

RCLCO

PEEKING AROUND THE CORNER AT WHAT'S NEXT



Trends Influencing Master-Planned Communities

June 5, 2015

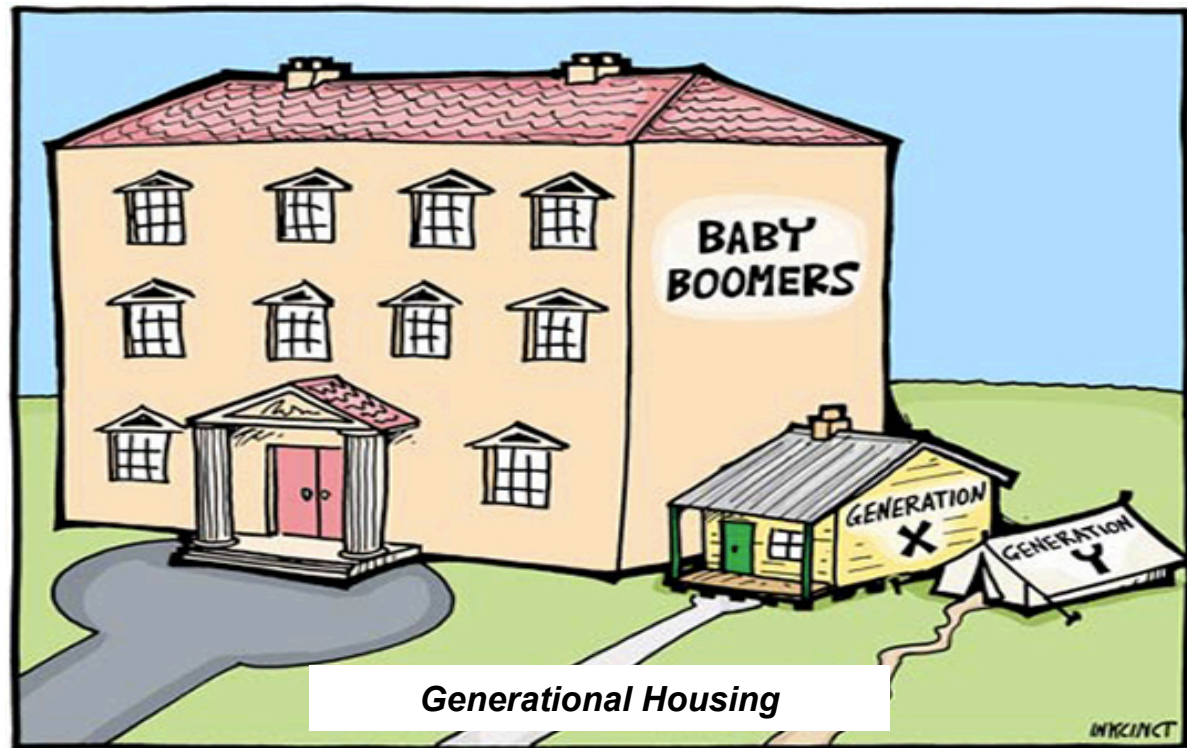
GREGG LOGAN, MANAGING DIRECTOR

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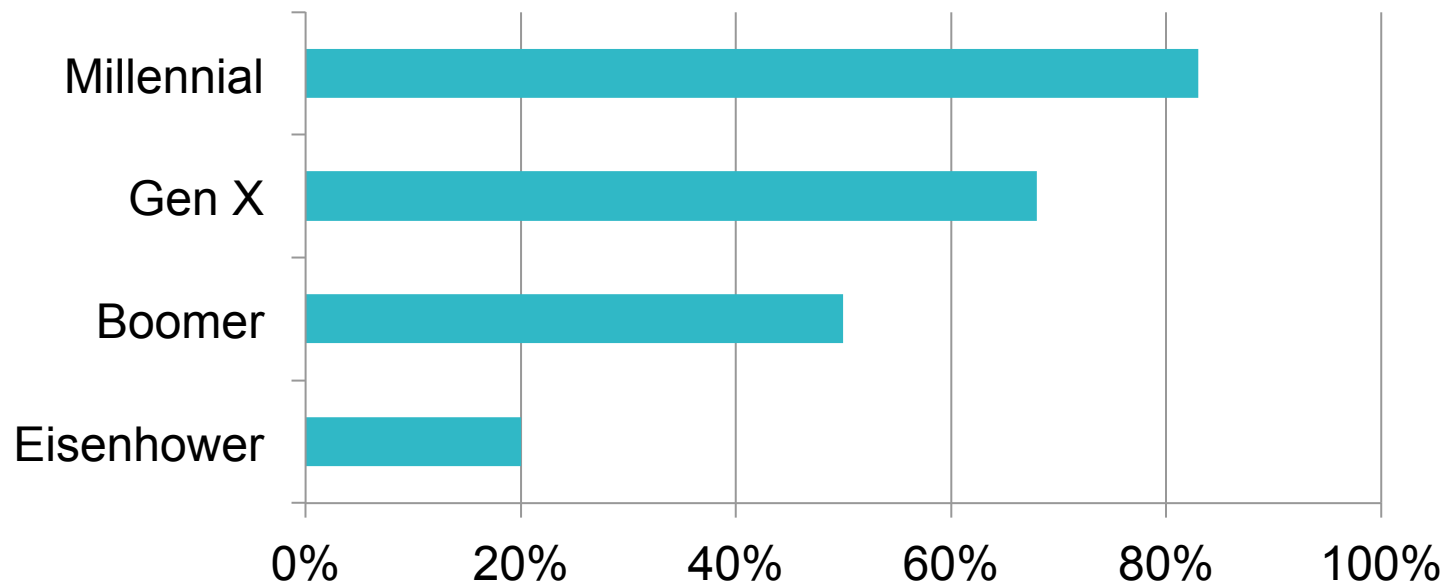
- Major demographic, technological, societal trends will change the way we design, develop, build, and market real estate

- Millennials rising, aging Boomers
- Personal technology, the internet of things
 - An “Uber” for everything
 - Sharing economy – Yelp, Zagat, AirBnB, Zillow, Trulia
 - *Broader range of providers, more efficient and economical*
- Health and fitness “*your Tele-Doctor will see you now*”
 - *Tracking, sharing health/activity data*
- 3D print a house in 24-hours – today
- Hailing a driverless Taxi/Uber/Lyft
- Off the grid home energy systems

- Aging Boomers
 - *What's next?*
- Millennial Homebuyers
 - *When?*
 - *What?*
- Gen X
 - *Who?*

