



BUILDING PARTNERSHIPS FOR SUCCESSFUL MULTI-FAMILY CONSTRUCTION



The Windmill Landings Congregate Retirement Community, Batavia, Illinois

This is an exciting (and challenging) moment for multi-family construction. While there is pronounced demand for new living communities, there is also a renewed focus on what it means to call a place "home." This is because we are spending more and more time working, playing, and learning at home.

People want to live somewhere that enhances their lifestyle. For some, that means a walkable community that enables healthy living or a space that better connects them to the outdoors. For others, it means not being weighed down by a mortgage, so they can feel free to change jobs or move to a new city without the hassle or financial risk of selling their property.

Whether renting an apartment, purchasing a condo, or living out their golden years, residents are expecting more from their living space, and this trend is impacting how projects are being designed, built, and promoted. That second bedroom that will

serve as an office is now a necessity, and amenities have taken on new importance.

For example, dog-washing stations are quickly becoming a popular feature, which makes sense, because approximately 49 million American households own a dog. Setting up a dedicated space to save residents a trip to the groomer entices people to move in. Other trends include small cafes, hotel workspaces, and retail restaurants or bars. This is, of course, in addition to the standard amenities, like fitness centers and pools.

A nuanced understanding of the market and a keen understanding of the trends driving it is a necessary quality for any construction firm in this space. Working with a construction firm with the right expertise and a partnership mindset can be the difference between a project with many obstacles and surprises and one that achieves its ROI as soon as possible.

The Value of Building **Partnerships**

The journey from rendering to ribbon cutting is almost never straightforward. In multi-family construction, any unexpected delay can have a big impact on the bottom line. Developers and owners are counting on being able to rent out units as soon as possible and them being occupant-ready quickly to start collecting revenue.

With so many variables impacting the building process and the final product, developers and owners need to work with a construction firm who knows what to look for. This includes deep experience in the multi-family market, but also a robust set of capabilities that help the entire team avoid surprises.

To find the most ideal partnership for your multi-family building, consider a construction firm who:

- Understands design intent
- Is skilled in communication
- · Can offer state of the art virtual design and construction (VDC) and robust preconstruction services
- Is skilled in pre-panelization and pre-fabrication
- · Plans and anticipates material availability
- Understands your marketing

"It's more than being a builder - it's helping our client take their ideas and bring them to life."

Chris Krieg, Chief Construction Officer

New Build or Retrofit?

Lucrative markets typically face a shortage of available land, which makes retrofits appealing because they often come with a very low cost per square foot. In the case of historic renovations, they also include historic charm and nostalgia of specific neighborhoods and known buildings. However, there is less control and a higher likelihood to discover unknowns about the structure

New builds are not complications either. Everything from local building codes to utilities can create additional expenses or delays. A construction firm familiar multi-family construction can guide you through key decisions early on, starting with your site selection, but also about historic tax credits and other incentive programs.

Retrofit

- Accurate evaluation of existing building and required
- Adaptability of the building
- New build cost comparison

New Build

- conditions and requirements
- Building material escalation and supply chain
- Zoning and public opinion

Design Intent

Consider getting your construction firm involved with projects as early as possible, even before final site selection. It's much less expensive to find and address issues on paper, compared to in the field. Starting as early as site selection, a skilled construction firm who has a qualified preconstruction department can evaluate the proximity to utilities, local fire codes, unsuitable soil conditions, and building configurations. Doing this early in the design process helps avoid expensive field issues during construction.

All of these decisions impact the budget, timeline, and ultimately, the finished building. Having a building contractor who understands and has internalized the design intent of your project creates a partner in achieving your vision for the project without sacrificing your business goals. Sometimes, owners are invested in specific architectural features, until they learn that there's a better solution that won't compromise the end product. Sometimes there are gaps between the initial drawing and constructability. With the right partner, you can still achieve the type of experience you want for your end user.



