



Birkdale Village

A Comparative Analysis of a New Urban Place and Conventional Developments

Birkdale Village—A Comparative Analysis of a New Urban Place and Conventional Developments

Situation

The National Town Builders' Association is composed of developers who have created great communities by building social capital, responding to the environment, and producing financial returns. The pursuit of these projects has been motivated by and demanded a different paradigm than conventional development. This paradigm is focused on creating places where people not only can live, work, and play but where they can do so with comfort, enjoyment, and safety.

Opportunity

With several decades of experience and many projects completed, the developers who belong to the NTBA have the knowledge and skills to continue building better neighborhoods. Unfortunately, the dissemination of knowledge and training have been limited in two key areas: (1) an understanding of traditional neighborhood development by municipalities, lenders, and other stakeholders, and (2) the training of other real estate professionals to execute such projects.

There are relatively few people who understand the processes and possess the ability to create great places. There is limited formal education and training available for real estate developers interested in creating traditional neighborhoods.

Action

As a real estate faculty member at the University of North Carolina at Charlotte, I am interested in helping students develop the understanding and skills to create great places. To define what a great place is requires unbiased analysis of situations and outcomes. This study was initiated to compare the situation and outcomes of a project guided by principles of the Congress of New Urbanism and comparable projects built with conventional planning and design.

Method

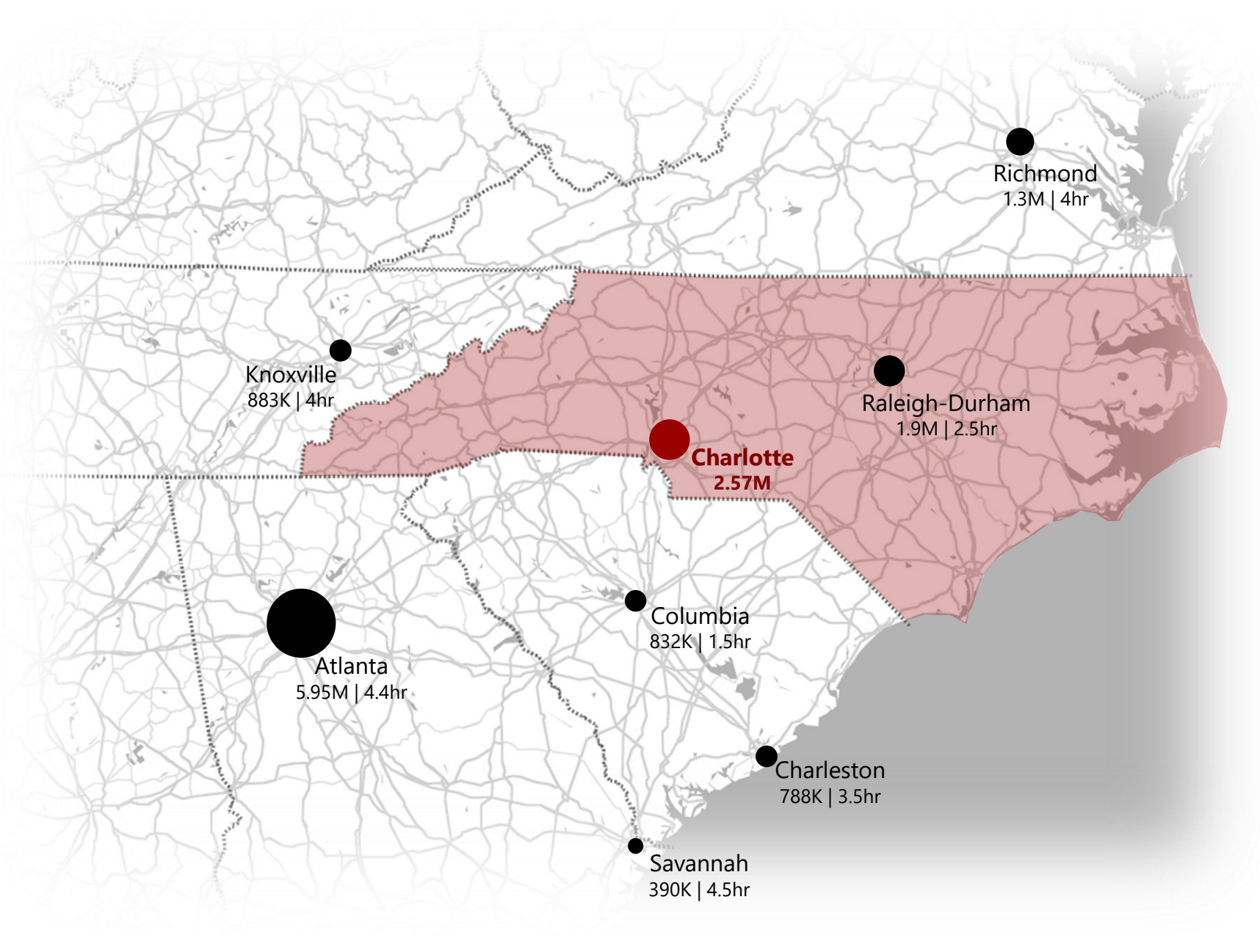
The study used Birkdale Village and The Greens at Birkdale (located in Huntersville, North Carolina) as examples of New Urbanism. Birkdale is made up of a unified neighborhood of single family, multifamily, retail and office uses. Comparable conventional single family subdivisions, multifamily complexes, and retail shopping centers were used for analysis. The single family subdivisions were all located within the city boundary of Huntersville, North Carolina which adopted a city-wide form-based code in 1993. The multifamily complexes were chosen for their similarities in number of units and proximity to Birkdale. The shopping centers were chosen for their similarities in location, layout, and/or scale.

