

M.D.C. Holdings Purchases Assets of Watson Home Builders, Inc. in Jacksonville; Acquires Rights to Entitled Lots in Southern New Jersey From Patriot Homes, LLC and Others

*** Acquired control of more than 2,000 lots in Jacksonville**

*** Should attain a top three market position in Jacksonville in 2005**

*** Acquired rights to purchase approximately 600 entitled lots in southern New Jersey**

*** Transactions enhance geographic diversification of operations**

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DENVER

M.D.C. Holdings, Inc. (NYSE/PCX: MDC), whose subsidiaries build homes under the name "Richmond American Homes," today announced that it has acquired certain real estate assets of Watson Home Builders, Inc. ("Watson"), a northeast Florida homebuilder, for an undisclosed purchase price paid in cash. The acquisition will improve MDC's market share in Jacksonville and should position the Company as one of the top three single-family detached homebuilders in this market in 2005. Assets purchased include more than 330 homes in various stages of construction and over 280 lots under development in 18 separate communities. The Company also has acquired the right to purchase approximately 1,400 finished lots over the next five years. As many as 55 employees from Watson may join MDC, including employees working in construction, purchasing, sales, marketing and finance.

MDC also announced that, in an unrelated transaction, it has acquired the right to purchase approximately 600 vacant entitled lots in Burlington, Camden and Gloucester counties in southern New Jersey from Patriot Homes, LLC, Marlands, LLC and Ivymont Properties, LLC (collectively, "Patriot"). These lots are located in 12 different communities and should be purchased by the Company over the next three years as each project becomes fully entitled. The Company plans to build single-family detached homes in each of these communities with base prices projected to start as low as \$225,000.

"The Watson acquisition should position us as a leader among the providers of new single-family detached homes in the Jacksonville market," said David D. Mandarich, MDC's president and chief operating officer. "We value the Jacksonville market experience possessed by the former Watson employees joining Richmond American Homes and we are confident that they will contribute a great deal to achieving our vision for northeast Florida. We are very pleased to welcome such a successful group of new employees to Richmond American."

Mandarich continued, "The lots we will be acquiring from Patriot will enable us to significantly accelerate the expansion of our Philadelphia/Delaware Valley division in a market where the regulatory environment can be difficult for new construction. Both the Patriot and Watson transactions will enhance the geographic diversification of our operations in two of the strongest markets for new homes in the country. "

Paris G. Reece III, MDC's executive vice president and chief financial officer, added, "We expect the Watson acquisition to contribute additional home closings and revenues immediately, and to be accretive to earnings while providing more than 600 additional home closings in 2005. The Patriot lots should contribute over 50 home closings in 2005 and as many as 200 additional home closings in 2006. MDC's recording of these acquisitions will not have a significant impact on the Company's balance sheet or debt-to-capital ratio. In addition, we expect that no goodwill will be recorded by MDC as a result of either acquisition."

Michael P. Kahn & Associates, LLC assisted Watson with the transaction in Jacksonville.

MDC is one of the largest homebuilders in the United States. The Company also provides mortgage financing, primarily for MDC's homebuyers, through its wholly owned subsidiary HomeAmerican Mortgage Corporation. MDC is a major regional homebuilder with a significant presence in some of the country's best housing markets. The Company is the largest homebuilder in Colorado; among the top five homebuilders in Northern Virginia, suburban Maryland, Phoenix, Tucson, Las Vegas and Salt Lake City; and among the top ten homebuilders in Northern California and Southern California. MDC also has a growing presence in Dallas/Fort Worth, Houston and Jacksonville, and has recently entered the Philadelphia/Delaware Valley, West Florida and Chicago markets. For more information about our Company, please visit www.richmondamerican.com.

Certain statements in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied

by the forward-looking statements. Such factors include, among other things, (1) general economic and business conditions; (2) interest rate changes; (3) the relative stability of debt and equity markets; (4) competition; (5) the availability and cost of land and other raw materials used by the Company in its homebuilding operations; (6) the availability and cost of performance bonds and insurance covering risks associated with our business; (7) shortages and the cost of labor; (8) weather related slowdowns; (9) slow growth initiatives; (10) building moratoria; (11) governmental regulation, including the interpretation of tax, labor and environmental laws; (12) changes in consumer confidence and preferences; (13) required accounting changes; (14) terrorist acts and other acts of war; and (15) other factors over which the Company has little or no control.

SOURCE: M.D.C. Holdings, Inc.

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