

## Builder nails down success through housing market's peaks and valleys



By Mike Grizzard  
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He started with one house on a country road outside of Greenville. Thirty years later, Bill Clark has had a hand in more than 130 residential and commercial developments in North Carolina and South Carolina, some 53 of which dot the Pitt County landscape.

There have been challenges along the way: dips in demand when interest rates rise; complying with more stringent regulations; land, material and labor costs shooting through the roof; and competition vying for a piece of hot markets. He's seen other builders either fold up or consolidate. And if not for the presence and drive of his three sons — Heath, Hunter and Lance — the 64-year-old Warrenton native probably would have called it a career years ago. Instead, Clark continues to help shape the communities in which Bill Clark Homes operates.



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(ENLARGE)

A FAMILY EFFORT helped Bill Clark Homes expand from Greenville into to Raleigh, Wilmington and Myrtle Beach in the 1990s and close on 1,100 homes in 2006. From left are Heath Clark, Hunter Clark, Bill Clark and Lance Clark.

A record year in 2005, which was topped last year, earned the company the distinction of the fastest growing among all privately held builders in the nation as rated by Builder magazine. Professional Builder last year ranked Bill Clark Homes 121st in total closings and 74th in residential closings (single-family homes, condos and townhouses).

The success is built on a firm foundation of persistence, a vision, mostly sound decisions and, Clark said, good people.

"We started real, real small," Clark said in an interview at his Arlington Boulevard office. "There was not much going on. We didn't have much we could do. But over the last 30 years, we've just continued to grow.

"The building business is a tough business to stay in," he said. "If you look today in Greenville, North Carolina, there's only one other builder that was in business when I started — that's the Tiptons."

### Competitive edge

Clark came to "the big city" of Greenville from rural Warren County in northeastern North Carolina in the fall of 1961 to attend East Carolina University, married Gloria Jean Elias in 1966 and completed his master's in business administration in 1968. He spent the next four years with Wachovia Mortgage Corp. in Winston-Salem, working as a loan officer in Greenville, Raleigh and Winston-Salem.

He returned to Greenville in 1972, building homes, apartments and commercial properties as construction manager for Cherry Oaks Inc. and Lanco Inc., then began Bill Clark Construction in 1977.

Starting with his own carpenters and masons, he built his first home on Davenport Farm Road.

"I had bought some lots up there from the president (William Fulford) of Pitt Tech (Pitt Technical Institute, now Pitt Community College)," Clark said. "I think I probably paid \$3,000 for a lot," adding an acre in Greenville costs 10 times that today "if you're lucky."

Several other firsts for the Greenville area followed: the first townhouse project (Windy Ridge), condominium project (Forbes Woods), office condos (on Arlington Boulevard) and patio homes (Brook Ridge). Companies Clark founded or partially own are involved in the process from start to closing.

His portfolio includes Greenville Paving & Contracting; Curtis Construction, a roofing company in Kinston; Remco East, a rental management firm; Mortgage Access; Clark-Branch Realtors in Greenville; and Clark-Teachey Realtors in Wilmington.

Clark-Branch formed in 1978 with Connally Branch and his staff marketing Bill Clark Homes properties while Clark has focused on development.

Maintaining a competitive edge, especially in high-growth markets, requires securing land and adjusting to the peaks and valleys in demand. A housing boom in Greenville brought with it more than 50 builders seeking a piece of the pie, including national builders with substantial resources.

That's where tradition and stability play a major role for his company, Clark said.

"When the market's good, everybody enters the market," he said. "When the market slows down, they exit the market. It will happen again. ... I guess it makes for good competition for these guys to come in, but it sure hurts you when it happens. There's just so much market in town.

"It's a tougher market than it ever has been," Clark said. "It's harder for me to compete with them because they've got all the money in the world. They can go out and buy land and do whatever they want to. To say a guy's got a good reputation in this business means something, should mean something to the customer. It's a big factor. A lot of the people you see here today will not be here tomorrow. Two years from now, you won't see a lot of the people that are out there today."

Bill Clark Homes closed about 150 residential units in Greenville and about 1,100 total in 2006. He expects that number to drop to close to 700 this year due to a nationwide housing slump.

Clark estimates building about 12,000 homes in 30 years.