Result

The results of the study show that Birkdale has higher rents and prices for each land use (single family, multifamily, and retail) when compared to the conventional developments. This is particularly interesting given the comparative age and location of Birkdale. The value of Birkdale is not only in the current value but in sustaining value over time. This appears to be a result of an appropriate mix of uses combined in a way that optimizes land area and forms a walkable neighborhood.

Prepared 9.30.2019 by Daniel D. Wright

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Overview

Subject: Birkdale Village and the Greens at Birkdale

State: North Carolina

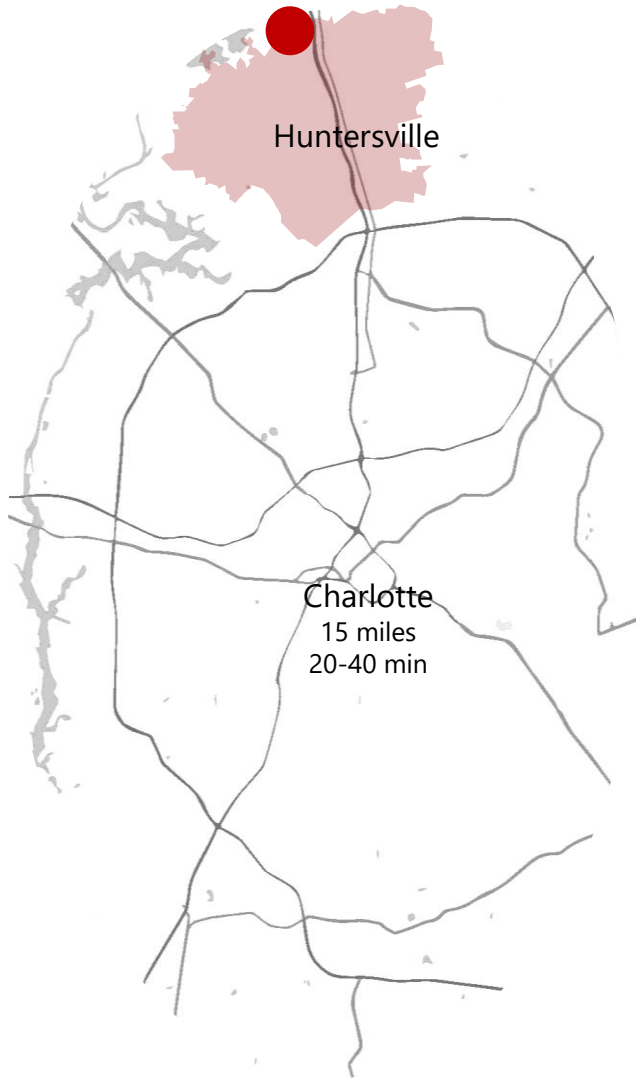
MSA: Charlotte-Gastonia-Concord

City: Huntersville

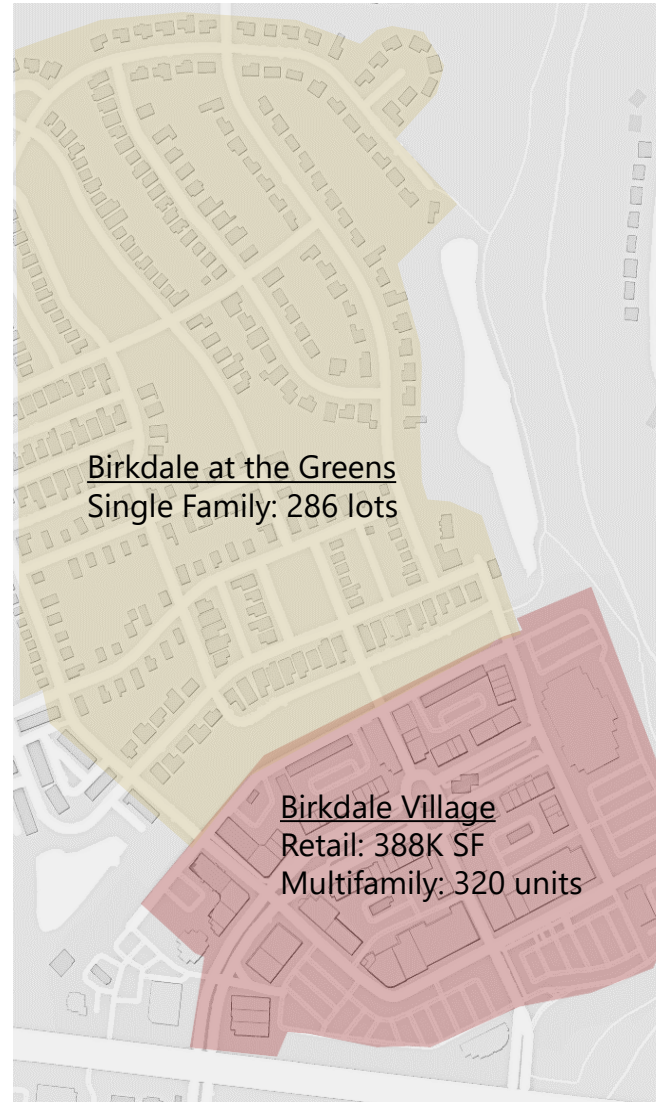
Data Sources: Mecklenburg County, CoStar, Metrostudy, Walkscore, ULI

Method: Analysis of land values and rents for comparable single family, multifamily, and retail properties. These properties were all single use (except one, Rosedale, which had some townhomes with retail). They were compared against the individual uses at Birkdale and then against Birkdale as a composite of those uses.

