



RCLCO



Demand for
Senior
Housing

National Town Builders Association

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By 2050...

- 88 million aged 65+
- 19 million aged 85+

- Large market for housing for older adult households
- However... most want to age in their current home, many lack the access to the services needed to do that
- Incorporating senior housing facilities into TND is one option...
- Building homes and neighborhoods that help residents to age in place, providing needed services, is another option...
 - Incorporate services into communities that help prevent pre-mature entry into assisted living
 - One-quarter of households aged 65-74 include someone with a disability
 - Two-thirds of households aged 85+ include someone with a disability
 - Designs that accommodate disabilities enable residents to stay in their own homes

TWO MAJOR AREAS OF 55+ HOUSING TO CONSIDER

Senior Housing

- *Need-driven*
- Serving frail elderly, 80's+
- Service-enriched housing
- Assistance with daily living
- Meals, medical, social
- Memory care
- Skilled nursing
- Can be a very expensive option

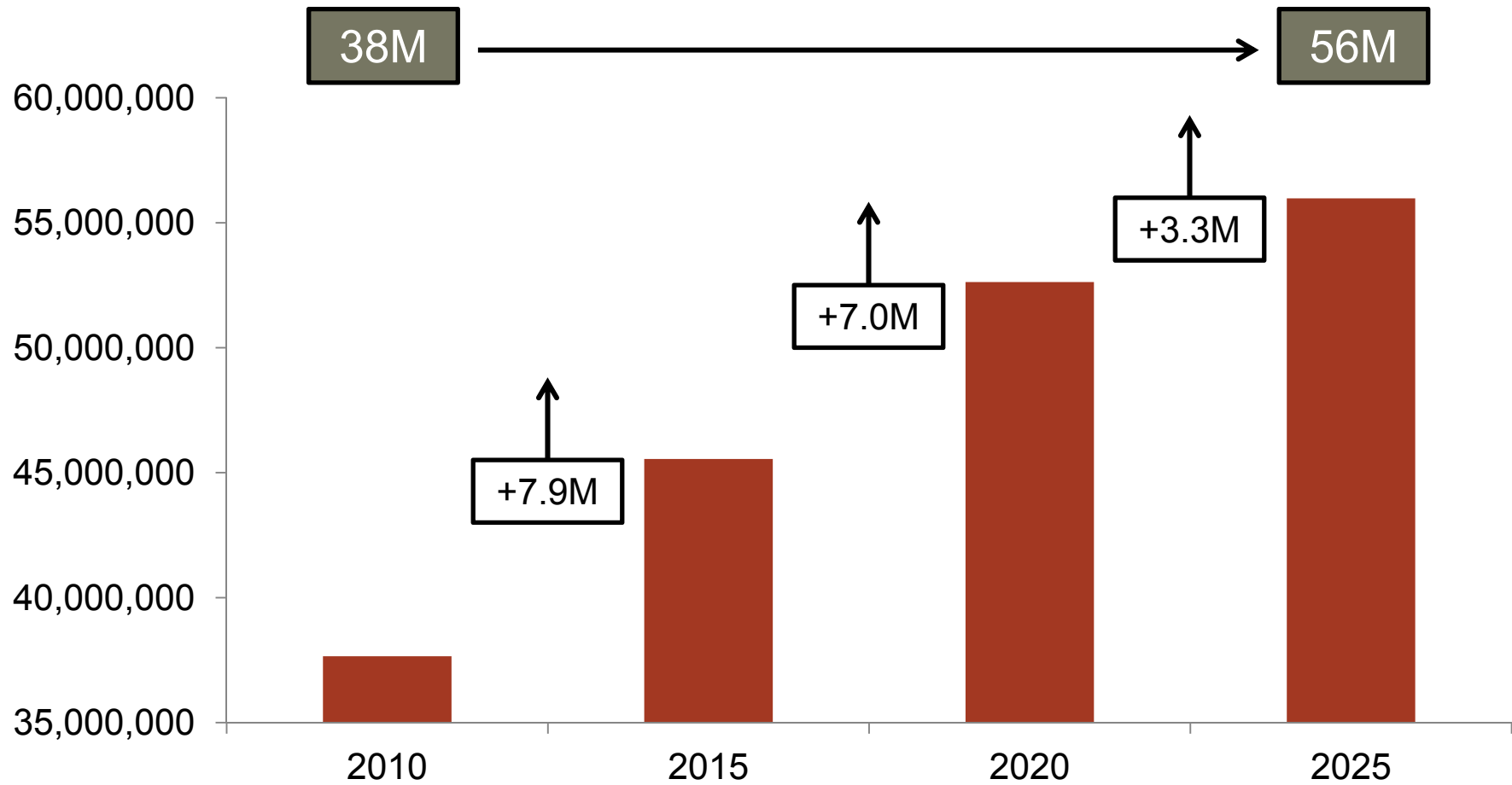
Active Adult

- *Lifestyle-driven*
- Young Seniors, 55+
- Independent living
- Social programming
- Recreational amenities
- Low maintenance homes
- 75% of American homeowners' home values are less than \$350,000
- Active adult home buyers are seeking moderate cost housing
- More about the community than the house

