

Q&A – Houston Chronicle – Release date TBD

Q.: What is your company's outlook (general forecast or projections) for the Houston area in the New Year?

A: **Perry Homes is looking forward to a positive 2008. Based on a strong economy and the fact that Houston's housing market remained stable during the past several years, Houston's new home forecast is much stronger than the national outlook. Plus, homebuyers continue to seek established quality and value – both hallmarks of Perry Homes.**

Q.: How has the Houston division fared compared to nationwide downturn in new-home sales?

A.: **While Texas saw a slight decrease in sales this year, the Houston housing market has remained strong due to a stable economic environment. In fact, continued job growth and an affordable cost of living compared to the rest of the nation boosts Texas toward the top of the U.S. housing market.**

Q: Additionally, how has the buyer demand or your company's expansion plans been affected based on specific areas within the Houston market (such as Inner Loop vs. Outer Beltway) and product lines (townhome vs. traditional single-family)?

A.: **Perry Homes builds one-, two- and three-story homes and townhomes in more than 50 communities throughout Houston, and homebuyer interest has remained steady around the city. While sub-prime lending has negatively affected some homebuyers in lower-priced communities, Perry Homes continues expansion in more higher-end communities where we have most recently seen the greatest success. Plus, we have seen an increased demand for large, one-story luxury homes. This increased interest in a product line we offer throughout Houston has significantly contributed to our 2007 success.**

Q: What new sales promotions or programs are planned for 2008? How is the Houston division planning to adjust to a softer market in 2008?

A: **We are looking forward to a banner year in 2008 with several special incentives planned. And, as always, we will continue to work with future homeowners to try to meet their needs throughout the entire home buying process. Offering a quality-built home, completed on time is one of Perry Homes' hallmarks. Our homes are typically completed in four months or less, not six months or more. This means homebuyers can plan to move-in to a new Perry Home that matches their lifestyle and meets their needs. Homebuyers can rest assured knowing that every home we build must meet a high standard of quality – a high standard that we back up with a two-year Workmanship Warranty.**

Q: What communities you are planning to launch or expecting to close out in 2008?

A: **Perry Homes has plans for many new communities in and around Houston, including Aliana, set to open very soon. Aliana is a new 2000-acre, master planned community in Fort Bend County. Located between Grand Parkway and FM 1464, the community will feature more than 6,000 homes priced from the \$300,000s to the millions and is set to offer an array of community amenities including a stunning recreation center, a pool and aquatic center and fiber optics to all homes.**

Q: What changes are planned for your product line (such new plans/collections, new features/building materials, energy-efficiency, etc.)?

A: **In response to homebuyer requests, each month Perry Homes introduces nearly a dozen new floorplans. Perry Homes uses high-quality products in the construction of every new home including Sherwin Williams Paint, Elk 30-year shingles and Honeywell Thermostats. And, beginning this year, new Perry Homes will include Price-Pfister plumbing fixtures in the kitchens and baths. New homes will now feature high-efficiency 14.0 SEER Carrier air conditioners. Carrier is one of the largest and most respected HVAC manufacturers in the country. These new air conditioning units use R-410A Puron refrigerant which is environmentally sound, energy efficient, chlorine free and designed to meet 2010 Department of Energy standards. Plus, Perry Homes builds homes that meet or exceed the Energy Star and the Greater Houston Builders Association's Green Initiative guidelines offering benefits that include energy savings, improved indoor air quality and less overall maintenance. All homes are built with insulated low E glass windows with tinted, sunglass panes and LP TechShield radiant barrier sheathing to prevent most of the sun's radiant heat from entering the attic.**

Q: What message would you like to send to prospective home buyers in 2008?

A: **The local economy is stable and home prices in Houston are well below the national median average, creating the perfect atmosphere for buying a home. Plus, lending levels are seeing a return to a healthier environment with qualified homebuyers earning eligibility to get a mortgage. Simply, now is a good time to choose a new home. And now is a good time to be a homebuyer. More and more homebuyers are returning to the basics – quality and value.**

Q: The City of Houston has begun implementing or proposing new guidelines, rules and policies on various development issues that could have a direct impact on builder plans for the future. These issues include requiring developers to set aside parkland or pay fee to expand existing parks; establishing building preservation zones; and requiring traffic studies for high-density projects. How are these measures being received within the building/development community (or your firm, specifically) and what do you think will be the net benefit or detriment to future development activity within the Houston area?

A2: **Perry Homes has always supported efforts to strengthen our community. Our headquarters is here, and many of our employees live and raise their families here. Houston has been so successful in large part because of our diverse population, our low housing costs, and our entrepreneurial spirit. Houston is the envy of many other cities in this respect, and it is critical that we continue our practice of letting consumer demand and the marketplace be the primary force in our city's development, while we proactively address quality of life issues typical of a large growing city. In the meantime, each specific proposal by the city should be evaluated on its own merits with these points in mind.**