

McMansions are scaling down as builders cut costs for luxury homes



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The wealthy have a secret, but their home builders know.

They're downsizing.

While the real estate boom spurred 9,000-square-foot single-family homes and Gone With the Wind-style foyers, the bust has born new models from luxury builders advertised as opulent, yet "efficient" — read slightly smaller, less bling.

In November, Toll Brothers announced three new lower-priced floor plans available at its Wellington View community near Forest Hill Boulevard and Lyons Road.

On Sunday, Kenco Communities will give residents of The Oaks at Boca Raton a sneak peek at its post-boom, 4,943-square-foot Verona model.

With six bedrooms and a three-car garage, the Verona lives up to Kenco's five-star reputation, but comes with a price tag of \$1.3 million. Yes, that's the cheap model.

Kenco designs from the past few years range in price between \$2.5 million and \$5 million. For the extra cash, you can get the 7,408-square-foot Consenza home with a sweeping staircase, a wet bar, an elevator, and a wine closet that opens into a formal dining room with a 12-foot coffer ceiling.

"What happened in 2004, 2005, and 2006, it was all about the bigger the better, that was the mantra," said Ken Endelson, co-founder and chairman of Kenco Communities. "We started out in 2003 building houses that were 4,700 square feet, 5,500 square feet. Then, three years later, people wanted 6,000 feet plus."

The new Verona model will save space by cutting out a formal dining room and a formal living room — a space Endelson said is a showcase, but rarely used.

"Right away, you save 700 feet," he said.

Florida is not alone in shrinking its McMansions.

Nationwide, builders say they are trying to cater to post-recession buyers who still want luxury, but at a discount.

A survey released last year by the National Association of Home Builders found that nearly 90 percent of builders are designing smaller homes in response to requests from architects and consumers.

It's probably too early to know how well the designs are faring.

New home sales in the South have fluctuated throughout the year, jumping 23 percent in October compared with September, according to U.S. Commerce Department reports.

November sales, however, plummeted 21 percent compared with October. Nationwide, October sales of new homes reached 430,000, up from 405,000 in September.

While the majority of new homes have "bread and butter" floor plans for first-time buyers or middle-income move-up consumers, luxury builders have to be more discerning when redesigning.

They can't just wipe out luxury elements altogether.

For example, Toll Brothers' new designs may still have stately columns, but they'll be high-impact foam instead of stone.

Hurricane-resistant glass windows are an option on the new designs, not a given. Also, the master bedroom is on the second floor, above the family room. Before, the master bedroom would be on the ground floor and the family room had a soaring two-story ceiling.

"The market is very wise," said Ron Blum, Toll Brothers' senior vice president, Southeast Florida division. "The type of home we've designed now is inexpensive to build, and that brings us to a marketplace where we can reach more people."

Typically, Toll Brothers designed homes with 3,000, 4,000 and 5,000 square feet. The new homes will fill in the size gaps with a 3,200-square-foot model and other in-between sizes.

Toll Brothers' new pricing will begin at about \$450,000, instead of \$495,000.

"There's a whole new economic reality and people are much more pragmatic," said Scott Agran, president of Boca Raton-based Lang Realty. "Builders don't have a choice but to redesign. They can't ask for \$5 million anymore."