

M.D.C. Holdings Acquires Rights to 1,200 Finished Lots in California's Central Valley From Del Valle Homes

PRNewswire-FirstCall
DENVER

M.D.C. Holdings, Inc. , whose subsidiaries build homes under the name "Richmond American Homes," today announced that it has acquired the right to purchase approximately 1,200 finished lots in the Central Valley of California from Del Valle Homes. These lot acquisitions should expand the Company's presence into the important submarkets of Merced, Madera, Fresno, Tulare and Kings Counties, and are intended to establish Richmond American Homes as a dominant homebuilder in California's Central Valley market. The lots, which are located in 10 separate communities, can be acquired by MDC over the next two years beginning in the first quarter of 2005. The Company plans to build single-family detached homes in these communities with base selling prices projected to range from \$175,000 to \$375,000.

"These acquisitions should position us as a leader among the providers of new single-family detached homes in California's Central Valley market," said David D. Mandarich, MDC's president and chief operating officer. "We are particularly excited to be entering the Madera, Livingston and Fresno markets, three large and rapidly growing areas for entry-level homebuyers. Richmond highly values its continuing relationship with Scott Myers, owner of Del Valle Homes, because of his expertise and contacts in the Central Valley, and as a potential source of additional residential lots for future growth."

The Company expects these lot acquisitions to contribute 50 home closings in 2005 and more than 350 home closings in 2006. MDC's acquisitions of these lots will not have a significant impact on the Company's balance sheet or debt-to-capital ratio, and no goodwill will be recorded in connection with these purchases.

MDC, whose subsidiaries build homes under the name "Richmond American Homes," 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 Jacksonville, Northern California and Southern California. MDC also has established operating divisions in Dallas/Fort Worth, Houston, West Florida, Philadelphia/Delaware Valley and Chicago. 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. Additional information about the risks and uncertainties applicable to the Company's business is contained in the Company's Form 10-Q for the quarterly period ended September 30, 2004, which was filed with the Securities and Exchange Commission. All forward-looking statements made in this press release are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this press release will increase with the passage of time. The Company undertakes no duty to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent filings, releases or presentations should be consulted.

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

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