IN THE U.S. AND FLORIDA THE BIG INCREASE IS IN RETIREMENT AGE POPULATION

National Population of 60-75 Year Olds

2010, 2015, 2020, 2025

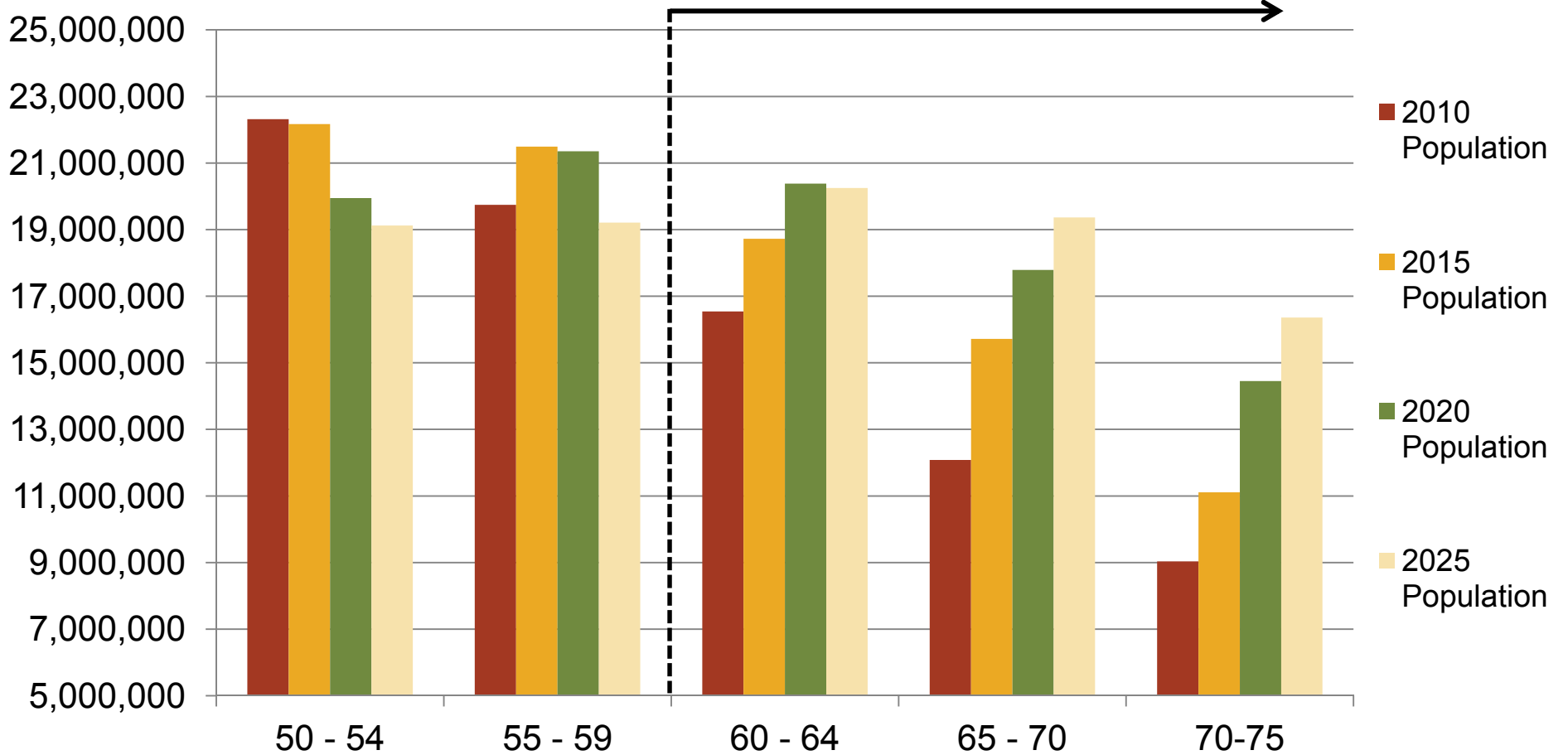


IN THE U.S. AND FLORIDA THE BIG INCREASE IS IN RETIREMENT AGE POPULATION

National Population by Age

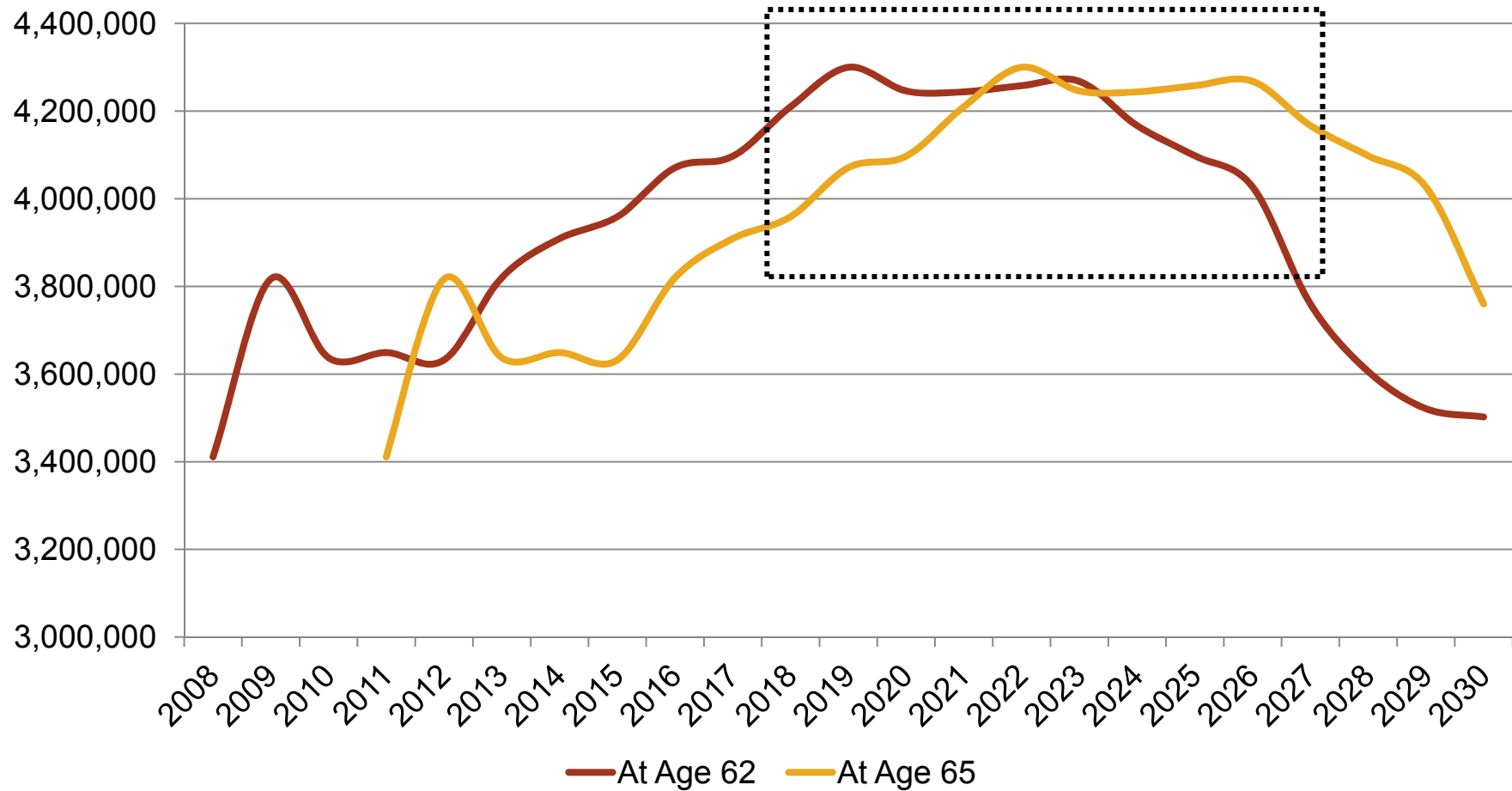
2010, 2015, 2020, 2025

Avg. Retirement Age 62
Future Retirement Age 65+ ¹



NATIONALLY, A LARGE WAVE OF RETIRING BOOMERS IS COMING

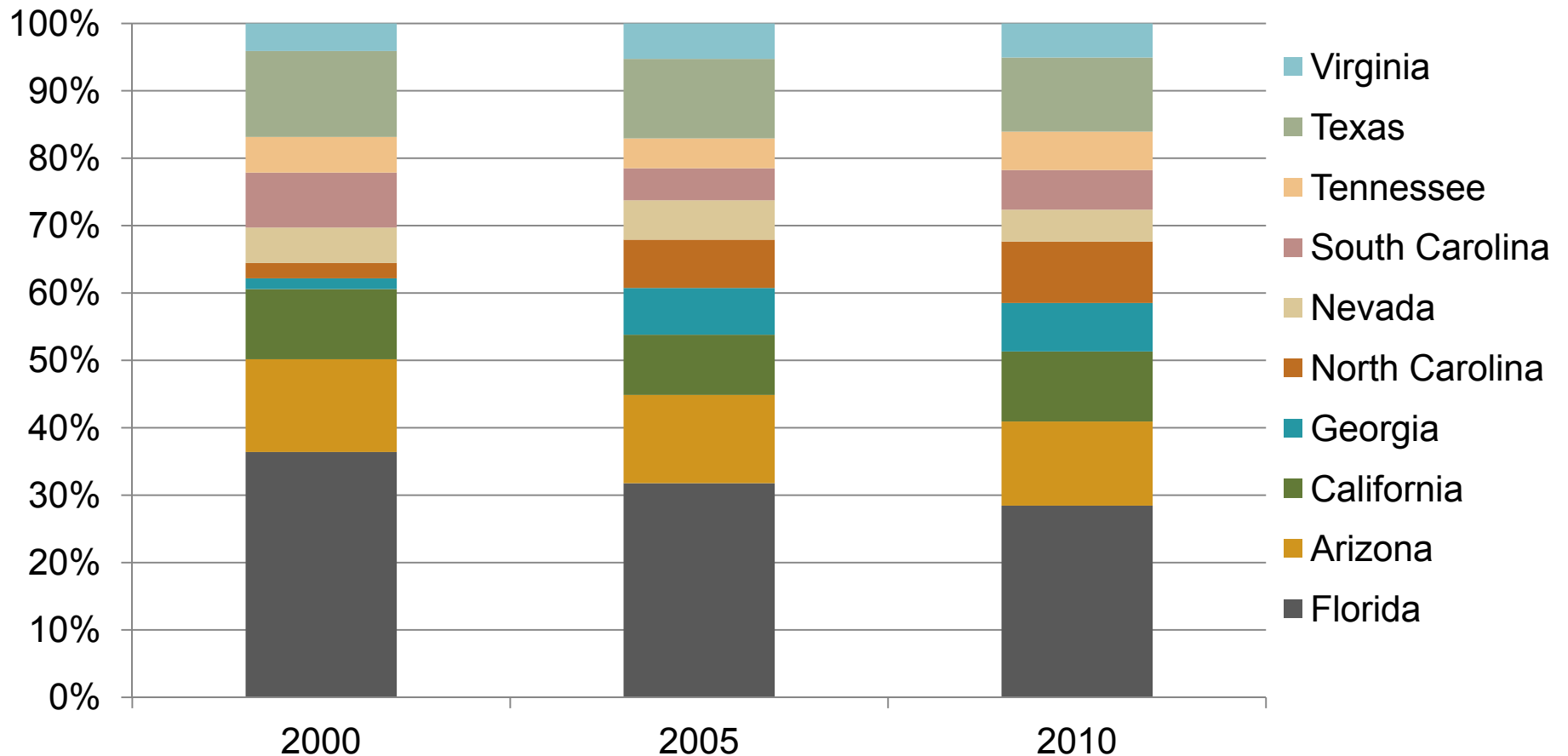
Baby Boomers Estimated Rate of Retirement 2008-2030



