



PRESS RELEASE

FOR IMMEDIATE RELEASE – March 19, 2010

RCLCO Announces Top-Selling U.S. Master-Planned Communities for 2009

BETHESDA, MD – Newland Community’s Cinco Ranch, with 887 net sales, was 2009’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, when it first undertook this effort to gain greater insight into the master-planned community industry.

2009 Rank	2008 Rank	MPC Name	MPC Developer	Market	Net 2009	Net 2008	% Change
1	2	Cinco Ranch	Newland Communities	Houston	887	775	14%
2	3	The Woodlands	The Woodlands Development Company	Houston	633	750	-16%
3	1	Mountain's Edge	Focus Property Group	Las Vegas	596	879	-32%
4	6	Telfair	Newland Communities	Houston	450	412	9%
5	4	Providence	Focus Property Group	Las Vegas	388	514	-25%
6	-	Daybreak	Kennecott Land	Salt Lake City	375	351	7%
7	5	Rancho Sahuarita	Rancho Sahuarita	Tucson	358	506	-29%
8	-	Anthem at Merrill Ranch	Pulte Homes & The Communities of Del Webb	Phoenix	294	208	41%
9	7	Vistancia	Shea Homes/Sunbelt Holdings	Phoenix	283	399	-29%
10	8	Sienna Plantation	The Johnson Development Corp.	Houston	280	369	-24%

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 over 400 communities across the U.S. to participate in the survey. As in past years, a majority of the top-selling master-planned communities have been located in the southwestern region of the country, with the Houston market performing best overall.

Total number of net sales in 2009 for the majority of the top 20 best-selling MPCs dropped from 2008 levels, with sales volume declining by as little as 8% and as much as 84%. Newland’s Cinco Ranch and Telfair were a strong exception to this trend, posting increased sales for the third year in a row. Product diversity, community brand, and value are among the reasons Cinco Ranch experienced a 14% increase in net sales over 2008 (the third best year in the community’s 19-year history). However, Bob McLeod,

Chairman and CEO of Newland Communities, believes that adapting to consumer needs has been pivotal. "Buyers' needs have changed and they will continue to change. Value doesn't just mean a lower price, or a smaller home, it means what fits their family and lifestyle needs. The way we market our communities, taking time to really understand our buyers and engaging with them on a more personal level, has changed as well."

The Woodlands knows something about adapting as well. Now in its 35th year, the MPC has widened its selection of new homes to include a broad range of price points and lifestyle preferences – from urban townhomes and condos in Town Center, to large family homes and estates in the villages. "In the near future, we will continue to develop our ninth village, Creekside Park, which was designed for families who appreciate the outdoors and communing with nature. There's also a considerable amount of land to develop in the Town Center area, where the East Shore *Garden District* and more urban residential offerings will be added for families, empty nesters, professional couples and singles" said Tim Welbes, President of The Woodlands Development Company.

Newcomer Daybreak, near Salt Lake City, may have drawn lessons from more established MPCs, yet this showcase community for sustainable ideas and technologies is blazing new trails and outperforming the market. "The economic downturn has actually heightened buyers' interest in living in a place like Daybreak, so we have found that the decisions we made early on in the creation of Daybreak have placed us in the sweet spot of the new era we are entering. Key elements like a commitment to homes that save energy and water, providing transportation choices whether they be biking, transit or car, homes and yards that free up time to enjoy nearby parks, are all things that resone with home buyers in the current economic environment where we are defining a fullness to life, while living within our means" said Ty McCutcheon, Vice President of Community Development.

Despite a movement toward diversifying residential product types, single-family detached units continue to be the product of choice for buyers of MPCs (single family homes represent 90% of total new homes sales in the top 20 MPCs). In 2009 buyers demonstrated a strong proclivity for smaller lot home purchases (greater than 4 dwelling units per acre), on a par with the larger lot homes that had traditionally been preferred by MPC buyers. A majority of buyers were in the 30-39-year age group, and many were first-time homebuyers. This doesn't surprise RCLCO CEO and MPC expert Gadi Kaufmann. "We are working with MPCs across the US, including many on the top 20 list. Much of our MPC work in 2009 and 2010 focuses on revisiting market segmentation models and repositioning product offerings, pricing and marketing strategies, and amenity programming to better capture existing and future demand. In many instances we advise our clients to introduce new residential product types that allow the developer to push up prices by as much as 20%, recapturing some if not all the land value lost during the downturn. As well, we are helping our MPC clients understand how to structure deals with builders to arrive at a win-win arrangement, and how to navigate the challenging capital market environment."

When asked about their predictions for 2010, a majority of survey respondents (71%) believed home prices within their MPCs would increase by 1% to 5% this year.

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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, Austin, Los Angeles, and Orlando. For more information, visit www.rclco.com.

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