No Matter How You Slice You It:
Product Segmentation Trends

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PRESENTATION OVERVIEW

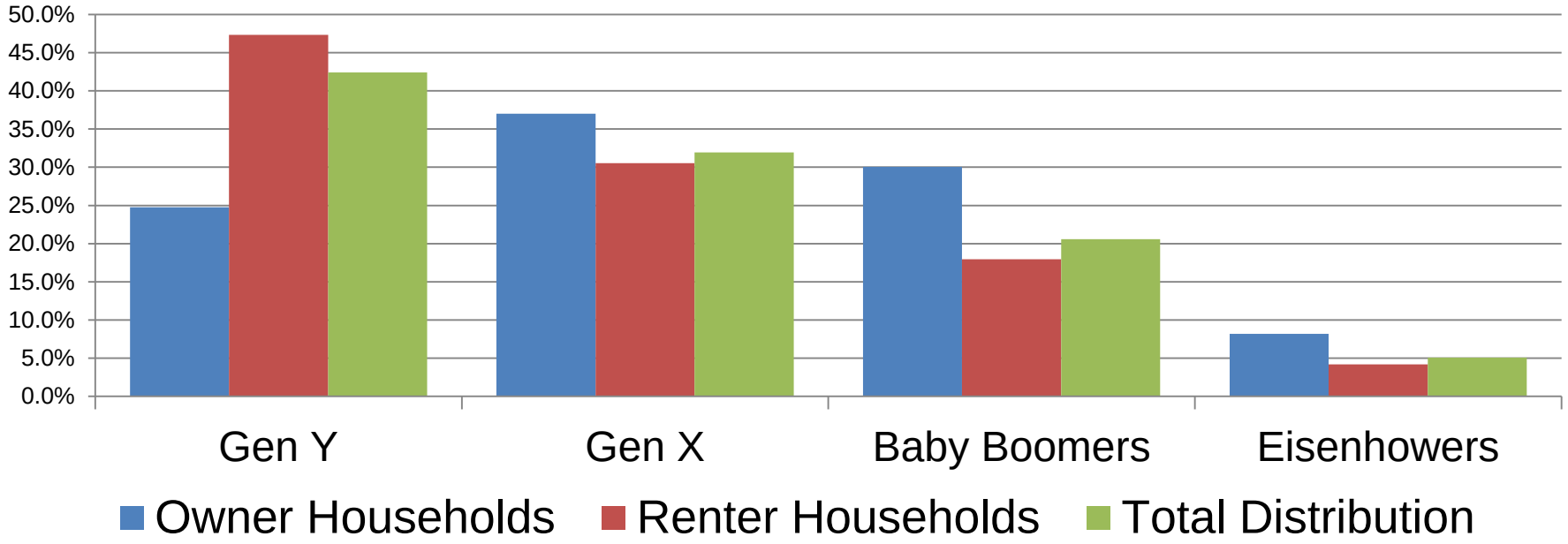
- Product / Market Segmentation
  - *Innovating to gain competitive edge*
  - *Meet the desires of specific market segments*
  - *Drive sales absorption*
- Product segmentation trends from MPC's, rental apartments, resorts
- Influencing trends: Demographics, Psychographics, Density, Green, Technology, Efficiency
- Case studies including Disney's Golden Oak Resort

PRODUCT / GENERATIONS MATRIX

Year	Student Housing	Rental Housing	Rent As Couple / 1st Home	Young Family Own	Mature Family Own	Buy 2nd Home	Empty Nester Downsize Own	Buy Retire Home
2010	Gen Y	Gen Y	Gen X Gen Y	Gen X	Baby B	Baby B	Baby B	Eisen Baby B
2015	Gen Y	Gen Y	Gen Y	Gen X Gen Y	Baby B Gen X	Baby B Gen X	Baby B	Eisen Baby B
2020	Gen Y Gen Z	Gen Y	Gen Y	Gen Y	Gen X	Baby B Gen X	Baby B Gen X	Baby B
2025	Gen Z	Gen Y Gen Z	Gen Y Gen Z	Gen Y	Gen X Gen Y	Gen X Gen Y	Gen X Baby B	Baby B

