

The Boom in Active Adult Development in Virginia

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I. INTRODUCTION

Senior Consulting, LLC (SC) is a New Jersey-based national consulting firm with over 20 years of experience in development, operations and feasibility analyses of senior living facilities. SC works with builders and organizations, both for-profit and non-profit, that wish to take advantage of the opportunity being created by changing demographics in the senior living market, more specifically the aging of the Baby Boomer generation. SC offers a variety of essential development and management services, including conducting feasibility studies and establishing project-specific teams of professionals in construction, architecture, marketing, facilities management, debt financing, and equity placement.

Senior Consulting, LLC is led by Timothy Cassidy. Tim's business entities owned, operated, and managed long-term and senior living facilities from 1986 to 2002, and has also served as co-developers or primary consultants to both non-profits and for-profits for over 20 years. His business affiliates are adept at producing marketing analyses of various types of senior living facilities, including assisted living (AL), continuing care retirement communities (CCRCs), and independent living (IL). Tim is also the co-founder of Senior Living Management, LLC, (SLM) a senior living management and consulting firm that provides enrichment-focused services to AL facilities, residents, family members and staff around the country.

In 2012, Tim partnered with Benjamin Pearce in organizing SLM in order to offer expanded and integrated assisted living and memory care services and expertise to clients. Ben has over three decades of experience in residential facilities and skilled nursing homes in more than 124 communities in 23 states. His book, *Senior Living Communities: Operations Management and Marketing for Assisted Living, Congregate and Continuing Care Retirement* was first published by Johns Hopkins University Press in 1998; in 2007, a second edition was released. The book is now the go-to handbook for effective senior residential facilities and has been converted into an online classroom for the certification of administrators in several states. Ben's publications can be found in all the top senior housing trade journals. He has also been an adjunct professor at John Hopkins. He was awarded the Contemporary Long Term Care Order of Excellence Award on three separate occasions.

We believe that there is a place for senior living adjoining active adult communities and that projects that address the continuum of care best address needs of seniors of all ages should be the norm, not the all too often exception to the rule.

II. DEFINITIONS

The senior living market is comprised of housing choices which facilitate lifestyles ranging from entirely independent to highly restricted based on the level of care or freedom desired. There are three categories of senior living options: senior living, senior housing, and Active Adult or over-55 age-restricted communities. These options offer a wide array of housing types, services, and payment options. Communities usually operate on one of two models: the age-restricted community, which limits residency to those 55 years of age and older, and the age-targeted community, which is open to all ages but targets those in the 55+ age group.

Senior living is a blanket term that includes several age-restricted living options: independent living (IL), assisted living (AL), memory care (MC), and skilled nursing. The average age of a senior living resident can vary from 75 to over 85, depending on which living option is being described; IL residents tend to be an average of 10 years younger than other types of residents. All three types of facilities provide rooms or apartment-style units, either private or shared, along with meals, housekeeping services, transportation for a small fee or at no cost, and a wide variety of activities.

Senior housing refers to a more independent age-restricted lifestyle option for low- to moderate-income seniors, with an average age of 65 to 67. While senior housing facilities offer apartment-style units as well, there are little to no services supplied to residents. Typically, no meals, housekeeping, or transportation services are offered, and while some facilities may still provide activities, the number of activities is usually minimal. Senior housing units are usually located in a multi-story building and have senior-friendly features like levered doorknobs, grab bars, and railings.

Finally, Active Adult and over-55 retirement communities refer to planned communities which cater to more independent seniors in a younger age demographic, with the average age of an active adult resident ranging between 63-65 and that of an over-55 resident ranging between 65 and 67. Typically, these communities consist of multi-story apartment buildings or single-story homes spread out upon a large number of acres, with an extensive number of amenities such as clubhouses and pools. These communities vary in size and scope, and can operate on either an age-restricted or an age-targeted model.

These terms and definitions can sometimes be confusing to both senior living developers and buyers. In fact, the term “senior living” is often interpreted as referring to the entire retirement/senior community market, when in fact the industry itself and most of its operators consider “senior living” to refer only to the description of senior living described above.

OVER-55/ACTIVE ADULT COMMUNITIES

Active adult communities offer the most freedom to seniors seeking to enter retirement or scale down. Ranging from luxury gated communities with a wide array of the latest amenities to more modest communities with a fair selection of amenities, Active adult communities refer to age-restricted planned communities for active and independent seniors, typically over the age of 55 but sometimes with a minimum age of as high as 62. Seniors living in active adult communities typically require little to no care, whether medical, ADL-based, or lifestyle-based. The average age of an active adult community resident is significantly lower than that of the other lifestyle choices, ranging from between 63 and 65 years of age.

Active adult communities typically need only a local business permit to operate. As planned communities, active adult communities typically consist of either multi-story apartment buildings or single-family homes, whether villas, cottages, townhomes, or other types of homes. They are typically spread out upon large swathes of land, sometimes hundreds of acres' worth. Many active adult communities offer as major selling points a campus with a significant amount of empty green space or beautiful natural landmarks, such as lake or riverfront views. They typically offer a considerable number of amenities, from massive clubhouses with fitness centers and pools to fine dining establishments and sports bars to tennis courts and full-service spas. Some communities offer major amenities such as championship golf courses or vineyard/wineries.

Active adult communities may include for-sale or rental communities. They are usually paid for through private-pay. Typically, communities which are approved as age-restricted, such as active adult communities, are viewed more positively by town officials, as there is an assured lack of impact on school districts. Even in communities which are not age-restricted, developers often target empty-nesters or seniors in a similar age bracket of 63-65 years of age with grown children. For example, Spring Creek-The Estates, a golf-course community in Zion Crossroads, VA, 20 minutes outside of Charlottesville (<http://www.ryanhomes.com/find-your-home/our-communities/virginia/zion-crossroads/spring-creek--the-estates>), is an age-targeted community, with the average resident typically in their late 50's and using their Spring Creek home as a second residence.

The larger the active adult community, the more amenities and services it is likely to have. Depending on which region of the U.S. the active adult community is located in, it may reach the size of a mega-community having multiple thousands of units. This is particularly the case in warm southern climates. Generally, the further south one travels, the larger the active adult communities become. Active adult communities are particularly attractive to the burgeoning baby boomer population, and appeal to many boomers in cold-climate states looking to retire in warmer-climate destinations from Virginia to Florida, and at many points in between.

As an example, one prominent community, Sun City Hilton Head in Bluffton, South Carolina, which is operated by the senior living developer Del Webb, has over 100 community clubs and organizations, three 18-hole championship golf courses, three fitness centers, and a lifestyle director. Sun City attracts retirees from throughout the eastern U.S. and has over 9,500 homes. In Virginia, Del Webb has developed an active adult community called Celebrate, located in

Fredericksburg. With 1,100 homes, Celebrate offers single-family homes and ranch villas and a 30,800-sq-ft clubhouse with pools, courts, a fitness center, a ballroom and library, and rec rooms.

This report is limited to active adult communities, with a small section devoted to CCRCs as Appendix A. Additionally, there is a section on the influence higher education has on the senior housing market as Appendix B.

III.

GROWTH & TRENDS IN ACTIVE ADULT AND AGE RESTRICTED COMMUNITIES

Active adult and age restricted communities weathered the housing slump of 2007-2011. The median value of age-qualified active adult homes only decreased by 6% during the housing downturn, which was lower than non-restricted communities, (“AARP Presents Trends in 55 Senior Living Communities.” Coldstream Crossing. January 18, 2013. Accessed April 19, 2014 from: <http://coldstreamcrossing.com/blog/aarp-presents-trends-in-55-senior-living-communities/>). These types of housing communities are booming in their own right, maintaining as in demand niche segments of the growing senior housing industry.

THE THRIVING ACTIVE ADULT COMMUNITIES MARKET

According to the May 2013 *Forbes* article, “Playing The Boom In Active Adult Communities,” 5% of retiring baby boomers move to active adult communities. Comparatively, the rate of persons living in adult age-restricted communities was at 2% of all U.S. households in 2001, (Donald Bernstein, Marshall Ottenfel and Carl Witte. *Journal of Management and Marketing Research*. September 2011, Vol. 8. Page 2. Accessed April 25, 2014 from: <http://www.aabri.com/manuscripts/11870.pdf>). Though active adult and age restricted communities comprise a minority share of the market, the rarity, yet steady rise in demand for these types of communities presents a significant opportunity for developers and parties looking to invest in these sectors. The *Forbes* article makes the following salient point, “Still, that’s enough people to create a niche and that’s an opportunity to invest in the companies that are building these communities,” (Frankle, Neal. “Playing The Boom In Active Adult Communities.” May 28, 2013. Accessed April 18, 2014 from: <http://www.forbes.com/sites/greatspeculations/2013/05/28/playing-the-boom-in-active-adult-communities/>).

Developers in the active adult market are doing quite well. For example, Del Webb is diversified; it continues to build single-family detached homes and condos in a total of 28 states (as of May 2013). Reportedly in mid-2013, “It’s earnings per share [were] up 800% over the last quarter and the last 3 quarters EPS growth [had] bested 366%. It [had] a very high annual return on equity of over 12%,” (Frankle). Del Webb continues to maintain its position as among the largest and most successful developers of active adult communities in the United States.

