

## Development Trends

### ❖ Trends in Common Area Amenities:

Yoga spaces (indoor and outdoor, depending upon climate)

Fitness studio – on demand classes, TRX stations

Golf simulators

Concierge services available like dry cleaning, pet walking, etc. – *can generate income on per use basis*

Cold/warm storage for food deliveries – *can generate income on per use basis*

Amazon package pickup/storage- *less staff interaction with delivery people – lower expenses*

Tended bar for residents – open for HH several evenings

Individual and co-working spaces in lounge area (extensive coffee bar added)

instead of large lobby areas that people don't use

more intimate seating areas with table high tables for work

“We Work” type spaces with a desk or office for a monthly subscription

Dining room for catered parties (can be reserved for meetings, parties, activities)

Rooftop green spaces

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## ❖ Trends in Common Area Amenities:

- Common gardens

- Pool Areas

  - Built-in, in-water tanning loungers

  - Pool bars

  - Splash pads for kids

  - Hammock areas

  - Large TV viewing from pool area

  - Private cabana

  - Turfed areas

  - Outdoor fireplaces

  - Outdoor bar area - grills/Pizza oven



# Development Trends





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## ❖ Trends in Common Area Amenities:

Bike repair stations in project

Bike storage – provided – some charge some free – some cities are requiring this now

