

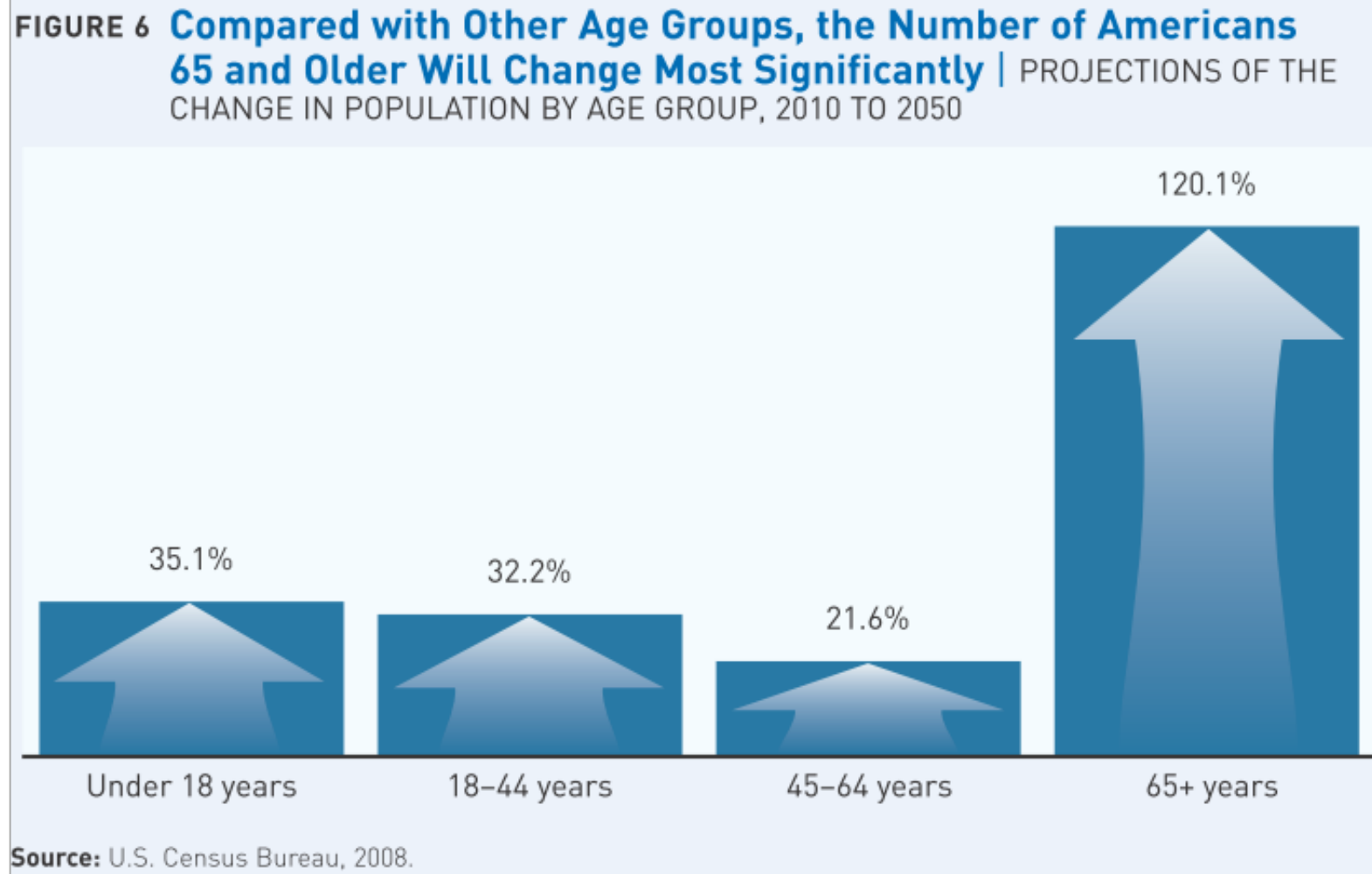
# Housing the Boomers: Design-Targeted Market-Rate Apartments Wednesday, 9:30am



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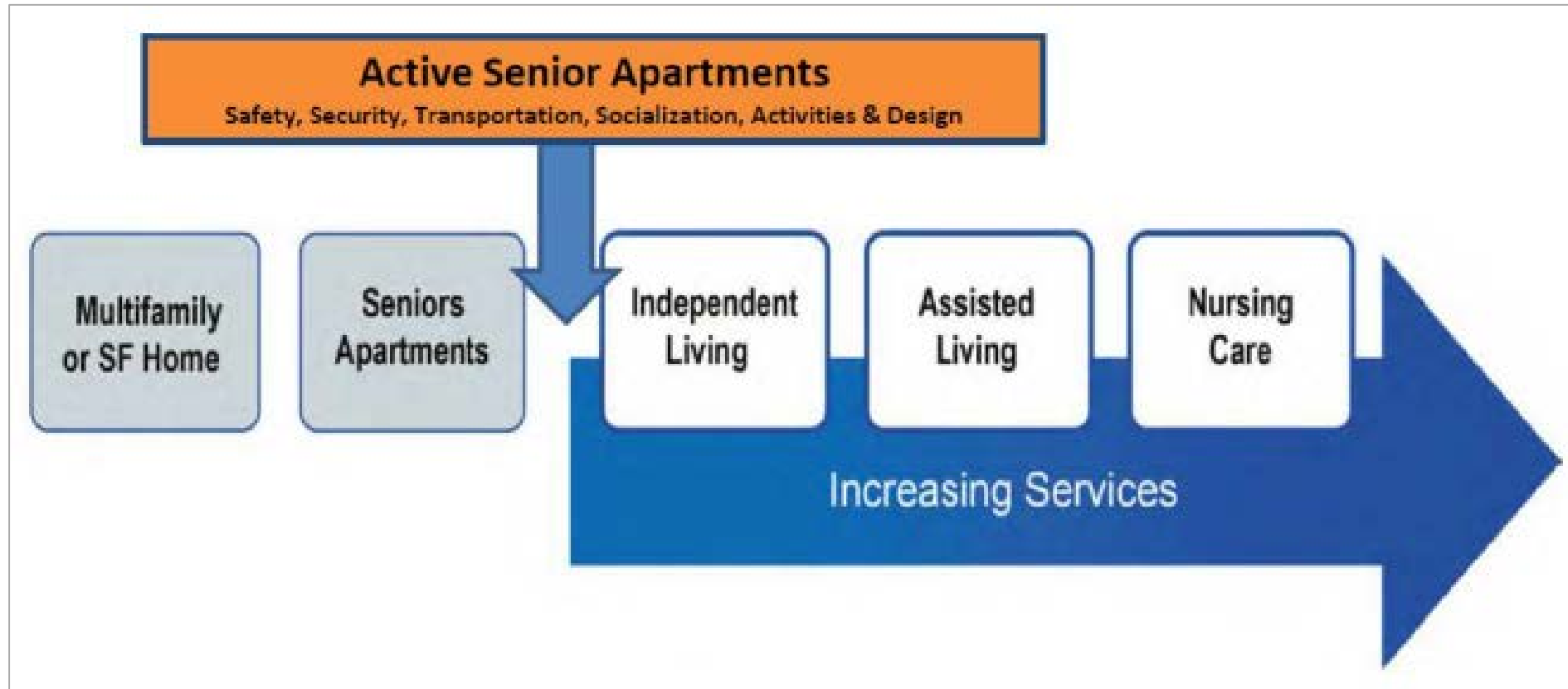
# Housing the Boomers: Design-Targeted Market-Rate Apartments



