

# Senior Housing Demand Analysis for Submarkets in Anoka County, Minnesota

*Prepared for:*

**Anoka County HRA**  
Anoka, MN

September 2010



**Maxfield**

**Research Inc.**

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September 22, 2010

Ms. Karen Skepper  
Community Development Manager  
Anoka County HRA  
2100 3<sup>rd</sup> Avenue  
Anoka, MN 55303

Dear Ms. Skepper:

We are pleased to present our study titled “Senior Housing Demand Analysis for Submarkets in Anoka County, Minnesota.”

The attached document analyzes the demographic and market conditions of 15 individual submarkets in Anoka County. Total and excess demand in 2010 and 2015 in Anoka County is calculated, followed by an analysis of demand that can be captured in each submarket. The document concludes with a discussion of the types and sizes of senior housing developments that could be supported in different submarkets after accounting for proposed and pending developments. Our conclusions also discuss two development concepts—stand-alone active adult building and campus-style senior housing community—and outline development parameters and absorption for both concepts. Overall, the analysis is intended to serve as a guide in identifying the sources of demand for senior housing across Anoka County and providing a preliminary assessment of the locations and types of projects that could be developed to meet unmet demand for senior housing in individual submarkets.

We have enjoyed completing this analysis and are available should you have any further questions or require additional information.

Sincerely,

MAXFIELD RESEARCH INC.

A handwritten signature in black ink that reads 'Jay Thompson'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jay Thompson  
Vice President

Attachment

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### **Study Impetus**

Maxfield Research Inc. was engaged by the Anoka County HRA to analyze and identify submarkets in Anoka County that hold the highest potential for development of additional senior housing, including active adult (market rate and affordable), congregate, assisted living, and memory care. While no specific development sites were considered in our analysis, geographic considerations impact the draw and migration patterns of seniors moving to and within Anoka County submarkets, which are analyzed at great depth in this analysis.

### **Scope of Services**

The scope of the study includes:

- ▶ Analysis of demographic trends and characteristics on individual submarket and County levels;
- ▶ Inventory of existing senior housing projects in Anoka County submarkets and analysis of performance and positioning;
- ▶ Identification of any proposed or planned senior housing projects that may come online in the near-term and meet market demand;
- ▶ Analysis of senior migration patterns in Anoka County submarkets based on information provided by senior housing managers regarding the previous place of residence of seniors who relocated to their housing communities;
- ▶ Calculation of senior housing demand, including for active adult (market rate and affordable), congregate, assisted living, and memory care senior housing, on submarket and county levels;
- ▶ Discussion of which submarkets are most desirable for and capable of supporting a campus-style senior housing complex; and
- ▶ Provision of general recommendations for unit mix, sizes, and pricing for a senior housing complex to be built in Anoka County submarkets deemed capable of supporting a new campus-style complex.

This report includes both primary and secondary research. Primary research includes interviews with rental property managers and other housing professionals. Secondary research is credited to the source when used, and is used as a basis for analysis after a careful review of other factors that may impact projections. All of the information on existing housing developments was gathered by Maxfield Research Inc. and is accurate to the best of our knowledge.

### Introduction

Demographic characteristics and trends are an important component in assessing the potential demand for senior housing in any given community. This section of the report examines key demographic factors related to the demand for senior housing in Anoka County submarkets. Included is a review of overall growth trends and an analysis of the demographic composition of the older adult and senior population on individual submarket and County levels.

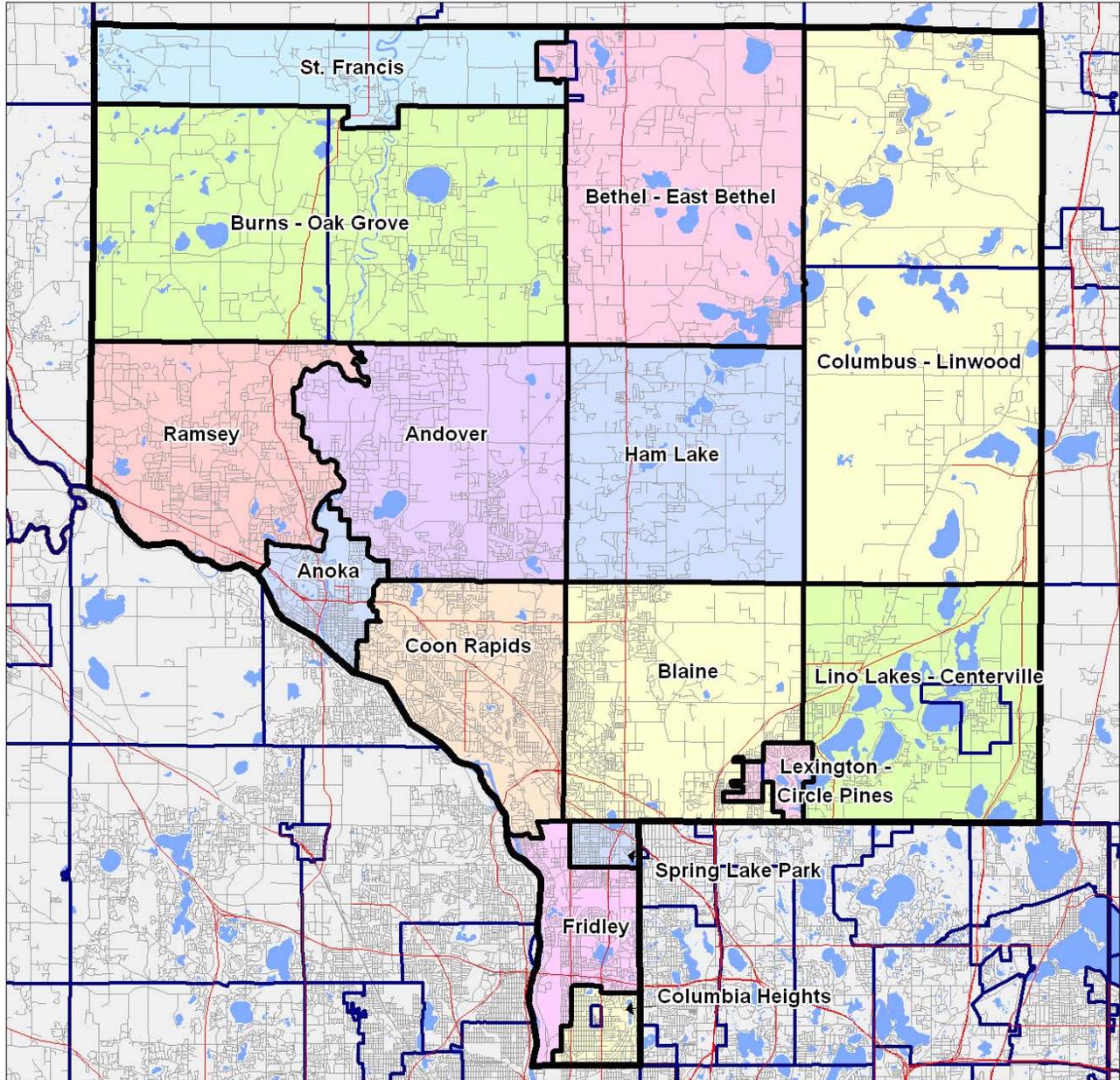
### Sources of Demographic Data

All demographic data presented for 1990 and 2000 is sourced from the U.S. Census Bureau and is appropriately cited in each table when used. Maxfield Research Inc. calculated estimates for 2010 and projections for 2015 and 2020 by synthesizing information provided by local (Metropolitan Council) and national (ESRI) data sources with information about recent residential building activity (CenStats Database) and our knowledge of growth patterns in Twin Cities Metropolitan Area. The final numbers used in our analysis are a custom blend of data from reputable demographic providers and local information sources that account for the impact of the housing market slowdown and the economic recession and recovery. Any adjustments applied are carried through the entire demographic analysis and into the demand calculations, which are presented in a later section of this study.

Data for most communities in Anoka County is assessed individually. Due to the small size and/or location of some townships and cities, some communities are assessed together. The following fifteen submarkets were analyzed:

- Andover
- Anoka
- Blaine
- Circle Pines and Lexington
- Columbia Heights and Hilltop
- Coon Rapids
- East Bethel and Bethel
- Fridley
- Ham Lake
- Lino Lakes and Centerville
- Linwood and Columbus
- Oak Grove and Burns Township (Nowthen)
- Ramsey
- Spring Lake Park
- St. Francis

### Anoka County Senior Housing Submarkets



## DEMOGRAPHIC ANALYSIS

### Demographic Analysis

The following discussion summarizes key demographic trends occurring in various submarkets and in Anoka County. The data is summarized in Table 1 and is also displayed in more detailed tables presented on Page 9 through page 17.

	2010				Pct. 65+/ Total Pop.	2010 to 2015		2010		Average Resale Price
	Total Pop.		Total 65+ Pop.			65+ Pop. Grwth.		Inc. Qual. 65+		
	No.	Pct.	No.	Pct.		No.	Pct.	No.	Pct.	
Andover	32,380	9.4	1,708	5.5	5.3	636	9.2	735	6.3	\$226,638
Anoka	18,015	5.2	2,388	7.7	13.3	269	3.9	672	5.8	\$127,571
Blaine	59,845	17.4	4,515	14.6	7.5	1,295	18.8	1,849	16.0	\$197,608
Circle Pines & Lexington	7,560	2.2	749	2.4	9.9	151	2.2	289	2.5	\$140,449
Columbia Heights & Hilltop	19,370	5.6	3,683	11.9	19.0	240	3.5	1,098	9.5	\$118,739
Coon Rapids	64,395	18.7	6,144	19.8	9.5	1,093	15.8	2,283	19.7	\$139,419
East Bethel & Bethel	13,055	3.8	827	2.7	6.3	280	4.1	319	2.8	\$165,186
Fridley	26,850	7.8	3,998	12.9	14.9	262	3.8	1,497	12.9	\$139,038
Ham Lake	15,575	4.5	1,156	3.7	7.4	542	7.9	472	4.1	\$230,730
Lino Lakes & Centerville	24,925	7.2	1,033	3.3	4.1	356	5.2	373	3.2	\$227,445
Linwood & Columbus	9,240	2.7	827	2.7	9.0	277	4.0	342	3.0	\$174,273
Oak Grove & Nowthen	13,335	3.9	1,050	3.4	7.9	395	5.7	468	4.0	\$206,513
Ramsey	24,970	7.3	1,509	4.9	6.0	910	13.2	668	5.8	\$177,683
Spring Lake Park	7,180	2.1	1,085	3.5	15.1	100	1.4	398	3.4	\$141,309
St. Francis	7,555	2.2	313	1.0	4.1	94	1.4	114	1.0	\$143,297
<b>Anoka County Total</b>	<b>344,250</b>	<b>100.0</b>	<b>30,985</b>	<b>100.0</b>	<b>9.0</b>	<b>6,900</b>	<b>100.0</b>	<b>11,577</b>	<b>100.0</b>	<b>\$174,845</b>

Sources: U.S. Census; Metropolitan Council; ESRI; Maxfield Research Inc.

### Table 2: Population and Household Growth Trends and Projections

- As of 2010, Anoka County contained an estimated 344,250 people and 125,470 households and experienced growth of 46,061 people (+15.4%) and 18,994 households (+17.8%) since 2000.
- Among the submarkets analyzed, Coon Rapids contains the largest percentage of the County's total population (18.7%), followed by Blaine (17.4%), and Andover (9.4%). The County's smallest population concentrations are located in Spring Lake Park (2.1%), St. Francis (2.2%), and Circle Pines & Lexington (2.2%). It is important to note that since the submarkets are of various geographical sizes, concentration is not necessarily indicative of density.
- Over the next decade, Anoka County is forecast to grow at a slightly decreased rate from the previous decade with the addition of 43,195 people (+12.5%) and 18,670 households (+14.9%).

## **DEMOGRAPHIC ANALYSIS**

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- Nearly 29% of the total household growth forecast in the County will occur in Blaine (5,365 households, or +24.7% from 2010). Strong numerical growth (1,000 households or more) is also forecast in the following submarkets:
  - Ramsey with 3,715 households, or +45% from 2010
  - Lino Lakes & Centerville with 1,835 households, or +24.1% from 2010
  - Andover with 1,735 households, or +17.2% from 2010
  - East Bethel & Bethel with 1,590 households, or 35.7% from 2010

Ramsey (+45%) and East Bethel & Bethel (+35.7%) are forecast to experience the greatest rates of growth by percentage.

- Because the impetus of this study is to assess the demand for senior housing in Anoka County submarkets, the analysis will focus on the older adult and senior population from this point forward.

