

## Investment Value

**An integral part of our mission, is to provide, from an investment perspective, a long term value that increases over time. A related goal is to create a project that is affordable across diverse population and income.**

**Below are three value indicators:**

### **1. Consistent with Local real estate values:**

Thanks to a robust economy in the education, computer, health, tourism, environment and manufacturing sectors housing is in high demand in the Burlington, the city itself is leading the area with the average price for homes up 25.8% in a single year, according to Vermont Realtors. These upward increases, along with a general increase in congestion as the area becomes more densely populated is pushing homeowners outward into the county and towns like Huntington that is considered a medium commute to the city. Huntington draws buyers because it is well known for its scenic resources and good schools open space, rural character and recreational opportunity. The town has the reputation for being a well-run happy area where people work hard and care about their community.

Chittenden County's overall sales, according to Vermont Realtors, are up 4.5% while housing inventory is down 24.3% and the medium home price in Chittenden County is \$308,000, the average is \$355,579.00 or on a par with our costs for a home and land.

Currently real estate has been active on Bert White Hill, three large parcels recently sold on the old White farm along with one very large parcel on the mountain above us. At least two of these sales were directly linked to the ski center's trail presence, suggesting that the trails are a real estate draw in this area.

Recently, a nearby 5-acre parcel, came on the market, it is priced at \$155,000. This parcel has road access by using a ½ mile road that is a class 4 road that is not maintained by the town. Unlike our parcels that sell between \$130,000 and \$170,000 with infrastructure, this parcel has no drive way nor infrastructure, but a great view like ours.

This comparative analysis deepens when we consider that Common buyers are purchasing the equivalent of 15.5 acres in the 132-acre Common parcel including the area in their parcel. We think, that if you factor in insured protection from future development in all of our views and the many other recreational, social and economic resources that the Commons offers a much better investment than the 5-acre parcel.

When it comes to value, Windekind Farm in history is a good case study. In 1966 we purchased the 200-acre farm for \$30,000 with only the farm house on the land. An appraisal was done in 2011, that put an overall value of the Farm at \$1,300,000 leading us to conclude that its value is in excess of \$1,600,000 today or about 54 times its purchase price. It certainly would be an interesting exercise to try to determine that value of the farm with all the new buildings in place and the Common up and running well with new gardens, landscaping and perhaps farming.

Given what I know about Cohousing oriented sales I believe that we will outperform traditional development. We will always be seen as unique property with a strong appeal to a small but significant group of buyers.

In summary, we find the current values in Chittenden County and local markets including and the steady increase equity value of the farm, very affirming of our pricing structure, there is nothing we can see that indicates we are overpricing our parcels, given these indicators. In addition, the local economy in Huntington and the County is strong in all sectors, this, more than any factor, insures sustained increases.

Vermont continues to attract a young, progressive, well educated, skilled and entrepreneurially inclined population seeking a greener alternative and less congested areas than other parts of the country. We see no reason why this influx should abate.

We think it is safe to project a growth in equity value on a par with Chittenden County and probably higher when some of the farm's unique features like the community aspects of the Common and our landscape is factored in.

Getting construction underway will be key to this achievement.

## **2. Windekind's unique features:**

The Green Mountains run North to South in our area which means most properties located in the mountains tend to face East or West. In the case of Windekind, because of a smaller mountain just north of the farm, we face south and east into the Green Mountains in a concave bowl effect that is ideal for sun and view and also an excellent feature for locating buildings with some sense of connectivity while providing for privacy—certainly better than a Kansas corn field.

This exposure affords the farm two important advantages: a stunning view of the mountains south down the valley and lots of exposure to the sun, invaluable for winter warmth and light and in the summer the sun extends our growing season giving our many plants the warmth and light to grow. In addition, all this exposure is nearly ideal for solar opportunity within the buildings and on their roofs. We have traveled extensively in Vermont, and it is rare to find a property with such pronounced southern exposure that is so ideal for humans, animals and plants.

