LENNAR CORP /NEW/
Form 10-K
January 22, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended November 30, 2015
Commission file number 1-11749

Lennar Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-4337490 (I.R.S. Employer Identification No.)

700 Northwest 107th Avenue, Miami, Florida 33172
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (305) 559-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, par value 10¢	New York Stock Exchange
Class B Common Stock, par value 10¢	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ý NO ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO ý
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ý NO ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ý NO ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer ¨	Non-accelerated filer ¨	Smaller reporting company ¨
	(Do not check if a smaller reporting company)		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ¨ NO ý

The aggregate market value of the registrant's Class A and Class B common stock held by non-affiliates of the registrant (169,491,884 shares of Class A common stock and 9,727,576 shares of Class B common stock) as of May 31, 2015, based on the closing sale price per share as reported by the New York Stock Exchange on such date, was $8,278,307,330.

As of December 31, 2015, the registrant had outstanding 180,111,931 shares of Class A common stock and 31,303,195 shares of Class B common stock.

DOCUMENTS INCORPORATED BY REFERENCE:

Related Section	Documents
III	Definitive Proxy Statement to be filed pursuant to Regulation 14A on or before March 29, 2016.

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PART I

Item 1. Business
Overview of Lennar Corporation
We are one of the nation's largest homebuilders, a provider of real estate related financial services, a commercial real estate, investment management and finance company through our Rialto segment and a developer of multifamily rental properties in select U.S. markets primarily through unconsolidated entities.
Our homebuilding operations are the most substantial part of our business, comprising $8.5 billion in revenues, or approximately 89% of consolidated revenues in fiscal 2015. As of November 30, 2015, we had grouped our homebuilding activities into five reportable segments, which we refer to as Homebuilding East, Homebuilding Central, Homebuilding West, Homebuilding Southeast Florida and Homebuilding Houston, based primarily upon similar economic characteristics, geography and product type. Information about homebuilding activities in states in which our homebuilding activities are not economically similar to those in other states in the same geographic area is grouped under "Homebuilding Other." As of November 30, 2015, our reportable homebuilding segments and Homebuilding Other have operations located in:
East: Florida(1), Georgia, Maryland, New Jersey, North Carolina, South Carolina and Virginia
Central: Arizona, Colorado and Texas(2)
West: California and Nevada
Southeast Florida: Southeast Florida
Houston: Houston, Texas
Other: Illinois, Minnesota, Tennessee, Oregon and Washington
(1) Florida in the East reportable segment excludes Southeast Florida, which is its own reportable segment.
(2) Texas in the Central reportable segment excludes Houston, Texas, which is its own reportable segment.
Our other reportable segments are Lennar Financial Services, Rialto and Lennar Multifamily. For financial information about our Homebuilding, Lennar Financial Services, Rialto and Lennar Multifamily operations, you should review Management's Discussion and Analysis of Financial Condition and Results of Operations, which is Item 7 of this Report, and our consolidated financial statements and the notes to our consolidated financial statements, which are included in Item 8 of this Report.
Strategy
In addition to focusing on growing our core operating platforms, Lennar Homebuilding and Lennar Financial Services, we have also been focusing on maximizing the value of our other businesses. In July 2015, the Lennar Multifamily segment completed the initial closing of the Lennar Multifamily Venture (the "Venture") for the development, construction and property management of class-A multifamily assets.
On July 2, 2015, we, through our wholly-owned subsidiaries, entered into a Contribution Agreement, as amended on December 17, 2015, pursuant to which the entities that own the Newhall Ranch, Great Park Neighborhoods, and The San Francisco Shipyard and Candlestick Point (the "Shipyard Venture") master planned mixed-used developments in California will be combined under a single holding company, together with the existing FivePoint Communities management company. A portion of the assets in the Shipyard Venture will be retained by us and our Shipyard Venture partner. The transactions under the Contribution Agreement are conditioned upon the holding company completing an initial public offering.
Further, in 2015, our Rialto business completed the first closing of over $510 million in commitments from investors in its third real estate investment fund ("Fund III") including $100 million committed by Rialto.

