

AMERICAN BUILDERS QUARTERLY

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BEVERLY RAPHAEL TURNS HUSBAND'S
LEGACY INTO MILLIONS

PARK SQUARE HOMES



by Dana Turner

ORLANDO IS A HOT SPOT, AND WE don't just mean the weather. According to the U.S. Census Bureau, in 2005 new privately owned housing units in Orlando, Florida outnumbered those located in Tampa, Los Angeles and San Antonio. Indeed, the construction industry has fared well in these parts, especially among new construction hires and total construction employment. The Census Bureau further reports that total construction employment has

increased by 24% in 2005. Suresh Gupta, the CEO of Park Square Homes, agrees that this market is a winner. The key to his success is not solely due to location, location, location, though. Park Square Homes has found success in being a privately owned company, Gupta explains.

"We want to keep it a family owned company and have the next generation take over," he says. "As a privately held company, we strive for a high return in

investment.”

The company’s strategies are clearly working. Its core business provides custom homes, move-up homes, second homes and vacation housing in the central Florida area. They are known as central Florida’s premier production-and vacation-home builders. More than just a provider of residential construction, however, Park Square Homes sees itself as a creator of “homes and communities that enrich people’s lives.”

Park Square Homes are the ideal paradise for active adult buyers who want to enjoy life, have a good time, and create a luxury lifestyle. “This market is made up of empty-nesters who want to move into a new property and not have to maintain it,” he says. “They want to do all the activities that interest them like golf, tennis, and walking, and still live in the same area.”

Founded in 1984, the company believes business affairs should be kept simple and within the company.

Moreover, Park Square Homes adding luxury to its customer’s homes by searching out ideal locations and striving for “exceptionally beautiful and unusual layouts” is also part of this company’s core values.

PARADISE FOUND

Gupta’s properties are located in one of the best markets in the US. Park Square Homes’ individual properties include Summerbrook, a traditional neighborhood with “Old Florida Charm” which begins in the \$260’s. Located in the Mount Dora, it is the most beautiful area in central Florida, Gupta says. The location is 25 minutes from Orlando with beautiful views, rolling hills, unique farms, and lakes. Summerbrook properties have a unique 40 to 50 foot drop, a unique feature compared to the normal 10 to 15 foot drops on other home in the area. “It’s a nice place to live and raise a family,” he says.

The company also owns the property Morningside at Northlake Park, Lake Nona which has pricing in the

FACTS AND FIGURES

Park Square Homes

www.parksquarehomes.com

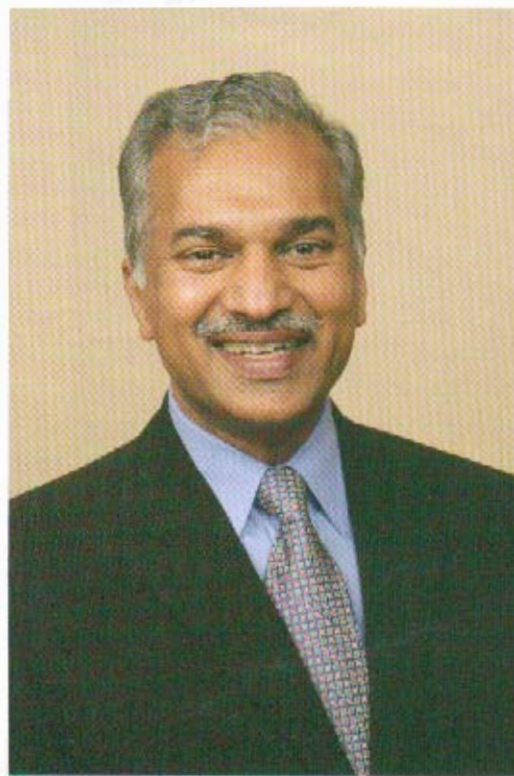
• More than 1,000 people moving in central Florida every day

• Sales \$ 400 and \$ 500 million

• Headquarters: Orlando, Florida

• Has 320 employees

• Uses subcontractors for concrete, painters, framing, dry wall, and electric.



From left to right:
Park Square Homes Design
Studio; CEO Suresh Gupta.