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

AMONG TOP 10 RETIREE DESTINATIONS, SUN BELT STATES RECEIVE THE LARGEST SHARE

Distribution of 55-74 Year Olds Moving in to Top 10 Retiree States ¹
 2000, 2005, 2010

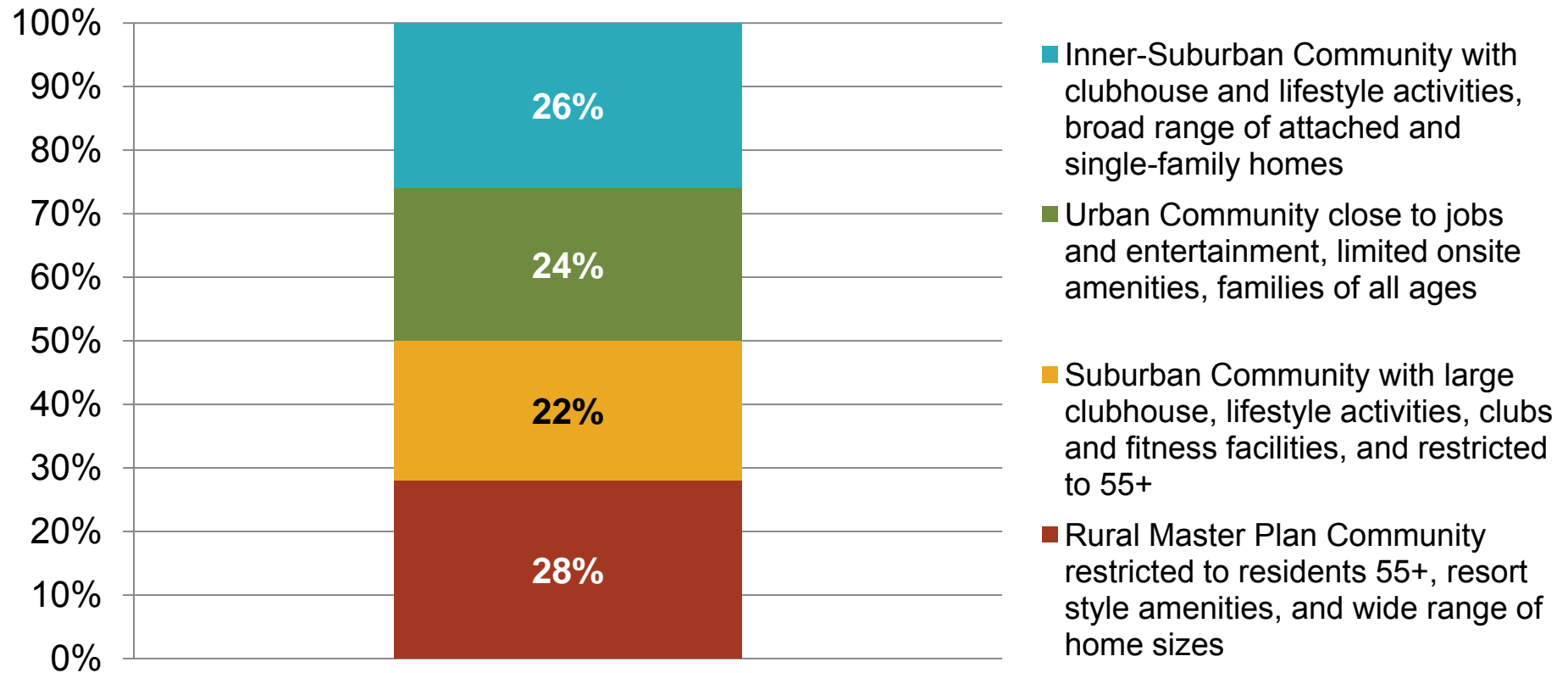


¹ Does not include households that moved within the state
 SOURCE: 2000, 2005, 2010 American Community Survey; PUMS data; RCLCO

ABOUT HALF OF BOOMERS PREFER INNER SUBURBS OR URBAN LOCATIONS

Assuming All Home Prices Are the Same, Please Select Which Proposition Best Illustrates What You Are Looking For in Your New Community

