

# Professional Builder®

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## Southern Charm

An Atlanta historic charmer combines beauty with smart product choices to create perceived value



ALL-STARS



# Starting from scratch

Once employed in high-profile positions at well known companies, these builders are starting over again ... in their old backyards.

**Whether they sold their previous companies** or left on their own terms after a sale, some home building alums can't seem to stay away from the building business. They're scratching their entrepreneurial itch and starting over with a new company — usually in the same market and often with the same team of people.

It seems to happen more and more often — public companies swallow private companies. Product lines merge; best-selling floor plans get dropped; featured products change. The post-merger changes often include people, too. CEOs leave — or are asked to leave — but increasingly, this boot from one organization serves as a launch for another.

The individuals profiled on the next few pages may sound familiar; the company names less so, but each of these builders believes he can again build a better house and in doing so, build a better company.

## Wilshire Homes Houston Ltd.

After GIANT D.R. Horton bought Houston-based Emerald Homes four years ago, Emerald CEO Brian Binash remained with the organization for less than a year. "It became obvious to me management wasn't interested in having me stick around any longer," says Binash, now CEO of Wilshire Homes Houston Ltd.

Binash didn't originally plan to leave Emerald or to start his own company. "I wasn't interested in leaving, nor was I thinking about business if I did leave," states Binash. "I was going to live a life of leisure."

Two things happened that made him rethink his future:

- D.R. Horton consolidated operations in Houston and laid off 65 of Emerald's people.

- Emerald Homes' existing product offerings were changed or abandoned.

"I wanted to see our product continue," says Binash. "I believed it was the right product doing the right thing for the right reason."

At the same time, preserving the team that worked so well together became a priority. "Most of the people had been with me for a really long time," he explains.

With those goals in mind, Binash approached Wilshire Homes of Texas. Prior to leaving Emerald Homes, Binash had been approached by Wilshire Homes of Texas with an offer to come to Houston.

