

Demand Among 55 to 79 Year Age Group Households in Active Adult Communities and All-Age Housing 2011

It is estimated that in 2011 there may be annual total demand for 583 homes in active adult communities among **all** households headed by someone 55 to 79 years of age with an annual household income of \$50,000 or more in the region and 1,122 homes among the target market sector for homes in all-age (conventional neighborhoods).

Annual Demand for Active Adult and All-Age Housing in El Paso from Multiple Locations Among Those 55 to 79 \$50,000+ Income in 2011								
Line	A	B	C	D	E	F	G	H
Area	Qualified Households	Number of Homeowners	Number of Movers ¹	Prefer Age-qualified housing ²	Prefer Either Age-Qualified or Non-Age-Qualified ²	Prefer All-Age Housing	Percent who will Move Out of State, County, or Same County ¹	Total who may move to El Paso (Line D+E) (Line G)
El Paso County, Texas	29,646	28,518	1,543	254	606	683	50.2% (Same County)	432
Hudspeth County, Texas	98	94	5	1	2	2	21.0% (Different County, Same State)	2
Reeves County, Texas	297	286	15	2	6	7		1
Jeff Davis County, Texas	176	170	9	1	4	4		1
Presidio County, Texas	231	222	12	2	5	5		1
Dona Ana County, New Mexico	9,807	9,436	507	84	199	224	28.8% (Out of State)	82
Otero County, New Mexico	3,436	3,307	177	29	69	79		21
Chaves County, New Mexico	2,617	2,518	134	22	52	60		22
Lea County, New Mexico	2,519	2,423	130	21	51	58		21
Total	48,827	46,974	2,532	416	994	1,122		583

¹ Source: 2005 American Housing Survey, U.S. Census Bureau and the Department of Housing and Urban Development

² Source: 2006 ProMatura Housing Survey

Special Note: These demand estimates are preliminary and should not to be used for the development or financing of age-qualified housing. These demand estimates represent a general overview and are not site specific.

Demand for Age-Qualified Active Adult and All-Age Housing Among 55 to 79 Year Age Group Households by State (2007)

If we assume that a compelling destination resort community is developed in the Paso del Norte region and the appropriate marketing is successful, it is estimated there may be demand for as many as 524 age-qualified housing units annually in an age-qualified active adult community and 417 in an all-age resort community. This is in addition to the demand for 356 age-qualified housing units from people already living in El Paso County.

The estimate of 1.5 percent of the age and income-qualified households who would move to an age-qualified community in a given market who would move to a destination resort community was derived from several projects that ProMatura Group has completed for destination resort communities. Our estimates of the proportion of the qualified households who will move to a destination resort community have ranged from 1.88 percent 2.1 percent of the qualified target market households. We used a conservative proportion of 1.5 percent of the qualified target households in this demand estimate.

Annual Demand for a Destination Resort Active Adult and All-Age Housing by State/ Region Among Those 55 to 79 \$50,000+ income in 2007									
Line	A	B	C	D	E	F	G	H	I
State/ Region	Qualified Households	Number of Homeowners	Number of Movers ¹	Prefer Age-Qualified Housing ²	Prefer Either Age-Qualified or Non-Age-Qualified ²	Prefer All-Age Housing	Percent who will Move Out of State, or Remain in State ¹	Total who may move to an Active Adult Community (Line D+E) (Line G)	Total who may move to an All-Age Community (Line F *Line G)
Texas	1,082,197	1,040,748	56,946	9,339	22,427	25,180	71.2% (Same State)	22,617	17928
Arizona	327,495	315,181	16,951	2,801	6,642	7,508	28.8%	2,720	2162
New Mexico	101,833	97,959	5,317	873	2,089	2,355	28.8%	853	678
Southern California	1,055,121	1,014,722	55,435	9,097	21,824	24,514	28.8%	8,724	7060
Total	2,566,646	2,468,610	134,649	22,110	52,982	59,557		34,914	27829
Percent who would move to a destination location active adult community ¹								1.5%	1.5%
Number who would move to a destination location active adult community								524	417

¹ Source: 2005 American Housing Survey, U.S. Census Bureau and the Department of Housing and Urban Development

² Source: 2006 ProMatura Housing Survey

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Demand for Boomers and Beyond Housing by State or Region (2011)

This table shows the estimates for annual demand of 645 for an active adult destination resort community in 2011. In addition, there would be an estimated annual demand for an all-age destination resort community of 511.

