



New Homes Getting Smaller

By Marty Coates, President
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In a reversal of the “McMansion” trend of years past, new homes are being built with less square footage — but make up for it with smart design, more details and higher quality finishes.

Home buyers are finding that they would prefer to spend their housing budget on quality products and features, rather than sacrificing that quality for more space. This sentiment was mirrored in the 2007-2008 Consumer Preferences Survey conducted by the National Association of Home Builders (NAHB) in which 58 percent of respondents answered that they would prefer a smaller house with high-end amenities rather than a larger home with fewer amenities.

In 2008, this was reflected in average home sizes that went from 2,629 square feet in the second quarter down to 2,373 square feet in the fourth quarter. This downsize equates to removing almost two bedrooms from the typical home. Going forward, eighty-eight percent of builders have expressed their plans to build smaller houses than in the past, according to data provided by NAHB’s economics and housing policy group.

This new trend has been attributed to several factors. Baby boomers are becoming empty-nesters and are looking to downsize from the large house they previously needed to accommodate their family. The recent recession has also caused people to tighten their belts and make financial decisions that are reasonable for their economic situations. Home buyers are also becoming more environmentally aware and are looking for ways to leave less of a footprint on the planet.

Whatever the reason, home builders are adapting to the needs of their consumers. Because builders are expected to deliver the same quality product in a smaller package, they are being more creative in how they design the layout of the house so that the home owner still feels comfortable and sees their home as the perfect fit for them.

Some ways in which builders are addressing this challenge are by increasing the ceiling height, installing skylights and adding more windows, and incorporating an open floor plan that makes the home appear larger and more spacious.

It is also important for builders and home buyers to sit down and do a serious evaluation of what features are most important to their lifestyle wants and needs. The builder can then design the floor plan to accommodate these requirements so that the home owner has the space that they need, rather than more space than is necessary.

Whether or not this trend is here to stay will only be determined over time.