



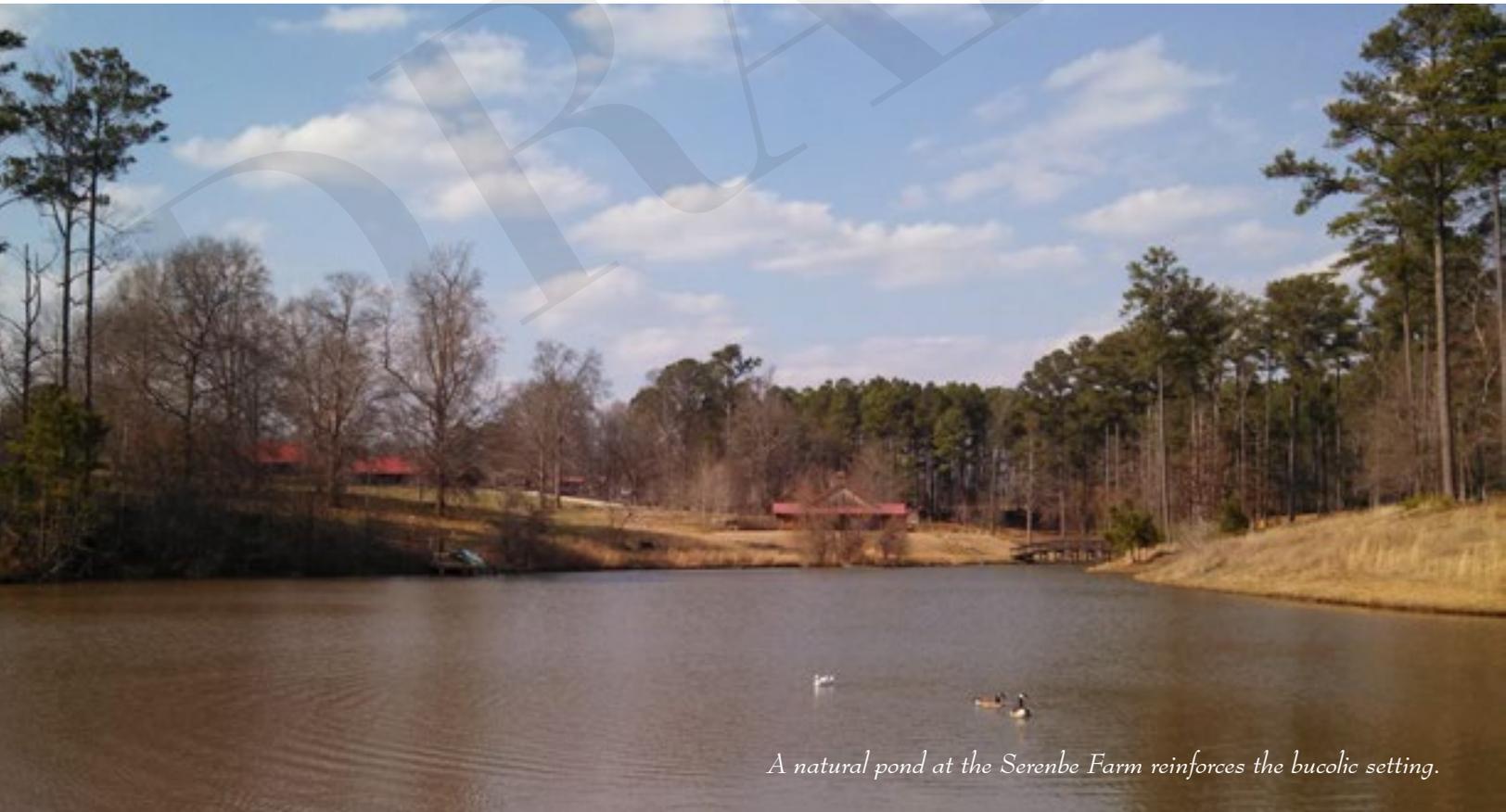
THE SERENBE STORY
“the best reason to live here is the life here”

DRAFT

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THE SERENBE STORY

Steve and Marie Nygren moved to the Farmhouse on the north edge of what is today Serenbe in the early 1990s. They enjoyed the peaceful and serene nature of the Chattahoochee Hills area. Much of the area remained undeveloped due to a poor road network and a lack of infrastructure, but these development deficiencies left the area unspoiled by the suburban sprawl that was encompassing most of Atlanta. But, that serenity was destroyed by bulldozers in 2001, as development was knocking down full grown trees and encroaching on their farm. The destruction of their beautiful landscape caused Steve and Marie to contemplate better ways to go about doing development.



A natural pond at the Serenbe Farm reinforces the bucolic setting.



