

the big idea

CREATING TOMORROW'S RESORTS AND VACATION COMMUNITIES

What Makes Today's (and Tomorrow's) Vacationers Tick?

Several demographic and lifestyle trends are having huge impacts on the types of physical products that will most appeal to vacationers throughout the next decade and beyond.

The desire for family gatherings and family traditions is one of the most influential of these. Family experiences, opportunities for family members to get together and interact in meaningful ways, is becoming a big driver, not only in how people chose to vacation, but also in the decisions people make about investing in everything from timeshares to second homes. With our frenetic lives, creating a place for the family to come together—often intergenerationally—is becoming more and more important. There's a real thirst for—and many more opportunities to create—multigenerational family traditions, which may be as simple as gathering on holidays at a rented beach house or as complex as the creation of a “family village.” More and more, families are purchasing properties large enough for multiple dwellings, so that parents, children, and even grandchildren can all build vacation homes there over time.

Social engagement is another influential trend. Increasingly, people want to interact, not just in a traditional “club” style, but in a broader community. They want to feel good about the ways and the degree to which the places they visit and vacation interrelate with the surrounding community. Vacations that enable people to engage with the world—to learn about and care for wild animals, work on a farm, help build a school, volunteer in a clinic, or even live in a home in another country or culture, will continue to become more popular.

Tying into social engagement is the fact that people seem to be seeking meaning in their lives, in what they do and how they do it. When young families go on a vacation, they won't just look for a place where they can relax and escape from the daily grind. Today's and tomorrow's parents will want to take their children to places where they can do something meaningful, so that they will return from their vacation not just having seen another part of the world, but also having done something different, something that will have made an impact on them and the place they visited. Parents and grandparents will take their families to Africa, not just to go on a safari—though they will do that as well—but also to work at a refugee camp or a wildlife rehabilitation center, to connect with the people and the culture, to make a difference. People will travel to Mexico or Central America to build homes for the poor, not just to stay in a Ritz Carlton resort—though they may stay there before, after, or during their “service” project.

Wealth is another issue, both in terms of how much wealth has been and is being created in America and elsewhere in the world. A tremendous amount of wealth is being created in today's global environment—albeit in the hands of relatively few—and these huge

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amounts of money seem to have a high propensity to translate into vacations, vacation homes, ownership of second homes, and travel. And the unprecedented transfer of wealth now underway—from the World War II and older generations, who are now beginning to expire—that is moving large sums of money into the next generation or two is, in some cases, putting even more money into the hands of those who are already wealthy. This transfer of wealth is creating a new generation of relatively wealthy (and wealthier) people who will then go out and spend this money on new and different products and activities. Overall, many more people—particularly in North America, Europe, and some of the developing countries—are making a lot of money more quickly than they have in the past, and they're spending it in this industry.

Another issue, which is just beginning to develop and we're just beginning to feel, is longevity. People are living a lot longer, and they'll want to keep vacationing into their 80s and even 90s. We already know that cruise ships tend to have a high propensity of older customers. But tomorrow's older population will be even larger—and wealthier—than yesterday's "old people." The baby boom generation is turning 60, and the sheer size of this generation makes its aging a mounting challenge that we must begin to

think about and plan for. We're starting to see some of the new solutions that will enable aging boomers to continue to vacation in the ways they prefer, including organized tours that focus on education and lifelong learning, as well as cruises that involve more physical activity and engagement, that get people off the ship and involved in more adventurous activities, including hiking and wine sampling. These are just the tip of the iceberg; we'll see a lot more of these types of things happening.

Driving Industry Trends

Diversity and segmentation are among the most important industry trends affecting resort and vacation home development. A huge pattern of segmentation is creating a far greater menu of offerings for vacationers and buyers of second homes. So when individuals think about where and how they will vacation, there are many more options available to them today than there were in the past—and there will be even more in the future. Developers will continue to create new places and ways to vacation, as well as a much deeper diversity of physical offerings, in terms of what will be available for people to buy or where



they will stay, at a much wider range of price points.

