

New Models to Harness Intergenerationalism

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Snapshot

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- II. Intergenerationalism: An Opportunity
- III. The Project
- IV. Key Factors for Success
 - a. Market Fundamentals
 - b. Site Characteristics
 - c. Design
 - d. Operations
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- V. The “Business Side”
 - a. Did We Execute Our Plan
 - b. Financial Performance



Who We Are

- 20-Year History in Senior Housing Industry
 - 6th Largest Private Owner/Operator
 - 57 Acquisitions (5,825 Units)
 - 27 Developments (3,300 Units)
- Emerging Mixed-Use Portfolio
 - 9 Developments (1,550 units)
- Vertically Integrated & Scalable Platform



Intergenerationalism: An Opportunity

- Target Two Largest Age-Based Demographic Groups
 - Baby Boomers
 - Echo Boomers
- Diversified Product Offerings and Returns
- Cross-Marketing Benefits
- Complementary Uses are a Must
- Scalability Across Markets



The Project

- Our Vision: A Mixed-Use, Intergenerational Community
- Primary Focus was Senior Housing
- Apartments: Capitalize on Attractive Fundamentals
 - Natural progression from senior housing
 - Multiple options available: market rate, age-restricted, students
- Retail: “If you build it, they will come” Mentality
 - Lost all but one tenant due to recession
 - Shifted focus to local businesses with established relationships in the community
 - Bonus: Located one block from University Village, the largest destination center in the region
 - Emphasized retail tenants/uses that provide complementary amenities



Awards

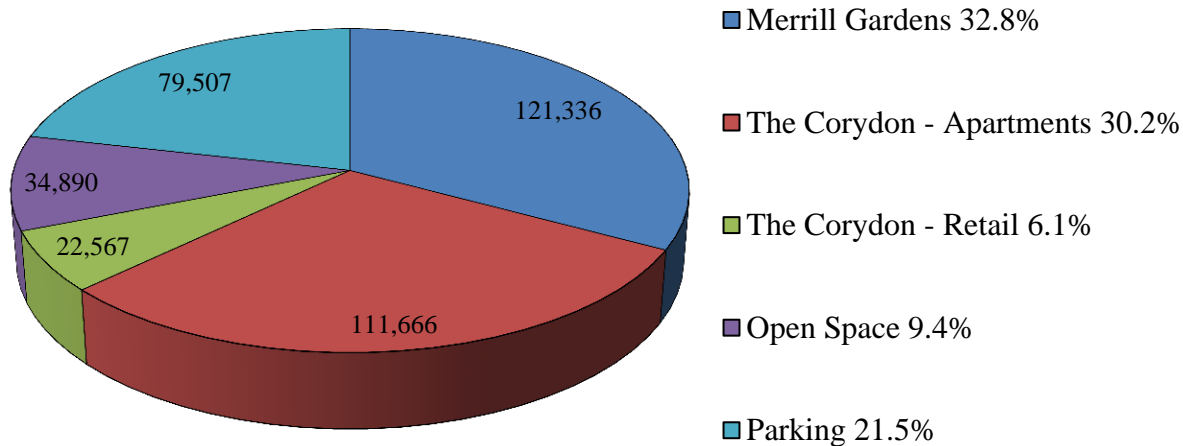
- *2008 Best Proposed Active Adult/Retirement Community*
 - Winner of the Gold Award by the National Active Retirement Association
- *2010 ULI Awards for Excellence Finalist*
 - One of seventeen finalists from over 170 projects throughout North and South America. The only senior housing community to be recognized as a finalist.