MARKET & PROJECT ECONOMICS

Initially there were no banks or investors who came forward to join Steve and Marie Nygren in the Serenbe initiative. But the Nygren's felt strongly that the Serenbe 'community concept' was the type of development needed and that the marketplace would eventually respond once they were able to experience Serenbe. In 2002 the market slowly began to evolve with real estate selling for about \$4,500 per acre with infrastructure in place. In early 2014, an unimproved lot with infrastructure sold for \$500,000 to \$950,000/acre. Smaller single family cottages between 1000-1500 SF cost about \$300-350/SF to construct, while larger estate scale homes of over 5,000 SF are averaging around \$250/SF.



Dense yet human scale urban development within the core of Serenbe.

Currently, the Serenbe market is made up of older residents of 40+ years of age. This middle to upper age band represents about 75% of the existing households leaving about 25% to households comprised of 20s and 30s year olds with children. Schools options have been an issue in attracting more families with children. This issue was resolved when a new Charter School was created nearby that opens in the fall of 2014. The Charter School will serve an area larger than just Serenbe, although given the quality of the program the School offers; they anticipate that it will attract families with children to Serenbe. Most recently, Serenbe has experienced significant growth from the Buckhead neighborhood of Atlanta. Given Serenbe is located about 20 minutes from the Hartsfield-Jackson International Airport, they have caught the attention of the many professionals affiliated with the Airport.

Serenbe is becoming well known in Atlanta as the alternative place for creative professionals who desire something other than big city living. This did not happen accidentally; the Nygren family hosts events so people can come and experience Serenbe. Also, Steve Nygren is a master marketer who knows his product - that product is the Serenbe lifestyle change-- based on social and physical wellness attributes of a healthy lifestyle; walkability, art, theater, farming, and great restaurants. Farm to Table Restaurants have been at the center of Serenbe “event marketing” from the very beginning, because restaurants provide a destination point for visitors who may be prospective buyers.

Initially, the Nygrens sold 20 lots, without a spec home. Now, it is a combination of for sale homes and lots but still no speculative home building. Approved developers/builders are now building 4-6 homes at a time.

There are currently only a couple of dozen multi-family units, with an average of about 1,200 SF/unit, renting for about \$2,000/month. This year a developer is building the first multi-family 20,000 SF building with 18 apartment units.



*informal gathering area
behind a mixed-use
development in their
“downtown”*



*mixed-income housing lines
streets with sustainable
designs and feature native
landscaping.*



*people come from across
the region to eat the fabled
“community building”
Serenbe peach cobbler.*

*(left) Steve Nygren walks over the wastewater treatment facility while explaining its functions.
(right) Serenbe storm water management controls through "The Nest" neighborhood.*



INFRASTRUCTURE

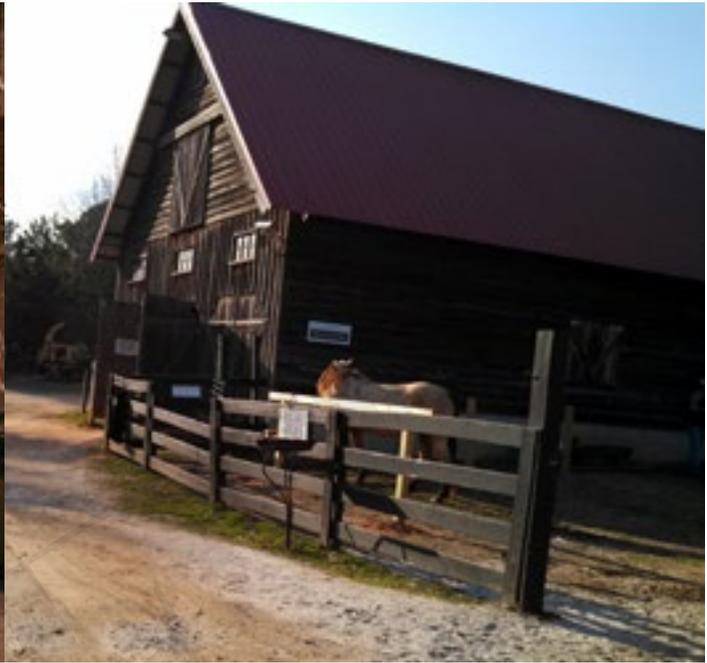
Initially, the Nygren family underwrote the site infrastructure along with other investors. They were too far from the City of Atlanta's sanitary sewer collection system to be financially feasible to connect. Therefore, they turned to the most cost effective and sustainable design that would work within their overall site footprint with a constructed wetland and sand filter wastewater treatment system; it is now just another part of the built amenities within their greenway trails network that crisscrosses Serenbe. They currently have 31,000 gallons per day (gpd) wastewater treatment capacity for Phase I & II. It is an expandable system located within the middle of the overall development. They will be expanding into Phases III & IV, and will be constructing an additional 50,000 gpd. Because Serenbe homes and buildings use more advanced water conservation appliances throughout, as well as reuse of grey water for flushing toilets, they have extended the service capacity of the original wastewater treatment facility by reducing water usage to half the amount of a conventional household.

