

NEWS

from

Home

company news from the
particular homebuilder

FALL 2006

Excitement Builds as Portales Breaks Ground

Over the summer months T.W. Lewis broke ground at Portales, finally putting to rest the rumors about which builder had grabbed one of the last big pieces of land within Goodyear's desirable Palm Valley community. Since then, construction on nine T.W. Lewis model homes has gained momentum while interest in this multi-neighborhood development continues to grow.

"We are thrilled to own one of the last large parcels of land in Palm Valley and to be able to produce four interconnected neighborhoods within this property," said Vice President of Land Acquisition and Development Pat Adler. "T.W. Lewis has had much success with planned communities in Chandler, and we are looking forward to taking this concept to home buyers in Goodyear. We feel that bundling T.W. Lewis neighborhoods within a master-planned community builds additional value for our home buyers."

Upon its completion, Portales will encompass 171 acres with 32 acres of dedicated open space. A total of 382 homes comprise Portales' four neighborhoods, named Calderra, Los Vientos, Torremar and San Rafael. Each neighborhood includes a neighborhood park that features a tot lot, ramada and sports court. Connecting the neighborhoods at Portales is a looped trail system with exercise stations.

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Conveniently located just north of the I-10 at Pebble Creek Parkway, Portales is located west of Westcor's planned 1.3 million square foot regional mall, which will bring additional shopping and entertainment to the growing list of venues that exist near Palm Valley. For information on Portales, please visit www.twlewis.com/Portales.

Upcoming Communities

T.W. LEWIS AT BLACKSTONE

Pre-sales Begin October 1, 2006

Models Opening: 2007

Information: www.twlewis.com/Blackstone

PORTALES AT PALM VALLEY

Four T.W. Lewis Neighborhoods

Pre-sales Begin October 1, 2006

Model Opening: 2007

Information: www.twlewis.com/Portales

For more information on the locations of T.W. Lewis communities, see map on reverse or visit our Web site at www.twlewis.com.

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T.W. LEWIS



The Phoenix housing market – my view

Over the course of the last six months or so, much has been said and written about the changes in our housing market here in Phoenix.



Most of the press have jumped on this story because it is of interest to everyone that either owns a home or is thinking about buying one—and that is just about everyone! Because I have been actively involved in the Phoenix housing market for over 25 years, I would like to share with you my observations about where we have been, where we are, and where we are going.

When I came to the Valley in 1979 the housing market was in a bad slump with about 12,000 annual single family home permits and mortgage interest rates near 12%. During the 1980s the market rebounded, as interest rates fell, and the annual permits reached into the 24,000 range. Then we hit another slump around 1988 (with mortgage rates over 10%), and it was a tough market to sell homes. That continued through 1992.

Then, in April of 1993 (I remember the day!) the market came roaring back. Mortgage rates had dropped to around 7½% and all the other key housing drivers were aligned. Let's review what the real forces are that drive any housing market:

1. Low interest rates
2. Credit availability
3. Population & household growth
4. Employment growth

Since April of 1993 our local housing market has grown progressively larger and stronger as Phoenix has expanded from an attractive regional hub to an economic juggernaut that is firing on all pistons! Our growth has been over 100,000 people per year for 30 years—who can top that? But better still, our national reputation as an attractive place to work and play has skyrocketed along with our growth, and all the key ingredients of a healthy major metropolitan area and a solid housing market are in place. So what happened in 2006?

Over the last part of 2004 and most of 2005 mortgage credit became too easily available. Anyone could get loan(s) with no money down! This created some false "demand" as people started buying houses as investments instead of homes, which in turn pushed prices up at an unsustainable rate. In 2005 Phoenix lead the nation in housing appreciation at 35%. (Normal housing appreciation is in the 5 to 10% range.) In response to this artificial demand, land prices

rose dramatically (about 50% in 2005), and Phoenix builders permitted over 60,000 homes annually in 2004 and 2005.

