

# Target Markets for Age-Qualified and All-Age Housing and The Market Opportunity



# The Target Market

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The primary market sector is relatively easy to describe. It is any household 50+ years of age that is interested in purchasing either a primary or secondary home in the Paso del Norte region. The bulk of the market will come from within a region of approximately 100 miles surrounding the area, but marketing should be directed beyond this distance.

The ideal market will have a minimum of \$100,000 annual household income and a minimum net worth of \$ 500,000. This market will be able to afford just about any type of housing and will have sufficient funds to purchase just about all the goods and services that they want.

## Focus on Key Market Sectors

We recommend focusing on markets that are likely to pay off more quickly and will require less marketing and hand holding. These markets will already be familiar with and have ties to the Paso del Norte region. As the retiree attraction program increases its spread and households begin to move to the region, then the net can be cast to capture a broader market sector.

# Target Markets

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Four markets have been identified as key target markets for the initiation of the Paso del Norte Region Retiree attraction Program. These markets are targeted because all have a connection to El Paso.

1. Households in the market area. The goal is to keep these households in the market area and not to lose them to other retirement destination areas.
2. Military retirees and veterans. Thousands of retired military personnel and veterans have spent time at Fort Bliss in the Paso del Norte region. There are 48,266 military veterans in the Paso del Norte region who are 45+ years of age.
3. UTEP Alumni. It is estimated there are 22,879 UTEP alumni between the ages of 50 and 74 years of age.
4. Travelers to the region.

The following pages provide details about these housing market sectors.

Additional sub-markets that may yield new households to move to the Paso del Norte region include:

1. Households interested in the Hispanic culture
2. Households who attend the Sun Bowl
3. Households who are engaged in or enjoy thoroughbred racing at Sunland Park
4. Households who enjoy gaming

## Military Retirees and Veterans

The military has provided a significant number of retirees to the Paso del Norte region. In 2007 there are 27,624 veterans or retirees between 45 and 64 years of age, 11,237 between 65 and 84 years of age and 2,800 who are 85+ years of age in the region. Of the new retirees and veterans moving into the area, the numbers in the 45 to 84 year age groups will decline between now and 2012, while those in the 85+ age group will increase.

Ft. Bliss has acreage that would be ideal for a military retiree and veteran active adult and continuing care retirement community. A quality community would attract veterans from across the country. It is likely that a number of qualified and experienced developers would be interested in the opportunity to develop and manage this community. See the appendix at the end of this section for brief descriptions of other military-oriented retirement communities.

| <b>Number of Veterans by Age and County in the Paso del Norte Region</b>   |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Source: Veterans Administration (<a href="http://www1.va.gov/vetdata/docs/Living_County_By_VISN.xls">http://www1.va.gov/vetdata/docs/Living_County_By_VISN.xls</a>)</b> |               |               |               |               |               |               |
| <b>45 to 64</b>  | Sept 30 2007  | Sept 30 2008  | Sept 30 2009  | Sept 30 2010  | Sept 30 2011  | Sept 30 2012  |
| Dona Ana   | 5,674         | 5,561         | 5,445         | 5,305         | 5,074         | 4,821         |
| Otero  | 3,382         | 3,328         | 3,272         | 3,178         | 3,025         | 2,869         |
| El Paso  | 18,568        | 18,184        | 17,794        | 17,272        | 16,409        | 15,655        |
| <b>65 to 84</b>  |               |               |               |               |               |               |
| Dona Ana   | 4,338         | 4,228         | 4,119         | 4,045         | 4,074         | 4,111         |
| Otero  | 2,248         | 2,215         | 2,115         | 2,124         | 2,109         | 2,103         |
| El Paso  | 11,237        | 10,843        | 10,561        | 10,371        | 10,600        | 10,826        |
| <b>85+</b>   |               |               |               |               |               |               |
| Dona Ana   | 520           | 550           | 578           | 603           | 628           | 647           |
| Otero  | 268           | 287           | 307           | 325           | 341           | 355           |
| El Paso  | 2,012         | 2,125         | 2,216         | 2,323         | 2,439         | 2,578         |
| <b>TOTAL</b>   | <b>48,266</b> | <b>47,320</b> | <b>46,412</b> | <b>45,546</b> | <b>44,700</b> | <b>43,903</b> |

# UTEP Alumni

UTEP Alumni are likely to be a significant source for in-migration to the Paso del Norte region. Most of the former students will have lived in the region prior to and during their education at UTEP. Many are likely to have moved away from the region upon graduation because they were unable to find employment. These alumni are likely to have family in the area, are familiar with the region and are likely to be Hispanic. They will not need to be sold on the attributes of the Hispanic culture.

Richard Daniel, the new Assistant Vice President for Alumni Relations will lead the department responsible for keeping the 78,000+ alumni connected to UTEP. Mr. Daniel will be pleased to be part of the Retiree Attraction Program and should be a key source in helping to create relationships and recruit UTEP alumni to return to the area.

Source: Data provided by Mr. Richard Daniel

| Number of UTEP Alumni by Class Year, Estimated Year of Birth and Age<br>(Assumes Students were 22 Years of Age at Graduation) |                     |               |        |
|---|---------------------|---------------|--------|
| Class Year  | Estimated Year Born | Estimated Age | Number |
| 1955  | 1933                | 74            | 217    |
| 1956  | 1934                | 73            | 284    |
| 1957  | 1935                | 72            | 303    |
| 1958  | 1936                | 71            | 351    |
| 1959  | 1937                | 70            | 313    |
| 1960  | 1938                | 69            | 331    |
| 1961  | 1939                | 68            | 339    |
| 1962  | 1940                | 67            | 403    |
| 1963  | 1941                | 66            | 506    |
| 1964  | 1942                | 65            | 612    |
| 1965  | 1943                | 64            | 797    |
| 1966  | 1944                | 63            | 776    |
| 1967  | 1945                | 62            | 729    |
| 1968  | 1946                | 61            | 927    |
| 1969  | 1947                | 60            | 1,135  |
| 1970  | 1948                | 59            | 1,331  |
| 1971  | 1949                | 58            | 1,979  |
| 1972  | 1950                | 57            | 1,578  |
| 1973  | 1951                | 56            | 1,506  |
| 1974  | 1952                | 55            | 1,602  |
| 1975  | 1953                | 54            | 1,424  |
| 1976  | 1954                | 53            | 1,443  |
| 1977  | 1955                | 52            | 1,515  |
| 1978  | 1956                | 51            | 1,483  |
| 1979  | 1957                | 50            | 1,607  |

# UTEP Center for Lifelong Learning

UTEP's Center for Lifelong Learning has an impressive array of educational opportunities for individuals 50+ years of age. The 15 page Fall 2007 catalog includes courses that have durations of one to nine sessions. There is a flat fee to join the Center of \$20, a \$60 flat fee to enroll in the Fall programs, and charges of \$20 for some of the classes that have expendable supplies. Essentially for a fee of \$60 you can take as many of the 40+ classes you can fit into your schedule.

