



**FINANCING, PLACEMAKING,  
AND PEOPLE: HOW THE TOP  
MASTER-PLANNED COMMUNITIES  
DRIVE SUCCESS & INNOVATION**  
RCLCO Monthly Round-Up

**Gregg Logan** Managing Director

**Karl Pischke** Principal

**RCLCO**  
REAL ESTATE CONSULTING

# TODAY'S PANELISTS



**Gregg Logan**  
Managing Director  
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**Karl Pischke**  
Principal  
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**Kenneth Colen**  
President  
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**Laura Cole**  
Senior Vice President  
Lakewood Ranch



**Carter Froelich**  
Managing Principal  
Launch Development  
Finance Advisors

# AGENDA

Real Estate Residential Market Overview

Top-Selling Master-Planned Communities of 2021

The Secrets of Success with Lakewood Ranch and On Top of the World

Financing Mechanisms for Top-Selling Master-Planned Communities

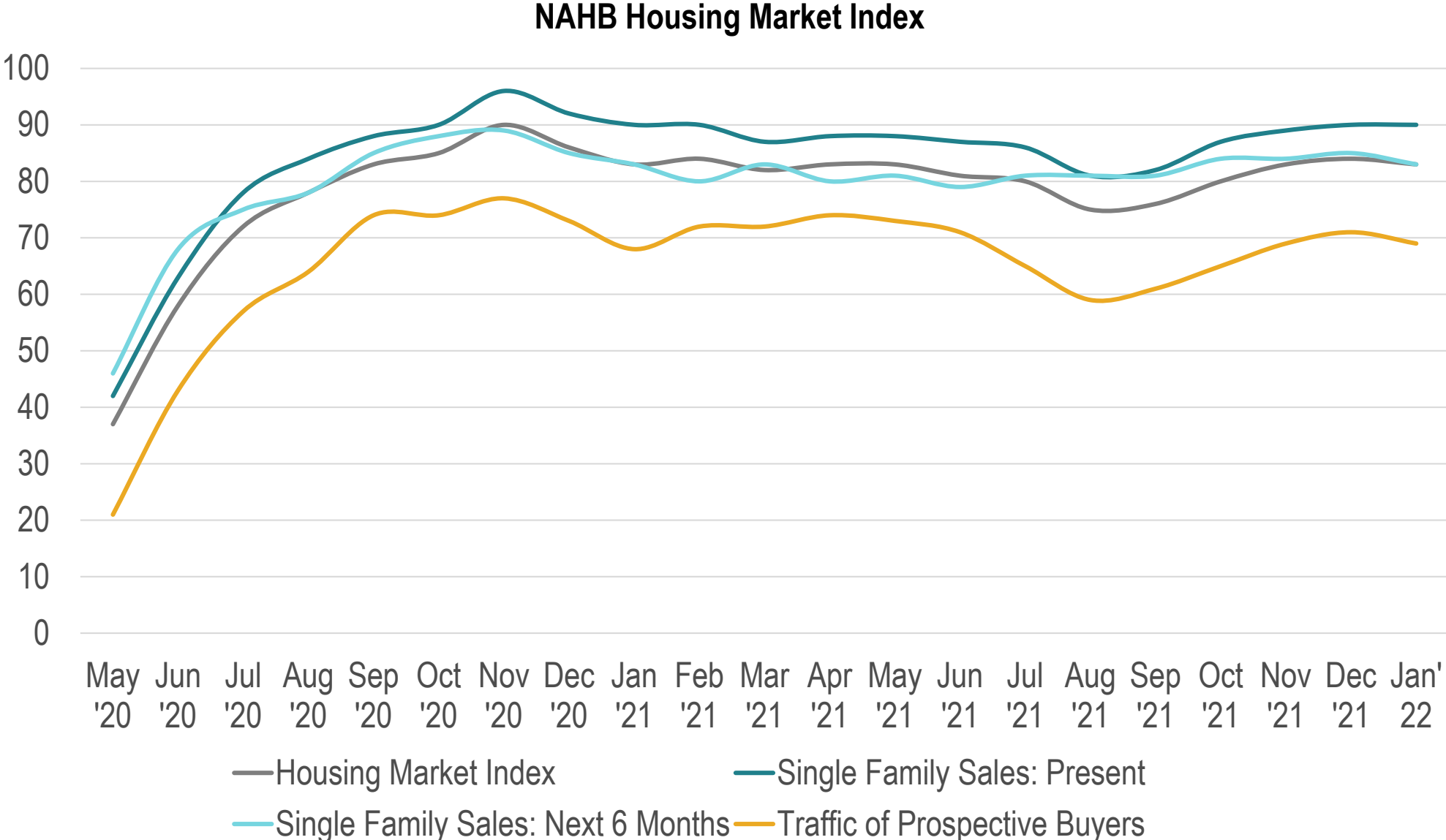
Q&A

# REAL ESTATE RESIDENTIAL MARKET OVERVIEW

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# HOMEBUILDER SENTIMENT REMAINS HIGH BUT BELOW PEAK

Homebuilder sentiment is about equal to its position at the beginning of 2021 AHB Housing Market Index is consistent with its position in December 2021