Two other major developers are AV Homes (AVHI) and Toll Brothers. AV Homes buys and develops adult communities in Arizona and Florida. In 2013, their sales growth was reported to have increased by 22% over the last three years and their earnings were up 50% by mid-year 2013. The high-end luxury segment of the active adult market is thriving too. Toll Brothers’ (which specializes in high-end luxury communities for active adults) earning per shared grew by 250% and averaged 90% growth for at least three quarters straight in 2012-2013, (Frankle).

Older adults are moving, literally. And developers of active adult communities are taking advantage of this trend. The US Census 2011 American Housing Survey estimated that about 14% of the recent movers were 55 or older. The 55-plus age group comprised 11.9% of the rental market, and 21.9% of the total home buying market. Boomers and seniors were 21.8% of the

existing home market and 24.3% of the new home market. They represented 27.4% of the new production home market, and 17.3% of the new custom home market, (“2014 50+ Housing Market and Economic Forecast.” National Association of Home Builders (NAHB). April 8, 2014. Accessed April 24, 2014 from: <http://www.nahb.org/generic.aspx?genericContentID=226635&fromGSA=1>).

Notably, the aforementioned three developers are well-known for their amenities packages, especially at the larger Del Webb communities. According to a 2011 report, “Consumer attitudes and perceptions concerning active adult communities: an exploratory study”, published in the *Journal of Management and Market Research*, “Active adult buyers purchase lifestyle, not housing...Lifestyle amenities will make the purchase decision for the buyer,” (Donald Bernstein, Marshall Ottenfel and Carl Witte. Page 3).

Although baby boomers will live longer than their parents, they are retiring later. “It has been found that active adult communities ‘are increasingly attracting households under 60 who are still working’”, (Bernstein, Ottenfel and Witte, 3). A study by the Mature Market Institute found the top five reasons why households 55-plus choose to move. These were: 1) family/personal reasons, 2) financial/employment related, 3) change in marital status, 4) want a better quality house, 5) want less expensive housing, (Bernstein, Ottenfel and Witte, 3). The same study also surveyed why the 55-plus household selected a particular age-qualified active adult community when looking for a new home. These were: 1) Like the design of the community, 2) close to friends/relatives, 3) close to leisure activities, 4) like the particular housing unit, 5) close to public services, (Bernstein, Ottenfel and Witte, 2).

Following is a chart created from data obtained from the *2005 American Housing Survey*, conducted by the U.S. Census Bureau and the Department of Housing and Urban Development.

Reasons 55+ Households Choose New Homes

	Age Qualified Active Adults	Other 55+ Communities	Other 55+ New Home Buyers
Reasons for Choosing the Housing Unit			
Like Room Layout/Design	77%	51%	48.20%
Exterior Appearance	28.80%	27.00%	21.60%
Financial Reasons	22.10%	12.60%	6.20%
Like the Size	21.20%	25.00%	20.20%
Construction Quality	17.90%	40.20%	29.70%
Like the Kitchen	16.90%	15.00%	12.70%
Like the View	16.70%	17.30%	11.00%
Other Reasons	16.70%	11.00%	17.70%
Reasons for Choosing The Community			
Like the Community Design	48.80%	50.90%	41.60%

Close to Friends/Relatives	27.80%	27.80%	15.40%
Close to Leisure Activity	26.60%	24.90%	9.70%
Like the Housing Unit	26.00%	34.70%	26.40%
Close to Public Service in Community	0.00%	5.10%	2.70%
Close to Public Transportation	0.00%	1.70%	1.10%

Source: Becker, Bill. *Lifestyle Planning: Trends in the New 55+ Active Adult Lifestyle Community*. Home Builders. January/February 2008. Page 8. Accessed April 20, 2014 from: http://www.homebuilders.org/file_depot/0-10000000/0-10000/48/folder/68925/20-37.pdf.

Though price is the foremost factor for the majority of prospective residents, and secondly, climate/location, the amenities package can be the determining factor for a prospective buyer. Therefore, it is prudent for an operator of an active adult community to promote “themselves as offering: ‘active leisure’, which is seen as ‘healthy for mind and body’, and which ‘serves as an antidote to aging and negative stereotypes of older age,’” (Bernstein, Ottenfel and Witte, 2). Amenities that promote sustainability or *green living/practices* such as organic gardening programs have been found to be popular among older adults, combining active leisure, and wellness and health components with widely desired community features.

THE SUSTAINABILITY FACTOR AT ACTIVE ADULT COMMUNITIES

Multiple surveys and studies have shown that older adults (particularly the baby boomer generation) consider sustainability as an important component of their housing choice. In his article, “8 trends shaping today’s senior housing,” Peter Fabris, Contributing Editor to Building Design + Construction magazine, advises developers to “Play up the marketing value of sustainability.” Fabris highlights the success of a community that has incorporated sustainability into its model:

Prospective senior residents have an increasingly sophisticated understanding of sustainability and take an active interest in how their housing impacts the environment. NewBridge on the Charles is heated and cooled using 400 geothermal wells; it also has vegetated roofs for reducing urban heat-island effect. These measures, and the effort to preserve the natural state of the site during construction, are like marketing gold stars. ‘People are drawn here by our environmental sensitivity,’ says Hebrew SeniorLife’s Stark.

This does not mean that senior communities must be LEED-certified. As green as NewBridge is, management chose to forgo certification. Whether certified or not, sustainably designed senior housing developments should play up the health and indoor environment benefits of sustainability, as well as the positive impact on utility bills—even if the residents are not paying directly for utilities.

Source: Fabris, Peter. “8 trends shaping today’s senior housing.” Building Design + Construction (BDC) January 3, 2013. Accessed April 25, 2014 from: <http://www.bdcnetwork.com/8-trends-shaping-today%E2%80%99s-senior-housing>.

Senior housing developers can incorporate sustainability or green features into their community(ies) in a variety of different ways. The NewBridge example demonstrates the amount

of room a developer has in achieving this, as does the following statistics. The National Association of Home Builder's article, "2014 50+ Housing Market and Economic Forecast", points out that the combination of "essential and desirable ratings" show that 91% of boomers (born 1946 to 1964) and 92% of seniors (born 1945 or earlier) endorse Energy Star-rated appliances. For Energy Star-rated homes the percentages are 92% and 94%. "For higher levels of insulation than required by code, the percentages are 83% and 86%. In all cases, the older the group, the higher the percentage that rated the features essential or desirable." Hence, sustainability can take on multiple (virtually endless) forms at a community. Senior Consulting is dedicated to incorporating sustainability and green practices whenever feasible.

THE VIABILITY OF AGE RESTRICTED COMMUNITIES

US Census numbers have shown a gradual but sustained move toward more concentrations of older people in 55-plus neighborhoods and age restricted communities. These niche sectors have experienced overall growth despite the state of the US housing market for the last few years. *US News & World Report, Money* reports, "While 68.9 percent of all older people lived in age-diverse settings in 2009, that's down from more than 71 percent in 2001. Reflecting the high growth rates of older populations, [in 2010] there were 39.5 million households with a primary homeowner who was at least 55 years of age, nearly six million more than in 2001. Over the same period, the total of non-55+ households was unchanged at about 65.5 million. By 2020...45 percent of American households will be headed by someone who's at least 55 years old," (Moeller, Phillip. "The Graying of American Housing Continues: Report shows rise in older households and projects more construction growth for 55-plus market." *US News & World Report, Money*. January 12, 2011. Accessed April 17, 2014 from: <http://money.usnews.com/money/blogs/the-best-life/2011/01/12/the-graying-of-american-housing-continues>).

About 9,000 age restricted single-family units were started in 2009, and there were about 8,000 age restricted multifamily units started that year. In 2012, of the 245,000 multifamily units started, 17,000 were age restricted. Of the 166,000 multifamily units completed in 2012, 16,000 were age restricted, (*Construction Charts*. 2012 US Census. Accessed April 17, 2014 from: <http://www.census.gov/construction/charts/highlights.html>).

At the 2014 International Builder's Show (IBS), the respected real estate advisory and research firm, RCLCO, estimated "demand for new homes among buyers aged 55 to 74 started at 175,000 for the current year, rising to 204,000 in 2015 and to 230,000 in 2016. The rate of growth is then expected to slow somewhat, hitting 248,000 in 2020 and topping out at 252,000 in 2025, remaining at or near that level through 2030. That's more than a decade in which about 20% of all new homes will be built for or bought by people 55 and older," (NAHB). Multiple other sources corroborate these projections. In his report, *Lifestyle Planning: Trends in the New 55+ Active Adult Lifestyle Community*, Bill Becker writes about the astounding number of building permits that could be issued for the housing of older adults, "By 2015 when the "abbey" aging baby boomers will be 69 and the younger boomers will be 51, it could reach up to one out of every three households," (Becker, 2). The historic numbers, which are formidable, of the growing aging adult population is driving the boom in senior housing. Virtually all projections of active adult communities and 55-plus age restricted communities show overall steady upward growth.

In 2013, 42.7% of U.S. households were headed by people 55 and older. That percentage is projected to grow to 46.6% by 2020. Consequentially, the 55-plus market sector will be growing as well.