Source: RCLCO

ACTIVE MARKET BY GENERATION

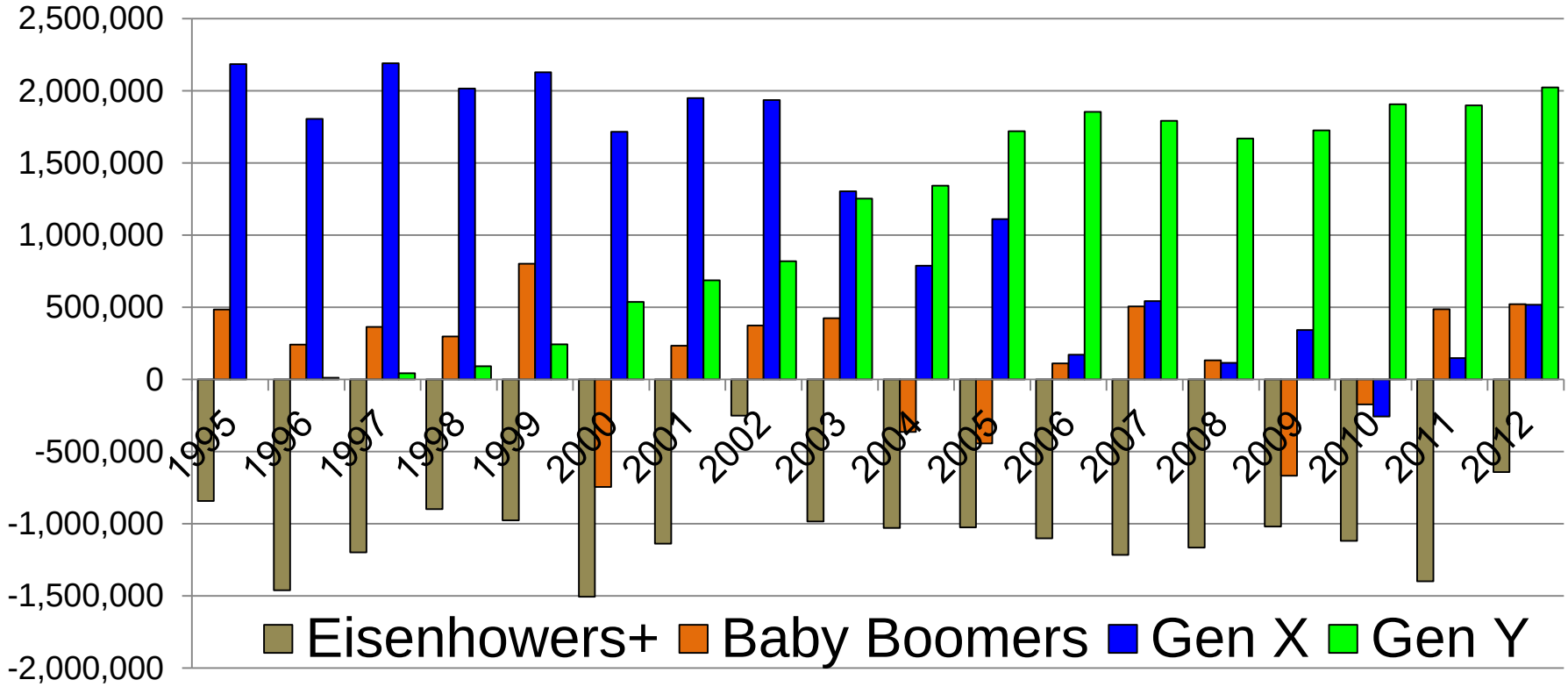


The Active Market: Who is buying or renting, by generation

Source: RCLCO

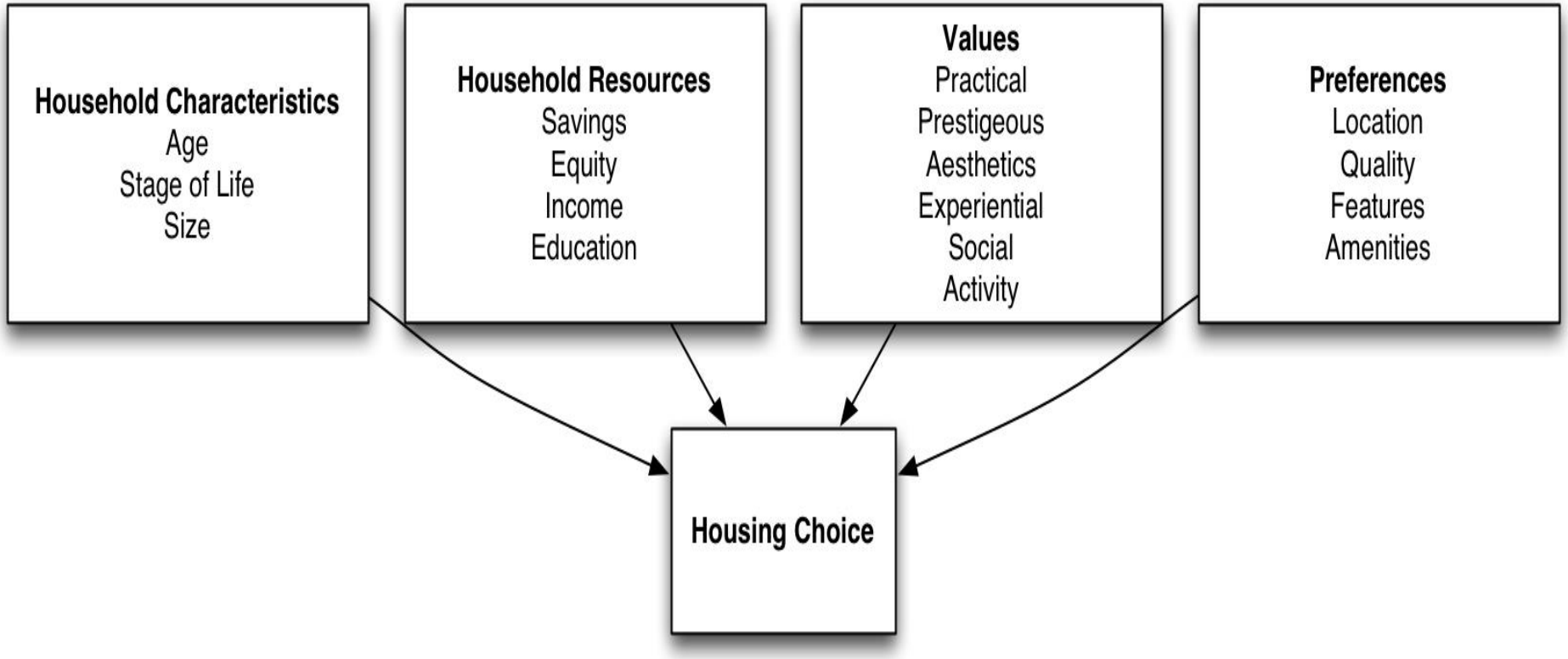
HOUSEHOLDS BY GENERATION

Total Net Household Formation
United States, 1995-2012



Source: RCLCO

HOW CONSUMERS CHOSE: LOTS OF WAYS TO SLICE THE MARKET



Source: RCLCO

PRODUCT / HOUSEHOLD CHARACTER MATRIX

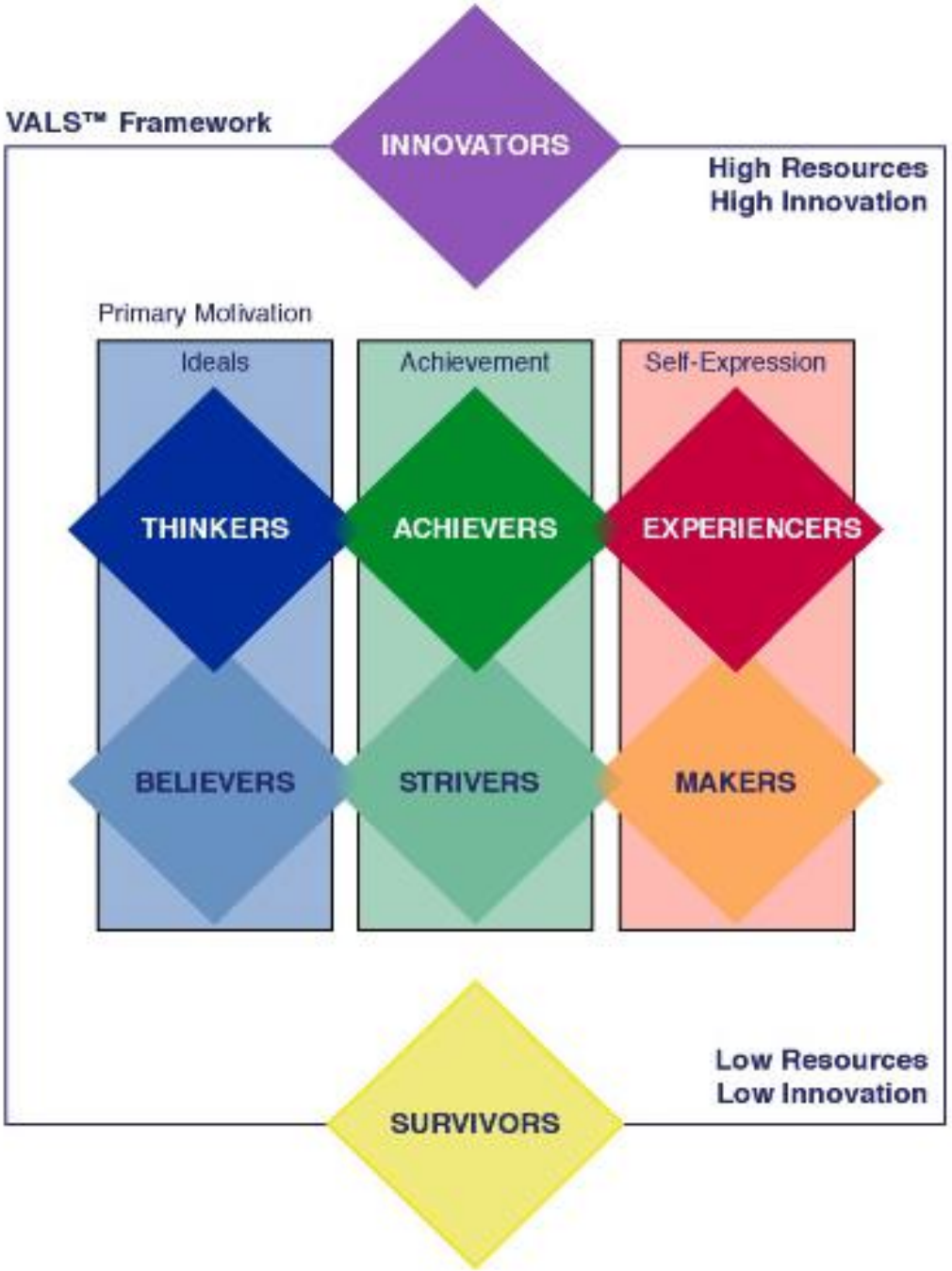
Product Segment-> / Market Segment	18' Wide Townhouse	25' Wide Townhouse	30' Ft Sgl Family Lot	40' Ft Sgl Family Lot	50' Ft Sgl Family Lot	70' Ft Sgl Family Lot	90' Ft Estate Lot
Single women	■						
Young couples	■		■	■			
DINKS	■	■	■	■			
Retiree		■	■	■			
Empty Nester		■	■	■	■		
Young families		■		■	■		
Established families					■	■	■

Source: RCLCO

VALUES AND LIFESTYLE SEGMENTATION

Psychographics:

Going beyond demographics, understanding the influence of motivations, ideals, resources



Source: Strategic Business Insights

PRODUCT / HOUSEHOLD CHARACTER MATRIX

Product Segment->		
Market Segment	**40' Ft Sgl Family**	**40' Ft Sgl Family**
Single women		
Young couples		
DINKS (DUAL INCOME NO KIDS)	Achiever; image is important, prestige brands and finishes, time-saving features	Thinker; practical consumer, seek durability, functionality, good value
Retiree		
Empty Nester		
Young families		
Established families		

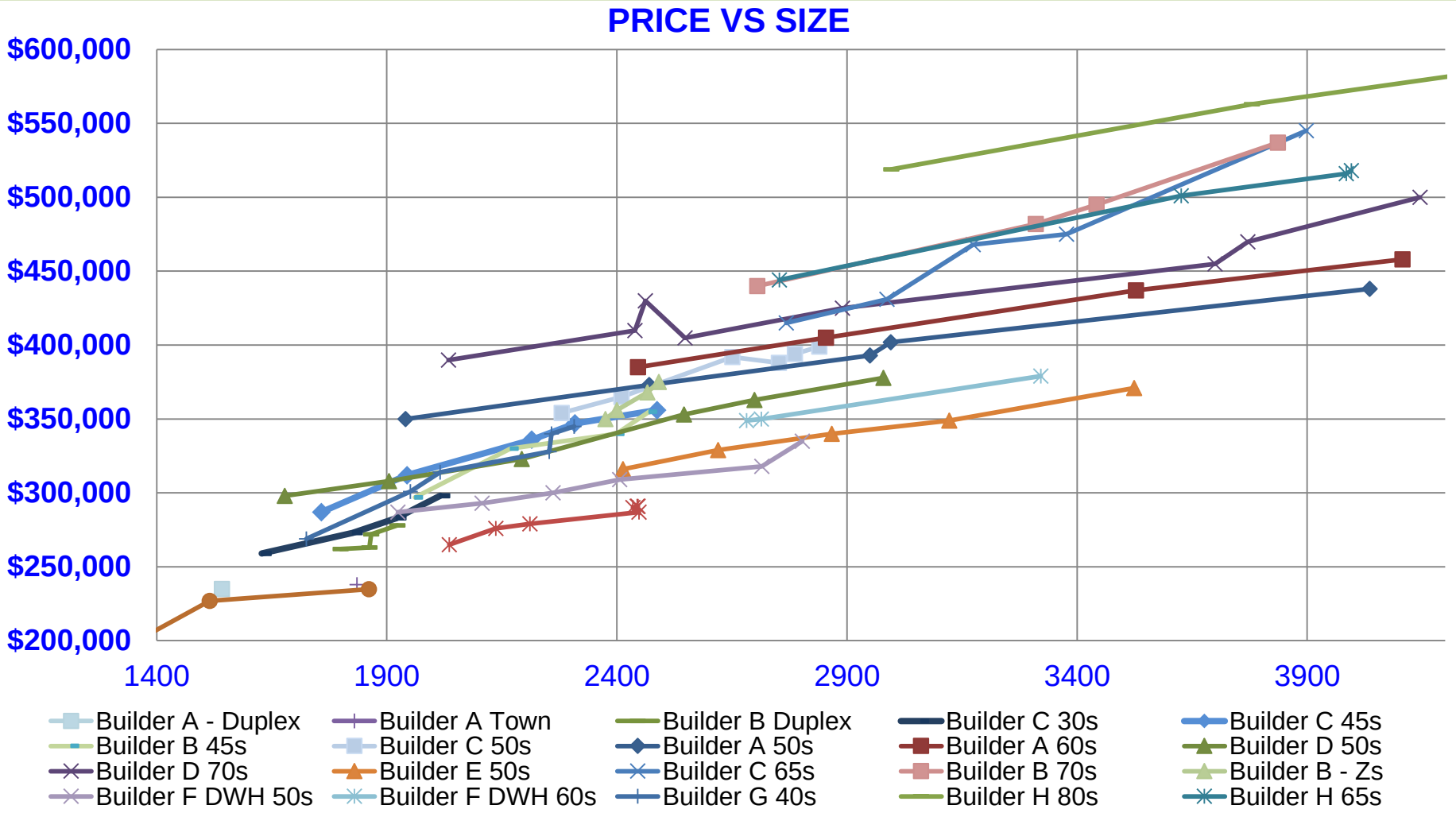
Source: RCLCO

PRODUCT CONCLUSIONS

	35' TH	30' SFD	40' SFD	45' SFD
Market Audience	Affluent Move-Down Empty Nester	Retirees, Young Singles and Couples, Pre-Families, and Young Families	Retirees, Young Singles and Couples, Pre-Families, and Young Families	Retirees, Young Singles and Couples, Pre-Families, Young and Mature Families
Price Position	On a $/SF basis, competitive with 50' and 60' SFD. Absolute competitive with 50' ($385,000)	Price leader in the community; Priced at the high end of surrounding TH and low end of value 50' SFD ($200,000)	10 % discount on a $/SF basis to 45', due to smaller yard/patio and smaller home ($285,000)	On a $/SF basis, competitive with 50'; caters to more of a move-up/move-down ($320,000)
Orientation	Walking distance to amenities	First phase of homes should have amenity orientation, but subsequent phases do not necessarily need to front on a park; walking distance to park and/or retail/amenity is sufficient	Walking distance to amenities	Walking distance to amenities
Floor plans	1 to 2 with option to finish/add 3rd level	3+ floor plans (a one story to cater to retirees, a smaller two story, and a larger two story to accommodate young families)	4 to 5 core floor plans per builder with options to reconfigure	4 to 5 core floor plans per builder with options to reconfigure
Garage	2 car attached	2 car; combination of attached and detached to provide courtyard option	2 car; combination of attached and detached to provide courtyard option	2 car; combination of attached and detached to provide courtyard option
Front or Rear Load	Front and Rear Load	Rear Load	Rear Load	Rear Load
Builders	1	1	2	2