### **Table 3: Older Adult (Age 55+) Population Age Distribution**

- Overall, the older adult and senior population is growing significantly faster than the population as a whole. Over the last decade, Anoka County added 22,630 people age 55 and older, which equates to growth in this age segment of +50.6%.
- As of 2010, the highest percentage of the County's senior (age 65+) population was located in Coon Rapids (19.8%), followed by Blaine (14.6%), Fridley (12.9%), and Columbia Heights & Hilltop (11.9%). These are also the communities with the highest percentages of the overall population. Numerically, seniors are concentrated in the following submarkets:
  - Coon Rapids (6,144 seniors)
  - Blaine (4,515 seniors)
  - Fridley (3,998 seniors)
  - Columbia Heights & Hilltop (3,683 seniors)
- Some submarkets have high proportions of seniors relative to the rest of the population, as evidenced by the percentage of the total population that is age 65+. The following communities have the highest percentage of people age 65+:
  - Columbia Heights & Hilltop (18.7%)
  - Spring Lake Park (16.9%)
  - Fridley (14.1%)
  - Anoka (13.9%)
- Over the next five years, the Anoka County is forecast to add 6,900 seniors. As currently forecasted, the following submarkets will capture the greatest share of this growth:
  - Blaine with 1,295 households (18.8% of the County's growth)
  - Coon Rapids with 1,093 households (15.8% of the County's growth)

## DEMOGRAPHIC ANALYSIS

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- Ramsey with 910 households (13.2% of the County's growth)
- Andover with 636 households (9.2% of the County's growth)

### **Tables 4 & 5: Older Adult and Senior Household Incomes**

- Tables 4 and 5 show incomes for older adult and senior households in Anoka County submarkets in 2010 and 2015. It is important to note that the data does not account for the asset base of senior households, nor supplemental income that a senior household could gain from the proceeds of a sale of a home or from contributions from family members. The data in the Tables 4 and 5 help determine the age- and income-qualified senior households in each submarket based on the size of the market at specific price levels. This data is incorporated into the demand calculations, which are presented in a following section.
- The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown seniors are willing to pay 40% to 50% of their incomes for market rate senior housing with little or no services, while income allocations of up to 65% are typical in a congregate setting and 80% to 90% for assisted living. It is important to note that the proceeds from the sales of their homes, as well as financial assistance from their adult children are often used as supplemental income in order to afford senior housing alternatives.
- The target market for senior housing with services is generally senior households with incomes of at least \$40,000 (\$50,000 in 2015 after adjusting for inflation). As of 2010, there are 11,580 senior households (age 65+) in Anoka County with incomes of at least \$40,000, accounting for about 59% of all 65+ households.
- Numerically, submarkets with the highest percentage of Anoka County's income-qualified senior households are the following:
  - Coon Rapids with 2,283 households (19.7% of the County's total)
  - Blaine with 1,849 households (16.0% of the County's total)
  - Fridley with 1,497 households (12.9% of the County's total)
  - Columbia Heights & Hilltop with 1,098 households (9.5% of the County's total)
- Overall, submarkets in Anoka County have a high percentage of seniors who income-qualify (41.7% to 78.1% of all 65+ households are income-qualified). Submarkets with the highest percentage of income-qualified seniors relative to the total senior household base are the following:
  - Ramsey (78.1%)
  - Oak Grove & Nowthen (77.6%)
  - Andover (73.8%)
  - Ham Lake (71.1%)
  - Linwood & Columbus (71.0%)
- Adjusting for inflation, households earning \$50,000 or more in 2015 comprise the market for market rate senior housing at that time. Anoka County as a whole is forecast to gain an addi-

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tional 4,670 age- and income-qualified households over the next five years, with the greatest growth occurring in the following submarkets:

- Blaine with 846 households (18.1% of the County's growth)
- Coon Rapids with 806 households (17.3% of the County's growth)
- Ramsey with 464 households (9.9% of the County's growth)
- Andover with 425 households (9.1% of the County's growth)

### **Table 6: Household Tenure by Age**

- Table 6 shows the number of older adult and senior households that owned and rented their housing. This information lends insight into the number of households that may still have homes to sell, and could potentially supplement their incomes from the sales of their homes to support monthly fees for alternative housing.
- Typically, homeownership rates decline with household age. In 2000, homeownership was 91.7% for households age 55 to 64, 87.2% for households age 65 to 74, and 65.1% for households age 75 and older in Anoka County.
- Seniors in Anoka County begin moving to senior housing (or other renter-occupied units) after the age of 75, as observed in the decrease in homeownership between the 65 to 74 age cohort (87.2%) and the 75+ age cohort (65.1%).
- Due to the lack of rental housing options available to seniors in outlying Anoka County, communities located along the fringe of the County tend to have higher rates of homeownership in later life. Even among seniors age 75+, Oak Grove & Nowthen, East Bethel & Bethel, and Linwood & Columbus all maintain homeownership rates above 90%.
- Submarkets where senior housing options are available have lower rates of homeownership among the 75+ age cohort, including Spring Lake Park (37.6%), Anoka (43.3%), and Andover (43.4%).

### **Table 7: Residential Sales**

- Table 7 presents residential sales transactions from Northstar MLS, the Regional Multiple Listing Service of Minnesota. This data is useful in that it represents the amount of equity seniors may be able to derive from the sales of their homes that could be used to supplement their incomes should they desire or need to move into alternative housing.
- For 2010 year-to-date, the average residential sale price in the Anoka County is \$174,845, which represents a modest (+1.2%) increase over the previous year. However, the number of homes sold has substantially decreased; only about 50% of the number of homes sold in 2009 have sold in Anoka County in the first seven-and-a-half months of 2010. At this pace, the total number of homes sold in 2010 will be approximately 75% to 85% of the total number of homes sold the previous year.

## DEMOGRAPHIC ANALYSIS

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- The following submarkets have the highest average resale value, according to information for 2010 year-to-date:
  - Ham Lake at \$230,730
  - Lino Lakes & Centerville at \$227,445
  - Andover at \$226,638
  - Oak Grove & Nowthen at \$206,513
  
- Submarkets with the lowest 2010 year-to-date average resale prices are:
  - Columbia Heights & Hilltop at \$118,739
  - Anoka at \$127,571
  - Fridley at \$139,038
  - Circle Pines & Lexington at \$140,449
  
- Although the real estate market in the submarkets and in the County is showing signs of improvement, the slowdown in the real estate market will continue to have some impact on the ability and willingness of seniors to sell their homes.

**DEMOGRAPHIC ANALYSIS TABLES AND MAPS**

**Table 2 to Table 7**

**DEMOGRAPHIC ANALYSIS**

<b>TABLE 2 POPULATION AND HOUSEHOLD GROWTH TRENDS ANOKA COUNTY COMMUNITIES 1990-2020</b>									
	<b>Estimates and Forecasts</b>					<b>Change</b>			
	1990	2000	2010	2015	2020	2000-2010		2010-2020	
						No.	Pct.	No.	Pct.
<b>Population</b>									
Andover	15,216	26,588	32,380	33,545	35,850	5,792	21.8	3,470	10.7
Anoka	17,192	18,076	18,015	18,070	18,470	-61	-0.3	455	2.5
Blaine	38,975	44,942	59,845	63,415	71,915	14,903	33.2	12,070	20.2
Circle Pines & Lexington	6,983	6,877	7,560	7,620	7,570	683	9.9	10	0.1
Columbia Heights & Hilltop	19,659	19,286	19,370	19,670	20,370	84	0.4	1,000	5.2
Coon Rapids	52,978	61,607	64,395	64,675	64,825	2,788	4.5	430	0.7
East Bethel & Bethel	8,444	11,384	13,055	14,690	17,015	1,671	14.7	3,960	30.3
Fridley	28,335	27,449	26,850	26,680	28,500	-599	-2.2	1,650	6.1
Ham Lake	8,924	12,710	15,575	16,475	17,375	2,865	22.5	1,800	11.6
Lino Lakes & Centerville	10,440	19,993	24,925	26,765	29,225	4,932	24.7	4,300	17.3
Linwood & Columbus	7,278	8,625	9,240	9,585	10,100	615	7.1	860	9.3
Oak Grove & Nowthen	7,842	10,460	13,335	14,030	14,835	2,875	27.5	1,500	11.2
Ramsey	12,408	18,510	24,970	29,100	34,580	6,460	34.9	9,610	38.5
Spring Lake Park	6,429	6,772	7,180	7,180	7,180	408	6.0	0	0.0
St. Francis	2,538	4,910	7,555	8,595	9,635	2,645	53.9	2,080	27.5
<b>Anoka County Total</b>	<b>243,641</b>	<b>298,189</b>	<b>344,250</b>	<b>360,095</b>	<b>387,445</b>	<b>46,061</b>	<b>15.4</b>	<b>43,195</b>	<b>12.5</b>
<b>Households</b>									
Andover	4,430	8,107	10,085	10,520	11,820	1,978	24.4	1,735	17.2
Anoka	6,394	7,262	7,485	7,605	7,905	223	3.1	420	5.6
Blaine	12,825	15,898	21,715	23,180	27,080	5,817	36.6	5,365	24.7
Circle Pines & Lexington	2,391	2,544	2,900	2,970	3,015	356	14.0	115	4.0
Columbia Heights & Hilltop	8,176	8,433	8,755	8,920	9,220	322	3.8	465	5.3
Coon Rapids	17,449	22,578	24,325	24,495	24,495	1,747	7.7	170	0.7
East Bethel & Bethel	2,672	3,756	4,455	5,120	6,045	699	18.6	1,590	35.7
Fridley	10,909	11,328	11,485	11,555	11,705	157	1.4	220	1.9
Ham Lake	2,720	4,139	5,240	5,640	6,090	1,101	26.6	850	16.2
Lino Lakes & Centerville	3,122	5,934	7,615	8,375	9,450	1,681	28.3	1,835	24.1
Linwood & Columbus	2,275	2,906	3,225	3,410	3,690	319	11.0	465	14.4
Oak Grove & Nowthen	2,392	3,323	4,385	4,725	5,170	1,062	32.0	785	17.9
Ramsey	3,620	5,906	8,260	9,860	11,975	2,354	39.9	3,715	45.0
Spring Lake Park	2,302	2,724	2,890	2,915	2,940	166	6.1	50	1.7
St. Francis	760	1,638	2,650	3,095	3,540	1,012	61.8	890	33.6
<b>Anoka County Total</b>	<b>82,437</b>	<b>106,476</b>	<b>125,470</b>	<b>132,385</b>	<b>144,140</b>	<b>18,994</b>	<b>17.8</b>	<b>18,670</b>	<b>14.9</b>
Sources: U.S. Census; Metropolitan Council; ESRI; Maxfield Research Inc.									

**DEMOGRAPHIC ANALYSIS**

**TABLE 3  
OLDER ADULT (55+) POPULATION AGE DISTRIBUTION  
ANOKA COUNTY  
2000-2015**

POPULATION							
Age	2000	2010	2015	2000-2010		2010-2015	
<b>Andover</b>							
55 to 64	1,623	2,983	3,384	1,360	83.8%	401	13.4%
65 to 74	459	1,195	1,691	736	160.3%	496	41.5%
75+	300	513	653	213	71.0%	140	27.3%
<b>Total 55+</b>	<b>2,382</b>	<b>4,691</b>	<b>5,728</b>	<b>2,309</b>	<b>96.9%</b>	<b>1,037</b>	<b>22.1%</b>
<i>Pct. 55+</i>	<i>9.0%</i>	<i>14.5%</i>	<i>17.1%</i>				
<b>Anoka</b>							
55 to 64	1,436	1,881	1,956	445	31.0%	75	4.0%
65 to 74	988	1,129	1,390	141	14.3%	261	23.1%
75+	1,105	1,259	1,267	154	13.9%	8	0.6%
<b>Total 55+</b>	<b>3,529</b>	<b>4,269</b>	<b>4,613</b>	<b>740</b>	<b>21.0%</b>	<b>344</b>	<b>8.1%</b>
<i>Pct. 55+</i>	<i>19.5%</i>	<i>23.7%</i>	<i>25.5%</i>				
<b>Blaine</b>							
55 to 64	3,499	6,230	6,926	2,731	78.1%	696	11.2%
65 to 74	1,657	3,023	3,998	1,366	82.4%	975	32.3%
75+	729	1,492	1,812	763	104.7%	320	21.4%
<b>Total 55+</b>	<b>5,885</b>	<b>10,745</b>	<b>12,736</b>	<b>4,860</b>	<b>82.6%</b>	<b>1,991</b>	<b>18.5%</b>
<i>Pct. 55+</i>	<i>13.1%</i>	<i>18.0%</i>	<i>20.1%</i>				
<b>Circle Pines &amp; Lexington</b>							
55 to 64	500	964	1,146	464	92.8%	182	18.9%
65 to 74	368	425	567	57	15.5%	142	33.4%
75+	175	324	333	149	85.1%	9	2.8%
<b>Total 55+</b>	<b>1,043</b>	<b>1,713</b>	<b>2,046</b>	<b>670</b>	<b>64.2%</b>	<b>333</b>	<b>19.4%</b>
<i>Pct. 55+</i>	<i>15.2%</i>	<i>22.7%</i>	<i>26.8%</i>				
<b>Columbia Heights &amp; Hilltop</b>							
55 to 64	1,796	2,349	2,695	553	30.8%	346	14.7%
65 to 74	1,706	1,561	1,827	-145	-8.5%	266	17.0%
75+	1,812	2,122	2,096	310	17.1%	-26	-1.2%
<b>Total 55+</b>	<b>5,314</b>	<b>6,032</b>	<b>6,618</b>	<b>718</b>	<b>13.5%</b>	<b>586</b>	<b>9.7%</b>
<i>Pct. 55+</i>	<i>27.6%</i>	<i>31.1%</i>	<i>33.6%</i>				
<b>Coon Rapids</b>							
55 to 64	5,027	6,948	7,461	1,921	38.2%	513	7.4%
65 to 74	2,805	3,693	4,570	888	31.7%	877	23.7%
75+	1,691	2,451	2,667	760	44.9%	216	8.8%
<b>Total 55+</b>	<b>9,523</b>	<b>13,092</b>	<b>14,698</b>	<b>3,569</b>	<b>37.5%</b>	<b>1,606</b>	<b>12.3%</b>
<i>Pct. 55+</i>	<i>15.5%</i>	<i>20.3%</i>	<i>22.7%</i>				

Sources: ESRI; Metropolitan Council; Maxfield Research Inc.