While most 55-plus households are generally happy with their homes and communities, people living in age-qualified adult housing report being the HAPPIEST (an average of 9.0 out of 10), (Coldstream Crossing). In his *Forbes* article, Neal Frankle adds, “Active adults are looking for moderately prices homes. They want to live in safe communities in warmer climates. They like trails and recreation center, but they also want to be centrally located. Many people in this age group are still working and they still want the benefits that the big city has to offer.”

The question of whether or not to make a community age restricted is always a question for developers of 50-plus housing. RCLCO “data showed that 45% of the 55+ households that responded to the firm’s national survey didn’t have a preference, but most of those who did, preferred all-age communities,” (NAHB). Furthermore, a Pulte survey of boomers reported that 36% rated age restriction at a three or a four out of five in terms of importance. There is an undeniable market demand for age restricted communities. Hence, a developer who plans to build successful active adult communities must stress the importance of a “combination of product, price, and amenities’ that incite prospective buyers to take action,” (NAHB). Through due diligence, SC has found multiple markets in Virginia that could provide ideal locations for active adult communities.

IV. ACTIVE ADULT COMMUNITIES IN VIRGINIA

The state of Virginia offers myriad ideal locations for active adult and age restricted communities. Cost of housing and climate are consistently cited as the “two most important factors” for moving. States in the Sunbelt and just north of Sunbelt states have the largest share of top retirement destinations. A study of “people 55 and older moving to another state found that in 2008-2010 fewer than 20% of people in the Midwest and Northeast moved away, but in the West, anywhere from 18-30% moved, with the percentage rising with age. In the Southeast (excluding Florida) the percentages ranged from 22% to 29%, with those in the 65-69 age group most likely to have moved away,” (NAHB). Virginia is a retirement “hot spot.” Located just north of the Sunbelt, Virginia has a temperate climate; offers an abundance of suburban mixed-use locations, which are the most popular destinations for the boomer market; multiple thriving college towns; historic sites; plentiful natural landscapes and parks; and a favorable cost of living.

Most active adult communities of size in Virginia tend to be clustered in the eastern part of the state, with limited options further west. There are high concentrations of communities in Williamsburg and Fredericksburg. Communities in Richmond are typically smaller with less amenities with communities in Williamsburg often being massive communities offering full-service amenities and luxury homes. There is a concentration of active adult communities in the greater Fredericksburg area and a large concentration of luxury communities along the Virginia - D.C./Maryland border, taking advantage of the proximity to Washington, DC and the affluence of the region. Finally, there are much fewer communities in western Virginia.

Major active adult community developers in Virginia include Del Webb, Toll Brothers, K. Hovnanian, Kendal Corporation, and Lennar Homes. Del Webb is based in Bloomfield Hills, Michigan; it operates over 50 communities in approximately 30 states. It currently operates four communities in Virginia: Potomac Green, along the northern Virginia border; Spring Hill, also along the northern Virginia border; and Celebrate and Falls Run, both located in the greater Fredericksburg area. Its communities consist of both condo communities and communities with single-family homes and villas; prices start in the high-\$100's. They are typically large communities with a wide variety of luxury amenities.

Toll Brothers is an award-winning developer based in Horsham, Pennsylvania, and operating in 19 states. It currently operates four communities in Virginia: the Regency at Dominion Valley, along the northern Virginia border; the Dominion Valley Country Club, also along the northern Virginia border; the Stratford Club, also along the northern Virginia border; and the Regency at Chancellorsville, in Spotsylvania City, near Fredericksburg. These communities are much higher-end than the Del Webb communities, with large luxury homes or condos featuring amenities like balconies and 12' foyers. Two of the communities are golf course communities with large luxury homes, full-amenity clubhouses, and amenities like a marina, a sports pavilion, and a market square. All communities sport full-amenity clubhouses.

K. Hovnanian Homes is primarily a residential developer based in Red Bank, New Jersey, and operating in 17 states. It currently operates 31 communities in Virginia, two of which are age-

qualified. Almost every community is in northern Virginia or close to it; however, there is one active adult community in New Kent, Virginia along the James River from Richmond to Williamsburg. Most of their communities are higher-density residential communities that are age-targeted, but not age-restricted; however, there are several retirement communities available, most with clubhouses and green space. The community in New Kent, the Four Seasons at New Kent Vineyards, is of particular interest; incorporating a golf course and a working vineyard/winery, it is among the best retirement living options offered by the developer, and is one of the age-qualified communities.

Kendal Corporation is a senior living developer based in Kennett Square, Philadelphia. It helps nonprofits develop retirement communities by collaborating with colleges, universities and hospital systems to facilitate and manage all aspects of developing a new Kendal community. Kendal focuses on developing communities in New England, the Mid-Atlantic States, the near South, and the Midwest. It has developed 6 CCRCs, two residential living communities, and a skilled nursing/assisted living facility in five states, with two additional communities currently under development.

Lennar Homes is an affordable living, move-up home and senior living developer based in Miami, Florida. It currently has built developments in 18 states. It has developed urban, suburban, golf course and active adult communities. It has three communities in Virginia, one in Williamsburg and two close to Washington, DC.

In assessing active adult community growth, we used Google to search the term “active adult community” in geographic region throughout the state, including major and secondary cities, as well as the counties surrounding every major metropolitan area. We also went through several key senior living databases listing by listing, searching for active adult communities which fit the criteria. Databases and listings used include:

- www.55places.com
- www.topretirements.com
- www.retirementliving.com
- www.owl55.com
- www.activeadultliving.com
- www.retirenet.com
- www.senioroutlook.com
- www.newretirementcommunities.com
- www.aplaceformom.com
- www.55communityguide.com
- www.seniorhomes.com
- www.privatecommunities.com
- www.seniorsguideonline.com

To the best of our ability, we have classified communities based upon the given number of total units. When this information has not been available, we have also classified by acreage. Communities are classified as small when they are under 150 units, medium-sized when they rest between 151 and 750 units, and large when they contain more than 750 units. However, some

communities for which we do not have the “number of units” information are classified based on overall acreage and related assumptions.

SMALL COMMUNITIES: Less than 150 units

Smaller active adult communities tend to cluster in eastern Virginia and the Richmond area, with fewer communities further west. The greatest concentration of small active adult communities by far exists in the greater Richmond area. The number of homes can vary widely, from only 74 homes to right around 150. Acreage can vary, from as little as 14 acres to as many as 355. About half of the communities found contain less than 55 acres of land.

A few of the communities found showcase appealing landscape features, like panoramic views of the James River, beautifully-landscaped English parks, and views of the Blue Ridge Mountains. Some are also located on championship golf courses. All communities offer amenities basic to active adult communities: a clubhouse, a pool, a fitness center, lounges and great rooms (sometimes with fireplaces), kitchen or dining facilities (some), and rec rooms. About half of the communities offer a full range of luxury amenities, including a library, pub or sports bar, beauty salon/barber shop, fine dining, and, in one case, a full aquatic center with a water park and extravagant swimming pools.

Below is more targeted information about five of Virginia’s most promising regions for active adult development:

Greater Richmond

There are 9 age-qualified small active adult communities in the greater Richmond area, as well as 7 communities with unspecified age ranges. A majority of the communities hover at the upper range of number of units. Homes start from anywhere between the low-\$100’s and the mid-\$300’s and go up from there. With the exception of age targeted Meadowville Landing in Chester, while 2 bedroom units are common, communities have between 2 and 4 bedrooms and an equal number of baths. Meadowville Landing offers 3 to 6BR/2 to 6BA estate homes.

Most homes in active adult communities in the greater Richmond area offer luxury amenities such as pantries or patios, fireplaces, lofts, French doors, and luxury architectural designs. All offer 2-car garages, with some offering 1-car garages as well. A couple of communities are golf course communities.

Meadowville Landing: 2100 Anchor Landing Drive, Chester, VA 23836. Meadowville Landing is an all-ages planned community in Chester, VA. Comprising 355 acres, there are 140 units, for a land density value of 0.4 persons per acre. Neighboring the 18-hole River’s Bend championship golf club, the community offers panoramic views of the James River and of rolling countryside or woodlands.

- Estate homes, ranch homes, and 2-story homes available
- Offers clubhouse featuring colonial charm, with fireplaces, banquet rooms, and fitness facility

- Aquatic center with water park and extravagant swimming pools
- 3 to 6BR/2 to 6BA homes on 0.5 to 1.5-acre home sites
- 2,500 to 3,187+ square feet
- Superb architectural designs, open floor plans, generous features; first-floor master suite, partial brick or stone front, light-filled morning room, fireplace
- 2-car garage
- priced from the low-\$100's to mid-\$500's
- Neighbors 18-hole River's Bend championship golf club

Grayson Hill: 1239 Hyde Lane, Richmond, VA 23229. Grayson Hill is an active adult community in Richmond, VA. Comprised of over 50 acres, it offers townhomes on woodland grounds, with beautifully-manicured English pocket parks, brick sidewalks, a tree-lined ramble, and the Ellerhays Bridge.

- Townhomes have between 2,700 and 3,700+ square feet.
- Offers clubhouse with great room and fireplace, game room, conference room, gourmet caterer's kitchen, fitness center, resort-style pool, and patio with outdoor fireplace
- 3 to 4BR homes
- Gas fireplace with slate hearth and surround, 9 to 10' ceilings on ground floor, gourmet kitchen, romantic balcony overlooking a private walled courtyard, loft, grand study, French doors
- 2-car garage
- priced from \$350K+

Pendleton Golf Community: 6383 Declaration Drive, Ruther Glen, VA 22646. Pendleton Golf Community is an all-ages golf course community in Ruther Glen, VA. Comprised of 200 acres, it is located on the 18-hole, par-72 Pendleton Golf Club.

