

August 15, 2005

Living Large, by Design, in the Middle of Nowhere

By [RICK LYMAN](#)

Correction Appended

WESLEY CHAPEL, Fla. - New River Township is, for the moment, the edge of beyond.

Its square mile of tightly packed homes is the outer crest of Tampa's residential swell, four miles from the nearest grocery store and 30 minutes from the nearest major mall. Just down the road, beyond some orange groves, cattle graze languorously amid the insect hum of a sun-baked field, and only a few mobile home parks and a roadside stand selling tiki huts interrupt the vast sea of pine, palmetto and dense thatch.

But it will be a short-lived isolation. More than three dozen other communities in Pasco County, some bigger than New River, are in the works, promising 100,000 new homes in the next five years. A megamall is coming. And the first of the big-box stores, a Home Depot and a Sam's Club, had their gala openings not long ago.

"It used to be just us and the retirees," said Ruth Parker, who was busy decorating a new child care center at the edge of New River, a part of Wesley Chapel, where she has lived for nine years. "Five years from now, there will be a city here."

America is growing. And it is growing the fastest here, at the farm-road margins of metropolitan areas, with planned communities sprouting up and becoming a prime focus, almost a fetish, for election strategists from both major parties.

Such places do not sprout by happenstance. Driven by irresistible economic forces and shaped by subtly shifting social patterns, they are being created, down to the tiniest detail, by a handful of major developers with a master plan for the new America. In the case of New River, that developer is KB Home, one of the nation's biggest and most profitable builders with \$7 billion in sales last year, which helped make it sixth among all Standard & Poor's 500 companies in total revenues.

KB Home has 483 communities under development in 13 states and expects to complete more than 40,000 new homes this year. Yet it is just one of about two dozen such corporate giants fiercely competing for land and customers at the edge of America's suburban expanse.

Poring over elaborate market research, these corporations divine what young families want, addressing things like carpet texture and kitchen placement and determining how many streetlights and cul-de-sacs will evoke a soothing sense of safety.

They know almost to the dollar how much buyers are willing to pay to exchange a longer commute for more space, a sense of higher status and the feeling of security.

"You bring people out here, and they say, man, look at all this open space," said Marshall Gray, president of KB's Tampa division. "But I assure you, there are deals in the works for virtually every significant piece of ground you can see out here."

Over the next decade, New River will expand to 1,800 acres and be home to 15,000 people living in 4,800 single-family homes, condominiums, town houses and rental units. It will have a 200-acre town center with 180,000 square feet of office space, 500,000 square feet of commercial space, schools, government offices and a 207-acre park.

At the moment, though, it is nothing more than an island of 400 suburban homes in the middle of nowhere, an infant exurb.

The term "exurb" was coined in the 1950's in "The Exurbanites" by A. C. Sectorsky, a social historian, to describe semirural areas far outside cities where wealthy people had country estates. The exurbs of the 21st century are a different animal. And they are not the same as the older rings of closer suburbs.

The homes in exurbs are generally larger and the space between them smaller. They tend to turn their backs to the street, with the biggest and most used rooms in the rear. And the people who live in them are different. Instead of the all-white enclaves of the 1960's and 70's, the new exurbs are a mélange of colors and cultures.

A Different Kind of Flight

"In one sense, these exurbs are just suburbs that take a longer time to drive to," said John Husing, a political and economic consultant in California. "With these, white flight has nothing to do with it. It's all housing prices. The makeup of these communities is a reflection of who's migrating, and that's people who have enough money to be middle class."

Look deep into the history of many of the new exurbs, and an entrepreneurial character like Beat (pronounced BAY-at) Kahli, an Orlando-based

developer, can often be found.

The son of a baker from a Zurich suburb, Mr. Kahli abandoned his dream of racing in the Tour de France when he realized that he would never be fast enough. Instead, he went to business school in Zurich and became an investment banker.

In 1989, Flag Development, a consortium based in Fort Myers, Fla., bought the land that is becoming New River from a farming family, as well as an even larger tract on the far east side of Orlando. It approached Mr. Kahli about investing in Florida real estate, and he and some other Europeans bought in.

But in 1993, with his investors eager for results, Mr. Kahli, 41, came to Central Florida and was stunned.

"I thought, oh my gosh, what have we done?" Mr. Kahli said. "On the map, these places looked like they were not so far from Disney World and the Kennedy Space Center, but I saw that they were actually way, way out in the middle of nowhere."

