

COFFEE TALK

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The four contracts are geographically spread out and diverse, too. They include a \$7.5 million, 18-month project at **Honda Cars** of Bradenton, where the construction firm will keep the showroom intact while demolishing and rebuilding other areas of the facility; construction of a new furniture warehouse on U.S. 301, a few miles from downtown Sarasota, near the Northgate Plaza; construction of a new **SunTrust Bank** in Fort Myers; and design and site work on a new medical and law office in Bradenton.

What's more, Campbell, who took over as president of the company in late 2006 after Zirkelbach began focusing more on long-term strategy issues, says several projects delayed this year could become viable next year. One of those is a retail project in Pinellas County.

"It's looking favorable," Campbell says about next year's prospects. "I'm cautiously optimistic we've seen the worst of it."

+ Commercial brokers seek access to TICs

If the National Association of Realtors has its way with federal regulators, some commercial real estate brokers will have another way of making money next year.

That is if the association is successful in petitioning the Securities & Exchange Commission to exempt commercial brokers from strict rules governing what's known as tenant-in-common sales. A TIC sale, which allows individual investors to pool their money to buy commercial properties and other large real estate holdings, has gained popularity the past few years as an investment option for the high net worth crowd. (See Review 1/26/07.)

But as it stands now, commercial Realtors can't participate in TIC sales, which are governed by the SEC, unless they

have a Series 22 or Series 7 stockbroker license. That rule essentially forbids the overwhelming majority of commercial real estate brokers from participating in the TIC market, as cross-licensed professionals are rare, both on the Gulf Coast and nationwide.

The SEC opened the request for public comment late in November, and will likely make a decision on the request by early next year.

The gist of the association's argument is that a TIC purchase is, at its core, a real estate purchase and not stock shares. In its statement to the SEC, the association states that commercial brokers "would provide valuable guidance and assistance to a purchaser because of their extensive training and experience in matters relating to the estate and the predominant role of real estate in a TIC security transaction."

The NAR's exemption proposal comes with its own guidelines. Its application to the SEC specifies that for Realtors to qualify under the exemption, they must have received one of several industry designations, such as being licensed as a Certified Commercial Investment Member (CCIM). Without the designation, the broker, NAR says, must meet certain transaction standards:

At least five commercial real estate transactions having an aggregate value of at least \$3 million in the prior five years, or at least 10 commercial real estate transactions having an aggregate value of at least \$10 million in the prior 10 years.

Sarasota-based commercial real estate lawyer **Jefferson Riddell** — who participates in TICs as both a licensed Realtor and stockbroker — says the concept of allowing Realtors in on TICs is a good

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done with window curtains. In the past, says Smith, windows were treated more like cement and metal in the homebuilding process.

"We are trying to take ourselves from selling something...seen as a necessary evil to something being a legitimate part of the sales team," Bob Smith says. "If we allow our product to be viewed as a commodity, then we are in trouble."

To foster that transition, Universal plans on opening a design center in its new headquarters when it opens late in 2008 or in early 2009. Customers will be able to browse actual windows, doors and shutters there, in both a variety of styles and prices.

Smith also instituted some on-the-job changes at Universal. For example, the company has bucked the industry tradition by hiring its own quality control inspectors, tasks usually performed by a homebuilders' construction superintendent.

Now at Universal, the company's three full-time inspectors go to each home where they go through a five-point checklist, looking for problems such as broken or scratched glass and making sure all the windows roll and close properly.

Keeping a trio of non-revenue producing people on the payroll like that is expensive, Bob Smith concedes, but it's worth it. Universal's warranty claims have been cut in half, for instance, since Smith started the program about 18 months ago.

Looking ahead, Bob Smith says the best way to grow Universal's revenues is to expand its product offerings. Hurricane-protection materials form one new line, while Smith also hopes to open a door shop, so the business can compete better with lumber companies.

And Smith's number one priority for 2008 is to grow Universal's new commercial division, selling and installing win-

BY THE NUMBERS

UNIVERSAL WINDOW SOLUTIONS

YEAR	REVENUE	GROWTH
2000	\$1.5 million	
2001	\$4 million	166%
2002	\$6.6 million	65%
2003	\$8.6 million	30%
2004	\$11.1 million	29%
2005	\$14 million	26%
2006	\$14.8 million	.05%
2007	\$10 million (projected)	

EMPLOYEES

2000	3
2001	14
2002	20
2003	39
2004	32
2005	39
2006	38
2007	24

Source: Universal Window Solutions

dows and other products for storefronts in the area's strip malls and shopping centers. Opening commercial divisions is a move many of the area's homebuilders have also made to deal with the slumping residential market.

Says Bob Smith: "That's probably our biggest opportunity for the future."



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