**DEMOGRAPHIC ANALYSIS**

**TABLE 3 (continued)  
 OLDER ADULT (55+) POPULATION AGE DISTRIBUTION  
 ANOKA COUNTY  
 2000-2015**

POPULATION								
Age	2000	2010	2015	2000-2010		2010-2015		
<b><i>East Bethel &amp; Bethel</i></b>								
55 to 64	803	1,212	1,561	409	50.9%	349	28.8%	
65 to 74	280	570	768	290	103.6%	198	34.7%	
75+	176	257	339	81	46.0%	82	31.9%	
<b>Total 55+</b>	<b>1,259</b>	<b>2,039</b>	<b>2,668</b>	<b>780</b>	<b>62.0%</b>	<b>629</b>	<b>30.8%</b>	
<i>Pct. 55+</i>	<i>11.1%</i>	<i>15.6%</i>	<i>18.2%</i>					
<b><i>Fridley</i></b>								
55 to 64	3,011	3,041	3,077	30	1.0%	36	1.2%	
65 to 74	2,127	2,210	2,359	83	3.9%	149	6.7%	
75+	1,154	1,788	1,901	634	54.9%	113	6.3%	
<b>Total 55+</b>	<b>6,292</b>	<b>7,039</b>	<b>7,337</b>	<b>747</b>	<b>11.9%</b>	<b>298</b>	<b>4.2%</b>	
<i>Pct. 55+</i>	<i>22.9%</i>	<i>26.2%</i>	<i>27.5%</i>					
<b><i>Ham Lake</i></b>								
55 to 64	973	1,899	2,094	926	95.2%	195	10.3%	
65 to 74	340	828	1,269	488	143.5%	441	53.3%	
75+	190	328	429	138	72.6%	101	30.8%	
<b>Total 55+</b>	<b>1,503</b>	<b>3,055</b>	<b>3,792</b>	<b>1,552</b>	<b>103.3%</b>	<b>737</b>	<b>24.1%</b>	
<i>Pct. 55+</i>	<i>11.8%</i>	<i>19.6%</i>	<i>23.0%</i>					
<b><i>Lino Lakes &amp; Centerville</i></b>								
55 to 64	915	1,927	2,454	1,012	110.6%	527	27.3%	
65 to 74	392	676	972	284	72.4%	296	43.8%	
75+	262	357	417	95	36.3%	60	16.8%	
<b>Total 55+</b>	<b>1,569</b>	<b>2,960</b>	<b>3,843</b>	<b>1,391</b>	<b>88.7%</b>	<b>883</b>	<b>29.8%</b>	
<i>Pct. 55+</i>	<i>7.8%</i>	<i>11.9%</i>	<i>14.4%</i>					
<b><i>Linwood &amp; Columbus</i></b>								
55 to 64	751	1,277	1,455	526	70.0%	178	13.9%	
65 to 74	297	580	784	283	95.3%	204	35.2%	
75+	160	247	320	87	54.4%	73	29.6%	
<b>Total 55+</b>	<b>1,208</b>	<b>2,104</b>	<b>2,559</b>	<b>896</b>	<b>74.2%</b>	<b>455</b>	<b>21.6%</b>	
<i>Pct. 55+</i>	<i>14.0%</i>	<i>22.8%</i>	<i>26.7%</i>					
<b><i>Oak Grove &amp; Nowthen</i></b>								
55 to 64	853	1,591	1,881	738	86.5%	290	18.2%	
65 to 74	285	765	1,040	480	168.4%	275	35.9%	
75+	134	285	405	151	112.7%	120	42.1%	
<b>Total 55+</b>	<b>1,272</b>	<b>2,641</b>	<b>3,326</b>	<b>1,369</b>	<b>107.6%</b>	<b>685</b>	<b>25.9%</b>	
<i>Pct. 55+</i>	<i>12.2%</i>	<i>19.8%</i>	<i>23.7%</i>					

Sources: ESRI; Metropolitan Council; Maxfield Research Inc.

**DEMOGRAPHIC ANALYSIS**

**TABLE 3 (continued)  
 OLDER ADULT (55+) POPULATION AGE DISTRIBUTION  
 ANOKA COUNTY  
 2000-2015**

POPULATION							
Age	2000	2010	2015	2000-2010		2010-2015	
<b>Ramsey</b>							
55 to 64	1,371	2,678	3,065	1,307	95.3%	387	14.5%
65 to 74	344	1,170	1,862	826	240.1%	692	59.1%
75+	168	339	557	171	101.8%	218	64.3%
<b>Total 55+</b>	<b>1,883</b>	<b>4,187</b>	<b>5,484</b>	<b>2,304</b>	<b>122.4%</b>	<b>1,297</b>	<b>31.0%</b>
<i>Pct. 55+</i>	<i>10.2%</i>	<i>16.8%</i>	<i>18.8%</i>				
<b>Spring Lake Park</b>							
55 to 64	778	929	944	151	19.4%	15	1.6%
65 to 74	476	640	708	164	34.5%	68	10.6%
75+	348	445	477	97	27.9%	32	7.2%
<b>Total 55+</b>	<b>1,602</b>	<b>2,014</b>	<b>2,129</b>	<b>412</b>	<b>25.7%</b>	<b>115</b>	<b>5.7%</b>
<i>Pct. 55+</i>	<i>23.7%</i>	<i>28.1%</i>	<i>29.7%</i>				
<b>St. Francis</b>							
55 to 64	263	434	552	171	65.0%	118	27.2%
65 to 74	107	218	278	111	103.7%	60	27.5%
75+	64	95	129	31	48.4%	34	35.8%
<b>Total 55+</b>	<b>434</b>	<b>747</b>	<b>959</b>	<b>313</b>	<b>72.1%</b>	<b>212</b>	<b>28.4%</b>
<i>Pct. 55+</i>	<i>8.8%</i>	<i>9.9%</i>	<i>11.2%</i>				
<b>Anoka County Total</b>							
55 to 64	23,599	36,343	40,651	12,744	54.0%	4,308	11.9%
65 to 74	12,631	18,683	24,083	6,052	47.9%	5,400	28.9%
75+	8,468	12,302	13,802	3,834	45.3%	1,500	12.2%
<b>Total 55+</b>	<b>44,698</b>	<b>67,328</b>	<b>78,536</b>	<b>22,630</b>	<b>50.6%</b>	<b>11,208</b>	<b>14.3%</b>
<i>Pct. 55+</i>	<i>15.0%</i>	<i>19.6%</i>	<i>30.2%</i>				

Sources: ESRI; Metropolitan Council; Maxfield Research Inc.

**DEMOGRAPHIC ANALYSIS**

**TABLE 4  
 OLDER ADULT AND SENIOR INCOME-QUALIFIED HOUSEHOLDS  
 ANOKA COUNTY  
 2010**

<b>2010 (Households with incomes of \$40,000+)</b>									
	<b>55-64</b>		<b>65-74</b>		<b>75+</b>		<b>Total 65+</b>		
	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	<b>No.</b>	<b>Pct.</b>	
Andover	1,540	93.0	530	78.2	205	64.3	735	73.8	
Anoka	926	81.9	337	47.4	335	37.2	672	41.7	
Blaine	3,310	89.6	1,276	68.8	573	58.3	1,849	65.1	
Circle Pines & Lexington	486	83.8	156	58.9	133	60.8	289	59.8	
Columbia Heights & Hilltop	1,063	75.4	532	52.7	566	37.0	1,098	43.2	
Coon Rapids	3,374	84.3	1,536	66.0	748	48.2	2,283	58.9	
East Bethel & Bethel	609	86.6	241	66.1	79	54.4	319	62.8	
Fridley	1,468	83.5	975	69.2	523	44.5	1,497	58.0	
Ham Lake	1,002	92.4	350	74.2	122	63.4	472	71.1	
Lino Lakes & Centerville	1,012	92.5	244	64.1	129	58.6	373	62.1	
Linwood & Columbus	640	89.9	272	80.7	70	48.3	342	71.0	
Oak Grove & Nowthen	853	94.3	352	80.3	116	70.3	468	77.6	
Ramsey	1,419	95.5	566	83.9	102	56.5	668	78.1	
Spring Lake Park	450	85.9	264	65.3	134	41.7	398	54.9	
St. Francis	221	82.4	87	57.9	28	40.4	114	52.4	

Sources: ESRI; Maxfield Research Inc.

**DEMOGRAPHIC ANALYSIS**

**TABLE 5  
OLDER ADULT AND SENIOR INCOME-QUALIFIED HOUSEHOLDS  
ANOKA COUNTY  
2015**

2015 (Households with incomes of \$45,000+)								
	55-64		65-74		75+		Total 65+	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Andover	1,760	95.5	837	87.6	323	76.0	1,160	84.0
Anoka	1,006	85.3	467	52.8	405	44.0	871	48.3
Blaine	3,709	91.5	1,849	75.1	846	68.1	2,695	72.7
Circle Pines & Lexington	592	87.2	243	70.4	159	68.1	401	69.5
Columbia Heights & Hilltop	1,266	78.9	701	59.2	648	43.2	1,349	50.3
Coon Rapids	3,709	87.2	2,069	73.0	1,021	58.7	3,089	67.6
East Bethel & Bethel	808	89.7	370	73.4	119	57.4	489	68.8
Fridley	1,535	86.1	1,127	74.1	687	54.8	1,815	65.4
Ham Lake	1,137	94.3	586	82.2	197	76.0	783	80.5
Lino Lakes & Centerville	1,344	96.0	414	75.6	187	68.5	601	73.2
Linwood & Columbus	748	93.0	373	82.1	127	63.0	500	76.2
Oak Grove & Nowthen	1,027	96.3	516	86.4	204	79.4	720	84.3
Ramsey	1,661	97.0	939	86.7	193	66.7	1,132	82.5
Spring Lake Park	468	88.5	289	65.1	190	55.8	479	61.1
St. Francis	293	83.7	113	57.5	50	51.3	163	55.4

Sources: ESRI; Maxfield Research Inc.

# DEMOGRAPHIC ANALYSIS

**TABLE 6  
HOUSEHOLD TENURE BY AGE  
ANOKA COUNTY  
1990 and 2000**

	55 to 64				65 to 74				75+			
	Own		Rent		Own		Rent		Own		Rent	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>1990</b>												
Andover	292	96.1	12	3.9	108	96.4	4	3.6	31	91.2	3	8.8
Anoka	530	77.9	150	22.1	400	63.9	226	36.1	277	47.2	310	52.8
Blaine	1,220	95.8	54	4.2	528	91.3	50	8.7	171	86.4	27	13.6
Circle Pines & Lexington	264	96.0	11	4.0	171	92.9	13	7.1	34	91.9	3	8.1
Columbia Heights & Hilltop	1,178	88.5	153	11.5	1,007	82.5	214	17.5	498	57.8	364	42.2
Coon Rapids	1,690	89.7	195	10.3	744	79.2	195	20.8	210	47.5	232	52.5
East Bethel & Bethel	209	98.6	3	1.4	139	97.9	3	2.1	57	91.9	5	8.1
Fridley	1,644	90.5	173	9.5	817	87.6	116	12.4	297	69.2	132	30.8
Ham Lake	224	96.1	9	3.9	108	95.6	5	4.4	43	91.5	4	8.5
Lino Lakes & Centerville	233	95.9	10	4.1	120	93.0	9	7.0	71	98.6	1	1.4
Linwood & Columbus	209	96.3	8	3.7	129	97.7	3	2.3	74	94.9	4	5.1
Oak Grove & Nowthen	231	98.7	3	1.3	108	98.2	2	1.8	36	87.8	5	12.2
Ramsey	224	98.2	4	1.8	105	97.2	3	2.8	29	80.6	7	19.4
Spring Lake Park	303	90.2	33	9.8	139	79.4	36	20.6	40	50.6	39	49.4
St. Francis	47	94.0	3	6.0	28	82.4	6	17.6	12	66.7	6	33.3
<b>Anoka County Overall</b>	<b>8,498</b>	<b>91.2</b>	<b>821</b>	<b>8.8</b>	<b>4,651</b>	<b>84.0</b>	<b>885</b>	<b>16.0</b>	<b>1,880</b>	<b>62.2</b>	<b>1,142</b>	<b>37.8</b>
<b>2000</b>												
Andover	933	98.1	18	1.9	252	92.3	21	7.7	85	43.4	111	56.6
Anoka	645	74.7	219	25.3	436	69.2	194	30.8	344	43.3	450	56.7
Blaine	2,024	95.5	96	4.5	986	95.1	51	4.9	394	80.2	97	19.8
Circle Pines & Lexington	288	91.4	27	8.6	208	87.8	29	12.2	104	83.2	21	16.8
Columbia Heights & Hilltop	902	84.3	168	15.7	899	80.9	212	19.1	827	62.7	492	37.3
Coon Rapids	2,681	90.9	270	9.1	1,586	87.7	222	12.3	676	63.5	388	36.5
East Bethel & Bethel	466	98.5	7	1.5	180	97.3	5	2.7	96	97.0	3	3.0
Fridley	1,504	87.3	218	12.7	1,204	90.4	128	9.6	612	82.9	126	17.1
Ham Lake	558	96.5	20	3.5	191	93.6	13	6.4	85	73.3	31	26.7
Lino Lakes & Centerville	511	97.1	15	2.9	204	89.5	24	10.5	117	72.7	44	27.3
Linwood & Columbus	430	98.4	7	1.6	176	97.8	4	2.2	93	96.9	3	3.1
Oak Grove & Nowthen	501	98.8	6	1.2	170	98.8	2	1.2	78	97.5	2	2.5
Ramsey	774	98.5	12	1.5	188	91.3	18	8.7	64	65.3	34	34.7
Spring Lake Park	400	88.3	53	11.7	229	72.9	85	27.1	99	37.6	164	62.4
St. Francis	145	90.6	15	9.4	59	83.1	12	16.9	28	60.9	18	39.1
<b>Anoka County Overall</b>	<b>12,762</b>	<b>91.7</b>	<b>1,151</b>	<b>8.3</b>	<b>6,968</b>	<b>87.2</b>	<b>1,020</b>	<b>12.8</b>	<b>3,702</b>	<b>65.1</b>	<b>1,984</b>	<b>34.9</b>
<b>Change 1990 - 2000</b>												
Andover	641	99.1	6	0.9	144	89.4	17	10.6	54	33.3	108	66.7
Anoka	115	62.5	69	37.5	36	900.0	-32	-800.0	67	32.4	140	67.6
Blaine	804	95.0	42	5.0	458	99.8	1	0.2	223	76.1	70	23.9
Circle Pines & Lexington	24	60.0	16	40.0	37	69.8	16	30.2	70	79.5	18	20.5
Columbia Heights & Hilltop	-276	105.7	15	-5.7	-108	98.2	-2	1.8	329	72.0	128	28.0
Coon Rapids	991	93.0	75	7.0	842	96.9	27	3.1	466	74.9	156	25.1
East Bethel & Bethel	257	98.5	4	1.5	41	95.3	2	4.7	39	105.4	-2	-5.4
Fridley	-140	147.4	45	-47.4	387	97.0	12	3.0	315	101.9	-6	-1.9
Ham Lake	334	96.8	11	3.2	83	91.2	8	8.8	42	60.9	27	39.1
Lino Lakes & Centerville	278	98.2	5	1.8	84	84.8	15	15.2	46	51.7	43	48.3
Linwood & Columbus	221	100.5	-1	-0.5	47	97.9	1	2.1	19	105.6	-1	-5.6
Oak Grove & Nowthen	270	98.9	3	1.1	62	100.0	0	0.0	42	107.7	-3	-7.7
Ramsey	550	98.6	8	1.4	83	84.7	15	15.3	35	56.5	27	43.5
Spring Lake Park	97	82.9	20	17.1	90	64.7	49	35.3	59	32.1	125	67.9
St. Francis	98	89.1	12	10.9	31	83.8	6	16.2	16	57.1	12	42.9
<b>Anoka County Overall</b>	<b>4,264</b>	<b>92.8</b>	<b>330</b>	<b>7.2</b>	<b>2,317</b>	<b>94.5</b>	<b>135</b>	<b>5.5</b>	<b>1,822</b>	<b>68.4</b>	<b>842</b>	<b>31.6</b>

Sources: U.S. Census Bureau; Maxfield Research Inc.