Source: RCLCO

MPC PRODUCT SEGMENTATION



Source: RCLCO

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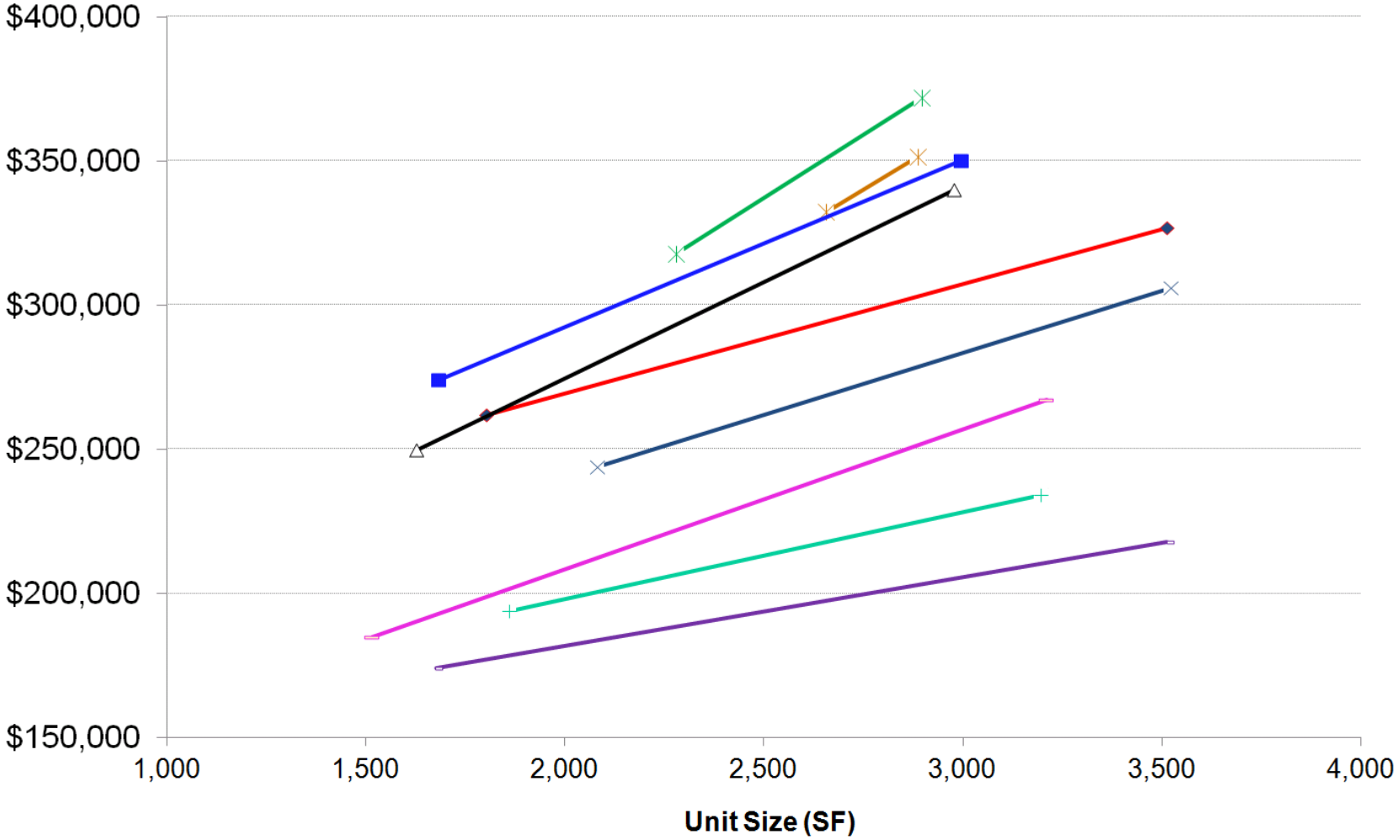
SAME MPC: MULTIPLE PRODUCT SEGMENTS, SAME SIZE LOT



MARKET AUDIENCE AND PRODUCT PREFERENCE

	Purchase Motivations	Product Preference	Existing Product	Product Gap	Out of Market Product That Could Fit
Young Singles and Couples (Entry)	Proximity to Employment, Retail/Entertainment, Value	Value TH, Value Oriented SFD	TH, Value Oriented SFD	SFD 30'	SFA Courtyard
Young Singles and Couples (Professional)	Proximity to Employment, Retail/Entertainment	TH, Quad/Duplex, SFD (30', 40', 45', 50')	TH, Duplex, SFD (50')	SFD (30', 40', 45')	Paired/Big House, Zipper Lots, Cottage Court, 3 Story SFA, 3-pack, 4-pack
Pre-Family/Young Families	Value, Space, Schools	TH, Quad/Duplex, SFD (30', 40', 45', 50')	TH, Duplex, SFD (50')	SFD (30', 40', 45')	Paired/Big House, Zipper Lots, Cottage Court, 3-pack, 4-pack
Middle Families	Value (to some extent), Space, Schools, Proximity to Employment	SFD 45', 50', 60'	SFD 50', 60'	SFD (45')	SFD Rear Garage Porte Cochere
Mature Families	Schools, Proximity to Employment	SFD 50', 60', 70', 80', 90'	SFD 50', 60', 70', 80', 90'	None	SFD Rear Garage Porte Cochere
Retirees	Retail/Entertainment, Lifestyle	Lifestyle TH, Quad/Duplex, SFD (30', 40', 45', 50', 60')	Lifestyle TH, Duplex, SFD (50', 60')	SFD (30', 40', 45')	Zipper Lots, Cottage Court, Paired/Big House (1st floor master)

Source: RCLCO

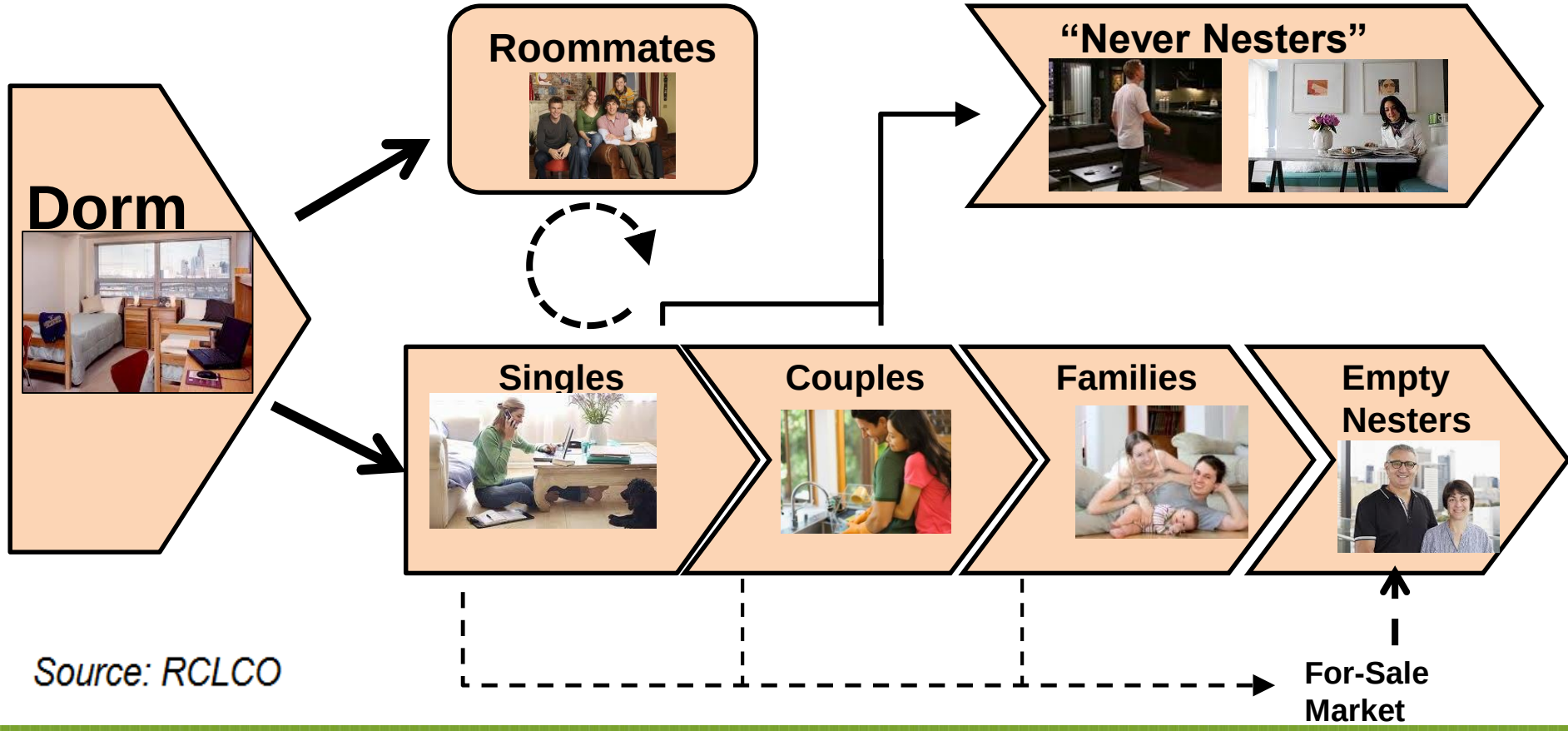
EXAMPLE CONDO BUYER PROFILES

	WORKFORCE ($200,000-$350,000)	MARKET RATE ($350,000-$500,000)	LUXURY ($500,000-$750,000)	ULTRA LUXURY ($750,000 AND UP)
FIRST MOVERS	Age 25-29 Roomates: Incomes $100k-$150k Singles and Couples: Incomes $50k-$100k	Age 25-29 Roomates: Incomes Over $150k Singles and Couples: Incomes $100k-$150k	Age 25-29 Singles and Couples: Incomes Over $150k	
YOUNG PROFESSIONALS	Age 25-34 Roomates: Incomes $100k-$150k Singles and Couples: Incomes $50k-$100k	Age 25-34 Roomates: Incomes Over $150k Singles and Couples: Incomes $100k-$150k	Age 25-34 Singles and Couples: Incomes Over $150k	
URBAN FAMILIES	Any 2-3 person household with children Age: 25-54: Incomes $75k-$150k	Any 2-3 person household with children Age: 25-54: Incomes Over $150k		
NEVER NESTER/LIFESTYLE	Age 35-54 Roomates: Incomes $100k-$150k Singles and Couples: Incomes $50k-$100k	Age 35-54 Roomates: Incomes Over $150k Singles and Couples: Incomes $100k-$150k	Age 35-54 Singles and Couples: Incomes $150k-$200k	Age 35-54 Singles and Couples: Incomes Over $200k

Source: RCLCO

RENTAL MARKET LIFESTAGE PROGRESSION

Most rental product has an *economic* target market, rather than a particular market segment or lifestage. An opportunity exists to provide more nuanced product that can better serve particular market segments.



