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Oak Park Senior Living

HIGH-LEVEL MARKET STUDY

Market Rate Independent Living, Assisted Living, & Memory Care

November 2023

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Kimberly Marrone
Oak Park Senior Living
14300 Oak Park Blvd
Oak Park, MI 48237

Dear Kimberly:

We are pleased to present our market analysis for Oak Park Senior Living (OPSL). OPSL would like to understand the market dynamics of the Oak Park, MI, market area as the community explores the potential need for a new market rate senior housing community.

Our study consists of an analysis of the following:

- Definition of OPSL's market area
- Economic and demographic characteristics of the market area including estimated age, income, housing unit value, and population
- Analysis of existing and planned competitive offerings in the market area based on web-based research, Planning and Zoning interviews, and phone interviews to select competitors; no competitor site visits were conducted
- Unit potential and penetration rates for Independent Living (IL), Assisted Living (AL), and Memory Care (MC)

We have completed each of these tasks and present our findings within this report. This market study provides an analysis of the external market and **does not** include analyses of the following:

- Product: building and site quality
- Price: in-depth comparative analysis of price of the unit types and their services and amenities package
- Promotion: marketing and sales efforts

General Limitations

This report is a high-level supply and demand overview analyzing wealth indicators, qualified households, and competitors. The analysis does not include site tours of existing communities or the market area. If the market area is deemed favorable for a future senior living project, further market research should be undertaken. This report is based on estimates, assumptions, and other information available to us during the conduct of the study or developed in connection with the market study. Sources of the information and bases of the estimates are stated in the appropriate sections of the report. The information, recommendations, analysis, and conclusions contained within (collectively "Analysis") are, in whole or in part, dependent on information provided by OPSL and other third parties or public sources (collectively "Information"). PMLF has not validated any Information for its accuracy or reliability. Errors or misstatements in the Information may exist that impact the results of our Analysis.

Some assumptions will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved may vary from those reported upon. PMLF cannot and does not warrant or guarantee the outcome of any forward-looking information or analysis. The Analysis prepared by PMLF represents PMLF's professional judgment as a consultant based on information known to PMLF at the time.

It is recognized, however, that neither PMLF nor OPSL have control over market conditions. Accordingly, PMLF does not warrant or guarantee the success or outcome of any decision made, or any action taken or not taken, on the basis of PMLF's Analysis.

The purpose of this analysis is for use in OPSL's strategic planning process. If it is to be used in conjunction with financing, additional procedures will need to be performed. This report and PMLF's Analysis were prepared solely for the benefit of OPSL. No third party is entitled to rely on this report or PMLF's analysis, and PMLF assumes no liability to any third party because of any reliance on this report or its analysis.

The determination of the appropriate number of units that may be needed to support future demand continues to be, by nature, an estimate and should be considered in the context of the variables that are present in this process – finances, design, construction costs, demand, industry trends, marketing, etc. The final determination of the appropriate unit configuration should be based on the analysis of the market, along with financial analysis that incorporates the projected financial and operating performance of OPSL.

Actual results are dependent upon management's ability to market and implement strategic and marketing initiatives effectively; including achievement of fill-up rates and forecasted stabilized occupancy rates for any future project. We have not evaluated the effectiveness of management, and we are not responsible for future marketing efforts and other management actions upon which results will depend.

The Analysis herein, is based on relevant information known to PMLF at the time of the issuance of this report. Such information is subject to change at any time and may materially impact PMLF's Analysis. PMLF is not responsible for updating this report for, or notifying any party of, any events, circumstances, or changes in market conditions occurring after the date of issuance.

We have enjoyed working with you and are available should you have any further questions or require additional information.

Sincerely,

Plante Moran Living Forward

Plante Moran Living Forward

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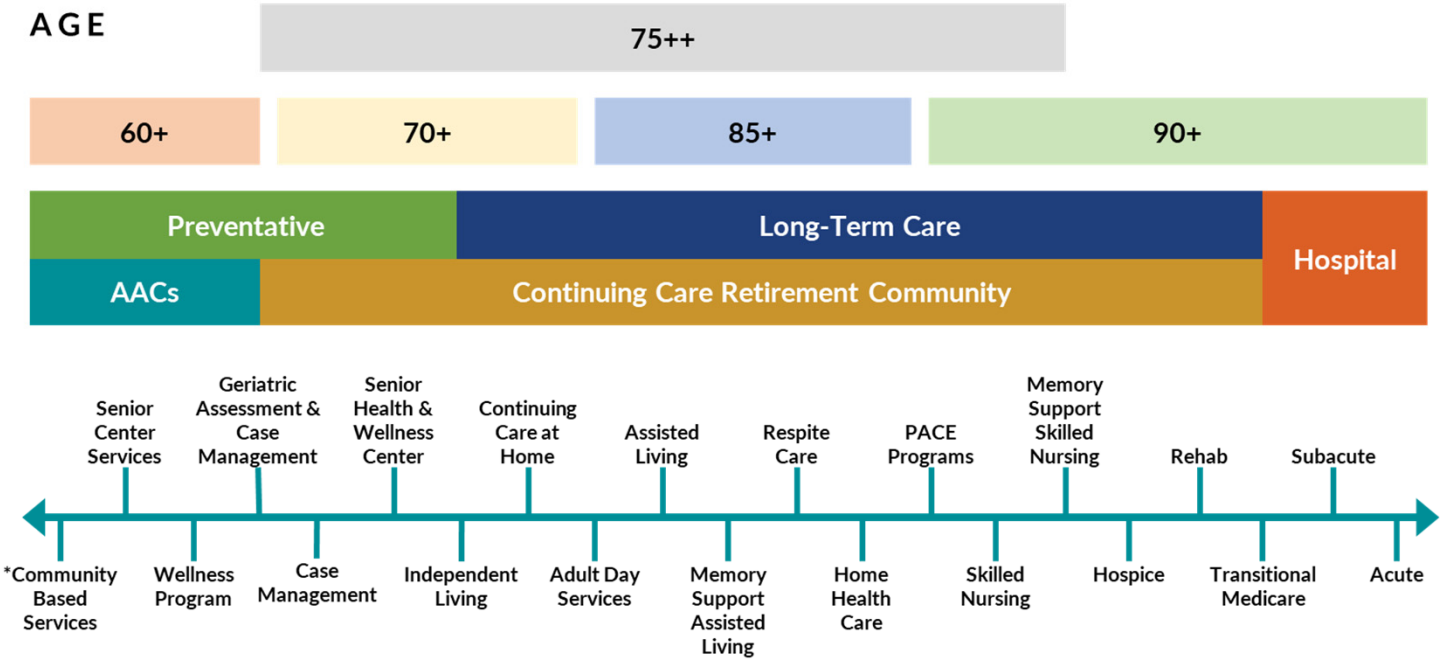
SECTION

Summary of Results

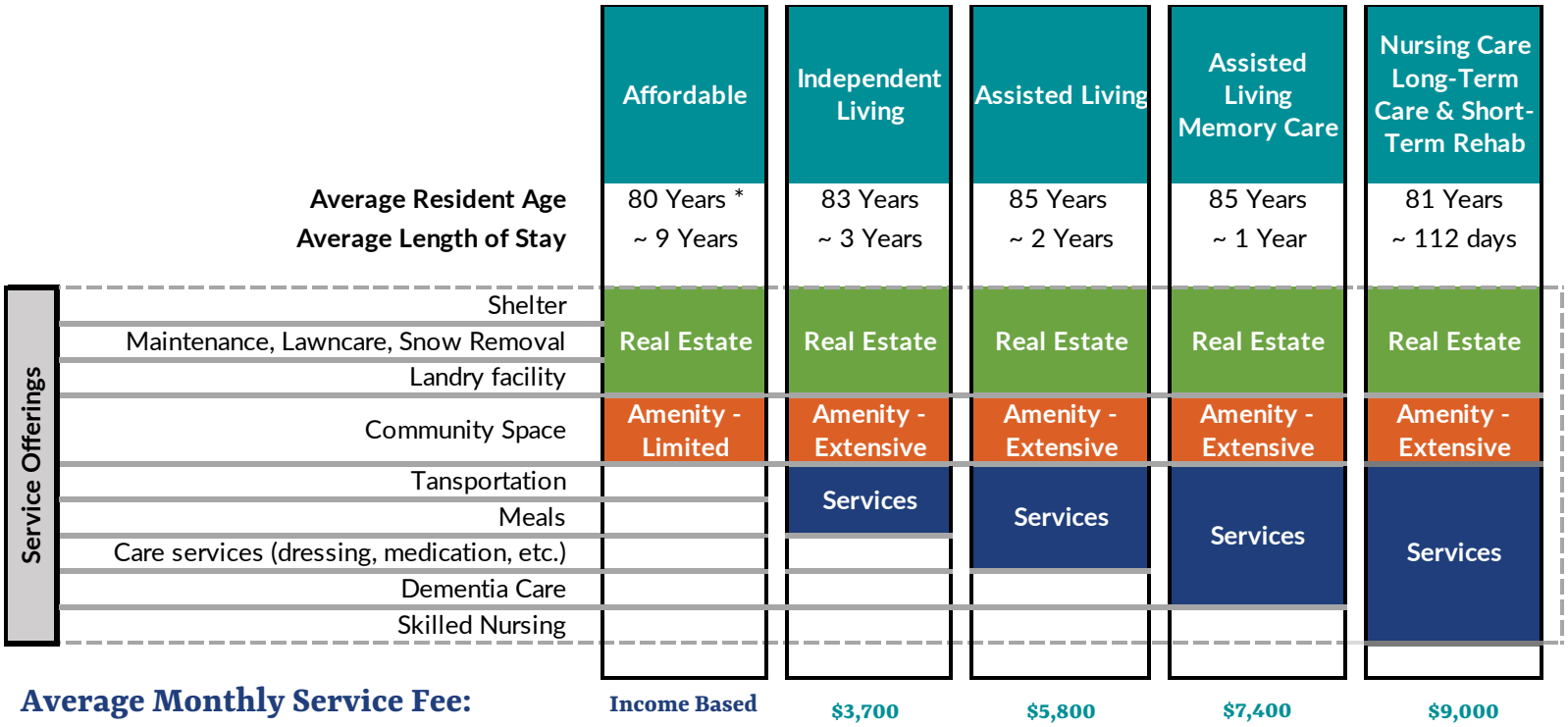
The Evolution of Senior Living

What is NOT on this list today that will ***INFLUENCE*** the senior living landscape tomorrow?



*Transportation; Information/Referral; Counseling; Meals-on-Wheels; Integrated Day Care; Homemaker/Chore/Housekeeping; and Emergency Response System

Senior Living Products



* People living in affordable housing/public housing are aging. The average age of all affordable housing residents is 52 years of age. 1/5 of them are at least 80 years old. (Source: Urban Institute – The Future of Public Housing, Special Issue Facing Older Adults and People with Disabilities)

Sources: Green Street, 2023 Marcum 3-Year Nursing Home Statistical Review, Genworth

Summary of Results

Summary of Results

Unit Potential

	2027
Independent Living:	
Market Rate: $45,000 screen	140
Subset: Entrance Fee	90
Assisted Living:	**2027**
Market Rate: $63,000 screen	210
Memory Care:	
Market Rate: $92,000 screen	90

Demographics

	2023	2028
Total Households	182,458	183,079
Households Age 75+	23,255	23,903
HH 75+; Household Income $35,000+	12,207	13,272
HH 75+; Household Income $45,000+	9,806	10,878
HH 75+; Household Income $63,000+	6,738	7,728
Households Age 45-64	64,600	62,971
HH 45-64; Household Income $75,000+	32,039	35,704
HH 45-64; Household Income $100,000+	24,179	28,291
Median Owner-Occupied Housing Unit Value	$ 208,002	$ 232,878
Percent HH Age 75+ Owner-Occupied	68%	68%
Median 65+ HH Income	$ 47,421	$ 52,668
Median HH Income	$ 64,044	$ 71,003

Supply

	Occupancy			Construction vs. Inventory
	Market Area 2Q2023	National Markets* 2Q2023	Pre-Covid Market Area 4Q2019	
Independent Living	74%	87%	76%	0%
Assisted Living	84%	83%	77%	0%
Memory Care	87%	83%	79%	0%

Penetration Rates

Independent Living: 140-unit project	2025	
Project: $45,000 screen	1%	
Benchmark	*5%*	
	2023	2027
Gross Market: $35,000 screen	6%	7%
Benchmark	*15%*	
Assisted Living & MC: 300-unit project	2025	
	AL	MC
Project: $63,000 screen	5%	5%
Benchmark	*10%-12%*	
	2023	2027
Gross Market: $35,000 screen	12%	16%
Benchmark	*40%*	

*National Markets are defined as all MSAs covered by NIC MAP Vision.
Note: Relative to benchmarks, a low penetration rate indicates potential for increased supply in the market area. Relatively high penetration rates indicate little potential, or a surplus of inventory in the market area. However, higher penetration rates are not always indicative of saturated markets. It is important to consider penetration rates in combination with other indicators of market potential such as a market area's attractiveness as a retirement destination, tendency to remain in the area for retirement, proximity to family. Additionally, quality, design, size, age, and attractiveness of the existing supply in the market area as well as occupancy of existing supply are other factors to consider in conjunction with penetration rates.

Overview

Oak Park, MI would like to understand the potential need for a new market rate independent living, assisted living, and memory care community to serve their residents. This market study assumes the new community would be built at approximately 13950 Oak Park Blvd, Oak Park, MI 48237 and open in 2025-2026.

Unit Potential

- The results show the market can support up to 140 additional independent living units (assuming a $45,000 income screen), of which up to 90 could be entrance fee units.
- The results show the market can support up to 210 additional assisted living units (assuming a $63,000 income screen).
- The results show the market can support up to 90 additional memory care units (assuming a $92,000 income screen).

Market Area Demographics

The market area has:

- Above average number of senior households (HH) and adult child HH
- Below average affluency, homes values, and low home ownership among seniors

See further discussion on the following page.

Market Area Supply

The market area has:

- Below average IL occupancy with no known planned development; however, there are a number of projects that are in the conceptual stage of development and those could materialize which would impact these results. Currently, product type and market segment (affordable or market rate) have not been determined for these projects, so they are not included in the analyses presented herein.
- Slightly average AL occupancy with no known planned development
- Above average MC occupancy with no known planned development

Market Area Penetration Rates

The penetration rates are below the national benchmarks which is a favorable indicator. This indicates a low amount of supply as a percentage of the target market when compared to national benchmarks.

Market Attractiveness Score

The table below compares key market area indicators to benchmarks and scores all senior living in the market area. The MA scores a 3.8 out of 5. The market area strengths are the healthy competitive environment (Criteria 3) and strong unit potential calculations coupled with low penetration rates (Criteria 4). The market area has a high number of senior and adult child households with below average affluency in 2023 (Criteria 1) and below average growth rates over the next 5 years (Criteria 2).

Market Score

	Value	Score (Scale 1-5)	Weight	Weighted Score	Scoring Criteria 1	2	3	4	5	Benchmark	Source
Criteria 1: Demographics 2023											
HH 75+	23,255	5			<2,000	2,000-6,999	7,000-11,999	12,000-16,999	17,000+	9,635	1
HH 75+ earning $35K+	52%	2			<49%	49%-54%	54%-59%	59%-64%	64%+	57%	2
HH 75+ earning $50K+	37%	2			<34%	34%-39%	39%-44%	44%-49%	49%+	42%	2
HH 45-64	64,600	5			<21,000	21,000-27,999	28,000-34,999	35,000-41,999	42,000+	31,441	1
HH 45-64 earning $75K+	50%	1			<51%	51%-56%	56%-61%	61%-66%	66%+	58%	2
Median Home Values	$ 208,002	3			<$185k	$185k-$204k	$205k-$224k	$225k-$245k	$245k+	$221,934	3
Median HH Income	$ 64,044	1			<$65k	$65k-$70k	$70k-$75k	$75k-$80k	$80k+	$73,336	2
Median 65+ HH Income	$ 47,421	2			<$45k	$45k-$50k	$50k-$55k	$55k-$60k	$60k+	$53,914	2
Total Score		3	20%	0.6							
Criteria 2: Demographic Trends 2023 - 2028											
% growth HH 75+	3%	2			<2%	2%-7%	7%-12%	12%-17%	17%+	8%	2
% growth HH 75+ earning $35K+	9%	1			<10%	10%-14%	14%-18%	18%-22%	22%+	15%	2
% growth HH 75+ earning $50K+	13%	1			<14%	14%-19%	19%-24%	24%-29%	29%+	20%	2
% growth HH 45-64	-3%	2			<-4%	-2% -4%	-2%-0%	0%-2%	2%+	-2%	2
% growth HH 45-64 earning $75K+	11%	4			<6%	6%-8%	8%-10%	10%-12%	12%+	9%	2
% growth Median Home Values	12%	4			<6%	6%-8%	8%-10%	10%-12%	12%+	10%	2
% growth Median HH Income	11%	2			<9%	9%-11%	11%-13%	13%-15%	15%+	13%	2
% growth Median 65+ HH Income	11%	2			<10%	10%-12%	12%-14%	14%-16%	16%+	15%	2
Total Score		2	20%	0.4							
Criteria 3: Competition											
Construction vs Inventory: IL	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Construction vs Inventory: AL	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Construction vs Inventory: MC	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Avg Occupancy: IL	74%	1			<83%	83%-85%	85%-87%	87%-89%	89%+	87%	4
Avg Occupancy: AL	84%	3			<79%	79%-81%	81%-83%	83%-85%	85%+	83%	4
Avg Occupancy: MC	87%	5			<78%	78%-80%	80%-82%	82%-84%	84%+	83%	4
Total Score		4	20%	0.8							
Criteria 4: Unit Potential & Penetration Rates											
Unit Potential: IL	140	4			<60	60-89	90-119	120-149	150+	100	1
Unit Potential: AL	210	5			<60	60-89	90-119	120-149	150+	100	1
Unit Potential: MC	90	5			<35	35-44	45-54	55-64	65+	50	1
Gross Market Current Penetration Rate: IL	6%	5			18%+	16%-18%	14%-16%	12%-14%	<12%	15%	1
Gross Market Current Penetration Rate: AL&MC	12%	5			43%+	41%-43%	39%-41%	37%-39%	<37%	40%	1
Total Score		5	40%	2							
		Market Score		3.8							
		Desired Minimum Score		3.0							

Benchmark Sources:
1 Average based on PMLF market study database
2 US average per Claritas
3 Average among the Great Lakes states: WI, IL, IN, MI, OH
4 NIC MAP® Data Service 4Q2022

Summary

Market Area Demographics & Overview

The market area (MA) consists of 18 zip codes that all fall on or within a 5-mile radius from the site. The market area has:

- Above average number of senior (age 75+) HH and adult child (age 45-64) HH.
- Slightly below average projected growth rates in the demographics across all age cohorts.
- Below average homes values and affluency: the MA median home value is $208,002. The weighted average net worth of HH 75+ is $975,562. The Oak Park site zip code 48237 ranks among the lowest average net worths among seniors 75+. The more affluent zip codes are located in the northern portion of the MA while the less affluent are in the southern portion of the MA.
- Slightly below average growth over the next 5 years but strong long-term projected growth in the senior population through 2040. The 65+ population in Oakland is projected to grow 40% from 2020 to 2040 and the 85+ population in Oakland is projected to grow 143% from 2020 to 2040.