2012

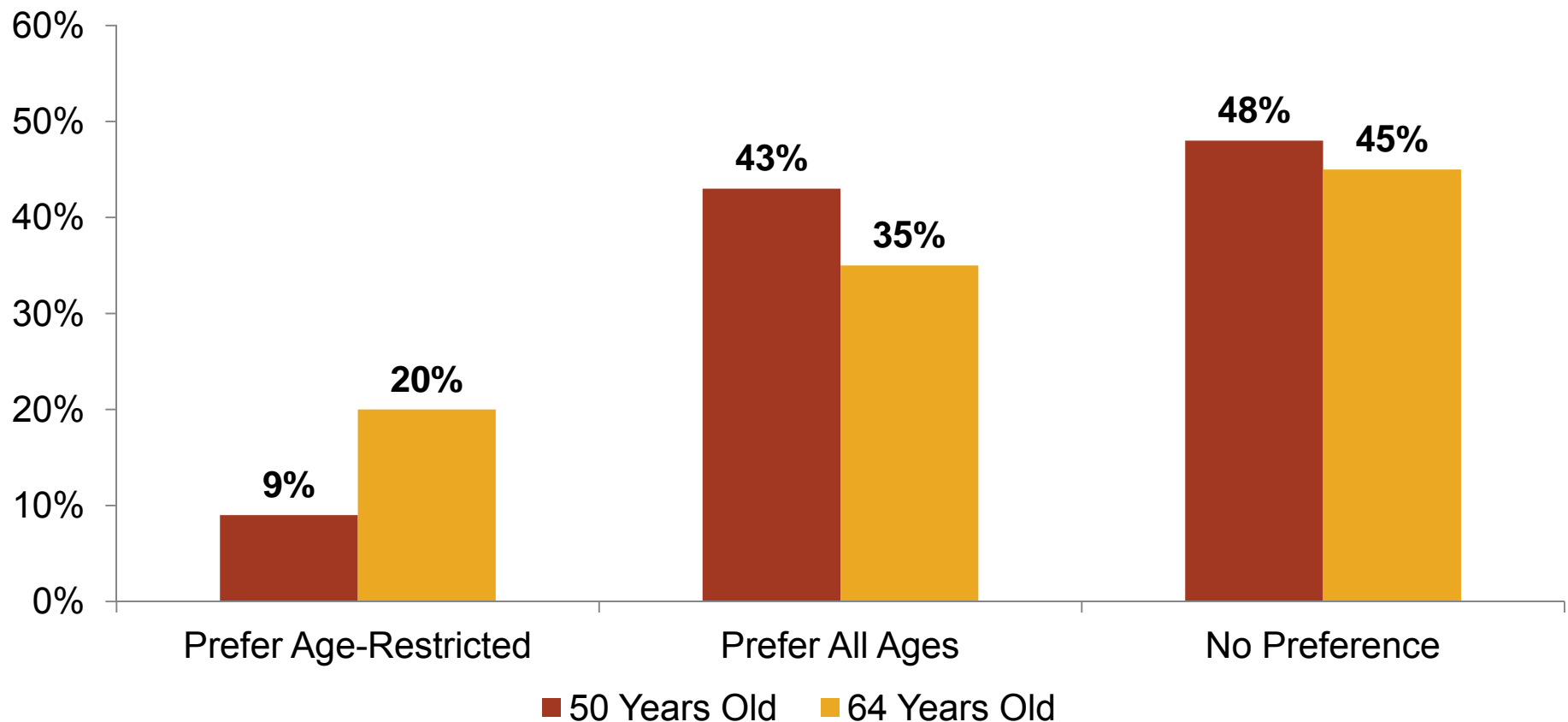


SOURCE: January 2012 Pulte Homes Baby Boomer Survey

AGE RESTRICTION NOT NECESSARY FOR ALL BUYERS

If You Were to Move, Which of the Following Best Describes Your Preferences Regarding Moving to a New Community?

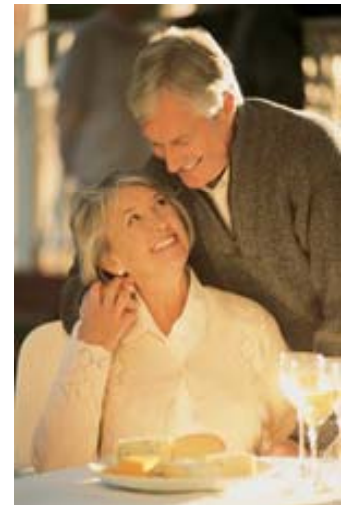
2010



SOURCE: 2010 Del Webb Baby Boomer Survey, based on respondents who were 50 and 64 years old in 2010.

RETIRING TO NEW URBANISM: SENIOR HOUSING AND ACTIVE ADULT EXAMPLES

- New urbanism communities attracting mature adults and seniors:
 - **Amelia Park** in Fernandina Beach, Florida
 - 421 unit TND
 - 70,000 square feet of retail
 - 80% of buyers are over age 50
 - Services allow residents to age in place
 - Home health care, telemedicine system
 - **Cascades Verdae** in Greenville, South Carolina
 - Senior housing within the Verdae TND
 - **Kentlands** senior housing development across from town center appeals to seniors
 - Near services and social outlets
 - **Middleton Glen**, at Middleton Hills traditional neighborhood development in Middleton, Wisconsin
 - **Silver Springs Village**, a TND Active Adult Community successfully sold out to senior homebuyers in suburban Atlanta