Area | Frequency | Time



Whole



Comparable Parts

Retail

Northcross Shopping Center	388k sqft
Rosedale Shopping	119k sqft
Northlake Mall	1.2m sqft

Multifamily

Redcliffe	314 units
Kenton	210 units
Camden	368 units
Fairways	180 units
Pinnacle	312 units
Holly Crest	402 units
Landings Drive	312 units

Single Family

Alexander Place	23du
Autumn Cove	22du
Birkdale East	522du
Breckenridge	112du
Caldwell Station	89du
Cambridge	468du
Cobblestone Manor	113du
Green Farm	131du
Hamptons	340du
Harvest Pointe	116du
Kelly Park	86du
McCalauy Farms	592du
Melbourne/New	55du
Meridian Section	15du
Norman's Shores	35du
Nottingham	120du
Shepard's Vineyard (or Shepard's)	201du
Stone Hollow	167du
Tooley	142du
Torance Ph 2	43du
Village Rosedale	161du
Waterfront	275du
Wynfield I	693du
Wynfield II	73du

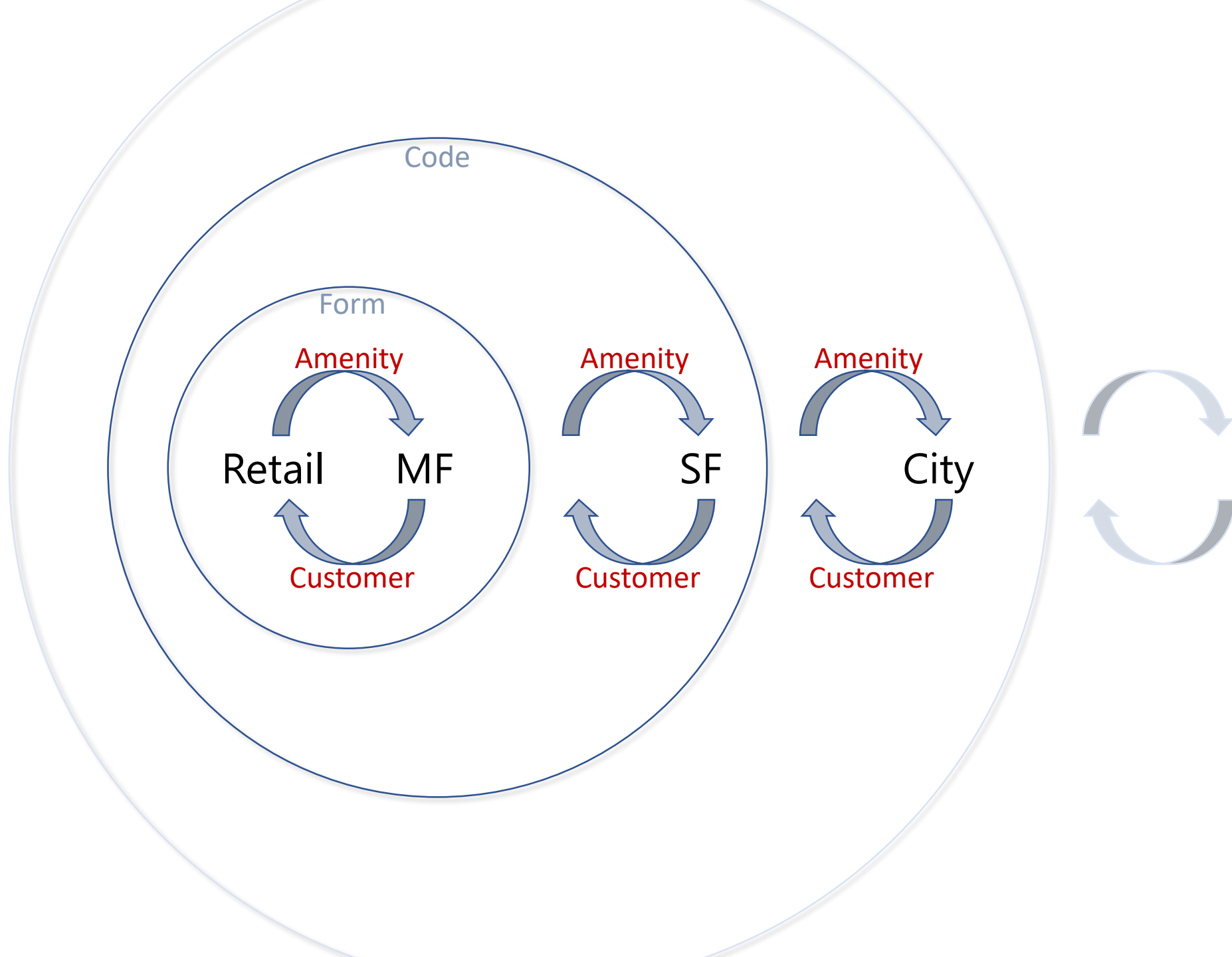
Birkdale as Whole

- Birkdale can be identified as a "whole" neighborhood composed of various parts: single family homes and multifamily units above retail and office spaces
- Purchased: 1998, Completed: 2003
- Land Size: 52 acres (Village), 92 acres (SF)
- Original Commercial SF: 287K
- Village Costs:
 - Acquisition: \$7.0M (\$3/sqft)
 - Site: \$11.7M (\$16/sqft)
 - Hard: \$55.0M (\$78/sqft)
 - Soft: \$8.8M (\$12/sqft)
 - Total: \$82.5 (\$116/sqft)
 - Total Bldg: \$75.5M (\$106/sqft)
- Developers: Crosland, Inc., Pappas Properties, LLC
- Previous Owner: Forest City
- Consultants: Shook Kelley, The Housing Studio, Land Design
- Current Owner: SITE Centers Corp. (REIT)



