

MOMENTUM

2022 Annual Conference and Trade Show · August 30 – September 1, 2022

Session 10A Active Adult Campus Strategies: Opportunities and Challenges

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Understanding Your Consumer – Competitive Environment

Why?

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Future Demographics: *The Boomers are Coming*

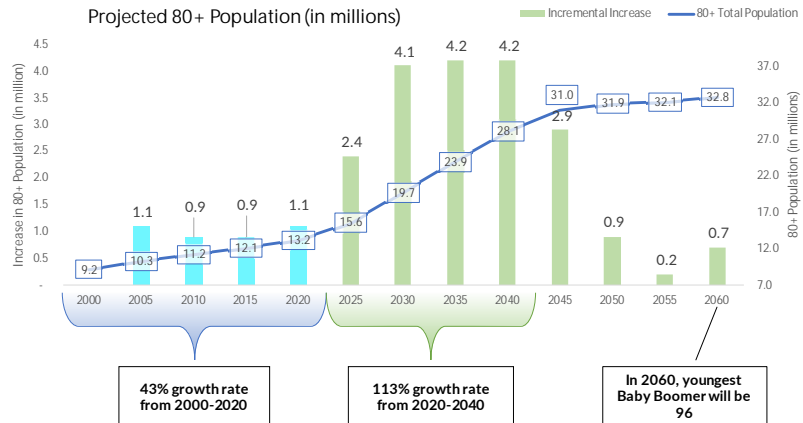
- Tremendous growth in the 80+ population over the next 40 years; with the most growth occurring over the next 20 years; beginning in 2026.

80+ population is expected to grow at more than **double** the growth rate from 2020-2040 than 2000-2020,

80+ population grew **4M** from 2000 to 2020; it will grow **15M** from 2020 to 2040.

80+ population will grow by **113%** from 2020 to 2040 compared to an **8%** for the rest of the population.

Source: US Census Bureau



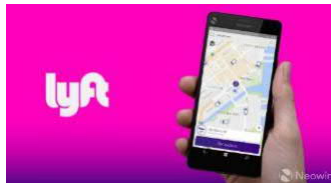
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Consumer Expectations – Redefine your Value Proposition

Why move to a retirement community?



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Boomer Characteristics and Expectations

- Baby Boomers were a **hard-working** generation. They wanted and worked hard to **earn prosperity**.
- They value **individual choice**.
- They saw **community involvement** as necessary and essential.
- They sought **health** and **wellness** in new ways.
- They sought **ownership of businesses and homes**.
- They were **confident** in the tasks they had to do.
- They worked hard to **avoid conflicts** and sought a more pleasant way to communicate.
- They **adapted easily to change**.
- They also maintained **positive attitude** throughout their days.
- Most are very **goal oriented**, but they also **worked well in teams**.
- This generation also **began the movements** towards equal rights, and they understood the **pressures of failure**. Yet, they continued to work hard to achieve the goals they set out.

40% of Boomers plan to “work until I drop”

Why Work?	Pre-retirees who plan to work (%)	Working retirees (%)
Desire to stay mentally active	87%	68%
Desire to stay physically active	85%	61%
Desire to remain productive or useful	77%	73%
Desire to do something fun or enjoyable	71%	49%
Need for health benefits	66%	20%
Desire to help other people	59%	44%
Desire to be around people	58%	47%
Need the money	54%	51%
Desire to learn new things	50%	37%
Desire to pursue a dream	32%	20%

Source: Seniorliving.org and AARP



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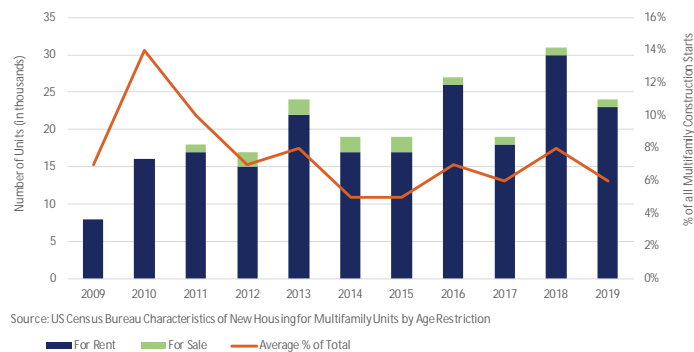
Age Restricted Multifamily

The average Active Adult Consumer ranked “communities living a healthy lifestyle by having walking trails and fitness centers” as the #1 preferred amenity.

Top Amenities

- 1 Fitness centers, yoga studios, trainers, and fitness classes
- 2 Art, Culture & Education
- 3 Food, Wine & Culinary Experiences

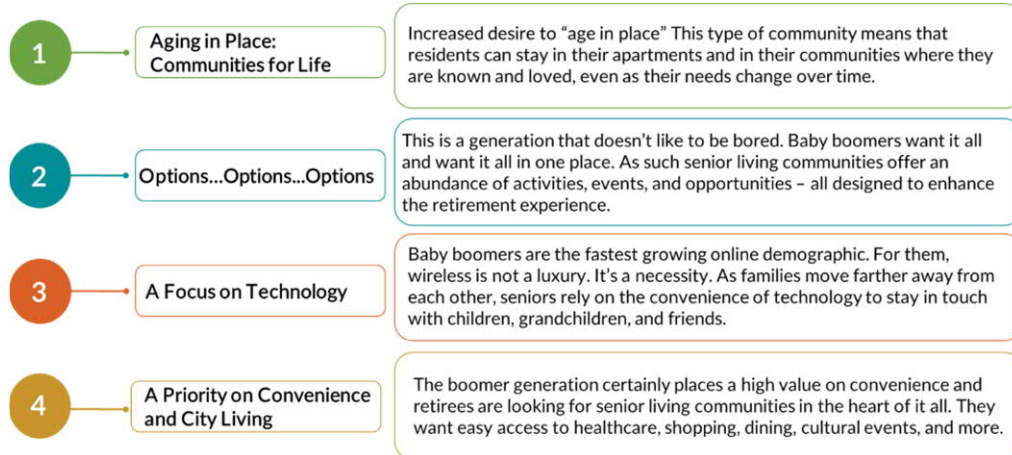
Age-Restricted Multifamily Units Construction Starts



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4 Ways Boomers are Changing the Senior Living Industry



