



As recovery creeps along, builders woo buyers with new features, small floor plans



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One day last fall, Allison Sherry took a detour through a new development called Willowsford about 10 minutes from her Ashburn home. As she drove, she noticed the mountains peeking through the trees, extensive bike trails and what looked like a small farm. Back at home, she hopped online and saw that the brand-new community would soon have a lake, campsites and farm-to-table cooking events.

After she and her husband returned to tour a two-story model home, they were sold — and so was their new house.

“This is it! I have arrived,” she said.

A few weeks ago, the Sherrys and their three young children moved in to the just-built house. Within a day, the finished basement became a maze of play sets; the oversize mudroom, a getaway for her yellow lab, Trevi.

Sherry and her husband had been casually looking for a new home for several months, but she instantly fell in love with Willowsford, with its bright, functional interiors and unusual perks, like a working vegetable farm.

“Life is so busy nowadays, it’s nice to take a step back and be able to show our kids where their veggies are growing,” she said. “And there’s a lot of great, usable space in the house.”

Willowsford may have an unusual mix of offerings, but it epitomizes the work of developers attempting to woo post-recession buyers with hip amenities and more open, practical homes.

“In this tough period, the builders that are surviving are surviving because they’ve come up with some clever idea,” said David Crowe, chief economist with the National Association of Home Builders.

Brian Cullen, the head of development for Willowsford, was on the team that bought the 4,000-acre property in the fall of 2009. The team asked a local real estate advisory firm to help them determine the psychological profile of potential residents.

“Willowsford’s concept was born of its transitional location between quickly urbanizing eastern Loudoun County and rural, western Loudoun County,” Cullen said. He said he hopes the luxe amenities make up for the longer drive to downtown Washington. “Here, people aren’t compromising by moving out to Loudoun County. It’s, ‘I moved to Loudoun, and this is what I got.’ ”

Permits on the rise

After a long, brutal housing slump, developments are sprouting up again in Loudoun and other parts of the Washington area.

Overall, the D.C. area had the third most construction permits issued in 2011, after Houston and Dallas. There were 1,937 permits issued in the District and eight of the surrounding counties in the first three months of this year, according to Census Bureau figures, compared with 1,810 during the same period in 2010. It might not seem like much of a change, but considering that housing starts plummeted by 80 percent in many areas between 2006 and 2009, it’s enough to make builders optimistic.

“Northern Virginia is not anywhere close to where it was in 2005 or ’06, but in the latter parts of 2010, it picked up, and in ’12, we see a bit of an uptick,” said Michael Toalson of the Home Builders Association of Virginia.

Much of the growth occurred in Loudoun, where 618 building permits were issued in the first three months of this year, compared with 303 in that period in 2009. Builders credit their relative success to the area’s good schools, ample land and some of the highest incomes in the nation.

“Loudoun is a great spot because Fairfax is built out,” said Rick Rabil, president of Van Metre homes, which has developments in Willowsford and other parts of Northern Virginia and Maryland. “It has job growth, and it’s where a lot of people want to live, and it’s one of the best places to build if you’re a builder in the metropolitan area.”

Counties across Maryland, including Prince George’s and Charles, have also seen a small increase in permits in recent years, despite the fact that resale and distressed inventory continues to linger in some areas.

“It takes time for the market to absorb that inventory before the demand will increase on new homes,” said Mark Nosal, the Maryland vice president for Toll Brothers. “But in many parts of

Maryland, that inventory has been coming down rapidly. In new homes, we're starting to see more demand."

But to lure buyers from cheaper resales, and even-cheaper short sales, builders have to think beyond the standard, boxy single-family home.

For one thing, home buyers are more practical these days, builders say, and they are willing to dispense with the home theaters, underused rooms and other trappings of the McMansion era.

"The biggest emphasis is to look at how do people actually live in their homes and design a house for that," said Scott Gallivan, president of Integrity Homes of Virginia. "The living room and dining room are expensive to decorate, and they don't get used. So why do we have them?"

More and more buyers are forgoing the living room entirely, opting instead for layouts with one big open space on the ground floor. Julie Cronan, a Long & Foster realty agent in Southern Maryland, said the buyers opted for no living room in the last five contracts she had written.

"We're seeing more of a casual living space with an open floor plan and flex spaces that can be used in a variety of ways," said John Halak, vice president of construction at Pulte homes.

What's more, kitchens have been promoted from cramped, utilitarian necessities to massive, breezy social hubs. Another Willowsford resident, Jennifer, who preferred that her last name not be used, chose a layout with a kitchen that flows into a large living space.

"It felt like a really nice, friendly space," she said. "Everyone gathers in the kitchen anyway."

