

Creative High-Density Detached Urban Infill

by Pete Reeb

Our urban infill feasibility business is booming, thanks to a confluence of trends that are creating heightened interest in high-density single-family detached urban infill housing deals:

- **Gas expense.** Uncertainty over gas prices and a growing desire for shorter commutes
- **Time savings.** Reprioritizing life's necessities (owning a "huge" house not necessarily a priority)
- **Environmental consciousness.** Increasing awareness of the impact of housing on the environment (urban infill in existing neighborhoods vs. "green field" suburban, carbon footprints, water usage, energy usage)
- **The best of urban now in the suburbs.** The reemergence/revitalization of many suburban "Main Streets" has created walkable retail/restaurant/entertainment cores that appeal to younger and older households alike.
- **Major infrastructure in place.** Shortens the development cycle and decreases upfront development costs
- **Small builder opportunity.** Ability for smaller builders to compete with larger builders on deals (although some larger builders are doing high-density urban infill, too)

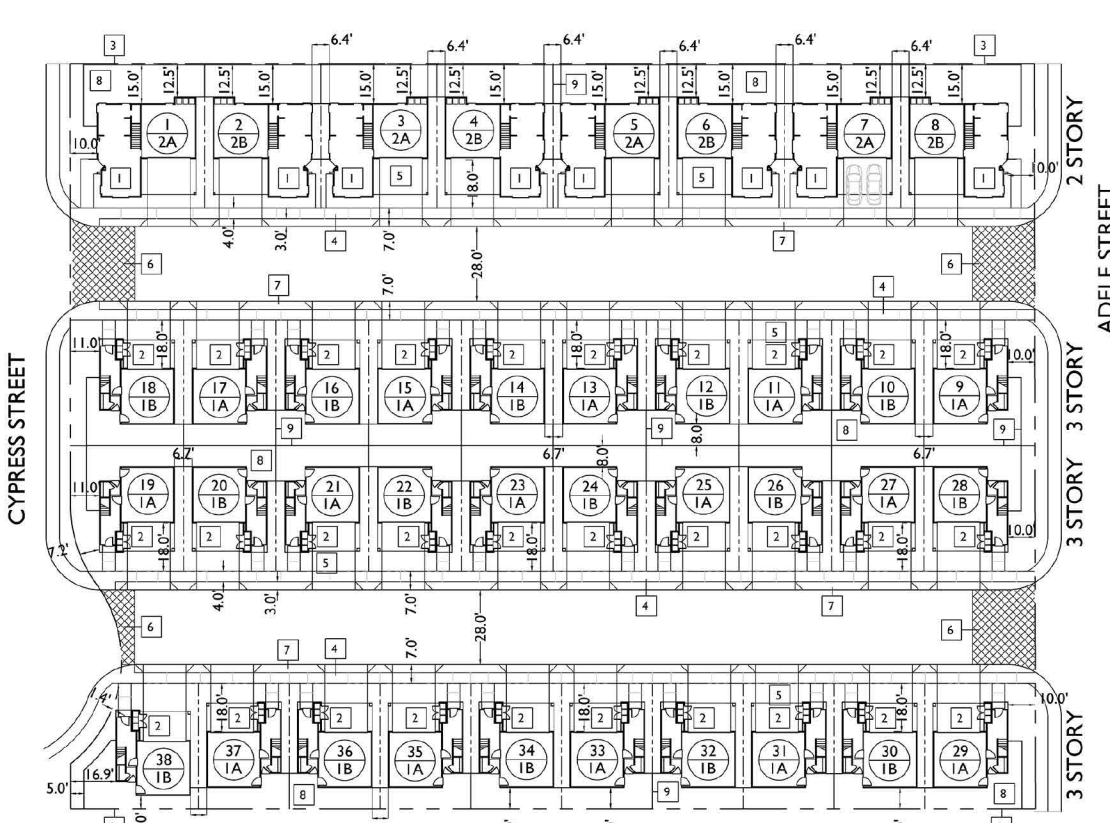
Infill deals typically push housing densities well beyond the densities of older existing homes in the same neighborhoods, and we are seeing more detached residential densities in the 12-to 14-unit-per-acre range and even higher. However, one of the biggest challenges in pushing density in single-family detached projects is accommodating resident and guest parking requirements while still creating livable floor plans and desirable site plans.

