



## Press Release

### **J.D. Power and Associates Reports:**

### **Shea Homes Ranks Highest in Overall Customer Satisfaction among New-Home Builders in San Diego For a Third Consecutive Year**

[Shea Homes Ranks Highest in New-Home Design Study,](#)  
[While Lennar Ranks Highest in New-Home Quality Study](#)

**WESTLAKE VILLAGE, Calif.: 10 September 2008** — Shea Homes ranks highest in [customer satisfaction with new-home builders in the San Diego, Calif., market](#) for a third consecutive year, according to the J.D. Power and Associates 2008 New-Home Builder Customer Satisfaction Study<sup>SM</sup> released today. In addition, Shea Homes ranks highest in the New-Home Design Study and Lennar ranks highest in the New-Home Quality Study also released today.

“Home builders have adapted well to changes in the market that have necessitated a shift from an order-taking mode to an intensified focus on sales service and negotiation with prospective home buyers,” said Paula Sonkin, vice president of the real estate and construction industries practice at J.D. Power and Associates. “Strong home-building companies have recognized the importance of offering superior product quality, delivering homes on time and providing skilled sales staff in order to excel in hypercompetitive markets.”

### **Overall Customer Satisfaction**

The New-Home Builder Customer Satisfaction Study, now in its 12<sup>th</sup> year, includes satisfaction ratings of builders in [33 of the largest U.S. home-building markets](#). Nine factors drive [overall customer satisfaction with home builders](#) (listed in order of importance): builder’s sales staff (15%); builder’s warranty/customer service staff (15%); workmanship/materials (14%); price/value (14%); home readiness (13%); construction manager (13%); recreational facilities provided by the builder (7%); builder’s design center (6%); and location (4%).

Shea Homes achieves a score of 857 on a 1,000-point scale in 2008 and performs particularly well in the San Diego market in four of the nine factors: builder’s sales staff; builder’s design center; price/value; and recreational facilities provided by the builder. Following Shea Homes in the market rankings are Lennar (856) and KB Home (820).

The average customer satisfaction index score in San Diego is 811—32 points above the 33-market average of 779. In addition, satisfaction has increased substantially in the San Diego market in 2008—up 29 points in 2007.

“Efforts by builders to respond to changes in the market landscape have contributed to the increase in customer satisfaction in 2008,” said Sonkin. “The role of the salesperson has increased in importance as a driver of satisfaction, meaning that more negotiation is occurring during the sales process. As a result, many home buyers are benefiting from generous sales incentives offered by builders. For example, upgraded features that used to be considered options—such as granite countertops—are now being included as standard, which increases the perceived value of the home and subsequently results in increased satisfaction. In addition, builders are doing a particularly good job of delivering homes both on time and fully complete. With new-home prices on the decline in many areas, as well as larger inventories and renewed efforts of home builders to truly delight customers, it’s a great time for consumers to consider buying a new home.”

The study finds that 98 percent of new-home buyers in the San Diego market report receiving sales incentives. Among San Diego-area home buyers who report receiving incentives when purchasing their home, the average

sales incentive totaled more than \$21,700. The types of incentives that home buyers report receiving most often include closing costs paid by the builder and credit toward options and upgrades.

The study also finds that 43 percent of new-home buyers in the San Diego market perceive that their home is environmentally friendly, but a majority of these home buyers—61 percent—say that their home builder did not identify the home as “green.” The top green features that home buyers believe a new home should include are: energy-efficient heating and air-conditioning units; energy-saving appliances; and energy-saving lighting.

### **2008 New-Home Design Study**

The J.D. Power and Associates New Home Design Study,<sup>SM</sup> now in its second year, measures [customer experiences in 33 markets with design and aesthetic aspects of their new homes](#). Eight factors drive satisfaction with new-home design: floor plan (17%); master/primary bathroom (15%); kitchen (13%); ability to customize (13%); interior comfort/environment (12%); flooring (11%); exterior architectural design (11%); and windows and exterior doors (8%).

[Overall satisfaction with new-home design in the San Diego market](#) has increased to 800 in 2008, up by 25 points from 775 in 2007.

Shea Homes ranks highest in new-home design in the San Diego market, followed by KB Home and Lennar, respectively.

### **2008 New-Home Quality Study**

The J.D. Power and Associates New-Home Quality Study,<sup>SM</sup> now in its second year, measures the [occurrence and impact of construction problems experienced by new-home owners in 33 markets](#). The study utilizes an index that takes into account the number of problems that occur, the severity of problems and size of the home, and covers 41 different problem categories for the following aspects: bathroom; drywall; electrical/appliances; flooring/stairs; home exterior; interior paint; kitchen; windows/doors; and other significant problems..