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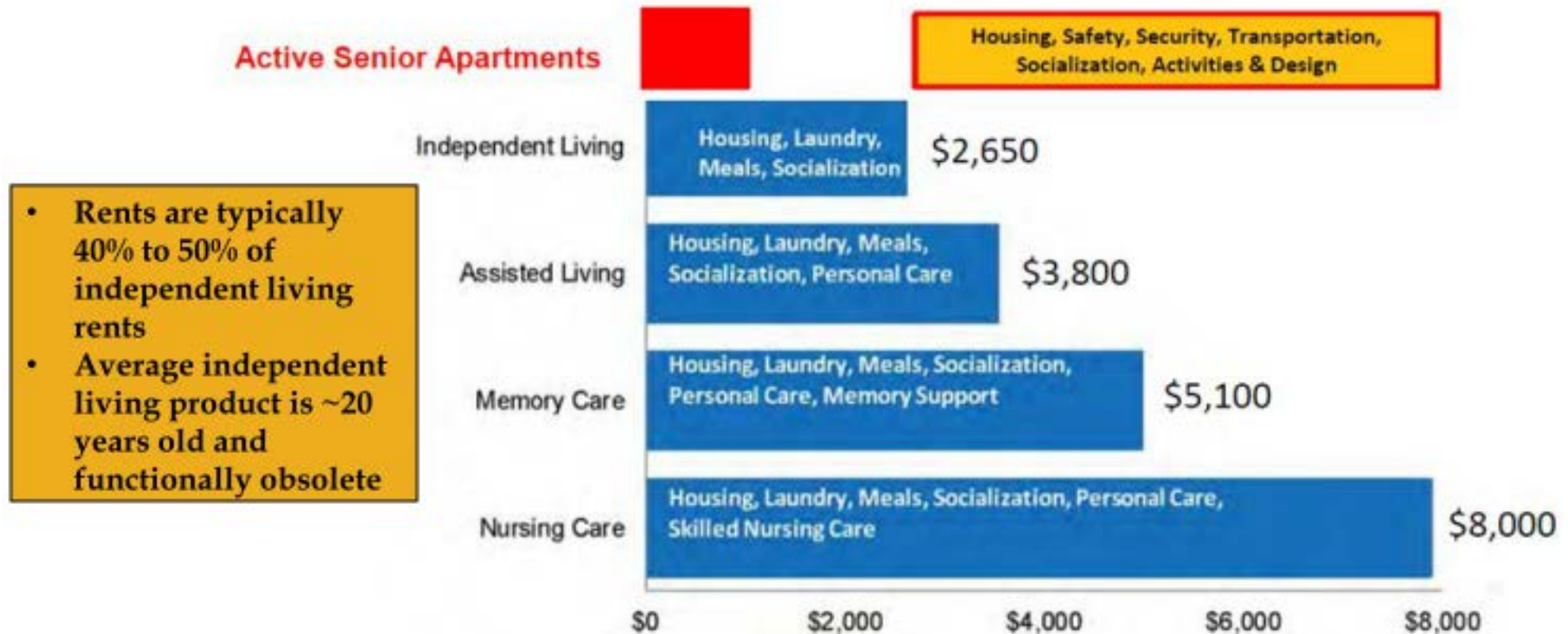


# Housing the Boomers: Design-Targeted Market-Rate Apartments



# Housing the Boomers: Design-Targeted Market-Rate Apartments

## Average Monthly Rents by Senior Market Segments



Source: National Investment Council Data & Analysis Service as of 2Q 2011



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## Housing the Boomers: Design-Targeted Market-Rate Apartments

|                             |                                |
|-----------------------------|--------------------------------|
| Rent                        | +30%-50%                       |
| Operating Expenses          | +20-30%                        |
| Lease Up Pace               | 8-10 units per month (vs 15+)  |
| Tenure                      | 4 years or more (vs 24 months) |
| Average Age                 | 70 (vs 37)                     |
| Construction Costs          | +25%                           |
| Design & Engineering        | +90%                           |
| Unit Finishes               | +20%                           |
| Return on Cost (Stabilized) | 7% or better (vs 6%)           |



# Housing the Boomers: Design-Targeted Market-Rate Apartments



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# Housing the Boomers: Design-Targeted Market-Rate Apartments



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# Housing the Boomers: Design-Targeted Market-Rate Apartments



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## Housing the Boomers: Design-Targeted Market-Rate Apartments

- Baby Boomers are 65% of residents so far, the rest are older
- Average age of 70, right on target
- 50/50 split between married and single.
- 76% of applicants are from Pennsylvania, almost exclusively from the nearby suburbs. 12% are from the city itself.
- 10% of applicants are from Florida, Texas and Arizona.
- 62% of leased units are larger while only 36% of the unit mix.
- Highest average credit score in the BMC portfolio (723).



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# AFFORDABLE SENIOR APARTMENTS - LIHTC



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**EMERALD ISLE SENIOR APTS**  
Placentia, CA  
Sares-Regis Group

**REMINGTON SENIOR APARTMENTS**  
Rancho Mission Viejo, CA  
Sares-Regis Group



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# AZULON APARTMENTS – Costa Mesa, CA



**214 Units**

50% 1 BRM

10% 1 + Den

40% 2 BRM

**28.3 DU/AC**

**1.24 Spaces/DU**



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## TOP AMENITIES OUTSIDE OF THE COMMUNITY

|                                     |     |
|-------------------------------------|-----|
| Grocery stores                      | 64% |
| Restaurants, cafes                  | 59% |
| Nature                              | 56% |
| Walking trails                      | 55% |
| Shopping (other than for groceries) | 50% |
| Natural water feature               | 48% |
| Farmers' market                     | 47% |
| Parks and green spaces              | 42% |
| Fitness center                      | 42% |
| Swimming pool                       | 40% |

**SOURCE:** Margaret Wylde – Pro Matura Group, LLC



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# AERIAL VIEW

## PASEO TO SHOPPING



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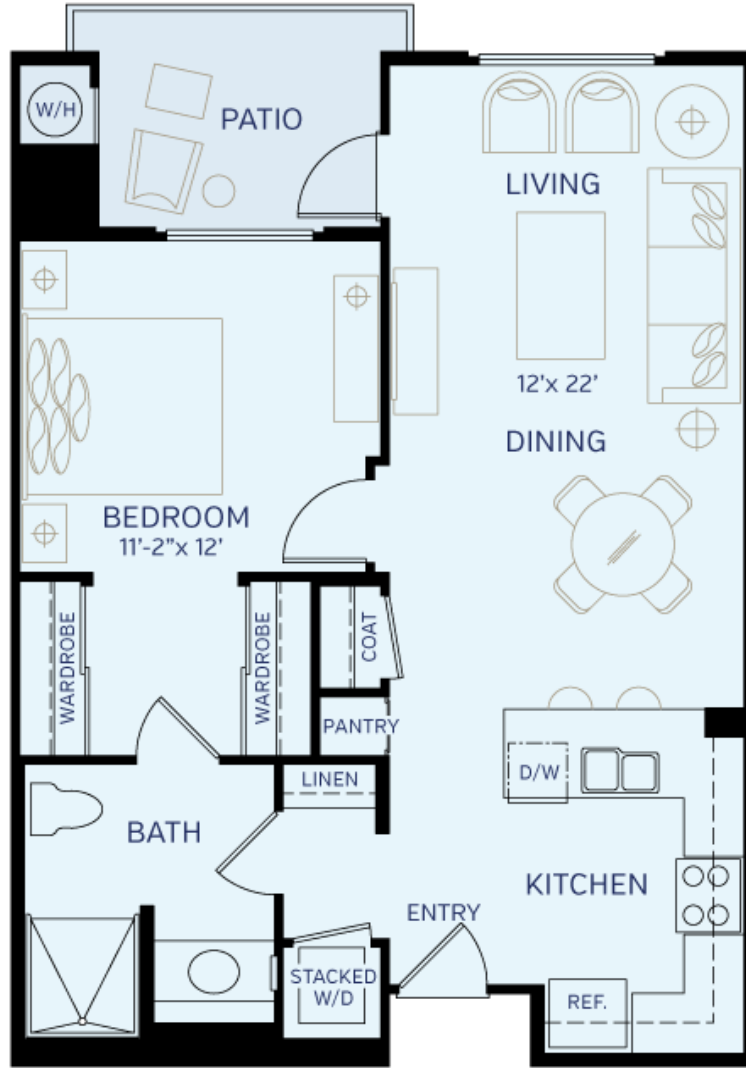