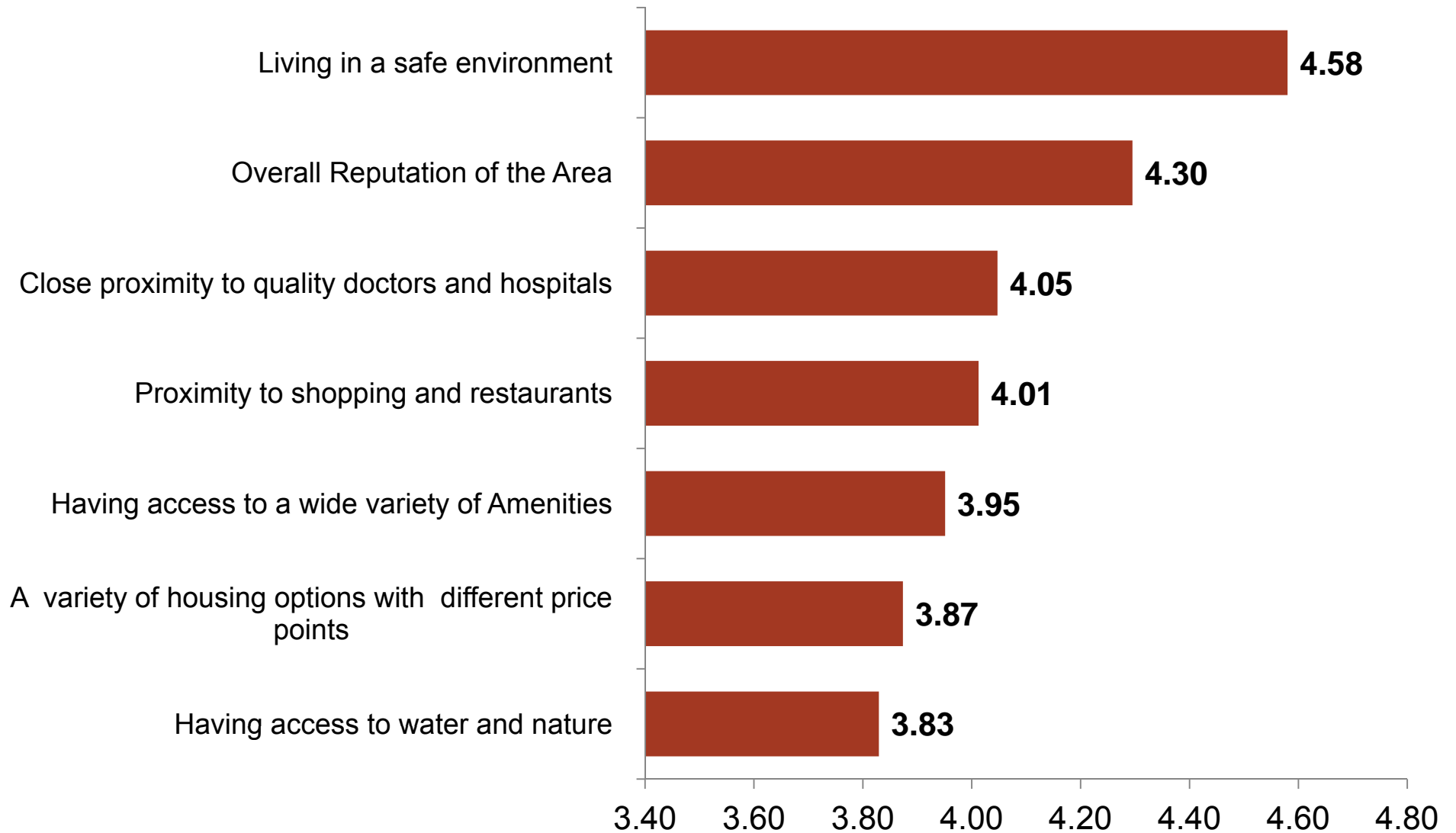


TND AS RETIREMENT COMMUNITY: ALTERNATIVES TO THE VILLAGES AND DEL WEBB

- Aging Boomers that move at this stage of life seek communities that facilitate:
 - Health and fitness
 - Making new friends and enjoying an active social life
 - Being close to essential services
 - Low-maintenance property that frees them to travel, socialize, and pursue new interests
 - Amenities that support this stage of their lives
 - Grocery stores, banks, parks, restaurants, health, fitness facilities
 - Executive office space in a village center for “second” or “third” career, small business, etc.
 - Confidence that they’ll continue to be able to afford this lifestyle, i.e., some control over costs of living

