

The quest to satisfy upper-end customer demand

Copyright New York Times Company Apr 4, 2005

CORRECTION: The following correction was published on Tuesday, April 5, 2005: Correction: * Photos of U.S. Assets projects Beau Ciel and en Provence were reversed in Monday's Business Weekly.

Tom Brown sensed the change coming in the early 1990s when he was overseeing Venice's 1,200-acre Plantation Golf & Country Club for Barnett Bank of Florida.

Jay Tallman saw the market turn toward upper-strata projects around the same time, while building Vizcaya, a \$47 million, 32-unit luxury condominium project on Longboat Key.

But neither was prepared for the response to en Provence, a luxury condo complex built on six acres of Longboat beachfront that would become their inaugural project together.

En Provence's 21 units sold out in three weeks, and generated \$52 million in sales.

"We discovered there was even more pent-up demand than we had anticipated," Brown said.

The project taught the U.S. Assets Group partners another valuable lesson, too.

"We felt the community was on the cusp of taking off," Tallman said. "And we saw a broadening of the market, with people who were looking here from the East Coast and from Naples.

The quest to satisfy upper-end customer demand and build high-caliber projects has been U.S. Assets' hallmark ever since, placing it among the area's most active -- and successful -- developers.

"Many developers will do a job and say goodbye," said Lori Fountain, president and owner of FT Designs, a Sarasota interior design firm. "But I truly feel like U.S. Assets wants to provide a wonderful product. And it's not about being nice guys; it's about being really smart businessmen."

Pushing the envelope

During the past four years, U.S. Assets has pushed its standards higher with each subsequent project.

At Beau Ciel, a \$62 million downtown condo tower developed adjacent to the Hyatt Sarasota on Boulevard of the Arts, U.S. Assets and Curts Gaines Hall Jones Architects introduced modern design and filled the 17-story building with luxury appointments.

Residents of the 44-unit high-rise, completed in late 2003, have access to private dining and media rooms, an exclusive swimming pool, a state-of-the-art fitness center with views of Sarasota Bay, concierge service and an opulent, art-filled lobby.

Despite the building's seven-figure prices, Beau Ciel sold half its units in two months. When the tower was completed, only four condos remained unsold. All 44 were snapped up within a year of its opening.

Beau Ciel's top-floor penthouse fetched \$5 million.

And Brown and Tallman have stood by the project.

"I have had no problem whatsoever getting Jay to stand by warranties and pledges they made," said Walter Davisson, president of Beau Ciel's residents' association.

"He's a straight shooter who knows his stuff," Davisson said of Tallman. "He's been a delight to work with. It's been a refreshing experience."

The U.S. Assets partners say "obsessive" attention to detail and customer service are critical to maintaining buyer loyalty.

"At the price range they operate in, people are interested in two things," said Cheryl Loeffler, a Prudential Palms Realty agent who is among the company's top producers nationwide.

"They want to make a good investment and have a certain lifestyle, and Jay and Tom thoroughly understand those concepts. They deliver a superior product, and they always seem concerned with their end user."

That focus on fulfilling customer demands has extended to U.S. Assets' latest projects as well.

The Founders Club, a 700-acre tract off Fruitville Road east of Interstate 75, contains 262 homesites and a Robert Trent Jones Jr. signature golf course that opened earlier this year.

The \$500 million development features homes from builders Lee Wetherington Homes, John Cannon Homes, Pruett Builders Inc. and others.

Equity golf memberships, which will be limited to 275 total members, are selling for \$82,500 each, excluding \$6,960 in annual dues. U.S. Assets is approaching 100 sales.

"We think this project has elevated the golf course community in Sarasota County, because there hadn't been a project like this," Brown said. "We consciously tried to raise the bar."

U.S. Assets has had similar results at Orchid Beach Club, a \$110 million, beachfront condo project on Lido Key.

Although construction on Orchid Beach's two 11-story towers won't be completed for months, only three of 54 units remain unsold. One penthouse recently sold for \$4.9 million.

As with the rest of its portfolio, Brown believes the emphasis on amenities -- Orchid Beach will contain a private pool, fitness center, billiard room, spa, library, media room, resident bar and concierge service -- sets the project apart.