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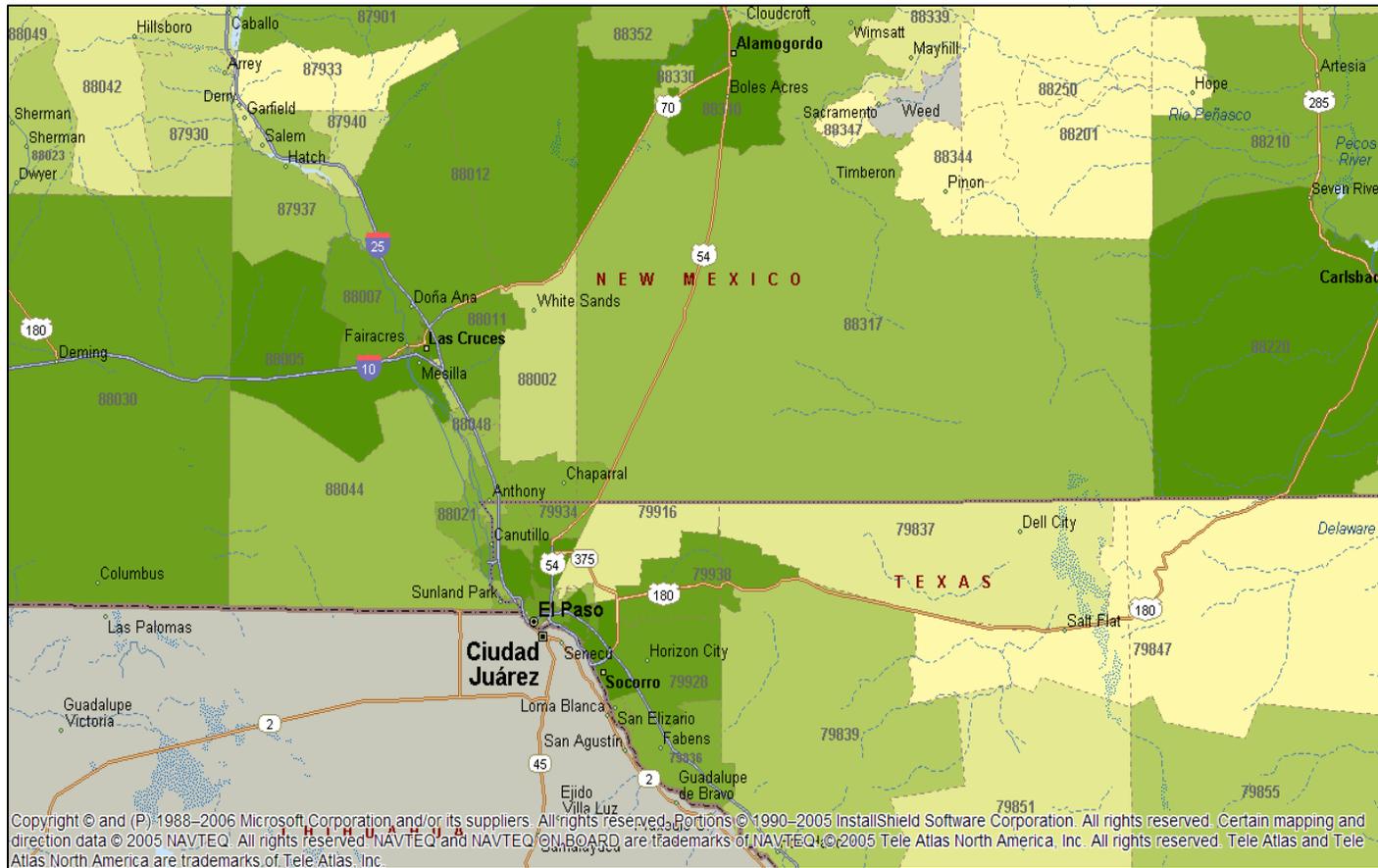
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# Population Estimates by ZIP Code (2007)

The majority of the regional population is concentrated in El Paso and Las Cruces. Smaller concentrations of population are located east of El Paso along Highway 180 toward Salt Flat.



Projections do not reflect the influx of households to the base.

