

XY Access

Sivica's entrée with first-time home buyer cohorts makes amenities and aspirations affordable.

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Take a half-hour drive north from Atlanta, up I-575 near fast-growing Canton, Ga., and you are bound to see the giant billboard urging young home buyers to visit a new community touted as their “Base Camp for Life.” When the project, named Park Village, opens in 2007, Sivica Homes is betting visitors will have to suppress the urge to pitch a tent and unroll a sleeping bag in the heart of the campy community ambiance.

Because of the community's proximity to some of the region's greatest natural assets, the Alpharetta-based start-up builder is marketing it to health and

fitness-conscious Generation Xers—“extreme adventure at your back door,” jokes Irene Hall, vice president of marketing for the builders' parent company, Sivica.



THREE-PRONG POWERHOUSE: (From L to R) Dave Odom, Kevin Reese, and Kyle Dempsey leverage Sivica's community development arm to enhance the home building divisions' product.

Every element, from the rustic sales center, to the lodge-style clubhouse, to the miles of National Parks Service-designed hiking trails weaving through the property, is being designed to tap into the activities and lifestyle of those who love the great outdoors.

The exurb location doesn't appear to be a little too “mainstream” for Gen X these days. Gen Xers have grown up, taken jobs, and married. Many now are looking for a place where they can have it all—family, friends, activities, all at the right price.

Intent on selling lifestyle communities to buyers on a shoestring, Sivica Homes appears to have found a sweet spot in this formerly enigmatic generation, and with two parts method and one part magic, has become a magnet for the Gen Xer niche, defying most builders' success models flush with diversification.

Whether or not the focus on one buyer group proves to be a healthy long-term position, no one can deny that it's been an effective entry strategy into the competitive Atlanta market—closings have snowballed from nearly 100 homes in 2005 to a projected 600 homes in 2006. Now, with its lot position especially strong in Atlanta's exurbs, Sivica's net is in perfect position to capture the flock of twenty-somethings turned thirty-somethings looking to roost.

And, if the nearly 10 leads a day from under-30 types that are being generated from the Park Village billboard are any indication, Sivica Homes stands to make a living. Hall expects to eventually close out 75 percent of the 650-home project to Gen X buyers.

COMING OF AGE

Ranging in age from roughly 28 to 40 years old, it seems Gen X has finally grown up. These buyers are no longer the debt-ridden, problem-with-authority generation, exhibiting typical middle-child syndrome characteristics while searching for an identity distinct from boomers and their “mini me” Gen Y offspring. Although attitude still exists—Gen Xers still want things the way they want them—many have moved into nesting mode.

Granted, it's taken them longer than their parents. But, prior to taking the plunge, they've cleaned up their credit and made homeownership a priority. In fact, as Gen Xers have moved from their 20s into their 30s, homeownership rates for the group climbed from 27 percent to 63 percent, according to research by the Joint Center for Housing Studies at Harvard University.

At Sivica Homes, the Gen X appeal emerged as a side effect of the company's mission to deliver an attractive home, in a highly amenitized community, at an affordable price, according to Kyle Dempsey, Sivica Homes' president. And although he makes the synch-up seem like a serendipitous by-product rather than strategic planning, the market's demographics make it look like pure genius.

Atlanta has one of the highest concentrations of Gen Xers in the nation. In fact, with 35 percent of its population falling between the ages of 25 and 44, the group represents the city's largest demographic slice. The median age is 32, which means that X marks the spot for Sivica Homes' average buyer at 31.

But what's critical to capturing the essence of this buyer—and the execution of the company's mission—is the development of a well-designed product. Looking for a way to differentiate itself from competition in this lower-end market, the company opted for traditional neighborhood development (TND) communities. Dempsey was determined to avoid becoming another home builder with a cul-de-sac. Instead, he directed his people to focus on aesthetics, creating craftsman-style takeoffs with big front porches and alley-loaded garages. “No one has paid any attention or detail to aesthetics for affordable housing. We think that's an error, and we're capitalizing on that,” he explains.

The traditional style, coupled with a higher density, creates a Main Street, neighborhood feel that pierces many Gen Xers' childhood vulnerabilities. That tangible sense of family, home, and community resonates on an emotional level by creating a nostalgic bond with a childhood they, as the most self-reliant generation ever, never experienced.

Maxine Lauer, president of Sphere Marketing, a Waterford, Mich.-based consumer and design consultancy, says, Gen Xers “felt their [childhood] home was missing a lot,” as a generation of latchkey kids with divorced parents and full-time working moms. But while these buyers are captivated by a sense of tradition, builders can't forsake the modern necessities. “They like tradition and traditional, but they want it with a twist,” says Lauer.

