

# Interview with Larry Johnson

Ray talks to Larry Johnson with Johnson Development Corporation about master-planned communities and development



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**R** Larry, you are an icon in the development of master-planned communities. Going back to your earliest days in the business world, how did you start, and how did that evolve into developing residential communities?

I first got into the real estate business when I was going to law school at the University of Texas when I went to work for a small real estate brokerage company selling low priced homes and decided I liked real estate better than being a lawyer. I moved to Houston in 1962 and continued working in real estate. Next I joined a commercial brokerage firm and specialized in selling land to developers. My first small development was in 1964, and I gradually gravitated to the master-planned communities.

**R** Over the years, how have the amenities you feel you must offer in your communities changed? Can you describe the current amenities which are common to your developments today?

Over the years, the amenities have changed from a small swimming pool, tennis courts and playground to large recreational parks with water park and large swimming pools, sport parks, walking trails, open spaces, meeting places, restaurants, tennis courts, pickle ball courts, soccer fields and exercise facilities. The Lifestyle Directors in our communities plan numerous activities and events for our residents. We had over

one hundred events last year. Also, we have created charitable foundations in our communities to support technology, health and wellness, environment and education goals in the communities they serve.

**R** All segments of CRE have cycles, and you are in a number of markets across the US, each one presumably with its own cycle. How do you gauge the cycles, to be ready with new product just at the right time? Is there a magic statistic that you have come to trust, and pivot on?

Our master-planned communities are long term projects. You have to plan on going through one or more economic cycles and structure your financing to anticipate some down cycles. We gauge the cycles by watching the economy, and most importantly, job growth. We are in constant communication with our homebuilders who work directly with the homebuyers.

**R** If all goes well, how long do you budget for a community to sell out? Due to your reputation, are you able to pre-sell a high percentage of lots to waiting developers before you break ground?

Most of our communities are budgeted to sell out in 8 – 15 years depending on size and anticipated absorption. We rarely sell lots before we break ground. We do business with most of the major builders and have an idea who our buyers will be when planning the new communities.

**R** What thought do you give to convenient mobility /

transit access when planning a development in a major market?

We give a lot of thought to mobility and location. Most of our communities are suburban and have little or no access to public transit but have access to major roadways.

**R** Larry, you have been honored with the designation "Scenic Visionary" by Scenic Houston, one of our city's most venerable and successful civic organizations. What aesthetic contributions have your communities pioneered that caught the eye of Scenic Houston? What have you done over the years in your communities that has been copied / imitated by competitors, resulting in rising standards overall for the communities in which you have developed?

We have always placed a huge emphasis on landscaping and maintenance. We have created ten thousand acres of parks and open space, two thousand acres of lakes and wetlands, two hundred thirty-five miles of walking trails and planted tens of thousands of trees. We have converted drainage ditches and bayous to major landscaped parks, recreation spaces and detention areas. A prime example of such a restoration was the award-winning regeneration of Flewellen Creek in Cross Creek Ranch into a major amenity, wildlife area and regional attraction and winner of the H-GAC 2013 Parks and Natural Area Award. One of our developments in Arlington, Texas named Viridian, is Audubon International Gold Certified.



Larry Johnson

Viridian is one of the only master-planned communities in Texas designed to meet Audubon Gold Signature Standards and was, in fact, recently named "Certified Gold Signature Sanctuary." Probably one of the most copied by our competitors are our water parks, amenities centers and Community Foundations. A new innovation is the start of Houston's first Agrihood, Harvest Green, a farm-centered community.

**R** Do you have any thoughts for young professionals wanting to enter into commercial real estate? Does one segment stand out in your mind as offering more opportunity right now than all the others?

I think the commercial real estate business is very rewarding. You can feel a great deal of self-satisfaction and financial benefits. Probably the retail business has more opportunities right now.

**R** Enough on the business side...when not working, what do you do for fun?

My job IS what I do for fun, when you enjoy what you're doing you really can't consider it "working"..... For many years my number one hobby was flying airplanes and I've been a pilot for over forty years. I still enjoy flying but now I am just a passenger. My wife Suzie and I spend a lot of time in the Hill Country. I was raised farming and ranching so it gets me back to my roots. We have five children, Larry, Chad, Scott, Nick and Jennifer, and seven grandchildren, all living in Houston. We enjoy spending time with them. We have a very busy and blessed life. ●