



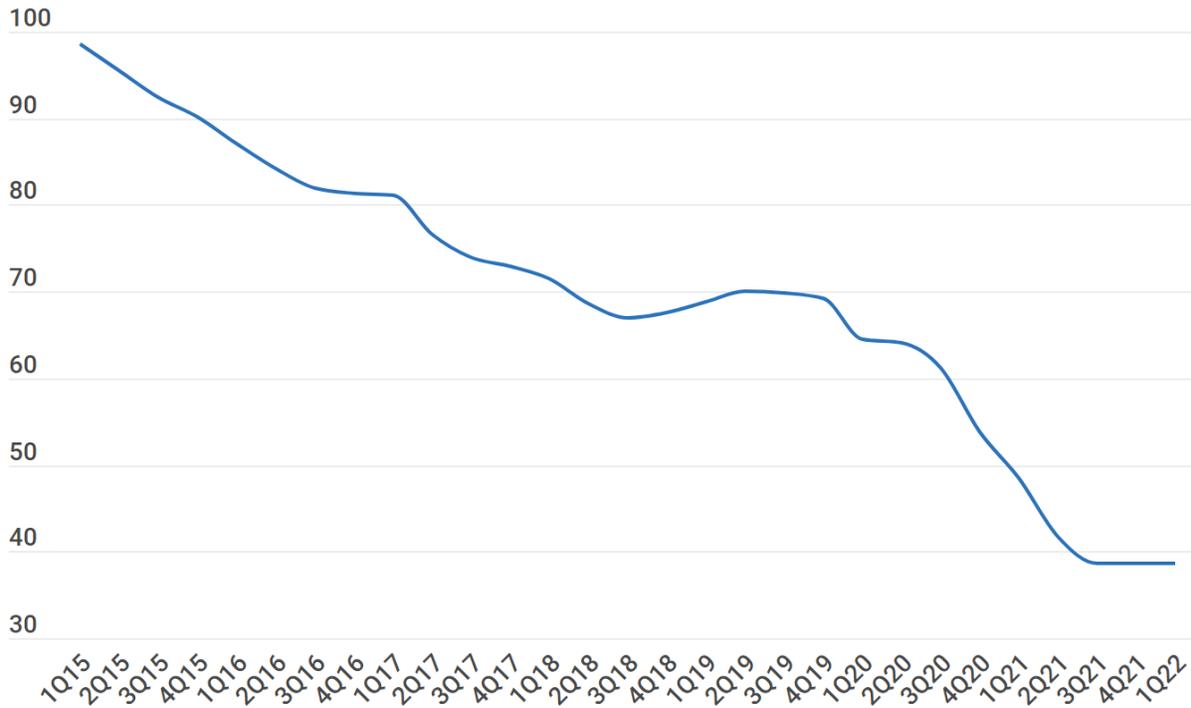
New Home Lot Inventory Remains Flat In 1Q22, Zonda Reports

—Pipeline continues to heat up for deliveries in second half of the year—

NEWPORT BEACH, Calif., May 18, 2022—Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Lot Supply Index (LSI) for 1Q22. The New Home LSI, backed by data from Zonda, shows lot supply tightened year-over-year across the United States. The index is a residential real estate indicator based on the number of single-family vacant developed lots and the rate those lots are absorbed.

- The New Home LSI came in at 38.6 for 1Q22, representing a 20.4% decrease from 1Q21.
- On a quarter-over-quarter basis, supply decreased by 0.2%, essentially flat from 4Q21.
- Nationally, the 1Q22 data reflects a significantly undersupplied market.

New Home Lot Supply Index



Source: Zonda; Data as of 1Q22

“Lot inventory flattened quarter-over-quarter, which represents a notable change from the consistent decline over the past couple of years,” said Ali Wolf, chief economist at Zonda. “Homebuilding starts with lots and the flattening trend captures the time and money invested in land development since the start of the pandemic.”

Lot supply trended below 1Q21 levels in almost every top market across the country.