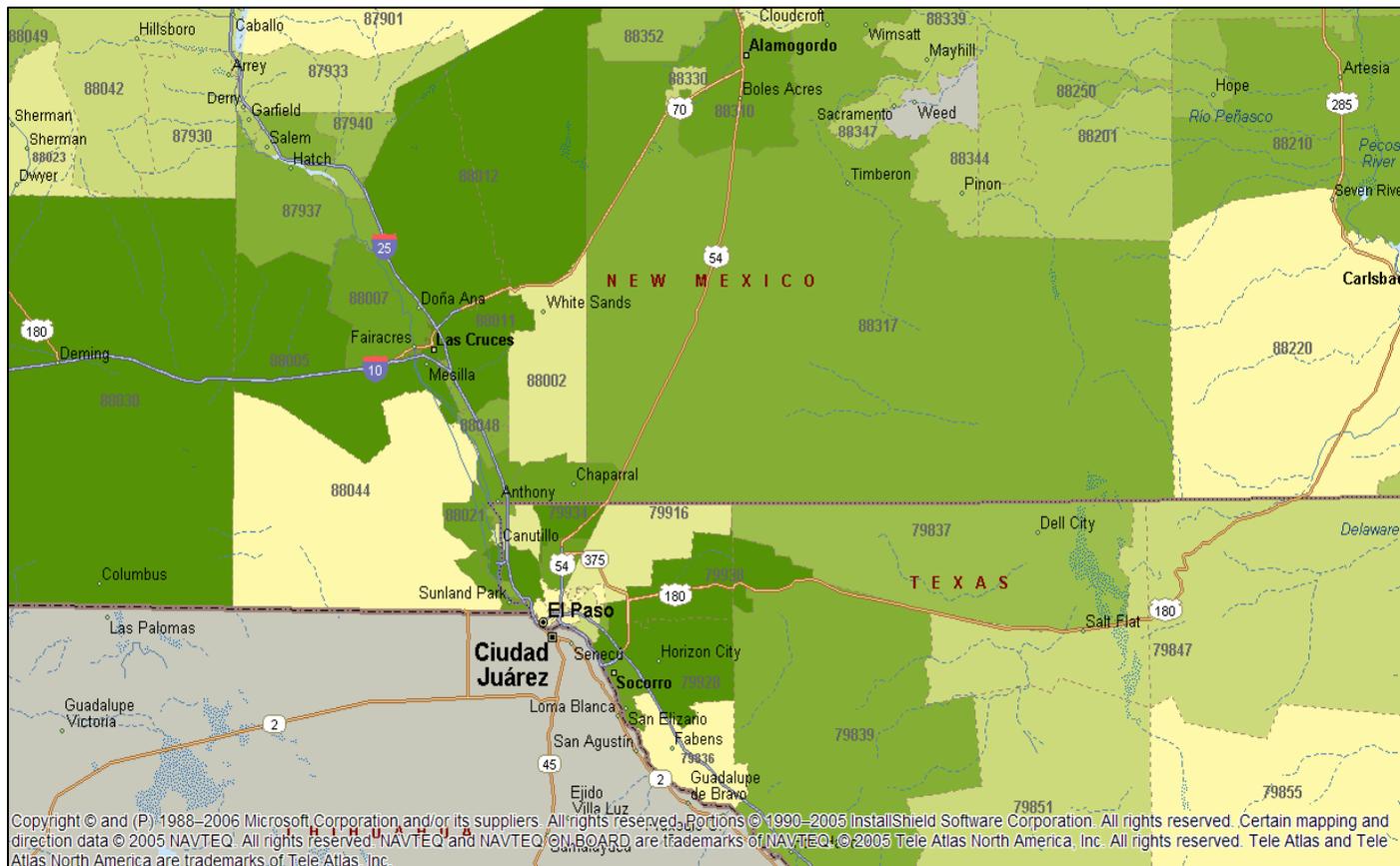
## Population Estimates 2007

- 29,000 to 115,760
- 18,000 to 28,999
- 9,500 to 17,999
- 3,200 to 9,499
- 1,700 to 3,199
- 720 to 1,699
- 300 to 719
- 50 to 299

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# Change in Population by ZIP Code (2007 to 2012)

The population in the ZIP code areas of EL Paso are projected to decline in number over the next five years. ZIP code areas located in the north and south of the city are projected to grow. This may show that the population in downtown El Paso is projected to decline.



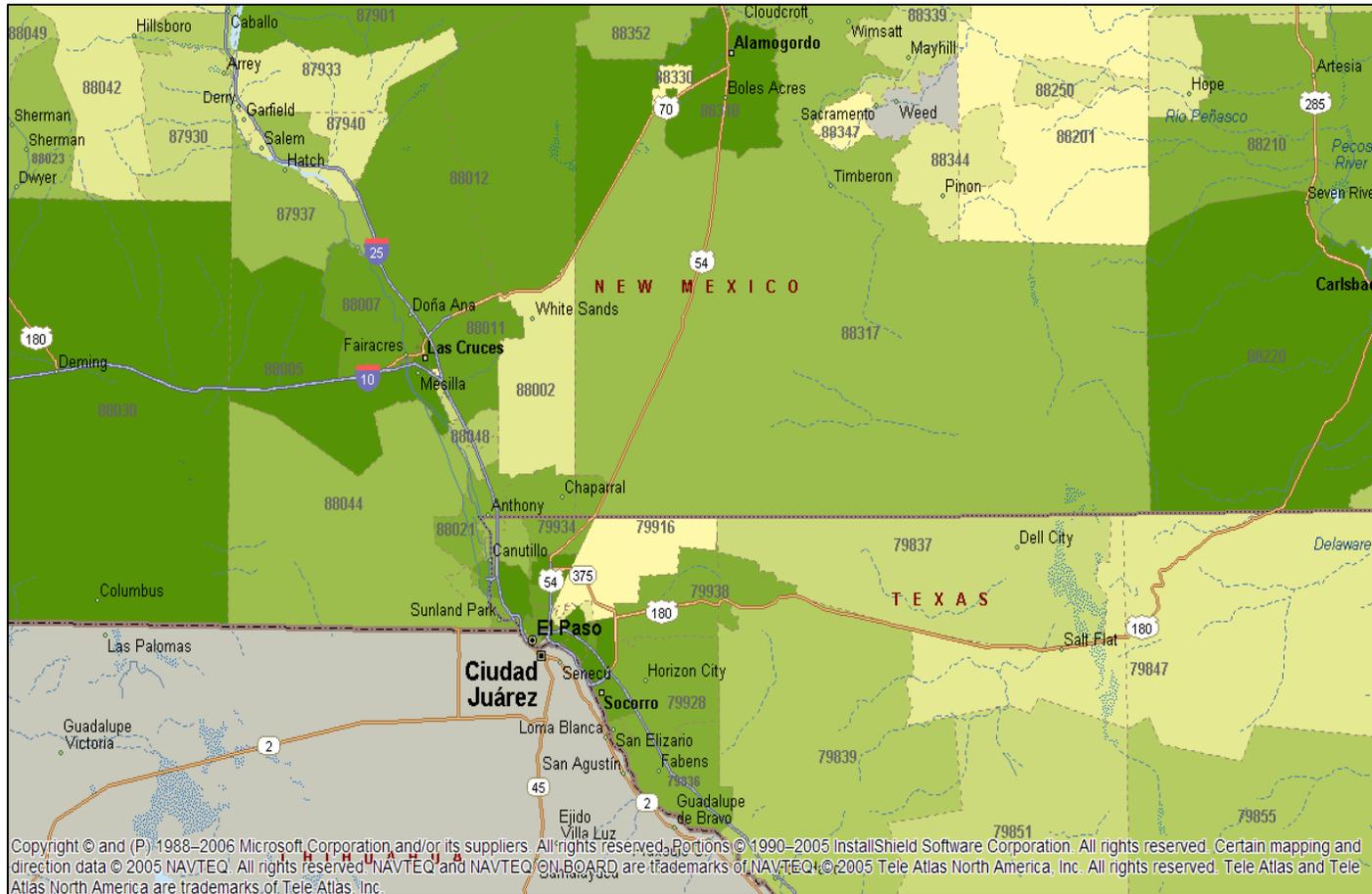
Projections do not reflect the influx of households to the base or any impact from the downtown revitalization plan.

Change in Population (2007 to 2012)

- 1,350 to 15,295
- 300 to 1,349
- 74 to 299
- 15 to 73
- 0 to 14
- -35 to -1
- -200 to -36
- -819 to -201

# 55+ Population by ZIP Code (2007)

There is a significant amount of 55+ population north and northwest of El Paso in Deming, Las Cruces and Alamogordo ZIP code areas. Some caution should be used when interpreting the data based on the varying size of the ZIP codes.