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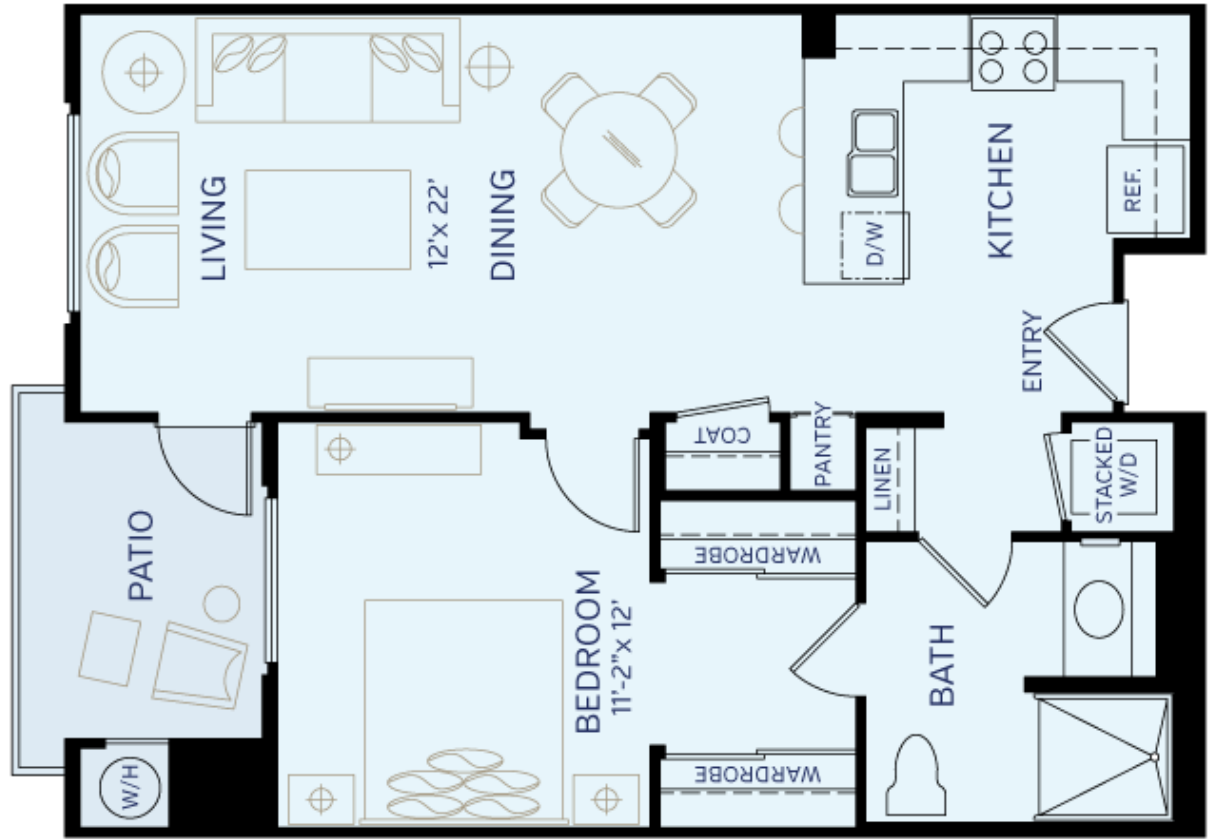
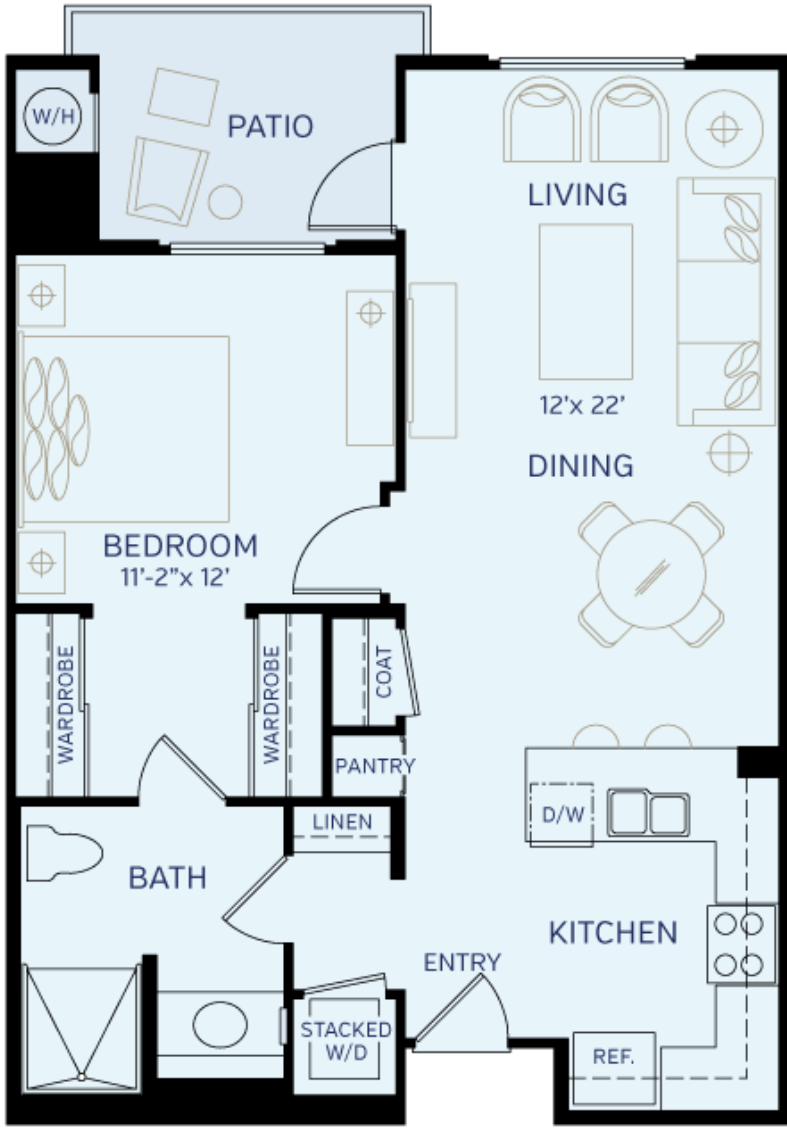


# AVALON – 736 SF



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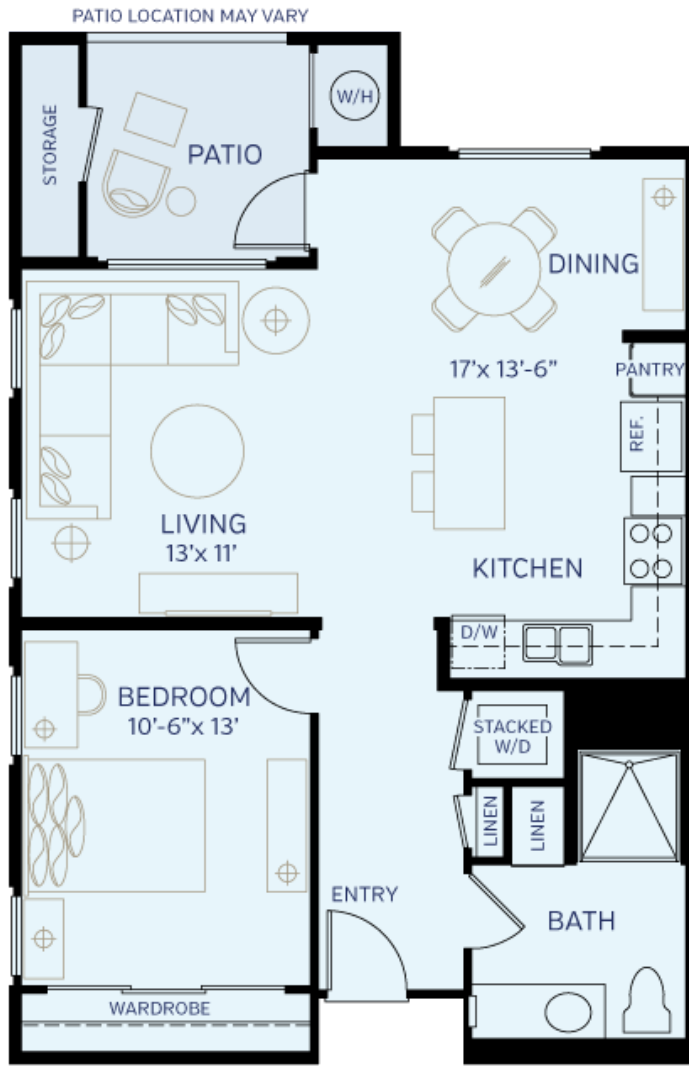




