

NEAL COMMUNITIES

Where You Live Matters

Discussion before the City of North Port Council 4.5 minutes – 430 words

We intended to experiment with 32 dwelling units in the City of North Port before we created affordable homes on Parcel H at Wellen Park... about 400 new homes in our SimplyDwell line (paired with the Casa Fresca Company in Tampa).

Our objective was to build new homes, primarily townhomes, from the low \$300,000s.

But to do so, we have to be extremely cost-effective.

- We have to manage the specifications
- Buy appropriately
- Build quickly
- Deliver the home when finished
- In about 78 days.

We can do this, and we can do so successfully (we have built about 25,000 homes in Sarasota and Manatee County over the last 55 years).

Jag Rupnarain is a nationally reputed expert in this. We hired him from our nation's best public builder of value based housing.

But we have run into an obstacle which is unusual for us.

In fact, it is the first time in 55 years and in the 20 jurisdictions in which we have built and the 12 where we currently build.

We have never sprinklered a townhome.

The cost (including fire sprinkler system and signage, plumbing, electrical, fire blocking insulation, cycle time, architecture and design, construction variance, warranty reserves, closing cost, and commission) is about \$14,760 per home; \$97.17 per month!

However, our biggest challenge is ensuring buyer eligibility. This additional sum is \$97.20 per month.

Even these homes will be stretching first-time buyers at 7% mortgages—townhomes at that price point simply won't work for them.

The customer sees no value... against about \$7 per month savings (the savings quoted from Shepherds on the multi-peril value).

The problem is, of course, that there is a larger exposure to the leaking sprinkler system than there are "fires" over the 70-year life of the structure. The insurance costs will go up over time.

We were surprised to find that the City of North Port had adopted a fire protection system for town homes but we bought this property before we had a full understanding... of course, we will finish the 32 homes to which we have committed. We are asking today for relief.

We are asking, if you will please, for these and any other town homes that we build in North Port, that you adopt a new language on page 28 so that we can furnish these homes to Home Town Heroes (that is, public employees who furnish services to people who move to our beautiful Florida: nurses, teachers, fire and police professionals, environmental protectors, and those who serve in our armed forces) to offset this additional cost.

If we can sell half the homes to Home Town Heroes or eight homes to those who receive a check from the City of North Port, we think we would provide a public service for them and for the people of North Port... and it would allow us to continue our experiment in inexpensive housing here in North Port.

Please consider our request.

Direct Costs

- Fire Sprinklers and Signage: **\$6,000**
- Plumbing: **\$2,000**
- Electrical: **\$500**
- Fire Blocking Insulation: **\$1,000**

Time-Related Costs

- Cycle Time (8 days @ \$250/day): **\$2,000**

Professional and Design Costs

- Architecture and Design: **\$500**
- Construction Variance: **\$500**

Risk and Sales Costs

- Warranty Reserves: **\$1,500**
- Closing Cost & Commission (8% on direct cost increase): **\$760**

Total Cost Breakdown:

- **Direct House Cost:** \$9,500
- **Indirect Cost:** \$5,260

True Total Cost: \$14,760

Elevation C



Fire Sprinklers

City of North Port

Based on the Emila Model
in Madera at Wellen Park

Home Price without Fire Sprinklers: **\$310,990.00**
Total Fire Sprinkler Cost: **\$14,760.00**



NOW: \$325,750.00

Direct Construction Costs

Indirect Costs

Fire Sprinkler & Signage	Plumbing	Electrical	Fire Blocking & Insulation	Cycle Time & Variance	Arch. & Design	Warranty Reserve & Sales Cost	TOTAL Direct Costs	TOTAL Indirect Costs
\$6,000.00	\$2,000.00	\$500.00	\$1,000.00	\$2,500.00	\$500.00	\$2,260.00	\$9,500.00	\$5,260.00

*Based on 13D wet fire sprinkler system in accordance with NFPA

*Home Details: 3 beds, 2 baths, 2-car garage, 1648 Sq. Ft.


SIMPLYDWELL
HOMES