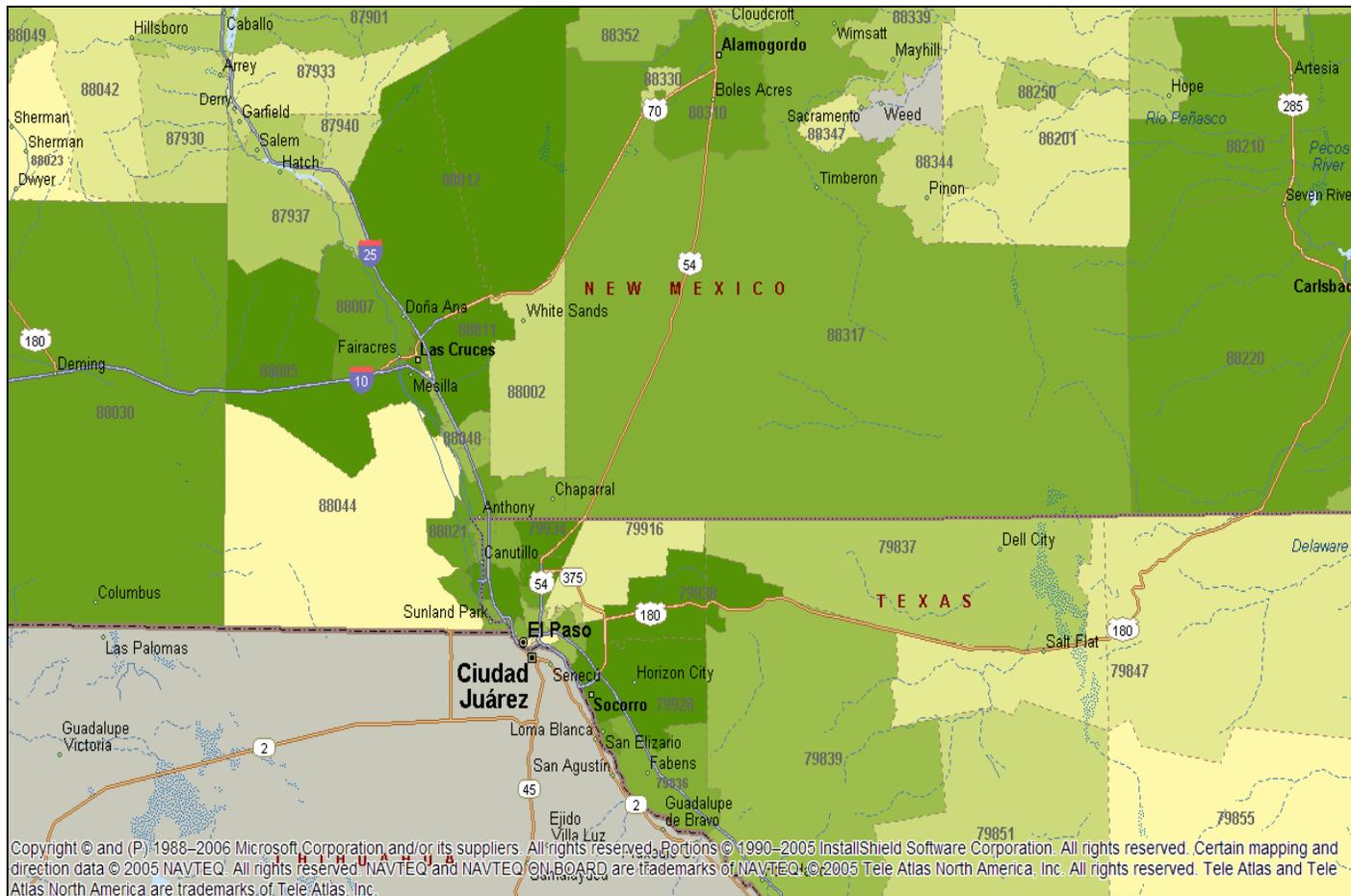
**Projections do not reflect the influx of households to the base.**

## 55+ Population (2007)

- 6,700 to 14,409
- 3,880 to 6,699
- 1,580 to 3,879
- 660 to 1,579
- 368 to 659
- 145 to 367
- 56 to 144
- 4 to 55

## Change in 55+ Population by ZIP Code (2007 to 2012)

The 55+ population in all ZIP code areas in El Paso are projected to increase from 2007 to 2012 with the exception of the ZIP Code area 79916 which is projected to marginally decrease by between 1 to 185 people. This increase in the 55+ population is essentially the proportion of the population that will turn 55 in the next 5 years. It does not represent an influx of retirees moving to the area.



