



Trends in Small Housing Recession Survival Tactics & Moving Forward

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Town Architect - New Town at St. Charles
Principal | Studio Archaeos

New Partners for Smart Growth | Kansas City, MO
02|07|2013

Part 1 – Overview

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- Introduction and Project overview
 - Municipal examples of form and setbacks related to design and density.
 - Carrots:
 - What does the Developer (Town Founder) get in return for building in this way?;
 - Market Differentiation New Town is a distinct place
 - A project that responds to a greater share of the market (more buyers)
 - higher margins
 - More opportunities
 - What does the Municipality get in return for building in this way?;
 - A continuation of good urban fabric
 - Less miles of roads & utilities to maintain
 - Higher density = more people close to existing services
 - What does the Home Buyer get in return for building in this way?
 - A complete, walkable community
 - A home more tailored to their needs and budget
 - Greater opportunities for social interaction.

TIM BUSSE AIA CNU

Trends in Small Housing: Recession Survival Tactics & Moving Forward

licensed in California & Missouri

Specialization:

market rate housing|building that is affordable
whilst creating places and wearing many hats:

- **Director of Architecture, H3 Studio**
- **New Town at St. Charles Town Architect** - working for the NT General Assembly (HOA); keeper of the vision; community encourager & psychotherapist
- **Principal, Studio Archaeos**
- **Dardenne Prairie: Town Architect**
- **[Former] Vice President/Director of Architecture for WBI**– company spokesman; founder - WBI Architectural Design Studio, Developer|Philosopher, Charrette|Workshop coordinator
- Passions: Locavore; Places, TND, Travel, Sailing, Photography, Art, & Reading



The New Town at St. Charles

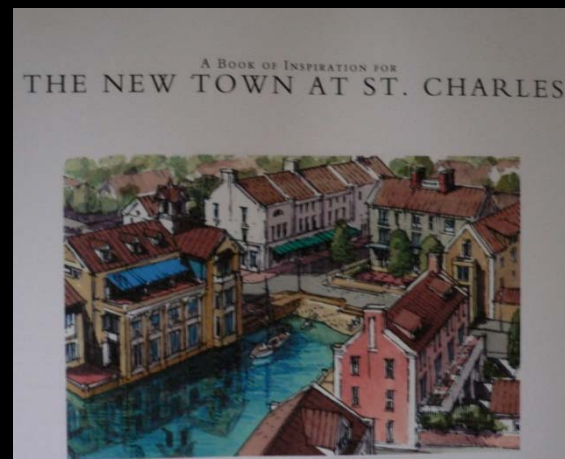
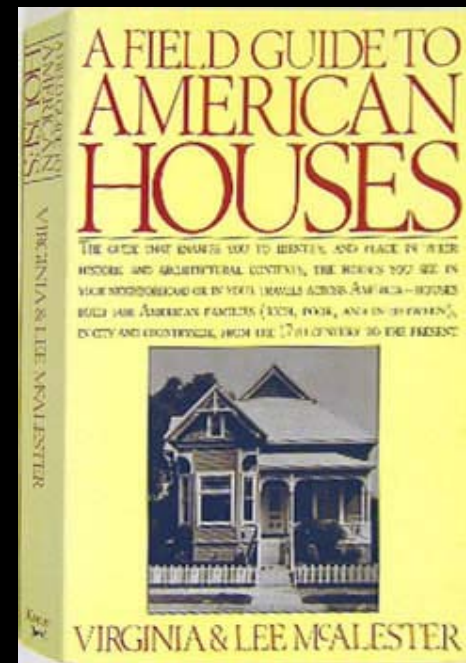
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New Town was envisioned as a compliment to the beautiful, historic City of St. Charles, a largely intact 19th century Missouri river town 2.5 miles south of New Town

New Town's Urban Code contains concise architectural guidelines encouraging traditional materials and forms

The builder vernacular (National Style) was chosen to allow for on-going refinements over the life of the project with landmark buildings and parcels required to have higher level of design detailing

The vernacular drove the built vision: local examples of role-model buildings & vernacular detailing were supported by A Book of Inspiration produced by Steve Mouzon of Placemakers



What does the Developer get in return for building this way?