All kinds of concepts are being invented that are priced much less expensively than what was traditionally available—and even more options are being offered at prices well above those. A huge wave of development is producing many new, very creative, very inventive places for wealthy people to go, to buy a second home, to stay in a great hotel, or to buy a fractional ownership in a condominium or a cabin or a house. All of the available offerings are being broadened, in both prices and ownership structures. People can choose to purchase a small piece of something that's tremendously pricey, or they can buy something outright that is very inexpensive, relatively speaking. And they have a wider range of choices of types of places to purchase than ever before: a cabin, a house, a condo, or even a tent someplace; they can own any of these places, not just rent them or use them by the night.

Highly segmented products are being designed and built with a variety of offerings that will attract relatively similar people, but will offer them different ways to experience the place. From an economic perspective, a developer will, for example, build both large and small units and offer whole ownership, fractional ownership, and overnight visitation, all at a variety of price points. Resort designers and operators also will ensure that the resort community offers diverse and varied experiences that will engage multiple generations of visitors, so that the old, the young, and the middle aged all will have something to do, will find meaning in their visit, and will want to return.

Inventing New Ways to Vacation

People are beginning to make many very different choices about where and how they vacation, and these choices will expand greatly during the next ten to 15 years. Understanding these choices will enable industry experts to take advantage of the many opportunities they offer.

The vacation industry is responding—and will continue to respond—to people's thirst for education and lifelong learning in a wide variety of ways, ranging from the half-hour cooking class or art lesson to a month-long stay at a prestigious university with daily lectures and tours. The learning experience may be a tangential add-on to a vacation, the primary reason for it, or anything in between. There's such a diversity

of experience, and the market is so big, that even if only 1 percent of the market is interested, that's a big enough share that somebody's going to go after that and make it a great experience. Someone will take the elderhostel concept and transform it into a luxury elderhostel experience; someone else will create a "youngerhostel" experience.

We've already seen a big growth in ecotourism and nature-oriented tourism, and offerings in that area will keep on deepening, with more beds, more cruise ship cabins, more hotels, and more tents becoming available to go to do things that up until now were reserved for the few and the wealthy. Today, almost anyone can go to Antarctica, to Alaska, on a safari. They can go climbing and biking anywhere in the world, including all the way up to the top of Mount Everest, and in ways that in the past would have been open only to very, very few, who were very fit and very wealthy. Today, almost anybody can climb the Himalayas.

And we're beginning to see a lot of resorts—both resort communities and resort hotels—hiring on-staff botanists, naturalists, preservation experts, and even historians. These individuals' primary responsibility typically is to preserve, maintain, and enhance the resources that fall within their area of expertise, but providing educational content to guests is another, very important part of their mission. They do this by leading nature walks, holding fireside chats and bonfire events in the evening, organizing guest lecture series, and so forth. We expect to see even more of this happening, as a way to connect guests and/or residents with the property or the culture or the place, to bring it to life for them.

We also expect to see even more themed tours, not necessarily focused on "academic" education, but more broadly on culture, anthropology, history, and archeology, including archeological tours of the Middle East, cultural tours of Africa, tours that explore the history of various regions, and so forth.

Culture and entertainment also are gaining in appeal, both for travel and vacation home ownership. People buy property in Aspen today because they want to be able to participate in the Aspen Institute and its activities. They may buy a place in Vail—and pay a premium for it—in part because of the Vail Valley Music Festival, which every summer features performances by the New York Philharmonic and other world-class musicians, and the Vilar Performing Arts Center in Beaver Creek, which hosts symphonies, ballet com-

panies, Broadway musicals, and other performances year-round.

People are even buying urban vacation properties. It's no accident that companies like Exclusive Resorts—which owns properties in multiple locations—maintain a healthy dose of their inventory in San Francisco, New York, London, Paris, Rome, and other major world cities. Some people use these properties for business, but many more use them for urban vacations that revolve around culture, entertainment, and sightseeing. It's already nearly impossible to find a hotel room in New York City—at any price point—between September and December: that's the season when everyone wants to be in New York, and not for business.