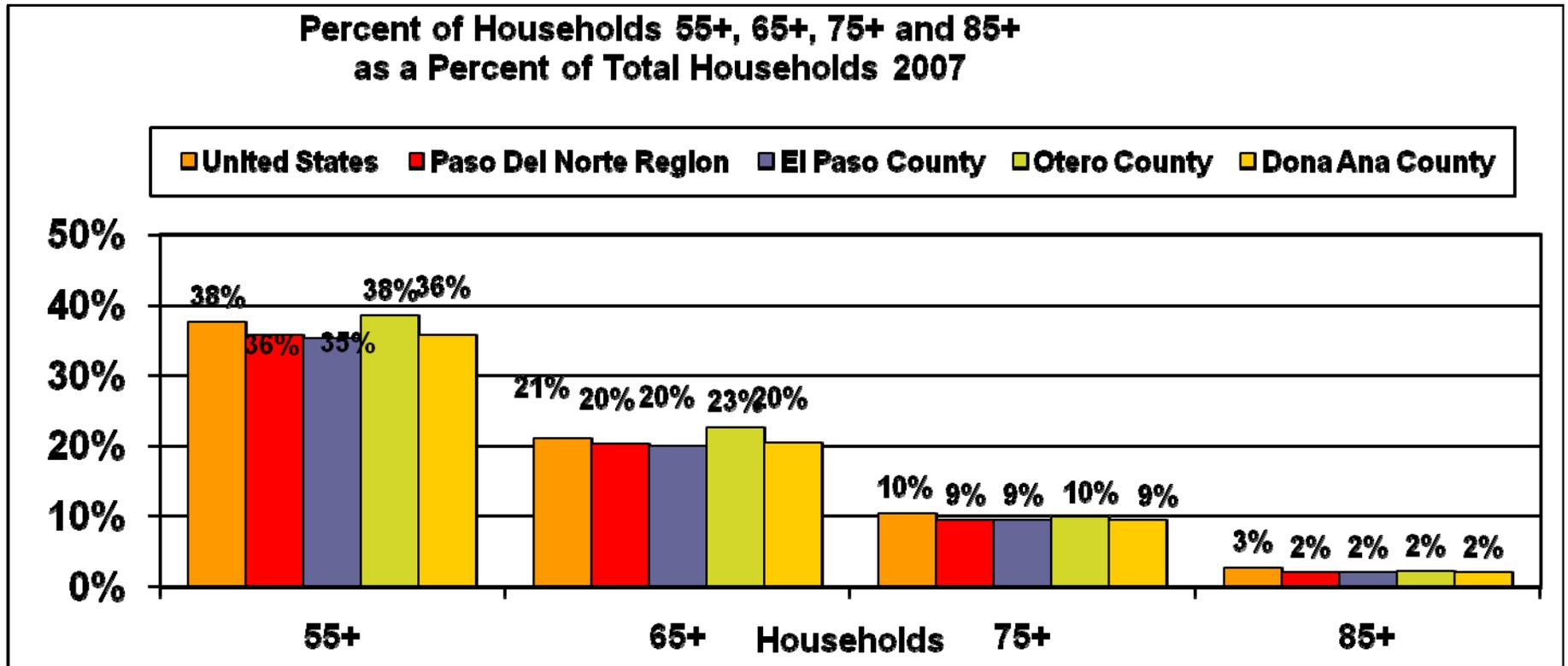
**Change in 55+ Population**

**(2007 to 2012)**

- 1,000 to 6,205
- 380 to 999
- 150 to 379
- 45 to 149
- 16 to 44
- 8 to 15
- 0 to 7
- -185 to -1

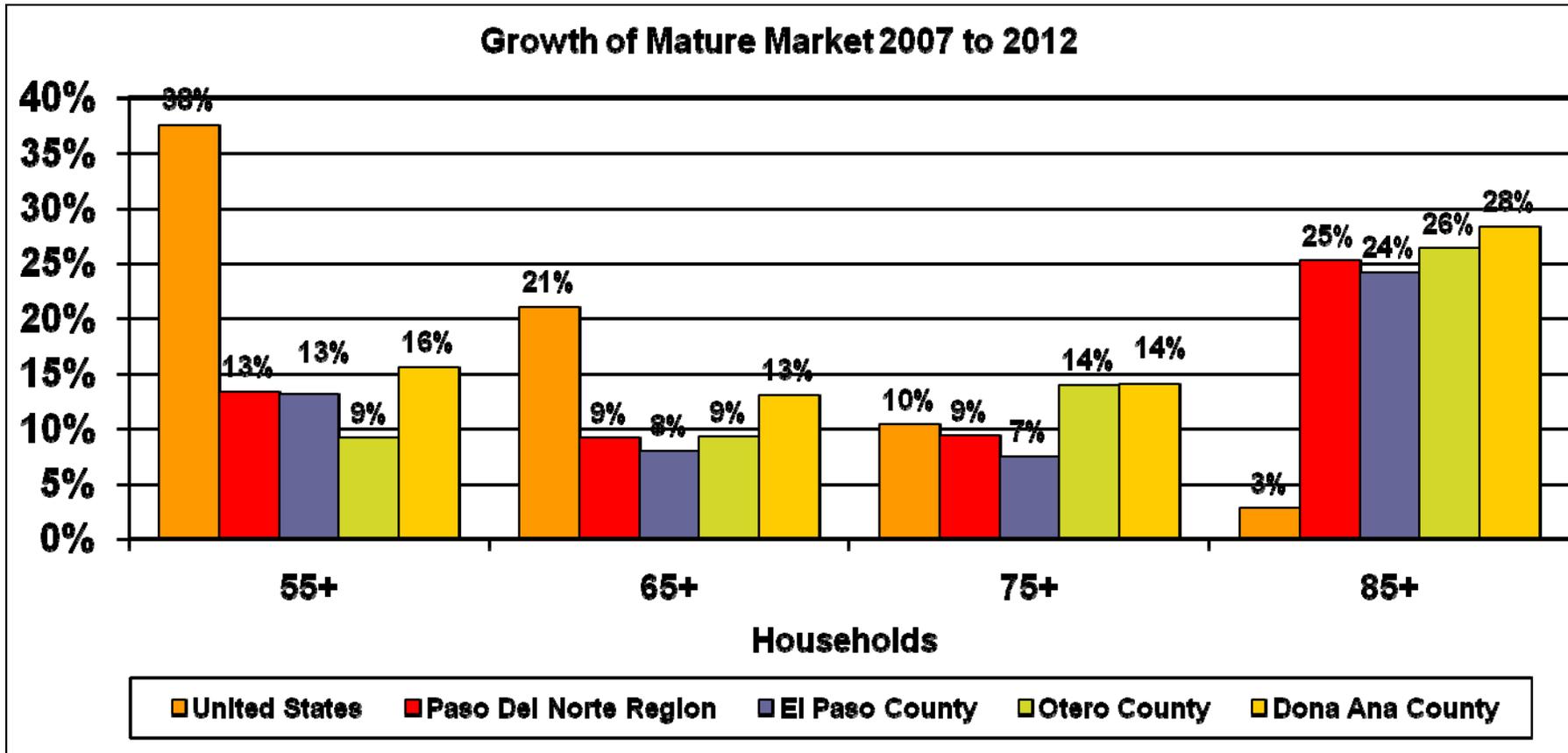
## Size of Mature Market

The proportion of households 55+, 65+, 75+ and 85+ relative to the total population are similar to the proportions in the total US. Otero County has a slightly higher proportion of households than El Paso and Dona Ana counties.



