

FINANCE & COMMERCE



Canadian builder Mattamy Homes is planning a 1,080-unit housing development on 470 acres of farmland along Cedar Avenue in Lakeville. The project, named Avonlea, would likely see its first homes built in 2016. (Staff photo: Bill Klotz)

Mattamy pays \$26.5M for Lakeville land

By: Adam Voge May 12, 2014 4:47 pm 0

Canadian homebuilder Mattamy Homes has secured much of the land needed for a \$100 million, 1,080-unit housing development in Lakeville, one of the metro area's largest housing projects in years.

Mattamy paid \$26.54 million for 531 acres of bank-owned farmland, according to a certificate of real estate value released April 22. The deal works out to nearly \$50,000 per acre.

About 310 acres of the acquisition will be developed as Avonlea, a 1,080-unit residential development planned on 470 acres on either side of Cedar Avenue. Another 160 privately owned acres still needed for the development have yet to be purchased by the builder. The Avonlea community would stretch from a northern border just south of 179th Street to a few hundred feet north of 190th Street.

Mattamy chose Lakeville largely for its location and track record in home sales, according to Daren Laberee development manager for Mattamy.

"Lakeville has been in the top five for city sales pace, even throughout the recession," he said. "It's got great accessibility but it's far enough away so you feel like you're not living downtown."

When complete, the housing development will become one of the Twin Cities metro's largest since before the Recession.

"You're kind of returning to the pre-depression days," said David Siegel, executive director of the Builders Association of the Twin Cities.



Mattamy Homes' Avonlea housing development will include single-family homes of differing lot sizes and apartment townhomes. (Submitted for larger map. (Submitted by Mattamy Homes))

The Avonlea project is also unusual because Mattamy is purchasing more than 500 acres of contiguous land about the same time. Siegel said it's more common for builders to secure and build on smaller chunks of land as they go.

"I would say that a lot of folks are much more cautious than they have been in the past," he said. "It's nice to see a major investment by one of our big builders."

Avonlea would be the second-largest housing development ever approved in Lakeville, behind only the Spirit of Brandtjen Farm, a 2,100-unit development approved in 2005. Lakeville planning director Daryl Morey said it continues to issue permits for new homes in the Spirit of Brandtjen Farm.

The Mattamy development will include single-family homes with varying lot sizes, townhomes and up to 15 density multifamily units, according to plans filed with the city. Mattamy is also planning a 67-acre public park.

"One thing we've realized about Lakeville is they have a ton of 85-foot-plus-wide lots and a lot of townhomes, but there's not much in-between," Laberee said. "We're focusing on that in-between product."

The developer would likely build about 100 homes per year, according to Laberee. The project is expected to take about eight or 10 years to complete.

"Certainly Mattamy's commitment to Lakeville ... is a plus," Morey said.

The site is currently vacant. Most of the higher-density homes, including the possible apartments, are planned on 35 acres surrounding a park-and-ride facility at 18040 Cedar Ave.

The developer also plans to include "age-targeted" units for seniors in the community. Those homes would look like typical single-family homes, except residents would have access to services including driveway snow removal and lawn mowing.

Mattamy is also still deciding what to do with 220 acres included in the April 21 deal but not adjacent to Avonlea. That property includes about 160 undeveloped acres bordered by Cedar Avenue, 200th Street to the north, 200th Street to the south and Farmington High School to the east. Just to the west, the company bought 60 acres of a Jehovah's Witness building at 20465 Cedar Ave.

Mattamy could develop that land itself or sell it raw, Laberee said. The 531 acres purchased April 21 were previously owned by Premier Bank.

Meanwhile, the developer has begun work on model homes at Woodland Cove, a 1,071-unit housing development on 488 acres in Minnetrista. That project is a joint venture with the Minnetonka-based Carlson Real Estate and is expected to take several years to build.

Mattamy is also holding another 200 acres in Lino Lakes with similar plans in the works, according to Laberee.

The builder plans this month to file an application for a sketch plan review in Lakeville. The project also needs to go through an Environmental Assessment Worksheet process, which could take up to five months, Laberee said. If it goes to plan, the builder could start developing the land by 2015 and put up its first homes in 2016.

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