Many developers are also allowing buyers to choose the number of bedrooms they'd like, providing the option of a large loft space instead.

"We put the decision to have more bedrooms in the hands of the buyer," Gallivan said. "For people who have two children, the fourth bedroom is sometimes nice to have, but it can also become a collection of ironing boards and junk."

Mike Brown and his partner recently moved into a townhouse in the Chancellor's Row development, near the Brookland Metro station in Northeast Washington, which was built by the EYA development company. He said the customization options were part of what drew him.

"In our loft, you can put a bedroom, but we kept that open," he said. "For the terrace, they also gave us the option of an outdoor fireplace. I always wanted a fireplace, and now we have two."

Smaller houses

In many cases, home layouts are getting smaller as well as more more flexible.

“The McMansion era will probably not shine itself on us in the near future,” said Brian Kenning, president of the Builders Realty Council.

Toalson, from the Home Builders Association of Virginia, estimated that consumers are tending toward homes that are 300 to 400 square feet smaller than their pre-recession counterparts, partly because of an aging population of baby boomers who want smaller, more practical living spaces.

“There’s less square footage, but maybe more of an emphasis on architectural styles,” said Cronan, the real estate agent. “People are working longer and certainly they have less time, so they want to spend less time cleaning space they don’t use, and more time enjoying compact, artistically pleasing design.”

The trend toward smaller homes is also driven by the affordability factor, as many consumers’ incomes and savings were depleted in the recession. Cheaper homes have become more popular since the housing collapse.

According to Redfin, an online brokerage, properties in the \$300,000-to-\$400,000 range accounted for 17 percent of new-home sales in 2011, up from 10 percent in 2006. By comparison, properties in the \$600,000-to-\$700,000 range accounted for 8 percent of new-home sales in 2011, down from 15 percent in 2006.

Nosal, from Toll Brothers, said he has seen the most improvement — about a 50 percent increase — in demand for the company’s lower-priced products. Halak, from Pulte, said the company sells more townhouses than detached single-family homes, with the new Metro West and Potomac Yard developments performing especially well.

“There aren’t as many people who can afford \$800,000 single-family homes as can afford townhomes,” Halak said.

New features

As they save on size, many buyers are seeking innovative amenities in newer homes. Russell Fitzgerald downsized to a home half as big when he bought an EYA townhouse in Tysons Corner, but he did have his new place smart-wired so that he can control his speakers, front door and lights with his smartphone.

“We’re tech-savvy folks, so we really wanted a house with options, but also something that was maintenance-free,” he said.

EYA’s homes are also LEED-certified, and some feature solar panels.

Energy efficiency also matters to consumers, some experts say, but only to the extent that it helps them save on energy costs. Next month, KB Home is building a zero-impact model house in Waldorf that uber-environmentalist customers will be able to get made to order.

Home builders have also tried to incorporate nature into their designs, whether throughout the development or within the homes themselves.

In its National Harbor development, Integrity features at least one outdoor space in each home, be it a porch, sunroom or courtyard.

In farther-out subdivisions, outdoor features are a way to both distinguish a development and foster a sense of togetherness among residents.

“The value of the amenities is measured in how effectively they are in creating communities,” said Adam Ducker, a managing director at RCLCO, which performed the market research for Willowsford. “Do they have a Fourth of July parade? Do the kids go trick or treating and bob for apples?”

Community features come in many forms. Pulte remodeled the old Lustine Center automobile showroom to serve as a community area with billiards and a juice bar in its Arts District Hyattsville development. Toll Brothers plans to install an equestrian center in its new Marlboro Ridge development in Prince George’s County. Waldorf’s Coachman’s Path, by Litz Custom Homes, will have a baseball field and a barn.

At Willowsford, the 2,175 single-family lots are selling at a pace of about seven or eight homes a month. The development has six moved-in residents so far, but it’s moving ahead on amenities: The pools are nearly finished, and a small lake has been stocked with fish.

A culinary director, who will lead Willowsfordians in cooking lessons, has been hired. And the farmer, Mike Snow, has already started growing cucumbers, cabbages and baby leeks that will be a part of the first CSA share. (The farm plans to sustain itself by selling its produce locally).

“As a builder, it was really hard interviewing for a farmer,” Cullen said. “What do you ask? ‘So, how are your beans?’ ”

Ducker said new developments like Willowsford show that some buyers are willing to invest in a brand-new home — but only if it offers something they haven’t seen before.

“In this area, there is a fundamental divide between shelter buyers and lifestyle buyers,” Ducker said. “Shelter buyers are motivated by the biggest house I can get at the best price. Lifestyle buyers want a great home, not the biggest, but they might be motivated by the character of the architecture and the community.”

Or as Jennifer put it, “We were just ready for something . . . different.”