

Market-based Ideas and Designs for Today's Builders and Developers from Feinberg & Associates and Home Design Services



INNOVATE



A new active adult formula that appeals to baby boomers.

Page 4

also in this issue

Page 2

Town Centers Bring the Small Town Uptown

Town Centers aren't just for yuppies anymore.

INSIDE



THE MARCON GROUP

Read about our new sales and marketing affiliate.

Page 4



THE BOOMER CHALLENGE

A nationally recognized active adult marketing guru talks about satisfying today's boomers.

Page 6



ASK THE EXPERT

The housing industry is having a tough year. Should builders get back to basics?

Do Golf Course Conversions Make Sense?

According to the National Golf Foundation (NGF), American golfers spend about \$20 billion on green fees each year, but is that enough to support the 16,000 courses that exist across the nation today? Developers banking on the golf frenzy opened nearly 400 new 18-hole courses at the height of the golf's construction boom in 2000. Unfortunately, growth in play rose only slightly more than 1 percent per year and eventually leveled out in 2003. Since then, market saturation has caused fierce competition among golf courses and many owners of older or modest courses are looking for a way out.



Rezoning Hits the Rough

Once the club owners have made the decision to sell, the land must be rezoned before it is sold. This could pose a lengthy legal process if local citizens oppose the idea. Typically, concerns about infrastructure costs, increased traffic, density, and changing the character of the community arise. It is up to the club owners and developer to diffuse any emotional response and convince the community and zoning board that rezoning the land can offer benefits such as housing, open space, and increasing the tax base.

Out of the Bunker

Course owners and residential developers alike are well aware that land has become too expensive to maintain a golf course that is not economically viable. Struggling courses trying to stick it out until the market improves are finding relief by reducing the number of greens and selling part of the course for redevelopment. With residential developers scrambling to find available land, course owners struggling to meet their bank debt, and municipalities eager to increase their tax base, selling all or part of a course for redevelopment seems to be a winning proposition—or is it?



Don Pearce Photographers

Moving Beyond Fond Memories

Private courses owned by its long-term members pose unique obstacles to development. Although long-time club member-owners may understand that an outdated course and clubhouse is a financial liability, they often have a hard time coming to grips with letting go of a part of their history. It is difficult for them to sell a place they associate with their children getting married, family reunions, the lifelong camaraderie they had with their golfing buddies, and other special memories. Builder-developers should become a virtual 'member of the family' in order to gently guide members to move past their emotional ties and make a fact-based decision about selling the course.

A Letter From Our President



Feinberg & Associates prides itself on the ability to adapt to changing market conditions by offering you creative solutions and essential services. We recently expanded our family of services to include The Marcon Group, which provides comprehensive real estate sales, marketing, and advertising services. We also welcomed a new team member, Joe DiBernardo (a former builder-developer) who will be handling new business development for F&A. Look for Joe's 'Ask the Expert' column in Markitect for a unique look at the housing industry. That's not all, we plan to introduce an exciting new interior design team very soon, so stay tuned.

This issue of Markitect emphasizes flexibility and why it is your key to success. Find out how struggling golf courses reduce debt by downsizing and rezoning land, how builders must make massive changes to the traditional active adult model to attract a new generation of buyers, and how mixed-use town centers can be targeted to upscale boomers yearning for nostalgia.

Bill Feinberg



Fred Forbes Group

Town Centers Bring the Small Town Uptown



Tom McWilliam Photography

As development extends toward rural America, small towns that may have been overlooked for decades are beginning to get noticed by builders and home buyers. Communities that were once so small or far flung that a central business district was typically unnecessary, now find that their increasing population not only needs a town center, but it can sustain one.

Many new town centers bring back the nostalgia of a pedestrian-friendly Main Street. There are the quaint storefronts with living units built above them, the local bank, and the familiar coffee shop (even if it is a Starbucks), but something is different—today's town centers are even better!



Fred Forbes Group

Town centers are not only about shopping. They frequently target young professionals by offering stylish condos above upscale retail and restaurants. However, many builder-developers seem to overlook another consumer segment with very similar preferences—the 50-plus crowd. F&A has found that

many leading-edge baby boomers prefer to live, work, and play where they can avoid gridlock and still have access to shops, services and entertainment. They say that mixed-use town centers, even small ones, offer the lifestyle they are looking for.

While some boomers enjoy the excitement of living in an

urban area within walking distance to amenities, others want to completely remove themselves from traffic congestion and stress. Many opt to live in suburbs and rural areas just to find a slower pace. Members of this group have told us that they wouldn't mind driving a short distance to shopping and entertainment if it were in a central location such as a town center. However, being able to walk to the town center for work, shopping, and socializing is even more appealing.