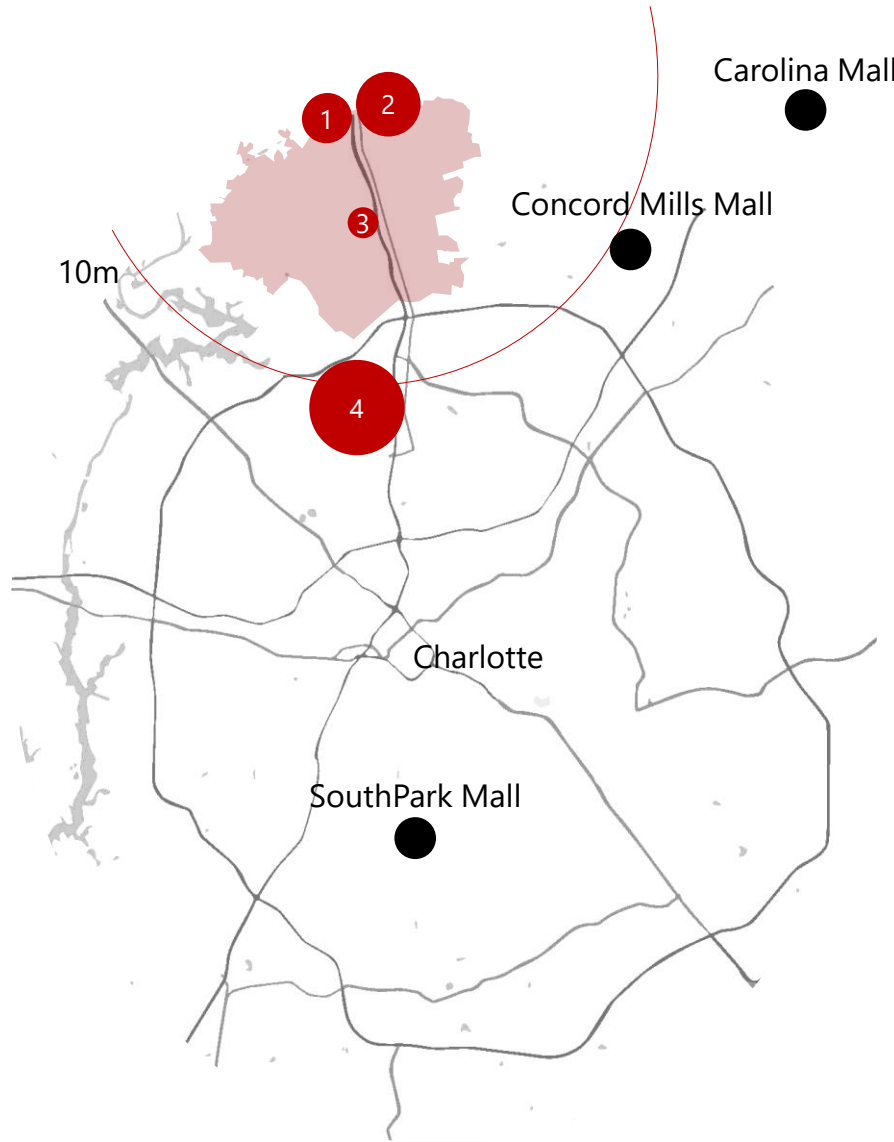
Key Findings

1. Mixed-uses located within a walkable form (particularly multifamily located above retail) at appropriate scales can lead to higher rents, lower vacancies, and higher home prices over a sustained period of time.
2. Creating an economically viable four-story town center in a suburban location is achievable when mixing uses at a scale attractive to institutional investment.



Whole > Sum Parts

- Birkdale can be broken into basic parts of retail/office, multifamily, and single family.
- These elements create a cycle of supplying amenities and receiving customers.
- Retail provides an amenity for the multifamily which provides the customer for the retail.
- The retail and multifamily synergy is made possible by the building form. This then provides an amenity as a town center for the single family. The single family, in turn, provides customers to the town center.
- The mix of activities is made possible by the form-based code. This creates a synergistic neighborhood that is an amenity to the city. The city, in turn, provides customers for the neighborhood.
- This cycle continues to scale and can become richer with activities such as education and worship.