- Lot inventory in all the top markets remains “significantly undersupplied” but lots going through capital improvements suggest vacant developed lots should rise over the next 6-18 months.
- The top three markets where land supply tightened the most on a year-over-year basis were all in Florida. The year-over-year declines were led by Jacksonville, Tampa, and

Miami. Similar to most areas in the country, builders in these markets have been burning through their available lots in attempts to meet demand.

- Los Angeles/OC, Miami, and Jacksonville currently have the tightest lot supply among major markets.
- The LSI grew quarter-over-quarter in 12 of Zonda's select 30 markets, even with last quarter. On a quarter-over-quarter basis, Austin and Indianapolis grew the most, up 18% and 17%, respectively.

New Home Lot Supply Index By Market

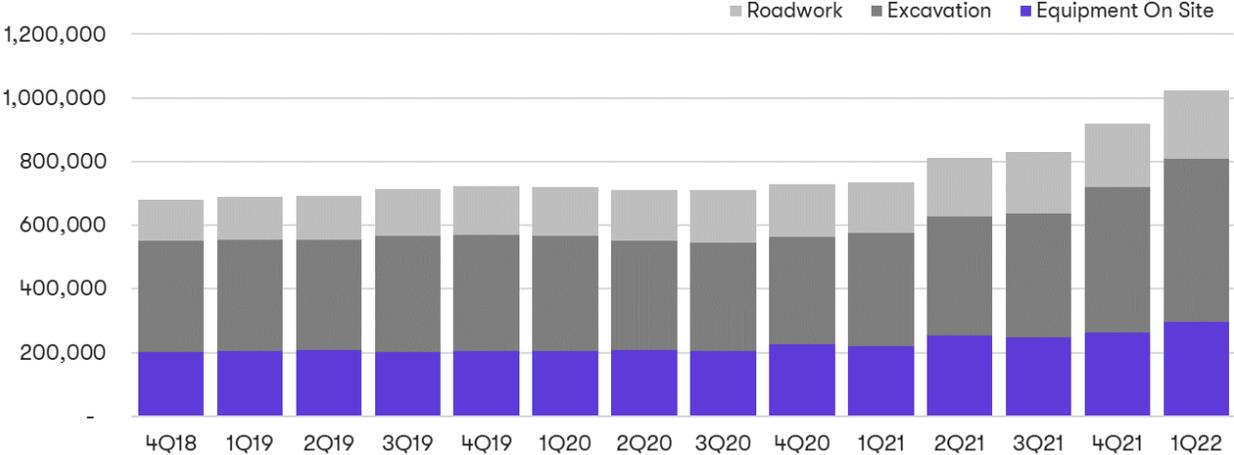
Significantly Undersupplied Markets	Index Value (YOY Change)
Atlanta	48.7 (-17%)
New York	47.5 (-25%)
San Antonio	46.3 (-19%)
Dallas	45.1 (-20%)
Boise	44.8 (12%)
Austin	44.7 (0%)
Denver	42.7 (-19%)
Minneapolis	42.7 (-16%)
United States	38.6 (-20%)
Sacramento	38.6 (-30%)
Philadelphia	38.4 (-5%)
Riverside/San Bernardino	38.2 (-11%)
Houston	37.6 (-21%)
Phoenix	36.1 (-27%)
Portland	35.5 (-26%)
Salt Lake City	35.4 (1%)
San Francisco	34.8 (-21%)
Indianapolis	34.8 (-22%)
Orlando	33 (-25%)
Raleigh	31.5 (-17%)
Las Vegas	28.3 (-27%)
Charlotte	27.7 (-21%)
Seattle	26.4 (-28%)
Nashville	25.5 (-28%)
Washington, DC	25.3 (-15%)
Tampa	25.3 (-41%)
Baltimore	25.1 (-17%)
San Diego	23.3 (-7%)
Jacksonville	23.2 (-46%)
Miami	20.3 (-40%)
Los Angeles/OC	16.4 (-35%)

Source: Zonda; Data as of 1Q22

Zonda tracks future lots through the stages of development. The stages range from raw land through streets in, which is the last step before the lot becomes a VDL. Zonda groups the last few stages into a classification called total upcoming lots, which implies delivery within the next 12 months.