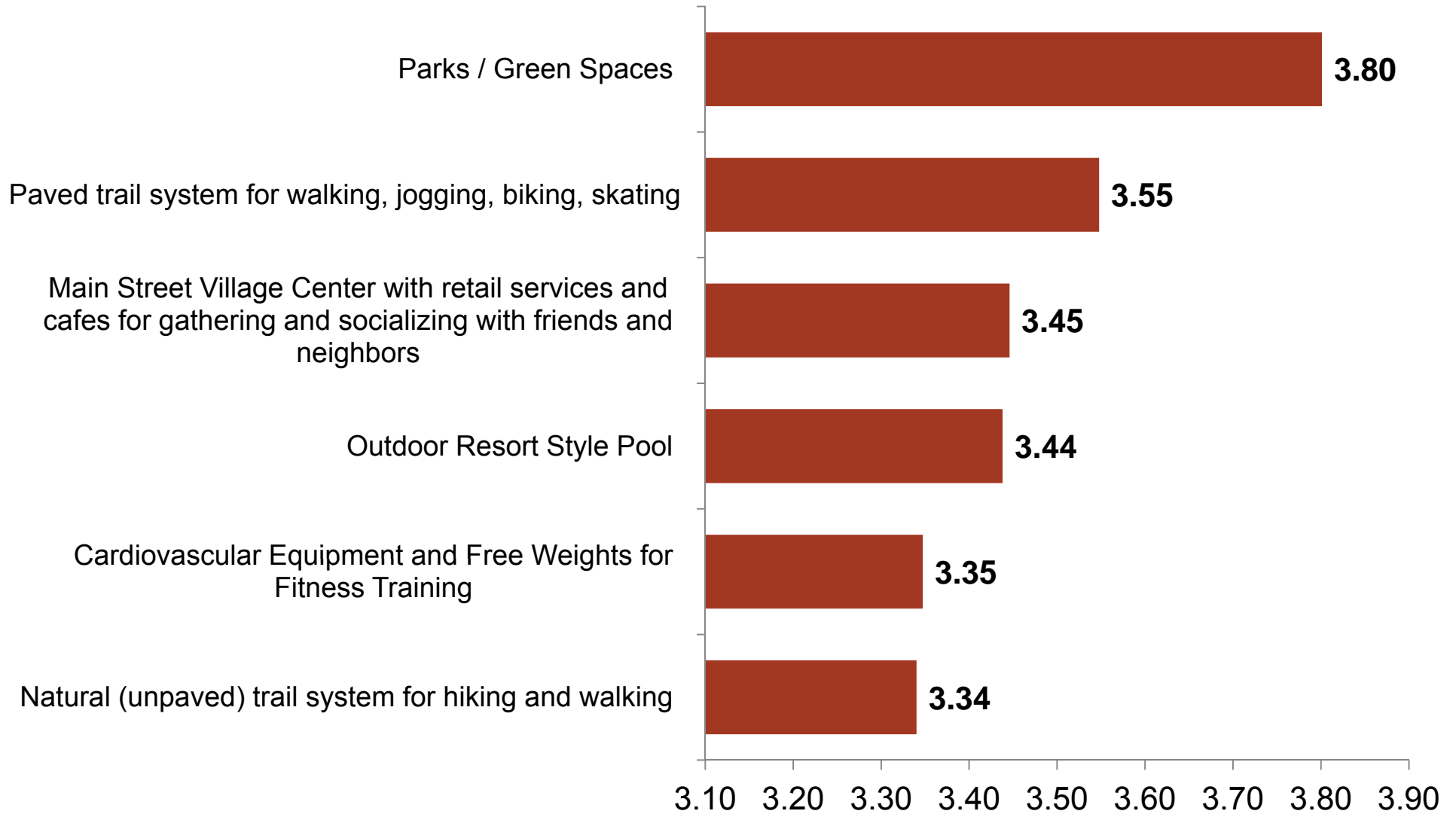


SAFETY AND REPUTATION ARE CRITICAL COMMUNITY COMPONENTS



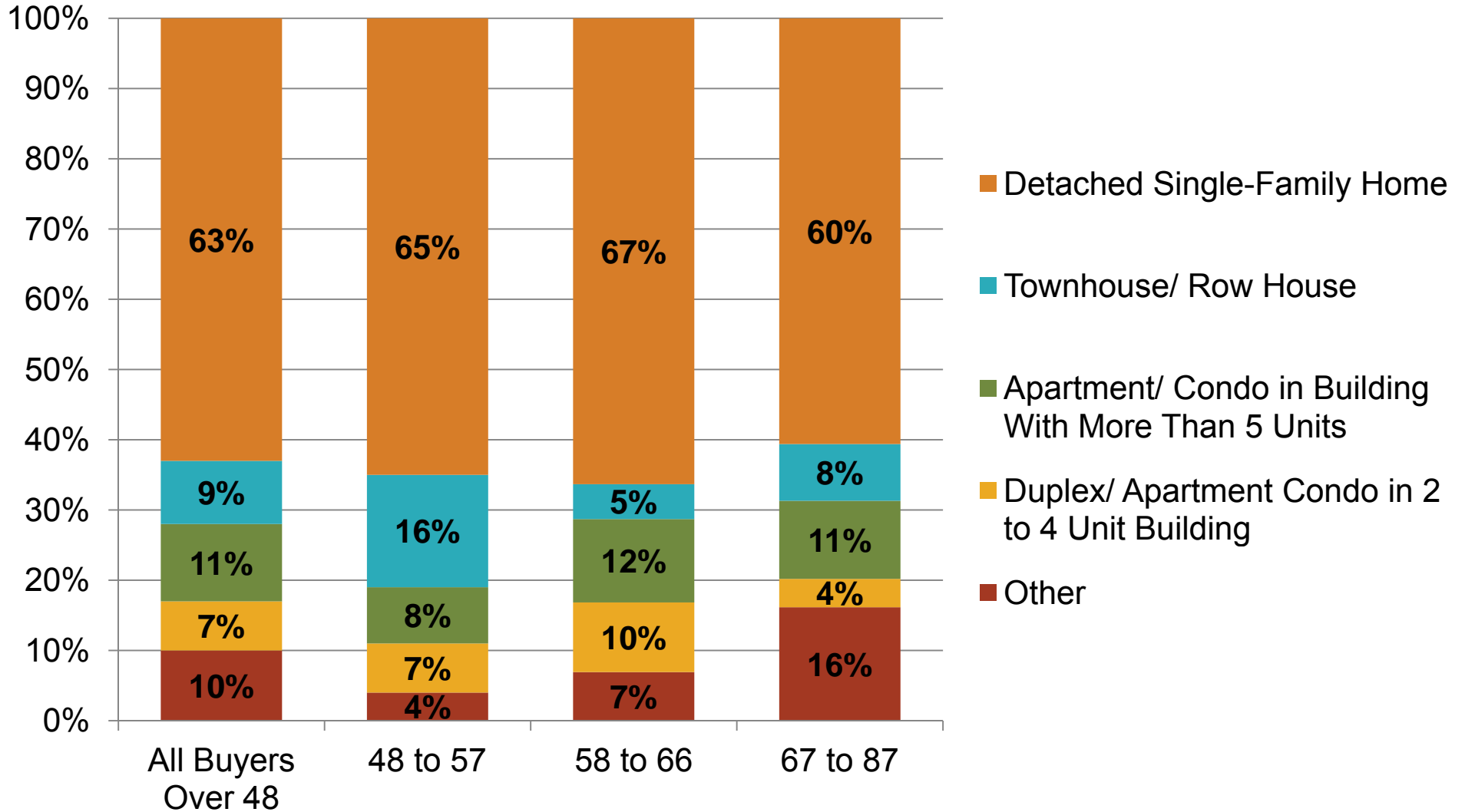
SOURCE: RCLCO Analysis of Survey Conducted December 5-December 10th 2012

COMMUNITY AMENITIES RECREATION & FITNESS: TRAILS



SOURCE: RCLCO Analysis of Survey Conducted December 5-December 10th 2012

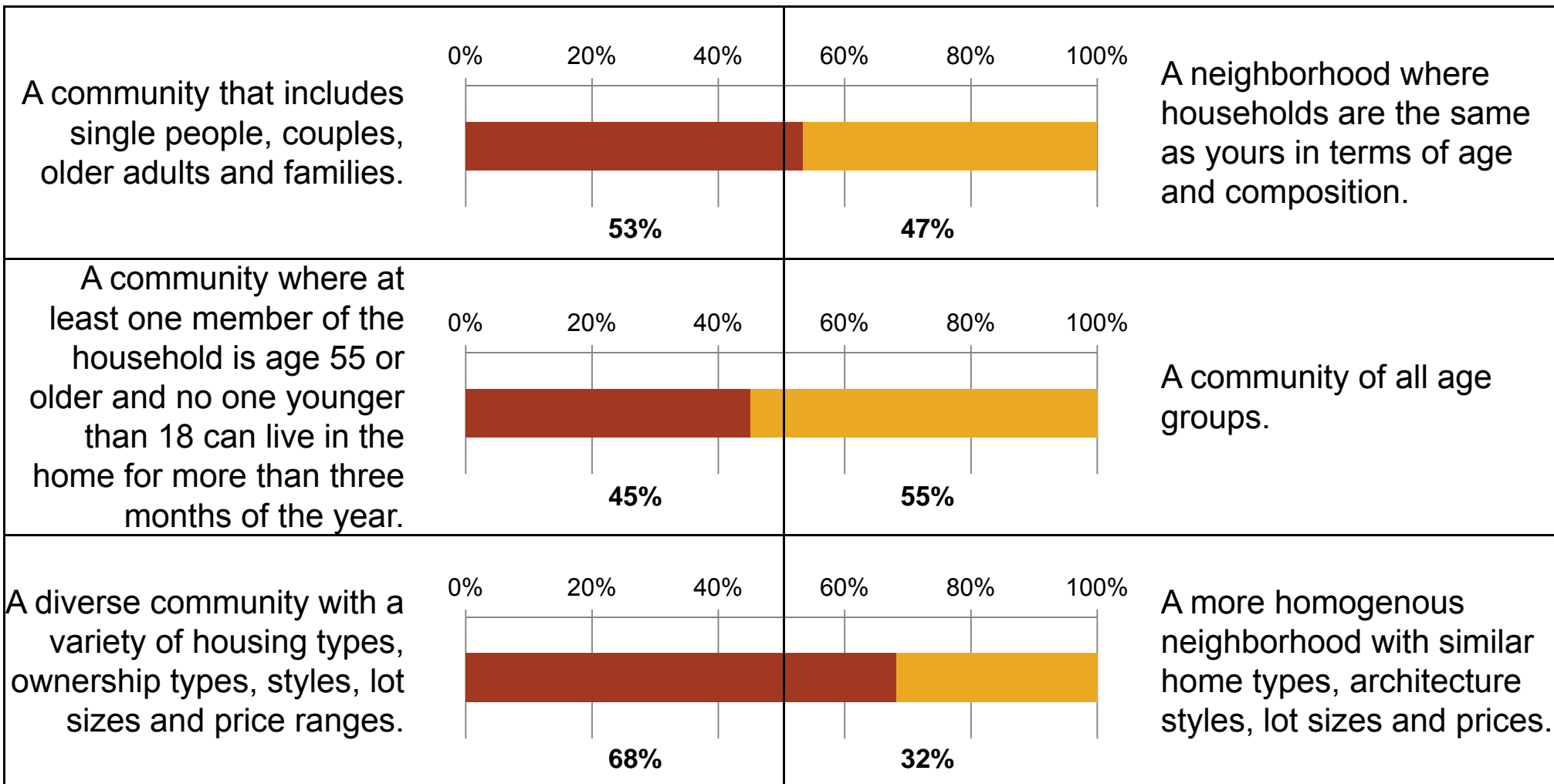
RESIDENTIAL PRODUCT PREFERENCES: MATURE BUYERS MORE TH INTEREST, 48-57; MORE APT/CONDO INTEREST, 58+



