



PRESS RELEASE

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RCLCO Announces Top-Selling U.S. Master-Planned Communities for 2010

BETHESDA, MD – The Villages, an active adult community in Central Florida with 2,107 net sales, was 2010’s top-selling master-planned community (MPC) in the U.S. according to RCLCO.

RCLCO has been releasing its top-selling MPC rankings since 1994. The firm retains the most in-depth knowledge bank of MPC data and trends in the industry. Each year, RCLCO tracks the sales of over 400 communities across the nation for its annual MPC survey. The survey tracks other key success metrics in addition to sales.

2010 Rank	2009 Rank	MPC Name	MPC Developer	Market	2010 Sales	2009 Sales
1	-	The Villages* Villages of Irvine*	The Villages	Central Florida, FL	2107	2115
2	-	(The Irvine Ranch)	The Irvine Company	Orange County, CA	965	-
3	1	Cinco Ranch	Newland Communities	Houston, TX	816	887
4	2	The Woodlands	The Woodlands Development Company	Houston, TX	786	633
5	3	Mountain's Edge	Focus Property Group	Las Vegas, NV	644	596
6	4	Telfair	Newland Communities	Houston, TX	406	450
7	5	Providence	Focus Property Group	Las Vegas, NV	378	388
8	-	Brambleton	Soave Enterprises	Washington, DC	352	
9	10	Sienna Plantation	The Johnson Development Corp.	Houston, TX	288	280
10	-	Stapleton	Forest City	Denver, CO	271	

* The Villages and Villages of Irvine did not participate in the 2009 survey

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.

As in past years, the Sunbelt region remained home to a majority of the top performing communities with Houston representing the largest concentration. Newland Communities, the nation’s largest private developer of master-planned communities, claimed 40% of the communities on our top 20 list, and was the only developer with top-selling communities in multiple markets. Bob McLeod, Chairman and CEO of Newland Communities, attributes their success to “Newland’s national platform and geographic diversity.”

Major themes from this year's survey include:

- ▶ Sales for top performing MPCs began to stabilize in 2010, reversing a severe downward trend that began in 2006. Total sales for the top ten communities exceeded 7,000 units, slightly above 2009, but still far below the peak of 22,000+ homes sales that took place in 2005.
- ▶ 85% of respondents believe that 2011 is going to deliver moderate increases in home sales and home price (0% to 5%). Expectations for increased lot sales to builders increased twofold from prior year.
- ▶ A renewed sense of “cautious optimism” has led developers to increase investments in community amenities, almost exclusively on relatively low cost, highly desirable recreational amenities such as trails and community parks. Fully 50% of communities (20% more than last year) plan to increase investments in amenities in 2011.
- ▶ While schools continued to rank as the most important factor for homebuyers, the reputation of the developer and proximity to jobs and shopping came close behind with double digit gains year-over-year.
- ▶ The distribution of lot sales tilted back in favor of larger lots (less than 4 units per acre), with a 20% increase in large lot sales in 2010 over the prior year. Approximately 64% of lot sales were for larger lots.
- ▶ Few builders are back to buying in bulk. A majority of the MPC developers (75%) that responded to our survey are providing “just in time” delivery of lots to builders.
- ▶ Large lot home sales were almost evenly distributed between the 30 to 39 and 40 to 49 year age cohorts, while small lot homes and townhomes were most popular with 30 to 39 year olds. Where condo sales occurred, the dominant buyers were Gen Y's ages 18 to 29. Boomers were the least active homebuyers in primary communities (not active adult or second home).

The top two performers in 2010, The Villages in Central Florida and Villages at Irvine in Orange County, California, each achieved impressive sales using two very different strategies. This reflects the fact that one caters to a fairly narrow segment of the market, the other to a broad range of segments. Dr. Gary Lester, Vice President of Community Relations at The Villages tells us that “we really aren't doing anything new – we've always been good ‘listeners’ regularly surveying our residents and those who visit here to find out what their dreams for retirement are... the active lifestyle here continues to draw new residents from all over the country who want to enjoy country club living in Florida on an affordable budget.” Villages at Irvine Ranch took a different approach, revisiting their segmentation model to better align housing products with market opportunities. Revisiting their segmentation model and adjusting product lines to enhance market capture is clearly a trend among top master-planned communities proactively positioning themselves for success as the market recovers, and represents a large part of RCLCO's consulting activity in the past six months.

In April, RCLCO will release its annual Special MPC Advisory, which will provide deeper analysis of the survey results along with insights from interviews with top performers. If you wish to receive the Advisory, please contact Laura Cole at lcole@rclco.com.

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RCLCO is an independent real estate advisory firm, providing market and financial analysis and strategic advisory 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 urban development, community and resort development, economic development, and management consulting. RCLCO is headquartered in Washington, D.C., and has offices in Austin, Los Angeles, and Orlando. For more information, visit www.rclco.com.

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