Return to Mayberry

Boomers considering a move to rural or nearly rural areas say they want to escape their high-pressure lives, recapture the nostalgia of their childhood, and enjoy a small-town pace. They want to walk to shops, greet their friends while out and about, enjoy a latte for lunch without waiting in

line. Although some members of this generation yearn for a small town atmosphere, they don't want to sacrifice the uptown conveniences they have come to enjoy like gourmet coffee shops, upscale kitchen stores, and first-run films.

Successful town centers seem to provide exactly what baby boomers want to remember about the good old days—a small-scale place to shop, socialize, and perhaps even work that is quaint, clean, and close. We need to remember that the town center experience is not just for the hip thirty-somethings, it's for the nostalgic boomers, too.



Fred Forbes Group

LIVINGSTON TOWN CENTER- We are proud to have participated in designing Roseland and Eastman Companies' unique mixed-use Livingston Town Center. In addition to being recognized as one of North Jersey's top shopping destinations it is also complemented by a stylish array of townhomes, condominiums and single family residences.



Fred Forbes Group

Community Amenities That Sizzle



Don Pearce Photographers

We are living in a changing world and a changing social and cultural environment. All around us—the way we dress, the way we live, our entertainment, our recreation—everything has become less formal and more spontaneous. We need to recognize how this changing world will impact the communities we will be building in the future.

Builders should think smaller in today's environment. Even if they have secured a large piece of land, we caution that they should use very gradual phasing so builders will have the opportunity to make changes based on what their buyers want.

Living With Nature

The baby boomers say they want to live more simply and peace and quiet rank high on their priority list. They reject the type of programmed activities associated with a clubhouse and enjoy spending their leisure time in the great outdoors, instead.

Creative architects and planners can subtly design nature-based amenities into the community landscape that will resonate with this consumer. Woodland trails would accommodate those who like to hike and bike, and a man-made lake could attract those who enjoy

fishing, boating, and observing wildlife. Extensive community landscaping could provide a backdrop for native flora and wildlife.

When a developer cannot provide lakes, woods, and natural habitats, locating a new community, near public parks that offer these types of amenities can still go a long way toward attracting the over-50 crowd. Homes that have a natural view and communities located near a wildlife sanctuary or national forest will give boomers ample opportunity to roam, run, and fish.

Volunteering Works

This age group believes they can make a difference in the world and volunteer more hours than any other age segment except senior citizens. Working boomers who consider themselves movers and shakers professionally, want to apply this kind of energy to serve their community. Communities that connect them with opportunities to mentor, teach, and solve problems are in tune with what really matters to this generation. Building an age-targeted community in a college town might be a good way to attract boomers who want to teach classes or become part of a mentoring program where they can pass their knowledge on to college students.

Heading Back to School

Some colleges are partnering with developers to build college-linked communities that are either near or on college campuses. These communities offer residents special academic and social opportunities associated with the school. Baby boomers like the fact that college-linked communities offer access to lectures, concerts, fitness

facilities, and spectator sports.

A new housing concept that is beginning to appear near colleges and universities is the condominium hotel. Often alumni buy these maintenance-free condos for occasional weekend retreats during football or basketball season. When not in use, condo owners can include their unit in a rental program. The unit would be available when they need it and a source of income when they don't.

Hospitality

The baby boomers want to bring hospitality services closer to home. In F&A's studies on boomer preferences, virtually everyone we spoke to seemed pleased with the idea of a small inn or bed-and-breakfast that would be part of the community. They saw this not only as a unique feature, but also as a real help when they have guests visit. It would be simple for builders to construct a bed-and-breakfast on an outparcel of land and then rent it to innkeepers, thus removing themselves from the demands of managing an inn.

In addition, this generation is excited by the idea of having a full-time concierge available to manage the little hassles in life. Their desire for maintenance-free living extends far beyond exterior upkeep. They want to be free from picking up the laundry, waiting for the cable man, and other chores that distract them from the things they like to do.

The baby boomers are constantly on the lookout for something new and will respond to amenities that stand apart from those in existing communities and also fit their spontaneous lifestyle. More research is needed, but we have a hunch that if housing can find ways to work with the hospitality industry to make boomers' lives more convenient, we might be able to motivate more of them to move into new homes.



Tom McWilliam Photography



by
William E. Becker

Reinventing the Active Adult Marketplace



Although the current national housing market is in a soft condition, active lifestyle communities continue to sell, and this trend is likely to continue as the baby boomers seek out a mid-life change. The good news for builders-developers entering the active adult segment is that many boomers have cash assets, home equity, and a desire for a new active lifestyle. The bad news is that the active adult housing segment is changing and it will take much more effort to satisfy the boomer's desire for a wide variety of choices than for any group in the past.