PROJECT AMENITIES

The most popular amenities at Serenbe are the farm animals. Much like a golf course or clubhouse provides an amenity to residents in golf communities, the animals at Serenbe are an amenity that the developer underwrites to offer their residents a quality rural experience. The animals are a part of the greater package of the Serenbe farm and rural ambiance. The animals are not considered livestock; they are an amenity that supports the overall Serenbe branding theme. For example, Serenbe had seventeen baby goats this spring and is holding a weekend bottle feeding program. For \$5 a person you can bottle feed the baby goats. It was sold out for the balance of March within the first day of posting the event to the 40,000 Serenbe social media followers. This huge marketing event will attract earned electronic and social media with virtually no new marketing cost to Serenbe. It is a media event, in true Serenbe style!

It is absolutely critical to create an authentic sense of place. “Farm to Table” Restaurants was the center piece from the very beginning of Serenbe, and has remained the center piece with three additional restaurants being added at Serenbe.

Sustainable neighborhood features are important to the overall environmental design integrity of the development, and it is part of Serenbe’s mission and marketing to preserve the earth. Again, this goes hand in hand with the 70% open space requirement of the development which is a major amenity for residential and pedestrian view sheds and the overall community atmosphere. In discussions with folks in Serenbe, there didn’t seem to be one single sustainable design feature that overshadowed all others, it seemed that the sustainable design was “greater than the sum of its parts.” These include; geothermal heating/cooling, solar panels, storm water management, alternative wastewater and the native landscaping. Also, the streets, sidewalks, open plaza space and trails allow for more social interaction and engagement of residents and have generated a great camaraderie within the community. Building site lines and setbacks from the right-of-way, create a quality overall design standard that still provides for individual creativity in architectural style.



(top left) residents pick up their mail behind one of the local cafes. (top right) rural amenities attract residents and visitors. (bottom left) seeds start in greenhouses and end up on restaurant plates. (bottom right) small creek watershed area left in its natural state.

While Serenbe has a Homeowners Associations (HOA), its role has been purposely limited. At this time, the Nygren family as the Developer manages the HOA, but it will transition to a HOA Board after development reaches 90% build out. The Nygrens' believe strongly that the values of the Serenbe experience and lifestyle are much broader than the normal mission of a HOA which concerns itself with maintaining basic infrastructure services. Therefore, they created the Serenbe Institute which is a 501c3 empowered to basically take over all open space and manage everything other than very limited items that the HOA is responsible for regarding the basic infrastructure services, such as; roads, parks, and ROW maintenance. The Serenbe Institute receives a 1% transaction fee paid by the buyer as a donation on every home transaction, and a 3% fee on any lot sale also paid by the buyer. This gives the Institute a core working budget that allows it to lead the Serenbe experience of place-making which entails a; performing theater group, arts program, Artist-in-Residence Program, Serenbe Fellows Program, and anything else that will support the Serenbe community experience. While this keeps the HOA role narrow, it also keeps the HOA fees relatively low, running around \$550-\$1000/year based on usage of infrastructure services (water, wastewater, and solid waste). Again, the usage fee structure incentivizes residents to reduce their environmental footprint.

The mission of the Serenbe Institute

“is to cultivate the community’s creative, intellectual, sustainable and ecological qualities through programs promoting our social, spiritual and aesthetic curiosity.”

LESSONS LEARNED

Even with all the excellent planning and study done by the Nygrens, Steve Nygren mentioned that you need to pick the best experienced team possible to prepare a master plan, and then implement the plan with an experienced team of professionals. He noted his biggest regret was hiring an engineering firm from the local area who was not experienced with sustainable engineering design practices. This slowed down the permit approval process which led to him eventually hiring a firm who had that sustainable engineering design experience. Serenbe began just over a decade ago and since then nearly every engineering firm that deals with site planning and infrastructure has had to develop a real sustainable engineering design practice to compete; as sustainability has become more the norm than the exception. Therefore, it would not be as difficult today to find experienced engineers and architects to meet developer sustainability goals.

Steve Nygren also mentioned that another big challenge was local and state permits for the sustainable community design layout and the storm water and wastewater treatment designs. Again, this was just over a decade ago, and currently USEPA holds Serenbe as a role model for sustainable wastewater treatment and storm water management! Steve and Marie Nygren have discovered through the journey of developing Serenbe that being persistence when you are doing the right thing does lead to success.