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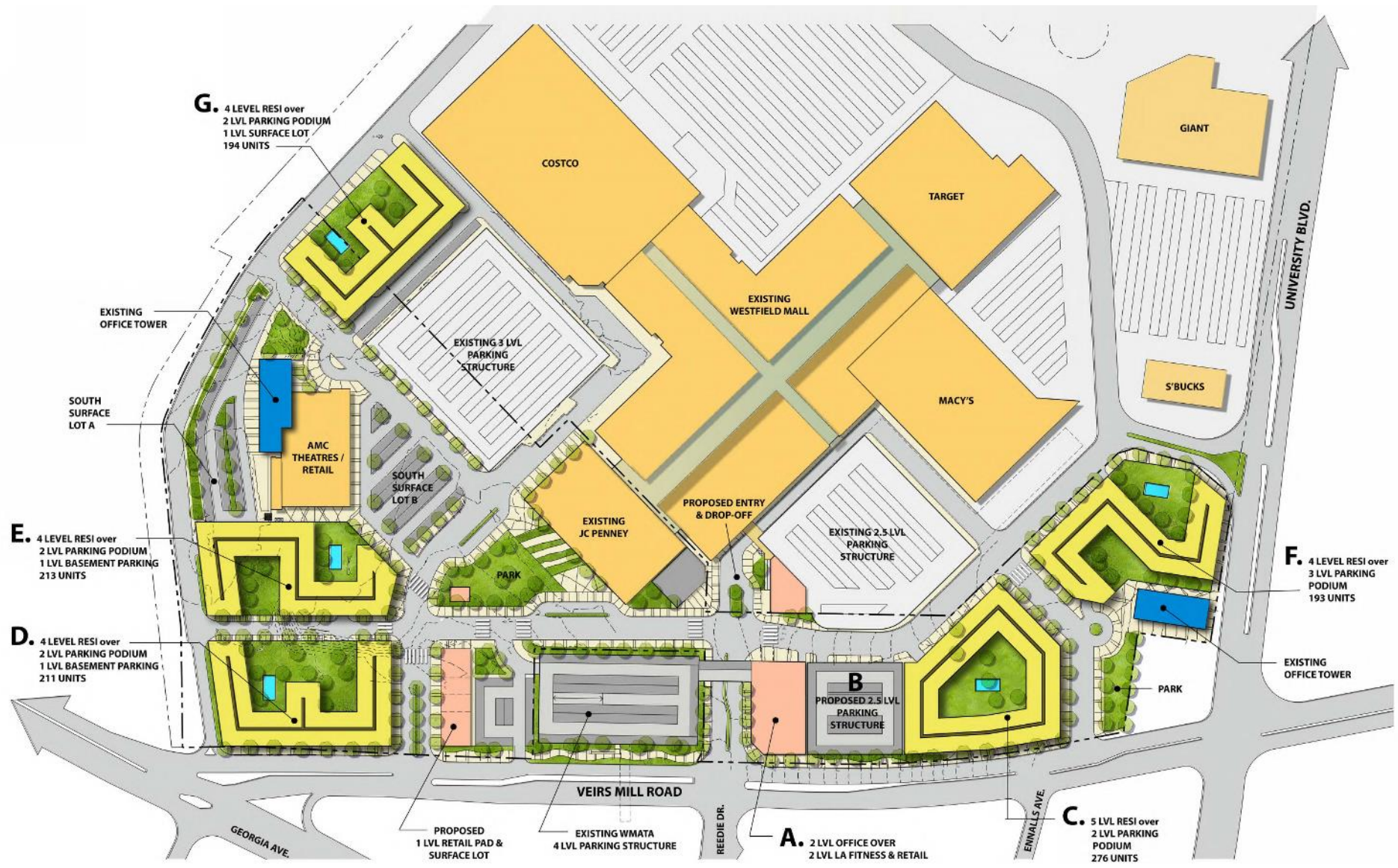


# SANTA CRUZ – 780 SF



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# HOUSING THE BOOMERS

AMERICA'S AGING POPULATION AND THE FUTURE OF HOUSING

**Quinn W. Eddins**

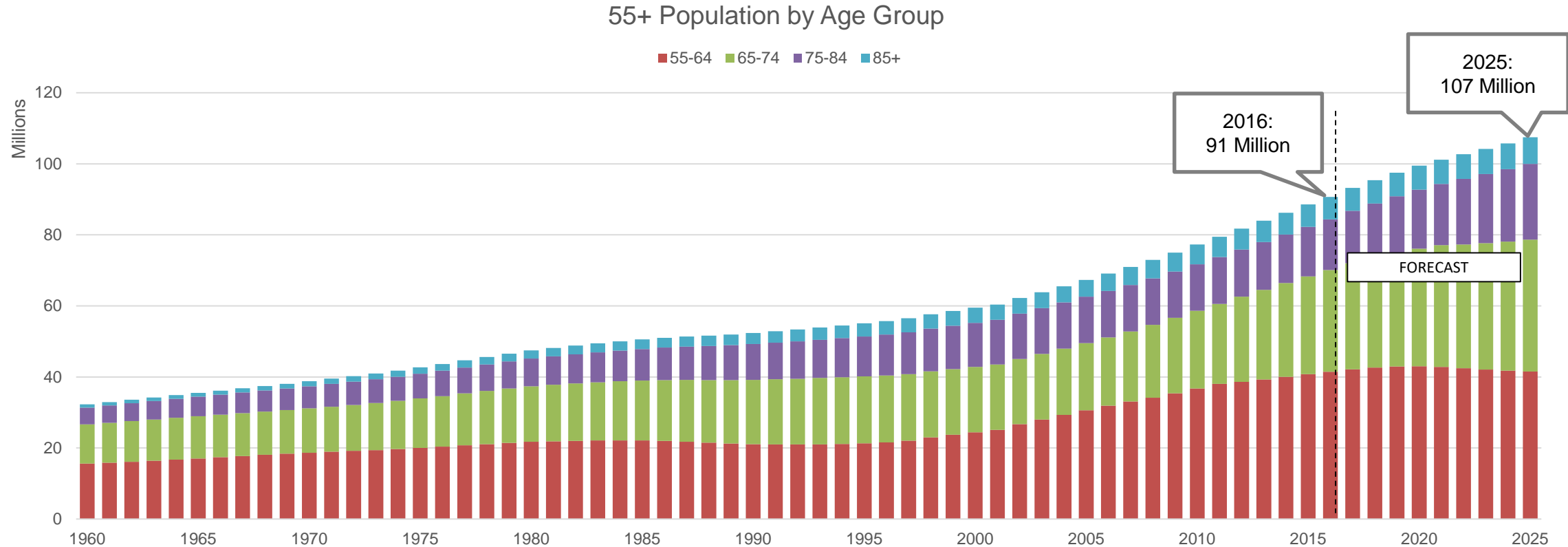
Managing Director, Research and Analytics Services

Greystar



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# BY THE MID-2020s, NEARLY 17 MILLION MORE PEOPLE WILL BE AGE 55 OR OLDER



Source: US Census Bureau Population Estimates and 2014 National Population Projections, Greystar, 2016.