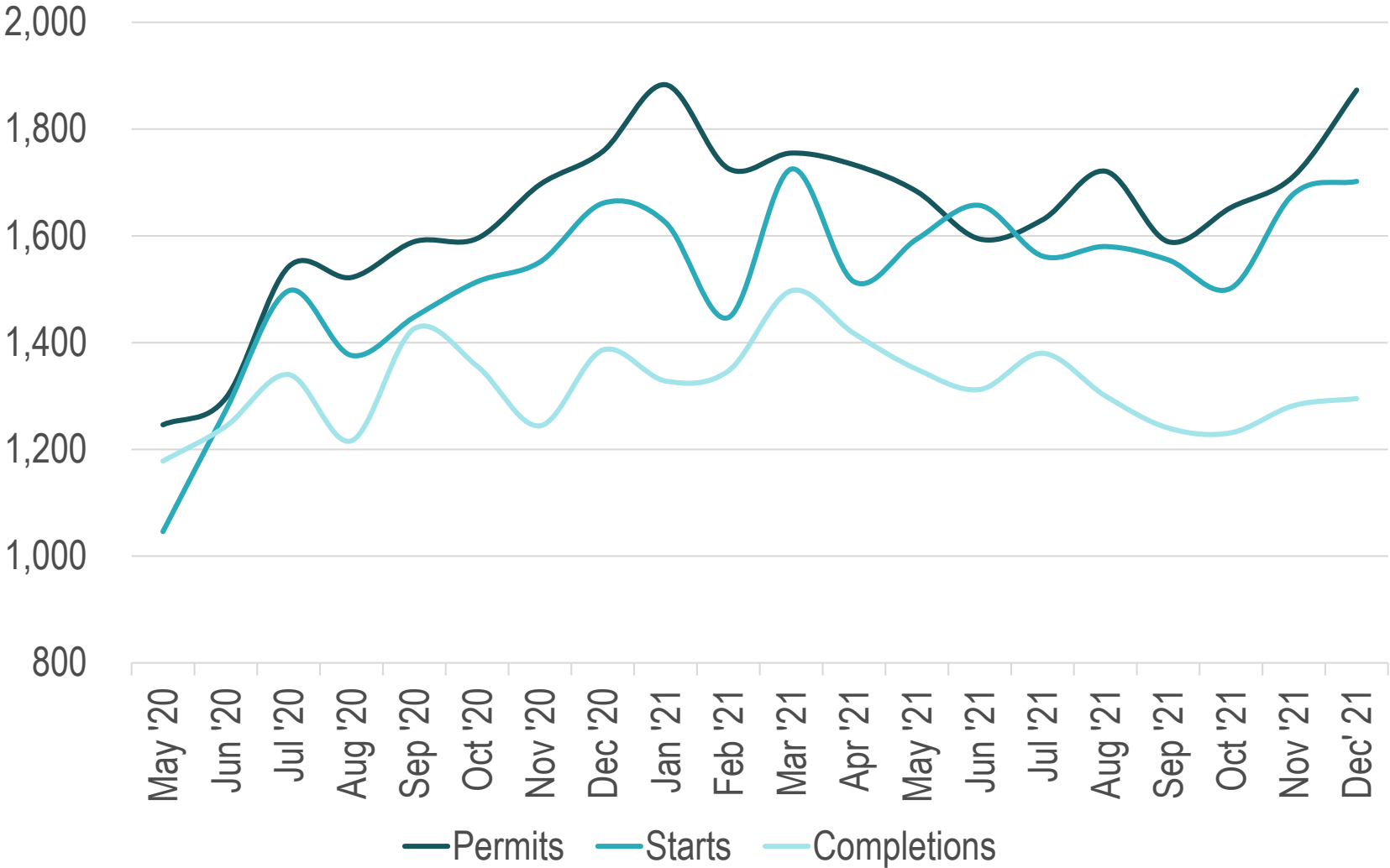


# RESIDENTIAL CONSTRUCTION CLIMBING FROM SUMMER '21 LOW

December saw an increase in permits, starts, and completions from the previous month

- ▶ Building permits in December were at 1,873,000, 9.4% above November and 6.5% above December 2020
  - » Permits a leading indicator
- ▶ Housing starts increased 1.4% from November and increased 2.5% from December 2020
- ▶ Housing completions were 1.0% above November rate and 6.6% below December 2020

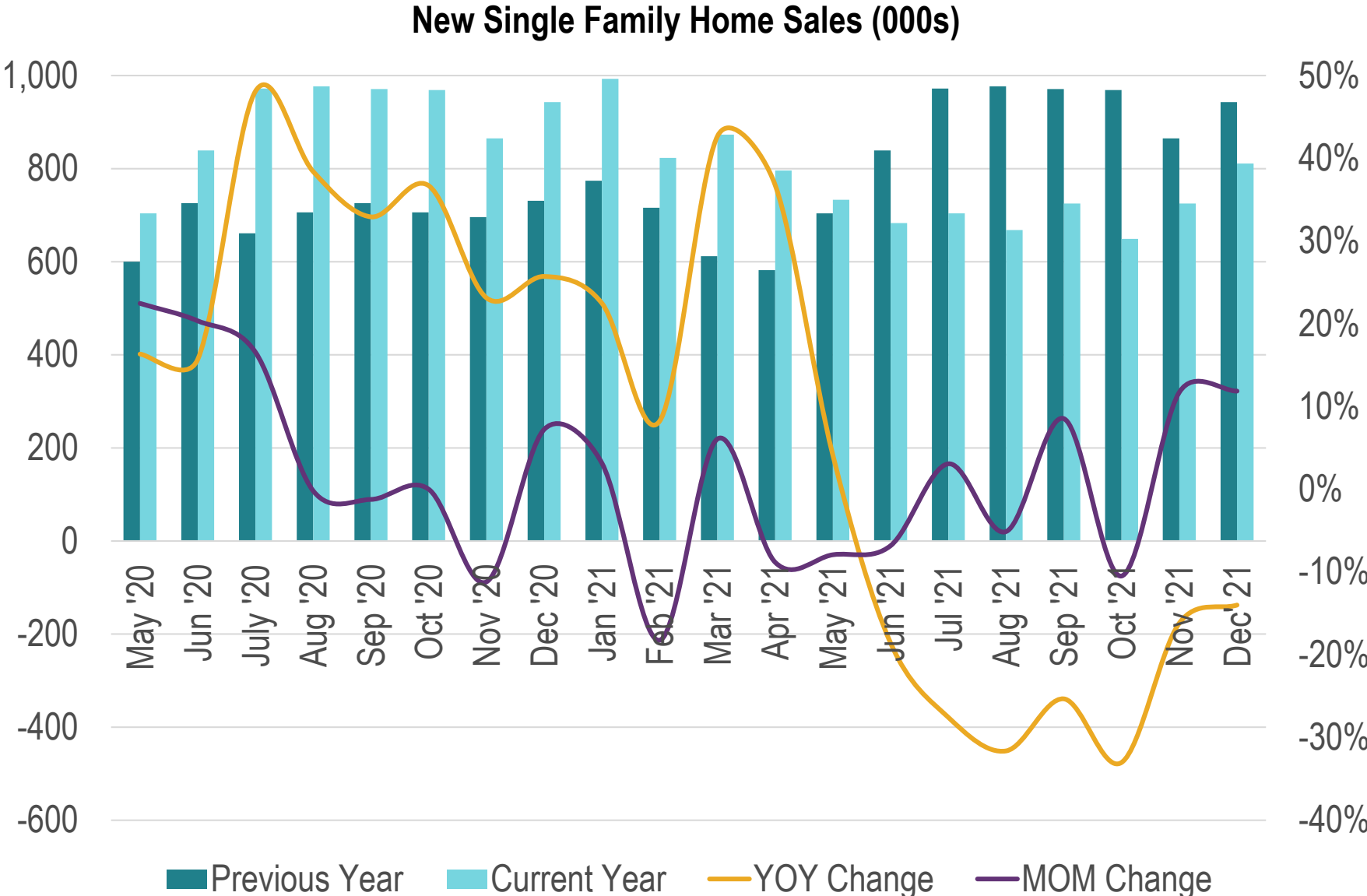
**New Residential Construction Seasonally Adjusted (000s)**