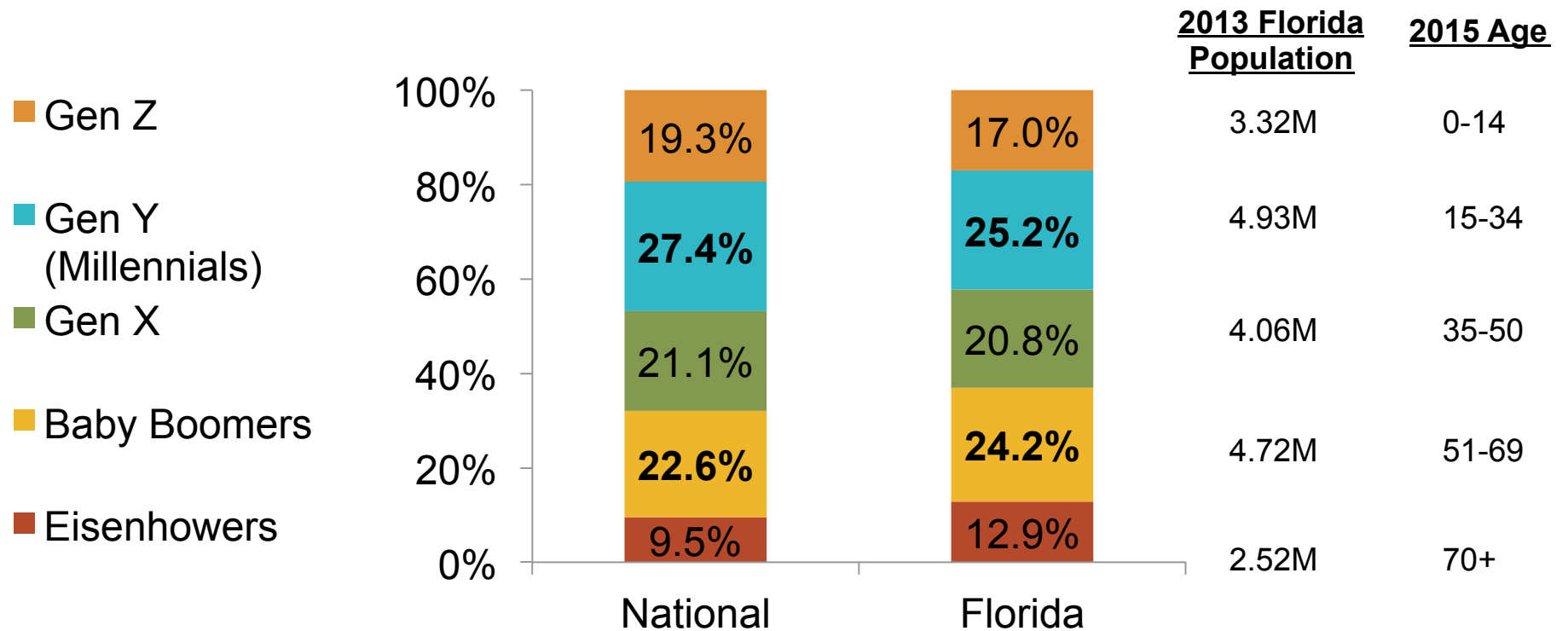


Do you sleep with your smartphone?



Source: PewResearchCenter

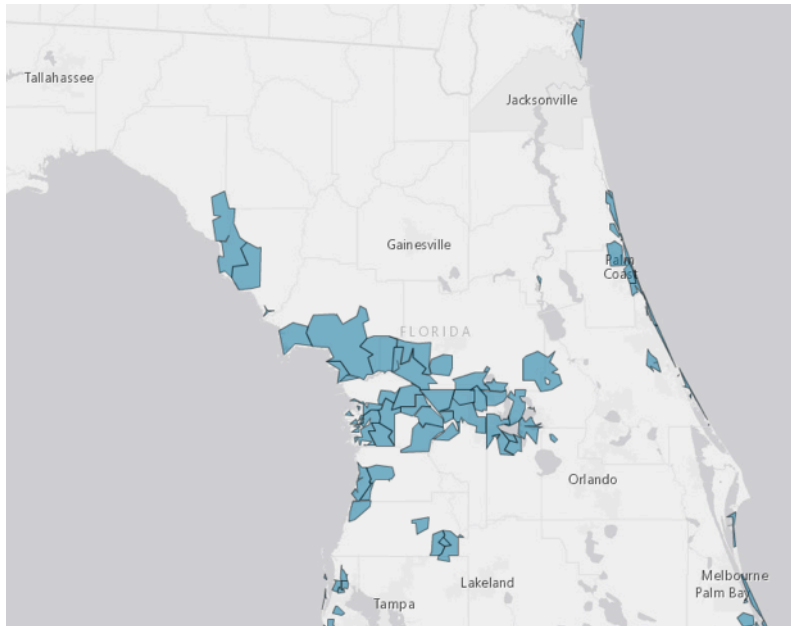
GEN Y AND BABY BOOMERS LARGEST SEGMENTS IN FLORIDA