What we now know is that our real market doesn't need 60,000 new homes per year, but more like about 45,000—so builders, encouraged by investor buying, have overbuilt our market. This leaves us with a short term oversupply of homes that will get absorbed as real demand takes place. Most of this oversupply has occurred at the lower end of the market and in the less desirable areas, while higher-end products in more desirable areas are much less affected. At T.W. Lewis we had very solid sales in July and August, which support this conclusion.

As you can probably tell, I'm pretty bullish on the Phoenix housing big picture. As our city approaches four million people I believe we are still only half built and that Phoenix is on its way to becoming a major metropolitan area of seven to eight million people. At the end of the day, however, housing values are still all about location and quality, and that's where I'm even more bullish.

Best regards,

A handwritten signature in black ink, appearing to read 'Tom Lewis'.

Tom Lewis, Owner & CEO 

Foundation awards 50th college scholarship

The T.W. Lewis Foundation recently awarded ten Valley teens with college scholarships. This is the fifth group of students to receive scholarships from the T.W. Lewis Foundation since the scholarship program began in 2002. Since then, the T.W. Lewis Foundation has awarded scholarships to fifty students from Maricopa County high schools.

"This year has been significant for our scholarship program," said Tom Lewis. "We awarded our fifth group of students and also saw the graduation of the first class of scholarship recipients from ASU, University of Arizona, University of Chicago, Harvard, University of Michigan, Pepperdine, Pomona and Santa Clara."

This year's recipients, who are class of 2006 graduates from

Maricopa County high schools, will receive \$5,000 in financial aid per year for four years. The students—selected on the basis of academic performance, demonstrated leadership potential and financial need—can use the funds for expenses at the college or university of their choice. 🏠

T.W. LEWIS
FOUNDATION



The Class of 2006 Scholarship Program recipients are, standing, from left: Derek Frome, Sunnyslope High School, who will attend Stanford University; Thomas Cong, Dobson High School, who will attend University of Chicago; Jessica Guo, Dobson High School, who will attend Columbia University; Amit Srivastava, Mesquite High School, who will attend University of Arizona; Nikhil Nevrekar, Hamilton High School, who will attend University of Virginia; and seated, from left: Kimberly Lin, Desert Vista High School, who will attend University of Pennsylvania; Himali Bhatt, Horizon High School, who will attend Case Western Reserve University; Judith Fan, Chaparral High School, who will attend Harvard University; and Elizabeth Ruiz, Mesa High School, who will attend the University of Notre Dame. Not pictured is Alexandra Clarke, Sunnyslope High School, who will attend Harvard University.

Backpack drive benefits 62 kids

T.W. Lewis Associates coordinated a backpack drive benefiting the children of Aid for Adoption of Special Kids (AASK), a private, non-profit adoption and child placing agency that is dedicated to the placement of children with special needs into permanent, loving homes. Sixty-two fully-stocked backpacks were delivered to AASK to help the children prepare for the upcoming school year.

With funds provided by the T.W. Lewis Foundation, T.W. Lewis associates were able to choose a child to shop for. This approach

afforded associates the opportunity to fulfill each child's specific "wish list," with much attention paid to finding items in each child's favorite colors and styles.

"Our children and families look forward to T.W. Lewis' backpack program because it is child-specific and above and beyond the ordinary backpack drive," said Debra Rickey, AASK Director of the Foster Care Program.

"The kids really enjoy receiving their backpacks and finding the surprises in them."

For more information on AASK, please visit <http://www.aask-az.org/>



Award-winning showroom and design studio celebrates five years

Happy Birthday T.W. Lewis Design Center!

In 2006, the T.W. Lewis Design Center celebrates a milestone event—five years of operation. In this short time, the T.W. Lewis Design Center has achieved success in every imaginable way. It has been recognized with numerous awards; it has doubled its staff and offerings; but most importantly it has satisfied the needs of hundreds of “particular” home buyers.

The success of the Design Center has much to do with T.W. Lewis’ unique “release” process in which features and options are grouped together in smaller phases. “The Design Center is based on a process that first and foremost recognizes that personalizing a home is stressful,” says Design Center Manager Dwight Giese. “Everything is designed around

allowing the home buyer enough time to personalize their home—by providing the selections they desire and access to experienced personnel wherever possible—while keeping construction moving at an efficient pace,” he says.

