New Residential & MPC Models that Assure Success

Urban Land Institute
April 20th, 2016

Gadi Kaufmann, Managing Director/CEO
Moderator
Gadi Kaufmann, RCLCO

Session Organizer
Bob Sharpe, Sharpe & Associates

Responding Panel
Greg Bielli, Tejon Ranch Company
Kathy Cecilian, Cecilian Worldwide
Tony Green, The Pinehills

Presenters
John Lehigh, Stapleton
Todd LaRue, RCLCO
Brian Canin, Canin Associates
Dan Conway, THK Associates
David Hale, David Weekley Homes
Emerson M. Lotzia, CSX Real Property
Chris Crawford, RVi Planning
Scott R. Adams, Bassenian | Lagoni
Renee Lewis, Lewis & Partners
Melinda Masson, Scripsense
Kathleen Cecilian, Cecilian Worldwide
Robert Heineman, The Woodlands
Kenneth Kecskes, Fox Rothschild LLP
Barry Gross, Developers Research
Tom Reiman, The Broadband Group
Edward Hill, Hill Real Estate Strategies
John Lehigh

Segmentation, Addressing Lower Priced Product
RISING HOME PRICES
- Experiencing rapidly escalating home prices
- 25% of buyers from within community
- Entry-level buyers pushed out

BROAD COMMUNITY SEGMENTATION PLAN
- Product mix drives absorption
- Creates strong sense of community
- Accommodates diverse life stages

DRIVE LAND REVENUE HIGHER
- Introduction of new products
- Reaching new buyers
- Lot prices increase
Todd LaRue

Segmentation – the Missing Middle

RCLCO
UNMET HOUSING DEMAND – OPPORTUNITY FOR MPCS?

Key market segments underserved in current cycle because new rental and for-sale products do not offer them the value and/or lifestyle they seek.

This is what gets built.
Brian Canin

High Density SFD
## High Density Single Family Detached 9-13 DU/AC

### Site Plan

![Site Plan](image)

### Home Sales

<table>
<thead>
<tr>
<th>Type</th>
<th>Value of Developed Lots per Net Acre</th>
<th>Home Sales per Gross Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Story</td>
<td>$585,104</td>
<td>$2,289,800</td>
</tr>
<tr>
<td>Single Story</td>
<td>$367,536</td>
<td>$1,442,480</td>
</tr>
</tbody>
</table>

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Dan Conway

Accelerating Absorption by Targeting the 55+ Market
David Hale

Product and Customer Segmentation

David Weekley Homes
New Residential and MPC Models that Assure Success

Alternative Housing Products in MPC’s

Imagination Homes by David Weekley Homes
• First Time Buyer Focused, Targeted to Younger Millennials and Gen Z
• Simpler Floor Plans with Fewer Flex Options and Designer Selections
• Standard Finishes with Higher Quality vs Starter Homes from Early 2000’s

Central Living by David Weekley Homes
• High Density Detached and Attached Homes – Urban / Town Center Locals
• Densities up to 25 Units / Acre
• Targeted to Both Millennials and Empty Nesters

Encore by David Weekley Homes
• Age Restricted 55+ and Age Targeted
• Single level plans with Open Design Concept
• Clubhouse with Full-Time Lifestyle Director and Adult-Only Amenities
Emerson M. Lotzia
CSX Real Property, Inc.

Creative Marketing Tools
Provocative Tool: Secret Shopper
- Our Projects – Sales Processes
- Competitor Projects – Sales Representations

Innovative New Tool: Linking Web Access to Customer Intelligence
- Customer Sign Up
  - Sales Center
  - On-line
- Customer Accesses Web Site
  - Phone
  - Desktop/Laptop/Tablet
  - Subsequent Tracking of Devices and Access
- Customer Intelligence
  - Record of Web Access Times and Duration
  - Portions of Web Site Viewed
  - Daily Sales Reports on Web Access Data

Vapor Tool: Location Tracking Software
- Customer with Opened Facebook App
- Project Beacon
- Prompts to Customer of Project Location and Project data

* Thanks for our partner, Elm Street Development, for information on these tools.
Chris Crawford, ASLA
Bringing Innovation to MPC Design
EXPLORING INNOVATION

Chris Crawford, PLA

- Innovation takes time.
- Innovation involves failure.

