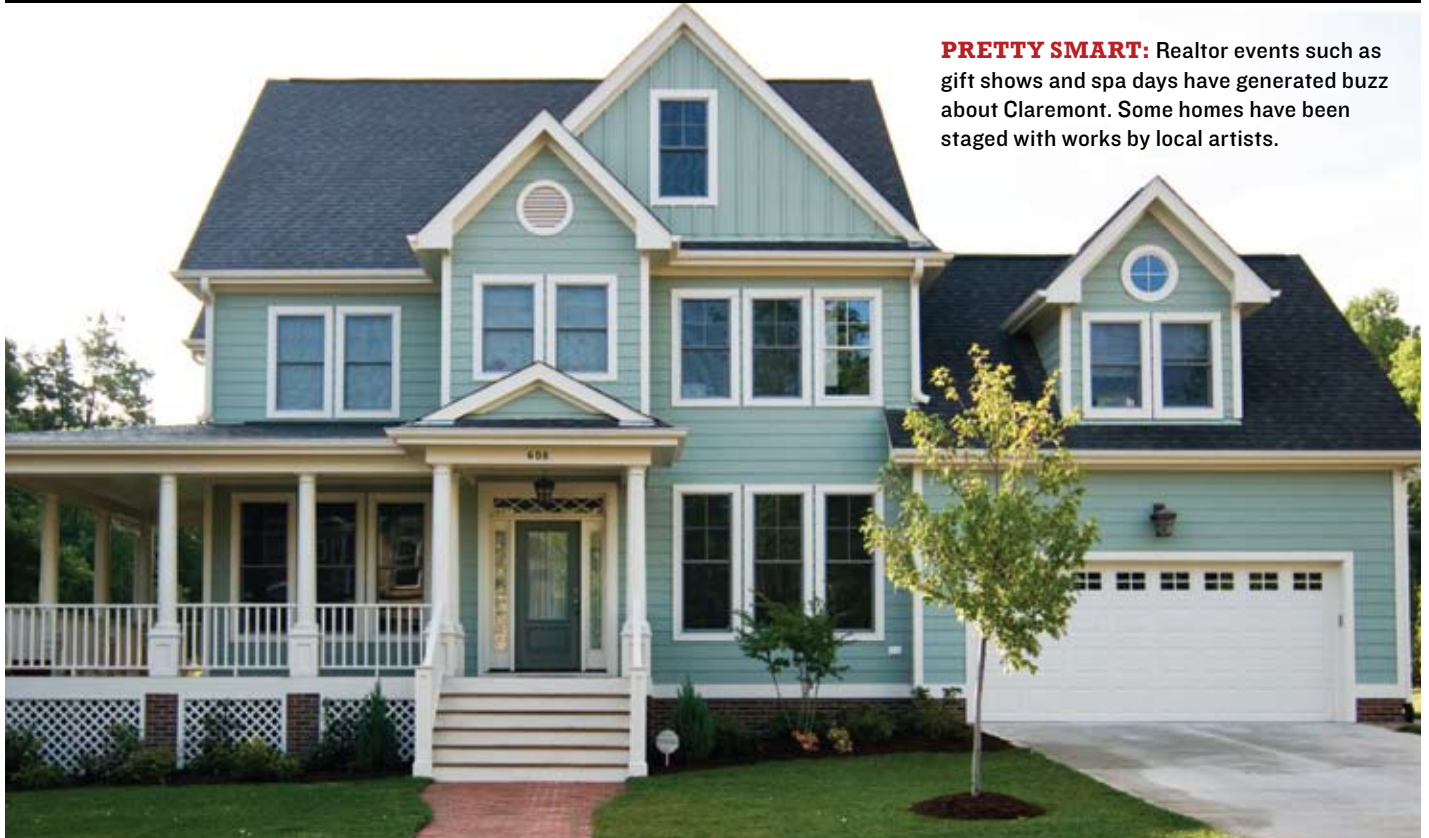


SUCCESSSTORIES

INNOVATIVE IDEAS WITH PROVEN RESULTS ■ EDITED BY JENNY SULLIVAN



PRETTY SMART: Realtor events such as gift shows and spa days have generated buzz about Claremont. Some homes have been staged with works by local artists.

SMALL DETAILS

Personality Contest

A distinct sense of style adds up for one Carolina builder.

BACK IN DECEMBER 2008, MOST home builders were feeling grim, at best, as home prices in free fall were joined by the collapse on Wall Street. Zinn Design Build, however, was sitting pretty, having placed nine homes under contract in the previous 11 weeks. Not bad for a family-owned business in Chapel Hill, N.C., that builds just 17 to 25 houses annually.

