500 residential architects what they thought would be the most significant home design elements over the next 10 years.

The top results included:

- Technological integration will become more prevalent with support for personal devices and automated controls;
- More widespread use of environmentally friendly products and systems;
- Growing demand for designs that strengthen homes against natural disasters;
- Elements that accommodate an aging population;
- Open-design concepts with kitchens serving as focal point of the home;
- Greater investment in outdoor living spaces;
- Space for home offices; and
- More infill development with smaller, better designed homes.

"Homeowners have indicated a strong preference for functionality, accessibility and sustainability over the last 10 years and architects expect that to accelerate," says AIA Chief Economist Kermit Baker, Hon. AIA, Ph.D.

Modern Home Builder has seen a greater focus on home design, but not always in smaller homes. Buyers still seem to enjoy those larger footprints. It will be interesting to see what the future brings.

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Twin Oaks rose from its founder's basement to deliver projects that showcase hard work and luxury. PAGE 20











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# STAYING ON SOLID GROUND

Bradford L. Hall

While much of the national economy has improved since the depths of the Great Recession of 2007, many sectors across the U.S. have not been that fortunate — especially the construction industry, where new housing starts have been inconsistent from market to market. With these challenging business conditions coupled with rising tax rates and limited deduction options, builders need to do what they can to improve cash flow by effectively managing their tax burdens and leveraging any available tax incentives.

Here are some tips to help construction managers navigate the choppy waters of the industry.

#### CHOOSE THE RIGHT CORPORATE STRUCTURE

When positioning your construction business to take advantage of federal tax laws and limit the risk of an audit, the first thing you need to do is chose the most appropriate corporate structure. The most common options are S corporations and C corporations. Both are popular choices for construction companies, but they each have different rules set by the Internal Revenue Service (IRS).

Often an S corporation is preferred because it allows additional tax breaks and lowers the risk of an IRS audit. Ask any construction business owner who has been audited and they will tell you that it isn't a walk in the park. The S corporation designation shelters your company from this risk by placing a larger liability on the shareholders and means that business losses don't fall exclusively on the business owner's shoulders.

C corporations, on the other hand, are riskier. While an S corporation has 0.5 percent chance of being audited, C corporations are audited approximately 5 percent of the time.

# UNDERSTAND THE DIFFERENT ACCOUNTING METHODS

The next important step is determining the correct accounting method for your business. Construction business owners report their income and expenses based on one of two ac-



counting methods — the cash method or the accrual method. Both methods can be used on the same annual tax return, but they must be used consistently to reflect the treatment of income and expenses. It is critical to use the most advantageous method to increase cash flow and defer taxes. Otherwise, you may wind up paying taxes on money that hasn't been collected yet.

Here is a breakdown of the different accounting methods:

- Accrual Accounting: This method requires reporting income and expenses in the same year that they were earned and incurred. The "completed contract method" and the "percentage of completion method" are the two most popular accrual methods in the construction industry. If construction owners use the completed contract method, they can report all income and expenses from a contract in the year the project is completed and accepted by the customer. Under the percentage of completion method, the reporting is spread throughout the lifetime of the project and income is reported in proportion to the percentage of costs incurred to date.
- Cash Accounting: This method is used mostly by business owners. It requires cash receipts to be reported as they are received even if it is just a deposit for the job. It also requires expenses to be reported as they are paid.

There are various exceptions within the construction field regulating who can use either form of accounting, and it is best to consult with a trusted tax advisor who specializes in construction before determining which method is right for your business.







For instance, the cash accounting method is not permitted for partnerships and some C corporations. If your business is a C corporation with more than \$5 million in annual gross receipts, you will need to avoid cash accounting. Construction business owners with more than \$1 million in gross income should avoid this method as well if they spend more than 15 percent of their total income on materials.

Once your type of organization and allowable accounting methods are determined, it is important to remain consistent and diligent with all of your reporting. Much of the financial landscape within the construction business contains virtual landmines that can blow up your books if you are hit with a tax or fine that wasn't expected. However, a well-advised construction business owner will be able to take advantage of certain provisions in the tax code as well.

Here are some of the benefits worth pursuing:

#### TAKE ADVANTAGE OF BONUS DEPRECIATION

Bonus depreciation allows for a 50 percent deduction for new fixed assets placed into service through the end of this year. The remaining value of the asset is eligible for deductions over its normal useful life. New property with a depreciable life of 20 years or less generally qualifies for this. Any construction equipment that lasts five years (the most common tax life for construction equipment) still qualifies.

#### DEDUCT USED EQUIPMENT

Rules originally intended for small businesses were expanded significantly to allow contractors to expense up to \$500,000

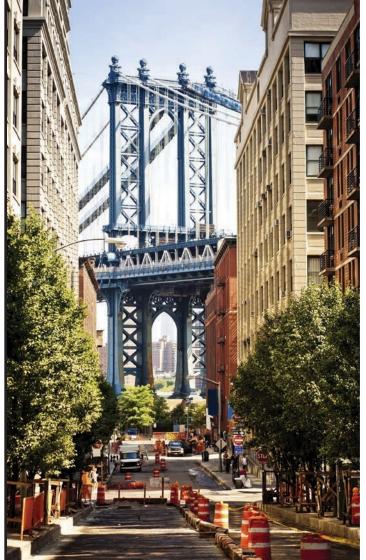
of fixed asset costs, provided less than \$2 million of assets are placed in service throughout this year. Unlike bonus depreciation above, this applies to both new and used equipment. However, this deduction cannot be taken if the business is already in a loss position.

#### **MAXIMIZE SECTION 199 DEDUCTIONS**

How would you like to reduce your effective federal tax rate by more than three points from a maximum of 39.6 percent to 36 percent? The Section 199 Domestic Production Activities Deduction might be the solution for you, but beware — it can be tricky. This incentive allows taxpayers to deduct 9 percent of qualifying production activities, including construction or a substantial renovation, which would bring your burden down to 36 percent.

Tax law is uniquely complex, but if managed properly it can pay big dividends for those in the construction business.  $\blacksquare$ 

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# TASK FORCE TAKES AIM AT SAFETY

Brian L. Gardner

With construction in New York City at an all-time high, the New York County District Attorney's office earlier this year announced what it termed a new Construction Fraud Task Force. In an Aug. 5 announcement, accompanied by a press conference by District Attorney Cyrus Vance, the office said the purpose of the task force was "to identify and prosecute citywide corruption and fraud in the construction industry."

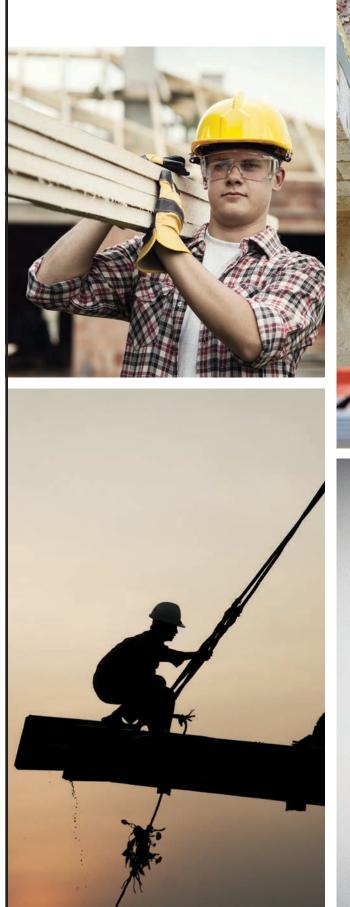
Along with the announcement, the DA issued a press release regarding the task force's first two prosecutions. Both indictments sprung from the same accident at a construction site in Manhattan where a worker died as a result of an earthen wall collapse.

While the task force's name speaks to fraud, a principal focus of it appears to be safety violations that lead to injury or death. The NYDA has been prosecuting fraud, and to a lesser extent safety violations, in the construction industry out of its Rackets Bureau for some time prior to the task force. This does not mean that the task force will not also investigate fraud, including bribery, bid rigging and payroll/tax issues. However, at least initially, an additional emphasis will be placed on safety issues.

#### A LIMITED FOCUS

Although termed a task force, the staffing at NYDA is limited, so the entity still works out of the Rackets Bureau. The task force is staffed principally by ADA Diana Florence – named the entity's "Attorney-in-Charge" – and a more junior assistant.

At a time when resources are stretched thin and inspectors are in short supply at OSHA and NYC Department of Buildings, the announcement of the task force would seem to be a welcome addition to assure legitimate and safe operations. However, with limited resources in the task force







itself, it raises the question of whether it will remain a reactive body or will it have a preventative effect.

Unquestionably, the existence of the task force means an emphasis on criminally prosecuting injuries or deaths at construction sites that may have been considered purely civil matters in years past. These cases can be difficult for the NYDA since criminal liability can be problematic to prove in what appear initially as accidents. Convening a task force may be a recognition of this difficulty, as well as the need to have prosecutors who specialize in the nuances of these cases.

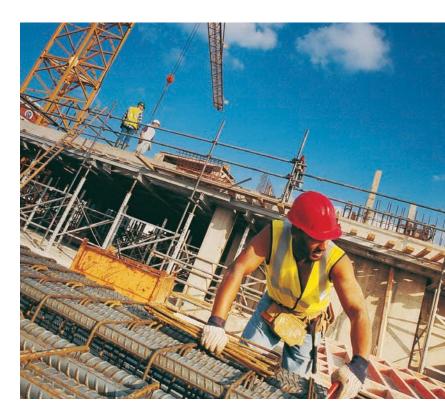
With this announcement, the public would expect each death at a site within the jurisdiction of the NYDA to be reviewed for potential criminal charges. There were 10 construction-related deaths within the past fiscal year alone. While there have been no other indictments announced from the task force since August 5, the very existence of the task force, and the knowledge that a review will occur, may lead to changing behavior in the construction industry.

#### **INDUSTRY IMPACT**

What the task force means for construction companies in New York is that at a time when construction is at an especially high volume, and experienced workers are harder to come by, construction companies will have to face not only civil remedies, but potentially criminal sanctions for worker error that the NYDA views as criminal. This will generally involve situations where there is knowledge, including a warning or repeated warnings of a dangerous condition that the NYDA thinks have gone unheeded. To combat this threat, companies may institute additional best practices documenting corrective action that occurred upon a warning or knowledge of an unsafe worksite condition.

While construction has always been a dangerous profession, there is a feeling in the city, borne out by the recent statistics showing increased injuries and deaths at construction sites this year and in the prior year, that during the present construction boom certain job sites have become more dangerous. Reasons for this could include inexperienced workers, lax enforcement or the sheer volume of the work. Recent arguments have even been made that the number of injuries and deaths has risen substantially faster than the number of permits for work. While this may not be a precise measure, since the number of permits pulled does not directly equate to the size of the work performed, the NYDA's position is that the work sites have become more dangerous. Accordingly, construction companies in New York will need to address the new reality of criminal investigation and prosecution for injuries.

This comes at a time when many construction companies are already having difficulty obtaining and retaining qualified safety personnel. It will likely aid the larger, more organized and well-funded companies that have safety personnel



and long-term employees, and make it harder for smaller or newer entities to compete. It is now a scary proposition for a worker to run a particular jobsite. In both of the prosecutions announced on Aug. 5, it was the alleged on-site supervisors that were indicted alongside the companies themselves. If this becomes a common practice, site supervisors will become hesitant, and more difficult and expensive to come by. However, it could have the added benefit of encouraging site supervisors, to the extent they have actual control over behavior, to insist on greater safety measures.

In the end, for those companies and individuals most concerned about criminal sanctions, the task force may cause them to employ stricter safety measures that can lead to less injuries and fatalities. This is particularly true for public work contractors since they face relatively strict NYC integrity requirements. Accordingly, for public work contractors, who generally cannot tolerate even the potential of a criminal conviction, the task force may, and should, likely lead to new and additional safety measures, as well as revised best practices and documenting procedures.  $\blacksquare$ 

Brian L. Gardner is chairman of the Construction Services
Department at Cole Schotz P.C., a national law firm with offices
in New York, New Jersey, Delaware, Maryland and Texas. He is
a former federal prosecutor now engaged in a complex civil and
criminal litigation practice, including commercial, construction,
regulatory, environmental and white collar litigation. Gardner
represents Sky Materials Inc., one of the two entities charged the
day the task force was announced.

# RESILIENT HOMES

Smart homes continue to increase in demand, and designers and architects can do a lot to ensure homebuyers' investments are protected, especially against weather threats like lightning.

The continued growth of sustainable energy technology, eco-friendly building materials and smart structure automation has necessitated upgrades and complex improvements to the electrical infrastructure of today's homes and buildings. Smart structures, which are characterized by a high degree of automation and various interconnected systems, typically rely on sophisticated energy collection methods. While these design models have included upgrades to increase resiliency from disasters such as hurricanes, tornadoes and flooding, lightning is often overlooked as a significant weather threat — even though lightning hits the earth more than 100 times a second.

A typical bolt of lightning can generate up to  $200~\mathrm{kA}$  of electrical energy, making the threat of fire from a direct strike or

an indirect electrical surge to homes and businesses very real, and making lightning protection an important consideration for inclusion in the smart structure building design process.

"Even though these automated systems are grounded, they are still highly vulnerable to lightning, since a direct strike can spark a fire and an indirect surge of current can pass through the wiring of a structure in any direction," says Bud VanSickle, executive director for the Lightning Protection Institute (LPI). "Lightning can initiate a domino effect path of transient overvoltage which can disrupt, degrade and damage multiple electronic systems and connected equipment, making lightning protection systems significantly important for smart structures."

"As buildings become smarter, with intelligent systems, the need for lightning protection becomes more critical," says Illya

















Azaroff, AIA, architect with +LAB Architects PLLC in Brooklyn, N.Y.

Azaroff, his job captain, Erik Jester Assoc. AIA, and a coalition of national nonprofits are partnering to rebuild a home destroyed by Hurricane Sandy three years ago in the Breezy Point community of Long Island. The "resilient rebuild" project was recently launched by the Federal Alliance for Safe Homes (FLASH) with the help of +LAB and partners from the disaster safety movement, including Portland Cement Association, Kohler Generators, the Insurance Information Institute and LPI.

The FLASH, a consumer advocate for strengthening homes and safeguarding families from natural and man-made disasters, is planning to document every aspect of the project construction to compile a comprehensive manual for rebuilding a resilient home, which can then be shared with construction planners nationwide. A first of its kind, the partnership rebuild project will incorporate all aspects of storm-resiliency, including lightning protection, into the new home's design.

"It's important that designers perform an all-hazard assessment and build for everyday weather, not just the high-impact disasters like hurricanes, tornadoes and earthquakes," Azaroff explains. "And with critical facilities, the need for lightning protection is even more profound, as many more lives and systems could be at risk."

#### **COORDINATING EFFORTS**

Recognizing the risk of lightning associated with the growth of sustainable energy technology, the National Fire Protection Association (NFPA) has initiated the addition of new technical provisions to the upcoming edition of the NFPA 780 Safety Standard for the Installation of Lightning Protection Systems.

"As buildings become smarter, with intelligent systems, the need for lightning protection becomes more critical."

The 2017 Standard edition will address lightning protection applications for smart structures and their interconnected systems that can be especially vulnerable to power surge failures sparked by lightning.

The new provisions also will emphasize the importance of coordinating efforts of the various building trades to en-



sure a comprehensive lightning protection approach and help eliminate what the NFPA 780 Technical Committee cites as a "lack of potential equalization (isolated grounding and lack of bonding) stemming from piecemeal or uncoordinated installations of the electric service, telecommunications, antennas

Lightning looks beautiful, but it is dangerous, and the cost of not properly protecting a structure against lightning is high. According to the Lightning Protection Institute, National Fire Protection Association and Insurance Information Institute, lightning causes millions in damage each year:

- 100: Number of times lightning hits the Earth per second
- 22,600: Average number of fires per year that are started by lightning
- \$673.5 million: Insured losses that lightning caused in 2013
- \$8,665: Average cost of home insurance claims coming from lightning
- \$19 million: Average annual damage caused by lightning in non-home residential properties, such as hotels and inns

and other electronics," which are often seen in smart structure building applications.

"Ideally, a project's prime contractor, architect, designer or engineer will consider lightning protection in the initial design plan to ensure close coordination with the installation of the electrical service, alarm systems and other amenities," VanSickle explains. "Ultimately, coordination with a LPI-certified lightning protection expert is the best plan of action to ensure the complex design and installation practices described in NFPA are followed."

The Lightning Protection Institute (LPI) is a not-for-profit, nationwide group founded in 1955 to promote lightning safety, awareness and education, and is a leading resources for lightning protection and system requirements. The institute's membership is comprised of manufacturers, contractors, scientists, architects, engineers and safety directors. LPI members are dedicated to ensuring that today's lightning protection systems provide the best possible quality in materials and installation practices for maximum safety.

"We support lightning protection in accordance with National Safety Standards of NFPA 780 and UL96A, and the promotion of quality control and assurance through third-party inspection," LPI says. "Our mission is to protect precious lives and property from the damaging and costly effects of one of nature's most destructive and deadly perils."





# New York State of Mind

New York's builders have found that a focus on excellence will allow them to overcome challenges and find success.

In his 2016 State of the State address, New York Gov. Andrew M. Cuomo announced that his theme for the year is "Built to Lead." Cuomo adopted this theme in recognition of New York's heritage as a standard bearer throughout U.S. history, the progress the state has made in the past five years, and New York's capacity to lead the nation in addressing some of today's most pressing challenges.

"In five years we have accomplished much for New York State," said Governor Cuomo in his address. "Yet with all that we've done, we are not immune to the problems vexing our nation. From crumbling infrastructure to climate change to the widening gap between the wealthy and everyone else, we too are faced with significant challenges. I know that New York can conquer these issues, however, because we have done it before. We have proven the capacity to take on the toughest issues of the day, and done what was once dismissed as impossible. Together, we will build an even smarter, stronger and fairer New York than ever before — and we will show the nation the way forward once again."

Much of the governor's plans for the year involve improving the state's infrastructure, including:

- Expanding and improving transportation on Long Island;
- Investing \$250 million in support for drinking water and wastewater infrastructure projects;
- Investing \$700 million more in Thruway infrastructure;
- Launching a \$22 billion multi-year campaign to upgrade critical roads, bridges and other vital transportation infrastructure throughout the state; and
- Expanding and improving access to high-speed Internet in communities statewide.

And with improved infrastructure comes more residential development. In this issue, *Modern Home Builder* is featuring some of New York's top builders, companies that know exactly how to make the most of improved communities and maintain quality even when faced with challenges. Just like numerous areas throughout the rest of the nation, New York has struggled with a very slow recovery from the last decade's housing collapse. But the builders featured in this issue faced those challenges and found success by delivering quality and focusing on customer satisfaction. With those strengths, these companies continue to build market share.  $\blacksquare$ 

#### TWIN OAKS CONSTRUCTION

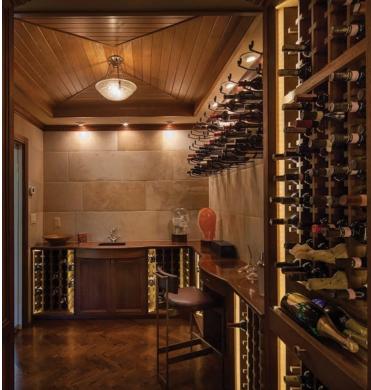
**\*\***For us, the word 'no' doesn't exist. If you can think or dream of it, we can build it."

DAVID FENTON, FOUNDER AND CEO





Custom features in Twin Oaks' homes include wine cellars, elaborate swimming pools, home theaters, golf simulators, workout rooms, vaults and safe rooms. "As long as it's legal, we can do it," Founder and CEO David Fenton says.







# **Homes of Distinction**

Twin Oaks Construction's focus on unique luxury finishes and attention to detail make it a go-to custom homebuilder in several high-end New York markets. **BY JIM HARRIS** 

**PROFILE** 

TWIN OAKS CONSTRUCTION
www.twinoaksnewyork.com / Headquarters: Westchester County, N.Y. /
Specialty: Custom luxury homes

Like most speculative residential developers, David Fenton found himself at a professional crossroads in 2008 at the age of 40, when the housing market came to an abrupt stop nationwide.

Fenton at that point had more than 18 years of experience in luxury real estate ownership, development and construction on the Eastern Seaboard of the United States. This included being on the development team for the 375-room Ritz-Carlton Hotel in Miami's South Beach and a partner in the development of The Ritz-Carlton Golf Club, Spa and Residences in Jupiter, Fla., as well as the Ritz-Carlton Golf Club and Residences at Creighton Farms in Aldie, Va.

"I was very entrenched into large scale high-end luxury residential development, but it came to a point where I had to make a decision regarding what I was going to do, because





Twin Oaks in February will break ground on a \$7.5 million home in the Murray Hill Estate area of Scarsdale (rendering above). Other recent projects include a home at 28 Garden Road in Scarsdale (below), to be completed in April.



the horizontal speculative land business was over. It was as if all of the sudden the spigot was slammed shut, not even a gradual slowing," he says. "I knew when one of our largest builder partners walked into my office in Virginia back in January of 2008 and told me he was not closing on the 30 lots he had executed specific performance contracts on that things were about to get really bad. No one just walks away from \$3 million of deposits in our business without a fight." Fenton was also contemplating getting out of the business in its entirety, as it was a huge emotional toll on losing a development he had poured his heart and soul into.

With large-scale residential developments no longer an option for Fenton mainly because there were no financial markets for such projects, several of his industry colleagues and past clients suggested he enter a slightly different line of business. "Clients were calling me and suggesting I start a custom homebuilding company," he says. "I would say, 'Are you kidding me? We are in the worst real estate market collapse in the history of this country and I should do what? How is this going to work?"

But after giving the idea some further thought and the constant convincing from his wife Pamela, Fenton, who had already established contacts within New York's Westchester County, established Twin Oaks Construction in 2009. "I started the company in the basement of my home," he says. "At first, I was working 16- to 18hour days, seven days a week to get off the ground.

"In the mornings it was nuts, Pamela was coming down the stairs in her robe opening the door for our workers as she was getting breakfast ready for our kids heading off to school," Fenton recalls. "Literally for two years my entire basement housed five people full time – we had no privacy and my wife was a trooper through it all while at the same time working the business with me and raising our kids. Twin Oaks would not be where we are at today without my wife."

The company's first project was a \$175,000 small renovation and addition to a historic 1903 Arts & Crafts house in which Fenton did most of the work himself along with a small crew he directed. Fenton is a very talented carpenter and mason and there are not many pieces of heavy equipment in his field he cannot operate himself, he notes.

Once the national economy began to recover, Twin Oaks started to see increased interest in its custom home projects. After its first few years in business, the company was also able to find financial backers for its own speculative luxury home projects.

"We started out at the bottom and grew because of our hard work and having the right product," Fenton says. "There's a true appreciation in this market for an extremely well-built, traditional and sustainable home with exquisite finishes."

#### A NICHE IN LUXURY

Headquartered in Hartsdale, N.Y., Twin Oaks focuses on building custom homes primarily in the communities of Scarsdale, Rye, Armonk and Chappaqua, N.Y. The company's homes range in value from \$4.5 million to over \$20 million.

During the company's early years, roughly 90 percent of its

"There's a true appreciation in this market for an extremely well-built, traditional and sustainable home with exquisite finishes."

work was for third-party property owners, with the remaining being speculative single-family homes. The majority of Twin Oaks' projects now are speculative that involve buying existing properties; demolishing the functionally obsolete structures; and building, marketing and selling new homes.

"We are a super-high-end luxury, one-of-a-kind custom builder," Fenton says. "Our clients are probably in the top five percent of America's 'one-percenters."

With such an elite client base, it is imperative that the company put its best foot forward in terms of the quality of its homes as well as the level of its overall services. "One of the things I identified





Twin Oaks considers itself a "super-high-end luxury, one-of-a-kind" custom builder serving and protecting the privacy of an elite client base.

when we came into this market was a true lack of customer support," Fenton says. "You can't take somebody who's predominately a production homebuilder and suddenly make them a custom homebuilder. Production builders build strictly off a set of plans that does not require much creativity, almost no end buyer interaction and limited field supervision; custom homebuilders have to deal with everything involved in building a home, such as clients changing floor plans and finishes in the middle of construction or at the last minute deciding to add a specialty feature such as a 10foot tall indoor fish tank or underground sports court while at the same time keeping to a completion schedule."

Twin Oaks' support staff includes highly skilled superintendents, project managers and designers. "There is no one else in this market who has the level of back-of-house and design capabilities that we do," Fenton says. "The company's showroom office offers access to material samples, specialized personnel and the ability to make financial decisions in a private and secure environment that enables our clients to feel comfortable working with us. Our clients anonymity is first and foremost as what we do is so personal and no one's business but theirs."

#### **BEYOND THE CODE**

Twin Oaks builds all of its homes using the best quality of materials available. "Our quality control standards are far above what the building code mandates starting right out of the gate," Fenton says. "Our foundations are much different than those built by everyone

else because we do many things in our rebar work and concrete that make them stronger structures." The company offers a 10-year structural warranty on its homes.

Twin Oaks uses only engineered, as opposed to kiln-dried, lumber in the structural building envelope of its homes. "This enables us to give customers a much better product; engineered lumber is perfectly plum level and square, and the moisture content is consistent throughout the framing of the home," Fenton adds. "Having an engineered skeleton makes a big difference in the quality level of all finish detail work not to mention that the core and shell is much stronger."

The company's homes also feature unique high-end finishes installed by the company's own staff. Twin Oaks employs several master masons, carpenters as well as painters. "There's no one else in the area putting in the kinds of finishes and unique customizations that we are," Fenton says. "On an average day, we have more than 300 people working on our job sites. Everyone knows that to achieve the level of custom building that we do and to make ourselves noticeably different than everyone else, there are high standards and methods for how our work gets done and there's no compromising those standards."

#### **GRATIFYING WORK**

Many Twin Oaks homes are built with efficiency in mind. "One of the most important things about our homes is that we truly build sustainable homes that have the lowest operating expense of any comparable home on the market and stand the test of time. A

hundred years from now, our homes will look exactly the same as we are period traditional builders," Fenton says.

The company is a leader in its region in the installation of geothermal and variant refrigerant flow (VRF) heating and cooling systems. "Our systems are the most energy efficient and offer the best air quality available," he adds.

Twin Oaks homes also commonly feature "smart home" technologies such as distributed audio and video, fully automated lighting controls and window treatments. The company also installs custom security systems that are "way above anything else in the market today," says Fenton, a former police officer. "Our clients want to be sure their homes are up-to-date with the latest technology that has been fully vetted out."

Other custom features in Twin Oaks homes include specialty spaces such as home theaters, golf simulators, exercise and workout spaces, playrooms, vaults and safe rooms. Several of its homes have also included elaborate indoor pools, custom libraries and underground basketball and sport courts. "One of the things I tell clients is that for us, the word 'no' doesn't exist," Fenton says. "As long as it's legal, we can do it; there's nothing that anyone's ever requested of us that we haven't been able to handle."

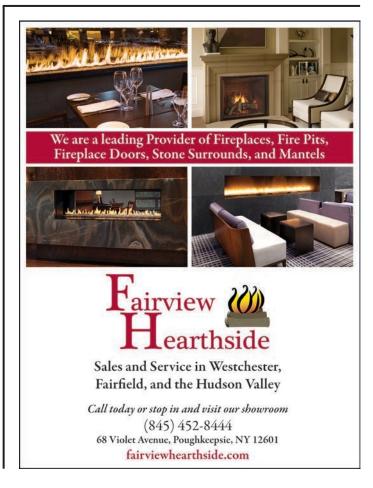
One of the company's current speculative estate homes under construction is located at 28 Garden Road in Scarsdale, N.Y., and is listing for \$9.6 million. This English Romantic Tudor has a tremendous amount of natural light because of the vast amount of windows that has been incorporated into the design, creating an open feeling uncommon with this architectural style. Fenton decided to keep certain parts of the original home because the existing large exposed oak ceiling beams and purlins were taken from a battleship frigate used in the War of 1812. The 13,800-square-foot home sits on 1.5 acres of land and includes eight bedrooms, eight full bathrooms, three half baths, an oversized kitchen and seating area open to a vaulted family room with a massive stone and brick wood burning fireplace, his and hers separate master bedroom facilities, a full junior master bedroom suite, a 2,500-bottle wine room, home theater, body movement studio, gym, arts and crafts playroom and servant quarters along with English gardens and infinity pool. The home is projected to be finished in April.

Another one of the company's speculative estate home projects that is about to be break ground in the Murray Hill Estate section of Scarsdale is currently listed for sale pre-construction for \$7.5 million. When completed, the white-washed red brick colonial revival will look as if it had been there for 100 years. "This home will be a compliment to the English Manor limestone house we just completed four houses down on the same street," Fenton says. "We will be incorporating reclaimed coal fired clinker brick on the exterior facade and will have oversized dual-sided fireplaces as one would have seen if this period traditional home was built at the turn of the 20th century. Dimensional Vermont slate will be incor-

porated into a concealed Yankee gutter system with zinc coated scuppers, down spouts and fluted leaders." In addition to including high-quality finishes, a prospective buyer has the ability to fully customize the home at any time before or during construction.

Twin Oaks in 2016 will also enter the Manhattan market with three luxury townhomes that will range in size from 3,500 to 4,400 square feet on Cabrini Boulevard. Each unit will be 4 stories in height with roof top patio gardens and will be architecturally indicative to the beautiful "pre-war" brownstones mansions that gave the city so much of the character it has today.