Lennar ranks highest in [new-home quality in the San Diego market](#), followed by KB Home and Standard Pacific Homes, respectively.

Home quality in the San Diego market has remained stable since 2007, averaging 839 in 2008—up by 1 point since the previous year.

To be included in the studies, San Diego-area builders must have closed 125 or more homes in the market in 2007. The new homes are located in San Diego county.

These studies are based on responses from 50,837 buyers of newly built single-family homes who provided feedback after living in their homes from four to 18 months, on average. There were 387 respondents in the San Diego market. For more comprehensive builder rankings for all 33 U.S. markets, visit [www.jdpower.com/homes](http://www.jdpower.com/homes).

For more information, read an [article](#), watch a [video](#) or view [new-home builder customer satisfaction ratings](#) on [JDPower.com](http://JDPower.com).

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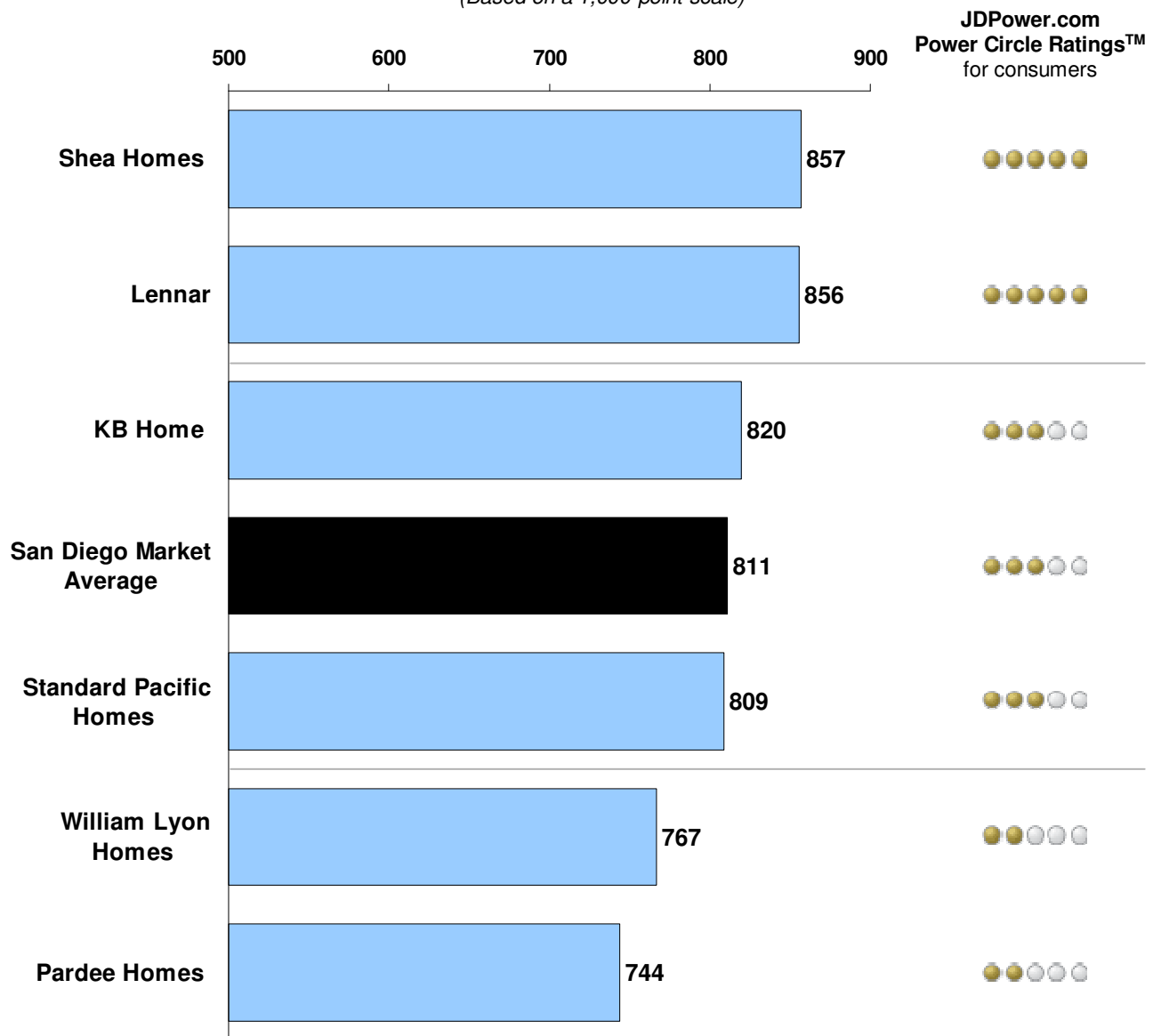
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NOTE: Three charts follow.