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- A tremendous degree of flexibility to quickly response to market conditions. Many municipalities in the region have minimum lot and residential area requirements that exclude a wide segment of the market.
- Differentiation within the regional new home market
 - New Town is a distinct place unlike any other new community in the region. More Market Share (a wider pool of potential buyers)
- Higher margins on each individual home
- More opportunities to build in other municipalities

What does the Municipality get in return for building this way?

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- An extension of the local urban fabric with an emphasis on authentic placemaking
- The ability to court out of town businesses with the promise of a greater quality of life
- A broader residential & commercial tax base
- Compact development and smaller houses and lots mean less miles of roads & utilities to municipalities to maintain
- Higher density = less land used per resident, plus more people close to existing services

What does the resident get in return for building this way?

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- A complete, walkable community
- A home more tailored to their needs and budget
- Greater opportunities for social interaction.



Part 2 – Challenges (slide to be removed)

- The challenges of building a mixed income, mixed use community
 - Approvals & the entitlement process
 - Charrette & interdisciplinary team
 - Sharing the vision
 - New & different ways of thinking & building
 - How to sell large units in a PUD without the stigma of small units on the same block, street, next door...
 - The marketing story of small and large
 - No apologies for small & different: Rentals can be used to try out "small."
 - Sources of funding
 - Mixed Use component

The Interdisciplinary Charrette Team – Approvals & Entitlement Challenges of Building a Mixed Income, Mixed Use Community



Town Founder
Greg Whittaker

Town Architect
Tim Busse, AIA, CNU

Town Planner
Duany, Plater-Zyberk & Company

Legal Representation
Law Office of Brad Goss

Civil & Site Engineering Consultants
Pickett, Ray & Silver
Civitech

Architectural Consultants
180 Degrees Design Studio
Civitech
New Urban Guild
Rock Maple Studio
New Urbanist Design

