

Remodeling firm PSG makes shift to new homes

New partner helps snag deal to build in Ginn's Reunion project.

BY NOELLE C. HANER | STAFF WRITER

WINTER PARK — The Gidus brothers have customized their business plan.

After nearly two decades of remodeling homes in historic Orlando neighborhoods and occasionally building a custom home on a scattered lot, Paul and Stephen Gidus have spent the last year expanding PSG Construction Inc. to focus on new home construction on a full-time basis.

"We've always built new homes, but we've never had a marketing effort," says Stephen Gidus, who handles business development for the company. "We've done it mostly by word-of-mouth."

The catalyst for the diversification is Bryan Shimeall, PSG's vice president of new home construction. A veteran of the dot-com industry, Shimeall joined PSG as a partner last year.

Thanks to Shimeall's marketing and business development efforts, PSG will debut its first home later

this month at Reunion Resort & Club of Orlando, the Ginn Co.'s 2,300-acre, \$2 billion resort community in Osceola County.

Last year, Shimeall landed PSG a gig as one of eight preferred home builders for Reunion's second phase, which will include more than 700 homes surrounding the community's Jack Nicklaus-designed golf course.

It's a deal that could net the Gidus brothers a resume of up to 90 model and custom homes during the next four years, and it already has affected PSG's revenue growth. Five presales in 2004 added \$3.5 million to its sales volume.

This year, the Giduses and Shimeall expect to sell 20 homes in Reunion, ranging in price from \$1.1 million-\$1.5 million. Production will be complete on at least 10 of the homes by the end of 2005.

As a result, the three partners predict the company's new home sales volume to jump to \$15 million.

"We always knew if we wanted to do really well in the new home arena, we would need to bring on a partner like Bryan," notes Stephen Gidus.

New hiring binge

To help get the new home construction focus rolling, PSG's three partners have beefed up the company's employee base, growing from nine employees a year ago to 20. They have hired new salespeople, construction superintendents and a production manager.

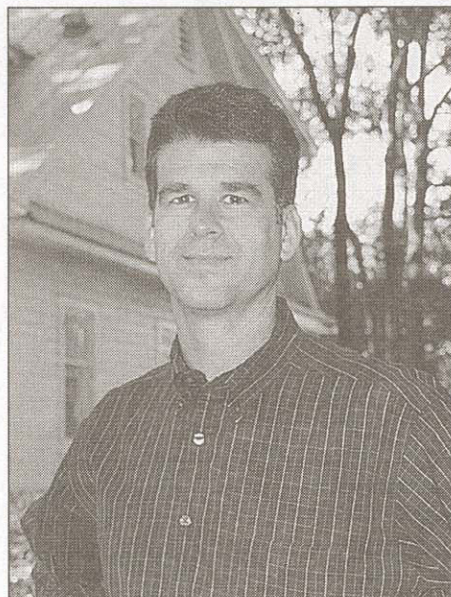


PHOTO BY TANYA LUNDINE

Paul Gidus

To accommodate this growth, PSG is moving from its former 900-square-foot Winter Park office to a 4,600-square-foot new headquarters also in Winter Park. Right now, the company is in a temporary 2,000-square-foot office.

The Giduses also are making PSG more tech-savvy. Currently, PSG is implementing new project management, estimating and production scheduling software.

Further, the Giduses and Shimeall have had to learn the language of international marketing. Because a number of Reunion's home buyers are British or Europeans looking for a vacation home, PSG has focused a great deal of its marketing efforts on the international market with conference and video calls and an enhanced Web site.

"We recognize that supporting local clients is very different from working with international clients," explains Shimeall.

Still doing remodeling

Even so, that does not mean the Gidus brothers are neglecting their Central Florida remodeling roots.

In fact, they have been redoubling their efforts in the remodeling market as well, with the hiring of a full-time salesman, Larry Leftwich.

"We've mastered the remodeling market, and it is getting bigger and bigger, especially in Orlando," says Paul Gidus, who heads up production for PSG. "We're even branching into new markets."

The Giduses got into the remodeling business in 1987, and since the 1990s, they have ridden the \$233 billion home improvement and remodeling wave to success.

In 2003, they posted \$2.7 million in renovation work, and last year, they brought in \$3.3 million. They expect that amount to grow by more than 21 percent this year to \$4 million.

Although most of PSG's past remodeling projects have been located in historic neighborhoods along the Interstate 4 corridor, they now are looking to break into some of the Orlando area's newer but aging communities, such as Tuscawilla.

"When we started, it was just Paul, me and our toolbelts," says Stephen Gidus. "Now, we're just exploding."

PSG Construction Inc.

Headquarters:

Winter Park

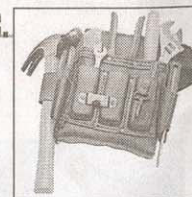
Established: 1987

Core business: Residential remodeling and custom home builder

Employees: 20

Sales volume (2004): \$6.8 million

Web: www.psgconstruction.com



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