



SENIORS HOUSING ACTIVE ADULT REPORT

2022



WHAT IS ACTIVE ADULT?

The seniors housing industry is segmented into a variety of product types, each one being labeled with the services they provide. First popularized by Del Webb communities that started being developed in the 1960s as single-family homes on golf courses with nearby recreational activities, the “active adult” product is still very much a work in progress.

There is no static definition for the active adult asset class. The primary considerations are that the property must restrict residents based on age (depending on local government regulations), it is a multifamily rental property, majority market-rate, lifestyle focused and meals or a meal subsidy is not included in the base rent. Simply put, active adult rental properties are age-qualified, conventional multifamily housing with ample amenities. They are designed to offer a retirement-friendly, low-

maintenance lifestyle that is geared toward boomers in the upper and upper-middle income brackets.

While the line between active adult and independent living can be blurry, there are several key differentiating factors. Amenities offered at active adult communities can vary greatly by location. Many properties offer libraries, gyms and pools. Some properties offer rooftop lounges, movie theaters and clubhouses that feature professional-grade kitchens, which can be rented out for personal events. Developers have found that the types of amenities offered are very site-specific, and the best results have come from properties that incorporate local amenities that residents are familiar with.



50.6K

Class A Active Adult
Units Nationwide

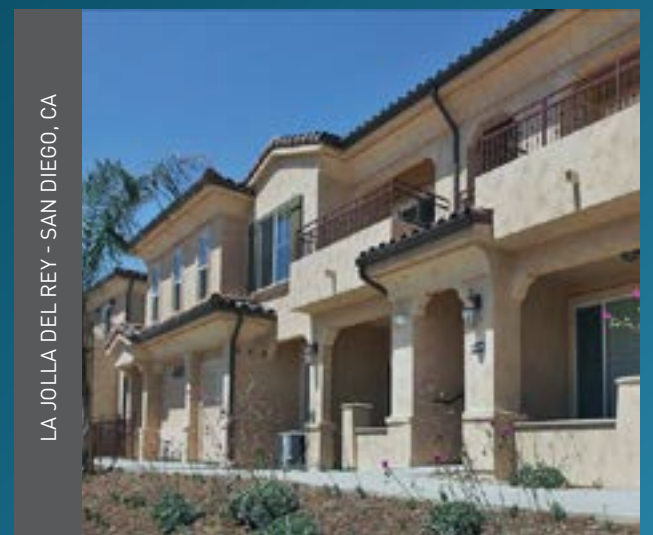
ACTIVE ADULT | MARKET INVENTORY (500+ UNITS)

	MARKET	TOTAL UNITS
TOP 5	Dallas, TX	5,331
	New York, NY	3,794
	Houston, TX	3,778
	Austin, TX	2,853
	Atlanta, GA	2,698
	Orlando, FL	2,496
	Denver, CO	2,372
	Fort Worth, TX	2,252
	Minneapolis, MN	2,030
	Orange County, CA	1,946
	Phoenix, AZ	1,913
	Kansas City, MO	1,897
	Philadelphia, PA	1,580
	Raleigh - Durham, NC	1,547
	Salt Lake City, UT	1,524
	Las Vegas, NV	1,352
	Chicago, IL	1,317
	Charlotte, NC	1,265
	Seattle, WA	1,179
	Columbus, OH	1,034
	Inland Empire, CA	1,034
	Albany, NY	1,015
	Charleston, SC	1,004
	Newark, NJ	961
	San Antonio, TX	946
	Richmond, VA	890
	Buffalo, NY	884
	Trenton, NJ	883
	Nashville, TN	880
	Cleveland, OH	829
	Sarasota, FL	763
	Rochester, NY	681
	Boston, MA	673
	Oklahoma City, OK	623
	San Diego, CA	612
	Baltimore, MD	586
	Ventura County, CA	571
	Milwaukee, WI	569
	Tampa, FL	545
	Indianapolis, IN	509

