



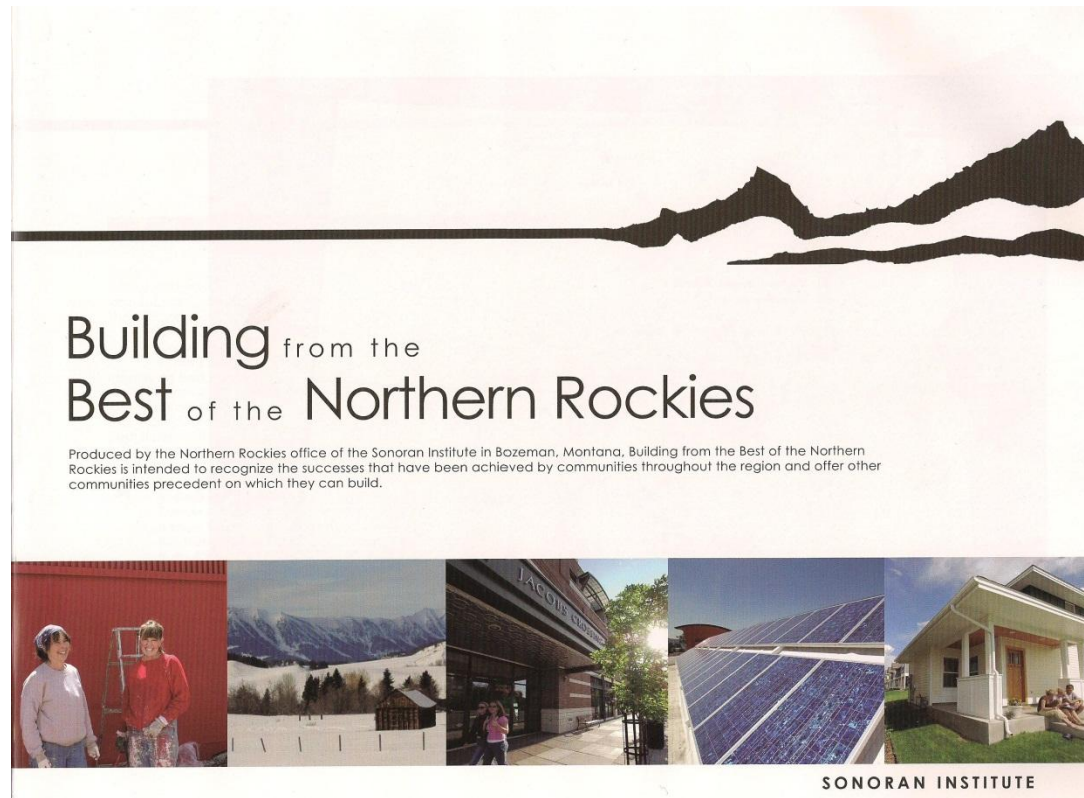
SONORAN INSTITUTE *presents the*

COMMUNITY BUILDERS SUMMIT 2013



Housing Market Trends in Rocky Mountain Communities

Findings from a study of the past and future markets in six
Montana, Idaho, and Colorado municipalities



Community Builders Summit

Ralph Johnson AIA, APA Bozeman, Montana

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Building from the Best of the Northern Rockies published in the late fall of 2006

- Projects selected demonstrated smart growth principles:
 - Innovative design strategies
 - Preservation of open space and cultural features
 - Protection of surface and groundwater resources
 - Sustainable energy strategies and passive energy design
 - Economically successful
- **Nationwide housing prices peaked in 2006 and fell 31% by December of 2008**
- **Nationwide commercial prices peaked in 2008 and fell 42% by June of 2009**

How did projects identified as the Best in the Northern Rockies in 2006 perform in the period from 2007 to 2011?

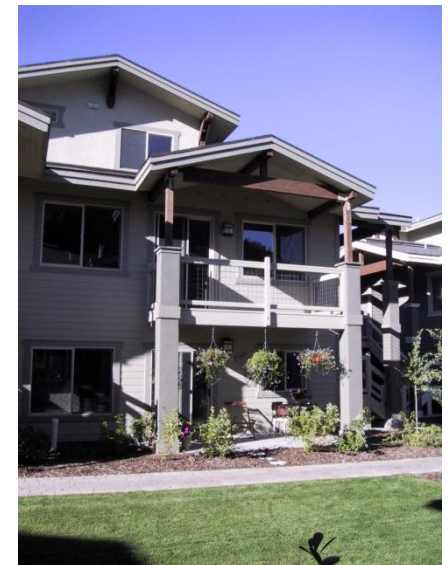
- Fields Condos – Ketchum, Idaho
- Hyde Park Place – Boise, Idaho
- Hellgate Meadows – Missoula, Montana
- Eagle Rock Reserve – Bozeman, Montana



Fields Condos – Ketchum, Idaho – Sawtooth Development LLC – Living Architecture, Architects

Forty-one (41) housing units on 2.2 acres with 17% open space resulting in a density of 18.6 units per acre