THE DETAILS

It's for exactly that reason that Sivica Homes' homes have a more modern footprint inside, says Hall. Although the homes trend on the smaller side—single-family homes generally range from 1,850 to 2,700 square feet—an open floor plan and 10-foot ceilings reflects this generation's desire for a relaxed living atmosphere.



COMMUNITY DESIGN: This design center for Sivica Homes' The Township at Mulberry Park brings some of the community's signature elements inside.

Hall says the company has also tried to appeal to this generation's need for speed and convenience by offering bundled technology packages that can be wrapped into a buyer's HOA fees on a yearly or quarterly basis. “They don't want to deal with having to call the phone company, the cable company, the Internet service provider,” Hall explains. “They want it fast.”

Ashley Christofferson-Cunningham, president of Oklahoma City, Okla.-based Brass Brick Homes, targets this group of buyers in her custom home building enterprise of about 100 homes a year. And according to her research and experience, product is critical to this group of buyers. Christofferson-Cunningham has been studying the Gen X generation for roughly a decade and has authored the book, *Marketing and Selling to Generation X: A Unique Generation of Home Buyers*. She says there has been a radical shift in Gen X's psyche in the past decade. As twenty-somethings, they rebuffed the idea of marriage and children, but now, as thirty-somethings, Gen Xers are all about family. And a successful home design has to reflect the lifestyle change from swinging single to family plan.

“If you can get the right product, you’ll make a lot of money because not many people have figured it out,” she says. She’s now going after the “desperate housewife look” in some of her company’s designs, which means more traditional exteriors, front porches, and more emphasis on the front yard to encourage neighborly interaction.

While Christofferson-Cunningham can go on all day about the importance of having bonus rooms, extra bedrooms, and great rooms, she’s hesitant to say that community amenities rank high on Gen X’s list of priorities when buying a home. “If you offer anyone any of those amenities—especially a Gen Xer—they’ll say yes, yes, and yes. But what it gets down to is, “how much is it going to cost?” she explains.

And it’s here that Sivica boasts another competitive edge when attracting Gen Xers. Dempsey admits that many of the Atlanta metro area’s home building bastions—Bowen, McCarr, KB, and Choice among them—remain competitive from a price standpoint. However, he contends that in addition to product design, Sivica Homes’ has the ability to pad a deal with value by offering lifestyle amenities historically unavailable to the first-time or first move-up buyer.



WONDERFUL DAY IN THE NEIGHBORHOOD: Architectural detail added to both townhome and single-family product creates a traditional neighborhood.

Because the home building operation is just a single prong of the multifaceted land development company of Sivica, Dempsey’s division gets first dibs on anything the development arm controls without incurring all the risk or expense in amenitizing the community. In addition to Sivica Homes, the parent company, founded by Kevin Reese and Dave Odom, includes communities, hospitality, and retail arms. And that diversity allows Dempsey to create highly amenitized communities while keeping price tags between \$170,000 and the high \$200,000s. “Our developer arm can do these massive [land] deals, flip off some [lots], and we get the best pods and build some killer stuff,” Dempsey explains.

In addition to community pools, tennis courts, and clubhouses, the company is getting increasingly innovative in its amenities packages. It’s creating wireless “clouds,” (strategically placed wi-fi hotspots) so community residents can cruise the Internet or

check e-mail by the pool or in the clubhouse. A lazy river design borrowed from the site plan of a water park is also slotted for a new community near Savannah, Ga. Pocket parks and tot-lots, which create family play-space, are also becoming community staples.

DIVERSIFY OR DIE?

Today, the company is poised to own the region's Gen X space since most home builders are duking it out for this buyer on price and little else. But, as the economy forces a shift in market dynamics and biggie builders gobble up greater market share, competition will steepen for Gen X dollars, forcing all builders to push the design envelope further.

“Eventually when you get big builders creating communities in the same space—then the market is going to say, besides price, what's different?” says David A. Morrison, president of marketing consultancy Twentysomething. “When [builders] are literally on the same block is when we'll see them redesigning. I think it's something coming down the pike.”

Despite the abundance of Gen Xers drawn to their communities, the under-40 buyer isn't the only group looking at what Sivica Homes has to offer. Already some of their communities are attracting the odd 55+ buyer who wants the amenity-rich, maintenance-free lifestyle and appreciates a multigenerational community. And as the company looks to gain market penetration in what has the makings of a harsh downturn, examining that boomer buyer profile and aligning it with more targeted products and communities certainly makes sense.

To the competition, Dempsey says bring it on. “We'll be sharpening our sword,” he says. “We want to have our quiver full of so many arrows that no matter what the market conditions are, we will exist.”