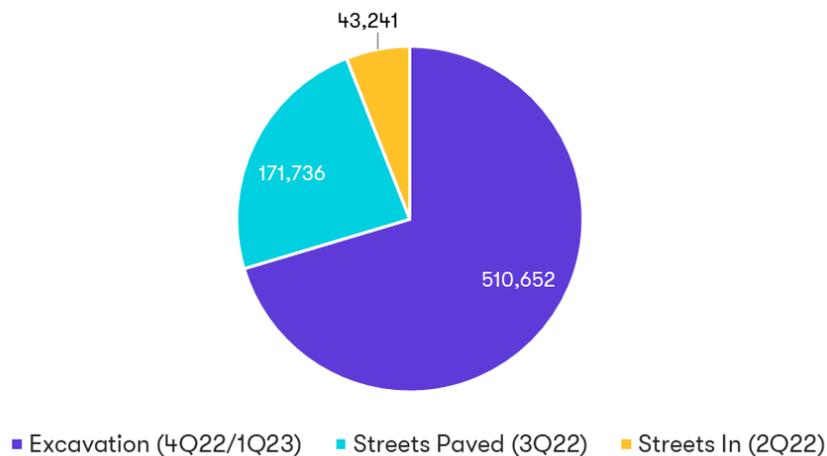
Total upcoming lots for 1Q22 increased 39% year-over-year and 11% from last quarter alone. The largest annual gains among the total upcoming lots came in the equipment on-site stage, which grew 40% from the same time last year and implies expected delivery in the following quarter. The current majority of total upcoming lots fall in the excavation stage, making up 70% nationally and have an expected delivery between 4Q22 and 1Q23 (the range represents different timeframes from local entitlement processes). Note, not all the lots in excavation will match Zonda’s estimated timeline.

Total Upcoming Lots - United States



Source: Zonda

Expected Vacant Developed Lot Delivery Based on Stage of Construction



Source: Zonda

“Homebuilders are finding it difficult to quickly get more homes built because of the land, labor, material, and governmental shortages and delays,” says Wolf. “The same challenges apply to land and lot development, which is impacting availability. However, there is light at the end of the tunnel. Our total upcoming lots data tells us more vacant developed lots should become available over the next 12 months.”

Methodology

The Zonda New Home Lot Supply Index (LSI) is built on proprietary, industry-leading data that covers the production new home market across the United States. The index values represent single-family vacant developed lot supply, lots that are ready to be built on, relative to equilibrium. Released quarterly, the New Home LSI provides an unrivaled look into the lot markets across the country, offering a current quarter snapshot as well as insight into the directional trend.

The New Home LSI is calculated based on each markets’ specific equilibrium as determined by our team of local experts and historical activity. The comparative current value is adjusted to capture the “true” months of supply figure by applying a greater weight to vacant developed lots in subdivisions with more starts activity. Each index value is associated with a phrase highlighting the current lot supply dynamics. A value of 100, represents perfect equilibrium, while a value of 125 and above equals “Significantly Oversupplied”, 115-125 - “Slightly Oversupplied”, 85-115 - “Appropriately Supply”, 75-85 – “Slightly Undersupplied”, and 75 and below – “Significantly Undersupplied.”

The foundation of the index is a quarterly release conducted by Zonda. It is necessary to monitor residential lot supply to understand how new home markets may be impacted by the incoming pipeline.

About Zonda

Zonda represents the housing industry's leading provider of rich data and the industry's top advisors for residential real estate development and new home construction. With products and services geared for homebuilders, multifamily developers, lenders, and financial institutions, we provide innovative solutions to maximize opportunities in today's real estate development landscape. To learn more, visit zondahome.com.

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