

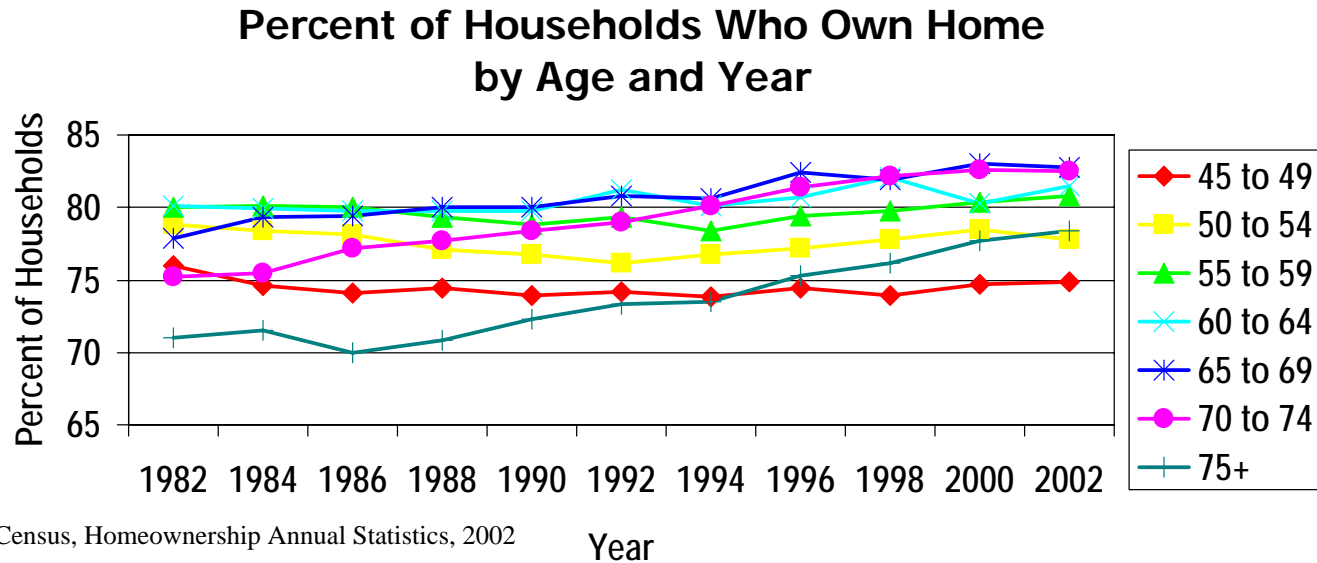
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The Market for Active Adult Housing

The following pages provide descriptions of several attributes of the active adult market taken from a variety of sources. Care should be taken when interpreting these data because they are group data and because the group has been made up predominantly of Caucasian households. There are many market sectors among 55+ households who will differ significantly in their preferences for their community and style of housing.

Percent of Households Who Own Home by Age



The proportion of households headed by people 65 years of age or older who own their homes has continued to increase at a steady pace since around 1986. Eighty-three percent of the 70 to 74 year old age cohort own their homes today compared to 77 percent in 1986, and 78.4 percent of the 75+ age cohort own their homes today compared to 70 percent in 1986.

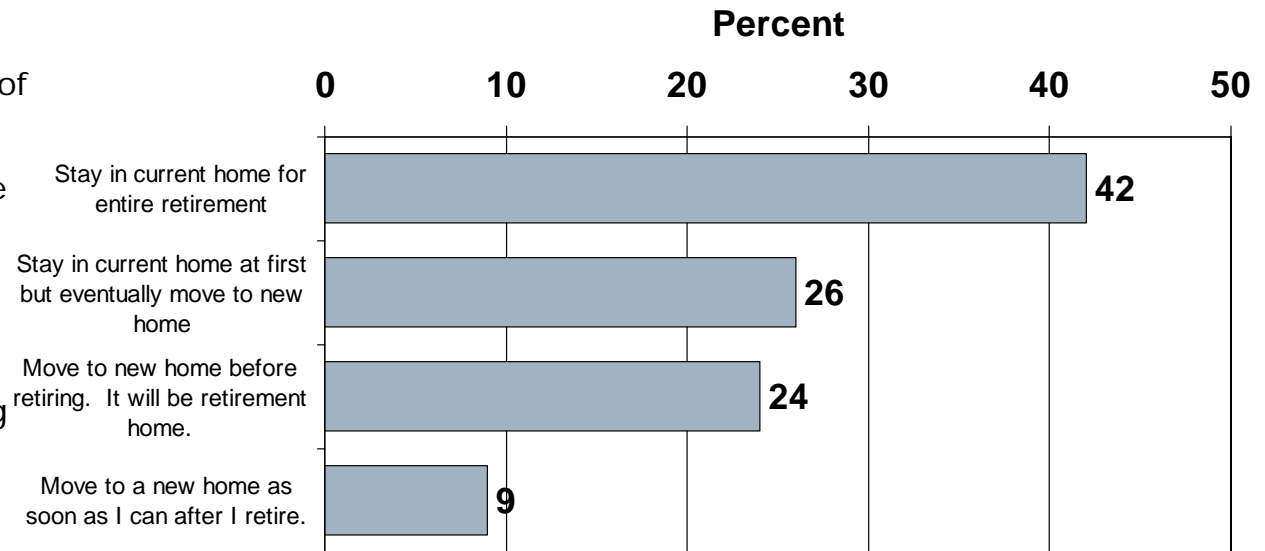
Service-enriched housing developers are beginning to offer condominium or cooperative housing ownership to prospective residents in order to access the market sector who want to enjoy the benefits of home ownership.