- Townhomes, single-family homes
- Planned "full-amenity" clubhouse and dining on-site
- 2 to 4BR/2 to 3BA
- Varied home amenities: loft, first-floor master suite, etc.
- 1- or 2-car garage
- Priced from \$150K+
- Located on 18-hole, par-72 Pendleton Golf Club

There is also one small active adult community located on a stretch along the James River, towards Williamsburg. This stretch contains several communities of various sizes which are capitalizing on the scenic appeal of riverfront property and the proximity to Williamsburg.

Rock Creek Villas: Quinton, VA. Rock Creek Villas is an active adult golf course community located in Quinton, VA. It contains 60 units.

- Single-family homes, half of which overlook the site's Brockwood Golf Course
- Offers clubhouse with kitchen, game rooms, bocce court, walk trails
- 3BR/2BA units

- 2,242+ square feet
- Walk-in tiled showers, soaring ceilings, patios, gourmet kitchen, breakfast room, porch, sunroom
- 2-car garage
- Starts at \$250K

Northern Virginia

There is one small age-qualified active adult community and three active adult communities of unspecified age range in northern Virginia.

Four Seasons at Vint Hill: 4200 Aiken Drive, Warrenton, VA 20187. Four Seasons at Vint Hill is an active adult community located in Warrenton, Virginia. It is located in the picturesque horse country of Fauquier County, on the grounds of Vint Hill Farms, a former Army post.

- 100 units
- Single-family homes
- Close to D.C. and the Blue Ridge Mountains
- Convenient to commuting routes
- Clubhouse with pool, movie theatre, fitness center
- 1,820 to 3,400 square feet
- Designer kitchens, sunrooms
- High-\$300's+

Greater Fredericksburg

Evergreens at Smith Run: 2700 Cowan Boulevard, Fredericksburg, VA 22401. Evergreens at Smith Run is an active adult community located in Fredericksburg, Virginia.

- Condos
- Clubhouse with great room, fitness center, business center, pool, garden plots, library
- 1 to 2BR
- 700 to 1,400 square feet
- Sunrooms, balconies, terraces, family rooms, 9' ceilings
- Rental \$1,000+ per month

Greater Charlottesville

RoseWood Village at Wintergreen: 170 Rosewood Drive, Nellysford, VA 22958. RoseWood Village at Wintergreen, in Nellysford, Virginia, is located on the 27th hole of the Reese James Stoney Creek Golf Course at the Wintergreen Resort, an 11,000+ acre luxury resort in the Blue Ridge Mountains. With 14+ acres of land, it contains 74 units, for a land-density value of 5.3 persons per acre. In addition to active adult resort living, it offers assisted living.

- Clubhouse with sports bar, fireside chat lounge, bistro and fine dining, woodworking shop, technology and business center, creative arts studio, patios, lounge, fitness center, salon and spa
- Tennis courts, fishing, skiing, rock-climbing, camping, pool
- 74 units
 - 25 single-family and duplex villas
 - 49 one-, two-, and three-bedroom condos

Greater Williamsburg

The Villas at Five Forks: 4307 Creek View East, Williamsburg, VA 23188. The Villas at Five Forks, in Williamsburg, Virginia, is a modest community with 90 units.

- Single-story single-family villas.
- 90 units
- Close to boating and golf courses
- Clubhouse with fitness center, pool, coffee bar, lounge areas
- 2 to 3BR units
- 1,720 to 2,194 square feet
- Glassed veranda with optional patio, gas fireplace, gourmet kitchen
- Attached garage
- Starts at \$280K

MEDIUM-SIZE COMMUNITIES: 151 to 750 units

Medium-sized active adult communities in Virginia include the greater Richmond area, a few along the James River towards Williamsburg, and a couple in the Fredericksburg area.

The number of acres in each community varies from between 225 and 3,000 acres. Half of the communities are located on golf courses, most of them in Williamsburg or lying along the James River on the way to Williamsburg. All communities have a clubhouse, pool, fitness center, courts, and walking paths. Three have a marina and/or private beach. About half offer high-end landscape amenities such as a nature preserve or lake views, as well as fine dining options.

Below is more targeted information about five of Virginia's most promising regions for active adult development:

Greater Richmond:

There are 2 medium sized age-qualified active adult communities in the greater Richmond area, as well as one community of unspecified age range.

Viniterra: 8400 Old Church Road, New Kent, VA 23124. Viniterra is an all-ages golf course community centered around the New Kent Winery and Vineyards, a 12,000-sq-ft working winery and full-scale vineyard. Comprised of 1,200 acres, there are 297 units, for a land-density value of approximately 0.25 persons per acre. The site incorporates stunning architecture using

warm resalvaged vintage fine woods from E.T. Moore, with each plank reflecting the natural warmth and character of a rich patina.

- Estate homes and homesites
- Located on 18-hole Rees Jones championship golf course
- The Club at Viniterra, with full-service restaurants, fitness center, tennis center, aquatic center, bocce courts
- State-of-the-art equestrian center and polo fields
- Shops, restaurants, farmer's market, 60-room bed and breakfast inn
- Walk/bike/jog trails, beach entry, beach volleyball
- The Village, neo-traditional town center
- Concierge service
- 1- to 2+ acre homesites with woodland, marsh, and golf course views
- 2,500 to 5,000+ square feet
- Prices start from mid-\$100's

Chesdin Landing: 21801 Lake Chesdin Parkway, Chesterfield, VA 23838. Chesdin Landing is an all-ages planned community in Chesterfield, Virginia. Comprised of 3,000 acres of land, there are 750 units, for a land density value of 0.25 persons per acre. It is located on a 3,100-acre lake.

- Single-family homes
- Outdoor pool, private championship golf course, walking trails, fine dining, courts, health club, massage therapist
- 4 to 7+BR/4 to 8.5+BA
- around 4,000 to 5,000+ square feet; spacious lots up to 4 acres
- Pantry, fireplace, bay window, 2-story foyer, loft, breakfast nook, 9' ceilings, stamped concrete patio, master suite with double doors, outdoor fireplace, sunroom, master bath, gourmet kitchen
- Prices from \$450K to \$5M

The Reserve at Bell Creek: 9034 Annex Lane, Mechanicsville, VA 23116. The Reserve at Bell Creek is an all-ages planned community in Mechanicsville, Virginia. There are 523 units in total.

- Single-family homes
 - Ranch and two-story plans available
- Pool, clubhouse, play area, tennis courts
- 3 to 6BR/2+BA
- 1,680 to 3,989 square feet
- Loft, attic, study, pantry, morning room, foyer, coat closet, powder room, fireplace
- 2-car garage
- Between \$230K and \$290K+

Northern Virginia

There is one medium-sized active adult community in northern Virginia, named Dunbarton. There is no information available on the community.

Fredericksburg/Hanover County

There is one age-qualified medium-sized active adult community in the greater Fredericksburg area, as well as one community of unspecified age range.

Regency at Chancellorsville: 7305 Lees Command Boulevard, Fredericksburg, VA 22407. The Regency at Chancellorsville is an active adult community located in Fredericksburg, Virginia. There are 292 units in total.

- Single-family homes
- The Regency Club, with indoor and outdoor pools, fitness center, meeting rooms, bocce court, putting green, walking trails, The Stonewall Tavern (restaurant)
- 2BR/2BA
 - Customizable and personable
- 1,650 to 2,000+ square feet
- Screened porch, pantry, loft, study, 12' foyer, patio, fireplace
- 2-car garage
- From \$200K to \$300K+

Greater Charlottesville

There are no medium-sized active adult communities of note in greater Charlottesville.

LARGE COMMUNITIES: greater than 750 units

Large active adult communities in Virginia tend to cluster in the north of the state, with only a sparse few near Richmond and Charlottesville. The number of acres varies from just over 400 to over 2,500, with no discernible pattern by location. The number of units in these communities usually ranks in the thousands, from as few as 795 to over 2,400. The communities in Richmond, Charlottesville and Williamsburg are on the larger side in terms of number of units, while those north of Richmond vary more in size.

The units range in price from as little as the mid-\$200's to over \$1.5 million. Units offer as few as 1BR and as many as 5. Units in these communities usually feature custom features such as pillars or columns, hand-crafted hardwood millwork, porches, decks and dens. All communities feature massive clubhouses with a full range of amenities, like restaurants and full-service spas. Many also offer impressive landscape features like championship golf courses, wildlife preserves, and open green space.

Greater Richmond

There is one large age-qualified active adult community in greater Richmond.

The Highlands: 8400 Highland Glen Drive, Chesterfield, VA 23838. The Highlands is an all-ages golf course community located in Chesterfield, Virginia. It is comprised of 2,500+ acres of

land, and contains 1,300 units, for a land-density value of about 0.5 persons per acre. It is located on the 18-hole Highlands Golf Course.

