

December 2013

www.ProBuilder.com
Powered by HousingZone.com

Professional Builder®



2013 Builder of the Year

How David Weekley Homes emerged from the downturn more dynamic and profitable than ever

David Weekley (left), founder and chairman of David Weekley Homes, with John Johnson, the company's president and CEO

 **SGC HORIZON**
a Scranton Gillette
Communications company



2012 JESSE H. NEAL
AWARD WINNER

THE MULTIPLIER



Maracay Homes offers the Generation Suite in the Saguaro plan at Lumiere Garden at Eastmark in Mesa, Ariz. The suite includes a combined living room/bedroom, a full bath, and a walk-in closet. A kitchenette and stacked washer/dryer are additional options. The 4,152-square-foot home starts at \$379,000.

By Susan Bady, Senior Contributing Editor

In 2011, with the housing market still in a slump, Lennar Corp. introduced its NextGen line of homes to multigenerational buyers in Arizona, California, and Nevada. Over the next two years, Lennar expanded the NextGen brand to 130 communities across the United States and in such diverse markets as Minnesota, New Jersey, North Carolina, and Texas. To date, Lennar has sold 1,100 NextGen homes. Granted, 850 of those sales happened in the West. But

Jeff Roos, the Aliso Viejo, Calif.-based president of Lennar's West Region, is confident that NextGen will pick up steam as Americans continue to double up. "We've created a home within a home," says Roos.

The concept isn't rocket science, but it works. There's a lock-off suite—a separate kitchenette, bedroom, and bathroom in the main house—with its own entrance, giving the occupants privacy and autonomy but not isolating them

EFFECT

Demand for multigenerational housing shows no signs of abating. Builders in the West were first out of the gate with targeted designs, but the rest of the country is catching up.



PHOTOS: MARACAY HOMES

from the rest of the family.

Prior to World War II, multigenerational households were commonplace in America. Many Baby Boomers remember growing up under the same roof with mom, dad, grandma, grandpa, siblings, and sometimes uncles, aunts, and cousins. Fond memories aside, with everyone living in close proximity there was bound to be some tension.

“Certainly we love our family and friends, but after a while

The Ironwood plan at Montelena, a Maracay Homes community in Queen Creek, Ariz., has an optional Generation Suite with a separate living room and bedroom and a private entrance from the courtyard. The 3,844-square-foot home starts at \$390,000.

[MULTIGENERATIONAL]

PHOTO: CHRIS MAYER



NEXTGEN BY THE NUMBERS

Most single-family homes built for multigenerational living aren't that much bigger than their conventional counterparts. They're just configured differently (and often more efficiently). "We just kind of rearranged the rooms a little bit," says Jeff Roos about Lennar Corp.'s NextGen homes.

Roos, president of Lennar's West Region, says there are some additional costs involved with NextGen, such as the kitchenette and the external entrance in the lock-off suite; therefore, the homes sell for roughly 10 percent more than comparably sized homes lacking the lock-off suite. For example, a 2,500-square-foot NextGen home might sell for \$275,000, while a conventional 2,500-square-foot home might sell for \$250,000.

"Take that \$25,000 premium and break it down on a typical mortgage, and let's say the monthly mortgage payment for the NextGen home is \$120 more," Roos says. "If you compare that to the rent for a separate apartment or a nursing home or assisted-living facility, [the NextGen] home is a huge benefit."

it gets a little bit old," Roos says. Concepts like NextGen are an opportunity for extended households to have the best of both worlds.

According to the Pew Research Center, approximately 5.1 million Americans (or 16.7 percent of the population) live in a house with at least two adult generations, or a grandparent and at least one other generation. There are three demographic drivers of this trend:

- Boomers who would normally be downsizing at this stage of their lives are trading up. They're sometimes referred to as The Sandwich Generation because they still have children living at home as well as elderly parents. For economic as well as other reasons, many Boomers won't put their aging parents in an assisted-living facility or nursing home.
- The recession triggered a wave of boomerang kids (sometimes with kids of their own) moving back in with their parents because they're unable to support themselves.
- The surge in immigration that started around 1970 was dominated by Latin Americans and Asians, who are much more inclined than native-born Americans to live in multigenerational households.

