

2016 MPC Survey – Mid-Year Update

July 7, 2016 | By [Todd LaRue](#), Managing Director, and [Brian Martin](#), Vice President

Homes at the nation's top-selling master-planned communities (MPCs) sold at a similar pace in the first half of 2016 as they did in the first half of 2015. For two years in a row, we saw sales rebound in the first half of the year after dropping approximately 20% during the second half of the prior year, reflecting fluctuations in the economy as well as circumstances unique to each of the communities, as described below. Also noteworthy is that for the first time in 14 years, The Villages is not the top-selling MPC in our survey.

Every year since 1994, RCLCO has conducted a national survey identifying the top-selling MPCs. We recently surveyed MPCs throughout the country to establish the 20 top-selling communities for the first half of 2016.

MPCs that achieved sales increases credit successful market segmentation—the targeting of various age, income, and household groups with appropriately priced and designed residential product types and lifestyle amenities. Communities experiencing a decrease in sales cited reduced lot inventories, higher prices, and delays in home completions.



Lake Nona Country Club was the first village of the multi-village master-planned community that is one of the top-selling in Florida and the nation.

SOURCE: www.lakenona.com

One of the most prevalent features of the top-selling MPCs is the inclusion of a town center, typically heavily food-oriented, along with other retail and services supportive of daily living. Another common attribute of the most successful communities is the availability of various healthy community features, including fitness classes, active lifestyle activities, and easily accessible parks and bike paths. A few of these MPCs also include a local farm-to-table component, capitalizing on the good food movement, the strong interest in healthy locally grown food, and the opportunity to differentiate themselves from their competitors. In terms of age segmentation, MPCs are targeting Millennials and active seniors in roughly equal numbers, both with their product offerings and in their marketing activities. Methods of outreach vary, with the active adult component advertised through traditional media channels, while marketing to Millennials involves a more robust use of social media along with internet advertising through channels that target them.

The chart below summarizes the top-selling communities for the first half of 2016 and the comparison with their rank and annual sales from the first half of 2015. Irvine Ranch was the top-selling MPC in the country in the first half of 2016, with 989 sales. The Villages chose not to participate in this year's survey; its sales are estimated from other sources. The reduced sales volume at The Villages is consistent with the trend line it has experienced over the last several years as it reaches build-out. Another consistent star performer, Nocatee, remains in third place, with 616 sales.

Top-Selling MPCs First Half of 2016

Mid-Year 2016 Ranking	Mid-Year 2015 Ranking	Name	Location	MSA	Mid-Year 2016 Sales	Mid-Year 2015 Sales	% Change	2015 Sales
1	2	Irvine Ranch	Orange County, CA	Los Angeles	989	1,036	-5%	1,674
2	1	The Villages	The Villages, FL	Ocala	841	1,250	-33%	2,294
3	3	Nocatee	Ponte Vedra, FL	Jacksonville	616	601	2%	1,105
4	6	Summerlin	Las Vegas, NV	Las Vegas	366	327	12%	602
5	12	Lakewood Ranch	Sarasota, FL	Sarasota	360	264	36%	535
6	-	Paloma Creek	Dallas (Denton County), TX	Dallas-Fort Worth	340	N/A	N/A	450
7	-	Westridge	McKinney, TX	Dallas-Fort Worth	318	N/A	N/A	472
8	10	Cane Bay Plantation	Charleston, SC	Charleston-North Charleston	308	275	12%	520
9	-	Inspirada	Las Vegas, NV	Las Vegas	290	N/A	N/A	389
10	4	Stapleton	Denver, CO	Denver	289	435	-34%	665
11	8	Eastmark	Phoenix, AZ	Phoenix	277	286	-3%	554
12	-	Beacon Park	Irvine, CA	Los Angeles	270	60	350%	282
13	9	Lake Nona	Orlando, FL	Orlando	244	278	-12%	500
14	14	Aliana	Houston (Fort Bend County), TX	Houston	243	245	-1%	443
15	-	Rancho Mission Viejo	San Juan Capistrano, CA	Los Angeles	242	154	57%	302
16	5	Riverstone	Houston (Fort Bend County), TX	Houston	231	347	-33%	609
17	-	Baker Ranch	Lake Forest, CA	Los Angeles	228	N/A	N/A	355
18	17	Daybreak	Salt Lake City, UT	Salt Lake City	222	231	-4%	415
19	13	Providence	Las Vegas, NV	Las Vegas	213	256	-17%	452
20	11	Vistancia	Phoenix, AZ	Phoenix	209	271	-23%	466

SOURCE: RCLCO

Texas

Although the oil and gas sector continues to contribute to uncertainty in the Houston market, pricing and sales volume remain fairly consistent in the top-selling MPCs over last year. With a diversified economy that is helping to mitigate the impact of the oil and gas industry, and unemployment rates below the national level, Houston boasts two communities that remain in the top 20 (Riverstone and Aliana), while five communities narrowly missed the top 20, each with between 190 and 200 sales (Canyon Lakes West, Cross Creek Ranch, Sienna Plantation, Woodforest, and Wildwood at Northpointe). Riverstone is the only top-selling Houston community that has

experienced a precipitous decline in sales, though this can be attributed to declining inventories at more affordable price points as the community focuses on higher price points in its last remaining development parcels. Other top-selling communities in the region continue to be successful with either sophisticated segmentation strategies or an emphasis on more attainably priced products.