Electric car charging hookups to rented garages

Motorcycle parking

### Game rooms

Shuffleboard

Poker rooms

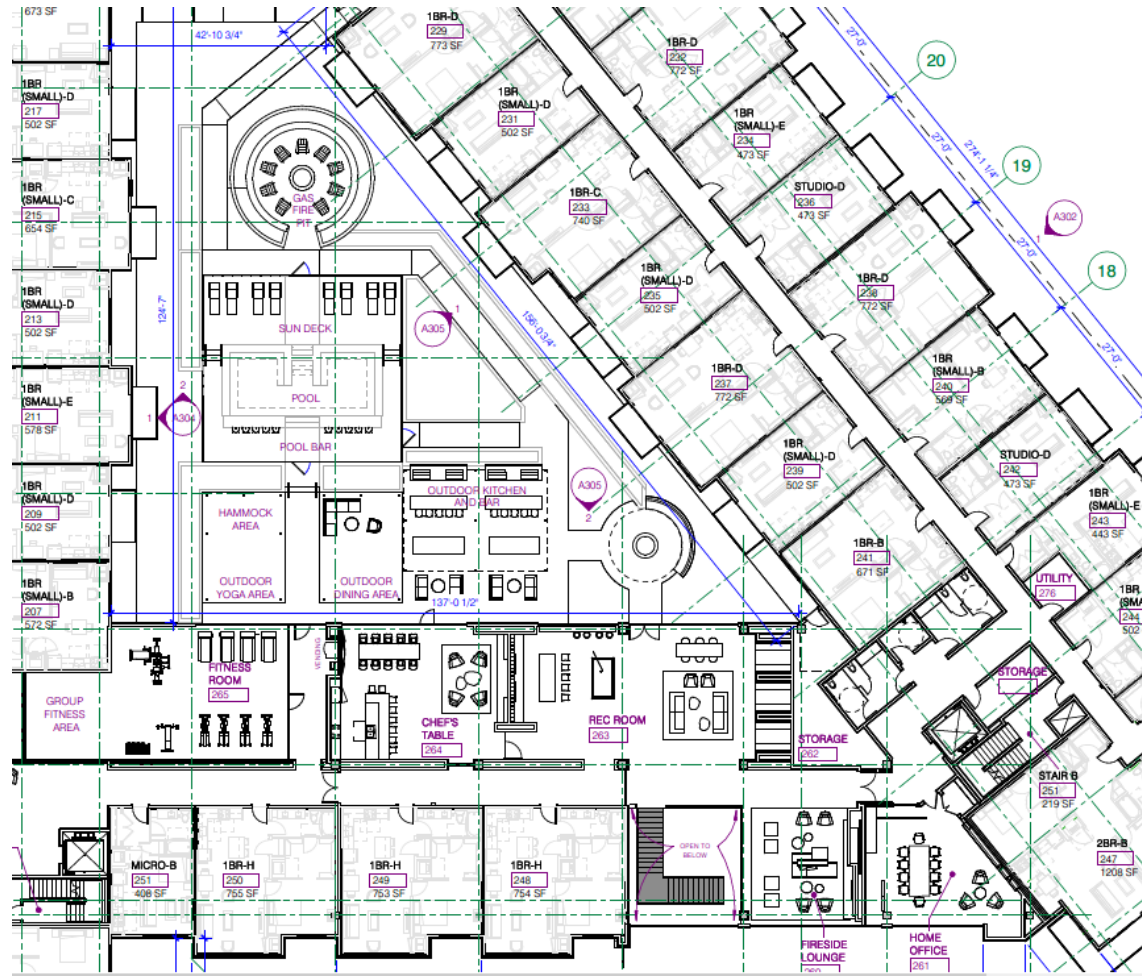
Billiards

Foosball



# Development Trends

### Trends in Amenities:





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## ❖ Trends in Pet Focused Amenities:

- Pet wash station

- Pet parks/Agility parks

- Pet stations with pet bags

- Fenced yards – charge a premium (\$100 to \$150/month)

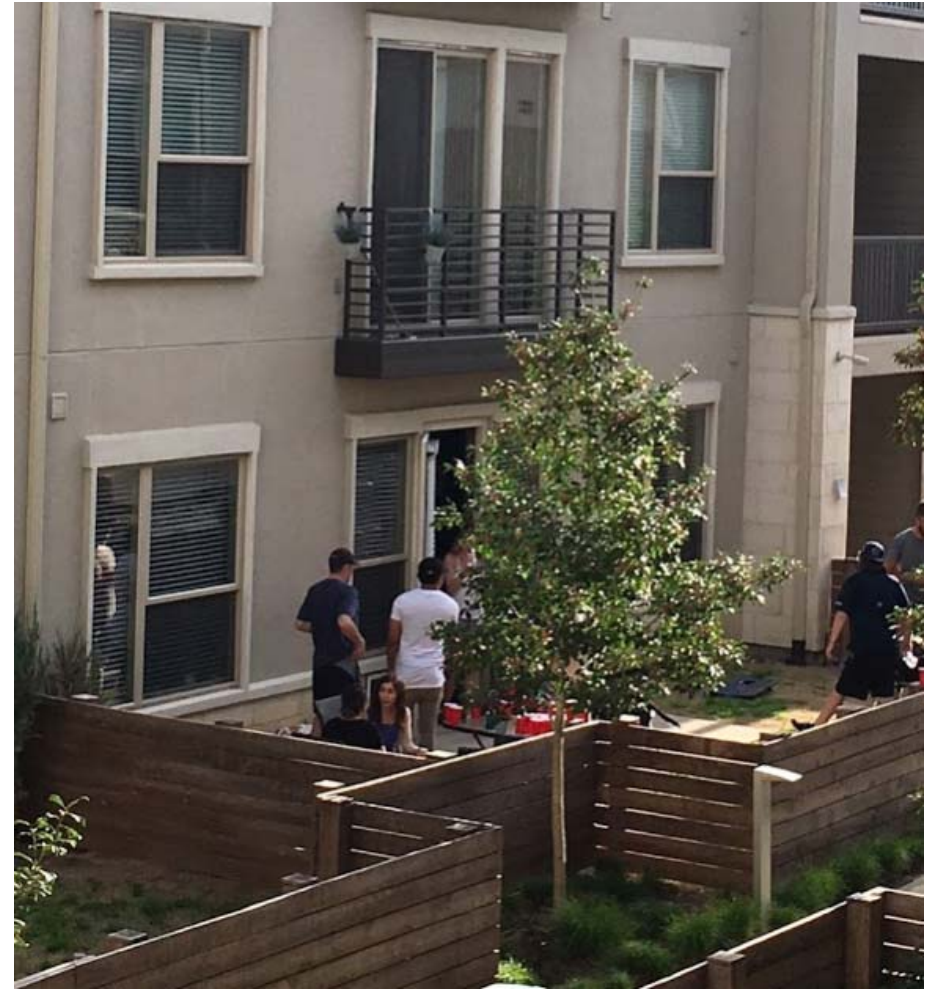
  - dog doors

  - turfed yards – upfront cost but limited maintenance

- Sometimes in mixed use a retail tenant is a pet day care

## ❖ Typically at least 50% of renters have dogs.

## ❖ *One surveyed owner requires all pets to be DNA tested DNA testing is a one time fee (not profit center but covering cost of testing) Non refundable pet fee and pet rent*



