



A recent review of the LNB model and its application to the Aldinga development demonstrates some of the model's strengths and weaknesses.

1. We're creating a great place by involving our customers

LNB invests in relationship building to better match housing demand and supply. Unlike traditional developers, Living Not Beige regards early customer involvement as an essential component in getting the development process right because we aim to create community as well as homes. We employ multi-faceted opportunities for people to get involved. During the concept development phase we think, talk and map the interconnections of private, social and community spaces. How the spaces inter-relate are important to the use and feel of the area and can support people's need for privacy as well as the comfort with which they can participate in community.

We continue to involve people through the planning phase because we believe the best places to live are those where people have a sense of belonging and ongoing opportunities to have their say. Listening and responding to people's aspirations and integrating their ideas into the development is critical to creating 'place'.

We'll continue these conversations during the construction period.

2. Our marketing strategy successfully tapped into aspirations relating to sustainable environment, healthy organic food and community.

Our initial market research involved an overview of demographics and a literature review of housing and lifestyle trends. The review suggested affordable and sustainable homes were the way to go in Aldinga. We decided to design for a wide range of household types, including families, rather than restrict ourselves to the baby boomer sea-change market. The viability of a multi-generation cluster was something we wanted to try.

We launched the LNB model and our concept plans for 1 Dianella at the National Changemakers festival, thus achieving free, national exposure and generating interest from across Australia. Our marketing efforts then focussed on presentations to those who were interested in what we were trying to achieve. We provided a gift of a seedling and asked that they help us to grow, like the seedling, so that the project could bear fruit.

We further promoted the development with residents of the Aldinga Arts Ecovillage, at local schools, Willunga environment centre and a local food co-op. We tapped into a common interest in sustainable environment, healthy organic food and community. Word of mouth supplemented by interest generated at the annual Sustainable House Day has resulted in continuous registration of interest.

3. De-risking development can be achieved through investing in relationships

Our approach differs from that of other developers, who tend to rely on market research to determine the strength of demand, with pre-sales being used to confirm market acceptance of the product and price point on offer. In the absence of active future buyers, this sort of



approach is essential to the risk management profile of traditional development. But it means that infill and medium density development tends to be characterised by a generic product, located in a safe market and able to be promoted to a pre-determined target group.

The importance of pre-sales in the medium density housing development process cannot be overstated. In most cases construction cannot commence until sufficient pre-sales are achieved. The pre-sale period can stretch into many months, making it more time consuming than statutory approval processes (well, sometimes...). Pre-sale campaigns can include constructing and operating display units; printing of marketing materials; engaging real estate agents; and newspaper, magazine and internet advertising.

We did very little of this. Beyond a sign on the fence and a small editorial in the local paper, we invested in relationship building with prospective purchasers and the ecovillage neighbourhood.

It's both a responsibility and a commitment to support eleven or so groups of future residents plus various other stakeholders involved in a project - but the project is better for it and people have a greater sense of investment in the place that they will one day call home.

Our customers helped shape the development from the get-go. We provided alternative site plans and different layouts, accepting feedback and making adjustments as we went. We talked water supply, energy efficiency of built form options and alternative fittings and inclusions. To further generate interaction between future neighbours, we talked about pets, lifestyles, favourite trees, interests. These conversations enabled people to self-select to be part of a developing community. Longer term it means that expectations are realistic and the glue of community is established before move-in day.

From the development standpoint, involving customers has meant we have matched supply to the demand, thus reducing risk, and we have been able to develop a built form that's a bit different - something that perhaps wouldn't be attempted by a traditional developer in a safe market. Our approach has made it possible to avoid the need for 'safe' because the development is directed by future residents.

4. The LNB model, not unlike traditional residential development, is sensitive to delay

Considerable time will have elapsed between our launch in October 2013 and property settlements in the Aldinga project. During this period, market conditions have changed: Adelaide's south has already increased in value by 5% and land within the southern metropolitan area and the ecovillage in particular is becoming scarce - demand and prices have increased. For our customers, this means they capture the uplift in property value that has occurred and will continue to do so during the construction period.

The LNB model is therefore more sensitive to timeliness of approvals and continuity of supply. Delays have made it particularly tricky for our suppliers, who face materials and labour cost increases. Lives and people move on, and employment opportunities evaporated as we endured



frustrating back-and-forth discussion with local administrators' intent on micro managing development. The planning approvals process was so long it threatened the affordability of our product and the viability of the project. There was no option other than to bear the delays and wear the costs of conditions. The planning system philosophy is one of control and compliance. There is no opportunity for relationship development. We're pleased that the system is changing.

5. Involving customers stimulates greater innovation without having a negative impact on risk.

We involved consumers in order to increase certainty. Client relationship management is central to the model, individualised and very hands on.

Involving customers also meant we could respond to their collective ambitions, such as higher environmental performance and shared community gardens. Our proposal to provide a community room – a space for shared meals, visitors, small business for example, was not something people considered important and was therefore deleted quite early in the process.

But we did not allow open slather. 11 unique designs would have been unviable. Our designs are flexible enough to allow variation but the structure provided a boundary. In this way, we balanced the need for diversity by tailoring each dwelling to suit the needs of the customer, without compromising affordability, accessibility or increasing our risk to an unacceptable level.

A waiting list of buyers generated via blogs, newsletters, social media and word of mouth provides some degree of insurance when customers need to make unplanned exits from the project.

6. Conclusions - where to from here for LNB?

Australian housing supply is typically characterised by sales between a single seller and a single buyer. Responsiveness to consumer needs and preferences, at least within most medium density markets, occurs at a superficial level via mainstream market research and analysis. The LNB model demonstrates that tapping into a common interest and involving prospective residents from an early stage in a development reduces risk and stimulates community, both of which facilitate greater innovation in built form and urban design.

Investing in relationship building and brokerage - active relationship management, the building of trust and aligning the interests of customers with the emerging design of both site and house requires considerable commitment. The next phase for LNB may be upscaling this concept via software or social media to create an independent housing market brokerage to actively source collective buyers and match them to possible housing opportunities - or vice versa. Either way, a market broker could facilitate development with improved sustainability, amenity and urban design innovation by increasing certainty earlier in the development process.

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1 Dianella Way Aldinga, a cluster of 11 single and two storey terrace homes was recently re-named Orchard Walk by prospective residents. The name reflects the locality of the development adjacent to the largest orchard within the Aldinga Arts ecovillage. Landscape concepts propose an extension of orchards through the shared community gardens in the new development with fruit bearing street trees being planted to create shade. Conversations are underway to set aside space for paths, seating and a local playscape.

All but two homes have been reserved.

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