Project Statistics

- 2.5 Acre Site
- 226 Total Units
 - 123 IL/AL & 103 Apts.
- 22,500 Square Feet Retail
- \$70 Million Total Cost
- \$55 Million Tax-Exempt Financing

Gross Square Footage



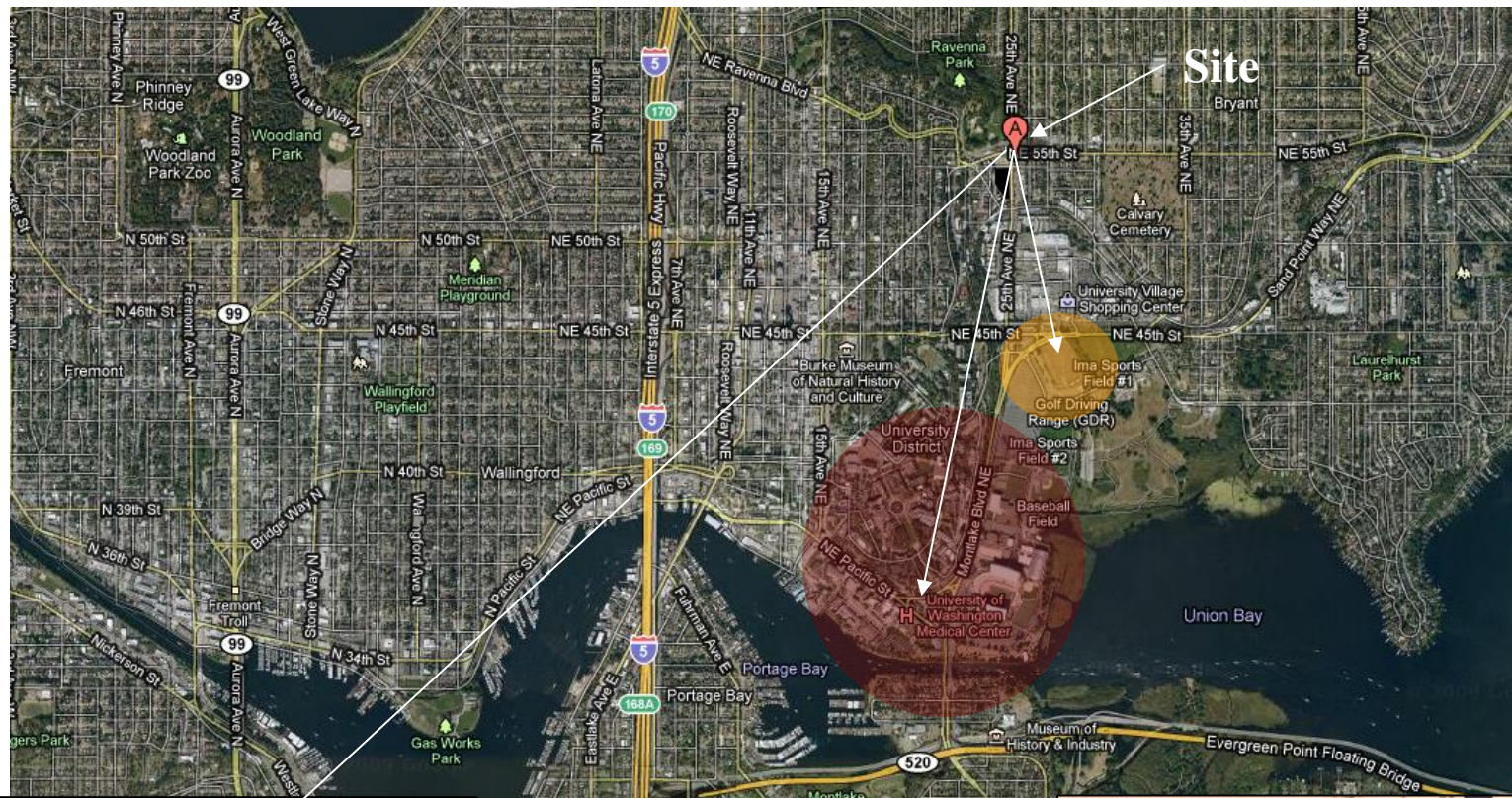
Market & Site Characteristics

Focus on Familiar Markets/Sub-Markets Characterized By:

- High barriers-to-entry
- Urban in-fill locations
- Extensive transportation options/capacity
- Attractive age-based demographics
- Other favorable economic characteristics:
 - *Positive net-migration*
 - *Increasing household formation*
 - *Positive absorption*
 - *Positive rent growth*
 - *Declining vacancy rates*



Desirable Urban Location



Immediate Market Area

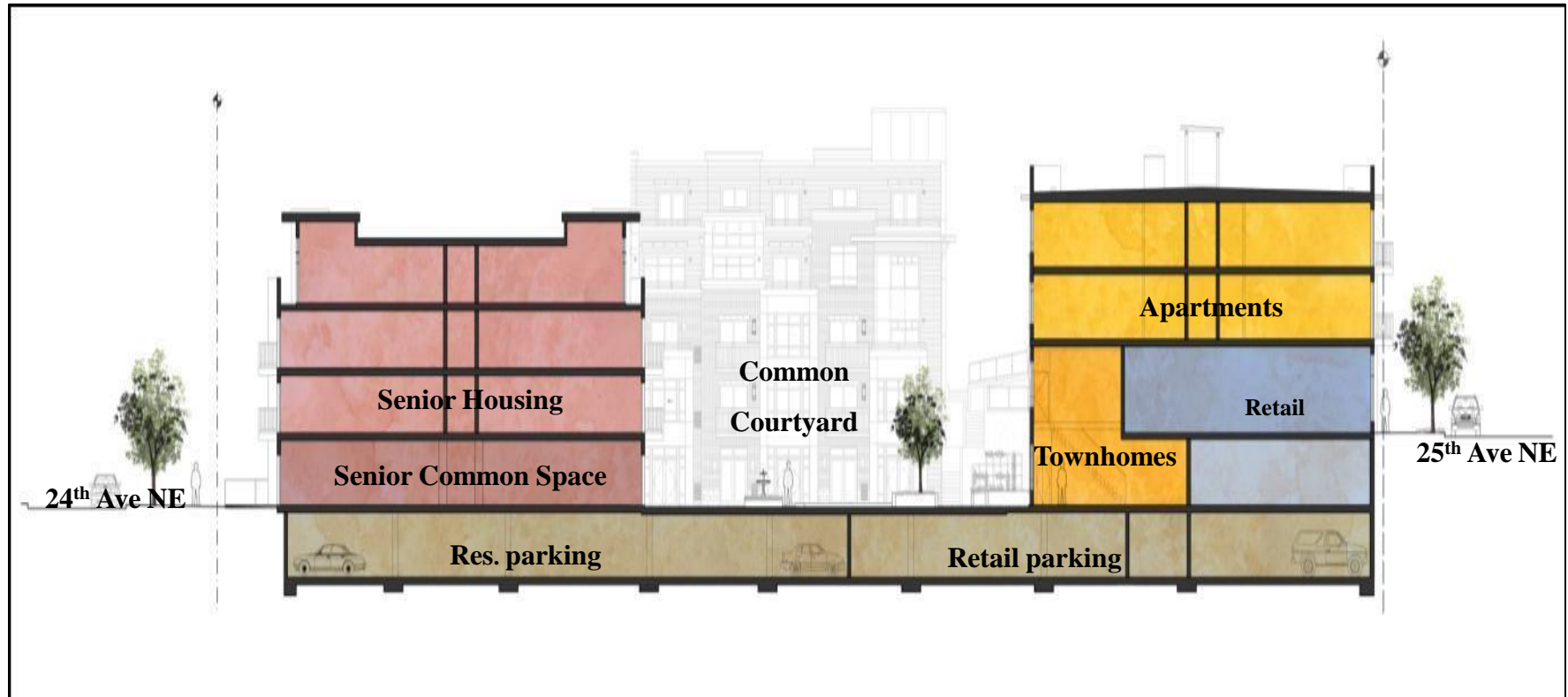


Design

- Distinct Residential Communities with Shared Common/Amenity Spaces
- Creates Separation and Promotes Integration
- Ability to Retreat to Their Own Homes if Desired
- Creates Organic Connections in Shared Spaces
 - Courtyard
 - Dining
 - Fitness
- Allows Everyone to Live Life the Way They Choose (or according to their “plan”)