8280's. Located close to the airport and beaches, it is also a very attractive area, surrounded by a scenic pond on one side, and on the other natural woodlands. Members of the Lake Nona community are close to the Disney area and public transportation. Soon a medical school for University Central Florida will be built, making this a high profile, high tech area. "The neighborhood design is more traditional," he says. "There is more interaction between families, more walking trails, and more paths."

area a good transportation system, an added benefit for those who want to travel to Tampa or Disney. Summer Porte homes are in the \$360's.

Park Square Homes does not just build quality homes; they build resort communities that provide a certain lifestyle. At the Encantada, which is Spanish for enchanted, there are 372 four bedroom town home complete with a beautiful clubhouse and two swimming pools facing the lake. The clubhouse has a concierge service, cyber café, and exercise room. It's a gated community that is appealing to international buyers, and also buyers from New York or New Jersey who either want to purchase investments homes, or visit the attractions and stay for a week or two. The Encantada Resort Community starts a \$325,000 and upward.

Emerald Island, which begins in the mid \$400,000, is another resort community that aims to provide leisure and comfort. With only one

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Summerport, located in Horizon West at Disney World is in the midst of many exciting developments on this side of town. Here, a huge development that has individual villages with its own schools and shopping centers was planned, requiring the approval of each individual village by Orange County. It is connected on the 429, giving the



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“ WE ENCOURAGE EMPLOYEES TO COME UP WITH IDEAS AND TO PARTICIPATE. ”

PARK SQUARE HOMES



way in and one way out for this gated community, it is located just in the right location, Gupta explains. The area is surrounded by wetlands and green areas with a lot of walking trails, and has very popular dolphin statues that spout water. “People have taken very well to them. These are the best properties we’ve done,” he says.

MAKING THE RIGHT MOVES

The home building process is not an easy one. Gupta, however, has found that having a privately held company makes decision making a lot quicker. Gupta explains that if plans need to change or simplify his company can do so in as little as two weeks, a task that is nearly impossible with a larger company that must go through

national approvals for capital outlay, for example.

“At the national level they don’t like to change plans because one or two plans can turn into 1,000 plans easily,” he says, “it becomes too difficult.”

Also, Park Square Homes prefers not to take risks. In fact, playing it safe has led to a positive growth of doing \$400 to \$500 million in sales. And according to Gupta this is because Park Square Homes would rather hold on to a property than to sell it too low. “We don’t want to sell a home at the risk of just growing the company,” he says. “Although profit and growth is ideal,” he continues.

BUILDING TIPS

- Address the builders
- Look at the affordability in the workforce
- Make more work-force housing available

HAVING A GOOD EYE

Success does not just depend on running a tight ship, though. Knowing how to spot areas that are potential winners is crucial, too. And Park Square Homes has mastered this skill, noting that their first step in spotting potential in an evaluation is the environment. It's necessary to confirm that the water, sewer, and traffic count are environmentally acceptable. Next, the entitlements are reviewed, then location. "One of the most important rules in real estate is: location, location, location. It's a rule you should not forget. And we don't," he says. Questions like, How easily can the property be marketed? Or does the tourist have easy access to the resort? should be taken into consideration.

But, even with his keen eye, Gupta admits, "some of it is luck. We admit it. The last two or three years in central Florida have been very good."

Lastly, financial feasibility and whether or not the market is strong enough are also considered.

Park Square Homes has a good eye for property and they have a good eye for choosing top notch management as well. This company chooses their managers by promoting within, a strategy that has done very well by them. "We look at who has been working for us and the potential that's already here," he says.

Having a closely knit management team that is inclusive is very important to the company, hence, Park Square Homes' policy of having open meetings. "We encourage employees to come up with ideas and to participate. We communicate as much as we can by sharing financial information and information about future sights. We share whatever we can so [managers] can be involved with the day-to-day transactions," he says. "That's the most important thing: knowing what's going on within the company." It's during these meetings where ideas are tested and group decisions are made. Questions such as, "Should we buy", or "Should we not," are routinely asked.





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BRIGHT DAYS AHEAD

Although currently the market has slowed, Park Square Homes is confident the drop off will not ultimately affect buyers. Gupta remains optimistic explaining that central Florida has lower unemployment rates, meaning that the buyers are still out there and that Orlando will continue to grow. Additionally, buyers also have more choices.

The future is bright for Park Square Homes. Recently, they hired a new president, Jim Bagley, who will bring his experience from the private and public industry. “We’re lucky to have him. He brings the right combination to the company and will take us to the next level,” -a next level, which according to Gupta, can be achieved by looking at the long-term picture and not the short-term one. ABQ