

PRESS RELEASE

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RCLCO Announces Top-Selling U.S. Master-Planned Communities for 2008

BETHESDA, MD – Mountain’s Edge, with 879 net sales, was 2008’s top-selling master-planned community (MPC) in the U.S. for a second year according to RCLCO, a leading independent real estate advisory firm.

RCLCO has been releasing its top-selling MPC rankings since 1994, when it first undertook this effort to gain greater insight into the master-planned community industry.

2008 Rank	2007 Rank	MPC Name	MPC Developer	Market	Net 2008	Net 2007	% Change
1	1	Mountain’s Edge	Focus Property Group	Las Vegas	879	1740	-49%
2	6	Cinco Ranch	Newland Communities	Houston	775	725	7%
3	4	The Woodlands	The Woodlands Development Co.	Houston	750	767	-2%
4	5	Providence	Focus Property Group	Las Vegas	514	726	-29%
5	-	Rancho Sahuarita	Rancho Sahuarita Company	Tucson	506	573	-12%
6	-	Telfair	Newland Communities	Houston	412	366	13%
7	3	Vistancia	Shea Homes/Sunbelt Holdings	Phoenix	399	815	-36%
8	10	Sienna Plantation	The Johnson Development Corp.	Houston	369	575	-36%
9	-	Sun City Festival	Pulte Homes/Del Webb	Phoenix	288	-	NA
10	-	Eagle Springs	Newland Communities	Houston	274	269	2%

Master-planned communities are large-scale developments featuring a range of housing prices and styles, an array of amenities, and multiple non-residential land uses (such as commercial, hotels, and educational facilities) offering residents an attractive and convenient environment in which to live, work, and play. Some communities provide lifestyle options for multiple market segments, while others target a specific buyer type such as active adults age 55 and over.

Each year, RCLCO invites communities across the U.S. to participate in the survey, and in past years, a majority of the top-selling master-planned communities have generally been located in the southwestern region of the country.¹

Overall, MPCs throughout the US experienced significant decline in home sales and, in many cases, home prices in 2008. The notable exceptions were MPCs located in the Houston marketplace (5 of the 10 of top performers), which saw increased sales from 2007. Texas may be lagging the nation in terms of the timing and depth of decline in the housing sector however, as sales began to decline in the 4th quarter of 2008 and into the 1st quarter of 2009; Nevada and Arizona – hit early and hard by the downturn – have experienced a slight bump in sales in the first quarter of 2009.

¹ Summerlin, located in Las Vegas declined to participate in this year’s study.

The market proved itself to be extremely price sensitive and somewhat fickle as cancelations in many of the MPCs surveyed broke new records. To stay competitive, a significant number of MPCs are introducing new product lines to meet more affordable price points. Common attributes among the top selling MPCs this year included:

- ▶ Value-oriented, primary home communities offering smaller lots, smaller homes
- ▶ Established, well located communities with or near job centers, amenities and lifestyle in place
- ▶ Heavily themed communities that deliver a “way of life” with lifestyle programming to match it
- ▶ Best selling amenities – open space, pedestrian-oriented amenities, town centers, and community gathering and learning places
- ▶ Successfully communicating that the MPC is a good place to buy and a safe investment

Interviews with top MPC performers indicated that “green” has finally arrived as a differentiator in driving traffic and sales to MPCs with sustainable features. Mountain’s Edge and Providence (1 and 4 on the survey) Chairman and CEO, John Ritter notes “the environmental nature of both communities – drought tolerant and use 25% less water than similar communities – is a differentiator and the sales offices have provided feedback regarding how the market is responding.” Ritter and his team have introduced novel amenities to benefit the community and attract interested buyers. They have established a demonstration garden and seminars with horticulturalists (5,000 participated in the first year), and have produced a Landscape Manual that details native plants in the community and their care.

Bob Sharpe, Managing Partner of Rancho Sahuarita, a top ranked MPC outperforming the Tucson marketplace and capturing nearly 24% of regional sales in 2009, attributes his MPC’s success to one thing – “we are delivering on our promises of value which increases the community’s appeal to homebuyers especially during these uncertain times.” All MPCs on the top ten list described similar commitments to follow through and provide planned amenities.

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RCLCO is an independent real estate advisory firm, providing market and financial analysis and strategic planning services to a broad spectrum of clients including developers, corporations, financial institutions, institutional and private investors, public agencies, and nonprofit organization around the globe. Founded in 1967, RCLCO has expertise in virtually every land use, completing hundreds of engagements annually for industry leaders. RCLCO is headquartered in Washington, D.C., and has locations in Atlanta, Los Angeles, and Orlando. For more information, visit www.rclco.com.

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