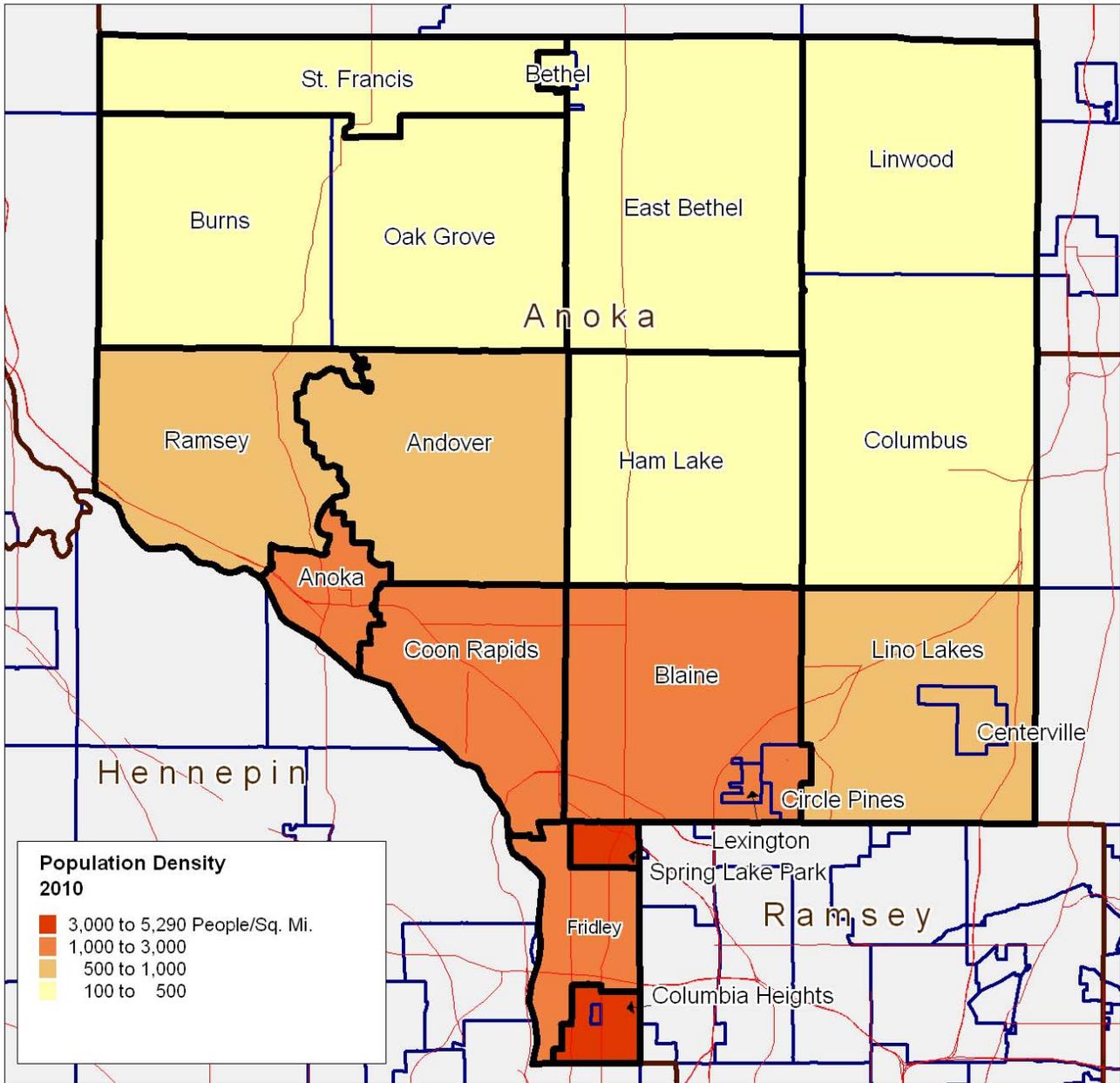
**DEMOGRAPHIC ANALYSIS**

**TABLE 7  
RESIDENTIAL SALES TRANSACTIONS  
ANOKA COUNTY COMMUNITIES  
2008, 2009 & 2010 YTD**

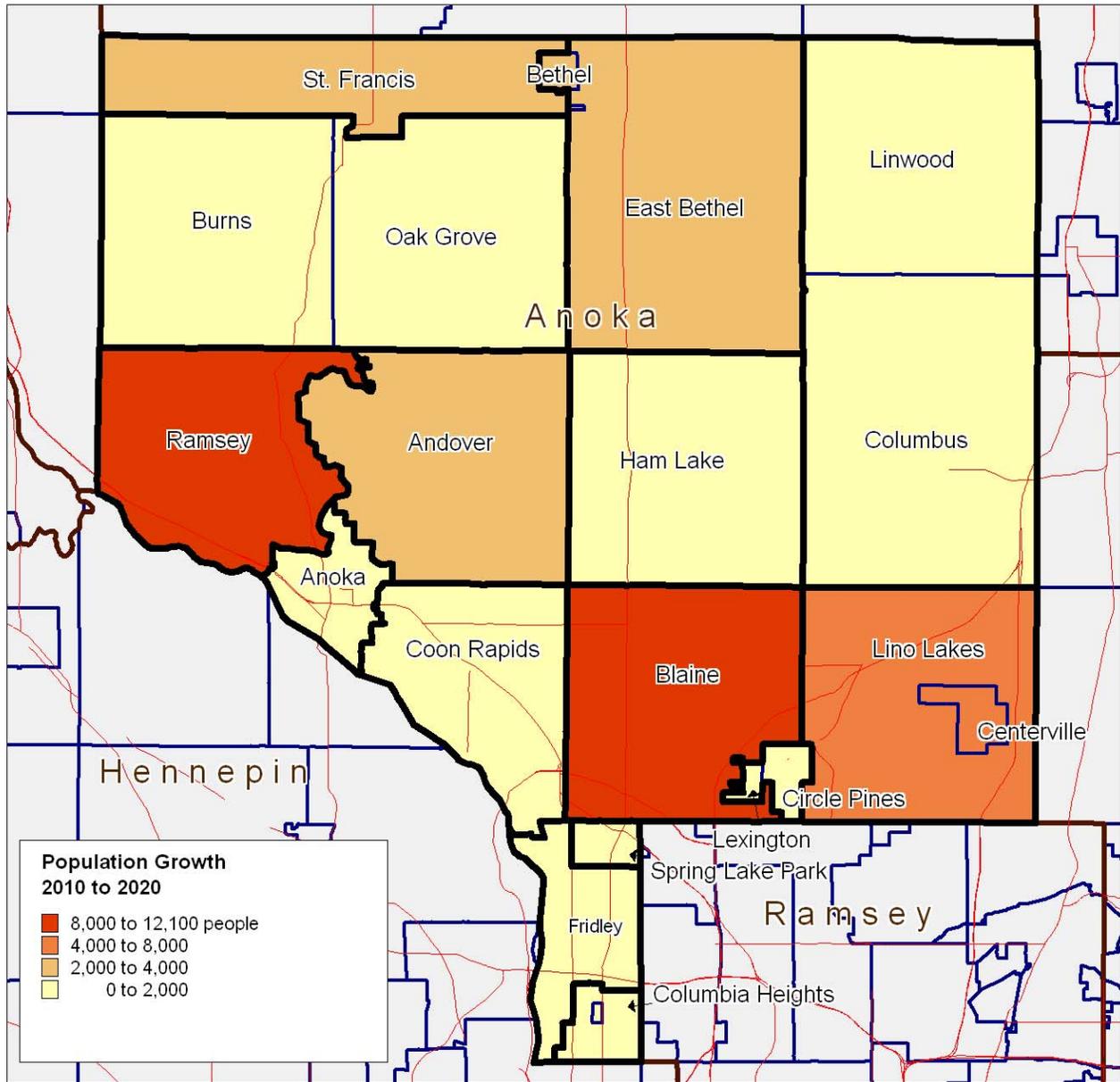
	<u>Year</u>	<u>Sales</u>	<u>Average Sale Price</u>	<u>Annual Change</u>	<u>Avg. DOM</u>
<b>Andover</b>	2008	340	\$240,206	--	86
	2009	415	\$220,098	-8.4%	79
	2010*	235	\$226,638	3.0%	91
<b>Anoka</b>	2008	150	\$161,037	--	82
	2009	224	\$133,482	-17.1%	72
	2010*	94	\$127,571	-4.4%	57
<b>Blaine</b>	2008	763	\$226,219	--	83
	2009	887	\$196,174	-13.3%	74
	2010*	501	\$197,608	0.7%	67
<b>Circle Pines &amp; Lexington</b>	2008	77	\$178,127	--	89
	2009	88	\$154,393	-13.3%	63
	2010*	53	\$140,449	-9.0%	68
<b>Columbia Heights &amp; Hilltop</b>	2008	287	\$142,016	--	75
	2009	329	\$123,604	-13.0%	79
	2010*	154	\$118,739	-3.9%	57
<b>Coon Rapids</b>	2008	674	\$169,481	--	78
	2009	874	\$140,533	-17.1%	64
	2010*	465	\$139,419	-0.8%	58
<b>East Bethel &amp; Bethel</b>	2008	127	\$188,860	--	89
	2009	171	\$162,014	-14.2%	76
	2010*	65	\$165,186	2.0%	99
<b>Fridley</b>	2008	276	\$170,793	--	81
	2009	303	\$143,120	-16.2%	74
	2010*	146	\$139,038	-2.9%	69
<b>Ham Lake</b>	2008	114	\$293,155	--	90
	2009	157	\$245,525	-16.2%	83
	2010*	99	\$230,730	-6.0%	80
<b>Lino Lakes &amp; Centerville</b>	2008	211	\$256,808	--	91
	2009	238	\$232,186	-9.6%	82
	2010*	146	\$227,445	-2.0%	83
<b>Linwood &amp; Columbus</b>	2008	63	\$222,819	--	76
	2009	86	\$217,978	-2.2%	98
	2010*	42	\$174,273	-20.1%	67
<b>Oak Grove &amp; Nowthen</b>	2008	6	\$251,967	--	179
	2009	27	\$225,509	-10.5%	75
	2010*	23	\$206,513	-8.4%	82
<b>Ramsey</b>	2008	340	\$207,878	--	78
	2009	366	\$166,728	-19.8%	70
	2010*	197	\$177,683	6.6%	61
<b>Spring Lake Park</b>	2008	70	\$158,533	--	82
	2009	86	\$143,805	-9.3%	86
	2010*	39	\$141,309	-1.7%	52
<b>St. Francis</b>	2008	102	\$173,300	--	97
	2009	164	\$140,621	-18.9%	69
	2010*	61	\$143,297	1.9%	61
<b>Anoka County Overall</b>	2008	3,706	\$201,848	--	83
	2009	4,524	\$172,689	-14.4%	73
	2010*	2,375	\$174,845	1.2%	69

Sources: Northstar MLS; Maxfield Research Inc.

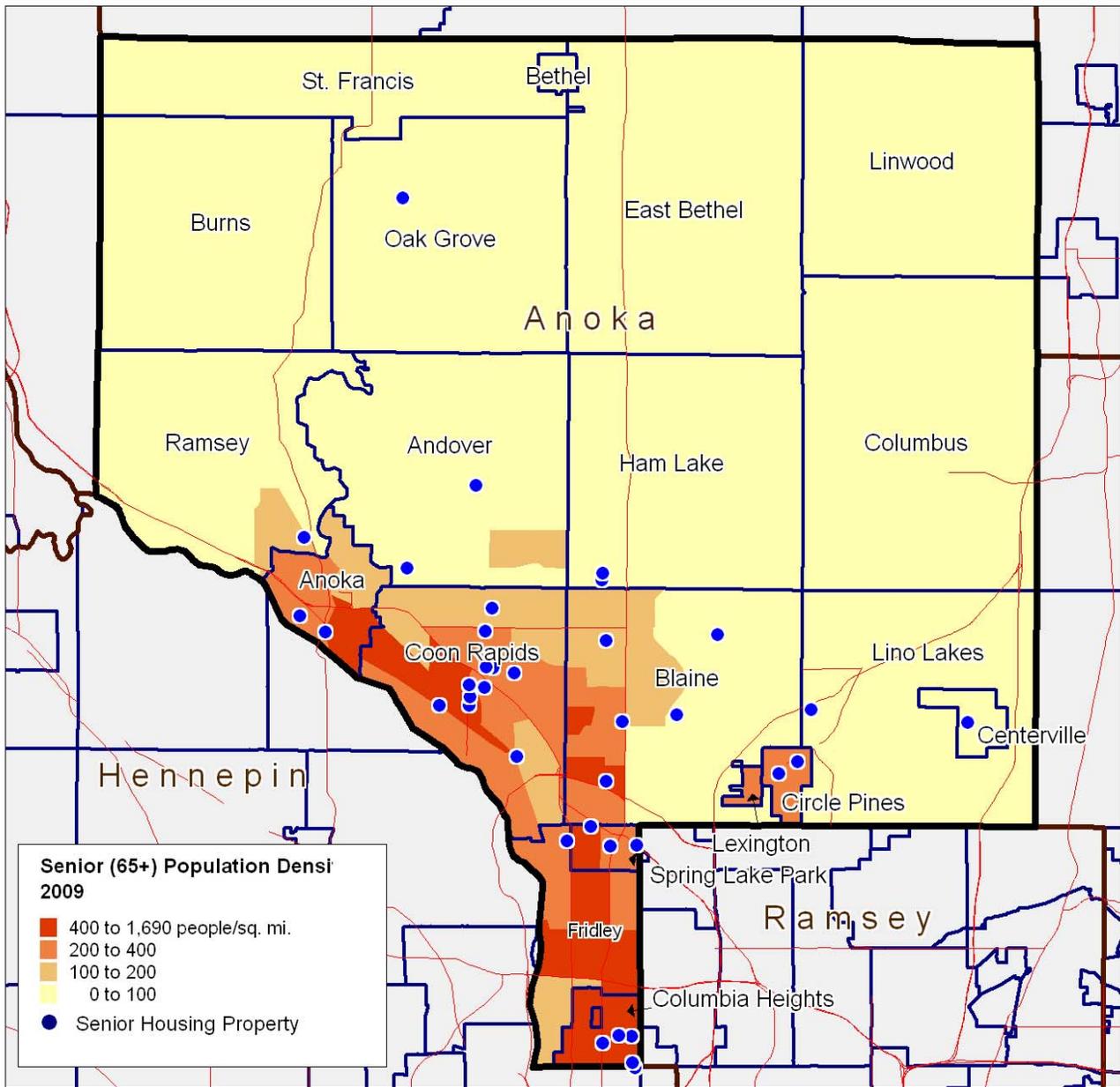
Anoka County Population Density by Submarket, 2010



