

BUILDER AND DEVELOPER™

The Management Resource for Professional Homebuilders Nationwide

Volume 32, No. 2 Issue No. 363

BUILDER.MEDIA

FEBRUARY 2022

\$10.00

BedBrock Developers

is Redefining Luxury in Arizona



Amber Clore

A. Clore Interiors



Bill Darcy

KBIS



Mollie Elkman

Group Two



Jerry Konter

The **RED** Interview



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Gina Nixon is Executive Vice President, Marketing for Thomas James Homes.

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Community Profile: *Pradera Homes*



▲ Each house has a two-car direct access garage and driveways long enough to accommodate two additional cars.

Pradera: SFR Community Attracts All Demographics

The new year brings new trends



By Aurielle Weiss

Pradera is a 250-unit Built-for-Rent single-family rental (SFR) community in San Antonio, Texas. A joint venture between AHV Communities and Bristol Group, Inc., a San Francisco-based investment and development firm.

San Antonio is one of the nation's fastest growing cities for population and job growth. An estimated 350,000 jobs are within a 25-minute drive of Pradera in the technology, banking, health and military sectors. Major employers include Microsoft, Wells Fargo, Frost Bank, Valero, USAA, Methodist Hospital and QVC.



▲ An onsite maintenance and management staff oversees all landscaping, repairs and maintenance.

► Pradera is a burgeoning area where demand for quality housing outweighs supply and where renters seek better options.

► Unlike other competitors, AHV's class A communities are differentiated by being enviably amenitized.

Pradera is strategically situated in the coveted Northside Independent School District, about one mile west of Loop 1604 adjacent to Alamo Ranch, one of the nation's top-selling master-planned communities.

This community provides a new and exciting alternative to rental living for every demographic from Millennial to Baby Boomer. The 43-acre site sits on Culebra Road, a major east/west artery in San Antonio, in a fast-growing submarket.

The gated SFR community offers its residents more than just a home. Pradera's vibrant common spaces include a clubhouse with Wi-Fi, café style working areas, community kitchen, luxury swimming pool area,

state-of-the-art fitness center and dog park as well as walking trails.

In addition to a rich set of amenities, residents enjoy the privacy of the expansive stand-alone homes. Each of the three- and four-bedroom homes feature a two-car garage, front and back yards, quartz countertops and farmhouse sinks in all kitchens, Kohler faucets and fixtures, tiled showers, energy-saving stainless steel appliances, Trane HVAC systems and LED lighting.

Residents experience a hassle-free lifestyle at Pradera, eliminating the need to deal with upkeep. A professional, onsite maintenance and management staff oversees all landscaping, repairs and maintenance.



This community provides a new and exciting alternative to rental living for every demographic from Millennial to Baby Boomer.”

- Mark Wolf, Co-Founder and CEO, AHV Communities

► Each kitchen includes quartz countertops and farmhouse sinks, Kohler faucets and fixtures and energy-saving stainless steel appliances.

PROJECT INFO:

Project Name: Pradera
(www.livepradera.com)

Location: San Antonio, Texas

Architect: KTGy

Builders: AHV

Interior Designers:

Mary DeWalt

Type of Product: Single-family rental

Started: 2018

Completed: 2020

units currently built: 250

units at build out: 250

units are sold / occupied:
239

KEYS TO SUSTAINABILITY:

Energy Star Appliances

HVAC / Programmable: Thermostat: WiFi thermostat

Insulation / Weatherization

LED Lighting

Low VOC Paint

Smart Home Technology

THREE FLOOR PLANS, INCLUDING:

Azalea: 3-bed, 2-bath, 1,435 sq. ft., \$2,119 - \$2,224/month

Bluebonnet: 3-bed, 2.5-bath, 1,555 sq. ft., \$2,219 - \$2,294/month

Cypress: 4-bed, 2.5-bath, 1,942 sq. ft., \$2,589 - \$2,609



AHV Communities is a best-in-class developer, builder and operator of Built-for-Rent luxury single-family and attached home rental communities. The company was the first in the U.S. to pioneer and introduce SFR homes built from the ground up and presented in contiguous communities.

They select locations strategically, targeting burgeoning areas where demand for quality housing outweighs supply and where renters seek better options. All AHV communities are designed, located, and maintained with care to be able to attract renters not just now, but in the long term.

KTGY was selected as the architect for the homes and amenities for their national presence and award-winning creativity. Pape Dawson was selected as the civil engineer for the project and has a strong and lengthy history in San Antonio. MP Studios provided landscape architecture services.