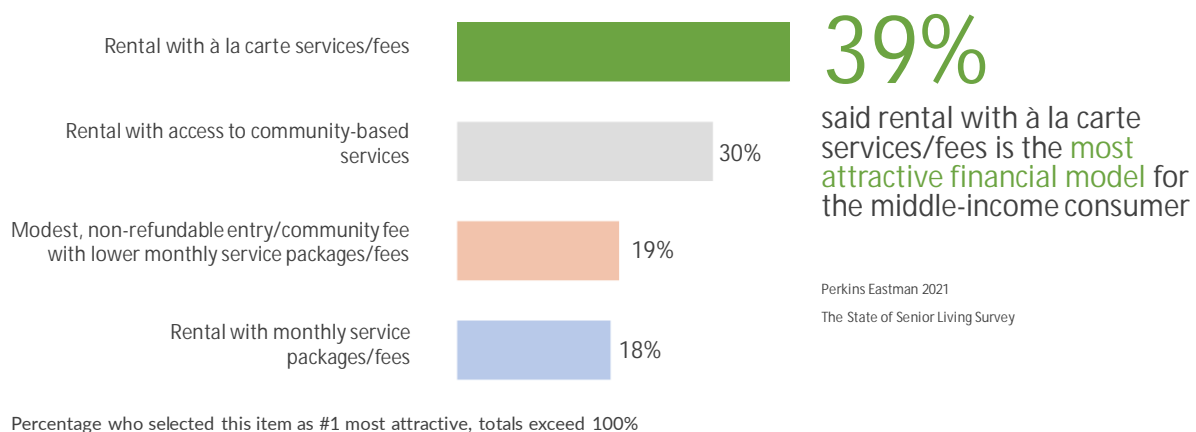
Source: www.leisurecare.com/resources/baby-boomers-and-senior-living



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Boomer Expectations for Financial Models for Senior Living

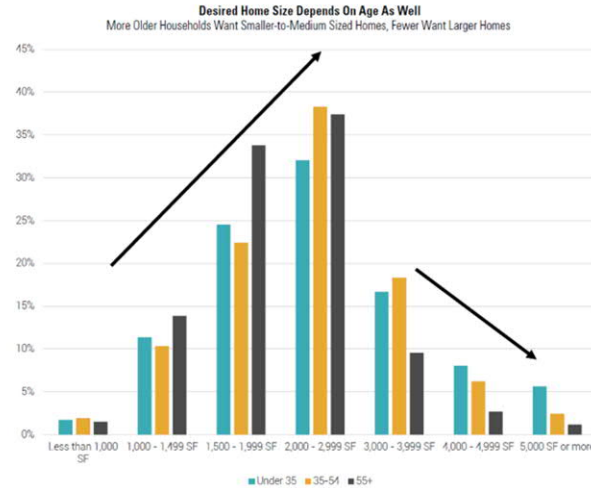


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Key Purchase Considerations

- Affordability
- Home Features
- Weather
- Taxes
- Community Features
- Desire to be closer to family



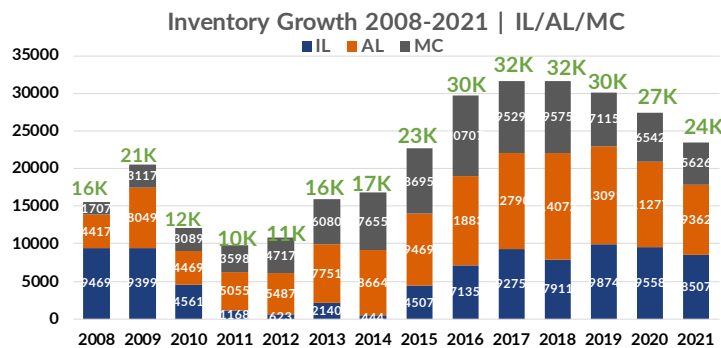
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The Senior Housing Construction Boom

74% of senior living product added over the last 14 years has been developed in the last 7 years.



Nursing Home Bed Reduction
- Net Loss of 33,893
(~3.7% of beds)

Year	Inventory Growth/Reduction
2008	- 880 Beds
2009	- 1,815 Beds
2010	+ 829 Beds
2011	- 137 Beds
2012	- 2,106 Beds
2013	+ 418 Beds
2014	- 2,008 Beds
2015	+ 655 Beds
2016	- 1,428 Beds
2017	- 2,964 Beds
2018	- 6,535 Beds
2019	- 4,201 Beds
2020	- 3,577 Beds
2021	- 10,144 Beds

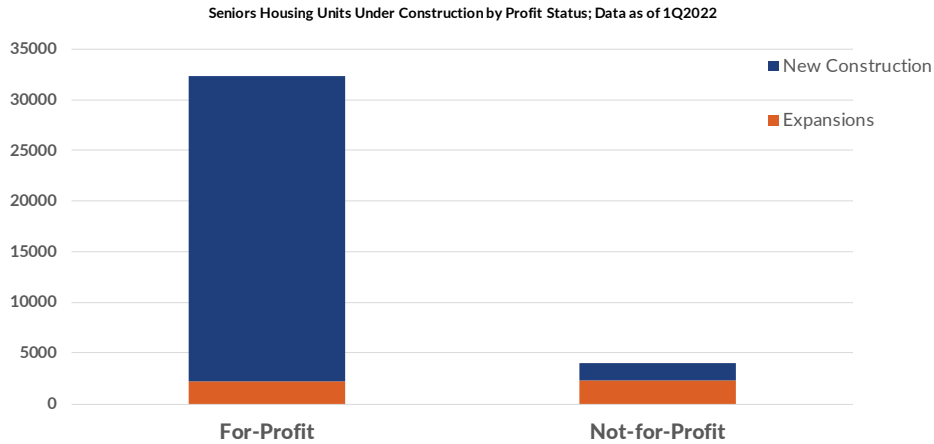
Source: NIC Data; Primary and Secondary Markets
4Q 2021

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Who is Out-developing Who?

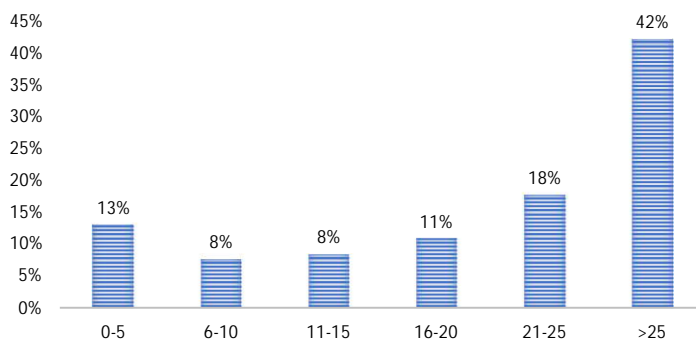


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Asset Repositioning Needs relative to Growth

PERCENTAGE OF SENIOR HOUSING PROPERTIES BY AGE GROUP



Much of the existing supply is outdated:
60% of Senior Housing is more than 20 years old



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Strategy for Growth ... PARTNERSHIPS



Know Your Partners!



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MKM believes that individual well-being is essential for communities to thrive. That's why we work so hard to improve the culture of health with stakeholders across the care continuum.

We are in the business of designing meaningful places.

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WELL-BEING FOCUS

- ✓ 69% of residents reported that moving to a Life Plan Community "somewhat or greatly improved" their social wellness.
- ✓ Life Plan Community residents tend to have greater emotional, social, physical, intellectual, and vocational wellness than their community-dwelling counterparts.
- ✓ Residents report significantly more healthy behaviors than community dwellers (not just more exercise).