Proportion Who Plan to Move

The proportion of adult households who plan to move in the future appears to be a function of the age of the household. In a recent large scale study by the Del Webb Corporation (2003), 58 percent of the respondents between the ages of 44 and 56 years were contemplating a move sometime in the future.

In contrast approximately 24 percent of the households headed by someone 60 to 79 years of age were contemplating a move sometime in the future and about 18 percent of the households headed by someone 80 years of age or older were contemplating a move (National Investment Center for the Seniors Housing & Care Industries, *NIC National Housing Survey of Adults Age 60+*, Volume III, 2001).

Where Boomers Will Live

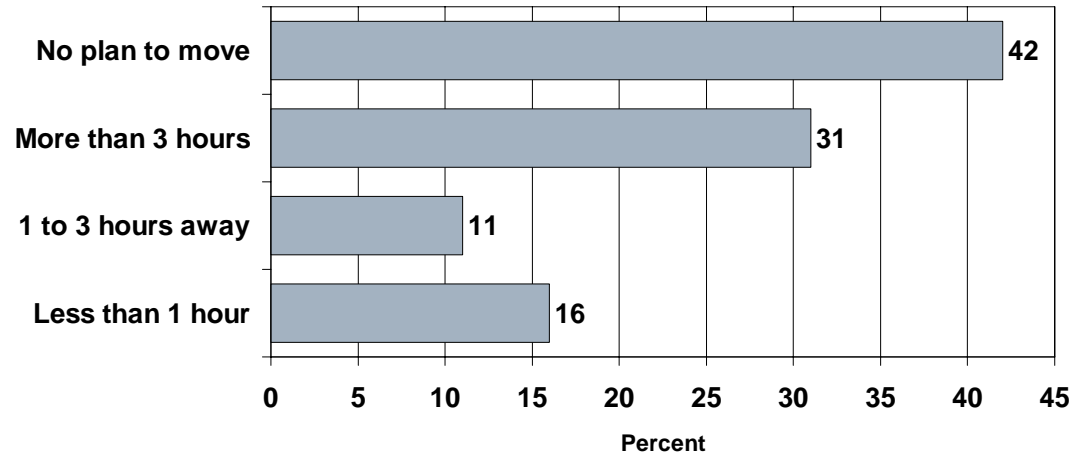


Del Webb, 2003 Internet Survey of 44 to 56 Year Olds

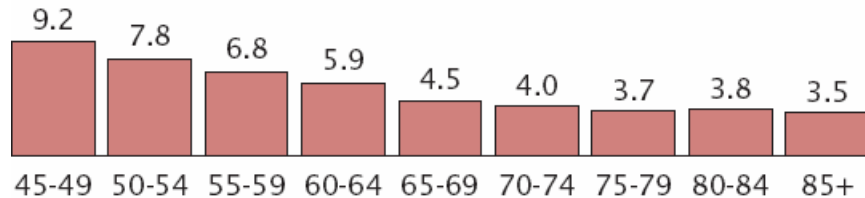
Where You Will Move?

The leading edge Boomers, those who are among the oldest sector of this generation, express plans for moving that are contrary to what is observed among movers, that is, 31 percent planned to move more than three hours from their current location. Fifty-nine percent of the movers of all ages in the U.S. move within the same county, 19 percent move to a different county within the same state, 19 percent move to a different state and 3 percent are movers from abroad (U.S. Census, 2003).

Where Boomers 44 to 56 Plan to Move



Proportion Who Moved Between 2002 and 2003 by Age Group



Del Webb, 2003 Internet Survey of 44 to 56 Year Olds

Source: U.S. Census Bureau, Current Population Survey, 2003 Annual Social and Economic Supplement.

Why are the 50+ Moving?

A number of studies have cited reasons why households headed by someone 50 years of age and older decide to move. One study, conducted by the National Association of Home Builders, supported the reasons that are seen in most studies completed among 50+ households. The majority move because they are seeking maintenance-free living. As a group, their desire for maintenance-free living stems predominantly from the desire to have more free time to pursue other interests as opposed to their need for assistance in maintaining their homes. Of course, the need for assistance changes as the age of the movers increases, and is more prevalent among single women than single men.

The second most important reason for a move is to be closer to children. This is an important factor that many developers, particularly those wishing to develop in outlying areas, should heed. While many 50+ home buyers will consider a home in an outlying area, the proportion is considerably less than those who would consider a move to an area near their children and grandchildren.

Motivations for Relocating (Source: 2003 Builder Survey, NAHB)	Percent
Desire for maintenance free lifestyle	77
Move closer to children/family	52
Lower living costs	32
Desire for increased personal security	30
To be closer to amenities and local activities	26
To have warmer climate	19
To be farther away from crowded cities	13

Trends in Active Adult Housing Seniors Housing Developers Comments

The National Association of Home Builders surveyed 281 builders who reported having built housing for persons 55 years of age and older in the previous year. These builders reported that compared to previous years the active adult home buyer:

- Is demanding more amenities,
- Wants more and larger fitness-related amenities and activities,
- Has greater acceptance of an attached home,
- Has greater acceptance of condominium (multistory) housing, and
- Shows more interest in proximity to continuing educational opportunities.

Source: 2003 Builder Survey, An Industry Update of Current Trends of Age- Restricted, Age-Targeted and Independent Living Communities, NAHB

Trends in Active Adult Housing Price Ranges of 50+ Seniors Housing Built in 2002

The 2002 survey of 281 builders revealed that the majority had built homes for the 55+ home buyer in the price range between \$150,000 and \$350,000.