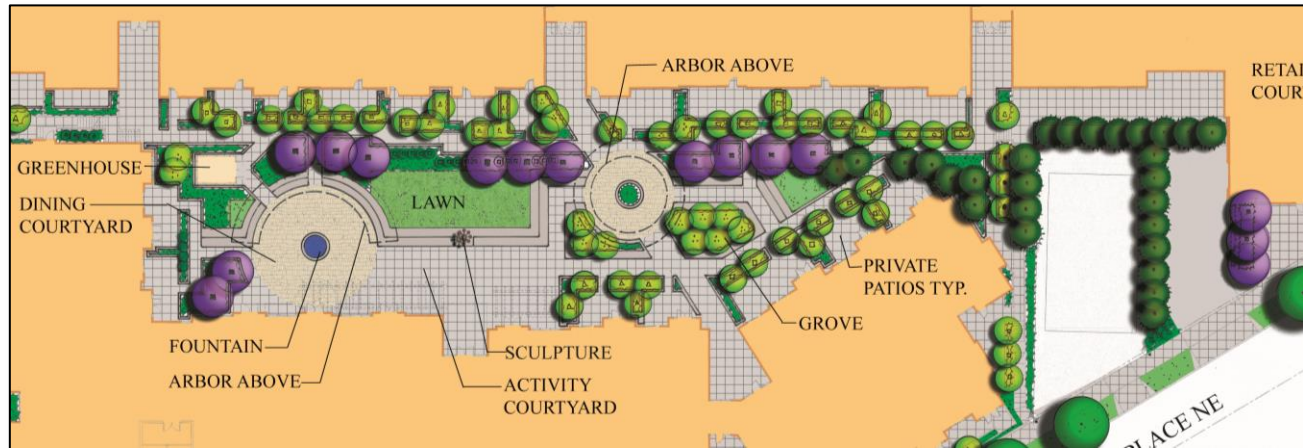


Organization / Programming



Shared Courtyard

- Social Events
- Greenhouse and Gardening
- Bocce Court
- Walking Path
- Outdoor Dining



Operations

- Experienced Operators are Imperative
 - Especially on the operationally-intensive senior component!
- Operating Teams Must be able to Collaborate
- Promotes Intergenerational Integration Through Joint and Community-Specific Programming
- Creates an Opportunity for Fully-Independent Seniors (who might feel they aren't quite ready) to Experience the Senior Housing Lifestyle



Lifestyle



- Wii Bowling Leagues
- Movie Night in the Courtyard
- Combined Happy Hours
- Pep Rallies
- Dining Room Open to all Residents
- Concierge Services for Apartments
- Fitness Center Available to Seniors
- Retail Tenants that Serve as Amenities



The “Business Side”

- Did we Execute? Yes!
 - Evaluated multiple options along the way, but always came back to our initial vision
- Who Would Have Thought?
 - Opened in Height of Recession: April 2009
 - Recessionary Impacts were Very Real
 - Concessions
 - Lease-Up
- Two + Years Later...
 - Occupancy:
 - Senior Housing: 99%+
 - Apartments: 99%+
 - Retail: 100%
 - Rental rates: Senior housing and apartments continue to lead their respective markets
 - Distributions on par with underwriting



Intergenerational Experience

- Avoid Opening Retail Tenant Space in a Recession!
- Inter-generational Senior Housing is a Plus for Multi-family Projects at Both Ends of the Age Group
- Key Factor is Separation of Actual Residential Units on Site and Shared Access to Common Areas
- Great Solution to Expand Market to Seniors Who Don't Want to be Age Segregated

