

but following its debacle of the early '90s, NVR now offloads the risk of holding property. The company depends on developers of raw land, who put in basic services like utilities and roads: Typically, only when an individual lot is ready for building and NVR already has lined up a buyer for the home to be built does NVR buy the property and put its own cash into the game. After taking title, NVR quickly builds the house, condominium, or townhome before flipping the property to the ultimate pur-

satisfaction scores in evaluations by J. D. Powers & Associates. That mindfulness also doesn't end after homeowners move in. While many buyers endure a nightmare with builders who disappear once the deal is done, NVR regularly contacts buyers after the sale to check if everything is OK. (The level of care and feeding isn't just a recent touch, either. Just before NVR filed for bankruptcy, company employees called thousands of customers to give them a heads-up and assurances projects

a good job in another task straight from the classic marketing playbook, namely adapting to local conditions, says Victor Furnells, Washington-area director for the national home-building research firm Hanley Wood's market-intelligence division.

Because NVR operates in rapidly growing areas, it must deal with slow-growth rules imposed by localities straining under burgeoning traffic or full-to-the-brim schools. In one of them, Howard County, Md., NVR recently faced restrictions based on school enrollment. The company had planned to build single-family homes—which generate more school kids. But rather than pressure school enrollment, NVR switched gears and went for an “active adult community” instead, Furnells says. “It's smart thinking.”

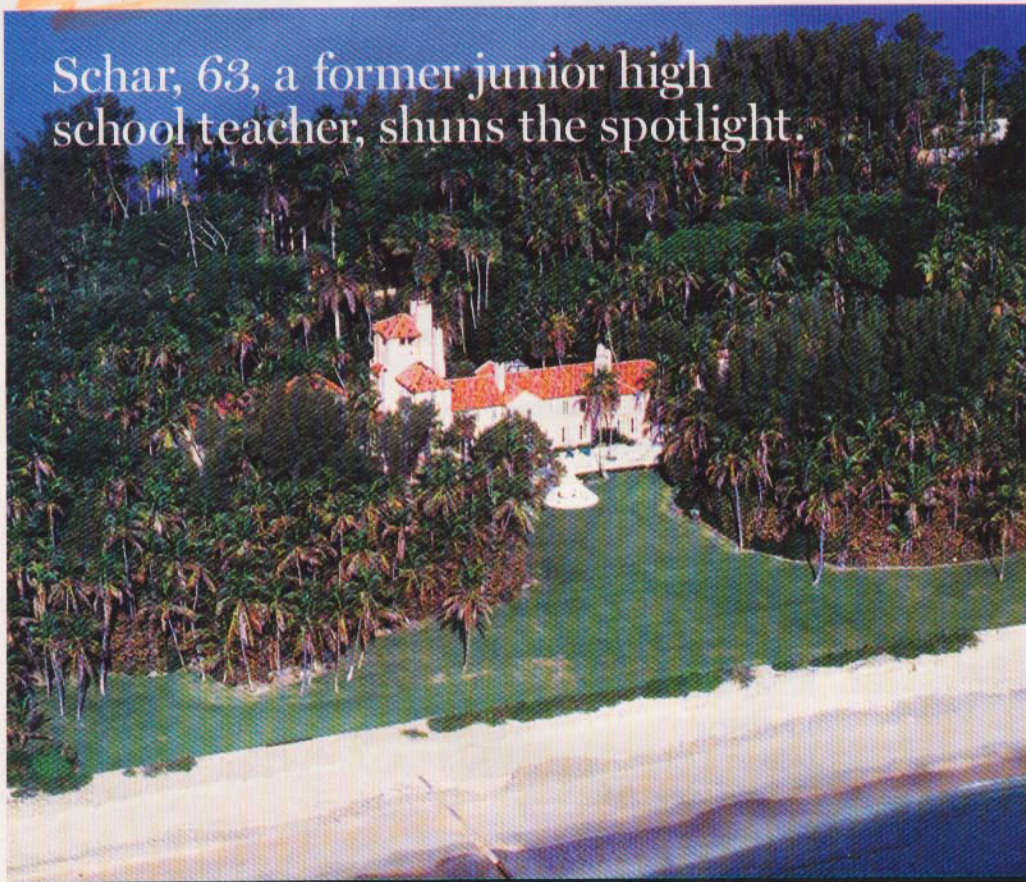
Home builders' biggest worry, of course, is always the next downturn, but there again, Schar has made a conservative play. While NVR does a good deal of its business in upscale homes, it has also balanced its portfolio with more modestly priced offerings. “So he's got two engines, and both of them are in good environments,” says George Fulton, an industry marketing consultant. “Obviously, he's learned a lot.”

He's made a lot, too. From 2000 to 2003, the latest year for which information is available, Schar harvested at least \$173 million in compen-

sation and gains from exercising stock options. In the past two years, he's landed in the top 5 of *Forbes* magazine's executive pay list. The weighty take-home has caused some grousing, as has steady insider selling of late, because of executives cashing in on NVR's stratospheric stock price. Still, the bottom-line results have been impressive. From 2000 to 2004, revenue grew at a 17 percent annual clip, while net income grew more than twice as fast, at a 35 percent annual rate.

Patience has indeed been a virtue for Schar. ●

## Schar, 63, a former junior high school teacher, shuns the spotlight.



**SITTING PRETTY.** Schar recently bought this Palm Beach mansion for \$70 million.

chaser. Schar didn't invent this practice, called “optioning,” but he has exploited it energetically. “What he really smelled out, and what most people didn't figure out in the building business, was to let someone else carry the land,” says John T. Hazel Jr., a longtime Virginia developer and friend of Schar. “That's really the key to the whole NVR operation. Dwight was able to get back into the business without a heavy debt inventory. He could focus on producing a house.”

Indeed, attention to quality has earned NVR above-average customer

would go forward.) “Their consistent level of product has always remained, regardless of what their financial situation has been,” says Diane Cox Basher, head of her own home-building company and an occasional competitor of Schar, whom she's known for more than 20 years.

**Boom times.** During its comeback, NVR has clearly benefited by riding one of the strongest housing booms in the nation's history. And in its Washington region home base, robust federal spending has heated the home market all the more. Nevertheless, Schar has also done