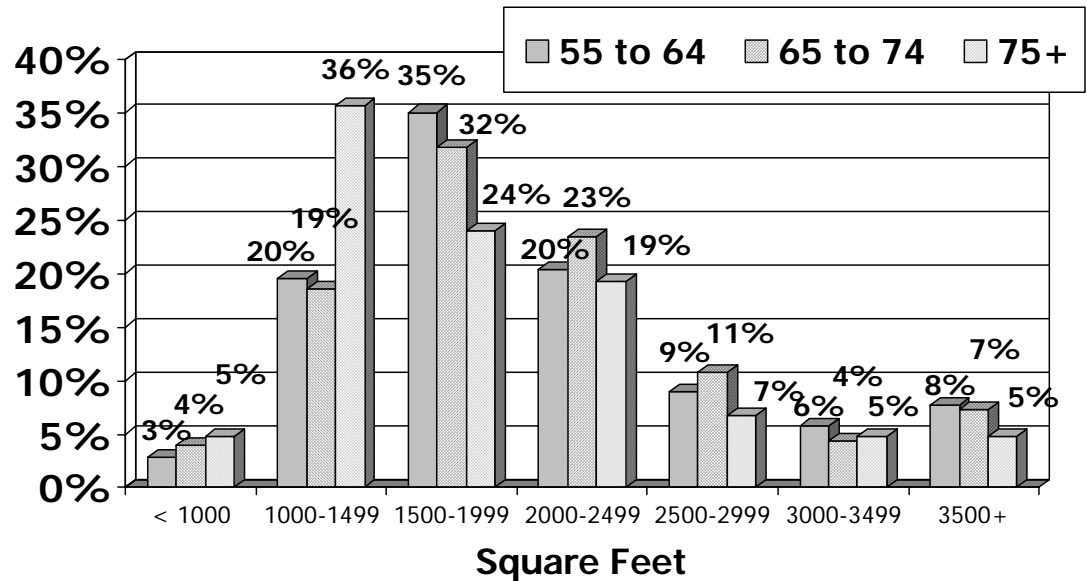
Percent of Builders by Price of Home Built for 55+ Home Buyers		
Price Range	Number of Respondents	Percent of 281 Respondents
Less than \$150,000	37	13.2%
\$150,000 - \$199,999	58	20.6%
\$200,000 - \$249,999	50	17.8%
\$250,000 - \$349,999	44	15.7%
\$350,000 - \$499,999	21	7.5%
\$500,000 – or More	10	3.6%

Source: 2003 Builder Survey, An Industry Update of Current Trends of Age- Restricted, Age-Targeted and Independent Living Communities, NAHB

Home Size Preferred by Age

The majority of home buyers who are 55 years of age and older prefer a home that is 1,500 square feet or larger. While 41 percent of home buyers 75 years of age and older prefer a home less than 1,500 square feet, 59 percent of age prefer a home that is 1,500 square feet or more.

Age of Home Buyer by Preferred Size

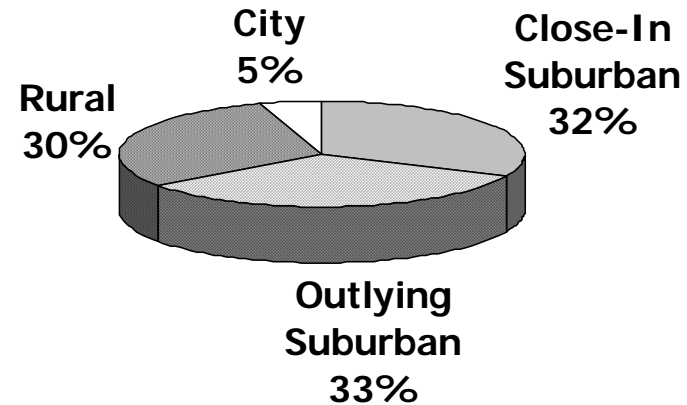


Boomers on the Horizon, BuilderBooks, 2002

Where 55+ Home Buyers Want to Live

Where 55+ Home Buyers Want to Live

Approximately two-thirds of 55+ home buyers prefer to live in a suburban area. Much of the area in the Developing Tier of Prince George's County falls into either the close-in suburban or the outlying suburban classification.

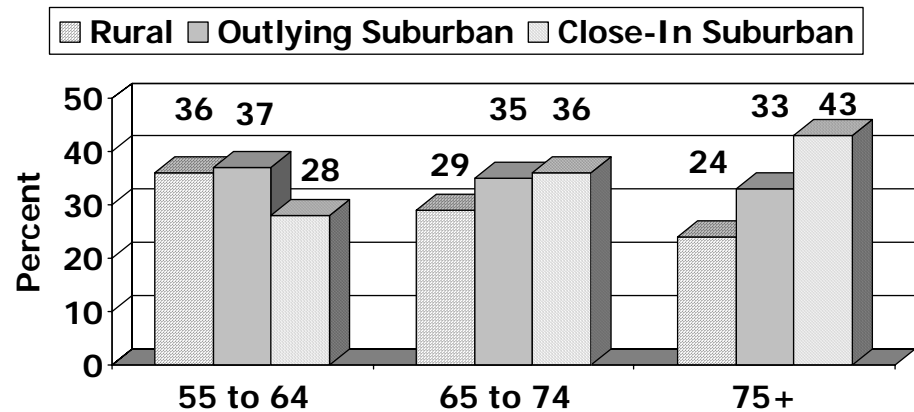


Boomers on the Horizon, BuilderBooks, 2002

Where 55+ Want to Live by Age

Potential home buyers who are 75 years of age and older are most likely to prefer a home in a close-in suburban area, while those who are 55 to 64 years of age show a slight preference for either a rural or outlying suburban area. This is most likely a result of the older age group wanting to be closer to retail, medical and other services.

