

PRESS RELEASE

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RCLCO Announces Top-Selling U.S. Master-Planned Communities for 2007

BETHESDA, MD – Mountain’s Edge, with 1,740 net sales, was 2007’s top-selling master-planned community (MPC) in the U.S. 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.

2007 Rank	2006 Rank	MPC Name	MPC Developer	Market	Net 2007	Net 2006	% Change
1	2	Mountain’s Edge	Focus Property Group	Las Vegas	1740	1732	0.46%
2	9	Power Ranch	Sunbelt Holdings	Phoenix	888	821	8.16%
3	8	Vistancia	Sunbelt Holdings	Phoenix	815	800	1.88%
4	3	The Woodlands	The Woodlands Development Co.	Houston	767	1409	-45.56%
5	-	Providence	Focus Property Group	Las Vegas	726	110	NA
6	4	Cinco Ranch	Newland Communities	Houston	725	963	-24.71%
7	6	Johnson Ranch	Sunbelt Holdings	Phoenix	591	986	-40.06%
8	5	Summerlin	Howard Hughes Corporation	Las Vegas	583	617	-5.51%
9	-	Seven Meadows	Newland Communities	Houston	581	370	57.03%
10	-	Sienna Plantation	The Johnson Development Corp.	Houston	575	765	-24.84%

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. Last year, RCLCO questioned whether or not those communities would continue to outpace projects in regions with limited land availability, higher land values, and cooler climates. This year’s survey has shown that the top 10 communities still reside mainly in the southwestern region of the U.S., and a portion of these communities have been able to sustain good sales through uncertain times.¹

One of the most notable trends seen from this year’s survey is the emergence of retail town centers. In the past couple of decades, golf courses were the “it” amenity among successful MPCs; communities that offered a golf course were able to set a higher premium than other

¹ It should also be noted that Poinciana and The Villages, both located in the Central Florida and ranked highly in terms of sales in past years, declined to participate in this year’s study.

communities. This is still true in today's market, where eight of the top 10 selling master-planned communities have a golf course amenity. However, this year's survey revealed that retail town centers may be the new "golf course" of today. Approximately 39% of all communities surveyed in this year's study have a retail town center, and many of these have performed as well as—and, in some cases, better than—golf course communities in terms of sales pace and price.

Master-planned communities are displaying the capacity to weather the current housing downturn. Between 2006 and 2007, the number of new homes sold declined by approximately 7%. Over the same time period, the average number of new homes sold in master-planned communities we surveyed decreased by a similar margin. However, sales prices showed remarkable strength in MPCs through this time period. During the period between 2005 and 2007, the median sale prices of new homes within MPCs increased by six percent, while the median price for a new home according to the U.S. Census only increased by 2.5% over that same time period. Some communities—such as Coral Canyon, Amberly, The Woodlands, Northwest Crossing, and Daybreak—reported price gains that were much higher than that, and it is notable that these five communities all offered retail town centers as part of their master plans. These statistics suggest that the master-planned community is still a successful concept.

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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