Since the T.W. Lewis Design Center opened in 2001, hundreds of satisfied home buyers have been through T.W. Lewis’ unique release process. In 2002 and again in 2004, the Design Center took home the coveted award for Best Design Center in America from NAHB’s Sales and Marketing Council.

Additionally, the Design Center has twice received the local MAME award for Best Design Center from the Home Builder’s Association of Central Arizona.

“The success of the Design Center is the result of lots of effort and hard work from everyone—design



consultants, support staff, and of course we couldn’t do what we do without our preferred partners,” says Dwight. “Everyone at the Design Center is looking forward to the next five years of helping T.W. Lewis buyers create their dream homes.” 🏠

Welcome Design Center Manager



Dwight Giese

Over the summer months, T.W. Lewis welcomed Dwight Giese to the role of Design Center Manager. Dwight is excited about bringing his skills and experience from his retail career in designer/couture management to his new role in the Design Center. In his new position, Dwight will oversee all aspects of the Design Center, including staffing, product offerings and ensuring superior customer service. Although Dwight’s prior vocation was retail store

management, his avocation has long been home remodeling and home décor projects.

“The T.W. Lewis Design Center is an incredible asset for our buyers,” says Dwight. “The first time I toured the Design Center, I felt like a kid in a candy store, so I can definitely relate to the way our buyers feel. It’s our responsibility to make the personalization process as stress-free as possible while delivering the utmost in customer service.” 🏠

Construction begins on Blackstone model homes

T.W. Lewis has begun construction on three stunning model homes at Vistancia's exclusive Blackstone community. Blackstone is the first private, gated country club community within the award-winning Vistancia master plan in north Peoria. T.W. Lewis will offer 102 homes in a secluded, all single-story neighborhood that lies behind the guard-gated entrance to Blackstone.

T.W. LEWIS
at Blackstone

"T.W. Lewis is a perfect complement to the Blackstone vision of effortless luxury living within a friendly, country-club setting," says Director of Architecture Patrick McGlone.

"When our Blackstone model homes are unveiled in January 2007, visitors will be awed by the architectural details," he states. "We have been working closely with the developer Sunbelt Holdings to meet their architectural requirements and also to design homes that are in concert with T.W. Lewis' high design standards."

Buyers at T.W. Lewis at Blackstone will be able to choose from five single-story floor plans, which range from 3,029 to 3,511 square feet with options for basement on all plans. Pre-sales are slated to begin in October. Pricing is undetermined and an interest list is now forming at www.twlewis.com/Blackstone. 🏠

Portales gains momentum

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Calderra at Portales will offer six single- and two-story plans, ranging from 2,741 to 4,008 sq. ft. with options for basements on four plans. Calderra will be comprised of 119 homes on lots averaging 70 by 130 feet.


P O R T A L E S

The all single-story Los Vientos at Portales will offer eight floor plans, ranging from 3,012 to 3,530 sq. ft. with options for basements on all plans. Los Vientos will be 95 homes on home sites averaging 80 by 135 feet.

Torremar represents the pinnacle of luxury at Portales. With a typical lot size of 100 by 145 feet, Torremar is comprised of 71 homes. This all single-story neighborhood will offer five floor plans, from 3,500 to 4,400 sq. ft. with options for basements on all plans. And finally, San Rafael will be a phase two neighborhood for Los Vientos.

For more information on Portales, please visit www.twlewis.com/Portales to register for future email updates. Pre-sales for two of the four neighborhoods are slated to begin in October 2006. Pricing is yet undetermined. 🏠

"Welcome Home" new homeowners

Altamonte

Tony Acosta
Mark & Lois Arganbright
Kim & Buenas Atkins
David & Tamera DeMenno
Patricia Hanson
Jerry & Aileen Holland
Gary & Carrie Macon
Doug & Minette Masi
William McDowell
Matt & Carolyn Nicodemus
Christine Gutierrez & Jim Ortega
Scott & Heather Pederson
Edward & Sabrina Smith
Sean & Haleshea Woods