Annual Demand for Active Adult and All-Age Housing in Destination Resort Community by State/ Region Among Those 55 to 79 \$50,000+ Income in 2011									
Line	A	B	C	D	E	F	G	H	I
State/ Region	Qualified Households	Number of Homeowners	Number of Movers ¹	Prefer Age- Qualified Housing ²	Prefer Either Age- Qualified or Non-Age- Qualified ²	Prefer All- Age Housing	Percent who will Move Out of State, or Remain in State ¹	Total who may move to a Boomers and Beyond Community (Line D+E)(Line G)	Total who may move to an All-Age Community (Line F *Line G)
Texas	1,343,039	1,291,961	70,650	11,578	27,831	31,241	71.2% (Same State)	28,060	22,244
Arizona	404,799	389,660	20,921	3,457	8,195	9,269	28.8%	3,356	,2669
New Mexico	126,162	121,396	6,577	1,082	2,584	2,911	28.8%	1,056	838
Southern California	1,248,576	1,200,998	65,725	10,767	25,899	29,059	28.8%	10,560	8369
Total	3,122,576	3,004,015	163,873	26,884	64,509	72,480		43,032	3,120
Percent who would move to a destination location active adult community ¹								1.5%	1.5%
Number who would move to a destination location active adult community								645	511

¹ Source: 2005 American Housing Survey, U.S. Census Bureau and the Department of Housing and Urban Development

² Source: 2006 ProMatura Housing Survey

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Existing Supply of Independent Living Properties by County

Five properties that offer independent living housing and services were identified in El Paso County and one property was identified in Dona Ana County. There are a total of 511 independent living apartments in El Paso County and 129 apartments in Dona Ana County.

Independent Living Properties in the Region						
Property	Address	City	State	ZIP	Property Type	Units
El Paso County, Texas						
Rio Norte	1941 Saul Kleinfeld Dr	El Paso	TX	79936	Freestanding	119
Royal Estates of El Paso	435 S Mesa Hills Dr	El Paso	TX	79912	Combined	74
The Monte Vista at Coronado	1575 Belvedere St	El Paso	TX	79912	CCRC	200
The Palisades	1831 Murchison Dr	El Paso	TX	79902	Combined	95
White Acres Village	7304 Good Samaritan Ct	El Paso	TX	79912	CCRC	23
Total						511
Dona Ana County, New Mexico						
Golden Mesa	151 N Roadrunner Pkwy	Las Cruces	NM	88011		129
Total						129
Otero County, New Mexico						
N/A	N/A	N/A	N/A	N/A	N/A	0
Total						0

Assessment of Independent Living Demand

There is a significant amount of opportunity for additional independent living units in EL Paso, Dona Ana and Otero Counties. These demand estimates assume that 10 percent of the demand would come from outside of the prospective county.

These data must be interpreted cautiously because 70.5 percent of the population 65+ years of age are Hispanic. Prudence suggests that this market sector may not adopt independent living as readily as the non-Hispanic market sector.

Estimates of Annual Market Opportunity for Independent Living in El Paso County, Dona Ana County and Otero County among 75+ <u>\$35,000+</u> Income 2007 and 2012							
		El Paso County		Dona Ana County		Otero County	
		2007	2012	2007	2012	2007	2012
A	Total qualified market (75+ Households)	7,915	9,262	2,788	3,457	818	1,099
B	Total demand in the PMA	324	365	111	134	33	43
C	Households drawn from outside the PMA +10%	32	36	11	13	3	4
D	Total estimated market opportunity	356	401	122	147	36	47
E	Competitive units in market	511	511	129	129	0	0
F	Turnover in competitive units (48.3%)	159	159	40	40	0	0
G	Independent living units in planning	0	0	0	0	0	0
H	Independent living units to be filled (F + G)	159	159	40	40	0	0
I	Annualized Market Opportunity	197	242	82	107	36	47

Special Note: These demand estimates are preliminary and should not to be used for the development or financing of age-qualified housing. These demand estimates represent a general overview and are not site specific.

