

## Developer John Newton gears up for lot sales at new San Marino Estates

By Ken Datzman

SUNTREE — Local real-estate developer John Newton is making inroads into San Marino Estates, literally. The infrastructure work for his new single-family home subdivision, being developed in a wooded northeast section of Suntree where there are 50-foot-high trees, is expected to be completed early next year.

Newton, president and founder of Newton Land Development Co. in Melbourne, has been on the job site for the last 11 months, along with team members Floyd White, senior project manager, and Brenda Boren, assistant developer.

One month ago, Rich Mehalick joined the company as sales manager for San Marino Estates. He has worked in residential construction locally for a number of years. Soon, Newton Land Development plans to begin approving lot sales at the development, which encompasses more than 60 acres.

"The utilities are in at San Marino

Estates and the road work should be completed within the next 60 to 75 days," Newton said. "We're now able to drive people into the property for the first time and show them what a beautiful, pristine environment we have created."

When the curving, doglegged track of land is rounded into shape, there will be 79 lots of different sizes, the majority of which will back up to a 15-acre lake and another five acres of wetlands. Newton spent more than two years coordinating his project with the St. Johns River Water Management District because he wanted to preserve the sizable wetlands at San Marino Estates. The development is about 1.5 miles north of Wickham Road.

"John has worked hard to keep the development in its natural environment," said Mehalick, who was with a custom builder in Brevard before joining Newton Land Development Inc. "You hear a lot of that nowadays — natural, natural, natural. But it's getting harder to find in a new-home development, especially in

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BBN photo — Adrienne B. Roth

Newton Land Development plans to complete the infrastructure work at wooded San Marino Estates, in the Suntree area, in early 2008. The local developer is targeting lot buyers who are looking to build custom homes in the 2,000- to 3,000-square-footage range. From left: Floyd White, V.P., senior project manager; John Newton, president; Brenda Boren, assistant developer; and Rich Mehalick, who recently joined the team as sales manager. They are at their office in Melbourne.

## Government aims to boost 401(k) participation

By Kathleen Pender  
Scripps Howard Service

The U.S. Labor Department recently issued final rules designed to get more employees participating and investing more aggressively in their 401(k) plans.

The new rules say that employers can't be held liable for losses in a 401(k) account if they enroll employees who don't sign up themselves and direct their contributions into one of three qualified default options: target-date funds, balanced funds and managed accounts.

The rules mark a big victory for mutual-fund companies, which stand to vacuum more 401(k) assets into their proprietary funds, and a defeat for insurance companies, which couldn't get

their stable-value funds included as a qualified default option.

Employees who don't sign up and choose their own investments might find themselves taking on more risk than they realize.

The rules are designed to address this problem: About one-third of workers who could join a 401(k) plan don't, and of those that do, many choose safe but low-yielding options such as stable value and money-market funds. Stock and bond funds are more volatile in the short run but have provided better long-term returns.

To encourage more participation and risk taking, Congress included a provision in last year's Pension Protection Act that provided legal protection for employers who automatically enroll

employees and direct their contributions into diversified investments that provide "capital preservation or long-term capital appreciation, or a blend of both." Congress told the Labor Department to decide exactly what investments should qualify.

For companies that sell 401(k) investments, the stakes were high.

Although auto-enrolled employees can stop participating or move money out of the default option, inertia is a powerful force in 401(k) land.

"Ninety percent of participants stick with where you place them," says Ted Benna, chief operating officer of Malvern Benefits Corp.

In a proposed rule issued last fall, the

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## San Marino Estates

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the heart of Brevard County. San Marino Estates is in one of the premiere locations of the county, the Suntree-Viera area. We are encouraging homeowners to leave as much of the vegetation as they can on their lots when they build. It will help to keep the standards up in the community."

Mehalick, an area resident, said he first toured San Marino Estates two months ago. "We used the project manager's four-wheel-drive vehicle to go back into the community. You could really see the beauty of it. This was important for me because it has added a new level of understanding and enthusiasm for the project. I'm excited because we are going to be driving builders and customers into the development to show it off. It's situated in an established, tranquil part of Suntree."