Lewis Center, Washington University, St. Louis, Missouri



Communication

Without good communication any project can fail, regardless of what may be going well. Having a single source of truth for every aspect to the project and each critical status makes it possible for construction firms to communicate not only with the owners, but also with their own team and subcontractors. A clear chain of command eliminates missed approvals or inaccurate material orders.

Overcommunicating with owners ensures that everyone is on the same page and has the opportunity to offer input and perspectives when challenges arise on a jobsite. It also increases the efficiency and safety of the iobsite itself.







Virtual Design and Construction (VDC) and Preconstruction

Preconstruction and VDC work in concert to eliminate risks and costs on the front-end of the building process, before construction starts and problems become more complex and costly. The result is less time spent debating and problem solving and more time building.

By the time a jobsite is active, an effective building partner will already have conducted thorough preconstruction analyses and estimates, starting with quality assurance and control of the drawings, to ensure the budget is realistic. With the right team and approach, it is possible to offer owners a reliable, realistic budget. Preconstruction can encompass many different activities and analyses that impact the scope of the project

from pulling permits, risk analysis, looking at cost-saving equipment and materials, utility requirements, and more. This leads to less time spent on problem-solving and troubleshooting, and more time building.

Technology plays a major role in assessing the scope of the project ahead of time. With VDC, teams can create 4D scheduling and 5D cost analysis, all of which inform the timeline and scope. In addition to clash detection, laser scans can provide an accurate understanding of a property, where historic records may be incomplete or inaccurate. Environmental and topographical analyses can decrease RFIs and change orders, and ultimately assure a smoother handover of the final building.



VDC also helps visualize progress and existing conditions so they can be easily understood and conveyed to owners and their teams. It's much easier to understand a challenge on a worksite when you can see it laid out before you in 3D and interact with different solutions. 3D renderings can have a similar effect to being on the jobsite, without the travel.

Pre-panelization and Pre-fabrication

Speed-to-market is critical to the success of multi-family projects. The best construction firms understand this and prioritize it using the latest technologies and systems to pre-panelize and pre-fabricate whenever possible. The first step is evaluating if this process is right for your project and if it will help you achieve your goals.

If these techniques make sense, it starts during preconstruction, using the submittal and drawing process to determine how to best pre-build walls and joists. This enables a significant amount of pre-panelization and pre-fabrication. Doing this work successfully also requires knowing which components will work with the proposed or existing ductwork, electrical work, and other factors of a project. The end result is a combination of eliminating problems early and being able to set a significant amount of square footage per day.





Anticipate Material Availability

Planning and flexibility are required to manage material availability. A jobsite can't be cluttered or it becomes less safe, and waiting too long to order materials creates a schedule risk. Any risk to the schedule is a risk to the budget.

A good construction firm will proactively plan ahead, communicate with vendors and subcontractors, and use creative solutions such as off-site storage to ensure the material arrives on the jobsite just in time.

When it comes to retrofit projects, material availability relates to much more than the schedule. For example, countertops in a new build project can be ordered and cut in a batch, from whatever source has the material in stock for the best price. However, a retrofit may have distinct variations between units, and require custom cuts, which will increase the budget and decrease the flexibility in procurement.

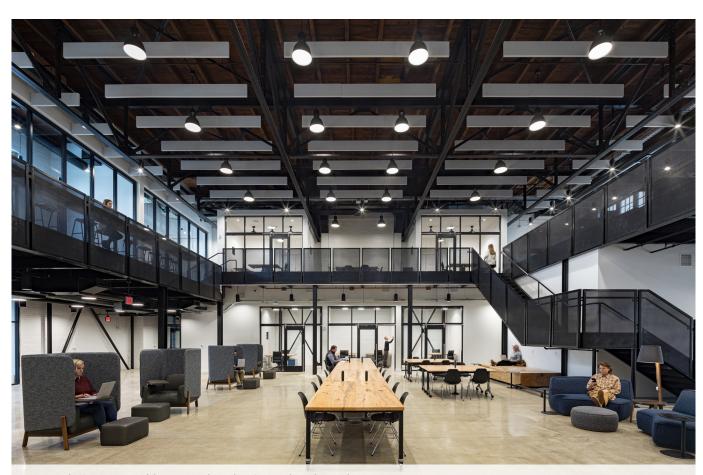
Multi-family owners and developers need construction firms to take the lead on ensuring that materials and manpower align and serve the unique circumstances of the project.