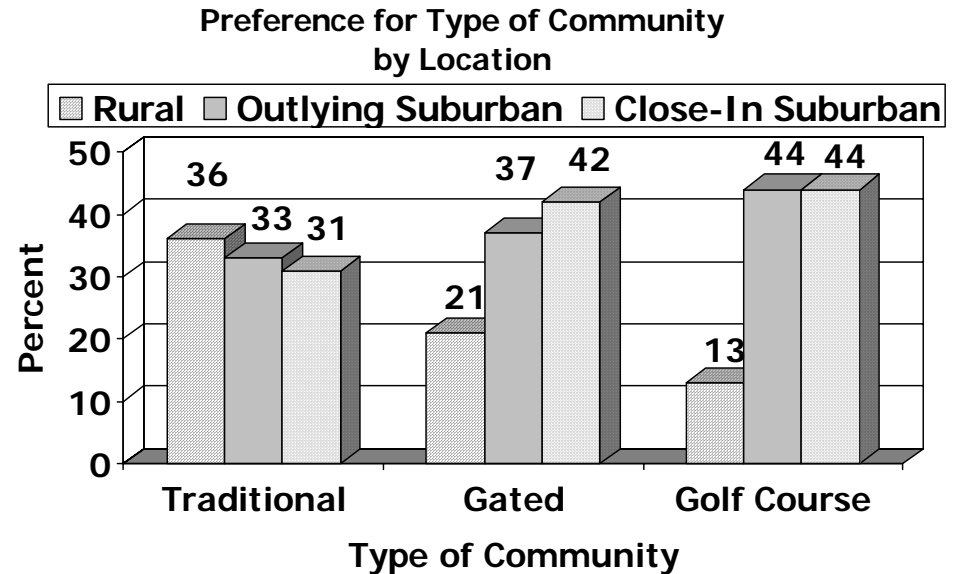
Preference for Home Location by Age of Home Buyer



Boomers on the Horizon, BuilderBooks, 2002

Where 55+ Want to Live by Community Preference

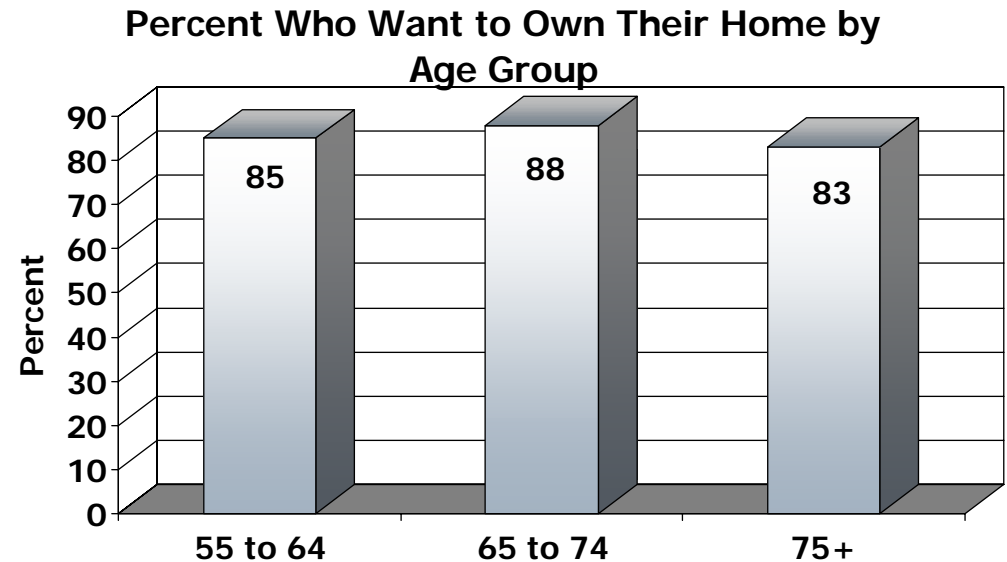
Those who wish to live in a traditional neighborhood are slightly more likely to prefer a rural location. Those who want to live in a gated or golf course community are most likely to desire either an outlying suburban or close-in suburban location.



Boomers on the Horizon, BuilderBooks, 2002

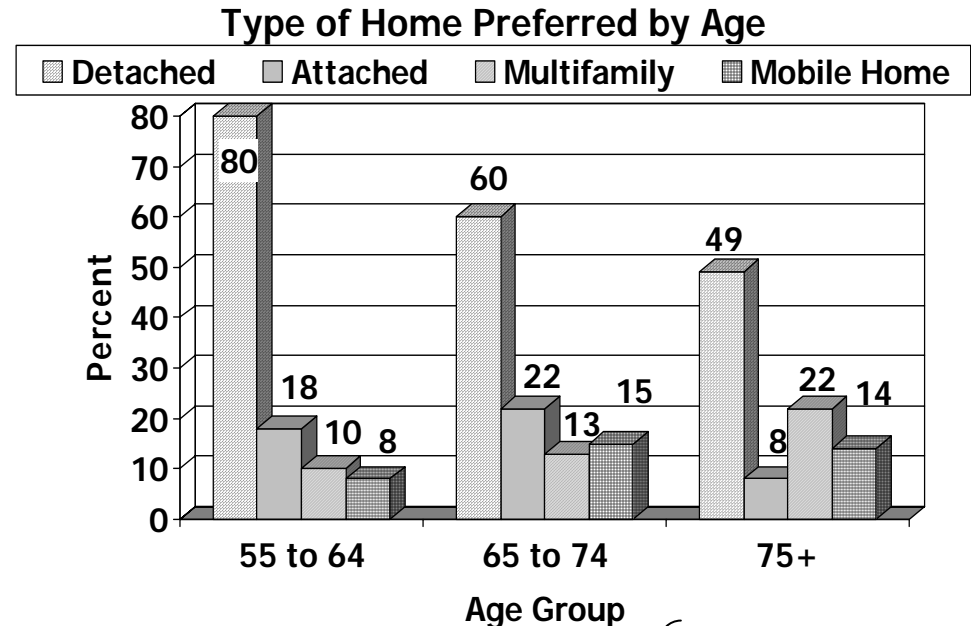
Proportion Who Want to Own Their Home by Age

The vast majority of households wish to own their own home. And the proportion who want to own does not differ significantly by age of the household.