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A Brief History of Our Company

We are a national homebuilder that operates in various states with deliveries of 24,292 new homes in 2015. Our company was founded as a local Miami homebuilder in 1954. We completed our initial public offering in 1971 and listed our common stock on the New York Stock Exchange in 1972. During the 1980s and 1990s, we entered and expanded operations in a number of homebuilding markets, including California, Florida and Texas, through both organic growth and acquisitions, such as Pacific Greystone Corporation in 1997. In 1997, we completed the spin-off of our then commercial real estate business, LNR Property Corporation. In 2000, we acquired U.S. Home Corporation, which expanded our operations into New Jersey, Maryland, Virginia, Minnesota and Colorado and strengthened our position in other states. From 2002 through 2005, we acquired several regional homebuilders, which brought us into new markets and strengthened our position in several existing markets. From 2010 through 2013, we started and expanded our homebuilding operations in the Atlanta, Oregon, Seattle and Nashville markets. We have been strengthening and expanding our competitive position through strategic purchases of land at favorable prices since 2009. We have implemented a soft pivot strategy, which focuses on a lighter land model and moderate growth while maintaining strong operating margins. In addition, during the last few years we have also focused on developing and expanding our ancillary and complementary platforms, including Rialto, Lennar Multifamily and FivePoint Communities, a consolidated joint venture that was formed to manage master planned mixed use developments.

Homebuilding Operations

Overview

Our homebuilding operations include the construction and sale of single-family attached and detached homes, as well as the purchase, development and sale of residential land directly and through unconsolidated entities in which we have investments. We primarily sell single-family attached and detached homes in communities targeted to first-time, move-up and active adult homebuyers. We operate primarily under the Lennar brand name. Our homebuilding mission is focused on the profitable development of these residential communities. Key elements of our strategy include:

- Strong Operating Margins - We believe our operating leverage combined with our attractive land purchases position us for strong operating margins.
- Everything’s Included® Approach - We are focused on distinguishing our products, including through our Everything’s Included® approach, which maximizes our purchasing power to include luxury features as standard items in our homes.
- Innovative Homebuilding - We are constantly innovating the homes we build to create products that meet our customers' needs. Our latest innovation, NextGen homes, or a home within a home, provides a unique new home solution for multi-generational households as homebuyers often need to accommodate children and parents to share the cost of their mortgage and other living expenses.
- Flexible Operating Structure - Our local operating structure gives us the flexibility to make operating decisions based on local homebuilding conditions and customer preferences, while our centralized management structure provides oversight for our homebuilding operations.

Diversified Program of Property Acquisition

We generally acquire land for development and for the construction of homes that we sell to homebuyers. Land purchases are subject to specified underwriting criteria and are made through our diversified program of property acquisition, which may consist of the following:

- Acquiring land directly from individual land owners/developers or homebuilders;
- Acquiring local or regional homebuilders that own, or have options to purchase, land in strategic markets;
- Acquiring land through option contracts, which generally enables us to control portions of properties owned by third parties (including land funds) and unconsolidated entities in which we have investments until we have determined whether to exercise the options;
- Acquiring parcels of land through joint ventures, which among other benefits, limits the amount of our capital invested in land while increasing our access to potential future homesites and allowing us to participate in strategic ventures;
- Acquiring land in conjunction with Lennar Multifamily; and

- Acquiring distressed assets from banks and opportunity funds, often through relationships established by our Rialto segment.

At November 30, 2015, we owned 125,914 homesites and had access through option contracts to an additional 39,949 homesites, of which 33,491 homesites were through option contracts with third parties and 6,458 homesites were through option contracts with unconsolidated entities in which we have investments. At November 30, 2014, we owned 132,679

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homesites and had access through option contracts to an additional 31,890 homesites, of which 24,855 homesites were through option contracts with third parties and 7,035 homesites were through option contracts with unconsolidated entities in which we have investments.

Construction and Development

Through our own efforts and those of unconsolidated entities in which Lennar Homebuilding has investments, we are involved in all phases of planning and building in our residential communities, including land acquisition, site planning, preparation and improvement of land and design, construction and marketing of homes. We use independent subcontractors for most aspects of home construction. At November 30, 2015, we were actively building and marketing homes in 665 communities, including 3 communities being constructed by unconsolidated entities.

