At Neal Communities, Florida Buyers Are Back

The builder/developer is selling a dozen homes a month.

By Teresa Burney

The last day of May was still young, so Pat Neal wasn’t quite sure exactly how many homes Neal Communities would have sold by month’s end. Forty-four for sure, well past the goal of 37. “But we think we might get 48,” said Neal, the company’s president.

“We have a lot of pent-up demand expressing itself now,” he said.

In April, Neal Communities recorded 54 sales, an average of 1.8 homes a day. For the year, Neal Communities, both a developer and builder, has been averaging 12 sales a month among its communities, and 20 a month in Lakewood Ranch’s Central Park near Bradenton in Southwest Florida.

That’s a sales pace that most builders, much less those based in Florida, haven’t seen in five years.

“We call Lakewood Ranch the center of our universe,” said Neal. There have been 300 sales in the community since it opened two years ago, and 250 of those were made by Neal Communities. The rest were sold by Bruce Williams Homes, Cardel Homes, and Lee Wetherington Homes.

“Home buyers have embraced the concept we have created here: homes for a great value in a gated community surrounded by nature, with a beautiful park in the center of it all,” Neal said.

Neal is predicting the company will sell more than 550 homes in 2012, growing by 30% in sales and 40% in profit. Neal Communities has made operational profits every year during the recession, he adds.

Neal is getting a lot of traction with active adult buyers. Early in the downturn Neal retooled its product, sizing it down, value engineering out costs, and designing to target active adult buyers, which now comprise 70% to 80% of his market.

Next Neal is looking for land where he can build small, cost-conscious homes for young families.

“They will be first-time home buyers, people in apartments, living with Mom and Dad, people graduating from college,” he said. “We will have lots of those people we think in 2014, 15, 16,” he predicts.

Not on his radar is most of the move-up market. Neal says many in Florida are too underwater on their existing homes.

Teresa Burney is a senior editor for Builder magazine.

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