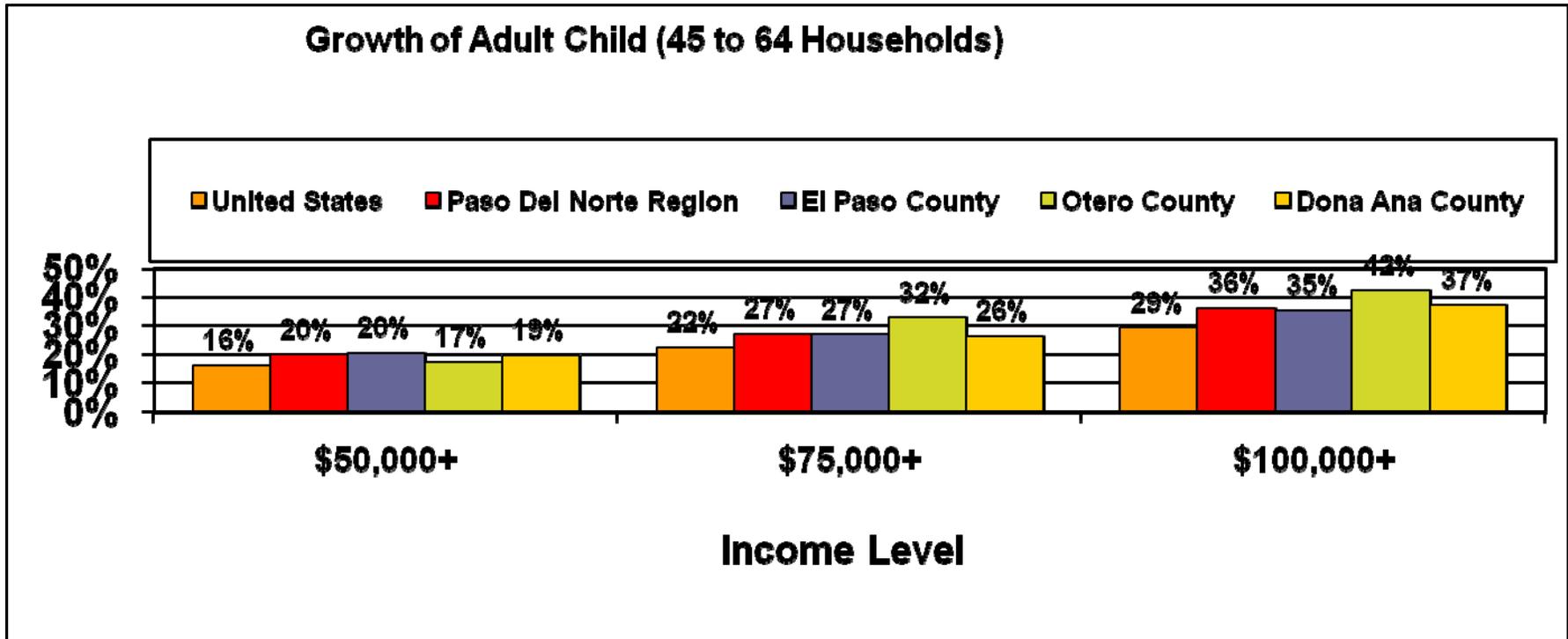
## Growth of Mature Market

The projected growth patterns of the 55+ market sectors in the Paso del Norte region differ from those of the US. The county data reveal greater growth among households 85+ eight times higher than the national average. And, significantly lower growth projections of the 55+, 65+ and 75+ households than national average. This supports the need for a more proactive approach in attracting households 55 to 84 in the coming years.



## Growth of Adult Child Market (2007 to 2012)

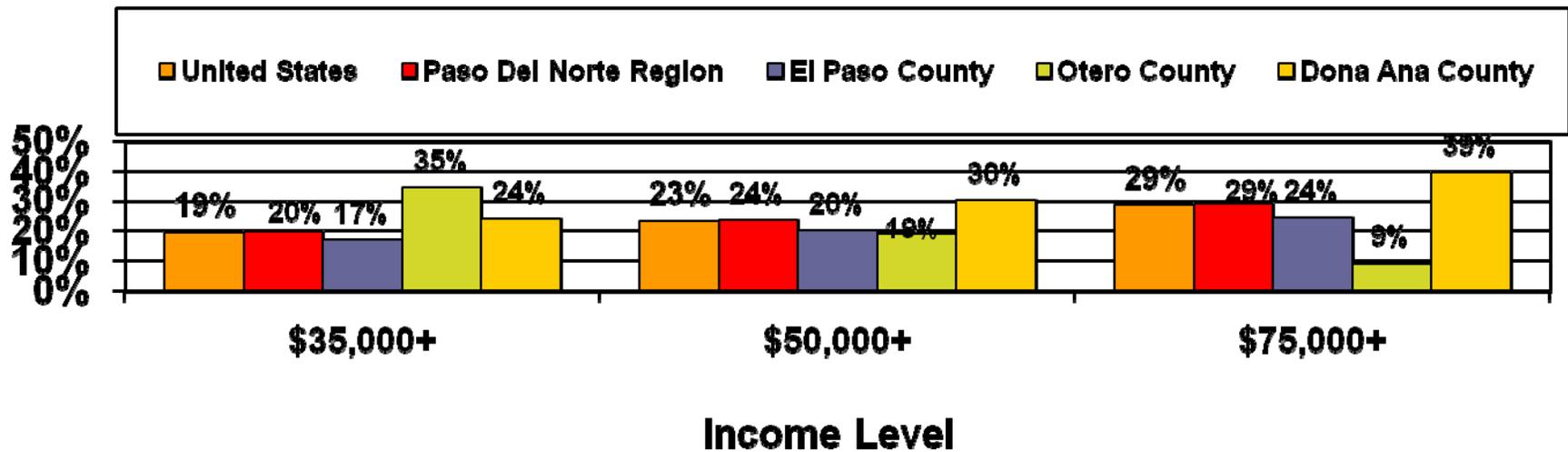
The growth in the proportion of households incomes above \$75,000 and \$100,000 in the market area are projected to grow at rates greater than the national average. This growth rate, unfortunately, may not reflect a significant increase in number of affluent households, but rather a proportionate increase that looks large because the base to which the increase is compared may be small.



## Growth of 75+ Households by Income Group (2007 to 2012)

In general the growth in 75+ households by income level is similar to that of the national average. Comparing the counties shows higher projected growth rates among the 75+ households \$50,000+ and \$75,000+ in Dona Ana County than the other counties in the region and the national averages. This increase may be a direct result of the retiree attraction efforts.

**Growth of 75+ Households (2007 to 2012)**



## Growth Projections

This table shows the proportionate increase of households within specific age ranges and income levels. The 45 to 54 and 60 to 64 age groups will have the largest proportionate increase among households with \$100,000. The 65 to 79 age group will have about a 33 percent increase in the proportion of households with \$75,000 and \$100,000+ incomes and the 75+ households will have the greatest increase among households with lower incomes, with the exception of Dona Ana County that will also show growth among the 75+ with \$100,000+ incomes.

| The Projected Growth Rate of Households by Age and Income 2007 - 2012 |                       |                       |                             |                          |
|---|-----------------------|-----------------------|-----------------------------|--------------------------|
| Age Group and Income Sectors  | Paso del Norte Region | El Paso County, Texas | Dona Ana County, New Mexico | Otero County, New Mexico |
| 45-54 \$35,000+   | 6.3%                  | 5.9%                  | 9.1%                        | 2.9%                     |
| 45-59 \$35,000+   | 13.3%                 | 13.1%                 | 15.5%                       | 9.1%                     |
| 45-59 \$50,000+   | 9.1%                  | 7.9%                  | 13.0%                       | 9.2%                     |
| 45-59 \$75,000+   | 9.3%                  | 7.4%                  | 14.0%                       | 13.9%                    |
| 45-59 \$100,000+  | 25.2%                 | 24.1%                 | 28.3%                       | 26.3%                    |
| 60-64 \$50,000+   | 8.2%                  | 8.3%                  | 7.4%                        | 9.9%                     |
| 60-64 \$75,000+   | 11.9%                 | 12.2%                 | 11.0%                       | 11.1%                    |
| 60-64 \$100,000+  | 16.5%                 | 16.9%                 | 15.8%                       | 14.8%                    |
| 65-79 \$50,000+   | 24.0%                 | 23.7%                 | 23.0%                       | 30.3%                    |
| 65-79 \$75,000+   | 33.1%                 | 32.3%                 | 34.3%                       | 38.5%                    |
| 65-79 \$100,000+  | 35.3%                 | 36.9%                 | 34.4%                       | 26.0%                    |
| 75+ \$25,000+   | 41.9%                 | 42.7%                 | 39.4%                       | 42.5%                    |
| 75+ \$35,000+   | 49.1%                 | 49.1%                 | 47.0%                       | 60.8%                    |
| 75+ \$50,000+   | 20.8%                 | 18.4%                 | 26.2%                       | 26.2%                    |
| 75+ \$75,000+   | 25.8%                 | 22.9%                 | 33.6%                       | 31.0%                    |
| 75+ \$100,000+  | 33.4%                 | 29.4%                 | 44.5%                       | 41.3%                    |