- Single-family homes
- 25,000 square foot clubhouse with outdoor pool, tennis, playground and nature trails
- Country Club at Highlands with restaurant and fitness center
- 4 to 5BR/2.5 to 5BA and 1- to 5-acre homesites
- 2,710 to 5,428 square feet
- Gourmet kitchen, vaulted family room with gas fireplace, attic, patio, study, covered porch, 10' ceilings, deck, media room, office, basement, backyard, apartment suite, den
- 2- to 3-car garage
- Low-\$300's to high-\$600's

Northern Virginia

There are four age-qualified large active adult communities, one age-targeted large active adult community, and two large active adult communities of unspecified age range in northern Virginia. There appears to be a concentration of retirement communities far north of Fredericksburg, along the Maryland/D.C. border.

Leisure World of VA: 19375 Magnolia Grove Square, Lansdowne, VA 20176. Leisure World of VA is an active adult community located in Lansdowne, Virginia.

- Condos
- Central clubhouse with auditorium, fitness center, sauna, indoor pool, hot tub, massage room, tennis courts, library, computer center, chapel, art rooms, hair salon, gourmet restaurant

Greater Fredericksburg

There are two large age-targeted and one large age-qualified active adult communities in the greater Fredericksburg area. All vary in amenities, home styles, and features, although all are in the approximately 700-to-1,000-unit range and offer a fair range of basic amenities.

Celebrate by Del Webb: 201 Castle Hill Drive, Fredericksburg, VA 22406. Celebrate by Del Webb is an active adult community located in Fredericksburg, Virginia. It contains 1,100 units.

- Single-family homes and ranch villas
- 30,800 sq ft clubhouse with indoor and outdoor pools, tennis and bocce courts, fitness center, indoor walking track, business center, ballroom, fireside library, meeting rooms
- Located near Cannon Ridge Golf Course
- 2 to 5BR/2 to 4BA
- 1,399 to 2,919 sq ft
- Optional basement, optional second floor with extra bedroom/bathroom/loft, optional gourmet kitchen, NAHB-certified green homes
- High-\$100's to high-\$300's

Greater Charlottesville

There is one age-targeted planned community in greater Charlottesville.

Spring Creek - The Estates: 137 Turkey Trot Lane, Zion Crossroads, VA 22942. Spring Creek is an age-targeted planned community located in Zion Crossroads, Virginia. Comprised of 1,200 acres of pristine land, it is located on the premises of the Spring Creek Golf Club, a breathtaking 18-hole PGA golf course. There are 2,200 units, for a land density value of 1.83 persons per acre.

- Golf course or private wooded homesites
- Colonials, Georgians and other styles with gently-rolling yard and walk-out terrace or intimate cul-de-sac location
- Clubhouse with pool, tennis courts, fitness center, tot lot, walk/run trails, restaurant (The Tavern Grill at the Clubhouse)
- 3 to 5BR/2 to 4.5+BA
- 2,508 to 5,524 sq ft
- 9' ceilings on main level, basement, deck, gourmet kitchen, rec room, glass French doors, dining room with optional tray ceiling, breakfast bar, pantry, fireplace, sunroom, screened porch, 2-story foyer with cascading waterfall stairs, morning room, office
- 2-car garage
- Easy access to entertainment, shopping, fine dining, and the University of Virginia

Greater Williamsburg

There is one large age-qualified and two large age-targeted active adult communities in greater Williamsburg.

Ford's Colony Williamsburg: One Ford's Colony Drive, Williamsburg, VA 23188. Ford's Colony Williamsburg is a 3,000 acre all-ages planned community in Williamsburg, Virginia. Although the community is open to people of all ages, the average buyer is in his mid-fifties and purchasing the home to retire to several years from now. With 5,000 residents, there will be more than 7,000 residents living in 3,250 homes by the time of the community's completion. The community sports a 200+ acre nature preserve and 50% preserved green space (ponds, wetlands, forests).

- Colonial, Federal, Georgian or Greek Revival homes
- Ford's Colony Country Club, with AAA 5-Diamond Award-winning Dining Room restaurant, rec rooms, event spaces, conference room, pools, tennis courts, trails
- 3 Dan Maples 18-hole championship golf courses
- Residents can audit classes for free at the College of William and Mary
- 3 to 4BR/2 to 4.5BA
- 2,140 to 5,582 square feet
- Courtyard homes on golf course; luxury townhomes; or homesites on golf courses, next to wildlife preserve, overlooking a lake or in wooded setting
 - pillars and columns, fireplaces, palladian windows, deck, 8' ceilings

- Courtyard homes \$499K+, townhomes \$300K+

In addition to these communities, there are other communities suggested in research where information was not available online and in attempted phone confirmations.

V.
**AREAS OF VIRGINIA WITH THE MOST GROWTH AND OPPORTUNITY FOR
ACTIVE ADULT COMMUNITIES**

Several regions of Virginia present potential opportunities for active adult developments. The Richmond and Charlottesville metro areas are located in central Virginia and are centered around two major cities, Richmond and Charlottesville, situated 65 miles apart. Both are independent cities located within two separate counties: Henrico in the case of Richmond, and Albemarle in the case of Charlottesville. Williamsburg is an independent city located in the metro area of Hampton Roads, on the Virginia Peninsula. Fredericksburg is an independent city in northern Virginia, about halfway between the Virginia border and Richmond.

We looked at all of these areas with an eye towards identifying prime spots for the development of an active adult retirement community. Due to large concentrations of active adult communities in the Richmond and Williamsburg areas, northern Virginia, and, to a lesser extent, in the Fredericksburg area and in greater Virginia, the lack of active adult communities, as well as the concentration of numerous attractions such as the Monticello Wine Trail and Blue Ridge Mountains, position Charlottesville as an excellent candidate for further development. Harrisonburg, with three large thriving CCRC's presented another opportunity. However, greater Richmond, with five CCRC's and many active adult communities, still presents another opportunity.

Following is further information about possible Virginia locations for development.

GREATER RICHMOND

The city of Richmond is located adjacent to Henrico County, a small county towards the southeast of Virginia. The city is 62.5 square miles large. It has a population of 208,834, and is a part of the Richmond metro area, which has a population of 1,282,509. Meanwhile, Henrico County proper has a population of 314,881 and an MHI of \$49,185, with 244 square miles of land occupied mainly by planned communities catering to Richmond professionals. Richmond lies at the fall line of the James River, 44 miles west of Williamsburg and 98 miles south of Washington, D.C. With an MHI of \$31,121, it contains a wide socioeconomic range of neighborhoods and many historic districts. It is the home of the University of Richmond, Virginia Commonwealth University, and Virginia State University. It is located at the intersections of I-95 and I-64, and encircled by I-295 and Virginia State Route 288.

Henrico County lies between the James and Chickahominy Rivers, and contains 7 square miles of water. Home of the Richmond International Airport in the east of the county, intersecting highways include I-64, I-95, I-195, and I-295. Henrico is also home to the Richmond National Battlefield Park, a national protected area, and 4,000 acres of athletic fields and recreation amenities. There are 9 private or public golf courses in the county, including Belmont, a PGA Championship course with rolling hills and lots of bunkers for those who want a challenge.

Henrico's towns are much larger and more affluent than those in any of the other counties surveyed. Major towns include Glen Allen (population 14,774, MHI \$55,205), Tuckahoe

(population 44,990, MHI \$55,420), and Chamberlayne (population 5,456, MHI \$54,022). One of the most affluent towns in Henrico County, Short Pump (population 24,729, MHI \$60,531/MFI \$36,375), is home to the Short Pump Town Center, a 1.2M square foot open-air shopping mall with a skating rink, a bowling alley, a comedy club, a hotel, and many neighborhoods under development, both planned communities and affluent neighborhoods.

We believe that there are several opportunities for development in the Richmond area. Along the James River leading from Richmond to Williamsburg, we believe there are sites which show potential. To the north of Richmond, in Hanover County, due south of well-entrenched counties in Fredericksburg, we believe that there are other opportunities that should be explored. To the west of Richmond, past the suburban sprawl of Henrico County, along Virginia State Highway 260 or South Broad Street, we also believe that there will be an opportunity for an active adult community.

Goochland County is located to the west of Henrico and has a population of 21,717. With a size of 290 square miles, it is drained by the James River. It has a MHI of \$56,307. Its major thoroughfares are I-64 and US Routes 250 and 522. The county is home to West Creek Park, a 3,500-acre business park located at the intersection of State Route 288 and West Creek Parkway, just west of the Henrico County line. The park offers easy connecting access to I-64 and I-95, as well as West Broad Street (Route 250). While there are no major towns of note in Goochland County, one minor town of note is Manakin-Sabot, which is home to several country clubs as well as the historic Deep Run Hunt Club, host of a number of regional and national horse shows.

Hanover County is located directly north of Henrico County and has a population of 101,327. 12 miles north of Richmond, it contains 474 square miles of land, including the Chickahominy River. Intersecting highways include I-95 and I-295. It has a MHI of \$59,223. The two major towns of note are Ashland and Mechanicsville. Ashland, with a population of 7,225 and a MHI of \$46,474, is home to Randolph-Macon College. Mechanicsville, with a population of 36,348 and a MHI of \$57,032, is close to the Richmond International Raceway, a racecar track.

Chesterfield County is located in the Richmond-Petersburg area and is part of the Richmond metropolitan area. It has a population of 322,388 and a MHI of \$58,537. Composed of 437 square miles, it contains 11 square miles of water. Its thoroughfares include I-95, I-295, and State Routes 895 and 150. It is bordered by two rivers, the James and the Appomattox. It is also home to Presquile National Wildlife Refuge and Richmond National Battlefield Park.

