

# NATION'S BUILDING NEWS

## Homes That Excite 50+ Buyers Just as Important as Lifestyle

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Most active adult builders believe that lifestyle is *the* primary selling point for age-qualified communities. Housing comes second.

As long as they offer the lifestyle bells and whistles, all they need to provide is a variety of single-level housing products and buyers will come.

I am the first to admit that lifestyle has been — and will continue to be — a key factor of a successful age-qualified community. But housing remains a critical part of the equation. It is not enough to offer only a handful of models and maintenance-free living.

Because most customers have lived in their homes for 20 to 30 years, builders must give them a real incentive to move.

### **Product Diversification Is Key**

Today, the Chicago metropolitan area is a hotbed for age-qualified active adult communities. Surprisingly, less than 10% of the homes in these communities are multifamily, while attached housing accounts for 40% of total new housing starts.

A significant benefit of Cambridge Homes' Carillon communities, our company's active adult brand, is that 40% of the new homes we build for this market are attached housing. This gives us an edge over the competition, which primarily offers single-family homes.

Active adult buyers are as diverse in their needs and wealth as other market segments. Many still work, others have second homes in warmer climates and the ratio of couples to singles is often negligible.

Product diversification makes sense, especially with large active adult communities, because having a broad range of housing for a varied buyer composition will optimize absorption.

Product diversification also enhances a community's overall appearance. Building distinctive neighborhoods of single family and multifamily homes creates streetscapes with a village-like feeling that many active adult buyers who often move from well-established neighborhoods will find appealing.

### **Urban Areas a Built-In Market for Attached Homes**

The Chicago area is not an easy place to spend winters, which explains why nearly half of Carillon residents either own or rent second homes in warmer climates — and why attached housing is popular.

As a rule, these “snowbirds” favor attached housing because of the comparatively lower price points and the benefits of maintenance-free living. Snow removal and lawn service is provided to all Carillon Homes residents — single-family and multifamily owners — but Carillon’s attached home owners are given exterior home maintenance services as well. These buyers appreciate not having to clean their own gutters or maintain their siding, especially when they are away for extended periods of time.

Multifamily housing remains a popular choice among active adults who are single, too, especially those who are divorced or widowed, for many of these same reasons.

In addition, many live on fixed incomes, don’t have second homes, are more price-conscious and want to maximize the home they have. The lower base price for an attached home makes it possible for them to invest in upgrades.

Security is another selling point, particularly for single residents who may feel vulnerable. Having neighbors close by provides a more secure feeling.

### **Buyers, Builders Benefit From Higher Densities**

In the Chicago suburbs, land is becoming scarce in close-in communities where people want to live. The smaller infill parcels dictate multifamily housing and higher density. This enables buyers to find new housing in a convenient location, while builders get enough volume to make it worth the effort.

Many builders might question whether municipalities will allow attached housing in the first place. Generally, this is a concern for standard communities since, more than ever, municipalities are trending toward larger lot sizes.

However, active adult age-qualified communities are generally welcome because they have virtually no impact on school or park districts.

Another builder benefit is flexibility, if attached homes are designed properly. For example, in our Carillon quad product, all house plans are compatible with every other plan in the quad. All four units in one building can be the same plan, each can be different or there can be a combination.

This gives the sales staff greater flexibility and eliminates the “problem floor plan” scenario stemming from the need to spec out two or more units in many cases.

### **Avoiding Potential Pitfalls**

Three years ago, Cambridge Homes conducted focus groups in with prospective active adult buyers who lived in single-family homes. They voiced a few concerns about attached housing — and a few possible solutions:

- **Loss of privacy.**  
The most effective way to overcome this objection is to focus on the community’s lifestyle and social attributes. Design homes to minimize this concern. For example, Cambridge Homes’ Getaway series town homes (built in U-shaped configurations) include separate entries and individual outdoor spaces for more privacy. The Bayside series quads are designed as end units

featuring private entrances at the corners and limited unit-to-unit attachment since homes are primarily attached at the garages.