Source: RCLCO

	Post-Grad	Young Professional	Family	Renter by Choice
RESIDENTIAL PRODUCT	Cash-poor; have a job but not a "career"; move often; like social aspects and flexibility of renting	Likes flexibility and social aspect of renting; still building wealth; move often	Not ready to buy; wants an accessible, in-town location	Prefers flexibility and low-maintenance lifestyle of renting; no need for large home; turned off by housing that still feels like a dorm
HH TYPE	36% single 64% roommates	41% single 41% couple 19% roommates	100% families	70% single 24% couple 6% roommates
LOCATION PREFERENCE	Near entertainment and shopping, walkable or near transit, areas with high density of peers/young people	Close to work, near entertainment and shopping, walkable or near transit	Willing to trade more space/quieter for entertainment/shopping/ walkable neighborhood	Sophisticated/grown-up location, near transit or job, mature neighborhood, great accessibility
UNIT FEATURE	Larger communal amenity spaces desired, as they spend minimal time in the unit	Willing to trade space for flashy amenities, nice finishes	Storage space, 2nd bathroom, slightly larger units	High quality finishes, larger units, sophisticated amenities

Source: RCLCO

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EVOLVING TRENDS

FAMILY ORIENTED AMENITY SPACE IN URBAN MULTIFAMILY BUILDINGS

Barclay Tower, NY, NY

Source: RCLCO

EVOLVING TRENDS

COST EFFICIENCY

Top Picks: Manufactured Siding

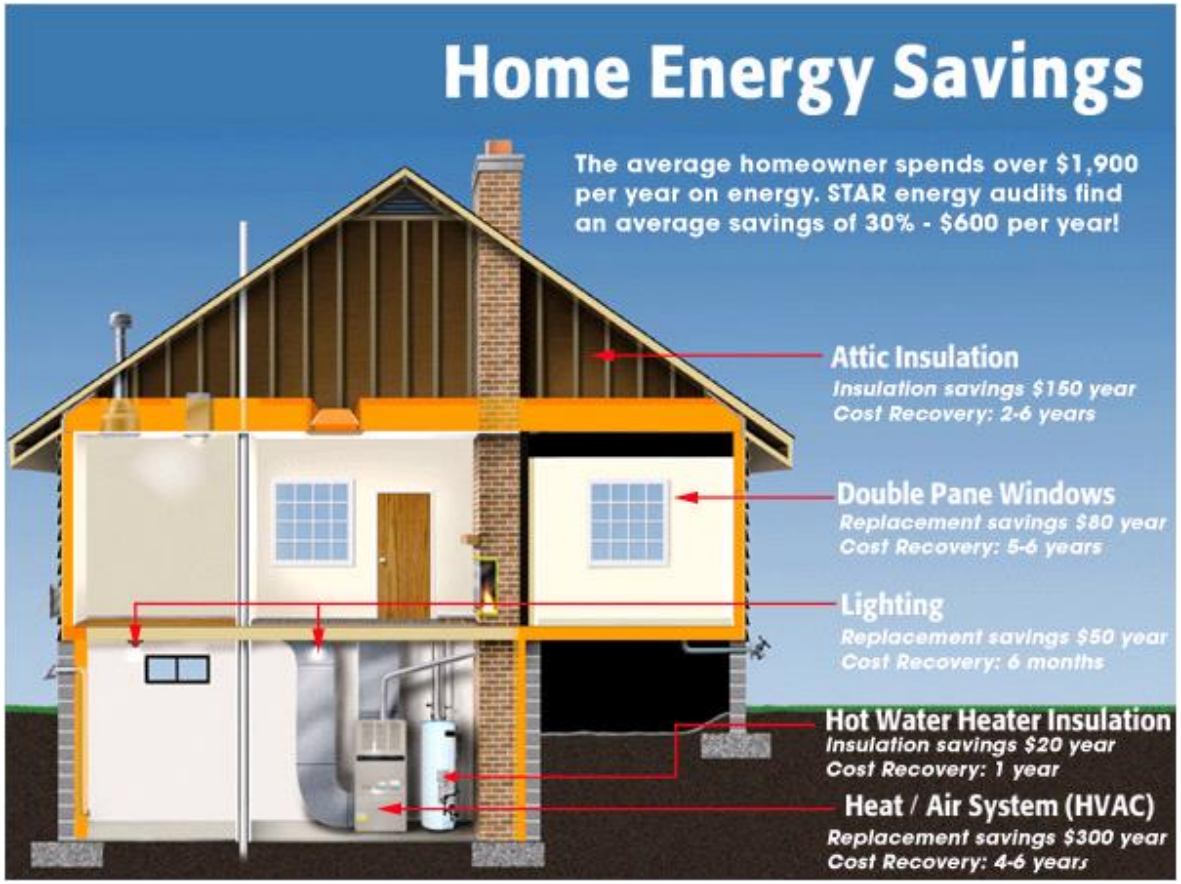
A visual guide to the wood options available for exterior siding on homes. Manufacturer

Like 56 save print comments

Source: Better Homes and Gardens

EVOLVING TRENDS

GREEN SUSTAINABILITY



Source: Lifestylehomes.net

EVOLVING TRENDS

TECHNOLOGY

EVOLVING TRENDS

NEW DENSITY

LENNAR HOMES: MULTIGENERATIONAL HOUSING

Extra complete suite adds density

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Innovative Thinking… *Designed*

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New Home Trends

- Smaller Homes – Better Scale and Function
- Higher Degree of "privatized outdoor space"
- Better indoor to outdoor connectivity
- Personalization – Interiors , 'idea space'
- Super Kitchens – Super Islands, Costco Pantry
- Larger Media Area and Seating
- Spa like Master Baths
- Covered Outdoor Rooms
- Larger Garages | More Storage
- 'Dual Use' Homes – Multi-Generational
- Technology – Media, Server Rooms
- New Volume

"Create remarkable products that the right people seek out"

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Welcome Home "*Disconnect to Connect*"

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Home Site Dimensions, Redefined

- The old thought process to get segmentation

Lot Size = Square Footage = Price

- What does that give us?

  Width (new way) vs. Depth (old way)

Alternative Density Solutions – 70'x70' Lot

"OLD TO NEW"

BEFORE PLAN
5,000 SF Lot

AFTER PLAN
4,900 SF Lot

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Alternative Density Solutions – 60’x60’ Lot

Small Lot Concept with Big Lot Scale – 50’x50’ Lot

NEW! 50’x50’ Finished Product

- First Level of SFD Above Attached Housing

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50’x50’ Lot 11.5 DU/AC

- Private Drive Cluster Yields 1-2 Units in Density Over Traditional Plotting

35’x50’ Lot 16 DU/AC

35’x50’ Lot 16 DU/AC

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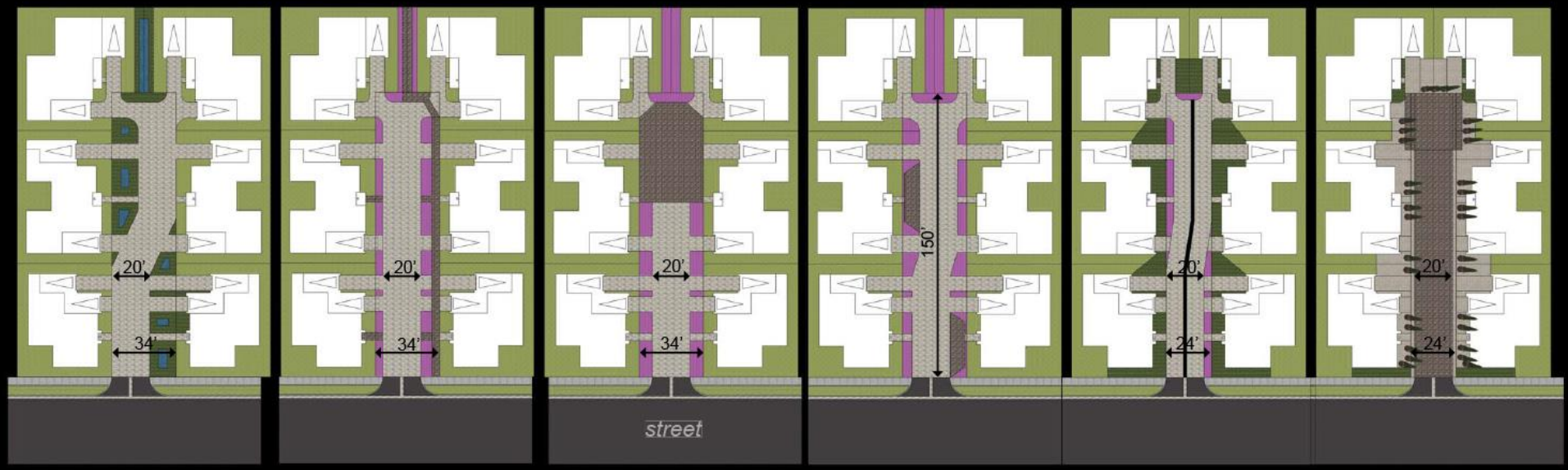
The New Private Drive