Inventory includes Age Restricted, Class A properties
Source: Yardi Matrix



VINEYARD COMMONS - WHITE PLAINS, NY

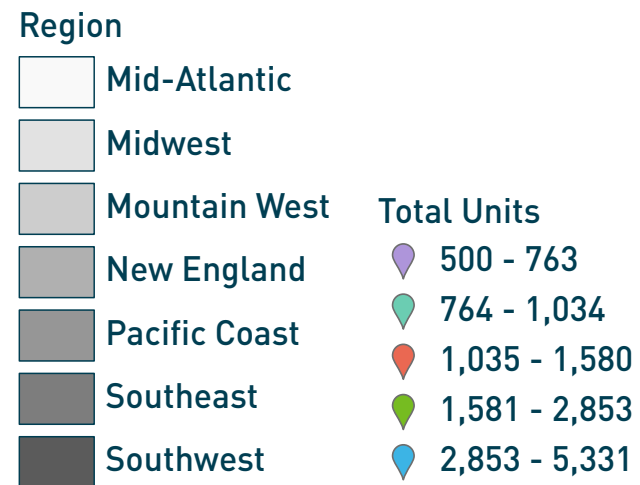
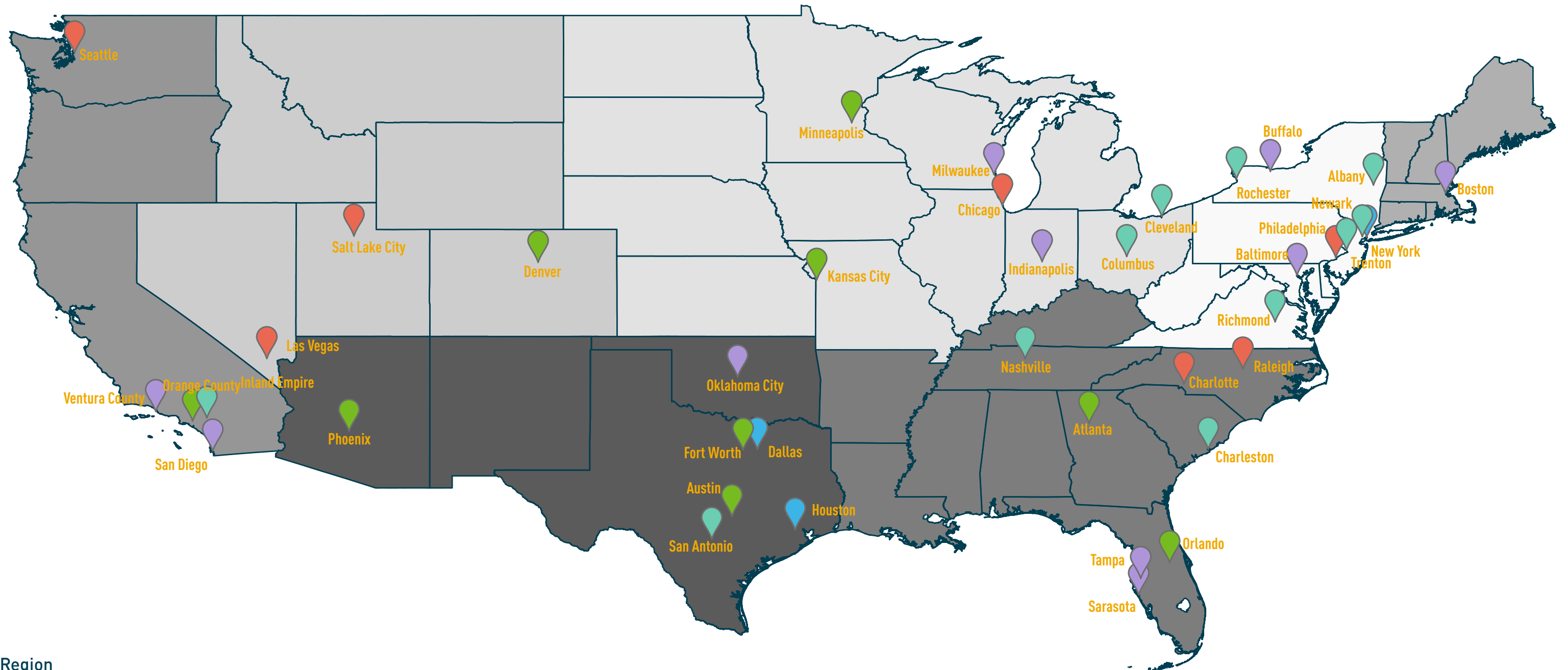


