



# SPRING NEWSLETTER

## ARE WE THERE YET? THE REAL ESTATE MARKET RECOVERY

A recent study of homes listed for sale across 40 US cities shows that current market inventory represents less than one quarter of past peak levels.

### What does this mean?

It seems every day we are bombarded by messages in the media regarding the housing market, which are very confusing and mostly contradictory. Rather than create more confusion and contradiction, we've used this piece as a study of the facts, just the numbers. Period. From here, you can decide.

### What do we know for sure?

The housing market blew up in response to the recession. (Ctd. pg 2)

## TAX-FREE WEALTH SEMINAR - LAS VEGAS

**Sunday 1 May 2011 9:00am**

Find out how to duplicate what only 2% of Americans (the rich ones!) know about creating a fortune.

Equity University experts have designed a course to help you uncover a unique (and under-utilized) tool for creating tax-free wealth in today's market - the self-directed IRA.

Learn to harness the power of the self-directed IRA's tax benefits, while discovering investment strategies that are succeeding right now, despite the current market. Now, more than ever, it is vitally important to use all of the tools available to you to ensure you are building truly lasting wealth.

Register at <http://bitly.com/fTngJD>

## PLAN YOUR SUMMER VACATION NOW!

### July

WYDAHO Mountain Bike Race  
Widespread Panic 3 Day Concert  
7th Annual Targhee Music Fest

### August

24th Annual Bluegrass Festival  
Pierre's Hole 50/100 Bike Race

### September

Grand Teton Trail Running Races  
LOTOJA Bike Race  
Jackson Hole Marathon

## COVING DESIGN

### A SUSTAINABLE APPROACH TO SUB-DIVISIONS

Over the past few years many Investors have asked us the question "Why are your sub-division designs different to a traditional grid style neighborhood design?" The answer lies in two key reasons, Efficiency and Amenity.

The majority of our sub-division designs follow the principles of Coving, a design methodology pioneered by Rick Harrison of Rick Harrison Site Design Studio (RHSDS). Back in Spring last year our newsletter included an article about Prefurbia, the science behind Coving design, or as Rick describes it, "...a science called 'flow'..."

Back to our discussion on Efficiency and Amenity; Coving design has been adopted in our company as a way to deliver our Customers and our Investors with a best in class product.

Let's review Efficiency. Under a Coving design, the majority of residents are able to get home with one turn or less, reducing travel time through the subdivision, mileage and gas consumption. This also translates directly into savings in base infrastructure (Ctd. pg 3)

The result was widespread foreclosures and gluttonous market supply.

### What caused the housing market to blow up?

Forget the specifics of sub-prime lending and focus on basic economic theory that always always drives market behavior. The cost of owning vs. renting closed to par or in some markets, pro-renting, making it more and more desirable to rent, meanwhile the supply of newly constructed homes continued to grow.

### Are we there yet?

To answer the question we started with, we need to determine if the gap between cost to rent vs. own is growing apart, and measure the supply/demand equation for newly constructed homes. The National Association of Home Builders shows seasonally adjusted new construction numbers at 25% of the 2006 peak (Feb. 2011). The National Association of Re-



altors shows a price decline of 30% since the 2006 peak, across the entire country, stretching to 55% in some of the hardest hit markets. Insert near record low home mortgage interest rates and we begin to paint a picture of rising affordability.

Now, obtaining a loan requires good credit, excellent credit perhaps, and many folks have seen their credit scores fall as a result of recession driven defaults. But not everyone. The same folks who drove the market in a sustainable manner before the ridiculous surge through the middle of the decade, still exist.

### So what moves prospective home Buyers off the fence?

A combination of the factors above plus a growing economy; a reduction in unemployment and an in-

crease in consumer confidence. Watch these metrics carefully over the coming months.

In summary, the numbers so far suggest we should expect to see a return to home buying in the near future, but beware, any return to home buying will see home prices begin to increase.

### Still need more numbers?

A new study by Deutsche Bank highlights the incredible strides made recently in housing affordability. Firstly, the analysis finds that homeowners now pay just 9.8% of their income in after-tax mortgage, tax, and insurance payments. That's down from 17.2% at the bubble's peak in 2007, and by far the lowest number in the Deutsche Bank database, going back to 1999. Secondly, the cost of owning compared with renting, should also inspire potential buyers. In 28 out of 54 major markets, it's now cheaper to pay a mortgage and other major costs than to rent the same house. What's most compelling is that in all of the distressed markets, owning now wins by a wide margin. For example -- owning now costs 34% less than renting in Atlanta. In Miami the number is 17%.