Source: US Census Bureau, 2013 American Community Survey, 1 Year Estimates

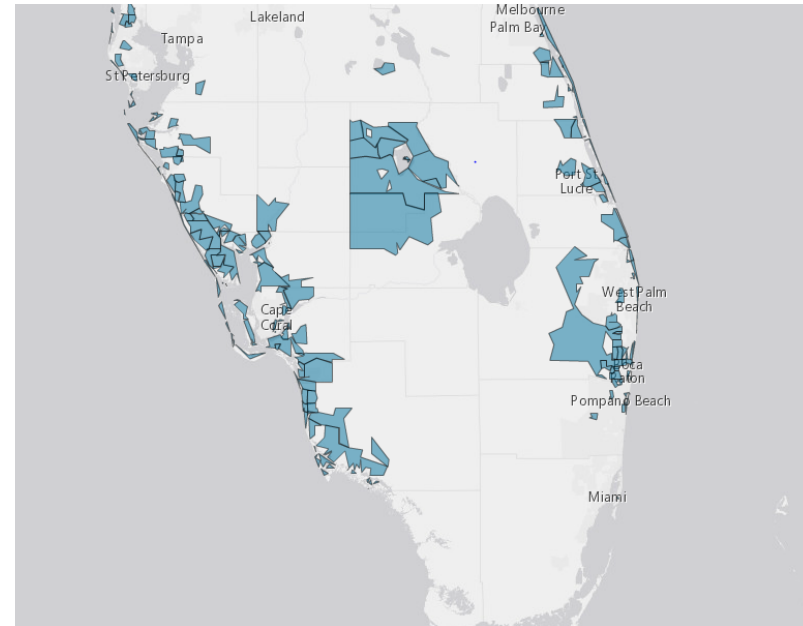
RETIRES CURRENTLY CONCENTRATED ON COASTS AND IN CENTRAL FLORIDA

Central Florida



■ >30% population aged 65 or older

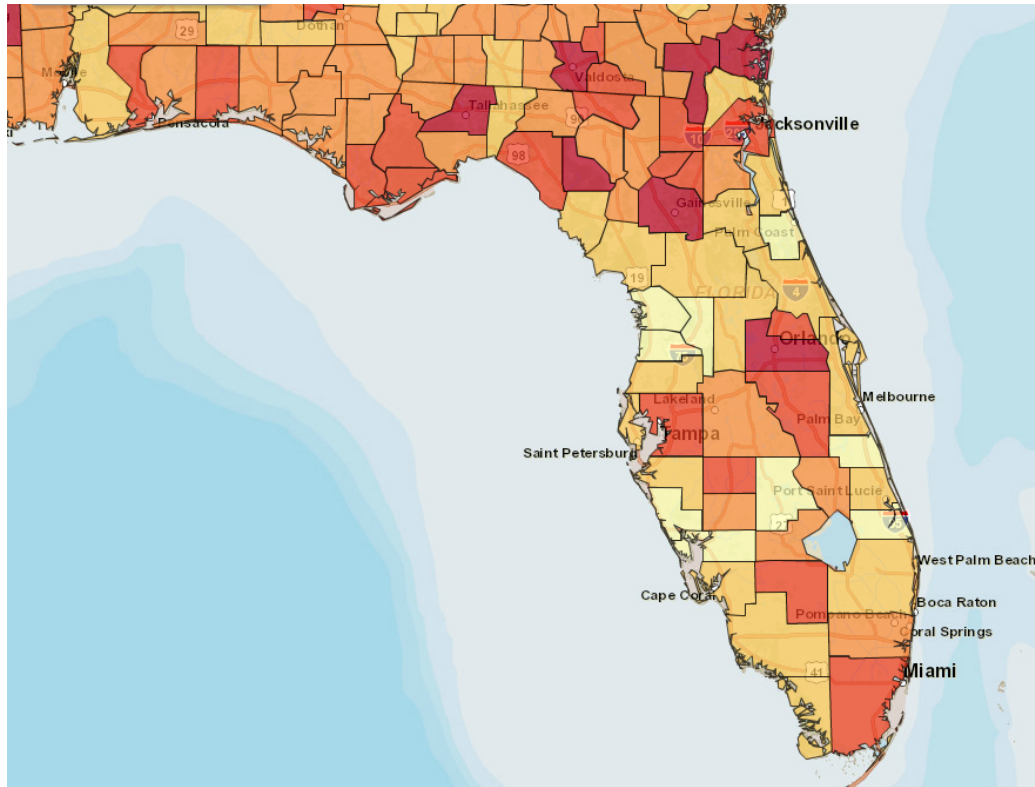
South Florida








■ >30% population aged 65 or older

Source: 2015 ESRI Business Analyst

CURRENT MILLENNIALS IN FLORIDA CONCENTRATED IN URBAN AREAS

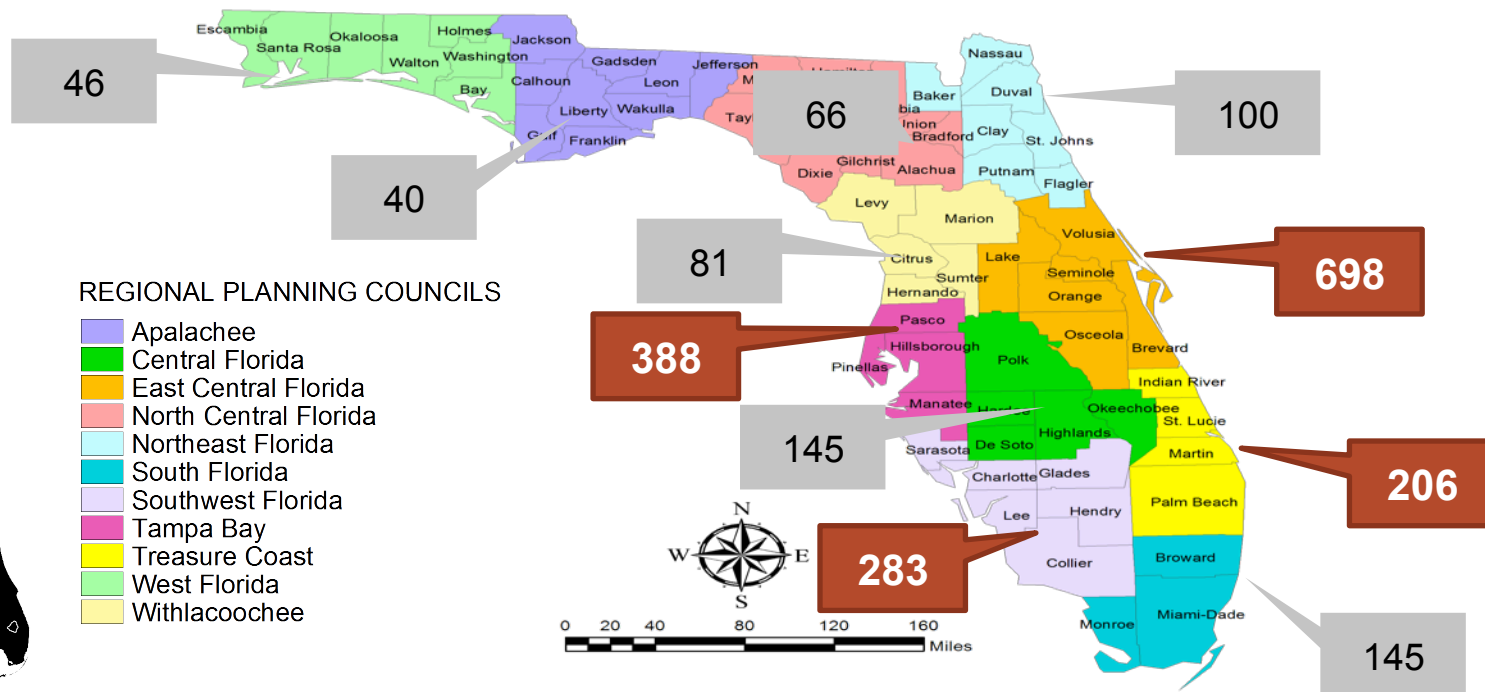


- College towns of Gainesville and Tallahassee unsurprisingly have highest concentration of Gen Y
- Orlando, Jacksonville, Tampa, and Miami follow

Percent Millennials		
Counties		
	24% -	30%
	21% -	24%
	18% -	21%
	15% -	18%
	9% -	15%