When it comes to amenities, the question is not so much going to be, “what is going to be the new amenity?” It's going to be “what's not out there tomorrow?” The golf model is going to continue to exist and thrive and serve that market. But it's going to operate right beside the surfing model and the painting model and every other model, whether it's an amenity or an experience. **The resort industry is becoming a sort of micro niche industry**, one in which there isn't just one model or one amenity that's the driver. The list of offerings is going to be much longer. And while resorts that offer a little bit of everything will probably continue to exist, more often than not those that thrive will be the more tightly defined niche places. The people who like to wind surf are going to go to the windsurfing resorts; people who like to golf are going to go to the golf resorts, and it will break down from there.

We also need to rethink our definition of amenity, from a completely physical one (the beach, the golf course, the pool) to one that incorporates things that are much more amorphous, including time, space, and—perhaps most important—experience.

Finally, when planning and developing future resorts, whether they contain hotels (transient occupancy), for-sale real estate (which involves making a longer-term commitment for multiple visits), or both—developers will have to pay attention to more than just the resort's concept (golf resort, ski resort, beach resort), from a very long-term perspective. They should concern themselves, not so much about what the real estate will do over the next ten or 20 or 30 years, but rather with how the lives of the people who will be visiting or owning property there will change over that same time period. What will they need to do to fulfill

the needs and desires of these people, 30 years from today as well as today?

As a case in point, consider the golf resorts where many people bought second homes 20 years ago, when they were in their late 40s or early 50s. Today, those people are in their late 60s and early 70s. They already are not able to play as much golf—or are not interested in playing as much golf—as they were back then. And you can certainly envision how these people—who expect to live well into their 80s and beyond—will be even less interested in playing golf ten years from now. But what else is there for them to do? California, Arizona, and Florida are chock full of communities built during the 1970s and 1980s that are no longer relevant. The people who vacation and retire there are aging in place, and young people are not moving in.

A major challenge for today's and tomorrow's resort developers and operators will be to design places that will continue to be relevant and vital 20 and 30 years after they are built, that will continue to attract new, younger visitors and buyers throughout the life of the property. This will require constant reinvention and reinvestment, not only in the physical plant (although that is essential), but also in programming. Resort operators will have to keep up with which amenities and activities are becoming more or less popular. If the popularity of tennis is in decline, take the tennis out and replace it with something else. When tennis comes back—as it inevitably will—find a way to bring it back to life early enough to keep the tennis players happy. Resort operators will have to constantly balance functionality, design trends, and the needs and desires of the customer. In the past, way too many resorts simply designed a concept and stayed with it, and 30 years later woke up to find that they were no longer relevant, that they've become a kind of retirement village.

One productive response to this challenge is to much more consciously develop resorts with multiple purposes and themes, places that offer year-round (or almost year-round) experiences. Places like Vail and Aspen are much more successful and command much higher prices than places like, say, Big Sky, and other single-season destinations for exactly this reason. At Vail and Aspen, they've managed to create places where there is as much to do in the summer—and maybe even more—than there is in the winter, when people traditionally visit to ski. They thought carefully about how to expand the experience.

Perhaps paradoxically, the other extreme approach also will be successful. In fact, the two approaches will develop side by side: as traditional ski destinations like Vail and Aspen thrive by become more diverse, offering a broader range of activities and attracting a wider range of guests, other destinations and resorts will succeed by appealing to extreme microniches, by offering a “pure,” specialized skiing (or surfing or mountain biking or birdwatching) experience that can be found in few other places.

Another challenge resort developers face involves getting through the political entitlement and approval process. There are mounting pressures to limit or eliminate future development, particularly in established places but even in emerging places. This can be both good and bad. It’s good because it demonstrates that people care, that they want to preserve the environment and ensure the purity of the experience. It’s bad because sometimes it goes overboard, and in most cases it adds a lot to the amount of time and cost it takes to develop a project, and therefore ends up creating a more difficult and expensive end result.