SOURCE: NAR Home Buyer/Seller Generational Trends, 2013

AGE RESTRICTION NOT A UNIVERSAL PREFERENCE

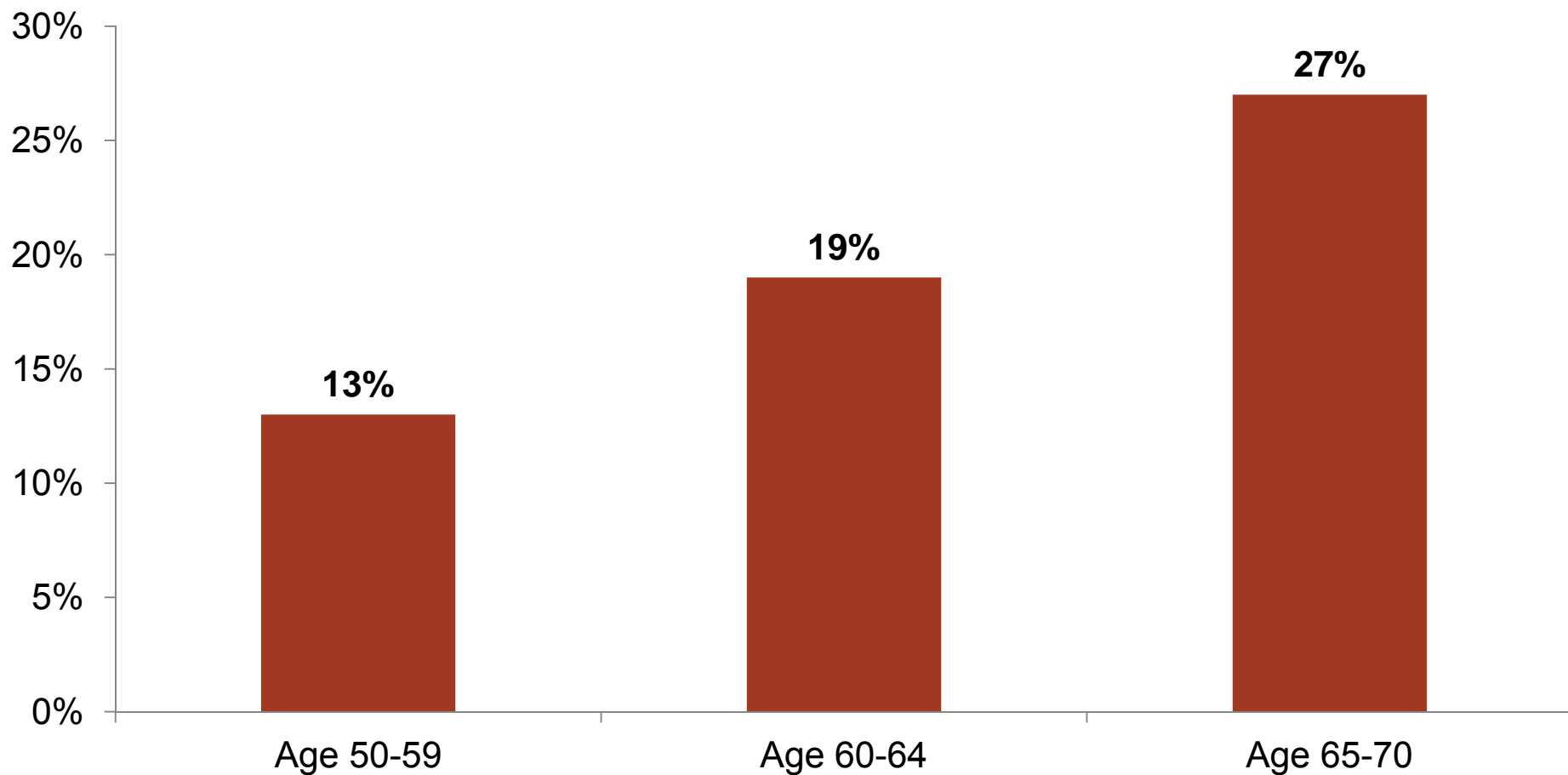
Trades Off to Age Restriction and Community Diversity



SOURCE: RCLCO Analysis of Survey Conducted December 5-December 10th 2012

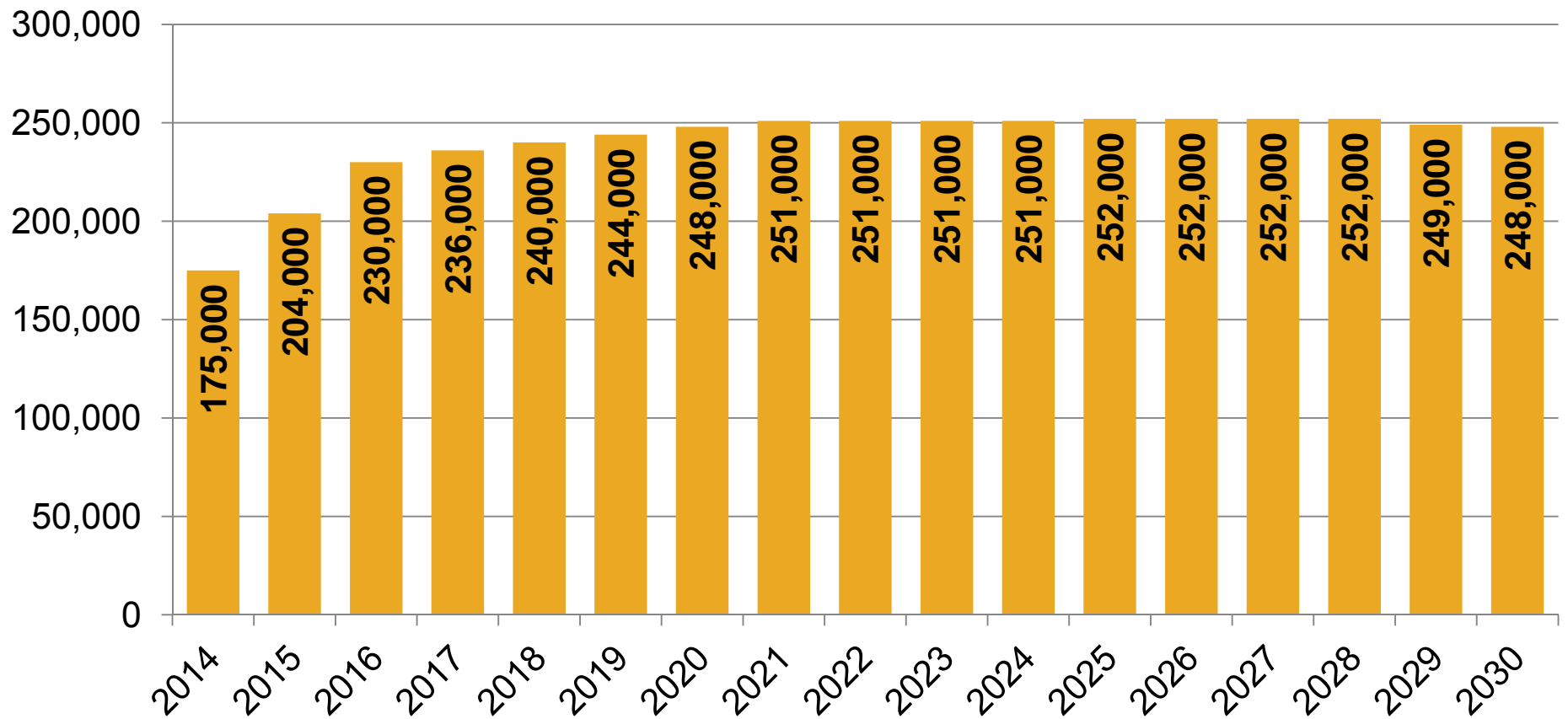
IMPORTANCE OF LIVING IN AGE RESTRICTED COMMUNITY INCREASES WITH AGE