EAST CENTRAL, TAMPA, TREASURE COAST, AND SOUTHWEST TO HAVE GREATEST 50+ POPULATION INCREASE

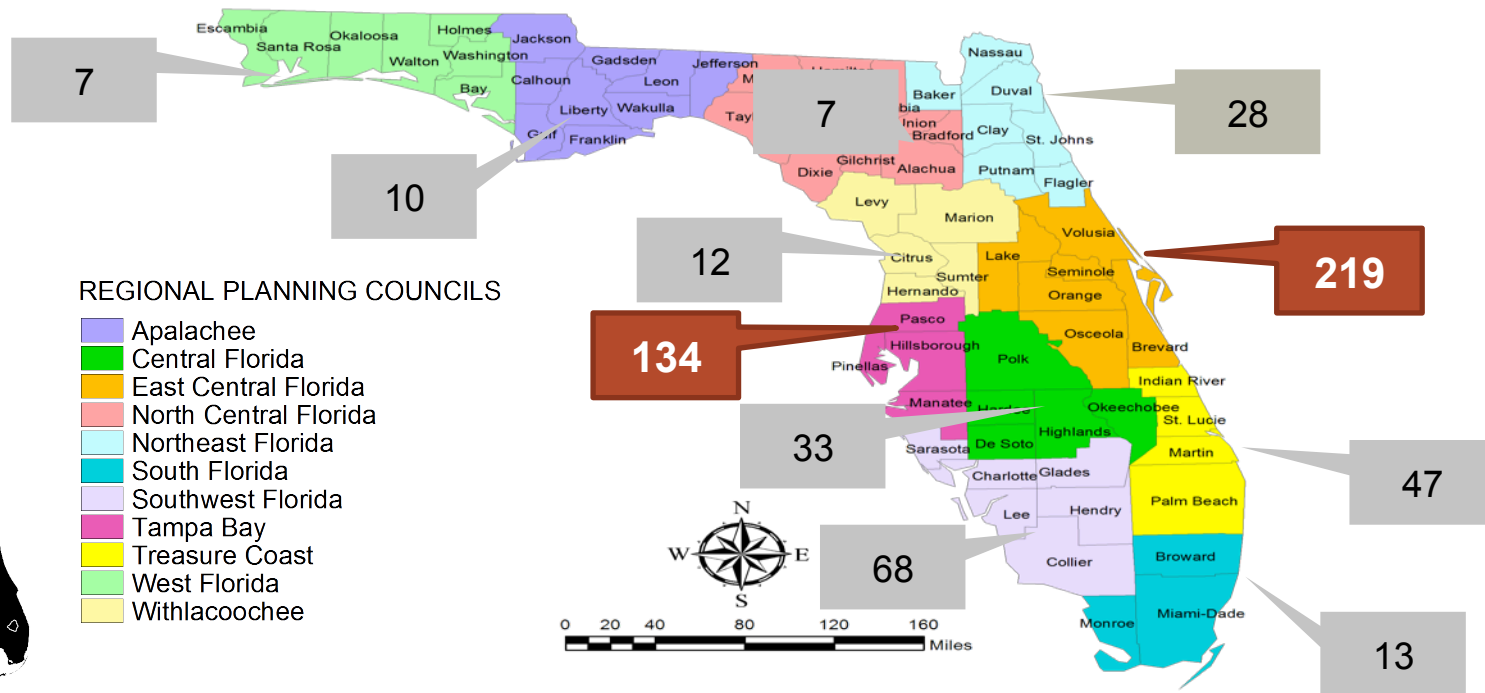
Increase in population aged 50+ by 2040 (000)



Source: BEBR 2015-2040 population estimates (released June 2014)

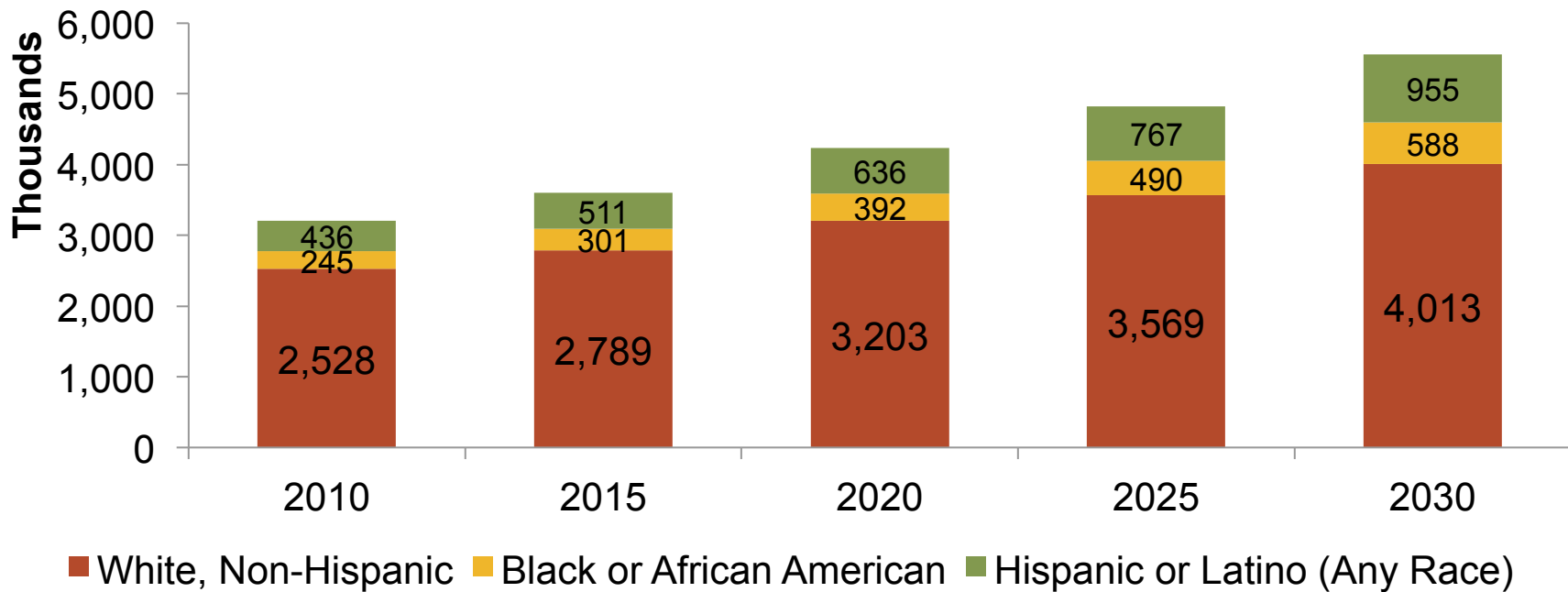
EAST CENTRAL AND TAMPA BAY TO HAVE GREATEST MILLENNIAL POPULATION INCREASE

Increase in population aged 20-30 by 2040 (000)



Source: BEBR 2015-2040 population estimates (released June 2014)

