

In with the Old, In with the New

MAKING THE CHOICE BETWEEN OLD
AND NEW HOME CONSTRUCTION

Written by TIARA HODGES



Alair recently completed this Marsh Harbor home, designed by Fred Wasson.

KATIE MCGEE

AS THE HOUSING MARKET remains red hot in desirable markets across the country, Savannah is in a unique position as the home of the largest National Historic Landmark District. Historic homes can offer the charming architecture of centuries past, while new construction projects are full of novel possibilities, smart features and homebuyers' dream amenities. Either way, both home renovations and new builds are facing COVID-related delays.

Here, local real estate experts share how they are continuing to find innovative ways to meet the vision and needs of their clients as well as the greater Savannah community.



COURTESY ALAIR

Walter Strong, Regional Partner, Alair

ON WHAT'S DRIVING TRENDS:

At Alair, we have seen an influx of architectural inspiration as well as interior trends being shared on social media. People are seeing what others are doing and are inspired by color palettes, exterior materials or kitchen features via TikTok, Instagram and Pinterest. Functionality is often at the core of the ways people are looking to add features to bathrooms or kitchens as well — making their spaces work for them.

ON HOW HOMEBUYERS DECIDE BETWEEN OLD OR NEW CONSTRUCTION:

Both have their charms! With a new structure, assuming you are building custom, you get to make the spaces exactly as you want them from the beginning. It is also a much larger undertaking, with lots of decisions and a much longer timeline to completion. For building new, finding a lot in a location you love makes all the difference.

With an existing structure, you can change just about everything, with the right team of people on your side. Renovations on older housing stock are often lower-cost, faster-timeline options. Just remember: with an existing structure, you can't change your neighborhood.

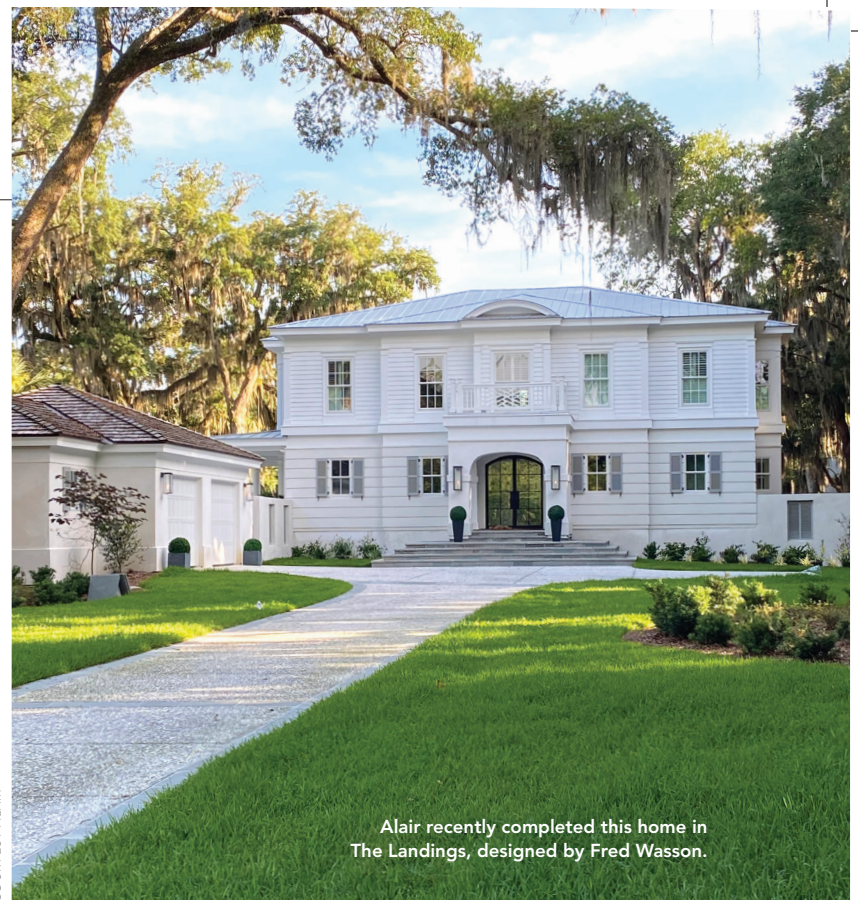
H. Pearce Scott, AIA, LEED AP, Principal, Pearce Scott Architects

ON THE DEMAND FOR HOUSING IN THE REGION:

Despite market reports noting that housing starts are down, we have not seen the pipeline shrink. It has



COURTESY PEARCE SCOTT ARCHITECTS



COURTESY ALAIR

Alair recently completed this home in The Landings, designed by Fred Wasson.

tempered a bit from the exuberant pace of last year and settled into a more sustainable pace, but it is still quite healthy from our perspective. While interest rates have helped to dampen the frenzy, they are still at near-historic lows.

