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TWO STRONG BALANCE SHEETS CREATE ONE MEGA BUILDER

The recent merger of **Pulte Homes** and **Centex Homes** begs the question: Is this deal going to be a harbinger of more M&A activity in the industry? Probably yes, providing each company on both sides of the deal has solid liquidity and a strong balance sheet. Pulte was able to buy Centex for $1.3B in a stock-for-stock deal because of the strong financial standing of both parties. It helps that the deal wasn't done on the capital market so it doesn't significantly affect Pulte's leverage. It will be interesting to see whether we can expect to see some action from the other top players such as **D.R. Horton**, **Lennar Corp.** and **Toll Brothers**.

It's not the easiest of times to buy a home, let alone buy a home builder. But Pulte manages to pull off this feat because of financial discipline and historically low leverage of below 45% on an annual basis. As of the end of December, Pulte's debt-to-cap ratio was 55% and its net debt-to-cap was 38%. Also, Pulte holds a thick wad of cash on hand of about $1.7B. Centex exhibits similar financial muscle with approximately $1.7B of cash in its coffers with a net debt-to-cap of 55%. When you put those together, the end result is a spanking new company with the combined strength of $3.4B cash on hand. Also, on a pro forma basis, the combined company will have a debt-to-cap ratio of 61% and net debt-to-cap of around 45%, a solid number in this environment.

Pulte purchased Del Webb in 2001, which was one of the largest transactions in its time. The difference between this deal and the Webb deal is that Webb traditionally operated with higher leverage — topping 60% — which was reflected on Pulte's balance sheet for a few years. The Centex deal gives Pulte access to ready cash and management intends to pay down about $1B in debt by the end of this year, which should improve its financial standing. Furthermore, the transaction is estimated to result in cost reductions of about $350M annually from operating efficiencies. Look for Pulte to gain more market share in the entry-level and first time move-up segments, an area where Centex fares much better. This strategy will complement Pulte's expertise in the second move-up and active-adult niches, making the company an overall leader in all niches in more than 59 markets across the country.

Some industry analysts question the large land bank under Pulte's wing now but **Fitch Ratings'** Homebuilding Analyst **Robert Curran** explains that this deal actually lowers the company's lot inventory based on latest 12 months (LTM) deliveries. Prior to the acquisition, Pulte had approximately 5.7 years of lot supply based on LTM deliveries. The combined company will control a roughly 4.8-year supply of land and more importantly, over 50,000 finished lots, which gives it some flexibility in pulling back on land purchases or development spending. Fitch expects Pulte to remain disciplined in its land purchases and development spending, as market conditions remain uncertain.

So, who's next in line?

A large builder with strong liquidity — in terms of having more cash since access to capital markets may still be limited — as well as moderate leverage may be in a position to buy another builder. D.R. Horton and Lennar are not too far from that image. These top firms also have experience integrating larger operations in the past. Lennar picked up **U.S. Home** in 2001 and entered the mega-builder arena. D.R. Horton picked up some private companies as well, including **Schuler Homes** in 2001. A good acquisition target may include builders that exhibit specific geographic footprint or product lines that could enhance the diversity of the buyer. Toll Brothers comes to mind in this instance. The builder's expertise in luxury homes makes it a good acquisition target or even a buyer of a builder that complements Toll's holdings. Chances are there will be limited public-to-public mergers of the Pulte-Centex caliber. However, look for more opportunities for big builders to purchase local private builders, leading to a consolidation of players on the field.

TACKLING IMPAIRMENTS ONE QUARTER AT A TIME

Home builders negotiate their way through impairments and forge ahead amidst decreasing land values and waning home prices. **Hovnanian Enterprises**, **M/I Homes**, **D.R. Horton**, **Meritage Homes** and **Beazer Homes** manage to keep their total impairment charges under $110M, while **Standard Pacific Homes** holds $443.6M in impairment charges with expectations that the market will decline further and reach some stability in 2010.

Builders hope that the worst is behind them and increasing impairment charges are a thing of the past. That may not entirely be just wishful thinking as most builders record lower impairment charges so far this year. A positive sign after the top 15 home builders accumulated over $20B in impairment charges on land options, land inventory and JVs over the last three years. The decrease mostly can be attributed to fewer option write-offs since the bulk of it was written off in the past two years. However, look for larger land value write-downs in the upcoming quarters, which will diminish as home prices reductions become less prominent. JV investments represent a fair share of those impairments, as well as declining home values in weaker performing markets in the West and Midwest.