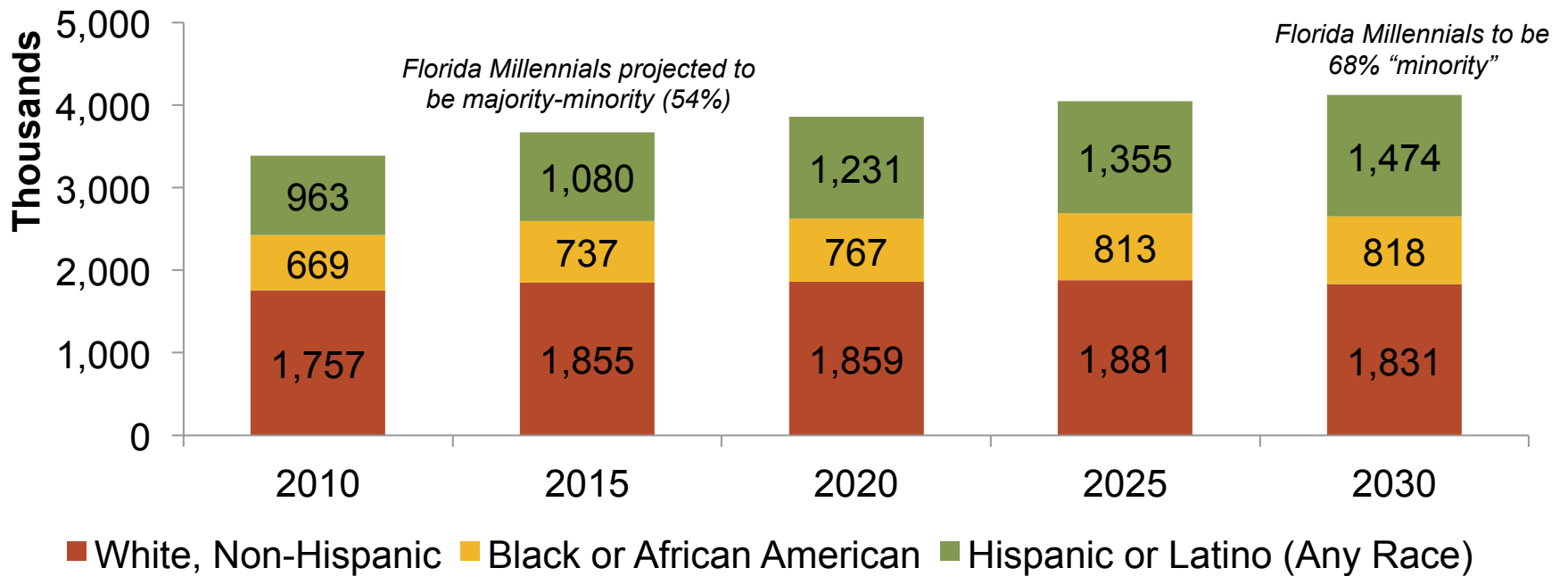
Population Aged 65+ by Race



Source: Florida Demographic Estimating Conference and the University of Florida, Bureau of Economics and Business

MILLENNIALS IN FLORIDA MUCH MORE DIVERSE

Population Ages 20-34 by Race



Source: Florida Demographic Estimating Conference and the University of Florida, Bureau of Economics and Business

LIFESTAGE OF EACH GENERATION INFLUENCES DEMAND FOR HOUSING

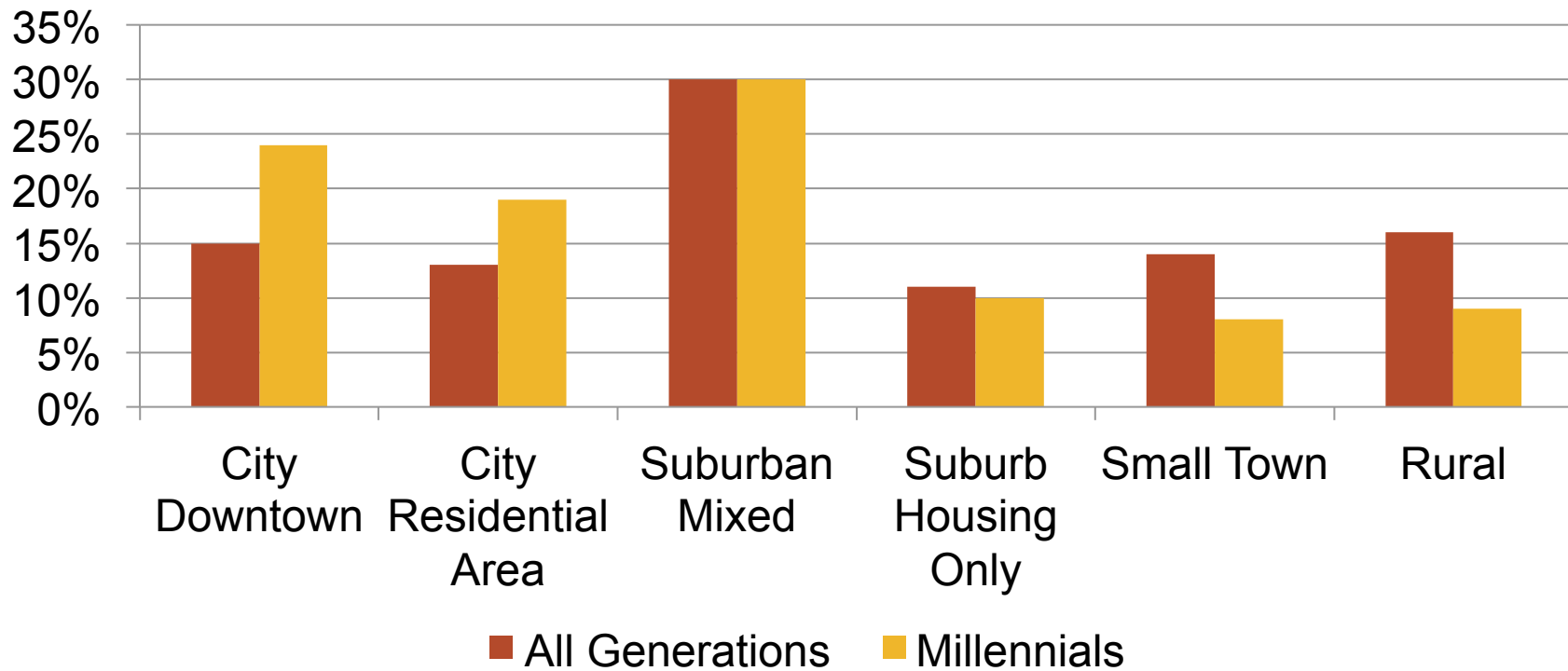
HOUSING NEEDS:	2015	2020	2025
Student Rental	Millennials	Gen Z / Millennials	Gen Z
Singles / Roommate Rentals	Millennials	Millennials	Gen Z / Millennials
Young Couple Rentals	Millennials	Millennials	Gen Z / Millennials
Buy Entry Level	Gen X / Millennials	Millennials	Millennials
Buy Upgrade / Move-Up Home	Gen X / Baby Boomers	Gen X / Baby Boomers / Millennials	Millennials / Gen X
Buy 2 nd Home	Gen X / Baby Boomers	Gen X / Baby Boomers	Millennials / Gen X
Buy Empty Nester Home	Baby Boomers	Gen X / Baby Boomers	Gen X / Baby Boomers
Buy Retirement Housing	Baby Boomers / Silents	Baby Boomers	Baby Boomers

