

Harrison Street / Grand Ridge Drive

Question Suggestions for Builder/Architect Panel Discussions for Realtors

May 5, 2008

The following is a synopsis of the panel discussion questions and the responses from Mark Elster of AOME Architects speaking before realtors from throughout the greater Seattle area.

1. Is there a trend among luxury homebuyers to think in terms of more compact homes of high quality as opposed to the largest home they can afford?

It depends, but the majority of AOME clients continue to want the largest home they can afford. Those clients that do want compact homes also want higher quality. More often they have built more than one home (and have come to realize the downsides of super large homes). They tend to be older and downsizing for lifestyle reasons.

2. What is the biggest objection to overcome when someone considers the process of building and designing a custom home?

The biggest obstacle to getting started is dealing with the leap of faith that is required to hire an architect to design something that you (nor the designer) can look at or touch. How do you choose whom to hire if you don't know what they're going to design for you?

Clients get stuck on this problem and neglect more important issues in selecting the right architect. Since AOME and most other high end architects are qualified to design just about anything a client can desire something else is needed to help discriminate amongst the many choices out there and which one is right for you. The most important factor, once the basic qualifications are established, is chemistry. Clients and architects work together for many months on intensely personal choices and need to be able to communicate well and get along. At AOME this is the key to the many successes of our client relationships. The same thing applies when selecting the builder.

Secondarily, most clients are surprised how expensive design and construction really can be, and how long it takes typically.

3. How does a real estate agent help a prospective buyer match up with the right architect or builder?

Get to know the firms. Again, chemistry is the single biggest factor. When it works well it leads to trust (see leap of faith earlier). When you know the firms and personalities involved then you can make informed judgments about who might have good chemistry with your homebuyer. With the resulting good rapport, trust ensues and everyone should be happy. Ideally the client is very impressed and recommends their trusted agent to all who will listen. Of course, you could save time by referring them directly to AOME.

4. What should we tell a prospective homebuyer about the "going rate" or "appropriate range" for the cost per square foot of custom construction?

AOME has seen recent ranges of \$300/SF at the low end for a luxury home. \$800/SF is the middle to high-middle (depends on how one defines luxury). There is no upper limit, but very high end goes from \$800 to \$3,000/SF and up. At AOME we make budget one of the priority discussions early in the process to make sure design goals are in align with cost expectations. When they aren't AOME works with clients to determine how to modify their design expectations (smaller, less costly materials, different contractor, simpler style and form, etc.).

5. What is the hottest new feature in custom homes?

Many of our clients are interested in our proposals of multiple common areas for growing families that are adaptable as children mature and family needs change. Covered and livable outdoor areas are very popular too.

6. How do we convey the value of building green to homebuyers?

Beyond some obvious environmental benefits and social responsibility clients will naturally wonder "what's in it for me?" The energy-saving components especially have long-term potential operating-cost savings. For clients who are concerned about allergies, various green-building technologies are a must. Green homes are simply healthier to live in.

7. What part of the process of designing and building a custom home are people most likely to engage in?

Most AOME clients find the beginning phases of design very engaging and exciting but it is more or less a spectator sport for the client. Our clients vary across a very broad range, but almost all are primarily interested in the kitchen and associated family areas. Generally our clients are engaged in selection of materials and equipment. Men and women tend to be interested in different areas, but it varies from couple to couple. About 1/3 of our clients become very engaged during the construction process itself.

8. As an architect, tell us how a real estate agent can help you move the custom home process along?

Educate your clients about what an architect will do for them. Get to know some architects that are qualified to work with the demographic you work with. Then educate your clients about who they are and what competitive advantages they would bring that a specific client needs.

One simple way to accomplish this is to recommend an architect to perform a

feasibility study for the specific property. The client gets very inexpensive professional advice that goes way beyond what an agent can prudently (or legally) provide and makes them a more informed buyer. Even if the sale doesn't go through, this is a good thing. AOME has found that when a realtor demonstrates their professionalism by engaging experts to add value to their service it pays dividends in client loyalty, and referrals.

9. What are the architectural trends you see in styles in high-end homes?

There is a trend amongst our neo-traditional clients to make the work more true and authentic, more handcrafted. Too soon to say if it is really a trend.

Amongst our contemporary clients, we've seen a trend back towards a true northwest style and a growing interest in natural and/or handcrafted materials with more interesting textures and finishes.

10. Describe the perfect client or the perfect buyer?

The perfect client has appropriate expectations for cost and time of design and construction and is able to fully fund the project, has an agreeable disposition and a fair-minded approach to business, while being enthusiastic and excited at collaborating with designers and contractors to achieve their goals.

11. What are the biggest potential pitfalls we need to be aware of when we write up a deal for a custom home?

A mismatch between reality vs. expectations concern us the most. Expectations are amped up on multi-million dollar property deals and all parties need to be careful to determine just what can be achieved in the real world of budgets, zoning restrictions and physics. If expectations that can't be met are raised, even if unintentionally, there is a strong likelihood of conflict with the buyer.

12. How long should the process of designing, permitting and building a custom home take?

AOME budgets 4-6 months for design (or longer depending on scope), 1 to 3 months for permitting (or more depending on the jurisdiction). For extraordinary projects AOME has successfully compressed the design, permit and construction schedule to 12 months total. A lot of things need to go right to achieve this kind of schedule and will cost considerably more than a normal schedule (in the order of 150% to 200%).

13. How important are outdoor living spaces and what are some of the trends to make them more useful and attractive?

In the northwest outdoor living spaces are very important. Lacking 300 days of sunshine makes folks particularly keen about enjoying it when it's nice out. To most it is like heaven around here during the best weather months but we can enjoy more of the marginal days too and even the best weather even more with proper accommodations in our outdoor living areas.

The use of Outdoor spaces directly adjacent to the home can be extended by providing covered area and they can enlarge the feel of the home by incorporating very large opening and doorways. Making room for furnishings and outdoor living amenities like barbecue kitchens are a must.

Lastly, away from the home out in the surrounding landscape, look for opportunities to create outdoor spaces that are virtually like rooms.

14. What should we tell a prospective buyer about the costs of having a top name architect? What are the key advantages? Why is it important?

For full service expect to pay from 12 to 18% of construction cost. You get what you pay for. Higher end architects like AOME are able to come up with more creative solutions and make the process smoother for the client and more enjoyable. The client ends up with a home that is utterly tailored to their family and a process with fewer unpleasant surprises.