LA JOLLA DEL REY - SAN DIEGO, CA



AVENIDA LAKEWOOD - LAKEWOOD, CO

CLASS A ACTIVE ADULT | MARKET INVENTORY



Sources: YardiMatrix; ESRI

COMMUNITY OPERATIONS

During the lease-up period, properties carry a staff of four to seven employees and three to four during normal operations, depending on the size of the community and number of amenities offered.

Prelease for properties usually begins around nine months prior to opening.

At roughly five to eight units per month, active adult communities generally have a slower lease-up period than conventional multifamily properties, calling for more conservative underwriting for construction and sales financing. Stabilized properties boast a retention rate of 80%.

Once residents decide to move into a community, they commit for the long haul. Residents rent for an average of seven years, compared to two for traditional multifamily and one for student housing.

Primary expenses are labor, marketing, and site maintenance. Additional income streams could include garage parking, an on-site convenience store, catering services for events, and happy hours.

Three percent of revenue management fee vs. five percent for traditional seniors housing assets, and four to seven percent for multifamily.

Evolution of Services Offered

SERVICES OFFERED	ACTIVE ADULT	INDEPENDENT LIVING	ASSISTED LIVING & MEMORY CARE
Shelter	X	X	X
Activities & Recreation	X	X	X
Socialization Programs	X	X	X
Meals		X	X
Transportation		X	X
Basic Medical Care		X	X
Post Acute & Specialized Memory Care			X

Target Renter Group

- Residents generally have an income of at least \$50k annually with a minimum of \$150k in non-housing assets.
- Residents can typically spend up to 50% of their monthly income on rent.
- 70% of residents for active adult properties come from within a 10-mile radius of a property, or are relocating to an area to be closer to family.
- The average age for an active adult community is 73, compared to mid-80s for independent living.
- Within active adult communities, 65% of residents are single women, while 25% are couples.
- Residents tend to seek community engagement and desire to share a common culture with others.
- According to the 2020 U.S. Census, roughly 28.7% of residents in the nation are age 55+.
- Maine (35.5%), Vermont (33.9%), West Virginia (33.7%), Florida (33.6%) and New Hampshire (33.0%) are the five oldest states in the nation with all five states having more than one-third of their population over the age of 55.
- Utah is the youngest state with only 20.5% of residents being over the age of 55, followed by Texas (23.8%) and Alaska (24.7%). Those three states are the only states in the country with less than 25% of the population being 55+.

ACTIVE ADULT | TOP OWNERS/OPERATORS BY UNIT COUNT (500+ UNITS)

	RANK	COMPANY
TOP 5	1	Greystar
	2	Private Individuals*
	3	Sparrow Partners
	4	Inland Group
	5	Stellar Management
	6	Carroll Companies
	7	Carlyle Group
	8	Avenida Partners
	9	Livingston Street Capital
	10	Fairfield Properties
	11	G Companies
	12	Gross Residential
	13	Price Brothers
	14	Capitol Seniors Housing
	15	Calamar
	16	United Group of Companies
	17	JPMorgan Asset Management
	18	PGIM Real Estate
	19	BET Investments
	20	TLC Properties
	21	Cortland
	22	Peak Capital Partners

*Private Individuals, commonly referred to as "Boutique Firms," make up the second-largest group of active adult community owners. According to Yardi-Matrix there are over 220 owners of active adult communities in the nation.

