

POSTER: TOP 200 BUILDERS OF 2004, SEE PAGE 243

Centerfold

VERRADO

Panorama, see page 141

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BUILDERS

MAY 2005

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MENTION PHOENIX TO JUST about anyone in the home building industry and you're likely to hear talk of a red-hot market, albeit one that praises efficiency over aesthetics, subdivisions over neighborhoods, profit over charm. The all-rooftops-and-garages label could apply to any number of sprawling suburbs, but it's a refrain that's consistently heard in connection with Phoenix, an area of the country that's seen tremendous growth in the last 25 years.

You can be sure that all those less-than-positive platitudes were on the minds of the folks at DMB Associates when the development company looked at turning 8,800 acres on the outskirts of Phoenix into a community that would eventually boast 9,500 homes, 325 acres of parks, and 4 million square feet of commercial space. It's called Verrado, and it's located about 25 miles west of Phoenix in the farming town of Buckeye, Ariz.

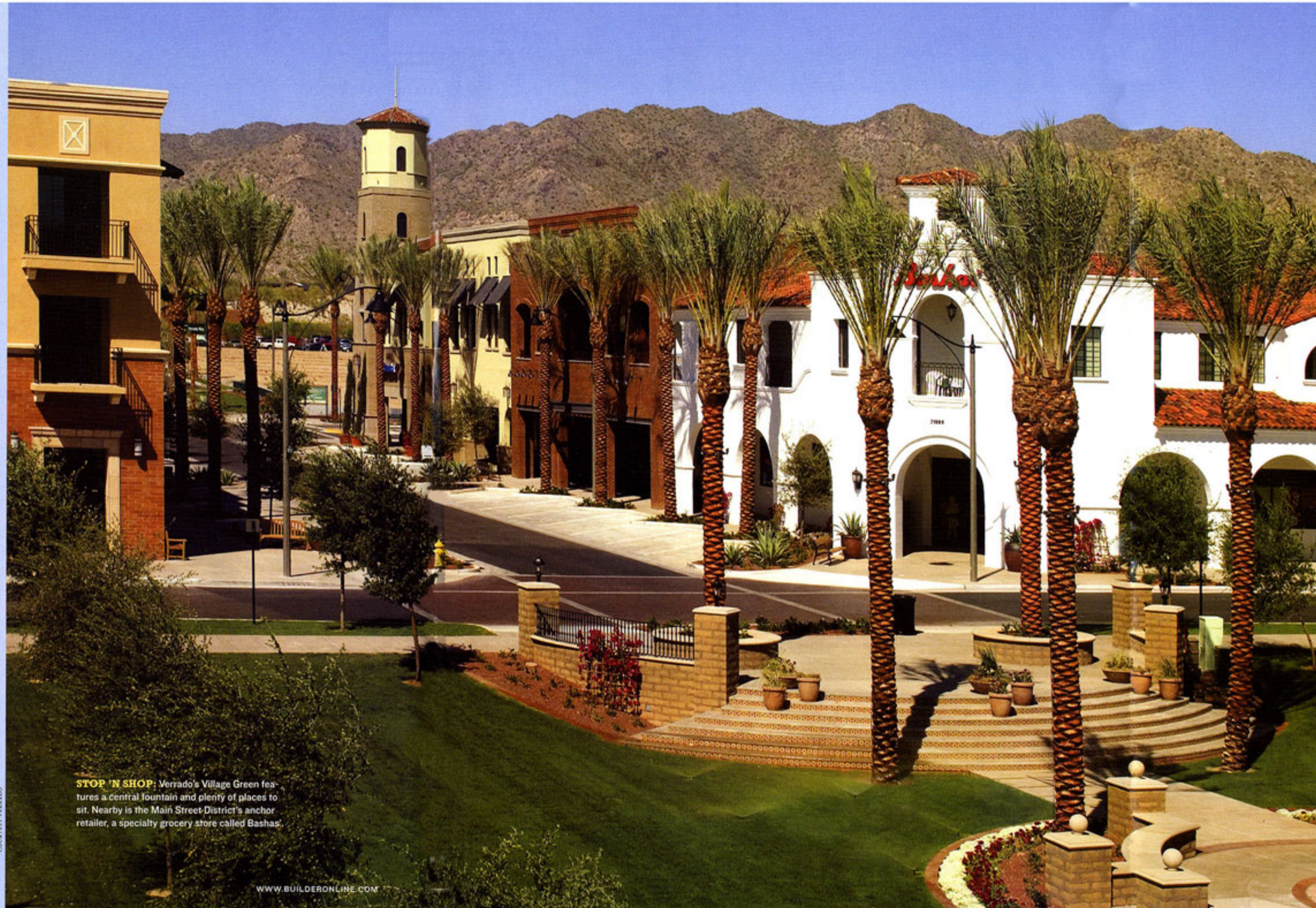
"Early on, we realized that we had an unbelievable opportunity with this piece of land," says JT El-bracht, director of community design at Verrado. "We were in the West Valley growth corridor, with freeway access and some of the most spectacular mountains as background. We also had a flexible set of entitlements. We were hard-pressed to mess all that up. We knew what we didn't want to be—and that was the same dreary, lifeless suburban sprawl that's plagued Phoenix over the last 20 to 30 years."