1993 Huntersville adopts a form-based code

1995 Northcross Shopping Center completed

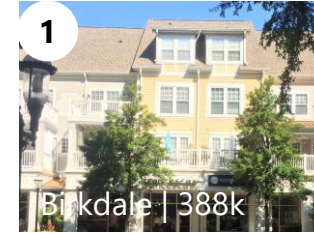
1998 Birkdale Village purchased

1999 Concord Mills Mall completed

2000 Rosedale Center completed

2003 Birkdale Village completed

2005 Northlake Mall completed



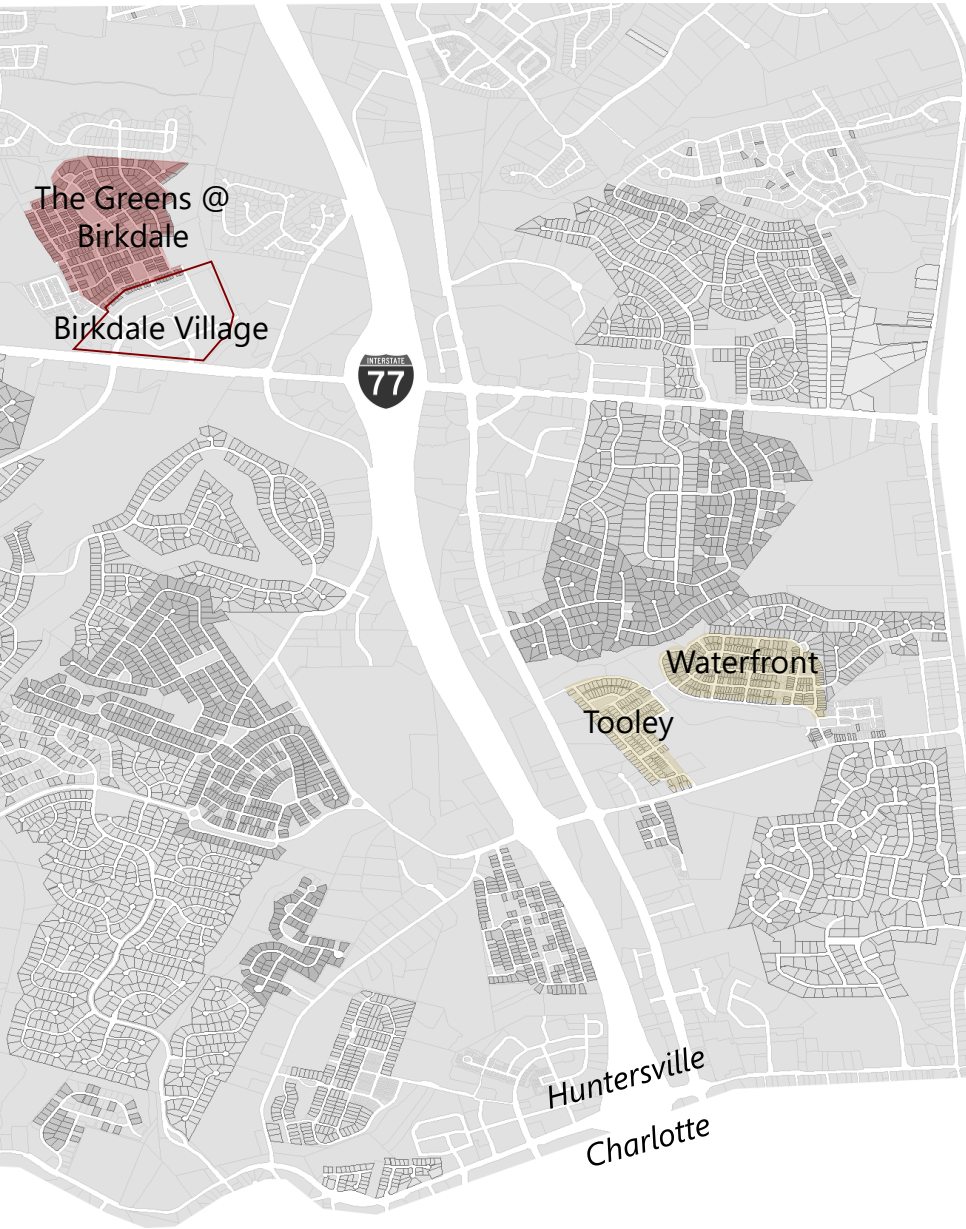
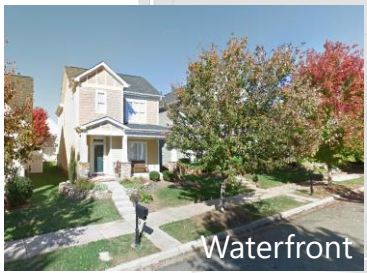
Retail as a Part

- Birkdale Village was purchased from Forest City in 1998.
- The key identifier of the Birkdale project is the retail.
- There was limited retail at the scale of Birkdale at the time of inception.
- The nearest super regional retail was 15 miles away.
- The two broad areas of comparison are 1) location (within the city of Huntersville) and 2) layout and tenants (similarities to a mall).

MF as a Part

- Birkdale competes with several other apartment complexes that are generally newer.
- Its scale and density is comparable to investment grade apartments.
- The most competitive project is Holly Crest (3).



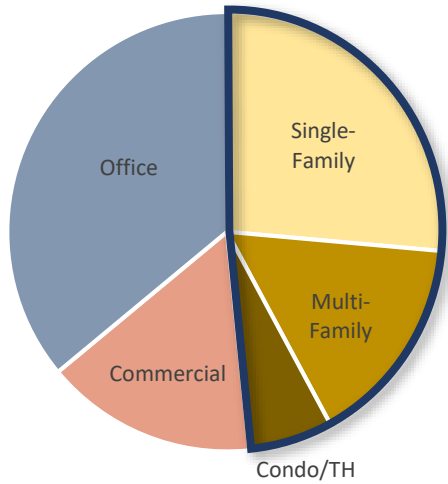


Neighborhood	# Lots
Alexander Place	23
Autumn Cove	22
Birkdale East	522
Breckenridge	112
Caldwell Station	89
Cambridge	468
Cobblestone Manor	113
Green Farm	131
Hamptons	340
Harvest Pointe	116
Kelly Park	86
McCalauy Farms	592
Melbourne/New	55
Meridian Section	15
Norman's Shores	35
Nottingham	120
Shepard's Vineyard (or Shepard's)	201
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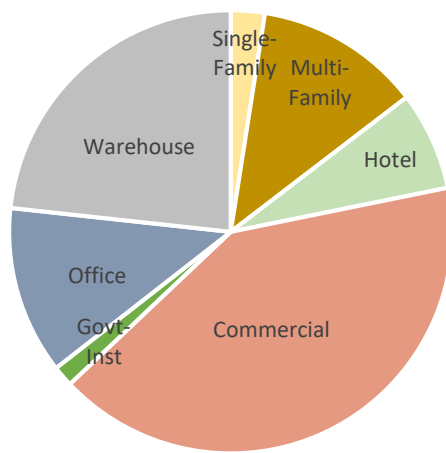
SF as a Part

- This is the competitive set of single family subdivisions in the city of Huntersville.
- Two other projects had New Urbanism design elements: Tooley and Waterfront. These are shown on the Single Family exhibit as competitive in price per square foot.

