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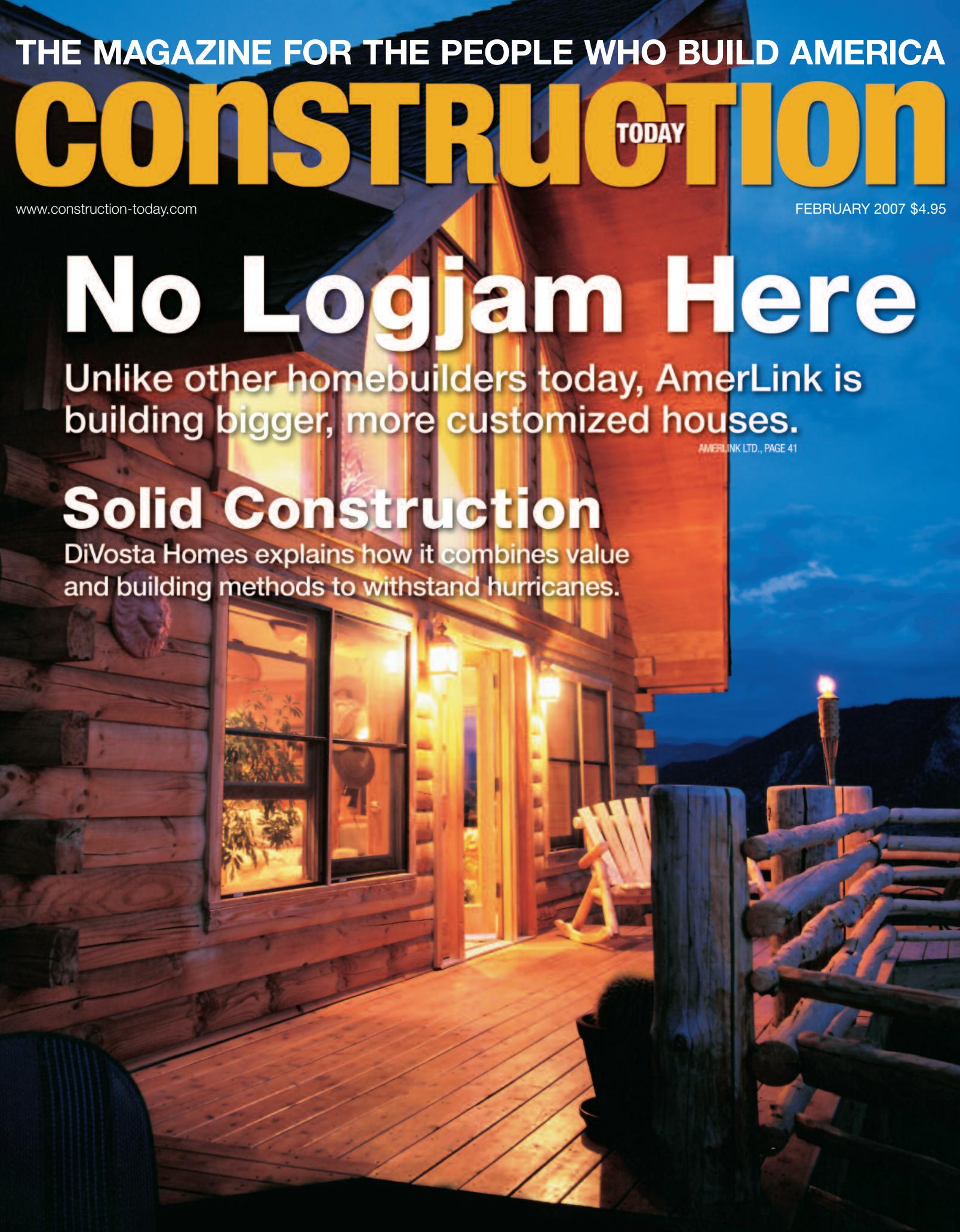
## No Logjam Here

Unlike other homebuilders today, AmerLink is building bigger, more customized houses.

AMERLINK LTD., PAGE 41

## Solid Construction

DiVosta Homes explains how it combines value and building methods to withstand hurricanes.



## THE FINCH GROUP

The Finch Group is primarily a multifamily residential developer and manager.



# Weathering the Storms

Wesley Finch of The Finch Group is fighting through the lull in sales in south Florida real estate, but he says it is not nearly as ominous as the slowdown that hit New England in the early 1990s.

For those who entered the Florida real estate industry during the boom years earlier this decade, the current lull in business is a frightening force with which to deal. But for someone as experienced as Chairman Wesley Finch of The Finch Group, this is just another swing of the pendulum in a cyclical business.

To Finch, who cut his real estate teeth in Boston for 25 years before moving to Boca Raton, Fla., in 1997, the current stall in the south Florida market is very similar to the real estate recession that hit the New England region in the early 1990s. "More than two years ago, we predicted this

fall. It felt eerily similar to the others," he adds. "Don't forget what is now history was once the future."

