

# Robson's **Steve Soriano** on adding water, sewer, and rentals to diversify revenue



**H**aving been with the company for 22 years, Steve Soriano—who started as a financial analyst—has witnessed the progression of Robson's diversification.

Initially, Edward Robson worked for retirement community mogul Del Webb and sold mobile home lots. He struck out on his own and opened Sun Lakes, his first development, in the Chandler, Ariz., area in 1972. Today the 87-year-old builder and developer is founder and chairman of Robson Communities.

Robson, and its affiliated companies, is one of the largest private employers in Arizona, with more than 1,650 employees working at operations that include five resorts for active adults and the Robson Ranch, in Denton, Texas.

Robson's diverse portfolio includes being one of the biggest private water utilities—Picacho Water Co.—and sewer providers in the Grand Canyon State, in addition to developing and managing commercial properties and shopping malls. Robson also expanded Renaissance, the senior independent living apartment brand it launched during 2000 in Sun Lakes, by adding assisted living and memory care services in 2012. And recently Robson Multi-Family announced plans to build Noria, a luxury apartment community in Chandler.

**Q** Some single-family home builders have diversified since the downturn by constructing townhomes or apartment complexes, neither of which is too far afield from the core skills and experience they already possess as home builders. Robson Communities is unique in that it operates utilities as well. How else has the company diversified?

**A** Revenue diversity has been a big part of Robson's secret recipe for 30-plus years. In addition to being a middleweight home builder, we have been one of the larger water, wastewater, and commercial developers in Arizona since the beginning.

Recently, a natural expansion for us was into rental senior living, independent and assisted, in and around our master planned communities. While these are very different businesses from merchant building, they supplement cash flow during inevitable single-family home building dips.

**Q** What was the thinking or opportunity behind Robson expanding into assisted living?

**A** We found an unmet demand for quality upscale independent and assisted living in Sun Lakes, Ariz. In 2000 there was little competition and the elements were in place for an upscale alternative. Better amenities, bigger apartments, finer finishes, and, yes, higher monthly fees proved to be a recipe for success. And we're taking the product to our other active adult communities and are having similar success.

Right or wrong, our philosophy has been to develop at the more highly amenitized end of the spectrum and to

charge the requisite premium. It's hard to satisfy the customer and make any money on a "down and dirty" product.

**Q** What are the motivations and the objective behind Robson Multi-Family and Noria?

**A** Robson's first Arizona multifamily project in 15 years, Noria at Chandler Airpark, is the result of a lot of positive factors coming together at the same time. Chandler, Ariz., is one of the fastest growing markets for employment, single-family housing, multifamily housing, and rent appreciation.

Noria, a Robson brand, represents a high-water mark for luxury. The apartments are bigger, the appliances, countertops, tile work, and amenities are nicer. There is also a price premium.

Other people have done well by building apartments to sell. The Robson philosophy is to build, hold long-term, and operate. That's how we justify the incremental investment in better location, design, and construction.

**Q** Is all of this diversification simply about pursuing opportunity, or is it more about weathering the storm during slumps?

**A** If you think of yourself as a single industry provider, such as "just a merchant builder" or "just a shopping center developer," you're going to get clobbered in the inevitable downturns. Revenue diversity, Ed Robson-style, is the only way to ensure durable, sustained success.

*For the complete interview with Steve Soriano, see [probuilder.com/soriano](http://probuilder.com/soriano).*