"I am so pumped up about what we are about to embark on with this boutique development as real soon we are about to take New York city back in time to one of its most important historical residential housing elements," Fenton says. "We are even planning to use original reclaimed Haverstraw brick from up the Hudson River for the exterior façade, as they supplied most of the Brownstones built in New York City from the late 1890's into the early decades of the 1900's." These buildings will have the quintessential front stoops they were known for along with the grand one of a kind custom front door entries made from solid hardwoods and wrought iron materials, the company notes.



"We're building hurricane-resistant homes that will not be wiped away."

#### CHARLES ROSE, PRESIDENT AND CEO



RBG Design-Build is dedicated to producing luxury homes that satisfy all customer requirements

# Weather the Storm

RBG Design-Build rebuilds the Jersey Shore with hurricane-resistant homes in partnership with all stakeholders. BY STEPHANIE CRETS

#### **PROFILE**

RBG DESIGN-BUILD INC.
www.rbgdesignbuild.com / Revenue: \$75 million /
Employees: 18 / Location: New Paltz, N.Y. /
Specialty: Luxury custom homes

Construction sometimes has a reputation for high costs and, from a customer standpoint, not delivering on what was promised. But RBG Design-Build Inc. wants to do everything right the first time, building the highest-quality luxury homes in New York and New Jersey. And, according to President and CEO Charles Rose, quality doesn't mean the most expensive home amenities and products; it means producing homes according to the customer's requirements.

Because of that, RBG Design-Build relies on the design-build process to bring all parties — owners, architects, engineers, builders and interior designers — together in a more efficient and cooperative spirit of partnership. This can offer a plethora of benefits such as cost savings, more efficient communications and higher rates of customer satisfaction.

"I believe design-build is the best process," Rose says. "If anything goes wrong, we look to each other and absorb the cost of that and make it right for the customer. High-end buyers are busier



RBG Design-Build wants to rebuild the community on the Jersey Shore with its hurricane-resistant homes.

than ever and they don't have a lot of time to work on their homes. We believe design-build better fits today's market where people are very busy."

RBG Design-Build is looking to utilize this process on its newest slate of projects across the Jersey Shore. The market in the area significantly changed after Hurricane Sandy hit in 2012, and Rose believes the demand for rebuilding the area is higher than ever. The company saw it as an opportunity to help restore the community, especially the resort community. Most people who have homes on the shore only spend two to three months out of the year there, so they want to ensure their homes are structurally sound during

/Zampolin and Associates/ xWhen you are designing a custom project, you want architects with vision who can take your ideas, wish-lists and personal style preferences and transform them into an original, three dimensional structure. Not just any project, your project, designed to your specifications, your particular needs, and your individual tastes. Since 1985, Zampolin & Associates has been bringing dreams to life. Our firm specializes in a broad spectrum of design which includes Residential, Commercial, Industrial and International projects.

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The Jersey Shore homes feature luxurious interiors and hurricane-compliant windows. These features help property values in the area to rise after the devastation of Hurricane Sandy in 2012.



the months they're not around. "We're there because we want to go after the luxury high-end home buyer who needs to replace and upgrade what's been damaged," he says.

Rose emphasizes that the design-build process can alleviate a lot of worry and stress for homeowners by developing a unique working relationship with clients that ensures requirements are properly identified, clearly communicated and accurately fulfilled during the entire course of the project. "I bring houses into the future to make life more enjoyable for them," Rose says. "People want the bells and whistles. We know better how to do that than anyone."

#### **HURRICANE RESISTANT**

Property values in the Jersey Shore are down because of the devastation of the storm, but the area is gradually coming back. "People are learning we're building hurricane-resistant homes that will not be wiped away," Rose says. "Ours will not go away. We may have to replant a few shrubs in the yard, but ours will not be destroyed."

To assuage the fears of new homeowners, RBG Design-Build has upped the ante on its products. The new homes use hurricane-compliant windows, which can receive an impact from a flying 2x4 without breaking the glass and can also withstand the

#### /Huber Engineered Woods/ The Secret of a Solid Subfloor

An important part of designing long-lasting floors for RBG Design-Build is choosing the right subfloors. Charles Rose uses AdvanTech® subfloor panels for their superior strength and above-code ESR-documented performance values. "AdvanTech panels hold up so much better in wet conditions than other subfloor alternatives like plywood and traditional OSB," Rose says. "It never expands and never requires leveling before installing finished flooring.

The moisture resistance of AdvanTech subfloors is especially important for coastal rebuilds like those Rose and his team at RBG Design-Build are working on in New York and New Jersey. The panels withstand exposure to the elements without delaminating or swelling, which often causes costly delays in the construction schedule. "Homeowners on the Jersey Shore have expressed concerns about moisture from future hurricanes. We make it a point to explain the advantage of AdvanTech subfloor panels so they are reassured in the products we are putting into their home," he says.

AdvanTech panels have a unique combination of advanced moisture resistance along with high wood-density that helps grip fasteners in place and keep floors flat. So AdvanTech subfloors not only eliminate moisture-related delays for sanding or replacement on the jobsite, but they help prevent squeaky, bouncy floors for the life of the home. "AdvanTech is part of the silent floor assembly we use, and our homeowners enjoy quiet, peaceful homes," Rose says

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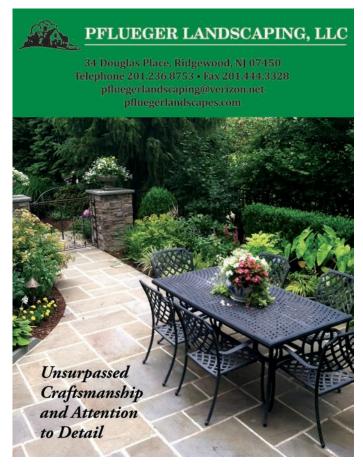
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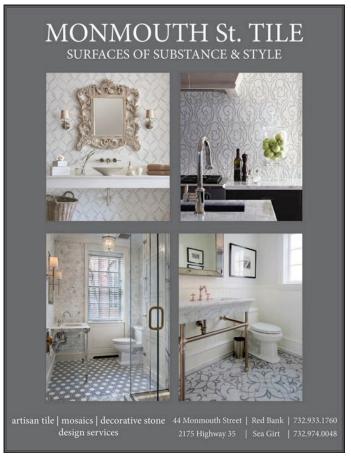
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AdvanTech® flooring outperforms OSB and plywood after 30 days of outdoor exposure AdvanTechBuildStrong.com/modernbuilder







#### RBG DESIGN-BUILD INC.



RBG Design-Build's homes are built with elevated and reinforced concrete foundations to prevent movement from raging floodwaters and strong winds.



strong winds of hurricanes. The ZIP sheathing system is used to seal the entire envelope of the house and prevent any water from leaking inside, along with using water-resistant roofing, insulation and siding. Additionally, RBG Design-Build elevates the foundation of homes to prevent flood damage and uses reinforced concrete foundations to prevent movement from raging floodwater and strong winds.

"We build with high-tech products that will not wear out and will stand up to the winds and driving rain that could come from hurricanes," Rose explains. "That fear is unwarranted, and I think time heals all wounds. We've gone overboard on our weather-resistant and compliant features to sell against that fear."

Along with highly customized exteriors, RBG Design-Build even outfits the interior of the home with technologically customized systems, which is Rose's specialty given his background in



engineering. He designs the home so that all audio-visual, lighting, heating and air-conditioning systems can be controlled from the owner's smartphone, which includes lowering the shutters in an effort to protect the home from the elements.

"You can lower your shutters from China," Rose says. "You can

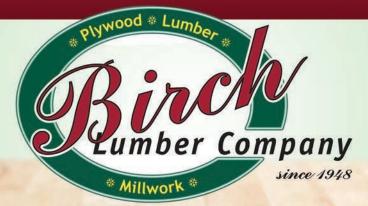
# "We've gone overboard on our weather-resistant and compliant features to sell against that fear."

CHARLES ROSE, PRESIDENT and CEO

change your house's temperature from China, answer the front doorbell and see who's there, turn lights on and off, control security and much more. You don't need remotes for your TVs or any other devices as everything is controlled with smartphones. This way, you don't have to find the remote buried in your couch. The quality and innovation in our homes is the best."

/Birch Lumber/ RBG-Design Build has the approach to all of their projects that quality comes first. Every detail is carefully researched to ensure the final product is appealing to the eye and flows well with its surroundings. From the conception of each project to the completion of each home, they look at how to build it better, stronger and with more appeal. They don't just build houses—they build homes.

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### WITT CONSTRUCTION INC.

"We can be very competitive.
Customers don't have to do an extensive design process to know where they end up."

JOHN WITT, PRESIDENT





President John Witt free-hand sketches all of his drawings before turning them over to his staff to translate into 3-D models of its customers' homes. The company's ongoing goal is to exceed expectations.







# **High Expectations**

Witt Construction's design/build capabilities and collaborative mindset have made it a leading luxury homebuilder in Saratoga Springs, N.Y. BY TIM O'CONNOR

#### **PROFILE**

#### WITT CONSTRUCTION

www.wittconstruction.com / Revenue: \$8 million / HQ: Saratoga Springs, N.Y. / Employees: 20 / Specialty: Custom homebuilder

#### Whether it's athletics or homebuilding, John Witt has

always been driven by his competitive nature. Even nearly 30 years after his days on the World Cup U.S. Ski Team ended, Witt still makes an annual trip to British Columbia's Monashee Mountains to film for The Ski Channel. "What keeps me successful is the balance between work and play," the 54-year-old president of Witt Construction Inc. says.

It was Witt's skiing career that helped guide him down the slopes into the homebuilding market in the first place. Witt's time with the junior and World Cup national teams in the late-'70s and '80s enabled him to travel to other countries and experience urban planning and historic features first-hand. "I got to see the world and great architecture along the way," he says, which eventually inspired him to self-learn home design.



Witt Construction strives to deliver cozy, comfortable and timeless designs, so its homes won't need renovations for at least 20 years.

The first home Witt built in 1988 was a simple design, intended so that he could learns the ins and outs of construction. "Every house got a little more complicated throughout the years," he says. "I've kind of learned by studying other work around the U.S. and around the world. We borrow a lot of details from other people."

The company works primarily in Saratoga Springs, N.Y., north of Albany. Witt's innovative designs and the company's reputation for high-quality construction have earned it numerous Best In American Living Awards and several local honors. "We're sought after as being the top builder in our area as far as custom homes," Witt says.

#### **DEVELOPING DESIGN**

The typical Witt Construction home costs between \$500,000 to upward of \$2 million. The company specializes in working with property owners looking to build something beyond the average tract house. A project can feature as many as 100 customized options, making each home unique to that customer.

Witt works directly with clients to develop a wish list and budget to design a home and see it through to fruition. "By controlling that whole process, we do a service to our clients," he says. "They get great design at great pricing."

Although all of the company's homes are unique, they tend to share some universal Witt Construction touches. Witt tends to gravitate to the cozy and comfortable, timeless designs that won't need renovations for at least 20 years.

Witt Construction works closely with its clients to create a wish list and budget for their homes, to provide them with a great design at great pricing.





Witt is closely involved with each client at the beginning of the process. As the lead designer, he does all the conceptual design, taking into account furniture, scale and even the relation to light in how the sun rises and sets. Despite the prevalence of computer-aided design software, Witt still free-hand sketches all of his drawings before turning them over to his staff to translate into 3-D models. The objective, he says, is to exceed customer expectations and create spaces where the homeowner will be surprised by the final result.

Once the customer approves the design and price, Witt Construction subcontracts the engineering out to engineering firms. Because the company makes its profit on construction, Witt gives away his design service at no cost. "We can be very competitive," Witt says. "Customers don't have to do an extensive design process to know where they end up."

### **EXECUTING QUALITY**

In building its homes, Witt Construction tends to draw from the same group of contractors. The company has built a stable of trade businesses it can rely on, allowing it to coordinate multiple projects simultaneous. Many subcontractors have served Witt Con-



Witt Construction has built a stable of loyal trade businesses, and long-term relationships extend to its employees.

struction since the company's early days and are rewarded with regular work – Witt says his company even makes up 90 percent of one local contractor's business.

The importance of those long-term relationships extends to Witt Construction's own staff. Several employees have been with

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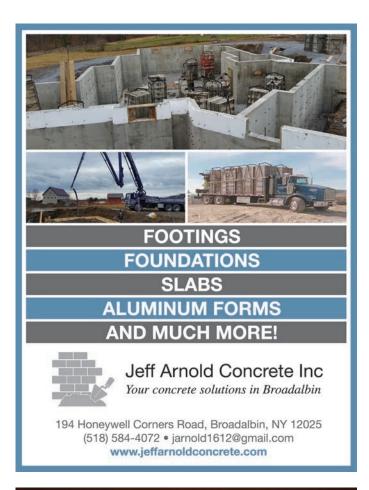
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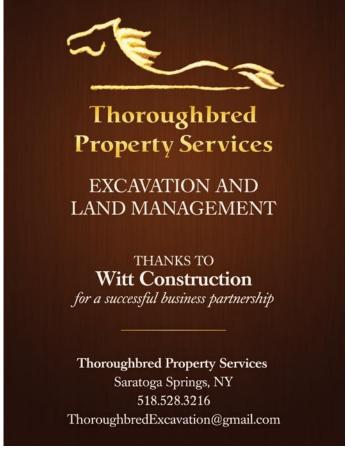


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### WITT CONSTRUCTION INC.



To ensure a high level of quality in all of its projects, Witt Construction has implemented a quality control checklist for every step of its process.

the company for more than 20 years. Witt says that familiarity with Witt Construction's methods gives the company consistency and results in a better product. "We're very particular about the processes we use building homes," he says.

To ensure construction meets the company's high standards, Witt Construction has implemented a quality control checklist for every step of its process for use by employees and trade workers in the field. Further, the company uses web-based software, Co-construct, to manage schedules, remotely check the progress of every job underway and track email correspondence. Anyone on the construction team or the customer can login to the system and review every decision made. "There's a history that stays with the project," Witt says.

### **BUILDING THE FUTURE**

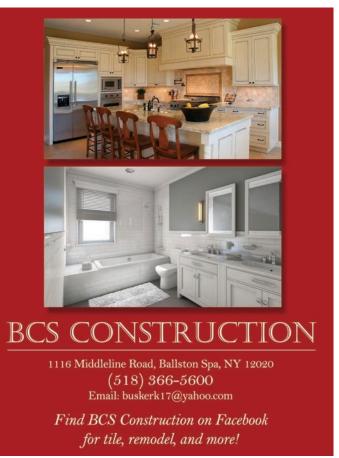
Housing demand in the Saratoga Springs housing market remains healthy, but much of the available land is already built up. The limited availability to build on has forced Witt Construction to pursue teardowns and become creative to clear space for its custom homes.



"By controlling that whole process, we do a service to our clients. They get great design at great pricing."

JOHN WITT, PRESIDENT

It has also led the company to explore diversifying with new types of projects, such as a condominium complex for seven single-family homes on a 150-foot by 230-foot plot. A long-planned townhome project that Witt put on hold during the Great Recession is also expected to begin construction next year. The first phase will have 18 homes, but will grow to 67 Witt Construction-built houses by the time it is completed.







Witt Construction's project load continues to grow, but it remains focused on the design/build of custom homes, which is its core business



Those projects will help fuel the company's growth in the coming years. Witt's goal is to increase his company's output from about 10 homes a year to 20, and he is anticipating its annual volume to reach \$50 million by the end of 2016.

A state-of-the art home with a cozy feel benefits more than the residents living inside its walls. Witt Construction's designs enhance their neighborhoods by matching the vernacular style of the Saratoga Springs community. With each project, Witt strives to recreate features of the town's carriage and Victorian-style homes.

Fitting in with a community is about more than building a house. Witt uses his company's success to support organizations such as Habitat for Humanity and Rebuilding Together, an organization that builds household projects such as handicap ramps or kitchen remodeling for Saratoga County homeowners in need.

Even as Witt Construction's project load steadily grows, Witt says the company will remain focused on what has made it successful. "We're pretty content with our core business, which is the design/build of custom homes," he explains. ■

/Crawford Door and Window Sales/ With locations in Albany, Rensselaer, and Queensbury, Crawford Door and Window Sales, a Pella Window and Door distributor, is a third generation family business that has been serving the capital region for 70 years. The Crawford Door and Window Sales team of window and door professionals is focused on exceeding their customer's expectations through their unprecedented level of expertise and service. Committed to helping its customers create the home they long for and love, CDW Sales considers it a privilege to work alongside great partners like Witt Construction. At Pella, we don't make windows for houses — we make windows for people. For more information, call 800-524-3489 or visit professional.pella.com.





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### PETER BELMONTE JR., PRESIDENT



Belmonte Builders is highly diversified in terms of the size of projects it takes on, and it is gaining a larger presence in its market as the result of its affordable luxury line of homes.



### Individual Approach

Developing quality homes with amenities for a diverse clientele allowed Belmonte Builders to build a strong reputation. BY ERIC SLACK

Founded by Peter Belmonte Sr. in 1977, Belmonte Builders has always sought to design and build the finest custom homes possible. By striving to turn every customer's dream home into reality, Belmonte Builders can today count itself amongst the top producers in New York's Capital District custom residential home industry.

"My father always had a passion for building things, and he saw a need for the development of high-quality custom homes in the Clifton Park area," President Peter Belmonte Jr. says. "He invited me back to join him, and I've been helping to grow the company since coming on board in 1985."

### TARGETING THE MARKET

Belmonte Builders believes that by treating people right it is better equipped to make decisions in the interest of its customers. This approach has helped the company earned a great deal of respect, which is reflected in the amount of referrals and accolades it has received.

"Our company is highly diversified, building for clients everywhere from the mid-\$330,000 range to the multi-million dollar range and covering everything in between," Belmonte says. "Projects in Saratoga County repre-

/Crawford Door and Window Sales/ With locations in Albany, Rensselaer, and Queensbury, Crawford Door and Window Sales, a Pella Window and Door distributor, is a third generation family business that has been serving the capital region for 70 years. The Crawford Door and Window Sales team of window and door professionals is focused on exceeding their customer's expectations through their unprecedented level of expertise and service. Committed to helping its customers create the home they long for and love, CDW Sales considers it a privilege to work alongside great partners like Belmonte Builders. At Pella, we don't make windows for houses – we make windows for people. For more information, call 800-524-3489 or visit professional.pella.com.

#### **PROFILE**

BELMONTE BUILDERS

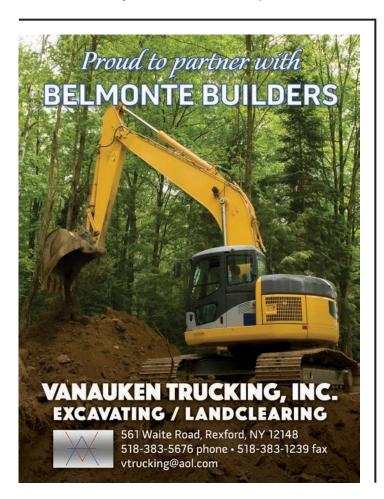
www.belmontebuilders.com / Headquarters: Clifton Park, N.Y. / Specialty: Custom homes

sent the vast majority of our business, but we also work in Albany County, Schenectady County and the counties west and north of Saratoga County."

One product that is helping to further establish Belmonte Builders as a top player in its market is what the company calls its affordable luxury line. Given the competition in its marketplace, the company competes heavily with production builders that deliver an efficient cost per square foot product. By bringing a custom home aspect to into the affordable luxury line, Belmonte Builders can deliver a product option that allows the company to compete.

"We've researched what customers want and are willing to pay for to develop our line," Affordable Luxury Director Mickey Ricciardi says. "We can include elements such as wall panels, plate rails, built-in cabinetry and other things that production builders don't include. We can do them in economical ways while still producing highly trimmed jewel-box styled homes."

At its ongoing Mill At Smith Bridge residential development located a few miles from downtown Saratoga Springs, Belmonte Builders has been able to deliver homes ranging from the low \$300,000s to the mid \$400,000s with a wide variety of designs and floor plans. These affordable luxury custom homes offer a





range of amenities not commonly found in similarly priced preowned houses.

"We offer broad floor plan choices, such as ranch homes, homes with first-floor bedrooms, and two-story family oriented homes," Ricciardi says. "Customers gravitate toward the plan that is the right fit for them. We also have homeowners associations in two phases of the neighborhood and one phase is not part of a homeowners association. This is part of a template we are developing that we can repeat over and over again."

### LOOKING FORWARD

Staying on top of market and consumer trends will be critical for Belmonte Builders to continue to evolve. For example, it has noticed a growing divergence in price between the resale and new home markets. The company is competing by differentiating itself through technology and energy efficiency.

"By looking for ways to personalize our homes, the affordable luxury series provides customization but at reasonable price points," Ricciardi says. "We feel this complements our identity as a custom home builder and broadens our market."

Investments are focused on bringing in the right people and establishing the right subcontractor relationships. In all aspects of its operations, Belmonte Builders looks to be open and fair with its expectations and compensation packages. The company feels this helps it retain the best people, as well as forge lasting long-term

"We also try to use IT technology to its fullest to improve our work processes," Belmonte says. "Over the next 18 months we will look to find more qualified people to enhance our skillsets, and we are working on bringing new communities to market in a timely



Belmonte Builders offers a broad selection of home plans so buyers can choose the design that is right for them.



manner. Land acquisition and planning for future communities will be a big part of our growth plan as we continue to focus the affordable luxury line and our custom homes to the needs and desires of the marketplace."

"As we continue to develop the affordable luxury line, we will look to refine the product offering along with our internal production systems," Ricciardi adds. "Going forward, we'll continue to be adaptable. We've been adept at creating additional customer value and a sense of place with our neighborhood entrances and amenities and also in finding ways to design interesting features and product types for our target markets."

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### COVER STORY: LAUTO GROUP LOGIC INC. !

"The final product has to meet and hopefully exceed the expectations."

ANTHONY LAUTO, PRESIDENT





Lauto Group Logic's residential project portfolio ranges from high-end multifamily complexes to luxury custom homes throughout New York City and Long Island.





LAUTO GROUP LOGIC INC.

www.lautogroup.com / Headquarters: Huntington, N.Y. / Employees: Two / Specialty: Construction management





# After a long career in the construction supply business, Anthony Lauto formed construction advisory firm Lauto Group Logic Inc. because — as he saw it — there were so many great projects that fell short of their true potential. Lauto says the extensive knowledge he had built up over the years of construction materials and other supplies meant he could see examples of developers and builders working so hard to get the job done that they couldn't possibly find the required additional time to bring the project to an even higher level of form, function and performance, and he wanted

"It's the reason I started this entire endeavor," he says. "Too often, project deadlines, filing and inspection protocols, and overall jobsite pressures end up causing stakeholders to take the path of least resistance to achieve completion. My involvement in a project allows me tap my product knowledge, alternative strategies, experience and relationships to maximize the true potential of the project."

to change that.

Today, Lauto Group specializes in building and/or remodeling residential and commercial properties throughout the New York City and Long Island markets, primarily in an owner's representative or construction manager capacity. The company's portfolio in the residential sector runs the

### The Right Approach

Lauto Group Logic Inc. designs and develops in New York with an adaptable approach to building its project teams. BY CHRIS PETERSEN

gamut from high-end multifamily complexes to luxury custom homes, and Lauto says the company doesn't shy away from any type of work because of its price point. He says he has always believed that the more modest customer is just as important to a company's success as the more high-end customer, and Lauto Group's organization is geared to handle virtually any type of project.

By moving from actual construction to an advisory role, Lauto says, Lauto Group can bring in the best possible team for each and every project, rather than trying to fit the same team into differing types of projects. This agile approach, combined with the company's strong focus on product specification, construction details, and willingness to think outside the box, produces significantly greater results in an economical and efficient manner which has helped make Lauto Group one of the New York City market's most sought-after firms.

### THE RIGHT TEAM

Because Lauto Group functions more in an advisory role on projects, Lauto says the company can build its team to meet the specific needs of each project. With a larger internal team, he says, the company would be stuck using the people it had on-hand regardless of their fit for the work that needed to be done. With its ability to bring in trades for specific needs, Lauto Group can hire a trade that specializes in highend millwork for a luxury home or one that does standard stock size cabinetry for a more modest project.

As a result of this approach, in addition to Lauto's relationships with manufacturers' representatives from his construction supply days, Lauto Group has formed strong bonds with a broad selection of the best subcontractors working in the New York City and suburban markets. Lauto says his clients are discerning no matter what their budgets are, and choose him because they know he will research, analyze and build a strategy to get the job done with the right people. Having good relationships with the best subcontractors is crucial for being able to live up to that promise.

"It's really all about making sure you have the right rela-

tionship to get the right end result," Lauto says. "The final product has to meet and hopefully exceed the expectations."

Maintaining strong relationships means keeping the lines of communication open and ensuring everyone has the most complete information possible, according to Lauto. Through regular contact and centralized document storage, Lauto Group has been able to work with as much honesty and integrity for its subcontractors as it does for its clients, Lauto says.

### ATTENTION TO DETAIL

In addition to the company's approach to building the right team for the project, Lauto says Lauto Group's success can be traced back to its unwavering dedication to fulfilling the client's expectations. "On residential projects, I think the strength that we've always exhibited is 100 percent listening to the client and incredible attention to detail," Lauto says. "Additionally, the goal is to not simply repeat what has worked before, the goal is to take the means and methods to create an individualized result."

For example, several years ago the company curated the entire construction of a home in Montauk, N.Y. Lauto listened to the client and the concerns of how a second home needs to fulfill the function of providing the ultimate family getaway, but at the same time carry costs must be reasonable. The client, a relative, intended to make the home smaller, and less amenable, to hedge the anticipated carry costs. Lauto suggested building a completely energy efficient, sustainable home. Lauto's ideas were a bit ahead of his time, in fact quite often he was waiting for technology to catch up to the plans. That included utilizing LED lighting, which is common in homes today but at the time was a major step outside of the box for a builder. In the end, the house received the highest Energy Star rating, was certified by the United States Green Building Council as LEED Gold and it was certified Gold by the National Association of Home Builders as well.

/Audio Command Systems/ Founded in 1976, Audio Command Systems has spent the past four decades at the cutting edge of home automation and electronics technology. As the leader in home audio, networking, video, lighting / shading control and automations systems, Audio Command's singular approach focuses on ease of use and reliability through superior design, engineering, installation, programming and continuing service. With thousands of installations in elite homes and corporations spread across the globe, Audio Command's maturity within the industry, responsiveness and depth of experience are unmatched by any other firm. Constant education and relentless but careful pursuit of new technology allow our system designs to remain innovative without sacrificing the ultimate reliability and longevity that have become the hallmark of an Audio Command installation.



The home won multiple awards, some national, and was featured in marketing campaigns for M&T Bank, Marvin Windows and Crown Point Cabinetry.

#### HISTORIC PRESERVATION AND RECLAMATION

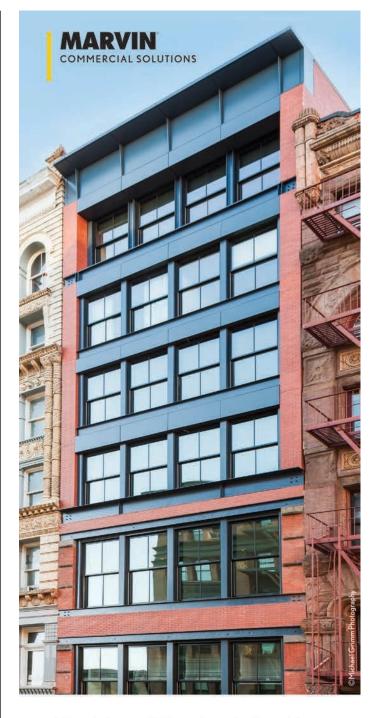
On his most recent project, 45 Great Jones Street in New York City, Lauto teamed up with friend and master New York City developer, Don Capoccia, to convert a manufacturing and commercial building to high-end residential. Doing so required incredibly detailed curation as the 1890's façade of the three-story building had to be preserved and restored while expanding the building to eight stories. The entire undertaking required approval from the NYC Landmarks Preservation Commission. The two builders enlisted renowned architectural firm Beyer Blinder Belle for this incredible endeavor. Structural timber dating back to the 1700's was reclaimed and reused as was the antique brick that was removed from the original structure. The building boasts four full floor elevator-entry residences and a triplex penthouse that actually connects to the adjacent building. This was no simple project, and Capoccias construction and development's skills were the ying to Lauto's attention-to-detail yang.

For the project at 45 Great Jones Street, Lauto put down the sketch pencil and spent about 18 months to finalize the deal structure. The deal has a triple net lease, cooperative ownership, a proprietary lease, a commercial lease and a sub-lease. Once complete, debt and insurance structuring came next. "A commercial construction project is 50 percent about construction," Lauto says. "You have to look at the project as a whole – from what the ultimate goals are and what is the best way to achieve them. The goals are not all about the structure and profit, some are about what the deal is supposed to provide for investors, for future generations, for the community, and in the last few projects, the environment."

The company's approach to building and attitude about the type of work it takes on will serve it well as the New York City market undergoes some changes. In the city, the market is shifting away from high-end projects to a more back-to-basics approach, whereas the suburban market is becoming increasingly concerned with a balance of functionality and aesthetics. "A lot of people talk about building something that looks wonderful, but few people talk about the performance of a structure," Lauto says.