Interest in San Marino Estates is gaining momentum, Newton said. Lot purchasers at the community can select their own builders. He brought Mehalick aboard to spearhead lot sales. "As we get closer to fruition on the project, activity is really picking up. We're enthusiastic. We're getting a lot of inquiries. We expect to start approving lot sales in about three months and we needed a professional to lead that effort. Rich (Mehalick) has the experience and market knowledge to work with custom builders and individuals who have been responding to our marketing efforts."

Newton said his company "is talking to two or three custom builders who are looking at pulling the trigger on their first model or speculative home as soon as we close on the lots." Lot prices start at \$140,000. They range from about one-quarter to a half acre. Double lots are available. A 10 percent deposit is required to reserve a lot. The development will be ready for home construction in time for the key spring season.

Mehalick said there is no time schedule for a lot buyer to begin building a home at San Marino Estates. "You can build on your own schedule. We are not going to force someone to build within a 12- or 24-month timeframe, or later. If the lot buyer wants to begin construction in the spring, that's fine. The consumer controls the decision on when to build. A lot buyer can also hold the property for an investment."

Typically, the homes at San Marino Estates will range from 2,000 to 3,000 square feet, and cost from \$400,000 to \$700,000 or more to build. "We think this is a very attractive price point," Newton said. "Many of the area's custom builders have kind of stepped away from this size of home in the last four or five years because they had the opportunity to build larger homes in bigger communities."

He adds, "There is a greater population base that will purchase a home in the 2,000- to 3,000-square-footage range, and that is who we're targeting at San Marino Estates. However, we are not going to push away someone who wants to build a larger home. But this is a community where size is secondary to quality and to beauty. The intertwining of our community with nature is something that we really have worked to achieve."

Newton Land Development hopes to attract young, growing families who are looking to step up to a custom home, as well as "empty-nesters" and retirees who desire to live in an upscale, deed-restricted gated community.

Boren, assistant developer and licensed real-estate sales associate at Newton Land Development, says she "loves the idea of having high-quality homes showcased at San Marino Estates that are not of gargantuan size. You can build a very stylish home without its being huge. In San Marino Estates — with all its green areas, a gazebo and lake frontage — these mid-sized homes will fit perfectly with the community's Mediterranean theme."

Newton points to a couple of successful communities that were developed years ago that used a similar approach — The Cloisters and The Sanctuary, both in Indialantic.

What makes San Marino Estates interesting is its layout. The lots have unique shapes. Newton Land Development hired Rick Harrison, who is renowned for his site-design work around the nation. He brings new looks to subdivisions, making them more functional and attractive. Out of Minneapolis, Harrison specializes in what is known in residential-development circles as the "coving" concept, or the "curving streetscape."

"It would have been much easier to go into the development and wipe the slate clean — take out the trees and squeeze in as many lots as possible," Mehalick said. "But John didn't do that. He put a lot of thought and effort into the designing of the roads. He staggered the setbacks of all the homes to be built at San Marino Estates by smartly using the 'coving' factor. When you go down the streets they are curving roads. The homes will be of varying sizes with varying setbacks. The community will not have a cookie-cutter grid appearance."

Harrison's planning concepts have been used to build hundreds of communities across America. He's president of Rick Harrison Site Design Studio and has been in business for more than 30 years.

Said Newton: "The concept really clicked with us because of the shape of our site, and the location of the wetlands at San Marino Estates. This is the perfect concept to use in conjunction with our preserve areas. We would have been hard-pressed to put a grid of straight streets in the development. We did not start with a flat piece of land, but with a heavily treed piece of land on a high ridge that overlooks 21 acres of wetlands."

The homes at San Marino Estates will reflect a rich Mediterranean design, with accents such as arches, stucco and stone, tile roofs, brick or stone-paved driveways, and extensive landscaping.

Newton Land Development established a design-review committee for San Marino Estates. The committee includes a licensed architect. "Its mission is to ensure that the homes meet the quality and the appearance standards that we are looking to achieve," said Newton, whose company has developed a number of commercial projects in the area in the last couple of years. Before starting his own company, he was with another development firm in the region. For more than a decade, Newton worked as a local banker.

Housing economists expect the new-home market to begin turning around in 2008. Home sales should start rising by the end of the first quarter of next year, according to the National Association of Home Builders.

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