Major towns in Chesterfield County include Bon Air, Chester, and Midlothian. Bon Air has a population of 16,213 and a MHI of \$57,493. Chester has a population of 17,890 and a MHI of \$53,171; it is home to the Chester Village Green, a town commons with restaurants, homes, apartments and businesses. Midlothian has a population of 375 and a MHI of \$80,381 and is home to many neighborhoods, shopping centers, schools and churches, as well as a number of creeks and the Swift Creek Reservoir.

GREATER FREDERICKSBURG

Fredericksburg is an independent city neighboring Spotsylvania County, about 49 miles south of Washington, D.C. and 58 miles north of Richmond. It is part of the Washington metropolitan area. While the greater Fredericksburg area is often described as part of northern Virginia, it is approximately an hour away from the Virginia suburbs surrounding D.C. and a comparable distance from Richmond, in light traffic. With a population of 25,691, it is the fastest-growing locality in Virginia. Composed of 10.5 square miles of land with no bodies of water, it is located near where the Rappahannock River crosses the Fall Line. The median household income is \$34,585.

Fredericksburg is traversed by a series of rural and suburban four-lane highways and a multitude of small, two-lane roads. The city's main thoroughfare is I-95. There are several retirement communities clustered in the greater Fredericksburg area, mostly communities with a moderate number of amenities and no major features like golf courses or nature preserves. The University of Mary Washington is located within the city.

Many residents of Fredericksburg commute to Washington, D.C. and Richmond, creating a town culture that is closer to that of Northern Virginia than of other parts of Virginia. Tourism is a major part of the Fredericksburg economy, with 1.5 million people annually visiting its battlefield park, downtown visitors' center, events, museums and historic sites. Home to Central Park, the second-largest mall on the East Coast, and the Spotsylvania Towne Centre, it also contains the Fredericksburg Historic District, a 40-block stretch of 18th and 19th-century buildings.

GREATER CHARLOTTESVILLE

Charlottesville is located in Albemarle County, a large county towards the northwest of Virginia. It is 10.3 square miles. It has a population of 43,475 and a MHI of \$31,007, and is part of the Charlottesville metro area, which consists of four counties: Albemarle, Fluvanna, Greene and Nelson, and has a population of 206,615 and a MHI of \$42,166. Despite a low MHI in Charlottesville, which is largely due to the presence of a large student population at the University of Virginia, there are substantial numbers of high-income enclaves in the area. It is located along the Rivanna River, a tributary of the James River, and is just west of the Southwest Mountains, paralleling the Blue Ridge Mountains 20 miles north of the city. It is known as a cozy university town nestled at the foot of the Blue Ridge Mountains, with the University of Virginia drawing more than 20,000 students every academic year.

Like most university towns, Charlottesville offers a wide variety of cultural attractions. Intersecting highways include I-64, US 250, and US-29, as well as Virginia State Route 20. We believe that the Charlottesville area, dominated by the influence of the University of Virginia, presents a unique opportunity for the development of active adult communities. Generally, there are limited offerings in the extended area, with the exception of Spring Creek.

Albemarle County proper has a population of 101,575. Containing 726 square miles, it incorporates over 14,600 acres of Shenandoah National Park. The James River runs through the

county, eventually transitioning into the Rivanna River, one of its tributaries, which rises in the county. Intersecting highways include I-64, Route 29, and Route 250. It has a MHI of \$63,000.

Albemarle County is rich in cultural attractions. Nestled at the foot of the Blue Ridge Mountains, it contains 12 parks with 3,300 acres of land, 62 miles of trails for hiking or biking, and vast swathes of preserved forest and rural areas. Recognized as an up-and-coming wine region by nerdtravel.com, it contains the Monticello Wine Trail, a community of more than 20 vineyards producing small quantities of top-quality wines. It is also home to the Monticello Golf Trail, a set of 5 championship golf courses located within a 45-minute radius of each other.

Important towns in Albemarle County include Scottsville (population 556, MHI \$39,081) and Crozet. Crozet is situated along the I-64 corridor and has a population of 5,565. It is 3.7 miles large. Its MHI is \$68,608, and its MFI is \$85,976. Because of its location in the foothills of the Blue Ridge Mountains, natural scenery is one of the town's distinguishing features. It includes Beaver Creek Lake, consisting of 104 acres water and 115 acres land, and a variety of parks with lakes, beaches and hiking trails. The town has seen an increasing rate of housing development due to its proximity to Charlottesville, and has been becoming more culturally diverse since 2000, with wineries and breweries springing up and cultural attractions like the Crozet Arts and Crafts Festival occurring yearly.

Fluvanna County is located directly to the southeast of Albemarle County and is part of the Charlottesville metropolitan area. It has a population of 25,691 and contains 290 square miles. It is home to several bodies of water, including the James River and its tributary the Fluvanna River, the Hardware River, and Lake Monticello. With a MHI of \$46,372, it has one of the highest population growth rates in Virginia, despite the fact that the Fluvanna Correctional Center for Women is located in the county.

The capital of Fluvanna County is Palmyra (population 104, MHI \$51,471) There are few towns of note in Fluvanna County, although one major town of interest is Lake Monticello. Lake Monticello is centered around the lake of the same name, formed by a dam on a short tributary of the nearby Rivanna River, and is a bedroom community of Charlottesville. Containing 9.4 square miles, with a population of 9,920, it has become home to a sizable retirement-age population. It has a MHI of \$55,556 and a MFI of \$63,641.

WILLIAMSBURG

Williamsburg is an independent city located on the Virginia peninsula, in the northern part of the Hampton Roads metro area, the 34th largest metro area in the U.S. with a population of 1,576,370. The Hampton Roads metro area includes Norfolk and Virginia Beach. It is located on the I-64 corridor, on a ridge between the James and York rivers, 45 miles south of Richmond. It contains 8.7 square miles. With a median household income of \$37,093, many of its residents are retirees who draw a large portion of their income down from investments.

Williamsburg is a tourist economy driven by Colonial Williamsburg, the restored historic area of Williamsburg which is Virginia's largest tourist attraction. Along with nearby Jamestown and Yorktown, Williamsburg forms part of the Historic Triangle, which attracts over 4 million

tourists annually. In addition to Colonial Williamsburg, Williamsburg contains the Williamsburg Winery, Busch Gardens Williamsburg, the Williamsburg Botanical Gardens, and the College of William and Mary, whose students comprise a large proportion of Williamsburg residents.

NORTHERN AND WESTERN VIRGINIA

Northern and Western Virginia may present additional opportunities for development. In both regions, communities geared towards retirees are overwhelmingly dominated by assisted living, independent living, and/or memory care facilities, with a smaller smattering of senior housing units. Along the Virginia - Maryland/D.C. border, there are a significant number of active adult communities clustered, taking advantage of the proximity to commuter locations and the region's high levels of affluence.

Northern Virginia has a population of 2,727,657. It is the most populous region of Virginia and the D.C. metro area combined. It is composed of 9 counties and 6 independent cities; Clark, Fauquier, Spotsylvania, Stafford, and Warren counties, along with the independent city of Fredericksburg, contain a population of 377,809, while Arlington, Fairfax, Loudoun, and Prince William counties combined with the independent cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park contain 2,325,903 people, comprising 28.41% of the population of Virginia.

Northern Virginia is known for large shopping malls, bike and running trails, museums, the Potomac River (which offers whitewater and sea kayaking, as well as rock climbing), the Great Falls Park, and large concert venues like the Wolf Trap National Park for the Performing Arts. It is the most affluent region in the United States; of the large cities or counties in the U.S. that have MHIs over \$100,000, the top two are in northern Virginia, and they contain over half of the region's population. Loudoun and Arlington counties combined have the highest concentration of 25 to 35 year olds with a \$100,000+ income in the U.S.

Western Virginia is known for locations of great natural beauty, including the Allegheny Mountains, with its steep ridges, dense forests, and healing thermal springs. With numerous parks and rivers, it is a great site for outdoor activities. Composed of small communities in mostly town and village locales, these communities are home to galleries, antique shops, and cozy community celebrations like arts festivals and annual block parties.

VI. GOLF COURSE RETIREMENT COMMUNITIES IN VIRGINIA

When developing active adult retirement communities, developers commonly incorporate golf courses into larger, more high-end communities, or build their communities close to already-established golf courses. Golf course communities typically contain at least one 18-hole championship golf course and offer a wide range of amenities, such as clubhouses, fine dining, swimming pools, pubs or bistros, and so forth.

SC has worked with THK Associates, a leading market feasibility firm and appraisal firm for U.S. golf course community development, to identify promising sites for a golf course community in Virginia. Their clients include Del Webb, Shea Homes, Trilogy, and Lennar Homes, among others. THK not only supports our conclusions as to the marketing appeal of retirement communities' affiliations and partnerships with colleges and universities, but is assisting us to identify active adult development opportunities near established golf courses in Virginia.

Being close to a golf course, without the cost associated with developing a golf course on-site, presents several advantages and is suggested when considering the development of a golf-oriented active adult community. THK has completed more than 600 golf studies in 45 years of doing market feasibility studies and has been involved with numerous highly-successful golf courses and communities.