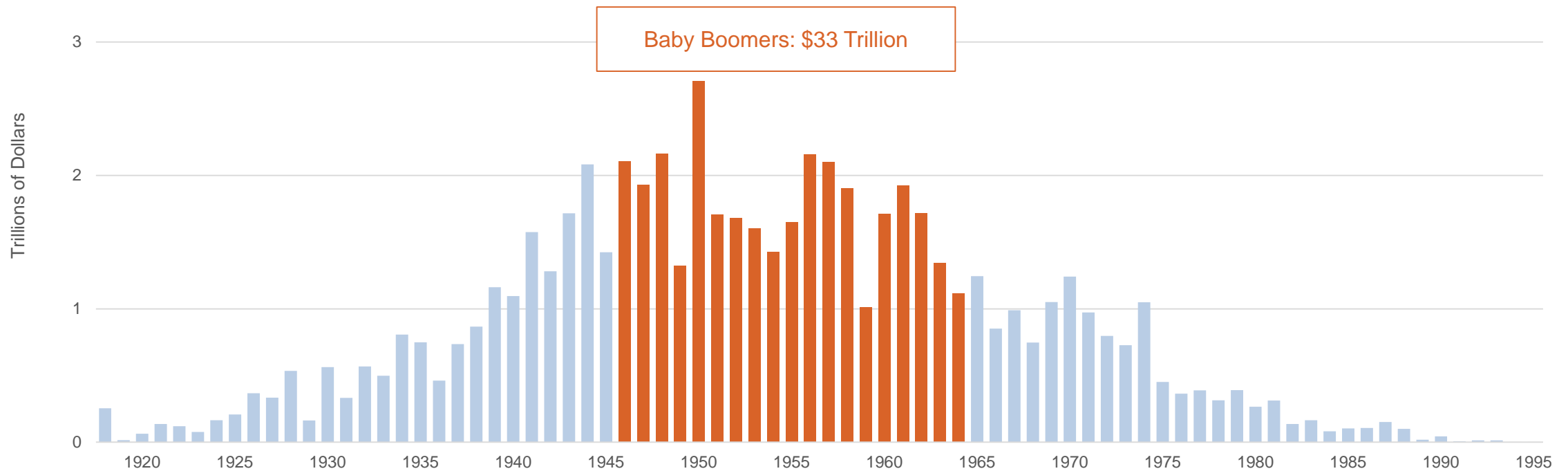


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# BABY BOOMERS ARE WEALTHIER THAN PRIOR GENERATIONS

Household Net Worth by Head of Household's Birth Year



Source: Board of Governors of the Federal Reserve System, Survey of Consumer Finances, Greystar, 2013.



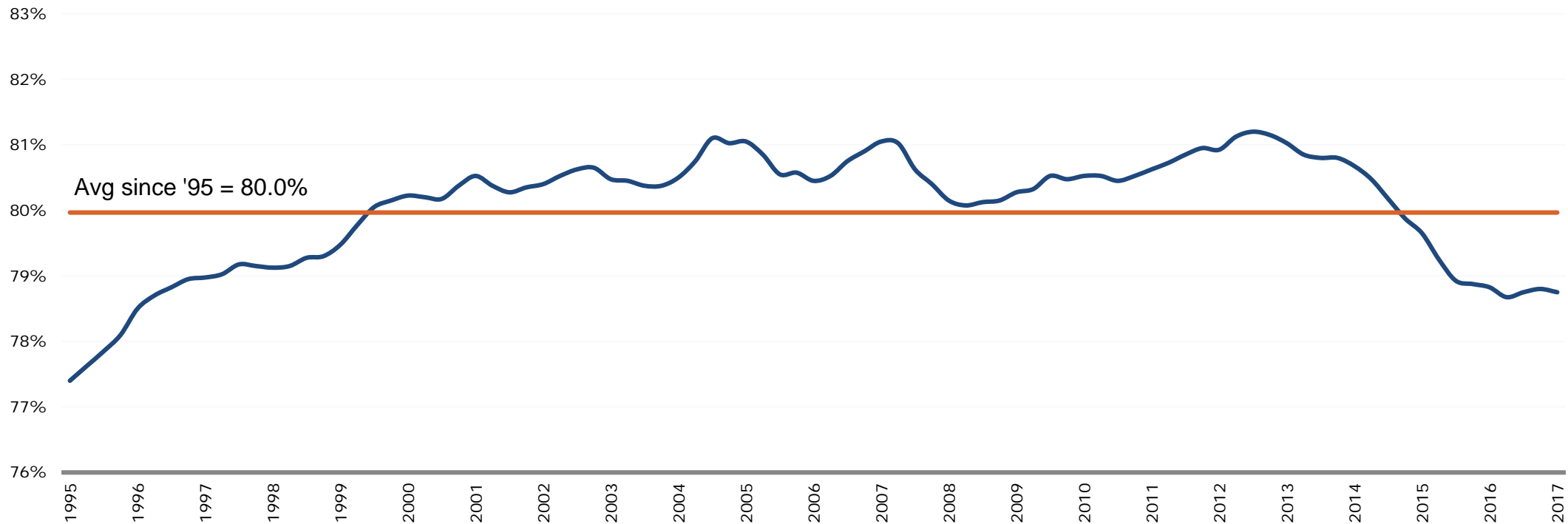
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# FOR SENIORS, OWNING A HOME IS NOT AS ATTRACTIVE AS IT USED TO BE

Senior Homeownership Rate  
(65+ Years Old, Rolling TTM Average)



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, Greystar, 2017.



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# OVERTURE

55+ active adult apartment homes

Modern apartments with designer finishes

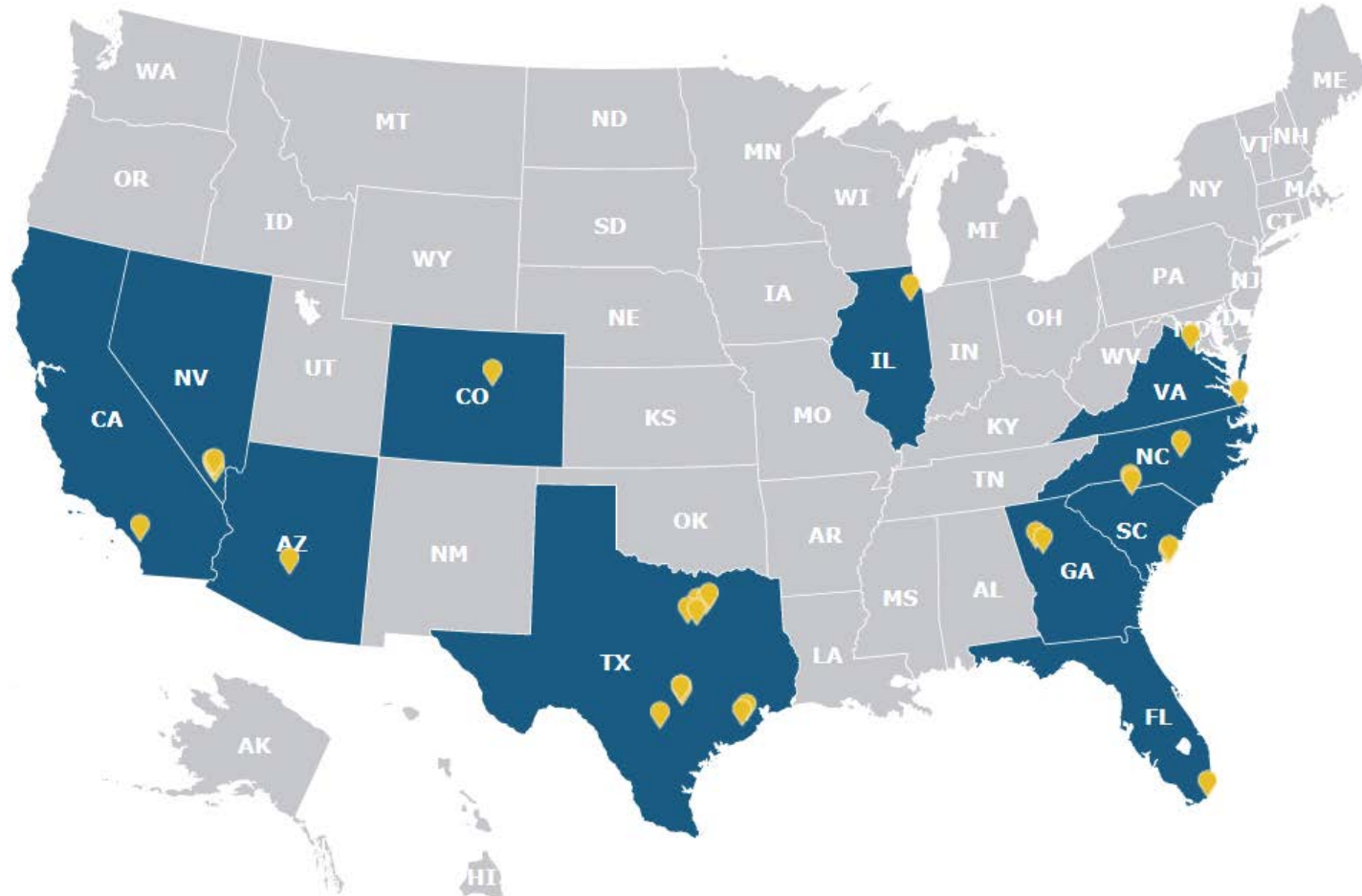
Resort-style amenities, activities & services



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# OVERTURE: LOCATIONS



Source: Greystar, 2018.