Home Preference by Age

The younger the home buyers, the more likely they are to consider purchasing single-family detached homes.



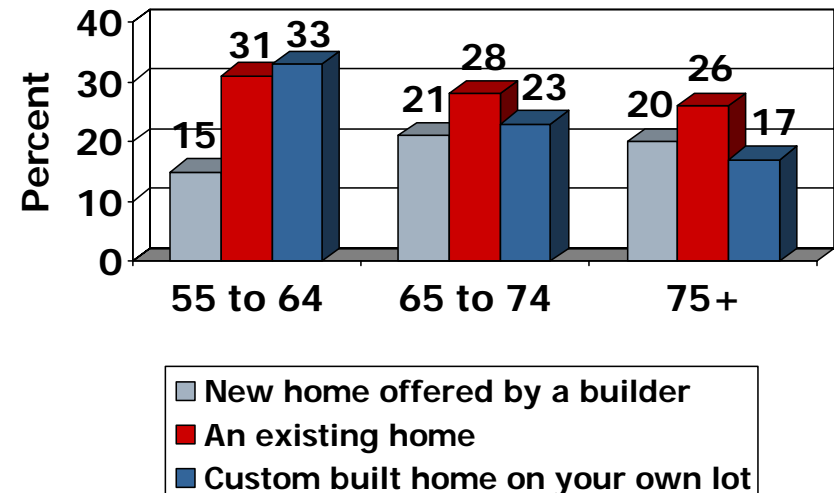
Could pick more than one.

Boomers on the Horizon, BuilderBooks, 2002

Type of Home to Purchase by Age

Buyers 65 years of age and older are divided fairly evenly in the preference for type of home (new home offered by a builder, existing home or custom home). Yet, those 55 to 65 years of age or older are more likely to want an existing home or custom-built home.

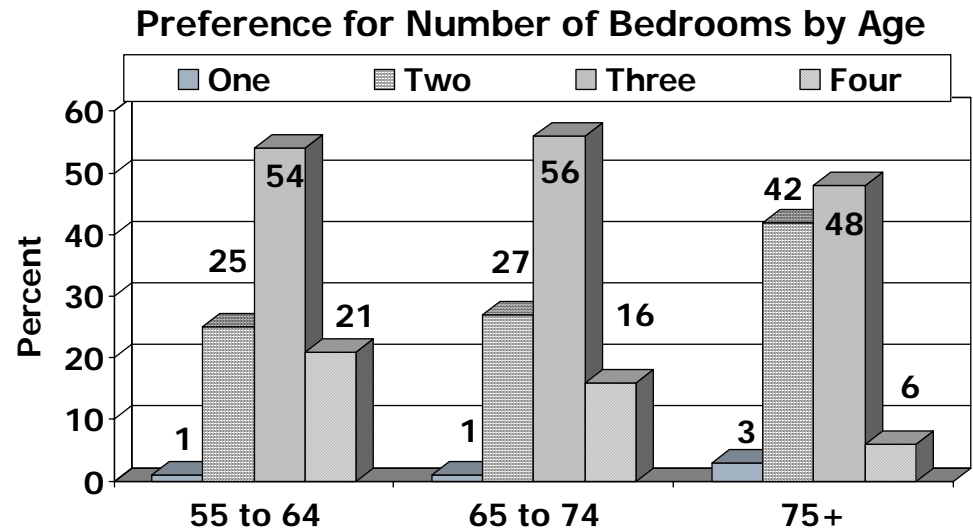
Preference for Builder Spec, Existing, or Custom Home by Age



Boomers on the Horizon, BuilderBooks, 2002

Number of Bedrooms Preferred by Age

The majority of home buyers 55 to 74 years of age want three bedrooms in their home. But the households 75 years of age and older are divided between wanting two and three bedrooms. Few home buyers want only a single bedroom regardless of their age.

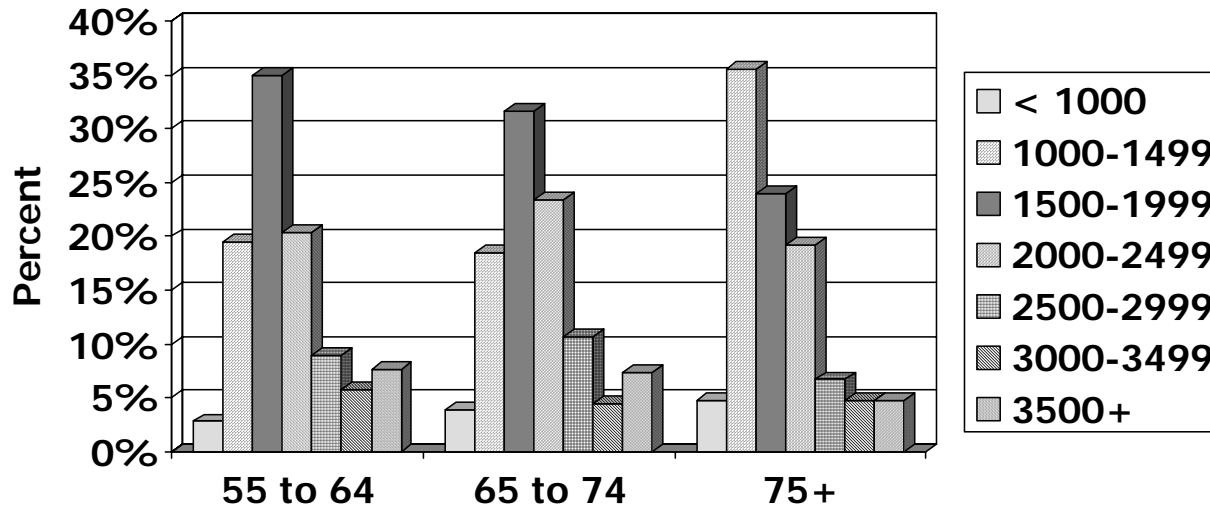


Boomers on the Horizon, BuilderBooks, 2002

Home Size Preferred by Age

The greatest proportion of buyers 55 to 74 years of age want a home with between 1,500 and 1,999 square feet. Among the 75+, however, the greatest proportion want a home with 1,000 to 1,499 square feet.