# Number of Households by Age and Income

The future strength of the Paso del Norte region as a retiree destination is supported by the projected growth in both the adult child market (those households 45 to 64) and households 75+ (target market for age-qualified housing) over the next five years. These changes may not represent an influx of households to the market area, but rather are likely the aging of boomers in the market into the “mature” sectors.

These strong numbers suggest that this segment of the market has strong growth projected in the near term.

| Number of Current Households by Age and Income Segment and Projected Change from 2007 to 2012 |                |                       |                  |                |                  |                 |                  |              |                  |
|---|----------------|-----------------------|------------------|----------------|------------------|-----------------|------------------|--------------|------------------|
| Age Segment   | Income Segment | Market Area           |                  |                |                  |                 |                  |              |                  |
|   |                | Paso del Norte Region |                  | El Paso County |                  | Dona Ana County |                  | Otero County |                  |
|   |                | 2007                  | Change 2007-2012 | 2007           | Change 2007-2012 | 2007            | Change 2007-2012 | 2007         | Change 2007-2012 |
| Households 45 to 64   | All            | 118,371               | +11,717          | 85,783         | +8,765           | 24,034          | +2,395           | 8,554        | +557             |
|   | \$50,000+      | 52,158                | +10,221          | 37,557         | +7,493           | 10,754          | +2,079           | 3,847        | +649             |
|   | \$75,000+      | 30,006                | +8,052           | 21,804         | +5,794           | 6,328           | +1,651           | 1,874        | +607             |
|   | \$100,000+     | 17,139                | +6,118           | 12,653         | +4,415           | 3,567           | +1,317           | 919          | +386             |
| Households 75+  | All            | 30,352                | +2,818           | 21,564         | +1,592           | 6,417           | +897             | 2,371        | +329             |
|   | \$25,000+      | 15,845                | +2,745           | 10,972         | +1,670           | 3,705           | +735             | 1,168        | +340             |
|   | \$35,000+      | 11,521                | +2,297           | 7,915          | +1,347           | 2,788           | +669             | 818          | +281             |
|   | \$50,000+      | 7,221                 | +1,716           | 5,025          | +1,015           | 1,743           | +526             | 453          | +175             |
|   | \$75,000+      | 3632                  | +1,061           | 2607           | +634             | 810             | +319             | 215          | +108             |

## Households by Income

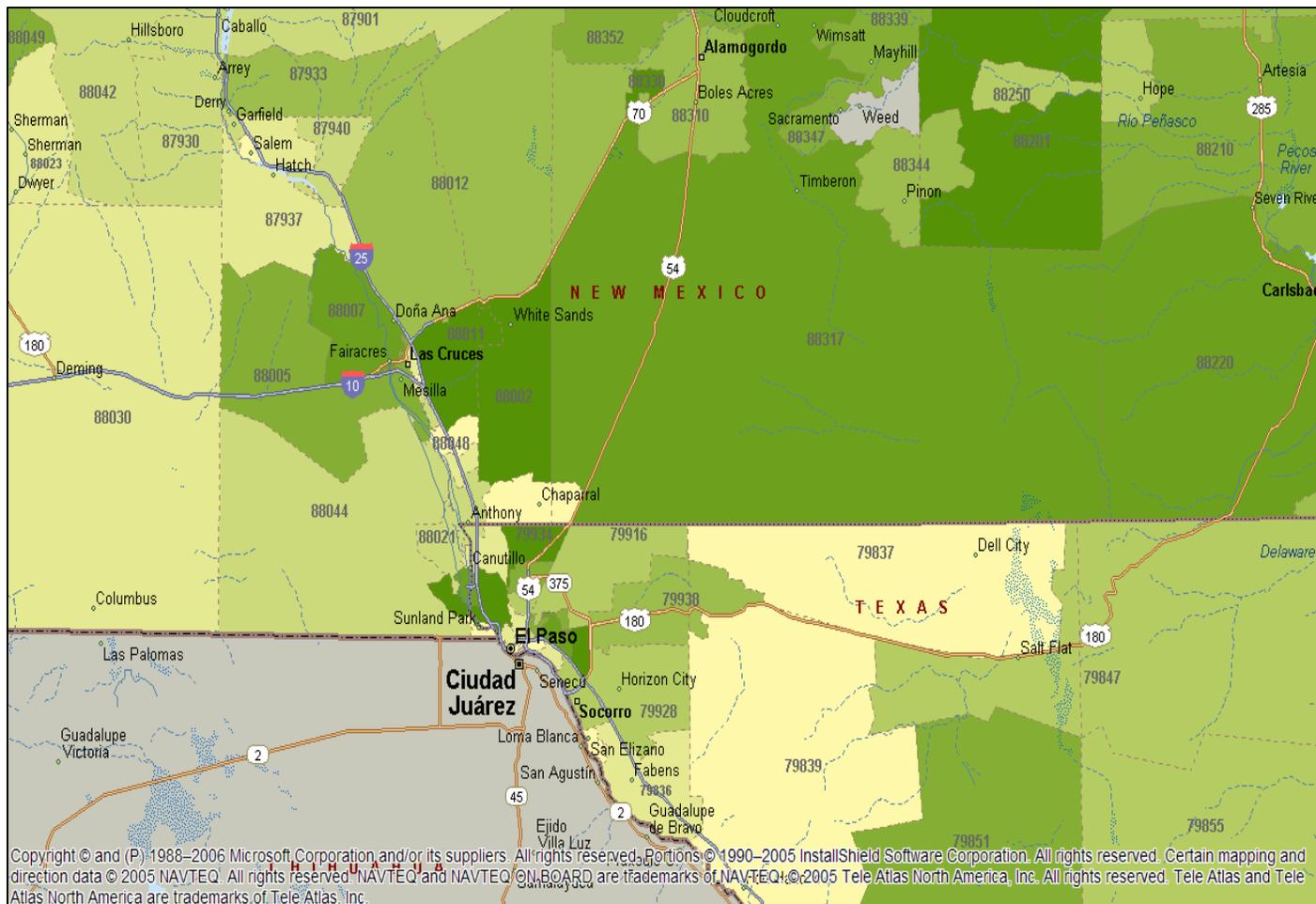
The three counties that make up the Paso del Norte region have similar median incomes by age group. Comparing the region to national averages shows that younger households have lower median incomes than the same age and income group in the U.S. As the age of the household increases in the Paso del Norte region the median incomes are closer to national averages. Dona Ana County and Otero County show higher incomes among households 60 to 79 years of age than does El Paso County.