A related challenge is the cost of building. In addition to the cost of getting a project through the entitlement process, material and construction costs continue to rise and they, again, limit the ability to provide multiple options for multiple price points, and lead to many projects being positioned at the very high end. That’s fine; there is a big market for high-end projects, but we may soon face overbuilding in the high end, as well as a real dearth of new resort options at the (relatively) middle and low ends for the next ten years. Being able to continually provide something for the full spectrum of audiences continues to be a challenge, although I think the industry is doing it. I think you have to acknowledge it as a challenge.

A third mounting issue is competitive pressures. Take, just as an example, mountain resorts. Places like Vail and Aspen and Deer Valley are so powerful or so good or so dominant in offering lots of options for a relatively limited group of people that other places have to fight hard to compete. The proliferation of options makes it more difficult for secondary and tertiary locations to find their niche and to be able to profitably serve a market that will go there.

A Global Future

Looking beyond the U.S. borders, we see that Americans are becoming more adventuresome and are willing to travel much further than in the past. They’ll certainly go to Latin America and the Caribbean, and they’re going to Mexico in a big way. But they’re now going even farther, in a much bigger way, to Europe, North Africa, and Asia. Europeans are actually far ahead of Americans in terms of how far afield they will look, not just for vacation experiences but also for second home purchases. Our research in South Africa, Mauritius, and the Seychelles shows that the markets for these places is largely European. Europeans just don’t balk at an eight- or nine-hour flight; they’re certainly used to going to Greece or other, similar distances.

Africa is really the sleeping giant opportunity. It’s probably the least discovered continent for tourism and second homes, the one that has the most virgin opportunity that is unattended right now. We expect to see a lot of development in Africa and other parts of the southern hemisphere, which is, overall, is under-resorted. We’ve overexploited the northern hemisphere because it’s closer, and because that’s where the world’s wealth, by and large, is largely concentrated. But there are fewer options left for development in the northern hemisphere, it’s becoming much more exciting to go to the southern hemisphere, and the inverse seasons make traveling there during the northern hemisphere’s winter months very attractive.

We also see that people in other parts of the world are beginning to think about tourism and second home ownership as a real economic driver. A perfect example of that is the oil-producing countries in the Middle East that have concluded that they should begin to think about diversifying their economies so they’re not so oil dependent. And then you have places like Abu Dhabi, Dubai, Qatar are investing untold amounts of money in developing resort and recreational destinations in the middle of the desert, completely transforming these places into instant oases as well as very attractive and interesting destinations. The jury’s out to see what happens with them, but it’s happening in a big way.

Similar things are happening in China and Southeast Asia. Look at Macau—in only ten years, it went from being a sleepy little place into a destination whose gaming revenues are greater than all of Las Vegas. With only half a dozen casinos, Macau already is do-

ing more business than Las Vegas, which has been around much longer and has many more hotel rooms and casinos. These examples should be wake-up calls to other parts of the world to step up their investment—as governments or economies—in their tourism and second home ownership options.

In addition, lots of wealth is being created in parts of the world that heretofore didn't have any wealth. China is minting millionaires by the day. Russia has huge amounts of wealth being accumulated in the hands of a relatively small—but still a pretty good size—group of people. Those folks are avid consumers of vacation and second homes, not only for the experience,

but also to expatriate some of their money, to invest in “safe havens.” So we see Russians and Eastern Europeans and Northern Europeans investing in droves in the Middle East. We haven't yet detected exactly where the Chinese money is going, but it's going to go someplace, just as the Japanese money came to America in the 1980s and 1990s.

Gadi Kaufmann, Managing Director and CEO, gkaufmann@rclco.com

Adam Ducker, Managing Director, aducker@rclco.com

in sites

LOST AND FOUND, SOUTH OF THE BORDER: AMERICAN CONSUMERS HAVE THEIR SIGHTS SET ON LATIN AMERICA



American discovery of Latin America as a resort and second home destination has come in waves. For decades, Americans have been going to locations such as San Miguel de Allende, located in the eastern part of Guanajuato in Mexico's mountainous Bajío region, as well as Pacific locations such as Cabo San Lucas for the culture, arts, and a unique expatriate community. Many of the first buyers were those looking to reinvent themselves south of the border or were purely seeking a very low-cost alternative for retirement. However, since those first waves of discovery, prices have risen substantially in locations such as San Miguel and Cabo and in some cases represent a premium to the U.S.