Preference for Size of Home by Age

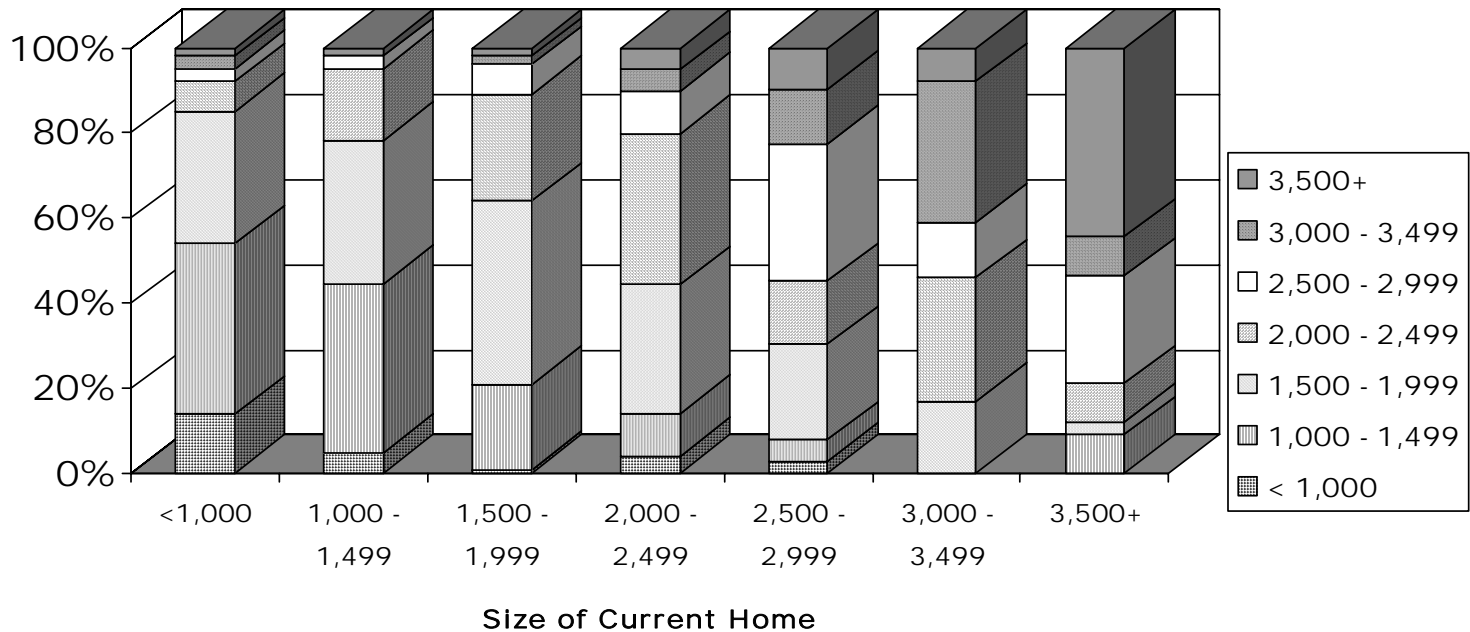


Boomers on the Horizon, BuilderBooks, 2002

Size of Current Home and Size of Preferred Home of 55-64 Year Old Home Buyers

The chart below shows the proportion of home buyers 55 to 64 years of age by the size of their current home and the size home they desire.

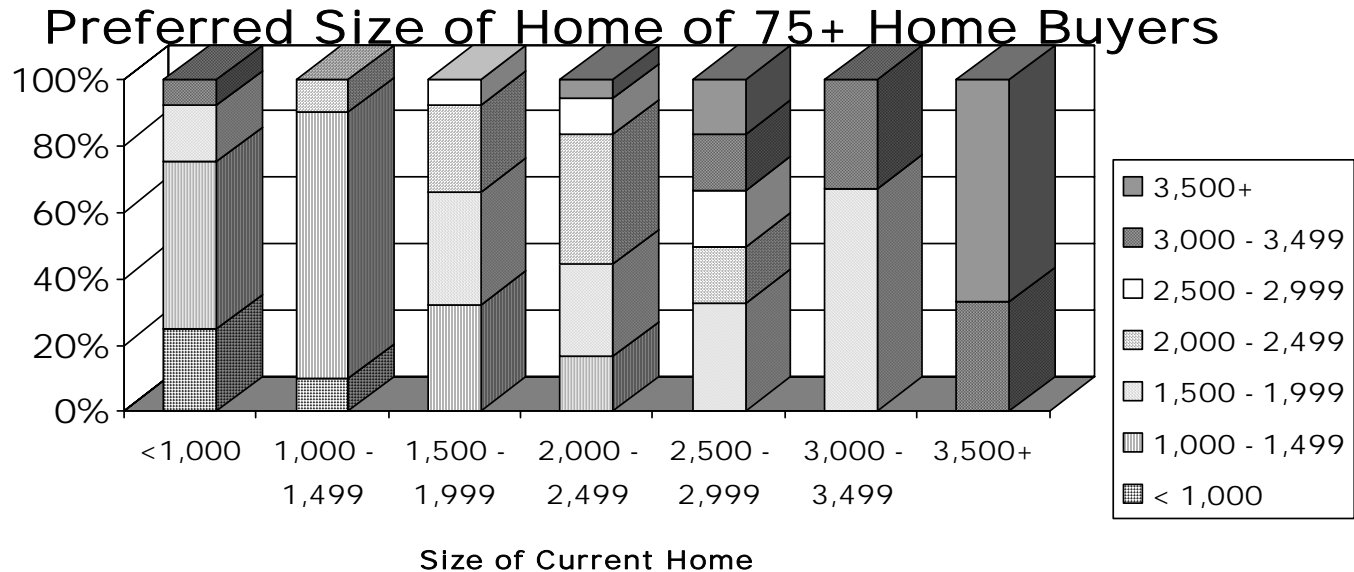
Preferred Size of Home of 55 to 64 Year Old Home Buyers