60 is the New 40

The new active lifestyle buyer is not only going to be younger in age (close to 60-65), but also younger mentally and physically. Often those who are in their 60s act like they are only 45-50 years old—the prime of mid-life. Many are continuing to work, starting new businesses, traveling without children, re-educating themselves, and doing activities they could not do while raising a family. This group's changing



lifestyle signals a desire for a new and exciting lifestyle. Several factors will play into the new active adults' decision to buy:

Boomers are not going to move to today's 50-plus communities. They will only move to homes and communities that fit their lifestyle.

The Changing Product Design Mix

Historically, the 55-plus lifestyle community segment has been heavily oriented toward single-family detached homes on sites ranging from 50-60 feet wide to 90-100 feet deep. This is beginning to change and builders are starting to offer villas, twins, pairs, and multilevel low-mid-high rises to the 55-plus buyer. They are offering a choice of product and price ranges as aging baby boomers gravitate to lifestyle living in both suburbia and urban areas.

Major Changes in Lifestyle Amenities

The baby boomers are redefining the term 'active lifestyle,' so builders will also have to redefine the type of amenities they will provide for this group. We expect that a vast majority of aging baby boomers will continue to work, many from home or a nearby virtual office, which will give them more free time to enjoy recreational

Nature Lures Boomers Out of Their Empty Nest

Are you wondering what you can do to entice the baby boomers out of their empty nest and into your new community? Well, you're not alone. This generation is always looking for something different and if you offer the same old golf course and clubhouse, they may not budge. Look beyond traditional programmed clubhouse activities and capture the attention of these former flower children with a community that allows them to get close to nature.

Relax in the Lodge

Don't just build a clubhouse, make it a relaxing lodge or nature center. Forget the once-obligatory ballroom and library, that's not what the boomers want. Tastefully and simply appoint the interior and exterior of the clubhouse to create the feeling of a rustic lodge. Perhaps even offer a learning center complete with a computer kiosk for searching local events and other activities on the Web. A studio area where residents have a place to make traditional crafts or even learn how to tie their own fishing lures might pique the interest of age 60+ home buyers, as would meeting rooms used for the

community's butterfly census takers to discuss observations made during their eco-excursions.

An outdoor pool is still a "must have" for all the traditional water activities associated with active adult communities, but activities can be expanded to include those that would excite baby boomers like

in-pool kayaking and canoeing.

Although boomers love outdoor recreation, it's not the only option. Site planners should also consider multipurpose court yard where home owners can join in tennis, basketball, or volleyball.





John Martinelli Photography

...mes without leaving their new community.

Large lifestyle communities (1,000 - 2,500 units) will lean toward 'resort/spa' concept by offering a full activity program in addition to land and water sports. The medium- and small-volume developments will emphasize their closeness to existing off-site facilities like public parks, lakes, golf courses, fitness centers and educational institutions.

New Era for Active Adult

Builders are beginning to realize that active adults are active buyers, no matter what the economy does. But as the boomers keep building, they will force us to make massive changes to the active adult formulas that were once successful. Builders who want to target this group will have to cater to their desire for a variety of choices in terms of product and amenities, because anything that smacks of their parents' active adult community will immediately turn the boomers off.



...noeing lessons. ...love nature-based ...only game in town. ...o include a mul- ...near the lodge so ...in an occasional ...lleyball game.

Hit the Trail

Consider developing a site plan that has an extensive network of trails suitable for exercise and nature study. Builder-developers can team up with local conservation organizations to install wildlife habitats and nature markers that explain the changing plants and animals that can be observed throughout the community. Use any natural (or man-made) water features, such as lakes, rivers, inlets, and waterfalls as recreational focal points.

The River Outfitter

If the community includes water features that are large enough to accommodate recreation, think about providing an outbuilding that would serve as an improvised fishing and boating outfitter. Residents could go to this building to take out canoes, mountain bikes, and fishing rods. An open lawn adjacent to the building would be useful for equipment demonstrations and nature programs conducted by the local fish and game department. It would also be ideal for meditation, Tai Chi, yoga, and holistic development classes with a back-to-nature theme.