# Development Trends

## ❖ Trends in Energy Efficiency/Technology:

Smart “Energy Star” Learning thermostats (Nest) – App controlled

Audio controlled or motion controlled lights

Ring doorbells

Card access to units, not keyed – allows flexible access for residents, service providers

Alexa/Google Home & fiber wifi/Apple Home & TV connectivity/5G throughout property

Low flow faucets, shower heads and low flush toilets to save on water consumption

Energy Star certified appliances and HVAC equipment

Double pane, Low-E windows to save energy, tinting of window glass (dynamic glass)

Energy efficient designs as well as Green designs incorporating indoor air quality improvements

Energy Star building designs and certifications

Recycling programs

Solar panels

Xeriscaping landscaping

Green walls – reduce urban heat island effects, cleans air

Vertical farms – 1 acre = 100 farmed acres



# Development Trends

## ❖ Trends in Unit Design:

Lighter cabinets

Islands in kitchens – multi-level sometimes

Mix of fixture colors (aged brass/bronze/black/polished chrome)

Subway or upgraded tile backsplashes – extending to ceiling behind venthood in some

Movement away from granite and towards natural stone counter tops/Silestone

Stainless steel appliance packages – in door water/ice

Color schemes are greys, blues, greens

Soaking tubs

Frameless showers

Rain shower heads (water efficient)

Larger pantries

Elfa type shelving units in closets - flexible

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## ❖ Trends in Unit Design/Size:

### Smaller units

- Efficiently designed

- Lower per month rents – more affordable for young professionals

- Lower monthly utility bills

- Typically lease quickly – especially in in-fill areas

### Larger units

- Higher income or roommate situations

- Good school districts – families move to get kids in good schools

- Legacy West – tower with views, variety of unit sizes, proof of tower concept in suburban market



# Development Trends

## ❖ Construction Trends – Katerra Construction



# Development Trends

## ❖ Construction Trends – Katerra Construction

Panelized construction in a factory environment:

Katerra Internal goals:

- Cut construction costs by ½

- Cut construction time frame by ½

- Cut variable operating expenses by ½

- Be able to build affordable/workforce housing without government intervention (LIHTC, etc.)

### Advantages

- Climate controlled fabrication environment within 500 miles of development site

- Computer controlled fabrication (RFID tracking on every component)

- Costs are controlled thru mass purchasing –vertical integration of supply chain

- Design product to match construction component sizing

  - Windows fit between framing span

  - Panels will fit on flat bed trucks for shipping

- Less on-site construction workers needed - use 25 workers to frame the building instead of the 150 another company bid. Some of that labor will simply shift to the factory, but volumes there are higher.

- Product looks identical to end user

  - Two completed projects – Spokane, WA (132 units) & Anaheim, CA (386 units)

# Development Trends

## ❖ Construction Trends – Katerra Construction

The company has a fabrication plant in Phoenix with the following capabilities:

Interior Wall Panels – shipped on trucks with drywall installed

Exterior Wall Panels – shipped on trucks

Roof Truss Assemblies – shipped on trucks

Floor Systems – shipped on trucks

Utility Walls – shipped on trucks with all plumbing and electrical installed

Cabinetry – shipped in flat boxes (IKEA)

Countertops – cut from stone materials

The 220k SF facility's advanced manufacturing lines allow them to build a 24-unit garden style walk-up every two weeks (600 apartments per year); cabinets and countertops for 15,000 apartments per year (41 apartments per day); and 12,000 door assemblies per year (33 apartments per day).

New fabrication facility under construction in Tracey, CA that will employ 500 people (1 hour from San Francisco). The Tracy factory will produce a wide array of building components, including wall panels, floor systems, windows, cabinets, and finishes. Capacity to produce 12,500 MF units, annually.



# Development Trends

## Katerra Phoenix Factory

The firm uses computer software to design all aspects of a building, from its cladding and window placement to interior layout.

Components are then built in a factory and transported to the site.