# J.D. Power and Associates 2008 New-Home Builder Customer Satisfaction Study<sup>SM</sup>

## Overall Satisfaction Index Scores *San Diego, Calif.*

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2008 New-Home Builder Customer Satisfaction Study<sup>SM</sup>

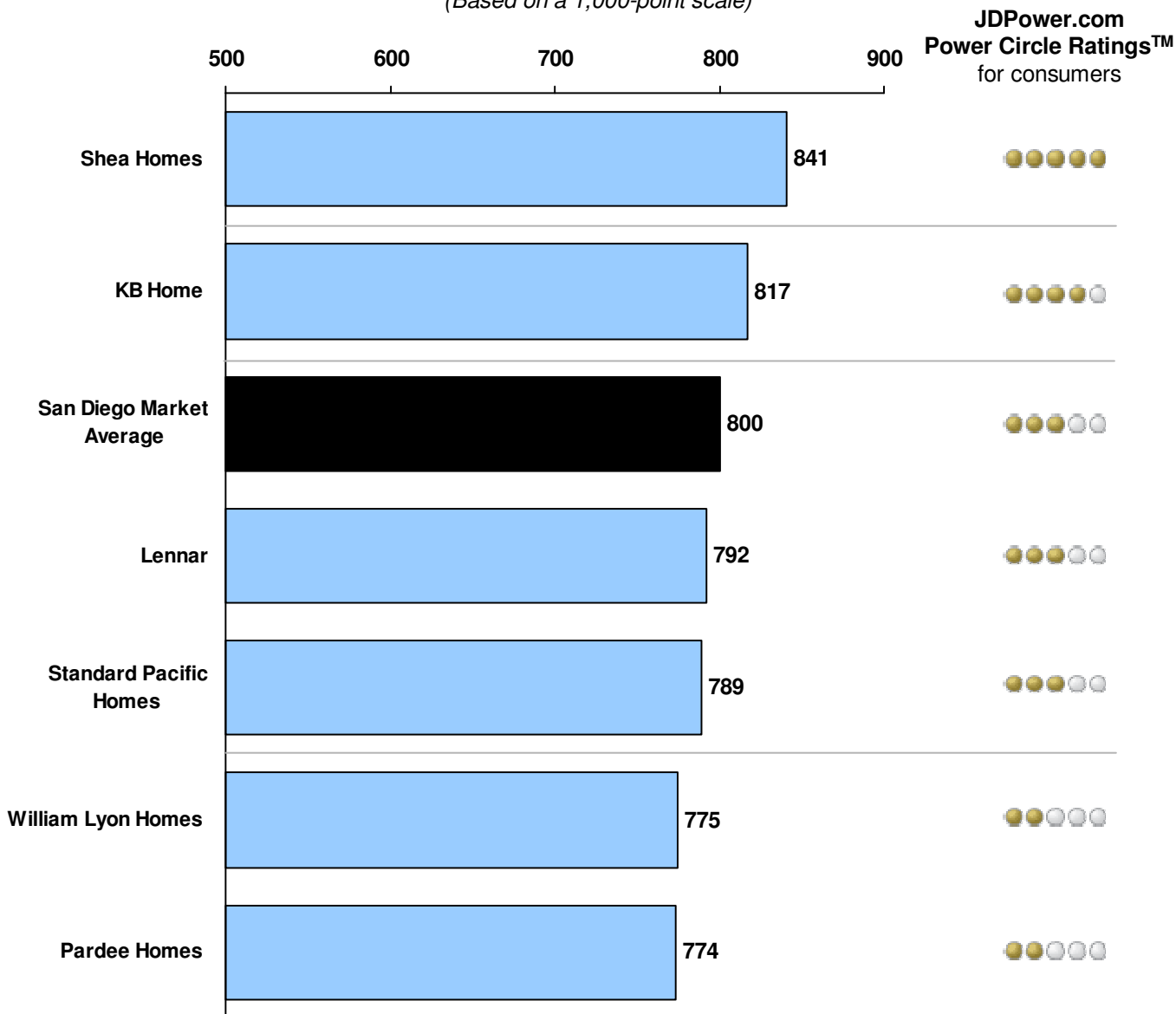
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# J.D. Power and Associates 2008 New-Home Design Study<sup>SM</sup>

## Overall Satisfaction Index Scores

### San Diego, Calif.

(Based on a 1,000-point scale)



Source: J.D. Power and Associates 2008 New-Home Design Study<sup>SM</sup>

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# J.D. Power and Associates 2008 New-Home Quality Study<sup>SM</sup>

## Overall Satisfaction Index Scores *San Diego, Calif.*

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