Boomer+ Consumers Are Everyone’s Consumer
50+ Consumers

• In 2017, nearly half of the U.S. adult population will be 50 and above, and they control over 70% of the nation’s disposable income. (Nielsen)

• In 2014, almost one in every seven (or 14.5%) was 65+. By 2060, there will be roughly 98 million older persons, nearly twice their number in 2014. (U.S. Census Bureau, 2015)

• Persons reaching age 65 have an average life expectancy of an additional 19.3 years. (National Center for Health Statistics)
DYNAMIC trends are changing the way 50+ consumers view real estate
Boomer+ Market Trends

• Postponing “retirement” out of choice or necessity
  – “Age 62 has long been viewed as ‘retirement’ age, but nearly 6-in-10 boomers now expect to retire at 65 or later, including 26% of boomers that anticipate retirement at age 70 or later.”
    Motley Fool, May 2016
  – Only 22% of boomers feel confident about their retirement preparations, and 45% have NO retirement savings.
    Insured Retirement Institute (IRI) and Motley Fool, 2016
  – By 2022, nearly 25% of persons 70-74 will be working, double the figure in 1992. AARP, 2016

• Changing family dynamics
  – One-third of baby boomers are providing financial support to their children (retirement market research firm, Hearts & Wallets, with CNBC.com, March 2015)
  – 19% of the population lived in multi-generational family households in 2014, versus only 12% in 1980 (Pew Research, U.S. Census Bureau)
Boomer+ Market Trends

• Changing marital status
  – From 1990 to 2014, divorce rates among those 50 and above more than doubled, according to the National Center for Family and Marriage Research at Bowling Green University. For those 65+, the rate tripled.
  – Nearly one-third of adults ages 50 to 64 – and 42% of Americans 65+ – are single, the U.S. Census Bureau reports.

• Boomer women are power consumers
  – Women account for 85% of all consumer purchases including everything from autos to health care:, and they drive 91% of new home purchasing decisions.” (Greenfield Online for Arnold’s Women’s Insight Team)
  – Women over the age of 50 spend, on average, 250% of what the population in general spends in any given year
55+ Housing: Traditional and Emerging Models
What is “Age Qualified” Housing?

• The history of “age-qualified” housing (aka “age-restricted”) began with service-enriched communities
• The Housing for Older Persons Act of 1995 (HOPA) preserved the right for older persons to live in “age-distinct” communities
• 55+ communities: different by intent, practices, communication, 80%-20% Rule
Existing 55+ Models

- Traditional, suburban neighborhoods best accommodate younger homeowners with families
- Active adult communities were historically in destination markets – large, gated, self-contained, heavily amenitized and programmed
- New models are more urban/sub-urban – on “pre-amenity” sites closer to work/cultural centers, adult children and grandchildren
- There is a blurring of lines across product categories: Active Adult, CCRC, IL/AL, AL/MC
Preferences for Aging in Place vs. Moving at 55+

• According to a June 2016 report from Freddie Mac, 63% of homeowners said they would “age in place” if they had complete control, but nearly 40% say they expect to move at least once more.

• Better Homes & Gardens reported in 2014 that 27% of boomers would consider a “retirement community.”

• Baby Boomers have accounted for more than half of the country's rental growth in the past 10 years. 

_BISNOW, April 5, 2016_
## Top Amenities Outside of the Community

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery stores</td>
<td>64%</td>
</tr>
<tr>
<td>Restaurants, cafes</td>
<td>59%</td>
</tr>
<tr>
<td>Nature</td>
<td>56%</td>
</tr>
<tr>
<td>Walking trails</td>
<td>55%</td>
</tr>
<tr>
<td>Shopping (other than for groceries)</td>
<td>50%</td>
</tr>
<tr>
<td>Natural water feature</td>
<td>48%</td>
</tr>
<tr>
<td>Farmers’ market</td>
<td>47%</td>
</tr>
<tr>
<td>Parks and green spaces</td>
<td>42%</td>
</tr>
<tr>
<td>Fitness center</td>
<td>42%</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Source:** Margaret Wylde – Pro Matura Group, LLC
Azulon at Mesa Verde