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# OVERTURE: APARTMENTS



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# OVERTURE: AMENITIES

## Over 12,000 square feet of amenity space

- Concierge services
- Elevator accessible floors and enclosed, air conditioned corridors
- Great room for large gatherings, dining and events
- Coffee Bar and Bistro
- Demonstration kitchen for cooking classes, guest chef and wine pairing events
- State-of-the-art fitness center
- Yoga studio
- Hair and nail salon
- Movie theater
- Billiards and game room
- Resort-style heated pool with Jacuzzi
- Outdoor kitchen and grill stations
- Cool and tranquil courtyards



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# OVERTURE: PROGRAMMING

## **Fitness**

- State-of-the-Art Fitness Facility
- Yoga and Tai Chi Classes
- Bocce Team
- Water Aerobics Classes
- Virtual Training

## **Wellness**

- Nutrition Classes
- Safety Seminars
- General Wellness Classes
- Spa Treatments and Beauty Services

## **Creative**

- Cooking Classes
- Wine Pairing Events
- Guest Chef Demonstrations
- Art Classes (Painting, Jewelry-Making, Scrapbooking, etc.)
- Crafts (sewing, knitting, quilting)
- Book Club
- Drama Club

## **Education**

- Computer and Software Courses
- History Courses
- Ancestry Research
- Estate Planning Courses

## **Social**

- Happy Hours
- Yappy Hours (at the Dog Park)
- Potlucks
- Cooking Classes
- Movie Nights
- Game Nights
- Holiday Parties
- Off-site Sporting Events
- Day Trips



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# OVERTURE: PROGRAMMING

| OVERTURE <sup>®</sup><br>PLANO   |  | March 2018  |  |   |   | Nosh Bistro  | The Hub  | 55+ RENTALS<br>FOR AN ENTIRELY NEW<br>ACTIVE ADULT LIFE   |  |  |
|--|--|---|--|---|---|--|--|---|--|--|
|  |  |   |  |   |   | Flex   | The Pad  |   |  |  |
| SUNDAY   |  | MONDAY  |  | TUESDAY   |   | WEDNESDAY  |  | Reel Room   | The Scene  |  |
|  |  |   |  |   |   |  |  | Off Property  | Create   |  |
| SUNDAY   |  | MONDAY  |  | TUESDAY   |   | WEDNESDAY  |  | THURSDAY  | FRIDAY   | SATURDAY   |
| Coco Chic is open<br>Please call to make<br>an appointment<br>214-785-8113 |  |   |  | Breakfast Daily<br>Monday-Saturday<br>From 8-9 AM   |   |  |  | 1 12-1 Texas Home Health<br>Information Meeting<br>4-5 Happy Hour<br>6:30 Footloose Musical<br>(Bishop High School) | 2 9-10 Walking Club<br>10-11 Coffee Social with<br>Friends<br>10:30-11:30 Chair Yoga<br>1:30-4 Mah Jong<br>6:30-8:30<br>Lounge Music By Roy BYOB | 3 10:30-11:30 Tai Chi<br>3-5 Movie<br>7-9 Movie<br>(Charade) |
| 4 The Oscars 90th<br>Academy Awards<br>Viewing<br><br>4-5 Bridge           | 5 10:30-11:30 Tai Chi<br>11:30-12:30 Hook & Yarn<br>12:30-1:30 Card<br>Club<br>Seniors Day @ Cinemark<br>1:30-3 Resident Painting Club<br>2:30-3:30 Margaritas & Karaoke<br>6:30 Mah Jong            | 6 9-10 Walking Club<br>10:30-11 Strength &<br>Balance<br>11-11:30 Balance &<br>Meditation<br>3-4 Community Meeting<br>4-5 Happy Hour                    | 7 9-10 Vinyasa Yoga<br>10:30-11:30 Chair Yoga<br>1:30-2:30 Crazy Hat Making<br>(For tea party)<br>1:30-3 Movie (Beaches)<br>4-5:30 Bingo<br>6:30 Poker<br>6:30- 8:30 Mah Jong  | 8 11-12 Smoothie Bar<br>4-5 Happy Hour<br>5:30-6:30 Basic<br>Technology<br>Information Class<br>7:30 Wayne Newton @<br>Eisemann Center                  | 9 9-10 Walking Club<br>10-11 Coffee Social with<br>Friends<br>12-5 Dallas Quilt Show \$10<br>10:30-11:30 Chair Yoga<br>1:30-4 Mah Jong<br>6:30-8:30<br>Lounge Music By Roy BYOB                                 | 10 10:30-11:30 Tai Chi<br>12-5 Dallas Quilt Show<br>\$10<br>3-5 Movie<br>7-9 Movie<br>(Murder on the Orient<br>Express 2017) |  |   |  |  |
| 11 12-5 Dallas Quilt<br>Show \$10<br>4-5 Bridge                            | 12 10:30-11:30 Tai Chi<br>11:30-12:30 Hook & Yarn<br>1-2 Line Dance Class<br>12:30-1:30 Card Club<br>Seniors Day @ Cinemark<br>6:30 Mah Jong   | 13 9-10 Walking Club<br>10:30-11 Strength &<br>Balance<br>11-11:30 Balance &<br>Meditation<br>4-5 Happy Hour  | 14 9-10 Vinyasa Yoga<br>10:30-11:30 Chair Yoga<br>11-3 Holocaust Museum & Lunch Trip<br>\$15<br>12-2 Chef Demo<br>1:30-3 Movie (Monty Python and the<br>Holy Grail)<br>4-5:30 Bingo<br>6:30 Poker<br>6:30- 8:30 Mah Jong | 15 1pm Juliet<br>Lunch (Norma's Café)<br>Women's Lunch<br>4-6 Happy Hour St.<br>Patrick Party<br>Folkadelic Music                                       | 16 9-10 Walking Club<br>10-11 Coffee Social with Friends<br>10:30-11:30 Chair Yoga<br>1:30-4 Mah Jong<br>1:30-4:30 Massage Kay<br>1:30 Cake Decorating<br>6:30-8:30<br>Lounge Music By Roy BYOB                 | 17 10:30-11:30 Tai Chi<br>3-5 Movie<br>7-9 Movie<br>(The Wedding Date)   |  |   |  |  |
| 18 4-5 Bridge  | 19 10:30-11:30 Tai Chi<br>11:30-12:30 Hook & Yarn<br>12:30-1:30 Card Club<br>Seniors Day @ Cinemark<br>1-2:30 Girl Scout Cookies &<br>Wine Pairing<br>1:30-3 Resident Painting Club<br>6:30 Mah Jong | 20 9-10 Walking Club<br>10:30-11 Strength & Balance<br>11-11:30 Balance &<br>Meditation<br>12:30-1:30 Lunch & Learn<br>Mental Fitness<br>4-5 Happy Hour | 21 9-10 Vinyasa Yoga<br>10:30-11:30 Chair Yoga<br>1:30-3 Movie (Overboard)<br>1:30-2:30 Tea Party<br>4-5:30 Bingo<br>6:30- 8:30 Mah Jong<br>6:30 Book Club   | 22 10:30-11:30 Zumba<br>Office will be closed<br>at 10:30<br>Sorry for the<br>inconvenience   | 23 9-10 Walking Club<br>10-11 Coffee Social with<br>Friends<br>10:30-11:30 Chair Yoga<br>1:30-4 Mah Jong<br>6:30-8:30<br>Lounge Music By Roy BYOB   | 24 8:45 Harris Jewelry<br>Repair<br>10:30-11:30 Tai Chi<br>3-5 Movie<br>7-9 Movie<br>(Logan Lucky)                           |  |   |  |  |
| 25 4-5 Bridge  | 26 10:30-11:30 Tai Chi<br>11:30-12:30 Hook &<br>Yarn<br>1-2 Line Dance Class<br>Seniors Day @ Cinemark<br>12:30-1:30 Card Club<br>6:30 Mah Jong  | 27 9-10 Walking Club<br>10:30-11 Strength &<br>Balance<br>11-11:30 Balance &<br>Meditation<br>4-5 Happy Hour  | 28 9-10 Vinyasa Yoga<br>10:30-11:30 Chair Yoga<br>12-2 Chef Demo<br>1:30-3 Movie (Forrest Gump)<br>3-4 Live Music Vino (Wine)<br>Violinist<br>4-5:30 Bingo<br>6:30 Poker<br>6:30- 8:30 Mah Jong                          | 29 12-4 Spring Cleaning &<br>Donation<br>4-5 Birthday Happy Hour<br>5-6 Overture Plano House<br>Band<br>5:30-6:30 Basic Technology<br>Information Class | 30 9-10 Walking Club<br>10-11 Coffee Social with Friends<br>10:30-11:30 Chair Yoga<br>11 Romance Club<br>Mens Lunch Platia<br>1:30-4:30 Massage Kay<br>1:30-4 Mah Jong<br>6:30-8:30<br>Lounge Music By Roy BYOB | 31 10:30-11:30 Tai Chi<br>11 Pillow Case Challenge<br>(Right At Home)<br>3-5 Movie<br>7-9 Movie<br>(Tower Heist)             |  |   |  |  |
|  |  |   |  |   |   |  | Would you like to<br>Volunteer in the<br>Dallas/ Plano Area?<br>Visit the front Desk |   |  |  |
|  |  |   |  |   |   |  |  |   | Please Sign up for Activities<br><br>Activities are subject to<br>change<br>Please check weekly for any<br>changes                               |  |