Independent Living

- The gross market penetration rates are below national benchmarks which is a favorable indicator. The unit potential calculation and penetration rates indicate the market could likely add and absorb up to 140 additional IL units, of which 90 could be entrance fee units.

Summary of IL Supply in the Market Area

	Square Feet	Monthly Service Fee
One-Bedroom		
Competitor Range	480-847	$1,099-$3,550*
Avg per NICMAP		$1,890
Detroit Avg IL Rate 2Q2023 (All Unit Types)		$3,097
Two-Bedroom		
Competitor Range	746-1,100	$1,545-$3,950
Avg per NICMAP		$2,339
Detroit Avg IL Rate 2Q2023 (All Unit Types)		$3,097

*The $1,099 does not include meals

- The market area independent living occupancy in 2Q2023 was 74% according to the NIC MAP Vision® Data Service. This low occupancy could be indicative that the existing supply is not a good match for what residents are looking for.
- There are no known planned IL projects besides those in the conceptual stages of development, which are not included in the analysis. If these projects do move forward, they could ultimately include market rate IL units which would impact the results presented herein.
- The competitors interviewed have low monthly fees compared to the Detroit MSA for both one- and two- bedroom units.
- The market area average monthly fees for all MA IL providers are low compared to the Detroit MSA and similar-sized markets.

Summary

Assisted Living & Memory Care

- The gross market penetration rates are below national benchmarks which is a favorable indicator. The unit potential calculations and penetration rates indicate the market could likely add and absorb up to 210 additional assisted living units and 90 additional assisted living memory care units.
- There are no known planned AL or MC projects.

Summary of AL Supply in the Market Area

	Square Feet	Monthly Service Fee
Studio		
Competitor Range	243-420	$4,240-$4,995
Avg per NICMAP		$5,035
Detroit Avg AL Rate 2Q2023 (All Unit Types)		$5,763
One-Bedroom		
Competitor Range	402-550	$5,495-$5,995
Avg per NICMAP		*
Detroit Avg AL Rate 2Q2023 (All Unit Types)		$5,763

*data not available

- The market area assisted living occupancy in 2Q2023 was 84% according to the NIC MAP Vision® Data Service.
- The competitors interviewed have lower rates compared to the Detroit MSA for both studio and one-bedroom units.
- The market area NIC averages for all market area AL providers are low compared to the Detroit MSA and similar-sized markets.

Summary of MC Supply in the Market Area

	Square Feet	Monthly Service Fee
Studio		
Competitor Range	178-285	$5,725
Avg per NICMAP		$6,127
Detroit Avg AL Rate 2Q2023 (All Unit Types)		$6,696

- The market area memory care occupancy in 2Q2023 was 87% according to the NIC MAP Vision® Data Service.
- The competitors interviewed have lower rates compared to the Detroit MSA for studio units.
- The market area NIC averages for all market area MC providers are low compared to the Detroit MSA and similar-sized markets.

Senior Living Development Recommendations

If new senior living is developed, we recommend the following guidelines:

Unit Mix & Size Recommendations:

- Consider a diversification of floor plans to include one-bedrooms, one-bedrooms with den option, and two-bedrooms.
- A one-bedroom with den option may include a second bath or second half bath. Most consumers desire an extra full or half bath.
- Evaluate all unit sizes to ensure there is a broad variety of floor plan options for the consumer.

Unit Pricing & Contract Type Recommendations:

Ensure the senior living product is priced at a level that is affordable to the target market. All of the existing providers are rental contracts. No entrance fee providers were discovered. If an entrance fee contract is pursued, we recommend in-depth consumer research to test the market acceptance of this contract type.

Independent Living Recommendations:

The IL service package should include at a minimum: a meal program, housekeeping, maintenance, basic utilities and internet, emergency alert system, scheduled transportation, activities and programs.

Common amenities in IL may include:

- Dining room
- Other casual dining venue such as a cafés, bistros, pubs
- Washers and dryers in all units
- Library, salon, activity areas, lounges and gathering spaces
- Fitness center with staff and programming
- Walking trails
- Campuswide internet

Recommendations

Assisted Living & Memory Care Recommendations

If a project is pursued, we recommend a project mix of traditional assisted living in one-bedrooms and some two-bedrooms, and memory care units in studios and some one-bedrooms. We recommend designing the new units to meet the needs of those with dementia so future flexibility to adjust the number of units providing specialized dementia services is possible.

Memory care unit mix as a percentage of total typically ranges from 25%-40%. Memory care unit mix should be based on optimal staff ratios based on hours per resident needs. Include outdoor space that is secure and allows residents to roam in a safe environment.

Monthly fees for assisted living and memory care should include the following: three daily meals plus snacks, 24-hour on site staff, basic utilities and internet, housekeeping, laundry and linen, activities and wellness program, scheduled transportation, maintenance, emergency alert system.

Development Readiness - Steps to Go from a Strong Market to a Successful Project

Outlined below are recommended next steps spanning from short to long term. PMLF has the expertise and resources to help execute on the vast majority of these next steps.

Short Term:

1. Determine how much of the city campus land can be developed on - how much of the total campus is available, can any existing buildings/infrastructure be removed/repurposed?
2. Now that the amount of demand and strengths of the market are confirmed, look at test fits for the subject site to determine how many units could be built and what type based on the land available.
3. Start the evaluation of financial feasibility of project via a proforma with varying sensitivities based on the size that the market can support, and the site can fit.
4. Prepare list of operators and developers to share opportunity with.

Intermediate Term:

1. Identify City priorities and preferences for new development of senior housing:
    a. Location of new development
    b. Identification of potential gap funding sources and incentives that could be tapped into
    c. Criteria for development partners
2. Combine market study results, test fit, and financial proforma into a development memo that can be shared with prospective operators and/or senior living developers to incentivize them to participate in RFP

Longer Term:

1. Prepare and market a formal RFP for development proposals to a list of experienced senior housing operators and/or developers that meet the criteria outlined in the previous steps
2. Manage developer selection process
3. Negotiate a development agreement with selected developer including City responsibilities
4. Consumer research to validate Oak Park seniors' interest in a local senior housing option as well as to understand what the seniors desire in unit and community amenities and what price they will pay. Consumer research in the form of surveys, telephone interviews, or focus groups can help determine a number of factors including:
    a. Interest in the proposed project
    b. Perception of architectural renderings of buildings, unit types, unit sizes, unit layouts
    c. Perception of proposed contract types, fee structure, and amenities
    d. Willingness of residents living in more affluent zip codes, northern part of MA, to move to a senior living community in Oak Park
5. Oversee implementation of development plan

SECTION

Market Area Overview, Demographics, & Data

Market Area Definition

The market area is defined as the geographic region from which the facility can expect to draw the highest concentration of residents.

Senior living residents typically relocate from within 10 miles of their previous permanent residence. Generally speaking, anywhere from 50% to 90% of a facility's residents are drawn from the market area. This percentage, referred to as the market draw, will vary depending upon several factors including, but not limited to:

- A facility's reputation within a community
- A facility's relationship with referral sources in the market area
- Physical barriers such as rivers and other bodies of water, hilltops and mountainsides, interstates, and major roadways. These barriers may not only serve to make access to a facility difficult, but may also increase travel time to a facility, possibly rendering the facility a less desirable option for the resident or their family.
- Psychological barriers such as a state or county's political borders that residents of an area are reluctant to cross in order to receive services. These boundaries can also include differences in ethnic and social backgrounds.
- Size of the market area
- Appeal of the community
- Competitive environment

The reason a percentage of the residents come from outside the market area can be attributed to the following factors:

- A desire of the senior to be closer to family
- A desire to return to an area of former residence
- Reputation of the facility
- Desirability of the area as a retirement destination

The MA definition for Oak Park Senior Living was identified based on analysis of the existing competitive offerings, driving distances and travel times to the site, and discussion with management.

Market Area Definition

The market area represents the zip codes from which an Oak Park Senior Living community would primarily draw. The MA consists of 18 zip codes around the community. The MA falls predominantly in Oakland County with some of the southern portion falling in Wayne County. All the MA zip codes fall on or within a 5-mile radius. The table below identifies the defined market area as identified by management and used throughout this market analysis.

Market Area Zip Codes	
Zip Code	**City**
Site Zip Code:	
48237	Oak Park, MI
Other Zip Codes in Market Area:	
48075	Southfield, MI
48076	Southfield, MI
48072	Berkley, MI
48073	Royal Oak, MI
48025	Franklin, MI
48220	Ferndale, MI
48069	Pleasant Ridge, MI
48070	Huntington Woods, MI
48067	Royal Oak, MI
48030	Hazel Park, MI
48071	Madison Heights, MI
48017	Clawson, MI
48034	Southfield, MI
48033	Southfield, MI
48219	Detroit, MI
48235	Detroit, MI
48221	Detroit, MI

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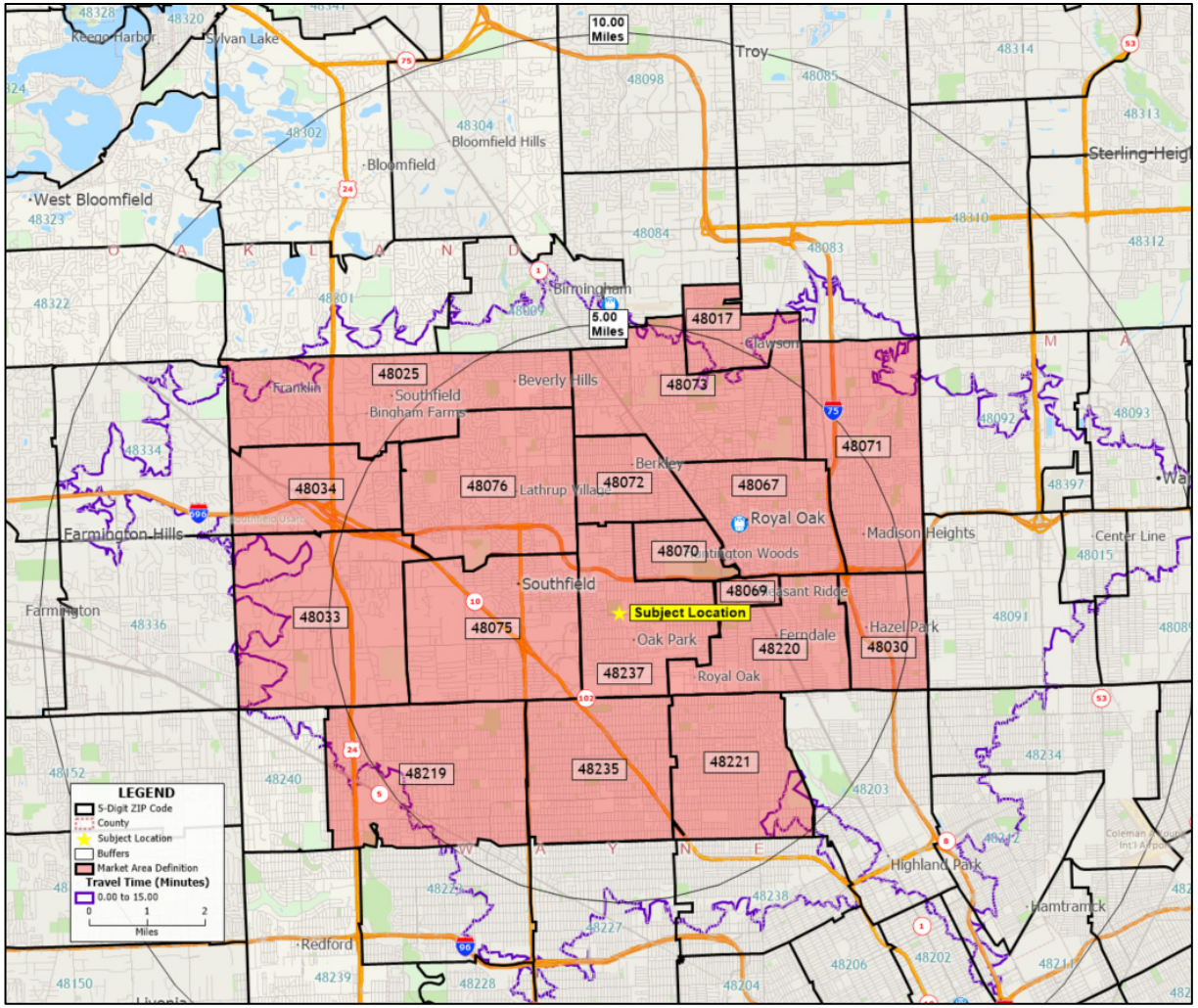


Market Area Demographics

The following market area information is from the US Census Bureau data, the American Hospital Directory, and Claritas' Senior Life Report for the market area, the State of Michigan, and the United States. The data is based on 2000 and 2010 census data. The reports present actual 2000 and 2010 census, 2023 estimated, and 2028 projected data. The report's demographic data also utilizes American Community Survey data available from the US Census Bureau.

The total population is projected to decrease 0.42% in the market area from 2023 to 2028. Michigan's population is projected to increase 0.28% for the same time period, and the United States is projected to increase 2.14%.

Demographics - Population

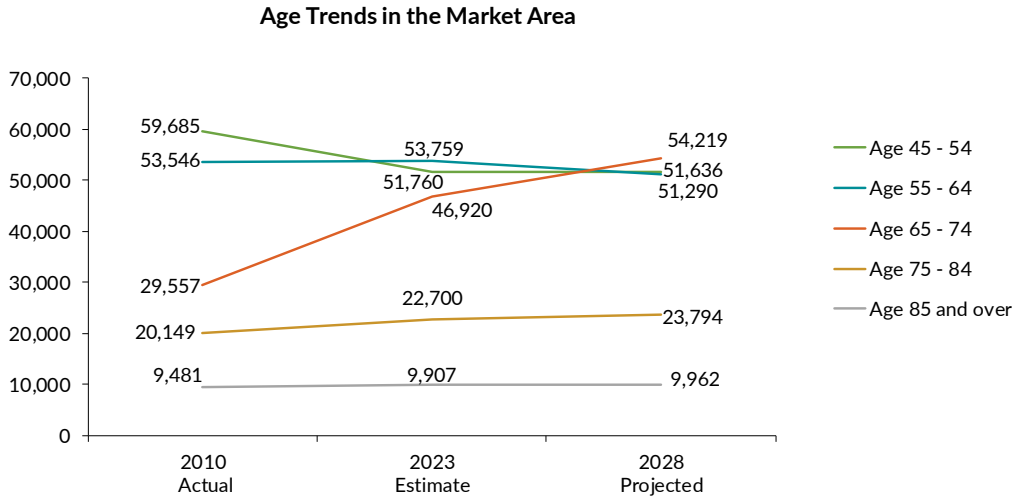
	2010 Actual	2023 Estimate	2028 Projected	Population Percent Change 2023 - 2028
MA				
MA Population (all ages)	411,900	410,675	408,930	-0.42%
Age 45 - 54	59,685	51,760	51,636	-0.24%
Age 55 - 64	53,546	53,759	51,290	-4.59%
Age 65 - 74	29,557	46,920	54,219	15.56%
Age 75 - 84	20,149	22,700	23,794	4.82%
Age 85 and over	9,481	9,907	9,962	0.56%
Total Age 45-64	113,231	105,519	102,926	-2.46%
Total Age 65+	59,187	79,527	87,975	10.62%
Total Age 75+	29,630	32,607	33,756	3.52%
Michigan				
Michigan Population (all ages)	9,883,616	10,058,043	10,086,432	0.28%
Age 45 - 54	1,510,067	1,190,180	1,140,449	-4.18%
Age 55 - 64	1,252,026	1,367,638	1,284,843	-6.05%
Age 65 - 74	724,737	1,176,915	1,359,527	15.52%
Age 75 - 84	444,924	550,294	584,753	6.26%
Age 85 and over	191,893	214,712	225,418	4.99%
Total Age 45-64	2,762,093	2,557,818	2,425,292	-5.18%
Total Age 65+	1,361,554	1,941,921	2,169,698	11.73%
Total Age 75+	636,817	765,006	810,171	5.90%
United States				
United States Population (all ages)	308,745,377	334,500,069	341,662,969	2.14%
Age 45 - 54	45,007,049	40,326,341	40,905,599	1.44%
Age 55 - 64	36,483,203	42,279,362	41,105,842	-2.78%
Age 65 - 74	21,713,602	35,621,821	41,540,430	16.62%
Age 75 - 84	13,061,023	17,492,925	19,284,050	10.24%
Age 85 and over	5,493,433	6,886,666	7,428,004	7.86%
Total Age 45-64	81,490,252	82,605,703	82,011,441	-0.72%
Total Age 65+	40,268,058	60,001,412	68,252,484	13.75%
Total Age 75+	18,554,456	24,379,591	26,712,054	9.57%