DISTRIBUTION OF HOMEBUYERS*

Generation:	Boomers	Gen X	Millennials
Miles from previous home (median)	30	10	10
Years in previous home (median)	11	9	5
Price of home relative to previous	Same or lower	Higher price	Higher price
Size relative to previous home	Same or smaller	Larger	Larger
Moved because...	<ul style="list-style-type: none"> • Closer to friends and family • Retirement • Job • Wanted smaller home • Less maintenance 	<ul style="list-style-type: none"> • Want bigger house • Better quality house • Job • Better neighborhood • Change in family situation 	<ul style="list-style-type: none"> • To establish their own household • Want bigger house • Close to work • Better neighborhood • Good schools

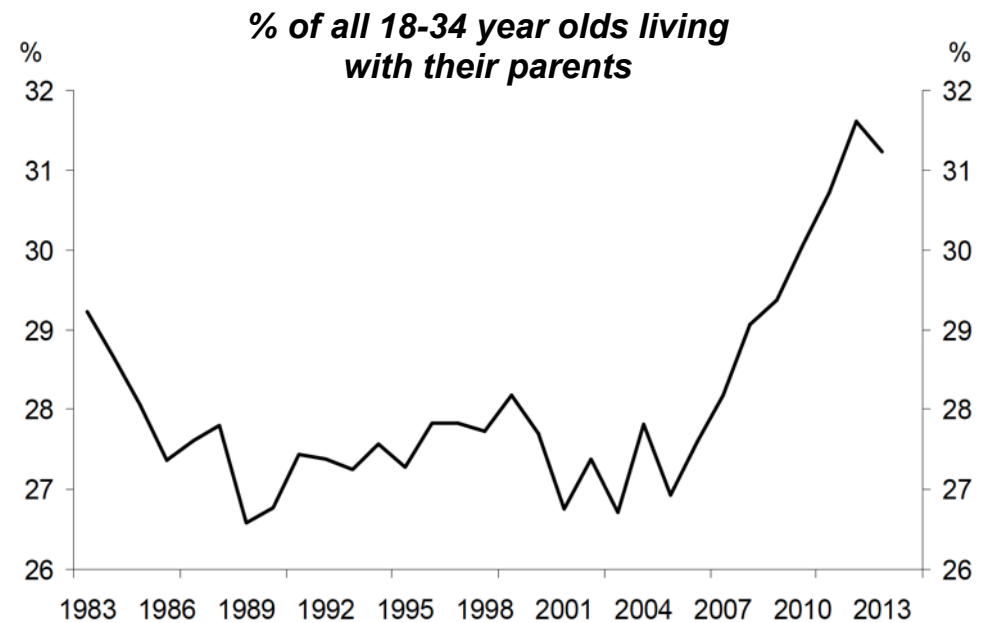
* 2015 NAR Home Buyer and Seller Generational Trends

LOCATION PREFERENCES



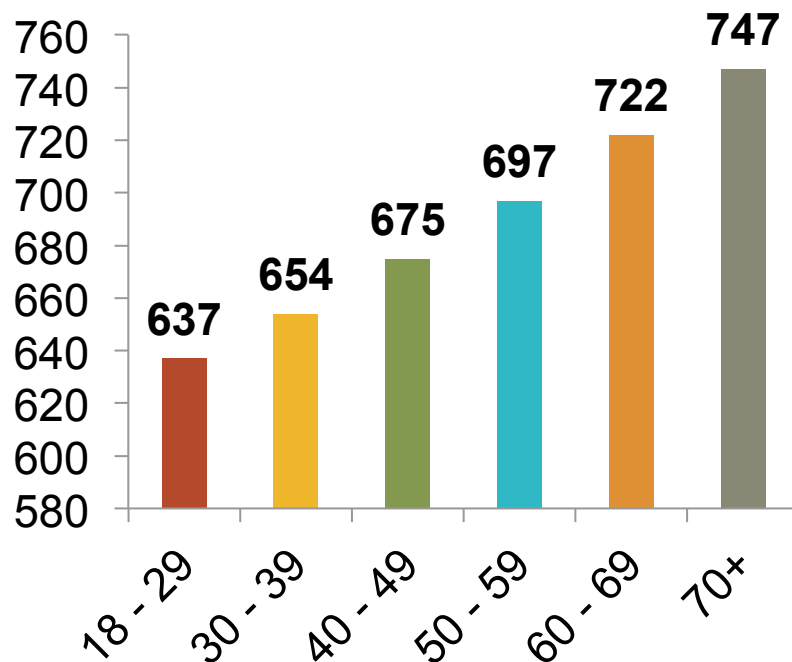
Source: NAR Community Preference Survey

- 
- Millennials already a third of for-sale market
 - Employment growing demand
 - “Living at home” falling with unemployment rate
 - Credit access improving
 - Low mortgage rates
 - Household formations trending “up”
 - Millennial enthusiasm for buying “up”



Source: U.S. Census

Average Credit Score by Age



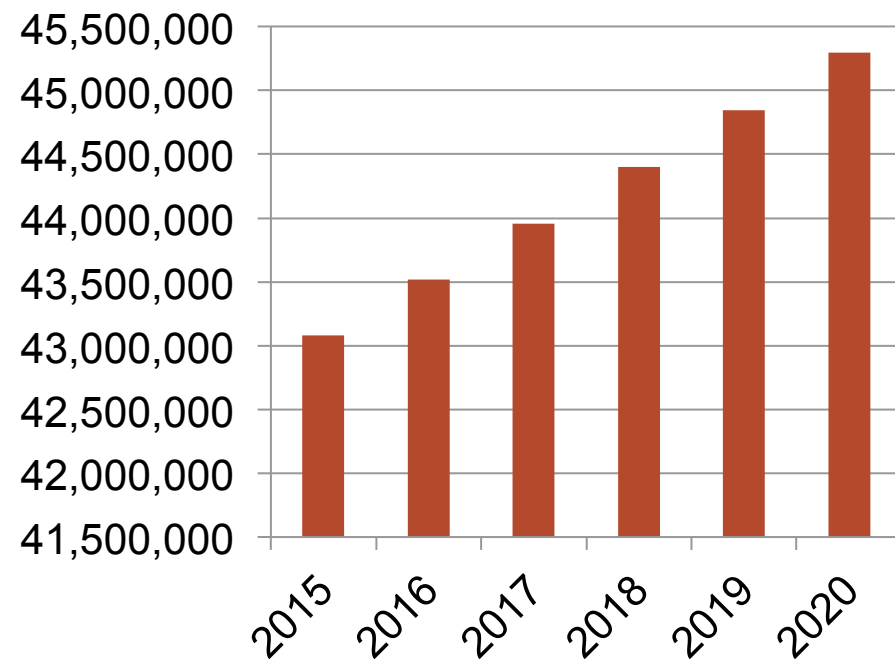
- Best educated generation
- Educational attainment correlated with economic success
- Younger buyers last three years and those planning to buy next three years:
 - 75% want a single-family home
 - 66% prefer suburb

- Characteristics of Millennial home purchases:
 - Majority are first-time buyers
 - Age 25 to 34
 - Slightly lower propensity for “new”
 - Most buy *single-family homes*
 - Buy smaller, lower price range homes
 - Seek reasonable proximity to work and good schools