Andorra

Woojin Choi & Sookyung Kim
James & Irene Ground
Hyung-Sup Kim & Young-Sook Hong

Michael & Angela LaBelle
Rodrigo & Rosangela Nardelli
MyTien Nguyen
Dave & Lisa Podesta
Brendon Sarracino & Kristen Kelly
Richard & Mariah Tyler

Desert Springs

William & Barbara Adams
Sam Cotini & Christine Spano
Rebecca & Eric Holt
Pascale C. Levin
Annie Melow & Sean Reynolds
Stephanie Nguyen
Rita A. Patel
Gregory & Milissa Sackos
Bruce & Janet Whitbeck

Finesterra

Alvaro & Nannette Adame
Angel & Angela Cota
Dong-Kyun & Mi-Jung Seo
Ruth Lewis & Karen Taylor
Robin S. Padorr
Robert & Natasha Sebolt
Greg & Jenny Sisung

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Valencia Vision Comes Into Focus

As this issue was going to print, T.W. Lewis was busy putting the finishing touches on its spectacular multi-neighborhood Valencia community in south Chandler. Already thirty percent sold, Valencia is quickly becoming known as Chandler's finest luxury community. For more information on Valencia, please visit www.twlewis.com/Valencia and watch for more photos in the next newsletter!

Our Associates are #1

Theresa Anderson, Design Consultant

As design consultant to T.W. Lewis' "particular" home buyers, Theresa Anderson joined T.W. Lewis three years ago. Since then, she has helped countless home buyers through the selections process while striving to provide the best customer service possible. "I want every client to walk away so excited about their selections that they cannot wait to move into their home," says Theresa.

In order to deliver excellent service to her buyers, Theresa tries to keep up with the latest offerings. "Design is ever changing and you have to know the current trends and always look to what is new and upcoming," she says. "My buyers rely on me to know product, material, color, furniture, design trends and styles. I learn something every day."

With eleven years in the construction business, Theresa understands the impact the selections process can have on installation and the finished product. "As a designer, things can look great on paper," she explains. "However, it's how the design works in the field that is important."

As a native of Arizona, Theresa has seen much in the way of change. Theresa describes Phoenix thirty years ago as "a slow-paced, sleepy town." She says, "If someone would have told me all those years ago that this town would stretch non-stop from south Chandler to north Peoria, I just never would have believed it."

Over the years, Theresa has witnessed the change in design trends, and happily the days of Kokopelli-accented southwest design are long gone. "T.W. Lewis' buyers are sophisticated and they seek a look that is upscale while being in line with their lifestyle needs," says Theresa. "Whether they're going for a look that is Tuscan, Spanish-influenced, or transitional, they've taken the time to educate themselves, and they know what they want." 🏠

Theresa Anderson (center) with two of her many satisfied customers – Mark and Lois Arganbright who just closed on their new T.W. Lewis home at Altamonte at The Fairways at Estrella Mountain Ranch.



Jordan Windows & Doors

As trade partner to T.W. Lewis, Jordan Windows & Doors is a supplier for T.W. Lewis' "glass" which means picture windows, horizontal slider windows, single-



hung windows, not to mention sliding glass doors. The clear advantage for T.W. Lewis and its homeowners is consistent window quality throughout the

home, regardless of the home's size or design.

Headquartered in Memphis, Tenn., Jordan Windows services its western region from its large local office and plant in Tempe. Sales & Marketing Manager Bob Jacot was instrumental in getting T.W. Lewis to switch to Jordan Windows a few years ago, following his move to the company from a competitor. "Just like T.W. Lewis is a 'niche' builder, Jordan Windows is a 'niche' window provider," Bob explains. "The appeal of Jordan is that it's not a mass-producing

window company selling to everyone. We provide a superior product, and our desire is to fulfill the T.W. Lewis commitment by providing the highest quality product."