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Mather Institute on Aging

Northwestern

THE AGE WELL STUDY:

Comparing Wellness Outcomes in Life Plan Communities vs. the Community-at-Large

Year 1 Report

Source: <https://www.matherlifewaysinstituteonaging.com/agewellstudy/>

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WELL-BEING FOCUS

Community Well-Being Index, 2019 State Rankings

Top Quintile	2 nd Quintile	3 rd Quintile	4 th Quintile	5 th Quintile
1 Hawaii	11 Maryland	21 Pennsylvania	31 Michigan	41 Georgia
2 Massachusetts	12 Illinois	22 Wyoming	32 Montana	42 New Mexico
3 New Jersey	13 Washington	23 Kansas	33 Missouri	43 Indiana
4 New York	14 Virginia	24 Arizona	34 Maine	44 Louisiana
5 California	15 Nebraska	25 Texas	35 South Dakota	45 Oklahoma
6 Connecticut	16 Minnesota	26 Wisconsin	36 South Carolina	46 Alabama
7 Utah	17 Rhode Island	27 Idaho	37 North Carolina	47 Kentucky
8 Colorado	18 Florida	28 Nevada	38 Delaware	48 Arkansas
9 New Hampshire	19 Alaska	29 North Dakota	39 Ohio	49 West Virginia
10 Oregon	20 Vermont	30 Iowa	40 Tennessee	50 Mississippi

Gallup · Sharecare
Well-Being Index

For more see <https://wellbeingindex.sharecare.com/>




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WELL-BEING FOCUS



The Gallup-Healthways Well-Being Index

Gallup and Healthways have developed a comprehensive, definitive source of well-being measurement, the Gallup-Healthways Well-Being Index. This scientific survey instrument measures, tracks and reports on the well-being of populations. The five essential elements of well-being are:

- Purpose:** liking what you do each day and being motivated to achieve your goals
- Social:** having supportive relationships and love in your life
- Financial:** managing your economic life to reduce stress and increase security
- Community:** liking where you live, feeling safe and having pride in your community
- Physical:** having good health and enough energy to get things done daily

For more see <https://wellbeingindex.sharecare.com/>

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WELL-BEING FOCUS



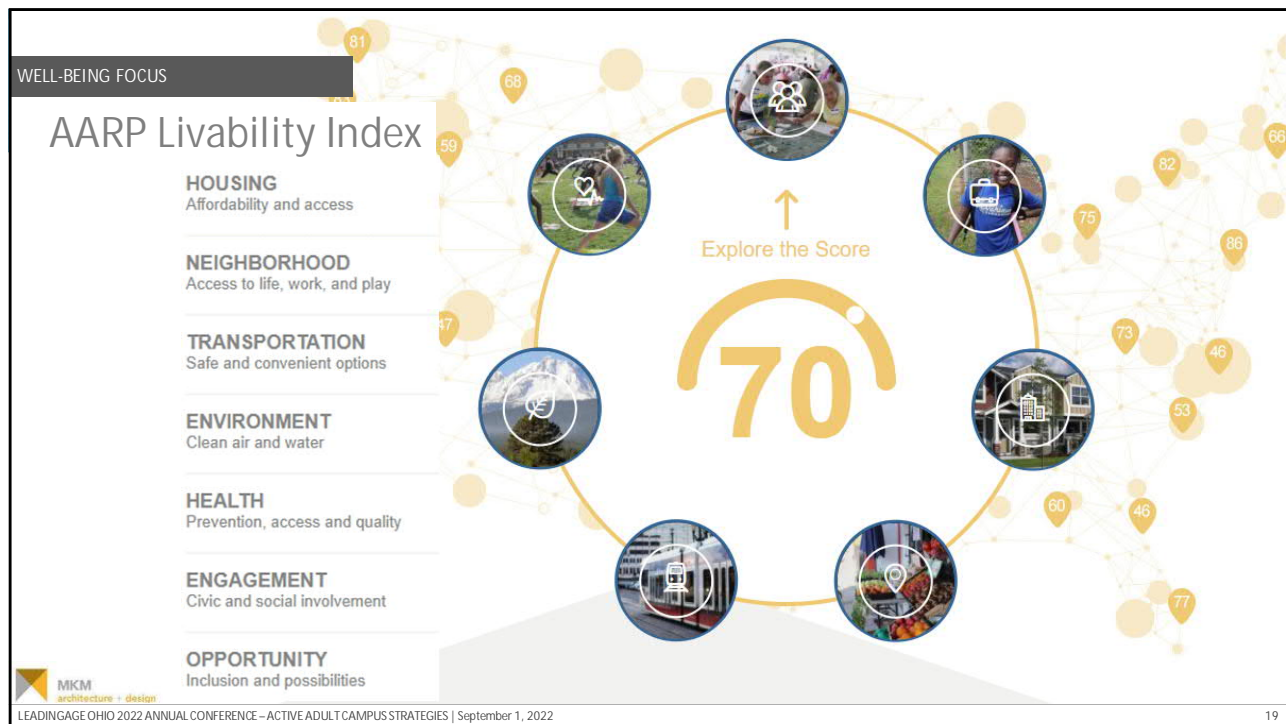
8 Dimensions of Wellness



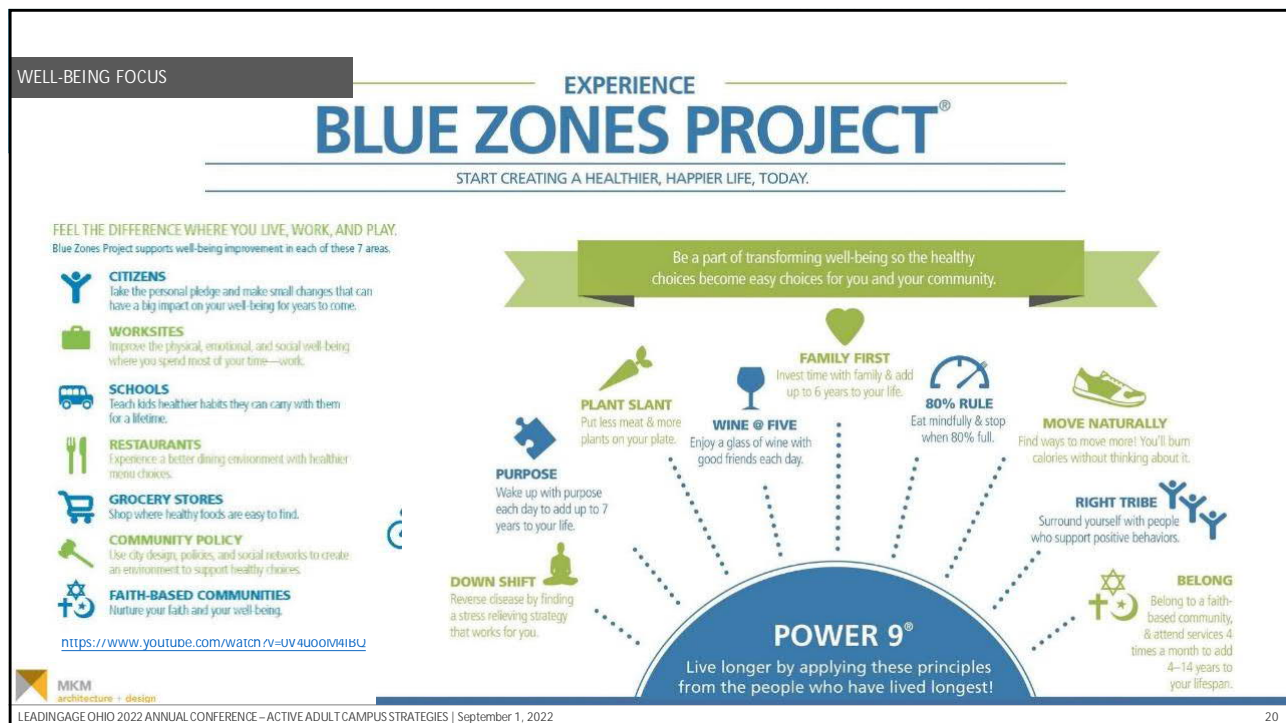
EMOTIONAL SPIRITUAL INTELLECTUAL PHYSICAL ENVIRONMENTAL FINANCIAL OCCUPATIONAL SOCIAL