| 2007 Median Household Income by Age of Head of Household |               |                       |                       |                             |                          |
|--|---------------|-----------------------|-----------------------|-----------------------------|--------------------------|
| Age of   | United States | Paso del Norte Region | El Paso County, Texas | Dona Ana County, New Mexico | Otero County, New Mexico |
| 45 to 54   | \$58,644      | \$39,211              | \$39,339              | \$38,717                    | \$39,284                 |
| 55 to 59   | \$65,623      | \$46,529              | \$47,080              | \$43,958                    | \$47,296                 |
| 60 to 64   | \$57,386      | \$41,828              | \$40,052              | \$47,211                    | \$43,670                 |
| 65 to 69   | \$53,449      | \$39,002              | \$37,416              | \$44,533                    | \$42,026                 |
| 70 to 74   | \$38,536      | \$32,639              | \$31,750              | \$35,661                    | \$32,656                 |
| 75 to 79   | \$36,411      | \$30,692              | \$29,520              | \$33,765                    | \$31,909                 |
| 80 to 84   | \$29,673      | \$29,130              | \$28,333              | \$33,023                    | \$26,425                 |
| 85+  | \$27,089      | \$25,745              | \$24,937              | \$29,214                    | \$24,236                 |
| ALL  | \$23,744      | \$22,057              | \$21,220              | \$25,421                    | \$21,563                 |

Source: Claritas, Inc.

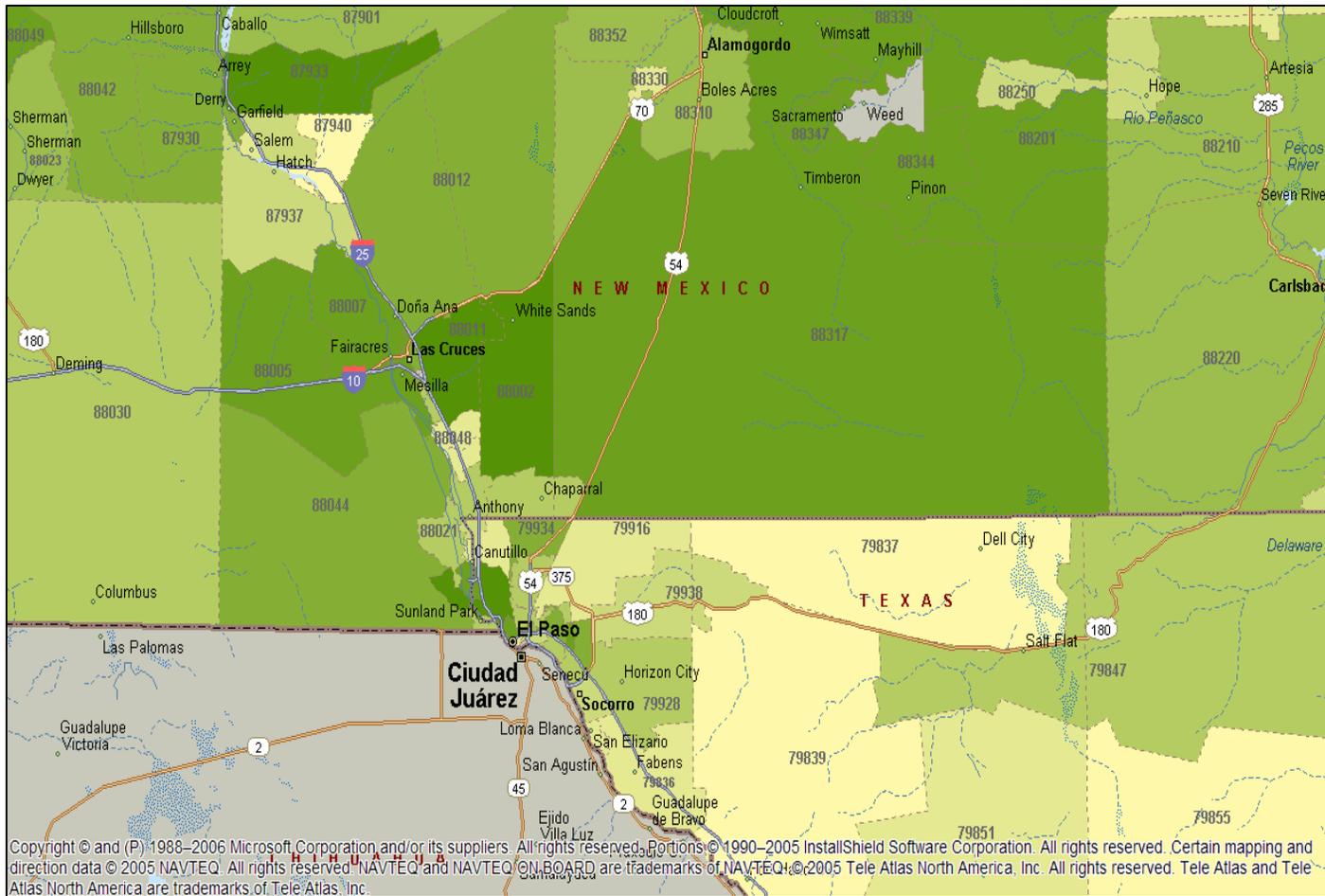
# Median Household Income by ZIP Code (2007)

Median household incomes are highest north of El Paso, particularly in and around Las Cruces. Incomes range from \$48,000 to \$75,138.



# Median Home Values by ZIP Code (2007)

El Paso has lower median home values than other areas in the region. This maybe attractive to retirees looking for more affordable housing options.



Median Home Values (2007)

- 125,800 to 350,000
- 105,500 to 125,799
- 90,000 to 105,499
- 75,000 to 89,999
- 66,000 to 74,999
- 56,500 to 65,999
- 40,000 to 56,499
- 14,700 to 39,999

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## Median Home Values in 2007 in US, Region and Counties

Median home values in the Paso del Norte region are around half of the median home value in the US. Dona Ana County has the highest median home value of \$106,166 and El Paso County has the lowest of \$83,828.