- Density bonus and setback variances granted in exchange for 33% of the units being dedicated to affordable community housing.
 - Deed restricted units sold originally for \$135,000 and in 2011 sold for \$180,000
 - Market rate units sold originally for \$380,000, reached a peak of \$600,000 in 2007 and in 2011 sold for \$400,000 (comparable to the 30% - 40% loss in market)
- Absorption Rates
 - Deed restricted within 30 days 2008-2011 – No units for sale in 2011
 - Market rate within 60 day 2008 -2011 – No units for sale in 2011
- Comparative Advantage
 - Energy efficient design minimizes utility bills
 - All units face south for maximum solar gain
 - Smaller units attractive to singles, professionals, retirees, and young families
 - Community spaces



Hyde Park Place – Boise, Idaho – Southers Properties – John Price Architect

Thirty-nine (39) units on .83 acres resulting in a density of 47 units per acre

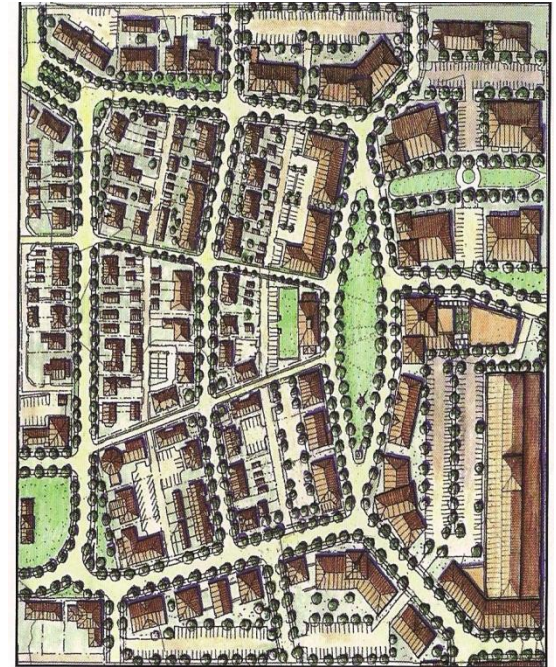
- **Market rate condominiums built on a brownfield site with 78 underground parking spaces**
 - Each unit is a unique design with the average sales price in 2006 of \$175 per square foot and in 2011 the price was \$200 per square foot
 - 2008 average unit sales price was \$275,000 and in 2011 sold for \$181,000 (33% loss comparable to market loss)
- **Absorption Rates**
 - Sales period of less than 60 day average in 2008 -2011 – No units for sale in 2011
- **Comparative Advantage**
 - Downtown location within walking distance to services, shops, entertainment, restaurants and parks
 - Relative small size of units appeals to local working singles, empty nesters, and young professionals
 - Relative small size minimizes operating cost
 - Imaginative unit designs, high quality kitchens and bathrooms
 - Secure and adequate underground parking



Hellgate Meadows – Missoula, Montana – Neighborhoods by Design LLC – Lennertz Coyle and Associates Architects

Ninety-seven (97) acre mixed residential and commercial development

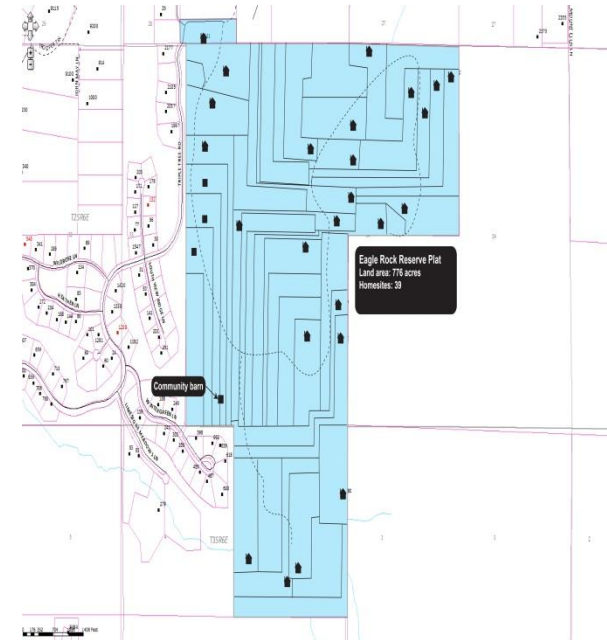
- **Residential units consist of single family homes, duplexes, fourplexes, condominiums, apartments, and an adjacent retirement community**
 - Alleys serve the residential neighborhood and accessory dwelling units are accessed by the alleys
- **Absorption Rate**
 - Residential unit sales were initially slow because of the uniqueness of the neighborhood but after the second year the absorption rate far exceeded that of other new subdivisions and sold out in 4 years between 2004 and 2008.
 - Price points for residential resale have mirrored the Missoula market but significantly shorter sales periods have been recorded (less than 40 days on average for 2011)
 - Commercial development has not met the goals of the business plan
- **Comparative Advantage**
 - Neighborhood mix, variety of price points, size of lots, small front-yard setbacks, landscaping, narrow streets, service alleys, small town feel and close proximity to parks, offices, and commercial activity
- **Comparative Disadvantage of Commercial Development**
 - Location and market perceptions