We generally supervise and control the development of land and the design and building of our residential communities with a relatively small labor force. We hire subcontractors for site improvements and virtually all of the work involved in the construction of homes. Arrangements with our subcontractors generally provide that our subcontractors will complete specified work in accordance with price schedules and in compliance with applicable building codes and laws. The price schedules may be subject to change to meet changes in labor and material costs or for other reasons. We believe that the sources and availability of raw materials to our subcontractors are adequate for our current and planned levels of operation. We generally do not own heavy construction equipment. We finance construction and land development activities primarily with cash generated from operations and debt issuances.

For additional information about our investments in and relationships with unconsolidated entities, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Report.

Marketing

We offer a diversified line of homes for first-time, move-up, active adult and multi-generational homebuyers in a variety of locations ranging from urban infill communities to suburban golf course communities. Our Everything's Included® marketing program simplifies the home buying experience by including the most desirable features as standard items. This marketing program enables us to differentiate our homes from those of our competitors by creating value through standard features and competitive pricing, while reducing construction and overhead costs through a simplified construction process, product standardization and volume purchasing. In addition, our advances in including solar powered technology and home automation in certain of the homes we sell, enhance our brand and improves our ability to generate traffic and sales.

We sell our homes primarily from models that we have designed and constructed. We employ new home consultants who are paid salaries, commissions or both to conduct on-site sales of our homes. We also sell homes through independent realtors.

Our marketing strategy is primarily focused on advertising through various digital channels including paid search, display advertising, social media and e-mail marketing all of which drive traffic to our website, www.lennar.com, which has allowed us to attract more qualified and knowledgeable homebuyers. However, we also continue to advertise through more traditional media, including newspapers, radio advertisements and other local and regional publications and on billboards where appropriate. We tailor our marketing strategy and message based on the community being advertised and the customer being targeted, such as advertising our active adult communities in areas where prospective active adult homebuyers live or will potentially want to purchase.

Quality Service

We continually strive to improve homeowner customer satisfaction throughout the pre-sale, sale, construction, closing and post-closing periods. We strive to create a quality home buying experience for our customers through the participation of sales associates, on-site construction supervisors and customer care associates, all working in a team effort, which we believe leads to enhanced customer retention and referrals. The quality of our homes is substantially affected by the efforts of on-site management and others engaged in the construction process, by the materials we use in particular homes and by other similar factors.

We warrant our new homes against defective materials and workmanship for a minimum period of one year after the date of closing. Although we subcontract virtually all segments of construction to others and our contracts call for the subcontractors to repair or replace any deficient items related to their trades, we are primarily responsible to the homebuyers for the correction of any deficiencies.

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Local Operating Structure and Centralized Management

We balance a local operating structure with centralized corporate level management. Our local operating structure consists of homebuilding divisions across the country, which are generally managed by a division president, a controller and personnel focused on land entitlement, acquisition and development, sales, construction, customer service and purchasing. This local operating structure gives our division presidents and their teams, who generally have significant experience in the homebuilding industry, and in most instances, in their particular markets, the flexibility to make local operating decisions, including land identification, entitlement and development, the management of inventory levels for our current sales volume, community development, home design, construction and marketing of our homes. We centralize at the corporate level decisions related to our overall strategy, acquisitions of land and businesses, risk management, financing, cash management and information systems.

Deliveries

We primarily sell single-family attached and detached homes in communities targeted to first-time, move-up and active adult homebuyers. The average sales price of a Lennar home was $344,000 in fiscal 2015, compared to $326,000 in fiscal 2014 and $290,000 in fiscal 2013.

The table below indicates the number of deliveries for each of our current reportable homebuilding segments and Homebuilding Other during our last three fiscal years:

	Years Ended November 30,		
	2015	2014	2013
East	9,251	7,824	6,941
Central	3,719	3,156	2,814
West	5,245	4,141	3,323
Southeast Florida	2,264	2,086	1,741
Houston	2,452	2,482	2,266
Other	1,361	1,314	1,205
Total	24,292	21,003	18,290

Of the total home deliveries listed above, 83, 32 and 56 represent deliveries from unconsolidated entities for the years ended November 30, 2015, 2014 and 2013, respectively.