Expect more impairments on the horizon, even if the trend thins out. As long as there is excess inventory, builders need to shed that extra weight. Good news may be on the way though, as single-family home sales rose 4.7% in February to a seasonally adjusted 337,000 units. The National Association of Home Builders (NAHB) Chairman **Joe Robson** deems that the market may finally be reaching a bottom, as consumers with good credit and job security are starting to take advantage of the $8,000 first-time homebuyer tax credit, historically low interest rates and affordable pricing. Forecasts indicate new single-family sales will reach 364,000 units in 2009 and increase to 539,000 units in 2010, with housing starts jumping from 490,000 units in 2009 to 649,000 units in 2010.

Hovnanian Enterprises

Inventory impairment loss and land option write-offs total $110.1M at the end of Q1 compared to $90.2M year-over-year. The home builder incurred impairment charges of $95.7M related to land and communities owned during Q1 2009. Fifty six percent of those impairments were on projects in Hov's Northeast region, specifically New Jersey. The company took additional impairments in the Northeast due to pricing and sales pace. Hov tests all its communities at the end of each quarter for impairments, whether the community is open for sale or not. Chances are if home pricing continues to drop, additional impairments in future quarters will follow. Since 2006, Hov accumulates $273.3M of impairments within its JVs.

Standard Pacific Homes

Current economic trends lead to a high level of impairments during Q4 2008 for the home builder. Impairment charges of $350.3M come from current and future projects. Nearly $26.6M is related to land or lots intended for sale, mostly located in California, Nevada and Florida. About $22.7M is related to Stan Pac's JV impairment charges; $8.5M comes from land deposit and capitalized preacquisition cost write-offs for abandoned projects and $35.5M relate to goodwill impairment charges for a combined total of $443.6M of pre-tax impairment charges. Stan Pac performs its impairments with a little more structure than in previous quarters. Whether this affected the total of $443.6M is unknown at this time. Expectations built into this impairment number include a market that will continue to decline in 2009, around 8% to 10%, with possible stabilization in 2010.

M/I Homes

Pre-tax impairment charges in Q4 2008 total $53M including $39M related to land intended for construction. Of the $39M land related impairments, $18M is in the Midwest, $8M is in Florida and $13M is in the mid-Atlantic. Q4 impairments represent approximately 2,600 lots in 66 communities with 42% in the Midwest, 26% in Florida and 32% in the mid-Atlantic. In addition, $4M is associated with deposit write-offs and pre-acquisition costs for abandoned land deals, $4M relates to land sold and $6M relates to JV investments. Over the last 30 months, M/I incurred pre-tax charges totaling $432M of impairments, affecting over 50% of its own lots and 97 active communities, which is about 76%.

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TACKLING IMPAIRMENTS ONE QUARTER AT A TIME …

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D.R. Horton

Inventory impairments and land option write-offs cost $56.2M by end of Q1 2009, compared to $245.5M in Q1 2008. CEO **Don Tomnitz** discovers that all projects — with a combined carrying value of $1.4B — had indicators of potential impairment and he chooses to impair projects with a pre-impairment carrying value of $212M. The majority of these charges relate to projects in D.R. Horton's West region. Of the remaining $1.2B of evaluated projects, which were not impaired, approximately 50% are located in California, Texas and Florida.

Meritage Homes

Due to further weakening in Meritage's markets, the builder made strategic decisions to cancel options and sell lots in certain marginal projects. These actions accounted for approximately $67M of total impairments during Q4 2008. Impairments on land sold or held for sale accounted for $23M of real estate charges. Four properties sold generated $12M of those impairments but together with prior impairments accounted for $47M in tax losses realized during Q4. Additional impairments include $49M of option terminations, $32M related to continuing projects and $5M related to JV impairments. Meritage operated a small profit for impairments due in part to reductions in direct costs and overheads.

Beazer Homes

Inventory impairments totaled $12.2M during Q1 2009. Approximately $12M of this amount relates to properties held for development with the remainder coming from land held for sale. Q1's impairments represent 339 lots in six communities primarily in the Western and Eastern regions. Beazer holds off on any further incentives and price reduction offers during Q1 as these may lead to additional impairments. The level of reduced inventory impairments for Q1 may not be indicative of future levels.