The farm has a second unique natural features that has been very beneficial. When the glaciers were active in Vermont, it appears that a river of sorts was diverted through a cut in the mountains above the farm in the ice fields. For reasons that challenge my imagination this river deposited a huge amount of sand on the eastern side of what is now our Meadow having the effect of significantly smoothing out the area that became the basis of what is now a pretty flat south facing meadow that has been so valuable to us over the years as a kind of big open center piece that we can all enjoy and farm on. In addition, this sand area is an ideal location for our septic fields saving us the expensive of constructing a costly mound systems and in addition we have had enjoyed and near endless supply of sand for building purposes.

Finally, the farm is located at the end of a 3-mile town road that has the advantages of town services including winter plowing. In addition, our end of the road location has a huge impact on the overall tranquility of the farm because traffic is reduced to a couple of visits a day. In designing the Commons, the road features allowed us to take advantage of the need for access balanced with the intent to keep traffic impact to a minimum, a very big advantage in many people's books.

These features have had a profoundly important positive effect on living here, every day we are thankful for these advantages. As the design of the Commons has evolved we once again see their importance to the evolving community and have tried to take best advantage of these resources for social and equity development purposes.

## **3. Trends in housing and community Building**

Modern Cohousing and Permaculture design really traces its roots to early design in colonial America, especially Vermont that so perfected Village Design that centered a community around a common green as so well done in Vermont towns like Craftsbury Common and Rochester.

This all changed with the early-production models of suburban housing created by the Levitt brothers and other builders right after World War II. The Suburban model was a natural evolution of the mass-production mind-set that brought our country so much success in winning the war and creating the prosperity of the 1950s and 1960s.

But like most success stories, too much of a good thing created problems-long commutes, traffic issues, and the "collision" of automobiles with the idea of a neighborhood. Cars and a myriad assortment of other motorized devices needed lots of space to park and all sorts of roadways that were unfriendly to pedestrian traffic and bikes created barriers that separated and isolated people. I grew up

in the suburbs and recall seeing more of our neighbors opening and shutting garage doors than in real face to face contact.

Solutions began to emerge in the 1970s and the 1980s—planned developments and planned communities where open space and common facilities were incorporated into neighborhoods to alleviate the negative impact of the automobile. In Vermont, especially Huntington, which placed a huge emphasis on community life and the environment, we put a lot of emphasis on protecting our community centers and neighborhood by keeping community services, like a post office and a school, downtown. The ideas around new urbanism emerged as a strong force in attempting to make our developments more livable with more social interaction encouraged in parks and attractive environment like a village green. In the case of the Commons at Windekind, using Planned Unit Development Provisions (PUD) , we have been able to incorporate and utilize a neighborhood zone for social interaction and community projects that surrounds our more residential and private areas.

When cohousing came along in the late 1980s and early 1990s, it was like adding a whole new dimension. Now, instead of just designing housing from the top down, builders could co-design neighborhoods exactly with the very people who plan to live there or what we call “living design” at Windekind. Cohousing history is replete with great examples of the success of this process.

Part of the rationale for this process, is that it offers a more attractive and resource-efficient model when we tap into the synergies and creative energy that inevitably arise when many creative minds focus on a single project. And we can better utilize common resources like septic, water supply and open space.

For example, our current members have helped us decide where a lot boundary runs, where a picnic area can be built or create standards for the best building materials to use if our goals to improve efficiency, reduce carbon and create beauty. Together we can design a more sustainable, satisfying lifestyle together and could share not only common facilities and good community outcomes but also our experiences, talents, and aspirations. These experiences of “living design” and their outcomes create a “sense of community and we can affix a monetary value on these outcomes because people need a sense of belonging and part of something as the Amish do in their communities.

But, we have learned, the modern homebuyer market often overlooks these values. This is because, we are a society that’s used to having our purchases fully designed and ready to go without much effort. Not many Americans—even the so-called “cultural creatives” —are able to understand the value they will get from designing a community at a high level of participation that cohousing and our model are predicated on. Then they stumble, when asked to pay a price for it.

Beyond that a core feature of our project is Common land owned in a cooperative fashion across nine families. Some persons conditioned to the idea of “my land my castle,” understandably struggle with putting a monetary value on 132 acres of Common land even though it offers obvious resources to a family like- recreation, a protected and sustainable landscape and extensive opportunity to exercise avocational and vocational pursuits like gardening, farming and other activity.