MORE THAN A FIRST-FLOOR MASTER

Master-down plans have been around for years, but lock-off suites, like the ones in the NextGen homes, are on the

Image left: The New Home Co.'s newest community, Villa Metro in Santa Clarita, Calif., includes plans with guest suites that are ideal for multigenerational households as well as family members who visit for extended periods of time. The suite in Terra Plan 2 has a kitchenette and sitting/dining area. Villa Metro homes are priced in the \$400,000s.

Plan below: The upstairs master suite and downstairs bedroom suite of Plan 2 at Terra, a 1,605-square-foot home, make the house suitable for both multigenerational households and roommates who buy a home together.



cutting edge of design.

The New Home Company (TNHC), based in Aliso Viejo, Calif., opened Lambert Ranch in Irvine, Calif., in April 2012. In just over a year, TNHC sold all 169 homes, priced from the \$900,000s to \$1.5 million. The community consists of single-family detached homes ranging from 2,730 to 4,876 square feet. Irvine-based Robert Hidey Architects designed three different floor-plan options for extended families: 800-square-foot, detached guest houses; living suites with kitchenettes and separate entrances; and compound-like estates with shared courtyards.

TNHC currently offers multigenerational designs at Villa Metro in Santa Clarita, Calif., also designed by Hidey. The detached homes at Villa Metro are considerably smaller than at Lambert Ranch—1,200 to 2,000 square feet—and priced in the \$400,000s. “It’s a completely different kind of community [because] we saw a need with a different demographic,” says Joan Marcus-Colvin, senior vice president of sales, marketing, and design for TNHC.

Villa Metro buyers are predominantly young families, says Marcus-Colvin. Between 10 and 20 percent are multigenerational—grandparents living with their adult children and grandchildren; siblings buying a home together; and families with children who have graduated from college and moved back in with their parents.

The most popular plan with multigenerational buyers is

the Terra Plan 2. “At a relatively small 1,605 square feet, it’s rare to find this type of setup in a single-family home that enables multigenerational living,” she says. The home has a separate living suite, kitchenette, and bathroom on the first floor and a full bedroom, bathroom, kitchen, and great room on the second floor.

Sherman Jones, project director for Robert Hidey Architects, points out the home was also designed with the idea of dual ownership in mind—one on the lower floor and one upstairs. “The city won’t allow a full kitchen on the lower floor, but you can include some components and call it a kitchenette,” Jones says.

When completed, Villa Metro will consist of 315 homes. Since the grand opening in August, 37 homes have been sold.

THE GENERATION SUITE

After spending 18 months and more than \$4 million redesigning its existing portfolio and creating new designs, Maracay Homes of Scottsdale, Ariz., launched the New Arizona Living Collection in late 2011 “to address the unique needs, preferences, and lifestyles of the post-recession Arizona home buyer,” says Gina Canzonetta, marketing manager.

One concept to come out of a 10-day charrette with BSB Design, Des Moines, Iowa, and D33 Design & Planning, San Juan Capistrano, Calif., was the Generation Suite. This plan includes a living room, bedroom, full bath, kitchenette, washer

[MULTIGENERATIONAL]