In Virginia, golf course retirement communities tend to cluster around several geographic regions. In greater Charlottesville, every active adult community in the region is built on a golf course, save for one exception which is built in very close proximity to a golf course. There is also a very strong concentration of golf course communities in Williamsburg, where 4 out of 6 active adult communities contains one or more golf courses, while the 2 remaining are built in close proximity to a course. In greater Richmond, 3 out of 13 communities are built on or near a golf course, while to the southeast of the city, along the James River, 4 out of 5 communities are built on a golf course, with the remaining one in close proximity. There is only one golf course community in the Fredericksburg area.

Some of the most successful golf course retirement communities in Virginia which have not already been discussed include:

Glenmore: 1318 Piper Way, Keswick, VA 22947. Glenmore is a golf course community located in Keswick, VA, in the greater Charlottesville area. It offers cottages and single-family homes to buyers.

- Located on 18-hole par-72 John LaFoy Championship Golf Course
- Offers clubhouse with lounges, meeting rooms, ballrooms, bistro and fine dining, outdoor pools, and a fitness center
- Small man-made towns
- Equestrian Center, with 1,300 acres of bridle trails
- Up to 4BR/4BA cottages

- 2,968 to 3,698 square feet
- study, great room, loft, fireplace, screened porch, deck, patio with hot tub, sunken living room, terrace, gourmet kitchen
- 2-car garage
- low-\$500's to low-\$600's
- Up to 5BR/3.5BA single-family homes
 - 2,505 to 4,227 square feet
 - 2-story foyer with cascading waterfall stairs, 9' ceilings, gourmet kitchen, fireplace, patio, floor-to-ceiling windows, French doors, terrace, verandas, pine flooring, garden, study
 - 2-car garage
 - mid-\$500's to high-\$600's

Governor's Land at Two Rivers: 1400 Two Rivers Road, Williamsburg, VA 23185.

Governor's Land at Two Rivers is a golf course community located in Williamsburg, VA.

Comprising over 1,500 acres, there are 734 units in total, for a land density value of approximately 0.5 persons per acre. Single-family homes are available to buyers, and 70% of the land is to remain unoccupied green space.

- Single-family homes
- Built on 18-hole Tom Fazio-designed championship golf course
- Contains 200-acre nature preserve and water, forest, meadow and wetland views; 70% of land to remain unoccupied
- Two Rivers Country Club, with two pools, 10 tennis courts (both clay and hard), casual and fine dining (The River Room for fine dining and the Grille Room and Bar for casual dining), docks, lounge, marina, fitness center, walking trails, private beach
- Up to 5BR/4.5BA
- 2,967 to 5,000+ square feet
- Breakfast nook, library/study, rec room, 9' ceilings, 2-story foyer, grand great room with palladian windows, gourmet kitchen, stone and brick veranda, pantry
- Garage space available
- \$500K to \$1.9M

Greensprings West: NO ADDRESS AVAILABLE, Williamsburg, VA. Greensprings West is a golf-course community located in Williamsburg, Virginia. With 500 units, it offers golf- and water-view lots.

- Located on the grounds of the old Green Spring Plantation and built around the award-winning 18-hole Jamestown and Yorktown Courses at the Williamsburg National Golf Club
- Customizable single-family homes in Colonial, Georgian and other styles
- Pool, tennis courts, restaurant, clubhouse, walking paths, playground
- Up to 5BR/2.5BA
- 2,100 to 6,455 square feet; 0.30 to 0.50-acre lots

- 2-story foyer with cascading waterfall stairs, gourmet kitchen with island, office porch, basement, front split staircase, morning room, 9' ceilings, pantry, spacious light-filled great room, breakfast bar
- Up to 3-car garage
- \$330K to \$1.1M

VII. CONCLUSIONS AND RECOMMENDATIONS

Because of its natural beauty and proximity to many important urban centers, much of Virginia presents a fine opportunity for active adult development. While there are many active adult communities throughout the state, SC has concluded that there are several areas of interest to consider when seeking to develop an active adult community.

While the Richmond metropolitan area has many active adult communities, especially smaller ones, we still believe that there are development opportunities in this area. The numerous colleges and universities, along with the considerable number of public parks and recreational amenities, position this area as particularly attractive to active retirees. Because of the large number of golf courses, both public and private, the development of a golf course community is a particularly attractive proposition in this area. Located near several important bodies of water, a riverfront community may be an attractive option as well.

Within the Richmond metropolitan area, SC is doing due diligence to target several sites in one important area. Over the past years, the 3 to 5 miles along the Route 288 corridor, traveling from the western border of Henrico County into Goochland County, have grown from farmland into dense commercial, retail and residential development. Most areas of Henrico County which lie close to Richmond have been substantially developed for many years; while there may be a need for over-55 housing, typically only smaller, more challenging properties would be available in these areas.

Because of oversaturation and its dearth of major attractions like park and wildlife areas, golf courses, or cultural attractions, the greater Fredericksburg area is not a particularly promising region for active adult development. However, due south of well-entrenched counties near Fredericksburg, there exist some opportunities for active adult development. Throughout Hanover, due north of Richmond, there are landmarks of natural beauty and promising towns for development.

While Northern Virginia, because of its affluence, copious cultural attractions, and proximity to major urban centers, appears to be a prime location for active adult development, the saturation of active adult communities along the Virginia - D.C./Maryland border indicates that the competition for another active adult community may be fierce. While Western Virginia may also appear to be a prime location for active adult development due to its great natural beauty and opportunities for outdoor activities, its relative isolation, coupled with a lack of cultural attractions, negate its suitability for active adult development.

The greater Williamsburg area is replete with the kinds of cultural attractions, collegiate activities, and natural beauty that would position it as an excellent candidate for active adult development. However, the saturation of active adult communities in the area presents an obstacle to development. In fact, Williamsburg is known for being a center for retirees. However, along the James River leading from Richmond to Williamsburg, there are only a few active adult communities, although the area's natural beauty and cultural attractions are significant. In this region, we believe there are opportunities for active adult development.

For several reasons, we believe that the greater Charlottesville region presents the most promising opportunity for active adult development except for barriers in entry in development, with few parcels of substance with water and sewer available. The area is convenient to several major highways and is easy to get to, yet it boasts many of the great natural attractions emblematic of less developed areas further west, such as two mountain ranges, miles of trails and public parks, and vast swaths of preserved forest and rural areas. Attractions like the Monticello Golf and Wine Trails position the region as a cultural powerhouse. The presence of the University of Virginia, home to more than 20,000 students each academic year, affords residents the opportunity to take advantage of the copious cultural events and educational opportunities that such an institution represents. The presence of the University also suggests the opportunity for a formal partnership with an active adult community.

We also think very highly of Harrisonburg and the upper Shenandoah Valley, and area that are very appealing from a scenic standpoint, have many major universities and are not too far from greater Washington, DC.

APPENDIX A: CONTINUING CARE RETIREMENT COMMUNITIES IN VIRGINIA

The acronym CCRC refers to the term “continuing care retirement community.” A CCRC is a retirement community which is licensed to incorporate several types of senior living care: independent living, assisted living, and skilled nursing. The approach behind a CCRC is to provide a “continuum of care” in which a retiring senior can become a resident of a retirement community and “age in place,” receiving increasingly intensive services within the same community so as not to leave friends and caring staff behind as they grow increasingly incapacitated.

Major CCRC developers in Virginia include Westminster Canterbury, Roanoke United Methodist Homes, and Sunnyside Communities. Another developer, Emeritus Senior Living, is a prominent fixture in the assisted living/memory care market. Westminster Canterbury is a not-for-profit senior living developer which operates five CCRC communities throughout Virginia. It develops communities with a full array of amenities and often special landscape features such as a nature preserve or a stocked pond.

Roanoke United Methodist Homes is a not-for-profit senior living developer which operates a series of CCRCs throughout eastern Virginia, from Richmond to Williamsburg. Its communities are luxury developments which incorporate high-end features like solariums, penthouses and luxury views. Finally, Sunnyside Communities is a senior living developer which operates a series of three CCRCs in western Virginia. Its communities are standard CCRCs, with high-end amenities and a variety of home types, from cottages to villas to apartments.

There are around 32 CCRC communities in Virginia. The areas with the highest concentration of CCRCs are Richmond and western Virginia, with northern Virginia and the Williamsburg area having a significant number of communities as well. CCRC campuses in Virginia tend to be comprised of dozens of acres, with heavily landscaped grounds incorporating garden areas, walking paths, courtyards and wooded areas. Some have exceptional waterfront or mountain views. Several communities have installed or lie next to multi-acre lakes or ponds that have been stocked with fish.

Virginia CCRCs tend to have a much wider array of amenities than active adult communities. Full-amenity clubhouses are the norm, with features that are often found in only the best active adult communities. These features always include beauty salons, fitness centers, casual and fine dining establishments, pools, great rooms, and game or art rooms. They can also include libraries, theaters, pubs or taverns, chapels, community gardens, art galleries, solariums, and greenhouses. There are a couple of CCRCs geared towards retired veterans and one geared towards retired Freemasons.

