

ForeclosureInsight:
Residential Developers

Home Sales
John Laing Homes



Developer Profile

WL Homes, doing business primarily as **John Laing Homes**, and its subsidiaries declared bankruptcy on Feb 19, 2009. It is one of the largest private volume homebuilders in the United States.

Prior to bankruptcy, John Laing Homes maintained 6 operating divisions in California, Colorado, Arizona and Texas, and was licensed to do business in several more.

WL Homes had 105 real estate developments in various stages of development. Projects range from entry-level condominiums, townhomes to luxury estates and are typically located in master-planned communities.

In this Report

- We discuss the impending liquidation scenario of substantially all properties of WL Homes, d/b/a **John Laing Homes**
- We provide a **List of Real Estate Properties of WL Homes** in the Appendix 1 coming on the market, with:
 - **Specific location** – e.g., “Located at Filings 9 & 18 within the Stapleton MPC in Denver Colorado, which is located north of 35th Ave. between Akron Ct. and Wabash St.”
 - **Specific unit number** – e.g., “Bldg 5 Unit 1153”
 - **Minimum release price**
- We also provide other details like contact info and comments from the Chief Restructuring Officer to help you in your investment decision

How to Use this Report for Investing in Fire Sales & PreForeclosures

The impending liquidation of John Laing Homes means that many highly distressed properties will be hitting the market. Either the Trustee of the bankruptcy case will be looking to sell these properties to raise cash for the creditors, or the banks will be looking to sell their claims or soon-to-be foreclosed assets (OREOs). This report will bring you several advantages:

(1) Indicative Pricing

This Report gives you updated indicative pricing that has been presented to the court recently, and is thus a fairly updated sense of where the pricing might start. It also tells you how much money the banks lent to John Laing Homes against each specific property for its development. Since banks

have every incentive to sell the foreclosed or to-be-foreclosed property as quickly as possible as long as their senior secured loan to John Laing Homes is satisfied, they are typically willing to sell the house as long as you are willing to bid exactly the amount of their loan plus interest – essentially, you know how low they will go.

Example: Stonetree Manor

We saw online listings for Stonetree Manor quoting prices around \$650,000. According to the Report, the last appraisal value is pegged under \$600,000 and the bank's release price is under \$200,000. This provides guidance as to the minimum and maximum values for bidding.

(2) Model Homes and Spec Homes

The John Laing Homes website and other websites do not tell you about model homes available and where there are a few spec homes left. This report will. Eg, John Laing's website no longer shows homes available in Breakaway at Arrowood, but the model homes are still available for sale. Because of our access, our reports contain up-to-date information about homes available for sale that you will not find online, or find only long after it is available to savvy and large investors.

(3) Homes under Construction

We also provide a list of John Laing Homes' Lots and Spec Homes under construction, which is not something you'll find easily elsewhere. If you are a builder or institutional investor looking to scoop some large lots on the cheap, look here to be the first-mover.

(4) Status Updates by the Chief Restructuring Officer

We also provide a list of status updates by the Chief Restructuring Officer of WL Homes who indicated in May 2009 the *projects where they are conducting the biggest fire sales*. For example, his comments for certain projects were "Wouldn't be able to sell" or that the asset value was "Wiped Out".

(5) Who to Contact to Buy Homes

Who do you call for bulk sales or OREOs? If you're the sort of investor who looks to buy claims and loans on the cheap, we will also provide a list of these bank claims and the contact information of the people involved in the bankruptcy.

Many banks are involved in John Laing Homes' bankruptcy. The Contact List provides information on the contact person for the bank and the lawyers involved. The report also outlines the banks which have already kick-started the process towards foreclosure.

Details provided:

- Bank Name and Real Estate Collateralized by Bank
- Name & Fax Number of Personnel Involved in Bank
- Law Firm, Lawyer's Name & Address

(5) Subsidiaries and Affiliates/Related Developments

Many of JLH's subsidiaries, which are still afloat and did not declare bankruptcy along with their parent, yet they are now bereft of the financial support of their parent. As a professional investor, you may want to know who they are.

Details provided:

- Name of Entity
- Description – e.g., “Acquire, develop, construct and sell a 68 development of single family detached housing in Carlsbad, CA (Cordelane)”
- John Laing's Interest in the Entity

(6) Homeowners List/Potential Resales

The Homeowners List is a comprehensive listing of all the homes sold by John Laing Homes prior to its bankruptcy. It helps investors and buyers looking for resale homes bought during the boom (ie, these owners are likely to have bought at a high price).

Details provided in the list:

- Name of Development - e.g., “Candela at Westlake” (e.g., this development is mostly sold with some remaining lots and spec homes under construction, so potential resales may be the way to invest)
- Address – e.g., “591 Candela Circle, Sacramento, CA 95835”
- Sale Closing Date

Main differences between the “Abandoned Projects” List and New List of Properties presented in this report:

- This is a more comprehensive list of properties, beyond the list of projects initially abandoned;
- The sales of the Abandoned Projects are already underway and the sales of these properties are starting soon;
- More details are provided about properties in Appendix 1:
 - Specific location – e.g., “Located at Filings 9 & 18 within the Stapleton MPC in Denver Colorado, located north of 35th Ave. between Akron Ct. & Wabash St.”
 - Specific unit number – e.g., “Bldg 5 Unit 1153”
 - Minimum release price

Which projects should you target? The biggest fire sales are probably for the “Abandoned Projects” identified in the Mar’09 report due to the length of time in the market. However, the list of properties in this Jun’09 report have been considered by WL Homes to be of better quality (which is why they did not wish to abandon them initially). For a better investment decision, look at both reports side-by-side.

[The Rest of this Report is Available for Purchase]

Email customer.service@thedownturnanalyst.com to find out more about our independent research updates on John Laing Homes