Backlog

Backlog represents the number of homes under sales contracts. Homes are sold using sales contracts, which are generally accompanied by deposits. In some instances, purchasers are permitted to cancel sales contracts if they fail to qualify for financing or under certain other circumstances. We experienced a cancellation rate of 16% in 2015, compared to 17% and 16% in 2014 and 2013, respectively. The cancellation rate for the year ended November 30, 2015 was within a range that is consistent with historical cancellation rates. We expect that substantially all homes currently in backlog will be delivered in fiscal year 2016. We do not recognize revenue on homes under sales contracts until the sales are closed and title passes to the new homeowners.

The table below indicates the backlog dollar value for each of our current reportable homebuilding segments and Homebuilding Other as of the end of each of our last three fiscal years:

	November 30,		
(In thousands)	2015	2014	2013
East	$741,528	672,204	600,257
Central	477,674	310,726	195,762
West	671,524	437,492	257,498
Southeast Florida	186,570	214,606	215,988
Houston	208,076	225,737	180,665
Other	192,379	113,563	169,431
Total	$2,477,751	1,974,328	1,619,601

Of the total dollar value of homes in backlog listed above, $62.4 million, $39.8 million and $2.5 million represent the dollar value of homes in backlog from unconsolidated entities at November 30, 2015, 2014 and 2013, respectively.

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Lennar Homebuilding Investments in Unconsolidated Entities

We create and participate in joint ventures that acquire and develop land for our homebuilding operations, for sale to third parties or for use in their own homebuilding operations. Through these joint ventures, we reduce the amount we invest in order to assure access to potential future homesites, thereby mitigating certain risks associated with land acquisitions, and, in some instances, we obtain access to land to which we could not otherwise have obtained access or could not have obtained access on as favorable terms. As of November 30, 2015 and 2014, we had 34 and 35 Lennar Homebuilding unconsolidated joint ventures, respectively, in which we were participating, and our maximum recourse debt exposure related to Lennar Homebuilding unconsolidated joint ventures was $11.0 million and $24.5 million, respectively.

Ancillary Businesses

We have ancillary business activities that are related to our homebuilding business, but are not components of our core homebuilding operations.

FivePoint Communities - In 2011, we transferred the management of several large properties in California to FivePoint Communities Management, Inc., a consolidated joint venture. FivePoint Communities is currently undertaking six master planned mixed-use developments, three in Southern California and three in or near San Francisco. These developments are planned for a total of 50,000 homesites and 20 million square feet of commercial space, as well as parks and sports and entertainment venues. On July 2, 2015, we, through our wholly-owned subsidiaries, entered into a Contribution Agreement, as amended on December 17, 2015, pursuant to which the entities that own the Newhall Ranch, Great Park Neighborhoods, and The San Francisco Shipyard and Candlestick Point (the “Shipyard Venture”) master planned mixed-used developments in California will be combined under a single holding company, together with the existing FivePoint Communities management company. A portion of the assets in the Shipyard Venture will be retained by us and our Shipyard Venture partner. The transactions under the Contribution Agreement are conditioned upon the holding company completing an initial public offering.

Sunstreet - Lennar’s solar business is currently focused on providing homeowners in California, Colorado, Maryland, Nevada and Texas through its solar purchase or lease programs, a high-efficiency solar system that generates much of a home's annual expected energy needs.

Lennar Financial Services Operations

Mortgage Financing

We primarily offer conforming conventional, FHA-insured and VA-guaranteed residential mortgage loan products and other products to buyers of our homes and others through our financial services subsidiary, Universal American Mortgage Company, LLC, which includes Universal American Mortgage Company, LLC, d/b/a Eagle Home Mortgage, from locations in most of the states in which we have homebuilding operations, as well as some other states. In 2015, our financial services subsidiaries provided loans to 82% of our homebuyers who obtained mortgage financing in areas where we offered services. Because of the availability of mortgage loans from our financial services subsidiaries, as well as from independent mortgage lenders, we believe almost all creditworthy purchasers of our homes have access to financing.