Landscape & Ecological Consultant
Corban & Goode Landscape Architects

Transportation Consultant
Hall Planning & Engineering

Hydrological Engineering Consultant
Horner & Shifren Engineering

Residential Market Study
Zimmerman/Volk Associates

Retail Consultant
Seth Harry Associates

Sharing the Vision

Challenges of Building a Mixed Income, Mixed Use Community



Sharing the Vision

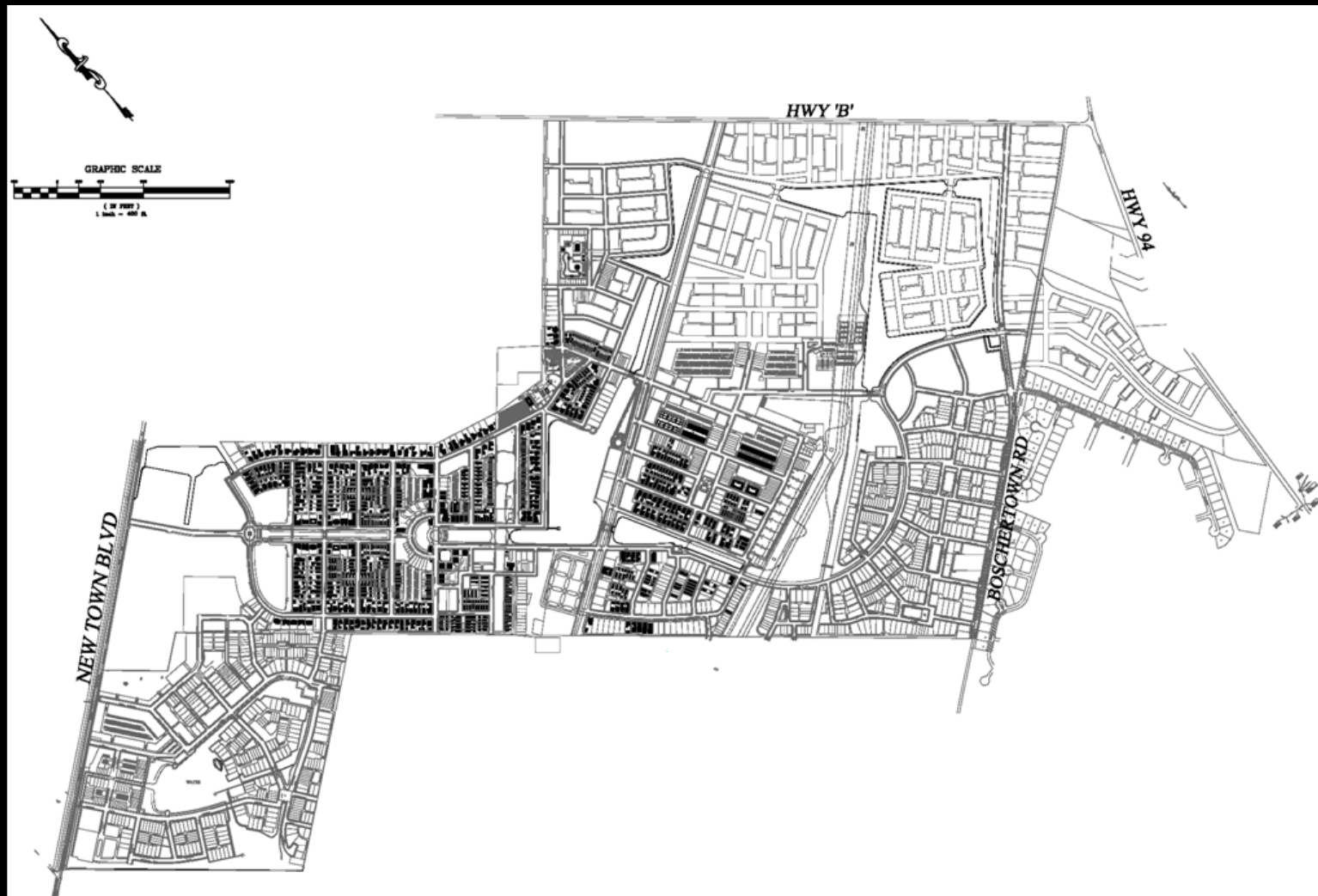
Challenges of Building a Mixed Income, Mixed Use Community



Town Plan
February- July 2003

Sharing the Vision

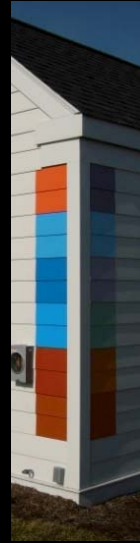
Challenges of Building a Mixed Income, Mixed Use Community



Build out as of 2009

Different Ways of Thinking & Building

Challenges of Building a Mixed Income, Mixed Use Community



Different Ways of Thinking & Building

Challenges of Building a Mixed Income, Mixed Use Community



Buildings that are rooted in the architecture of the region, creating places for people to recreate and socialize.