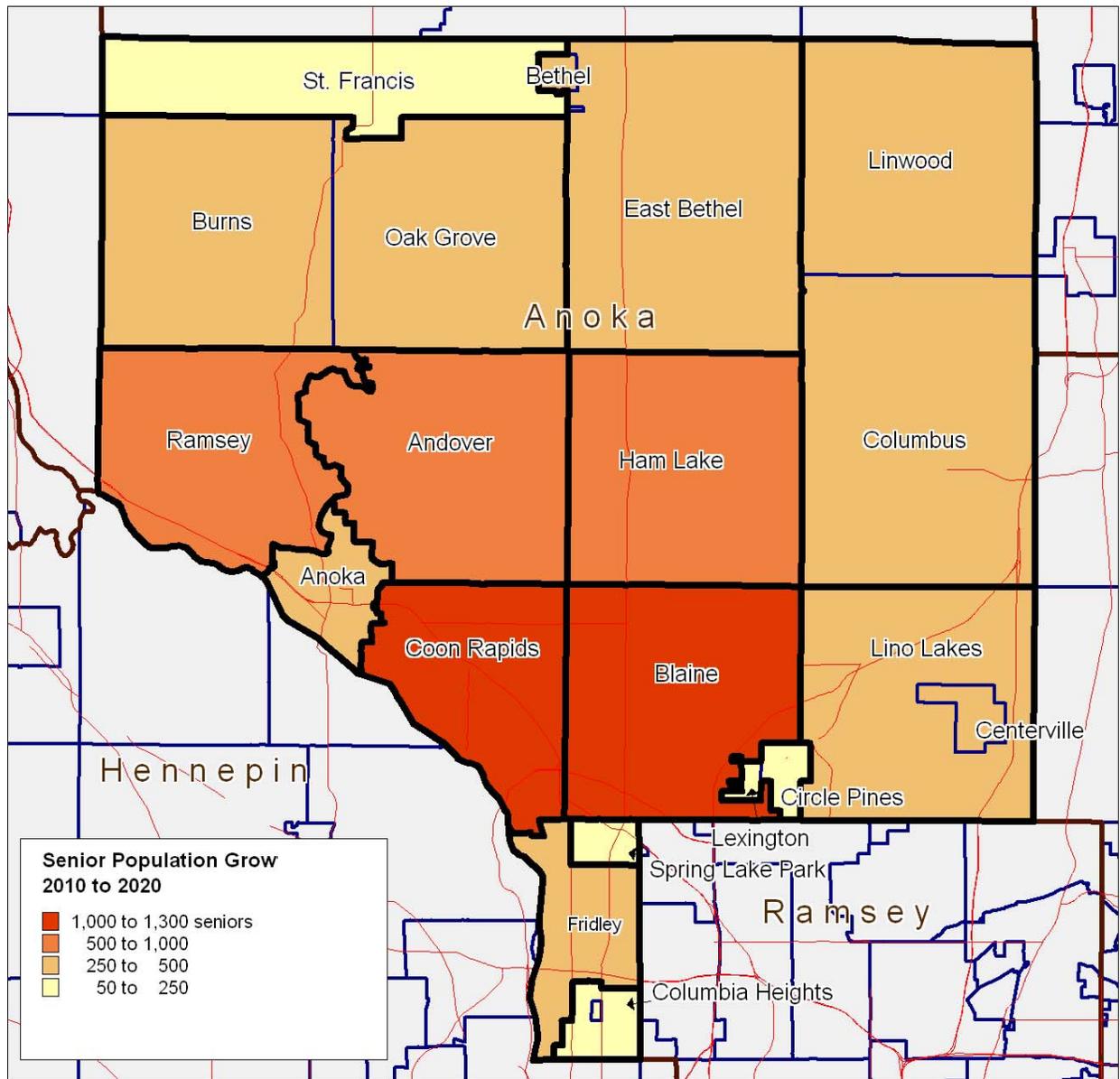
Anoka County Population Growth by Submarket, 2010 to 2020



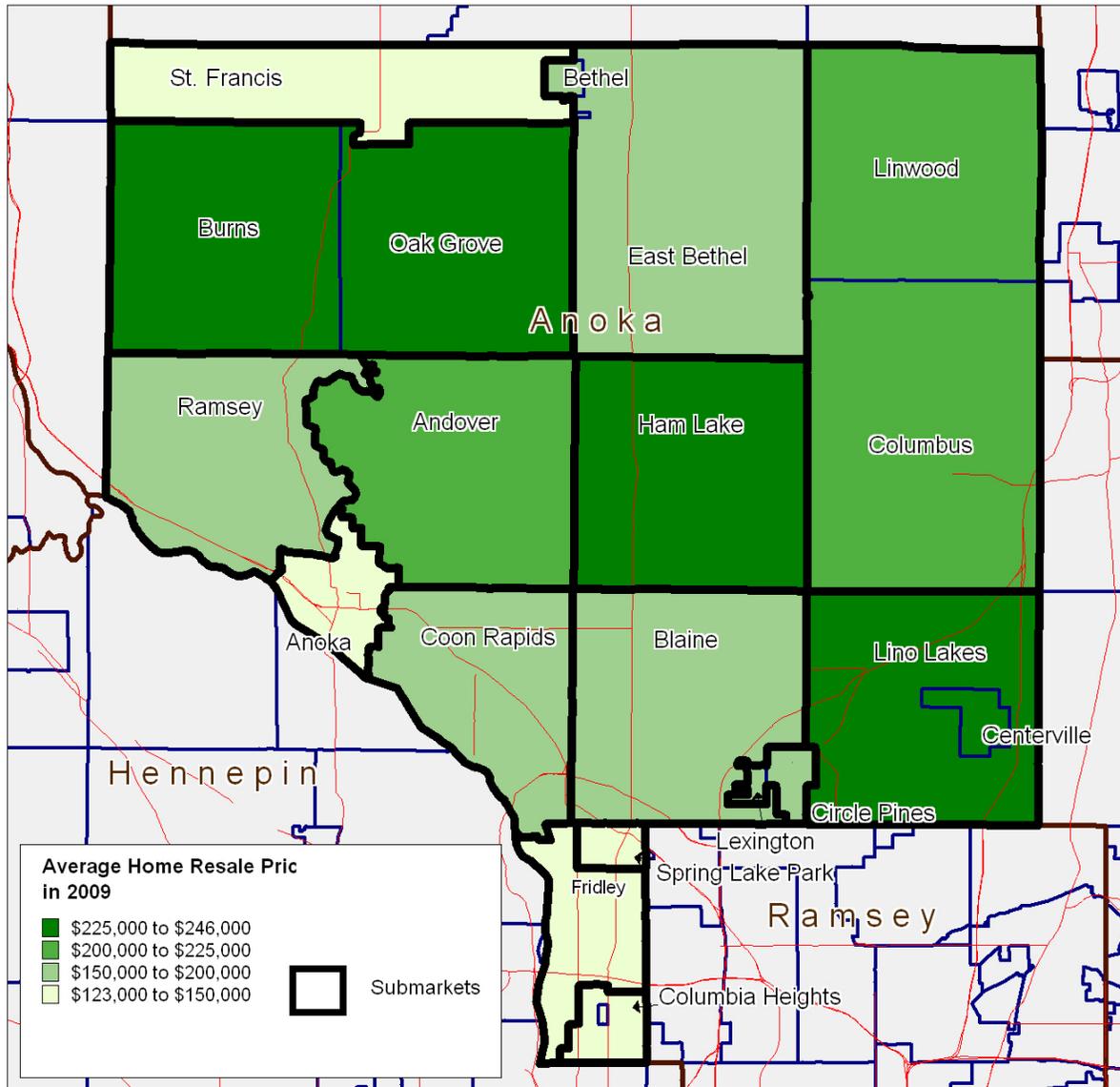
### Anoka County Senior Population Density by Census Tract, 2010



Anoka County Senior Population Growth by Submarket, 2010 to 2020



Average Home Resale Price in 2009 by Submarket



### Introduction

The preceding section examined demographic factors that impact demand for senior housing products. This section provides an overview of contemporary senior housing alternatives and an inventory of the existing senior housing supply in Anoka County. Additionally, any proposed or planned developments are identified that may come online and satisfy unmet demand for senior housing in the County.

### Types of Senior Housing

For analytical purposes, Maxfield Research Inc. classifies senior projects into four categories based on the level and type of services offered:

**Adult/Few-Services** projects are similar to a general occupancy apartment or condominium building, in that they offer virtually no services but have age-restrictions (typically 55+ or older). Organized activities and transportation are usually all that are available at these projects. Because of the lack of services, adult/few-services projects typically do not command the rent premiums typical of more service-intensive senior housing.

**Congregate** projects (or independent living with services available) offer seniors support services such as meals and/or housekeeping. These projects typically dedicate a larger share of the overall building area to common areas to accommodate for the smaller units and to encourage socialization. Congregate projects attract a slightly older target market than adult housing, typically seniors age 75+. Rents are above those of the adult/few-services buildings, even at the exclusion of services. Sponsorship by a nursing home, hospital, or other health care organization is common.

**Assisted Living** facilities come in a variety of forms, but the target market for most is very frail seniors, generally age 80 or older who are in need of extensive support services. Absent an assisted living option, these seniors may otherwise need to move to a nursing facility. At a minimum, assisted living projects include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or available for additional cost in tiered service packages or a-la-carte). Assisted living facilities also have either staff on duty 24 hours per day or 24-hour emergency response.

Some assisted living facilities offer self-contained dwelling units similar to a regular senior apartment with full kitchens and spacious rooms. Projects offering kitchens in the units may include only two meals per day while those without kitchens in the units generally provide three. Other projects do not have kitchens and are merely updated versions of board-and-care facilities with sleeping units and communal living spaces.

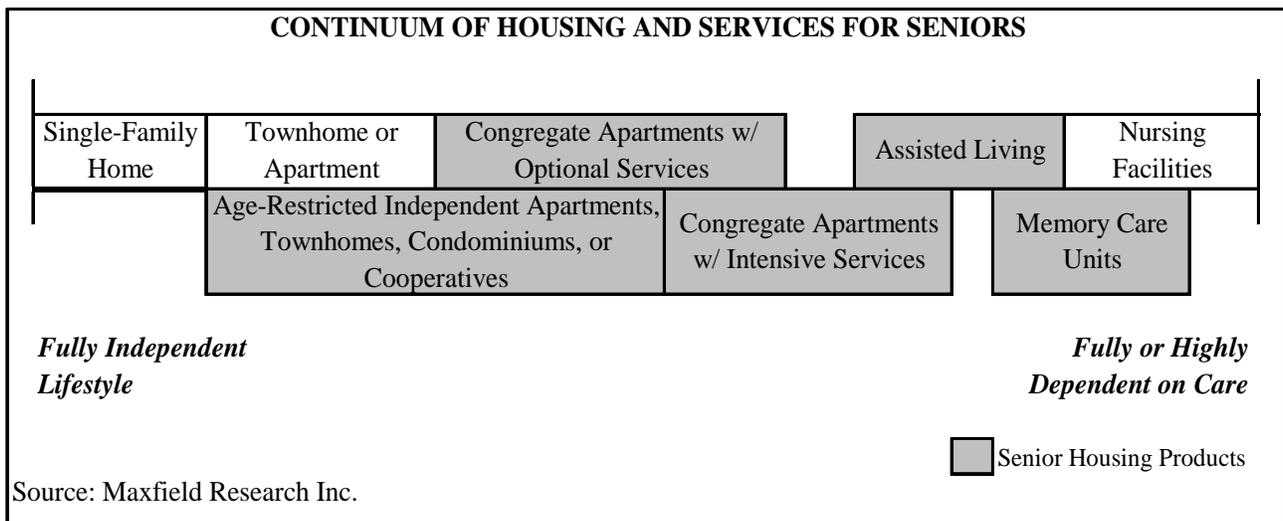
Monthly fees vary depending on the number and type of services included and the size of the units, but most facilities have fees starting at over \$3,000 per month. Because of the high cost of care, many facilities accept financial assistance through Elderly Waivers or other financial assistance programs.

## SENIOR HOUSING MARKET ANALYSIS

**Memory Care** facilities are designed specifically for seniors suffering from Alzheimer's or other dementias. Projects will consist mostly of suite-style or studio apartment units and allocate large communal areas for activities and programming.

In addition, staff personnel typically undergo specialized training in the care of this population. Because of the greater amount of individualized care required, staffing ratios are much higher than traditional assisted living. The costs of care are also higher. Monthly fees for memory care units typically start at about \$4,000 per month.

Unlike conventional assisted living, however, which deals almost exclusively with widows or widowers, a higher proportion of people afflicted with Alzheimer's are in two-person households. Therefore, the decision to move a spouse into a memory care facility involves the caregiver's concern of incurring the costs of health care at a special facility while continuing to maintain their home.



Today's senior housing products form a continuum of care from a purely residential level to intensive medical care. Often the services offered at these projects overlap with one another and make these definitions somewhat ambiguous. In general, however, distinctions in cliental are made within each type of facility.

Adult/few-services projects tend to attract younger, independent, and active seniors; congregate projects serve independent seniors who desire support services (i.e., meals, housekeeping, transportation, etc.); and assisted living projects tend to attract older, more frail seniors who need assistance with daily activities but do not need the intensive medical care provided by a skilled care facility.