The number of Americans living in Latin American

has been rising substantially in recently years, and many are buying homes site-unseen or within the first day of a visit. For example, according to the Mexican Association of Real Estate Professionals, 1.5 million Americans today own homes in Mexico, a figure which is expected to grow to 12 million by 2025. Much of the movement will be by baby boomers in pre-retirement or retirement phases of their life.

In increasing numbers, however, Mexico is not where the search ends. In the last 10 years, many have turned to Costa Rica and Panama as the locales in which to relocate for a couple of months, a year, or even forever. And with these locations gaining in popularity, American real estate explorers are now looking farther afield. Attracted by sandy beaches, expansive mountain-scapes, and vibrant pockets of culture, Americans are discovering less congested, less built-up destinations, such as lesser-known areas in Mexico (Merida and Progreso), as well as Belize, Nicaragua, Guatemala, and to some extent Argentina and Brazil.

While Americans have been visiting and moving to these locations in ever-increasing amounts in the past decade, resort and second home developers are now fully understanding the wealth of opportunities these areas have to offer. Only in the last five years have high-end flags such as St. Regis, Westin, Sheraton, and the W (as well as others) branched out into some Latin American locations. Many of

these flags have been quick to understand the ability to leverage their horsepower and marketing edge to offer high-end for-sale condominiums, single-family homes in whole ownership, fractional ownership, condominium/hotel units, or some combination of the above. New resorts with for-sale components—such as the St. Regis, ready to open in 2008 in Costa Rica, as well as the Nikki Beach Resort in Panama—have mainly focused on the high-end market. They have discovered that Americans, for whom a visit often becomes a ritual, have already fallen in love with these locations and might be looking for that reason to never come home, making them willing to purchase a home in their country of ritual visit.

With these high-end resort communities there are several price alternatives. Valle Escondido in Panama boasts homes starting at \$175,000 and offers golf, equestrian recreation, and fishing, as well as the low cost of living that has attracted so many U.S. buyers. This project and projects like this have been widely successful.

However, according to RCLCO's qualitative research conducted in Latin America, in concert with quantitative research conducted on baby boomers, there exists an even greater opportunity than previously thought with regards to offering for-sale homes aimed at those with more moderate incomes.

There are approximately 76 million baby boomers in the U.S., many of whom do not have adequate savings or health insurance. This demographic is already looking to Latin America as an alternative for retirement. From our research, we have found that medical care, weather, and cost of living are the top three issues when choosing where to retire. As a result, ex-pats are consistently attracted to locations such as Merida, Mexico, and Costa Rica, where health care options are plentiful and high in quality. And while homes in downtown Merida can often be similarly priced as retirement homes in the U.S., they come with a much lower cost of living. It is possible for American retirees to have their own gardener, maid, and cook in locations such as Merida. These attributes also beg the question in terms of community programming. There are many instances where buyers feel (although not always true) that their health care systems are not on par with those in the U.S., so communities can easily answer this by offering on-site doctors. Often times it is easy to find a retired, U.S.-trained physician willing to take on patients already living in the community. Further, a large

part of the draw is the ability to afford a maid, cook, and handy-man when they couldn't at home. Making these services very accessible and pointing out the cost effectiveness will go a long way in drawing those U.S. buyers in by increasing the comfort factor. Much of what these communities must offer is, a "safe adventure"—they must provide the excitement of moving to a foreign and exotic land, but with a safety net.

