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## Intelligent design important in real estate marketplace, too

When we talk about the design of commercial and residential real estate, what does it mean to design intelligently?

As a developer, each piece of property and each potential deal provides an opportunity to maximize the return on an investment. Too often, however, maximizing the return equates to maximizing the density of the site development. In years past, when sites were flat, and competition was flatter, maximizing density was smart design. In today's hyper-competitive market, other factors must supersede the conventional wisdom that density equals dollars.



### GUEST COLUMN

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Lately, the housing market has suffered from slow sales and increasing inventory. One benefit of a bear market is the opportunity to evaluate your operations and your products. One important aspect to consider is product differentiation. What is your product, and what makes it different from your competitors'? Are you merely selling houses or are you selling a community in which buyers want to live? The answers to these questions directly affect your sales potential and the interest your project generates.

Unlike older neighborhoods, few contemporary residential communities have mature tree-lined streets. So what is the focal point that draws the eye of the potential purchaser in a new development? A long, straight row of partially constructed homes pales next to a sinuous street that causes the eye to travel across the entire community. A large pile of dirt lacks the visual

appeal of a beautifully landscaped entrance monument or traffic circle. A sea of asphalt hardly invites the same emotions as a recreation area or walking trail tucked smartly into the site. Planning the site and staging the construction in a way that places the project's amenities in the forefront of the community and the purchaser's mind is a simple way to make your community seem friendlier and more like a place to call home.

Separating yourself from the competition is just one key to overcoming the density dilemma. Too often, the drive to maximize development density obscures the cost associated with the density. A well-planned community transforms the site's constraints (think woodlands, wetlands and streams) into focal points of the development; a well-planned community is laid out with knowledge of the subsurface conditions (think rock and groundwater) and is designed to minimize excavation and blasting; and a well-planned community does not require large amounts of soil to be hauled to or from the site but balances the topsoil, subsoil and rock within the site.

To achieve these goals, it is critical to consider them during the conceptual design phase. Anyone can design a community to maximize density and comply with township minimums so long as that design occurs on a flat piece of paper. An intelligent design considers the site in each of its three dimensions and may decrease the density or exceed the minimum zoning requirements. Such extra thoughtfulness can reduce the actual cost to construct each lot and increase the perceived value of each lot.

While possession is nine-tenths of the law, perception can be nine-tenths of value. The success of each project can be gauged by the perception of value it creates in those who are the purchasers, tenants or consumers. In real

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estate development, these perceptions begin with the plan design and approval process and continue through the final sale. The ease with which a project moves through the municipal approval process is heavily dependent upon the value it adds to the existing community. And while an easy way to build community consensus is through the design charrette process, few projects actually involve this "community input" step. Likewise, an easy way to add value to the final sale is to stick with the basics. For example, each lot in a new residential community should have a modest backyard — not just a slope outside the backdoor; each retail shopping complex should incorporate separate vehicular and pedestrian access paths that minimize conflict between these symbiotic yet dichotomous uses; and, each distribution center should have traffic controls such as turning lanes and signals that facilitate quick access to and from the center. As experienced developers will attest, incorporating these simple features will improve the perception of the project.

While no single size fits all sites, considering how a site will be perceived, differentiating the site from others like it, and paying close attention to the relationship between the density of the development and the cost of that density will greatly improve the value of a site. Who said design can't be intelligent?

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