Assisted Living Properties by County

Assisted Living Properties in the Region						
Property	Address	City	State	ZIP	Property Type	Units
El Paso County, Texas						
Cambria	1991 Saul Kleinfeld Dr	El Paso	TX	El Paso	Combined	60
Loving Care Assisted Living	180 Centre Croom Road	El Paso	TX	El Paso	Freestanding	24
Regency of El Paso	221 Bartlett Dr	El Paso	TX	El Paso	Freestanding	60
Royal Estates of El Paso	435 S Mesa Hills Dr	El Paso	TX	El Paso	Combined	68
The Palisades	1831 Murchison Dr	El Paso	TX	El Paso	Combined	61
Village Oaks at Cielo Vista	7949 Sunmounts Drive	El Paso	TX	El Paso	Freestanding	65
White Acres	7304 Good Samaritan Ct	El Paso	TX	El Paso	CCRC	24
Total						362
Dona Ana County, New Mexico						
Cottonbloom Assisted Living	5525 Cottonbloom Court	Las Cruces	NM	88007	Freestanding	45
Arbors of Del Rey	3731 Del Rey	Las Cruces	NM	88012	Combined	24
Las Cruces Village	3025 Terrace Drive	Las Cruces	NM	88011	Combined	42
Heritage	846 Lettuce lane	Las Cruces	NM	88001	Freestanding	12
Adobe Assisted Living I-III	1111 East Mountain	Las Cruces	NM	88001	Combined	37
Aristocrat Assisted Living	2969 Claude Dove Dr	Las Cruces	NM	88011	Combined	45
Village at Northrise- Morning	2880 N Roadrunner Pkwy	Las Cruces	NM	88011	Freestanding	100
Village at Northrise- Desert Willows	2884 N Roadrunner Pkwy	Las Cruces	NM	88011	Combined	20
Total						325

Special Note: These demand estimates are preliminary and should not to be used for the development or financing of age-qualified housing. These demand estimates represent a general overview and are not site specific.

Assisted Living Properties by County (Continued)

Assisted Living Properties in the Region						
Property	Address	City	State	ZIP	Property Type	Units
Otero County, New Mexico						
Betty Dare	3101 N. Florida	Alamogordo	NM	88310	Freestanding	90
Mescalero Care Center	180 Centre Croom Road	Mescalero	NM	88340	Freestanding	40
Total						130

Assessment of Assisted Living Demand

There appears to be unmet market opportunity for El Paso County while Dona Ana and Otero Counties are markets that are either overbuilt or show little need for additional assisted living. These data must be interpreted cautiously because 70.5 percent of the population 65+ years of age are Hispanic. Prudence suggests that this market sector may not adopt assisted living as readily as the non-Hispanic culture.

Statistically valid consumer research would be appropriate to define the estimated demand from among

Estimates Annual Market Opportunity for Assisted Living for El Paso County, Dona Ana County and Otero County Among Those 75+ with \$35,000+ 2007 and 2012							
		El Paso County		Dona Ana County		Otero County	
		2007	2012	2007	2012	2007	2012
A.	Total qualified market (75+ Households)	7,915	9,262	2,788	3,457	818	1,099
B.	Total demand in the market	306	378	109	141	33	46
C.	Placed by family member (32.8%)	100	124	36	46	11	15
D.	Households drawn from outside the PMA (+20%)	41	50	15	19	4	6
E.	Total estimated demand (B+C+D)	447	552	160	206	48	67
F.	Competitive units in market	362	362	325	325	130	130
G.	Turnover in competitive units (Annual = 54.2%)	196	196	2,788	3,457	70	70
H.	Annual Market Opportunity	251	356	-16	30	-22	-3

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Appendices

Appendix A - Military Retirement Communities

The Air Force Villages in San Antonio, Texas are active-living, accredited communities for retired and honorably separated officers of ALL uniformed services and their spouses, widow(er)s and senior family members, age 62 and better!