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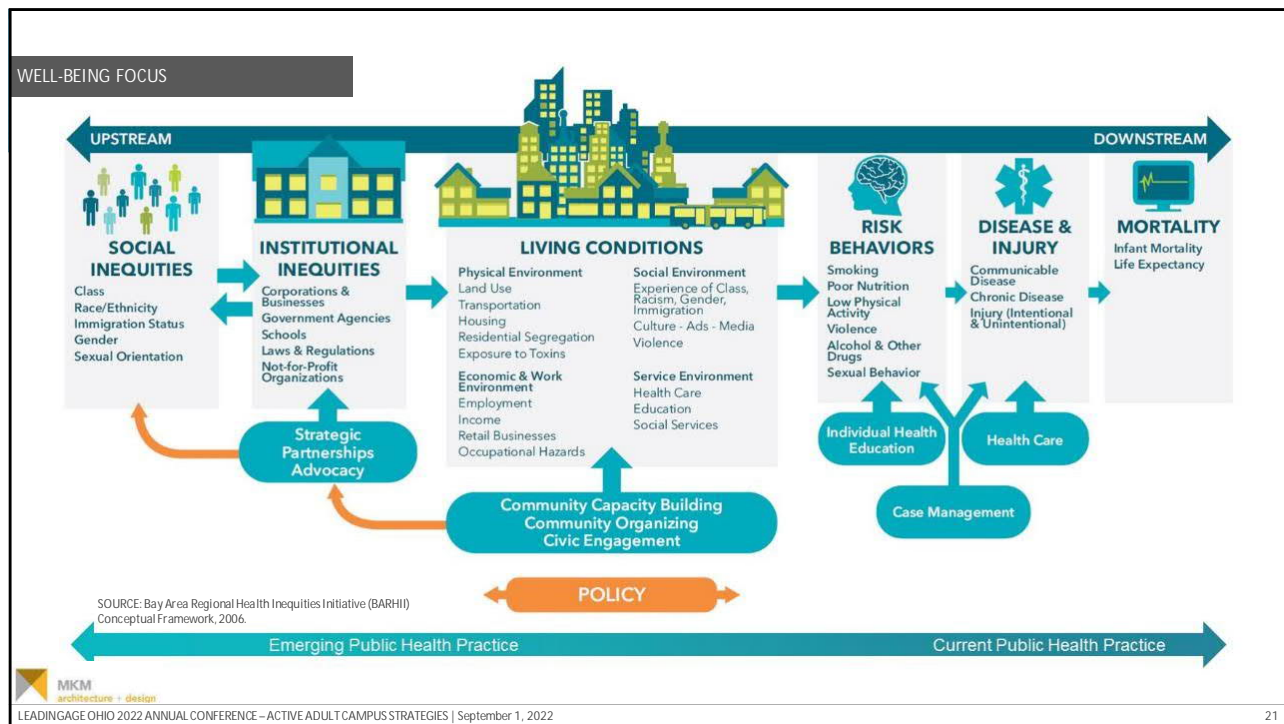
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WELL-BEING FOCUS

So why do we offer Independent Living options?

- Altruism?
- Financial strategy to support mission?
- Continuum of Care?
- Wellness?
- Happiness?

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Thesis

Active Adult Communities **must follow the same metrics for success** that we use to measure successful neighborhoods and cities. Specifically, they should **enhance an individual's Well-Being** through Purpose, Social, Financial, Community and Physical Health.



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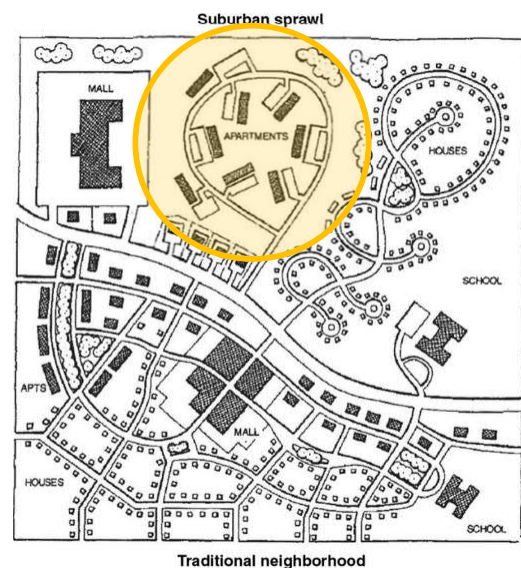
WELL-BEING FOCUS

Development patterns matter.

The positioning of homes, schools, businesses, parks, and sidewalks within a neighborhood can influence physical activity. Neighborhood design typically considers 4 land uses: residential, industrial, green space, and institutional (eg, schools). Sprawling urban design has less mixing of these types (or less "land-use mix"). The adjacent diagram illustrates this distinction. Houses and apartments in the lower section of the diagram (the traditional neighborhood) are closer to other types of destinations such as the school or the mall, and the houses in the upper section (suburban sprawl) are more isolated. This figure also demonstrates a second core concept from urban planning known as "connectivity," or the ease of moving between origins (eg, home and work). Street grids with many intersections provide many options for navigating to a destination. In the low-density upper part of the diagram, although there are houses that are not far from the school "as the crow flies," getting to the school requires winding out of the enclave of houses to a busy main road. Thus, a child who lives close to school may still find walking to school prohibitive.

In addition to mixed-land use, other measures, such as higher residential density, smaller street blocks, and access to sidewalks, have been reported to translate to increased walking in adults. Increased urban sprawl, by which farther distance between destinations decreases walkability, has been associated with less physical activity and directly correlated to decreased well-being.