/Marvin Commercial Solutions/ New York City's 45 Great Jones Street [pictured rightt] presented a unique opportunity for Anthony Lauto of Lauto Group Logic, Inc.; to transform a historic warehouse into modern residential use, while preserving the building's 1893 cast iron facade and architectural presence. Located directly opposite a busy firehouse, noise reduction for the new residential building was also critical.

With these challenges in mind, the Lauto Group, along with Design District 45, LLC, turned to Marvin Commercial Solutions. Offering an extensive array of window and door products, Marvin Commercial meets even the most challenging project requirements. Perfect for projects needing durable, noise-reducing, energy-efficient units for hundreds of openings or for unique challenges demanding one-of-a-kind solutions, like 45 Great Jones Street.



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"We really try to keep the project as stress-free to the customer as possible."

### RUDY NEUFELD, PRINCIPAL



After marking its 50th anniversary last year, Crosstown Construction sees many future opportunities.

### Built With Pride

Crosstown Construction & Custom Homes has served its customers for 50 years and has its sights set on the future. BY CHRIS PETERSEN

**PROFILE** 

CROSSTOWN CONSTRUCTION & CUSTOM HOMES www.crosstownconstruction.com / Headquarters: Webster, N.Y. / Employees: 9 / Specialty: Custom homebuilder

Crosstown Construction Principal Rudy Neufeld's father was a masonry craftsman in Germany before moving to South America in the 1950s and eventually settling with his family in Rochester, N.Y., in 1965. As soon as he settled in the United States, he established what is now known as Crosstown Construction & Custom Homes, and Neufeld says the company continues to live up to his father's legacy of high-quality construction as it serves customers throughout the Rochester area. The company celebrated its 50th anniversary in 2015, and Neufeld says the third-generation family builder has made a good name for itself by making the homebuilding process as easy for the customer as possible.

For the last 50 years, Crosstown Construction has concentrated on building high-quality custom homes in and around Rochester. Neufeld says that in recent years, the company has geared itself to serve empty-nesters looking for smaller, more manageable properties. Typically, these are patio-style single-level homes, and Crosstown Construction has completed several communities based around that concept. In addition to its communities and custom home work, Crosstown Construction does some commercial construction as well as custom design/build work.

Although there is a healthy amount of competition in the market and Crosstown Construction respects its competitors, Neufeld says the company brings more to the table thanks in large part to its "outstanding" team of professionals in all aspects of the homebuilding process. "Our marketshare in the area is that we're in the top three builders in our division in the county," Neufeld says.

#### **EASY PROCESS**

One of the biggest reasons for the success of Crosstown Construction over the years has been how simple the company makes the homebuilding experience for its customers. Neufeld says that in talking to customers who have built custom homes through other builders in the past, many of them noted the stress they experienced as a major factor in being reluctant to build another.

That's not the case when building with Crosstown Construction, he says, because the company does everything it can to make sure customers feel comfortable at every step along the way. "We really try to keep the project as stress-free to the customer as possible," Neufeld says.

The key to a stress-free experience is rooted in the company's process, which involves the customer frequently throughout construction. Once customers select the lot their new home will be built on, Crosstown Construction shows them all of their options at the beginning and allows customers to make their selections. From there, Crosstown Construction keeps its customers fully involved with the construction process through regular site visits. Once the home is completed, the company offers its Master Care Protection Program and gives the customer two full walkthroughs before finalizing everything.

According to the company, the Master Care Protection Program offers unmatched service after the completion of the home. After the closing, Crosstown Construction schedules two visits with the homeowner — one at three months and another after 11 months.

### LOOKING FORWARD

Vice President Eric Olivas says the biggest challenge for Crosstown Construction today is simply finding the right property to build on, adding that much of the best land in the communities it serves has already been accounted for or is under consideration. On top of that, Olivas says, working with municipal processes in the communities it serves has become more complicated and expensive as years go by.

However, Olivas says Crosstown Construction is more than up to the challenge created by these conditions. He credits the company's qualified and dedicated office staff with helping it maintain good management practices and cost controls no matter what the situation may be.

### "Our marketshare in the area is that we're in the top three builders in our division in the county."

RUDY NEUFELD, PRINCIPAL

Over the next few years, Olivas says Crosstown Construction sees itself working to provide more variety in the markets it serves, specifically within the empty-nester segment of the market. Neufeld says the company has started work on a townhome community for customers who want to live maintenance-free. Additionally, Crosstown Construction has started working on rental homes for seniors who need assisted-living services.

No matter what the future holds, Neufeld says the company's dedication to upholding the attention to detail and high quality his father instilled within its core values will ensure that the next 50 years for the company look very much like the first 50. ■



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KEVIN MYSZKA, PARTNER



many quality finishes come as standard in the homes it builds.



**PROFILE** 

REGENCY BUILDERS LLC

www.regencybuildersllc.com / Revenues: \$10 million / Headquarters: Amherst, N.Y. / Employees: Five / Specialty: Custom homes





### **Custom Kingdom**

The experience and accessibility of Regency Builders' partners give it an edge in the western New York housing market. BY JIM HARRIS

Regency Builders prides itself on being accessible to

its customers. "With a lot of other companies, it can be difficult to get to the owner, but with us there's always an owner you can reach; we manage the company hands-on," says Kevin Myszka, who owns the company along with partners Elliot Lasky and Bob Mayo. "I believe we have the highest rate of customer satisfaction in our region."

The Amherst, N.Y.-based custom homebuilder's owners work with a regular stable of contractors and designers while remaining personally in touch with customers. "Everything we do is highly customized to the unique tastes and requirements of our clients," Myszka says. "We use the same subs for each job, because they know what we and our clients are looking for. I'm proud of the talent pool we have to work with."

The company builds several homes a year in western New York. Its average home price is \$500,000. "We offer a highend product at an affordable price," he adds. "We use the best possible finishes and try to use materials that other companies would consider extras as our standard."

Standard materials and finishes in Regency homes include engineered floor joints, Pella windows, metal or wooden staircases, custom doors and molding. "When people come into our models, they can tell the house is well-built as soon as they walk in," Myszka says.

Many of Regency's clients request open floor plans including two-story-high great rooms with high ceilings. All of its homes include basements, many of which are accessible from garages through separate entrances from the rest of the home. Outdoor features including custom patios and grill areas, and fire pits are also common.

#### **WORKING TOGETHER**

The three partners represent three of Regency's five fulltime employees. Each of the partners specializes in an aspect of the company's management in addition to overseeing its entire operation. Lasky oversees land acquisition, financing and legal/contractual matters; Myszka is responsible for



Regency Builders works closely with homeowners throughout the building process "from the point of sale to the final walk-through," Partner Bob Mayo says.



sales and marketing; and Mayo handles operations and oversees construction. "I work with the customer from the point of sale to the final walk-through," Mayo says. "When the job is done, being able to walk through the home with customers and see the smiles on their faces is something I take great pride in."

Lasky, Myszka and Mayo founded the company in 2009. Lasky has more than 35 years of homebuilding experience, including as owner of Forbes Homes, a company he founded in 1980 and sold in 2005. While with Forbes Homes, Lasky built more than 2,500 custom homes in western New York and developed dozens of subdivisions in Erie and Niagara counties. In addition to custom homebuilding, Lasky has built townhouses, apartment buildings, commercial buildings and condominiums.

Mayo's experience includes being a contractor with his own company and as a project manager at Forbes Homes. "He was my top foreman, and built some of the most expensive homes I ever worked on," Lasky says. Mayo has built more than 700 homes during his more than 30-year career.

Myszka began his real estate career in Tampa, Fla., in 2004. "He's out there pounding the pavement for us to raise our name recognition and build our client base," Lasky adds.

In addition to the three partners, Regency employs a bookkeeper and a field superintendent to assist Mayo. "We work together to keep our jobsites extremely clean and well-organized, which we get many compliments from our customers about," Mayo says.

"We work together to keep our jobsites extremely clean and well-organized, which we get many compliments about."

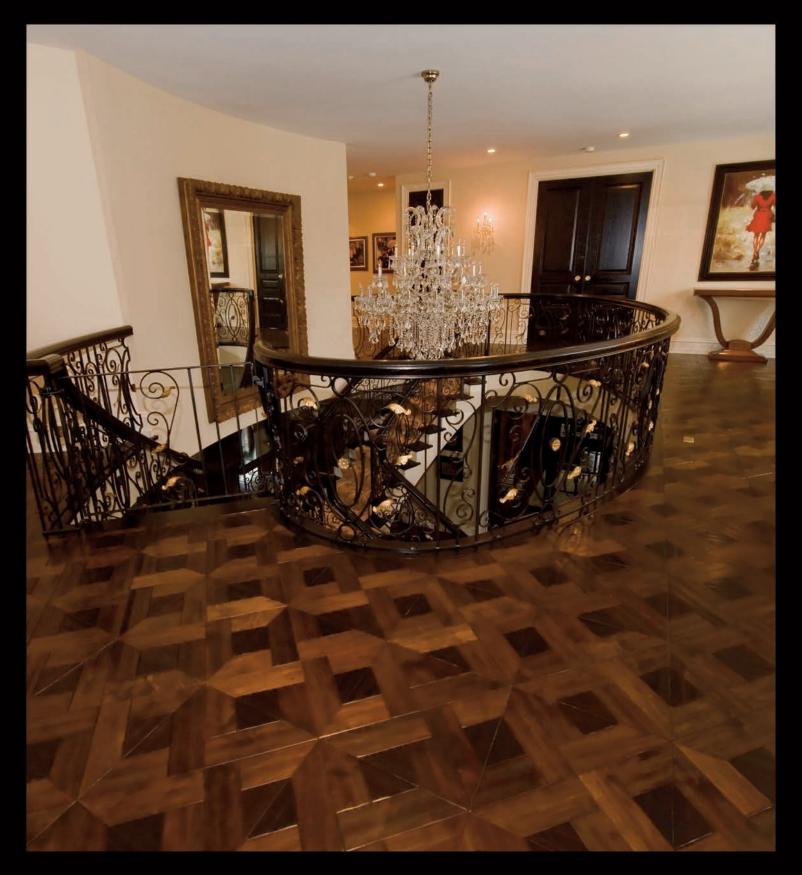
**BOB MAYO, PARTNER** 

### A LARGE INVENTORY

The experience of Regency's partners helped it overcome the challenge of establishing the company during the national housing market downturn. "We had a smart business plan," Myszka says. "We limited our expenses and overhead, and didn't build spec homes; we started with one model home, just to give it a shot, and have grown every year since."

Lasky's development experience and access to financing also greatly aided the company. The company has lots available in communities including Lake Forest North in Amherst, N.Y.; Windsor Ridge South in Lancaster, N.Y.; and Roxberry Estates in Clarence, N.Y. It also builds on land owned by its clients.

"We have a diverse land inventory that we either own or have accessible to us that most builders don't have the ability to secure," Lasky says. "We have a wealth of experience, and I think it shows in our final product."■



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### D. L. PARAGANO HOMES

"We're not just building houses; we're building homes."

DOMINICK PARAGANO,

PRESIDENT





As a sixth-generation builder, Dominick Paragano (right) teaches his son, Dominick Paragano Jr., the ins and outs of the homebuilding business.







### Family Legacy

With more than 30 years in the industry, D.L. Paragano Homes strives to build homes tailored to every customer's individual needs. BY STEPHANIE CRETS

#### **PROFILE**

D. L. PARAGANO HOMES

www.paraganohomes.com / Revenue: \$1.5-\$5 million / Employees: 5 / Location: Short Hills, N.J. / Specialty: Luxury homes

### The president of D.L. Paragano Homes, Dominick

Paragano, is a sixth-generation builder, and now the tradition continues on with his son following right behind him to continue the family legacy of building high quality, executive priced homes. Since 1984, D.L. Paragano Homes has built luxury homes in New Jersey, which range in size from 2,500 to 10,000 square feet and sell from \$750,000 to \$3.5 million. Over the past decade, they have expanded into the building and management of commercial properties and tenant fit-outs.

In his early years, Paragano worked to hone his building skills under the tutelage of his father, Larry Paragano. He learned the various aspects of the business working with his father for many summers as a carpenter, landscaper and mason's laborer, eventually working for him full time after

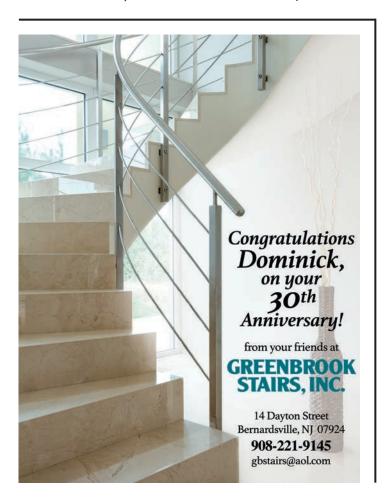
### "I am at the point in my life where I want to build projects that I like, which are a challenge."

DOMINICK PARAGANO, PRESIDENT

completing a bachelor's degree in business from Villanova University and an MBA from Seton Hall University.

This allowed Paragano to gain invaluable knowledge of all aspects of the building industry, from the construction of utilities and roads, to the proper setting of a foundation, to every aspect of the home construction process. He learned from his father and his father's professional team of subcontractors how each phase of the building process integrated to complete each customer's unique custom-built dream home.

When his father retired, Paragano launched D.L. Paragano Homes to provide customers with extraordinary service and at-





tention to detail for every project. By his late twenties, Paragano had built more than 30 custom homes.

In 1997, Paragano received recognition for his work when The Community Builders Association honored him with the "Award of Excellence" for the year's Best Single Family Home. A few years later, the New Jersey Builders Association awarded him the 2001 Sales and Marketing Award for the state's "Best Remodeling/Renovation Project" for his work with a local Historical Society on the renovation of a township farmhouse. And in 2014, he was awarded the ultimate recognition as "Builder of the Year" from the New Jersey Builders Association.

Although Paragano has achieved great success, he has no plans to expand the business, preferring to work on site during builds, which is where Paragano's son, Dominick Paragano Jr., comes in.

"We made a deal," Paragano says. "He gets to handle things in the office but I get to stay in the field. I like to be in the field because I still get to swing a hammer and give my customers my personal attention. Even after all of these years of being in my own business, my father is also still part of everything. With more time to give now, my son spends a lot of time working with both my father and me. It is valuable for my son to see two different generations at work. Because of that, Jr.'s mindset is a whole lot different than mine. He gets to learn from my father and from me, giving him an even wider depth of knowledge."

Paragano spends only a couple of days per week in the office, so he can give every home his complete attention from start to finish. "I like the creativity of this industry," he says. "I am at the point in my life now where I want to build projects that I like, which are a challenge and where I know that the final project is going to be



special. I do not take on a lot of work, but the jobs I do take on are fun and unique."

#### IN THE DETAILS

D.L. Paragano Homes prides itself on building exactly what a customer wants, down to every detail. Paragano does research with clients and maps out everything up front so he can understand what he needs to do in order to deliver clients their dream home.

"It is a family business and client-driven," Paragano explains. "If they are the kind of client that wants to talk on the phone every day about the project, we will talk every day. If they want to meet over lunch, we will have lunch together. Regardless, I am always e-mailing my clients; they are kept informed and part of the process. I have a team of subcontractors and suppliers that I have worked with for years. They know how to handle my clients and it makes the process easier for everyone, especially the client."

Paragano noticed that in recent years, especially after the effects of Hurricane Sandy on the New Jersey area, his customers are re-evaluating what is important for them in a home. Their selections are more practical, opting for less space but with better finishes. Maintenance free, technologically savvy and lifestyle-driven selections are a must.

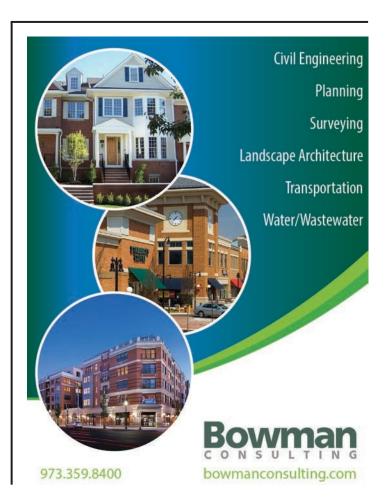
"Right now, there is such a great opportunity for building along the Jersey Shore because of Hurricane Sandy," Paragano says. "Potential customers feel that it is better to build a new home that will be hurricane-resistant rather than buy a home without any of the modern building practices. We are trying to take advantage of all the best products that are out there. We want to build the safest, strongest, best product that we can for our clients' budgets."

Plus, Paragano can assure customers that every home will be built to the highest quality standards with the best suppliers and subcontractors because he is on site for every job, monitoring progress and ensuring quality.

"We're not just building houses; we're building homes," Paragano says. "You want people to enjoy what they have. I want it to be perfect and exactly right. Every little detail is important to me."

Dominick Paragano works on site for every job to ensure a high-quality job is done





We're always finding innovative ways to build homes smarter, more efficiently and cleaner. MADS JEPSEN, PARTNER



Scandic Builders has been using natural materials and energy-efficient components to build homes within 25 miles of Basking Ridge, N.J., for more than 15 years.



### Time-Tested

Scandic Builders uses natural materials and quality techniques to build energy-efficient homes that pass the test of time. BY RUSS GAGER

### Scandic Builders Inc. understands that a home is one of

the biggest investments a person will ever make. So the company builds its luxury custom homes with the highest quality construction methods, natural materials and energy-efficient components that will stand the test of time. Last year, the company proudly celebrated its 15th anniversary. "Our primary goal is to deliver the best quality product within the provided parameters and budget," Partner Mads Jepsen says.

"We understand that renovating or building a home can be overwhelming for many people," Partner Sari Jepsen, Mads' wife, says. "As the builder, our responsibility is to provide them with an enjoyable experience from start to finish."

"We are privileged to have wonderful clients," Mads Jepsen says. "In many cases, the professional relationships have developed into friendships that we maintain years after the work is complete." Scandic does not advertise its services. "The majority of our work is referral-based," Jepsen says.

The company builds its homes within a 25-mile radius of its headquarters in Basking Ridge, N.J., in a variety of styles, from contemporary to colonial, transitional colonial, Dutch colonial and shore-style homes and farmhouses. "We run the gamut — we're well-diversified with respect to styles and the types of homes we build," Jepsen points out. "However, the common thread is the quality aspect of each home and the finish details within."

Scandic Builders works with a variety of architects during the design stage of its projects. "We work collaboratively with the architect and homeowner to provide highly-detailed, comprehensive budgets during the design phase of the process," Jepsen says. "This mitigates the risk of designing a home beyond the client's budget." Scandic Builders also recognizes the

### **PROFILE**

#### SCANDIC BUILDERS INC.

www.scandicbuilders.com / Home Price: Up to \$10 million / Headquarters: Basking Ridge, N.J. / Employees: 12 / Specialty: Luxury custom homes, additions and renovations





Mads Jepsen (left), a partner in Scandic Builders, works with the rest of his partners to ensure that the company's homes are designed and built to last for future generations because of their quality materials, skilled construction and efficient design.



importance of assembling the right team early in the process. "There is a great deal of work that should be done prior to breaking ground to ensure that everyone's expectations are realized," Jepsen says

The company also handles renovations and additions to homes. "We started out as two carpenters handling bathroom and kitchen remodeling," Jepsen says. "That led to small additions and eventually grew to multimillion-dollar projects. We've been fortunate to undergo an organic progression."

### **IN-HOUSE CARPENTRY**

Scandic homes are designed and built to last. This in large part is a result of the quality and efficient design. "We believe in quality, environmentally-conscious building and the use of sustainably-harvested, natural materials wherever possible," Jepsen says.

Most of the firm's work is directly for homeowners, although it does develop its own residential and investment properties. "Much of our professional success stems from staying ahead of the curve," Sari Jepsen says. "We are always looking for ways to build a better product. Our staff is extremely talented, as are our subcontractors, many of whom we have been working with since our company's inception. It's that team mentality that allows us to deliver the best product in an organized, professional manner."

The company uses approximately 15 subcontractors on the average new custom home for the major trades such as masonry, plumbing, electrical and sheet rock, but it does its own finished carpentry in-house. "We're managing jobs from the ground up," Jepsen says. "We've found over the years that it's more cost-effective and efficient in terms of timeline, budget and quality to engage with different trades for the various skills needed."

### **HEALTHY LIVING**

Scandic Builders emphasizes energy efficiency and indoor air quality in its home design and construction. "That's one of our key philosophies," Mads Jepsen says. "A home doesn't necessarily need to look energy-efficient to be energy-efficient. You can have all of the beautiful details and warmth that you would have in a traditional building style while incorporating new technologies and a healthier environment. The home's aesthetic does not need to be compromised to gain comfort of living."

Among these is radiant heating and cooling. "We built the first home in New Jersey that has a radiant heating and cooling system," Jepsen maintains. "Radiant heating has been around in Europe for quite some time, although it's still relatively unused in the U.S. We've been doing radiant heating systems for over a decade ourselves, but to incorporate it on the cooling side as well is a relatively new concept."

In the course of trying to stay on the forefront of innovative, energy-efficient technologies, Scandic Builders discovered a radiant system that can be installed in the ceiling instead of under the floor. "It looks like sheet rock," Jepsen declares. "The system blends seamlessly while delivering a clean, even temperature control throughout the home."

Sometimes, Scandic Builders combines radiant heating systems with geothermal loops, which use a well to access groundwater that is at a constant temperature year-round. In the case of the first radiant-heated and cooled house in New Jersey, which is located in Chatham, there was not enough space to dig a geothermal well. Instead a high-efficiency boiler heats water that circulates through the radiant heating system in winter, and an outdoor chiller cools water to provide air conditioning in the summer. The home has approximately 14 temperature zones that can be controlled remotely from a smart phone or tablet computer.

Scandic's homes use other energy-efficient products such as thicker insulation, energy-efficient windows and lighting, and low-flow plumbing. The company also stresses the importance of healthy indoor air quality.

"People spend a vast majority of their time at home," Jepsen says. "By utilizing materials with low to no VOCs or airborne particulates and installing proper ventilation, we can significantly reduce people's exposure to indoor pollutants in their lifetime.

"That's something we are very passionate about. We're always finding innovative ways to build homes smarter, more efficiently and cleaner." The company has also installed solar panels to generate electricity.

### **NEW OPPORTUNITIES**

For the future, Jepsen sees additional expansion and rapid growth of approximately 30 percent in revenue and projects within the next 12 months. "We are committed to the Scandic brand of custom home design and construction," he forecasts. "Our goal is to continue on that path while we expand with new and interesting opportunities. We're also in the process of hiring additional staff. We were recently contacted by other construction managers looking to join our company because of our reputation and commitment to quality."

The company recently renovated an historic building from 1879 that unfortunately was downtrodden and brought it back to its former glory as a restaurant. "The beautifully restored Washington House, located in Basking Ridge, is a testament to the Scandic name," Sari Jepsen says. "Clients who visit the restaurant say it reminds them of a Scandic home. We're touched by that sentiment. It's an honor that people recognize our efforts and style and appreciate them. We hope that will continue for years to come."





We have a very hot location. Saratoga is one of the fastest-growing areas in New York state. \*\* SAM PALAZZOLE, OWNER



Saratoga Builders has found success constructing high-end homes in a key New York region

### On Location

Saratoga Builders LLC is constructing highend homes in a prime upstate New York location. BY BOB RAKOW

### **PROFILE**

SARATOGA BUILDERS LLC www.saratogabuilders.com /

Headquarters: Saratoga Springs, N.Y. / Employees: Five / **Specialty:** Residential construction

### Sam Palazzole spent the first part of his career working in

the healthcare industry including eight years in clinical medicine, 18 years with a major pharmaceutical company and 12 years with the company he founded that specialized in medical education. He sold the company in 2000 when he was 56 years old and prepared for the next chapter in his life.

"Most people who retire at a young age do one of three things," Palazzole says. "They go back to their old business, try a new business or do nothing. Palazzole picked the second option and entered the residential construction market because he was so impressed with the construction skills of Dan Barber.

### **COMBINATION OF STRENGTHS**

Palazzole meet Barber in 2001 during the construction of Palazzole's residence in Saratoga Springs, N.Y., a burgeoning community located in eastern New York about 30 minutes north of Albany. Barber was responsible for every detail of the building of the



Saratoga Builders' clients range from young families to established professionals and retirees.

12,000 square-foot, high-end residence, and the results exceeded all expectations.

Palazzole and Barber eventually became partners in Saratoga Builders. Barber is responsible for construction while Palazzole is in charge of finance and contracts. Both men are perfectly suited for their responsibilities. "Dan is a real expert at residential construction," Palazzole says. "He's detailed-oriented and driven to achieve perfection."

Barber has been involved in new home building throughout his professional career. He got his start in the 1980s with his family's business, which specialized in the construction of high-end homes throughout the Lake George region.

Barber takes a hands-on approach with all aspects of every home the company builds including the development of each site, the placement of each home, finalizing designs with customers and managing every aspect of the construction.

### A REVOLUTIONARY START

Saratoga Builders started building luxury homes with the development of Burgoyne Estates, a community of 12 homes located near the site of the Revolutionary War's Battle of Saratoga. That battle ended when British General John Burgoyne surrendered to American General Phillip Schuyler.

The home sites range between two and six acres with abundant foliage and forest between the sites. Homes start at 2,500 square

# "We market to anybody and everybody. The nice thing about our communities is the range of people [who] live there."

feet with prices beginning at \$495,000. Burgoyne Estates is located on Fish Creek, which flows into Saratoga Lake. The company's next project was Schuyler Pointe, which was designed to bring custom-built homes into a range affordable for most homebuyers. The 39-lot community, located next to the 26-acre Schuyler Park, was built on land donated by Saratoga Builders and features wooded one- to two-acre home sites. Homes begin at \$325,000 and include an abundance of features not usually found in a new home including nine-foot ceilings, hardwood floors, granite countertops, richly appointed kitchens, tiled baths and high-efficiency heating and cooling.





Saratoga Builders' ammenity-rich homes are constructed on large lots that feature abundant foliage

### LOCATION IS EVERYTHING

Both communities feature luxury homes with a variety of amenities, but nothing trumps location, Palazzole says. "In the building business, location is everything," he says. "We have a very hot lo-

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cation. Saratoga is one of the fastest-growing areas in New York state." Indeed, both communities are located minutes away from Saratoga Springs shopping and dining, the historic Saratoga Race Course, the Saratoga National Golf Course and the Saratoga Performing Arts Center.

Palazzole and Barber recognize the importance of the hands-on communication and flexibility that is frequently missed yet desired by the homebuyer. "Many people are naïve about what goes into building a new home; however, we stay with the client every step of the way to make sure we build the home of their dreams," Palazzole says.

The No. 1 goal of Saratoga Builders is to make building a new home a more pleasant and personal experience. The company strives to build to a higher standard by constantly adding value, superior workmanship and detail to each home it builds, Palazzole explains.

Saratoga Builders builds homes for a variety of clients ranging from "young couples just starting out to retirees who are downsizing," Palazzole says. "We market to anybody and everybody. The nice thing about our communities is the range of people [who] live there."

#### THE FUTURE

Saratoga Builders' future plans cover the spectrum of residential construction. The company has completed a number of projects for people who own their own land and continues to seek similar opportunities, Palazzole says. "We also do residential remodeling, renovations and additions for those homeowners who want to stay in their current location," he says. "And, of course, the opportunities for new developments in Saratoga County are high on our radar screen. We continually hear from residents who are pleased with the home we built for them. As a result of that customer satisfaction, we have a waiting list of people who want to build with us in our next development."■

"Anything that is complicated and has a lot of detail is right up our alley.

We're paid for our ability to execute these projects." JOSH RICH



Home Enrichment increased its workload following the recession, now undertaking at least two million-dollar home projects each year.

# Without Compromise

Home Enrichment shows respect for clients' projects through quality work and its involvement in decision-making. BY TIM O'CONNOR

**PROFILE** 

HOME ENRICHMENT
www.homeenrichmentcompany.com /
HQ: Hopewell Junction, N.Y. / Employees: 7 /
Specialty: Custom homebuilding

When an architect is designing a client's dream home, they

want to know the person who builds it will care as deeply about the project as they do. Home Enrichment Co. shares in that enthusiasm by viewing its work as a craft. "If you think of our crew as artists building your home, then you know who we are," Client Relations Specialist Aimee Rich says. "We're not somebody who wants to slap something together and move on to the next house."

Quality is the highest priority for Home Enrichment and the foundation on which the company has built its reputation. Even if it eats into profits, Home Enrichment will pay to have the work done right. "We're constantly watching quality control and addressing things before it even goes to the architect," Rich says.

Those quality standards have allowed Home Enrichment to thrive for nearly 30 years. Josh Rich, Aimee's husband, started in the construction industry in the mid-'80s. After six months working for another firm, he left to form his own company. "I felt like I could do a better job even though I was only 20-21 then," he says.



Home Enrichment keeps at least one supervisor on site at all times to ensure the company's building standards are maintained



### **CRAFTING REPUTATION**

The company started small but had a desire to work on complete custom home projects. Prior to the Great Recession, Home Enrichment focused on one job at a time. All of the company's woodworkers would be on site together reviewing each and every detail.

But the implosion of the housing market in the late-2000s changed how Home Enrichment approached its projects. Having its entire team at one location extended the building time and added to costs. Instead, Josh Rich began spreading his team out among two to three simultaneous projects. "We had to do multiple jobs to conform to the new economy," he explains.

