

Controlling Costs in the Multifamily Industry

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Who are We:

- We are a production multifamily builder developer specializing within several niche markets
- Currently have completed or are working on projects in 13 states
- Majority of our projects are Type 5A wood framed construction
- Our projects average between 50 and 300 units

The Annex of Terre Haute – Terre Haute, IN



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Multifamily Central

The Annex on Tenth - Indianapolis, IN



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Union at Crescent – Bloomington, IN



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The Annex of Marion – Marion, OH



Preconstruction/Design Stage

- Efficient Design and Layout
 - Evaluate site and minimize cost, when possible)
 - Avoid major issues, identify challenges
 - Seek local incentives, TIF, waiving of fees, RE Tax
 - Standardize as much as possible
 - Look to hit efficiencies of 78-85%
 - Utilize and look into most cost effective floor and wall assemblies.



- Make sure to keep current energy code and costs associated with them.
- Take into account individual assemblies and cost associated with them
- Verify Exterior Options including what is typical to the local market.
- Incorporate efficient structural design
- Utilize familiar MEP contractors using design build

Individual Assemblies



- Stair systems we use a stair system with steel pan and risers with a precast concrete tread (connected to wood landings)
- On our walk up product we use a capped trex type product in lieu of lightweight concrete for breezeway areas
- HVAC systems we use individual unit systems and when possible we use a Vertical Packaged system (mapicpac) with traditional ductwork or a traditional split system
 - Mount bathroom fans in the sidewall to avoid fire damper
- Pay close attention to how you feed your units with water and fire protection.
 - Utilize a bird cage style system.

- Utilize efficient sitework details
 - Use curb walk combo when possible
 - Limit curbing and use curb that can be easily placed using a slip form machine
- Make sure you work with Structural and Geotechnical to get the most economical foundation system.
 - Limit rebar cages when possible
 - If post tensioned is used in the area talk to a local sub who does that.
- Look at that what is done predominately locally vs what you do in other markets.
 - In some markets exterior cladding using regular modular brick may be cheaper than a thin brick or alternate surface.

- Utilize a wet vent system for plumbing waste
- Try to utilize NFPA 13r if at all possible for FP.
 - Avoid building heights over 3 stories to avoid installation of a standpipe.
 - Utilize sidewall pendants when practical
 - Avoid dry systems when possible
- Use NMC Cable for all electric when possible
 - Use Aluminum Feeders for unit power
 - Avoid the use of can lighting and use LED puck lights instead (this avoids using a rated fixture)

- Utilize LVP flooring with a sound mat built in to meet STC ratings. We have found this to be much cheaper than adding a sound mat under the gypcrete (we use $\frac{3}{4}$ inch gyp over our sheathing)
- Utilize floor assemblies that do not require fire protection, nor conditioning of interstitial spacing. (watch your draft stopping)
- Utilize a single/Double Hung production type window.
 - Sizes can be maximized without needing additional studs at a reasonable price. (be careful with SH and staging of your project)

Lumber Challenges and Solutions



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- Turn Key vs putting all of the pieces together
 - Challenges
 - Cash flow
 - Market volatility
 - Managing the pieces
- Watch Lumber Market and buy at opportune times.
- Look at advanced framing methods, inc top cord bearing trusses
- Look at alternate species to mitigate waste
 - Hem Fir
 - Some additional cost but less waste
 - Higher quality walls
 - Longer lead times
 - Area dependent

During Construction



- Utilize the same suppliers over and over.
 - Multifamily familiarity suggested
- Try to standardize as much as possible.
- Watch exterior panel products and efficiencies.
 - Use standard lengths whenever possible
 - Board and Baton to save over track system
- Utilize production traveling sub contractors when possible.
- Get the same subs to travel with you
 - Production focused multifamily subs whenever possible

- Be as flexible possible
 - This is easier when you are owner and contractor
 - Make sure A/E and local AHJ are notified and sign off on changes.
- Adapt and take suggestions from your sub base
- Continually learn from every project.
 - All team members
- Maintain a lessons learned log to prevent making the same mistake twice.
 - Try to collect all team members thoughts ideas at a post project review and document.



Challenges

- Extremely difficult labor market
- Volatility in the materials we use
- Difficult to develop sites and challenges
- Increasing costs of regulation changes
- Changing weather patterns
- Local code amendments
- Local labor market challenges





Questions or comments



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