

# Newton Land Development's San Marino Estates sets itself off in market, wooded, new-home community with uniquely shaped lots — HBCA Spring Parade entry; rolls out attractive value strategy

By Ken Datzman

**SUNTREE** — The first model home is set to break ground at Newton Land Development Inc.'s environmentally friendly and uniquely shaped San Marino Estates, an upscale subdivision that has been five years in the works.

Located along North Pinehurst Avenue, in the Suntime area, San Marino Estates is looking to attract consumers to the fully wooded 79-lot development with a newly launched value-oriented home-construction and lot-purchase strategy.

The San Marino Estates team says it's a serious attempt at taking a pro-active stance in the industry and slashing profit margins to perhaps drive buyer momentum in today's tight marketplace. Developers like Newton Land are taking the "bull by the horns" and trying to create some excitement for buyers.

"We have been optimistic through this whole thing and we're still holding that view for 2009," said Newton Land Development's Rich Mehalick, sales manager for San Marino Estates, a single-family community where custom homes can be built from the \$400s. "There are still buyers in the market. They are smart buyers and they are looking for value. Nowadays, if you are not offering value and quality, the consumer will fast pass you by."

He adds, "We already have quality in our community and now we are introducing a value strategy that we hope will play a role in bringing customers to this beautiful new-home development. We think San Marino Estates is a paradise. It showcases a 15-acre lake and five acres of wetland preserves. This development has its own natural ecosystem. There are otters, ducks, herons, Sandhill Cranes, osprey families, turtles and fish."

The tract of land has 40- to 50-foot-high trees throughout the more than 60 acres. Businessman John Newton, president and founder of Newton Land Development in Melbourne, spent two and half years coordinating the development of this project with the St. Johns River Water Management District because he wanted to preserve the wetlands at San Marino Estates.

By developing the land with care, the natural resources can be enhanced, he said. "The objective of our subdivision is to be in harmony with nature, and in doing so we have preserved acres of wetlands on both sides of the project."

San Marino Estates is entered in the Home Builders and Contractors Association's 2009

Spring Parade of Homes. The entry is in the "community" category. The Parade is scheduled March 21 through March 29 in the county, with model homes and new-home developments open for consumers to visit. They can meet the builders and the developers of these communities.

Of the 79 lots at San Marino Estates, more than 30 front a lake. In general, most of the lots back up to a natural wetland preserve, or lakes and ponds. "We wanted to create a community that provides privacy and seclusion in a very beautiful, natural setting," Newton said. "It's an upscale neighborhood intermingled with the natural beauty of the existing treescape, landscape and the wetlands."

With its environmental emphasis, Mehalick said San Marino Estates is an ideal community in which to build "a green home." The sizable wetlands have been painstakingly preserved, he said. These fascinating ecosystems are essential for healthy and sustainable landscapes.

Newton says San Marino Estates has been working with a number of top area builders and subcontractors to set the development apart from other "prestigious, gated communities" in the Suntime and Viera areas.

"We decided to push a lean construction-cost scenario," Newton said. He said the team is going to flip the profit model upside-down.

"We're going to work it backward and start with the true costs. We'll work toward a final number so we can sell a custom house and lot combination significantly less expensively at San Marino Estates. We had to adjust to meet the economic environment and it was the right thing to do. It doesn't have to cost \$170 a square foot to build a custom home in this area of the county. We are working diligently to make it a 'bare-bones' cost for the customer," Newton said.

For the past four months, Newton Land Development has been negotiating and working with a select group of construction trades people in the region with the intent of taking the lead on this front and lowering building costs to the consumer, in an effort to spark sales. Builders and developers must be receptive to new ideas during these unprecedented economic times, he says.

"We felt like we needed to pursue this avenue to make our project really shine and be successful," Newton, a former banker, said. "At San Marino Estates, we think it's probable that we'll have houses that may sell for \$150,000 to \$200,000 less than their appraisal, which would be incredible. The reason being is that the profit model has been scaled down."

Newton said he believes the cost-cutting will



BBN photo — Adrienne B. Roth

Newton Land Development's San Marino Estates, located near Viera on North Pinehurst Drive, is an environmentally friendly single-family home community. The development, which has a lake and acres of wetland preserves, features 79 lots of various sizes and shapes. From left: Rich Mehalick, sales manager; Brenda Boren, assistant developer; John Newton, president; and Floyd White, V.P., senior project manager. They are at San Marino Estates.

not impact the quality of construction of the homes at the development. "For example, the homes at San Marino Estates will have six-inch slabs instead of the four-inch code-required slabs. The homes in this development will showcase high-quality construction."

The concrete-block homes will contain a host of features, including tile roofs, paver driveways, granite countertops, walk-in pantries, and the option of having a three or four-car garage. Homes at San Marino Estates must have a minimum of 2,000 square feet. "The home that is currently set to be built at the development will have 3,800 square feet of living area."

The two-story, five-bedroom home features a master suite on the first floor, said Mehalick. "There are four bedrooms upstairs and a huge bonus room and a study. It's a highly appealing floor plan. The home represents very strong value and that is what we're trying to accomplish at San Marino — providing the customer with an attractively priced package."

Mehalick says he expects to see some firming effect on home sales this year. "I feel like we're getting very close to hitting the bottom of the market. Once that happens, a lot of people who have been waiting to build a home will move forward and make that investment."