

August 11, 2008

Statement and Analysis from Builder John Laing Homes Regarding Consumer Interest in Foreclosed Homes

IRVINE, Calif. – In response to the rising number of available bank-foreclosed homes, John Laing Homes – one of the leading privately held homebuilders in the United States – offers comment and analysis on the varying advantages and disadvantages of buying foreclosed homes through auctions or similar processes. Buying a home is one of the single-largest decisions a consumer may ever make, and John Laing Homes is committed to ensuring home-shoppers make informed decisions, taking into account all factors including price.

John Laing Homes believes a home should fit each buyer’s family, financial situation, and needs and tastes in home design – all in the best possible neighborhood. With over 150 years of homebuilding expertise on its side, John Laing Homes is currently selling homes in over 27 neighborhoods throughout Southern California, from Port Hueneme in Los Angeles to Rancho Bernardo in San Diego.

All comments attributed to Linda Mamet
VP Sales & Marketing, John Laing Homes Southern California Region

Realities of buying a foreclosed home...

“A foreclosure may appear to offer the best deal on a home, but there are numerous hidden costs. A foreclosed house is sold ‘as-is.’ At times there will be a lot of time and skill involved to undertake a major renovation as well as financial costs, which should be considered if you value your leisure time.”

“Foreclosed homes can offer a good investment, but a neighborhood with multiple foreclosures will drag down property values, taking the buyer’s investment with it. If there are also high HOA (Homeowners Association) delinquencies, the appearance of the neighborhood – and the value of its houses – can be on a downward spiral.”

What about a short sale?

“There are a few very distinct differences between a foreclosure and a short sale. A short sale is in the ‘pre-foreclosure’ process, meaning the bank has given the owner a limited amount of time to sell before repossessing it. This often results in complicated negotiations with both the owner and one or more banks. It can often take up to six months just to get a response to an offer. Home-shoppers taking this route should get ready for three-way haggling, lots of waiting, and possibly no home.”

Hiring an agent

“Hiring a real estate agent to assist in the process can be helpful, but many agents are still learning about foreclosures themselves. Be sure to find an experienced agent that understands the issues related to foreclosures in a way that best protects the buyer. Many banks also lack the

personnel to process the many foreclosures in the marketplace. Buyers often end up on their own.”

Auctions

“Auctions are difficult because a buyer can end up winning the auction but losing the sale. In many cases, if the auction price does not match the balance of the bank’s loan – which is often undisclosed – the bank will cancel the sale. If the buyer does meet this amount, he or she will need to fully inspect the property, then have a check ready for 5% of the price, and close escrow in 30 days. There is no turning back.”

Note to Editors: To schedule a phone interview with Linda Mamet or a representative from John Laing Homes, please contact Bryan DeSena at (310) 791-2759 or bdesena@roddanpaolucci.com.

To view a listing of all John Laing Homes neighborhoods in Southern California, visit <http://www.johnlainghomes.com/FindYourPlace>.

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