Marketing

The right building partner makes every aspect of the project stronger. The trends in the multi-family market that are driving the resort lifestyle not only impact the design and final building, but also the positioning. Any extra space in the units is an opportunity for owners and developers to show potential residents how their building will support the prospect's lifestyle and needs.

addition to flushing out potential problems at the start of a project, VDC can create visualizations that owners can put in brochures and marketing materials to help fill units as they're being built. It's not easy to convince someone to commit to living in a space without a demo unit. However, with technology, it's now possible to convey the experience so residents feel comfortable signing on the dotted line. This means that as soon as the building is finished, there are occupants ready to move in.



Lewis Center, Washington University, St. Louis, Missouri



The Boulevard Senior Living of Wentzville, Missouri

Saving Money Before Construction Starts in Senior Living

As every owner in this space can attest, the built environment of senior living communities has a major impact on the residents' quality of life. When people take up residence, they (and their families) know that life will be different. Much or all of their

time will be spent within the grounds, if not inside the building. Customers want to be able to trust that their loved ones will be spending the rest of their lives in a safe, appealing, and well-constructed space.



Senior living projects have unique needs, especially when offering a continuum of care (assisted living, memory care, etc.). The local state and building codes will differ across building types due to the varying design needs and MEPF requirements.



The Boulevard Senior Living of Wentzville was a new build of a 140,000 SF 137-bed, assisted living, memory care, and independent living building.

On this project, a global stability study revealed unforeseen rock formations, as well as unsuitable soil conditions. These challenges are typical for new build projects, which makes it all the more imperative to work with a building partner that evaluates everything about your site.

Russell provided value by:

- · Identifying \$140,000 of mechanical VE items
- Consulting with our industry partners to stay up to date on trends and innovation
- Offering an experienced field staff who provide boots on the ground ideas



A true partnership with an experienced multi-family contractor has almost immeasurable benefits. These benefits come to fruition through countless small and large interactions, where the right question or software helps mitigate risks and increase efficiencies.

Open conversations between owners and builders in preconstruction ensures that any challenges are dealt with in the best possible manner, to stay true to the design intent and business objectives of the project. A partnership between owners and the construction firm means everyone on the team can weigh all the options against their vision for the final building.

Things to consider when selecting a partner for a multi-family project:

- What examples of similar projects can you provide, with references and how the initial budget compared to the final budget?
- What are some examples of preconstruction deliverables at design milestones?

- Request a team resume with, alternate members.
- Request a resume outlining multifamily experience for the project manager and superintendent.

In addition, look at the company's longevity, years building the product, overall reputation, and talk to their references. It boils down to working with a builder who is committed to staying client-centric throughout the

entire process. At Russell, that's one of our values, because we've seen firsthand how understanding and committing to the needs of the owner truly shapes our decisions.



To learn more about how we can support your multi-family projects, contact

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Cameron Beattie has more than 25 years of experience, specializing in preconstruction. He provides accurate and reliable cost opinions and scheduling management decisions.

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Russell is a professional services firm with 200+ professionals, providing construction and development services across the Midwest. Since its inception in 1983, Russell's culture promotes a collaborative work environment that strives to exceed our clients' expectations and provide life-time career opportunities for our professionals. Headquartered in Davenport, Iowa, with offices in St. Louis and Kansas City, Missouri, Russell has delivered more than \$3 billion in projects across 33 states. We remain a market leader in our core markets, including new construction and complex additions and renovations. At Russell, we are creating more than a project - we are building great people, relationships, and community.

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