Source: U.S. Census Bureau

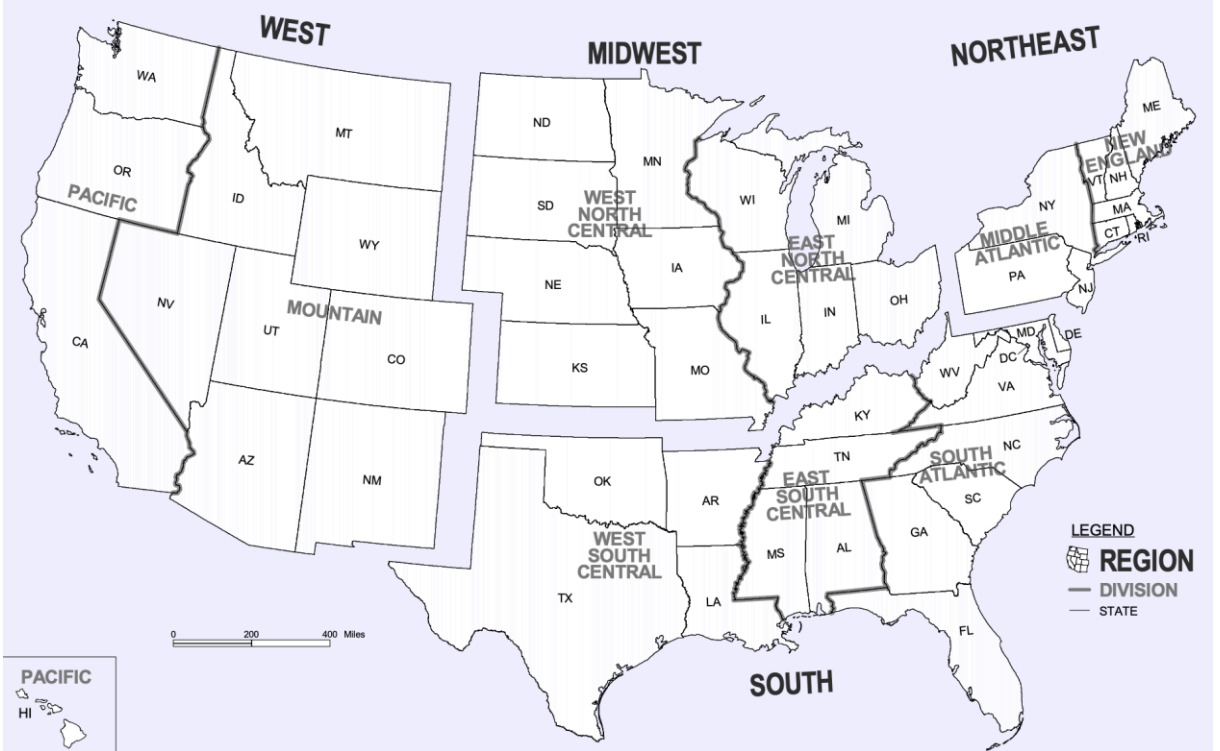
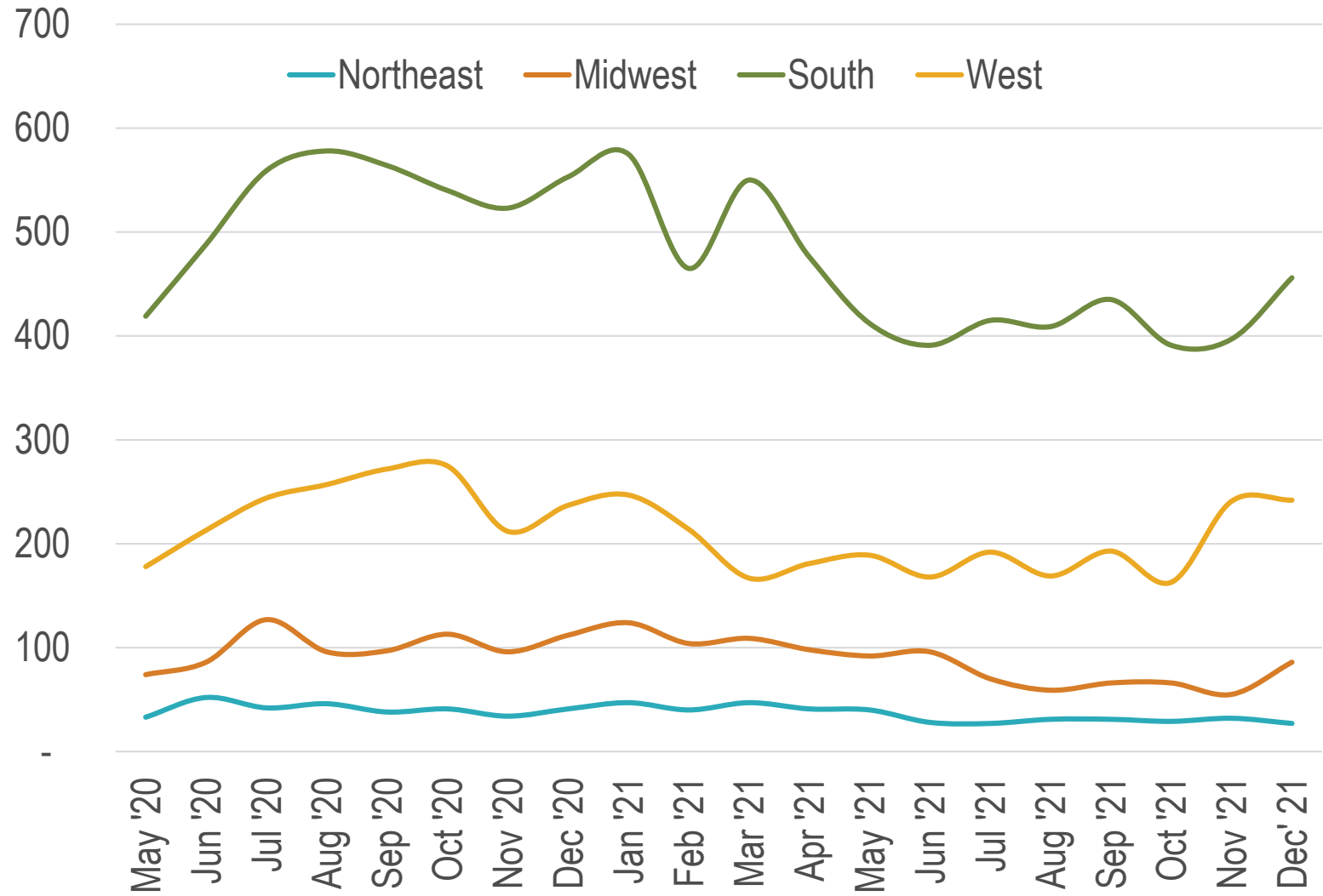
# NEW HOME SALES BELOW 2020 PACE