Source: American Housing Survey

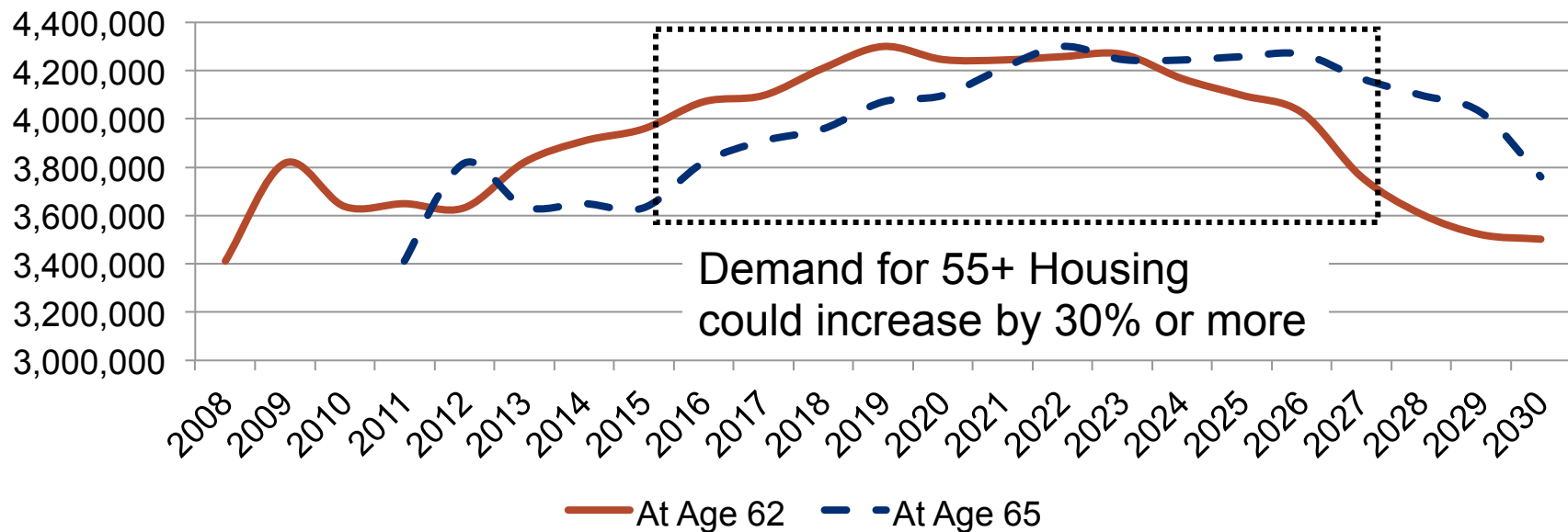
- 72% say homeownership is part of their American Dream
 - About 40% say they'd like to purchase on their next move
 - % will increase over next 10 years