FIRMS OUTLINE SURVIVAL TACTICS

Count on home builders to pull out all the stops to avoid bankruptcy protection. **American Dream Development** and **Comstock Homes** turn up the heat and revisit marketing strategies to counterattack declining sales and ramp up business. Those in bankruptcy such as **Anderson Homes**, **Vanguard Homes** and **Rhodes Homes** look to reorganize and restructure their companies and emerge with little harm.

No builder is immune from going downhill these days. However, those who purchased large sums of land and tried to get in the land development game are more at risk than those that stuck to homebuilding. Builders operating in markets where the rent-to-own gap is closer should fare better. However, those selling in bubble markets in California — especially the Inland Empire — Florida, Nevada and Arizona need to pay attention. Builders have good cause to rethink and restrategize their marketing techniques and business plans in order to stay afloat. It's not just a case of filing Chapter 11. There are substantial costs involved — as much as $2M can be spent in attorney fees in the first 16 weeks alone.

So how can builders stay afloat? **Developers Research** President **Barry Gross** recommends that builders should restructure their loans to become more competitive in the marketplace. Even building smaller homes that cost around $55/s.f. is a good solution. West Coast expert **Rick Peters** from **R.E. Peters Company** advises home builders to approach their original lenders and address today's conditions. The two entities should find ways to overcome what is quickly becoming a sinking ship. Tapping local municipalities, such as city and government entities will also help as such agencies are more open today because they want to see properties improve or completed. Some offer an open door policy and defer government and permit fees until such time cash is flowing again — usually after escrow closes. Most are willing to cooperate in some form or another. It's a win-win situation.

American Dream focuses on building extra lean and efficient as the company struggles with the slow down and erratic fluctuation of traffic. Constructing homes approximately a mile away from Fort Riley in Junction City, Kan., American Dream depends primarily on the military influx, as well as Riley's new training, healthcare and daycare facilities to enhance sales. Hesitant buyers, tight lender restrictions and lack of funding options for building projects contribute to the sales slowdown and to counter this the builder widens its marketing strategies.

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Besides the usual referral business, American Dream VP of Sales and Marketing **Tina Burton** adds a little humor to the marketing approach, separating itself from the pack by using catchy promotional items including *Boomerang* — "come back soon"— and a jar of M&Ms for "buyers remorse," asking visitors to take two and call the next day. To further stimulate sales American Dream steps up distribution of flyers and boosts its e-blasts that advertise builder incentives. Bank on American Dream to look at alternatives with lenders, investors and product to remain competitive in the marketplace. The good news? Fort Riley expects Army and civilian population growth of more than 50,000 by 2013. This year Burton expects to close 52 homes in its three existing communities: **Stonegate**, **The Village at Freedom Place** and **Chapman**, an increase of 21 units compared to 2008. The Village, open since 2006, contains 104 single-family homes and 26 apartments and closed 26 homes last year.

Concerns grow for Comstock Homes as the builder, on the verge of bankruptcy, looks to generate cash to stay afloat. Declining market conditions led homebuilding net revenue to plunge 82.5% last year to $46.6M from $266.2M in 2007. Chairman and CEO **Christopher Clemente** blames rigid lender restrictions and lack of available capital for this downward spiral. Comstock strategizes to generate unrestricted cash, bolster its balance sheet and secure its capabilities to maintain operations by offloading units of inventory and restructuring company debts with lenders. Chances are high that Comstock will be compelled to seek bankruptcy protection while pursuing these goals. Perhaps the sale of 7 units at **Eclipse**, a condo project in Arlington, Va., for a total of $4.4M in new order revenue will help. As of last month, the builder had sold 371 of the 465 units and rented 63 of the remaining 94 units to produce a monthly gross rental income of $133K to cover operating costs. Eclipse price points range from $209,900 for a studio to $929,900 for a three-bedroom unit.

Anderson Homes along with its sister company Vanguard Homes file for Chapter 11. One of the largest private builders in Raleigh, N.C., Anderson has been in business since 1980 and Vanguard, an offshoot of Anderson, was established three years ago. Anderson lists approximately $17.2M in assets and $13.7M in liabilities while Vanguard lists around $11.1M in assets and $9.9M in liabilities. During peak times Anderson and Vanguard delivered as many as 350 homes annually but a drop of 28% in area homes sales last year hurt the group, which pulled in 261 sales, down 4% from 2007, however, with narrower margins. The two companies owe money to as many as 99 creditors.