Since its founding in 1987, Home Enrichment has completed more than 30 complex renovations or homes primarily in the Westchester County and Hudson Valley areas in New York. The company largely relies on client-based recommendations to secure its jobs, and often does not even have to bid on projects. "Our work is strictly referral," Josh Rich says. Those referrals have continued to come in because of how Home Enrichment builds relationships with the other project leaders. The company sees itself as one corner of the decision-making triangle along with the architect and owner.

Home Enrichment concentrates on high-end projects that take as long as two years to complete. Since changing its strategy during the recession to complete more projects, the company each year typically undertakes two homes valued at \$2 million and one or two smaller jobs in the \$500,000 range.

To ensure Home Enrichment's strict standards are met, the company has at least one of its own supervisors on site at all times. "The jobs are all managed by a master carpenter," Josh Rich says. Once the structure is framed, Home Enrichment's own team completes the finishing work itself. "Anything that is complicated and has a lot of detail is right up our alley," Josh Rich says. "We're paid for our ability to execute these complex projects.

"We work closely with architects to insure all of their details are executed perfectly," he adds.

### **RIDING REFERRALS**

The recession may have made Home Enrichment adjust its business model, but the increasing workload has also given the company opportunities to build relationships with more architects. Those new relationships allowed Home Enrichment to prove themselves to a larger pool of architects and homeowners, growing the company's reputation.

"To survive, you always have to have that potential of meeting someone new," Aimee Rich says. "But the people we work with often come back to us because they know the quality of work they're going to get." Josh and Aimee Rich have found the architects they work best with are the ones that communicate well and have a desire to be involved throughout the project. "We want an architect

that is as excited as we are to build someone's home," Aimee Rich says.

The long-term relationships Home Enrichment depends on to secure work also extends to its subcontractors. Many of the businesses in Home Enrichment's stable of subcontractors have worked with the company for more than 20 years. Home Enrichment relies on those companies for each project, typically only bringing in an unknown subcontractor when the homeowner insists.

New subcontractors can be a challenge, Aimee Rich says, because if they don't meet Home Enrichment's standards they can cause frustration. "It's a team effort when you work with our company," Aimee Rich explains. "Who we work with knows what we expect."

Subcontractors that understand the way Home Enrichment works help the company deliver on the features clients want in their homes. Josh Rich says homeowners today demand greater efficiency and larger kitchens. "They seem to grow every year we're in business," he says of the latter. As a high-end homebuilder, Home Enrichment often is tasked with installing the latest and most luxurious amenities, from stone exteriors and commercial-grade appliances to floor warming tile and extravagant wine cellars.

After 29 years spent leading his own company, Josh Rich says he is most proud of how Home Enrichment's work ethic has developed as well as its continuity. Three of the company's seven employees have been with Home Enrichment for more than 20

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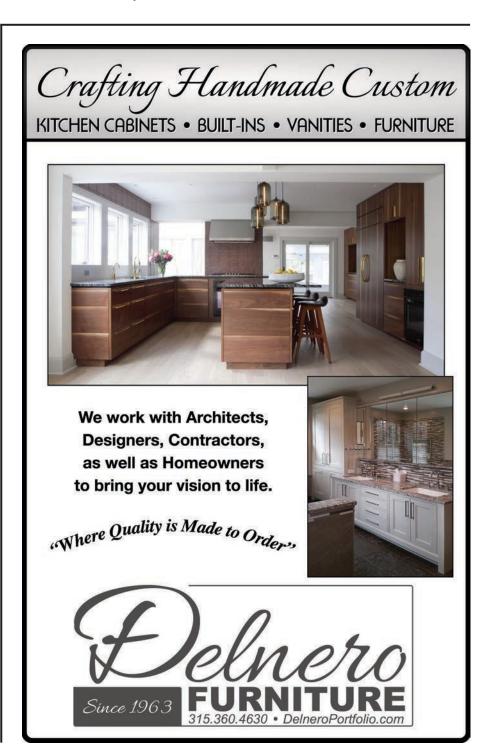
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years. Even the two newest employees are in their fourth years at the company.

Despite that wealth of seasoned experience, there are no plans to expand the company at this time.

"We'd rather deliver a product that's

something not a lot of people would get anymore rather than compromise and turn over more projects," Aimee Rich explains. "We want to work for people who really want quality and don't want to compromise on that."





Arlington Designer Homes P.108 / MainVue Homes P.111 / Dombach Builders P.114 /

Lipsky Enterprises P.117 / Planet Home Living P.120 / DiGreen Homes/Digram Developments Inc. P.122



## **Community Spirit**

Instead of just having a party, MasterCraft Builder Group aims to help its entire Florida community during the holidays.

For the past four years, MasterCraft Builder Group of St. Johns County, Fla., has used its holiday spirit to have a lot of fun, while also raise money for local charities with its Clays for a Cause event, a sporting clay shoot. The 2015 event was the largest in the company's history, and raised \$21,000.

The event began in 2012, which was the company's first full year in operation. Foregoing a holiday party for employees, MasterCraft invited all employees and business partners to shoot sporting clays and enjoy an afternoon of camaraderie and charity. One hundred percent of the money raised is donated to several local charities.

This year, Clays for a Cause benefitted St. Augustine Youth Services (SAYS), the Cotta Family, the Monique Burr Foundation and a project by St. Johns Housing Partnership, and a local church to help restore the home of a retired St. Johns veteran. In its first three years, Clays for a Cause raised more than \$30,000. Having raised more than \$50,000 in four years, Clays for a Cause has become a very helpful infusion of much needed monies for local charities.

"We are beyond thankful to the participants and sponsors," MasterCraft Partner Chris Shee says. "Giving back to the community is a vital part of who we are as a company. We continue to be amazed at the generosity of our trade partners and vendors that make giving back so impactful."

SAYS staff attended the Dec. 10th event. "At age 18, these children are aged out of the SAYS program," SAYS Director of Development Robin Burchfield explains. "Living independently is all the more challenging due to their diagnosed mental health issues. Our new goal is to build six efficiency apartments adjacent to the current SAYS property for these young men to live and continue with high school or vocational training."This year, SAYS received half of the proceeds from the event.

The 5th annual Clays for a Cause will be held in early December 2016 and the charities will be announced in November. Charities selected must serve the local St. Johns County community, have low overhead and typically involve helping children, thus allowing a majority of the proceeds to benefit their cause.

To succeed for 50 years, you have to invest in the product you offer, invest in your company and invest in your community. \*\* RANDY DEMING, CEO



A builder's model is a showcase. Don't compromise on style or materials used

# Extraordinary Experience

Campbell Homes has established a quality reputation in Colorado Springs by exceeding clients' expectations. BY JANICE HOPPE

**PROFILE** 

**CAMPBELL HOMES** 

www.campbellhomes.com / Revenue: \$27 million / Headquarters: Colorado Springs, Colo. /

Employees: 23/ Specialty: Production homebuilder

### Campbell Homes celebrates five decades of success as a pro-

duction homebuilder because of its unwavering commitment to quality and providing an extraordinary experience for all involved. "We did not just survive through the recession - we thrived," CEO Randy Deming says. "To succeed for 50 years, you have to invest in the product you offer, invest in your company, invest in your community, and invest in your industry and we do that."

Jon Campbell founded the Colorado Springs, Colo.-based company in 1965 and Campbell Homes is the oldest locally owned home builder in El Paso County. The company specializes in the move-up homebuyer who is looking for an affordable option to personalize their homes for a semi-custom feel.

Celebrating its 50th anniversary in 2015, Deming believes that Campbell Homes' longevity is a result of providing extraordinary experiences. "One of the things we saw during the recession was our competitors getting out of the industry or compromising the quality of the product they were building in order to compete," he



Even in finished basements, model homes should demonstrate the latest design and construction trends.

says "We stayed the course, keeping our quality and standards up. Because of that, it set us apart from our competition and helped us survive the downturn."

Campbell Homes is active in the Housing and Building Association of Colorado Springs, as well as the National Association of Home Builders. The company is the only three-time recipient of the Colorado Springs HBA's Builder of the Year award. "We are well invested in our community and well invested in making a difference in our industry," Deming says. "We do that not because we love to spend days and nights away from our families and business, but because that is what it takes to make the place [Colorado Springs] you call home a better place to live."

#### **NEVER SETTLING**

Campbell Homes has thrived over the past 50 years because of the policies and procedures it has put in place. The company has

/Peak Lighting/ Peak Lighting has just recently updated and expanded our showroom. Our customers can find a selection of decorative lighting for all tastes and budgets, including custom products. We look forward to helping our customers update that one room or entirely light up a newly built home! Peak Lighting also has lamps and accessories for your space, as well as that specialty bulb that you have been looking for. Lighting is one of the most important elements of your home's design. Lighting serves many functions, but above all else, lighting is beautiful, and great lighting will bring your house to life.





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#### CAMPBELL HOMES



There is no one size fits all for a home, so Campbell Homes demonstrates different home plans with different design styles.

created a team that strives to exceed on its clients' expectations. "When you look at the builders in Colorado Springs, we all have the same land and views and there are only so many ways you can build a 3,500-square-foot, two-story home," Deming says. "What makes us different is the team we have assembled."

The community sales and customer care teams go out of their way to provide Campbell Homes' families with an experience that brings many of them back for multiple purchases of new Campbell Homes. "We pride ourselves on our customer service," Deming adds. "To create raving fans for Campbell Homes, we offer extraordinary service and extraordinary homes. We have many customers on their second and third homes because their experience with us the first time was so incredible they chose to do it again."

During the October 2006 blizzard in Colorado Springs, Campbell Homes homeowner "Pam S." writes that after 24 years her home is still as tight and strong as the day it was built. "The wind

/Peoples Bank/ Peoples Bank congratulates Campbell Homes on a half century of construction excellence across the Pikes Peak region. At Peoples we share the Campbell Homes commitment of world class customer service for each and every transaction. And because we're both locally owned and operated, we're extremely proud to be a preferred Campbell Homes lender.

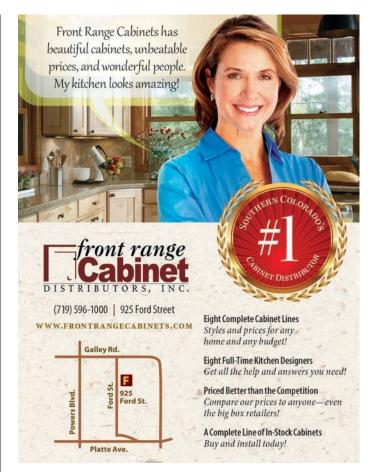
As a Colorado mortgage leader, we at Peoples see the difference that a quality built home makes in the lives of our customers. We know that Campbell Homes delivers on their promise every time. It's great having partners like Campbell's at our side. Congratulations from all of us at Peoples Bank!



outside is 50 miles-per-hour, but I can't tell because the walls and windows of my home are as strong and tight as the day I moved in," she wrote. "I still, by the way, have the original windows and they still continue to give me much lower power bills than most of the folks I know. Thank you so much for building a home so sound and so secure."

Never compromise on the master bath, but do show options. It's one of the main spaces that homeowners like to personalize.







"We knew that at the end of the day, what was going to be important to our success was going to be about maintaining our reputation." RANDY DEMING, CEO

> Campbell Homes offers families a home with lasting value and comfort. The company does not cut corners to save on cost and uses only the best materials and performing products in the marketplace. Additionally, Campbell Homes guarantees a closing date for its buyers.

> "Eighteen years ago we made the decision to put systems and procedures in place that would guarantee our families a closing date at the time of contract," Deming says. "We are so confident in our ability that we offer a \$100 per day guarantee to our cus

tomer and their Realtor. We are excited to be able to say that over the course of the last 18 years that we have only had to write one check. That was due to extreme acts of nature and torrential rains in Colorado."

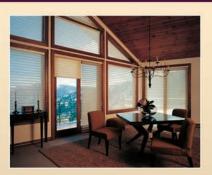
Campbell Homes can provide a guaranteed closing date at the time of contract because of its scheduling expertise and relationships with trade contractors. "The best way to have the best contractors is by taking care of them - guaranteeing their schedules and their paychecks," Deming explains. "Our contractors know that when we get ready to start a home they are provided a schedule and will get into a home on a specific day with a specific amount of time to complete their portion of the home. This schedule secures better pricing because they can count on us and they know we are going to pay them on time."

/Made in the Shade Blinds & More/ We at Made in the Shade Blinds & More value our relationship with Campbell Homes for many reasons. They build high quality homes and provide some of the best customer service in the business; not only to their customers but to their vendors. This is why they are still thriving after 50 great years in business. Choosing Campbell Homes is an easy decision for your new home. They will take care of you with the utmost respect of your time and will listen to your needs. Congratulations again, to Campbell Homes on 50 years in business!

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#### STAYING RELEVANT

Campbell Homes works with the top architects and model home merchandisers in the industry to help develop its home plans. "Our homes are constantly going through changes and revisions," Deming says. "We don't have to start over because we have fantastic home plans that stand the test of time, but we continually look at how to make our homes more livable and make changes to meet the changing needs and desires of today's homebuyer."

The company has not thrived for the past 50 years by building the same home it did when Campbell Homes started.

"2015 was a year of celebration with brand new models and new looks for our floor plans," Deming says. "We make the investment in top architects and model home merchandisers because we know our models are our showroom and you have to stand apart from the competition."

Delivering a quality home is a top priority for Campbell Homes, but building in the best neighborhoods with great schools and amenities is also a major focus. Campbell Homes offers nearly two-dozen ranch or two-story home styles throughout northern El Paso County, which includes Colorado Springs, Falcon and Monument, Colo.

"You have to make an educated decision on choosing land and neighborhoods that allow you to showcase and build your homes," Deming says. "We have to make land choices that are a good fit for our product. Our homes are available in the best master planned communities with the best amenities and the best schools in the area."

Moving forward, Campbell Homes will continue to focus on delivering quality homes that stand the test of time and thriving in a cyclical industry. "During the downturn, we had to compromise on margins, but we didn't compromise on the trade contractors we use or the materials we put into our homes," Deming says. "We knew at the end of the day, what was going to be important to our success was going to be about maintaining our reputation in the community."

/Guy's Floor Service, Inc./ Guy's Floor Service would like to congratulate Campbell Homes on celebrating their 50th anniversary. We are extremely proud to say that Campbell is a customer of ours. Campbell shares Guy's Floors ideals of Honesty, Integrity, and servicing the customer at any cost. Satisfying and giving the Home buyer the best experience possible, from contract, design center experience, to closing -- customer service is their number one priority. We compliment Randy and his staff for their perseverance and undying commitment to their customers and trade partners.

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## Forward Thinkers

Paul Allen Custom Homes prides itself on its ability to stay ahead of trends as well as its friendly, concierge approach to designing and building elite custom homes. BY JIM HARRIS

"It's important for our clients to know there's a principal owner out there with their eyes on things."

PAUL ALLEN, OWNER



Paul Allen prides himself and his staff on their ability to keep up with the latest trends and technologies.

**PROFILE** 

PAUL ALLEN CUSTOM HOMES, INC.
www.paulallenhomes.com /
Headquarters: San Antonio, Texas / Employees: 6 /
Specialty: Elite custom luxury homes

When it comes to their knowledge of building trends and materials, Paul Allen considers himself, his staff and his top designers to be construction connoisseurs.

"What sets us apart is the length of time we've been in the business as well as our ability to keep up on trends," says Allen, who founded the custom homebuilding company that bears his name in 1984. Each person on Allen's staff has a minimum of 15 years of homebuilding experience, he notes.

Allen, along with Director of Client Relations Talashia Jansen-Seargeant and others, engaged in intense research during the National Association of Homebuilders' International Builders' Show (IBS). Allen diligently visited nearly every booth at the event, scouring the marketplace for new products, materials and ideas.

# Michael Edwards

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PROUD PARTNER TO PAUL ALLEN CUSTOM HOMES



Commonly requested features in Paul Allen Custom Homes' projects include large kitchen spaces, multi-functional game/media rooms and inside/outside living spaces.

"A lot of people choose not to go since they think that, because it's in Vegas, it's just one big party," Jansen-Seargeant says. "While it is fun, we take it seriously. A lot of new products are introduced at this show, and if you don't go, you may be six months or more behind us, knowledge-wise. In today's world of wanting things quicker and faster, that can be a death sentence for any builder."

#### **'TIMELESS AND ELEGANT'**

The company applies the knowledge it gains from the IBS and other sources directly to the homes it builds in the San Antonio, Texas, and surrounding Hill Country region. "Historically, when it comes to design, San Antonio can be a bit behind Los Angeles, New York and even Chicago," Jansen-Seargeant says. "However, in the past several years, because of the wealth the area has experienced, it has begun to accelerate more quickly allowing us to see a wider range of design tastes in our clients."

Though the area is known for its Tuscan and Mediterranean styles, Paul Allen Custom Homes' projects have what the company calls a "softer modern" design sensibility.

"We build homes with a timeless, clean and elegant look," Jan-

sen-Seargeant adds. "We don't want homes to look antiquated or be so trendy that they look like every other home in the region within three years."

The company's homes capture unique features both inside and out, including the use of lighting as a design feature. LED lighting is regularly used on home exteriors as well as interiors to emphasize and highlight architectural features, the company says.

Commonly requested room designs include multi-functional game/media rooms and inside/outside living spaces featuring resort-like outdoor living elements. Temperature-controlled wine rooms that can store between 200 to 2,000 bottles of wine have become standard in the company's floor plans. "We've taught ourselves how to most effectively build these rooms," Allen says. "For us, building wine rooms is fun, interesting and exciting, as well as economical."

All of the company's homes are built with quality and safety in mind. The company has instituted a safety program that entails Allen and his senior staff walking their job sites every Monday and, on Tuesday, reviewing any safety concerns they might find. "All of our folks review our safety program religiously," Allen says. "It's important for our clients to know there's a principal owner out there with their eye on things."



The company prides itself on offering a "concierge-level" building experience to its clients, which includes pre-selection and pre-design processes.

#### **OPEN DOORS**

The company typically builds 12 to 15 homes annually in neighborhoods in San Antonio and surrounding towns. Paul Allen Custom Homes builds on client-owned lots as well as maintaining a company-owned lot inventory. Most company-purchased lots are from the area's top developers and are companies that Allen has maintained long-term relationships with over the decades he has

## "For us, building wine rooms is fun, interesting and exciting, as well as economical."

**PAUL ALLEN** 

been in business. The company will also help potential clients find and purchase lots, Allen says.

The company prefers to keep the number of homes it builds within a certain range to ensure that each homeowner receives specialized attention and no one has a diluted client experience. Homes generally range in price from \$600,000 to \$3.3 million, though it has also built smaller, more affordable homes, he adds.

Paul Allen Custom Homes offers what it terms as a "concierge-level" building experience to its clients, with whom it works directly during every step of the construction process. Allen and his designers engage in an extensive pre-selection and pre-de-





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#### PAUL ALLEN CUSTOM HOMES INC.



sign process with customers. "We can easily spend 100 or more hours, collectively, with our clients before we even give them a price," Jansen-Seargeant says.

Clients interested in specialized pre-planned homes are frequently given the opportunity to examine and preview material samples and floor plans on "story boards" the company keeps in its main office. The office, which the company purchased and moved into last year, also offers amenities to clients who are presently living outside of the San Antonio area. "We have an office facility our clients can use to conduct their business while they're traveling to town," Allen says. "This is a nice bonus we've been able to offer and allows people more flexibility when they do not live locally."

Allen and his staff also offer building clients an online portal to be used during their building process. Each client has access to the portal that contains floor plans, finishes, current photos and other

#### **EXCELLENCE RECOGNIZED**

Paul Allen Custom Homes' efforts to build quality homes have earned it notice from industry peers including the Greater San Antonio Builders Association. The association has awarded the company with multiple Summit Awards, which recognize homes for "excellence in design functionality and value," the company says.



Paul Allen Custom Homes has completed close to 30 homes for repeat clients a fact its owner attributes to its transparency and honesty.

details about their home, including reviewing and approving any changes on the home and tracking the financial credits and debits that are incurred. The portal allows clients to communicate changes and interact with their designer in real time, he adds.

The company's pre-design and online portal offerings reflect its overall commitment to transparency. "I think a lot of people come to us because we're humble, and they feel intimidated by the competition," Allen says. "We're proud of that, and we're happy to embrace many young, successful people and take them to the dance."

Paul Allen Custom Homes' straightforward approach to business has earned it repeat business from customers who seek it out for second or third homes, which Jansen-Seargeant notes is rare in the custom building industry. The company recently began work on its 30th home for a repeat client, she notes.

The company's open and honest approach to customers has its roots in Allen's background. Allen founded the company at age 20 after working for another homebuilder. He entered the homebuilding industry after previously teaching sailing and selling sail boats, he says.

"As soon as I started selling homes in San Antonio, I realized that being straightforward and honest and doing a good job reaped a lot of benefits, and that many of the people around me didn't necessarily share that belief," Allen adds. "People respected me and believed in me at a young age."■

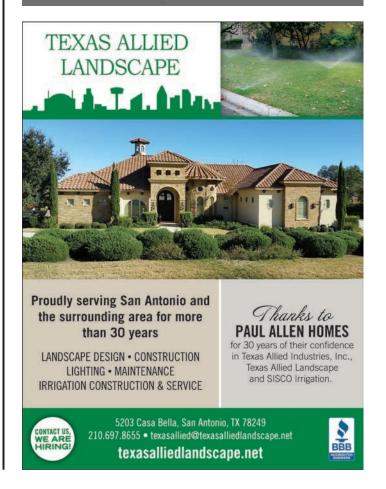


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#### JAY HANKLA, PRESIDENT/CO-FOUNDER



Southgate Homes says its success is rooted in the fact that it has not cut corners as other builders have

## Custom Experience

Southgate Homes delivers high-quality boutique homebuilding services to the Dallas market, by CHRIS PETERSEN

**PROFILE** 

**SOUTHGATE HOMES** 

www.southgatehomes.com / 2015 revenue: \$25 million / Headquarters: Plano, Texas / Employees: 12 / Specialty: Custom homes

#### As the housing market continues to rebound from the ef-

fects of the recession several years ago, construction activity has increased year by year. However, what Southgate Homes President and co-founder Jay Hankla has seen is that although activity is increasing, builders are holding back in terms of the quality of the homes they build, cutting corners even in the high-end segment of the market. As veteran of the homebuilding market for more than 20 years, Hankla founded Southgate Homes a few years ago specifically to push against this trend and bring high-quality construction back to the high-end custom home market in and around the Dallas market. "We saw a need to do more for a higher-pricerange market," Hankla says.

Today, thanks to the support of its parent company, Green Brick Partners, Southgate Homes has grown into one of the Dallas market's up-and-coming custom home builders. Hankla says the company has found success by taking on the needs of the area's high-end customer base and delivering the highest-quality homes



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Southgate Homes offers its customers a boutique experience as they shop for their new home

possible. With its emphasis on creating a highly collaborative experience for its customers, Southgate Homes has positioned itself to remain a fixture in the Dallas area for a long time.

Hankla acknowledges that getting any homebuilding company off the ground requires a lot of capital, and he says the connection

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he made with developer Green Brick Partners was crucial in helping Southgate Homes establish itself. That only became possible because he and Green Brick Partners shared the same philosophy about serving the high-end segment of the marketplace. "We had a shared vision," Hankla says.

#### TAILORED APPROACH

Hankla describes the company's primary customer base as one that is sophisticated and upwardly mobile from a socioeconomic standpoint. That means they are looking for a homebuilder who can offer them more than the standard cookie-cutter approach most builders have, and Southgate Homes stands apart from those builders in a big way. "We offer more of a boutique experience," Hankla says.

Not only is Southgate Homes flexible with the standard floor plans it has in its portfolio to meet customers' specific requests, but it also will design a custom home entirely from scratch if a customer requests it. As customers go through the homebuilding process with Southgate Homes, they are tended to every step of the way by the company's staff. In many cases, Hankla says, the company's entire staff gets involved on a project and is available at any time for customers if they have questions or concerns. "Our people are more involved in the process along the way, from our salespeople to myself," Hankla says. "You get to shake the hand of the people who are working with you."

Even when working with standard floor plans, Southgate Homes' attention to detail results in a unique home every time. Hankla says the company doesn't start with a base elevation and make small changes to make it fit into a certain look. Each home's elevation is designed from scratch to ensure that customers get the precise look they want and neighborhoods built by Southgate Homes don't have that one-size-fits-all feel to them. Hankla says such details are offered to customers as part of their new home's plan, not a la carte. "When we come up with the vision of a plan, the plan is built as drawn," he says. "It makes our neighborhoods look more upscale."

#### LOOKING FORWARD

Although land has become more difficult to find in recent years as construction activity ramps up, Southgate Homes has the financial strength through Green Brick Partners to find opportunities that are out of the grasp of other builders. As such, Hankla says the company sees a lot of potential for growth, but that growth will have to be managed carefully for the company to maintain its success. "I see us growing intelligently with the goal being not just growth," he says. "We want to be a great place to work, we want to provide a great product and we want to maintain our culture.

"When it becomes too calculated, un-fun and stressful, it shows in your sales process," Hankla adds. ■

"If you think dealing with a professional is expensive, wait until you deal with an amateur." DAVID GOETTSCHE, *PRESIDENT* 



Desco Fine Homes is not only dedicated to building luxury homes, but long relationships with clients, as well.

## Getting it Right

Desco focuses on achieving its customers' dreams with its custom homes. BY ALAN DORICH

**PROFILE** 

DESCO FINE HOMES LLC

www.descohomes.com / Headquarters: Dallas / Employees: 3 / Specialty: Homebuilding and remodeling

When clients build homes with David Goettsche, they can be sure that they will get what they ask for. "My role is to try to guide them through this process and get them what they want, at

the price that they expect," he declares.

Goettsche is the president and founder of Desco Fine Homes LLC, which specializes in building and remodeling homes in Texas' Dallas/Fort Worth area. A 38-year veteran of the industry, he founded the company in 1991.

Since then, Desco has grown to not only build luxury homes in prestigious Dallas communities, but also longtime relationships with clients. "A lot of them become friends," Goettsche says. "They know I will pick up the phone and answer a question when they call."

Many choose Desco because of its approach, which sets it apart from other builders. "They don't hear 'no' from me," he says. "I do it because I want them to move in happy. I want them to be really glad they picked me over the other guy."



Desco Fine Homes' market is seeing an influx of younger buyers who are more industry savvy.



Goettsche strives to be honest with his clients, as well. "When they're making mistakes, I feel it's my duty to raise those flags," he says, noting that he has helped clients avoid errors.

#### A TOP TEAM

Desco is a modestly sized operation, with Goettsche as its president and his wife, Teri, its realtor and broker. When a custom home is built, David Goettsche will personally oversee its construction.

He also utilizes a project team of craftsmen that he has hand-chosen. This includes many that Desco has worked with for more than two decades. "I don't change subcontractors very often," Goettsche says.

"When I find a good one, I try to keep them," he continues. "'A good one' means I don't have to call them time and time again, but when I do, they respond promptly."

But Goettsche understands that this is a two-way street. "I pay everybody really quickly, and I, in turn expect them to respond to me in similar fashion," he says, noting that he also expects them to hold the same values.

"Something I really try to do on a project is get it right the first time," he says. "I do not cut corners and don't want to do things twice. I try to hire guys that get it right the first time."

#### **EDUCATED BUYERS**

Desco's market is seeing an influx of younger buyers who are more industry savvy, Goettsche says. "Eight years ago, we didn't have all this information on the Internet where people could get ideas and collect an assembly of photos," he recalls.

This has had both positive and negative effects, he admits.

"I think people can now better communicate what they want more so than they could years ago," Goettsche says. "There's more information that's accessible to them."

But sometimes, they can get the wrong ideas. "When they watch these do-it-yourself TV shows, it gives them false hopes on what the costs really are," he explains, noting that the guidance of his interior designer helps. "She's going to keep them in budget and in the scope of the Dallas, Texas, market."

#### **MOVING TOWARDS MODERN**

Desco has long specialized in Mediterranean homes, but more clients are requesting modern designs. Although it still builds Mediterranean houses, "People's tastes are changing," Goettsche says.

The company often builds homes with a moderately modern look, instead of "a hardline contemporary," he says. "Sometimes, the outside might look more traditional, but the inside has a very open floor plan with lots of windows that cast natural lighting and bring the outdoors in."

Recently, Desco built a modern home for a repeat customer in Dallas. "They went from a very nice, French country traditional

#### **UPDATED LIVING**

The remodeling market remains strong for Desco Fine Homes LLC. President David Goettsche notes that his recent projects included remodeling a home in Dallas that was built in the early 1990s. "I completely renovated, rewired and re-plumbed it," he says.

"It was a huge, two-year project," he says, noting that the home was approximately 12,000 square feet.

home that was built in 2000," Goettsche recalls, noting that the clients sold their previous home within a month. "They wanted to go with more of a Restoration Hardware look, so we went with a little more modern touch.

"We didn't really change the floor plan from traditional to modern, but the finishes we used were a little more [contemporary]," he says, noting that the finished home spans approximately 4,900 square feet.

#### **PROFESSIONAL PRIDE**

Sometimes Desco's work can be costly, but the company's professionalism justifies the expense, Goettsche asserts.

"If you think dealing with a professional is expensive, wait until you deal with an amateur," he says.

As Goettsche celebrates 38 years in the industry, he plans to continue bringing that professionalism to his work, which will separate it from other builders. "When I tour other builders' houses, I see things that don't look appropriate," he states. "Guys get in the business and don't recognize the good from the bad."