"We've had a great market for 15 or 16 years, which is unusual because I was used to up and downs before that every three or four years," Clark said. "... I've closed and sold houses when the rate on a 30-year mortgage was 18 percent — didn't close many, but closed enough to stay in business."

Clark backed out of commercial development, which also has prospered in Greenville.

"I probably should have got back in it when things started really popping over at the hospital, but we're so busy expanding into the other markets that I just didn't have the people, or the time or the money to be able to expand back into that market," he said. "But it's a good market here."

My three sons

Each of Clark's three sons joined the business and helped spur expansion to Raleigh in 1991, Wilmington in 1993 and Myrtle Beach, S.C., in 1996. Bill Clark Homes also put its footprint in New Bern, Havelock and Fayetteville during the last two years.

Hunter Clark oversees land acquisition, Lance Clark is Greenville's area manager, and Heath Clark is general manager in Wilmington. Strong personalities create intense discussions at times among father and sons, but it's been rewarding for Bill to have his sons involved in what he started.

"It's been good and bad, but more good," he said. "I think it's been good and bad for them, too. I kind of wish sometimes they had gone to work for somebody else before they came back, but we needed the help, and thank God they have responded very well."

Heath credits his father's long-range vision for Bill Clark Homes flourishing in Pitt County and other communities.

"I was concerned about six months down the road," he said. "That's all I could retain. I had to worry about the things immediately that I could take care of and let him worry about the projections."

Heath, 35, began working with his father after completing his degree in marketing management at East Carolina University, where he also played baseball.

"I knew that I was going to be in construction, so I might as well try to do something else to learn," he said. "I was going to learn construction management the hard way, so I figured I'd learn the marketing side in school and maybe get a little head start."

Heath worked the Raleigh and Greenville markets until moving to Wilmington during a building boom along the coast. The death in 2004 of the general manager put Heath in charge of the Wilmington area. He is building homes in Brunswick, New Hanover and Pender counties.

He closed on more than 250 homes in Wilmington last year but expects to be down to about 110 this year.

"There's a lot of builders that won't survive this downturn," he said. "We're going to survive. And when the market turns, you have to be ready to take advantage of every opportunity that is out there. And I think that we're already there. We're just kind of sitting back and waiting to see when the market is going to turn, and when it comes we'll react to it."

During the housing surge, increasing prices was the only way to stem the demand.

"If you didn't, you would sell them all so fast you wouldn't be able to produce them," Heath said. "You couldn't deliver. So you had to slow down the sales as much as you can. I made that mistake where I had several great months and then had delivery problems. I couldn't build them fast enough. I didn't have enough people, and I couldn't hire enough people. They weren't there, the talent you were looking for."

Lance, who worked in Wilmington two years, has been in Greenville the last five years including two as area manager.

He said the market here is more stable due to employment generated by the university and Pitt County Memorial Hospital.

"Greenville doesn't shift to the level coastal markets do through economic changes," he said. "The one thing that I don't have to worry about where Heath does in Wilmington and in Myrtle Beach ... they have a lot of retirees, and they're coming from up north. The markets up north are in horrible shape. They can't sell their houses, so they can't come down here."

The future

Bill Clark said builders are in the midst of facing numerous challenges.

Labor and material prices are on the rise, a trickle-down effect from petroleum costs that affects asphalt, pipes, wiring, shingles and other products.

A flood of homes — estimates range from 500,000 to 2.2 million — is expected to come back onto the market due foreclosures on subprime loans.

And eastern North Carolina is under new runoff regulations that create both time and cost for developers. Clark has just begun his first project on N.C. 43 near Bell's Fork under the new best management practices for stormwater runoff. Seven acres of wetlands were required for the 50-acre tract.

"That has caused our development costs to skyrocket," Clark said.

"... That's just happened. That's probably one of the first projects that's been built in Greenville with those regulations. For the next few years. we'll feel the effect of that It will increase the cost of housing in the eastern part of the state significantly."

Adjusting overhead when the market retreats is a slow process, Clark said. He reduced his workforce from 189 to 130, but other factors are out of his control. Still he enjoys doing what he started three decades ago.

"I learn something every day," Clark said. "I've been doing it for 30 years. ... It's a business that's always evolving.

"If you call us successful, it would be because of the people we have We've really got some good people. As long as you can keep good people and keep them motivated, you've got a very good chance to keep on moving up."