Mary DeWalt, a well-known and successful design firm in Central Texas, provided design input on the homes and amenity center as well as merchandising the furniture for the amenities.

One of the stand-out selling points of this

community is its efficient floor plans, which balance function and design. The homes feature open space, ample storage and high ceilings (in select units). Each unit offers covered patios in front and/or rear as well as a private fenced backyard.

It is also rare today to find infill rental communities with two-car direct access garages and driveways long enough to accommodate two additional cars, like Pradera does.

This community attracts renters of varied demographics and ages, though young families, Millennials and Boomers are three core groups attracted to the homes. They have also seen strong demand increase due to COVID, resulting in a growing desire among renters for more space to work and study from home, as well as for robust amenities and outdoor spaces. The market and regional rental demand drives a lot of the pricing. The location of Pradera near a well-sought out master-plan community and school district has made the community and area highly desirable. **BD**

Aurielle Weiss is Assistant Editor of *Builder and Developer Magazine*. She may be reached at aurielle@builder.media.

Builders and Single-Family Rental Developers Continue to Battle for Land

Amidst Record Lease Rates and Construction Starts, Demand for Land Surges

By Mark Wolf

Heat within the single-family rental (SFR) marketplace continues to rise with no release. In November 2021, CoreLogic announced September 2021 data from its Single-Family Rent Index (SFRI) that demonstrated a national rent increase of 10.2% year-over-year, up from a 2.6% year-over-year increase in September 2020. The firm cited record low SFR vacancies and ultra-competitive for-sale market conditions as drivers of the double digit SFR rental rate growth.

Like the surge in rental rates, SFR construction starts reached its highest quarterly volume on record during the third quarter of 2021, according to an NAHB review of data from the Census Bureau's Quarterly Starts and Completions by Purpose and Design. The analysis identified approximately 16,000 SFR starts during the third quarter of 2021.

It seems that many players have jumped into the sector looking for a chance to capitalize on the enthusiasm, creating an overly heated market. Yet, savvy industry veterans know something's got to give. Too much money chasing too few good deals will ultimately lead to problems. Eventually, the SFR arena must level.

The Battle for Land Continues

Substantial competition exists today between big money, such as private equity funds, traditional homebuilders and seasoned SFR developers as they battle for land assets. Land remains a scarce commodity. In many ways, nothing is surprising about the current fight for land, however the issue is more pronounced today than ever before because there is so much capital entering the space.

One competitor is institutional capital. Funds, which typically join forces with an operating partner, are now entering the sector directly, without any partner. Competing alone, these

funds can actually pay more for land because they don't need to share profit with a partner. With a shifted target return, these players can overpay for land, beating out many traditional SFR developers.

Homebuilders are another major competitor for land, and not just for assets they want to build for-sale homes on. Many of the country's biggest homebuilders are now active in the SFR sector, building homes in bulk and selling them

“While builders boast low capital costs, the SFR developers with vertically integrated businesses that build, amenitize, manage and maintain communities onsite have their own advantages.”

to third party operators who subsequently rent them. Typically, builders benefit from a low cost of capital, which is helping them to capitalize on the SFR craze and to gobble up as much land as they can for future rental communities.

Traditional SFR developers are also looking for land. However, unlike many of the big builders, SFR developers are typically looking for smaller land assets. The comparison in size is stark with SFR developers roughly seeking 15- to 30-acre sites for 150-home communities, on average, and builders comparatively seeking 200- to 300-acre sites for 500- to 800-home communities.

While builders boast low capital costs, the SFR developers with vertically integrated businesses that build, amenitize, manage and maintain communities onsite have their own advantages. They benefit from the ability to hold community assets

longer if they wish, giving them the ability to pay a bit more for well-located land they believe will deliver significant ROI longer term.

Location, Location, Location

A lot of the land competition is occurring in secondary, non-coastal markets where the relocation of people from urban cores, traditionally higher cost and higher wage markets continues. Prime examples are the widely

publicized movements of people from New York City to Florida suburbs and the exodus of city dwelling Californians to numerous locations within Texas.

As is always true for real estate, location matters. Dynamics will shift in the for-sale arena, post-COVID work may resume in traditional office locations and any number of things can change. In many scenarios, secondary and tertiary market rental homes will likely suffer first.

Ultimately, success is tied to land location. The players and communities with strong fundamentals and locations will be the ones to survive and thrive. **BD**

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