- **No longer able to garden.**

Town homes can be designed to accommodate outside gardens closer to the homes. This was one of the special features in the Getaway series. Additionally, builders can allocate space for community gardens or “victory” gardens. In Carillon Lakes, buyers can lease a portion of the victory garden for personal use. Residents also can join a community gardening club.

- **Lack of storage.**

The Getaway series homes are designed with plenty of interior storage space, even for buyers who don’t opt for basements. Oversized two-car garages provide extra storage space.

- **Too small to entertain.**

Although attached homes generally are smaller than their detached counterparts, builders can maximize areas commonly designated for entertaining. An example is the great room concept in which the dining and living areas are combined into one large, open space. Builders also can sell, as upgrades, expandable flex spaces such as sunrooms, enlarged family rooms and basements that can be finished for an additional level of living space.

Focus group participants also were concerned that kitchens and bedrooms would be too small.

Builders must understand their buyers’ priorities and how to design homes to meet their needs. Conduct focus groups early in the process before the site plan and product development processes get underway. Incorporate your buyers’ wants and needs to ensure they get what they want, rather than what you think they want.

### **Other Product Considerations**

Active adults in the focus groups also discussed why they wanted to move from their existing homes. Common reasons included:

- The house and yard are too big and hard to maintain
- Loss of a spouse
- Health issues or concerns about future health issues
- Desire to trade a two-story home for a single-level home
- Desire to move back from the Sun Belt to be closer to children and grandchildren
- Need for a more secure living environment
- Most of their friends are gone and current neighbors have young kids that they cannot connect with
- And snow removal (“my back is killing me!”)

Active adult buyers like open floor plans with plenty of light. Because visual abilities decrease by 24% by age 60, this is a real concern, but a solution can be achieved by designing attached housing with this in mind.

For example, four-unit buildings featuring all end units are ideally suited for bringing light into the homes. Cambridge Homes designs end units with many windows and the interior units include double skylights to bring in more light.

The focus groups also mentioned the need for a double-master bedroom option — when snoring is a problem.

Next-door noise is another objection with attached housing. Builders can overcome this problem with extra insulation, including a shaft liner, between common walls that can virtually eliminate sound transfer between units. The shaft liner panels also impede fire transfer between units by two hours. The system we use is referenced by the Underwriters Laboratories as design number U336.

Energy Star-rated homes, though not mentioned by our focus groups, can be a tremendous selling point as well. Whatever combinations of energy-saving components you use to achieve an Energy Star rating, active adult buyers will appreciate lower utility bills and a more comfortable living environment.

### **A Good Site Plan Will Motivate Prospects, Too**

While it is important to have good attached product, it is just as pivotal to excite and motivate your prospects with a site plan where the design and amenities complement the environment.

For instance, Carillon Lakes' amenities were designed to take advantage of open space around the lakes and natural conservation areas. All residents can enjoy the "premium" space, instead of only the few that can afford to back up to an open space or lake.

A three-hole golf facility also adds to a community's open feel and the builder can offer a small golf course without burdening the entire community with the cost of maintaining a nine- or 18-hole course.

Attached housing for age-qualified communities not only promotes a more enriched, diversified community setting, it is an easier sell with buyers who want maintenance-free living with a smaller price tag. It's a win-win situation for active adult buyers and builders alike.

*David Smith is vice president of marketing and product development with Cambridge Homes, a Chicago-area builder and division of D.R. Horton, Inc. Under Smith's guidance, Cambridge introduced a number of innovative new home features and programs, including Energy Star certification. He is also credited with standardizing Cambridge's vast product lines for optimum efficiencies and for positioning the company as a leader in consumer and market research. Smith currently serves on the education committee of the NAHB 50+ Housing Council. For more information, e-mail Smith, or call him at 847-362-9100.*

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