- ▶ 2021 sales end lower relative to 2020
  - » December total sales of new single-family homes were “up” 11.9% month-over-month
- ▶ December seasonally adjusted annual rate of 811,000 - down 14% from December 2020
  - » 6.0 months of supply of new homes at the current pace (3.8 months in December 2020)



# NEW HOME SALES STRONGER IN SOUTH AND WEST

New Home Sales by Region (000s)

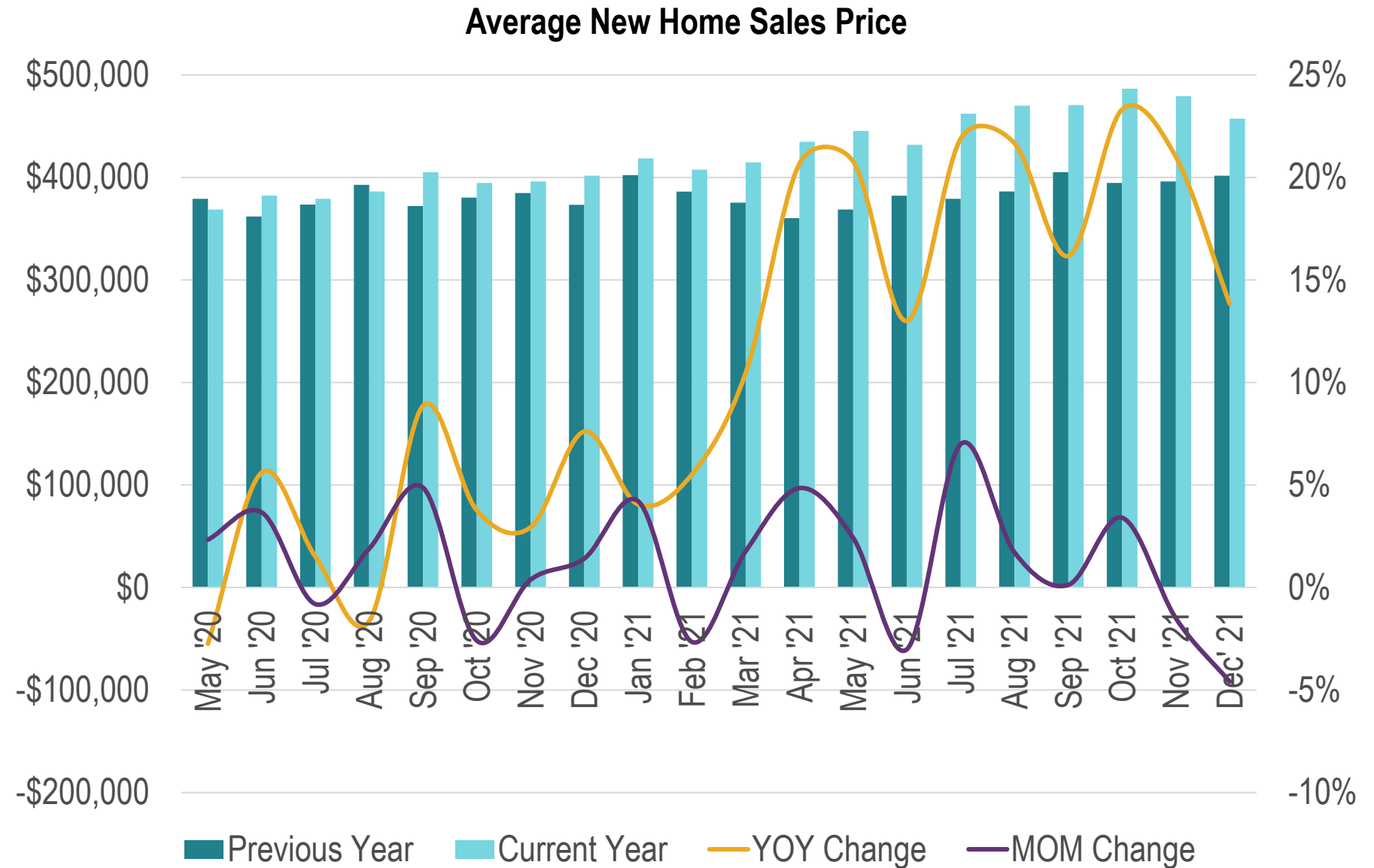


	May '20	Jun '20	July '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21
Northeast	33	52	42	46	38	41	34	41	47	40	47	41	40	28	27	31	31	29	32	27
Midwest	74	86	127	96	97	113	96	112	124	104	109	98	92	96	70	59	64	66	55	86
South	419	488	559	578	564	540	523	553	575	465	550	476	412	391	415	409	435	391	397	456
West	178	213	244	257	272	275	212	237	247	214	167	181	189	168	169	179	193	163	241	242