Some of the biggest buyer objections to high-density single-family detached urban product, which are also factors that can lower home values and slow sales rates, are:

- Lack of driveways
- Lack of private enclosed backyards (Many projects have zero lot line plotted homes, with only a side yard and no backyard.)
- No sidewalks
- Narrower alleys, not full-width streets

One of our home builder clients recently purchased a site with creative floor plans and site planning that allowed the density to be pushed to 16.5 units per acre (38 units on 2.3 acres), with none of the buyer objections listed above! And all while still meeting city parking requirements. The property includes two floor plans (1,550 and 1,695 sq. ft.), the smaller plan with three stories and the larger with two stories. Both plans have unique designs where livable second-floor space (and second- and third-floor space in the three-level plan) partially cantilevers out over a full-length driveway. One of the big accommodations that the city made was allowing the full-length driveways to be counted as guest parking spaces. Typically, infill projects have alleys (not streets), and do not have full-length driveways, requiring other solutions for guest parking that reduce achievable densities. This project has the best of all possible worlds for a high-density detached infill concept:

- Full-width streets
- Full-length driveways
- Private enclosed backyards
- Traditional plotting (not zero lot line)
- Sidewalks
- Mix of two- and three-story plans (Many urban infill projects have only three-story floor plans.)



Source: SummA Architecture

The increase in density means more units and more revenue. As a result of the increased unit count, unit sizes did not need to be pushed to be too large, helping keep home prices attainable. This also opened up the project to a larger number of prospective home buyers, since high-density three-story homes are often too large relative to their respective markets and buyer profile and are not able to fully capture the value of the extra square footage. Construction costs are projected at \$70 per sq. ft. for the two-story plan and \$85 for the three-story plan, with projected home prices in the low to mid-\$500,000s.



SITE PERSPECTIVE

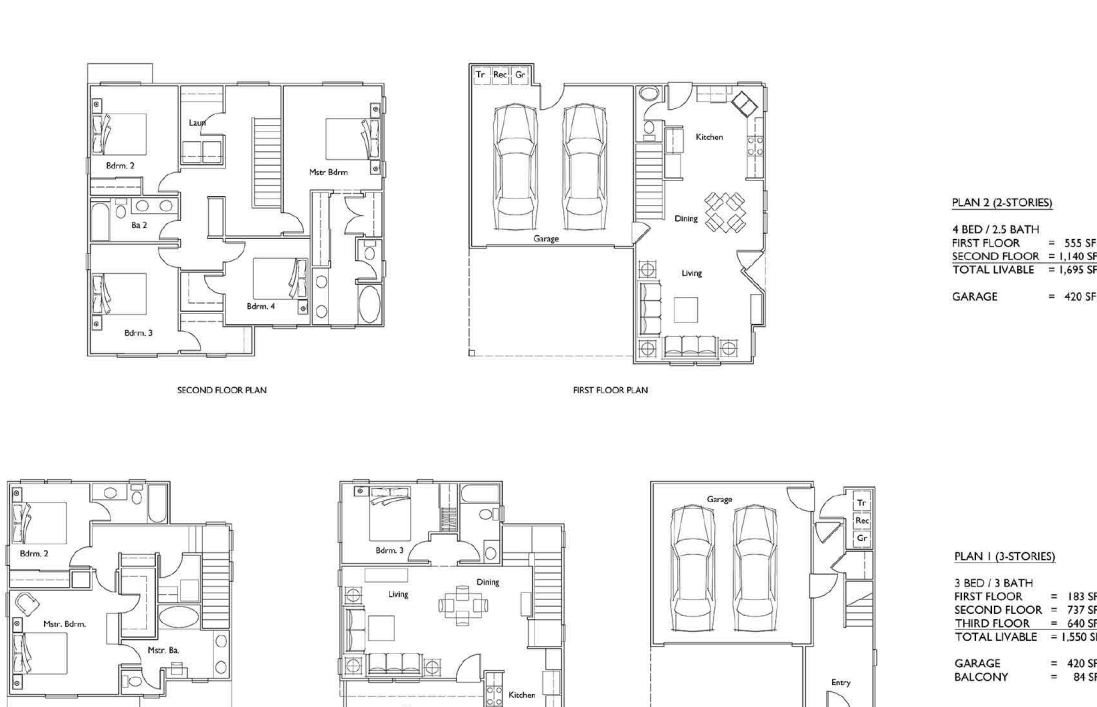


INTERIOR PERSPECTIVE



INTERIOR PERSPECTIVE

Source: SummA Architecture



Source: SummA Architecture

For more information on this project or to talk about urban infill development, please contact Pete Reeb, Principal, at preeb@realestateconsulting.com (858) 281-7216 for more information.