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# HOUSING THE BOOMERS

AMERICA'S AGING POPULATION AND THE FUTURE OF HOUSING

**Philip J. Martin**

**Senior Vice President**

**Waterton**



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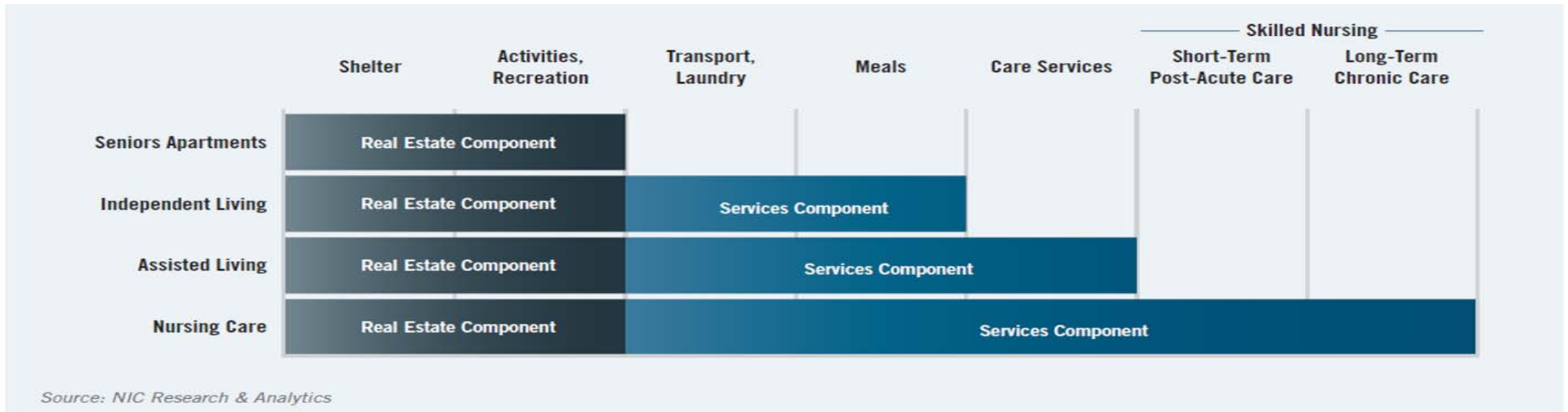
# ACTIVE ADULT - DEFINED

LIFESTYLE. WANTS. NEEDS

Residential  
Hospitality  
Healthcare

NOT “Age-Restricted”, “55+”, a “Facility”...and certainly not “Seniors Apartments”

## PROPERTY TYPES BY SERVICES PROVIDED

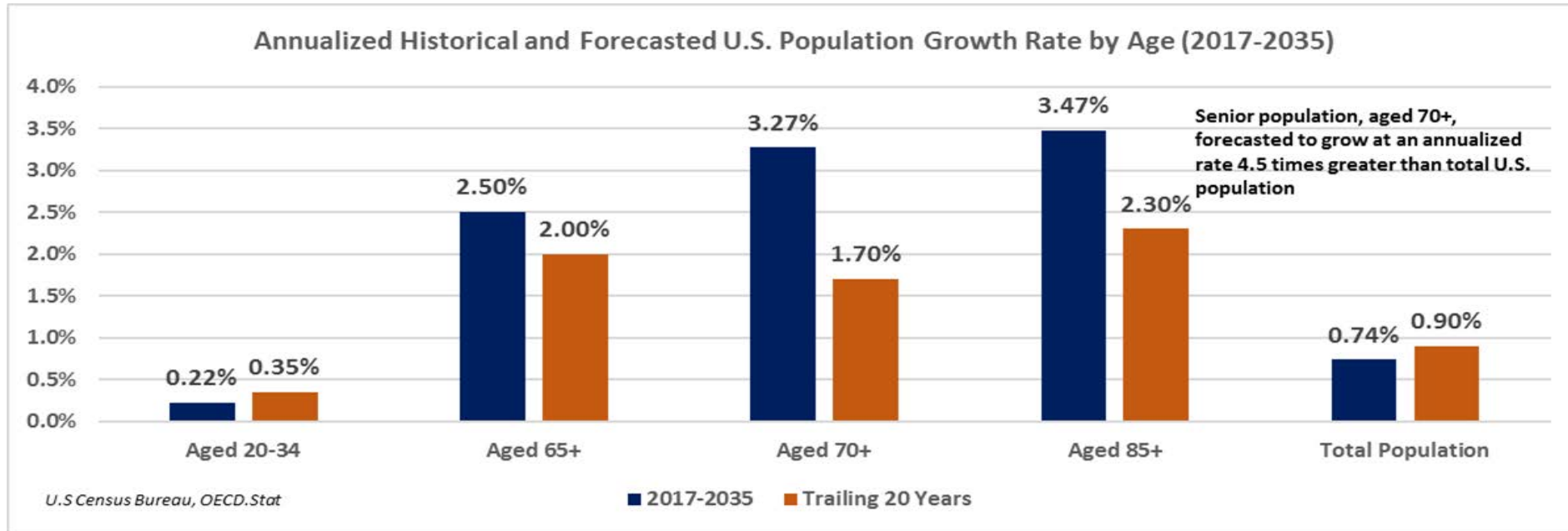


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# ACTIVE ADULT - DEMAND

- Demographics (size of senior living population, health/life expectancy)
- Changes in lifestyle, care/services/amenities needs and wants
- Limited existing alternatives
- Relative affordability
- Wealth management
- Improving housing fundamentals
- Increasing consumer awareness



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# ACTIVE ADULT - POTENTIAL RISKS