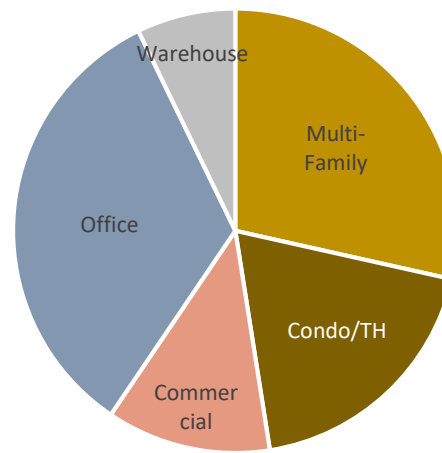
Birkdale



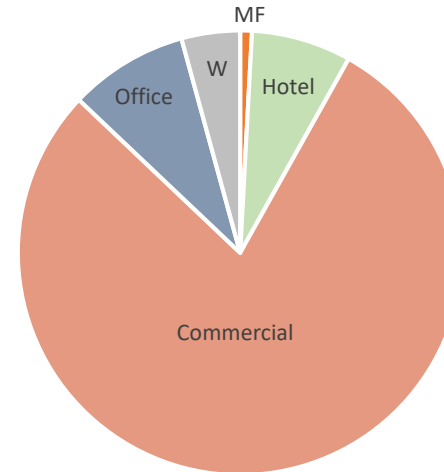
Northcross



Rosedale

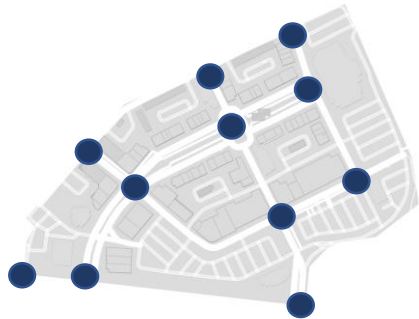


Northlake

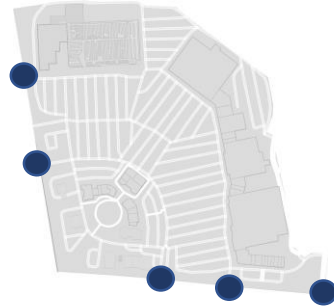


Land Use Mix

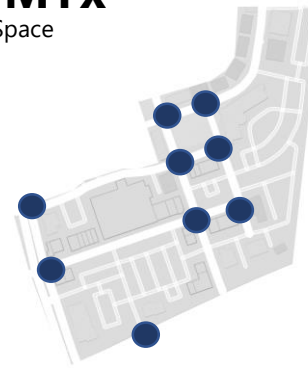
¼ mile - % Building Space



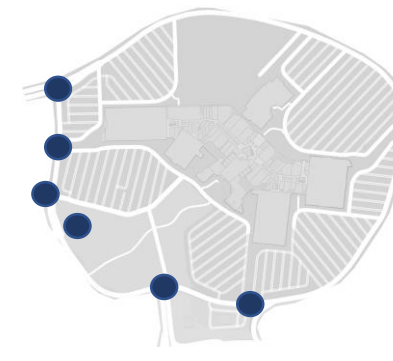
11 | Traffic 32k



5 | Traffic 33k



9 | Traffic 35k



6 | Traffic 42k

Connections and Traffic

76

46

66

49

Walk Score

Whole Defined

- This shows a set of measures that, when put together, begin to define a "whole" neighborhood.
- The Land Use Mix is the percent of the shown land uses (designated by Mecklenburg County) within a ¼ mile of the retail center. Birkdale clearly leads out with residential uses while maintaining a healthy mix of commercial uses.
- The Connections and Traffic images show the number of public connections to and within the center. It also shows the AADT counts. Birkdale is competitive with traffic but has many more connections.
- The Walk Score is the score designated by walkscore.com as measured from the middle of the retail center. Birkdale measure far above competition.

Whole Defined

1 mile	Birkdale	Northcross	Rosedale	Northlake Mall
2019 Population	6,921	9,423	8,327	6,196
Hispanic	5%	5%	15%	9%
White	86%	86%	76%	50%
Black	7%	7%	16%	39%
Am Indian/Alaskan	0%	0%	1%	1%
Asian	5%	5%	4%	7%
Other	2%	2%	2%	3%
2019 HH	3,124	3,580	3,392	2,972
Owner Occupied	46%	74%	50%	40%
Renter Occupied	54%	26%	50%	60%
Median HH Income	\$94,596	\$110,078	\$69,814	\$60,948