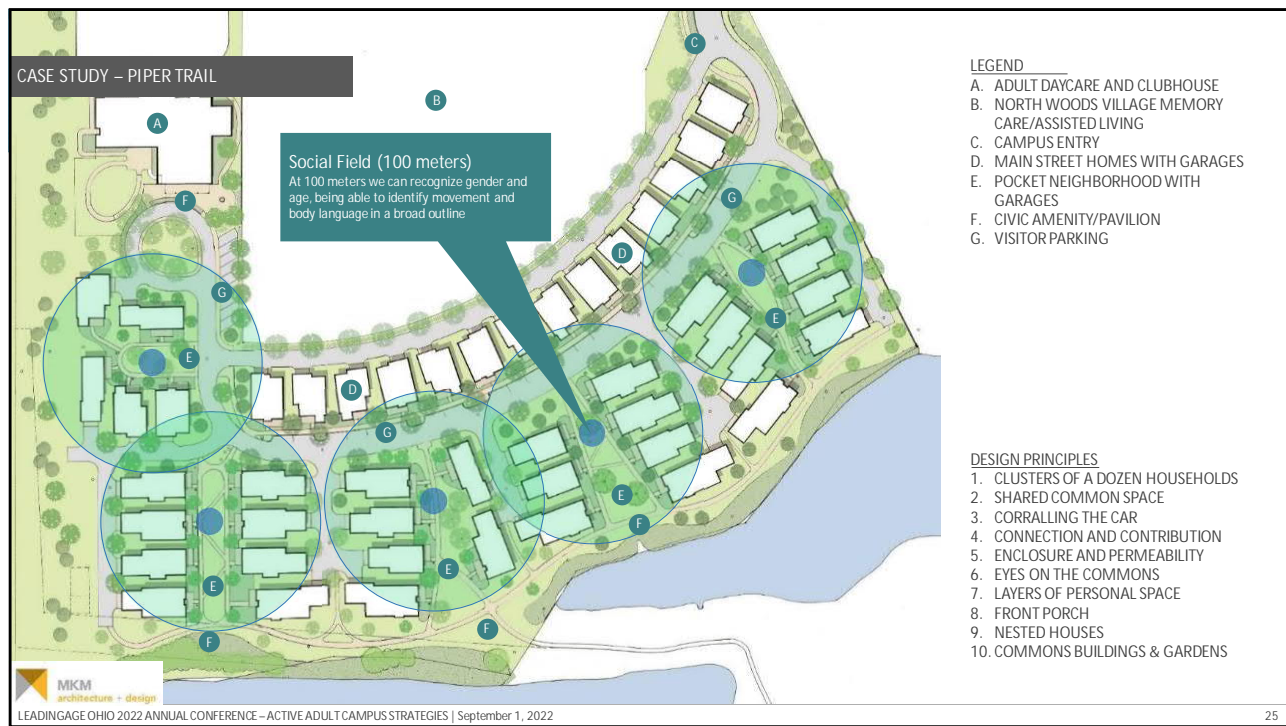
Source: Duany Plater Zyberk as shown in Spielber F. The traditional neighborhood development: how will traffic engineers respond? ITE J. 1989:59-17.