There are interesting new products and services emerging from the Houston market. Rise Development Company, developer of two newly launched MPCs in Houston (Cane Island and Meridiana), has created “air conditioned street pantries” attached to each home. The air conditioned street pantry is code operated, and allows temperature sensitive packages, laundry, and food to be delivered and kept safe. Additionally, that same developer has partnered with local farms to deliver fresh produce to the community, a service that is in line with the overarching theme of promoting a healthier living environment.

In the Dallas market, both Westridge and Paloma Creek turned in strong performances for the first half of 2016 by offering a variety of more affordably priced products in one of the nation’s most rapidly appreciating housing markets. These communities are increasingly catering to Millennial buyers, 29% of whom desire to live in suburbs according to a ULI survey quoted in Emerging Trends in Real Estate 2016. Since Millennials are increasingly raising families, MPCs that offer family-friendly amenities, as well as attractive price points for more price-conscious buyers, are garnering larger market shares in an area that has experienced a 40% price increase in the past four years.



Active street scene, Lakewood Ranch Main Street.

SOURCE: www.lakewoodranch.com

Florida

The Florida master-planned community market has historically been strong, and most master developers surveyed are cautiously optimistic about near-term prospects, believing we are in the “late stable” part of the market cycle. Within the Florida market, the active senior demographic is targeted more aggressively than the Millennial population, with many communities featuring a dedicated active adult community village. Some, like Lake Nona and Nocatee, offer product specifically designed to attract Millennials. Although The Villages’ sales are still strong, it is not surprising that sales have fallen from peak levels as The Villages approaches build-out of its legacy land holdings. Nonetheless, it may acquire additional land for expansion, and the prices it is achieving are among the strongest in its segment.



Laureate Park is one of the newest villages of the Lake Nona MPC, and accounts for about half its total sales.

SOURCE: www.lakenona.com

There has been a lot of exciting development and growth in the Florida market throughout 2016 thus far. Robust employment in Jacksonville, Tampa, and Orlando has been driving demand for homes. As one interviewee simply put it, “Jobs = Housing.” With home prices in the Northeast and Midwest rising, empty nesters are continuing to cash in their home equity and downsize to Florida, which remains the top destination for retiree migration.

South Carolina

The Charleston market has been very strong throughout the first half of 2016. Land prices continue to rise as job creation and empty nesters fuel demand for single-family homes. This is driving builders to buy swaths of land to lock in their developments for the next 18 months. Much of this demand in Charleston, as well as in many other markets, has been satisfied by communities that are heavily amenitized, have an urban feel, and are focused on healthy living.

With 308 sales—a 12% increase from the first half of 2015—Charleston’s Cane Bay Plantation continues to thrive due to its competitive pricing, top-rated public schools, and convenient access to neighborhood retail, restaurants, and healthcare. It also features an extensive trail system that connects the neighborhoods to schools, shopping, and recreational facilities.

West

It has been a strong start to the year for sales in the West. Summerlin has once again made it to our list with 366 sales in the first half of 2016. The addition of new villages and the resounding success of its town center development have helped Summerlin increase its sales by 12% when compared with the first half of 2015. Providence also once again made our top-20 list. Key success factors driving its sales include becoming a successful, mature community that is now a well-known brand in Las Vegas. The Providence Master Association promotes a healthy lifestyle including fitness classes and parks, such as Knickerbocker Park which features an exercise station, and has been received with measurable success. Inspirada in Las Vegas has introduced new home builders and floor plans, including Century Communities, offering single- and two-story plans and covered patios.



Summerlin provides for a healthy lifestyle with its network of walking, jogging, and biking trails.

SOURCE: www.summerlin.com

Eastmark, located in Phoenix, has once again experienced strong sales with 277 homes sold during the first half of 2016. Its prime location in the center of East Mesa’s gateway corridor, one of the fastest-growing and economically

strongest areas of Phoenix, contributes to its success. Eastmark is entering its fourth year, has around 2,000 residents, and will be introducing two new types of home options in early 2017, including higher-density single-family housing and large-lot gated neighborhoods, which will help it attract new audiences.

Irvine Ranch in Orange County, California, kept its spot as one of the top-selling master-planned communities in the country. With 989 sales for the first half of 2016, this community benefits from Orange County's strong job growth. While MPCs in California tend to not be as highly amenitized as MPCs in other regions of the country, with proximity to major urban centers as their primary amenity, Beacon Park is a notable exception with its healthy lifestyle orientation, expressed through its parks, farmers' markets, and health institute. Beacon Park saw a nearly 350% increase in sales from mid-year 2015 to mid-year 2016. Sales are expected to increase even more in 2017, when Beacon Park's new urban community comes to fruition.

Stapleton in Denver, Colorado, has once again earned a spot on our 2016 list with 289 sales for the first half of 2016. Even though its sales dropped due to a limited home supply and delay in lot deliveries, the community continues to drive high sales from their dynamic and diverse product line, which includes an active adult component and small lots designed for affordability.

The ranking of mid-year 2016's top-20 communities is based on total home sales as reported by each individual community. We will be publishing an in-depth RCLCO Advisory based upon interviews with developers of several of the top-performing communities to highlight and provide analysis of their critical success factors and strategies for success in 2016, and how they plan to continue succeeding in the remainder of 2016. Key community investments, product innovation, marketing tactics, new business lines, and builder relationships are among the many topics our interviews will explore.

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