Building the small and rental units first

Challenges of Building a Mixed Income, Mixed Use Community



Mastering a diverse range of housing types

Challenges of Building a Mixed Income, Mixed Use Community

LIVE/ WORK UNITS

1,800- 4,000 SQUARE FEET



SINGLE FAMILY HOMES

1,200- 4,000 SQUARE FEET

CONDO/ APARTMENTS

750- 1,300 SQUARE FEET



CUSTOM HOMES

2,000- 5,000 SQUARE FEET

ROW HOUSES

900- 2,000 SQUARE FEET



RETAIL

& BUSINESSES

COTTAGES

1,000- 2,000 SQUARE FEET



CIVIC BUILDINGS &
AMENITIES

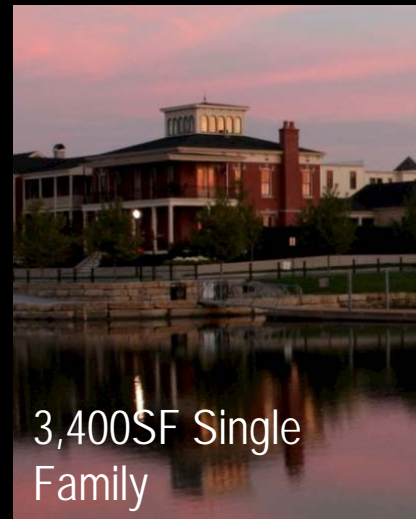
Mastering a diverse range of housing types

Challenges of Building a Mixed Income, Mixed Use Community



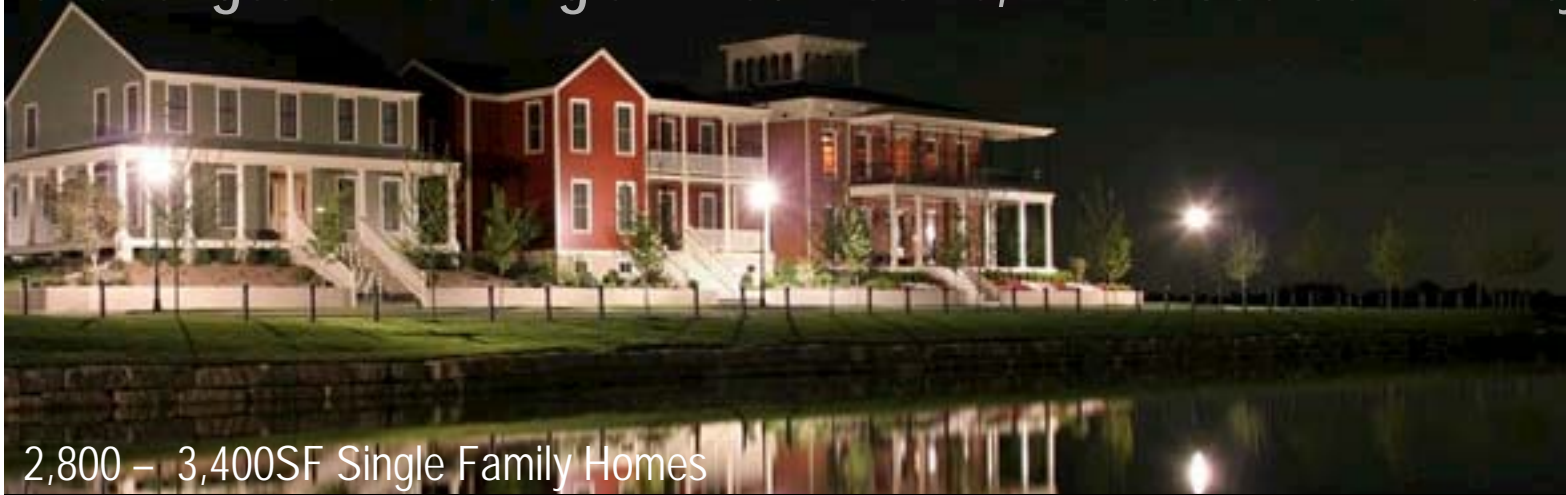
Mastering a diverse range of housing types

Challenges of Building a Mixed Income, Mixed Use Community



Selling large units adjacent to small with no stigma

Challenges of Building a Mixed Income, Mixed Use Community



2,800 – 3,400SF Single Family Homes

Larger homes have larger lots, more prominent lots.

Quality of materials & detailing is consistent across entire price range.

Keep base prices low, luxury options are well detailed and add substantial cost.



Marketing Large & Small Units

Challenges of Building a Mixed Income, Mixed Use Community

2,224SF Single Family
Homes

Density requires small lots & small units,
especially close to the commercial districts.