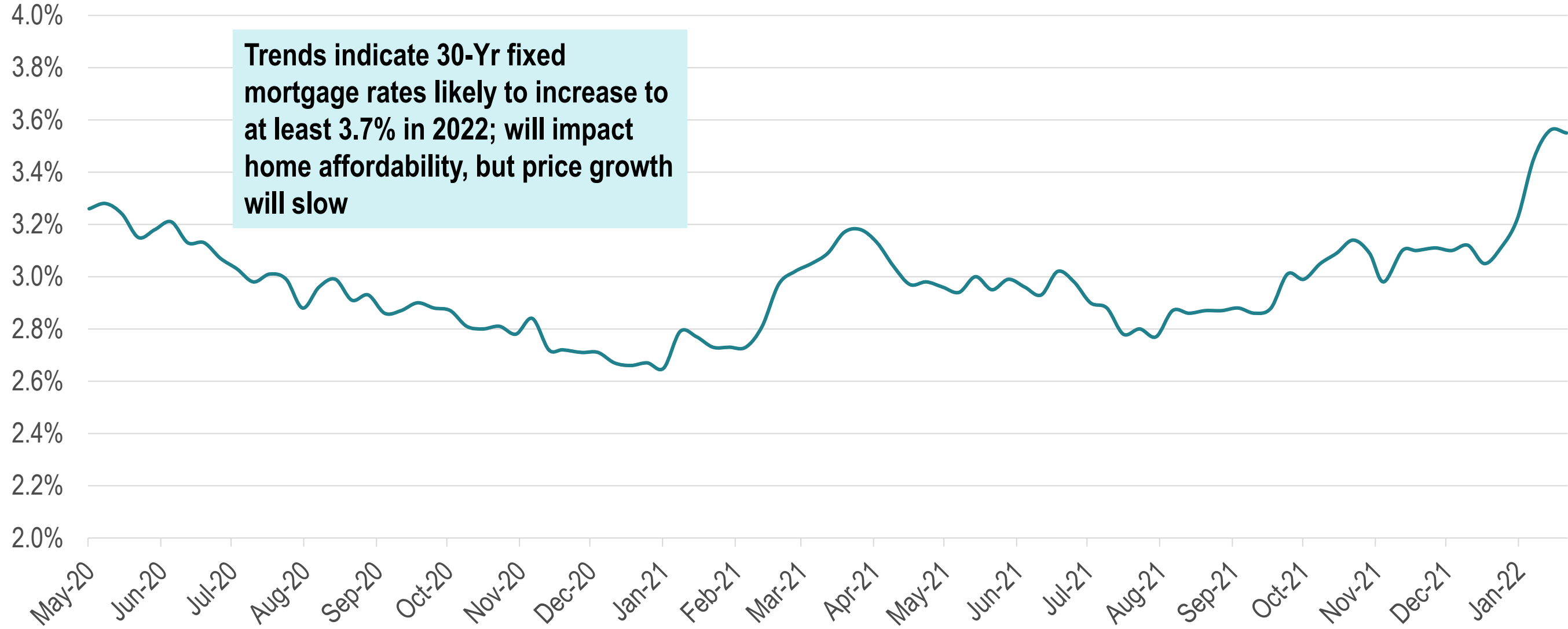
# AVERAGE PRICES REMAIN HIGH MODERATING ANTICIPATED FOR 2022

- ▶ Average sales price of new SFD in December of \$457,300, up 13.8% from December 2020, but down 4.6% from November 2021
- ▶ Forecasts for home price growth in 2022 average about 5%, ranging from 2.3% (Mortgage Bankers Association) to 11% (Zillow), down from the record 19% in 2021, as price growth decelerates
- ▶ 2022 price growth likely remain above the long-term historical trend of 4.6%



# INTEREST RATES CLIMB IN JANUARY - AROUND 3.5%

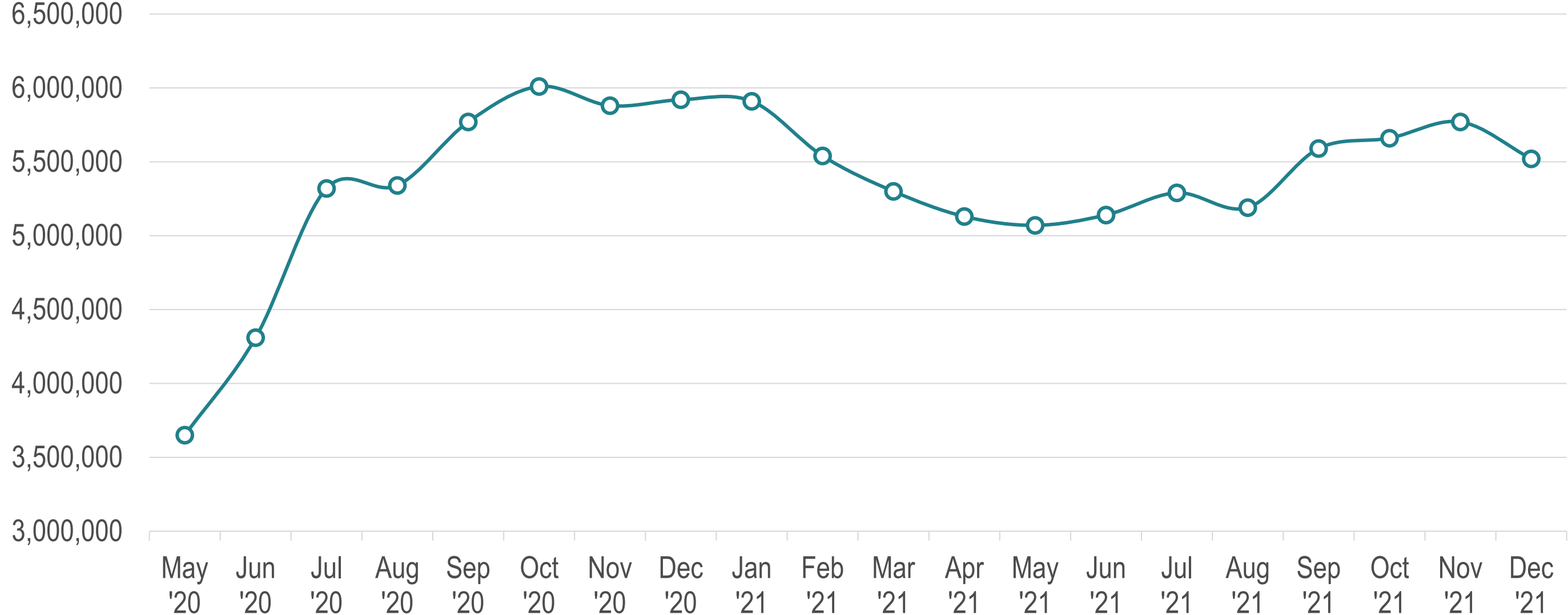
National 30-Year Mortgage Rate



Trends indicate 30-Yr fixed mortgage rates likely to increase to at least 3.7% in 2022; will impact home affordability, but price growth will slow