MILLENNIAL WORKSHOPS
Scott R. Adams, AICP

Attracting Millennials

Bassenian Lagoni
ARCHITECTURE • PLANNING • INTERIORS
Your next MPC should start with fresh lifestyle and design ideas, not land-area placeholders. Today’s MPC stakeholders want the design experience to permeate their community at all levels; homes, shopping, work, schools and open spaces. An MPC that relies on market segmentation, lot sizes, parcel areas and density won’t attract today’s lifestyle-driven buyers, renters and end-users. Your community planner must know the latest architectural concepts and how they function to create the most desirable community.

Some emerging “lifestyle and design” groups:

- Millennials, both young and old (Gen Y)
- Multigenerational Households
- Intergenerational Communities
- Transit Oriented Development (TOD)
- Mixed Use and Live Work
- Urban Homes: vertical lofts/towns/SFD
- Renters by choice
- Neighborhood Shopping experience
- Unstructured workplaces
- Nontraditional commuters
Renee Lewis

Amenity Ideas for Younger Audiences

L&P
BRANDING. MARKETING. SOLUTIONS.
MPC developers should tour surrounding Class A multifamily before determining their amenity packages. If not comparable, **don’t do it.**
Melinda Masson

Creative Amenities
Creative Funding for HOA
MPC Community Ideas

- Using rooftops as cool gathering places
- Providing wine/spirits lockers
- Finding creative means for associations to earn rebates
Kathleen Cecilian

Creative Revenue Sources
Robert Heineman
The Woodlands Development Company

Funding Public Art
Public Art Program
The Woodlands, Houston TX
Kenneth Kecskes
Fox Rothschild LLP

Crowdfunding
Future Proofing – Driverless Cars
Questioning the Normal Way

1. **Raising Equity or Debt through Crowdfunding**
   
   **For What?**
   - Retail Uses
   - Community Amenities that Generate Income
   - Apartments, including Affordable Housing

   **How Much?**
   - 100% to Only a Slice of the “Capital Stack”

   **How?**
   - Use Social Media to Design Program and “Test the Waters”
   - Follow Later With Investment Offering

2. **Planning Ahead for Driverless Cars**
   - Ownership, Leasing and Licensing of Parking Areas
   - Entitlement and Infrastructure Design Benefits
   - Master Association CC&Rs
Barry Gross

We’re About to Run Out of Land. Really.
What is affecting availability of finished lots?

- Public Homebuilders reluctant to invest in subdivision activities
- Government policies less favorable for project approvals
- Public financing is facing pushback
- Builders focused on infill projects / avoiding lot purchases in outlying greenfield developments
Tom Reiman

Google Fiber – What’s in it for You?
A Transformative Public/Private Partnership
A City Owned Network with Google Fiber as a Tenant

“Unlinking” the delivery of advanced broadband services from investments in infrastructure.

“Linking” the evolving business of one industry to regional economic development - benefiting MPCs, utilities, and cities.

“You Didn’t Notice It, But Google Fiber Just Began the Golden Age of High Speed Internet Access. Its ‘dark fiber’ project in Huntsville creates a model that might finally thrust US Internet access into the 21st Century.”

- Susan Crawford
Harvard Law School Professor
Special Assistant to the President for Science, Technology, and Innovation Policy (2009)
Innovative Tools for Community Engagement During Entitlements
How You Can Get Involved!

1. Visit Us At www.BradentonsFuture.com
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4. Email Your Commissioner To Express Your Support
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