"It's the culmination of all we've done," Tallman, 49, said of the condos replacing the Half Moon Beach Club hotel, which U.S. Assets bought for \$22 million.

'Not density seekers'

Brown and Tallman attribute U.S. Assets' success to customized, in-depth market research performed at the outset of each project, good design, stylized marketing and a small, but highly focused, team of employees.

And there is always the emphasis on quality.

"We're not density seekers," said Brown, 59. "The numbers have to work, of course, but it's more important to us to do a quality project."

Unlike many development firms, U.S. Assets has maintained that focus despite diversity in design, location and product type.

"You don't get caught in a cookie-cutter mentality with them," Fountain said.

Beau Ciel, for instance, is an urban project with modern architecture. Orchid Beach, on Lido, has a West Indies feel. Founders Club contains primarily single-family homes in a suburban setting.

"They're methodical and thoughtful, and very hands-on in their approach both to people and their projects," said Bruce Franklin, president of The ADP Group, a Sarasota architectural and land planning firm. "It's how they can succeed at so many different things."

But U.S. Assets' success hasn't come without adversity.

Beau Ciel, built on land connected to the Hyatt, required an extensive sales pitch to the Chicago-based hotel chain, which worried about disrupting the 297-room hotel's guests.

U.S. Assets prevailed, but only after agreeing to invest \$3 million in a new swimming pool and grotto area, replace 112 parking spaces and restructure the hotel's debt.

They also had to commit to a tight six-month construction schedule to minimize disruption.

Those problems were minimal compared to the ones U.S. Assets had to overcome to develop the Founders Club.

Because Founders became mired in Sarasota County's 2050 growth debate, zoning changes and permitting took five years.

Even then, county planners rejected it.

The county commissioners eventually voted unanimously to accept the plans, but not before U.S. Assets had spent \$2 million on designs, environmental surveys and engineering studies.

"Our conviction was this was the right thing," Tallman said. "We believed it from day one."

The experience could bode well as U.S. Assets contemplates plans for a boutique hotel on a St. Armands Circle parking lot.

To develop a five-story, 80-room hotel there, company managers will have to convince residents that increased traffic won't be a nightmare. They'll also have to persuade merchants that the loss of 225 parking spaces won't be a tremendous disruption.

Moreover, the company will have to win over the city of Sarasota, which a decade ago spent \$750,000 to build the parking lot along Monroe and Adams avenues with 20-year bonds.

If those hurdles are cleared, U.S. Assets will likely have to compete against other developers for the right to build there.

Brown relishes the challenge.

"Our philosophy is, take care of the little things and the big things will take care of themselves."

Featured projects

The Founders Club

Acres: 700

Homes: 262

Special features: Golf club community featuring a Robert Trent Jones Jr. core golf course, 24,000 square feet clubhouse and 275 equity golf memberships.

Completion of project: Development of golf course completed in 2004.

Total value of homesites and memberships: \$116 million.

Orchid Beach Club

Number of condos: 54

Condo sizes: 2,900-6,200 square feet

Cost: \$900,000 to \$4.6 million.

Special features: Gulf-front project on Lido Key, with two 11- story towers, 13,000-square-foot amenity level featuring two guest suites, and views of both the Gulf of Mexico and bay/city skyline.

Completion of project: Scheduled for late 2005.

Total value of sales: \$110 million.

Beau Ciel

Number of condos: 44

Condo sizes: 2,300-7,900 square feet

Cost: \$700,000-\$4.9 million.

Special features: Bayfront marina tower in the Arts District of downtown Sarasota being developed in conjunction with the owners of the Hyatt. Marina boat slips, a 12,000-square-foot residents' Plaza Club, and "Bay to Marina" floor plans and views.

Completion of project: Scheduled in 18 months.

En Provence

Number of condos: 21

Acres: 5.8

Cost: \$1.6 million to \$4.7 million

Special features: The condo buildings are four stories over parking and feature enclosed garages for each residence. Six residences have private pool courtyards.

Total value of sales: \$52 million