Goettsche's ability to recognize the good has earned him a repeat client base, he notes. "That's increasing every year, as the customer base gets larger," he says. ■

Desco Fine Homes has organized its operation to help it give customers what they want, at the prices they expect.





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Goodier Builders has successfully transitioned to become a company focused on a handful of luxury home projects each year.

## **Teaching Trust**

Goodier Builders leveraged its established relationships to drive pricing as it entered the luxury custom home market. BY TIM O'CONNOR

**PROFILE** 

GOODIER BUILDERS

www.goodier.com / HQ: Lutherville, Md. / Employees: 6 / Specialty: High-end custom homebuilder Since transitioning away from building planned developments in mid-2000s, Goodier Builders has found success by merging its hands-on customer relations with the know-how of a large builder. The Maryland-based custom homebuilder specializes in discerning clients who are moving out of a national builder's house and want a unique home that's available only to them. "People come to us when they want the highest quality," President Clay Goodier says.

Clay Goodier's father, Bob Goodier, started the company in 1985 as a high-volume builder. During the course of his career, the elder Goodier constructed more than 1,300 homes – as many as a hundred in a single year during his prime.

#### **NAVIGATING TRANSITION**

In 2009, Clay Goodier joined the family business. The company was in a transition period as it discovered that small or mid-sized builders could no longer compete with national companies. To sur-



Most Goodier projects fall in the \$1 million and greater range

vive in the post-recession market, Goodier Builders had to adapt and more carefully picks its projects. The company saw an opportunity in luxury custom homes and has been refining its approach ever since.

The company primarily works in Baltimore and Howard counties, Md., and the Delaware shore. Goodier Builders tends to work in the \$1 million and up segment of the market. Custom homes take up about half of the company's workload. The company also builds high-end speculative homes valued at \$1.5 million and greater. Its highest selling project was a \$5.25 million beach house built in Delaware in 2014. "We found a niche that works well for us where I can provide a level of service that our customers value," Clay Goodier says.

Goodier Builders has remained a family owned company through its transition phase. Bob Goodier is still involved in the business, but Clay Goodier now runs the day-to-day operation. Clay Goodier contends that the company's independence has made it more responsive and to its customers. "I think it has an advantage in the sales process and the trust factor with my clients," he says. "A lot of times, the world 'builder' can be a negative or a four-letter-word kind of thing. But I take pride in my relationship with my clients."

#### **ADJUSTING WORKLOAD**

In becoming a smaller company, Goodier Builders can no longer take on the 100 homes a year it completed during the company's peak. Instead, it has gone the other way, narrowing its focus to manage three to five building projects annually. With fewer projects, Goodier Builders is able to work with the customers all the way through the homebuilding process, from finding the land to obtaining the final permits. "I'm trying to do less houses at a quality that really speaks volumes," Clay Goodier says.

Although it no longer works on a large scale, the experience and subcontractor relationships Goodier Builders developed in its heyday have translated to its new market. "Where we really excel is we have a great trade base from the days when we built 1,300 houses," Clay Goodier says. "We are a good hybrid." The company



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#### GOODIER BUILDERS !

is able to leverage those existing relationships to drive pricing and pass the savings on to customers. "[Subcontractors] know what we expect out of the house and they know what we need the pricing to be," he adds.

Each home project requires the work of between 40 and 50 subcontractors to complete. Managing those schedules requires not only constant communication, but also confidence in the businesses hired for the job. "Our long-term relationships tend to be contractors who get it right the first time and, if there is an issue, fix it immediately," Clay Goodier says.

Limiting its project load enabled Goodier Builders to give each client their full attention. Clay Goodier sees that as the company's strength and does not want to compromise quality by expanding its annual workload. In the custom home business, customers want to talk directly to the owner of the business. Even without taking on more projects, that level of close collaboration has strengthened Goodier Builders' business and built its reputation. "All of our clients have been happy to recommend us to their friends and families," Clay Goodier says. "I think that speaks volumes." ■



By capitalizing on the subcontractor relationships Goodier Builders developed when it was larger, the company is better able to drive pricing

**"**We design approximately 300 homes a year."

#### MIKE HOGSTROM, OWNER AND CEO



Onsite Design specializes in designing and developing residential projects in Louisiana and across state lines.

## Onsite Excellence

Onsite Design has made a name for itself in Baton Rouge, La., after only three years.

BY ALAN DORICH

**PROFILE** 

ONSITE DESIGN

www.onsitedd.com / Projected 2015 sales: \$3 million/ Headquarters: Baton Rouge, La. / Employees: 10 / Specialty: Project design and development Since founding Onsite Design, owner and CEO Mike Hogstrom has set a standard for quality. "I'm a guy that works over 100 hours a week," he says. "I try my best to lead by example."

Part of that example includes being accessible to clients and project partners. If they call, "There's always someone to pick up the phone and get back to them within 24 hours," Hogstrom says. "[That policy has] strengthened a lot of relationships."

Onsite Design specializes in designing and developing residential projects in Louisiana and across state lines. Hogstrom, who has nearly 18 years of experience, started the company three years ago. "I left my nine-to-five job and bought a piece of land to develop out of my house," he recalls. "I was going take a couple years out of the rat race and see how things went for me in Baton Rouge."

Hogstrom rezoned the 1.4-acre property for the construction of eight single-family homes. "I caught the eye of several builders, developers and investors, not just in Baton Rouge, but also across the region," he recalls.

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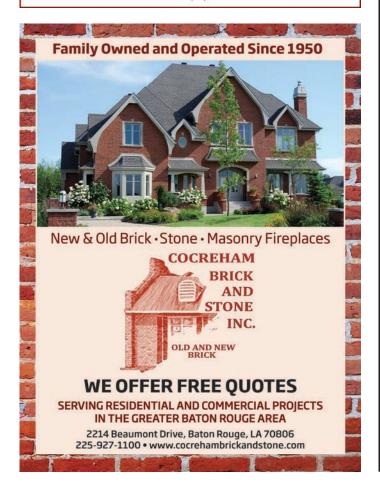
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#### ONSITE DESIGN

"I got a lot of [people asking], 'Who are you and what are you doing in Baton Rouge?" Hogstrom recalls. "We probably did somewhere around \$750,000 our first year, doubled that our second year and we'll double that again in our third year.

"We design about 300 to 400 homes a year," he continues, noting that Onsite Design has nurtured a strong work culture. "We care about each other and we care about the work that we do."

#### THE BREAD AND BUTTER

Onsite Design serves a "vast" customer base, Hogstrom says. "We actually have four pieces to our business," he says, noting that one is volume housing. "A lot of it is entry-level product, which is the bread and butter that keeps our lights on."

The second segment is the custom housing market, for which it designs "between 50 to 75 custom homes a year," he continues. "We work with a lot of millennials, families and empty nesters within [this] market."

"This will be the elite experience in town-andcountry living. There are English-style gardens and pedestrian mews."

Its third segment consists of land planning and consultation work. "Even some of our competitors bring their vacant land to us, inquiring what they should do, not only aesthetically, but financially," Hogstrom says.

"We have very robust pro formas and spreadsheets that look at everything from the costs of land to the costs of infrastructure," he says. "We're doing land planning and development for land planners and developers."

The fourth segment consists of projects that Onsite Design develops itself. "Within those four quadrants, we work with new and seasoned builders alike," Hogstrom says.

#### **ELITE LIVING**

Onsite Design's current projects include Adelia at Old Goodwood, a community of 46 luxury homes that surround the famous Goodwood Plantation in Louisiana. "The project is a 17-acre parcel that sits in the epicenter of Baton Rouge," Hogstrom says.

The plantation, he notes, is an Antebellum home that was built in the 1850s. "The historic jewel will be preserved," he says, noting that the owner approached Onsite Design after seeing its E'tage Gardens project, also in Baton Rouge.

"She and her family were ready to part with the property," Hogstrom recalls. "They cared about who the property went to and what they did with it."

The lots, he notes, average 11,000 square feet in size. "We feel that this will be the elite experience in town-and-country living," he says. "There are English-style gardens and pedestrian mews throughout the neighborhood – linking together the open spaces."

Construction has not started on Adelia yet, but Onsite Design will complete its entitlement soon. "In early February, we'll prepare to install our streets and infrastructure," he says. "Some of the first homes will be under construction by October and November 2016."

The Antebellum home, he adds, will be used as a clubhouse. "It will be a great place to live and play," he says. "We've even considered that the second floor of the plantation could be usable for future Onsite office space."

The designs of the homes lean towards English countryside-style homes as opposed to the French-inspired design usually seen in the area. "We're excited to move away from that," he says. "Baton Rouge is thirsting for something new and a little different."

#### **ESSENTIAL EXPERTISE**

Hogstrom's extensive experience includes being trained as an architect, land planner and developer. "From the time I was 18, I've always worked in architectural design, residential design and infill development," he says. "I wanted to see as much as the world as I could in my early career."

Those travels have benefited Onsite Design. "I bring to Baton Rouge valuable ideas from [other] cities," he says, noting that he often draws ideas from the Township of Princeton and the streets on London for inspiration.

"Baton Rouge does not have the most advantageous infrastructure for walkable communities and shared open spaces," he says. "Many cities in our country are like that. The streetscapes and sense of place can suffer when so much of the landscape is dominated by the automobile."

Hogstrom sees a busy future for Onsite Design. With many architects and designers nearing retirement, "We're gracious and respectfully waiting to take that torch," he says. "I would love to see us grow and our culture and work product to grow even stronger. I also would love to see us venture out of Baton Rouge and into more infill development in other cities across the nation."



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"(The process) allows us to deliver a product that gives us a price advantage over any of our competitors in the area. 99 CHARLES SCHETTER, CEO



Smith Douglas Homes has become the fourth-largest builder in the Atlanta Market in only eight years

## **Total** Transparency

Smith Douglas Homes focuses on the efficiency with which it builds homes to expand its market presence. BY TIM O'CONNOR

**PROFILE** 

#### **SMITH DOUGLAS HOMES**

www.smithdouglas.com / Revenue: \$110 million / HQ: Woodstock, Ga. / Employees: 110 / Specialty: Privately owned homebuilder

There are several key factors that every family takes into consideration when considering a new place to live. Employment opportunities, an efficient transportation network, quality schools and affordable homes all rate highly on most people's list. The Southeast meets each of those criteria, which is why Smith Douglas Homes is executing a strategy to become the dominant homebuilder for the entire region. "It sets up the notion that for the next few decades, the Southeast is one of the critical growth areas for the country," CEO Charles Schetter says.

"The trick is to build around people," Schetter explains. "We're really pleased with the team we've brought together." The experience and market knowledge of the people working for Smith Douglas Homes has enabled the young company to achieve rapid penetration in its three primary markets: Atlanta, Raleigh, N.C., and Birmingham, Ala. By cultivating local talent, Schetter believes the company will replicate its success as it establishes itself in more cities. "It's far more important to be deep in a handful of markets than to be thin in a wide variety of markets," he says.

Smith Douglas Homes was established in 2008 but traces its roots back to 1975 when owner Tom Bradbury founded his first homebuilding company, Colony Homes. Colony's mission was to create a highly productive building process to reliably deliver high-quality homes at an affordable price. By 2002, the company had become the second-largest builder in Atlanta. That success attracted the attention of national builders and in 2003 KB Home acquired Colony.

#### PUTTING THE BAND BACK TOGETHER

In selling Colony, Bradbury retained control of the proprietary operating system that fueled his former company's growth. Five years after the sale, Bradbury's non-compete agreement with KB Home expired and he resurrected that operating system in starting Smith Douglas Homes. Bradbury also brought back many of the people he worked with at Colony and KB, including Schetter and Greg Bennett, now COO of Smith Douglas Homes.

The eight years since the new company's founding have proven that Bradbury's original 1975 model still works in the post-recession housing market. The company closed on 526 homes in 2015, generating \$110 million in revenue and making it the fourth-largest builder in the Atlanta market.

Smith Douglas Homes is not a developer but the company does specialize in building communities of 100 to 120 homes. The average home ranges in price from \$150,000 to \$350,000, depending on the upgrades the buyer chooses. Bennett says working on that scale allows the company to deliver uniform quality throughout a neighborhood. That is not to say every home will look the same. Smith Douglas Homes works with its customers to ensure home exteriors provide attractive variation in the streetscape.

But the approach does give Smith Douglas Homes better control over the quality of the community. For the majority of the communities, Smith Douglas strives to include a homeowners association that maintains the front yards. Residents may tend their own backyards, but an association manages the landscaping in the front. That setup ensures that communities remain attractive for the long term. "When you come back to one of our communities four years later, it still feels fresh like the first day," Schetter says.

#### **OPERATING SYSTEM**

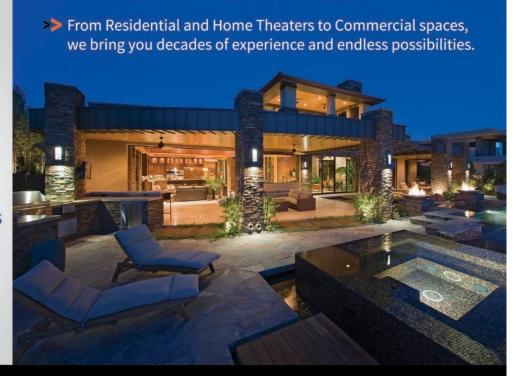
During the summer of 2015, Smith Douglas Homes' leadership began thinking about how they could ensure the company would remain a family driven private homebuilder in an increasingly na-



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#### SMITH DOUGLAS HOMES

tional builder-dominated market. To thrive, the company decided it had to become one of the dominant homebuilders not only in Atlanta, but in the entire Southeast.

The company added offices in Raleigh and Birmingham and plans to expand to Charlotte by the end of 2016. Smith Douglas Homes is targeting 700 homes and \$150 million in sales this year. Ultimately, it wants to be in seven key markets in the Southeast.

Smith Douglas Homes believes Bradbury's proprietary operating system will help it realize that goal. "It's a schedule-driven, single database, real-time system that allows the company, its trade partners and our customers all to go online and see exactly what's happened to the house, what's scheduled for the house in the next few weeks and what the final delivery is," Bennett says. "What's unique about the Smith Douglas system is the total transparency for everyone involved."

Only one trade subcontractor works on a home at a time. When their job is done, they immediately hand the project off to the next subcontractor, creating an assembly line affect. The downside is that when one subcontractor doesn't arrive or has an issue, it can delay the next team coming in.

To avoid such problems, Smith Douglas relies on the contractor's desire to protect their reputation. When there is a delay, all the other trade companies down the line know who is at fault, and no one wants to be the target of that frustration. "One thing my dad told me is, 'Good trade partners want to work with good trade partners," Schetter says.

Smith Douglas Homes helps facilitate that schedule by having its subcontractors work in the same area for four to five days at a time, instead of the two or three days under the typical building process. "They are making more money with less effort and that allows us to negotiate better terms with them," Schetter explains. "[The process] allows us to deliver a product that gives us a price advantage over any of our competitors in the area."

Efficiency in construction also allows customers to select options and determine home details further along into the construction process once they can see the house taking shape. "We want this to be a gratifying experience for the customer," Schetter says. "Homebuying can be inherently stressful because it's the largest decision they will be making."

The company will continue to execute on those advantages. "We have the luxury of starting in the most important market in the Southeast as the leading private builder," Schetter says.

Although the company itself is young, its team has 40 years of familiarity with Atlanta and 20 years with Raleigh and Birmingham. Smith Douglas Homes intends to dig into those markets, not build up and move on to the next town. "Our system allows us to foster great relationships with our trade partners so they can efficiently do their best work," Schetter says. "The result is a quality home built at an affordable price for our homebuyers."■

"We've been increasing our business each year since the housing market came back through careful, slow growth." EYAL AVNON, PARTNER



Rialto Homes builds for homeowners looking to "move up" in the quality of their homes

## **Opportunity Makers**

Rialto Homes seeks to constantly build on its homebuilding knowledge. BY JIM HARRIS

**PROFILE** 

#### RIALTO HOMES

www.rialtotexas.com / Headquarters: San Antonio, Texas / Employees: 20 / Specialty: Semi-custom production homebuilding

# Rialto Homes considers itself a "true opportunist" when it comes to taking advantage of and building on the knowledge of its staff. "We picked what was arguably the worst time to kick off a production homebuilding company, and so we had to quickly adjust to the changing real estate climate and pursue a niche," says Partner Eyal Avnon. "We have many systems in place that allow us to operate like one of the big guys in the market, but we're not

so big that we can't make decisions and implement changes like a

more nimble, local custom homebuilder can."

Avnon's father founded the San Antonio, Texas-based company in 2006, and ramped up to close on its first homes in 2007, shortly before the national housing market downturn. "I think it's remarkable that the company was able to operate through the downturn and come out on the other side as healthy as we have," he adds.

The company last year closed on 47 homes, and projects to close on between 50 to 60 homes this year. Rialto Homes generally builds residences priced \$500,000 and up to customers look-





Roughly 90 percent of Rigito's homes feature some degree of floor plan or other customization. The company is seeing trends in informal layout arrangements and large indoor and outdoor entertainment areas



ing to "move up" in terms of home quality and level of finish-out amenities. The company considers itself a semi-custom production builder because it invites buyers to make changes to its floor plans, but operates predominantly in neighborhood developments and under a volume approach. Rialto Homes presents its clients with stylistically distinct elevations for each of its floor plans, a number of pre-drawn flex options, as well as customized re-draws tailored to clients' specific wants.

Roughly 90 percent of the company's build-to-suit homes have some degree of customization. Common trends in the company's recent projects include single-story floor plans for both families and its "move-up / move-down" clients with a focus on informal layout arrangements, including single dining plans and large indoor and outdoor entertainment areas.

"For most of our clients, this is their third, fourth or better home, but many times their first build-to-suit," Avnon says. "They've lived in a few homes and developed a recognition for what they want, and an appreciation for certain features. We provide them an opportunity to incorporate styles from a variety of floor plans, ultimately blended together into a final design created specifically for the individual client."

Today the company actively builds in five communities in and

around San Antonio, typically acquiring lots from third-party developers. "In most of our projects, we're either an exclusive builder or working in cooperation with two or three others in the same neighborhood," he adds.

Rialto Homes is also developing a neighborhood on land it owns in New Braunfels, Texas, with plans to do the same on other parcels it currently owns or controls. "We're always looking for opportunities, but since we don't have a big machine to feed, we don't feel the overwhelming need to engage in acquisitions out of necessity to put up numbers or cover overhead. That allows us to be incredibly selective in our land positioning," Avnon says. "We've been increasing our business each year since the housing market came back through careful, slow growth. We have youth in ownership, which affords us with great patience."

#### **'BUSIER THAN EVER'**

Although the majority of Rialto Homes staff is made up of professionals with several years of experience in homebuilding, the company is not content to rest on its laurels. "We're constantly making changes and finding ways to enhance our processes," Avnon says.

The company has implemented a number of technologies and procedures that enable it to review every step of its projects and

"We've been increasing our business each year since the market came back through careful, slow growth." EYAL AVNON, PARTNER

communicate expectations to clients. "We've become very good at performing reviews by having clear and identifiable checkpoints throughout the design and build stages. We work hard with clients, many of whom have very specific wants, and have evolved to understand the importance of putting everything in writing," he adds. "Everything we do is trackable through an online system, input by our sales, purchasing and construction teams, creating accountability for both us and for the client."

Rialto Homes also hired a dedicated purchasing director who has helped it add new products and finishes. These include zip system sheathing and whole-house energy efficiency packages.

"We're making tremendous strides in improving every aspect of our business," Avnon says. "We're busier than we've ever been, and haven't added much in the way of headcount – we've just been doing a better job. Despite the amount of work, our customer satisfaction is as good as ever, based not only on client surveys but also feedback from both our longstanding and recently added trade and business partners. Ninety-nine percent of the people we work with, including vendors and trades, seem tickled pink at the end of the process, and that's the tell-tale for me." ■

Rialto Homes President/Owner Kobi Avnon (left) and COO and Partner Eyal Avnon





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Sheffield Homes has significant goals for 2016 including doubling the number of custom and and semi-custom homes it builds in the Denver area and increasing sales by about \$5 million.

We really cater to the client and do what we say we're going to do. ""

#### JASON GORDON, PRESIDENT

**PROFILE** 

SHEFFIELD HOMES

www.sheffieldhomes.com /

Headquarters: Arvada, Colo./ Employees: 11 /

Specialty: Residential construction

## Finding A Niche

Sheffield Homes builds custom and semi-custom homes in Colorado.

BY BOB RAKOW

Sheffield Homes' success is the result of discovering a niche in the custom homebuilding market. The Arvada, Colo.-based company builds a small number of custom and semi-custom homes each year with the goal of meeting clients' exact specifications. "We really cater to the client and do what we say we're going to do," CEO Jason Gordon says.

Jim Sheffield started the company in 1978. "He built a great company for a lot of years," says Gordon, who joined the company in 1995 and became a partner seven years later.

#### **BUILDING A REPUTATION**

Early on, Sheffield Homes built between 120 and 150 custom and semi-custom homes annually in the Denver metropolitan area. The company never aspired to contend with production builders who constructed hundreds of homes on large tracts of land. "We could never compete," Gordon says.

But the company built its strong reputation by surpassing its competitors in other areas, such as service and the ability, to make custom changes. "That's always worked for us," Gordon says.

#### 'A HUGE BLESSING'

Sheffield Homes was significantly affected by the 2007 recession because demand for custom homes vanished, Gordon says. "The market tanked, and a lot of things changed," Gordon recalls. Fortunately, Sheffield Homes added remodeling and renovation work to its offerings about 18 months prior to the recession and relied on the work to offset the decline in homebuilding projects, he says. "It was a huge blessing for us," Gordon says.

Indeed, the recession led to a considerable increase in remodeling work because many homeowners chose the option over buying a new home. Others renovated basements to provide living space for adult children who returned home after losing their jobs, he says.

Today, Sheffield Homes performs about 25 remodeling and renovation projects annually, which make up approximately 20 percent of its business, Gordon says. Remodeling work ranges from a single room to extensive additions, he says. But the company has no plans to expand that side of the business. "Our main goal is to be a homebuilder," he says. An equally important objective is to grow the business in 2016.

Sheffield Homes has made its mark building homes in existing communities and specializing in infill development. "We build homes for people who want to stay in a specific community," Gordon says. Sheffield Homes has relied in large part on repeat clients and "move-up buyers" for its success, Gordon says. Sheffield Homes builds all of its homes in the Denver metropolitan area including Broomfield, Lakewood, Morrison and Arvada.

#### **GROWING THE COMPANY**

Sheffield Homes builds approximately 20 custom and semi-custom homes a year - a figure it hopes to double in 2016, Gordon says. It also hopes to increase sales by about \$5 million. The obstacle standing in the way of those goals is a lack of qualified labor.

"It's hard to find good people," Gordon says. Many members of the construction community left the industry during the recession while others are retiring. Unfortunately, too few people are joining the trades to take their place, he says. Sheffield Homes does all it can to retain quality subcontractors. "We just try to continue to have different subs so we have more to choose from," Gordon says. "We've been loyal to our guys and they've been loyal to us."

Gordon emphasizes that there is significant demand in the semi-custom home market. Although some clients prefer a custom-built home, many are satisfied with selecting a semi-custom home from Sheffield Homes' large portfolio, Gordon says. Although the architectural plans for a semi-custom home are not original, Sheffield Homes is willing to make adjustments including the addition or deletion of rooms or as simple as changes to interior and exterior finishes, he says.

Other clients prefer a custom home. "People who own their own lots will come to us for a custom-built home," Gordon says. The company also works with investors who want to develop several lots. "We try to be diversified," he says.



Sheffield Homes works with its custom home clients to make adjustments including the addition or deletion of a room or changes to exterior and interior finishes.



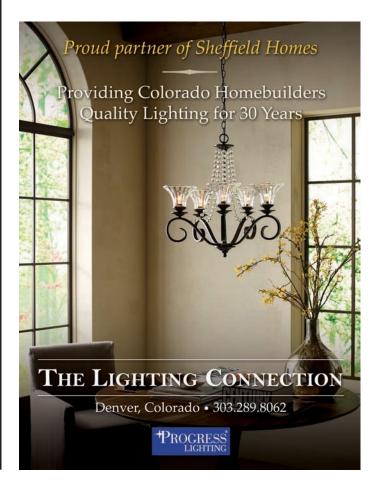
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We look forward to demonstrating our commitment to central Florida homebuyers and showcasing our new model home. CARL JACOBS, FOUNDER



Element's custom homes are attracting homebuyers on a global scale because of their modern design

### **Elevated** Presence

Element Home Builders is building a reputation for itself in the central Florida market as the go-to custom homebuilder.

#### **PROFILE**

#### **ELEMENT HOME BUILDERS**

www.elementhomebuilders.com / Revenue: \$32 million / Headquarters: Orlando / Employees: 10 / Specialty: Custom homebuilder

#### Element Home Builders is building a more than \$1.5 mil-

lion model home in Windermere, Fla., to showcase its expertise in the design and construction of custom homes. "We are looking forward to unveiling our new model home," founder Carl Jacobs says. "So many people are visual; our model reflects the modern designs and finishes people are looking for today."

The Orlando-based company's model home will feature an exciting and innovative new design with superior finishes, energy saving features, and a large outdoor living space that includes a summer kitchen, large fireplace, and pool. Element Home Builders is using the newest materials, textures, and colors imaginable. "We really don't have a signature look," Jacobs explains. "We can build any style combination. Our goal is not to get picture-framed or locked into a certain style because we can do just about any design or style the customer wants."

Element Home Builders' custom homes are attracting homebuyers on a global scale because of their modern design and the



35 years Jacobs brings to the architectural design/build team. He has constructed hundreds of homes in Windermere, Dr. Phillips, Winter Garden and more throughout central Florida. "We take their dream, put it on paper and ultimately turn it into bricks and sticks," Jacobs adds.

Homebuyers are looking for an open concept and demanding outdoor living space that includes a variety of amenities. Today's buyer is looking for more transitional looks in architecture. The transitional style is a cool combination of architectural styles. "With a modern look, the lines are more square, windows are square top, there is more contemporary stone and sand stucco finishes," Jacobs explains. "We are utilizing more windows to bring the stunning Florida light and beautiful outdoors inside."

#### **GENERATING BUZZ**

"Choosing the right design and build team for a custom home is vital," Jacobs says. "With more than 35 years of experience, Element works hard to make the process pleasant and fun for everyone involved. We focus on quality, customer service and satisfaction, which we know differentiates us from the competition."

To ensure the construction process goes smoothly, Element has a group of core subcontractors. The company has worked with some of the same trade companies for 30 years. "We are looking for people we can have long-term relationships with, both clients and subcontractors," Jacobs says.

Moving forward, Element Home Builders is working to build a reputation in central Florida as a superior custom homebuilder, one that builds quality and adds value for the homeowner. "We look forward to demonstrating our commitment to central Florida homebuyers and showcasing our new model home," Jacobs says. "We are expecting to elevate sales and are gearing up for that."

Founder Carl Jacobs brings 35 years of experience to Element Home Builders' architectural design/build team.



## Concrete Advantage

Leeward Living designs homes with exteriors of poured concrete to create a hurricane-resistant and energy-efficient structure. BY RUSS GAGER

We're trying to build the most resilient and sustainable homes in New York City.

JAMES WILLMER, PRESIDENT



Leeward Living subcontracts the electrical, plumbing and HVAC work on its concrete homes.

**PROFILE** 

LEEWARD LIVING – BREEZY POINT COMMUNITY

www.leeward-living.com /

Average home price: \$500,000 to \$1 million / Headquarters: Rockaway Park, N.Y. / Employees: 26 / Specialty: Design/build concrete homes

When the ocean is surging around your beachfront house during a storm and the wind is howling against the windows, a resilient concrete house built to withstand the forces of Mother Nature sounds like a pretty good idea. For some residents of the aptly named Breezy Point — a final spit of beach inside the limits of New York City before the Atlantic Ocean takes over — a new concrete home design from Leeward Living makes sense.

"We really designed the home with the most resilience we could," President James Willmer points out. The exterior of the homes look like they are covered with regular clapboard siding, but instead of the siding ripping off in high winds, it is molded into the concrete exterior walls. "Nothing rips off in a storm," Willmer

insists. "Even the pitched roof and gutters are concrete." The outer concrete shell of the house protects a conventional home inside. "Inside is all normal sheetrock," Willmer points out. "You never know you're living in a concrete bunker except when you need it to protect you."

The home is poured concrete and shotcrete so it is a single monolithic structure. Inside, metal studs with drywall create essentially a second home inside the concrete house. Closed cell foam is sprayed onto the concrete in the two-and-a-half-inch space between the concrete and the studs to create an airtight, monolithic structure which also leads to an extremely energy-efficient and sustainable home, as well.

A limited palette of colors can be molded into the home's exterior, so many concrete homes use a special waterproofing exterior paint with a wide range of color selections and a 10-year warranty.

Thermal breaks keep the interior 20-gauge metal studs separate from the concrete exterior so no thermal bridging occurs. This design also eliminates condensation in the corners of the structure and subsequent formation of mold. Because the homes use no wood, no shrinking, swelling or pests are a problem, especially in a coastal environment. The interior is totally isolated.

"Following Sandy, I saw a need to rebuild not just faster but better, more resilient and sustainable homes."