- C.J. Segerstrom & Sons
- Azulon at Mesa Verde – Costa Mesa, CA

- Market Rate Rental
- 215 Units 736 – 1230 SF; 9,000 SF Rec Building
- 7.2 Acre 30 DU/AC 1.25 Spaces/Bedroom
- 100% Occupied in 10 Months
- Waiting list of over 100
Decisions to move at 55+ are LIFESTYLE driven
Understanding the Motivation to Move at 55+

• Why “AQ”? Relevance, social connections and separation. Freedom and possibility. “Like me.”
• LIFESTYLE is the key driver – EXPERIENCES, relevant social connections, proximity to family, LOCATION, amenities
• Better accommodation for current lifestyle and life stage
• How the HOME lives: single-level living, low maintenance, open/social floorplans, aesthetics/finish quality, and livability
Aligning with **Ageless** Consumer Values

Lifelong Communities, Livable Communities, Sustainable Communities, and “Best Places to Retire” are characterized by similar criteria ...

“**Ageless Living**” … *a continuity of lifestyle, not an overhaul*
55+ Housing Innovation

The best innovations are **Consumer Centric, not Product Centric**

- Understanding the Consumer
- The CULTURE to Innovate
- Instinct & Acumen
- Collaborative Teams
- Leveraging Best Practices
- Primary Research
The best innovations are Consumer Centric, not Product Centric

- Everything is marketing, and marketing is everything
- And, EXPERIENCES create value
“Ageless Living,” Choice & Individuality

Me

My Group

Affinity Group

Mass

Ageless Living
How Consumers Shop for 55+ Housing

• Local vs. destination
• Meet them where THEY are
• Lifestyle ➔ Region ➔ Community ➔ Neighborhood ➔ Home
• It’s all “Feathers on a scale.” Consumers seeking completeness. The FULL value proposition.
## Selling 55+ Housing: Connecting with Values

<table>
<thead>
<tr>
<th>Drivers of Decision-making</th>
<th>Values/Emotional Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desire for a new home style/plan</td>
<td><strong>Ease and simplicity.</strong> I’m seeking a new home that will better accommodate the way I want to live today.</td>
</tr>
<tr>
<td>Location/Destination drivers – family, retirement lifestyle, work</td>
<td><strong>Connections and purpose.</strong> This location promotes a lifestyle that is full and enriching. Access to what matters.</td>
</tr>
<tr>
<td>Access to nature/Sense of place</td>
<td><strong>Wonderment.</strong> I feel a sense of awe and contentment when I am here.</td>
</tr>
<tr>
<td>Resonant mix of amenities and programming</td>
<td><strong>Fun and spontaneity.</strong> I will not feel bored or lonely.</td>
</tr>
<tr>
<td>Neighbors like me</td>
<td><strong>Connection and belonging.</strong> I look forward to living in community of neighbors who share my interests.</td>
</tr>
<tr>
<td>Value/Asset preservation</td>
<td><strong>Security.</strong> I am making a smart decision.</td>
</tr>
<tr>
<td>Developer/Builder credibility</td>
<td><strong>Peace of mind.</strong> Quality construction. Community is thoughtfully planned and sustainable.</td>
</tr>
</tbody>
</table>
AGING IN PLACE
## TOP AMENITIES