DMB and the crew of planners and architects it hired to help refine the vision of Verrado also knew about something they had seen work in some of the developer's earlier projects, namely at DC Ranch in Scottsdale, Ariz., and at Ladera Ranch in Orange County, Calif. Putting in community amenities up front, insisting on rigorous design guidelines for builders, and partnering with local constituencies for schools and other essential services cost a lot of money but was worth it in the end.

"People really want certain attributes of neighborhood and town where they live," says Steve Kellenberg, a principal at San Francisco-based EDAA, the planning firm that worked with DMB to come up with the master plan. "That's really the art of what we've been trying to do at Verrado, to rediscover the qualitative aspects of small-town living but do it in an environment with major public, high-velocity builders at affordable prices. There's a part of the market that's starved for something more town-like. Verrado provides a lifestyle opportunity as well as multiple housing types, so we're getting segments of demand in the marketplace that no one else is meeting." In other words, doing the right thing makes the best business sense.

The town-building principles that Verrado followed are creating district cores and centers of activity; neighborhoods organized around town features; connectivity through broader "icon" streets with double rows of trees; diversity

(see page 148)



STOP 'N SHOP: Verrado's Village Green features a central fountain and plenty of places to sit. Nearby is the Main Street District's anchor retailer, a specialty grocery store called Bashas.