ON WHAT'S DRIVING TRENDS:

We are still seeing the effects of the pandemic show up in what people are looking for. Multipurpose spaces that can function as a Zoom room, office, spare bedroom and evening lounge are popular. Similarly, smaller places to escape and read a book keep showing up on wish lists. Outdoor spaces continue to be a primary focus.

ON OLD VERSUS NEW:

The unpredictable nature of costs today is the biggest drawback to building new. Buyers of existing homes do have an advantage, [in terms of] understanding the fixed cost of the home. [In new construction], suppliers and subs simply won't lock pricing for more than a month or two, because they are worried about getting burned by increases from their suppliers. It all makes sense, but it doesn't make for a very predictable environment.

That said, if you want what you want, and many people do, new is the way to go. Another consideration is the operating cost of the home. Current energy standards and building codes call for more efficient, new-construction homes that will cost less to operate and maintain than an older home. Over the course of 5 or 10 years, that cost can really add up and should be considered.



Upper East River partnered with Cherokee Brick to create an oversized brick that designed to look similar to what would've been used in the 1800s.



Taavo Roos, President of New Construction and Project Development at Seabolt Real Estate

ON THE PIPELINE FOR NEW CONSTRUCTION:

Things are looking bright for Savannah. Many high-end apartment complexes (Class A multifamily) are already in progress, along with a legion of pre-development projects. There's been a lack of quality apartment buildings completed during the last 25 years. However, with the passing of NewZo (new zoning ordinance), Savannah has been able to build where it hasn't built before and is trying to take advantage of that opportunity. We're a ways away, however, from meeting [demand].

Take apartment inventory, for example. We've expanded by 679 units in the last 12 months, but net absorption (those actually renting apartments) approached nearly 2,000 during the same period of time. The need for apartments was more than doubled the available amount. There's a great deal of growth still on the horizon for Savannah.

WHAT'S DRIVING TRENDS:

COVID played a huge role in reshaping how we as a society see the workplace. One of the recent trends has been the ability to work remotely and, due to that, there has been a big influx of out-of-state buyers. Another trend has been people moving out of larger cities and flocking to charming mid-size Southern cities such as Savannah. I think there has been an emphasis on quality of life recently and a focus on being closer to friends and family. People realize that they can do this and are happier in hospitable, beautiful, artistic cities, like Savannah.

ON THE FUTURE OF DEVELOPMENT IN SAVANNAH:

For years, Savannah's Historic District has been undervalued compared to other competing cities, like Charleston. Throughout the past 10 years, most of the vacant parcels downtown have been, and are still being, bought and developed. Next up, we might see the acquisition of non-historic buildings in Savannah — repurposing them or knocking them down to redevelop the site. It's incredibly rare to have new construction in the Historic District, so this is great news, especially for so many buyers who desire new construction downtown. Our prices are starting to catch up to competing cities, but we're not there quite yet. There's definitely still room to grow.

Heather Booth, Associate Broker, Bay Street Realty Group for Upper East River



ON HOW PRODUCT AND LABOR SHORTAGES IMPACT THE MARKET:

We have all learned to work harder and smarter, in the sense that we now can anticipate longer lead times.

In terms of supply chain issues, early in the pandemic, everybody in our region was trying to get garage doors, windows and appliances, so those were examples of things that were difficult. Since we have between a six- and 12-month build time on our homes at Upper East River, we've started to become more proactive, so at the very beginning, when plans are being permitted, we're ordering what we need and making sure we've got it in place. That's how we've overcome these challenges. We currently have around 45 to 50 families who have committed to building homes and are waiting for their homes to be delivered. We're in a pretty strong position, with most of the materials that we need for those families in place.

ON BLENDING THE OLD WITH THE NEW:

To ensure we respected the history of Savannah, Upper East River partnered with Cherokee Brick, who created a one-of-a-kind, unique-to-our-neighborhood brick called Queen Anne. This oversized brick was tooled and mortared to be similar to what would've been used in the 1800s.

Another example is our variety of five different home and condo styles. When we're finished with our neighborhood, it's going to be like the adjoining Landmark District, where you can barely discern that it's just evolved from historic to new. We are absolutely thrilled beyond belief to have a part of this legacy in Savannah. You only get one shot to do something like this along the water in such a historic city, and we've loved all of our partners: the city of Savannah, our engineering partners and everyone else. We know that whatever we build has to have staying power, because it's going to fit into the fabric [of Savannah].