JAMES WILLMER, PRESIDENT

#### **POURED IN STAGES**

The concrete pour is done in stages, with first the footing, columns and the elevated platform deck designed per FEMA guidelines for a Coastal V-zone poured. The deck is comprised of double-reinforced steel and rated significantly above the local New York City wind code. This assists in reducing the cost of flood insurance for the homeowners.

The next stage is to pour the reinforced walls and the roof over the edge of the walls to give the look of trim. Because the home is monolithically sealed, Willmer says it is 99 percent impervious to water. Special taping and flashing is applied to the hurricane-resistant doors and impact-resistant windows.

The concrete homes are being built in Breezy Point – a co-operative community of single-family homes which has undergone a massive rebuilding process since Hurricane Sandy in 2012. Four of



Leeward Living elevates houses on platform decks designed per FEMA guidelines.

the homes are finished and another five are breaking ground or in different stages of construction. Five more concrete homes are in the approval process prior to construction.

The concrete homes have been built in traditional, transitional and modern styles but can be built in any style. "We're a young-



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The added cost of the semi-custom homes is offset by energy-efficiency savings.

er group, so we try to push a little more modern, contemporary aesthetic," Willmer says. But he estimates the average ages of his customers range from 60 to 85. About half the homes in Breezy Point originally were second homes, but as the population has aged in place, more have become primary residences.

The semi-custom concrete homes are approximately 10 percent more expensive than an equivalent wood frame home, Willmer estimates, but the increased cost is offset by the homes being approximately 80 percent more energy-efficient than standard homes, according to third-party modeling by Steven Winter Associates Inc. Leeward Living's average concrete home prices range from \$500,000 to \$1 million for a two-story dwelling. They measure on average approximately 20 feet wide by 43 feet long per story, which is due to local zoning codes.

"I came up with the idea following Super-Storm Sandy, as I saw a need to rebuild not just faster but better, more resilient and sustainable homes," says Willmer, who grew up in his family's construction business. He earned a graduate degree in real estate and urban and city planning at the University of Pennsylvania, in addition to having worked for homebuilders in real estate and finance.

Leeward Living is a design/build firm with in-house architec-

ture and project management. "This allows us to design semi-custom homes for clients so they get exactly the project they desire," Willmer says. "It also allows us to build efficiently, delivering homes in approximately four to six months."

#### **ENERGY-EFFICIENT**

Leeward Living subcontracts the electrical, plumbing and HVAC on its projects and self-performs the rest, such as the concrete and drywalling, with its own crew. The average home employs up to five or six subcontractors. The homes are aiming for LEED Platinum certification. They use on-demand hot-water heaters and electric heat pumps without ducts located high on the walls to provide energy-efficient heating and cooling. Because the homes are so airtight, energy recovery ventilators circulate 70 percent of the air in each house every hour. All appliances are Energy-Star-rated, and all lighting is with LED bulbs.

Leeward Living also elevates existing wood-frame houses in the New York City area to meet new flood requirements. Like its own homes, these repaired homes are set on concrete columns with breakaway panels to enclose them. When a storm surge hits the panels, they break away, and the surge continues past the columns.



Metal studs with drywall in effect create a second home inside the concrete house

A solid raised foundation would enable the surge to push against it and move the house.

"What we're doing is trying to be very forward-thinking," Willmer says. "We're trying to build the most resilient and sustainable homes in New York City. We're really trying to change the way people think about housing and living on the coast. Everything we do is integrated and thoughtfully designed for living in a fragile ecosystem on the water.

"We're really trying to make sure that these homes are next-generation homes that can survive generations of New York City residents," he continues. "Out of this storm, we are now able to rebuild more resilient and sustainable structures that will not only provide a home for residents to create family memories, but also better housing stock for the future of New York City."

Leeward homes are 100 percent concrete and impenetrable to wind and flying debris. All homes are built to exacting standards of FEMA 55 Coastal Construction as well as the guidelines set by the Institute of Business & Home Safety Fortified program. Engineered for the coast, all homes can withstand storm surges, flooding, fire and extreme hurricane force winds, the company says, all while sustaining minimal damage.





Arlington Designer Homes is family owned and managed, and principal family members are actively involved.

When I find a good subcontractor, I try to be loyal to him.

#### ANDREW MOORE, PRESIDENT

**PROFILE** 

ARLINGTON DESIGNER HOMES
www.arlingtondesignerhomes.com /
Average home price: \$600,000 to \$1.3 million /
Headquarters: Arlington, Va. / Employees: 2 / Specialty:
Energy-efficient custom homebuilding and remodeling

### **Small Time**

Arlington Designer Homes is building smaller homes with features that pay for themselves quickly. BY RUSS GAGER

Homes are gathering places, and the best designs facilitate that function. Whether stunning McMansions or smaller, more energy-efficient single-family structures do that better is still being decided in the marketplace, but Arlington Designer Homes' President Andrew Moore is betting on the latter.

"After the Great Recession, you're building different kinds of houses than you were in 2005," Moore observes. "Part of that is building smaller houses. I don't know if I'm ahead of the curve or missed the curve, but we just got a contract to buy a spec house we built that is 3,500 square feet — smaller than other spec houses on the market. I made the decision to build a smaller, more energy-efficient house. We've spent the time and effort to organize the space in a more efficient manner so it feels like 4,000 or 4,500 square feet even though it has less square footage."

Moore thinks the McMansion style is on its way out for many homebuyers. "In 2005 through 2008, people were putting in all this extra stuff because they would start building a house and by the time it was finished, it would go up in price \$100,000, so money was no object," Moore remembers. "People thought central vacuums were essential to have in a house. However, I think those have fallen out of favor. Now we've come down a bit in house size and the amount of money people are able to spend and borrow, so there is some opportunity to build more sensible homes."

Founded by Moore's father, William, in 1983, Arlington Designer Homes is family owned and managed, so the focus groups that evaluate its home designs are informal and sometimes the principal family members. "We take all these houses to the committee," Moore relates. "We want to pass them by my mom, my dad, my wife and whoever else is in the kitchen."

This process yields practical evaluations of the homes' layouts that correlate with the way families live nowadays. Arlington's 3,500-square-foot model in Falls Church City, Va., has everything a family needs, including four bedrooms, four-and-a-half bathrooms, a spacious kitchen and closets, and rooms for dining, recreation, linens and laundry. "It flows incredibly well for the way that people live," Moore maintains.

#### **REMODELING, TOO**

Moore estimates that approximately 75 percent of Arlington Designer Homes' business is new home construction, with the rest

being remodeling. "I don't want to do anything that I can't do well," Moore emphasizes. "Remodeling and new construction are different processes and require different skillsets and a different labor force. We have been developing our flexibility and diversity over the past 15 years, so we can serve clients with remodeling as well as new construction."

The company builds and remodels three to five homes annually, mostly in Arlington and Fairfax Counties along with Falls Church City. "Those are the three areas that I concentrate on," Moore says. "I have gone as far as Alexandria, Va., but I try to stay within 45 minutes of my office because traffic is a bear. I like to see every project daily and know what's going on and be available. Three to five homes is my comfort zone." The number of homes worked on annually also depends on when the permits are approved. Time is money, so when the permits are issued, construction begins, even in the dead of winter.

Because Moore and his father have spent their whole careers in the Arlington, Va., area, they know who to call in local government to expedite building or transportation permits, which can take up to six months to issue. "It's not favoritism — I just know the supervisor, so I can call him instead of going through the counter

person," Moore points out. "Sometimes your permits get hung up and you have to find out what's going on."

Moore is well-known in the local construction industry because of his involvement with the Northern Virginia Building Industry Association and its green subcommittee and the National Association of Home Builders. He also is a former member of the board of directors of HomeAid Northern Virginia, a nonprofit dedicated to building and maintaining housing for homeless families, and served on the custom builders executive council as outreach coordinator.

Arlington Designer Homes does no self-performing and uses a group of subcontractors with which it is familiar to complete its homes. Moore estimates that his average home requires 50 subcontractors, 90 percent of whom have worked with Arlington before.

/HP Metal Fabrication/ HP METAL FABRICATION is proud to partner with Arlington Designer Homes on this project providing stairs and railings. These steel railings afforded this home a clean and open look that creates open spaces and keeps views accessible. HP creates all types of custom, decorative, ornamental railings from all metals or combination of metals with wood or glass. HP Metal is a dynamic company located in Virginia. For over 20 years, we have been providing Maryland, Washington DC and Virginia standard and custom craftsmanship in the design, fabrication and installation of stainless steel and alloy products to highest quality standards.





"When I find a good subcontractor, I try to be loyal to him, and it gives me the possibility to offer great service at a fair price, which is what these subcontractors can do for us once we know how to work together," Moore says.

Arlington Designer Homes uses a rotating stable of architects whom Moore recommends to specific customers based on which architect he thinks can best realize a customer's desires. Moore characterizes the company's homes as mid- to high-range but not necessarily luxury. The company tends toward building a more modern or contemporary version of traditional styles.

#### **ENERGY EFFICIENCY**

Arlington Designer Homes are built at least to Energy Star standards, but they also can be designed to qualify for LEED Silver, Gold or Platinum certification if the customer desires. "It really depends on what the customer wants," Moore says. "We did a wonderful spec house and put in geothermal as well as minisplits, which are a very efficient way of heating and cooling areas." The split heat pumps are located in some separate rooms of the home and can provide zoned temperature control.

Many energy-efficient construction techniques - such as using



Arlington Designer Homes attributes its success in part to a strong location and access to an educated client base

mastic instead of tape to seal ducts - are included in the base price of Arlington homes because they cost only pennies on the dollar more to do. "A lot of builders out there just do what is minimally acceptable by codes," Moore maintains. "I really try to exceed that in the areas that are important, which to me are areas where you're going to see a return on investment. We average about two-anda-half air changes per hour for our houses - a normal code-built house has five to 10 air changes per hour."

Moore attributes his company's success to several factors. "The location and the client base is probably in a nutshell the secret to our success," he declares. "An educated consumer is a good consumer. We were one of the first people to do a modern spec house and energy-efficient ones within my recent memory. We have a very educated class of people inside the Capital Beltway. Some of the highest-income people in the country – if not the world – are within five miles of me." He adds that his company was offering energy-efficient features 15 years ago when his customers were still learning about them.

He does not foresee Arlington Designer Homes ever building more than eight houses annually.

"If you get over eight, you have to have a staff," Moore points out. "We're at a crossroad. We have the ability to expand, but it's a matter of whether I want to take on that pressure. I don't ever see expanding beyond eight homes annually. I'm a true custom guy, so these are all completely different homes. They all have different subcontractors and challenges.

"I like being smaller and custom and interacting with clients, educating them and having the ability to do what I want to do without having to kowtow to the machine that we create when we're building 20 houses a year," he stresses. "I feel very passionate about what I do, and I'm in a position that I very much enjoy doing what I want to do and bringing and getting a lot of joy out of creating these more efficient houses that might last for 100 years - you never know." ■

\*\*The fact that we are an international production builder allows us to source luxury materials worldwide to bring the best values.\*\* CHERYL TURNER



MainVue is building four- to five-bedroom homes in the Dallas area ranging in size from 3,100 to 4,400 square feet.

## **Custom Look**

MainVue Homes is moving into Dallas with its modern yet warm designs and a range of standard features. BY RUSS GAGER

PROFILE

MAINVUE HOMES

www.mainvuehomes.com / Average home price: \$450,000 to \$700,000 / Headquarters: Seattle / Employees: 23 / Specialty: Modern residential design and construction When prospective owners tour a production model home,

they are conditioned to expect that much of what they see is an expensive option. But not with MainVue Homes. "At MainVue, with few exceptions for designer finishes, what you see in our models is what you get," Division President for Texas Cheryl Turner maintains. "That is completely unique — most people have a hard time believing it. If you walk people through our model homes, you must have to say that something is standard about 20 times before people really begin to understand that we mean what we say."

Those standard features include Italian wood cabinetry, floor-to-ceiling glass showers, stylish hardware and fixtures and outdoor decks that flow from the first floor through open patio doors to create an unbroken indoor/outdoor living space.

MainVue Homes – part of Australia's Henley Properties Group and Japan's Sumitomo Forestry Group – has its U.S. headquarters in Seattle and began building homes in the Dallas area in 2015. "Because of our international relationships and ability to get vol-





MainVue Homes feature a unique, uncluttered style developed in Australia and many features that come standard. The company takes pride in using familiar



ume pricing, we can provide what would traditionally be seen as high-end custom luxury materials at more of a production builder price point,"Turner says. "The fact that we are an international production builder allows us to source luxury materials worldwide to bring the best value to our customers."

#### "The plan, façade and color scheme are the only decisions owners have to make." **CHERYL TURNER**

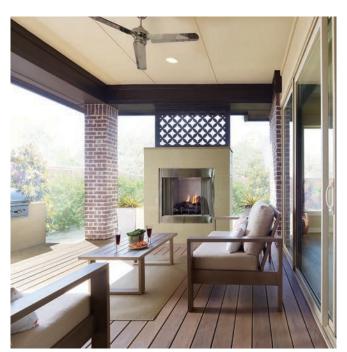
The average home price for MainVue in the Dallas area is from \$450,000 to \$700,000 for four- to five-bedroom homes ranging in size from 3,100 to 4,400 square feet. "The luxury inclusions in our homes – if you were to retail them out – typically would be on the order of \$80,000 to \$140,000. Any other builder would consider these items upgrades,"Turner declares. "That is a big selling feature of our homes - they come upgraded already."

MainVue Homes feature a unique style developed in Australia. "Our designs are uncluttered and without all the excess ornamentation you see on typical model homes," Turner describes. "They have materials that are familiar like brick, stone, stucco, hardwood and tile, but we use those materials in a very modern way. The resulting look and feel comes from a mixture of warm colors, natural materials and a variety of textures all pulled together in a way that has never really been seen among production builders in Dallas. Our designers understand that when people go to a five-star resort, they are looking for luxury, warmth and comfort, and that is what we bring to our homes."

#### **SEVERAL DEVELOPMENTS**

Mainvue Homes is part of several master-planned communities and developments in the suburbs outside of Dallas. The company has 160 homesites at Phillips Creek Ranch, a master-planned community in Frisco, Texas, that is being built by several developers at the planned community's invitation. Homes are being built on half of MainVue's lots there, with homes for phase 2 scheduled for construction in 2016.

Village Park in McKinney, Texas, is another master-planned community where MainVue is building homes on its 66 lots. Be-



Decks on MainVue homes flow from the first floor through open patio doors to create an unbroken indoor/outdoor living space.

sides the company's standard homes on 50-foot-wide lots, it also is building smaller, more economical homes on 40-foot-wide lots. Fairwater in Frisco features 95 lots with 65-foot widths, of which one-third were under construction by the end of 2015.

A fourth Dallas-area community — Creekside at Colleyville, Texas — is being developed for MainVue. Home construction is expected to begin early in 2016. Some of the homes the company builds in its various developments have been sold and others are speculative and seeking buyers. The company had 111 home starts in 2015 — it opened in March and was slowed by 71 days lost to rain — and plans to build more than 100 homes in 2016.

#### **MODEL HOMES**

Instead of looking at 3-D walk-throughs on computers or staring at plans, prospective MainVue Homes owners can explore different model home formats at Phillips Creek Ranch and individual display homes at Fairwater and Village Park. "We have the best 3-D modeling in the world, because we have many of our models on display so people can actually physically walk our homes," Turner quips.

The model home village at Phillips Creek Ranch includes six different sizes of homes decorated with six of the company's color schemes. Customers can walk through the homes and mix-and-match sizes and colors to assemble the combination that is most satisfactory for them.

"The plan, façade and color scheme are the only decisions owners have to make," Turner says. "That determines what their floor color and cabinetry will be, and it takes the error out of the pro-

cess." MainVue's employees manage construction of its homes' 31 different floor plans and hire approximately 50 subcontractors to work on each one.

MainVue Homes are built to Energy Star standards with well-insulated 2-by-6-inch exterior walls, HVAC systems with Seasonal Energy Efficiency Ratios of 16 and large low-e glass windows. Each home is blower-door tested after construction by a third-party company to determine its Home Energy Rating System index.

The company is working to meet 2016 Energy Star standards for its homes that require five air changes per hour instead of three. "We are doing prototypes to figure out how to meet those changes, which makes homebuilding fun," Turner says. "We're always innovating and finding better ways to do things. One of the neat things about our company is that we continue to find ways to make our product unique and relevant."

MainVue Homes plans to continue its growth around Dallas and eventually establish more developments elsewhere in Texas. "The plan library we brought to Dallas has been extraordinarily well-received," Turner emphasizes. "Our challenge will be to find ways to keep it fresh and dynamic, and maybe expand it to a larger audience to capture more marketshare." ■



## **Solid Foundation**

Dombach Builders takes ownership in its work from the ground up. BY BOB RAKOW

"I can be anything from the cleanup man to the guy making \$100,000 decisions."

KEN DOMBACH, PRESIDENT



Dombach Builders works with clients throughout all phases of a construction process, a key to founder

**PROFILE** 

DOMBACH BUILDERS

www.dombachbuilders.com /

**Headquarters:** Mount Joy, Pa. / **Employees:** 5 / **Specialty:** Residential construction and remodeling

When Dombach Builders begins the construction of a new home, the company's workers pour the concrete footings. A subcontractor typically handles foundation work for other builders, but company founder Larry Dombach won't allow it.

"My father insists upon it," President Ken Dombach says. His father wants his team to be responsible for the base upon which the rest of the home will be built.

The decision symbolizes the customer-first philosophy Dombach has held since the company's beginnings in 1977. In those days, he repaired barns, built new chicken houses and dairies throughout Lancaster County, Pa. Dombach had a background in masonry work and eventually moved on to residential construction. "My uncle was a realtor," Ken Dombach says. "He partnered with my father to develop some land in 1986. It was basic "residential construction."

Taking ownership in a project is a lesson Larry Dombach shared with his son early on. "He taught me to never cut corners because it will always come back to haunt you," Dombach says. "He told me to treat all projects as if they were my own." Dombach heeded his father's advice. Today, he routinely meets with clients to understand their specific expectations for a new home. "This is somebody's home and lifetime investment," he says. "I still handle a lot of the stuff on the client end."

#### **GROWING WITH THE COMPANY**

Dombach was 8 years old when his father started the company. By the time he was a teenager, he was working on jobsites over the summer and learning the trade. "I grew into the company," Dombach says, adding that he became a full-time employee in the early 1990s, shortly after graduating high school.

He learned all phases of the work and eventually focused on the company's custom building and remodeling projects, and took over when his father retired in 2015. Today, there is little Dombach can't do in his company's day-to-day operations. "I can be anything from the cleanup man to the guy making corporate decisions," he says.

Dombach eschews building "cookie-cutter" homes that lack character or appeal. "We have more of a craftsman style," Dombach says. "I prefer more crafty kind of designs." He adds that he enjoys receiving pictures from clients that portray the types of homes they want build.

Dombach Builders complete two or three custom homes each year along with 10-12 townhomes. The rest of the company's projects involve residential remodeling work, Dombach says. Re-

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gardless of the work, the approach is the same. "When building or remodeling a home, our goal is to be in partnership with the client," he says. "When our time together is finished and the home is complete, our hope is that we didn't just construct a house." Instead, Dombach wants to cultivate relationships with customers and be available if follow-up work is needed.

The first step in any project does not include a discussion of measurements or materials. Rather, Dombach gets acquainted with the client.

"Every project starts with us getting to know the client," he says. "We sit down and talk about their lifestyle, their expectations and the budget they have in mind. We listen to our customers."

The company then develops a preliminary budget designed to give the client a basic idea of the options associated with the job and its costs. If the client decides to proceed with the project, Dombach Builders develops a set of plans, which will be used to obtain building permits and guide the company through the project, Dombach says. Once the plans are approved, the company draws up a formal contract that includes the final price.

But Dombach Builders strives to keep the client involved throughout the construction process by holding regular meetings

to keep them informed of the progress, as well as issues that exist or decisions that must be made. Dombach believes routine communication between the builder and homeowner is critical to the success of the project.

Running a small construction firm and staying involved in the day-to-day business is no easy task, Dombach admits. Nonetheless, he adds that he appreciates the opportunity to run the company his father started nearly 40 years ago. "I'm proud of the guys who work for me," he says. "They do a great job. There's great morale at our company."

#### **REMODELING SUCCESS**

Dombach Builders has taken on significant remodeling work in recent years. For example, the company in 2013 restored an 1800s farmhouse in Elizabeth, Pa.

The owners wanted to add a great room, front porch with a formal entrance and a two-car attached garage to the structure. But work could not begin until workers re-leveled the home by digging out the basement and using jacks to bring the home to level. Additionally, the depth of the basement was lowered by two feet to increase the headroom from six to eight feet.

The project also included closing the existing front-porch entrance and adding a porch that featured an entrance leading to a great room. The great room featured 12-foot-high ceilings and added 450 square feet to the home. An attached, two-car garage also was added to the property.

Dombach Builders also built Summit Point at Elm Tree in Mount Joy, Pa. The community has 150 units and approximately 300 residents who are no longer interested in maintaining larger homes. The company offered a variety of duplex and townhome models with 14 flexible floor plans.



Dombach Builders has worked on historic renovations and built Summit Point at Elm Tree, a community of duplexes and townhomes.



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# **Creating Success Stories**

Lipsky Enterprises has worked on more than 500 home projects as part of Hurricane Sandy recovery efforts. BY TIM O'CONNOR

In the months after Hurricane Sandy ravaged the Eastern Seaboard, residents looked for hope that their lives would return to normal. It was contractors like Bayport, N.Y.'s Lipsky Enterprises that made that possible.

The damage at the residence of William and Betty Younkins was like that of many homes in the New York area. The structure was badly damaged from flooding and needed to be lifted to guard against future hurricanes. But the project presented an extra challenge due to the couples' age. The Younkins are an elderly couple and required additional considerations for handicapped access.

"How do you raise a house when the occupants are physically challenged?" asks Joe Aiello, project manager for Lipsky Enterprises. To meet the couple's requirements, Lipsky Enterprises installed an elevator in the home to reach the new first floor height and made each room handicapped accessible.

Even though it was a small project for Lipsky Enterprises, it was an important one for the Younkins family. "It was really clear you cared about this job and that meant a lot to us," the couple's son, Ronald Younkins, told the project team during a filmed ribbon-cutting ceremony at the home.

The Younkins home is just one of many recovery projects Lipsky Enterprises has been involved with since Hurricane Sandy hit in October 2012. While much has been written about the hurricane's devastation, the team at Lipsky Enterprises shows there are success stories, too.

#### THREE GENERATIONS OF GROWTH

Lipsky Enterprises provides general contractor, construction management and general carpentry services. The company was founded by Herbert Lipsky more than 50 years ago and is today led by brothers Barry and Eric Lipsky. Through those two generations of family ownership, Lipsky Enterprises grew from a small Levittown, N.Y., carpentry outfit to one of the top general contractors in the state of New York.

"We're very diversified after being in business for over 50 years," President Barry Lipsky says. "[Diversification] allows us to do several types of construction projects very well and therefore stay busy even during the recession time periods."





Investments in new technology are helping Lipsky Enterprises continue its success.

"(Diversification) allows us to do several types of construction projects very well and therefore stay busy even during the recession time periods."

#### BARRY LIPSKY, PRESIDENT

#### PROFILE

#### LIPSKY ENTERPRISES

www.lipskyconstruction.com / Revenue: Between \$15 million and \$40 million / HQ: Bayport, N.Y. / Employees: 25 / Specialty: Full-service general contracting

# "For the homeowners, it's been an extremely difficult process, but there are success stories." BARRY LIPSKY, PRESIDENT

As the company has adapted over the years, Lipsky Enterprises has succeeded by remaining consistent in its focus on listening and responding to and collaborating with associates, clients and peers while developing long-lasting relationships, Lipsky says. Historically, the company has worked in commercial and school construction, but in the past five years it expanded its market by completing several high-end residential projects in the Hamptons. In addition to its construction work, Lipsky Enterprises is also the go-to installer for Marin Windows and Doors on Long Island,

Depending on the needs of a project, Lipsky Enterprises uses

a mix of self-performed work and outside subcontractors. Lipsky Enterprise employees handle most of the carpentry disciplines in-house. For other aspects of a project, the company relies on subcontractors. Lipsky says his company prefers to work with the same subs on each job and utilizes local trade businesses whenever possible.



Lipsky Enterprises helped more than 500 homeowners restore their properties following the devastation of Hurricane Sandy in fall 2012.



Lipsky Enterprises has managed a wide range of buildings, but a few high-profile projects have earned the company accolades in recent years. In 2011, Lipsky Enterprises received the Jeffrey J. Zogg Build New York Award for its work on the St. Charles Resurrection Cemetery Welcoming and Information Center in East Farmingdale, N.Y. Another notable project Lipsky Enterprises oversaw was the 2011 restoration of Tifereth Israel, a century-old synagogue in New York City's Queens borough.

But much of Lipsky Enterprises' focus during the past three years has been on helping out families like the Younkins. Following Hurricane Sandy, Lipsky Enterprises became an approved contractor for recovery programs, which has made up about half the company's workload in recent years. "That generated a tremendous volume of reconstruction work, especially on Long Island where we live," Lipsky says.

Already, the company has worked on more than 500 homes from New York City to the east end of Long Island. Lipsky says those recovery projects are about more than simply restoring the homes: it's about getting emergency heat, hot water and electric working for the residents.

The scope of the work often depends not only on short-term needs, but long-term flood mitigation. Many homes must be raised to prevent future storm damage. "There are thousands of homes still in disrepair," Lipsky says. "For the homeowners, it's been an extremely difficult process, but there are success stories."

#### PREPARING FOR THE FUTURE

With the help of the next generation of the Lipsky family, Lipsky Enterprises is investing in new technology to ensure the company continues to write its own success story. Barry Lipsky's sons, Alex and Joel Lipsky, have brought the most up-to-date computer applications to the company, such as 3-D modeling program Revit, building information modeling software and cloud-based storage. "It just helps us in the coordination of construction documents that meets the top standards of the year 2016 and going forward," Lipsky says.

The better coordination afforded by the new software has enabled Lipsky Enterprises to seek out larger and more complicated projects, such as the restoration of the historic Nathaniel Rogers House in Bridgehampton, N.Y. "It allows us to work more closely with the architects and other designers," Lipsky says.

Despite its technological investments and growing portfolio, Lipsky still considers building relationships to be its most important project. To meet its standards, the company works to develop complete trust in all of its business relationships. Many of its jobs come through recommendations from local architects such as Roger Smith of BBS Architects & Engineers of Long Island. "We've been working with him now for exactly 30 years," Lipsky says.

Lipsky credits his company's success in building long-term re-



Recovering from Hurricane Sandy has been a difficult process, but one made easier by compassionate work from companies such as Lipsky Enterprises.

"[Diversification] allows us to do several types of construction projects very well and therefore stay busy even during [a] recession."

lationships to the continuity of family ownership. His two sons represent the next generation of the company. Alex and Joel Lipsky have worked for some of the largest general contractors in the United States and are bringing what they've learned to Lipsky Enterprises.

The brothers have elevated the company's skill level, enabling Lipsky Enterprises to enter new markets and hire more employees. "With Joel and Alex fully on board with us now, we're able to expand the company," Barry Lipsky says. ■



Planet Home Living CEO Michael Marini's interest in home design led him to start the company in 2007.

<sup>66</sup>I understood how homes worked.

I wanted to build.<sup>99</sup>

#### MICHAEL MARINI, CEO, FOUNDER

## 'Thoughtful Building'

Planet Home Living thrives by building to satisfy southern California's love for mid-century modern design. BY BOB RAKOW

Bad economic times led Michael Marini to found his own construction company, and eight years later he realizes that it was the best professional decision he has ever made. "It takes a recession to do something like that," says Marini, who started Planet Home Living in 2007. "I had a little backing from family and friends."

Marini, a graduate of the University of California, Irvine, came to the construction industry with a strong background in civil and structural engineering, as well as construction management. He has more than 25 years experience in real estate development, with a focus on attached/detached residential and mixed-use and urban infill projects. "I was working for an urban infill builder at the time of the recession," he recalls.

But Marini's interest always was in design. "I was interested in the architectural side of things," Marini says. "I understood how homes worked. I wanted to build."

#### **MID-CENTURY MODERN**

Specifically, Marini had a keen interest in mid-century modern development — modern design, architecture and urban development that was popular between the 1930s and the mid-1960s. The style, commonly seen in Palm Springs, Calif., features butterfly roofs, sloping interior ceilings, high windows and open floor plans. "It's open and simplistic," he says, adding that the design has undergone a resurgence over the past 15 years.

Marini had a desire to build production homes featuring the mid-century modern look that would appeal to the next generation of homebuyers. "Mid-century is where I wanted to draw my inspiration from," he says. "To me, that was a design element that had not been tapped."

#### PHILOSOPHY AND CULTURE

The company name was inspired by a quote from writer Henry David Thoreau, who said, "What is the use of a house if you haven't got a tolerable planet to put it on?"

The quote also serves as the basis for Planet Home Living's philosophy and culture, which call for a hands-on approach to solving multiple challenges in complex construction. "At the core of our values is thoughtful building," Marini says. "Our fundamental busi-

**PROFILE** 

PLANET HOME LIVING

www.planethomeliving.com /

Headquarters: Newport Beach, Calif. / Employees: 15 / Specialty: Luxury homebuilder

ness philosophy of providing well-designed, attainable housing that blends the key elements of the living environment: a client's personal design style and unique lifestyle."