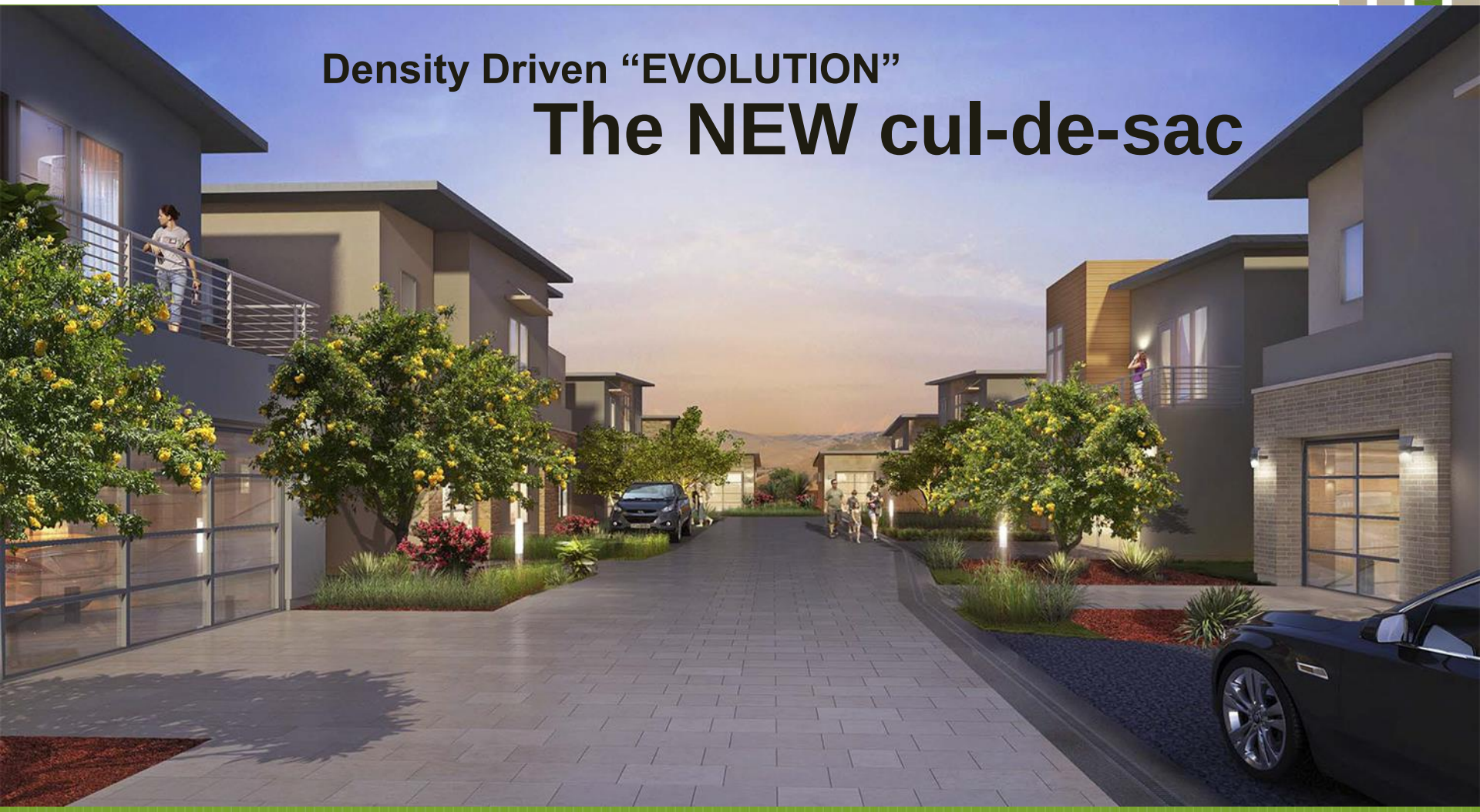
Bio-Swale Concept | Sidewalk Concept | "Block-Party" Concept | Parking Concept | Landscape Concept | Plaza Concept

Single Level Living – 7.5 DU/AC

- 65’ x 50’ Lots in “Private Drive” Configuration

Single Level Living – 7.5 DU/AC

The NEW Private Drive



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The NEW Private Drive

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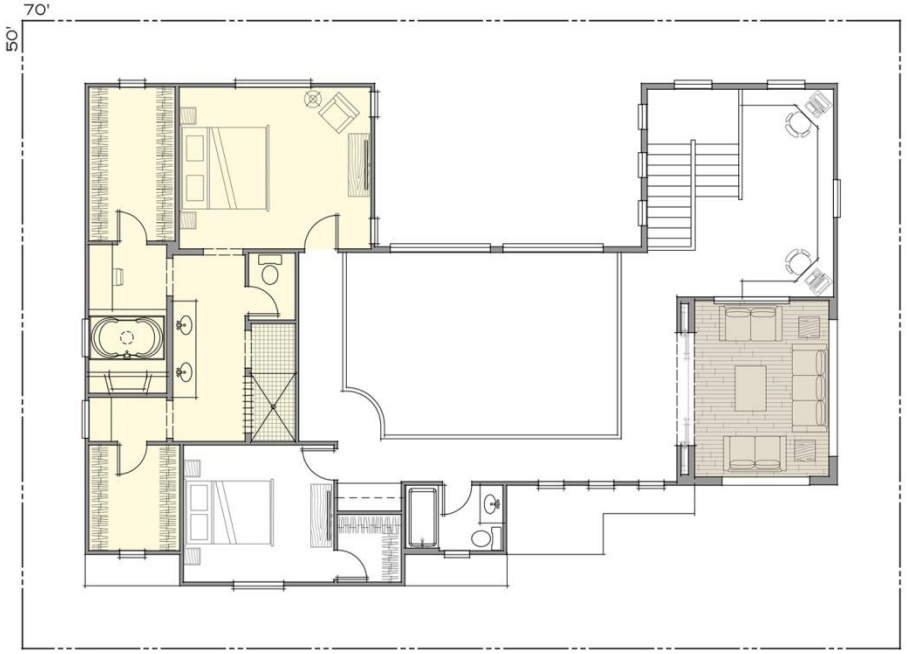
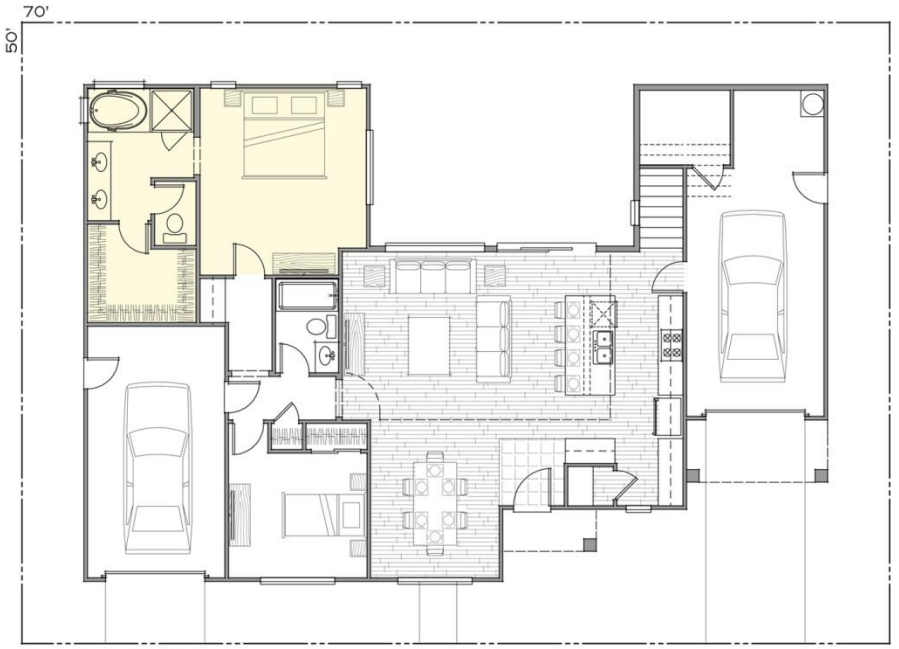
Single Level Living – On-Grade Living

- Includes Auxiliary Idea Space at 2nd Floor
- 50'x70' Lot
- 2,689 SF



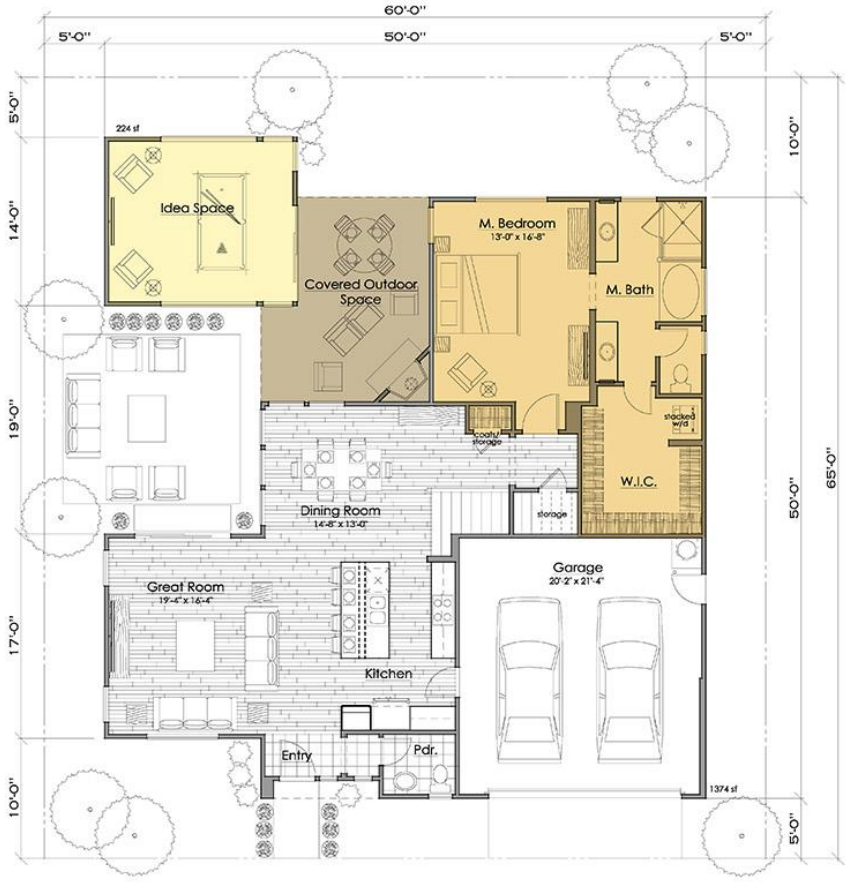
Second Floor



First Floor

Single Level Living – 6.5 DU/AC

- Master Down
- ‘Privatized’ Outdoor Space
- Idea Space
- ‘Open’ Living



Privatized Outdoor/Indoor Spaces

- Hacienda configuration creates maximum privacy

Plan 1 - 2070 Sq. Ft. First Floor
426 Sq. Ft. Pool House

Plan 3 - 1450 Sq. Ft. First Floor
400 Sq. Ft. Pool House

Plan 2 - 1831 Sq. Ft. First Floor

Privatized Outdoor/Indoor Spaces

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Privatized Outdoor/Indoor Spaces

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Privatized Outdoor/Indoor Spaces

- Activating the front of the house

Plan 3- 3710
1560 SF First Floor

Privatized Outdoor/Indoor Spaces

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Privatized Outdoor/Indoor Spaces

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Privatized Outdoor/Indoor Spaces

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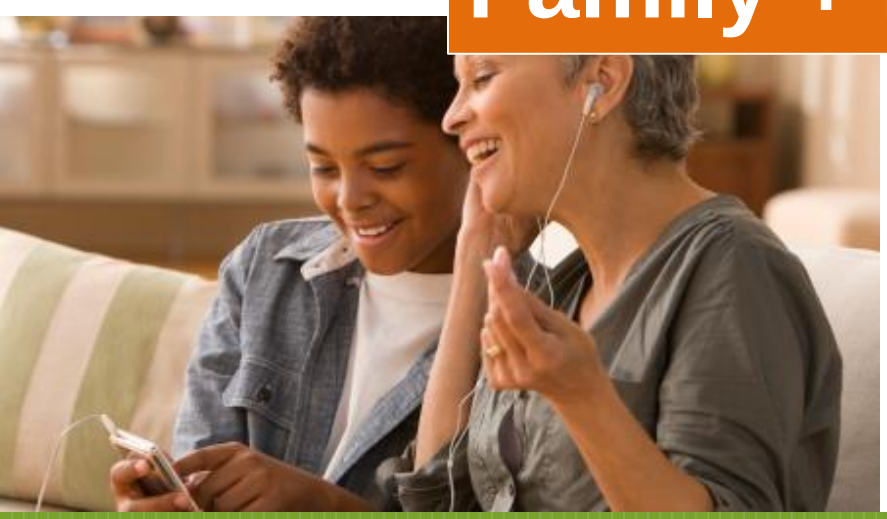
Multi-Generational Living