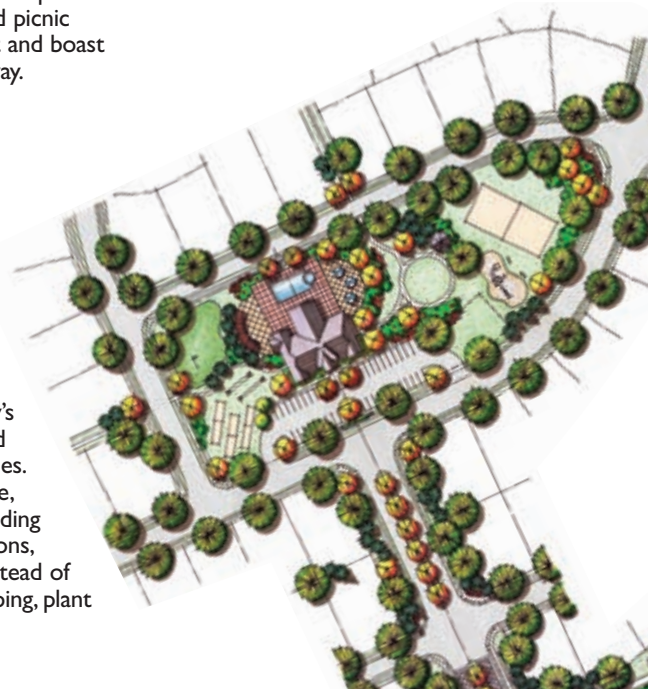
Tell 'Em About the One that Got Away

Don't forget to make use of a small pond or a passive recreation area located near the "lodge" or "outfitter shop." Provide Adirondack chairs and picnic tables so friends can hang out and boast about the big one that got away.

It's How You Row the Boat

The community amenities that appeal to this new generation of active adults may seem new and different, but many are not that far from what active adult communities have offered in the past. Today's active adult communities need to put a new twist on amenities. Instead of building a clubhouse, make it a lodge. Instead of lending out bocce balls and putting irons, lend out canoes and bikes. Instead of maintaining extensive landscaping, plant

extensive wildlife habitats. The basic amenities are still there, only updated to appeal to the baby boomer lifestyle. Remember, it's not always about offering something completely new, it can be about offering the same amenities in a new way.



John Martinelli Photography





ASK THE EXPERT

Joe Di Bernardo



2007 Market Trends: Back to Basics?

For over a decade I have been associated with Bill Feinberg and his staff as a builder-developer client. Together we concept designed and took through the approvals and eventual sales and marketing process thousands of townhouse and condominium units in New Jersey. Many of our projects were challenging redevelopment sites and were quite high profile in the marketplace as we converted environmental eyesores into award winning residential communities.

Now I am privileged to be part of the company as I offer my experience in the areas of sales, marketing, public/community relations and advertising to the Feinberg menu of comprehensive professional services. Having worked side-by-side with Bill and many of his long term staff members it is most comfortable for all of us to be working together from this vantage point.

How ironic that we are all going back to basics in so many areas of our businesses as

we now personally take stock of the matters at hand and become more directly involved in day-to-day operations. When there is a slowdown in the market as we are now experiencing, our staffs and the layers of people that kept us perhaps one or two steps removed from things have been pared down and we find ourselves becoming involved in acquisition, design, sales, marketing and financial issues.

Many builders are now evaluating with scrutiny the inventory of land holdings that they had amassed and are now divesting their companies of certain properties which are not essential to the overall bottom line of a firm. Our sales teams who were once content to be order takers in the fast paced markets we were enjoying, now have to be extremely well versed in dealing with very educated buyers. Many of our customers no longer go to the print media to read what had been the first stop in looking for a new home. Now our web sites are the most important selling tool that we possess and they

Fred Forbes Group



Our Unique Philosophy: Focus on the Market

When you finally understand what works and why, everything changes. We constantly ask ourselves, 'What are the trends? Who is the market? What are they doing today that affects the way they will live now and tomorrow?'

Everything Feinberg & Associates does from site design through architecture and interior merchandising is based on solid research of the demographics and psychographics of the market. We are noted for our ongoing use of consumer focus groups and our ability to set trends, not only in our architectural work, but in every facet of our business.

Making matters even more complex is the utter confusion surrounding our affordable housing requirements particularly here in New Jersey.

With all of this tumult in the marketplace builders look to companies that understand and appreciate the complexities of our markets. Builders seek firms that have the professional experience to work on concept designs and product lines that address the challenges that we are now facing in developing residential real estate. Developers also seek firms that offer an array of comprehensive services as a CEO's time is so limited and spread so thin.

As Feinberg & Associates maintains its long term relationships with established clients and delves with energy and enthusiasm into exciting new client venues, one thing that remains consistent is that Bill Feinberg remains personally involved in all aspects of each client's activities. Besides being an unusually gifted architect and concept designer, he also has the ability to integrate current marketing concepts into his company's designs and that dual role in an architect is something hard to find. That is why I am proud to be part of the Feinberg team!

Joe Di Bernardo, a Marketing Associate with Feinberg & Associates, is responsible for new business development. For additional information, he can be reached at 201-767-4005.

Page 6

FEINBERG & ASSOCIATES P.C.

ARCHITECTURE/SITE DESIGN/INTERIOR DESIGN

HOME *Design* SERVICES LLC

One Echelon Plaza
227 Laurel Road, Suite 201
Voorhees, NJ 08043

For more information please call 856-782-0100
or visit our website at: www.feinbergdesign.com