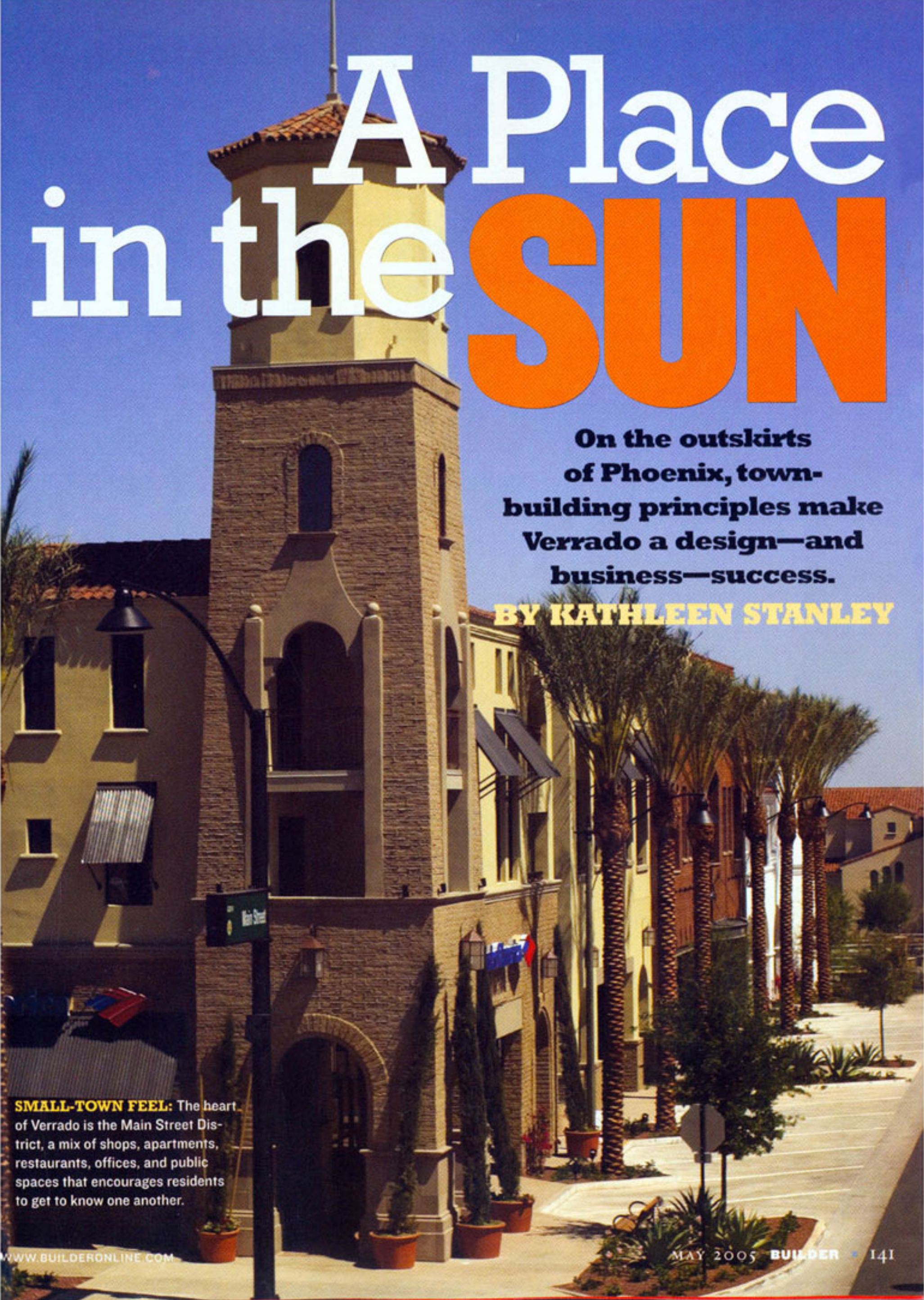


FAMILY FRIENDLY: The two-story Ranch Hacienda elevation of Cachet Homes' Melody model (above) features five bedrooms, a central courtyard, and a three-car garage. Options include adding a fourth-car tandem garage, a sixth bedroom, and a game room off the family room.



SMART DESIGN: The Bungalow elevation of Cachet Homes' Harmony model (below) packs a lot into its 3,416-square-foot, one-story floor plan (right). Secondary bedrooms are grouped at the front of the house while the master suite is given plenty of room in back. A workshop straddles the area between the two garages.





A Place in the **SUN**

**On the outskirts
of Phoenix, town-
building principles make
Verrado a design—and
business—success.**

BY KATHLEEN STANLEY

SMALL-TOWN FEEL: The heart of Verrado is the Main Street District, a mix of shops, apartments, restaurants, offices, and public spaces that encourages residents to get to know one another.



of product type; and plenty of parks. Every street at Verrado has been planned to tell a story. "It's not just street after street with the same boring housing," says Kellenberg. "Every street leads someplace special."

"Using town-building principles gave us the widest spread of housing opportunities, from apartments, townhouses, and single-family houses to big custom lots, which means we can reach our fingers into almost every market segment," says Elbracht. "That's a good thing when you're trying to move through 8,800 acres."

DESIGN CONCEPTS

At the center of Verrado, located on the former testing grounds of the Caterpillar Tractor Co., is the pedestrian-friendly Main Street District with rental lofts and apartments as well as office, retail, and entertainment spaces. Phase 1, which opened to the public last January, consists of 1,145 acres radiating out from this District. It will include approximately 2,040 dwellings in distinct, tree-lined neighborhoods: town, park, golf, and foothills. Currently, there are eight builders working at Verrado: Ashton Woods Homes, Cachet Homes, Frank Residential, Monterey Homes, Engle Homes, the P.B. Bell Cos., Pulte Homes, and T.W. Lewis.

Not surprisingly, design guidelines for these builders were strict. "We didn't want to

have all tan and beige stucco homes with red tile roofs," says Kellenberg. "Craftsman, Cottage, Ranch, Monterey, and Spanish Colonial were all part of the town-building heritage of this region. We reintroduced these historical architectural styles and asked the builders to utilize multiple housing styles within each of their product enclaves. That was asking quite a bit, but what really got

(see page 150)

PLAY TIME: At Verrado, leisure activities are never far away. The community's Raven Golf Clubhouse and Cocina Restaurant (above) are just steps away from the Village Commons and the Main Street District. The 18-hole championship course, designed by Tom Lehman and John Fought, winds around the foothills of the spectacular White Tank Mountains.

BUILDING COMMUNITY

Verrado tweaks the usual notions.

