



John Hermansen, left, and Allan Livesey of Ampersand Construction stand with one of the homes they are remodeling on Brywill Circle in Sarasota. **STAFF PHOTOS / DAN WAGNER**

TWO BUDDIES JOIN UP IN AN AMPERSAND

Allan Livesey and John E. Hermansen became partners to ride the real estate boom in Southwest Florida; now they have retooled their business in unusual ways to survive the downturn

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The lingering housing downturn and the worst economy since the Great Depression has made things difficult for large home builders, let alone small ones.

But wander the streets these days just south of the Ringling Museum of Art in Sarasota and you might be forgiven for wondering just what was going on: a half-dozen homes within a 300-yard radius are either being completely renovated or rebuilt from scratch, with another three or four permits already pulled to start work on more.

All of them are being done by a contractor many in Sarasota might have never heard of: Ampersand Construction.

Ampersand is the brainchild of Allan Livesey and John E. Hermansen, who serve as its president and vice president, respectively. Their company — which moved to Sarasota as the boom was turning to frenzy — has been able to reinvent itself to not only survive the storm, but perhaps provide a new model to other builders looking

to find new ways to stabilize their businesses.

Livesey and Hermansen go back a long way together, as do their Florida roots. The two men know each other from their time as undergraduates at Rollins College in Winter Park, just north of Orlando.

Livesey majored in environmental studies, with a concentration in urban and regional planning, and Hermansen's focus was international political economy, with minors in business administration, French and German.

After their time at Rollins, Livesey went to San Francisco, where he studied architecture at California College of the Arts and went on to join the Holt Hinshaw Architects firm.

Hermansen wound up in Norway and France as a maritime broker, married a Norwegian woman and also pursued a master's degree in business administration from the University of Newcastle in Australia.

See AMPERSAND on 7D

AMPERSAND from 6D

In 1999, Livesey said he decided to leave his more traditional architecture job and form Ampersand Construction — with the goal of combining his passion for design, remodeling and real estate development.

“I didn’t want to just sit in an office doing AutoCAD,” Livesey said, referring to a computer-aided design program popular with many architects.

He convinced Hermansen to join him in San Francisco, and Ampersand was born.

By 2003, as the housing market was heating up, the two men were thinking beyond just doing construction, to buying properties themselves, fixing them up, then selling them for a profit.

“We talked about getting into the whole building craze,” Hermansen said. “Not just contracting but also investing. Remodeling for resale, as they used to say.”

There was just one problem: San Francisco was known (and still is) for some of the highest housing prices in the country.

“The market being what it was, the entry level was so high, we sought to find another base,” Hermansen said. “We thought, ‘What about Florida?’ So we came back, canvassed both coasts, looking for the right market.”

Livesey had family in Hillsborough County; Hermansen near Cape Canaveral on the east coast. They traveled around the state and ultimately realized that one city appeared to offer the perfect mix they were looking for: Sarasota.

“In San Francisco, the entry level at the time could be north of \$850,000,” Livesey said. “In Sarasota, there was opportunity.”

Ampersand’s business model at the time flowed right into the boom-time frenzy that Sarasota was epitomizing, and the two men began building their network in the city. The company rode the wave as 70 to 80 percent of its business involved investment properties — buying them, renovating and then flipping — while the balance of its business consisted of remodeling jobs clients hired it to do.

But by the time 2006 rolled around, the fuel of Sarasota’s housing boom had run out. The housing downturn had begun.

“You didn’t have to watch Bloomberg or CNBC to know it was ending,” Hermansen said. “We could notice already that people were getting a little bit desperate. Everyone wanted to unload inventory.”

Livesey said the choice was clear: “We had to change our business model to adapt. If we didn’t, it would be all over.”

Unlike a number of other builders, Ampersand was able to be more nimble than many of its competitors who struggled to survive the bust.

The company did not have a large number of employees, equipment or land holdings. Instead, the business was largely run by a core team led by Livesey and Hermansen, who planned the renovations and invest-



ABOVE AND RIGHT: Two of several homes Ampersand Construction has remodeled on Brywill Circle in Sarasota. The company works with Realtors to customize homes.

ment projects, but relied on subcontractors for the actual construction work.

But Ampersand’s reliance on real estate investing — basically, flipping houses — was going to doom the company if it did not change.

As a result, since the downturn began, Ampersand’s business itself has flipped. Instead of 80 percent from investment properties and 20 percent from remodeling contracts, the company today has transformed into a mirror image of its former self.

“Now, probably 80 percent or more of our business is on the contract side, doing renovations for clients. So the opposite of before,” Livesey said.

To get those clients, Ampersand has been engaging in an innovative way of seeking out and securing new business: partnering directly with real estate agents representing buyers who see homes they like in Sarasota but want to renovate them to suit their tastes.

“We started realigning ourselves with some of the Realtors we worked with, and trying to actually facilitate their sales,” Hermansen said.

In other words, once a buyer’s agent has a client looking to make a purchase in Sarasota, Livesey and Hermansen will work with the buyer and agent directly to evaluate the renovation potential — and even create preliminary designs — for the homes the client is considering. That in-



cludes visiting homes with the buyer when he or she is in town house hunting.

“Once the Realtors have buyers in hand, they come to us and we can walk through and put numbers on things,” Livesey said. “We kind of consider ourselves to be a new breed of contractor. We’re not just working as a builder for a client, but also as an owner’s agent, where we can help them make smart decisions about which home works best for what they want done in terms of renovations.”

If the buyer decides to go ahead with the purchase, Ampersand is able to move ahead almost immediately to finalize its designs and begin the remodeling to bring the home up to snuff.

Roughly half of the company’s remodeling jobs come from such arrangements,

which has helped it survive one of the worst real estate markets in generations.

Meanwhile, with prices at record lows in the wake of the housing bust, Ampersand has been expanding its investment business as well — looking for opportunities to once again snap up quality properties and sell them for a profit.

“We’ll come across what we think of as a little gem, and if the house is a mess cosmetically but it has the bones, we’ll do it ourselves,” Livesey said.

Recently they came across one such house, built in the 1950s, that all of a Realtor’s clients had turned down.

“Most people walk in, see something in that state, and they think everything needs to be replaced,” he said. “But we saw an opportunity.”