Percentage of Respondents That Consider Age Restriction Important 2012



SOURCE: January 2012 Pulte Homes Baby Boomer Survey

National New Home Demand Projection by Source Market From 55-74 Households 2014-2030



SOURCE: US Census, ACS PUMS, RCLCO

MIDDLETON GLEN AT MIDDLETON HILLS – MIDDLETON, WISCONSIN (NEAR MADISON, WI)

- Middleton Glen Retirement Community
- Carefree independent senior living
- Time to enjoy golfing with your friends, fishing with grandchildren, bridge with your neighbors
- Freedom to develop new interests
- Community that promotes physical well being and an active independent lifestyle
- Residents benefit from being within walking distance to the businesses in Middleton Hills
- Grocery store, Starbucks, café, bar/pub, dry cleaners, frozen yogurt
- Residents of the Middleton Hills area an “incubator” for Middleton Glen



MIDDLETON GLEN AT MIDDLETON HILLS – MIDDLETON, WISCONSIN

Year Built: Two Phases – 1998 and 2002

Planner: Duany Plater-Zyberk & Company (DPZ Company)

Products: Apartments

Types of Care and Services Offered: Independent Living

Unit Mix: 97 total units, 14 floorplans – 43 two-bedrooms, 54 one-bedrooms

Apartments: 1B/1b, 2B/1b, 2B/2b

Size: 815-1,585 sq. ft.

Pricing:

- Entrance Fee: \$49,000-\$232,000 depending on unit (100% refundable)
- Monthly Fee: \$900-\$2,500 (depending on Entrance fee)
- Utilities not included

Occupancy: 93%

Services: Housekeeping, Maintenance, Trash Pickup

Amenities: Emergency Call Systems in Homes, Fireside/Dining Room, Wellness Center, Library, Wood Shop, Transportation, Billiards Room, Activities Director, Storage Areas, Surface & Underground Parking, Lounges, Green Space, Guest Room, Theater

Market Acceptance: Leased-up quickly; 100% occupied in 2007, low occupancy of 88% occupancy during the Great Recession. Around 95% occupied in recent years.



THE STRATFORD AT WEST CLAY – CARMEL, INDIANA

- Located in the heart of Village of West Clay traditional neighborhood development
- Maintenance free, active senior living community, set in a new urbanism community with classic architecture, among single-family homes, townhomes, and apartments
- Within walking distance or golf cart ride of neighborhood retail, restaurants, businesses, parks, and clubhouses
- Provides residents 10 miles of paths and sidewalks for walking or jogging, 160 acres of open space, three fitness centers, pedestrian friendly environment oriented to safety and fitness



THE STRATFORD AT WEST CLAY – CARMEL, INDIANA

Year Built: 2009

Developer: Brenwick Development Company

Products: Apartments (Assisted) and Cottages (Independent Living)

Types of Care and Services Offered: Independent Living, Assisted Living, Memory Care, Skilled Nursing, Rehabilitation

Unit Mix: 221 Total Units – 38 Cottages, 132 Apartments, 23 Assisted Living Suites, 10 Memory Care Rooms, and 18 Skilled Nursing/Rehab Rooms on 8.4 Acres

Apartments: 1-3 Bedrooms, 1-4 Baths

Size: 752-3,234 sq. ft.

Cottages: 2 Bedrooms, 2 Baths

Size: 1,158-2,269 sq. ft.

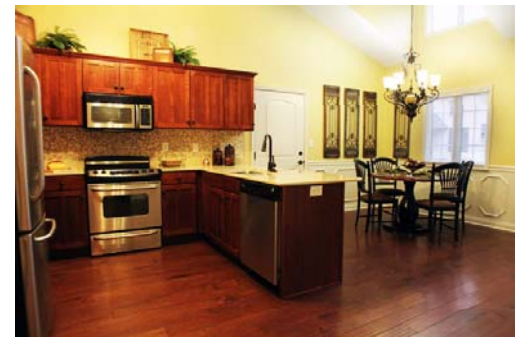
Pricing:

- \$1,800-\$4,400 per month rent for cottages and apartments
- \$600 per person monthly dining
- \$200 per person monthly services fee

Occupancy: 60% occupied overall, occupancy increased from 40% to 60% occupied over the last year.

Services: Housekeeping, Concierge Services, Package Drop off and Delivery, Valet Parking, Trash Pickup

Amenities: 2012 Awarded “Best of the Best” Clinical and Wellness Program, Emergency Call Systems in Cottages and Apartments, Grand Dining Room, Bar, Grill, Heated Pool, Activity Parlor & Library, Theater, Salon & Spa, Private Dining Room, Ballroom Floor & Hospitality Suite, Investment Club, Computer Center, Center Courtyard



CASCADES VERDAE – GREENVILLE, SOUTH CAROLINA

- The location creates opportunity for Verdae residents to have a place for their frail elderly parents, and for they themselves to “age in place” longer term
- Many Cascades residents families that live in Verdae or in the surrounding area
- Cascades Verdae benefits from proximity to Embassy Suites for visiting family, and the golf course—some residents enjoy playing golf and having their families come to visit if they do not already live in the local area
- A very upscale area; surrounding residents are financially capable of paying the fees it costs to stay at Cascades Verdae; too expensive for others



CASCADES VERDAE – GREENVILLE, SOUTH CAROLINA

Year Built: 2008

Developer: Banyan Senior Living

Products: Villas and Cottages (Independent Living)

Types of Care and Services Offered: Independent Living, Assisted Living, Memory Care, Skilled Nursing, Rehabilitation

Unit Mix: 164 Villas, 43 Cottages, 48 Assisted Living units, 24 Memory Care units, 44 Skilled Nursing/Rehab Beds

Villas: 1B/1b, 2B/2b, 2B/2.5b, and 3B/2.5b

Size: 979-2,170 sq. ft.

Cottages: 2B/2b, 2B/2.5b, and 3B/2.5b

Size: 1,639-2,536 sq. ft.

Pricing:

- Villas: \$200,000-\$500,000 entry fee. \$2,400-\$4,000 monthly fee
- Cottages: \$400,000-\$750,000 entry fee. \$3,800-\$4,500 monthly fee
- 60% to 90% of entry fee is refundable depending on plan. Monthly fee includes all services and dining.

Occupancy: Villas and Cottages – 95%; Assisted Living, Memory Care and Skilled Nursing/Rehab –100%

Services: Housekeeping, Concierge Services, Package Drop off and Delivery, Trash Pickup, Maintenance, Scheduled Transportation

Amenities: Movie Theater, Art Studio, Grand Dining Room, Pub & Billiards, Ballroom. Library, Private Dining Room, Café/Bistro, Card Room, Business Center, Bank, Computer Center, Wood Working Studio, Barber Shop, Beauty Salon & Spa



- There is a large market for Senior Housing; even larger for younger retiree market, e.g., Active Adults
- Good examples of Boomers retiring to Traditional Neighborhood Developments, Senior Housing being incorporated into TND
- However... most want to age in their current home, many lack the access to the services needed to do that—how can this be better addressed?
- The older you are, the bigger the share of income that goes to pay for housing—many of the examples we're looking at are expensive—what about everyone else?
- Not just about adding Senior Housing to TND—need to build homes and neighborhoods that help residents to age in place, provide needed services, accommodate disabilities, etc.

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