Source: Claritas

Market Area Demographics

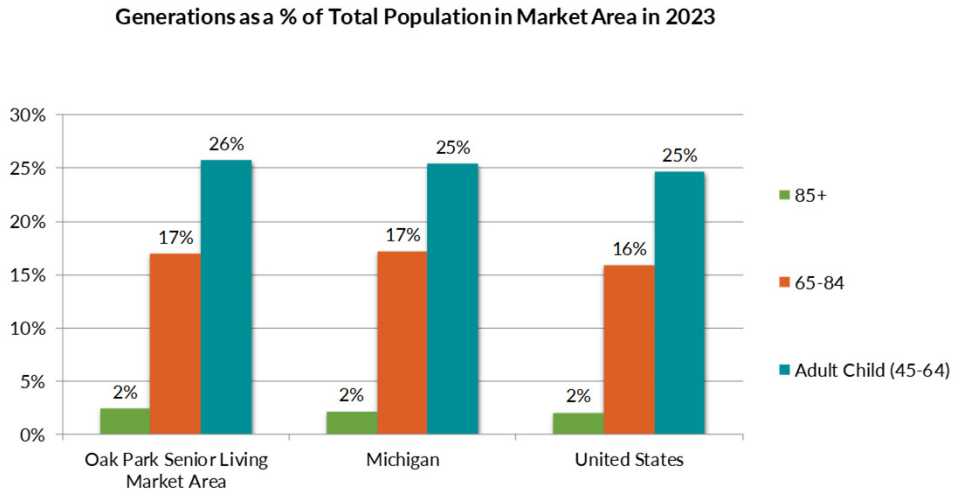
Adult Children

The population age 45-64 represents adult children. This age group captures adult children of the senior population that could provide financial support and personal care to their parents and potentially influence the decision to utilize senior care and living services. This age group is projected to decrease 2.46% for the MA from 2023 to 2028. Michigan is projected to decrease 5.18%, and the United States is projected to decrease 0.72% for the same time period. The 2023 percentage of 45-64 in the MA is 26% compared to 25% in Michigan and in the US.



Seniors

The market area senior age group (age 65+) is projected to increase 10.62% for the MA from 2023 to 2028, and Michigan is projected to increase 11.73% during the same time period. The United States is projected to increase 13.75%. Of the seniors aged 65+, the largest age cohort is the 65-74 group. Seniors aged 75+ are projected to increase by 3.52% in the MA while Michigan is expected to increase by 5.90% and the US is expected to increase by 9.57%. As the baby boomers continue to move into the 65+ age groups, which began in 2011, the proportion of seniors aged 65-74 is projected to increase for the market area, Michigan, and the US as a whole. The majority of the country's older population is projected to be relatively young, aged 65-74, until around 2034, when all baby boomers will be over the age of 70. (Source: U.S. Census Bureau). The 2023 percentage of 65-84 in the MA is 17% compared to 17% in Michigan and 16% in the US. The 85+ in the MA is 2% the same as in Michigan and the US.



Market Area Demographics

Adult Children

Children and/or other relatives of seniors can often play a substantial role in where a senior chooses a retirement community. Market areas where there are large concentrations of persons in the 45 to 64 age group can often support a larger supply of seniors housing than would be indicated through analysis of seniors already residing in the area alone would. This is because an in-migration of seniors into markets with large adult child populations is common, as the elderly often relocate to a community near their adult children or other relatives.

Adult Population (45-64)			
Item	Market Area	Michigan	United States
Total Population			
2023 Population	410,675	10,058,043	334,500,069
Adult Child (45-64 Population)			
2023 Population Age 45-64	105,519	2,557,818	82,605,703
2023 Age 45-64 Pop. as % of Total Pop.	*25.7%*	*25.4%*	*24.7%*
75+ Population			
2023 Population 75+	32,607	765,006	24,379,591
2023 Age 75+ Pop. As % of Total Pop.	*8%*	*8%*	*7%*
Ratio of Adult Children to Population 75+			
2023 Population 45-64	105,519	2,557,818	82,605,703
2023 Population 75+	32,607	765,006	24,379,591
Ratio of Adult Children to Population 75+	**3.2**	**3.3**	**3.4**

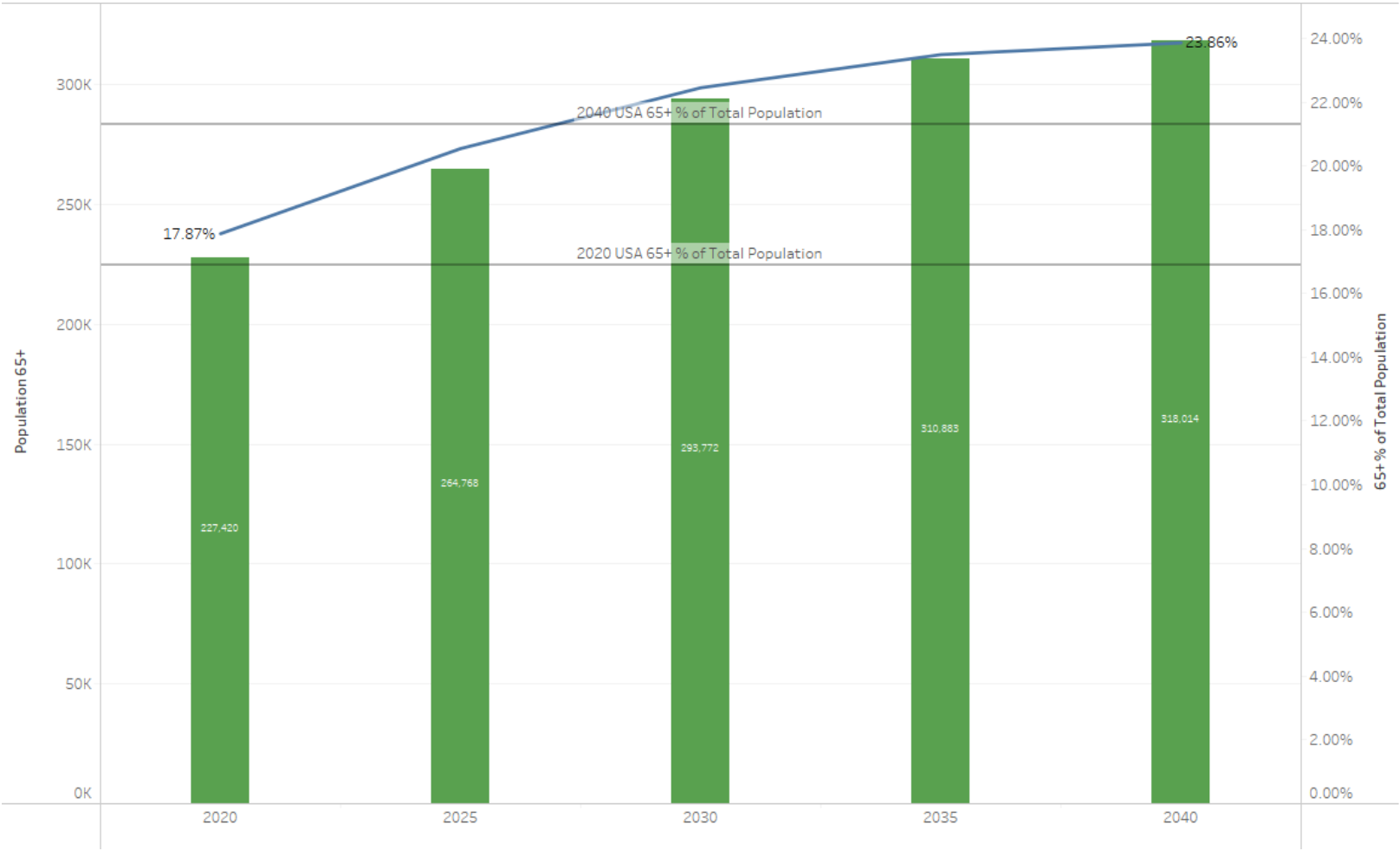
The market area's proportion of adult children (ages 45-64) to population 75+ (3.2) is lower than the state (3.3) and the nation as a whole (3.4).

Demographics – County Level

Since the MA data is only available 5 years into the future, these two slides present population projections at the county level through 2040.

The following graph shows the expected growth in the age 65+ population cohort from 2020-2040 as well as the share of the total population that this 65+ demographic will comprise. Oakland County is projected to grow its 65+ populations by 40% over this time period while the nation is expected to grow 42%.

Oakland County has a larger percentage of its total population that is aged 65+ compared to the US average in 2020. It is also expected to exceed the US average % of total population over the age of 65 in 2040 as well where the population over 65 will make up 23.86% of Oakland County's total population.

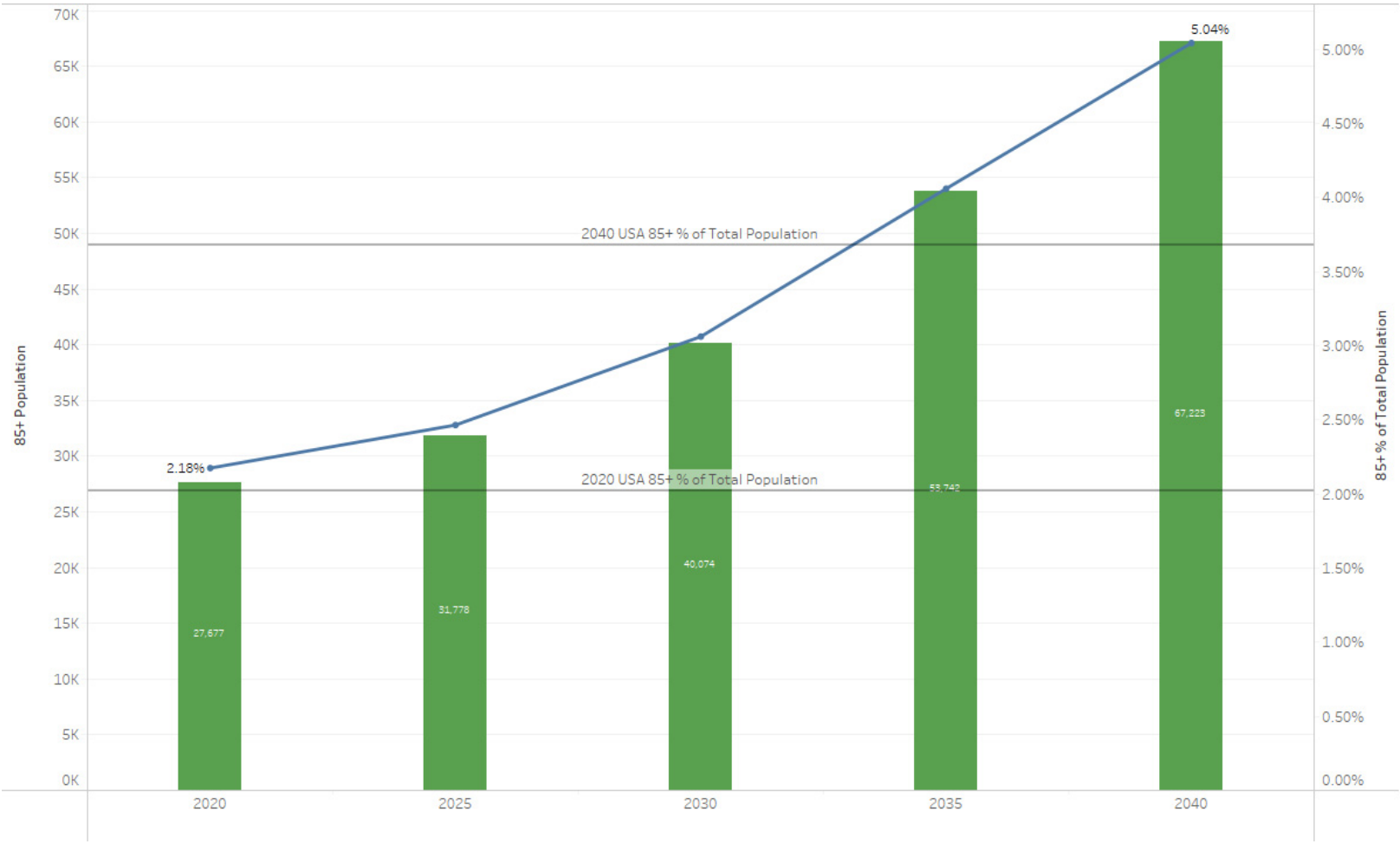


Demographics – County Level

The following graph features the same long-term 2020-2040 demographic projections, but this time focuses on the 85+ population.

Oakland County is projected to grow its 85+ populations by 143% over that time period while the nation is expected to grow 105%.

Oakland County has a slightly larger percentage of its total population that is aged 85+ compared to the US average in 2020. It is expected to be well above the US average % of total population over the age of 85 in 2040 when the population over 85 will make up 5.04% of Oakland County's total population.



Market Area Demographics

The tables on this slide show the household income by age of householder for all zip codes in the market area for 2000 actual, 2023 estimated, and 2028 projected.

Demographics - Household Income by Age

	2023 Estimated	2028 Projected	Percent Change 2023 - 2028
Total Households:	182,458	183,079	0.34%
Total Households 45 - 64	64,600	62,971	-2.52%
Total Households 65+	55,254	60,589	9.66%
Total Households 75+	23,255	23,903	2.79%
Median HH Income:			
Householder Age 45 - 54	$ 82,771	$ 99,680	20.43%
Householder Age 55 - 64	$ 67,283	$ 78,662	16.91%
Householder Age 65 - 74	$ 56,819	$ 63,233	11.29%
Householder Age 75 - 84	$ 39,818	$ 43,101	8.25%
Householder Age 85 and over	$ 31,377	$ 33,131	5.59%
Income Thresholds for Households Age 75+			
Household Income $35,000+	12,207	13,272	8.72%
% of Households Age 75+	52%	56%	
Household Income $50,000+	8,605	9,681	12.50%
% of Households Age 75+	37%	41%	
Household Income $75,000+	5,015	5,926	18.17%
% of Households Age 75+	22%	25%	
Income Thresholds for Households Age 45 - 64			
Household Income $75,000+	32,039	35,704	11.44%
% of households age 45-64	50%	57%	
Household Income $100,000+	24,179	28,291	17.01%
% of households age 45-64	37%	45%	

Source: Claritas

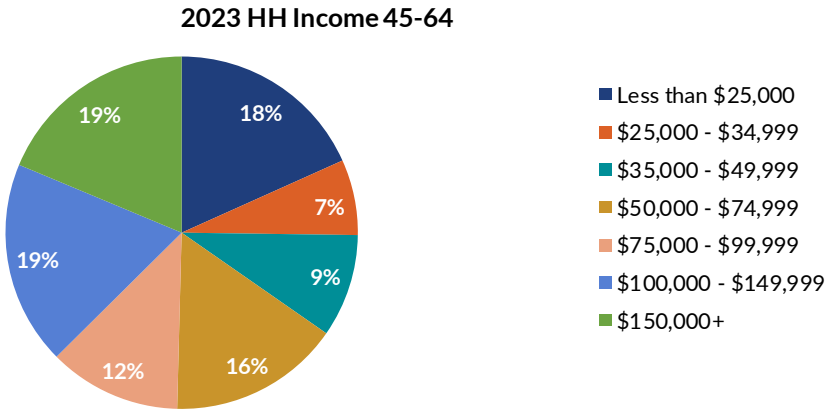
Demographics - Households by Income

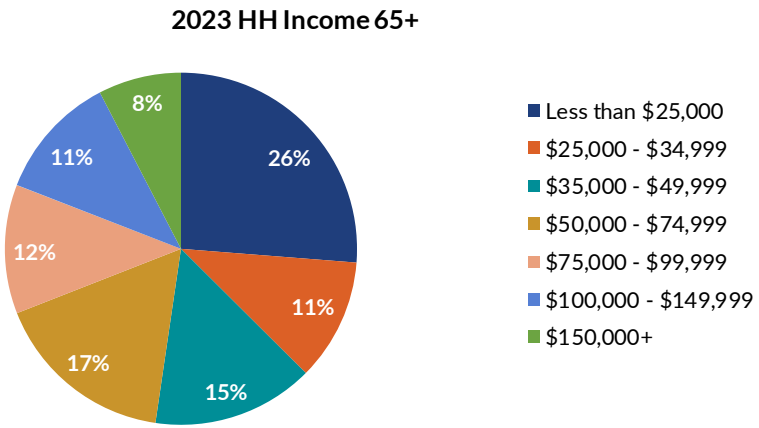
	2023 Estimate	2028 Projected	Percent Change 2023 - 2028
Householder Age 45 - 64			
Income less than $15,000	7,191	5,801	-19.33%
Income $15,000 - $24,999	4,618	3,690	-20.10%
Income $25,000 - $34,999	4,482	3,693	-17.60%
Income $35,000 - $49,999	6,105	5,110	-16.30%
Income $50,000 - $74,999	10,165	8,973	-11.73%
Income $75,000 - $99,999	7,860	7,413	-5.69%
Income $100,000 - $124,999	7,125	7,228	1.45%
Income $125,000 - $149,999	4,969	5,510	10.89%
Income $150,000 - $199,999	5,023	6,191	23.25%
Income $200,000 or more	7,062	9,362	32.57%
	64,600	62,971	-2.52%
Householder Age 65 - 74			
Income less than $15,000	3,891	3,951	1.54%
Income $15,000 - $24,999	2,797	2,895	3.50%
Income $25,000 - $34,999	2,962	3,065	3.48%
Income $35,000 - $49,999	4,610	4,883	5.92%
Income $50,000 - $74,999	5,648	6,318	11.86%
Income $75,000 - $99,999	4,489	5,172	15.21%
Income $100,000 - $124,999	2,737	3,389	23.82%
Income $125,000 - $149,999	1,690	2,243	32.72%
Income $150,000 - $199,999	1,459	2,093	43.45%
Income $200,000 or more	1,716	2,677	56.00%
	31,999	36,686	14.65%
Householder Age 75+			
Income less than $15,000	4,318	4,113	-4.75%
Income $15,000 - $24,999	3,498	3,407	-2.60%
Income $25,000 - $34,999	3,232	3,111	-3.74%
Income $35,000 - $49,999	3,602	3,591	-0.31%
Income $50,000 - $74,999	3,590	3,755	4.60%
Income $75,000 - $99,999	2,059	2,212	7.43%
Income $100,000 - $124,999	1,141	1,314	15.16%
Income $125,000 - $149,999	785	960	22.29%
Income $150,000 - $199,999	520	688	32.31%
Income $200,000 or more	510	752	47.45%
	23,255	23,903	2.79%

