

# Richard W. Centra

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Senior Vice President & Business Unit Leader  
Talent Management & Benefits Business Unit

To: Clark Wagner

From: Rick Centra

Subject: Executive Summary - Mt Airy Analysis

Date: March 5, 2024

Please allow this correspondence to serve as my response to your request about the feasibility of senior housing in Mt. Airy MD.

The methodology that I employed to complete the analysis was to obtain historical data about ongoing communities located within 15 miles of the subject property. I also commissioned demographic data within a 10-mile radius of the subject property.

The data attached to this analysis was commissioned from a 3<sup>rd</sup> party supplier, Zonda. As you may know, Zonda is a national research firm. Zonda acquired Metro Study and I consider them to be the premier supplier of new home marketing data in this region of the United States. The Zonda data with my notes is attached for your kindly consideration. In addition to Zonda data, I personally went onto the websites of the 6 ongoing communities that are located within the 15 miles of the subject property to update all base pricing.

My observations are as follows:

- In the six ongoing communities, base pricing increased in 4 of the 6 jobs surveyed. Since the 4<sup>th</sup> quarter, base prices increased in Bloomfields for Ryan Singles and Villas, Gatherings for Beazer Condos, Liberty Place for Ryan Condos and Villages at Cabin Branch for Plex Units by DRB.
- The only base price decreases that I could find were found in Woodlands by NV Homes for Single Family Homes (because they are close out mode) & Bloomfields by NV Homes for Single Family Homes. Although NV at Bloomfields recently reduced its base pricing, the current base pricing remains above what it was during the 3<sup>rd</sup> quarter of 2023.
- One can conclude that base pricing is increasing in the bulk of the jobs surveyed.
- As for market demand, there are very few speculative homes being built. That speaks in volumes to demand for senior housing in the region.
- Starts for new homes during 2023 increased during every quarter during 2023 while the number of vacant developed decreased – there is more demand than available lots. Please review the Historical Housing Activity Summary.
- The demographics are strong, very strong, in favor of senior housing. Residents living within 10 miles of the subject property enjoy a very high Household Income - \$161,789. Note that 34.9% of residents within 10 miles of the site are 50 years old or older. 87% of residents prefer ownership to renting. In my opinion, these demographics support senior housing.

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I analyzed the Liberty Place offering by Ryan Homes. The following are my observations:

- There are no community amenities. That is a major drawback for seniors since there is no social gathering area or amenities such as swimming, tennis, etc. Social activities are important to seniors.
- The product has no garage parking. On grade, outside parking, in a community parking lot will not be preferable to this profile since many of them have plenty of income to buy whatever they want.
- In my opinion, the community infrastructure as well as the product offerings are not targeted to active adult buyers other than to those that are seeking a rock bottom price.
- Since opening the job in the 4<sup>th</sup> quarter of 2023, Ryan has been able to raise its base pricing by \$8,500 on average. Zonda reflected actual base pricing for the 4<sup>th</sup> quarter on the Community Profile and when the Ryan website was visited earlier today, pricing has increased, on average, by \$8,500.
- Note that the Community Profile reflects that Liberty Place started in 1<sup>st</sup> quarter 2023. That is correct however; Ryan did not open for sales until the models were completed in the 4<sup>th</sup> quarter of 2023.

In closing, based on the research and my finding, I am quite confident that a strong market exists for senior housing at the subject property. If there is anything else that I can do in furtherance of this matter, please let me know.