More expensive houses are placed on larger,
more prominent lots and given more
architectural pieces and details to better fit
into the walkable (small house) fabric



No Apologies for Small & Different

Challenges of Building a Mixed Income, Mixed Use Community

1,224 – 1,760SF
Cottage

- Rental units provide the opportunity to 'Try Before You Buy.'
- Quality of materials and setting provides a higher monthly rent per square foot and higher occupancy rates
- Rental units allow adult children and grandparents to live near relatives with children
- Aging within a community instead of communities segregated by age.



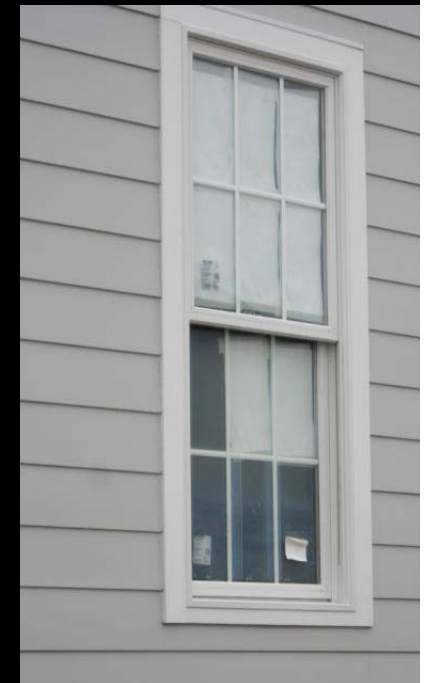
Challenges of Building a Mixed Income, Mixed Use Community

Selling large & small units close together



Honest materials that have the look, feel & sound of the traditionally used materials are recommended. Materials that look like another building materials were chosen to be long-lasting but not necessarily maintenance-free.

Fiber-cement siding, plaster, brick masonry, AZEK trim, quality Kolbe or Andersen wood windows, 30 year architectural shingles, wood or wrought-iron fencing help create the established feeling of New Town.





Challenges of Building a Mixed Income, Mixed Use Community

Marketing Large & Small units together

Potential residents may need assistance in finding the right fit for them within the community

Create distinct enclaves (sub neighborhoods) within the overall community

Challenges of Building a Mixed Income, Mixed Use Community

Marketing Large & Small units together

Focus on the overall community

Community events bring more visitors:

- Exposure to amenities, diverse demographics & quality of life
- Community gives home shoppers a reason to buy
- Great free advertising (buzz) throughout St. Louis

Demonstrates that New Town provides a wide variety of housing types for all ages & needs for the most affordable market segments, building smaller homes on low-cost lots

Examples: Radio, Social Media, Volleyball, Beer Tastings, Television, Charitable Events, Weddings, etc

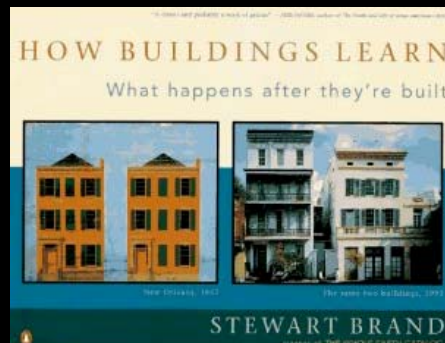


Accommodating Change

Challenges of Building a Mixed Income, Mixed Use Community



Building change occupants and uses all the time. Buildings should accommodate change gracefully. How Buildings Learn by Stuart Brand is a must-read.



Part 3 – Results

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- Results
 - The demographic shift of standard definition of "Household"
 - What the market provided before New Town
 - Housing types offered within New Town
 - Demand for smaller models within a TND
 - Construction costs
 - Management costs
- Market Demand

Building the New Town at St. Charles

Results



June 2008

Building the New Town at St. Charles

Results

New Town was the first traditional neighborhood to be built by production Builder Whittaker Homes

The Director of Architecture for the Town Founder, Tim Busse, AIA was responsible for the overall look and feel of New Town, including the public open spaces, residential, commercial and civic architecture, signage

Endless Design discussions & decisions including finding a balance between diversity of forms and materials verses limited styles and palettes.

