

Architecture Firm Develops New Design to Address Changing Market Conditions

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By Erika Schnitzer, Associate Editor

Newport Beach, Calif.—Newman Garrison + Partners recently announced a new design approach to address challenges faced by developers, landowners, financial institutions and municipalities. The solution, which the firm is calling New Block, is specifically targeted toward two-acre urban infill sites.



"It's a concept we started working on 10 to 12 months ago—it's really related to all of the market conditions we are dealing with," Kevin Newman, chairman of Newman Garrison + Partners, tells MHN. "We thought it was an opportunity to come up with a concept to deal with those constraints, to put a product on the market that banks would say, 'we can finance' and developers say, 'it makes sense to build.' It's really a wide range of issues that propelled us to take this course."

The prototype of the design is a high-density—up to 45 units per acre—type V wood-frame building, featuring up to 24,000 square feet of open space, smaller units and surface parking covered with a green roof. Of the available open space, approximately 45 percent is park landscape, with the rest available as active space that "becomes a hip, urban environment" for the new renter.

Newman adds that his firm is working with Detroit-based Live Roof, whose roofs obtain 20 LEED (Leadership in Energy and Environmental Design) credits. As California mandates some sustainable design in all projects, and the roof is already integrated into construction costs, Newman believes this is a win-win for all involved.

The design is simple to attain in terms of development, since construction costs are much lower than a standard model, notes Newman. For example, the cost in his market, he explains, is about \$132 per square foot for his prototype, as opposed to the traditional wrap or podium construction, which tends to cost between \$200 and \$250 per square foot.

"You have to get banks interested. If they are going to lend, it's going to be for less than \$25 million, and the unit count would be between 100 and 150 units max, so you really have to understand what all the players are looking at," Newman asserts.

"Demographics everywhere are going to be moving more toward urban core. It's where job growth will be and it won't change. With the high cost of gas, people living in the suburbs isn't going to be the norm anymore," observes Newman. "And you're dealing with 25 to 35 year-olds. This is a young, social, hip demographic in tune with what's going on in the world [in terms of sustainability]. It's a different mindset."

In addition, California currently has two bills in the works that will mandate that developers build near transit.

The prototype, Newman adds, has “really reached out to a far greater spectrum than just looking at how to attain higher density for lower costs. If you solve one problem but forget about the others, it won’t be successful.” With that in mind, adds Newman, his firm has created a model that is flexible—the design can be used for market-rate rental housing, as well as affordable housing, senior housing, student housing and condominiums.

The architecture firm started presentations about two months ago and has given close to 40 presentations so far; 15 presentations have been to other cities and municipalities. “Our next goal is to get the opportunities turned into contracts, and of course, like everything, it could be 60 to 90 days before anything comes to fruition. We have two projects in the next 30 days or less that could go into contract,” asserts Newman.

“The cost of land and construction has changed what we can do today, so we’re looking at other alternatives to moving development forward,” says Newman. “This is a great time to express one’s company and to get it out there because you just can’t take everyone for granted anymore.”