Boomers on the Horizon, BuilderBooks, 2002

Size of Current Home and Size of Preferred Home of 75+ Year Old Home Buyers

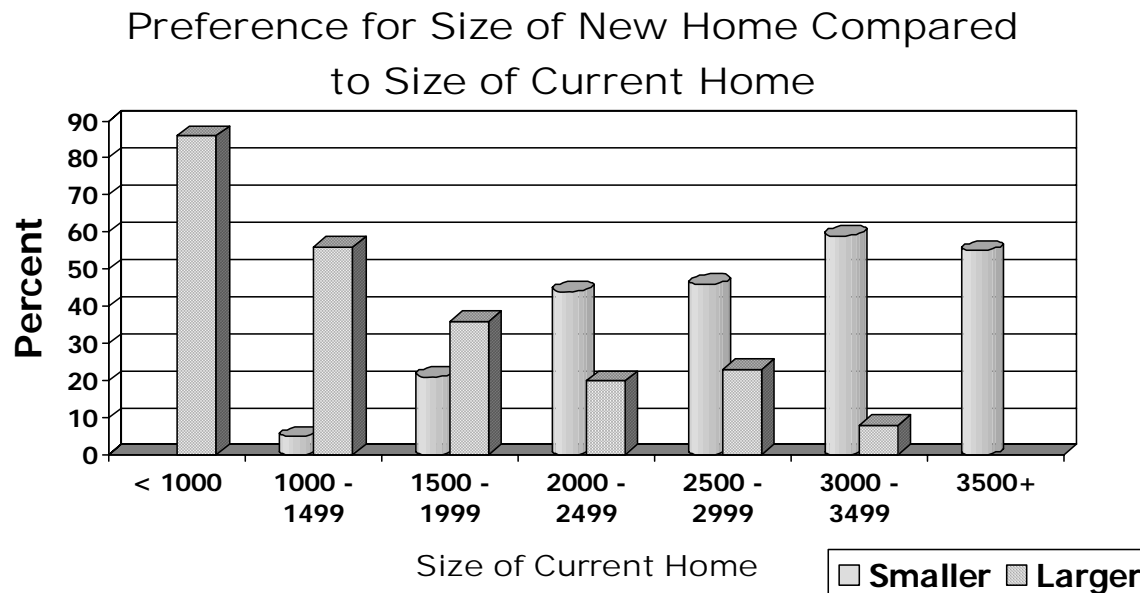
The chart below shows the proportion of home buyers 75 years of age and older by the size of their current home and the size home they desire.



Boomers on the Horizon, BuilderBooks, 2002

Prefer Larger or Smaller New Home Compared to Current Home

A greater proportion of 55+ home buyers who currently have a home with less than 2,000 square feet prefer a larger home, while those with more than 2,000 square feet want to downsize.

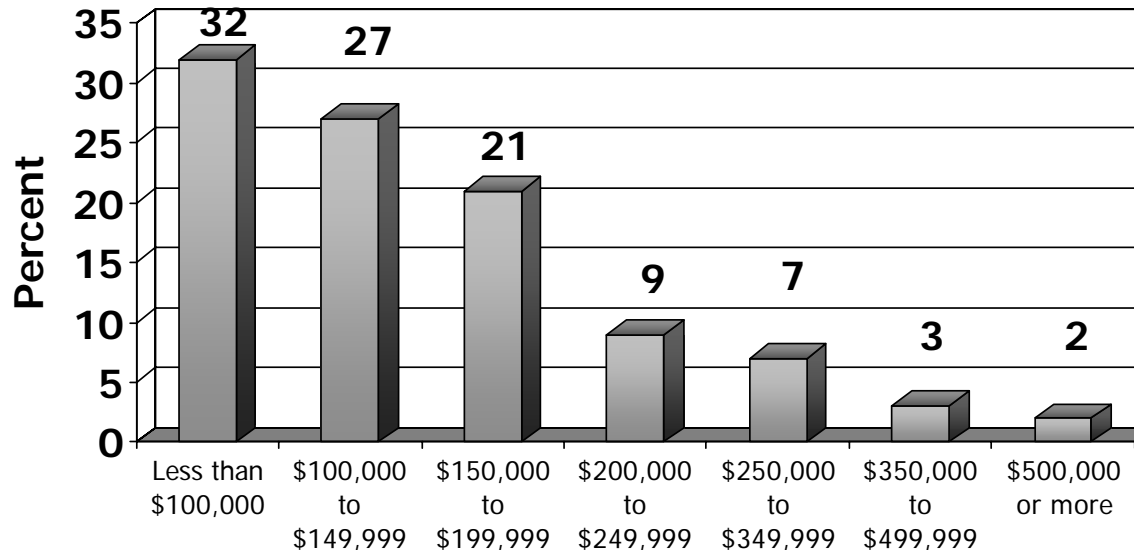


Boomers on the Horizon, BuilderBooks, 2002

Proportion of 55+ Households by The Price They Expect to Pay for Their Home

Eighty percent of the 55+ homebuyers expect to pay less than \$200,000 for their new home, and 59 percent expect to pay less than \$150,000.