New Town was profitable from the beginning, and continues to yield premium margins when compared to conventional subdivisions



Building the New Town at St. Charles

Results



Building the New Town at St. Charles

Demographic shift in standard definition of Household



1,520SF Cottages



5,000SF Single Family Home



1,690SF Single Family Home

Managing the New Town at St. Charles

Results

800 - 1,100SF
Apartments

Most of New Town was seized by WBI Resolution LLC, an organization formed by the creditors of the Town Founder, in April 2011 after he filed for Chapter 11 reorganization in October 2009.

The HOA, once controlled by the Developer is now controlled by the LLC, without development or homebuilding experience.

Building the New Town at St. Charles

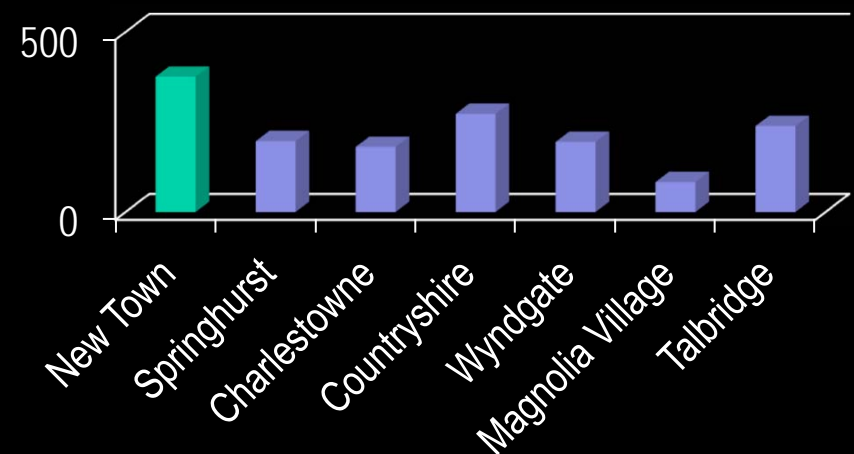
Results



1,254 – 2124SF Single Family Homes

- New Town was the best selling new home community in a survey of over 17,000 community in 16 central & southern states from 2005- 2009
- Contracts by Project Type (through 9/2009)

Condominiums	18.4%
Cottages	21.0%
Row Houses	7.8%
Single Family	22.3%
Villas	14.4%
Live Work	15.7%



2007-2009 St. Charles County Building Permits by Subdivision

Part 4 – The last five years (slide to be removed)

- The last five years
 - Downturn, Chapter 11& land control
 - Business plan and market factors for success since 2008
 - "Small" sold through the recession at New Town
 - New home financing & appraisal challenges

The Last Five Years

Downturn, Chapter 11 & Land Control



During the Recession, New Town's success has been measured through continued growth

- In the first 8 months of 2009, 180 families (450+ new residents) have chosen New Town (96 rentals/84 contracts).
- In 2009, 11 New Town renters (14% of total rental units) have converted to home buyers.
- In 2012 St. Louis's largest homebuilder McBride & Son Homes has begun building and selling homes in New Town.



The Last Five Years

Business Plan & Market Factors for success since 2008

Active Contracts by Community 9/2009

Whittaker Homes continued to build CSD while building New Town. New Town performed better than the other five communities combined.

TND:

New Town at St. Charles 47 total, 35 firm, 12 contingent

CSDs:

Heritage of Hawk Ridge 14 total, 5 firm, 9 contingent

Stone Meadows 13 total, 6 firm, 7 contingent

The Golf Club of Wentzville 6 total, 1 firm, 5 contingent

Eagles Landing 1 firm

Glenhurst 0 total



The Last Five Years

'Small' sold through the Recession

2,200 – 3,000SF
Detached townhomes

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The Last Five Years

Financing & Appraisal Challenges

1,000SF Apartments,
1,254 – 2,000SF
Single Family homes

During the Recession, existing New Town homes remained on the market an average of 50% less time than the average home in St. Charles County.