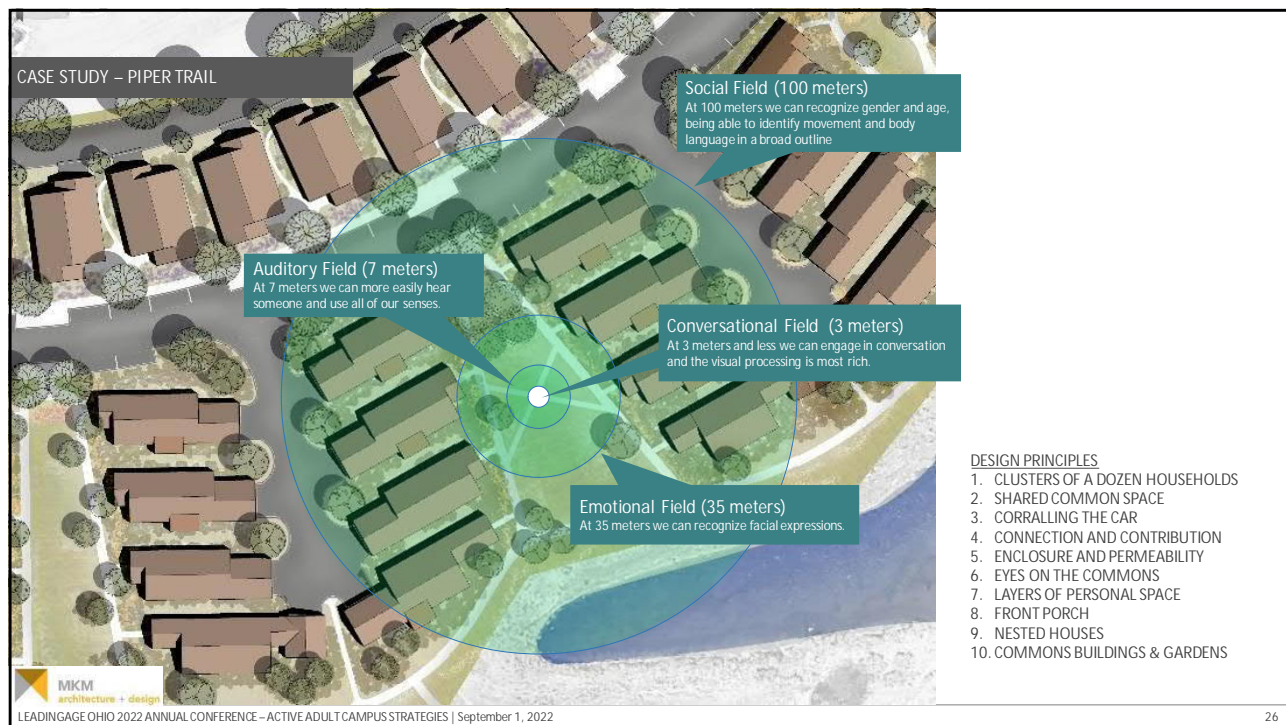
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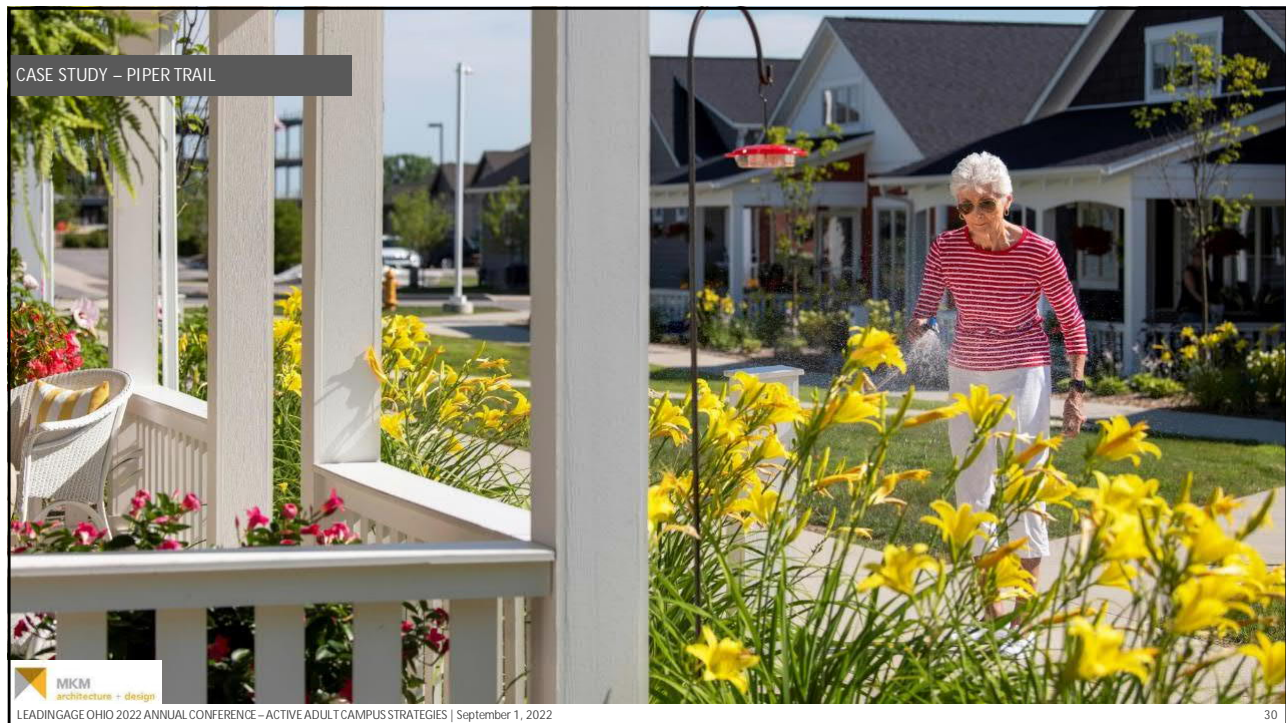
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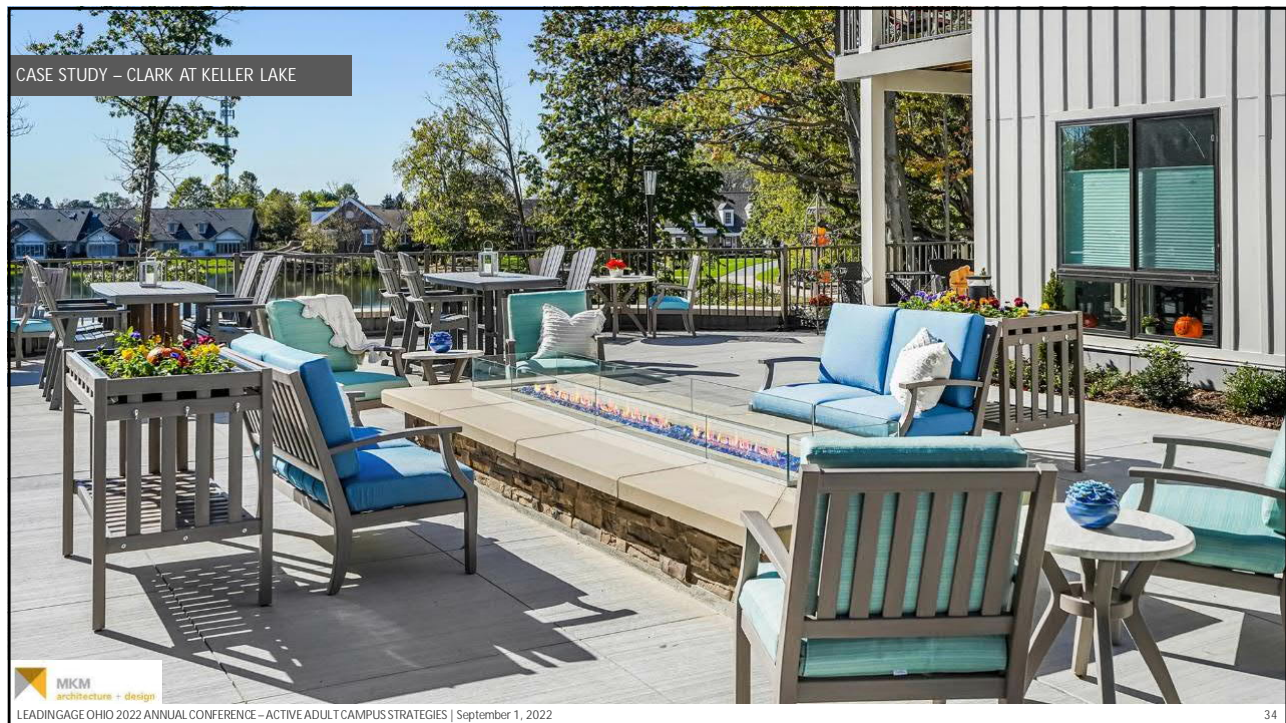
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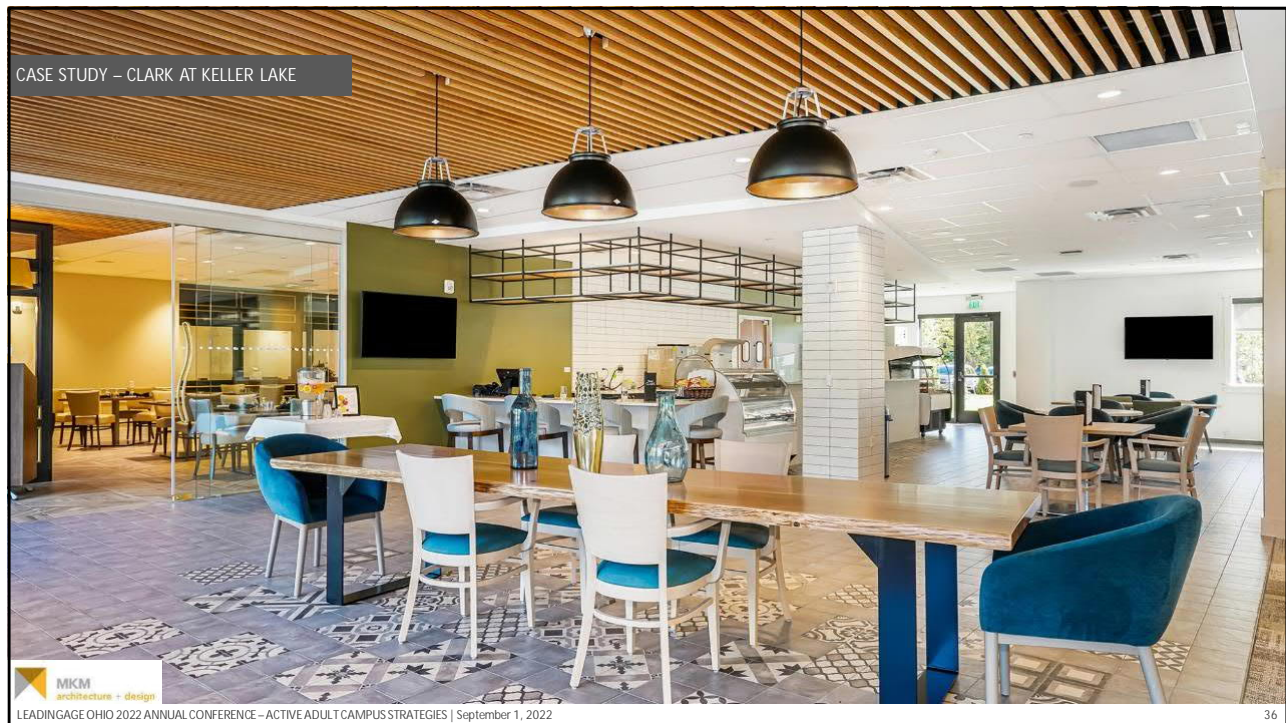
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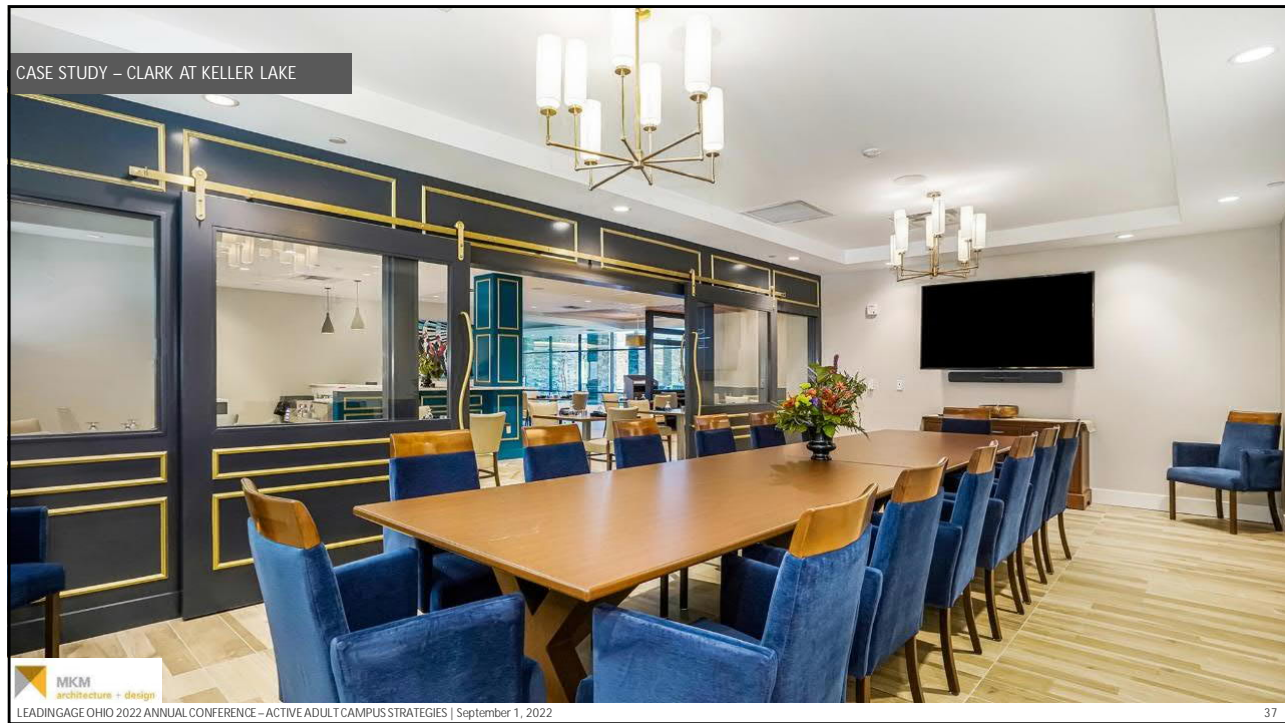
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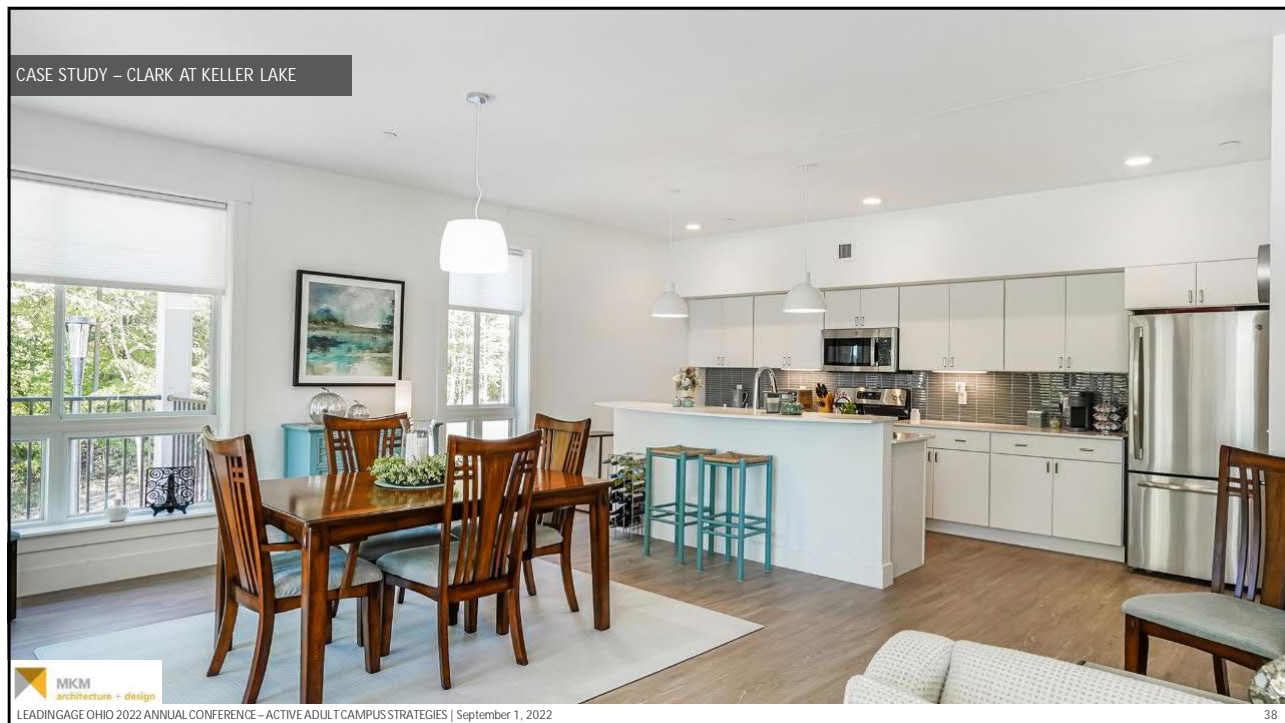
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Current Trends

