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The building boom in Monmouth and Ocean Counties has continued for more than a decade. The expansion in every area and the growth of the local economy has meant great strides for the immediate vicinity in all quarters, from residential to corporate.

While these advances were assisted by many able hands, there is one name which is often at the forefront when quality builders are mentioned. The name is Hirair Hovnanian and his signature appears next to the Bayview Corporate Center in Ocean County, Hovchild Plaza off Exit 100A of the Garden State Parkway, numerous Holiday Plazas and many, many other splendid structures and building projects.

Hovchild Plaza is an impressive black granite structure which also serves as the new corporate headquarters of H. Hovnanian Industries. The structure is regal in its own right, but it becomes even more so when one notices the aviation wind sock blowing in the breeze between the building and the Parkway. It is then that the once-casual observer realizes there is a helicopter landing pad situated directly next to the building. If they are fortunate enough to observe an actual landing, they begin to get a sense of the vast size of the Hovnanian organizations and the influence of its president and founder, as well as the far-reaching effectiveness of his business philosophy.

The new corporate headquarters may appear, at first, to be a crowning achievement in the life of Hirair Hovnanian, but it is not. The structure is merely a stepping stone to greater challenges and greater achievements.

Many success stories have humble beginnings, and Hirair Hovnanian’s is similar in that respect. Born in Baghdad, Iraq, he came to the United States in 1951. He attended Villanova University in Pennsylvania studying civil engineering during the day while working nights and week-ends at various jobs. He lived in a small third-floor apartment during these years finally graduating with his degree in 1956.

"I had big dreams, big visions," he recalled, "I wanted to be independent. I like to work hard."

That same year, he married Anna, now his wife of 33 years. Their successful courtship began with a date in New York City paid for by Hirair with money borrowed from Anna. "And I've been paying for it ever since," he now jokes. It was one of the last times he ever borrowed money from anyone.

The future corporate president entered the work force as a civil engineer with a consulting firm responsible for the construction of the Connecticut Turnpike. His starting salary, he remembers, "Was about $90 a week. It wasn't much, but I began sav-
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ing my money. I saved every penny I could.”

No one incident could be termed a “turning point” in Hirair Hovnanian’s life since his goals were set early and achieving them has always been his objective. However, circumstances arose in 1958 which created the pathway to the Hovnanian ambitions. “A distant cousin,” Hovnanian recollects, “was building a home in Toms River. I had never seen how an American home was built so I went down to see how it was done.”

Hovnanian’s own engineering experience and his own ambition fueled his imagination as he observed the construction of an American home. “I thought, as I saw the construction progressing, ‘I could build a hundred homes like this in a year.’ It’s what I wanted to do. I believed if you really want something bad enough and you’re willing to sweat, success is inevitable.”

It was this realization, along with his dedication to saving his money that finally started the proverbial ball rolling towards the Hovnanian aspirations.

With $3,500 in a savings account and with some help from his cousin he bought his first piece of land, 23 acres on Bay Avenue in Toms River. He bought a second-hand jeep, purchased a chain saw and hired a U-Haul trailer. As labor and zoning laws were different decades ago, Hovnanian could be found at all hours of the night clearing the land himself, removing trees and debris with his second-hand jeep, chain saw and rented trailer. During daytime off-hours, he could be found at the library collecting data for his closings.

His efforts and investment soon paid off as 63 Hovnanian-built homes, Holiday Estates, began to take shape. Joined by his brothers, Hovnanian acquired more land farther north on Route 9 at Gordon’s Corner. More projects expanded the organization until the Hovnanian brothers each decided to go their separate ways.

“Each of us had different philosophies,” says Hirair Hovnanian, “so in 1963 we all decided to take a project and start out on our own. I stayed in Toms River, and in 1964, I built 72 homes in Holiday South.”

Hovnanian noticed that 80% of his buyers were retirees, many of whom were paying in cash. It was at that point that he made the bold decision to begin building adult communities. The concept of adult communities was itself not new, but the majority of them at that time were in the form of condominiums. Hovnanian wanted to create single family homes for adults, each located on its own individual lot. He recalled his father’s philosophy, which was that every man wants to know the exact location of the four corners of his property. This was how he evaluated his worth. It was the American dream.

The first Holiday City adult community project, which today encompasses over 15,000 homes throughout the states of New Jersey, Florida and California, was launched on 150 acres.
in Silverton, New Jersey. Since cash flow was a problem in the beginning, Hovnanian devised his own creative financing. “My buyers would watch their homes go up,” explains Hovnanian, “paying 10% initially, another 10% when the foundation went up, another 10% when more was done.” With the successful acceptance of this “pay-as-you-build” arrangement, Hovnanian’s cash flow problems disappeared almost overnight.

“From that point on,” he remembers, “after the first ten or fifteen houses, I have never had to worry about paying my bills, not since 1964. If I have a unique business philosophy, this is it: everything we do, we do in cash. It’s in my blood. When I control the money, then I am free to make my own statement on each project.

“I’m never forced to compromise my ideas or decisions based upon what the bankers want. It also allows me to take on risks that conservative financiers may shy away from. To me, the real estate business isn’t just seeking out ‘sure things,’ but having the vision to see the long term potentials of parcels that may not be currently ideal in location or zoning.”

The importance of maintaining control, as part of the Hovnanian business style also becomes evident in other areas beyond financing. As the volume of business started growing, local lumber suppliers had difficulty keeping up with the pace of Hovnanian’s orders. They were also not giving him the best price considering his large volume. Thus, in 1977, he created his own lumber company, Stela Lumber. This move not only gave him control of his materials but also allowed him to pass a better quality product on to his buyers at the best price around.