Inventory includes Age Restricted, Class A properties
Source: Yardi Matrix



EVERLEIGH CAPE COD - HYANNIS, MA



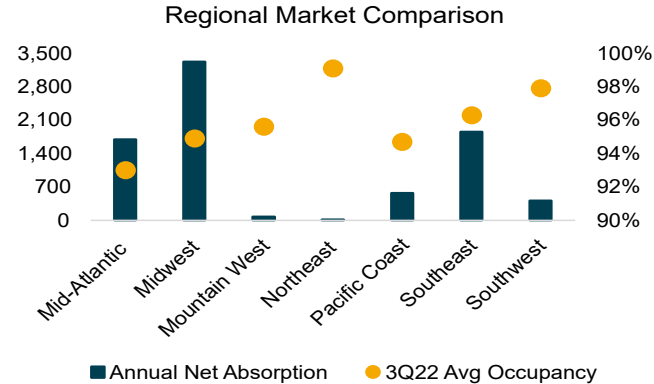
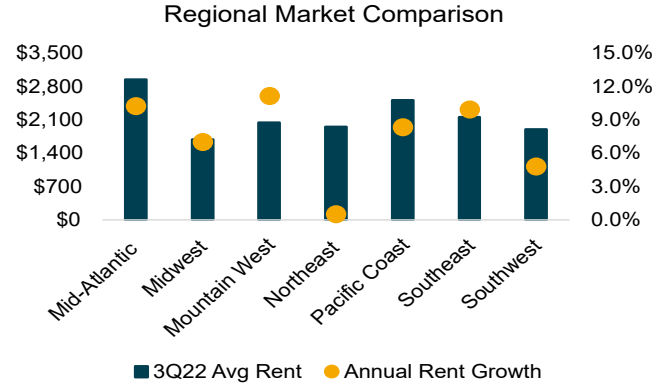
WILLOWS AT VICTORIA FALLS - LAUREL, MD



OAKS OF SHOREWOOD - MILWAUKEE, WI



RENT, OCCUPANCY, & CAP RATES



NATIONAL AVERAGE RENT

\$2,105 month in 3Q22
▲ 8.4% annually

NATIONAL AVERAGE OCCUPANCY

96.0% ▲ 50 bps Y-o-Y

Cap rates at just below 5% trend closer to conventional multifamily than independent living properties.

TOP PERFORMING MARKETS

3Q22 Avg Rent	
New York, NY	\$3,972
Sarasota, FL	\$3,169
San Diego, CA	\$2,968
Newark, NJ	\$2,893
Philadelphia, PA	\$2,872