Financing homes over \$300,000 proved to be very difficult, with foreclosures & short sales making appraisals very difficult. The ability to build something different became more difficult

2,200SF Single Family
home

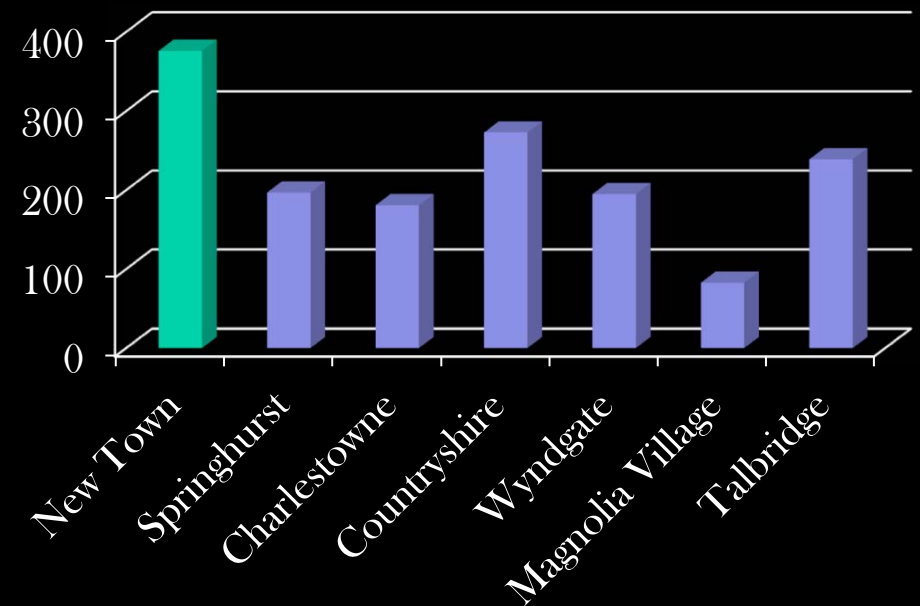
The Last Five Years

Challenges of Building a Mixed Income, Mixed Use Community

2,032SF Single Family Homes



2007-2009 St. Charles County Building Permits by Subdivision



Part 5 – the future (slide to be removed)

- The Future
 - Demand for small models within a TND
 - New Town financial snapshot and the New Town market
- The on-going role of the Town Architect

The Future of the New Town at St. Charles

Demand for small models



2,024SF Single Family Home

In the first four months of 2012 there were been over 30 contracts written for cottages & single family homes.

Currently the most popular home sizes are 860 – 1,200Sf & 2,000 SF



2,032SF Single Family Home,
1200SF Cottage

The Future of the New Town at St. Charles

Current Financial Snapshot & Real Estate Market



The St. Louis Housing market is beginning to thaw out, with more backlogged contracts now than the total number of houses closed during any of the last five years.

The bank is looking for a buyer for their land position

To date New Town represents over \$250 million in investment.



Building the New Town at St. Charles

The on-going role of the Town Architect



The Town Architect continues to design a majority of the buildings and improvements in New Town.

The Town Architect also works closely with staff at the office of Community Development, recommending warranted variances, replats & lot subdivisions, code revisions and additions to the overall community.

The Future of the New Town at St. Charles The on-going role of the Town Architect



The Town Architect carries the community vision forward for the Town Founder, the Charrette Team and the residents. The Town Architect encourages cool & creative things to happen, while working with the HOA to enforce the rules and design standards.

A photograph of a fountain at sunset. The sky is a mix of orange, red, and purple. The fountain has several jets of water spraying upwards. In the background, there are buildings, including a prominent one with a tower. A railing is visible on the right side of the image.

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