## SENIOR HOUSING MARKET ANALYSIS

### Locations of Senior Housing Communities in Anoka County

Including all age-restricted housing communities located in Anoka County, there are a total of 3,640 senior housing units, distributed into the following product types:

- Subsidized/affordable active adult rental = 1,221 units
- Market rate active adult rental = 1,049 units
- Market rate active adult owner = 240 units
- Congregate = 490 units
- Assisted living = 513 units
- Memory care = 127 units

	Sub/Aff Rental	MR Senior Rental	MR Senior Owner	Congregate	Assisted Living	Memory Care	Total
NW*	21	51	0	0	0	0	72
Ramsey	0	50	0	0	0	0	50
Andover	0	6	100	66	51	17	240
Anoka	211	57	40	168	14	0	490
Coon Rapids	210	64	100	179	198	52	803
Columbia Heights**	246	188	0	77	148	45	704
Fridley	204	99	0	0	0	0	303
Spring Lake Park	154	101	0	0	0	0	255
Blaine/C.P./Lex.	128	287	0	0	102	13	530
Lino Lakes/Centerville	47	47	0	0	0	0	94
NE***	0	99	0	0	0	0	99
<b>Total</b>	<b>1,221</b>	<b>1,049</b>	<b>240</b>	<b>490</b>	<b>513</b>	<b>127</b>	<b>3,640</b>
* St. Francis, Burns, Oak Grove							
** Includes Hilltop							
*** Ham Lake, Bethel, East Bethel, Columbus, Linwood							
Source: Maxfield Research Inc.							

Aggregating the product types together, the following submarkets have the greatest market share of senior housing in Anoka County:

- Coon Rapids = 22.1% (803 units)
- Columbia Heights & Hilltop = 19.3% (704 units)
- Blaine, Circle Pines, & Lexington = 14.6% (530 units)
- Anoka = 13.5% (490 units)
- Fridley = 8.3% (303 units)

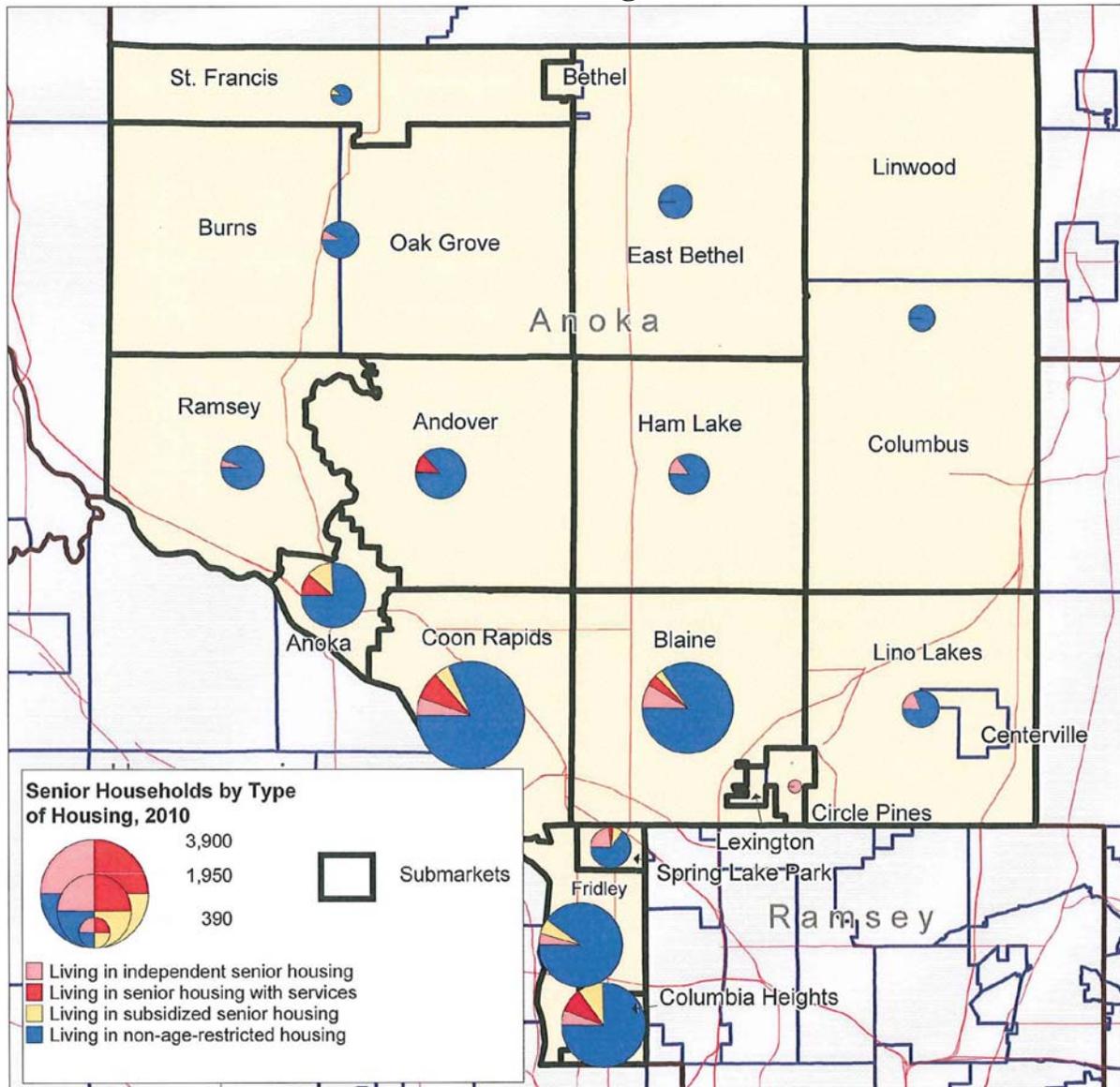
Together, the above-mentioned submarkets account for 77.6% of the total senior housing units available in Anoka County but only constitute 66.7% of the total 65+ household base. Hence,

## SENIOR HOUSING MARKET ANALYSIS

seniors living in the outlying submarkets of Anoka County are likely relocating to more developed submarkets in order to find housing that meets their needs.

Additionally, greater percentages of the 65+ household base reside in senior housing alternatives in southern Anoka County submarkets compared to those in northern Anoka County submarkets. The following map visually displays the proportion of senior households (65+) that reside in senior housing relative to other housing products.

**Proportion of Senior Households (65+) Living In Senior Housing in 2010**



**Performance of Senior Housing Communities in Anoka County**

Maxfield Research conducted an inventory of senior housing facilities located in Anoka County. Table 9 provides a summary of the locations of senior housing communities by service level in Anoka County. Several more detailed tables are located on page 40 to page 48 and provide information on unit type, sizes, pricing, vacancy rates, building amenities, and unit features. The following discussion considers the existing supply and performance of senior housing by service level in Anoka County as a whole.

<b>TABLE 9 SENIOR HOUSING PROPERTIES ANOKA COUNTY September 2010</b>			
<b>Property Name</b>	<b>City</b>	<b>Year Opened</b>	<b>Number of Units</b>
<b>Subsidized Senior Rental</b>			
Bridge Square	Anoka	1978	100
Columbia Village	Columbia Heights	2000	39
Dublin Park	Coon Rapids	1977	89
Franklin Lane	Anoka	1974	66
Grasslands	Coon Rapids	1982	24
Heights Manor	Columbia Heights	1977	85
North Gables	Blaine	2002	50
Northgate Woods	Blaine	1980	30
Norwood Square	Fridley	1994	51
Osborne Apts.	Spring Lake Park	1982	60
Oxbowl Bend	Coon Rapids	1983	60
Parkview Villa	Columbia Heights	1974	100
Rum River Square	St. Francis	1990	21
Theater Heights	Columbia Heights	--	22
Village Green	Fridley	1978	142
Walker on the River	Anoka	1987	45
Subtotal			984
<b>Affordable Senior Rental</b>			
Banfill Crossing	Fridley	2000	11
Cottages of Coon Creek	Coon Rapids	1997	37
Oak Crest	Spring Lake Park	1997	8
Cottages of Willow Pond	Lino Lakes	1996	47
Oak Hills Manor	Circle Pines	1995	48
Cottages of Spring Lake Park	Spring Lake Park	1993	86
Subtotal			237
<b>CONTINUED</b>			

**SENIOR HOUSING MARKET ANALYSIS**

<b>TABLE 9 (continued)</b>			
<b>SENIOR RENTAL HOUSING PROPERTIES</b>			
<b>ANOKA COUNTY</b>			
<b>September 2010</b>			
<b>Property Name</b>	<b>City</b>	<b>Year Opened</b>	<b>Number of Units</b>
<b>Senior Ownership</b>			
Historic Rum River Condominiums	Anoka	2009	40
Grey Oaks Townhomes	Andover	2003	10
Grey Oaks Condos	Andover	2003	90
Realife Cooperative of Coon Rapids	Coon Rapids	2002	100
Subtotal			240
<b>Market Rate Senior Rental</b>			
Oaks of Lake George	Oak Grove	2006	51
Pine Manor Estates	Circle Pines	2005	44
Blaine Town Square	Blaine	2005	87
Chauncey Barrett Gardens	Centerville	2004	47
Majestic Greens	Ham Lake	2002	50
Redwood Terrace	Coon Rapids	2000	54
Banfill Crossing	Fridley	2000	99
Cloverleaf Courts	Blaine	2000	102
Savannah Oaks	Ramsey	1999	50
Farmstead Cottages	Andover	1998	6
Cottages of Coon Creek	Coon Rapids	1997	10
Willows, The	Ham Lake	1997	49
Oak Crest	Spring Lake Park	1997	101
Dellwood Estates	Anoka	1992	57
Parkview Villa South	Columbia Heights	1991	43
Blaine Court	Blaine	1991	54
Apache Village	Columbia Heights	1969	145
Subtotal			1049
<b>Congregate</b>			
Farmstead Terrace - Affordable	Andover	1998	27
Farmstead Terrace - Market Rate	Andover	1998	39
Epiphany Pines	Coon Rapids	1994	107
Walker Plaza	Anoka	1990	88
River Oaks	Anoka	1988	80
Margaret Place	Coon Rapids	1987	72
Boulevard Apartments	Columbia Heights	1984	77
Subtotal			490
<b>CONTINUED</b>			

## SENIOR HOUSING MARKET ANALYSIS

<b>TABLE 9 (continued)</b>			
<b>SENIOR RENTAL HOUSING PROPERTIES</b>			
<b>ANOKA COUNTY</b>			
<b>September 2010</b>			
<b>Property Name</b>	<b>City</b>	<b>Year Opened</b>	<b>Number of Units</b>
<b>Assisted Living</b>			
Lighthouse of Columbia Heights	Columbia Heights	2009	43
White Pine - Blaine	Blaine	2009	63
Select Senior Living	Coon Rapids	2008	76
Creekside Cottages	Coon Rapids	2006	12
Suite Living	Blaine	2004	19
Crest View on 42nd	Columbia Heights	2002	41
Epiphany Assisted Living	Coon Rapids	2001	50
Farmstead Commons	Andover	1998	51
Homestead at Coon Rapids	Coon Rapids	1998	36
Sterling House of Blaine	Blaine	1997	20
Eagle Street Catered Living	Coon Rapids	1997	12
Demar Catered Living	Coon Rapids	1995	12
Royce Place	Columbia Heights	1991	64
Walker Plaza	Anoka	1990	14
Subtotal			513
<b>Memory Care</b>			
Lighthouse of Columbia Heights	Columbia Heights	2009	36
Select Senior Living	Coon Rapids	2008	14
Suite Living	Blaine	2004	13
Crest View on 42nd	Columbia Heights	2002	9
Epiphany Memory Care	Coon Rapids	2001	14
Farmstead Arbor	Andover	1998	17
Homestead at Coon Rapids	Coon Rapids	1998	24
Subtotal			127
<b>Total</b>			<b>3,640</b>
Source: Maxfield Research Inc.			

### Subsidized Active Adult Senior Housing

- Anoka County has a total of 16 age-restricted housing communities that offer subsidized senior housing. Together, these buildings supply 984 units of subsidized senior housing to the market.
- Columbia Heights contains the highest percentage of subsidized housing in the County (25%), followed by Anoka (21%), Fridley (20%), and Coon Rapids (18%).
- Subsidized senior housing communities in the County were built between 1977 (Dublin Park

## **SENIOR HOUSING MARKET ANALYSIS**

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- Coon Rapids) and 2002 (North Gables – Blaine) and have an average year built of 1984.
- Based on the 2010 older adult and senior (55+) household base in Anoka County, subsidized senior housing currently has a 2.4% penetration rate. Among very low-income households (earning less than \$20,000 annually), the market penetration rate is 21.3%.
- Currently, there are no vacant units at any of the County’s subsidized senior housing communities. Most communities maintain a waiting list with a typical wait of about one year.

### **Affordable Active Adult Senior Housing**

- There are a total of six affordable senior housing communities in Anoka County, which together supply the market with 237 units.
- The greatest percentage of affordable senior housing is located in Spring Lake Park (40%), followed by Circle Pines & Lexington (20%), Lino Lakes (20%), and Coon Rapids (16%). The only other submarket that contains affordable active adult housing is Fridley (5%).
- Affordable senior housing projects in Anoka County were built between 1993 (Cottages of Spring Lake Park) and 2000 (Banfill Crossing – Fridley). The average year built is 1996.
- Based on the 2010 older adult and senior (55+) household base in Anoka County, affordable senior housing currently has less than a 1% penetration rate. Among lower-income households (earning between \$20,000 and \$35,000 annually), the market penetration rate is 5.4%.
- There are a total of eight vacant units for an overall vacancy rate of 3.4% in Anoka County. This vacancy rate below is market equilibrium for affordable senior housing (5%), which indicates health in the market and potential pent-up demand for additional affordable senior housing.
- Affordable senior housing communities generally include limited common spaces such as a community room and garage parking. Units feature full kitchens and occasionally have walk-in closets and a patio or balcony.

### **Market Rate Active Adult Senior Housing**

- Including both ownership and rental product types, Anoka County has a total of 1,289 units located at three ownership communities and 17 rental communities.
- Blaine contains the highest percentage of market rate active adult housing in the County (19%), followed by Columbia Heights (15%) and Coon Rapids (13%).
- The years in which market rate active adult housing was built ranges from 1969 (Apache Village – Columbia Heights) to 2010 (Historic Rum River Condominiums 2<sup>nd</sup> Phase – Anoka). The average year built is 1999.