The name “Stela” has long been associated with the Hovnanian name and many have speculated on its origin. In revealing its derivation, Hrair Hovnanian displays his devotion as a family man. “I came up with Stela after my children. The word ‘Stela’ comes from the first initials of their names. There is my daughter Siran, my daughter Tanya, my daughter Edele, my daughter Leela and my son Armen.”

The name “Hovnchid” also reflects the same sentiments. However, the business/family relationship goes no further according to Hovnanian’s strict philosophy. “I do have a philosophy, which may be considered unique, concerning my wife and my family. I never forced them to get involved in any function which was solely business related, none at all. I have a very private life, extremely private life. I never would go out socially with a businessman or a banker, or whatever, for business purposes. And I never discuss business at home. When I was done with the office, I never took papers home.”

Nevertheless, some of the Hovnanian children are today involved in the family business, but never at the insistence of their father. “They’ve all earned their degrees first and then approached me about working here. Some worked here and then moved on, realizing that their goals lay in different areas.”

The closeness of the Hovnanian family along with their hard work ethic comes from Hrair Hovnanian’s father. “My father fled the Turkish massacres of Armenians in 1915,” he explained, “and went to Iraq. Without a high school education or any training he became one of the most successful builders in Iraq. He was a self-taught

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man. I think his drive to succeed became a family trait. My brothers and I were all competitive, but not to outdo one another, just to do our best and be successful at what we set out to accomplish. It’s true with my children as well.”

Mixing family and business and pleasure has never been a Hovnanian habit, however, the same strong desire and commitment which shows up as he meets each and every new business challenge also shows up in his recreation. Thirteen years ago, inspired by his 10-year-old son, Hovnanian became interested in sport fishing. Not content with being a casual fisherman, Hovnanian researched and studied sport fishing with the same determined flair as he did when he was learning the construction business, studying fishing and boating at the library and planning extensive fishing expeditions. His philosophy is always one of being as good as possible at anything you do. “We’re now building the world’s largest sport fishing boat. We like to fish off of West Africa and down in South America.”

Even though fishing is a new passion, he still has very little time for it. His days are as full as when he was young and just starting out.

“I get up at 4 or 5 o’clock every morning and read every newspaper and every periodical. I try to be on top of everything. I’m very, very cognizant of what goes on. I am a hands-on person. Up until this very day I sign every single check. I want to know where the money goes. I want to know what everybody does.

“This way of working means, of course, that there are never enough hours in the day. I would like to find a day or two days when I could get bored. I actually look forward to getting bored.”

What about the future for real estate development in New Jersey? Hovnanian sees it as a time for caution. “We see a definite decline in building in New Jersey. It’s not a national thing, either. Florida is a very hard sell right now, but California is booming. I think, as a professional diagnosis, Florida, for instance is getting over-built. There are too many developers down there.

I don’t want to see the same thing happen in New Jersey. I believe, at least for this period, New Jersey is on a plateau right now. I can’t see all those people coming in and paying such high prices for land and putting up more houses in Monmouth, Middlesex all over the area. I think those people will be in trouble if we have even a small recession in the building industry.”

“...the regulations should be revised to be more consistent and more in balance.”

“Another problem that is dampening real estate activity in the state of New Jersey is the existence of over-regulation in addition to the regulations themselves being poorly written and over-lapping in a number of areas. This has led to developers having to face an additional risk in an already risky business. When they purchase a parcel, they become victims of the vague interpretations rendered by the endless professionals that one must hire to see a project through the approval process. I think that if this situation existed 30 years ago I, as a young developer, would have been unable to achieve my current level of success. There’s too much cost that one needs to put into professional fees and too much time that one must hold a property before one can put a shovel into the ground. I do not want this to be interpreted that I am opposed to environmental controls. I absolutely see their merits, but think the regulations should be revised to be more consistent and more in balance. This is especially true in light of the undeniable need for a growing state to create new housing and commercial opportunities.”

Hovnanian’s knowledge of the Florida and California markets comes from first-hand experience as he has interests in both places. “We’ve finished a number of projects in Florida,” he says, “and we have another 600 acres where 1,800 units will be built.”

His beginnings in California are a testimonial to his relationships with employees, both current and former. “One of my former employees,” he relates, “moved to California. He cali-

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ed me one day and said, 'Boss, I'd like to work for you again. Why don't you buy some property in California so I could develop it for you?' I flew to California and purchased that property. My former employee eventually came back here to work for me again."

Today, that parcel is approved for a 2,450 mixed-use Planned Unit Development.

Although California and Florida have been good to Hovnanian, he sees great advantages by operating in the same area for 30 years. It develops an obligation toward the local communities that is reflected, in his case, by his continued support of the local philanthropic associations. This commitment is also illustrated by his desire to give his original local home buyers better, more convenient, self-contained community services. He realized many of his first home buyers were aging and their needs had changed. These new requirements were not being met as Hovnanian believed they should. To meet these requisites he developed Holiday Manor, a full service campus of ranch-style apartments in Manchester Township for healthy adults who just need a little more assistance with daily chores. A further extension of his commitment in the area of addressing the needs of the senior population is the construction of Holiday Care Center, a 180-bed nursing home. This was developed because Hovnanian felt there was a lack of top quality nursing facilities in the area that had a home-like atmosphere.

"There comes a time when you're not working just to make money. With anything I build now I want to make a statement."

Hovnanian and Shahen Gharibian review new plot plans.

Hirair Hovnanian has made the assets of his earlier working life pay off well. Now he is enjoying the fruits of his labors while continuing his working life. "There comes a time," he reflects, "when you're not working just to make money. With anything I build now I want to make a statement. I'm not just building mass housing now. Today I'm focusing on building attractive and unique residential communities, shopping centers, nursing homes, golf courses. I'm looking to create community where people can live, work, and relax all within the same area. These mixed-use types of projects can help solve much of the highway con-

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