During 2015, we originated approximately 32,600 residential mortgage loans totaling $8.9 billion, compared to 23,300 residential mortgage loans totaling $6.0 billion during 2014. Substantially all of the residential mortgage loans we originate are sold within a short period in the secondary mortgage market, the majority of which are sold on a servicing released, non-recourse basis. After the loans are sold, we retain potential liability for possible claims by purchasers that we breached certain limited industry-standard representations and warranties in the loan sale agreements.

We finance our mortgage loan activities with borrowings under our financial services warehouse facilities or from our operating funds. At November 30, 2015, our Lennar Financial Services warehouse facilities had a maximum aggregate commitment of $1.4 billion including an uncommitted amount of $250 million. The facilities have various maturity dates and we expect the facilities to be renewed or replaced with other facilities when they mature. We have a corporate risk management policy under which we hedge our interest rate risk on rate-locked loan commitments and loans held-for-sale to mitigate exposure to interest rate fluctuations.

Title and Other Insurance and Closing Services

We provide title insurance and closing services to our homebuyers and others. During 2015, we provided title and closing services for approximately 108,600 real estate transactions, and issued approximately 263,500 title insurance policies through our underwriter, North American Title Insurance Company, compared to 90,700 real estate transactions and 220,400 title insurance policies during 2014. Title and closing services by agency subsidiaries are provided in Arizona, California, Colorado, Delaware, District of Columbia, Georgia, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan,

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Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Pennsylvania, Tennessee, Texas, Utah, Virginia, West Virginia and Wisconsin. Title insurance services are provided in 40 states.

We also provide our homebuyers and others with personal lines, property and casualty insurance products through our insurance agency subsidiary, North American Advantage Insurance Services, LLC, which operates in the same states as our homebuilding divisions, as well as other states. During 2015, we issued, as agent, approximately 10,700 new homeowner policies and renewed approximately 17,200 homeowner policies.

Rialto Operations

The Rialto segment is a commercial real estate, investment management, and finance company. Rialto's primary focus is to manage third-party capital and to originate commercial mortgage loans which it sells into securitizations. It also has invested its own capital in mortgage loans, properties and real estate related securities.

Rialto is the sponsor of and an investor in private equity vehicles, listed in the table below, that invest in and manage real estate related assets and other related investments:

Private Equity Vehicle	Inception Year	Purpose	Commitment
Rialto Real Estate Fund, LP	2010	Invest in distressed real estate assets and other related investments	$700 million (including $75 million by us)
Rialto Real Estate Fund II, LP	2012	Invest in distressed real estate assets and other related investments	$1.3 billion (including $100 million by us)
Rialto Mezzanine Partners Fund, LP	2013	Invest in performing mezzanine commercial loans that have expected durations of one to two years and are secured by equity interests in the borrowing entity owning the real estate assets	$300 million (including $34 million by us)
Rialto Capital CMBS Fund, LP	2014	Invest in commercial mortgage-backed securities B-pieces ("CMBS") with some portion of the collateral being originated by our loan and securitization business.	$71 million (including $24 million by us)
Rialto Real Estate Fund III	2015	Invest in commercial real estate related debt and preferred equity opportunities of all types, as well as value add real estate acquisitions and real estate property requiring repositioning	$510 million (including $100 million by us)

Rialto also earns fees for its role as a manager of these vehicles and for providing asset management and other services to those vehicles and other third parties. In addition, Rialto owns general partner interests in each of the funds, which entitle it to a share of the sums distributed by the funds after investors have recovered their investments and received specified internal rates of return on those investments. For Funds I, II and III, in order to protect investors in the Funds, we agreed that while the Funds were seeking investments (which no longer is the case with regard to Fund I and Fund II) we would not make investments that are suitable for the applicable Fund, except to the extent an Advisory Committee of the Fund decides that the Fund should not make particular investments, with an exception enabling us to purchase properties for use in connection with our homebuilding operations.

Rialto Mortgage Finance ("RMF") originates and sells into securitizations five, seven and ten year commercial first mortgage loans, generally with principal amounts between $2 million and $75 million, which are secured by income producing properties. As of November 30, 2015, RMF has secured four warehouse repurchase financing agreements maturing between 2016 and 2018 with commitments totaling $1.0 billion to help finance the loans it makes. This business has become a significant contributor to Rialto segment's revenues.