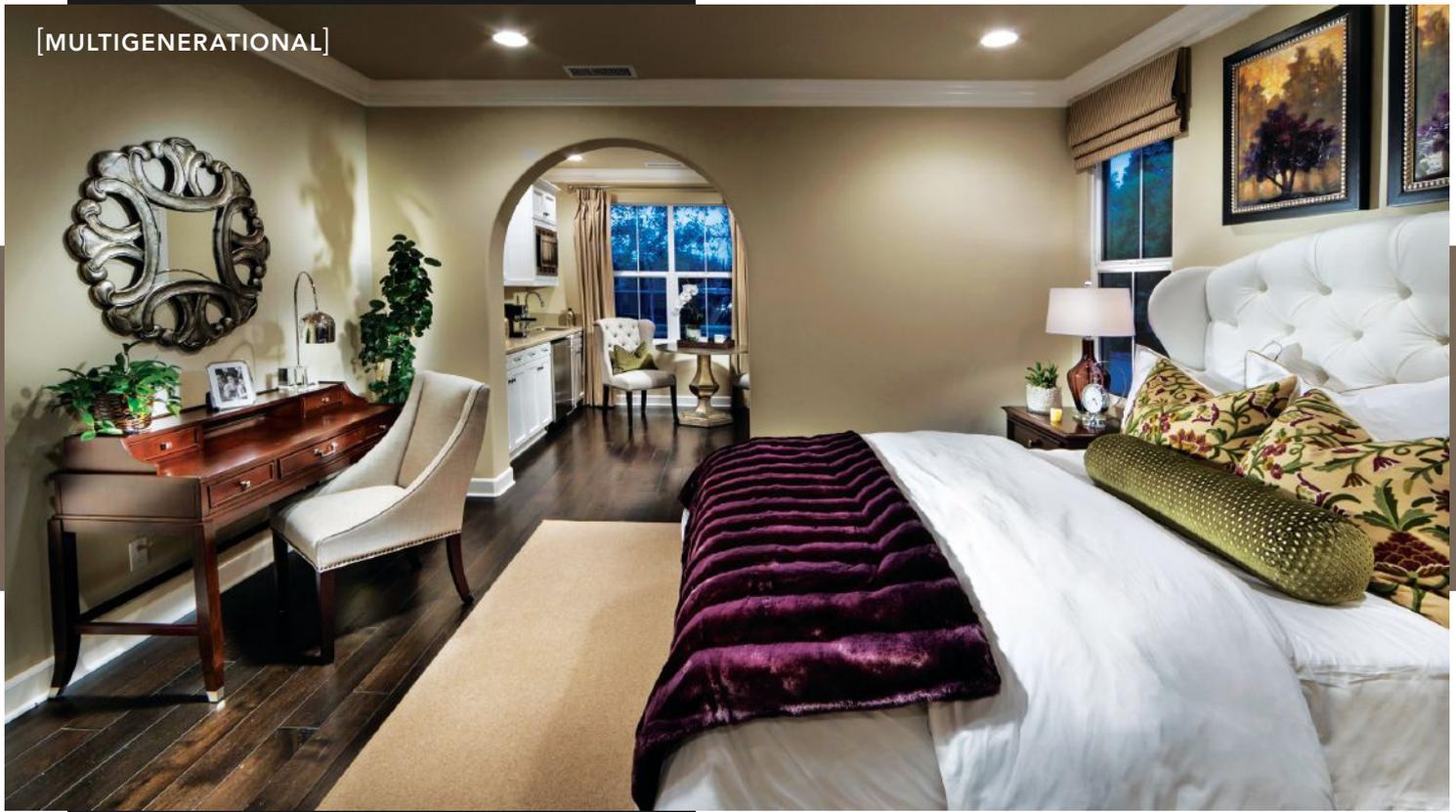


PHOTO: ERIC FIGGE
PHOTOGRAPHY, INC.

WHAT RESEARCH REVEALS

The New Home Company (TNHC) of Irvine, Calif., constantly surveys its customers—past, current, and future. “As the economy changes and we see if this multigenerational notion is here to stay or not, we have to be pretty nimble,” says Joan Marcus-Colvin, senior vice president of sales, marketing, and design.

In a recent focus group, Marcus-Colvin spoke with residents of Lambert Ranch who had been in their homes for a year. “Lambert homeowners all have parents and siblings that visit and stay for extended periods of time,” she says. “They said that the older generation prefers to stay in the main house [as opposed to a detached guest house]. In the Asian culture, particularly, where age comes with honor, you abide by that generation’s wishes.”

Conversely, couples with children in college find that the guest house is more suitable for the kids when they’re home for holidays or breaks.

TNHC will soon introduce first-floor living suites with direct access to one-car garages, to give the owner a greater feeling of security. “We hope to build those plans in 2014,” Marcus-Colvin says.

and dryer, and, in some plans, a one-car garage and a separate entrance. The suite was designed to fit within the main structure of the home, typically as part of a three-car garage.

