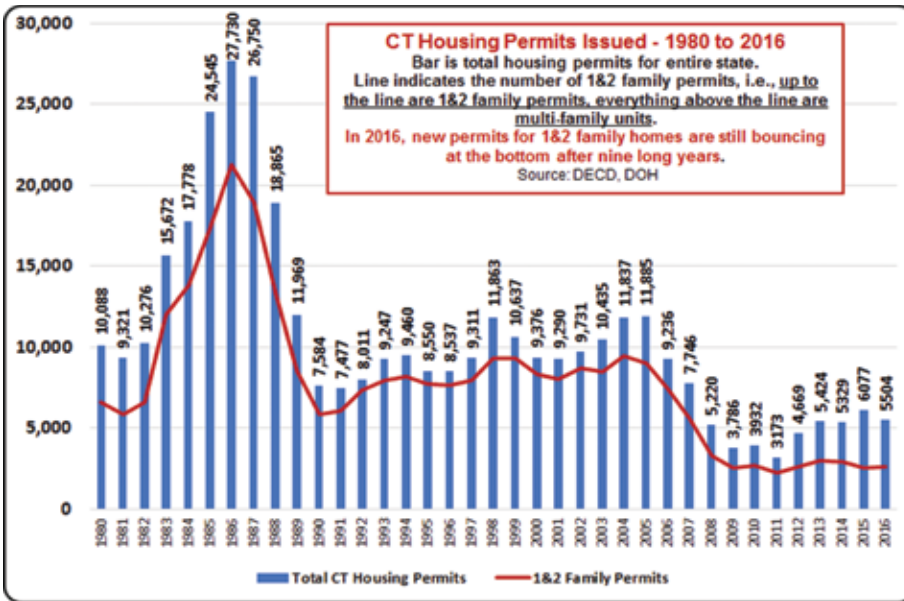


# Building Trends 2017

by Joanne Carroll



In 2011, Connecticut fell to last place in the country in number of housing units built per capita. Over the last decade, we have consistently ranked near the bottom of the country in housing production.

During the recession, new construction in Connecticut dropped from 11,885 permits in 2005 to a low of 3,173 permits in 2011. That's a 73% drop in 7 years. Last year, there were only 4,095 permits for the 104 reporting towns. And as single family builders know all too well, that number doesn't tell the whole story.

In 2004, 78% of new housing permits were for single family homes, but every year since, the percentage of single family permits has decreased to a low of only 1,947 in all of 2016. The trend to less permits, and more multi-family, in particular rental development, has been going on for the last 12 years.

And yet, lack of affordable housing production has kept Connecticut's rental prices 6th highest in the nation and our

	single family	total	percent single family	SF % change yr/yr
2004	9263	11837	78%	
2005	8817	11885	74%	
2006	7107	9236	77%	-5%
2007	5348	7746	69%	-19%
2008	3139	5220	60%	-41%
2009	2442	3786	65%	-22%
2010	2632	3932	67%	8%
2011	2162	3173	68%	-18%
2012	1997	4140	48%	-8%

median home value 8th highest. Living costs for CT residents are in the top 10 for every measured category, including transportation, health care and utilities, and the business climate is one of the worst in the U.S. We all know that Connecticut has lost more 25-34-year-olds than all but two states since 1990. It's no wonder we have lagged the country in our housing recovery.

For home builders, high land cost ... costly & time consuming approvals, overregulation... low density zoning... and lack of construction financing have conspired to make it extremely difficult to produce affordable first time buyer or any other type of housing. Adding to



these concerns is the ever increasing price of building materials.

Given all of these challenges, home-builders throughout Connecticut are still finding ways to be successful. Here are some examples:

## The Trend to PUD VS. CONDO

The term PUD is actually not legal in Connecticut - the legal term is Planned Community. The PUD is popular in land development because there are no pre-sale requirements for units, and the community does not have to be "approved" by lenders. The financing works like a single family home. However, there are certain requirements to avoid being defined as a condominium. For example, units can be attached, like Nordic Builders Village at Redrock in Manchester, but they cannot be stacked one on top of the other.

This PUD requirement has created another big trend across the state: Townhouses.

Changing demographics is also dictating the trend to townhouse development.

- ▶ Less than 1/4 of U.S. households today fit the married with 2.5 children model
- ▶ The fastest growing segment has been single-person households.
- ▶ But, according to Harvard's Joint Center for Housing Studies, married couples without children will grow at a faster rate than single-person households

Here's Toll Brothers Village Collection townhome at Rivington in Danbury which features an island kitchen, breakfast area and deck plus this finished lower level. Sales start at \$350,000. Rivington is a Mixed Product PUD.



## Building Trends 2017

(continued)



### Mixed Product Mixed Income Communities

This type of development allows builders to Trade Lower Land Cost for Higher Density. And three-quarters of retiring boomers say they want to live in mixed age mixed use communities that are walkable and close to town centers.

In South Windsor, T&M Homes is building South Windsor Woods, a 155 unit PUD on 49 acres with 3 housing types including 128 townhomes, 12 Duplexes and 15 free standing homes. There will be private walking trails, a clubhouse, two recreation areas and a community mail center.