But it is not enough to simply offer health care and a low cost of living. The location must also offer authenticity and culture, two things that baby boomers are demanding in ever-increasing numbers. For any new development, ties to the outside community are vital. Whether this "authentic edge" involves community service programs, language and cooking classes, or local artisans teaching workshops, the baby boomer segment will want to be connected with the country in which they choose to live. Through several projects in Mexico and other Latin American countries, we understand that only a small segment of baby boomers are still seeking the glitz and glamour of yesterday's mega-resort, and that more and more buyers in today's market want to feel like they can take a deep breathe and finally "come home," that they have "finally found what they have been searching for." For many, it is an awakening of what they felt in their twenties—having something they felt passionate for, involved in, something that gave them as much of a feeling of excitement as it did belonging.

Much of this cannot be recreated with typical U.S. master-planned community themeing. Instead, it is achieved by developing within instead of around the country, area, and people in which new developments are situated. Softer programming that reflects the natural environment and local culture is preferred. Trails through nature preserves, cultural learning centers, volunteer opportunities, archeological digs, and true-to-the-area architecture are preferred over the cookie-cutter resort community. This is not to say that these buyers don't want the creature comforts that a major provider offers—instead, they want an authentic and to some extent adventurous experience, especially if that adventure experience includes a little comfort from a well-know hotel flag or developer.

Stephanie Siejka, Senior Consultant and Director of Consumer Research, ssiejka@rclco.com

on the ground

MAKING LIGHTNING STRIKE TWICE - THE TEAM APPROACH TO RESORT DEVELOPMENT

Project: Playa Grande
 Location: Chiriquí Province, Panama
 Developer: Applied Development Holding, Ltd.

Applied Development had successfully shepherded a large-scale, luxury-branded resort development through the pre-development process in the British Virgin Islands (B.V.I.) and finished securing a development partner. Eager to apply what it had learned in a second venture, Applied Development found itself in a situation familiar to many – an experienced team with a vision for a place but in need of a suitable site. The task – replicating success. The destination – another emerging resort market somewhere in the Western hemisphere.

Based on a multi-market assessment by RCLCO, Applied focused its attention on Panama in Central America as their optimal location for development. In much the same fashion as neighboring Costa Rica, Panama is emerging as a prime destination for North American and European tourists, including those seeking second homes or retirement alternatives. International tourism has more than doubled since 1994, with 15% growth in the last year alone. Affluent North and South Americans are flocking to Panama, not only for its easy access, but also for its natural beauty, low crime rate, political stability, first-world infrastructure, and booming economy. However, although tourism is increasing at a rapid rate, high-end, well-executed development is still in its infancy. Applied Development was hoping to fill this market need by developing a world-class, luxury resort and residential development.

Executives from Applied began their search by teaming with one of Panama's premier land brokers and commenced scouring the country for the site with the best development opportunity. They were looking for a site that had natural beauty and easy accessibility to the major international markets. The team evaluated more than 20 sites and eventually narrowed the search down to three properties, all of which represented tremendous market potential. While land seems readily available to the casual observer (or at least it did 18 months ago), identifying a prime, large beachfront parcel with a clean title and reasonable



access was no small task. They had to assemble from 17 individual owners, before closing on the site in early 2007. They called it Playa Grande (www.pg-panama.com).

Pursuing the same business plan perfected in the B.V.I., Applied Development and RCLCO immediately began the predevelopment process by reconvening the team of designers, architects, planners, and consultants. EDSA master-planned the site to include more than 1,000 residential units, three hotel concepts, an 18-hole Jack Nicklaus Signature golf course, and a deep-water marina and marina village designed by ATM. Hill Glazier Studio is in the process of designing the hospitality portion of the project. Norton Consulting and RCLCO completed separate market analyses for the site, and RCLCO completed a deep dive financial analysis to verify the performance of the venture for the development team.