Canzonetta says the Generation Suite is one of the more popular options in Maracay’s FlexDesign program, which allows buyers to customize homes to their individual needs. “You can rearrange rooms or add different components,” she says. “It’s a little bit more complex than just changing a den to a bedroom.”

She has seen demand for the suites increase steadily since the new floor plans were introduced. “The homes aren’t significantly larger; they average between 2,500 and 3,100 square feet, whereas throughout the Phoenix area the average size is about 2,600 square feet. Our base prices run from the low \$200,000s to the high \$300,000s.”

GENERATIONS POOL THEIR RESOURCES

Jon Girod estimates he has been building homes for multi-generational buyers for the last 10 years. “Our primary market is empty nesters, so they’re looking at things like accessory dwelling units, granny flats, and dual masters,” says Girod, owner of Quail Homes in Vancouver, Wash. “Families will pool money together and instead of buying two houses, they might buy one with a granny flat.”

Dual living, as he calls it, “is a very interesting dynamic. Part of it is cultural; some ethnic groups have always cared for their elderly because they don’t believe in the nursing-home model.” But all kinds of American families are now bringing parents



Far left: Plan 3 is the best-selling plan at La Cresta at Woodbury in Irvine, Calif., a Brookfield Homes community. The 4,098-square-foot-home starts at \$1.5 million and includes a guest suite with a separate entrance. Left: The guest suite of Plan 3 at La Cresta at Woodbury is well appointed with a 14-by-12-foot bedroom, a dining area, full bath, kitchenette, and private outdoor patio.

ILLUSTRATION:
DANIELIAN ASSOCIATES

into their homes, largely because outside care is so expensive.

Girod, who builds in the Portland, Ore., metro area, says approximately 60 to 70 percent of his homes are based on plans by Alan Mascord Design Associates. Of the 40 homes he built last year, Girod says at least a third were purchased by multigenerational buyers.

Two plans that have been especially popular are the Vidabelo, a 3,084-square-foot home with two master suites, and the Harriet, a 2,890-square-foot home that has a bedroom suite separated from the main house by the garage.

DESIGNING FOR THE ASIAN MARKET

A bedroom on the first floor is one thing; a true living suite is even better. With this in mind, Brookfield Homes created homes in Irvine, Calif., specifically for Asian buyers, who have always embraced multigenerational living.

La Cresta's two-story detached homes range from 3,622 to 4,098 square feet and start at \$1.5 million. Brookfield has sold 24 of 50 homes to date and is already racking up industry accolades.

"We knew that this market was predominantly families with young children and that they were going to have their parents come and stay for a certain period of time," says Carina Hathaway, vice president of sales and marketing for Brookfield in Costa Mesa, Calif. "We wanted to make [the downstairs living suites] respectful and comfortable."

Plan 3 at La Cresta has a guest suite at the front of the house with its own entry courtyard. "You still have access to

the rest of the house without going outside," says architect Dale Patton of Danielian Associates, in Irvine. "The interior connection is still important."

Although the suite is available with a kitchenette, sales associate Andrea Martinez says not many buyers have selected that feature. "Many Asians believe their parents would be insulted by the suggestion that they should cook and eat separately from the rest of the family," says Martinez.

FLOOR PLAN TRUMPS LOCATION

Jeff Roos estimates that about 80 percent of Lennar's NextGen homes are selling primarily because the floor plans are unique.

"I hear stories about people buying a home in one of our communities even though it might not be their No. 1 location," Roos says. "People who may never have considered living together are realizing they can share the mortgage and other expenses."

Lennar's NextGen plans currently number more than 60. The one- and two-story designs fit on a variety of home sites. The lock-off suites also vary in size and include studio, one-, and two-bedroom plans. Roos says the two-bedroom is ideal for a single parent with a child. Other buyers like having a place where visiting relatives can stay for extended periods.

In short, don't expect the multigenerational trend to die down any time soon. "It's the new normal," says Maracay's Gina Canzonetta. "It will become more [common] as we move forward." **PB**