Marini was not interested in creating "a disposable community that will be replaced in a few decades," he says. Rather, he envisions his homes lasting centuries, much like historic Victorian, Craftsman and Spanish homes that be found throughout Los Angeles' historic neighborhoods.

Mid-century modern development is especially popular in Los Angeles and other southern California communities, Marini says. "Out here, it's sought after," he says.

To bring these distinctive homes to fruition, Marini envisioned taking more time with a home's design and construction. He built his first home in Palm Springs in 2009, but the property never made its way to the market. "My wife and I love it so much, we kept it as a second home," Marini explains.

Subsequent homes have made it to market, and today Planet Home Living builds between 20 to 30 homes annually with a price range between \$500,000 and \$1.2 million. The homes, which range between 1,500 and 2,400 square feet, typically are purchased by young professionals, Marini says. The homes commonly feature smooth drywall interior finishes and smooth stuc-

co and stained wood siding on the exterior walls. Homes built on a hillside have the main living accommodations on the third floor so residents have a view of the Los Angeles skyline, he says.

#### **EXPERIENCED PARTNER**

Planet Home Living has grown steadily over the years, and today Marini works with partner David French, who joined the company in 2010. Marini had worked with French in the past and had no doubt he would be an asset to the company.

In fact, French, the company's president and COO, has more than 32 years' experience in the development industry, including commercial, industrial, and retail and international resorts. A graduate of Cal Poly San Luis Obispo, he is a licensed architect, contractor and real estate broker in California.

"He has experience when it comes to complicated projects. David and I have always worked well together," Marini says.

Running a construction business is no easy endeavor, but Marini enjoys the independence. "I'm working harder than ever, but it's something we can control," he says. "There's no looking back. We're a design company; it's all about the product we design and deliver."

Planet Home Living has realized significant growth over the years. The company builds 20 to 30 homes annually.







Digram Developments focuses on site servicing, including asphalt work, sidewalks and curbs

"If my customers are going to pay a specific amount of money, I better give them a bang for their buck."

#### ABUBAKAR MASOOD, PRESIDENT

**PROFILE** 

DIGREEN HOMES/DIGRAM DEVELOPMENTS INC.

www.digreen.ca / www.digram.ca /

Headquarters: Markham, Ontario, Canada / Employees: 10 /

Specialty: Home development and construction

## **Aiming High**

DiGreen Homes and Digram Developments build projects that go beyond 'cookie-cutter' homes. BY ALAN DORICH

When DiGreen Homes and Digram Developments Inc. build communities, they aim to make them unique, President Abubakar Masood says. "We want to build a nicer product instead of the cookie-cutter products," he says.

"If my customers are going to pay a specific amount of money, I better give them a bang for their buck," Masood says. "I want them to get something that myself and they are proud of."

The two firms, based in Markham, Ontario, Canada, primarily develop and build homes in the greater Toronto area. Masood's family has more than 30 years in the industry, which includes projects in Dubai.

Although it continues to work in Dubai, it branched out to Canada by partnering with another firm in 2002. The family set out on its own with Digram three years later, Masood notes.

It followed this with the formation of DiGreen in 2014, which focuses on the construction side. "Digram Developments does the site servicing, which includes installing water mains, asphalt works, sidewalks, curbs, etc.," he says. "DiGreen Homes will build the actual house and connect into the services already laid by Digram Developments Inc."

#### IN THE LOOP

Digram focuses strongly on quality when selling lots to builders. "We can't sell anything to the builder until everything is approved with respect to quality," Masood explains.

As part of this process, "We keep the builder in the loop for the whole time we work with them," he continues. "Our builders are happy that they ... have somebody they can trust."

#### SATISFACTORY WORK

Masood is proud of his companies' work, including its Greensborough and Wismer communities, which consist of low-rise houses in Markham. "When I saw the properties, they were on an agricultural field," he recalls.

This enabled Digram to work with multiple builders, including Primont Homes Inc., Pristine Homes LLC and Townwood Homes.

Now that the projects are complete, "You can see some extremely nice houses over there," Masood says. "The self-satisfaction

I feel is tremendous, because I changed the existing landscape. It's a very nice-looking community within walking distance of everything else."

#### CHANGING TASTES

Masood joined his family's business four years ago and has watched many trends come and go. Today, buyers "want their home to be connected," he says, explains that they look for smart homes that can control the thermostats and washing machines. "They're looking for a cool factor in the house."

The buyers also are willing to spend more. "If they believe that they're getting their money's worth, they're not afraid of spending," he says.

Their tastes in roofs also are changing. Previously, "People were fine getting an traditional-looking house, and now the buyer wants something modern," he says, noting that he has seen many requests for flat roofs. "They think it's time to change from the sloped roof."

#### **GOING FORWARD**

DiGreen and Digram plan to continue building and developing houses, Masood says. Although the role of the single developer may

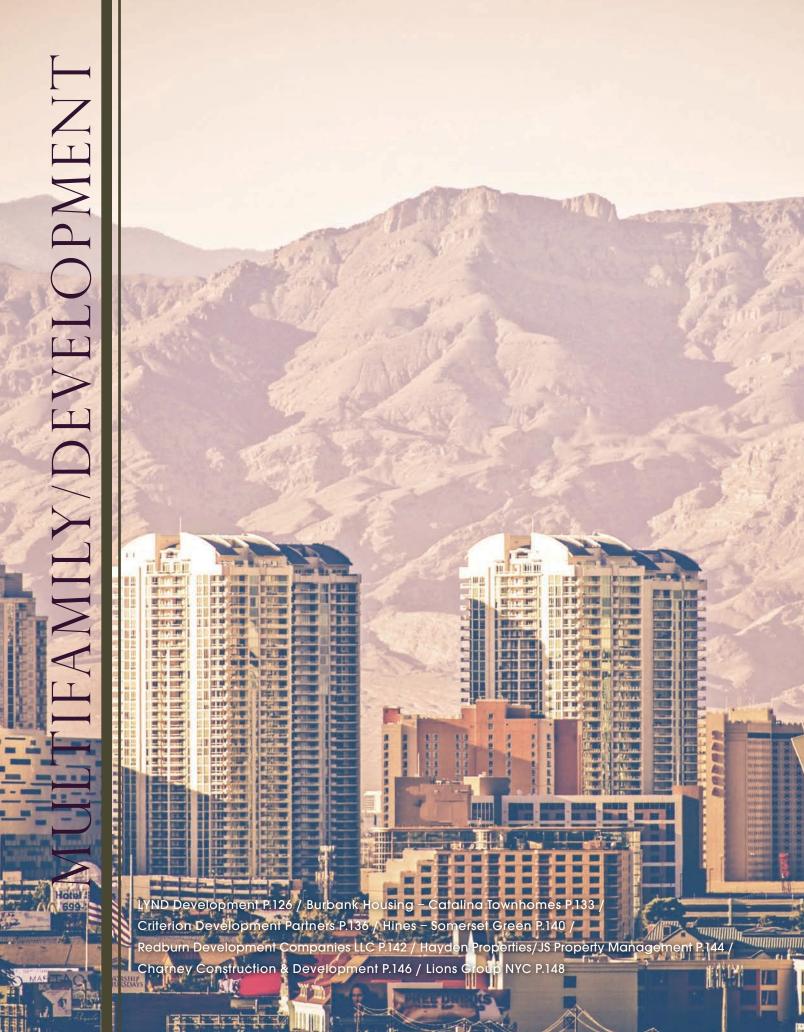


DiGreen and Digram plan to continue building and developing houses, reaching a leadership position in the market.

eventually be phased out in Digram's market, "I am still focused on getting significant amounts of land," he asserts.

Masood also plans for growth for DiGreen. "The vision is to become one of the leaders in homebuilding, providing high-quality homes and adapting to the latest trends in the marketplace," he says. ■







## Downtown Upstart

Developers are working to ensure downtown Las Vegas has the amenities needed to live, work and play.

The Las Vegas Strip is well known for its lights and glamour, but area residents and visitors know that nearby Fremont Street has its own set of charms in downtown Las Vegas (DTLV). In fact, developers are seeing all the potential in the area, demonstrated by the Wolff Company's partnership with 901 Fremont LLC, an affiliate of Downtown Project, which has plans to develop a groundbreaking mixed-use multifamily project on 1.3 acres in DTLV. The proposed five-story, podium-style building, currently being dubbed Fremont & 9th, will include 231 units as well as 15,000 square feet of retail space along Fremont Street. It will be the first of its kind in the emerging Fremont East area, which is being revitalized with the help of many investments and initiatives by Downtown Project and its founder, Tony Hsieh, the CEO of Zappos.com Inc.

"We're happy to welcome The Wolff Company to downtown, and believe this development is an important addition to Fremont Street because there currently isn't anything like it available in the area," Hsieh says. "Increasing the residential density is key to making the Fremont East area a truly vibrant place to live, work, and play. We're excited to see this development for those who want to live downtown."

Located at the intersection of 9th and Fremont Streets, the property will be within walking distance to dozens of restaurants, bars and other retailers and small businesses in the urban DTLV district. It will be adjacent to The Hydrant Club, the largest dog park in DTLV, and a five-minute walk to the Fremont Street Experience. Residents also will have convenient access to U.S. Highway 95 and Interstate 15, and will be just minutes from the Las Vegas Strip.

"The population of Downtown Las Vegas is growing and evolving, yet there is a lack of rental housing options to meet the area's demand," says Nate Carlson, vice president of development for The Wolff Company. "Fremont & 9th will change the face of DTLV living, offering residents a stylish home with unprecedented access to entertainment, retail and hospitality."

Fremont & 9th is being designed to take full advantage of its location with a suite of amenities that promote a live, work, play lifestyle. Urban art and style will be found throughout the property from its hip lounge and resort-style pool to the premium unit finishes such as quartz countertops, under-mounted sinks and custom tile backsplashes. The Korte Company, based in Las Vegas, has been selected as the general contractor. Construction on Fremont & 9th is scheduled to start by March.

"Outsized rents are what create outsized returns." DANIEL ZUNKER, PRESIDENT OF DEVELOPMENT



LYND Development opened the Bowie, a 36-story, 358-unit luxury multifamily apartment building in Austin, this past May.

## **Tough Spots**

LYND Development lets quality dictate quantity. BY RUSS GAGER

**PROFILE** 

#### LYND DEVELOPMENT

www.lyndworld.com / Headquarters: San Antonio, Texas / Employees: 11 in development company / Specialty: Multifamily, commercial and hospitality

#### LYND Development does not seek out challenges, but when its executives see a prime location that has not been snapped up by other developers for whatever reason – and there are always

reasons - LYND can create such an attractive property that it commands better than top dollar in the rental market.

"We really consider ourselves value creators," President of Development Daniel Zunker says. "Our goal as a company is to deliver the highest risk-adjusted returns per dollar of invested capital for us and our capital partners. That's our mission, and we go about doing that by building great residential buildings. We believe that residents value quality and will pay a premium for the best living environments, service and experience when situated in the best locations. When this is executed to perfection, the result is enhanced value creation for LYND and our partners."

Hiring great people and choosing unique sites are essential to LYND's strategy. "The market will only carry you so far," Zunker emphasizes. "Every site has a range of relative value. There are almost an infinite number of decisions that are made, from selecting a site to identifying the appropriate business plan for that site and then executing the business plan – from a design, construction and operational standpoint through lease-up and disposition. The quality of those infinite decisions are highly determinant of asset value. And you need to have the right people with the right experience, high integrity, creativity, discipline and ultimately the right character making those decisions."

The wrong decisions can produce a mediocre project. "The best people consistently making high-quality decisions based on experience and data will take every site you work on and produce the highest relative value," Zunker continues. "Ultimately, residents will pay more if we maximize the quality of those decisions and deliver a better product and lifestyle. And outsized rents are what create outsized returns."

Focusing on quality over quantity enables LYND to sift through opportunities until gems appear in complicated locations. "We embrace complicated because it usually means there's a competitive advantage for us," Zunker says.

#### **ACROSS FROM THE GROCERY**

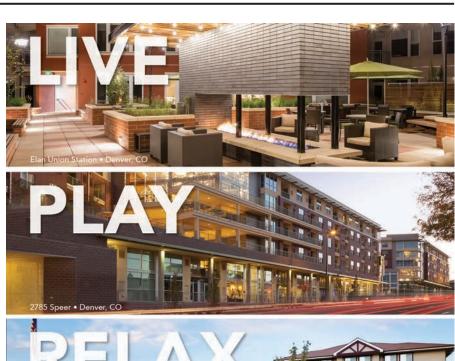
Having a grocery store near a multifamily development is always an advantage. Many developments may be located near one of Whole Foods' more than 430 stores worldwide, but LYND's high-rise development named the Bowie boasts a location directly across the street from Whole Foods' flagship grocery store at its corporate head-quarters in downtown Austin, Texas.

/Martines Palmeiro Construction, LLC (MPC)/
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Cory Palmeiro, Martines Palmeiro Construction,
LLC (MPC) is a full-service general construction
and construction management firm with offices
in Colorado and Texas. MPC's portfolio includes
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LYND partnered with Endeavor Real Estate Group on the 36-story, 358-unit luxury multifamily building, which was completed this past May. It includes 4,000 square feet of ground floor retail, a 463-space parking garage, 41,000 square

feet of office space and apartments ranging in size from 448 square feet to more than 2,600 square feet, including 35 penthouses on the top five residential floors.

Amenities in the concrete and glass structure include a 36th-floor rooftop



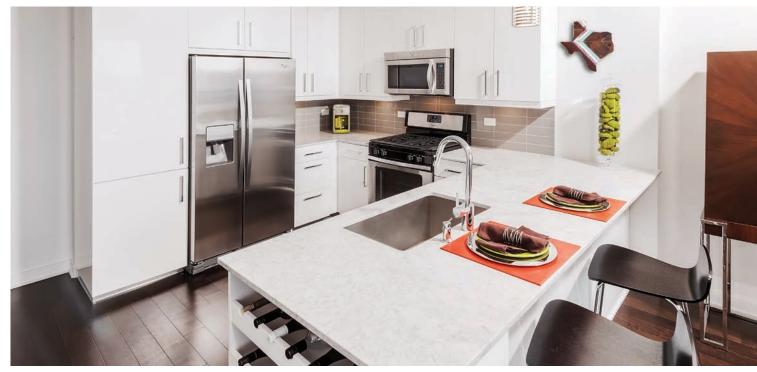


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In Miami, LYND built a development (below) called the Nine at Mary Brickell Village, which sits above 200,000 square feet of retail.



swimming pool - currently the highest pool in Texas - and a rooftop fitness center, outdoor terraces and grilling areas, a catering kitchen, a dog run and wash, a videoconferencing room and multiple vehicle charging stations.

Unit amenities are similarly high-end, with granite and quartz countertops, gas ranges, front-loading washers and dryers, solar window shades and custom cabinetry.

#### **DESIGN CHALLENGES**

This level of luxury was not achieved without significant challenges. The site had significant entitlement and flood plain challenges that necessitated the parking garage being built out of the flood plain and required the relocation of a heritage pecan tree on the site to allow room for the building.

In the quest to create a unique living environment, one design challenge of the project is a signature feature that makes the Bowie truly unique – locating the swimming pool on the rooftop. "From a developer standpoint, putting water over occupied space is nervewracking," Zunker points out. "From a cost perspective and a design perspective, it is very expensive and very complex to add that much weight to the roof of your building, which reverberates all the way through your structural system. It required an innovative structural engineer willing to grind to get us to an efficient design and column layout."

All the hard work has paid off for the project in rents that are significantly higher per square foot than the local average. "We felt like we were designing a unique building top to bottom, but the reception of the project by the market has certainly exceeded our expectations," Zunker maintains.

#### **OVER A GROCERY**

Building the Bowie across from the Whole Foods headquarters was challenging, but even more so was building a luxury, 35-story multifamily tower above an operating grocery store. That was the task accomplished by LYND in Miami when the company built a development called the Nine at Mary Brickell Village above 200,000 square feet of retail that included a Publix grocery store, a fitness center, over 50 retail shops and restaurants and a parking garage — while all the businesses were operating.

"This was by far the biggest construction challenge I've ever taken on in my life and probably ever will," Zunker insists. "Most people said we were crazy, and they were probably right. I didn't sleep much for the better part of two years, but we got it done."

LYND partnered with Starwood Capital and another institutional financial partner to purchase the air rights over the retail complex called Mary Brickell Village to complete a tower that was planned for the site when the construction market collapsed in 2007. All the infrastructure connections and support for the tower were built into the retail center, but once the stores opened, they had to stay open while the tower was built at a later date. To add to the complexity, the business plan for the asset changed from rental to condominium during construction.

#### CHICAGO CRED

LYND is active in Austin, Denver, Miami, Houston and Chicago, where a high-rise multifamily development, the EnV, gave LYND a big boost when construction started shortly before the economic downturn in 2008. "The EnV development project was really what catapulted LYND from a development standpoint," Zunker declares. Among the many development and marketing timing challenges on that project, one of the most significant occurred when the supplier for the building's glass, which made up nearly all of the structure's exterior, experienced substantial challenges and scheduling delays.

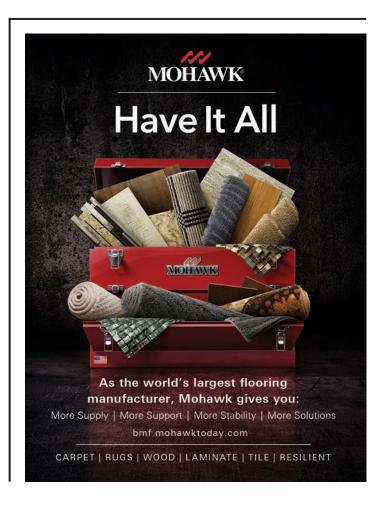
"My partners, Mike Lynd Jr. and Sam Kasparek, rolled up their sleeves and ultimately figured out how to solve the issue and support the general contractor," Zunker states. When the Chicago building was completed in 2011, it commanded rents that were 30 cents per square foot above market. "Developing a high-rise through the bottom of the economic cycle was challenging to say the least, but the financial results were very positive, and that success really helped us launch into a complicated Miami project, an Austin high-rise, a Denver high-rise and a number of other projects we have going now," Zunker explains. Despite being LYND's first high-rise development, EnV won *Multifamily Executive* magazine's distinguished Multifamily High-Rise of the Year award.

#### **LOW-RISE PROJECTS**

Besides concrete towers, LYND also is developing woodframe projects with hundreds of units in structures up to four stories in height in Houston and San Antonio. A nine-story steel-frame multifamily building is being built in Denver.

The company celebrated its 35th anniversary in 2015. "We are blessed to have tremendous capital partners, and we are driven to execute at a very high level to maintain their confidence and deliver the best financial returns we can for them," Zunker stresses. "For 35 years, it's been about the right people making the right decisions and doing what you say you are going to do. And it will always be that way."

LYND's culture is to strive for perfection. "We know perfection is not attainable, but it is our goal," Zunker emphasizes. "It's just how we are wired as a group. We make mistakes all the time — but how you respond to mistakes is sometimes even more important. It shows character. I believe that the minute you stop striving for perfection, you implicitly accept the possibility of failure. The reality is we never have and we never will develop the perfect project because it's by definition impossible, but I'll be damned if we don't strive for that on every single thing we do."



They want a short commute, along with the community of being with other people in an urban, pedestrian lifestyle. \*\* KENT COLLINS, PRINCIPAL\*\*



Centro Development produces apartment complexes that reflect the neighborhood in which they are built.

## **Urban Living**

Centro Development builds apartments in Austin that allow residents the convenience of an urban environment. BY STEPHANIE CRETS

**PROFILE** 

#### CENTRO DEVELOPMENT

www.centrodevelopment.com / Revenue: \$60 million / Employees: 4 / Location: Austin, Texas / Specialty: Real estate development firm

#### Building homes to reflect their neighborhood is Centro De-

velopment's goal. The company believes that one of the highest compliments a builder can receive is that the project speaks of its location and reflects its neighborhood.

When starting a new project, its architects take many photos of the surrounding area. "We try not to do the same-old formulaic thing everyone else thinks of when they go to a certain place," Principal of Centro Development Kent Collins says. "What sets us apart is that we are trying to create urban apartment retail projects that reflect and add to the places in which they are located."

The garden apartment model is an apartment complex that consists of eight to 20 buildings with 10 to 20 apartments each. The buildings are generally sprinkled around a site with attached parking for each building. This is a lower-density product that underutilizes the area with only 15 to 35 units per acre, whereas an urban model has 65 to 110 units per acre, depending on the model of the apartment.



Collins says the urban mid-rise apartment located in dense urban neighborhoods is a more unique, efficient building type that has become very popular in Austin, Texas, where the company is based and other Sunbelt cities in which it works. "What we do isn't unique, but we tend to do a good job at it and understand the overall reasons people want to move into urban neighborhoods," he says. "Although it's important to build communities with current apartments community-wide amenities, it is how these amenities and, even more importantly, the attributes of the neighborhoods around those properties that make them unique and desirable."

Collins believes it is more attractive to be able to come home at night and not have to get your car out again. Living in a neighborhood where you can walk to restaurants, bars, shopping and markets is becoming an ideal way to live, especially for millennials and empty nesters.

"As part of an urban neighborhood, we want people to get out into the neighborhood and experience it," Collins explains. "Twenty years ago, when other apartment developers were bragging about crown molding or mirrored backsplashes inside units, we were painstakingly creating a great streetscape and filling in neighborhood retail. People would venture out and experience 'their' neighborhood. Sure, there are good internal amenities in our units, but taking the time to create those 'external' amenities makes the difference between an apartment development and a place."

Centro Development has discovered that customers want not only bright, natural light, more showers without tubs and a building that is equipped with fitness centers, business centers for the workat-home residents and a pool, but more importantly, convenience. Not just the convenience of a vibrant, walkable neighborhood.

Combining the convenience of an urban neighborhood with the

# "As part of an urban neighborhood, we want people to get out into the neighborhood and experience it."

#### KENT COLLINS

realities of the automobile is also important to the company. People spend so much of their time commuting to and from work that the luxury of being able to drive up to the level of their apartment and walk the shortest distance from their car to their unit is a dream come true. If you live in a 15-story building and have to park on the first level, and then take another elevator to get to the floor of your apartment, that's precious time wasted.

#### **TEAM APPROACH**

Centro Development is made up of four employees that Collins says work well as a team. He says the building industry in general ben-







Working in the high-growth market of Austin, Texas, has proved beneficial for Centro Development, creating vast opportunities for the company.



efits when a team approach is utilized. Each of the employees tries to be upfront, honest and transparent with each other and their customers. Centro Development firmly believes in over-communicating with people. "We tend to not be good used car salesmen," Collins adds. "We give both sides of every argument when there's an issue or question or choice. People appreciate that."

Centro Development realizes its good fortune to be in the highgrowth market of Austin, which has become a great place to do business. The team also likes being close to home rather than working in other nearby cities.

Collins explains that he would like to grow the business at

some point, perhaps by adding another developer, but he likes the small-company aspect. He believes that having this close-knit team adds to the hands-on approach they can give every project to make each building part of its neighborhood. And customers appreciate it, as well.

"When I go back to a city I worked in 10 to 15 years later, I love seeing that these places still look like they belong and add to their location," Collins says. "They were not only good financial investments, but they were also good for the neighborhood around them. That's what we think about constantly when we start a new one." ■

"Our construction timelines are a little longer than for-profit projects."

#### TOM KUHN, SENIOR PROJECT MANAGER



Burbank Housing is dedicated to making more housing available for low-income people and those with special needs

## On Their Own

Homebuyers are constructing their future dwellings in the Catalina Townhomes project. BY ALAN DORICH

**PROFILE** 

BURBANK HOUSING – CATALINA TOWNHOMES
www.burbankhousing.org / Project budget: \$22 million /
Location: Santa Rosa, Calif. / Peak workers: 200 /
Scope: 60 townhomes

Every homeowner takes pride in their home, but not all can say that they were involved in their construction. But those in the Catalina Townhomes development can, since they are building the majority of the structures.

The \$22 million project located in Santa Rosa, Calif., is a self-help, single family home project being developed by Burbank Housing, a nonprofit organization that focuses on making more housing available in Sonoma County for low-income people of all ages, backgrounds and special needs. "We have access to funding for affordable housing," Senior Project Manager Tom Kuhn explains.

These funds are accessed through city, state and federal governments and are earmarked for self-help housing construction. "The person buying the home has to contribute a significant amount of labor to build the homes," he says, noting that the residents work under the guidance and training of Burbank Housing supervisors.

But to stay safe, Burbank Housing utilizes subcontractors to complete some complex tasks, such as roofing or cement work.

#### SAFE AND SOUND

Burbank Housing has maintained a high safety rate during the Catalina Townhomes project, Senior Project Manager Tom Kuhn says. Not only does a safety associate visit the site weekly, "We have safety meetings where supervisors meeting with participants talk to them about the tasks coming up," Kuhn says. "With every new task, there's potential safety information to know."

The future residents "do all the prep for the foundations, including the rebar, and we bring in a company that does the actual pour," Kuhn explains.

#### **GUIDED CONSTRUCTION**

Catalina Townhomes will consist of 60 homes when complete. Each will stand two stories and cover 1,300 to 1,600 square feet. "They also have two-car garages," Kuhn says, noting that they will be Energy Star homes.

Work started on the first 32 units one year ago and will be finished later this year. The remaining 28, he notes, will be finished this December. "Our construction timelines are a little longer than





Burbank Housing has built and managed affordable rental housing for approximately 3,000 households and helped lower the homeless population in its area.

for a contractor-built homes," Kuhn says, noting that its homebuyers have to work when it fits their schedules. "Almost all of our participants cover their work obligation on the weekends."

"We probably have over 100 homebuyers working," he continues, but notes that the buyers do not have to do the work alone. "They're allowed to get people to help them, which in many cases are family members. On Saturdays, we can easily have 150 to 200 of these participants who were previously untrained in construction."

Some homebuyers do have construction training, which makes things easier for Burbank Housing's supervisors. "We try to make the maximum use of their knowledge," Kuhn says, noting that Burbank's supervisors guide them through the construction on a dayby-day basis.

#### CATALINA CHALLENGES

Burbank Housing acquired the land for Catalina Townhomes in 2007, but due to declining real estate values, the project became financially unfeasible. Then, once values rebounded, Burbank has had significant issues finding qualified buyers.

"In years past, we haven't had much difficulty with projects like this," Kuhn recalls.

"The problem is a lot of people in this demographic only got through the great recession with their credit cards," he explains, noting that the homebuyers require an employment history, a good credit rating and debt payments low enough to qualify for a mortgage.

The buyers also have to fall within affordability requirements set by the funding sources. "People can't earn more than 80 percent of the area median income for this project, adjusted for family size," he says.

Another challenge Burbank Housing encountered was designing the homes in the face of changing regulations. "We're



in earthquake country," Kuhn says. "The standards keep getting higher and higher.

"That makes these homes quite complex," he continues. "The framing and structural elements on the front and back of the homes are quite complex, and [made] even more difficult since we do not have experienced framers."

#### **BRINGING VALUE**

Santa Rosa-based Burbank Housing started operations in 1980 and also specializes in multifamily apartments. "Recently, a lot more of our business has been the multifamily and not the self-help, single-family homes," Kuhn says.

Kuhn has been with Burbank Housing for more than 10 years and credits its success to effective management. "We've done a very good job capitalizing on the funding sources that are available for the people that we serve," he says.

He is proud of the company's work. "We have built and managed affordable rental housing for about 3,000 households," he says, noting that Burbank Housing has built more than 800 homes like the ones found in Catalina.

The organization also has helped lower the number of homeless people in the area, a result of its work of which Kuhn and Burbank are very proud.

"It's helping keep down the housing cost pressure of people," Kuhn says. "It is a pretty big deal for somebody that was previously homeless to own a home. When we see somebody make that kind of stride, we can really see the value we bring value to the community we serve."





The founders of Criterion Development Partners have a strong finger on the pulse of their markets.

"I think we definitely have an institutional approach to development, but we are small enough to be flexible and creative."

JACK ENGLERT, EXECUTIVE

VICE PRESIDENT

**PROFILE** 

CRITERION DEVELOPMENT PARTNERS
www.criteriondp.com / Revenue: \$250 million /
Headquarters: Dallas / Employees: 12 /
Specialty: Multifamily developments

### **Smart Growth**

Criterion Development Partners secures prime locations for its projects because of strong market knowledge. BY JANICE HOPPE

Criterion Development Partners began in 2004 when its four founders decided to combine their decades of multifamily development experience. They each had a strong finger on the pulse of their respective markets, which has benefited the company in many ways.

"The two Boston partners, [Executive Vice President and Principal] Andrew Kaye and I were born and raised in Boston and have been here most of our lives," Executive Vice President and Principal Jack Englert says. "Being local has been a very good thing in terms of connections. We don't tend to buy a lot of things that are listed; rather, we mostly buy through our connections with lawyers and engineering firms who mention the land to us and we see if it's worth pursuing."

Headquartered in Dallas with a second office in Waltham, Mass., Criterion is a dynamic real estate operating company that specializes in the development, construction and asset management of investment-quality multifamily communities. President W. Pretlow Riddick, Executive Vice President, CFO and Principal C. Christopher Harris, Kaye and Englert all previously worked together at a large, national multifamily development firm before branching out on their own.

Riddick oversees the Dallas office with Harris while Kaye and Englert oversee the New England operations. "There is a lot going on in these two markets where we are focused," Englert says. "Pretlow was born in San Antonio, works in Dallas and knows the market. Chris has been in the Dallas market for over 20 years. New England and Texas seem to be complementary in terms of development cycles."