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Daily + Several times weekly</th>
<th>Daily</th>
<th>Several times weekly</th>
<th>Rarely</th>
<th>Never</th>
<th>Prefer 55+ Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking trails</td>
<td>91%</td>
<td>28%</td>
<td>64%</td>
<td>6%</td>
<td>2%</td>
<td>26%</td>
</tr>
<tr>
<td>Cardiovascular equipment (bikes, treadmills, stair steppers, etc.)</td>
<td>86%</td>
<td>27%</td>
<td>59%</td>
<td>14%</td>
<td>0%</td>
<td>45%</td>
</tr>
<tr>
<td>Casual dining/food</td>
<td>80%</td>
<td>4%</td>
<td>76%</td>
<td>20%</td>
<td>0%</td>
<td>43%</td>
</tr>
<tr>
<td>Community lending library (books, magazines, DVD's, etc.)</td>
<td>78%</td>
<td>11%</td>
<td>67%</td>
<td>17%</td>
<td>4%</td>
<td>40%</td>
</tr>
<tr>
<td>General purpose rooms for learning, arts, cards, games, meetings, etc.</td>
<td>76%</td>
<td>14%</td>
<td>62%</td>
<td>24%</td>
<td>0%</td>
<td>51%</td>
</tr>
<tr>
<td>Free weights and weight machine training</td>
<td>73%</td>
<td>16%</td>
<td>57%</td>
<td>20%</td>
<td>7%</td>
<td>43%</td>
</tr>
<tr>
<td>Café</td>
<td>69%</td>
<td>9%</td>
<td>60%</td>
<td>31%</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Circuit training exercise equipment</td>
<td>61%</td>
<td>10%</td>
<td>51%</td>
<td>34%</td>
<td>5%</td>
<td>38%</td>
</tr>
<tr>
<td>Locker rooms, changing area, showers</td>
<td>58%</td>
<td>13%</td>
<td>44%</td>
<td>31%</td>
<td>11%</td>
<td>36%</td>
</tr>
<tr>
<td>Community Co-op with nearby organic farm that allows you to purchase organic veggies</td>
<td>55%</td>
<td>0%</td>
<td>55%</td>
<td>34%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Outdoor resort style pool</td>
<td>54%</td>
<td>11%</td>
<td>43%</td>
<td>33%</td>
<td>13%</td>
<td>36%</td>
</tr>
<tr>
<td>Outdoor event/fitness lawn</td>
<td>53%</td>
<td>0%</td>
<td>53%</td>
<td>38%</td>
<td>9%</td>
<td>26%</td>
</tr>
<tr>
<td>Media/Movie room</td>
<td>51%</td>
<td>2%</td>
<td>49%</td>
<td>47%</td>
<td>2%</td>
<td>36%</td>
</tr>
<tr>
<td>Community mail &amp; business center</td>
<td>50%</td>
<td>26%</td>
<td>24%</td>
<td>46%</td>
<td>4%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**SOURCE:** Margaret Wylde – Pro Matura Group, LLC
GRAB BARS
AMERICANS SPEND $350M ON HALLOWEEN COSTUMES
CONSUMER INSIGHTS 2014

63% have pets. 22% treat their pets like royalty.
Their children have been replaced with pets.

63%
have pets.

22%
treat their pets like royalty.
Their children have been replaced with pets.
Heritage Oaks

- Central Valley Coalition for Affordable Housing
- Heritage Oaks – Oakdale, CA

- Affordable Senior Rental
- 50 Units 650 - 900 SF 80,000 SF Rec Building
- 1.52 Acre 50 DU/AC
- LEED Platinum
- Rents range from $483 to $787 per month
Selling to 55+ Buyers

• **LISTEN!**
  • Sales process is relationship driven
  • Place + Product have to connect at an emotional level – have to lead with lifestyle
  • Buyers have very little urgency and require many “meaningful touchpoints”
  • In a nutshell, closing a sale takes longer, and conventional sales and marketing strategies will need to be modified to suit these buyers – including adaptations to sales processes, incentives, website language and navigation, spec/customization expectations, etc.
Communicate Agelessly

- Downsizing?
- Empty-nesters?
- Retired?
- Where do you work?
- What did you do?
- Senior?
- Grandparents?

Avoid BARRIER LANGUAGE and connect instead with relevant content and images.
Angelus Plaza

- Retirement Housing Foundation
- Angelus Plaza – Los Angeles, CA

- Affordable Senior Rental
- 1093 Units  505 SF  80,000 SF Rec Building
- 5.52 Acre  198 DU/AC
- Largest Affordable Age Qualified Community in the US
- Waiting list of over 2000
Game Changers