President of Anderson **David Servoss** believes filing for bankruptcy protection is in their best interests as home sales dwindle and much of the companies' equity is tied up in land. The two builders slash company count from 66 employees during peak times to 13 people as part of a huge overhead reduction program. Chances are Anderson and Vanguard will emerge from bankruptcy in 2010, depending upon market conditions. Anderson's **Ridgefield** community, northeast of Durham, nears sellout with only four homes remaining. Pricing ranges from $120,000 to $170,000 for homes measuring 1,355 s.f. to 2,000 s.f. Anderson builds single-family homes and townhouses for first-time buyers from the low-$100,000s to high-$200,000s, while Vanguard builds homes in the $300,000 to $400,000 price range.

Las Vegas home builder Rhodes Homes seeks Chapter 11 protection in a market inundated with excess inventory, land devaluations and foreclosures. One of southern Nevada's premier home builders during the late 1990s and early 2000s, Rhodes lists assets between $10M and $50M and liabilities between $100M and $500M. An estimated 5,000 to 10,000 creditors have claims. The builder's bankruptcy filing lists 32 corporate debtors comprised of a number of construction entities and properties in both Arizona and Nevada. President **Jim Rhodes** blames the vagaries of the economic climate and the inability to obtain cost-effective financing. Rhodes failure to make a critical March loan payment led to the bankruptcy filing. However, business proceeds as usual with Rhodes maintaining day-to-day operations, while reorganizing the company. Rhodes builds the **Rhodes Ranch** MPC in the Southwest Valley of Las Vegas. Pricing at **Palms Bay** has been reduced from the $400,000s down to around $285,000 for a three- or four-bedroom single-family home in the 2,000-s.f. range. **Pacific Mist** homes prices have been slashed to $259,000 from the $300,000s. Expect Pachulski, Stang, Ziehl & Jones, the largest corporate restructuring and bankruptcy law firm in the nation, to steer Rhodes through the Chapter 11 process. Rhodes has built over 7,000 homes in southern Nevada and Arizona.

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MARKETS TO WATCH FOR

Builders pick their sweet spot for chasing revenues even as the entire nation tries to cope with weak housing. Some markets still outperform others due to their location and the fact that they didn't see a huge run-up in pricing during the market bubble. For most players, Texas still offers some shelter from the downfall with Houston topping the list. **Gateway Homes** nears closeout and **Sandcastle Homes** push its home prices up as the builder ramps ups sales in Houston. Other markets on the watch list include those in the Northwest, Virginia and Maryland. **Pacific Ridge Homes** in Washington State keeps sales chugging along and makes plans to build in the area. **MTR Development Company** and **Miller and Smith** see a mixed bag of sales over the last few months in the Mid-Atlantic. Housing demand drivers include population trends and job growth prospects as well as the market's ability to hold on to home values. The rate of home building permits is a prime indicator of builder confidence in the marketplace.

Houston: With 5.8 million people, Houston claims to be the largest homebuilding market in the nation with 42,600 building permits in 2008. The city notes a 1% increase in jobs last year with 22,500 new positions. Jobs are in abundance with more than $2.5B in road construction, over 70,000 employees in the largest medical center in the world — the Texas Medical Center — and the fourth largest port in the U.S., tied to 50% of the oil industry. Houston anticipates more of the same in 2009. Moreover, the market did not experience the run-up in housing prices. Last year, the average sales price of a new home was $262,518, a 4% to 6% appreciation compared to 2007. Housing starts did slow down in 2008 totaling 26,226 units compared to 37,864 in 2007. Credit restrictions still remain a problem for builders as they struggle to find financing. This leaves Houston with less than six months worth of inventory to sell.

Sandcastle Homes increases home prices in $10,000 increments while capturing 15 sales. Since opening **Enclave at Shady Acres**, in an up-and-coming inner-loop neighborhood last summer, the company keeps sales moving along, while pushing up pricing from $250,000 to around $279,000 for a 2,500 s.f., three-story detached townhome. The 23-unit-project targets young singles and married couples and energetic active adults that can climb three stories. The 12x25-foot backyard is a plus for a townhome. President **Mike Dishberger** pegs sales to the fact that homes are priced well, offer value and contain features that fulfill buyers' wants and needs. The builder closed 52 homes last year and expects to close 48 home in 2009. Dishberger tries to build 40 to 60 homes/year. Traditionally, Sandcastle builds infill, detached townhomes primarily in the central Houston area and targets singles, married couples with no children and couples with children of college age who look to live in the city to be near work, arts and entertainment.