## **SENIOR HOUSING MARKET ANALYSIS**

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- Based on the 2010 older adult and senior (55+) household base in Anoka County, market rate active adult housing currently has a 3.1% penetration rate. Among income-qualified households (those earning incomes greater than \$35,000 annually), the market penetration rate is 4.0%.
- The current vacancy rate is 3.0% for ownership product and 5.6% for rental product. These vacancy rates are at market equilibrium for market rate active adult housing (5%), indicating overall market health but potentially limited current excess demand. The slowdown in the housing market and the economic recession has had the greatest impact on market rate active adult housing, which has resulted in some recent softness in the market. Until conditions improve, vacancies among market rate active adult housing communities may remain above typical levels.
- Historic Rum River Condominiums opened the first 22-unit phase in 2010 and the second 18-unit phase in September 2010. The marketing period for the second phase launched in March; since then, the project has sold six of the 18 units in the second phase. This project is not included in the vacancy calculation since it is still in the initial sales period.
- On a weighed average basis, one-bedroom active adult rental units have a monthly rent of \$873 for 824 square feet, or \$1.06 per square foot. Two-bedroom units average \$1,186 for a 1,166 square foot unit, or \$1.02 per square foot. Pricing varies between communities based on several factors, including location, age of community, level of finishing, type/size of unit, building amenities, and unit features.
- Market rate active adult housing communities typically offer a greater array of common area amenities than subsidized and affordable housing, including more common area spaces (i.e., fitness center, library, and craft/hobby room). Units feature full kitchens, walk-in closets (some units), and private patios or balconies (some units). Occasionally, limited services such as an optional daily meal or housekeeping can be arranged for additional fees.

### **Congregate Senior Housing**

- There are a total of six communities that offer congregate senior housing in Anoka County, which together supply the market with 490 units.
- Thirty-seven percent of the congregate housing supply is located in Coon Rapids and 34% is located in Anoka. The remaining units are located in Columbia Heights (16%) and Andover (13%).
- The average year built for congregate senior housing in Anoka County is 1991 with a range between 1987 (Margaret Place – Coon Rapids) and 1998 (Farmstead Terrace – Andover).
- Based on the 2010 senior (65+) household base in Anoka County, congregate senior housing currently has a 2.5% penetration rate. Among income-qualified households (those earning incomes greater than \$35,000 annually), the market penetration rate is 3.9%.

## **SENIOR HOUSING MARKET ANALYSIS**

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- There are a total of 41 vacant units for an overall vacancy rate of 8.4% in Anoka County. However, Boulevard Apartments is an outlier with 32 units vacant for a project-specific vacancy rate of 41.6%. Since this project does not mirror the performance of other congregate properties in Anoka County, we exclude it from the vacancy calculation to arrive at an overall 2.2% vacancy rate. This vacancy rate is below market equilibrium for congregate senior housing (5%), which indicates health in the market and potential pent-up demand for additional congregate senior housing.
- On a weighed average basis, one-bedroom congregate units have a monthly rent of \$1,129 for 684 square feet, or \$1.65 per square foot. Two-bedroom units average \$1,476 for a 961 square foot unit, or \$1.54 per square foot.
- The surveyed congregate developments feature several common areas, underground parking and guest suites for additional fees, transportation, activities, optional meals, and housekeeping. Typically, residents pay for electricity, phone, and cable service. Walker Plaza and Margaret Place include one meal per day in the monthly rents, and River Oaks includes ten meals per month. Meals are optional at the other developments.

### **Assisted Living Senior Housing**

- Anoka County has a total of 14 senior housing communities that offer assisted living housing. Together, these communities supply 513 units of assisted living housing to the market.
- Coon Rapids contains the highest percentage of assisted living housing in the County (39%), followed by Columbia Heights (29%), Blaine (20%), and Andover (10%). A small 14-unit community is also located in Anoka, representing 3% of the County's total supply.
- Assisted living communities were built between 1990 (Walker Plaza – Anoka) and 2009 (Lighthouse of Columbia Heights and White Pine – Blaine). The average year built for assisted living housing in Anoka County is 2000.
- Based on the 2010 senior (65+) household base in Anoka County, assisted living housing currently has a 2.6% penetration rate. Among income-qualified households (those earning incomes greater than \$35,000 annually), the market penetration rate is 4.1%.
- Overall, assisted living housing currently has a 5.8% vacancy rate. However, the majority of assisted living properties have no or only one vacancy, with the exception of Crest View on 42<sup>nd</sup> (14 vacant units, or a 34.1% vacancy rate) and Royce Place (13 vacant units, or a 20.3% vacancy rate). The market overall appears to be performing very well with a 0.7% vacancy rate after excluding the two atypically high projects.
- Monthly rents for service-intensive housing (assisted living and memory care) vary widely between communities due to the differing levels of personal care and other services included in the monthly rents. In Anoka County, base assisted living rents for an efficiency unit begin at about \$1,800 and range up to \$4,000.

## **SENIOR HOUSING MARKET ANALYSIS**

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- Most facilities include three meals per day, weekly housekeeping, flat linen services, activities, and scheduled transportation. However, the facilities vary considerably on the number and level of personal care services included in the monthly fees.

### **Memory Care Senior Housing**

- There are seven communities that offer memory care senior housing Anoka County, which together supply the market with 136 units.
- Forty-one percent of the memory care housing supply is located in Coon Rapids. The remaining units are located in Columbia Heights (35%), Andover (13%), and Blaine (10%).
- Memory care housing is one the newest senior housing alternatives, evidenced by the young age of memory care housing facilities. Five of the seven memory care facilities were in the last decade. Overall, the average year built for memory care housing is 2003.
- Based on the 2010 senior (65+) household base in Anoka County, memory care housing in Anoka County has a less than 1.0% penetration rate. Among income-qualified households (those earning incomes greater than \$60,000 annually), the market penetration rate is 1.4%.
- Monthly rents at Anoka County memory care facilities typically range from \$4,500 to \$5,000 after factoring in a moderate level of services in addition to monthly rent. All considered, however, pricing can reach as high as \$6,500 per month for memory care housing with all-inclusive (or high acuity) specialized memory care services.
- The surveyed facilities typically include some services in the monthly rent and have additional services available in tiered packages. Every facility includes most utilities, three meals per day, snacks, weekly housekeeping, laundry services, activities, and scheduled transportation in the monthly rent.

### **Vacancy Analysis by Submarket in Anoka County**

The following discussion considers the existing supply and performance of senior housing in individual submarkets. Table 10 provides a summary of the vacancy rate by service level for senior housing located in individual submarkets.

The following are key findings from the analysis:

- Strongly performing markets are those with vacancy rates at or below the following levels: 5% for active adult rental housing; 2% for active adult owner housing; 5% for congregate housing; 7% for assisted living housing; and 7% for memory care housing. Assessed together, these rates typically equate to an overall vacancy rate of below 6%. As Table 10 shows, most submarkets in Anoka County are performing very well in the various housing product types and for the vacancy overall.

## SENIOR HOUSING MARKET ANALYSIS

- Submarkets with higher vacancies rates include NW due to the underperforming Oaks at Lake George project in Oak Grove that has struggled to reach full occupancy. Fire during its construction delayed the opening of Oaks at Lake George until fall 2006 when the overall housing market began to falter. It had only achieved about 60% occupancy by October 2007 and maintained that rate through October 2008. To our knowledge, its current occupancy rate just below 80% is the highest in its history. As growth continues to expand northward in Anoka County, Oak Grove will be more capable of capturing higher demand for senior housing products, which will increase its ability to support existing and future senior housing developments.

	<u>Sub/Aff Rental</u>	<u>MR Senior Rental</u>	<u>MR Senior Owner</u>	<u>Congregate</u>	<u>Assisted Living</u>	<u>Memory Care</u>	<b>Overall Vacancy Rate</b>	<b>Adjusted Vacancy Rate</b>
NW*	0.0%	23.5%	--	--	--	--	<b>16.7%</b>	--
Ramsey	--	0.0%	--	--	--	--	<b>0.0%</b>	--
Andover	--	0.0%	n/a	0.0%	0.0%	0.0%	<b>0.0%</b>	--
Anoka	0.0%	3.5%	n/a	3.6%	0.0%	--	<b>1.8%</b>	--
Coon Rapids	0.0%	12.5%	3.0%	1.7%	0.5%	0.0%	<b>1.8%</b>	--
Columbia Heights**	0.0%	5.3%	--	41.6% ^	18.2% ^	0.0% ^	<b>10.7%</b>	<b>2.2%</b>
Fridley	0.0%	5.1%	--	--	--	--	<b>3.1%</b>	--
Spring Lake Park	0.6%	10.9%	--	--	--	--	<b>4.7%</b>	--
Blaine/C.P./Lex.	5.5%	1.0%	--	--	5.1%	0.0%	<b>2.9%</b>	--
Lino Lakes/Centerville	0.0%	6.4%	--	--	--	--	<b>3.2%</b>	--
NE***	--	1.0%	--	--	--	--	<b>1.0%</b>	--
<b>Overall Vacancy Rate</b>	<b>0.8%</b>	<b>5.6%</b>	<b>3.0%</b>	<b>8.4%</b>	<b>6.7%</b>	<b>0.0%</b>	<b>4.3%</b>	--
<b>Adjusted Vacancy Rate</b>	--	--	--	<b>2.2%</b>	<b>0.9%</b>	--	--	<b>2.6%</b>
* St. Francis, Burns, Oak Grove ** Includes Hilltop *** Ham Lake, Bethel, East Bethel, Columbus, Linwood ^ Adjusted vacancy rate for congregare excludes Boulevard Apartments due to atypical market performance. Adjusted assisted living vacancy rate excludes Crest View on 42nd and Royce Place for the same reason. Assisted living demand does not include White Pine - Blaine and memory care demand does not include Lighthouse of Columbia Heights since both projects are still in initial lease-up.								
Source: Maxfield Research Inc.								

- As mentioned earlier in our analysis, several communities, particularly those in Columbia Heights, have vacancy rates that are much higher than other senior housing communities located in the given submarket and County. In order to obtain the most accurate measure of performance, we excluded these projects from the vacancy analysis to derive the adjusted vacancy rate. Projects that were excluded are Boulevard Apartments, Crest View on 42<sup>nd</sup>, and Royce Place, all of which are located in Columbia Heights. There are variety of factors that may contribute to the atypically high vacancy rates at these complexes, including the overall desirability of senior housing in Columbia Heights and at the specific communities, management issues, ineffective marketing campaigns, and less competitive positioning, among other factors.

## **SENIOR HOUSING MARKET ANALYSIS**

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- Calculating the adjusted vacancy rate reveals that all service-levels have vacancy rates below market equilibrium except for market rate senior rental and ownership products. Due to the economic recession and slowdown in the housing market, these two product types specifically have experienced soft demand. Improved economic and housing market conditions will undoubtedly have a positive impact on the performance of market rate active adult projects in Anoka County.
- With the exception of Oak Grove, which was discussed previously, all submarkets are performing below market equilibrium. Some submarkets have no vacancies, including Ramsey and Anoka; the highest vacancy rate is 4.7% in Spring Lake Park. Overall, the low vacancy rates indicate that excess demand for senior housing exists in nearly all Anoka County submarkets.

### **Pending Senior Housing Developments**

Maxfield Research interviewed local officials in communities in Anoka County to learn of any proposed or planned senior housing developments. The following points summarize key information from these interviews.

#### **Anoka**

- Volunteers of America is finalizing plans on a 206-unit continuum of care campus in Anoka. The campus would consist of 12 townhomes, 48 market rate senior apartments, 42 subsidized apartments through HUD, 68 congregate units, 24 memory care units, and 96 skilled nursing units. Phase I will consist of 55 congregate and 68 skilled nursing units followed by Phase II with the remaining congregate and skilled nursing units as well as the memory care units. Phase III will consist of the townhomes and senior apartments. The project is expected to break ground sometime between 2011 and 2013.

#### **Blaine**

- Suite Senior Living (formerly known as Comforts of Home) of White Bear Lake has proposed an expansion of their current campus located on the northeast corner of Cloud Drive NE and 125<sup>th</sup> Avenue NE in Blaine. The project has received all city approvals and was issued a building permit in August. The expansion would consist of a completely separate building with 20 assisted living and 12 memory care units. Construction is set to begin this fall (likely in September) with completion sometime in 2011.
- Two large senior developments in Blaine have been approved for about two years. However, both developments have been unable to obtain financing; it is uncertain if either development will move forward. It is most likely that if one moves forward, the other would not. The following are descriptions of the two approved developments:

## **SENIOR HOUSING MARKET ANALYSIS**

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- 1) Crest View Senior Communities received City approval to develop a 174-unit campus at Ulysses Street and Paul Parkway. The campus would include 100 congregate units, 54 assisted living units, and 20 memory care units. Crest View has been unable to secure financing and thus, the development has been stalled for about two years.
- 2) Welsh Companies received City approval to develop the Hipp Farm property on 125<sup>th</sup> Avenue west of Highway 65 with senior housing. As proposed, the development would contain 45 congregate units, 46 assisted living units, 16 memory care units, and 32 skilled care beds. The development was to be called Afilus Senior Living and managed by Walker Elder Care. However, the developer was unable to obtain financing and the project stalled in spring 2010. It is uncertain if the developer will continue to pursue this development.

### **Columbia Heights**

- There is an affordable age-restricted building proposed by 37<sup>th</sup> and Central LLC. The proposed building, Heights Gateway, would be located on the northwest intersection of Central Avenue and 37<sup>th</sup> Avenue (or directly on the border with Minneapolis). As proposed, Heights Gateway would have between 50 and 60 units located on four floors above ground floor retail and parking.

### **Coon Rapids**

- RKL Land Holdings received planning council approval of the site plan and plat map for a senior housing development to be located in the southeast quadrant of the City, on a parcel west of University Avenue and south of Coon Rapids Boulevard. The development is planned as a 181-unit complex consisting of 91 congregate units, 48 assisted living units, 10 high acuity assisted living units, and 32 memory care units. We understand that RKL Land Holdings has yet to secure financing and a contract with a management company. Thus, the timing of this development remains uncertain.
- We understand that Shamrock Development owns land in southeastern Coon Rapids near the RKL Land Holdings site. They too are contemplating developing senior housing on this site. No formal application has been submitted to the City and we understand that they have not secured financing or contracted with a management company. Thus the timing of this development, if built, is also uncertain. It is unlikely that both the Shamrock Development and RKL Land Holdings would be built at the same time.