### Distressed or Non-Distressed Markets

Las Vegas, Phoenix and Miami are examples of Distressed Markets where the highest of the high = the lowest of the low. Markets such as San Francisco, Seattle, Minneapolis and Texas experienced more stable growth and more manageable declines making them prime examples of Non-Distressed Markets.

Moody's Analytics forecast that prices will rise three to four points faster than inflation for the next few years in virtually all of the non-distressed markets, adding that these prices will increase in line with rents. Non-distressed markets are also expected to lead the way in new construction.

For Distressed Markets, MIT economist William Wheaton predicts a flow of around 1 million foreclosures a year from now through 2013. The vast bulk of these units, are being converted to rentals either by investors or their current owners. Outside of 'the numbers' history has proven that good deals and sunny locations are always in demand. Investors are already swooping, the balance will be determined by pace at which the nation returns to confidence with reductions in unemployment.

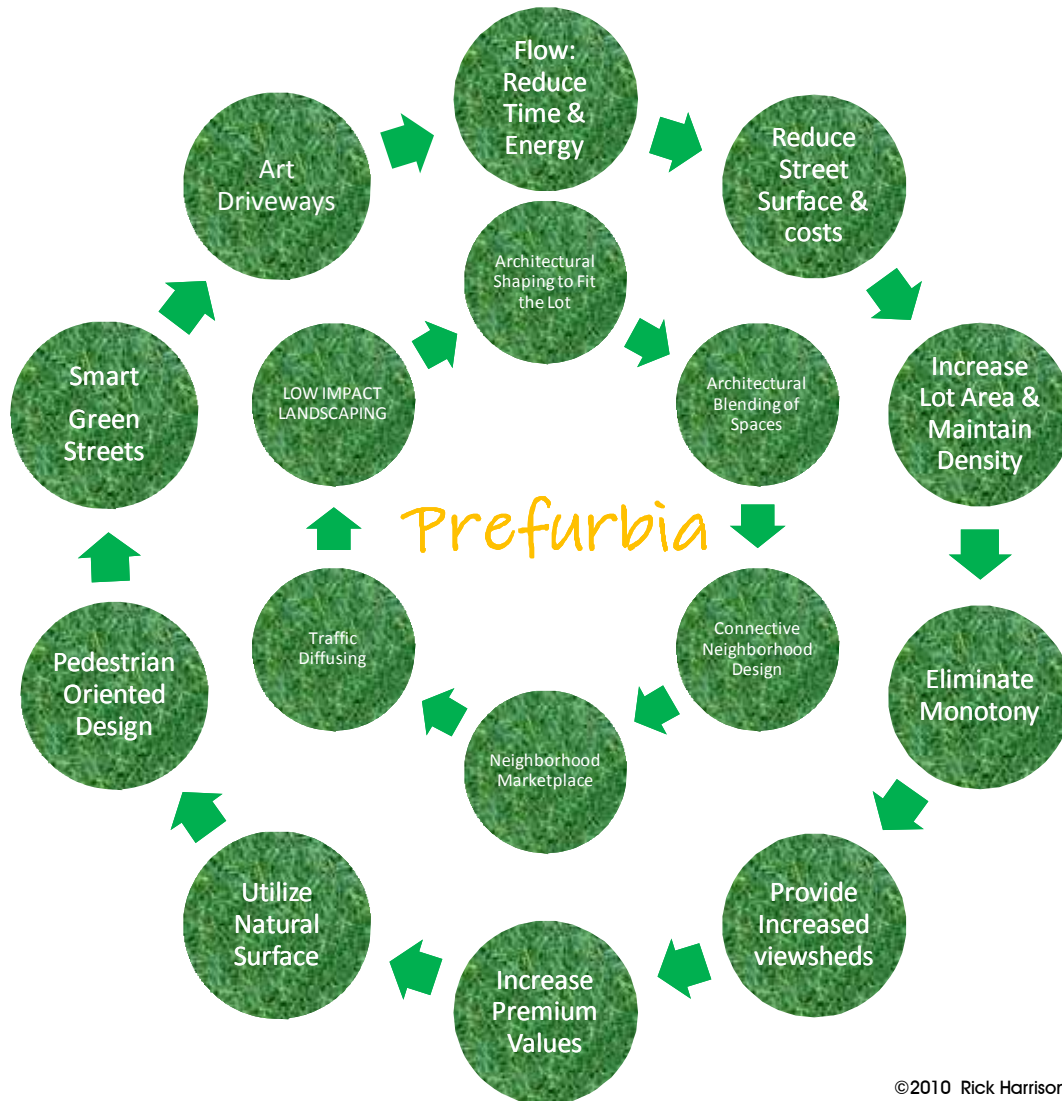
*(Content excerpts credited to Shawn Tully, Senior Editor, Fortune Magazine, Real Estate - It's Time to Buy)*