As manager of real estate funds, our Rialto segment is entitled to receive additional revenue through carried interests if they meet certain performance thresholds. During the year ended November 30, 2015 and 2014, the Company received $20.0 million and $34.7 million, respectively, of advance distributions with regard to Rialto's carried interests in the Rialto real estate funds in order to cover income tax obligations resulting from allocations of taxable income to Rialto's carried interests in the funds. These advance distributions are not subject to clawbacks but will reduce future carried interest payments to which Rialto becomes entitled from the applicable funds.

In 2010, our Rialto segment acquired distressed residential and commercial real estate loans and real estate owned ("REO") properties from three financial institutions (“Bank Portfolios”). We paid $310 million for the Bank Portfolios, of which $124 million was financed through a 5-year senior unsecured note provided by one of the selling institutions for which the maturity was subsequently extended to December 2016.

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In 2010, our Rialto segment also acquired indirectly 40% managing member equity interests in two limited liability companies (“LLCs”), in partnership with the Federal Deposit Insurance Corporation (“FDIC”), which retained 60% equity interest in the LLCs, for approximately $243 million (net of transaction costs and a $22 million working capital reserve). The LLCs held performing and non-performing distressed residential and commercial real estate loans (“FDIC Portfolios”). If the LLCs exceed expectations and meet certain internal rate of return and distribution thresholds, our equity interest in the LLCs could be reduced from 40% down to 30%, with a corresponding increase to the FDIC’s equity interest from 60% up to 70%. As these thresholds have not been met, distributions continue being shared 60% / 40% with the FDIC.

Lennar Multifamily Operations

We have been actively involved, primarily through unconsolidated entities, in the development, construction and property management of multifamily rental properties. Our Lennar Multifamily segment focuses on developing a geographically diversified portfolio of institutional quality multifamily rental properties in select U.S. markets. Currently, we primarily use third-party management companies to rent the apartments though we anticipate renting the apartments through our own entities in the future.

Our net investment in the Lennar Multifamily segment as of November 30, 2015 and 2014 was $348.4 million and $203.7 million, respectively. During each of the years ended November 30, 2015 and 2014, our Lennar Multifamily segment sold two operating properties through unconsolidated entities resulting in the segment's $22.2 million and $14.7 million share of gains, respectively, which are included in Lennar Multifamily equity in earnings (loss) from unconsolidated entities.

Our Lennar Multifamily segment had equity investments in 29 unconsolidated entities (including the Venture) and 26 unconsolidated entities as of November 30, 2015 and 2014, respectively. As of November 30, 2015, our Lennar Multifamily segment had interests in 46 communities with development costs of approximately $4.0 billion, of which five communities were completed and operating, four communities were partially completed and leasing, 23 communities were under construction and the remaining communities were either owned or under contract. As of November 30, 2015, our Lennar Multifamily segment had a pipeline of future projects totaling $2.5 billion in assets across a number of states that will be developed primarily by unconsolidated entities.

In July 2015, the Lennar Multifamily segment completed the first closing of the Venture for the development, construction and property management of class-A multifamily assets. The Venture has approximately $1.1 billion of equity commitments, including a $504 million co-investment commitment by Lennar comprised of cash, undeveloped land and preacquisition costs. It will be seeded with 22 undeveloped multifamily assets that were previously purchased or under contract by the Lennar Multifamily segment totaling approximately 7,100 apartments with projected project costs of $2.4 billion as of November 30, 2015. During the year ended November 30, 2015, $275.5 million of the $1.1 billion in equity commitments were called, of which the Company contributed its portion of $125.7 million, resulting in a remaining equity commitment of $378.3 million.

For additional information about our investments in and relationships with unconsolidated entities, see Management’s Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Report.

Seasonality

We historically have experienced, and expect to continue to experience, variability in quarterly results. Our homebuilding business is seasonal in nature and generally reflects higher levels of new home order activity in our second fiscal quarter and increased deliveries in the second half of our fiscal year. However, periods of economic downturn in the industry can alter seasonal patterns.

Competition

The resid