Over the past decade, Criterion has achieved notable success developing vibrant and distinctive residential and mixed-use communities. "I think we definitely have an institutional approach to development, but we are small enough to be flexible and creative," Englert says. "This allows us to get more opportunities than the larger national firms. Having been trained on the large, national firm approach, we apply those skills while being more nimble in the market."

#### **NEW ENGLAND BUZZ**

Criterion's developments are strategically located in smart-growth, mixed-use neighborhoods that offer convenient access to







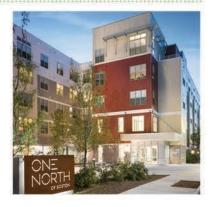


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mass transit, popular amenities and core employment, providing a rich living experience. "It's all about proximity to jobs, transportation and convenience," Englert adds.

Although Englert says most firms approach multifamily developments the same way, Criterion sets itself apart by having strong local connections and an intimate familiarity with the areas. "There are nuances to this game that are hard to pick up if you are not a local resident, and sometimes those nuances are lost to a national company," he explains. "The tricky part is finding and building sites that are not highly broadcasted and maybe a little on the edge just outside the core or in edgier neighborhoods – but given their location and proximity to transit are viable and exciting locations."

The New England market is full of competition today and Massachusetts in particular is a hot area, Englert says. "Apartments weren't very popular up here until the late '90s and there was not a lot of competition in the early 2000s," he adds. "Massachusetts is

/Callahan Construction Managers/ Callahan Construction Managers is a full service construction management company that has served the New England and Mid-Atlantic regions for more than 65 years. We provide a wide range of preconstruction and construction management services. Callahan is proud to currently be partnering with Criterion Development Partners on Rivers Edge, Phase II in Medford, MA. When completed, the mixed-use building will host 282 residential units along with retail and restaurant space at the ground level that will sit in front of a precast parking garage.



The New England market is full of competition today and Massachusetts in particular is a hot area. Both supply and demand are up in the area and Criterion faces many competitors, but sets itself apart by having strong local connections,

very hot right now so we have all the national groups in here trying to do developments. There is more supply but there is plenty of demand, so it hasn't proven to be a problem."

Because both supply and demand are up in the area, Englert says Criterion is naturally facing many more competitors - and some with more resources. "A lot of the groups have resources to pay more than market sometimes for land prices, which makes our lives more difficult," he notes. "We still pursue off-market opportunities and have our local knowledge to stay out of the fray of listed sites."

#### SITE DEVELOPMENT

Criterion is developing a five-story, \$100 million apartment complex on Morrissey Boulevard in Boston, which is an ideal location because of its proximity to the JFK-UMass MBTA station. "We love its location because of its access to transportation - the JFK train station and the Red Line," Englert says. "The Red Line being right next door opens up the entire city. You can be in Cambridge in 12 minutes and are an easy ride to the Massachusetts General Hospital area."

The 278-unit complex will offer one- and two-bedroom apartments for rent once completed. The Morrissey Boulevard complex has been designed as two buildings, with below-grade parking. "The design is unique and exciting," Englert says. "It's a truly urban project and limited parking, so we bumped up amenity spaces significantly. Dealing with the proximity to the highway and railroad requires some augmented construction to limit sound."



Amenities are of the utmost importance in multifamily developments today, so much so that tenants are content with smaller units if they have more features. "I think it's not as important to have a surplus of space," Englert says. "An efficient and good design can make up for small units if there are adequate amenities and common areas that people can escape to. It's less about what happens in the units as long as they are well-designed and high quality, but more about what's happening in the amenity spaces."

When developing new sites like Morrissey Boulevard, Criterion works with different construction companies for each project. "We are lucky to have two strong contractors who have built the majority of our projects," Englert says. "It's a capacity issue with how much one company can do at a time, so we spread it out a little bit. We started with one of the groups 10 years ago and they are still building our projects today."

The company is always focused on sustainable building and all of its projects are LEED certifiable. "Sometimes the investors don't get it certified, but it's always built to a standard that can be certified," Englert explains. "We promote the different aspects of what we have done that would allow for the certification like white roofs, low-flow faucets or high-efficiency appliances and lighting. It's important to our residents and important to us to be conservation minded."

Moving forward, Criterion plans to continue to focus on multifamily developments and expand into new markets. "Our focus will always be on Texas and New England," Englert says. "We hope to be able to provide quality housing options to meet the demand across the spectrum for renters and look forward to uncovering new opportunities throughout the regions."

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Somerset Green is a master-planned development near Houston's urban core.

"We're very proud of the unique nature of this community."

BRIAN STIDHAM, CONSTRUCTION MANAGER

**PROFILE** 

HINES – SOMERSET GREEN
www.somersetgreenhouston.com /
Location: Houston /

Scope of work: Master-planned residential development

## A Single Vision

The Somerset Green master-planned residential community is unique within Houston's urban core. BY JIM HARRIS

When it comes to new housing, urban environments are typically associated with high-rise apartment or condominium buildings located on small footprints of land within dense surroundings. When developer Hines purchased the parcel of land in the heart of Houston that houses the Somerset Green project in August 2013, however, the company had something else in mind.

"Our vision is that we wanted to buy a tract large enough that we could build a master-planned community inside the city, which is rare, particularly with this type of product," says Brian Stidham, a construction manager for the international real estate firm. "We wanted to take a master-planned community idea and make it work in a dense urban environment while still having enough space and scale to create a single vision for the property."

The first phase of 250 lots in the 46-acre development was completed in June 2015. The entire project, which will be comprised of 560 homes, will be completed in 2017.

Somerset Green is within minutes of downtown Houston and is also near the city's Memorial Park and Galleria shopping development for the convenience of residents.

The gated community is drawing interest from a wide age range, from young professionals working within the city's urban core who don't want long commutes to empty-nesters attracted to an active urban lifestyle. In addition to homes, the community will include an amenity center with a swimming pool and entertainment space, walkable streetscapes, gardens and dog parks.

"We're very proud of the unique nature of this community," Stidham says. "We are offering a high-quality option for buyers and residents alike that is truly unlike anything available in this area."

#### STRONG BUILDERS

Hines is the master-planner and is building all of the infrastructure for the community. The developer hired an architectural planning firm to develop a set of guidelines builders follow when designing homes in Somerset Green. Every home plan is reviewed by a Somerset Green architectural review board. The predominant architectural theme within the development is European, specifically the Regency, Normandy and Georgian styles, Stidham says.

To build the homes in Somerset Green, Hines contracted with

Coventry Homes, Pelican Builders and Toll Brothers, each of which has opened sales offices and model homes on the site. The three are each building within their own separate "community within the community," though some parts of the development include an overlap of builders, Stidham says.

"Each of the builders bring their own flavor to the mix and has different strengths," he explains.

"Toll Brothers is a large national builder known for reliable quality, Coventry Homes is a strong Texas brand and Pelican Builders is well-known in the Houston market."

#### MARKET LEADERS

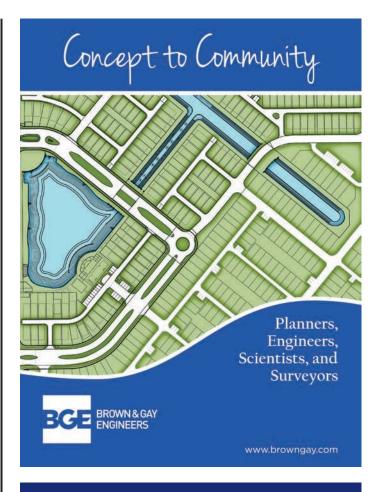
Somerset Green is Hines' latest contribution to the Houston housing market. The company is also the developer of Laurel Glen, a traditional suburban Houston community on 130 acres. This prime location, featuring 310 residential lots, is within a mile of the new Grand Parkway extension and about a 10-minute drive to Springwoods Village and Vintage Park.

The company's other current projects in the Houston market include Aris Market Square, a 32-story for-rent multifamily development with 274 luxury boutique-style residences in the city's downtown. The community is anticipated for completion in 2017. Hines in 2017 also expects to complete the Southmore, a 24-story for-rent multifamily development with 255 apartments.

Founded in 1957, Hines is a privately owned international real estate firm with locations in 199 cities around the world. The company's U.S. headquarters is in Houston. Hines' portfolio of projects includes more than 1,200 properties including skyscrapers, corporate headquarters, mixed-use centers, industrial parks, medical facilities and master-planned resort and residential communities, it says.



The development includes an amenity center with a swimming pool and entertainment space, as well as walkable streetscapes, gardens and dog parks.



## Congratulations Hines Development!

We are proud to be a part of the development Somerset Green.



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Redbury Development Companies' leadership team, Tom Rossi, John Blackburn and Damien Pinto-Martin, found success by bringing sustainable living features to residential projects in upstate New York

The younger generation is a lot more sensitive to environmental sustainability.

TOM ROSSI, CO-OWNER

**PROFILE** 

REDBURN DEVELOPMENT COMPANIES LLC www.redburndev.com / Headquarters: Troy, N.Y. / Employees: 10 / Specialty: Residential construction

# **Lofty Ambitions**

Redburn Development Companies LLC brings sustainable living to apartments in upstate New York. BY BOB RAKOW

Tom Rossi and John Blackburn's vision for the Tilley Lofts was to create the next generation of apartment living. The co-owners of Redburn Development Companies LLC envisioned a historically preserved building that offered sustainable features as well as convenience. They achieved both objectives when they renovated the country's oldest ladder manufacturing facility into 62 upscale apartment units.

The Tilley Lofts, located in Watervliet, N.Y., features 30 one-bedroom; nine one-bedroom plus den; 17 two-bedroom; and six two-bedroom, two-story loft apartments. The one- and two-bedroom apartments range from 750 to 1,150 square feet. Lofts range from 1,400 to 1,600 square feet.

Redburn Development "raised the bar" in Watervliet when it took on the Tilley Lofts project, Rossi says. "We wanted this to be a showcase for us," he recalls.

#### SUSTAINABLE FEATURES

The apartments feature a variety of amenities including original restored hardwood floors, ceramic tile, heating, air conditioning and loft-style living with large windows. But the complex's sustainable features are what set it apart, Rossi says.

For example, the building's energy management system uses geothermal wells, a combined heat and power plant and a threestage heat-recovery system that generates all of the electricity, heating and cooling for the building. The building has achieved LEED platinum rating.

The green features are especially appealing to the building's younger tenants. "The younger generation is a lot more sensitive to environmental sustainability," Rossi notes. "I think people, particularly renters, are picking up on this trend."

Additionally, the lofts offer an "All In Living" package for residential services, including high-speed Internet, high-definition television, electricity, heating and cooling, and hot and cold water for a flat monthly rate. "Residents want convenience," Rossi says. "There's no reason not to sell your residents everything." Rates for the package range from \$135 to \$168 monthly depending on the size of the apartment. "Our building's energy system make this offering possible and profitable for us," he says.

Rossi adds that the residential services package generates income for the company and boosts the building's appraised value. "It's a little more work up front, but the return on investment is a no-brainer," he says.

The apartments also feature home automation solutions including Bluetooth door locks, thermostats and lighting that can be controlled remotely. Yet many of the vintage characteristics of the warehouse, such as exposed beams, were preserved during the restoration, Rossi says. "It's a mix of the old and new," he says.

#### **GETTING STARTED**

Redburn Development was founded in 2012, shortly after Rossi and Blackburn sold BullEx, a company they founded that manufactured firefighter service training equipment. At the time of the sale, BullEx had 150 employees and built firefighter training centers in the United States, Europe, China and Australia. "We had a lot of technology experience, a lot of technology background," Rossi says. The duo decided to apply that experience to real estate development, which they started with some smaller residential developments in Troy. "We wanted to get a couple of projects under our belts," Rossi recalls.

The first of those projects was the River Street Lofts, which involved the renovation of a vacant 125-year-old building into 21 upscale apartments and three retail storefronts. The River Street Lofts was the first apartment building in downtown Troy to use green energy and environmentally friendly building techniques, Rossi says. The project won the Revitalize Troy award from the city.

The building's roof is covered by solar panels, which generate almost 40 percent of residential power. The building also has high-efficiency hot water heaters, lighting, gas furnaces and air conditioners, he says.

Rossi adds that the company's key differentiator is the business and technology experience he and his partner possess. "We're entrepreneurs doing development," he says. "We have a fresh perspective."

They also believed the former ladder factory was an ideal location for the loft development. "The building was maintained, and it is also in a really good location," Rossi says. The complex is located in the heart of the Albany Capital District, the third-largest metropolitan region in New York. It is situated near in a residential neighborhood, and walking and biking paths as well as the Hudson River are nearby.

Rossi and Blackburn used their marketing backgrounds to promote the Tilley Lofts, relying heavily on social media platforms. "Facebook is our No. 1 advertiser," Rossi says. Additionally, the company website featured 3-D floor plans of the units several months before construction was completed.

Redburn Development required less than one year to complete the project. The company acquired the warehouse in December 2014, started construction in April and welcomed the first tenants

# "We're entrepreneurs doing development. We have a fresh perspective."

TOM ROSSI, CO-OWNER

in October. The building was almost 100 percent occupied before the end of the year. Rossi adds that Tilley Lofts' rents are affordable despite the amenities and sustainable features. The average rent is between \$1,100 and \$1,150, he says.

Redburn Development is looking to the future with plans to renovate historic School Building No. 1 in Troy into a 28-unit apartment building with numerous sustainable features, Rossi says. The key challenge will be to restore the building without replacing the existing boiler, pipes or electrical wiring, he says. The company also plans to restore one of Hudson's oldest warehouses into a boutique hotel with 54 rooms.

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Hayden Properties and JS Property Management specialize in rehabilitating apartment complexes

### Turning It Around

Hayden Properties and JS Property Management excel at upgrading multifamily complexes. BY JIM HARRIS

PROFILE

HAYDEN PROPERTIES/JS PROPERTY MANAGEMENT
www.hayden-properties.com / Revenues: \$35 million /
Headquarters: Lake Oswego, Ore. /
Employees: 115 / Specialty: Multifamily property
acquisition and management

Hayden Properties and JS Property Management are dedicated to acquiring and managing multifamily residential properties that residents are proud to call home.

"We are very solid, family oriented operators," says Ashley Hayden, president of the Lake Oswego, Ore.-based companies, which were founded by her family in 1988.

Hayden Properties focuses on multifamily property acquisition, while JS Property Management manages the complexes its sister company acquires. The two companies own and manage apartment communities in Texas, Mississippi, Georgia and Arizona.

Hayden Properties specializes in rehabilitating properties. "We take properties that may be troubled and turn them around," she adds. "We can take complexes that may be mismanaged and improve their reputation in the community."

The company improves properties physically by installing new appliances and fixtures and improving building exteriors. The property management arm also improves the properties by bet-



The company is proud to be able to provide clean, safe and comfortable environments for its residents. Its goal is to always run quiet, well-managed properties.

ter enforcing rental agreements and strictly screening prospective renters. "We try to run quiet, well-managed properties," Hayden says, noting that some of its properties had suffered rent violations including over-occupancy.

#### **PROPERTY UPGRADES**

Hayden Properties' recent acquisition and rehabilitation projects include The Trellis at Lake Highlands in Dallas, a complex that was initially opened in 1973. "When I toured the complex [before work began], I was afraid the balconies would fall on me," Hayden says, noting the buildings were also missing siding. "Across the street from this complex is a community of brand-new custom homes selling for just under \$1 million; the whole neighborhood was having a renaissance, so we felt this was a good opportunity."

The complex was purchased by Hayden Properties in 2013, with rehabilitation work beginning shortly afterward. Each unit received roughly \$8,000 worth of work including new flooring, granite counters, cabinets and lighting. The Trellis at Lake Highlands' pool and rental office were also upgraded. Work concluded earlier this year.

Work is ongoing on several units at Castaways at Hidden Harbor, a complex in Warner Robins, Ga. The company also regularly renovates smaller facilities including leasing offices and clubhouses, and adds amenities such as dog parks to its communities.

"I'm proud that we can provide clean, safe housing for people who are renters by need and not by choice," Hayden adds. "Just because someone may not be able to afford a house doesn't mean they should live in an unsafe or uncomfortable environment."

#### A STRONG BASE

Hayden credits the company's success in acquisition to its fiscal diligence and access to funding. "On the acquisition side, we're very disciplined with our underwriting and move very quickly to make deals happen that others might find difficult," Hayden says.



"We have our own capital, can make our own decisions and move quickly to get things done."

On the property management side, Hayden says the company's rental office, maintenance and other staff play a critical role its success. Many of the company's employees have worked there for 20 or more years, and several live on-site. "There is a lot of turnover in property management as properties are bought and sold, but we try to retain employees by providing the most competitive salaries and offering the best benefits we can," she adds. "We want our employees to feel our properties are theirs as much as they are ours."

One employee at a property in Tyler, Texas, had moved on to another job after Hayden Properties sold the complex she worked in. She recently returned to the company after Hayden purchased a new property in the area and contacted her about returning.

"We create a working environment for our employees that makes them look forward to going to work," Hayden says. "Our people enjoy being here and feel this is a fun, worthwhile and rewarding environment to be in." ■



Clients appreciate Charney Construction's ability to value-engineer a project from the start

"The advantage that we have over anyone else out there is our ability to fully integrate the design process into the building process. ""

SAM CHARNEY, OWNER

**PROFILE** 

**CHARNEY CONSTRUCTION & DEVELOPMENT** www.charneyconstruction.com / Headquarters: Long Island City, N.Y. / Employees: 10 / Specialty: Construction and development

## Neighborhood Favorites

Charney Construction & Development is helping Brooklyn and Long Island City change with the times. BY CHRIS PETERSEN

Brooklyn has undergone a renaissance in recent years, with an influx of young creative people reshaping the borough to reflect a different type of lifestyle than in the past. As the neighborhood changes, it requires a developer and construction company capable of understanding the new look and feel these residents have brought to the area and translating that into properties that feel like a part of the area's new flavor. All of that suits Charney Construction & Development well, according to Owner Sam Charney. He says the company's combination of the two disciplines makes it ideally suited for the work it does throughout Brooklyn and Long Island City, N.Y.

"The company is a development company and a construction company, so the advantage that we have over anyone else out there is our ability to fully integrate the design process into the building process and to be thoughtful and self-disciplined enough to value engineer along the way," Charney says.

In projects such as its newest development in Long Island City, 11-51 47th Avenue, Charney Construction & Development brings a wealth of construction and development experience as well as a willingness to work closely with its partners to help them make the best possible outcome for their projects. As Brooklyn and Long Island City continue to change, Charney Construction & Development is helping to move that process along with high-quality properties.

#### **WORKING WITH PARTNERS**

Charney says the company's ability to value-engineer each project up front as well as intelligently design its projects from a feasibility standpoint gives it a substantial advantage over other developers in the area. Those qualities also give the company an edge when coping with rising land prices and construction costs. Both of these are symptoms of the success Brooklyn and Long Island City have experienced over the last several years, and Charney says the company is better prepared than most competitors to deal with them.

"We are intelligently spending more time on bids with our subcontractors to make sure that everyone understands the specifications of what the job is," Charney says.

The company's experience in development also means it can work with potential sellers and land owners to get them the best prices possible for their land in a joint venture while still being financeable for Charney Construction & Development. Charney says the company accomplishes this by deferring payments to the end of the project in some cases.

#### **CLOSE TIES**

The expertise of Charney Construction & Development can be seen in every project the company has completed over the years, including its latest project, 11-51 47th Ave. in Long Island City. Charney says the company is excited about the potential for the 11-story condominium development, especially considering how unique and challenging the work has been.

The 11-51 47th Ave. project consists of 56 residential units, 21 parking spaces and ground-floor retail space. Featuring a 24-hour doorman, a luxury fitness center, high-end appliances and natural stone finishes, the project represents a unique addition to the landscape of Long Island City. "The idea is really to have a product that is the type of luxury loft product that has existed in SoHo and Tribeca, but hasn't really existed in the boroughs," Charney says.

The project's exterior features an architectural concrete façade, which requires a lot of experience and skill to make work, but Charney says the company has the skill necessary to get the formwork done properly.

"In the end, it yields a really beautiful industrial looking product," he says.

The corner of the property includes a subway entrance, so working closely with the MTA and all relevant city authorities for public transportation has been a high priority in the early stages of the 11-51 47th Ave. project, but Charney says the company has been able to keep things on track and on schedule so far.

The recent changes to Long Island City and Brooklyn have been a boon for many developers in the New York City metro area, but Charney says Charney Construction & Development stands to benefit from that activity more than most of them because of the company's close ties to the boroughs.

"It's really helped us because we have been based in the boroughs, and when people look to team up with a development and construction partner in the boroughs, they look to us," Charney says, adding that Charney Construction & Development works well with these partners because of its open and honest approach to building bringing a transparency to the development and construction process typically uncommon throughout the industry.



"Long Island City is a very special area that I think deserves more attention than it gets." AARON SHIRIAN, MANAGING DIRECTOR



Brothers Ramin (left) and Albert Shirian, along with Albert's son Aaron Shirian, lead Lions Group NYC

### From the Ashes

Residential developer and builder Lions Group NYC is taking a lead role in the rebirth of Long Island City in Queens. **BY JIM HARRIS** 

**PROFILE** 

#### LIONS GROUP NYC

Lionsgroupnyc.com / Headquarters: Great Neck, N.Y. /
Employees: 60 / Specialty: Acquisition, development,
construction and property management

In 2004, while watching New York City's annual Fourth of July fireworks display along the East River, brothers Albert and Ramin Shirian had a conversation that would change the course of their careers.

The brothers — who for the previous 20 years had acquired, developed and built homes primarily in Long Island — at one point during the fireworks, looked around the Long Island City section of Queens, where they happened to be. "They asked each other, 'Why hasn't this been developed yet?,'" says Aaron Shirian, Albert's son and the managing director of Lions Group NYC, the brothers' company.

Following the fireworks display, the Shirians began looking into the area, which at the time was a desolate, largely abandoned former industrial zone. After learning that it was recently rezoned, the two purchased a property at 44-27 Purves Street and acquired the neighborhood's first residential building permit there later in 2004.

The brothers' peers in the New York City residential development, construction and property management market were initially skeptical of their decision. "People thought they were crazy; it was a pretty scary block," Aaron Shirian says, noting that drug paraphernalia and prostitutes were a common sight in the blighted area at the time. "I remember being 10 years old and terrified to go there."

#### 'A CITY BEING BUILT'

The Purves Street property was developed into condominiums that proved to be more popular than the Shirians' peers had imagined. The first units in the development were sold in 2005. "People were camping out waiting for these and even buying two or three of them," Shirian says.

The condos' proximity to Manhattan contributed to their popularity. "A lot of the people we were seeing were commuters — if you're working in Midtown, Long Island City is one subway stop away," he adds. "We were able to build a Manhattan-quality product that offers a better view across the East River than a lot of places in Manhattan have."

The project was the first of several residential developments led

by Lions Group NYC. Today, the area is seeing significant interest from developers.

"We purchased land for \$25 per square foot [in 2005]; today, on that same block, land is selling for \$250 per square foot," Shirian says. "You'll see more cranes than buildings walking around in the neighborhood."

The company's ongoing projects include One Queens Plaza, a 110,000-square-foot rental apartment community at 42-10 27th Street near the Queensboro Plaza Subway station and The Baron, a rental property on Broadway. Lions Group NYC also recently broke ground on an 80,000-square-foot, 16-story building on Jackson Avenue. The company has owned the land on Jackson Avenue for several years.

In addition to large projects, the company also is working on smaller properties including a 12,000-square-foot, eight-story

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building on Hunter Street. "We have a big variety in the projects we do," he adds.

With Lions Group NYC leading the way on the residential side, other developers and builders are working to fill out the neighborhood with retail and commercial uses as well as schools and parks. "Now that people are here, city planners are focusing on other things needed to make the neighborhood livable," Shirian says.

Even amidst its growth, Long Island City is still below the radar of many, a fact the company hopes to change. "When you hear about development in the outer boroughs, you're mainly hearing about Williamsburg [in Brooklyn]," Shirian says. "There's a very distinct difference between what's going on there, where a neighborhood was gentrified, and what we're doing. There weren't very many people living here at all when we started.

"Long Island City is a very special area that I think deserves more attention than it gets — there is a unique energy here of a city being built," he adds. "It grew up at the same time I did, and I feel I've grown up with it."

Shirian credits the work of its contractors and vendors with Lions Group NYC's success. The company's contractor partners include Sampogna Contracting. "Aside from their quality workmanship, we always appreciate the open lines of communication Sampogna Contracting keeps with us," Shirian says. "It helps us coordinate and makes for a smooth operation overall."

#### 'BUILDERS FIRST'

Albert and Ramin Shirian started Lions Group NYC in 1984. The company's first project was a single-family home on land Albert helped clear by "renting a chainsaw and cutting the trees down himself," his son says.

Albert and Ramin raised their sons Aaron, Jake, Allen and Eric to be similarly hands-on in their work. "We grew up on construction sites," he adds. "My father literally bought us tools instead of toys so we could build our own toys. We went to jobsites every weekend and went over architectural and structural plans as children."

Although Lions Group NYC is involved with many different aspects of development and construction, the Shirian family's love of building remains at its heart. "It's just as common to us [to be] on a job site jackhammering rocks or driving an excavator as it is to see us in suits in an architect or accountant's office," Aaron Shirian says. "We are builders first.

"We are on every jobsite every day, and no task is too small for our attention," he adds. "We are usually the ones who close the jobsite at the end of the workday before we go back to the office."



Lions Group NYC's developments include the Vista, located on Purves Street in the Long Island City section of Queens.



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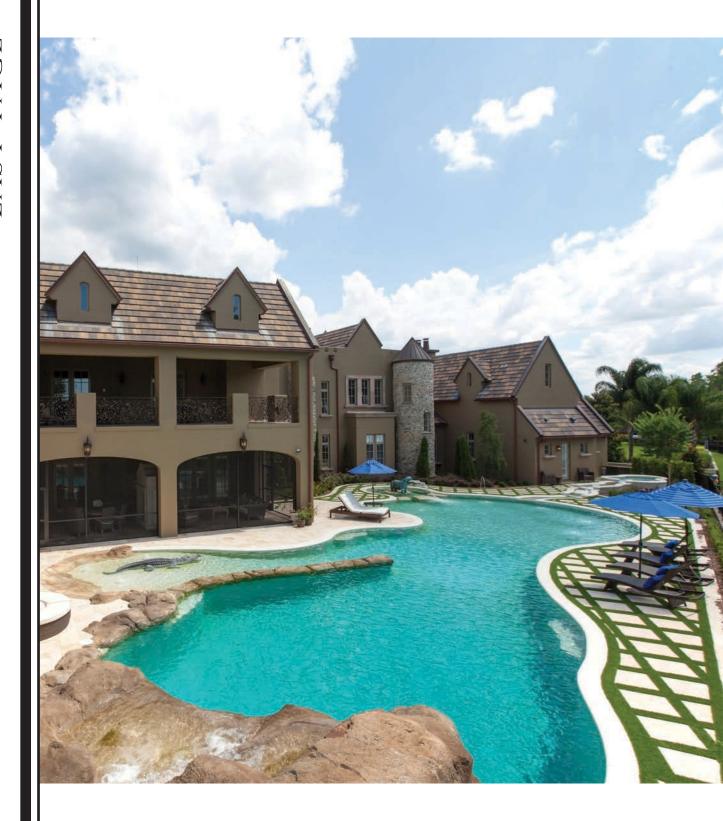
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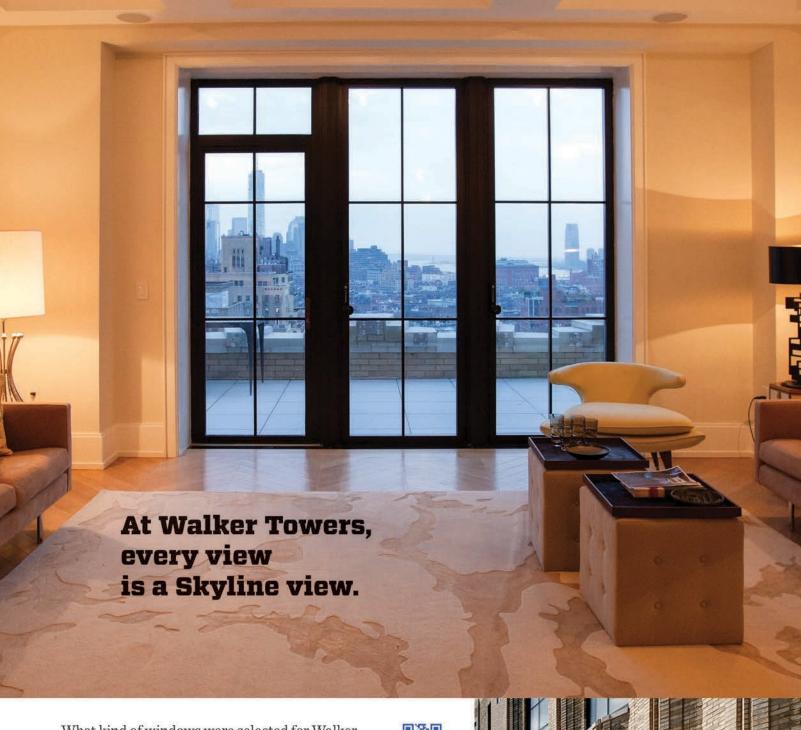


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