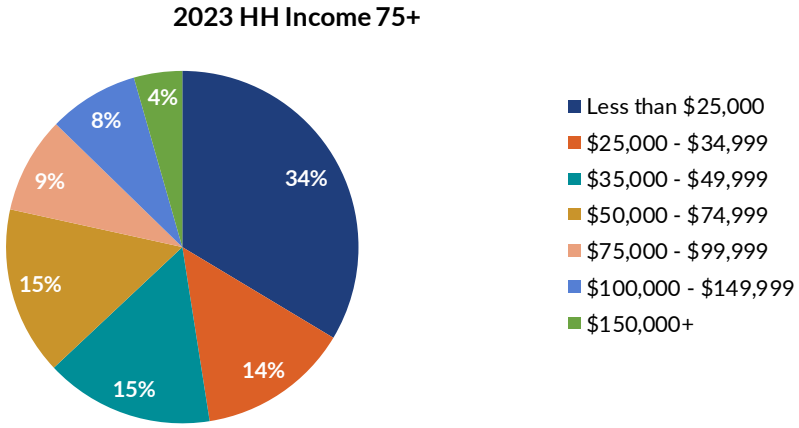
Source: Claritas

Market Area Demographics

Total households and senior households (ages 65+ and 75+) are projected to increase in the market area while adult children households (ages 45-64) are projected to decrease. The predominant household income levels for the 45-64 households in the market area are the $100,000 - $149,000 and $150,000+ range (19%). The predominant household income level in 2023 for the 65+ households is the less than $25,000 cohort (26%). The 75+ households predominant household income level in 2023 is also the less than $25,000 cohort (34%), which may reflect an increased number of retirees who are now on a fixed income.







Market Area Demographics

Net Worth

The weighted average net worth among HH 75+ is $975,562. 15,816 or 65% of the 75+ HH have a net worth greater than $150,000. Net worth can help fund senior living. Huntington Woods 48070 has the highest average net worth among HH 75+. Detroit zip code 48235 has the highest number of high net worth ($150,000+) senior HH aged 75+, while Royal Oak 48073 has the highest number of very high net worth ($250,000+) senior HHs aged 75+. The Oak Park site zip code 48237 ranks among the lowest average net worths among seniors 75+.

Net Worth in the Market Area

Zip Code	City	2023 Average Net Worth	2023 Average Net Worth: HHr 75+	2023 Households Age 75+ with Net Worth of:										
				<$15,000	$15,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 - $149,999	$150,000 - $249,999	$250,000 - $499,999	$500,000 - $999,999	$1,000,000+	Total
48070	Huntington Woods, MI	$ 4,100,650	$ 3,846,576	1	-	-	1	2	6	27	40	55	204	336
48025	Franklin, MI	$ 4,041,513	$ 3,572,327	8	6	1	12	18	22	71	168	213	630	1,149
48069	Pleasant Ridge, MI	$ 3,625,168	$ 3,400,908	1	2	-	2	3	1	11	23	32	91	166
48076	Southfield, MI	$ 1,209,190	$ 1,528,890	103	9	11	58	62	83	160	265	206	323	1,280
48073	Royal Oak, MI	$ 866,636	$ 1,165,436	91	10	16	70	71	122	366	502	368	426	2,042
48072	Berkley, MI	$ 1,172,517	$ 1,087,067	89	12	10	30	44	46	100	198	134	152	815
48067	Royal Oak, MI	$ 809,160	$ 948,353	203	17	11	45	39	81	179	248	197	227	1,247
48017	Clawson, MI	$ 670,352	$ 871,585	102	8	8	25	27	43	117	196	88	99	713
48221	Detroit, MI	$ 566,867	$ 857,494	334	36	33	149	155	169	483	554	272	381	2,566
48075	Southfield, MI	$ 538,763	$ 838,125	257	37	25	98	85	114	196	268	197	256	1,533
48220	Ferndale, MI	$ 409,198	$ 765,848	134	14	8	43	50	46	164	235	124	156	974
48034	Southfield, MI	$ 426,546	$ 744,198	284	38	33	104	102	127	125	229	69	163	1,274
48071	Madison Heights, MI	$ 404,738	$ 612,292	380	38	21	59	76	130	312	331	170	192	1,709
48033	Southfield, MI	$ 491,108	$ 593,069	402	31	27	102	86	87	184	201	100	144	1,364
48237	**Oak Park, MI**	**$ 477,528**	**$ 580,710**	**343**	**41**	**30**	**55**	**62**	**116**	**299**	**351**	**178**	**178**	**1,653**
48235	Detroit, MI	$ 234,793	$ 526,222	422	46	38	156	156	214	646	628	246	207	2,759
48219	Detroit, MI	$ 263,700	$ 506,357	431	46	28	133	122	143	342	397	172	190	2,004
48030	Hazel Park, MI	$ 194,183	$ 367,840	169	29	13	36	35	85	147	102	68	43	727
			Total	**3,754**	**420**	**313**	**1,178**	**1,195**	**1,635**	**3,929**	**4,936**	**2,889**	**4,062**	**24,311**
										Total HH Net Worth $150k+			**15,816**	

	2023 Weighted Average Net Worth	
Market Area	$ 784,589	$ 975,562
USA	$ 909,261	$ 1,125,382

Source: ESRI

Net Worth equals total household assets less any debts, secured or unsecured. Assets include ownership of homes, rental properties, business, individual retirement accounts IRAs) and Keogh accounts, pension plans, stocks, mutual funds, and motor vehicles. Examples of secured debt include home mortgages and vehicle loans; unsecured debt includes credit cards and other bills or certain bank loans.

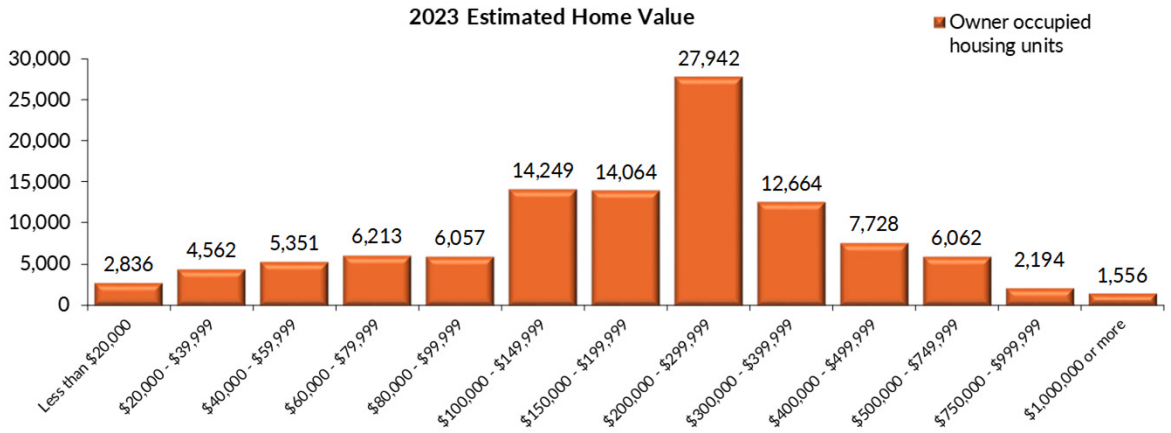
Market Area Demographics

Housing Unit Values

- The predominant housing unit value across all ages in the market area in 2023 is the $200,000-$299,999 range. It is projected to be the $200,000-$299,999 range in 2028.
- Median owner-occupied housing unit value is $208,002 in 2023 and is projected to increase to $232,878 in 2028.
- 68% of households aged 75+ in the MA own a home compared to 78% in Michigan and 74% in the US as a whole.

Demographics - Owner-Occupied Housing Unit Values

	2023 Estimated	Percent	2028 Projected	Percent
Value less than $20,000	2,836	2.54%	2,374	2.12%
Value $20,000 - $39,999	4,562	4.09%	3,693	3.30%
Value $40,000 - $59,999	5,351	4.80%	4,759	4.25%
Value $60,000 - $79,999	6,213	5.57%	5,193	4.64%
Value $80,000 - $99,999	6,057	5.43%	5,711	5.10%
Value $100,000 - $149,999	14,249	12.78%	13,341	11.92%
Value $150,000 - $199,999	14,064	12.62%	11,821	10.56%
Value $200,000 - $299,999	27,942	25.07%	27,133	24.23%
Value $300,000 - $399,999	12,664	11.36%	15,506	13.85%
Value $400,000 - $499,999	7,728	6.93%	9,062	8.09%
Value $500,000 - $749,999	6,062	5.44%	8,108	7.24%
Value $750,000 - $999,999	2,194	1.97%	3,050	2.72%
Value $1,000,000 or more	1,556	1.40%	2,211	1.97%
	111,478	100.00%	111,962	100.00%
Median Owner-Occupied Housing Unit Value	$208,002		$232,878	
Percent of Owner-Occupied HH Age 75+	68%		68%	



Note:

All types of owner-occupied housing (single family, condominiums, and townhomes) are included.

Market Area Data

Home Sales

- This table shows the MA real estate trends including the number of home sales and average purchase price of homes sold in the MA from August 2022 to July 2023.
- The weighted average sales price is above the estimated 2023 median owner-occupied housing unit value of $208,002 as reported on the previous page.
- The zip code with the highest purchase price is the Franklin zip code.

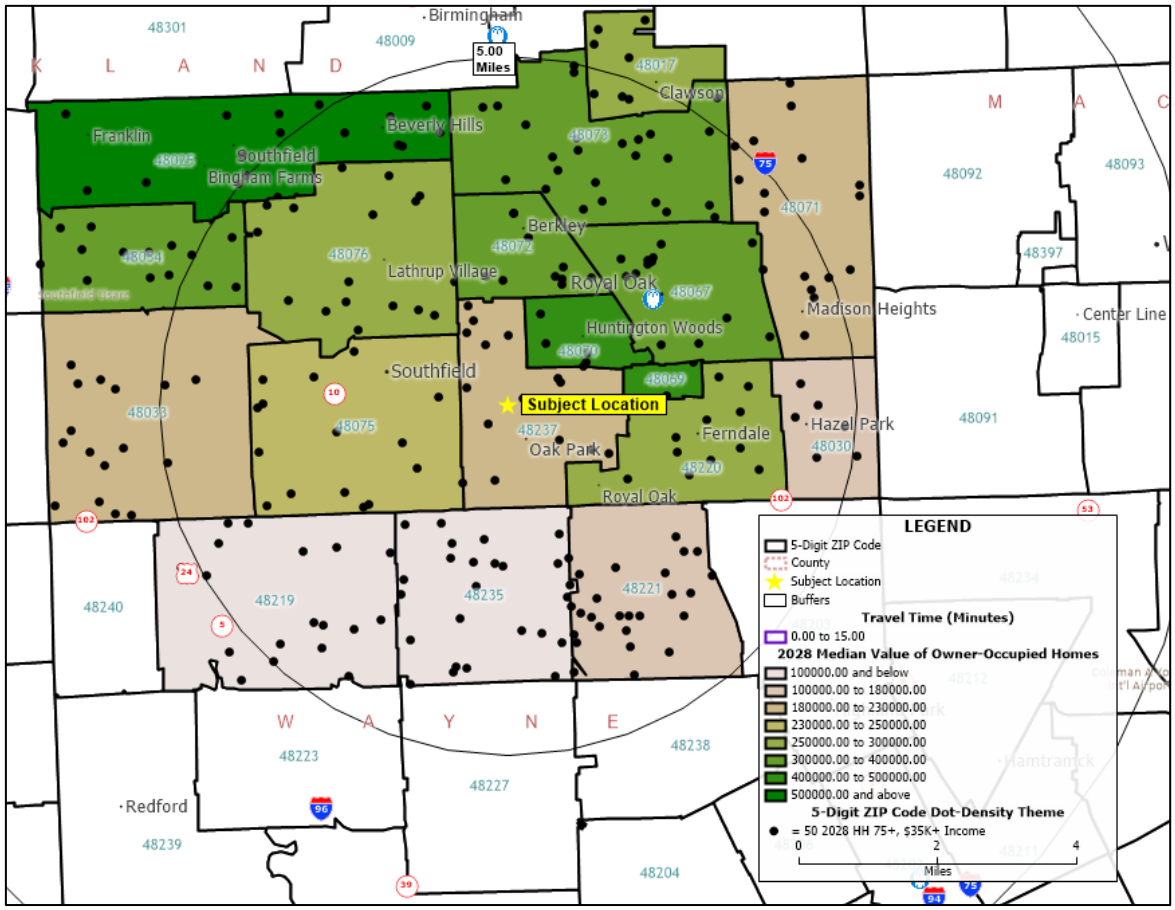
Home Sales

Zip Code	City	# of Homes Sold	Weighted Average Purchase Price
48025	Franklin, MI	218	$ 597,084
48070	Huntington Woods, MI	74	493,733
48069	Pleasant Ridge, MI	48	489,565
48067	Royal Oak, MI	543	351,726
48073	Royal Oak, MI	644	328,909
48072	Berkley, MI	320	319,142
48017	Clawson, MI	240	255,964
48076	Southfield, MI	357	247,412
48220	Ferndale, MI	535	241,096
48034	Southfield, MI	79	226,054
48075	Southfield, MI	266	214,908
48033	Southfield, MI	211	198,658
48237	Oak Park, MI	472	198,355
48071	Madison Heights, MI	414	189,324
48221	Detroit, MI	628	154,080
48030	Hazel Park, MI	455	150,521
48219	Detroit, MI	727	107,910
48235	Detroit, MI	686	91,502
	Market Area Weighted Average		**$ 226,874**

Source: www.melissadata.com; home sales from August 2022 - July 2023.

Market Area Demographics

Dot Density: Senior Households Age 75+, Income $35K+



Zip Code	2028 Median Value of Owner-Occupied Homes	2028 HH 75+ $35K+ Income
48221	$127,544	1,289
48073	$338,925	1,269
48235	$80,000	1,265
48219	$78,400	923
48025	$586,615	885
48071	$193,523	868
48076	$260,033	854
48033	$206,478	797
48075	$230,376	777
48237	**$183,241**	**765**
48034	$313,865	742
48067	$349,155	686
48220	$254,922	562
48072	$324,963	518
48017	$267,990	367
48030	$124,635	302
48070	$496,484	288
48069	$482,058	115

Comments:

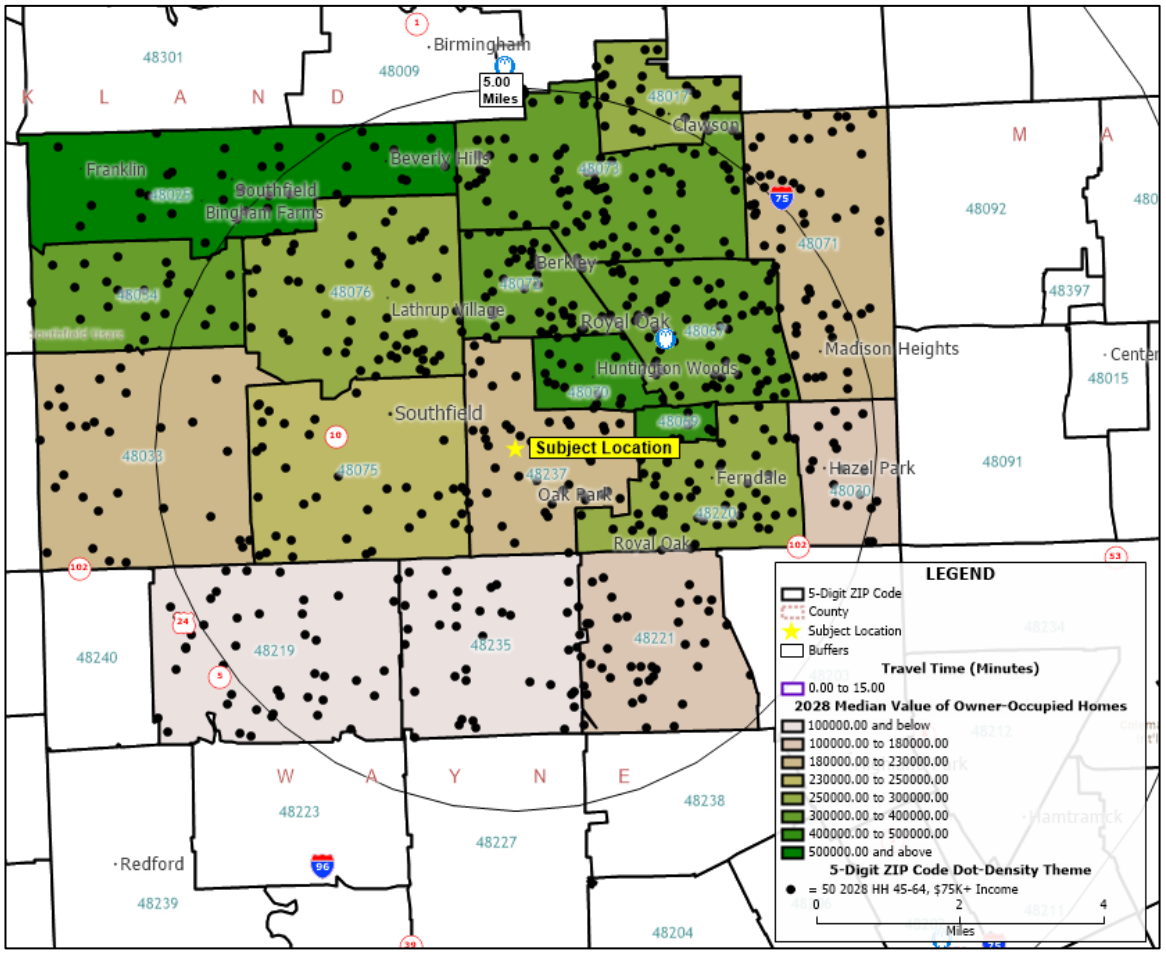
The zip codes with the highest number of qualified households include 48221 (Detroit), 48073 (Royal Oak), and 48235 (Detroit). The top zip codes based on median home value are 48025 (Franklin), 48070 (Huntington Woods), and 48069 (Pleasant Ridge).