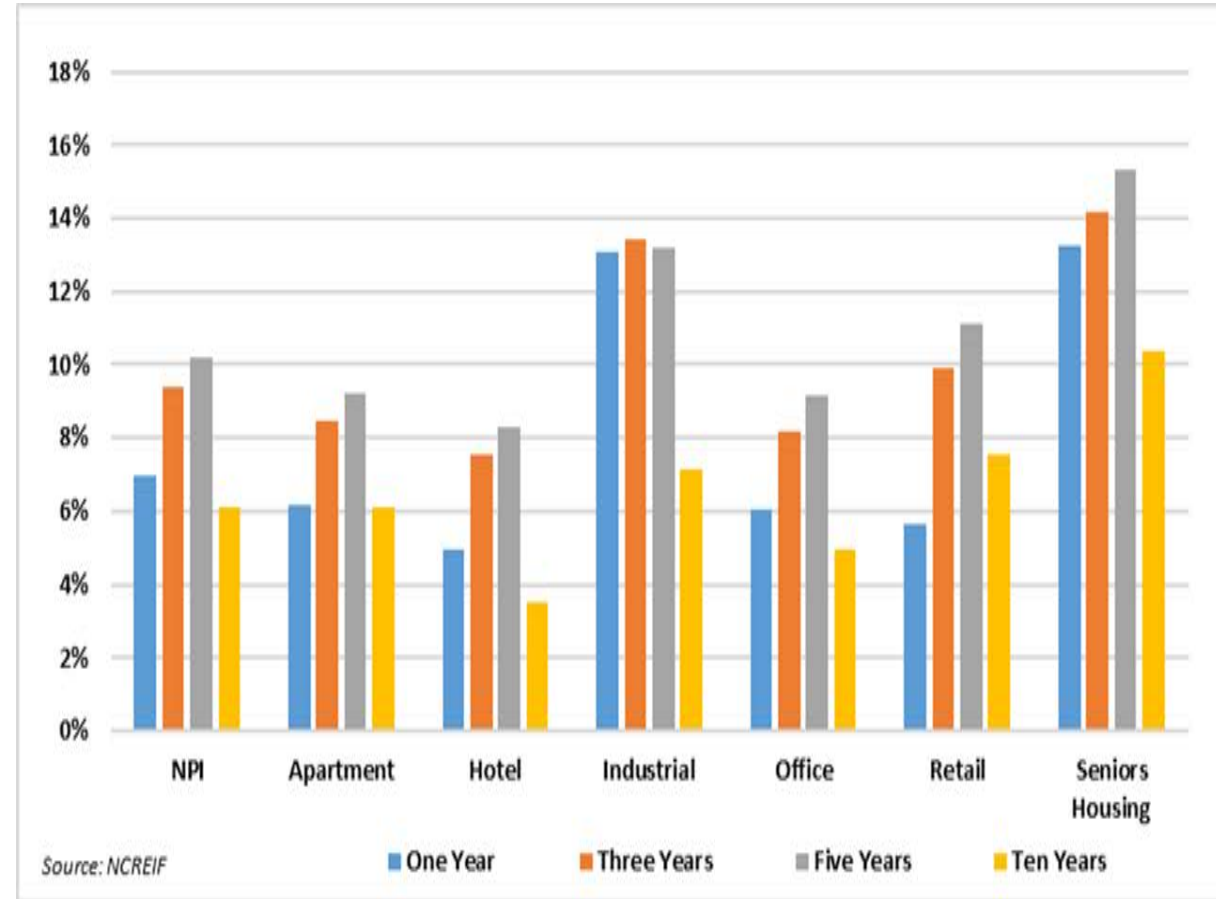
1. Lease-up
  - a. Demand often not “need” driven
  - b. Demand often dependent on the sale of home...and what to do with all our stuff?
2. Obsolescence and related expenditures
  - a. Physical plant
  - b. Amenities and programming
3. Affordability
4. Not meeting evolving resident “wants” and “needs”
5. Over and/or under amenitizing
6. Labor
7. Not properly integrated with local community, culture, etc.



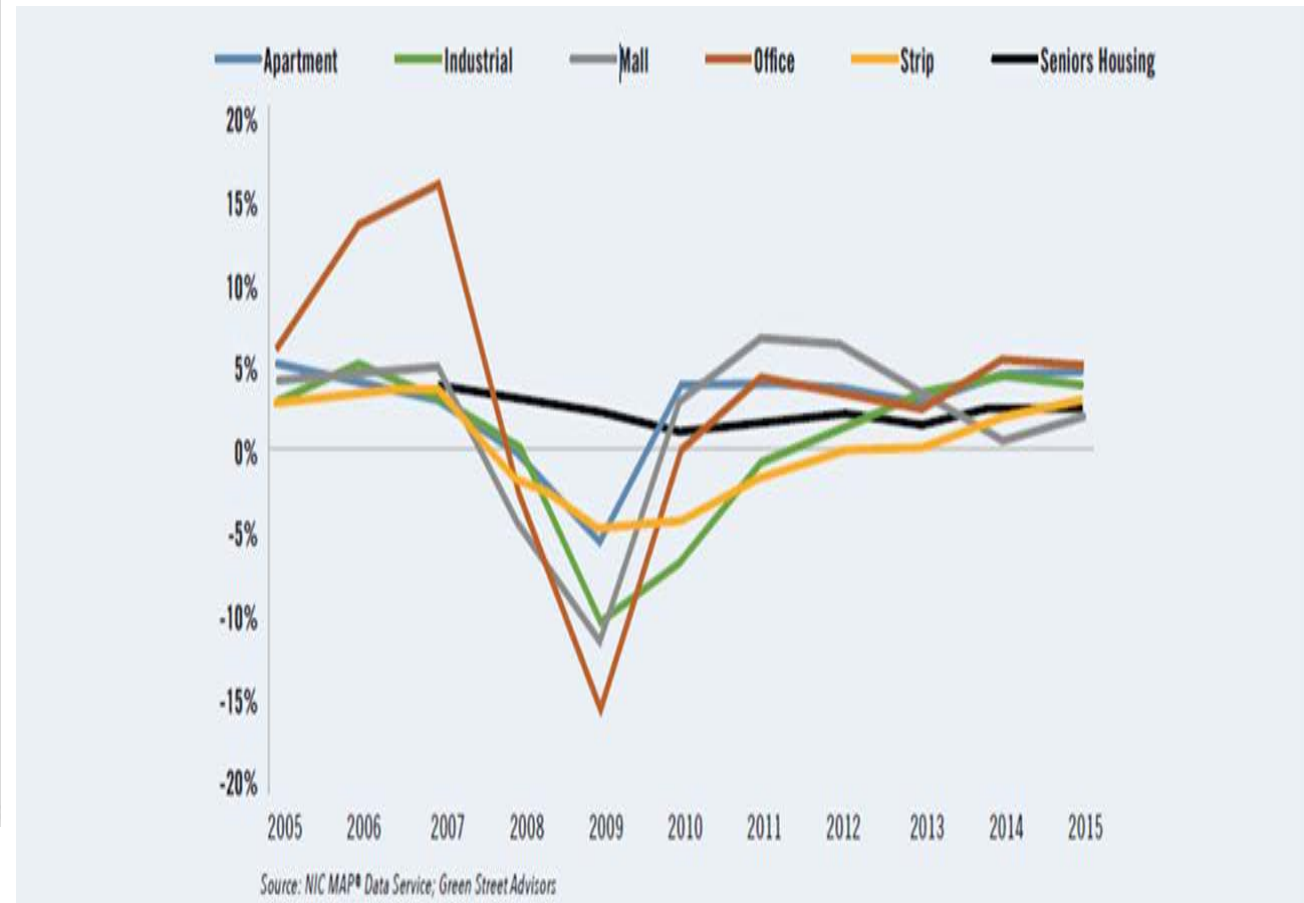
# SENIOR LIVING OUTPERFORMS WITH LESS VOLATILITY

10-year average annualized total returns, through 2017

Seniors Housing: 10.4% - Multifamily: 6.1% - NCREIF NPI: 6.1%



Senior living rent growth higher and less volatile, relative to other CRE



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