"When I decided to leave, I

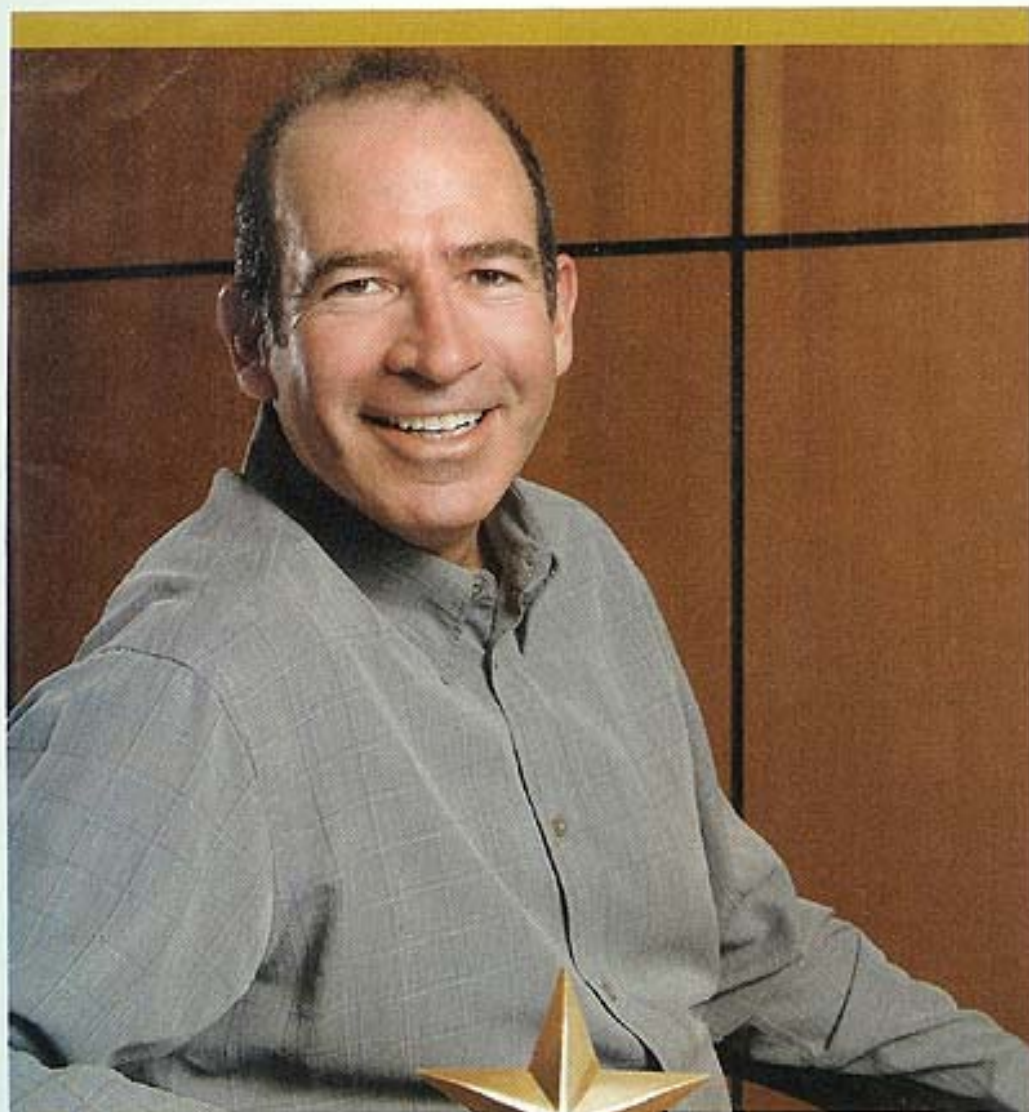


**"I wanted to see our product continue. I believed it was the right product doing the right thing for the right reason."**  
— Brian Binash

called Wilshire back and asked 'Are you still interested?' and we formed a partnership."

Wilshire Homes Houston Ltd. is a completely separate company, according to Binash. "It's not a division of Wilshire Homes of Texas," says Binash. "They are partners of mine."

Wilshire Homes of Texas helped Binash hire most of



his old staff back as quickly as possible. "Wilshire of Texas was a big help in being able to immediately re-employ a good number of the people that were let go almost immediately," explains Binash.

Wilshire Homes Houston Ltd. specializes in energy-efficient and environmentally friendly homes, much like the previous offering of Emerald Homes. However, Binash took it a step further. "We were going to become very customer focused, even more so than what we were before," says Binash. "We thought we were going to be able to take

**"We wanted to have our own company that we could create and direct in a fashion that we felt was more in keeping with what we wanted to accomplish in our lives."**

**—Bob Kleiman**

the niche Emerald was leaving because of the way the company we sold to wanted to change things."

Binash's new company, which has only been operating for the past 18 months, should appear in 18 to 20 communities by the end of 2005. "We're projecting to do somewhere around 25 to 150 homes this year alone," says Binash. "This is our first full year of operation, and next year we'll double that."

What has Binash learned from all of this? "Treat people fairly. We believe very strongly in the relationship and val-

ues," says Binash. "The vendors, developers, lenders that I'm dealing with now are people I dealt with when I first started Emerald Homes in 1987."

"Just be fair and honest with everybody. Just because of the relationship, you don't kick someone to the curb if someone comes in and they're a penny cheaper, or if something should happen," adds Binash. "That's just not the way it works."

### Structure Development Group

Bob Kleiman and Mark Sapiro both left The Braemar Group to start their own company, Structure Development Group based in Los Angeles. "We left because we had our own vision of what we wanted to do," says Bob Kleiman. "We wanted to have our own company that we could create and direct in a fashion that we felt was more in keeping with what we wanted to accomplish in our lives."

Structure Development has a different mission than Braemar did. "We're taking what we learned in a production housing tract/subdivision/building company, and we're applying it to a niche in the infill market in Los Angeles," says Kleiman.

The new business began in 1996 with a collaboration to reconstruct an apartment building damaged by the 1994 Northridge earthquake. From this project, the pair discovered a special niche within the market and established a unique line of custom "catalog" homes, which are fee driven and backed up by institution bank financing. The catalog of homes is composed of buyer-friendly and highly customizable floor plans,

architectural styles and specifications. For the past three years, Structure has averaged 15 to 20 closings per year on homes priced at \$750,000 and higher.

With this newfound niche, the business strategy needed to change from the Braemar days. "Typically in a tract of homes, you're building them all on a speculative basis. You build a model home complex, then you release phases of these spec homes to individuals," states Mark Sapiro. "What we're doing is building homes more on a fee basis than on a speculative basis."

This type of strategy allows Structure to better position itself to deal with economic cycles by reducing the risk of building too many homes at once. "Currently, we have 21 houses going on right now," states Sapiro. "We were projecting for this year to start one a month, but we're really starting out at two a month because of the high demand over the past six to 12 months."

Structure's building process seems to be growing with each house it builds. "It's rewarding for us to see how well this idea and concept is being received," says Sapiro. "This type of production approach is successful for everybody involved because it gets better and better each time."

### Wall Homes

At the end of 2004, Steve Wall decided to step down as CEO and president of Arlington, Texas-based GIANT Choice Homes to start his own company. "I've wanted to do this for a long time," states Wall. "It was a good time for me, and I decided to make the move."