Note:

- The dot density, which represents the qualified senior households, is scattered randomly across each zip code.
- Zip codes with a higher median home value appear darker green.

Market Area Demographics

Dot Density: Adult Children Households Age 45-64, Income $75K+



Zip Code	2028 Median Value of Owner-Occupied Homes	2028 HH 45-64 $75K+ Income
48073	$338,925	4,257
48067	$349,155	3,504
48071	$193,523	2,688
48076	$260,033	2,616
48220	$254,922	2,571
48237	**$183,241**	**2,207**
48219	$78,400	2,163
48072	$324,963	2,130
48221	$127,544	1,974
48235	$80,000	1,838
48025	$586,615	1,775
48075	$230,376	1,736
48033	$206,478	1,456
48017	$267,990	1,359
48034	$313,865	1,150
48030	$124,635	1,023
48070	$496,484	865
48069	$482,058	392

Comments:

The zip codes with the highest number of qualified adult children households (age 45-64 and incomes greater than $75,000) include 48073 (Royal Oak) 48067 (Royal Oak), and 48071 (Madison Heights).

Note:

- The dot density, which represents the qualified adult children households, is scattered randomly across each zip code.
- Zip codes with a higher median home value appear darker green.

Market Area Demographics

Employment and Top Employers

Across the country, unemployment rates were low from 2018 through early 2020, when the economy shut down due to COVID. The unemployment rates in Oakland County, Michigan, and the US as a whole spiked in April 2020. Unemployment rates have improved since. In June 2023, Oakland County falls below both Michigan and the US as a whole.

The area has a strong employer base with the top employers being in healthcare and automotive manufacturing.

Labor - Top Employers - Oakland County

Employer	Employees
Beaumont Health	17,071
Stellantis NV	13,156
General Motors Co.	7,604
United Wholesale Mortgage	6,241
Ascension Michigan	5,699
Henry Ford Health System	5,454
U.S. Postal Service	4,880
Oakland County	3,583
Magna International of America	2,389
Trinity Health Michigan	2,357

Source: Crain's Detroit Business

Labor - Unemployment Rates

	2018	2019	2020	2021	2022	April 2020	June 2023
Oakland County	3.4%	3.4%	9.1%	4.6%	3.0%	18.9%	3.1%
Wayne County	5.2%	5.0%	13.5%	7.8%	4.6%	24.8%	4.4%
Michigan	4.2%	4.1%	10.0%	5.8%	4.2%	22.6%	4.1%
United States	3.9%	3.7%	8.1%	5.3%	3.6%	14.7%	3.6%

Source: U.S. Bureau of Labor Statistics (data.bls.gov)

Market Area Demographics

Labor Analysis

The average weekly wage for staff at senior living, NAICs code 623, is well below the overall average weekly wage for all industries excluding Leisure and Hospitality but including Education and Health Services (of which NAICs code 623 is a subset). This, along with the recovering unemployment rate, may make it difficult to attract and retain staff for the senior living.

Labor - Quarterly Census of Employment and Wages: Oakland County						
Industry	Quarterly Establishments	October Employment	November Employment	December Employment	Total Quarterly Wages	Average Weekly Wage
Natural resources and mining	119	1,088	1,044	934	$ 11,633,766	$ 876
Construction	3,091	30,705	30,383	28,999	$ 707,548,809	$ 1,812
Manufacturing	2,398	69,662	69,703	70,286	$ 1,611,429,450	$ 1,774
Trade, transportation, and utilities	8,704	126,551	129,681	131,135	$ 2,250,608,356	$ 1,341
Information	1,226	13,599	13,648	13,690	$ 351,716,552	$ 1,983
Financial activities	4,398	57,702	57,484	57,502	$ 1,377,635,228	$ 1,841
Professional and business services	10,561	170,964	170,566	169,704	$ 4,350,879,413	$ 1,964
Education and health services	5,871	114,518	115,179	116,199	$ 1,849,353,463	$ 1,234
Leisure and hospitality	3,886	66,059	65,481	66,047	$ 470,116,541	$ 549
Other services	4,059	21,035	21,147	21,323	$ 259,843,929	$ 944
	44,313	671,883	674,316	675,819	$ 13,240,765,507	$ 1,432
*Included in Education and Health Services:						
NAICS 623 Nursing and residential care facilities	376	15,534	15,636	15,962	$ 158,393,487	$ 776

Source: Bureau of Labor Statistics

Demographics: Work Force to Seniors at the County Level

The following table features the long-term 2020-2040 demographic projections at the national and county level and compares the work force (ages 20-64) to the senior 75+ population.

The nation's work force (ages 20-64) is projected to grow 7% from 2020 to 2040 while Oakland County's is projected to decrease 4% during the same time period.

The nation's 75+ population is projected to grow 88% and Oakland County's is projected to grow 98%.

Oakland County's ratio of work force to senior population will decrease 52% from 2020 to 2040. Oakland County's ratio of 3.9 in 2040 is lower than the nation as a whole. This indicates labor pressures will most likely continue into the future.

US Work Force Population				
	2020	2030	2040	Growth from 2020-2040
Total Population	331,501,080	352,070,273	372,916,425	12%
Work Force (20-64 Population)				
Population Age 20-64	193,790,537	197,202,996	207,048,461	7%
Age 20-64 Pop. as % of Total Pop.	*58%*	*56%*	*56%*	
75+ Population				
Population 75+	23,238,068	33,747,218	43,606,904	88%
Age 75+ Pop. As % of Total Pop.	*7%*	*10%*	*12%*	
Ratio of Work Force to Population 75+				
Ratio of Work Force to Population 75+	**8.3**	**5.8**	**4.7**	-43%

Source: Long Term Population Projections by County prepared by Woods & Poole Economics

Oakland County Work Force Population				
	2020	2030	2040	Growth from 2020-2040
Total Population	1,272,408	1,308,619	1,332,994	5%
Work Force (20-64 Population)				
Population Age 20-64	757,731	730,812	726,452	-4%
Age 20-64 Pop. as % of Total Pop.	*60%*	*56%*	*54%*	
75+ Population				
Population 75+	92,964	145,640	184,070	98%
Age 75+ Pop. As % of Total Pop.	*7%*	*11%*	*14%*	
Ratio of Work Force to Population 75+				
Ratio of Work Force to Population 75+	**8.2**	**5.0**	**3.9**	-52%

Note:

- 2000 to 2020 was the era of labor abundance due to having both the boomer and millennial workforces in the market concurrently.
- In the 2020s, boomers are retiring, and the subsequent generations are not close to keeping up with providing enough new workers to take their place.

SECTION

Hospitals

Market Area Hospitals

There are 7 acute and long-term care hospitals located in the MA, and they are presented in the table below:

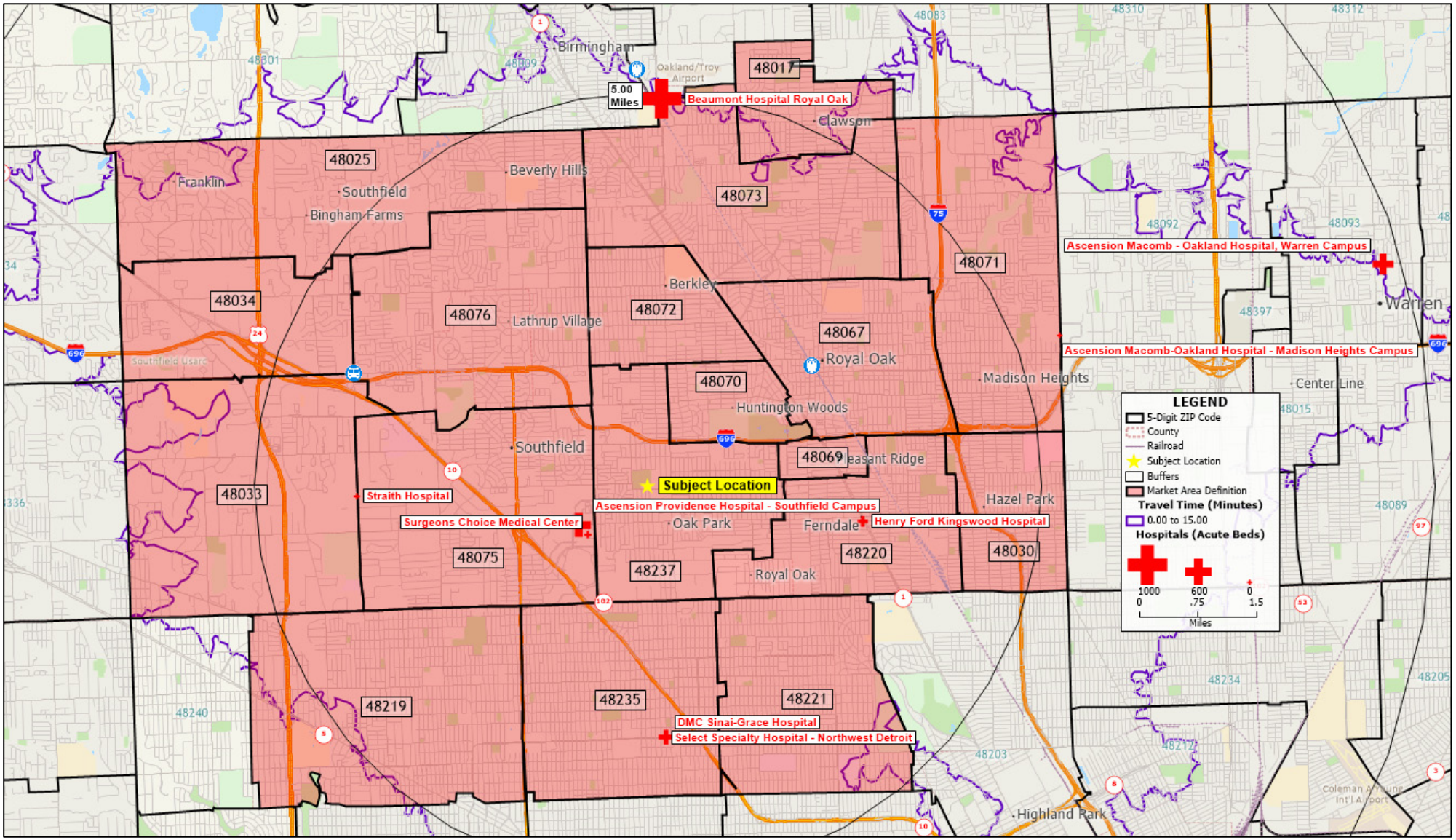
Market Area Hospitals

Hospital	Location	Type of Control	Driving Distance to Facility (miles)	Type	Acute Beds	SNF Beds	Rehab Beds	Inpatient Origin Top 5 Zip Codes
Hospitals within the Market Area								
1 Ascension Providence Hospital - Southfield Campus	48075 - Southfield	NFP	1.4	Short-Term Acute Care	558	-	16	48235, 48178, 48075, 48167, 48377
2 Surgeons Choice Medical Center	48075 - Southfield	FP	1.4	Short-Term Acute Care	45	26	-	48237
3 DMC Sinai-Grace Hospital	48235 - Detroit	FP	3.7	Short-Term Acute Care	281	-	12	48235, 48227, 48221, 48219, 48238
4 Select Specialty Hospital - Northwest Detroit	48235 - Detroit	FP	3.7	Long Term	36	-	-	*
5 Straith Hospital	48033 - Southfield	NFP	4.8	Short-Term Acute Care	34	-	-	48075
6 Beaumont Hospital Royal Oak	48073 - Royal Oak	NFP	5.3	Short-Term Acute Care	1,026	-	64	48073, 48237, 48076, 48071, 48067
7 Ascension Macomb-Oakland Hospital - Madison Heights Campus	48071 - Madison Heights	NFP	7.1	Short-Term Acute Care	133	-	-	**
Hospitals Reporting in a Consolidated Fashion Outside the MA								
8 Ascension Macomb - Oakland Hospital, Warren Campus**	48093 - Warren	NFP	11.7	Short-Term Acute Care	444	-	20	48066, 48089, 48091, 48093, 48088
9 Select Specialty Hospital - Downriver*	48192 - Wyandotte	FP	20.0	Long Term	71	-	-	48195, 48146, 48192, 48183, 48180

Source: American Hospital Directory (www.ahd.com)
Note: Table excludes mental health and children's hospitals.
**Select Special Hospital Northwest Detroit reports in a consolidated fashion with Select Specialty Hospital Downriver.*
***Ascension Providence Hospital Southfield Campus reports in a consolidated fashion with Ascension Macomb Warren Campus.*

Map of Market Area Hospitals

There are 7 acute and long-term care hospitals located in the MA, and they are presented in the map below. Note: Henry Ford Kingswood is a psychiatric hospital and is noted on the map for informational purposes.



SECTION

Competition

Market Area Competitors

This table presents competitors in the market area. More detailed information is provided in the APPENDIX.

Primary Market Area Competitors							
Map Key	Property Name	Zip Code	Driving Distance From Site	Independent Living	Assisted Living	Memory Care	Total
Subject Site							
	13950 Oak Park Blvd, Oak Park, MI	48237	-	-	-	-	0
Existing Competitors							
1	Jewish Senior Life	48237	1.1	0	14	12	26
2	Dream Estates Assisted Living	48235	3.2	0	20	0	20
3	The James Ferndale	48220	3.5	64	40	0	104
4	Saint Anne's Mead	48076	3.7	0	45	21	66
5	Waltonwood of Royal Oak	48073	4.4	0	81	0	81
6	Royal Oak House	48073	4.8	0	31	26	57
7	Sterling Place	48033	4.8	97	60	0	157
8	Park House Southfield	48034	5.0	98	0	0	98
9	Baldwin House Hazel Park	48030	5.1	128	0	0	128
10	Freedom Haven	48220	5.2	0	20	0	20
11	Victory Lane	48220	5.2	0	12	0	12
12	Chester Street Residence	48073	5.5	0	0	54	54
13	Evergreen Health & Rehab Center	48076	5.7	0	0	26	26
14	Franklin Terrace Apartments	48033	6.1	0	87	12	99
15	Brookdale Southfield	48034	6.9	194	0	0	194
16	Park at Franklin	48034	7.0	191	115	18	324
17	Arden Courts - Bingham Farms	48025	7.6	0	0	54	54
18	The Reserve at Red Run	48071	8.3	133	0	0	133
			Total	**905**	**525**	**223**	**1,653**

Source: 2Q2023 NIC MAP Vision® Data Service, telephone interviews August 2023, Michigan Dept. of Health, various internet searches.

Future Developments

In order to identify any new senior living construction, the 2Q2023 NIC MAP Vision® Property Inventory Report, NIC MAP® Dodge Data & Analytics, ConstructConnect (Insight), and BuildCentral were reviewed, as well as the planning and zoning officials were interviewed in the following cities: Southfield, Royal Oak, Oak Park, Ferndale, Berkley, Madison Heights, Hazel Park, Pleasant Ridge, and Clawson; the Charter Township of Royal Oak and the Village of Lathrup and Franklin. Repeated attempts to reach the city of Detroit and Huntington Woods were unanswered. Additionally, the senior living competitors who were interviewed were asked about future developments.

Per the inquiries and searches conducted, the following planned projects were identified within the MA:

Future Developments					
Facility	City	Zip Code	Estimated Date Available	Affordable	AA/IL Units
Former Carver School	Ferndale	48220	Early in Planning, Unknown	Unknown	*
			Total		*

Notes:

1. **Former Carver School:** Per planning and zoning, this project is early in the planning stages. Developer purchased land and has plans to rehab and/or demo for multi-family and could include senior housing. Unit types and affordability have not yet been determined; therefore, this project is presented for informational purposes only.