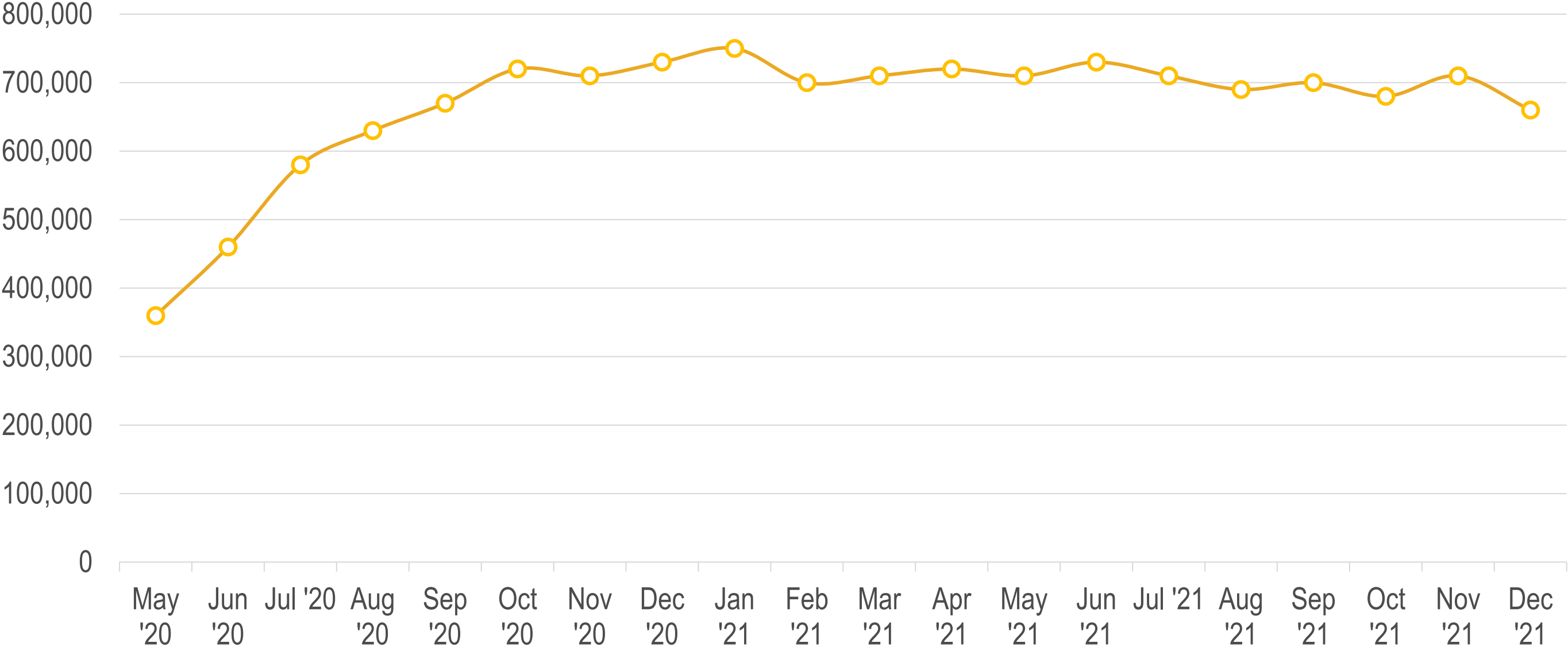
# EXISTING HOME SALES DOWN FROM NOVEMBER 2021

Existing Single Family Annual Home Sales Seasonally Adjusted



# SINGLE FAMILY ATTACHED SALES REMAIN RELATIVELY CONSISTENT

Existing Condo, Townhome, Co-Op Annual Home Sales Seasonally Adjusted



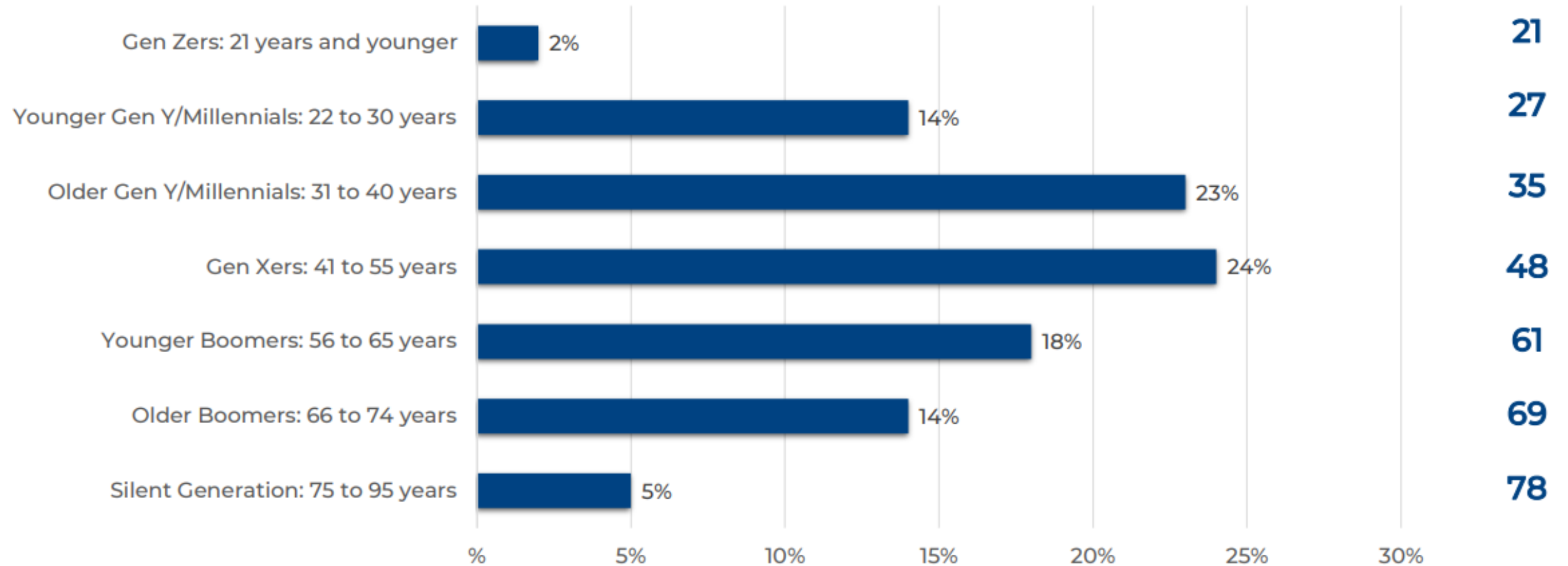
Source: National Association of Realtors®

# AGE OF HOME BUYERS

## Exhibit 1-1

(Percentage Distribution)