## Coving Design - A Sustainable Approach to Sub-Divisions (Continued from page 1)

construction cost, reducing the amount of road, curb, pipe and cable required to deliver basic services to our Customers. RHSDS has undertaken studies on a number of different subdivision designs throughout the US, analyzed ordinances and exposed incredible efficiencies, which translate into long term sustainability benefits for our planet. In one example alone, a comparison of a traditional grid style neighborhood against a Coving design exposed over 11,000 gallons of fuel wasted which is equivalent to 50 weeks worth of travel time for 7 families. With over 600 designs completed, RHSDS has consistently delivered designs, which reduce street length by 20-25%.

With so much paving removed from roadways, Coving design allows for an increase in open space, providing opportunities to further reduce infrastructure cost by creating natural basins for drainage

Increasing Open Space brings us to begin the discussion on Amenity. By virtue of the Coved design, the sub-



division layout forms a meandering style which delivers equal density to traditional sub-division design but provides a change in scale which gives a sense of increased space. Angles formed by the meandering road provide more open views for all residents and increases pedestrian connectivity throughout the sub-division encouraging, walking, sharing, community interaction.

With the combined benefits of Efficiency and Amenity, we are able to offer a great product to the market with multiple points of difference, creating our opportunity to increase returns to Investors.

For more information, go to [www.rhsdplanning.com](http://www.rhsdplanning.com) or pick up a copy of Rick's book, *Prefurbia*.

# SUMMER EVENTS IN THE TETONS



This summer's adrenalin events kick off on 4th of July Weekend with the Annual WYDAHO cross-country mountain bike race at Grand Targhee resort. The race features expert, intermediate and beginner class races. Experts race 3 laps of the 7 mile loop of Rick's Basin trail, intermediates 2 laps, beginners 1 lap. Later in July, Grand Targhee's Down Hill Mountain Bike Race series will commence with a heart pounding descent of Fred's Mountain. The 3 race series continues through the end of summer.

Closing out the Mountain Bike scene in 2011 is the granddaddy of the season, Pierre's Hole 50/100 Mile Endurance Mountain Bike Race to be held on Saturday August 6th. The race course is situated under the three Tetons Grand, Middle, and South Teton; with single track loops at Grand Targhee Resort, descending Mill Creek and the ascending of Teton Canyon via drainages wrapped with single track. In 2011 the 100 Mile race will join the 2011 Kenda National Ultra Endurance (NUE) Series.

For those who prefer off-road running, the Grand Teton Races will be held on Labor Day Weekend. The event includes a 10k Trail Run; a Trail Marathon; a 50 Mile Trail Run and a 100 Mile Trail Run.

On the eastern side of the Tetons, Jackson Hole will host Bike Week beginning on Labor Day weekend and culminating in the 206 mile Logan to Jackson (LOTOJA) bicycle race. LOTOJA is a European style road racing classic featuring three mountain passes in the first 110 miles of the race.

Summer Music is spearheaded by Widespread Panic playing a three-day show at Grand Targhee Resort, July 1-3 as part of their 25th Anniversary Tour.

Mid July, features the 7th Annual Targhee Music Fest with an eclectic gathering of premier performers on an intimate stage tucked into the shadows of the Tetons. Performers include: Michael Franti and Spearhead; Grace Potter and the Nocturnals; Little Feat; Sharon Jones and the Dap Kings; James McMurtry; Funky Meters; Jason Spooner; Sarah Barielles; Bonerama.



Rounding out the summer music scene is the 24th Annual Targhee Bluegrass Festival held from August 12 - 14 showcasing some of the best finger-pickin' talent in the industry. Past performers include: Sam Bush -- Yonder Mountain String Band -- Railroad Earth -- String Cheese Incident -- Steep Canyon Rangers -- Mike Marshall -- The Waybacks -- Drew Emmitt Band -- Danny Barnes -- Punch Brothers...many more.



970 W BROADWAY  
#446  
PO BOX 30,000  
JACKSON WY 83002  
(800) 914-2689  
(307) 733-8200 FAX

THOM@TETONLANDDEVELOPMENT.COM