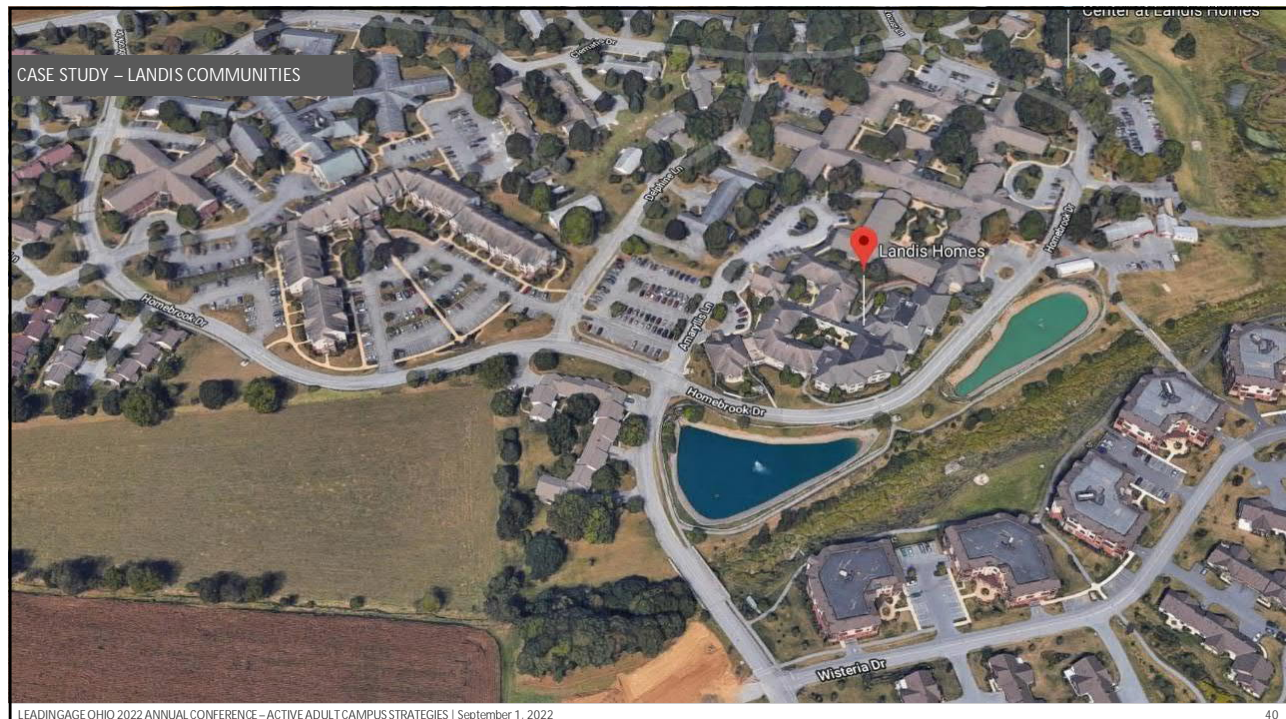
- Living in Place/Aging in Place
- Urban Living
- Creating alternatives for persons in middle- and lower-income brackets
- Housing with services
- Life Care at Home
- "CCRC lite"
- Affiliations