In the recession of the early 90's, it was impractical to think of developing such remote properties, Mr. Kahli said. But as the economy improved, he decided he could transform the property outside Tampa and the huge tract east of Orlando into major communities.

"Most people in Florida are from someplace else," said Mr. Kahli, a rotund and ebullient man with an infectious delight in what he has built. "I was just from someplace a little farther away. Everyone was very accepting of me. There is no way an American could go to where I lived in Switzerland and be accepted in this way."

Mr. Kahli bought out his European investors, brought in some new American backers, and came away owning 82 percent of the deal. In 1996, he moved to Florida, first to Fort Lauderdale, where he met his wife, and then to Avalon Park, his development east of Orlando. He now lives in nearby Winter Park in a home with a swimming pool and a five-car garage, a millionaire pillar of the community who sits on the board of the Orlando Regional Chamber of Commerce.

"These are normal homes for normal people," Mr. Kahli said as he steered his gleaming black BMW along Avalon Park's winding lanes like an admiral in his flagship.

He pointed out the schools and the stadium that he helped the county build, and the town center where he owns two restaurants and the local weekly newspaper, the East Orlando Sun, for which he writes a column. Just outside the development is a cement plant, the first of seven he built around the state, making him the co-owner of the largest independent concrete contractor in Florida.

Sometimes developments like Avalon Park grow in unincorporated areas of remote, rural counties. Sometimes they fall within the boundaries of old towns, where they offer tax revenues but bring the challenge of providing services. Often, when they grow large enough, they become cities.

Avalon Park comprises 14 interconnected "villages" around a town center. Its residents, Mr. Kahli said, are mostly young families, with an average of almost three children per household.

When the project is finished in five years, he said, 15,000 people will live there. Already, the town center has cafes, beauty parlors, a gas station and a sprawling supermarket. Fresh banks of condominiums sprout on its periphery.

"This is what New River will look like in five years," Mr. Kahli said.

But it looks nothing like that now. Drive up Interstate 275 from the shimmering towers of downtown Tampa, past the old clapboard neighborhoods and the greyhound track, until the strip-mall muddle thins, and there is an endless canyon of pine and palmetto. Only billboards relieve the monotony, and at least half of them extol the new housing developments: "A new standard for luxury." "Own from the low \$200's." Just before it enters Pasco, the county that sits like a hat atop metropolitan Tampa Bay, I-275 meets I-75. Two exits farther north is the ramp for Route 54.

"They used to say that you went to Tampa to visit your parents, and you went to Pasco to visit your grandparents," said Mr. Gray, of KB Home. "Pasco was the realm of the nearly dead and the newlywed."

A thick swirl of commercial clutter chokes the Route 54 exit and its surrounding intersections, but heading east, the roadside becomes a tangle of brush and gravel. Drivers pass eight churches, all Protestant.

About four miles from the interstate exit, the entrance to New River emerges from behind a bank of trees, a flower-lined entryway flanked by stucco walls and a line of homes with their backs turned on the highway clamor.

Mr. Gray, a connoisseur of sod, points to the grass and young trees along the entryway. "Look at the grass in that lawn," he said. "See how nice and thick it is. It's called floritam. Now look at this yard. That's called Bahia sod. It's cheaper, looks a little weedy."

When Mr. Kahli began building in 1999, first in Avalon Park and then in New River, he signed a deal with American Heritage, a company acquired by KB Home in 2002. Now, KB coordinates the residential development, which includes a mix of homes by KB and Windward, another national builder. Mr. Kahli retains control of the town center and other commercial sites.

Focus on Market Research

One area in which KB Home takes pride is its market research. It asks things like where people want their kitchens and how much more of a commute they can stomach. And it surveys its own buyers to get a comprehensive idea of who they are and why they bought.

The data from KB tells much about New River. In the first phase of development, more than 60 percent of the buyers had household incomes of \$40,000 to \$80,000; in Tampa, that is solidly middle class. Nearly half were between the ages of 30 and 40. They were 38 percent Hispanic, 24 percent white and 16 percent black. Three-quarters of the buyers had children in the house. More than 80 percent commuted, with the vast majority traveling to Tampa, a drive of anywhere from 20 minutes to an hour.

Four years ago, the first New River homes sold for as low as \$150,000. Today, the smallest models cost \$212,000, and an average home with 2,657 square feet, three bedrooms and a two-car garage costs at least \$245,990.

In its most recent survey of Tampa home buyers, KB asked people what they valued the most in their home and community. They wanted more space and a greater sense of security. Safety always ranks second, even in communities where there is virtually no crime.

