

The relationship behind Petersheim's success *Builder enjoys partnership with Jeff Bank*

By Margaret Bruetsch

The driveway is marked by a little red barn-shaped mailbox on 42 Proctor Road in Eldred but there is nothing little about the business that resides there.

It's a short walk to the entrance to the main office for Catskill Farms Real Estate. As you enter the office you pass a piano, a front desk, a wall filled with pictures of houses before you reach the door to owner Charles Petersheim's office. The back wall of his office is made of shelves occupied by at least fifty different typewriters, and his desk proudly displays photos of his son. Small town business, small town man, one big success story.

Born and raised in Lancaster, PA, Petersheim left at 18 to attend college at the University of Pittsburgh and, after graduating, moved to New York City. Shortly after 9/11, and four years living

in NYC Petersheim moved up to Sullivan County and into "a one-room shack" in Fosterdale.

"There's really no rhyme or reason; I think, like many people, although that's kind of looking back, it was an affordable place to run away to." Petersheim explained. "I was kind of familiar with

How do you feel the Sullivan County Partnership has helped promote business in Sullivan County

The Partnership is a vital facilitator between existing businesses and new ventures thinking about Sullivan County.

The Partnership excels at highlighting thriving Sullivan County businesses which may be unknown to most but inspiring to those contemplating a startup venture or expansion.

an area like this because I grew up in an area like this in Pennsylvania. So it wasn't unfamiliar."

The idea for Catskill Farms came the following year while Petersheim was working for a realtor. Instead of selling new modern looking homes or old, vintage homes that need work, Petersheim decided to build and sell a combination of both.

"When I moved up here the most frequent thing sold, most frequent house sold to people looking to buy here was this old house," Petersheim explained, and noted that he believed most of the buyers were not out to be buying an old house they needed to fix up.

"So very quickly the idea occurred to me to add to the local real estate offerings," Petersheim said. "This new vintage home as opposed to that crappy old vintage home; give people something that works. Most people who came up here found themselves needing to renovate or rehab, which wasn't necessarily what they were thinking about doing when they started dreaming about upstate. They got caught up in a dream, got caught up in a sales pitch that wasn't necessarily true."

Petersheim founded Catskill Farms with the goal of facilitating what he saw as the main reason why people moved up to Sullivan County either full-time or a second homeowners.

"Which was peace and quiet and relaxation," Petersheim explained, "Which doesn't necessarily equal fixer upper."

Catskill Farms was only the beginning. Petersheim also founded two other companies: Bluestone Construction and EcoTech Spray Foam Insulation.

Bluestone Construction is the construction arm of the Catskill Farms Marketing Body that is technically hired by Catskill Farms and anyone else who needs to hire out a construction firm. EcoTech Spray Foam was founded

Farms more efficient. Petersheim explained that the insulation was the "intelligent choice" and enabled the company to bring down the cost of ownership.

Better insulation equaled a better home, and Petersheim is proud to say, "My homes haven't used anything but the most premium insulation since 2008, which is very rare. It's typically not a standard building product, but we've been installing it standardly since 2009 since we're committed to smart construction."

Catskill Farms and its sister companies seemed to be doing well and its success only seemed to have one way to go: up.

Then in 2008, the Housing Bubble Crisis followed by what many called "The Great Recession" hit and hit hard. Real estate and non-real estate businesses alike were crashing and going bankrupt as customers disappeared and banks stopped giving out loans.

"Some banks took the industry view and limited expenses," George Kinne, Vice President of Jeff Bank explained. Not Jeff Bank, "As long as a customer met our needs we recognized there continued to be need for our product throughout the that time period."

The industry view other banks took was to call the loan and take it away from their customers and inform those customers they had to pay the loan back.

"When they needed their bank most, they weren't there," Kinne said.

Jeff Bank, on the other hand, was. The community bank follows a business approach that could be considered old-fashioned. They make their money off the interest on a loan instead of selling that loan or mortgage to another company. If the loan fails it's Jeff Bank that suffers. Petersheim's small town real-estate company

What do you feel is the importance of using local businesses

As a company that spends \$400,000 a month on local businesses, every month, it's gratifying to see that money work its magic as it works its way through the local economy - to the excavator, who spends it on new machines, to the machine salesman who hires another employee, to the employee who is able to improve the future of his family through local improvement.

For someone like myself who is a student of economics and the impact of small business, it's thrilling to watch our investment ripple out



As you have grown your business, what other Sullivan County businesses or programs have been vital in your success

Jeff Bank loan program, both local newspapers, the diligence and expertise of our town boards, building departments and planning boards, and watching people like Gib McKean, the Freda's, David Knudsen and Steve Dubrovsky creatively navigate the many local challenges of succeeding in a distressed community.

Every time I see a success like the Dancing Cat, or the Heron, or the River Gallery or the Homestead School, or Nest Property Services, I'm validated and motivated by these niche businesses that are doing it right.

investment by many banks, but luckily Catskill Farms was a customer of the one bank that didn't panic and shut them down.

"I needed to continue to sell homes," Petersheim explained, stating that Jeff Bank could have pulled the rug out from under his business if it wanted to.

"It was a real sort of tango, where they didn't pull the money as long as I kept selling homes. And I was able to keep selling homes because they didn't pull the money," Petersheim said.

And Petersheim did keep on selling. During the housing crisis, Petersheim



Contributed photos

Petersheim's modern interpretation of the classic "farm house" makes for a very popular understated and unfussy elegance. Along with Jeff Bank's support, the success of Catskill Farms, is then, no surprise.

planning board.

Now Catskill Farms' reach extends into three different counties. Petersheim has lines of credit in Sullivan, Ulster and Dutchess County and his homes are still selling.

The relationship with Jeff Bank has benefitted both companies since 2008 and both are enjoying continued growth and success.

"One of the interesting things about Jeff Bank and Catskill Farms is that they push us, and we push them," Petersheim said, "If we weren't in Dutchess, they wouldn't be in Dutchess."

"We've lent in Ulster for a bit but Dutchess is new for us," Kinne explained, "We primarily serve Sullivan, Orange, Ulster, Delaware, Wayne and Pike Counties. But we have followed strong customers."

Without Jeff Bank and its small town approach and value in community members, Catskill Farms might not be in existence today.

"My relationship with Jeff Bank is a testament to a commitment to fairness, big picture thinking, and betting on the talents and energy of people," Petersheim said.

And it's a relationship that seems to only have one thing it can continue to do: grow.

What do you feel is the single biggest thing you have done to make your business succeed

Get myself in so deep I had no choice but to continue to flail forward. Desiring to live up to my word and not let my bankers and employees down.

Honestly, like most good ideas, my idea for Catskill Farms was pretty simple and straight-forward - build good looking well designed fully functioning homes. And then I didn't stop working until I achieved what I had originally hoped for for the business - it took a lot of years and a lot of hard lessons and a lot of risk but I got it done.

Sullivan County has been a tremendously welcoming place to me and now we give back as frequently as possible as sizeable patrons of NACL, Eldred Library, Sullivan County Homeless, WJFF, local fire halls, and a host of smaller groups.

