

# THE ARIZONA REPUBLIC

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## Risk-taking helps company prosper

### Hawaii relocation provided capital, lessons for luxury-property builder

Relocating to Hawaii for a job would be paradise for many.

But it was a move that Eric Linthicum, CEO of the custom home and commercial property builder that bears his family name, was advised not to make.

Linthicum moved his family to the island of Kauai when his firm took on a \$100 million project to build Kukui'ula, a luxury community there, which was completed in 2010.

Looking back, Linthicum admitted that the relocation for three years to a place the industry perceived as the most challenging island in a challenging state could have made or broken the company.

"Bright people I respect immensely told me it was too risky, too unconventional and I may regret it," said Linthicum, whose father Gary started the firm in 1984. "I valued that opinion, but it was a challenge I had to take."

The eccentric step ended up helping Linthicum, the firm, get through the real estate crash. It also taught Linthicum a few lessons that he wouldn't have learned otherwise.

"We were forced to learn how to exist in very unique market," Linthicum said. "There was a whole different level of humility that we gained from that experience that is valuable and somewhat shaped our organization going forward."

The project earned the company the industry's top honor, the Gold Nugget Grand Award. It also further cemented its place as a respected player in the competitive luxury custom property world. In addition to its Phoenix headquarters, Linthicum has licenses and offices in Hawaii and California.

"I moved my family to Kauai to deal with the political, cultural and market challenges so we could be successful there. The only way to do that was to take that risk, and fortunately, it worked out for us," he said. "It would've been very difficult for us to be where we are today if not for that."

The firm's resume includes high-end resorts, hotels, golf clubhouses, custom homes, commercial construction and residential properties. The company has grown significantly in the past 15 years and has doubled its revenue base and geographic scope, Linthicum said.

The Kauai project was one of many that the firm and Scottsdale real estate company DMB Associates, Inc. have collaborated on over the past 25 years. Linthicum's temporary relocation impressed DMB Chairman Drew Brown.

Brown worked with Gary Linthicum and has watched the company grow from its early beginnings to where it is now. Brown praised Linthicum's work under father, then son.

"They have demonstrated the ability to deliver the highest quality of work on time, on budget and meeting all of our expectations and the expectations

of architects and consultants we are working with," Brown said. "Eric's standards are the standards we expect and need."

Homeowner Kevin Knight has hired Linthicum to build three custom homes over the past eight years on the island of Hawaii, at Lake Tahoe and his Scottsdale residence. Knight has since sold his Hawaii house, but still owns the other two.

Efficiency and completing the work on time for all of his houses are among the reasons Knight is a repeat customer. As a result, Knight has saved money that otherwise would have been spent on extra labor.

"They are very customer-centric and they always have great attention to detail," Knight said. "And Eric gets excited about our house. It seems they are just excited about building your house as you are."

Linthicum always had a love for creating and building. But a part of him shunned the idea of following in his father's footsteps in favor of wanting to make a name for himself, on his own. The native Phoenician pursued this after graduating from San Diego State University and worked for a Southern California real estate company.

Years later, Linthicum grew weary of fighting destiny. In 1995, he returned to work for his father to indulge in what his heart was always set on. Linthicum missed being a part of the building process, and age had tempered youthful hubris.

"I was tired of denying myself of my passion, but I needed to mature. I needed to view my father in a little bit of a different light. My dad was always an inspiration and everything valuable I learned in my business I learned from my father," Linthicum said. "I was missing an opportunity by not being part of what he created."

In 2001, Eric Linthicum created Linthicum Custom Builders, a separate entity within the company that focused on high-design custom homes and unique commercial projects. This was a departure from his father's business model that relied mostly on quality work in the health care, industrial and similar industries.

The duality was successful. In 2005, Linthicum purchased the company from his father.

In 2007, Linthicum started to feel the impact of the recession. That the Kauai project and a few others were already in motion and had clients willing to stay committed are what helped keep the company healthy, Linthicum said.

Linthicum also reduced his workforce and became more aggressive about controlling costs. However, maintaining the geographic diversity wasn't up for compromise. The company that had previously only worked in Arizona now had dealings in Hawaii and California's Palm Desert region. In 2009, Linthicum took on clients in the Lake Tahoe area.

## LINTHICUM

**Where:** 2222 W. Pinnacle Peak Road, Suite 220, Phoenix.

**Employees:** 15.

**Interesting stat:** Most custom luxury home construction costs average \$250-\$300 per square foot, according to the online home buying and building statistics.

**Details:** 623-207-5200, linthicum corp.com.



**Eric Linthicum didn't plan to follow his father's footsteps but realized he wanted to be "part of what he created."** CHARLIE LEIGHT/THE REPUBLIC