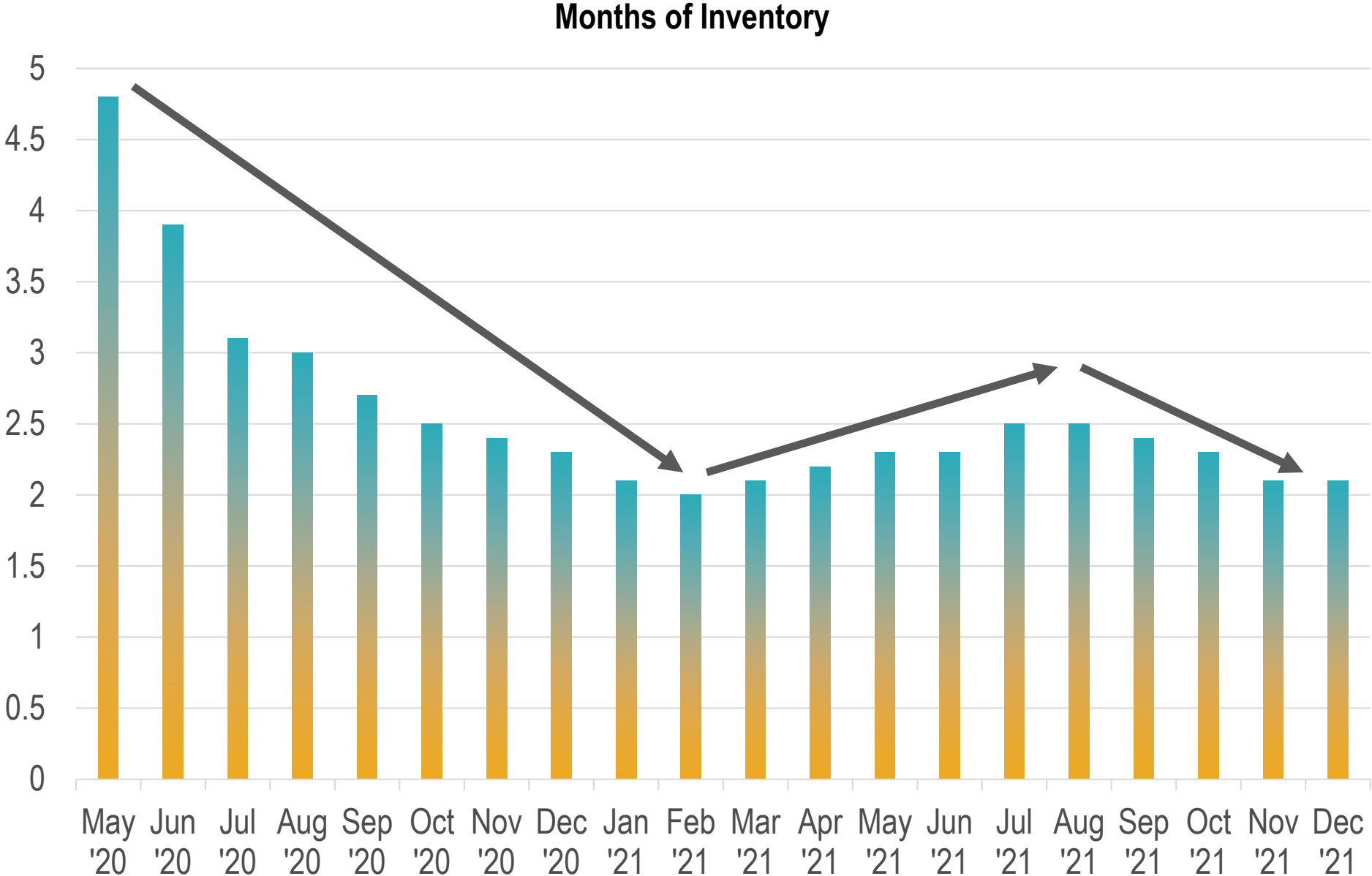
**Median Age  
in Group**



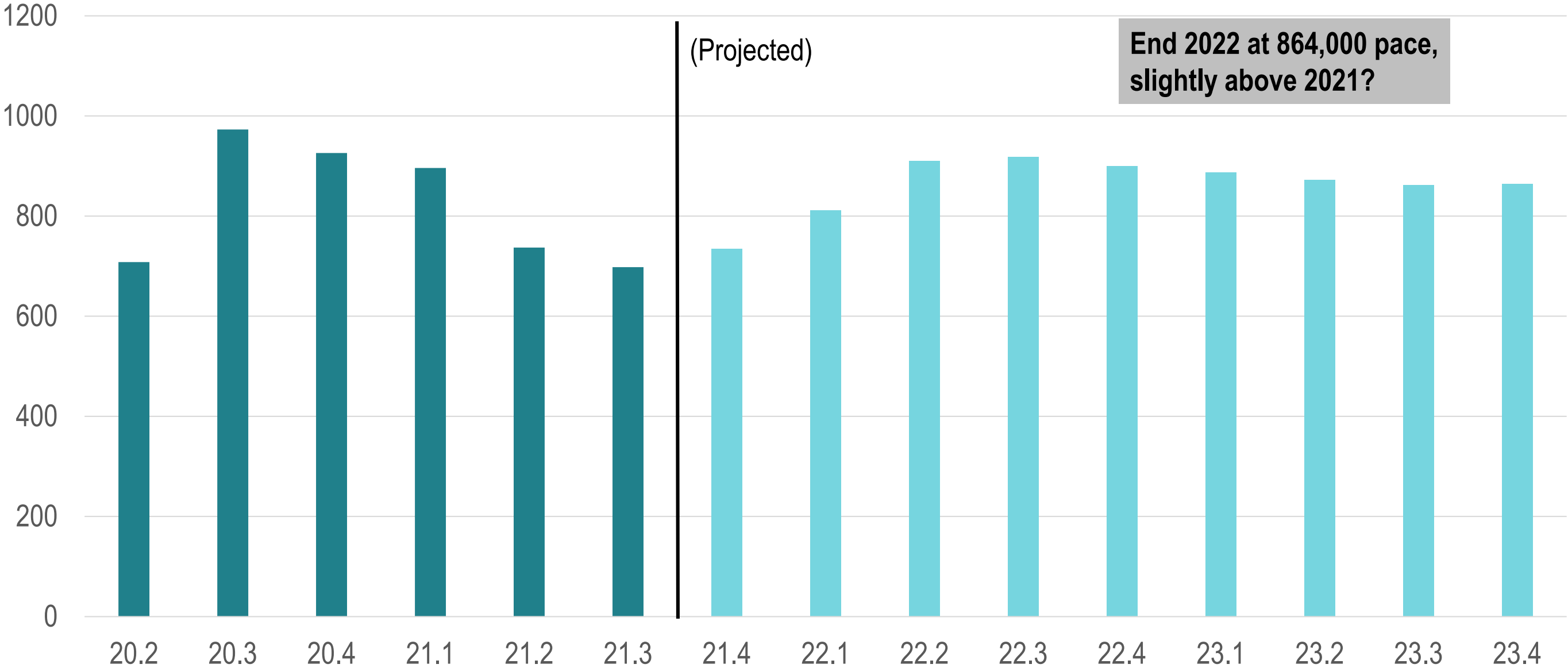
*Note: Buyers 21 years and younger only made up only two percent of the share of all buyers. They were not included in much of chapters 1 through 5 on home buyers due to the low number of responses for analysis.*

# EXISTING HOME INVENTORY REMAINS RELATIVELY LOW

2.1 months of inventory available – equal to the amount of inventory at the end of 2020. However, a decrease from the high point of 2.5 in July and August.