Jordan Windows is a "true window manufacturing plant" which means they assemble by hand all of their windows and doors locally with the help of skilled craftsmen at their manufacturing plant in Tempe. The process of window manufacturing starts with the glass, and Jordan uses high performance Low-E glass which they purchase direct from the glass manufacturer. Then Jordan cuts the glass down to size using their state-of-the-art optimizer which is automated for precise cuts and the highest yield possible for a single sheet of glass. (They average an impressive 96% usage.)

Jordan Windows also owns its own 80,000 square foot aluminum extrusion plant (located in Memphis) which allows them to extrude 100% of the aluminum frames for their windows. Once extruded, the metal is cut and punched to exact specifications in preparation for final assembly.

Another key difference in Jordan Windows' assembly process is that their windows are assembled standing on end, rather than the cheaper and more industry-accepted method of flat assembly. The benefit of this approach is that it allows the glass and frame to settle before installation, thereby cutting down on the adjustment and servicing that may need to be done down the road. 🏠



Bob Jacot is sales and marketing manager for Jordan Windows and responsible for ensuring the T.W. Lewis homeowners get access to the latest in window technology.

"Welcome"

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Finesterra (cont.)

Sean & Renee Stecker
Hai & Thu Vo

Floriana

Frances & Jesse Morales

Meadowview

Lorenzo & Sally Bronson
George & Shirley Chen
Kevin & Highland Mountain
George Lind III & Deborah Owens
James & Nancy Owens
Paul & Stephanie Petka
Wesley & Kelli Russell
Jamie & Staci Schmidt
J. Quint & Chelly Whipple

Montecina

Justin & Jackie Gorospe
Robert & Cheryl Harty
Larry Jackson
Richard & Debra Miller
Francisco & Stephanie Moreno
Alex & Leslie Valasakos
Jana Vidrighin
Bryan & MaryBeth Whalen

San Vicente

Dennis & Nancy Goettsch
Hersey & Jennifer Hawkins
Delon & Ennas Hebron
Nathan & Evelyn Khamo
Warren Lystrup
Michael & Barbara Manlick
Alan & Melanie Miller
Perry Taylor
Derwin & Nita Yee

Terracina

Sara Roux

Verrado

James Bradberry
Jerry & Kathy Dailey
Rafael Flores
Michelle Miller
Dustin & Amandah Paren
Nachhattar & Charanjit Sidhu
Charles Texidor
Dale & Kathleen Westervelt

T.W. Lewis
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- 1 **San Vicente at The Fairways at Estrella Mountain Ranch**
in the Golf Village
 I-10 & Estrella Mountain Pkwy.
 Goodyear – 623-535-6667
- 2 **Altamonte at The Fairways at Estrella Mountain Ranch**
in the Golf Village
 I-10 & Estrella Mountain Pkwy.
 Goodyear – 623-386-1860
- 3 **Montecina at Vistancia**
 Happy Valley west of Lake Pleasant
 Peoria – 623-328-9553
- 4 **AltaVista at Vistancia**
 Happy Valley west of Lake Pleasant
 Peoria – 623-328-9553
- 5 **Desert Springs at Sonoran Foothills**
 I-17 & Carefree Hwy.
 Phoenix – 623-466-8462
- 6 **Desert Trails at Sonoran Foothills**
 I-17 & Carefree Hwy.
 Phoenix – 623-466-8462

- 7 **Andorra at Valencia**
 Lindsay & Chandler Heights
 Chandler – 602-689-7284
- 8 **Finesterra at Valencia**
 Lindsay & Chandler Heights
 Chandler – 602-689-7284
- 9 **Alicante at Valencia**
 Lindsay & Chandler Heights
 Chandler – 480-659-1495
- 10 **San Sebastian at Valencia**
 Lindsay & Chandler Heights
 Chandler – 480-659-1611
- 11 **The Willows at Power Ranch**
 Power & Germann Roads
 Gilbert – 480-963-3791

◆ **Portales – Coming Soon!**
 Register for updates at
twlewis.com/Portales

◆ **Blackstone – Coming Soon!**
 Register for updates at
twlewis.com/Blackstone

The T.W. Lewis Design
 Center is located adjacent to
 our corporate headquarters.

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Homes for Particular People