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CASE STUDY – LANDIS COMMUNITIES

Walk Score®

Cities & Neighborhoods | Why It Matters | How It Works | Walk Score on Your Site | Apartment Search | Blog

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Type an address to get your Walk Score and see what's nearby.

What's your Walk Score? Get a Commute Report Explore Your Neighborhood

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CASE STUDY – LANDIS COMMUNITIES

Scores for 118 North Water Street, Lancaster, PA

Walk Score **99** Bike Score **73**

Category	Score
Dining & Drinking	100%
Groceries	100%
Shopping	100%
Errands	100%
Parks	100%
Schools	100%
Culture & Entertainment	100%

Downtown Campus

Scores for 1001 East Oregon Road, Lititz, PA

Walk Score **3** Bike Score **37**

Category	Score
Dining & Drinking	0%
Groceries	0%
Shopping	0%
Errands	0%
Parks	0%
Schools	30%
Culture & Entertainment	0%

Legacy Campus

←→

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CASE STUDY – LANDIS COMMUNITIES



- ✓ Economic Opportunity Zone
- ✓ Mixed use development
- ✓ Long-term lease from developer
- ✓ Middle market
- ✓ Rental property
- ✓ Housing manager 12 hrs./wk.
- ✓ Support of Lancaster Downtowners (VTV)



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CASE STUDY – LANDIS COMMUNITIES

A NEW PLACE IN A VIBRANT CITY



Creating Community for Older Adults



For more information or to be added to the early interest list, please contact Evon Bergey, Vice President of Community Initiatives, at 717.874.8260.

These homes will be accessible to a wide range of income levels, with rents starting at about \$800 per month. Once the project is approved, a capital campaign will be conducted with funds used to secure 10% of the apartments at affordable rates. This new seven-story building will include retail space that is intended to provide a café or bistro to serve residents as well as the broader community.



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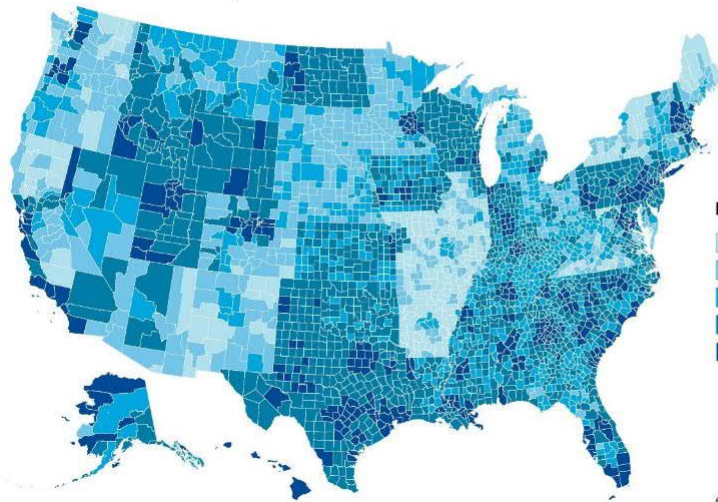


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AFFORDABLE HOUSING STATISTICS

HOURS AT MINIMUM WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME AT FAIR MARKET RENT IN 2022

OUT of REACH
THE HIGH COST OF HOUSING



Hours at minimum wage

- 40 hours per week or fewer
- 41 to 50 hours per week
- 51 to 60 hours per week
- 61 to 80 hours per week
- More than 80 hours per week



NATIONAL LOW INCOME HOUSING COALITION

www.nlihc.org/oor

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AFFORDABLE HOUSING STATISTICS

ELEVEN OF THE TWENTY-FIVE LARGEST OCCUPATIONS IN THE UNITED STATES PAY LESS THAN THE HOUSING WAGE



OUT of REACH
THE HIGH COST OF HOUSING



Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Affordable rents based on income and benefits data from BLS QCEW, 2020 adjusted to 2022 dollars; U.S. Department of Labor, Employment and Training Administration, March 2022; and Social Security Administration, 2022 maximum federal SSI benefit for individual.



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