Affordable Future Developments

Affordable (Non-Competitive) Projects in the MA

Affordable Active Adult & Independent Living Future Developments					
Facility	City	Zip Code	Estimated Date Available	Affordable	Units
LBGTQ (The Shepherd House)	Ferndale	48220	Projected 2024	53	53
Meyers Senior Apartment Building	Detroit	48235	July of 2023	LIHTC	32
Park Meadows Village - Phase I & II	Detroit	48235	Early in Planning, Unknown	152	152
Former John Grace Elementary School	Southfield	48033	MSHDA 2nd round application, submitted	Pending MSHDA	60
			Total		**297**

This page presents planned affordable/low-income projects. These are not considered competitive to market rate senior living and are presented for informational purposes only.

Notes:

1. **LBGTQ (The Shepherd House):** Per planning and zoning, this state funded project has been approved and is in the planning process. All units will be affordable for LBGTQ seniors.
2. **Meyers Senior Apartment Building:** Per resources, Presbyterian Villages of Michigan have plans for the construction of affordable low-income tax credit housing currently, pending owners' decision to proceed. Note: the project also includes 73 units for multi-family.
3. **Park Meadows Village Phase I & II:** Per resources, the Slavik Company's plans call for the construction of eight senior multifamily buildings with 76 affordable units per phase with 2 phases planned.
4. **Former John Grace Elementary School**: Per planning and zoning, they did not receive funding in the first rounds of application. A new application was recently submitted and awaiting a response. Plans call for the demolition of the John Grace Community Center for the construction of a new, affordable senior apartment complex.

Construction vs. Inventory

Construction vs Inventory			
Independent Living:			
Construction (A)	0		
Inventory (B)	905		
Independent Living:	*0%*		
Benchmark for Active Market	*20%*		
*National 2Q2023**	*4.4%*		
*Highest US Mkt Raleigh, NC MSA 2Q2023**	*24.6%*		
Assisted Living and Memory Care:	**AL&MC**	**AL**	**MC**
Construction (A)	0	0	0
Inventory (B)	748	525	223
Assisted Living and Memory Care:	*0%*	*0%*	*0%*
Benchmark for Active Market	*20%*		
*National 2Q2023**	*4.8%*		
*Highest US Mkt San Jose, CA MSA 2Q2023**	*27.5%*		

**Source: NIC MAP® Data Service, 2Q2023, Primary & Secondary markets only.*

The table to the left summarizes construction versus inventory (CVI), which is the number of planned units divided by the existing inventory in the market. This data is a good indicator of the amount of construction activity in a market; the higher the percentage, the more activity.

The market area is:

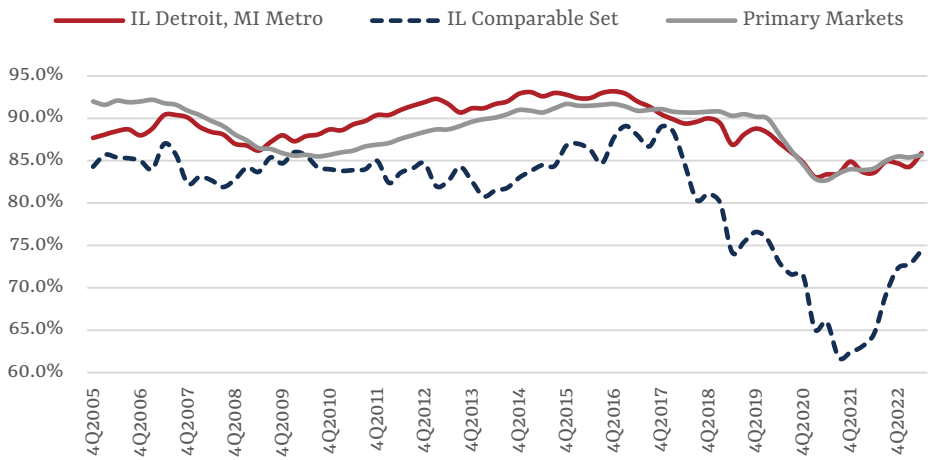
- Below the benchmark for Independent Living; however, there are projects currently in the conceptual stage of development in the market area that could end up being market rate independent living which would raise the CvI for the market area.
- Below the benchmark for Assisted Living & Memory Care

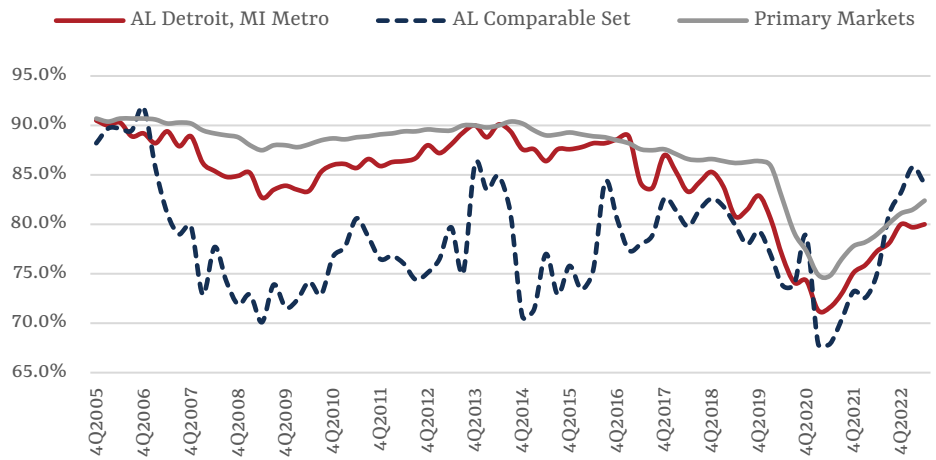
Any planned projects in the MA increase the risk to any new project in the Oak Park Senior Living MA, especially if they are filling during the same time frame. The unit potential calculations in this analysis incorporate the known planned project units.

PMLF recommends continued monitoring of the market for additional projects that may get submitted to the planning and zoning departments as well as monitoring of any known planned projects for completion, fill up, pricing, amenities, and occupancy.

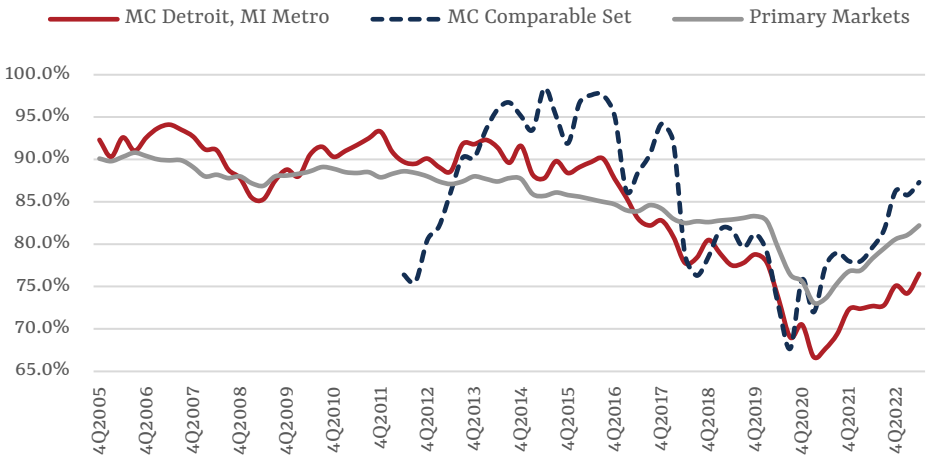
Market Area Occupancy

These graphs, obtained from NIC MAP Vision® Data Service, show that occupancy for independent living is lagging behind the Detroit and NIC Primary markets (top 30 largest markets they track) after experiencing a larger COVID drop compared to those benchmarks. However the IL occupancy appears to be in recovery now after experiencing its 7th consecutive quarter of occupancy growth. AL and MC for the market area has trended closer to the Detroit and NIC Primary market averages and even exceeds both benchmarks in the most recent 4 quarters.



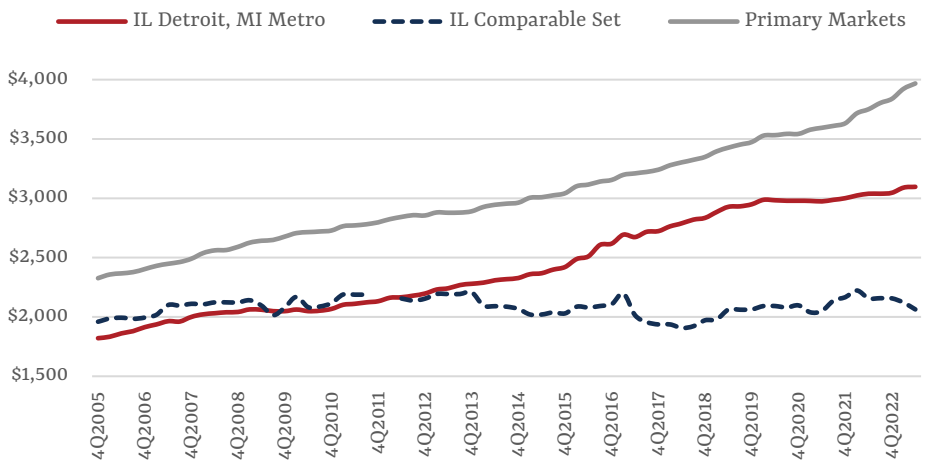


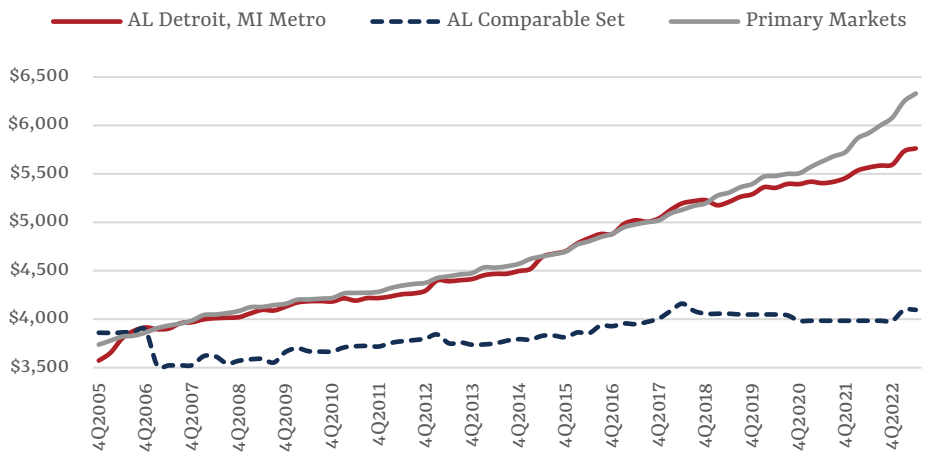
Note: The James Ferndale IL and AL community opened in 2019 causing a decrease in occupancy.

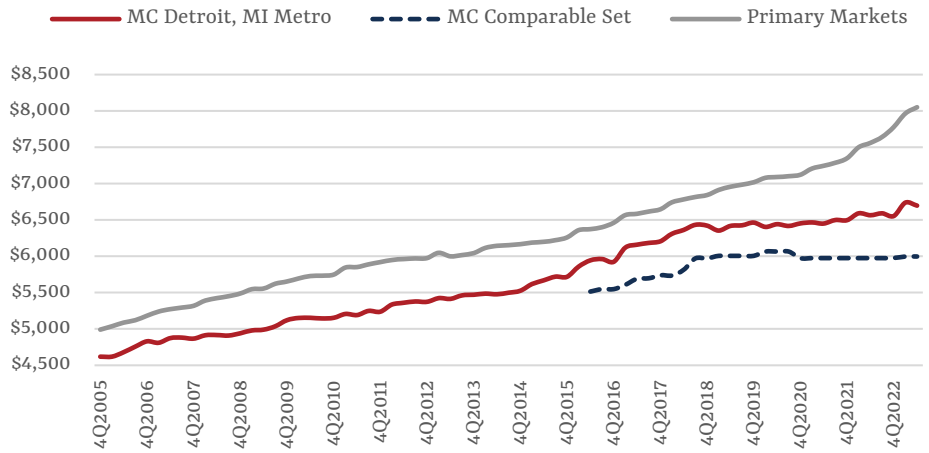


Market Area Rents

These graphs, obtained from NIC MAP Vision® Data Service, show that the average rents for all senior housing segments for the market area are well below the corresponding average rents for Detroit and the NIC Primary Markets. Detroit, on average, falls below NIC markets of comparable size for IL and MC but is more closely aligned with the NIC Primary market average for AL.







Competitor Data

This competitor data is obtained from NIC MAP Vision® Data Service.

Unit Data | Property Advisor Report | Oak Park Senior Living					
Segment	Unit Type	Unit Mix	Occupancy	Average Rent	Pre-Covid Occupancy
Independent Living	Studio	6.4%	76.4%	$2,291	
	1 Bedroom	62.0%	75.4%	$1,890	
	2 Bedroom	31.7%	70.2%	$2,339	
		100.0%	**74.4%**	**$2,064**	**75.7%**
Assisted Living	Studio	43.0%	84.4%	$5,035	
	1 Bedroom	54.2%	*	*	
	2 Bedroom	2.8%	*	*	
		100.0%	**84.1%**	**$4,097**	**76.9%**
Memory Care	Studio	93.5%	86.2%	$6,127	
	1 Bedroom	6.5%	*	*	
		100.0%	**87.3%**	**$5,996**	**79.0%**

Data for unknown unit types are excluded from this data set. Data will not tie out with segment data table.

Independent Living:

Independent living in the MA is predominantly 1-bedroom units and occupancy is strongest by a slight margin in the studio unit types with an overall occupancy of 76.4% for studio units compared to an overall IL occupancy of 74.4%. Prior to Covid, the market area was at approximately 76% occupancy in 1Q2020. Excluding the community in fill-up still (Reserve at Red Run that opened in December 2022), the 3 competitors interviewed reported occupancies of 86% or higher for an average weighted occupancy of 91%. The average monthly IL rent is $2,064. The rental competitors interviewed IL rates range from $1,099 (doesn't include meals)-$3,550 for a one-bedroom to $1,545 (no meals included)-$3,950 for a two-bedroom.

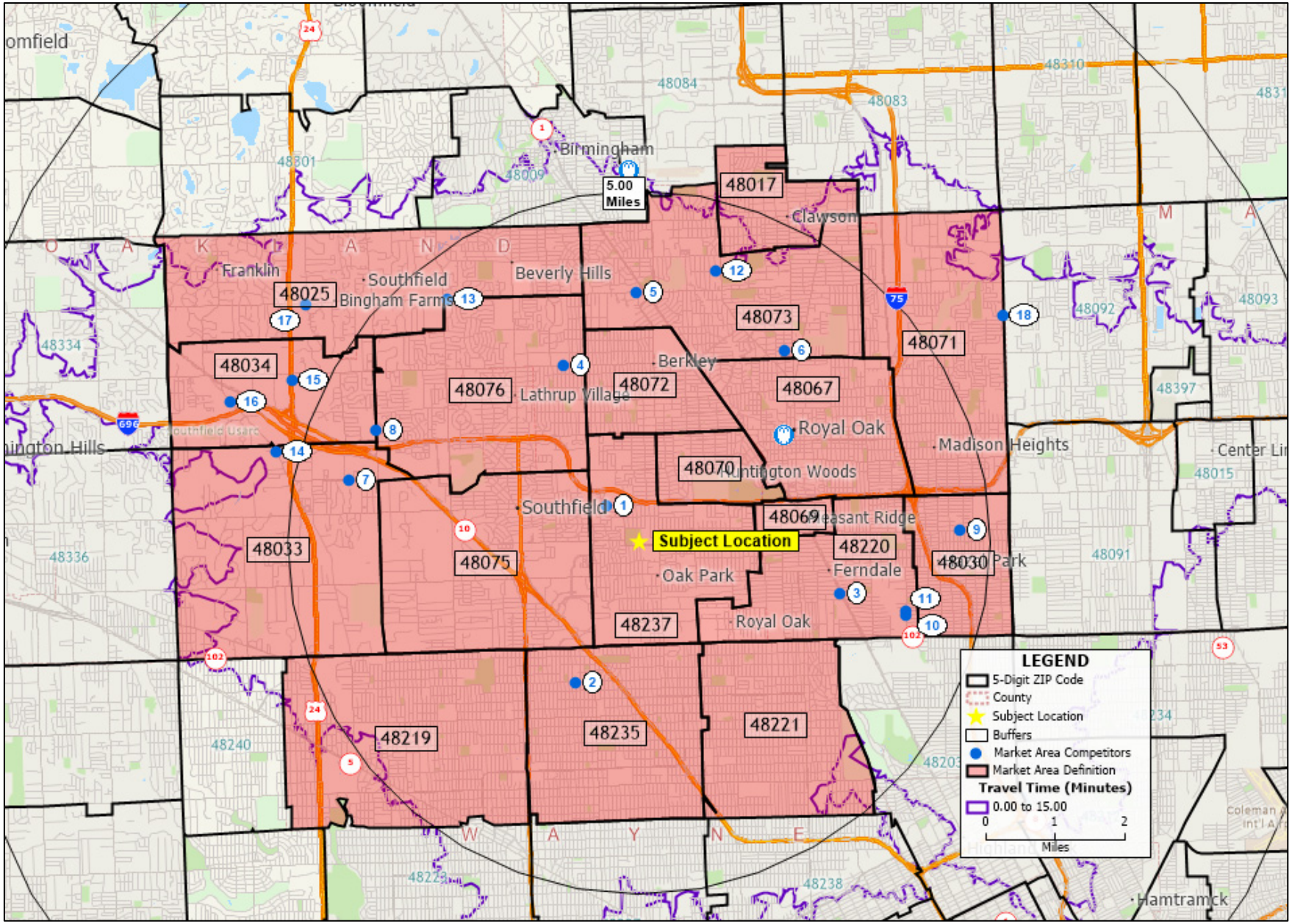
Assisted Living:

Assisted living in the MA is predominantly 1-bedroom units and occupancy appears to be slightly stronger in the studio unit types, with an average occupancy of 84.4% for those units compared to an overall occupancy of 84.1% for AL. The average monthly AL rent is $4,097. The competitors' interviewed AL rates range from $4,240-$4,995 for a studio to $5,495-$5,995 for a one-bedroom with occupancies for those AL units ranging from 85% to 93%.