Asked what they wanted in a home, 88 percent said a home security system, 93 percent said they preferred neighborhoods with "more streetlights" and 96 percent insisted on deadbolt locks or security doors.

So KB Home offers them all. "It's up to us to figure out what people really want and to translate that into architecture," said Erik Kough, KB's vice president for architecture. And the company designs its communities with winding streets with sidewalks and cul-de-sacs to keep traffic slow, to give a sense of containment and to give an appearance distinctly unlike the urban grid that the young, middle-class families instinctively associate with crime. "I definitely feel safe here. I feel protected," said Lisa Crawford, who moved to New River about a year ago with her husband, Steve, and their two children.

"And I can tell you that the people in Tampa are a whole lot different than the people here," Ms. Crawford said. "In Tampa, there's a faster pace. I like it here, that it's more of a community, more of a small-town feel."

Mr. Gray said KB's Tampa division talks about a Mendoza line when determining what features to include in a home. The term comes from baseball and is used to describe someone with a batting average hovering at the .200 mark. Mr. Gray said he did not know how it migrated to real estate, but he uses it to describe components that are strongly desired by 70 percent or more of the home buyers.

Extra closet space, a walk-in pantry and a covered patio are all above the Mendoza line, so they are included in all New River homes. People spending more than \$220,000 for their home get space for a home office because it falls above the Mendoza line. More than \$260,000, they get dual sinks in the master bathroom.

At the heart of the matter, KB asks home buyers to put a dollar value on their time. Would they accept a commute that was 15 minutes longer for a house that was 10 percent cheaper? What about 15 percent? What if the commute was an additional 30 minutes?

The answer, the company decided, is that a house in New River must be \$12,000 cheaper than the same house in the north Tampa suburbs, 15 minutes closer to downtown. And in Silverado, a community that KB hopes to build 15 minutes farther north in Pasco County, the house must be \$12,000 cheaper than in New River.

Almost all of the fastest-growing counties in the United States are in exurban areas. And these far-flung communities proved, in the last election, to be among the strongest supporters of President Bush. His top advisers credited the 2004 victory, in part, to a strategy that focused on what the campaign manager, Ken Mehlman, called a Republican "fortress" beyond the cities.

Although opinions differ about why Republicans did so well last year in these areas, it seems to boil down to demographics. The bulk of people who choose to live in exurban communities, families with young children and property owners who share a desire for security and more personal space, are statistically more likely to vote Republican, as are the rural residents who live here before the exurbs arrive.

In 2004, the two precincts nearest to New River - those voting at the nearby middle school and at a Baptist Church a few miles away - gave 1,265 votes, or 61 percent, to Mr. Bush, and 782 votes, or 38 percent, to John Kerry.

A Community of Republicans

"Most of the people I know out here are Republican," said Yolanda Breuer, 34, who works for a software company in Tampa. "In the workplace in the city, it's more like 50-50. And there were some Kerry supporters out here. But mostly, it's Republican."

Ms. Breuer said that she and her husband, Andrew, 29, who switched jobs to become a Pasco County firefighter, did not move to the exurbs to be near others who shared their values. It just worked out that way.

"What we wanted was a bigger house and a bigger master bedroom," she said. And they got it, moving from about 2,500 square feet to about 4,400, including a patio enclosed by a screen that stretches up two stories. They know they paid a price to live here. On a normal day, Ms.

Breuer's commute to work is 35 minutes, but it can balloon to more than an hour on a bad day. The rural roads are already choked at rush hour, and when the caravans of minivans make the daily pilgrimage to schools and soccer games. "Oh, it's awful," Ms. Breuer said. At a KB model home not far away, Piper Bein and her husband, Mike, an electrical contractor, were casually surveying the 3,475-square-foot building. When asked what they wanted in their new home, the Beins, both 28, blurted the same word in unison: "space."

Their two children, Landen, 6, and Cade, 3, scampered from room to room, playing hide-and-seek in the warren of hallways, pantries, walk-in closets and bathrooms.

The sales representative, Ole Pietersen, was delighted with the opportunity to point out the room for storage. "Lots of places to hide, aren't there, boys?" he said, smiling at their parents.

Correction:

A front-page article on Monday about a new suburban development outside Tampa, Fla., misstated the financial performance of its chief builder, KB Home. The company ranked sixth in returns to investors - not in revenues - among all companies on the Standard & Poor's 500 index for the period between Aug. 12, 2004, and Aug. 12, 2005. (It ranked 59th in returns for all of 2004.)