Amount Expected to Pay for New Home



Boomers on the Horizon, BuilderBooks, 2002

Price Expected to Pay by Current Home Value

Most 55+ home buyers expect to pay less than the value of their current home for a new home. And, those with home values of more than \$200,000 tend to be more likely than those with lower home values to expect to pay less for their new home.

Price Expected to Pay and Median Home Value of Current Home

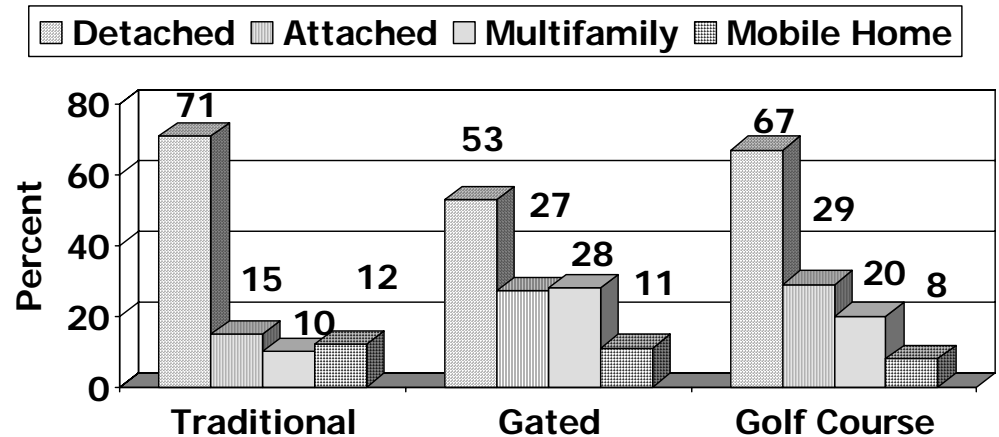
Expect to Pay	Home Value
Less than \$100,000	\$66,477
\$100,000 to \$149,999	\$128,893
\$150,000 to \$199,999	\$163,164
\$200,000 to \$249,999	\$201,081
\$250,000 to \$349,999	\$261,250
\$350,000 to \$499,999	\$344,227
\$500,000 or more	\$1,014,000

Boomers on the Horizon, BuilderBooks, 2002

Home Type by Community Preference

The majority of 55+ households want a detached home, regardless of whether they prefer to purchase in a traditional neighborhood, a gated community or a golf course community.

Preference for Type of Community by Home-Type Preference



Boomers on the Horizon, BuilderBooks, 2002

What's Very Important in Choosing a New Housing Community by Age

In choosing a new residential community, the view is very important to 80 percent of households 45 years of age and older. Other important attributes, for which there is little difference regardless of the age of the home buyer, are the feel of the community, value for the price, a place for family and the reputation of the community.

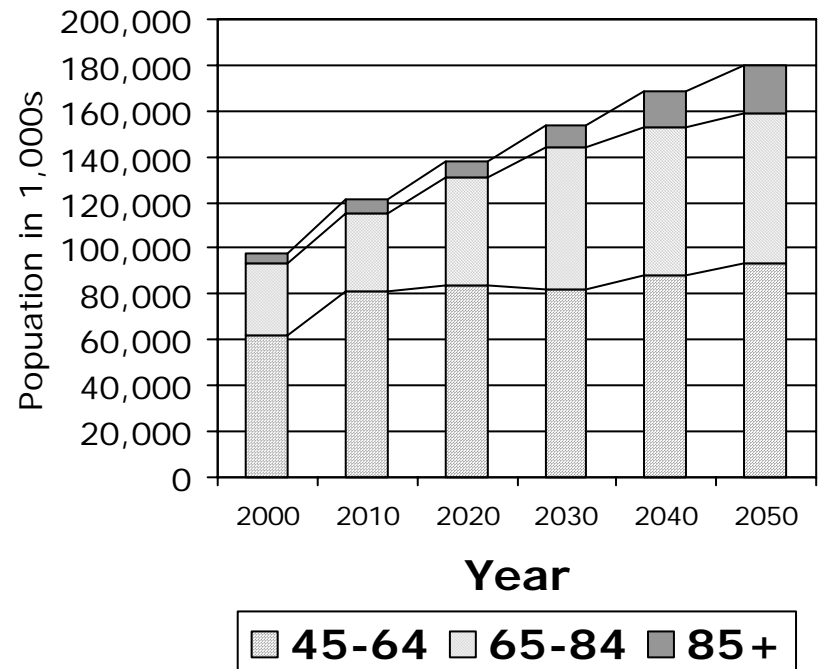
Preferences for Community by Age of Home Buyer			
	45 to 54	55 to 64	65 +
The view	80%	80%	80%
Feel of the community	55%	47%	56%
Value for the price	51%	46%	55%
Place for family	40%	47%	52%
Community reputation	54%	42%	51%
Size of lot	38%	28%	44%
Builder reputation	35%	30%	37%
Club house	22%	27%	35%
Variety of home styles	22%	22%	29%

Proprietary Study completed by ProMatura Group, LLC 2004

Age-Qualified Housing will be Common Place

As the Boomer generation enters their 60s and beyond, age-qualified, age-targeted and naturally occurring concentrations of 55+ communities will occur simply because of the large numbers of people who turn 55 everyday.

Population by Age 2000 to 2050



Source: U.S. Census, 2000