Memory Care:

Memory care in the MA is almost entirely studio units with an overall occupancy of 87.3%. The average monthly MC rent is $6,127. 2 of the 3 AL communities interviewed also offer MC to their residents. Only one of the two competitors interviewed was willing to disclose their rate for MC – Jewish Senior Life offers their MC studio units (285 square feet in size) for $5,725 per month.

Map of Market Area Competitors



SECTION

Unit Potential & Penetration Rates

Independent Living

Market Analysis

Independent Living Overview

Independent Living (IL): Independent living is designed for seniors who pay for some services (for example, meals, housekeeping, transportation) as part of a monthly fee or rental rate, and who require little, if any, assistance with activities of daily living (State of Seniors Housing).

- Independent living facilities may be stand alone or part of a LifePlan or continuing care retirement community (CCRC). Continuing care retirement communities feature a combination of independent living units with assisted living (and/or Alzheimer's) beds, and/or nursing beds.
- Independent living senior communities are dependent on the local real estate market. To fund their move, often the senior will typically sell his or her current home to move into the retirement community.
- Competitive independent living facilities are defined as those facilities that offer services in addition to housing and charge market rate fees. Low income or subsidized housing, as well as housing that does not offer services (Active Adult Communities or AACs), are excluded from the competitive analysis.

The most common types of LifePlan or CCRC contracts are:

- **Extensive Care Contract (Type A)** - A resident typically pays an up-front fee and an on-going monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require assisted living or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living. Type A contracts are almost always associated with not-for-profit CCRCs and are called "extensive care contracts" by some. Although fees may increase over time, they are not to do so because care needs have changed.
- **Modified Contract (Type B)** - A resident typically pays an up-front fee and an on-going monthly service fee for the right to stay in an independent living unit and receive certain services and amenities. A modified contract obligates a CCRC to provide the appropriate level of assisted living or nursing care to residents who entered independent-living units (as in an extensive care contract), but only for a specified period of time at a specified rate that may or may not be tied directly to the independent living rate.
- **Fee-For-Service Contract (Type C)** - Requires an entrance fee but does not include any discounted health care or assisted-living services. Typically, current residents receive priority admission or guaranteed admission for these services, but residents who require assisted living or nursing care pay the regular per diem rate paid by those admitted from outside the CCRC.
- **Rental CCRC** - Residents pay no up-front entry fee at the time of occupancy of an independent living unit, and the resident pays the prevailing market rate for the level of care provided (State of Seniors Housing).

Independent Living Unit Potential Assumptions

Market Rate Independent Living Analysis Assumptions	
Year of Opening	2025 is the assumed opening year for a potential project and represents the first year in which a project will open.
Stabilized Occupancy Year	2027 is the assumed stabilized occupancy year and represents the first year in which a project will reach the desired occupancy point.
Age	75+ is the minimum age for the unit potential analysis. The demand for independent living is generally applied to households aged 75 and over. This calculation is conservative in the fact that it does not consider those prospective residents under the age of 75.
Households	The number of households is used as the base unit in estimating IL demand.
Income Level	Minimum household income level used for estimating the number of income-qualified households in the MA: $35,000 is assumed to be the minimum income of residents living in market rate independent living. This is the income threshold used to compare penetration rates to industry benchmarks. $45,000 is assumed to be the minimum income of residents living in market rate independent living. The average IL rate in the Oak Park Senior Living market area definition is $2,064/month, or $24,768 per year. It is assumed that 60% of IL residents' income is spent on independent living, this equates to a minimum required annual income to afford market rate IL in the Oak Park Senior Living market area of $41,280, rounded to $45,000 after adjusting for inflation. $45,000 is conservative in the fact that seniors with incomes below the minimum levels may have assets from homeownership and other investments they could use to afford IL. According to Claritas, 68% of households 75+ in the MA will own their own home in 2027. In addition, families can provide support to the seniors.
Penetration Rate (likely to Move)	Assume 0.5%-1% of the qualified population is likely to move to independent living, based on industry benchmarks.
Adjustment for MA Draw	Assume 75% MA draw. 70 - 90% is typical for IL product.
Adjustment for Occupancy	Assume a 95% stabilized occupancy rate.

Independent Living Unit Potential

All Contract Types

Market Rate Independent Living Unit Potential	Stabilized Occupancy Year $45,000+ 2027	Stabilized Occupancy Year $45,000+ 2027
	Penetration Rates	
	0.5%	1%
Estimated number of age- and income-qualified households (1)	10,663	10,663
Less existing inventory of Oak Park Senior Living IL units (2)	0	0
Less existing and planned inventory of competitive IL units (3)	860	860
Estimated net number of age- and income-qualified households	9,803	9,803
Estimated penetration rate (4)	0.5%	1.0%
Estimated IL demand	49	98
Adjusted for 95% occupancy	95%	95%
Percentage of project units to be filled from the MA	75%	75%
Calculated IL Unit Potential	**69**	**138**
Rounded Unit Potential	**70**	**140**

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income $45,000+ in 2027.
(2) Oak Park Senior Living has no existing units.
(3) There are no planned competitive units. Existing competitive units are adjusted for 95% occupancy.
(4) The estimated penetration rate (likely to move) of 0.5%-1% is applied.

Note:

The calculated unit potential ranges from 70 to 140 units.

Independent Living Unit Potential

Entrance Fee

Market Rate Independent Living Entrance Fee Unit Potential	Stabilized Occupancy Year 2027
Estimated number of age- and income-qualified households (1)	7,251
Less existing inventory of Oak Park Senior Living IL units (2)	-
Less existing and planned inventory of competitive IL units (3)	860
Estimated net number of age- and income-qualified households	6,391
Estimated penetration rate (4)	1.0%
Estimated IL demand	64
Adjusted for 95% occupancy	95%
Percentage of project units to be filled from the MA	75%
Calculated IL Unit Potential	**90**
Rounded Unit Potential	**90**

(1) Source: ClariReflects estimated number of households in the MA aged 75+ with minimum annual income $45,000+ in 2027 who also own a home.
(2) Oak Park Senior Living has no existing units.
(3) There are no planned competitive units. Existing units are adjusted for 95% occupancy.
(4) The estimated penetration rate (likely to move) of 1.0% is applied.

Note:

The calculated unit potential for entrance fee units is 90 units. This unit potential is a subset of the IL unit potential calculated on the previous page; the results are not additive.

Defining Penetration Rates

Penetration rates help measure the degree to which a market is either underserved or saturated. As penetration rates increase, units may become more difficult to fill. Penetration rates calculate the percentage of the qualified market that must be captured to achieve stabilized occupancy. The following slides calculate 3 independent living penetration rates:

1. **Project Penetration Rate:** The percentage of the qualified households the Project would need to capture in the year of opening.
2. **Net Market Penetration Rate:** The percentage of qualified households a Project, any other new projects, and existing vacant units would need to capture in the year of opening.
3. **Gross Market Penetration Rate:** The percentage of qualified households all the facilities in the MA would need to capture in the current year and stabilized year.

Relative to benchmarks, a low penetration rate indicates potential for increased supply in the market area. Relatively high penetration rates indicate little potential, or a surplus of inventory in the market area. However, higher penetration rates are not always indicative of saturated markets. It is important to consider penetration rates in combination with other indicators of market potential. A market area's attractiveness as a retirement destination, tendency to remain in the area for retirement, proximity to family, and other factors can affect the demand for senior living services. Additionally, quality, design, size, age, and attractiveness of the existing supply in the market area as well as occupancy of existing supply are other factors to consider in conjunction with penetration rates.

For purposes of this analysis, a 140-unit project will be tested in the subsequent penetration rates.

Independent Living Penetration Rates

Project Penetration Rate

Market Rate Independent Living Project Penetration Rate	
	Age 75+ and Income $45,000+
	Year of Opening 2025
Proposed project units	140
Adjusted for 95% occupancy	133
Percentage of project units to be filled from the MA	75%
Number of planned project units to be filled from MA (a)	100
Estimated number of age- and income-qualified households (1)	10,234
Less existing and planned inventory of competitive IL units (2)	860
Net age- and income-qualified households (b)	9,374
Project Penetration Rate (a/b)	**1.1%**
Industry benchmark of acceptable upper-range PP Rate	***5.0%***

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income $45,000.
(2) Includes existing IL units at 95.0% occupancy, there are no known planned competitive units.

Note:

The project penetration rate indicates the percentage of qualified households the project would need to capture in the year of opening to achieve stabilized occupancy. Typically, project penetration rates at or below 5% are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 140-unit project.

Independent Living Penetration Rates

Net Market Penetration Rate

Market Rate Independent Living Net Market Penetration Rate	
	Age 75+ and Income $35,000+
	Year of Opening 2025
Planned independent living units:	
Proposed project units (1)	100
Competitive planned independent living units (2)	-
Total planned independent-living units	100
Total existing independent living units available due to turnover (3)	251
Total independent living units to be occupied from the MA (a)	351
Estimated number of age- and income-qualified households (4)	12,633
Less existing independent living units (5)	860
Estimated net number of age- and income-qualified households (b)	11,773
Net market penetration rate (a/b)	**3.0%**
Industry benchmark of acceptable upper-range NMP Rate	***10%***

(1) Proposed project units adjusted for 95% occupancy and 75% MA draw.

(2) There are no known planned competitive units.

(3) Existing occupied units x 39.0% turnover and adjusted for MA draw. The turnover statistic of 39.0% represents median IL units and was obtained from State of Senior Housing.

(4) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes $35,000+ in 2025.

(5) Includes existing competitive IL units at 95% occupancy.

Note:

The net market penetration rate indicates the percentage of qualified households a project, other planned units, and existing vacant units would need to capture in the year of opening to achieve stabilized occupancy. Typically, net market penetration rates at or below 10% are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 140-unit project.

Independent Living Penetration Rates

Gross Market Penetration Rate

Market Rate Independent Living Gross Market Penetration	Age 75+ and Income $35,000+		Age 75+ and Income $45,000+	
	Current Year 2023	Stabilized Occupancy Year 2027	Current Year 2023	Stabilized Occupancy Year 2027
Market inventory of competitive independent living units:				
Existing Oak Park Senior Living IL Units (1)	-	-	-	-
Competitive existing IL units (2)	673	860	673	860
Proposed project units (3)	-	100	-	100
Competitive planned IL units (4)	-	-	-	-
Total independent living units in the MA (a)	673	960	673	960
Estimated number of age- and income-qualified households (5) (b)	12,207	13,059	9,806	10,663
Gross Market Penetration Rate (a/b)	**5.5%**	**7.4%**	**6.9%**	**9.0%**
Gross Market Penetration Rate Assuming Pre-Covid Occupancy	***5.6%***		***7.0%***	
Industry benchmark of acceptable upper-range GMP Rate	***15%***			

(1) Oak Park Senior Living has no existing market rate IL units.
(2) Existing competitive units in the MA are adjusted for 74% occupancy in the current year, and 95% occupancy in 2027.
(3) Proposed project units adjusted for 95% occupancy and 75% MA draw.
(4) There are no known planned competitive units.
(5) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes of $35,000+ and $45,000+ in 2023 and 2027.

Note:

The gross market penetration rate indicates the percentage of qualified households all the facilities in the MA would need to capture in the current year and year of stabilized occupancy to achieve stabilized occupancy. Typically, gross market penetration rates at or below 15% at the baseline income screen ($35,000) are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 140-unit project under both income thresholds. It is projected to increase under both income screens with the assumed improvement in occupancy at existing competitors and the addition of new project units.

Assisted Living & Memory Care

Market Analysis

Assisted Living & Memory Care Overview

Assisted Living (AL): Assisted Living is the long-term care option designed for frail seniors who need assistance with activities of daily living, but do not require continuous skilled nursing care. Assisted living is offered in a variety of settings including freestanding communities, assisted living combined with independent living or nursing, or as part of a continuing care retirement community. The definition of assisted living units range from apartment style housing that looks and feels like an independent living setting with enhanced service options to skilled nursing rooms that have been converted to assisted living units and may appear differentiated from other skilled rooms only by their location in the facility or by their licensure.

Assisted living is licensed by state regulators and regulations vary state by state. In Michigan, The Department of Licensing and Regulatory Affairs provides licensing and regulation of homes for the aged (HFA) and adult foster care (AFC). In general, an HFA provides care to persons who are over the age of 60, while an AFC home can provide care to any adult in need of AFC service. All licensed settings must comply with minimum standards (statutes and administrative rules) that establish an acceptable level of care. The term assisted living is used, but it is not recognized in the rules.

Senate Bill 378 was passed into law in 2017, it modifies the portion of the Public Health Code related to Homes for the Aged. This bill makes several changes, including more clearly defining when a Home for the Aged license is required with a sunset date after which all new assisted living communities would be required to be licensed (November 2019). The bill also lowers the minimum age for residents to 55 or older.

Many qualitative factors affect the demand for assisted living and memory care services, including:

1. Informal support networks and/or family caregiving affect the need for assisted living services.
2. Geographic areas differ widely in their offering of home and community-based services that can and may affect the rate at which persons enter an AL setting. The services can include access to homemakers' services, home delivered meals, and social services offered by community agencies or home healthcare agencies.
3. The degree to which the economy, the housing market, and employment have affected adult children of otherwise age/income eligible older adults may result in the sharing of a home and therefore assistance is provided to the parent by an available family member. Alternatively, these economic factors could result in decreased financial support of the seniors by their adult children.
4. Seniors often choose to relocate and utilize senior living near their adult children.

Assisted Living & Memory Care Unit Potential Assumptions

Market Rate Assisted Living & Memory Care Analysis Assumptions	
Age Qualification	75+ is the household range. The demand for assisted living is generally applied to households aged 75 and over.
One-person Households	87.5% of AL residents are unmarried according to the Overview of Assisted Living. Therefore, this calculation applies a screen to calculate the one-person households based on data reported by the US Census for Oakland County. The number of one-person households aged 75+ is adjusted up by adding a 10% factor to account for couples that may move into assisted living.
Disability	AL facilities serve individuals who need assistance with activities of daily living (ADLs) and instrumental activities of daily living (IADLS). Individuals above the age of 75 and that experience difficulty with concentrating or making decisions, walking, climbing stairs, dressing, or bathing due to physical, mental or emotional problems or that are blind or deaf are assumed to need assistance with IADLs or ADLs. Source: Americans with Disabilities and Survey of Income and Program Participation Dataset (2021)
Age, One-person, and Disabled Households	Represents the number of age, one-person, and disabled households in the MA.
Income Screen	$35,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living. This is the income threshold used to compare penetration rates to industry benchmarks. $63,000 is defined as the second minimum income threshold for a resident to qualify for market rate assisted living. This is based on Oak Park Senior Living market area average AL rate of $4,097/month (or $49,164/year), an adjustment for 2 years of inflation, and the assumption that 85% of income is spent on AL. Based on the income-only screen, 32% of households in the MA qualify for AL in 2027. $92,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living memory care. This is based on Oak Park Senior Living market area average MC rate of $5,996/month (or $71,952/year), an adjustment for 2 years of inflation, and the assumption that 85% of income is spent on MC. Based on the income-only screen, 18% of households in the MA qualify for MC in 2027.
Income + Asset Screen	In addition to the income screen in Step E above, homeowners with annual household income between $25,000 and the income screens are considered eligible to afford the AL market rate. The Overview of Assisted Living report states the median annual income of assisted living residents is ~$19,000. Claritas estimates of the 2023 median home values within the MA suggest there will be equity available for some of the age 75+ market in additional household income. $208,002 is the median home value in 2023. 68% of households over the age of 75 own a home in the MA resulting in an additional 25% of qualified seniors for the market rate AL product and an additional 34% of qualified seniors for the market rate MC in 2027.
Qualified Households	Represents the number of qualified households in the MA.
Competitive Adjustment	Existing competitive facilities identified in the MA are represented at 95% occupancy. Planned units are adjusted for 95% occupancy and 75% market area draw.
Likely to Move	Assume 3% - 5% of the qualified population is likely to move to assisted living, based on industry benchmarks.
Adjustment for MA Draw	Assumed 75% for the adjustment for the MA draw. This represents the percentage of units filled from the MA.
Adjustment for Occupancy	Assume 95% for the adjustment for the MA stabilized occupancy.

Assisted Living & Memory Care Unit Potential

Assisted Living & Memory Care Unit Potential				
Estimation of AL & MC Age, One-person, Disabled Households			**2027**	
Age Qualified Households (A)	75 - 79		10,266	
	80+		13,508	
			23,774	
One-person Households (B)	75 - 79	63%	6,468	
	80+	63%	8,510	
			14,978	
Disability Qualification (C)	75 - 79		51.8%	
	80+		67.2%	
Age, One-person, Moderately Disabled	75 - 79		3,352	
Households (D = B x C)	80+		5,720	
Total Pool of Assisted Living and Memory Care Households			9,072	
			Assisted Living	**Memory Care**
Estimation of Households by Care Level (see MC calc on MC table)			6,136	2,936
Income and Assets Qualification				
			Assisted Living	**Memory Care**
			Income Screen: $63,000+	Income Screen: $92,000+
% of HH earning $63,000 for AL and $92,000 for MC			32%	18%
% of Owner-Occupied HH earning $25,000 up to income threshold (defined above)			25%	34%
Based on Income (E = D x %)			1,964	526
Based on Income + Homeowner (F = D x %)			1,534	1,002
Total Age, One-person HH, Disabled, and Income Qualified (G)			3,498	1,528
Less: Competitive Adjustments at occupancy (H)			499	212
Net Qualified Households			**2,999**	**1,316**
Unit Potential			**5%**	**5%**
Net Qualified Households Income			2,999	1,316
Likely to Move (I)	3.0% - 5.0%		150	66
Adjusted for MA Draw (J)	75%		200	88
Adjusted for Occupancy (K)	95%		211	93
Unit Potential			**211**	**93**
Rounded Unit Potential			**210**	**90**

Note:

The results show potential for up to:

- 210 AL units
- 90 MC units

Memory Care (only) Estimation of Qualified Households

Assumptions

To calculate the memory care qualified households, a memory impairment screen is applied instead of a disability screen.

