

# Life can get tough, but 'never, ever give up'

BY JOHN DAYBERY  
BUSINESS TO BUSINESS



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Harry Pilos is founder of Hickory-based Delphi Development LLC.

## HICKORY

Harry Pilos has high expectations of Hickory.

Pilos, who founded Delphi Development in Asheville in 1999, has moved his company to Hickory, where he is developing the Mosteller Estate community off Catawba Valley Boulevard and the Olde Hickory Mill office and retail village project near downtown.

As the developer of such Asheville projects as the Sawyer Motor Building and the Piedmont and Moskins buildings, Pilos says he's grateful to have played a role in that city's urban renaissance.

Now he's expecting the same of Hickory.

We asked him a few questions.

**What's the best advice you ever received?**

Never, ever give up. Business cycles, macro trends, local overbuilding, global economic changes affecting how we do business, all present challenges and some quarterly reports that at times make you want to crawl under a rock and hide. There have been some very successful men who have mentored me in my life, and that has always been the first quote from each of them. Things change, sometimes for the good and sometimes for the bad, but never, ever stop trying. Stay in the game and keep fighting.

**What's the best move you ever made?**

Being loyal to my friends and my investors. Putting their best interest in front of my own has proven to be an important long-term benefit to my business growth.

During the difficult periods, their support and trust has enabled me to have the freedom to navigate creatively some choppy waters and even a few fierce storms in our past.

**What other business can you see yourself in?**

Movie production.

Developing real estate products is similar (I think) to producing a movie.

One has to be aware of the trends and emotions of the public, have a vision of the finished product and how it will interact with the public, manage the ongoing financial performance of the enterprise and herd the wide array of performers that contribute to the production.

**What opportunity did you miss that you most regret?**

There are so many. In general I regret not being more aggressive in acquisitions in certain markets that I was confident would rebound. I have been in so many places that my research and intuition supported great upside potential for our investments and I only nibbled around the corners in acquiring property. While we did profit, we could have profited more by holding larger positions in the marketplace.

**If you could find a solution to one problem facing your industry, what would it be?**

Education of the professionals entering the business. There are only two credible real estate development degrees in the national university system: one at MIT and one at the University of Chicago. Naturally the large public companies scoop up those graduates, leaving the small operators like myself constantly searching for talent in other industries that might adapt to the real estate development and property management applications. Due to the fast pace and monthly performance requirements, on-the-job training is a difficult challenge to achieving both short-term and long-term results for the employer and employee.

**What business figure would you like to trade places with for a day, and why?**

Sam Zell. I have followed his career since the mid-1980s. He was the buyer when all were selling and the seller when all were buying. I think he now controls the largest real estate holding company in the U.S.

Note that he did all this while sporting a gray ponytail. He is smart, confident, and an industry leader.

**What event during the last 10 years has most changed the way business is done in your industry?**

Sept. 11, 2001. Correctly the Fed dramatically lowered interest rates to historic lows to buoy the national economy. This adversely affected those of us with residential rental housing products and sent all of us in the business flying into the for-sale residential products. Now that the housing market nationally is settling down, we are all anxiously waiting to see the fallout within the industry.

History has proven that when government injects rapid change into a capitalistic enterprise there are long-term negative effects. The dramatic raise in rates in the late 1970s and the rapid deregulation of the savings and loan industries in the late 1980s are both recent examples of this.

Frankly in the case of Sept. 11, I do not know if they had any better options, and I am overall grateful to Mr. Greenspan for guiding us through what could have been an economic disaster beyond our imaginations, but it did send those of us in the development business scrambling to revise long-term business plans.

**What advice would you give a 17-year-old interested in entering your field?**

Think through in detail the products that you intend to produce and how your customer will interact on a daily basis with the product. Do not be afraid to improvise and break with tradition when you truly believe

you are right. Be passionate about what you offer to the community, not what you take back from them, and never, ever give up.

**Your idea of a perfect day is?**

I love it when my communities are beehives of activity and I can anonymously observe the community alive with people going through their everyday lives. People eating in the restaurants, shopping in the stores, leaving their apartments and homes for work, dropping off kids at day care, etc.

I sometimes visit our projects years after we are finished and just sit on the curb and watch the activity, reminiscing of the early phases of development and the many people involved and challenges overcome that led to its completion, none of which is known by the residents and businesses that now call it home.

**Your greatest personal fear is?**

Failure. This can be many things. In my mind it goes beyond financial failure. It is important to me that we do good for the communities in which we develop by creating unique communities that complement and enhance the quality of life for those people living in the community.

My fear is always that I spend years of my life working on a project spending tens of millions of dollars and we are marginally better than the guys that put forth little effort and cut every corner.

**What's the single most important factor in keeping your business competitive in a global marketplace?**

We are nimble and open to change. Quick change is difficult in a business that requires development periods measured in years, but I think we are as flexible and responsive to change as any competitor in our field. We consider changes in plans and "tweaking" existing programs on a weekly basis.

**In what area would you consider yourself "old school"?**

This question makes me laugh. Some around me would say in what ways is he not old school. Discipline to stay true to the values that I believe and were instilled in me by my parents. Hard work, honesty, loyalty and faith in the future that those who mean well will persevere and succeed in the long run.

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