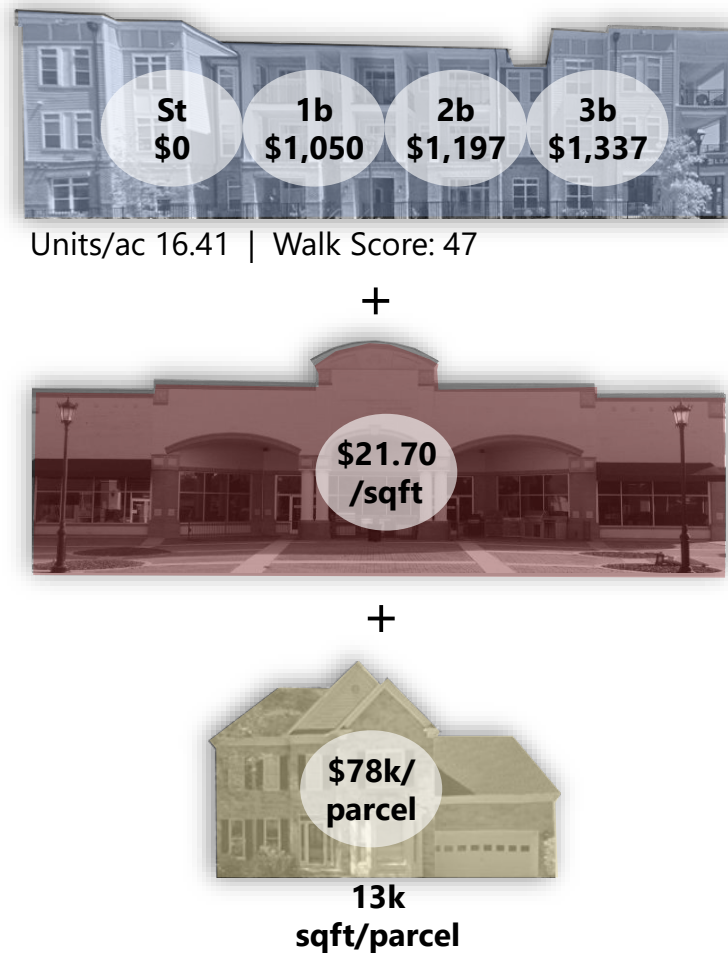
- High Median HH Income AND High Renter Occupied %
- Birkdale is the only center where it is able to capture a renter demographic and a high income demographic.
- This is likely due to the successful mix of single family, multifamily, and higher end retail.

- The population within a 1-mile radius of each center shows a low mix of race compared to other centers (except Northcross which is within that radius). In the Charlotte region, race and income are related which is demonstrated with the racial mix and median income.
- The key point here is that while Birkdale has a high median income, it maintains a high "renter occupied" percentage which is unusual for a location with these demographics.
- This reiterates that a key driver to the value for Birkdale is the apartments above the retail.

Birkdale as Whole



Comparables as Parts



Whole > Sum Parts

- This demonstrates the overall benefit to Birkdale with integrated uses into a “whole” versus disparate parts.
- These prices are occurring even though most of the competitive product (for all uses) is newer.
- The single family residential taxable value per parcel in Birkdale is nearly double the comparative subdivisions and captures that value at half the size.
- The retail taxable value per land square foot is significantly higher for Birkdale Village at half the acreage.



Notes

Retail rent = NNN 5-yr avg

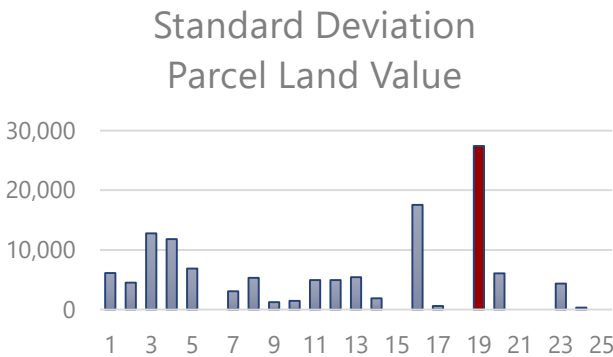
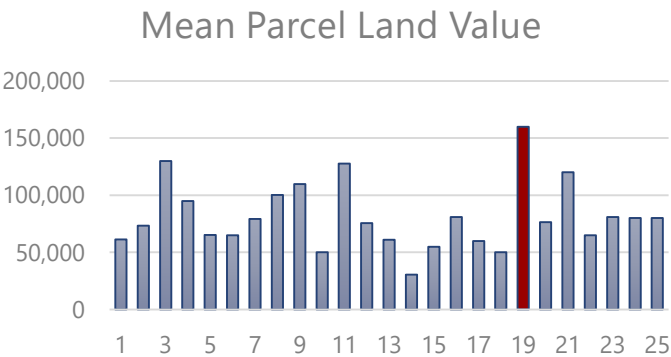
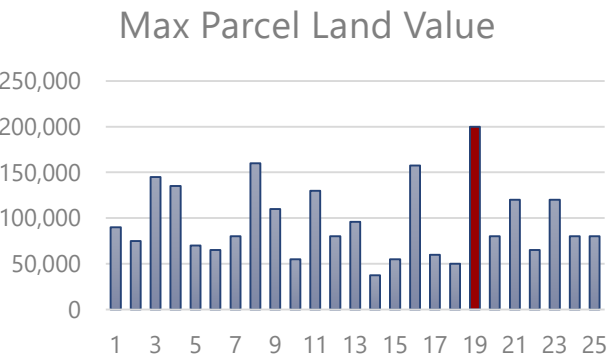
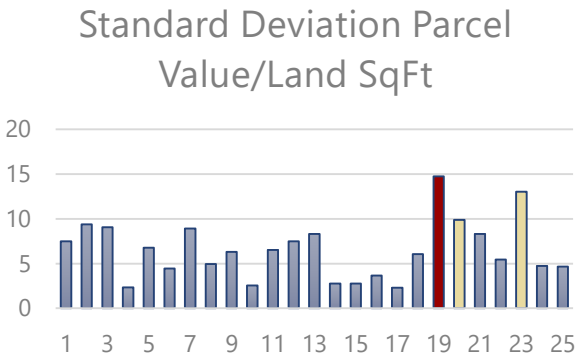
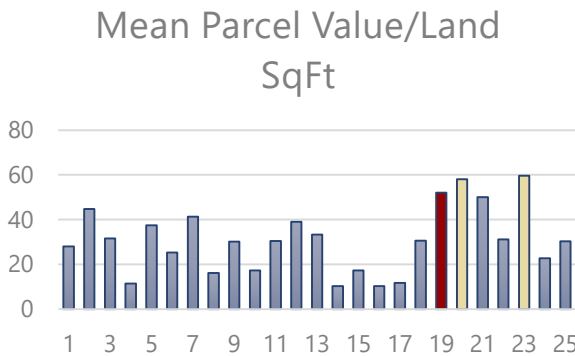
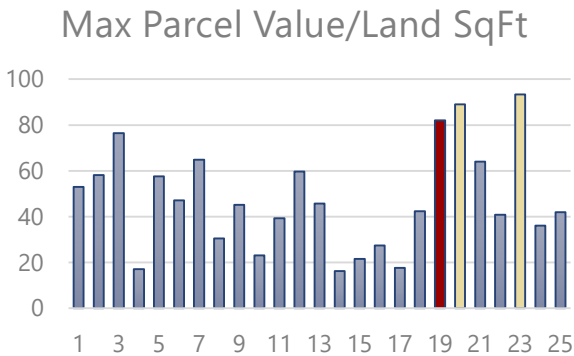
Single family pricing = Average value of land per parcel in the subdivision