Family + Family + Family



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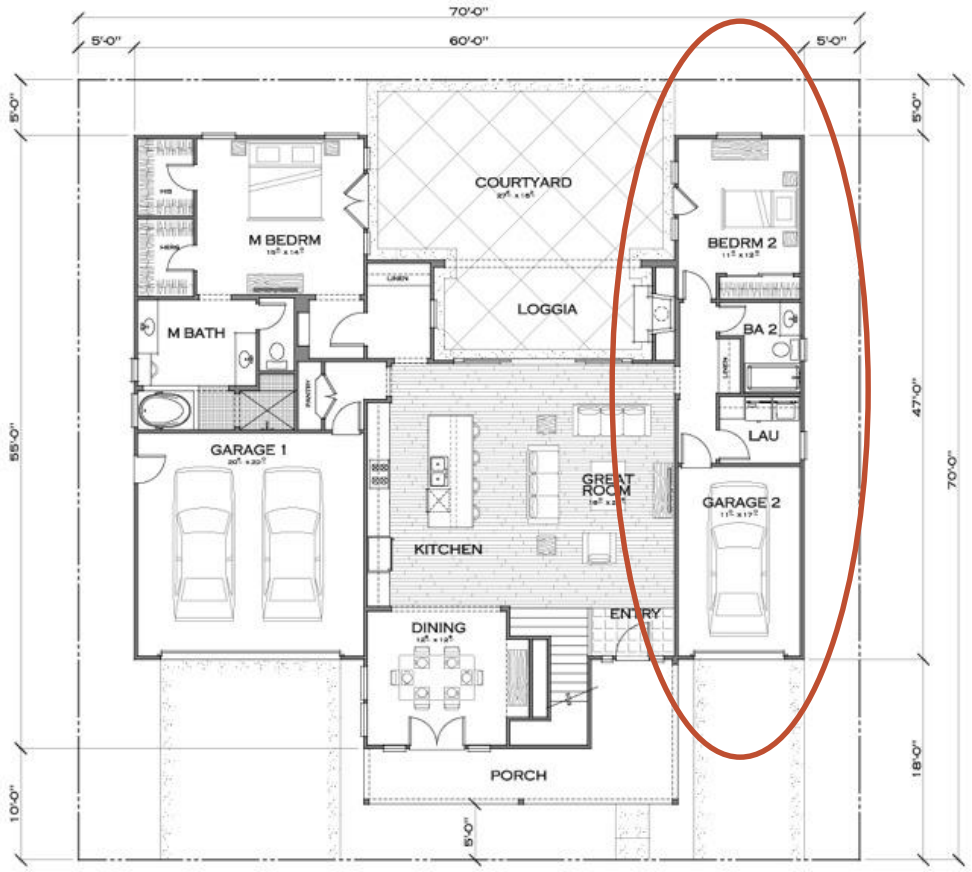
Multi-Generational Living

- Wide and Shallow Approach, 70’ x 70’ Lot



Multi-Generational Living

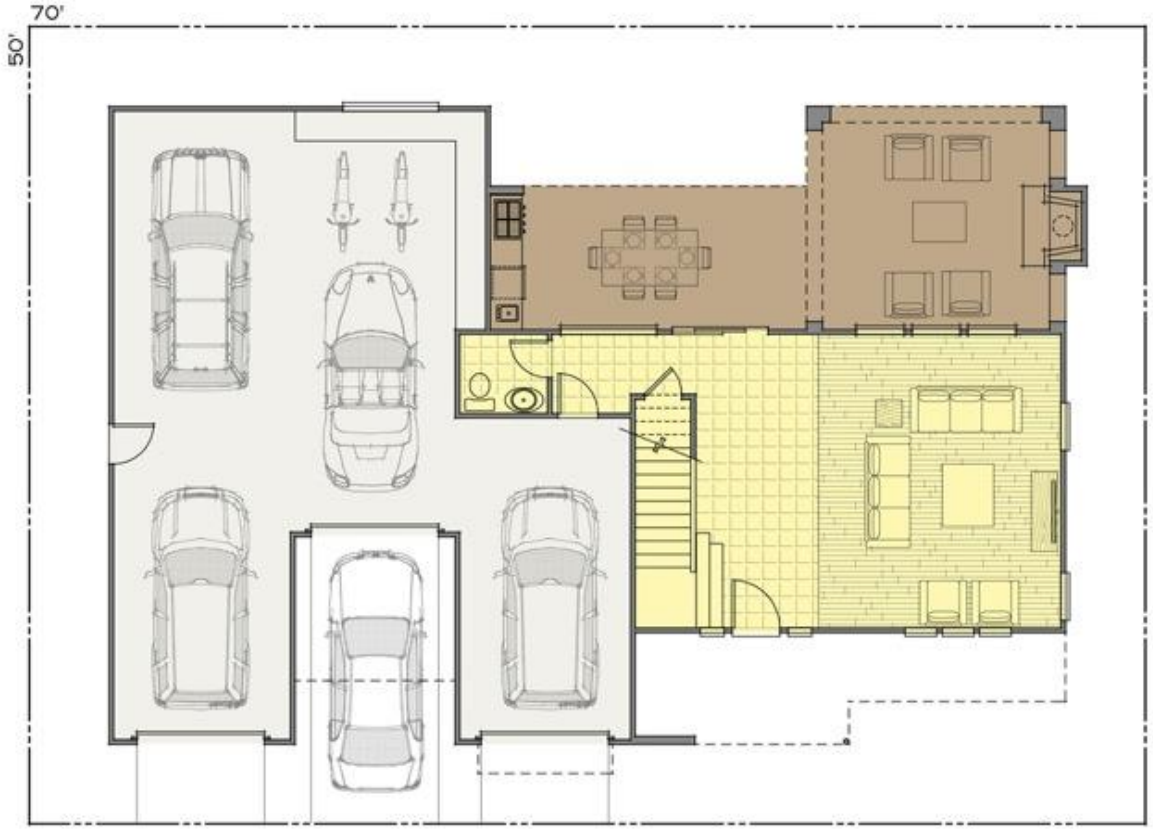
- 6.5 DU/AC
- 60’ x 70’ Lot
- 4,200 SF Multi-Generational Suite

Second Floor Plan

First Floor Plan

Monster Garage 7.5 DU/AC

- Ultimate Idea Space at Density Achievement



First Floor

The New Living Level Spaces

- ‘Upside Down’ house – maximum living at 2nd level

Second Floor

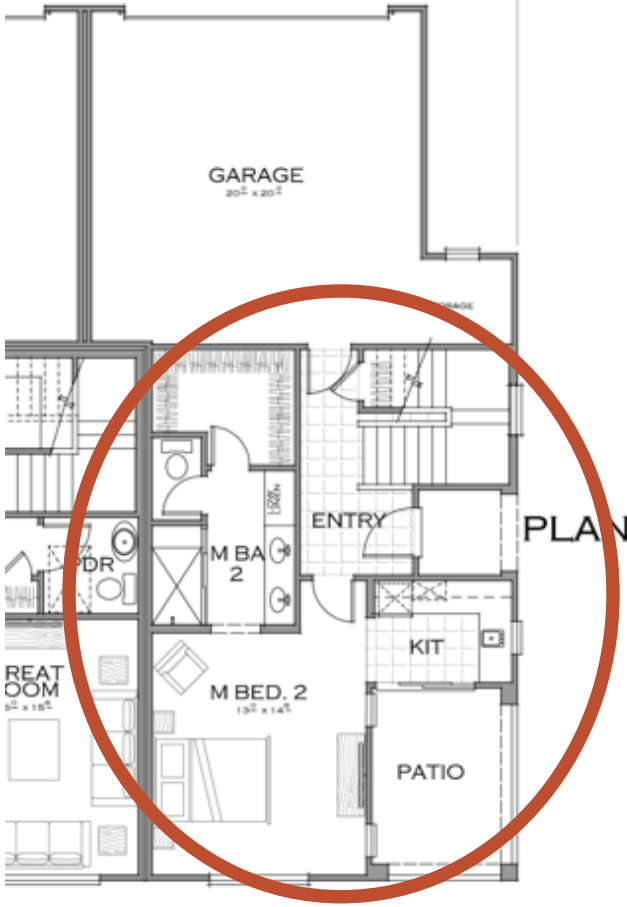
Two Houses in One Idea House

- A house within a house… Multi-Generational Living

Alternate First Floor 6 (Adds 656 SF)

Two Houses in One Idea House

- 15 DU/AC Attached Multi-Generational Suite



PLAN 4- 1

Interior Spatial Segmentation – IDEA SPACES

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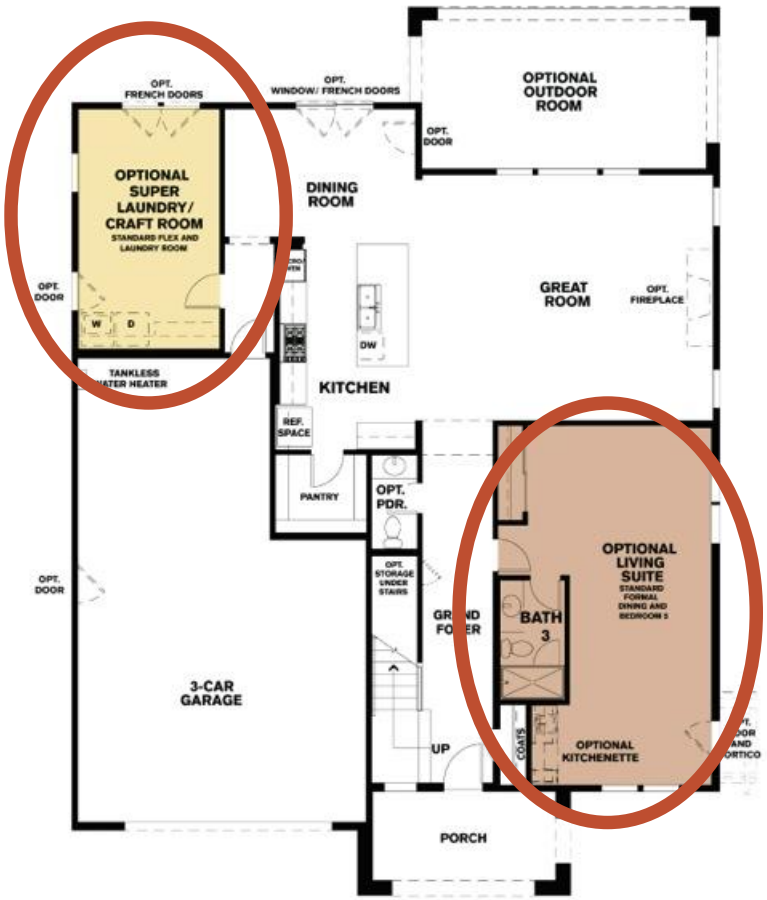
Interior Spatial Segmentation – IDEA SPACES



Interior Spatial Segmentation – IDEA SPACES

The **“Flexing”** Room

Interior Spatial Segmentation – IDEA SPACES

- Expandable utility of primary house spaces

Interior Spatial Segmentation – IDEA SPACES – His/Her Spaces

When **Privacy** becomes **Priority**!

