

# **The Plan to Attract Retirees and Future Retirees to the Paso del Norte Region**



## **Executive Summary**

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## The Vision and Mission of The Paso del Norte Group to Attract Retirees to the Region

The Paso del Norte Group has defined a vision and mission statement for the development of a retiree attraction program for the Paso del Norte region.

**Vision.** The Paso del Norte region will be a premier retirement destination location chosen because of its quality of life, climate, lifestyle and opportunities for 50+ households.

**Mission Statement.** The Paso del Norte Group will support efforts necessary to create public and private sector development opportunities that enhance the quality of life of the region; and promote marketing and advertising strategies necessary to establish the Paso del Norte region as a retirement destination.

## Included in the Report

This report provides background information that overviews what 50+ consumers want in their home and community; identifies the strengths and challenges to attract retirees to the region; estimates demand for age-qualified housing among households living within and beyond the Paso del Norte region; and, outlines a comprehensive plan to initiate the Retiree Attraction Program for the Paso del Norte region.

The following pages highlight some of the key information included in this report.

# Executive Summary – Highlights of the Report

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## The Paso del Norte Region

- The Paso del Norte region has not enjoyed the influx of retirees that has been apparent in other areas of Texas, New Mexico and Arizona. This is likely because the community has focused on its responsibilities to Ft. Bliss and has not concentrated efforts on attracting retirees.
- The Paso del Norte region has an abundance of natural, cultural, educational and recreational attributes, in addition to the extremely favorable cost of living, that are likely to attract retirees.
- The Paso del Norte region is somewhat rough around the edges, lacks attractive streetscapes and suffers from the perception that it is a dusty border town.
- The Paso del Norte region has significant competition in the southwest and other areas that are attractive destinations for retirees; have affordable housing, and have decades of a head start in attracting retirees to their regions.

## The Benefits of Attracting Retirees

- Retirees are an attractive economic development strategy because they bring transfer income to the community. Each household is equivalent to 3.1 manufacturing jobs in its economic impact and the retiree households put comparatively little strain on the community resources and infrastructure particularly when contrasted to younger households with children.
- Many retirees contribute thousands of volunteer hours to their adopted communities and they spend their transfer income on goods and services in the community.

# Executive Summary – Highlights of the Report

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## There are Four Primary Target Market Sectors for the Retiree Attraction Program

- Retiree households in the market area;
- Military retirees and veterans -- there are 48,266 military veterans in the Paso del Norte region who are 45+ years of age. (Note: there are more than 78,000 military veterans in the region. That number includes veterans who are younger than 45 years of age.)
- UTEP alumni -- there are 22,879 UTEP alumni, not necessarily living in the area, estimated to be between the ages of 50 and 74 years.
- Travelers to the region – there are more than 30,000 visits to the region each year.

## Evaluation of Migration Data

- Compared to other counties in the Southwestern region, El Paso County has negligible in-migration from other states.
- El Paso County has a positive net in-migration (in-migration – out-migration). The positive in-migration is totally a result of foreign households entering the county.
- El Paso County's in-migration counted for 0.2 percent (two-tenths of 1 percent) of its total population growth.

# Executive Summary – Demand for Active Adult and All-Age Housing

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## Estimates of Demand for Age-Qualified Active Adult Housing

- It is estimated that the annual demand for active adult housing in the Paso del Norte region for the year 2007 (if active adult housing were to be marketed) is approximately 486 households. The demand increases to 583 households in 2011. This is the demand that will move to a new residence in a given year and likely to move to an active adult community (if one is available).
- A second estimation focused on demand for a “destination” active adult community that would attract households from both within and **beyond** the market area. This estimate yielded an estimated demand for 524 homes in an active adult community in 2007 and an annual demand for 645 homes in 2011. This would be in addition to the demand cited above.
- A third estimate of demand reveals there are probably 531 households who are 55 to 79 years of age in the Paso del Norte region who will move to a different residence in an all-age community and there are 417 households (55 to 79 years of age with \$50,000+ annual income) who may move to an all-age destination resort community in the Paso del Norte region annually.
- At present there is one single property with an active adult section (Sonoma Ranch) in the Paso del Norte region.

## Conclusions

- The demand within the Paso del Norte area is sufficient to support development of active adult communities.
- The Retiree Attraction Program should augment the demand and should increase the opportunity for developers over time.
- The retired military and veterans populations and potential opportunities for development of a military-focused retirement community on or near the base should be very attractive to developers.

# Executive Summary – Demand for Independent Living and Assisted Living

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## Estimates of Demand for Independent Living and Assisted Living Housing

- There are six properties in the Paso del Norte region that have independent living residences and services and 17 properties that offer assisted living services.
- El Paso County yields a total demand for 356 units of independent living housing beginning in 2007, with an excess of demand over supply (market opportunity) of approximately 197 units. Similarly, El Paso County has a total estimated demand of 447 assisted living residences with an unmet need of 251 residences. This is an attractive proportion of demand over supply.
- We must exercise caution when evaluating the demand for independent living and assisted living residences because we do not have data that reveals the extent to which these products are adopted by Hispanic households. According to the US Census (2006) 55 percent of the 55 to 74 year age group households in El Paso are Hispanic.
- The demand estimates for all forms of age-qualified housing suggest there is strong market opportunity.

## Conclusions

- There is excess demand over supply for independent living and assisted living residences in El Paso County.
- If the Hispanic households adopt this housing product at the same rate as non-Hispanic households, there is significant opportunity for developing new independent and assisted living communities.
- The opportunity to develop a continuing care retirement community with Ft. Bliss should be explored aggressively. The military veteran market enhances the market opportunities in the area.

# Executive Summary – The Implementation Program

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## The Implementation Program to Attract Retirees to the Paso del Norte Region

- A four year “start up” retiree attraction program is outlined in the implementation plan. The program has a budget of roughly \$176,000 that should extend through approximately an 18 month period.
- The program calls for a full-time Director and a paid part-time staff person to manage volunteers.
- We believe the program has a realistic goal of earning approximately 575 retiree households for the area within a four year period. It assumed that these households are moving to the area to live in conventional or age-qualified housing. **Note: This is not existing demand, but rather demand captured from outside the market area because of the retiree attraction program.** This estimate was developed assuming that an active adult community may or may not be developed within this time frame and that these retirees would be attracted to the Paso del Norte region because of its inherent benefits. This would be equivalent to 1,782 manufacturing jobs. If we assume the expenditure for the retiree attraction program is \$125,000 per year for each of the four years for a total of \$500,000, then the cost per equivalent manufacturing job is \$281. The cost per retiree households is \$869.
- It is estimated that the program could continue to attract 400+ households per year and should increase as friends tell friends to move to the region. Four hundred households at \$50,000 annual household income (a conservative estimate) is \$20,000,000 more funds being deposited and spent in the area each year. Four hundred retiree households per year is equivalent to 1,240 manufacturing jobs.
- The retirees have not yet found the Paso del Norte region. It is unlikely that this region will compete successfully without fully implementing the retiree attraction program.
- Retirees are a clean, lucrative, economically sound investment that contribute much more than money to the community. The Paso del Norte Region will be rewarded many times over for your decision to develop this industry.