Also not bad considering sales of other nearby homes in the same price range (\$519,000 to \$1.3 million) were collectively down 40 percent from the previous year.

Owner Carol Ann Zinn attributes her company's buoyancy, at least in part, to a couple of fortuitous moves. One was relieving her existing salesforce and starting over

with a more experienced team. But of course the new salespeople needed something good to sell—and that's where it matters that Zinn has always treated building as part art, part business.

A former artisan potter, Zinn began dabbling in Carolina real estate development in 1976 when her sons were small. It wasn't long before the creative energy she'd been pouring into ceramics was redirected into single-family homes with a boutique sensibility.

That approach has served her well over the years—even now. Although most of her firm's homes are based on a portfolio of in-house plans (all designed by Zinn herself), no two are alike. One might offer clapboard siding, clean-lined (see page 32)

LOCATION: CHAPEL HILL, N.C.

- **Community:** Claremont
- **Total acreage:** 27 in phase I, followed by 38 in phase 2
- **Date opened for sale:** December 2007
- **Product:** Single-family and townhomes from 2,200 to 3,700 square feet
- **Price range:** \$375,000 to \$1 million
- **Total number of units at build-out:** 176 (phases I and II)
- **Sales to date:** 17
- **Builder/Developer/Designer:** Zinn Design Build, Chapel Hill, N.C.

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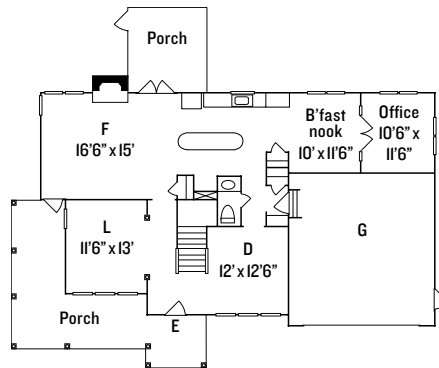
GOURMET INGREDIENTS: Painted kitchen cabinets with European styling are a hallmark of Zinn's recent work.

Scandinavian window treatments, and subway tile, for example, while another might be shingle-clad with hand-turned newel posts and British-inspired cabinetry. Custom fireplace mantels and built-ins are often commissioned from master furniture makers in nearby Durham.

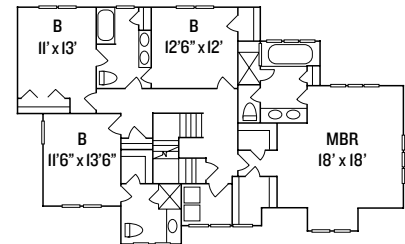
"People either like what we do or they don't," Zinn says. "If they do, they certainly can't find anything else like it in the area."

Zinn residences often beguile with an eclectic charm you'd be more likely to find in remodeled older houses, but each also provides the best that new construction can offer. All homes are Energy Star and GBI certified, and feature airtight insulation, high-performance appliances, tankless water heaters, green label carpeting, specially filtered air handling systems, reflective roof sheathing, and zoned irrigation landscaping. For buyers, those ingredients can mean energy savings of up to \$740 per year, compared to conventionally built new homes, Zinn says. Roughly 70 percent of the builder's business is spec homes, while the other 30 percent is custom commissions.

Granted, the business model hasn't been completely recession proof. "We have come down slightly in our pricing, although not hugely," says Omar Zinn, one of Carol Ann's two sons who now run the development



FIRST FLOOR



SECOND FLOOR

side of the business. "A year ago, we were getting 99 percent to 100 percent of asking price, whereas now it's more like 95 percent or 96 percent."

Rather than drastic price cuts, the preferred strategy has been to throw in more comps and special details, he adds. "Right now it's about moving product and having the builder and homeowner win, not having the bank win. You've gotta give a little bit more these days in order to get."

Taking note of shifts in consumer preferences and loan qualifications, the builder also has rounded out its plan selection to include smaller single-family detached and townhomes in its newest community, Claremont, which it is building in partnership with J.T. Lewis, another local design/build firm. "We are now offering single-family houses ranging from 2,200 to 2,700 square feet, whereas the last

subdivision we finished had 3,700- to 3,800-square-foot homes," says Carol Ann. "We built one custom house for a client that was 2,200 square feet, and so many people were stopping by the site and asking the agent about it, we decided to do more of them."

Those smaller homes will continue to receive the same TLC as larger homes—which for Zinn amounts to construction costs averaging \$200 to \$210 per square foot, including the lot.

"Our buyers are emotionally drawn," says Omar. "They aren't looking for a national home builder or the highest square footage they can get."

Rather, they're looking for something with character. "We let them draw the line in terms of what they can customize," he adds. "If you want a fireman's pole in your house, we'll do it."—J.S.



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