Population Aged 25-34

Sources: Surveys by ULI; Demand Institute; Trulia; ESRI

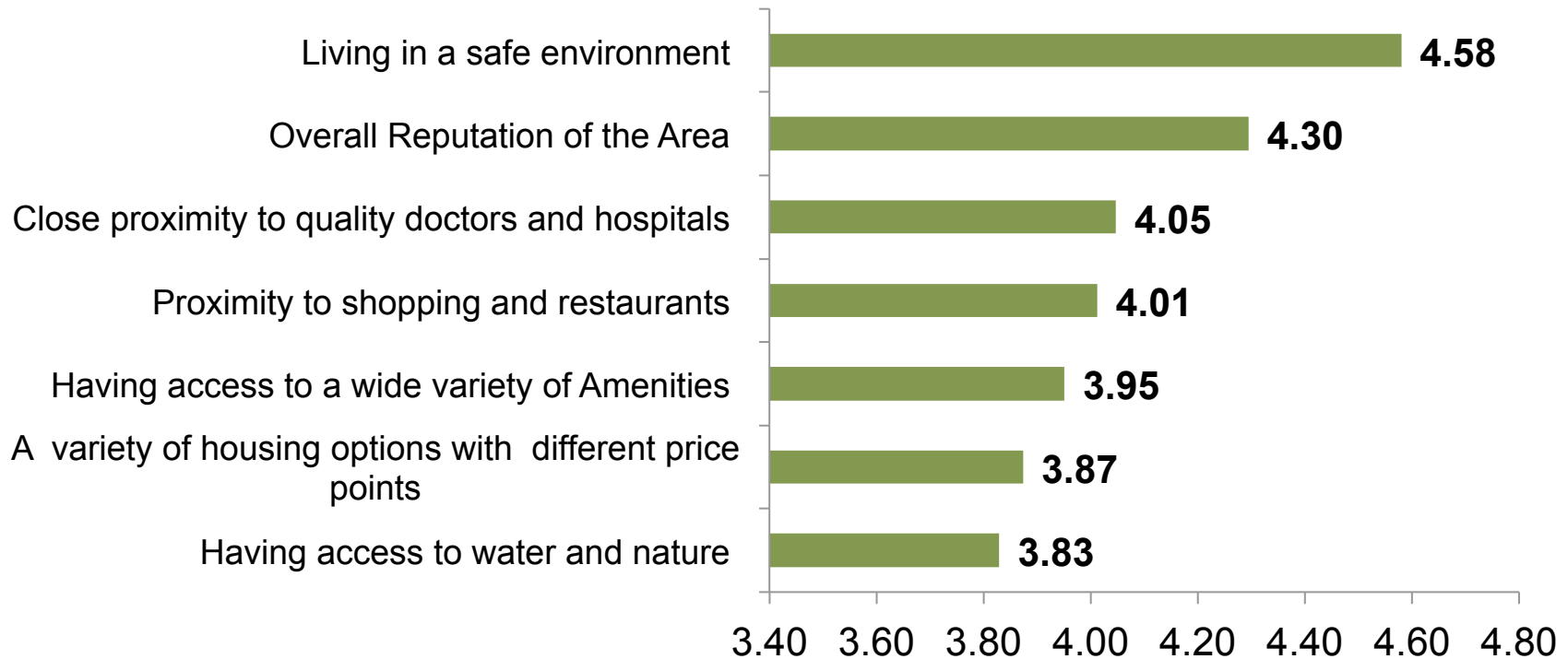
HUGE WAVE OF RETIRING BOOMERS

Baby Boomers Estimated Rate of Retirement
2008–2030



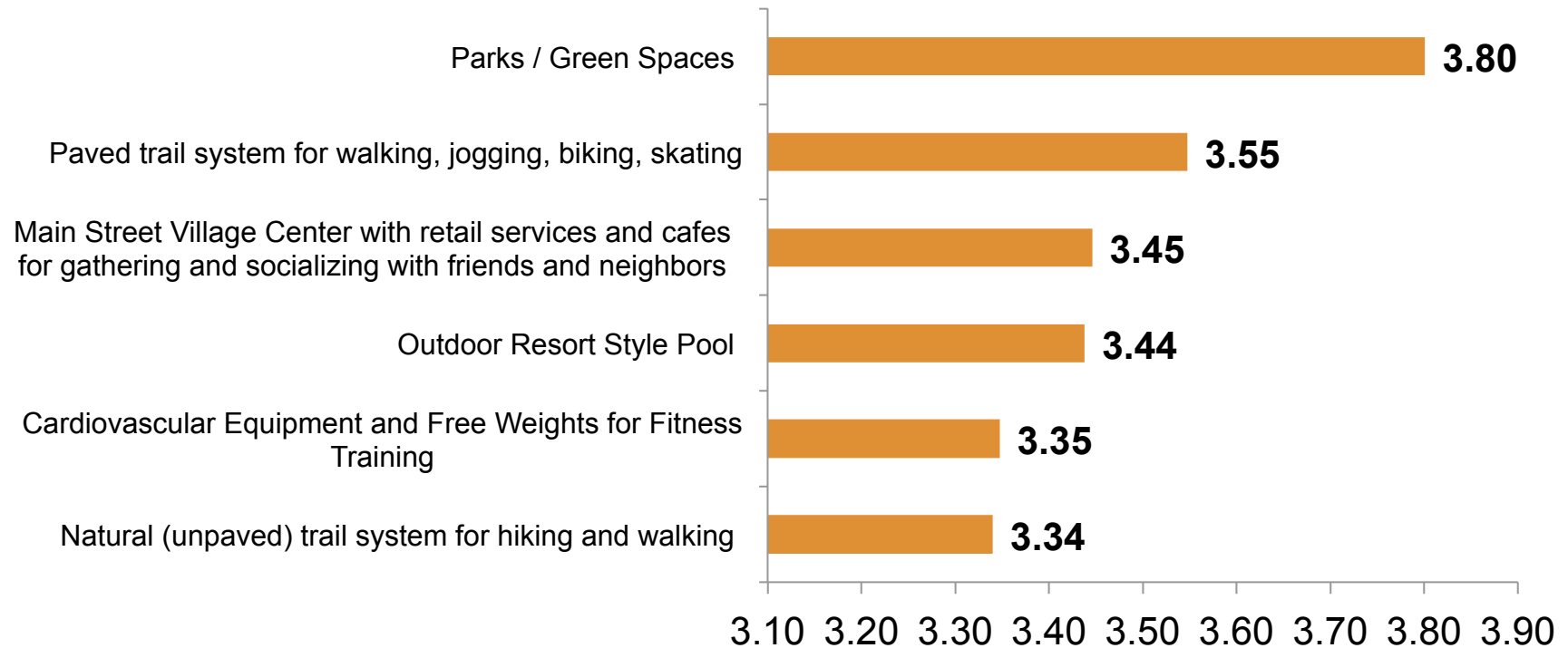
NOTE: Based on an average retirement age of 62 according to the U.S. Census, Age 65 based on MetLife Middle Boomers Survey
Source: National Center for Health Services

IMPORTANT TO RETIRING 55+



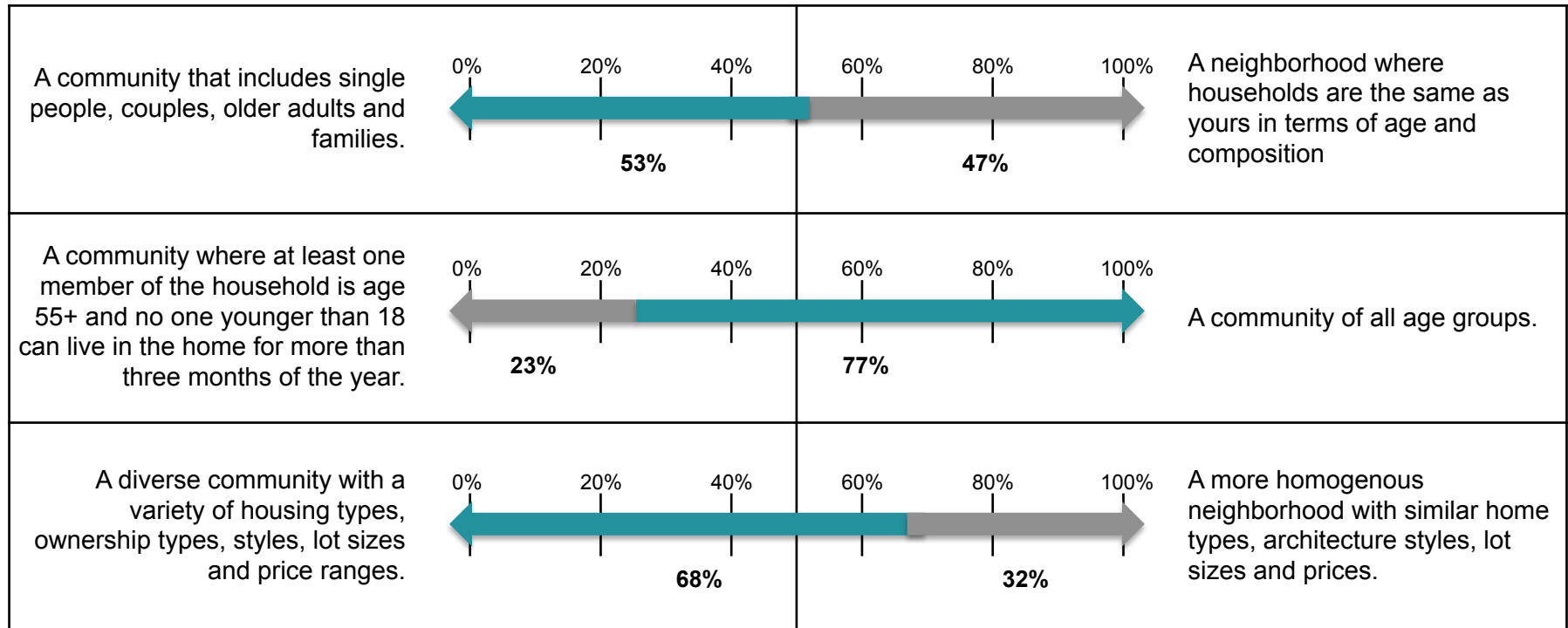
Source: RCLCO Survey

COMMUNITY FEATURES RETIRING 55+



Source: RCLCO Survey

55+ TRADE OFFS – HOMOGENIETY VS. DIVERSITY



Source: RCLCO Survey

TOP 10 CHARACTERISTICS OF SUCCESSFUL FLORIDA RETIREE COMMUNITIES

10. Lifestyle – social amenities – high quality of everyday life
9. Community, homes, price, programming, and amenities
8. Located where there is a deep market, or retiree migration
7. Strong value proposition
6. Offering the right mix of products, plans, and price
5. Pricing that is congruent with buyer's home equity
4. Sophisticated sales and marketing
3. Strong referral base
2. Getting around in golf carts
1. Happy hour starts at 3pm



Source: RCLCO

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