**"It's rewarding for us to see how well this idea and concept is being received." — Mark Sapiro**

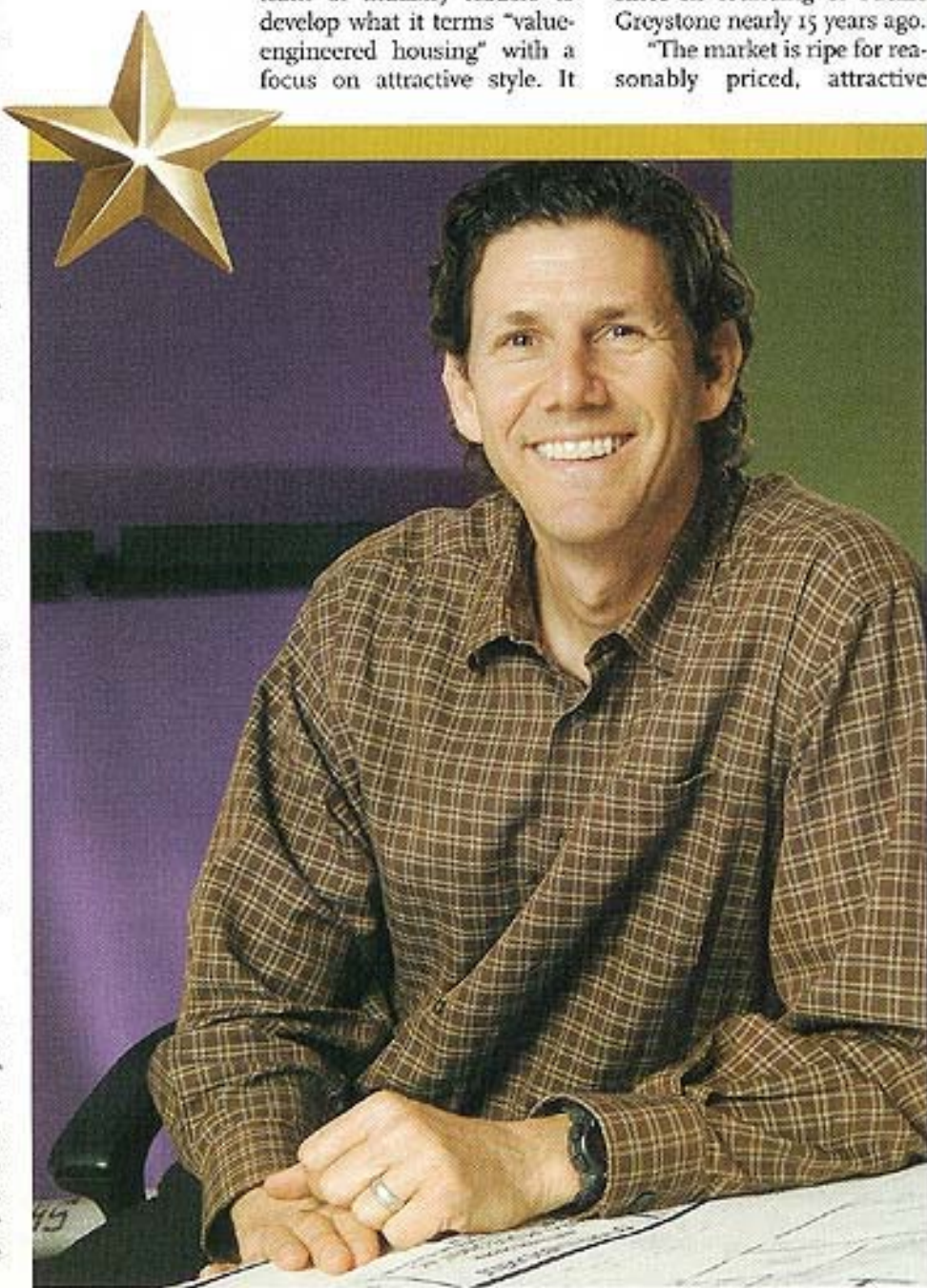
Wall has just begun the process of starting up his own company, Wall Homes based in Arlington, Texas. "We're in the process right now of contracting lots," says Wall. "We've got several subdivisions now that are under contract and we're in the process of developing our product."

Wall Homes assembled a team of industry leaders to develop what it terms "value-engineered housing" with a focus on attractive style. It

secured a \$50 million commitment from Warburg Pincus, a global private equity firm with a 20-year history of investing in residential home builders.

Warburg Pincus says its commitment to Wall Homes is the largest single investment in private home construction in the United States since its founding of Pacific Greystone nearly 15 years ago.

"The market is ripe for reasonably priced, attractive



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