Memory Care Unit Potential				
			2023	2027
Age Qualified Households (A)	75 - 84		16,204	16,755
	85+		7,051	7,018
			23,255	23,773
One-person Households (B)	75 - 84	63%	10,209	10,556
	85+	63%	4,442	4,421
			14,651	14,977
Memory Care Qualification (C)	75 - 84		13.4%	13.4%
	85+		34.4%	34.4%
Age, One-person, Moderately Disabled Households (D = B x C)	75 - 84		1,368	1,415
	85+		1,528	1,521
			2,896	2,936

Assisted Living & Memory Care Project Penetration Rates

Project Penetration Rate

Project penetration is the percentage of age, income, and health need-qualified households in the market area that the project would need to capture in the year of opening. 2025 is the assumed year of opening. The number of 2025 qualified households are interpolated from the qualified households calculated on the previous page.

The following penetration rate calculations test a 210-unit AL project and a 90-unit MC project.

Market Rate Assisted Living & Memory Care Project Penetration

	Assisted Living	Memory Care
Income Screen:	$63,000+	$92,000+
Year of Opening:	2025	2025
Number of proposed project units	210	90
Adjusted for 95% occupancy (project stabilized occupancy)	200	86
Percentage of project units to be filled from the MA	75%	75%
Number of planned project units to be filled from MA (a)	150	65
Estimated number of age-, need- and income-qualified households (1)	3,441	1,497
Less existing and planned inventory of competitive AL units (2)	499	212
Estimated net number of age-, need- and income-qualified households (b)	2,942	1,285
Project Penetration Rate (a/b)	**5.1%**	**5.1%**
Industry Benchmark of Acceptable Upper Range	**10.0%**	

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income $63,000+ for AL and $92,000+ for MC in 2025.
(2) Existing units adjusted for 95% occupancy.

Note:

The calculated project penetration rates fall below the benchmark range for the project units tested which is a favorable indicator of market potential.

Assisted Living & Memory Care Gross Market Penetration Rates

Gross Market Penetration Rate – Combined AL & MC

Gross market penetration is the percentage of age, income, and health need-qualified households in the market area that the total market would need to absorb for the competitive properties in the entire market to achieve stabilized occupancy. The number of qualified households are calculated in the previous tables.

Market Rate Assisted Living & Memory Care GMP	$35,000+		$63,000+	
	2023	2027	2023	2027
Market inventory of competitive assisted living units:				
Existing Oak Park Senior Living AL & MC Units (1)	-	-	-	-
Competitive existing AL & MC units (2)	637	711	637	711
Assumed project units (3)	-	214	-	214
Planned projects (4)	-	-	-	-
Total assisted living units in the MA (a)	637	925	637	925
Number of qualified households (b) (Unit Potential Table)	5,509	5,806	4,887	5,171
Gross Market Penetration Rate (a/b)	**12%**	**16%**	**13%**	**18%**
Pre-Covid Gross Market Penetration Rate	**11%**		**12%**	
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) There are no existing AL or MC units at Oak Park Senior Living
(2) Existing competitive units in the MA are adjusted for 85% occupancy in the current year, and 95% occupancy in 2027.
(3) Oak Park Senior Living planned project units at 95% occupancy and 75% MA draw.
(4) No planned AL projects.

Note:

The calculated gross market penetration rate falls well below the benchmark range which is a favorable indicator of market potential. It is projected to increase with the addition of new project units and the assumed improvement in occupancy of existing product to 95%. The 2027 gross market penetration rate is projected to be above the pre-Covid gross market penetration rates at both income screens. **This indicates the market is at a higher level of saturation than it was at pre-Covid, however the average occupancies for AL and MC are both above where they were pre-Covid indicating this market can support higher penetration rates for AL and MC than what it has experienced historically.**

Assisted Living & Memory Care Project Penetration Rates

Gross Market Penetration Rate

Gross market penetration is the percentage of age, income, and health need-qualified households in the market area that the total market would need to absorb for the competitive properties in the entire market to achieve stabilized occupancy. The number of qualified households are calculated in the previous tables.

Market Rate Assisted Living GMP

	$35,000+		$63,000+	
	2023	2027	2023	2027
Market inventory of competitive assisted living units:				
Existing Oak Park Senior Living AL & MC Units (1)	-	-	-	-
Competitive existing AL & MC units (2)	442	499	442	499
Assumed project units (3)	-	150	-	150
Planned projects (4)	-	-	-	-
Total assisted living units in the MA (a)	442	649	442	649
Number of qualified households (b) (Unit Potential Table)	3,713	3,927	3,429	3,643
Gross Market Penetration Rate (a/b)	**12%**	**17%**	**13%**	**18%**
Pre-Covid Gross Market Penetration Rate	**11%**		**12%**	
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) There are no existing AL or MC units at Oak Park Senior Living
(2) Existing competitive units in the MA are adjusted for 84% occupancy in the current year, and 95% occupancy in 2027.
(3) Oak Park Senior Living planned project units at 95% occupancy and 75% MA draw.
(4) No planned AL projects.

Market Rate AL Memory Care GMP

	$35,000+		$92,000+	
	2023	2027	2023	2027
Market inventory of competitive AL Memory Care units:				
Existing Oak Park Senior Living AL Memory Care Units (1)	-	-	-	-
Competitive existing AL Memory Care units (2)	195	212	195	212
Assumed project units (3)	-	65	-	65
Planned projects (4)	-	-	-	-
Total AL Memory Care units in the MA (a)	195	277	195	277
Number of qualified households (b) (Unit Potential Table)	1,796	1,879	1,458	1,528
Gross Market Penetration Rate (a/b)	**11%**	**15%**	**13%**	**18%**
Pre-Covid Gross Market Penetration Rate	**10%**		**12%**	
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) There are no existing MC units at Oak Park Senior Living
(2) Existing competitive units in the MA are adjusted for 87% occupancy in the current year, and 95% occupancy in 2027.
(3) Oak Park Senior Living planned project units at 95% occupancy and 75% MA draw.
(4) No planned MC projects.

Note:

The calculated gross market penetration rates falls below the benchmark range in the current year and future year under the first income threshold for both AL and MC when analyzed separately, which is a favorable indicator of market potential.

For both segments, it is projected to increase with the addition of new project units and the assumed improvement in occupancy of existing product to 95%. The 2023 gross market penetration rates are slightly above their pre-Covid levels and therefore are expected to exceed them by an even larger margin by 2027.

APPENDIX

Select Competition Surveyed

Select Competition Surveyed

Independent Living Providers

	Competitive Independent Living Facilities in the Market Area				Non-Competitive Communities in the Market Area	
	The James Ferndale	**Holiday Sterling Place**	**Park at Franklin**	**The Reserve at Red Run**	**Village of Royal Oak**	**Park at Trowbridge**
Address	22111 Woodward Ave	22800 Civic Center Dr.	28301 Franklin Rd	30031 Dequindre Rd	3442 Devon Rd	24111 Civic Center Dr
City/State/Zip Code	Ferndale, MI 48220	Southfield, MI 48033	Southfield, MI 48034	Madison Hts, MI 48071	Royal Oak, MI 48073	Southfield, MI 48033
Driving Distance (miles) from Site	3.5	4.8	7.0	8.3	5.3	5.9
Facility Type	IL (+ Enh w/HH)	IL	IL/AL/MC	IL/Enh	IL (Income-Based Affordable)	AA
Owner/Sponsor	Maplegrove Property Mgt	Atria	Assoc. Mgmt Co.	Parallel Mgmt	MHT	
For Profit/Not For Profit	FP	FP	FP	FP	*	*
Contract Type	Rental	Rental	Rental	Rental	Rental	Rental
Year Built	2019	1986	1977	December of 2022	*	1988 (recently renovated)
Unit Configuration:						
Independent Living						
Studio Apartments	17	4	1	-	-	
One-Bedroom Apartments	50	127	158	*	55	*
Two-Bedroom Apartments	37	26	32	*	55	*
Homes/Cottages	-	-	-	-	37	*
Independent Living Units	**104**	**157**	**191**	**133**	**147**	**315 (Active Adult)**
Less IL w/Services	**40**	**60****	**	**-**	*	**-**
Total Independent Living Units	**64**	**97**	**191**	**133**	**147**	**0**
Assisted Living - Traditional	40	0	115	0	0	0
Assisted Living - Memory care	0	0	18	0	0	0
Nursing Home	0	0	0	0	0	0
Total Campus	**104**	**97**	**324**	**133**	**147**	**315**
Unit Size (Square Feet):						
Studio Apartments	460-675	480	178-262	-	-	
One-Bedroom Apartments	528-847	480-580	550	700	625	575-607
Two-Bedroom Apartments	746-1,055	800	850-1,100	860-930	825-875	740-1,050
Homes/Cottages	-	-	-	-	1,039	
Entrance Fee:	CF: $1,500	CF: 1 Month's Rent		CF: $1,500		
Studio Apartments	-	-	-	-	-	-
One-Bedroom Apartments	-	-	-	-	-	-
Two-Bedroom Apartments	-	-	-	-	-	-
Homes/Cottages	-	-	-	-	-	-
% Refundable	-	-	-	-	-	-
Monthly Service Fee:					**Market Rate shown**	
Studio Apartments	$1,900-$2,555	$1,469	$1,045	-	-	
One-Bedroom Apartments	$2,375-$3,511	$1,359-$1,450	$1,099-$1,345	$3,250-$3,550	$1,233	$1,295-$1,300
Two-Bedroom Apartments	$2,290-$3,865	$1,569-$1,700	$1,545-$1,745	$3,800-$3,950	$1,562-$1,620	$1,500-$1,700
Homes/Cottages	-	-	-	-	$1,798	-
IL Second Person Fee	$500	$699	-	$500	-	-
Included in Monthly IL Fee:						
Meals	3	3	-	3	Con't bft	*
Housekeeping	✓	✓	-	✓	-	*
Linen	✓	✓	-	✓	-	*
Transportation	✓	✓	*	✓	-	*
Basic Utilities	✓	✓	✓	✓	-	*
Activities & Wellness programs	✓	✓	✓	✓	✓	*
Real Estate Taxes	✓	✓	✓	✓	✓	*
Offering Concessions:			Waive CF and one month rent free	$250 off for VA for life; $250/mo UAW for 1 year and 1st responders 1 year		
Occupancy:						
Independent Living	98%	Est 92%	86%	50% in fill-up	100% w/wait	*
Assisted Living - Traditional	98%		93%	-	-	*
Assisted Living - Memory care	-		88%	-	-	*
Nursing Home	-		-	-	-	*

Sources: NIC MAP Vision® Data Service 1Q2023, telephone interviews conducted in August-September 2023, Management, internet sources.
**Declined interview/declined to provide detailed information. **See more detail in the Competition Notes in the following slide.*

Competition Note

The James Ferndale

The James Ferndale offers enhanced independent living care with Homestead for home health care needs. Homestead accepts the MCD Waiver. This location is under new management, Parallel Management group, as of Feb of 2022. Rates shown on web have increased roughly $200/month; the increase was calculated and shown in the table. Community has visiting physicians, therapy on-site and representative reports 40 residents received services; therefore, PMLF reduced independent living units by 40. Note: Sister Parallel Management senior living community, The Reserve at Red Run, is another independent living provider who was interviewed and within this market area.

Holiday Sterling Place

Holiday Sterling Place residents have monthly ranges based on their location and view within the community. Residents can take advantage of green spaces with walking paths, water features, patios, and more. Community offers bistro, lounge area, resident kitchen and private dining room, various activity rooms, business center, fireplace, and covered parking. Apartments range from studio to one- or two-bedroom, with kitchenettes, walk-in tub, and all-inclusive rates, with 3rd party home health care services available to age in place.

**Holiday Sterling Place residents can have services brought into their IL units; however, management was not able to disclose how many residents utilize this option. PMLF assumes that Holiday Sterling Place residents will utilize extra services in their IL unit at the same rate as residents at The James Ferndale Community do and is reflected in the units shown.

Park at Franklin

Park at Franklin offers independent living, assisted living and memory care services through a partnership with Great Lakes Wellness for home health and personal care services. Park at Franklin offers some floors for assisted living and a dedicated memory care wing; however, most services can be brought to independent living apartments for aging in place. Rates shown do not include any meals, housekeeping, or laundry/linen services. These services are optional and can be provided ala carte. Representative reports all apartment pricing is the same base monthly rate for the unit, with the added optional cost for care or services provided by home health. Great Lakes Wellness is on-site and offers 3 levels of care services and a package for memory care residents. These packages include some services such as medication management, shower assistance, and meal delivery, so rates shown do not include housekeeping, laundry/linen and the cost for the meals. Current promotion is the community fee is waived.

**Park at Franklin did not disclose how many of their IL residents receive additional services in their unit, however because they have AL units within the community it is assumed that residents with AL needs will move into those AL units.

Competition Notes

Reserve at Red Run

The Reserve at Red Run is a senior residential community, designed for both active, independent seniors, and those who require supportive care services. The Reserve at Red Run offers one- and two-bedroom apartments with full kitchens and optional balcony and/or patio unit. The larger two-bedroom units have washer/dryer in-unit. Community offers a variety of amenities to include a café, art studio, year-round educational classes, along with social programming for a lively community atmosphere. A 3rd party home health care provider is on-site.

Non-Competitive:

Village of Royal Oak (Affordable)

The Village of Royal Oak, is a 3-story building with independent living for residents aged 55+. This location offers a variety of floor plans featuring many conveniences and amenities. The Village of Royal Oak is close to shopping, dining and two senior centers that offer education, fitness, nutrition and leisure activities. This is an income-based affordable community with a 2-3 year waitlist (now closed), and cottages have a 5-7 year waitlist PMLF rates shown are market rate.

Park at Trowbridge (No Services)

This community is an age-restricted active adult building that does not offer a meal program and therefore is considered noncompetitive.

Select Competition Surveyed

Assisted Living & Memory Care Providers

Competitive Assisted Living & Memory Care Facilities in the Market Area			
	Jewish Senior Life	**Waltonwood Royal Oak**	**Park at Franklin**
Zip Code	48237	48073	48034
Driving Distance (miles) from Site	1.1	4.4	7.0
Year Open	*	1999	1977
For Profit/Not For Profit	*	FP	FP
Owner/Sponsor	*	Singh	*
A - # of AL Units	**22**	**81**	**115**
Semi-Private	-	-	-
Studio	22	53	4
One Bedroom	-	28	105
Two Bedroom	-	-	6
B - # of MC Units	**12**	**0**	**18**
Semi-Private	-	-	-
Studio	12	-	18
One Bedroom	-	-	-
C - # of MCD Units	8 *(Up to 14, but only 8 currently)*	0	*
A+B-C = Total Competitive Units	**26**	**81**	**133**
AL Occupancy Percent	90%	85%	93%
MC Occupancy Percent	91%	-	88%
Community Fee	N/A	$1,500	
AL Square Feet			
Semi-Private	-	-	-
Studio	243-420	340-416	178-262
One Bedroom	-	402-529	550
Two Bedroom	-	-	850-1,100
AL Base Monthly Fees:			
Semi-Private	-	-	
Studio	$4,240	$4,995	*
One Bedroom	-	$5,495-$5,995	*
Two Bedroom	-	-	*
2nd Person Fee	$3,725	*	*
AL Level of Care Fees	A la carte for high care needs	5 add'l 'LOC ($495-$3,595) + Med Mgmt $350-$650	3 LOC ($550-1,850) + services + meals
MC Square Feet	-	-	-
Semi-Private	-	-	-
Studio	285	-	178-262
One Bedroom	-	-	-
MC Base Monthly Fee			
Semi-Private	-	-	-
Studio	$5,725	-	*
One Bedroom	-	-	-
MC Level of Care Fees	Add'l $525 for high care needs	-	$2,600 + meals

Sources: NIC MAP Vision® Data Service 1Q2023, telephone interviews conducted in August-September 2023, Management, internet sources.
**Declined interview/declined to provide detailed information.*

Competition Notes

Jewish Senior Life

Jewish Senior Life offers assisted living and memory care services at Margot and Warren Coville Assisted Living community and are licensed as Adult Foster Care. Coville Assisted Living is located on specific floors within Prentis apartments on the A. Alfred Taubman Jewish community campus in Oak Park. Residences all have private rooms with full bathrooms. A second person can be in the larger assisted living apartments and only pay for the cost for care which is $3,725. In total, there are 14 HUD subsidized rooms but only 8 are being used at this time. JSL welcomes all faiths and also offers kosher dining.

Waltonwood Royal Oak

Waltonwood Royal Oak is a licensed assisted living facility that can accept memory care residents, but does not have a dedicated wing; therefore, PMLF categorizes all units as assisted living. Assisted living monthly rates have up to 5 additional care levels along with medication management fees. This Waltonwood has 6 sister communities within the state of Michigan and the Royal Oak location is across the street from Beaumont Hospital. Waltonwood is staffed 24/7.

Thank You

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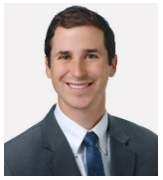

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