"By the same token, what is now the future will sooner or later be history. If you do not know that simple fact, do not get involved."

He continues to predict south Florida will get worse, especially when the federal

regulators become involved. "I have structured workouts and have repositioned hundreds of properties for financial institutions and ourselves during three prior recessions. This one in south Florida is my fourth."

The Finch Group was founded in Boston in 1981, during one of those recessions as a spin-off from another real estate company. In 1982, a regional bank entrusted it with a 423-unit HUD apartment complex and Finch was asked to come up with a disposition plan.

It soon announced plans to convert the building into condominiums, something totally new in 1982. Finch says the project was a huge success.

"Out of that, we took off," he adds. "By 1996, we were one of the largest condominium operators in New England."

In an attempt to retire in late 1996, Finch and his wife, Madeline, sold most of the assets of the company and moved to Florida to be closer to family in Boca Raton. But retirement never quite happened.

"We failed at that," he says.

Finch, now 59, says "then a few years ago, the next genera-

**The Finch Group**

[www.thefinchgroup.com](http://www.thefinchgroup.com)

**Headquarters:** Boca Raton, Fla.

**Services:** Real estate development

**Wesley Finch, chairman:**

"Now that I'm here in south Florida, this is the fourth recession I've been through, with the '90s being the worst."

tion came along and said they would like to continue the company. Once that decision was made, I took my 30 plus years of direct real estate knowledge and researched the Florida markets."

But Finch points out "significant, positive demographics are working in our favor. South Florida has horrendous oversupply and, with the current construction in process, it will get worse during 2007," but Finch believes the region's substantial positive in-migration will negate the oversupply.

In this world of complex financial structuring, people forget that "Supply and Demand 101" and experience still rule and to survive a deep dip you need "staying power."

The "condo commandos, flip artists and inexperienced owners" who became prevalent have little or none of any.

They, or their financing sources, will have to sell and Finch thinks "that will only exacerbate the slide down the supply and demand curve, meaning prices will continue to fall.

"It has always been amazing to me that people forget to get out ahead of the

curve, that is lower prices dramatically now – and thus end up following the curve down even more," Finch says.

The Finch Group, learning from past lessons, has remained out of the market until recently.

With its patience and substantial capital, Finch feels the company can acquire properties at reasonable prices and with a proper capital structure in 2007.

"Our internal management and marketing, which has proven itself over the years, should add value," he says. "Keep in mind the pendulum, over time, will always swing back."

Today, The Finch Group is primarily a multifamily residential developer and manager, although, as of January 31, it will own hotels on Cape Cod and Nantucket and be involved in four Boston office buildings, according to Finch, totaling 280,000 square feet.

The company also remains involved in affordable, subsidized and low income housing throughout the eastern half of the United States.

But Finch says his favorite such project is Arbor Park in Cleveland.

"The funny thing is while it's the one of which I am most proud – it was really my colleagues Robert James, Christina Alletto and Rosanna Tartaro – who are most responsible," he says.

#### **Extreme Makeover**

The Finch Group was brought in January 1999 to take over the severely distressed 820-unit Longwood Estates, a project with 4,800-plus code violations.

With the support of HUD and the city and with the financial backing of Enterprise and FannieMae, it orchestrated a friendly foreclosure, thus allowing HUD to take title.

HUD deeded the property to the city for \$1 and provided a \$25.1 million up-front grant. The city passed both on to The Finch Group.

Today, 629 Townhouse units, all with project-based Section 8, provide quality housing for residents of limited means," Finch says.

The development has received many awards, including Special Recognition from the Congressional Black Caucus, the company says. ■

From its inception in 1981, The Finch Group has established an impressive track record by applying its extensive experience in evaluating, developing, rehabilitating, marketing and managing affordable multi-family residential, mixed-use and high-end properties with an entrepreneurial attitude to implement well thought out business plans, on a property specific basis, that realistically reflect the strengths and weaknesses of each individual situation.

A significant part of The Finch Group's success can be traced to its principals who have expertise in repositioning underperforming properties, and a majority of whom have worked together, and relied upon each other, for years.

	<u>Tenure</u>
Wesley E. Finch, Chairman	Founder 1981
Robert A. James, Esq. Executive Vice President	Joined 1981
Dennis H. Blackinton, CPA Treasurer	Joined 1985
Christina P. Alletto, CPM Pres., Signature Housing	Joined 1981
Ernie Palazzolo, COO, Hospitality	Joined 1988
Rosanna P. Tartaro, Sr. VP	Joined 1994
Max O'Brien, VP, Construction	Joined 1990
Gabriel S. Grossman, VP	Joined 2005
Liza A. Finch, Dir. of Marketing	Joined 2003
Shana Crespo, Regional Manager	Joined 2005

***The particular strength we have as a group is based on our different but very complementary experiences and talent.***

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