The Playa Grande project represented, and continues to represent, a highly effective close collaboration between Applied Development and its consultant team, all of whom traveled together to Hong Kong and China for a series of working sessions and retreats in October. By involving the entire team from the inception of the project Applied Development Holdings has been able to find and acquire a premier site in a quickly emerging market and get in on the ground floor of what should be a very bright resort development business in Central America.

minding your strategy

WHY REAL ESTATE COMPANIES PLAN



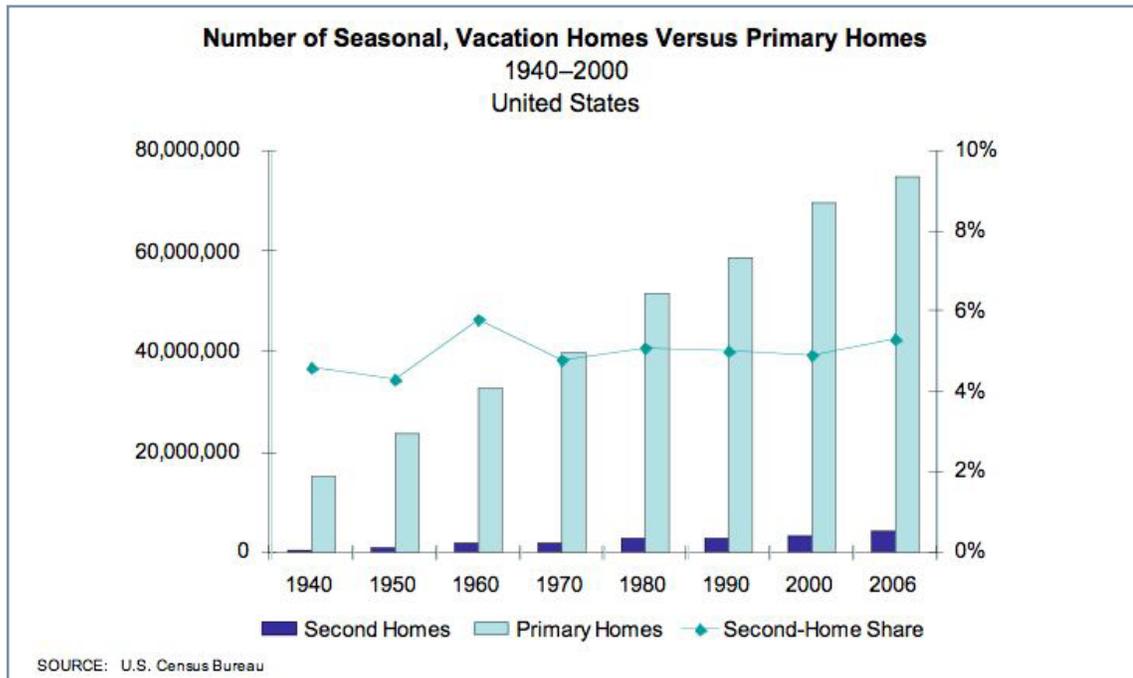
In the first quarter of 2008, ULI will release RCLCO's book entitled *Strategy Planning for Real Estate Companies*. The timing of this book is particularly relevant and important given the current turbulence in the economic and real estate market environments. The book describes what strategy planning is, why it is particularly important to those of us in the real estate industry, and provides insights regarding how a company has a plan that is robust yet flexible enough to endure in all phases of the real estate cycle. Each month, The Advisory will feature excerpts from the book.

While it could certainly be argued that every real estate concern should undertake some level of strategic planning, regardless of its size or situation, real estate companies tend to engage in strategic planning efforts when they are faced with certain catalytic events, including the following:

- **Changing Economic and Real Estate Environments.** A looming shift from one phase of the real estate cycle to the next—or the realization that one already has occurred—typically can trigger management to revisit and potentially alter the company's strategy.
- **Changes in Ownership and/or Leadership.** Either an orderly or traumatic shift in key leadership positions, whether in a family-owned and -operated business or a public company planning the succession from one owner/leader to the next, can trigger the need for a shift in strategy.
- **Mergers and Acquisitions.** These events often trigger the desire to question every aspect of a company's strategy and to identify synergies, best practices, and efficiencies, which often were the genesis of transactions in the first place. Although in some acquisitions—and even many so-called “mergers of equals”—the larger, stronger, or smarter firm simply transfers its existing strategy to the operations of the acquired firm, mergers and acquisitions can trigger a new strategic planning process.
- **Tremendous Growth.** In many cases, an organization's structure and development have not kept pace with changes in the market or expansions in the volume of its activity. Such companies need to consider that the way they have conducted business in the past, indeed the very structure of the organization, may no longer make sense.
- **Challenges to Growth.** On the other side of the coin, decreasing levels of activity, changes in the competitive environment, or impediments to growth can trigger the need to reinvigorate and/or reposition, expand, diversify, or possibly rationalize activities, markets, products and/or services.
- **Legacy Vision.** The desire to develop a well thought out strategic plan very often stems from the desire to create a long-term vision and lasting legacy, whereby the company can continue to perform in good times and bad and to prosper beyond the current ownership or administration.

RCLCO MarketBeat

SECOND HOME OWNERSHIP VERSUS HH GROWTH THE ACTUAL RATE OF OWNERSHIP IS LARGELY UNCHANGED



announcements

Who's Buying It? – The Demand for Green Homes

Now available from RCLCO Research and Development – **Measuring the Market for Green Residential Development**. This report summarizes and analyzes RCLCO's consumer research into the demand for green homes and neighborhoods, and gives your company strategies for targeting the green residential market.

Call for **Green Projects**. RCLCO is researching the market performance of green residential property and preparing case studies to highlight how green projects are competing in the marketplace. If you think your project or community should be featured in the groundbreaking research, please register [HERE](http://www.rclco.com), at www.rclco.com, or at www.rclco.com/content/?nl=2&navid=40&ctype=general&main=4

RCLCO Promotions



Adam Ducker has been promoted to **Managing Director** of the DC office. We are also excited to announce the following promotions:

- **Senior Principal:** Melina Duggal, Sarah Kirsch, and Marc McCauley
- **Principal:** Christian Winkler
- **Vice President:** Peter McLaughlin, Andrew Wilson, and Katherine Zackham

upcoming events

January 2008

Gadi Kaufmann

January 16, 2008

Chair, ULI Arizona District Council Trends Conference, Phoenix, Arizona

February 2008

Shyam Kannan

February 1, 2008

Green Means Growth – Harnessing the Green Economic Development Engine
Sebring, Florida

Laura Cole

February 5, 2008

ULI Washington: Drivers, Location, and Timing of Growth
Washington, DC

Gadi Kaufmann

February 25-26, 2008

ULI Developing Resort, Second Home, and Golf Course Communities Conference
Arizona Grand Resort
(formerly Pointe South Mountain)
Phoenix, Arizona

Adam Ducker

February 25-26, 2008

ULI Developing Resort, Second Home, and Golf Course Communities Conference
Arizona Grand Resort
(formerly Pointe South Mountain)
Phoenix, Arizona

knowledge link

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Recent additions

- “Strategy Planning in an Era of Change”
- “Treasure Coast Trends”
- “Present and Future of Amenity Communities”
- “Opportunities in a Down Market: 2008-2010”
- “Green Building is Coming to a Market Near You”

about RCLCO

Since our founding in 1967, RCLCO has been at the leading edge of real estate trends and issues. Our impressive record of accomplishments has made us the “first call” for clients seeking strategic advice. We can help you with everything from market research to product programming; financial sourcing to deal structuring; conceptual design to development strategies. We set the highest industry standards by partnering with our clients to answer key questions and solve complex issues--offering strategic guidance that is always market driven, analytically based, and financially sound. Our real estate advisors help clients make the best decisions about property development, planning, and investment, so they can seize the right opportunities for tomorrow ... today. We are real estate consultants, analysts, financiers, developers, and designers--and we are dedicated to offering end-to-end solutions.

In 1985, RCLCO published its first Advisory Newsletter. Since then, subsequent issues have come to represent significant milestones in our intellectual history. Today, our e-newsletter provides over 5,000 real estate professionals with free research, tips, and original articles on various industry trends and issues.