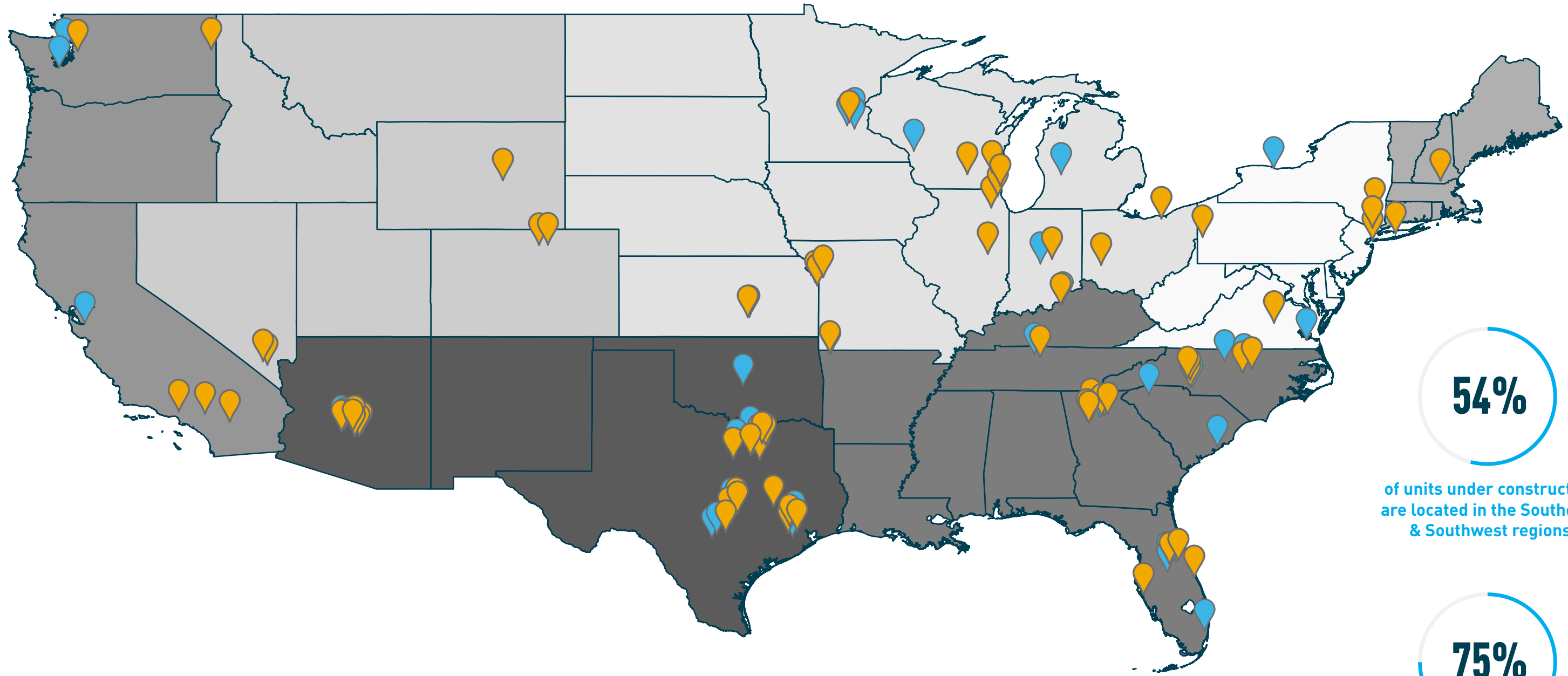
3Q22 Avg Occupancy (Min 1,000 Units)	
Phoenix, AZ	98.1%
Albany, NY	97.9%
Salt Lake City, UT	97.5%
New York, NY	97.4%
Philadelphia, PA	97.3%

Annual Rent Growth	
Sarasota, FL	22.1%
Orlando, FL	18.0%
Trenton, NJ	17.9%
Salt Lake City, UT	17.7%
Cleveland, OH	16.4%

Annual Net Absorption	
Dallas, TX	912
Denver, CO	785
Orlando, FL	718
Atlanta, GA	477
Austin, TX	439

Despite being located in states that claim some of the lowest percentages of age 55+ residents in the nation, Dallas, Denver, Atlanta, and Austin are trending markets for demand of active adult units. These markets have seen some of the highest net migration of members of Gen X and millennials over the past few years. As baby boomers enter retirement, those choosing not to age in place are following their children to these markets to remain close to family.

CONSTRUCTION PIPELINE



54%

of units under construction are located in the Southeast & Southwest regions

75%

of units in lease-up are located in the Southeast & Southwest regions.

- Region**
- Mid-Atlantic
 - Midwest
 - Mountain West
 - New England
 - Pacific Coast
 - Southeast
 - Southwest
- Property Status**
- Lease-Up
 - Under Construction

Sources: YardiMatrix; ESRI

TOP PERFORMING MARKETS BY REGION

	MID - ATLANTIC	MIDWEST	MOUNTAIN WEST	NORTHEAST	PACIFIC COAST	SOUTHEAST	SOUTHWEST	TOTAL UNITS
Under Construction	982	2,720	659	232	777	2,689	3,670	11,729
Lease-Up	233	967	0	0	372	2,529	2,259	6,360



FOR CONTACT INFORMATION

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