# Development Trends

## Katerra Phoenix Factory

RFID stickers allow for tracking of all inputs and will enable effectiveness and replacement tracking over life of building



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## Katerra Phoenix Factory

Wall section lying on the ground with  
floor section vertical

- door in place
- window in place
- electrical in walls





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## Katerra Phoenix Factory

### WALL PANEL

- 40% less plumbing piping due to computer pre-planning of installation
- Organized electrical installation
- Panels delivered to site with plumbing, electrical, and HVAC in wall/ceiling/floor sections



# Development Trends

## Katerra Phoenix Factory

- Striving for sustainability and reduction in waste on site as cuts are more efficient and designs are standardized in the factory environment.



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## Katerra Phoenix Factory

Cabinet and countertop fabrication



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Katerra

Phoenix Factory

Wall panel showing window install



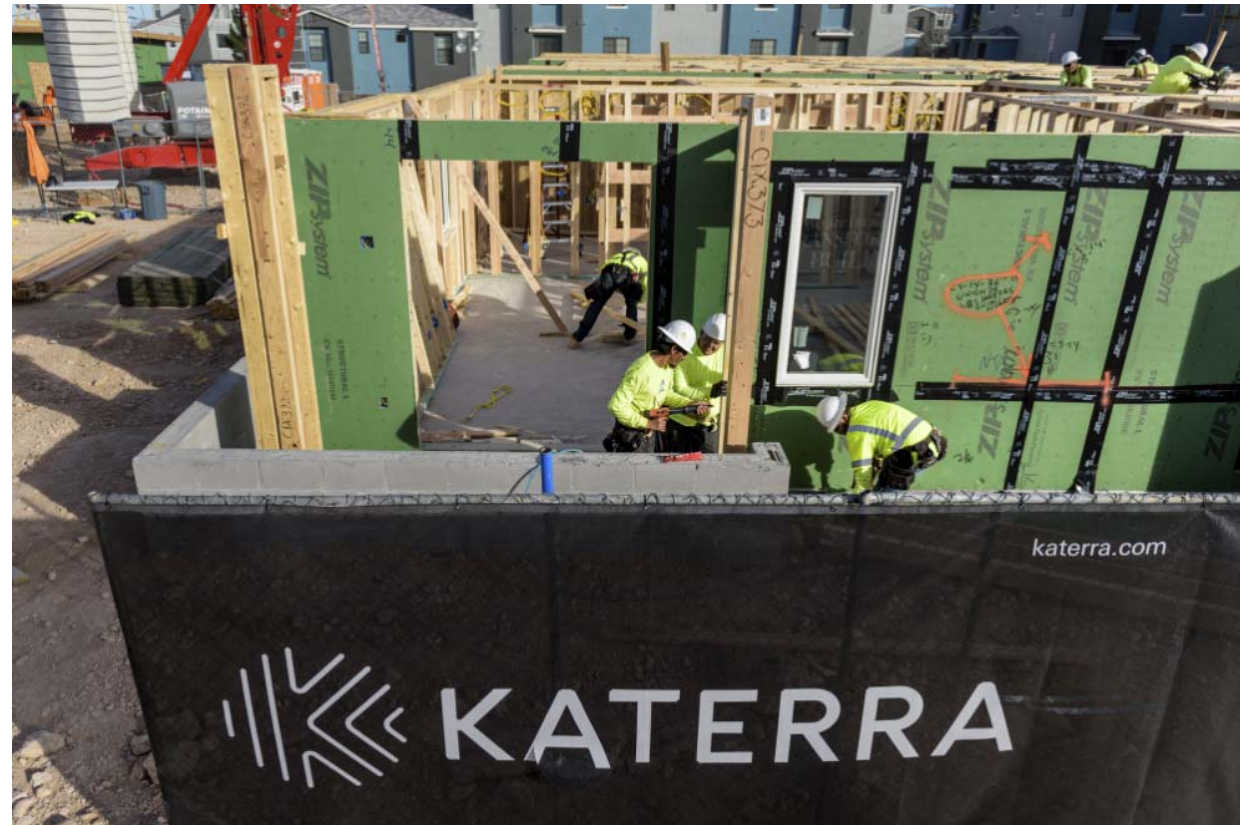


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## Katerra Construction

Katerra designed K90, a 24-unit garden apartment, to be completed in 90 days – 30-50 days less than the average project of this size.

- Major focus is on the process of design and the process of construction.



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## Katerra Construction

A construction worker prepares to install a manufactured wall panel at Katerra's K90 building.



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## Katerra Construction

Bath kit being lowered into place





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## Katerra Construction

Fort Apache site under construction





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