




## EAVESDROPS

 What's **LGI Homes** in Conroe, Texas, doing to grab 20 sales/week in three communities? Wouldn't we all like to know? To increase sales year-over-year the small home builder holds fast to its tried and tested philosophy — old fashioned direct mail sales and marketing. EVP **Mike Snider** believes direct mailing to residents of local rental apartments attracts around 120 potential customers/week to three Texas communities. Of these potential buyers, only a limited amount qualify due to credit constraints but LGI captures roughly 17% of home seekers who walk through their doors. LGI boasts increases in sales at the same three subdivisions: **Sunrise Meadow** and **Creekside Village** in The Woodlands, Texas, and **Canyon Crossing**, San Antonio during the past three years. In 2006 the builder sold 418 homes; in 2007 LGI experienced 434 sales and last year LGI sold 475 homes. LGI's average sales price is \$130,000 for a three-bedroom, two-bath, 1,400-s.f. home. Watch for LGI to expand deeper into San Antonio and Houston.

 And the Chapter 11s keep coming as **Wall Homes** and **Barratt American**'s file in the past several weeks in an effort to maintain operations. Wall Homes files last month after Founder **Steve Wall** implemented a new green building program to meet the green demand less than a year ago. Founded four years ago by Wall, the former CEO of Choice Homes, builds product ranging from \$80,000 to \$200,000 in the Austin, Dallas/Fort Worth, San Antonio and Houston areas. Wall's bankruptcy follows on the heels of Barratt American's Chapter 11 filing in Southern California in December. President **Mick Pattinson** files for bankruptcy protection and continues to build custom homes and fire replacement homes for victims of 2007's wildfires, while restructuring the company. Plans include holding off on spec home building and instigating new home construction in 2010. Barratt American owes Bank of America around \$71M after a surprising freeze of the company's assets. Barratt American also owes over \$21M to creditors.

 Almost 1 sale per week and the construction start of a second phase are not the only things keeping **D.R. Horton**'s 250-unit **Creekview** community in Austin, Texas, bustling with activity. The builder hosts a local real estate expo this weekend. More of an educational seminar presentation rather than a sales pitch, D.R. Horton wants to provide information to home buyers who may still be on the fence about purchasing a new home so that they can make an informative decision. If a few homes sell in the meantime, we're sure no one would mind. Creekview's Sales Agent **Daisy McLester** manages to sell 3 homes last month despite current challenges in the Austin market. Phase I nears completion and D.R. Horton expects to commence construction of Phase II later this month. Single-family homes range from 1,508 s.f. to 2,009 s.f. prices start from the low-\$190,000s.

LGI Homes (Corporate Headquarters): 19221 I45 S., Suite 200, Conroe, TX 77385. Mike Snider, EVP, (281) 362-8998. [msnider@lgihomes.com](mailto:msnider@lgihomes.com)

Reprinted with permission from Crittenden Publishing Inc. Copyright © 2009 Crittenden Research, Inc.  
For more information or to subscribe to *BuildersReport* or any of our other newsletters,  
please call 800-421-3483, e-mail [april@crittendennews.com](mailto:april@crittendennews.com) or visit <http://www.crittendenonline.com>.