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Take Aways

We have to be ‘smarter’

Segmentation by:

- Lifestyle/Community
- Lot Configuration – demographic
- Home Configuration
- Interior Space

→ **Personalization is consumers’ wants**

→ **Idea Spaces**

→ **Width sells and provides blank design canvas**

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Housing Typologies -
The Missing Middle

Image Courtesy:
Daniel Parolek, AIA

Baby Boomer - Felicia

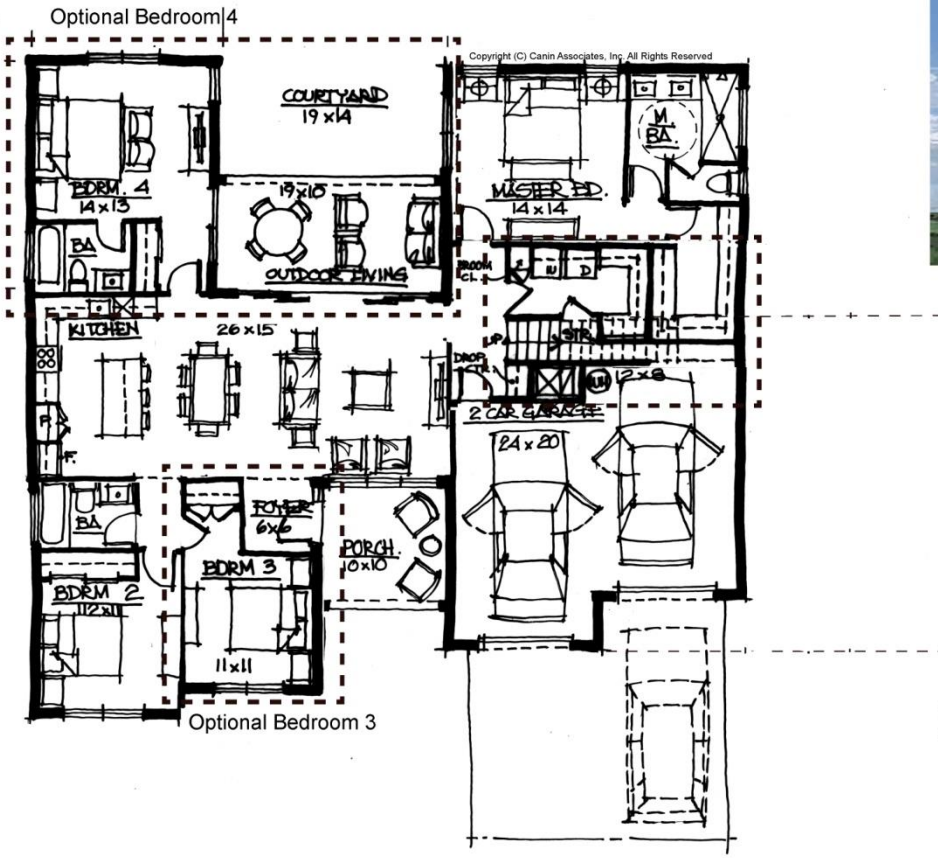
Elevation A

Elevation B

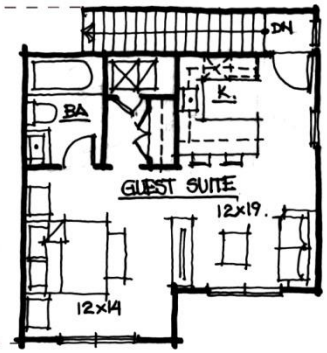
Elevation C

Base Model: 3 bed, 2.5 bath, 1,664 sq. ft.

Baby Boomer - Felicia



Elevation C - Guest Suite Option



Second Floor Plan - Guest Suite Option

Scale 3/16"=1'.

With Options: 4 bed, guest suite
3.5 bath, 2,620 sq. ft.

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Baby Boomer - Salvia

Elevation A

Elevation B

Elevation C

Base Model: 3 bed, 2.5 bath, 2,119 sq. ft.

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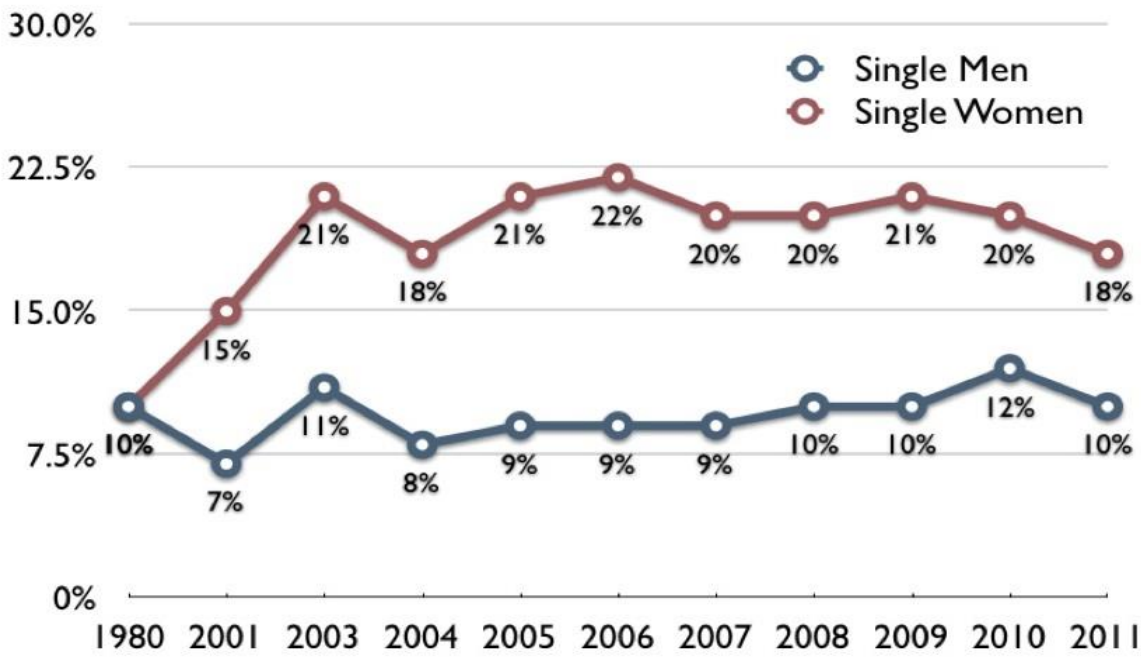
Baby Boomer - Salvia

With Options: 4 bed, guest suite, 3.5 bath, 2,958 sq. ft.

Jewel Box Homes

SINGLE MEN VS. WOMEN BUYERS



Jewel Box Homes

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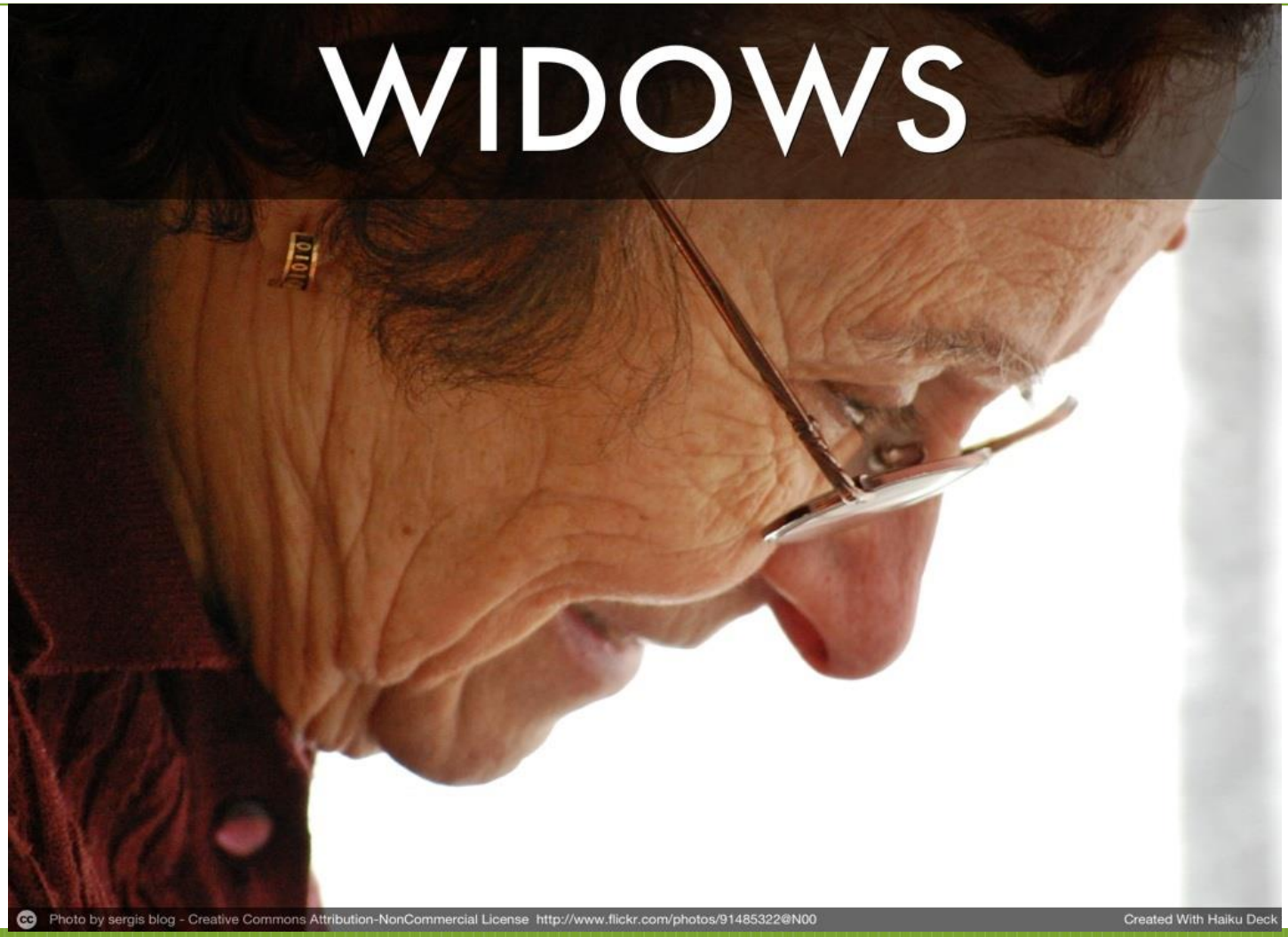
Jewel Box Homes