Gateway Homes builds 1,600-s.f. to 2,800-s.f. homes from the low $100,000s to low $200,000s in 11 communities in the Houston area. CEO **Tom Walker** feels the vibrant economy and job opportunities in Deer Park have helped stimulate sales in its **East Park** community. Open since 2007, East Park, with approximately 50 homes, has only two homes left to sell. The average sales price is $170,000 for a three-to four-bedroom home of around 2,100 s.f. Well-situated near gainful employment, East Park offers energy saving features. The downstairs master bedroom and option game room are also popular items.

Seattle: Unemployment rises to 8.4%, up from 4.7% a year ago; however, the area benefits from a diverse mix of companies that includes Boeing, Microsoft, Weyerhaeuser and Starbucks, along with a very active Port of Seattle, giving the market every chance to generate significant business revenue when it turns around. The area does not rely on one particular trade as Detroit does with the auto industry. New homes sales drop 29.9% to 448 units in January 2009 year over year in Puget Sound as Seattle metro notes 15,390 permits in 2008 and 910 permits in January 2009. The median sales price falls 9.3% to $329,950 in January. However, mortgages are very much available for qualified buyers. The good news? Traffic is up in some communities.

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Pacific Ridge Homes Owner **Mike Kinney** observes a glimmer of hope in the area as sales pick up as of mid-February. Momentum seems to be shifting toward the builder as a result of lower interest rates and the $8,000 first-time buyer tax incentive. Currently closing out of four subdivisions, Pacific Ridge sold about 155 lots to the Navy last December at **Greenwood Village** in Lake Stevens, 35 miles northeast of Seattle. Left with only 26 lots, the builder nets 1 sale/week from the 30 units of traffic passing through in the last few weeks. Situated only 10 minutes from Boeing and 30 minutes from Microsoft, Greenwood Village attracts out-of-towners. Homes measure from 1,400 s.f. to 3,500 s.f. The larger homes offer dual master bedrooms and bathrooms upstairs and downstairs, tailored for families with grandparents and adult children moving back home. Price points range from $259,000 to $379,000.

Look for seven new projects to be released by Pacific Ridge this year. Four commence construction in mid-2009. The 160-lot **Pacific Meadows**, in Marysville opened last year and Kinney projects 3 sales/month with around 5 to 6 sales/month when the housing market turns.

Maryland: Traffic may be up in some markets, however, the surge doesn't seem to translate to sales. Frustration deepens as home builders approach the Governor's office with requests to supplement the $8,000 tax credit. On the upside, some local counties pass legislation to extend expiration dates on plans and permits in the hopes that when a recovery does come, builders are ready to build. Only 24 miles from Washington, D.C., job prospects are high with 29,200 new jobs last year, many of which stem from contracts with the federal government. Unemployment remains relatively high at 6.2% compared to a nationwide rate of 7.6%. New housing permits total 13,976 units in 2008 compared to 19,940 in 2007, a drop of 29.9%.

MTR Development builds single-family homes and condos in the Maryland area. Sales are slow across the board but President **Marc Rose** notes a small ray of sunshine as phones begin to ring again. Many potential buyers remain on the sidelines but Rose believes the market is ready to level off and begin the climb up again. MTR Development attracts move-down buyers along with Gen X and Gen Y's looking for an easy commute to work. **River Quarry** in Bethesda captures 5 sales since opening a year ago. The 15 single-family homes and 15 townhomes measure from 2,800 s.f. to 6,000 s.f. with pricing starting from $1.3M. **Potomac Rose Estates (PRE)** in Potomac contains 12 units on a 2-plus acre homesite and produces 1 sale since opening several months ago. PRE homes range from 4,500 s.f. to 13,000 s.f. and sell from the high $2Ms. MTR Development sold approximately 75 homes during peak times in 2003/2004. This year Rose expects sales of 8 townhomes and 6 single-family homes in River Quarry and 2 sales at PRE.

Virginia: Loudoun County seems to fare better with regards to unemployment, which at 4.3% in January is still one of the lower unemployment rates in the nation. Diverse ranges of white-collar jobs are available in the area including AOL, Orbital Sciences and Verizon Business in the technology industry. Median household income in Loudoun tops $100,000, more than double the national median of just over $50,000 allowing people to buy homes at an average sales price of $554,953. Builders such as Pulte, NVR and Richmond American Homes currently build in the area. Building permits are also up 9% this February, to a total of 62 units in a short month.

