

**Alternative Subdivisions:
Not *Everyone* Can Live in a Master Planned Community!**

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Land Use Lawyers love to discuss and promote master planned communities, mixed use projects, historic preservation, and other 1st class hyper planned residential projects, but the truth is that many Americans can only afford something else. This presentation will highlight the real-world alternatives. Many are simply more basic living arrangements, which, for cost reasons, are primarily outside cities. We will review the types of basic subdivisions, how they are currently regulated and discuss their proliferation on possible new regulation. Most are far outside the urban core where land is cheap, and away from city regulation, subject only to county regulation.

WHAT DO PEOPLE WANT?

- **Single family unit**, not an apartment unit.
- **AFFORDABILITY** (low down payment financing)
- **Ownership**- THE AMERICAN DREAM
- Pet (fenced area?)
- Parking
- Open/green space
- Storage
- Area outdoor amenities- parks, beach, lake, the county
- Sometimes- good school district
- Low regulation

COMPROMISES FOR AN AFFORDABLE/ACCEPTABLE HOME?

- **Size**- *affordable*
- **Distance**- *cheap* land, not on a major freeway
- **Convenience**- far off freeway/less shopping options
- **Gov't services** – out in the county
- **Amenities**- golf course, clubhouse, parks, trails, swimming pools, entry monuments.
- Covered parking
- School district
- **Ownership**- Renters may get everything they want, but ownership/investment.

COVID disrupted work and home life. Remote working is common and where you live doesn't necessarily determine the location of your employer. Living way out in the country with fresh air, open space and fewer people is attractive to many.

Alternative subdivisions are the only affordable option to many!

For the purpose of this paper, I broadly interpret a residential “subdivision” as any assemblage of *affordable* horizontal single family living units of a broad array of types.

I. WHAT ARE THE TYPES?

a. BUILD TO RENT:

Build to rent (also known as BTR) is nothing more than the typical new construction single family residential community (often well planned), but all the units are available to rent. These projects are purpose built and designed for long term renting. There is no purchase option. They can be fully amenitized like a high-end apartment complex or master planned community. They are an *interim* solution for folks who can’t qualify for a mortgage of the type, size and quality of house they can afford to rent. BTR eliminates taxes, real estate insurance and major repairs. The theory is that the occupant will save money (or repair their credit) and will *later* be able to become a homeowner. More BTR is now available in a townhouse format. BTR can be available inside cities, but are often in ETJs and suburban locations.

Some other alternative subdivisions (e.g., manufactured housing subdivisions and RV parks) are including for-rent options. In some RV parks, stick built or modular micro housing units are being added as a rental option.

PRO- NO COMPROMISES
TIME TO SAVE
CON- NO OWNERSHIP
NOT NECESSARILY CHEAP

See www.wanbridge.com for a major Texas based BTR developer with communities in Houston, DFW and Central Texas. Wan Bridge hopes to build 2000 units per year!

b. SMALL LOT “1ST HOUSE” SUBDIVISIONS:

For some time, production builders have sought to protect the affordability of their most entry level homes by reducing land costs and unit size utilizing 40’ lots. Previously 50’ lots were considered the smallest appropriate lots size for a production single family home, but now 40’ lots are *an industry standard*. Most suburban cities don’t like 50’ lots, much less 40’ lots, and simply zone them out. Inside such cities, it is typical to have a master planned community with a broad array of lot sizes and house sizes (and price levels), but not 40’ lots. Today, we are seeking entire “suburban style” single family subdivisions outside cities and their regulation, with all 40’ lots. Many are typical suburban style designs with curb and gutter streets (usually concrete) including a modest park and maybe some trails, but w/o other costly amenities. The houses are all front-loading garages due to the narrow lot dimensions. Common production builders in this market are LGI and

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