The majority of new developments establish a basic HOA and essentially define it as a housekeeping entity," says Brett Harrington, a DMB senior vice president. "It mows the lawn, keeps the pool clean, that sort of thing." But a run-of-the-mill HOA does little to create a sense of community, which is why DMB came up with something called the Verrado Assembly.

The Assembly, which represents everyone who lives at Verrado (renters and owners), employs the town manager who works to nurture neighbor-to-neighbor and resident-to-community interaction. "The Assembly is a mechanism that really allows for a more inclusive community feel, that lets everyone who lives at Verrado feel they have a



stake in how things unfold," says Harrington. "As developers, we try to play the role of catalyst, to help a community find its way and inspire residents to get their own things going. The biggest thing that the first 100 families have in common is that they're all from somewhere else. But it's incredible how fast community starts to form with just the slightest bit of help and support."

the builders excited was when we said that we wanted the styles to be authentically expressed through architecture."

Dale Gardon of Dale Gardon Design in Scottsdale had a major hand in coming up with the design guidelines (and executed all of the public buildings along Main Street) as did William Hezmalhalch Architects of Santa Ana, Calif. There are 14 housing types at Verrado; diversity is helped along by smaller building parcels.

"The normal routine is that the master developer sells the land to the builder with guidelines, and the builder figures out how to design the house," says Elbracht. "At Verrado, we worked hand in hand with the builders and their architects to create the design concepts before we sold them the land. It was a very collaborative process. We went into the sale of the land knowing what to expect from each other. I've been very impressed with how well our builders have really stepped up. The last 20 years have left us wanting a lot in design quality here in Phoenix," Elbracht continues, "but these guys really stepped out of the box. They've even put in alley-loaded garages which, for some of these guys, was a completely foreign concept."

KEEPING PACE

One example of the range of home styles available from just one builder is the portfolio from Cachet Homes, a 12-year-old company based in Scottsdale. It builds some of the largest single-family homes at Verrado and offers five single-story and two-story plans that are each available in at least three elevations; all were designed by William Hezmalhalch Architects. The architectural styles are Spanish Colonial, Bungalow, Ranch Hacienda, and Desert Prairie, and they range in size from 3,050 to 4,574 square feet. Prices go from \$464,900 for the Ballad/Plan 1 to \$571,900 for the Melody/Plan 5. In the year that Verrado has been open, Cachet's homes have risen in price by \$80,000 to \$100,000.

"We tried to embrace the design guidelines and deliver not only to the letter but really the intent, too," says Jim Shelly, Cachet's vice president of land development. "One of the reasons we hired Hezmalhalch was because that firm had written part of the guidelines and had a great feel on how we could deliver on that desire."

Verrado has been a challenge for Cachet—not from the standpoint of housing design but from a sheer numbers point of



view. "DMB told us to expect large crowds at the opening, but we thought, 'How can that be?'" says Diane Byrne, Cachet's vice president of marketing. "We're in a new area that's so far west, and the prices are going to be so high. From the moment we opened our doors, we've had trouble keeping up with the pace. We had 40,000 people that first weekend, and traffic into our models has never been under 200 a week. It's just amazing." **B**

Kathleen Stanley is a freelance writer based in Washington.

Project: Verrado, Buckeye, Ariz.; **Size:** 8,816 acres (Phase I, 1,145 acres); **Total units:** 10,350 (Phase I, 1,893 homes); **Price:** \$259,990 to \$574,990; **Developer:** DMB Associates, Scottsdale, Ariz.; **Builders:** Ashton Woods Homes, Roswell, Ga.; Cachet Homes, Scottsdale; Engle Homes, Boca Raton, Fla.; Frank Residential, Phoenix; Monterey Homes of Arizona,

AN AMBITIOUS START: The site plan for Verrado's Phase I (above), which opened to the public in early 2004, covers 1,145 acres. It will include some 2,250 dwellings in distinct neighborhoods that radiate out from a central Main Street District (top). At buildout, Verrado will have 9,500 homes, 325 acres of parks, and 4 million feet of commercial space.

Scottsdale; P.B. Bell Cos., Scottsdale; Pulte Homes, Bloomfield Hills, Mich.; T.W. Lewis, Tempe, Ariz.; **Architect:** Dale Gardon Design, Scottsdale; **Land planner:** EDAW, Irvine, Calif.; **Landscape architect:** Vollmer and Associates, Phoenix; **Civil engineer:** Wood, Patel & Associates, Phoenix

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