

## When smaller is better

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### Builders shrink and simplify home designs in response to changing demand by buyers

By Scott Van Voorhis, Globe Correspondent | March 25, 2010

With plans to start a family, Christopher and Jessica Snow knew they wanted a new house as they began scouting out small towns last year along the Interstate 495 beltway.

But the more they saw, the more they shied away from houses that were 3,000 square feet and larger. Instead, their dream home turned out to be a 2,500-square-foot contemporary Colonial they bought for \$489,000 in a fast-growing Groton subdivision.

"We didn't need to go that big — it's just too much," said Christopher Snow, who works in product development for [Monster.com](http://Monster.com). "We wouldn't pay a premium for that extra space."

An apparent shift in the popularity of oversized homes in favor of more modest, lower-cost designs is emerging amid signs of a local uptick in new construction that is mirroring national trends, according to builders and area officials. While housing starts and building permits are up modestly across the country this year after a dismal 2009, the average size of new homes has been shrinking. By the end of last year, the average home size had dropped to 2,373 square feet, from a peak of 2,507 square feet in 2007, the US Census Bureau reports.

And local builders are responding, shrinking floor plans, eliminating formal living rooms and making other changes to slash square footage and bring down the cost of new homes.

Bruce Wheeler, whose North Reading-based Habitech Inc. is building the Academy Hill subdivision where the Snows bought their home, is among the developers scrambling to meet those changing tastes.

Back during the real estate boom years, Wheeler said, he was building 3,500- to 3,800-square-foot homes in Groton and selling them for up to \$800,000.

But the recession and a newfound aversion by lenders to riskier jumbo mortgages have caused demand for larger homes to evaporate, he said.

Wheeler, with subdivisions under construction in Groton, Stow and Ayer, said he has kept the same designs, but dramatically scaled back the square footage to 1,800 to 2,500 square feet. He's also cut prices accordingly, with a midpoint of roughly \$400,000.

"We are building traditional, New England-style homes," he said. "They are really just a more compact, shrunken down version of that."

This embrace of smaller and less expensive new construction seems more prevalent along I-495, where land costs are cheaper, than in communities closer to the Route 128 belt, such as Wellesley, Weston, Needham, and Sudbury, according to builders and some local officials.

In Sudbury, most of the single-family homes under construction appear to be as large as ever, said James Kelly, the town's building commissioner.

He points to a 4,200-square-foot Colonial that will be taking the place of a 1950s-style home slated for demolition.

"That is what sells," Kelly said. "People want those three-car garages and high-end finishes."

Nor has there been any reduction in size in Dover, where the new homes, on average, are about 8,000 square feet. The average house lot sells for \$850,000, making the construction of small homes uneconomical, said Anthony Calo, Dover's building commissioner.

There are exceptions, though.

In Wayland, two new developments feature “green homes” of 3,000 to 3,500 square feet, with energy-efficient features and surrounded by conservation land.

That’s a dramatic departure from the boom years, when some new homes were reaching 7,000 square feet, said Sarkis Sarkisian, Wayland’s town planner.

William Ronca, a home builder in Franklin, spent the boom years putting up \$800,000-and-up Colonials for rising corporate executives and their families.

Now Ronca is downsizing his home designs, from 3,700 square feet to as low as 2,800 square feet, and his prices to roughly \$600,000.

“Everyone is sitting on the fence,” he said. “They don’t know how secure their own jobs are.”

As they cut the size of their home designs, builders are also working to preserve their allure.

A popular target is the formal living room, fast becoming an outmoded feature for many young families, according to Thomas Skahen, a founding partner of PrimeTime Communities, a Littleton-based marketing, research, and sales company.

There is also a shift to more open floor plans, such as having the kitchen flow into the dining room, which creates a roomier feel without actually adding square footage, Skahen said.

Builders are also leaving off extras, such as three-season rooms or decks, moves that can also keep the cost down.

“You just don’t want to ramp up the square footage and the cost,” Skahen tells the builders he advises. “Your buyers are just not willing to pay for it.”

“We are losing entire rooms in some situations,” he said.

And many of these new homes sit much closer to their neighbors, on much smaller lots.

For their part, buyers say the change fills a gap in the suburban market, too often dominated by expensive and oversized new Colonials or smaller town homes.

Wendy Flaherty and her husband, Richard, just bought a 2,300-square-foot home in the Academy Hill development in Groton for \$429,000.

“We just wanted to stay within a doable mortgage and actually have fun with our family,” Flaherty said. “I have seen so many people who get into these homes and become house poor.”

Flaherty said the development’s smaller lot sizes have also created more of a neighborhood feel, with magic shows for the children and block parties.

“It’s a fantastic neighborhood,” she said.

Jessica Jones, who bought a 2,500-square-foot new home in the Villages at Stow, also finds the more intimate feel of the neighborhood enchanting — to an extent.

She appreciates the network of tiny streets, where she feels her children can play safely.

But when homes are built so closely together, she said, “You can definitely lack some privacy.” ■