

BUSINESS

'Green' business starts to reap rewards

ON SMALL BUSINESS
NEAL ST. ANTHONY



Nora Norby, president of 25-year-old Banner Creations, has restitched her business of reusable shopping bags, tablecloths and banners, despite a business decline since the Great Recession.

Her passion for a "greener" society tops her passion for green money.

Norby, 70, had to let go of a few workers after the recession. She cut her pay to \$15,000 a year, much less than her

remaining nine production and two salaried employees. She couldn't make ends meet without collecting Social Security.

"Even when we did well, I only made about 15 percent more than my next highest employee," Norby recalled. "My mother was a communist and I have too much Finnish blood running through me to not share. That's not a good retirement plan, I will add."

Norby is driven by mission. And it looks like business has finally turned upward after bottoming in 2013.

Norby expects, based on

strong orders so far, that sales will rise this year about 15 percent to more than \$800,000, thanks to growing interest in her Scrappy Products division that makes various types of tote, utility and grocery bags, scarves and aprons. It's made-in-America fabric that Norby buys from two U.S. factories that use recycled plastic jugs and bottles.

"I work because I love my product, and I do this for my three grandchildren," said Norby, a single working mom since the 1970s. She is on a double-barreled campaign to curtail

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Gladys Zhagui, seated, and Nora Norby, president of Banner Creations, in the company's northeast Minneapolis workroom.



BRIAN PETERSON • Brian.Peterson@startribune.com

Mark and Monica Harrington, in their Orono home, had the opportunity to swap their mountainside condo in Montana for a luxury beach house in Mexico.

Sharing the wealth

What to do with that extra luxury home? 3rd Home keeps it busy.

By JIM BUCHTA • jim.buchta@startribune.com

For much of the year, Mark Harrington's ski retreat in Big Sky, Mont., sits empty with no one to appreciate the sweeping views of Lone Peak and the pine-studded mountainside.

So Harrington, of Orono, enrolled the property in an upscale travel club, called 3rd Home, that's like Airbnb on steroids.

"You're still paying your bills even if you're not using it," he said. "And after a while you get tired of going to the same place."

Every time a 3rd Home club member stays at his getaway, he gets "keys" that can be redeemed for a stay at second homes owned by other members.

There are now more than 3,600 luxury home options for members to choose. Average value: \$2.4 million.

Last year, for example, he spent a couple weeks in an oceanside resort in Cabo San Lucas, where his family hunkered down in a four-bedroom, five-bathroom villa.

"It was probably a \$3 million property and so much nicer than my house," he said.



Provided by Mark Harrington
The vacation condo that the Harringtons own in Big Sky ski resort in Montana.

HOW 3RD HOME WORKS

- Club members make their second home available for a certain number of weeks to other members, then get a certain number of credits or points, called keys, based on its value and time of year.
- Those keys can be redeemed for stays at homes of other 3rd Home members.
- Along with an "exchange fee" of \$395 to \$995 per week, members hash out details.

3rd Home is essentially a house-sharing service for people with an extra house, but not enough time to use it. The company, which is based in Nashville and has a few dozen members in the Twin Cities, was founded in the spirit of the sharing economy, which has been enabled by technology and embraced by people who value access over ownership.

"People feel like they don't have to buy more and more stuff, they want to share time and experiences with their family and friends," said Steve Zacks, 3rd Home's chief marketing officer. "People have all these resources they're not getting full use out of, so we're asking how can you share it?"

Unlike Airbnb, Bed & Fed and BroadsAbroad, which are priced and aimed at the masses, 3rd Home caters to a decidedly more affluent clientele. Members must have an extra house worth more than \$500,000 and be screened to join. When they travel, they pay a stipend that ranges from \$395 to \$995 per week to stay in another member's home.

Lodging options include a catamaran in the Caribbean, a Moroccan villa with its own

See **3RD HOME** on D3 ►

'3rd Home' for the wealthy

◀ **3RD HOME** from D1 olive grove and a thatched-roof Polynesian-style estate on a Malibu beach.

With the appetite for getaway homes becoming insatiable, especially among baby boomers, the 3rd Home concept fulfills a unique niche in a rapidly expanding vacation home market. Last year, there were an estimated 1.13 million vacation home sales, nearly 60 percent more than the year before and the highest since the National Association of Realtors (NAR) began conducting the survey in 2003.

Though wage growth has been stagnant and nearly 1 in 10 Americans still owes more than their house is worth, Lawrence Yun, NAR's chief economist, surmises that the steady rise in home prices is giving people the assurance that real estate is a solid long-term investment.

"Affluent households have greatly benefited from strong growth in the stock market in recent years," he said. "Furthermore, last year's impressive increase also reflects long-term growth in the numbers of baby boomers moving closer to retirement and buying second homes to convert into their primary home in a few years."

3rd Home was founded by Wade Shealy, an entrepreneur who has been involved with several high-profile real

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Steve Zacks, chief marketing director for 3rd Home

estate developments across the country.

3rd Home doesn't prohibit its members from participating in more traditional "collaborative consumption" entities such as VRBO. It's developed partnerships and affiliations with dozens of residence clubs, including the Trump International Hotel & Tower in New York City, enables fractional owners to exchange their unused time for properties in the 3rd Home portfolio.

Helen Taylor of Minneapolis is an owner at the PGA West Residence Club near Palm Springs, Calif. She and her husband, Peter, bought into PGA West several years ago as a test to see whether they'd want to move there permanently after his retirement.

"We're just exploring," she said. "This just opens up the



Photos provided by Mark Harrington

The Harringtons' Montana condo is enrolled in an upscale travel club called 3rd Home. The resort includes skiing and golf.



A bedroom in the Harringtons' condo in Big Sky Resort.

world."

After a couple of trips to Mexico, they've been banking their keys in an anticipation of

a trip to Europe.

Jim Buchta • 612-673-7376