

The Top-Selling Master-Planned Communities Mid-Year 2014 Update

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Homes at the nation's top-selling master-planned communities (MPCs) sold at a slightly slower pace in the first half of 2014 than they did in 2013, as lot inventories continue to dwindle in various metro areas. Every year since 1994, RCLCO has conducted a national survey identifying the top-selling MPCs. We recently surveyed master-planned communities throughout the country to establish the top 20 selling communities for the first half of 2014. As a group, total sales were basically flat from 2013 levels, though some developments experienced strong increases. For example, sales at Nocatee near Jacksonville are up 21% in 2014, after a 64% increase in sales in 2013. For communities that showed a decrease in sales, most

developers cited a reduction in lot inventories resulting from stronger than expected demand conditions in 2013. The chart below summarizes sales for the first half of 2014 compared with the annual pace in 2013.

The Villages in The Villages, Florida, continues its reign atop the list of top-selling MPCs, with 1,455 sales through the first half of the year. Although sales volumes have dropped, the community continues to enjoy strong price growth. Nocatee recorded the strongest increase in sales for Florida MPCs, with mid-year 2014 activity increasing by 21% over 2013 levels. Sales activity would have been stronger if inventory had been able to keep up with robust

Top-Selling MPCs Mid-Year in 2014

Mid-Year Rank 2014	Annual Rank 2013	Name	Location	MSA	Midyear 2014 Sales	2013 Sales	Change
1	1	The Villages	The Villages, Florida	Ocala	1,455	3,419	-15%
2	2	Irvine Ranch	Orange County, California	Los Angeles-Anaheim	664	1,444	-8%
3	5	Nocatee	Ponte Vedra, Florida	Jacksonville	505	838	21%
4	6	Riverstone	Fort Bend County, Texas	Houston	384	791	-3%
5	4	Mountain's Edge	Las Vegas, Nevada	Las Vegas	341	841	-19%
6	10	Stapleton	Denver, Colorado	Denver	335	570	18%
7	9	Lakewood Ranch	Sarasota, Florida	Sarasota	289	618	-6%
8	7	Providence	Las Vegas, Nevada	Las Vegas	282	726	-22%
9	3	Cinco Ranch	Fort Bend County, Texas	Houston	280	854	-34%
9	19	Valencia	Valencia, California	Los Angeles-Anaheim	280	372	51%
11	8	The Woodlands	The Woodlands, Texas	Houston	275	649	-15%
12	14	Aliana	Fort Bend County, Texas	Houston	266	468	14%
13	11	Summerlin	Las Vegas, Nevada	Las Vegas	248	566	-12%
14	12	Cross Creek Ranch	Fort Bend County, Texas	Houston	242	509	-5%
15	17	Canyon Lakes West	Harris County, Texas	Houston	239	378	26%
15	13	Lake Nona	Orlando, Florida	Orlando	239	475	1%
17	16	Sienna Plantation	Fort Bend County, Texas	Houston	228	445	2%
18	--	Towne Lake	Harris County, Texas	Houston	221	263	68%
19	--	Cane Bay Plantation	Charleston, South Carolina	Charleston	217	341	27%
20	20	Firethorne	Fort Bend County, Texas	Houston	207	361	15%

Source: RCLCO

demand. Lakewood Ranch's year-to-date sales are below where they were this time in 2013 due to a lack of inventory, primarily in the more moderate pricing bands. However, sales volume is not the only indicator of success: Lakewood Ranch's average sale price is up over 23%. Lower inventories in more moderate price points are in part a function of the strong sales at the community's Central Park neighborhood, a resounding success that is now winding down with only larger lot, more expensive product remaining. The Esplanade at Lakewood Ranch, a bundled active adult golf neighborhood by Taylor Morrison, is having a fabulous year so far, selling about 17 homes per month with an average sales price of over \$400,000, and 91 homes currently under construction. Is the active adult market booming again in Florida? You bet.

Out west, sales activity has been mixed. Sales at the Las Vegas communities of Providence, Summerlin, and Mountain's Edge declined as lot deliveries were unable to keep pace with strong 2013 sales activity, with sales volume dropping by between 12% and 22% during the first half of 2014. Sales at Irvine Ranch in southern California dropped by 8%, as two key neighborhoods sold out, with new sections unable to keep pace with strong demand. Two communities in the west saw increases in sales. Stapleton achieved an 18% increase in sales, driven by the development of new sections in the northern portion of the community as well as stronger demand for higher priced products. In addition, sales in Valencia, north of Los Angeles, saw an increase of 51% over 2013 levels, as a variety of new products has been delivered.

In Houston, mature communities such as The Woodlands and Cinco Ranch have seen their sales paces continue to slow as products at lower price points are phased out, while sales and market share for higher price points have increased. Cross Creek Ranch and Sienna Plantation have seen relatively similar sales paces in the first half of 2014 when compared to 2013, while Firethorne and Aliana continue to increase sales as nearby Cinco Ranch approaches build-out. Canyon Lakes West, located northwest of Houston, has seen a 26% increase in sales with the construction of the Grand Parkway between I-10

and Highway 290, improving access to key Houston job centers such as the Energy Corridor. Towne Lake, a new entrant into the top 20, also benefitted from the Grand Parkway, while also delivering new sections, with some homes having direct access to the community's 300-acre lake. Although demand conditions remain strong due to robust job growth, lot deliveries continue to lag absorption. Furthermore, large communities approaching buildout have few large replacements, leading homebuilders to self-develop smaller communities to maintain inventory levels.

Cane Bay Plantation in Charleston, South Carolina, is another new entrant into the top 20 master-planned communities list, achieving 217 sales during the first half of the year, up 27% from 2013 levels. The community continues to benefit from strong-performing schools, along with the addition of new tenants at the community's neighborhood retail center. The updated rankings through the first half of 2014 are based on total home sales as reported by each individual community.

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