There is research that informs this discussion.

For example, it is demonstrated that seniors place a higher emphasis on aesthetic qualities of the homes and common areas. Wellness and fitness is a strong interest and therefore a desire for common exercise space like that provided at the farm with the trails and all our potential outdoor activity like gardening. Likewise, communities that offer a special environment for families with children, such as special educational opportunities, play groups, and co-parenting to free up parent time, have a stronger appeal to young families.

In our case our community based model is allowing us to locate seniors like Marijke and I next to communities that emphasize the needs of families and children so that a vital intergenerational advantages can be captured that provides a stronger emotional appeal to both seniors and younger families. Would these advantages be available in a more traditional housing model versus our

neighborhood model? Maybe, but achieving them would be far harder and luck would be a big factor.

Still we ponder what sort of monetary value do these “intangibles and unmeasurable values put on real estate especially in a culture that is conditioned to look for tangible measures. In this regard, in 2012 Lee Bartholomew, an appraiser, presented at the National Cohousing Conference, research regarding the market value of cohousing communities versus comparable housing in more traditional communities. His study concluded that cohousing performed between 24% to 112% better than traditional housing, a surprisingly strong number. Later, In a very interesting paper called [Market value cohousing](#), Jim Leach, a builder, concluded that value does better in Cohousing Communities because of the “strength of neighborhood communities ” or what Leach calls the “Soul Factor.” He goes on to define the Soul Factor as “commitment and strength” of the community --- exactly the sense we are trying to create at Windekind.

We are concluding with these two notions:

1. Cohousing communities are part of the new and growing commitment to a more humanistic and cooperative economic model in the United States that stands in contrast the “my property my kingdom model” so practiced in American housing development. Yet, a pretty significant portion of our population is seeking as an alternative a more cooperative, environmentally friendly and social oriented model like that embraced in Cohousing and the field of Permaculture. This is a social trend that the data suggest is here to stay and will expand in the next few decades as individuals and families seek to live more sustainably, and in community with neighbors.

The growth of cohousing models is telling, since the first cohousing community was completed in the U.S.- Muir Commons in Davis, California, 25 years old - more than 170 communities have been established in 25 states plus the District of Columbia, with more than 125 in process. In our immediate area in Vermont there are six communities where only one existed five years ago.

We think that that these trend will never be mainstream, but increasingly in many forms will exist side by side with traditional models as an alternative and in important ways influence mainstream development and planning with, for example, more emphasis on public space.

This is happening with our project, people on boards, in government and the press take notice and an impressive potential buyer pool is always visiting the farm with some considering or opting into the project. Many struggle with their willingness to take on the creative challenge of “living design” and creating a community while others embrace and need the process. This will always be a challenge for people that we can significantly ameliorate by getting better and better at what we do. Moving forward the farm will be sought after by potential buyers as a unique model in a part of the country that is already demonstrating a lot of creativity activity and opportunity.

It is a great help is we can demonstrate long lasting value and we think we can, given much of the data above that will continue to flow;

2. We are learning that there is very tangible dynamic that occurs when people cooperate to build a community and reach an understanding of how they will live together. Here at Windekind We are become an extended family of sorts, in the process we have develop ways of working together, and respecting, building ideas and solving problems seldom achieved in a community setting. This not only generates the wisdom that comes with good answers to challenging problems but, in addition, satisfaction.

Ultimately, I don't think the issues about value are completely about money, but how we seek and build satisfaction. For example, Marijke and I are avid gardeners, we garden because there is ample evidence that growing our own food saves us money and improves our health, you might

call that our practical reasons to garden. But there is another even more powerful reason, it is the wonderful satisfaction that we get in being outdoors around nature and so many growing things. When doing something like creating the Common a measure of satisfaction and therefore motivation is a very telling factor about its potential.

Discovering the synergy that is generated through community and helping each other in ways that go beyond just providing decent housing is a powerful motivator we have learned. At our core, we are about building a better world, one neighborhood at a time, That's a start and cause for optimism and celebration in a tense time.

This has value.