We have happy residents, friendly staff, a feeling of being part of a large family. You will enjoy full service retirement living in a fun, non-profit community where you will have all the independence or support you desire. Nearly everything is taken care of, so you can be as active or relaxed as you want to be. We have something for everyone!

Both Village I and Village II have over 25 fun activities on site to help keep you active, healthy, sociable, and alert. The Village has great food, guest rooms for relatives and friends who may visit, its own beauty and barbershop, and covered parking and extra storage are available.

If needed, an exceptional continuum of health care is available which includes wellness clinics, on-site outpatient clinics, home health services, assisted living, Alzheimer's Care residences, and skilled Nursing care.

Village I has a 90% Refund Estate Preservation program which will return nearly all the Entrance Fee to you or your estate!

Both Village I and II are near Lackland AFB and Wilford Hall USAF Medical Center.

For more information about the Villages, visit <http://www.airforcevillages.com/>.

The Fairfax is ideal for seniors who value their independence and appreciate the good life, is an independent full-service community for retired military officers, spouses and surviving spouses of all United States Armed Forces.

Our community features a comfortable lifestyle, superb amenities and the highest standards of hospitality and service. It is not surprising, then, that our residents willingly exchange the responsibilities of household maintenance for the freedom of living at our community. The community offers a broad range of services and care options including: Independent Living, Assisted Living, and Nursing and Rehabilitative Care.

For more information about The Fairfax, visit <http://www.sunriseseniorliving.com/Home.do>.

Military Retirement Communities (continued)

Falcons Landing is the premier CCRC for retired military officers, their spouses and unremarried surviving spouses. Our not-for-profit community is located just 15 miles west of Tysons Corner and the beltway in an elegant, 33-acre gated setting of duplex, single homes and apartments. The comprehensive program of services and amenities include meals, transportation, utilities (except phone), housekeeping, maintenance, security, bank, beauty/barber shop, chapel, library, indoor pool, tennis, activities, classes, trips, and our on-site health center.

For more information about Falcons Landing, visit <http://www.falconslanding.org/>.

Knollwood opened its doors in 1962 following a groundbreaking ceremony by Mamie Eisenhower. This unique community was the result of the dedication of two special women, Mrs. Maxwell Taylor, the wife of then Chief of Staff of the Army, and Mrs. Hoy Davis. These ambitious ladies enlisted the help of thousands of Army wives around the world. Their goal was to provide affordable, secure retirement housing and health care services for Army widows who, at the time, received minimal benefits from the government. This unique community has been capably managed by the Army Distaff Foundation, a non-profit corporation for over 40 years. Knollwood offers a continuum of care to best fulfill the physical and emotional needs of each resident.

Knollwood is situated on 16 exquisite acres in Washington, DC. The estate is graced by azaleas, dogwoods and stately oaks on a knoll overlooking Rock Creek Park. Our residents thrive on the energy and exciting opportunities offered by living in the nation's capital. The city's amenities are only minutes away. An enjoyable day at the Smithsonian museum, an evening at the Kennedy Center, or just dining in Georgetown are just a few of the many treasures one can appreciate in the nation's capital.

At Knollwood, male and female officers of all uniformed services and their female relatives have the opportunity to live with others who have experienced the unique life of the military. Old friendships are renewed and new friends are discovered. It is a community in which one instantly feels "at home."

For more information about Knollwood, visit <http://www.armydistaff.org/>.

Vinson Hall is a not-for-profit Continuing Care Retirement Community established in 1969 by Navy Marine Coast Guard Residence Foundation. AT VINSON HALL the choices of activities and lifestyle are as varied as the people who live here. The residents themselves organize activities according to their interests. Some prefer jazz sessions, football parties, music concerts and cocktail parties. Others prefer book clubs, oil painting, wood carving, bridge and cribbage. Some like to spend quiet evenings at home in their own apartments; others like to go out to community events or concerts at the Kennedy Center. Still others travel a good part of the year and use Vinson Hall as their home base.

For more information about Vinson Hall, visit <http://www.vinsonhall.org/>.