Miller and Smith traditionally sell to first-time and move-up buyers looking for more square footage or relocation in Maryland, Delaware and Virginia. Currently, Miller and Smith's Prince William and Loudoun counties communities fare better than Maryland and Delaware due to downward pressure on pricing and lack of sales. VP **Chuck Ellison** notes homebuyers are extremely price conscious and hold off on a new home purchase until their existing home has sold. **Brambleton** in Loudoun County will contain 7,433 single-family units and townhomes. Currently 2,300 homes are occupied. Sales peaked back in 2007 with 82 units, dropping to 46 sales last year. However, sales are bullish so far this year with 51 sales: 7 in January, 21 in February and 23 in March.

Interestingly, the townhome is larger than the single-family home, a common occurrence in the Virginia area. The market demands a two-car garage townhome, prompting a wider floor plan that significantly increases square footage. Townhomes range from 1,600 s.f. to 1,800 s.f. priced from $249,900, while single-family homes measure 3,100 s.f. and start from $409,900.

TIME TO GET FLEXIBLE

Bank on companies to alter their building strategies as they attempt to deal with a different kind of buyer today. **KB Home** and **Lennar Corp.** know that consumers who once bought a larger home with unnecessary space and frills now buy what they actually need. These players don't hesitate to tailor the outfit to the required measurements. KB Home CEO **Jeff Mezger** anticipates almost 50% of its sales for this year will come from its new value-engineered, affordably priced, entry-level homes. Lennar pays more attention to communities with smaller, flexible space and doesn't come out empty-handed.

Home builders go back to the drawing board having learned some vital lessons. During the housing boom it was all about size and features. Today buyers look for efficiency and sustainability. A new single-family home in mid-2008 measured around 2,629 s.f. and by year's end square footage totaled 2,343. Builders now place more emphasis on smaller, space-efficient units priced lower to meet buyer requirements. Efficient design means less space in the hallway, fewer walls allowing for a feeling of openness and more storage room under stairs and above kitchen cabinets. Expect builders that target first-time buyers to definitely drop a few square feet in floor plans. Some such as **Pulte Homes** even downsize active adult homes by Del Webb, offering smaller home opportunities for consumers. More and more builders think a smaller footprint will go a long way during current conditions.

KB rolls out its new *Open Series* entry-level homes in 30 of its communities last month. These built-to-order, energy efficient, smaller homes aim to compete directly against resales and foreclosures to draw in entry-level buyers. It makes sense for KB since 70% of its business comes from this segment. The *Open Series* in **Manchester Park** in the **Providence** MPC in Las Vegas rakes in a positive response and sees increased traffic, resulting in 4 reservations for its single-story model in just the first two weeks of opening. Sales Agent **Ken Harrell** believes demand for the single-story product is high due to its lack of availability in the Vegas market. Furthermore, a single-story home retains its resale value. Single-story homes are priced as low as $69/s.f. Price points range from $119,900 to $179,900 for 1,256 s.f. to 2,600 s.f.

Lennar Central Florida builds smarter, more efficient homes after taking a long, hard look at its floor plans and researching customer requirements. The builder discovers that buyers look for a more resourceful home — with efficiency and sustainability rather than space and size — and reduces square footage by at least 12%. Lennar introduces a practical, smaller floor plan with a cost-effective, upgraded kitchen. In February, Lennar opened the 99-home **Crestview at Stoneybrook Hills** in the 999-lot **Stoneybrook Hills** MPC in Mount Dora, Fla., where homes are smaller. The MPC also includes **Oakview**, a larger home community. Turning his focus from Oakview to Crestview, Director of Sales and Marketing **Paul Brooks** followed through with fresh ideas that offer a buyer various options such as floor plan size, specification levels and pricing flexibility. Square footage starts at 1,352 with price points from $149,900 for a three-bedroom unit. Lennar unveils its *Concept Home Show Place* at **Shady Creek** in Riverview, about 15 miles from Tampa. Concept Home Show Place allows folks to view Lennar's new floor plans from the framing stage and on via VIP tours. Open only three weeks ago response has been positive so far. Forty new homes are planned with pricing starting from $173,990 for a 1,352-s.f. home.

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