Residences in CCRC can be cottages, villas, garden or patio homes, apartments, suites or rooms, depending upon the stage of care and the resident’s preference. Common characteristics include big, sunny windows and a full array of custom features. Only a few of the CCRCs in Virginia are run by nonprofits. It was difficult to obtain rate information for Virginia CCRCs, but the little

information we were able to obtain suggests that monthly rates range from around \$1,000 for CCRCs run by nonprofits to a minimum monthly rate of \$3,000 for all other CCRCs.

Some of the more luxurious CCRCs in Virginia include:

The Colonnades: 2600 Barracks Road, Charlottesville, VA 22901. The Colonnades is a CCRC in Charlottesville, Virginia. It is comprised of 59 acres at the foothills of the Blue Ridge Mountains.

- Cottages and apartments
- Sponsored by the Foundations of the University of Virginia
- 22-acre nature preserve
- 2 dining rooms and a catering service, a fitness center, a pool and spa, rec rooms
- UVA-run medical clinic
- Close to golf courses, shopping and fine dining

Westminster Canterbury of Richmond: 1600 Westbrook Avenue, Richmond, VA 23227. Westminster Canterbury of Richmond is a CCRC located in Richmond, Virginia.

- Homes, apartments, suites and rooms
- Casual and fine dining, cocktail lounge, theater, gallery, art studios, library, lounge, aquatic center, fitness center

Westminster Canterbury of the Blue Ridge: 250 Pantops Mountain Road, Charlottesville, VA 22911. Westminster Canterbury of the Blue Ridge is a CCRC located in Charlottesville, Virginia.

- Beautiful mountain views and pond stocked with fish
- Library, art/game/rec rooms, beauty salon, fitness center, pool, casual and fine dining
- Cottages, apartments, rooms, suites
- Extensive lifelong learning program, including the Osher Lifelong Learning Institute and connections with the University of Virginia

Williamsburg Landing: 5700 Williamsburg Landing Drive, Williamsburg, VA 23185. Williamsburg Landing is a CCRC located in Williamsburg, Virginia.

- Homes, townhomes and luxury apartments
- Located on 137 acres along picturesque College Creek, with scenic marshlands and natural woodlands
- Walking trails, courts, chapel, gazebos, gardens
- Clubhouse with casual and fine dining, pool, beauty salon, Internet center, auditorium, library
- 24,000 square foot resort-style Health Club and Spa
- Close to College of William and Mary

APPENDIX: B
COLLEGE AND UNIVERSITY INFLUENCE ON THE SENIOR HOUSING MARKET

In addition to educational programming, some senior living developers choose to further strengthen their lifelong learning offerings by partnering with universities and other academic institutions. This emerging trend is supported by an increasing number of reports in the media and in professional journals asserting that the number of retirees looking to settle down in vibrant collegiate-oriented towns is on the rise. In a December 12 article in the Wall Street Journal entitled “Senior Year Transfer: Retiring in a College Town,” Katy McLaughlin reports, “In the past the great magnet for retirees was Florida, but today more of them are looking beyond the Sunshine State. Now, college towns, with their vibrant cultural scenes and intellectual pursuits, are proving to be popular retirement destinations.”

An affiliation with a college or university will usually improve retirement community occupancy because alumni often prefer to retire near their alma maters and take advantage of all of the cultural and continuing education opportunities that these institutions present. Communities located close to campuses offer residents access to public lectures, beautiful campus settings, high-level medical facilities, and athletic and cultural events. Developers across the country are currently building many such communities, capitalizing on this new and lucrative trend.

Kendal at Oberlin, a CCRC which serves seniors “in the Quaker tradition,” is merely a short van ride from the campus of Oberlin College in Ohio. More than a third of its residents are retired Oberlin faculty, alumni, or staff. Similar Quaker-oriented communities have been established by Kendal Corporation at Cornell University, in Ithaca, NY; Dartmouth College, in Hanover, New Hampshire; and Denison University, in Granville, Ohio. The Kendal community in Lexington, Virginia, is located near both the Virginia Military Institute and Washington & Lee University. Furthermore, Kendal’s two communities in western Massachusetts are within a 10-mile radius of five colleges and universities.

Rivers Run, an independent and enriched living community in Rochester, New York, is home to the Osher Lifelong Learning Institute at the Rochester Institute of Technology. This academically-based educational partnership offers a wide range of classes to adults over the age of 50. It allows seniors to audit classes in a wide range of fields, including the arts, history, sciences and government. Courses are also developed and conducted by members of the community who are willing to share their own knowledge and experiences. In addition to educational programming, seniors at Rivers Run are welcome to enjoy RIT’s state-of-the-art facilities and cultural events. A community life director is available on-site to help seniors register for classes and events and to coordinate lectures on a variety of topics.

The Pines at Davidson is a CCRC comprised of 109 acres in the woods of Davidson, North Carolina. The community is located next door to Davidson College and Lake Norman. It offers buyers villas, cottages, and apartments, along with a wellness center, a salon/spa, and a wide range of IL activities and amenities. Seniors can audit courses at Davidson College for a small fee or attend the Learning in Retirement lecture series. The community is located two-and-a-half miles away from the Rivers Run Country Club.

On the high end of the CCRC spectrum is the Classic Residence by Hyatt, located in Palo Alto, California. Opened in 2005 at a cost of \$370 million and built on land leased from Stanford University, it offers buyers 388 IL residences, 38 AL units, 24 MC suites, and 44 SN suites. Amenities include a pool, fitness center and spa, library, computer center, art studio, beauty salon/barber shop, and meals at three dining locales. There are more than 20 such Classic Residences today, although most are not CCRCs.

UNIVERSITY-AFFILIATED RETIREMENT COMMUNITIES IN VIRGINIA

There are a number of colleges and universities in the state of Virginia, most notably the College of William and Mary, George Mason University, James Madison University, Liberty University, Old Dominion University, the University of Virginia, the University of Richmond, and Virginia Commonwealth University. Of these colleges and universities, several have retirement communities located either next to or in close proximity to them. In particular, James Madison University, George Mason University, the University of Virginia, and the University of Richmond are all located close to retirement communities.

James Madison University is located in Harrisonburg, Virginia, 63 miles northwest of Charlottesville. A public research university, it was rated “More Selective” by the Carnegie Foundation for the Advancement of Teaching and has 19,722 students. It is located near Eastern Mennonite University, whose campus is also in Harrisonburg. It has informal affiliations with three nearby senior living communities: Sunnyside, Virginia Mennonite Retirement Community, and Emeritus at Harrisonburg. Sunnyside is a CCRC which offers buyers apartments, cottages, villas and rooms. It has an unspecified “continuing education” program, along with a variety of groups and activities, events, and day trips. James Madison University students often volunteer at the community.

Virginia Mennonite Retirement Community is a CCRC located only a short walk from Eastern Mennonite University. Close to golf, skiing, museums, historical sites, and Shenandoah National Park, it offers buyers private cottages, luxury apartments, AL studios, and rooms. Along with gardens, shuffleboard and bocce courts, VMRC provides the opportunity to take continuing education classes at both James Madison University and Eastern Mennonite University.

Emeritus at Harrisonburg offers full-spectrum integrated IL, AL, and MC care. Comprised of a wide variety of maintenance-free apartments along winding streets with mature trees and professional landscaping, the community is surrounded by the beautiful Blue Ridge and Massanutten Mountains, offering a picturesque scene of peace and tranquility. Along with a full spectrum of events and activities, the community is often visited by James Madison University student volunteers.

George Mason University is located in Fairfax, Virginia, in the far north of Virginia, near Washington, D.C. A Tier 1 public research university, it has over 32,500 students, making it the largest university in Virginia. The only retirement community affiliated with George Mason University is Sunrise at George Mason, centrally located in the heart of Old Town Fairfax in the city of Fairfax. A fully-integrated IL/AL/MC community, it is convenient to many of the amenities of Fairfax and is directly connected to INOVA Commonwealth Health and Rehab

Center and INOVA Urgent Care. Offering a wide range of amenities, such as an in-house beauty shop, free Wi-Fi, a bistro, spa, a garden with walking paths, and sun porches, the website describes “educational programming” but is not specific as to its nature.

The University of Virginia is located in Charlottesville, Virginia. A public research university, it was ranked as America’s second best public university by U.S. News and World Report in 2013. It is home to 21,095 students. The only retirement community affiliated with the University of Virginia is The Colonnades, another Sunrise Senior Living facility. The Colonnades is a CCRC sponsored by the Foundations of the University of Virginia. Comprised of 59 acres at the foothills of the Blue Ridge Mountains, it offers buyers apartments and cottages and a full range of amenities: 2 dining rooms and a catering service, a fitness center, a pool and spa, a 22-acre nature preserve, activity rooms, and a University of Virginia-run medical clinic. It is located close to golf courses, shopping and fine dining.

The University of Richmond is located in the West End of Richmond, Virginia. A private liberal arts university, it is home to approximately 4,350 students. The only retirement community in close proximity to the university is The Crossings at University Park, an AL/MC community also located in Richmond’s West End. Comprised of 10 acres of land, it offers buyers one-bedroom, studio, and MC suite units and a full range of amenities, including a pub, cafe, dining room with fireplace and serving bar, theatre, chapel, salon, patios, and a wellness program. Currently partners with Harmony Senior Services, the community may incorporate an IL facility in the future as well.

SC, LLC is currently in discussions with Longwood University, in Farmville, Virginia, to develop a golf course community affiliated with the university. The site is currently an empty lot.