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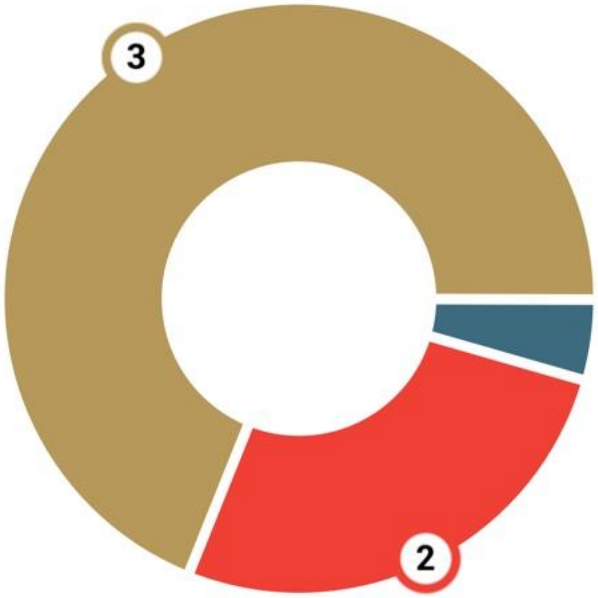
Jewel Box Homes

NUMBER OF BEDROOMS



1	1 Bedroom	4%
2	2 Bedrooms	27%
3	3+ Bedrooms	69%

Jewel Box Homes

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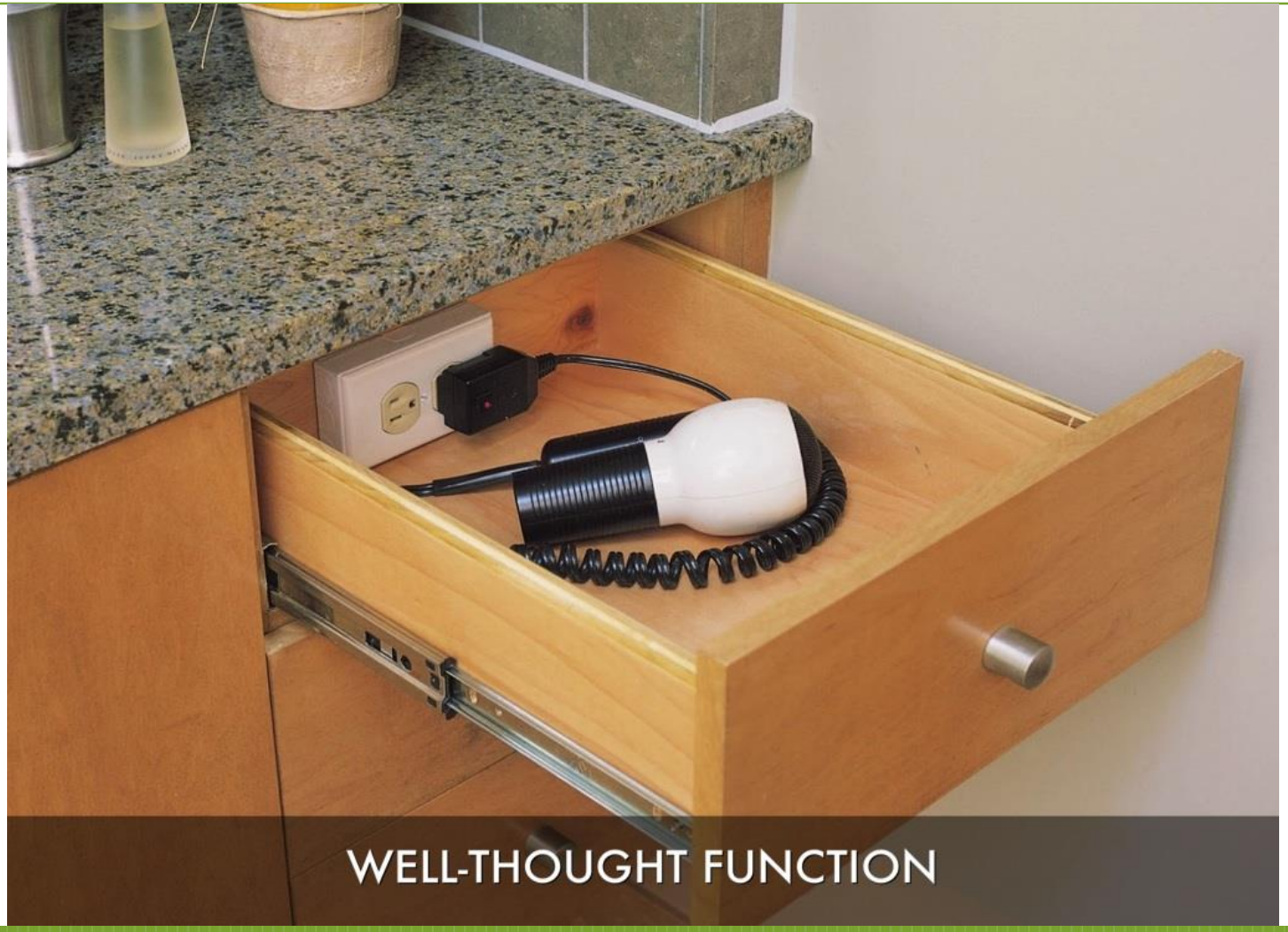
Jewel Box Homes

Jewel Box Homes

Jewel Box Homes



Jewel Box Homes

Jewel Box Homes - Sapphire

3 Bdrms, 2.5 bath,
2,030 sq. ft.

Jewel Box Homes - Sapphire

3 Bdrms, 2.5 bath,
2,030 sq. ft.

Jewel Box Homes - Garnet

2/flex Bdrms, 2.5 bath, 1,891 sq. ft.

Jewel Box Homes - Garnet

2/flex Bdrms, 2.5 bath, 1,891 sq. ft.

The Missing Middle

Three Residential Typologies (Comparative Land Values)

Home Type	DU/AC	Sq.Ft./DU	(1) Unit Selling Price	(2) Lot Price	(3) Lot Value /AC	(4) Total Sales Value /AC
Standard Lot	3.5	3,500	$ 472,500	$ 94,500	$ 330,750	$ 1,653,750
Jewel Box	9	1,800	$ 243,000	$ 48,600	$ 437,400	$ 2,187,000
Micro Homes	20	900	$ 121,500	$ 24,300	$ 486,000	$ 2,430,000

NOTE:
(1) Unit sq.ft. x $135
(2) 0.2% x Unit Selling Price
(3) Lot Price x DU/AC
(4) Unit Selling Price x DU/AC

Standard

Jewel Box

Micro Homes

Urban Land Institute

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No Matter How You Slice You It:
Product Segmentation Trends

Gregg Logan, RCLCO

Nick Lehnert, KTGY

Brian Canin, Canin Associates

Page Pierce, Disney Resort Real Estate Development

Urban Land Institute

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The Golden Oak Buyer

Our Buyers:

- Tend to be “Disneyphiles” – specifically “Worldphiles”
- High net worth ($10M+)
- Average age of the head of household is 51 years old
- Most are married with children, some have grandchildren
- 83% domestic, 17% international
- Residents are primarily from East Coast and Midwest states
- 72% vacation homes, 28% may be full-time residents
- 63% of our residents are Disney Annual or Seasonal Passholders and 33% are Disney Vacation Club members

GOLDEN OAK
At Walt Disney World Resort

Our Direction:

- We’ve had several directional changes throughout the project. We’ve noticed certain trends that have caused us to re-evaluate our original plans.
  - We’ve noticed that buyers prefer larger homes and larger homesites, so we have adjusted the overall project to allow for larger lots and larger homes
  - Residents have been showing a heavier use of the Clubhouse than anticipated and enjoy exclusive parties, events, unique programs, and activities
  - We have started looking into expanding our community Clubhouse, because we have noticed operational trends that suggest our current Clubhouse might not be large enough

Initial Product Segmentation

- **Village Homes** | Kimball Trace (37 lots) & Marceline (75 lots)
  - 3,000 – 6,000+ sq. ft.
  - 4 - 5 Bedrooms
  - 4 ½ - 5 ½ Bathrooms
  - 2 Car Garage & Golf Cart Garage
- **Estate Homes** | Silverbrook (19 lots)
  - 5,000 – 7,000 sq. ft.
  - 5 - 6 Bedrooms
  - 6 ½ bathrooms
  - 3 Car Garage
- **Grand Estate Homes** | Carolwood (25 lots)
  - 6,500 – 12,000 sq. ft.
  - 6 - 7 Bedrooms
  - 7 ½ Bathrooms
  - 4 Car Garage

Key Attributes of a Golden Oak Home

Key Attributes

- Each home follows strict architectural standards and guidelines
  - Only authentic materials are allowed
  - Must fall within one of nine specified architectural styles
- Residents want to accommodate visiting family and guests
  - Tend to have 5+ bathrooms
  - Full kitchens, not vacation-oriented kitchens
  - In-suite bathrooms
- Privacy and outdoor living are important to our residents
  - Almost all homes have private pools, summer kitchens, and expansive outdoor living space

Unique Trends in Golden Oak

- Private elevators
- Larger homes
- 2+ car garages
- Plunge pools/outdoor living
- Technology
  - All on/all off home remotes
  - Phantom screens
- Complete furniture packages
- Spec/inventory homes
- More interest in complete homes than custom design

The Golden Oak Club

- **Clubhouse – *Summerhouse***
  - Originally designed at 17,000 sq. ft. with a focus on family
    - Markham's Restaurant
    - Tyler's Lounge
    - Resident Services
    - Outdoor Heated Lap Pool
    - Fitness Center
    - Family Game Room
    - Meeting Space
    - Fire Pit
    - Outdoor Seating

Our Direction

- Residents expect a high level of service and availability
- A sense of community is strongly desired, and community events are very well-attended
- Residents tend to dine in large parties (6-16), sometimes with guests and sometimes with other residents and their families
- Residents prefer to eat exclusively at Summerhouse when they are in town, along with the many unique dining experiences available throughout *Walt Disney World*® Resort
- Residents desire private parties facilitated by the Summerhouse team

Future Golden Oak Products

- **Four Seasons Private Residences**
  - Further segmentation for customers with affinity toward Four Seasons and Disney
  - 30 single family homes
  - Exclusive access to both Four Seasons amenities and the Disney Connection
- **Golden Oak Condominiums**
  - Further segmentation for buyers interested in condominium living
  - Views of Magic Kingdom fireworks
  - Unique amenities and features

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