Eagle Rock Reserve – Bozeman, Montana – Bill Ogden Developer

Seven hundred and seventy six (776) acre, 39 lot subdivision with 659 acres or 85% held in common ownership

- **Residential units consist of single family homes located on a 3 acre designated build area within a 20 acre parcel**
 - The remaining 17 acres are designated as a common easement area managed by the homeowners association
 - Approximately 250 acres of common easement are leased for dry land and weed free hay production.
 - Approximately 250 acres of the common easement area is set aside for horse pasture, cattle grazing, timber production and community gardens
 - The remaining 150 acres of common easement is dedicated to trails, open space and wildlife habitat
- **Absorption Rate**
 - Phased development permitted limited investment in infrastructure paralleling lot sales
 - Sales rate reflected the absorption rate for the price point (no comparable market)
 - Lot prices have never declined
 - Developer maintained a higher rate of return from 1986 to 2011 than stock investments
- **Comparative Advantage**
 - Open space and developable nodes planned in response natural systems and intended to serve the community visually, socially, culturally and psychologically can create and preserve economic value



The Others

Bodo – Boise, Idaho – Birx and Company

- Mixed use commercial and residential



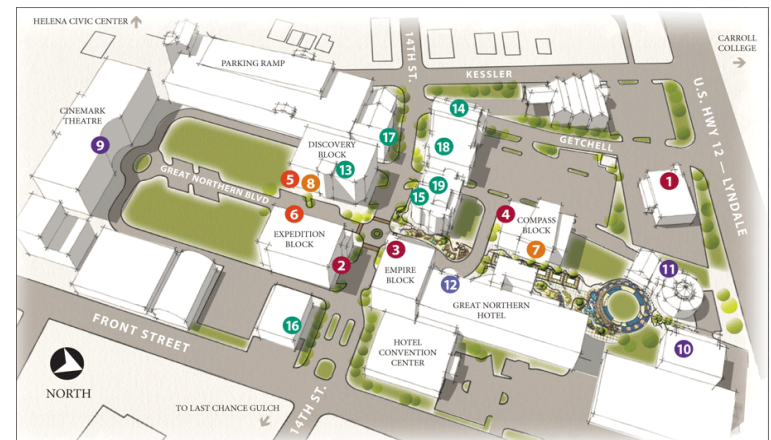
Front Five – Boise, Idaho – OAAS Lanely

- LEED adaptive reuse office building



Great Northern Town Center – Artisan LLP

- Mixed use brownfield commercial



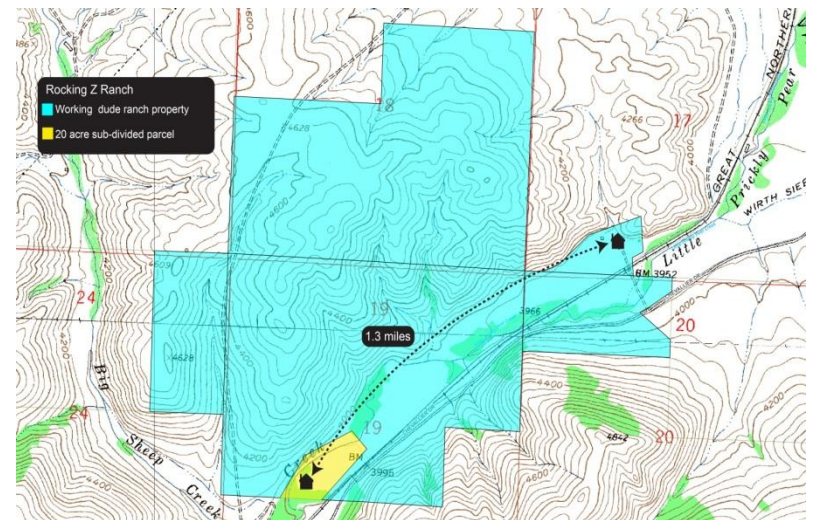
Valley West – Bozeman, Montana – Aspen Group

- Mixed residential typologies neighborhood



Rocking Z Ranch – Wolf Creek, Montana

- Small homestead, large landscape preservation



Conclusions

- None of the projects selected for post-recession analysis were immune from certain aspects of the economy during the period from 2007 to 2011
- All achieved their initial and sustained competitive success due to a cooperative relationship between government agencies and the developer
 - Sometimes public funds
 - Always a shared vision and community involvement
- **Green Strategies**
 - Links to the existing community, walking trail, open space
 - Energy efficiency
 - Walkable streets
- **Interesting mix of uses or housing types**
 - Flexibility in diversity
- **Innovation**
 - Responsive to the local conditions
 - Awareness of natural, social, cultural and economic circumstance
 - Fit

Credits

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