The three story two and three bedroom townhomes start at an affordable \$189,900. The 12 Duplexes start at \$269,000, and are connected only at the garage. The Janice duplex has an 8ft breakfast bar island, three bedrooms and a 4'X5 ft shower in the master bath. There are also 15 free standing homes in the mid \$300's to hi \$400,'s.

In 2015, Bill Ferrigno started Stratford Crossing in Avon. This 39 lot community has three distinct neighborhoods:

- ▶ Family style homes on larger lots
- ▶ Cluster lot homes with 1st floor master suites
- ▶ Cluster homes for working professionals

There are only 9 homes left.

In 2009, the Home CT Incentive Housing Study identified a parcel in Simsbury as a potential Workforce Housing Zone, and this zone was adopted by the Town in 2013. For both demographic and economic reasons, more towns are becoming interested in HomeCT Incentive Housing Zones, and as Partnership for Strong Communities director, David Fink so aptly said –



“These Incentive Housing Zones provide home builders with what they want: density and as-of-right development.”



Sunlight Construction has begun clearing the land for Cambridge Crossing on this parcel, which will be a mix of single family detached, patio homes and possibly two story elevated buildings. Of the 88 units, 20% or 18 will be Workforce Housing units spread throughout the development; and set aside for those with incomes less than 80% of Simsbury median or \$80,000. The workforce housing is deed restricted for 30 years. Although plans are not set, sizes range from approximately 1000 - 2500 sq. ft. with prices starting around \$199,000 and single family at \$359,000 -399,000.

Again in Simsbury at Powder Forest, Ron Janeczko & Chris Nelson are developing Highcroft, which will be a mix of 224 luxury apartments, and 48 townhomes. Chris & Ron won Community of the Year last November for Highcroft Apt. Homes, which is a Low Impact Development with LED lighting and Craftsman style buildings.

The 1, 2 & 3 BR apartments are designed by Jack Kemper with 16 units per building and direct access to attached garages. Highcroft Lodge won Best Clubhouse for its amenity rich design featuring an outdoor saltwater pool and cabanas, a 4,000 sf patio with outdoor kitchen, a gym, game room and even a dog wash. For presale marketing, the website LifeInSimsbury.com was designed to communicate the benefits of a small town way of life. "Land Here" was used as the ultimate call to action. Result: 85 apartments leased in 9 months.



### In Town Housing

For some time now, in town housing has been extremely popular with both empty nesters and millennials. The issue is finding the land at a reasonable price.

In a September 2015 public referendum process, Charter Group won approval

for a 54 unit active adult development in the heart of downtown Ridgefield. The site of the former Schlumberger campus, it had originally been purchased by Toll Bros., who sold it to Charter after Toll was narrowly defeated in their own referendum.



## Building Trends 2017

(continued)



Just one month after approval, Charter Group opened 77 Sunset Lane for pre-sales, and 53 out of the 54 homes went on deposit! Pricing for the apt. style homes started in the mid \$400,000's and the townhomes started in the mid \$700,000's. The first closing took place in August 2016, and Charter Group's Jay Metcalfe is in the midst of the buildout, which includes a community clubhouse, fitness center and a mix of 45 single-level apartment style homes with elevator access parking garage, and 9 townhomes with 1st floor masters and two-car garages.

In Guilford on the shoreline, Kenny Horton spent \$1 million on environmen-

tal clean-up - then rehabbed an 1880 mill building to accommodate 15 luxury condominiums. Last November, 66 High Street won the top HOBI Award, 2016 Project of the Year. This year Horton Group is adding three new steel frame buildings overlooking marshland and LIS – all within a block of the Guilford Green. 66 Main Street has established a new luxury condo market in Guilford with sales ranging from \$650,000 - \$1.7 million. Buyers have been New Haven County empty nesters who are downsizing or looking for a 2nd home.

Listing agent, Nikki Travaglino, and her team at William Pitt Sotheby, have

done an exceptional job marketing The Residences at 66 Main Street, while taking full advantage of social media, including Facebook, Instagram and You Tube, hyper targeted Facebooks ads and traffic drawing Facebook events.

In Fairfield County, with Metro North issues contributing to longer commuting times, living close to a station has become a prime motivator in home location. This in town infill spec home in New Canaan by Ryan Fletcher, illustrates some of the most popular single family design trends. See photos at right.

Nantucket casual on the outside and transitional/modern on the inside, featuring a floating glass and steel staircase and a wall of glass bringing the outdoors in, with black window and door casings, a linear gas FPL, beadboard ceiling insets and shiplap paneling – all worth noting because of their popularity in both spec and custom homes today. This home, which won a 2016 HOBI Award, sold at \$2.4 million.

*This article is excerpted from a presentation Connecticut Builder publisher, Joanne Carroll gave at an April Developers Council meeting. CT Mirror editor, Tom Condon, interviewed Joanne about these trends for an article on the same topic. ☐*



The Residences at 66 High Street