* Studios are like lofts, hence the higher value

** This excludes the value of the buildings

Sources: CoStar, Mecklenburg County

19 = Birkdale



Source: Mecklenburg County

Single Family Outcomes

Outcomes

Overall

Birkdale's relative land value compared to other retail centers is higher due to an urban form with vertical mixed-use achieved in a rural-suburban location.

Successes

Retail rents are comparable to or higher than other retail centers (community, power, and super regional centers).

Multifamily is 95%+ leased with higher rents than competition.

Single family land prices are higher (with ½ area) than other single family subdivisions in Huntersville. Single family provides a range of home prices.

The apartment above Banana Republic has had the same tenant since construction – it is a unit in high demand and is an example of the competitive advantage of Birkdale. The balcony units along the main street capture the highest premiums.

The customers range from teens to high-end adults



Outcomes

Half-successes

Multifamily has over 40 different floor plans to accommodate the ground floor retail layouts.

Failures

There are no grocery stores, schools, or churches.

Other Considerations

Costs: parking structures, infrastructure, architecture

Challenges with institutional money interested in mixed-use



Exhibits

	Birkdale	Northcross	Rosedale	Northlake Mall
Center Type	Lifestyle Center	Power Center Harris Teeter, HomeGoods, Kohl's, Lowe's, Target	Community Center	Super Regional Mall
Major Anchors	Dick's		Harris Teeter	Belk, Dick's, Dillard's
<i>Source: Polaris3G</i>				
Land Area	36.28	75.81	11.13	109.10
Building sqft	1,187,500	753,698	118,869	1,239,497
Total Taxable Value	\$143M	\$112M	\$26M	\$240M
Total Value/Bldg sqft	\$118.51	\$140.20	\$217.13	\$171.73
Total Value/Land sqft	\$90.51	\$33.91	\$55.45	\$50.46
Land Value/Land sqft	\$12.97	\$11.22	\$14.84	\$11.24

Source: CoStar

2019 Q2 (1/4 mi)	Birkdale	Northcross	Rosedale	Northlake Mall
Vacancy	1.20%	2.10%		0%
Net Absorption	2,057	537		0
Non-office NNN	-	\$20.63		-
Office Base Rent	\$24.87	\$19.50		-
NNN Rent/SqFt (5-yr avg)	\$24.64	\$22.92	\$19.00	\$23.17

Source: CoStar, Mecklenburg County

Commercial Outcomes

Complex	Birkdale	Redcliffe	Kenton	Landings	Pinnacle	Camden	Fairways	Holly Crest
Units/Acre	16.84*	14.41	26.32	12.32	14.61	15.74	12.37	19.11
Walk Score	76	58	51	38	55	56	23	49
Transit Score	29	23	20	32	32	23	26	32
Built	2001	2001	2015	1995	1996	1999	1997	2015
Studio (Rent/unit)	\$1,232	0	0	0	0	0	0	0
One Bed (Rent/unit)	\$1,176	\$890	\$1,024	\$850	\$980	\$1,133	\$1,276	\$1,195
Two Bed (Rent/unit)	\$1,488	\$1,123	\$1,145	\$981	\$1,088	\$1,268	\$1,187	\$1,586
Three Bed (Rent/unit)	\$2,135	\$1,471	\$1,449	\$0	\$1,365	\$1,519	\$1,650	\$1,905
Vacancy	4.40%	2.60%	8.60%	2.90%	12.80%	1.60%	3.90%	4.00%

Source: CoStar

Multifamily Outcomes



Daniel Wright, University of North Carolina at Charlotte

Daniel Wright is a full-time real estate and finance lecturer at the University of North Carolina at Charlotte. His courses include real estate development, site planning, real estate principles, and asset management. Daniel is also involved in coworking and community consulting through the Evelo Agency and Community One. Prior to teaching at UNCC, Daniel spent several years as asset manager and real estate developer. He holds a Master in Real Estate from Cornell University, an MBA from Brigham Young University, and a Bachelor in Architecture from the University of Utah.