# FANNIE MAE NEW SINGLE-FAMILY HOME SALES BY QUARTER



# THE TOP-SELLING MPCs OF 2021

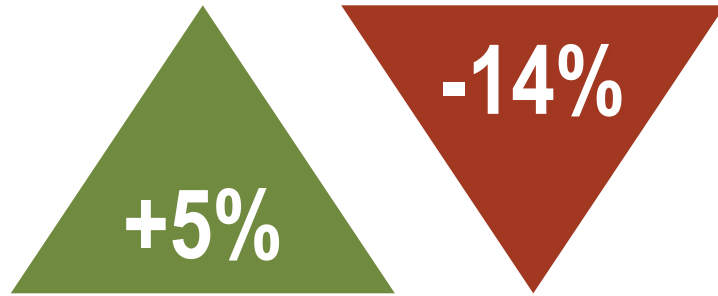
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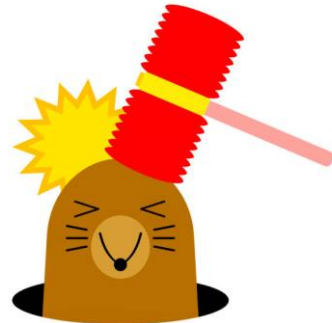
# THE TOP-SELLING MPCs OF 2021

RANK	MPC	MSA (CITY, STATE)	DEVELOPER	2021	2020	% Δ
1	The Villages	The Villages (The Villages, Florida)	The Villages	4,004	2,452	63%
2	Lakewood Ranch	North Port-Sarasota-Bradenton (Sarasota, Florida)	Schroeder-Manatee Ranch, Inc.	2,574	2,149	20%
3	Summerlin	Las Vegas-Henderson-Paradise (Las Vegas, Nevada)	Howard Hughes Corporation	1,619	1,456	11%
4	Cane Bay Plantation	Charleston-North Charleston (Charleston, South Carolina)	Gramling Brothers	1,147	996	15%
5	Ontario Ranch	Riverside-San Bernardino-Ontario (Ontario, California)	Multiple Developers*	1,070	573	87%
6	Wellen Park <small>(formerly West Villages)</small>	North Port-Sarasota-Bradenton (Venice, Florida)	Wellen Park LLLP	951	1,415	-33%
7	Cadence	Las Vegas-Henderson-Paradise (Henderson, Nevada)	The LandWell Company	864	852	1%
8	Valley Vista	Las Vegas-Henderson-Paradise (North Las Vegas, Nevada)	D.R. Horton	860	1,017	-15%
9	On Top of the World	Ocala (Ocala, Florida)	On Top of the World Communities	832	500	66%
10	Mission Ridge	El Paso (El Paso, Texas)	Hunt Communities	819	841	-3%

# KEY TRENDS AMONG TOP-SELLING MPCS



» Despite a modest 5% growth in sales compared to 2020, Top-50 MPC sales slowed in the second half of 2021 by 14% compared to the first half of the year.

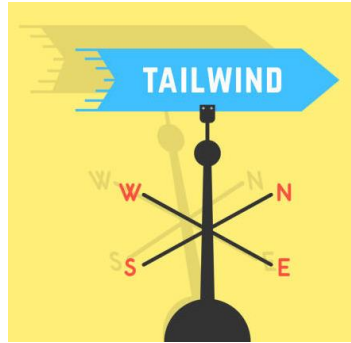


» Supply chain disruptions and cost increases continue to plague developers and builders, causing a “whack-a-mole” situation.



» Despite consistent demand, a lack of available inventory has prevented many MPCs from fully capitalizing on growing interest from potential new home buyers.

# PRIMARY DRIVERS OF GROWING NEW HOME DEMAND



» Demographic tailwinds continue to favor single-family development, as the millennial cohort continues to enter prime family formation years and seek more traditional single-family living



» Low interest rates continue to facilitate new home purchases, particularly for first time buyers. Despite rising rates, they remain low by historical standards.



» COVID-19 and the longevity of work-from-home trends are driving buyers to seek additional space, with demand increasing in suburban areas outside high-cost-of-living urban markets.



LAKEWOOD RANCH™



# ON TOP OF THE WORLD DRI

## Second Best-Selling Active Adult Community in the Country

- ▶ 832 Homes Sold in 2021
- ▶ 14+ neighborhoods and diversified product offering




**Kenneth Colen**  
President  
On Top of the World Communities



# MPC FINANCING MECHANISMS

## By State

State	No. of Top Selling MPCs(1)	No. of Top Selling MPCs with Districts	Special District Financing Metrics (2)				
			Sample Average Home Price	Sample Annual Prop. Tax (excluding District)	Sample Annual District Tax Payment (calc)	Est. Prop. Tax as % of Sample Home Price (calc)	Est. Average Net Const. Proceeds Per Sample Lot
Arizona	3	3	\$572,230	\$3,550	\$1,164	0.82%	\$16,788
California	3	3	\$857,807	\$9,233	\$4,541	1.61%	\$62,075
Colorado	1	1	\$585,000	\$2,349	\$1,773	0.70%	\$23,746
Florida	15	13	\$463,990	\$5,631	\$1,355	1.51%	\$18,508
Nevada	5	5	\$530,427	\$5,407	\$1,081	1.22%	\$14,487
South Carolina	3	2	\$415,131	\$4,237	\$1,133	1.29%	\$15,005
Texas	18	18	\$340,872	\$5,963	\$1,972	2.33%	\$36,057
Utah	1	1	\$310,000	\$1,915	\$225	0.69%	\$2,646
Washington	1	0	\$510,000	\$6,403	\$0	1.26%	\$0
<b>Total/Wtd. Average</b>	<b>50</b>	<b>46</b>	<b>\$464,800</b>	<b>\$5,619</b>	<b>\$1,623</b>	<b>1.62%</b>	<b>\$24,554</b>

### Footnotes:

(1) Per RCLCO's Top Selling Master-Planned Communities Report - Year-End 2021.

(2) Estimates Only. Figures are not intended to represent the financing history of the specific MPC. Figures were derived from publicly available information including but not limited to: public offering statements, sales data, developer websites, district websites, county treasurer's websites, property tax billings, and county assessor's websites. MPC's frequently contain multiple financing districts, and the data included in the table assumes a sample property in a single district.



# THANK YOU!



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