### **Fridley**

- Faulkner Development Group purchased a parcel of land at Old Central Avenue and Moore Lake Drive East from the Fridley HRA and received City approval to develop senior housing. The proposed senior housing community, White Pines, is planned to include both assisted living and memory care housing. The project will be developed in two phases, the first being a 40-unit building with 18 assisted living units and 22 memory care

## **SENIOR HOUSING MARKET ANALYSIS**

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units. The second is planned as 19 units of memory care housing. Construction on the first phase recently commenced; estimated completion is January 2011.

- The owner of the Columbia Arena on University Avenue and 71<sup>st</sup> Avenue in Fridley has been marketing the 12-acre site for redevelopment for several years. Senior housing has been the proposed redevelopment use and so far, several potential management firms/developers have explored the potential to partner in the development, but nothing has proceeded. Most recently, Ebenezer has been in discussions with the owner. No concept or project size has been determined and the timing of the proposed development is uncertain, if it moves forward at all.
- Trident Development received approval in June 2010 for a senior housing development to be located on the intersection of Old Central Avenue and Mississippi Street. The project is planned as a 72-unit, three-story senior housing facility with eight congregate units, 50 assisted living units, and 14 memory care units. More specifically, the congregate and assisted living components will feature one- and two-bedroom units with 580 to 880 sq. ft. and the memory care component will be all studio units with 380 sq. ft. Although Trident planned to move forward on construction several weeks ago, no activity has been observed on the site as of early September.

### **Lino Lakes**

- Lino Lakes Lodging, LLC received city approval and was issued building permits in July for the repositioning of County Inn & Suites as a senior housing community. The hotel is located at 725 Town Center Parkway near the southeast intersection of Interstate 35W and County Highway 23. We understand the building could accommodate approximately 60 service-intensive senior housing units, of which we estimate 35 to 40 would be assisted living units and 20 to 25 would be memory care units. The exact unit mix and construction timeline is not known at this time.

### **Ramsey**

- Edgewood Management Group, LLC and EMG Financial Inc. are exploring the potential to build a senior housing community, to be named Edgewood Vista, on a site in Ramsey. Several potential sites located in Ramsey Town Center are being explored at this point; no one site has been identified. The concept for the project is still uncertain, but is very preliminarily planned as a 65-unit development with 40 units of assisted living, five enhanced care suites (high acuity assisted living), and 20 memory care units.
- Comforts of Home has had one senior housing project on hold indefinitely and nothing is expected to move forward in the near future. The property owners have disagreed over which level of service to provide as half want a rental project offering varying levels of service and the other half want owner-occupied units.

### Spring Lake Park

- There are no planned senior housing buildings in Spring Lake Park. In 2003, a 90-unit senior building was planned on a parcel at the intersection of Osborne Road and Madison Street across from Unity Hospital. According to the City of Spring Lake Park, the proposed building never progressed because the developer was unable to secure financing. Since then, developers occasionally inquire about the site but no proposal has formally entered the planning process.

**SENIOR HOUSING MARKET ANALYSIS TABLES**

**Table 11 to Table 13**

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 11  
EXISTING SUBSIDIZED SENIOR HOUSING COMMUNITIES  
ANOKA COUNTY  
September 2010**

<b>Project Name</b>	<b>Year Built</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Base Monthly Fee</b>	<b>Resident Profile</b>	<b>Amenities/ Comments</b>
<b>Bridge Square</b> <i>Anoka</i>	1978	100 <i>0.0%</i>	100 - 1BR	30% AGI	62+ or disabled.	Nine-story building. Community room; beauty shop. Waiting list of 100 names.
<b>Columbia Village</b> <i>Columbia Heights</i>	2000	39 <i>0.0%</i>	39 - 1BR	30% AGI	All residents are 62+.	Three-story building. Two meals/day available; community and activity room; attached to Crest View nursing home.
<b>Dublin Park</b> <i>Coon Rapids</i>	1977	89 <i>0.0%</i>	80 - 1BR 9 - 2BR	30% AGI	62+ or disabled.	Three-story building. Community, billiard, & craft rooms; library; beauty shop. Maintains waiting list.
<b>Franklin Lane</b> <i>Anoka</i>	1974	66 <i>0.0%</i>	56 - 1BR 10 - 2BR	30% AGI	62+ or disabled.	Three-story building. Community room; community laundry on each floor. Maintains waiting list (currently about one year).
<b>Grasslands</b> <i>Coon Rapids</i>	1982	24 <i>0.0%</i>	18 - 1BR 6 - 2BR	30% AGI	62+ or disabled.	Two-story building. Community room; patios; walking paths.
<b>Heights Manor</b> <i>Columbia Heights</i>	1977	85 <i>0.0%</i>	78 - 1BR 7 - 2BR	30% AGI	95% elderly (62+).	Three-story building. Beauty shop; library. Maintains waiting list.
<b>North Gables</b> <i>Blaine</i>	2002	50 <i>0.0%</i>	50 - 1BR	30% AGI	All residents are 62+.	3-story building. Units at 50% AMI. Community and computer/crafts rooms; laundry on each floor; outdoor patio. Waiting list = 40 names.
<b>Northgate Woods</b> <i>Blaine</i>	1980	30 <i>0.0%</i>	29 - 1BR 1 - 2BR	30% AGI	Avg. age = 80.	Three-story building. Community room. Maintains waiting list; currently not accepting applications.
<b>Norwood Square</b> <i>Fridley</i>	1994	51 <i>0.0%</i>	50 - 1BR 1 - 2BR	30% AGI	All residents are 62+; avg. age = 75.	3-story building; community room; community laundry. Waiting list of about one year.
<b>Osborne Apartments</b> <i>Spring Lake Park</i>	1982	60 <i>0.0%</i>	56 - 1BR 4 - 2BR	30% AGI	95% elderly (62+).	5-story building. Community room; community laundry; off-street parking only. Waiting list of about one year.
<b>Oxbowl Bend</b> <i>Coon Rapids</i>	1983	60 <i>0.0%</i>	60 - 1BR	30% AGI	90% elderly (62+).	3-story building. Community room; garden/patio areas. Waiting list (at least 6 months).
<b>Parkview Villa North</b> <i>Columbia Heights</i>	1974	100 <i>0.0%</i>	100 - 1BR	30% AGI	60% elderly (62+).	9-story building. Community and dining rooms; beauty shop. Preference for City residents (4 month WL); non-city residents WL of 3-8 yrs.
<b>Rum River Square</b> <i>St. Francis</i>	1990	21 <i>0.0%</i>	21 - 1BR	30% AGI	62+ or disabled.	Two-story building. Community room. Very little turnover. Maintains waiting list.
<b>Theater Heights</b> <i>Columbia Heights</i>	--	22 <i>n/a</i>	11 - EFF 11 - 1BR	\$437 - \$437 \$531 - \$531	n/a	Rent must equal twice monthly income (\$10,500 and 12,750, respectively).
<b>Village Green</b> <i>Fridley</i>	1978	142 <i>n/a</i>	142 - 1BR	30% AGI	62+ or disabled.	Five-story building. Community and activity rooms; beauty shop; community laundry.
<b>Walker on the River</b> <i>Anoka</i>	1987	45 <i>0.0%</i>	45 - 1BR	30% AGI	All residents are 62+; Avg. age = 77; singles.	Six story building. Community and party rooms; patio; bus to/from grocery store. Waiting list of approximately 6 months.
<b>Total Units</b>		<b>984</b>				
<b>Overall Vacancy Rate</b>		<b>0.0%</b>				
Source: Maxfield Research Inc.						

# SENIOR HOUSING MARKET ANALYSIS

TABLE 12								
EXISTING SENIOR HOUSING FACILITIES								
ANOKA COUNTY								
September 2010								
Project Name	Year Built	Units/ Vacant	Unit Mix	Unit Size	Base Monthly Fee	Payment for Services	Resident Profile	
<b>Affordable Senior Rental</b>								
<b>Banfill Crossing</b> 8310 University Avenue NE <i>Fridley</i>	2000	44 0 <i>0.0%</i>	44 - 1BR	697	\$774	Accepts Section 8 vouchers	All 55+; Avg. age = 76; couples and singles.	
<b>Cottages of Coon Creek</b> 2637 110th Lane <i>Coon Rapids</i>	1997	47 0 <i>0.0%</i>	15 - 1BR 32 - 2BR	700 - 700 882 - 882	\$779 - \$779 \$949 - \$949		Avg. age = 72; 8 couples.	
<b>Oak Crest</b> 1639 Highway 10 NE <i>Spring Lake Park</i>	1997	42 0 <i>0.0%</i>	26 - 1BR 16 - 2BR	725 1,002	\$797 - \$820 \$1,097		Avg. age = 90.	
<b>Cottages of Willow Pond</b> 101 Willow Pond Trail <i>Lino Lakes</i>	1996	47 0 <i>0.0%</i>	6 - 1BR 41 - 2BR	728 - 728 878 - 930	\$730 - \$730 \$850 - \$850	Accepts Section 8 vouchers	Avg. age 70s; couples and singles.	
<b>Oak Hills Manor</b> 820 Civic Heights Drive <i>Circle Pines</i>	1995	48 7 <i>14.6%</i>	12 - 1BR 36 - 2BR	705 - 774 863 - 970	\$645 - \$645 \$703 - \$730	Accepts Section 8 vouchers	Age range from 50's to 80s.	
<b>Cottages of Spring Lake Park</b> 8263 Fillmore Street <i>Spring Lake Park</i>	1993	86 1 <i>1.2%</i>	30 - 1BR 56 - 2BR	730 - 730 950 - 950	\$675 - \$675 \$775 - \$775		Avg. age = 70.	
<b>Total Units</b>		<b>314</b>						
<b>Overall Vacancy Rate</b>		<b>2.5%</b>						
<b>Market Rate Senior Ownership</b>								
<b>Grey Oaks Community</b> 15550 Linnet Street NW <i>Andover</i>	2003	100 27 <i>27.0%</i>	30 - 1BR 60 - 2BR	875 - 875 1,050 - 1,450	\$128,900 - \$151,900 \$144 - \$144 \$145,900 - \$216,900 \$144 - \$144 \$218,900 - \$259,900 \$163 - \$163	+	Avg. age = 65; 70% couples.	
<b>Historic Rum River District</b> 220 Second Avenue North <i>Anoka</i>	2009/ 2010	40 12 <i>30.0%</i>	6 - 1BR 34 - 2BR	828 - 928 1,343 - 1,760	n/a - n/a \$250,000 - \$300,000		55+-. Sold 6 of 18 units in the 2nd Phase. No 1BRs left.	
<b>Realife Cooperative</b> 1555 Main Street NW <i>Coon Rapids</i>	2002	100 3 <i>3.0%</i>	3 - 1BR 58 - 1BR/D 39 - 2BR	805 - 805 962 - 1,200 1,091 - 1,512	\$25,589 - \$25,589 \$708 - \$708 \$35,687 - \$45,334 \$858 - \$1,120 \$40,578 - \$53,503 \$977 - \$1,308		Avg. age = 79. Seven units for sale (only 3 are unoccupied).	
<b>Total Units</b>		<b>240</b>						
<b>Overall Vacancy Rate**</b>		<b>15.0%</b>						**Excludes Historic Rum River District - still in initial sell-out of 2nd phase.
<b>Market Rate Senior Rental</b>								
<b>Oaks of Lake George</b> 21201 Lake George Boulevard <i>Oak Grove</i>	2006	51 12 <i>23.5%</i>	13 - 1BR 18 - 1BR/D 14 - 2BR 6 - 2BR/D	691 - 800 887 - 877 935 - 1,060 1,225 - 1,225	\$796 - \$902 \$958 - \$1,008 \$1,001 - \$1,140 \$1,327 - \$1,327		Avg. age = mid 70s; some couples.	
<b>Pine Manor Estates</b> 96 South Drive <i>Circle Pines</i>	2005	44 1 <i>2.3%</i>	18 - 1BR 6 - 1BR/D 20 - 2BR	732 - 732 832 - 832 978 - 1,264	\$830 - \$830 \$1,030 - \$1,030 \$1,130 - \$1,315		Avg. age = 80; 5 couples.	

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# SENIOR HOUSING MARKET ANALYSIS

**TABLE 12  
EXISTING SENIOR HOUSING FACILITIES  
ANOKA COUNTY  
September 2010**

<b>Project Name</b>	<b>Year Built</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Base Monthly Fee</b>	<b>Payment for Services</b>	<b>Resident Profile</b>
<b>Blaine Town Square</b> 2401 108th Lane <i>Blaine</i>	2005	87 n/a	15 - 1BR 12 - 1BR/D 42 - 2BR 18 - 2BR/D	721 - 909 788 - 862 1,043 - 1,282 1,249 - 1,381	\$699 - \$745 \$825 - \$825 \$899 - \$999 \$999 + \$1,220		Avg. age = 80s.
<b>Chauncey Barrett Gardens</b> 7026 Centerville Road <i>Centerville</i>	2004/ 1998	47 3 6.4%	10 - 1BR 19 - 1BR/D 18 - 2BR	703 - 786 907 - 970 964 - 1,024	\$743 - \$920 \$804 - \$902 \$874 - \$1,011		Avg. age = 70. Age range 60-91.
<b>Majestic Greens</b> 13633 Van Buren Street NE <i>Ham Lake</i>	2002	50 1 2.0%	16 - 1BR 2 - 1BR/D 20 - 2BR 12 - 2BR/D	703 - 793 982 - 982 978 - 1,067 1,207 - 1,207	\$795 - \$950 \$1,030 - \$1,030 \$1,025 - \$1,230 \$1,195 - \$1,290		Avg. age = 73.
<b>Redwood Terrace</b> 9950 Redwood Street NW <i>Coon Rapids</i>	2000	54 8 14.8%	14 - 1BR 40 - 2BR	738 - 769 915 - 980	\$850 - \$850 \$950 - \$950		Avg. age = 70; age range 50-98.
<b>Banfill Crossing</b> 8310 University Avenue NE <i>Fridley</i>	2000	99 5 5.1%	72 - 1BR 38 - 2BR	697 - 790 947 - 1,205	\$774 - \$894 \$1,051 - \$1,338	Accepts Section 8 vouchers	All 55+; Avg. age = 76; couples and singles.
<b>Cloverleaf Courts</b> 1011 Cloverleaf Parkway <i>Blaine</i>	2000	102 1 1.0%	9 - EFF 71 - 1BR 22 - 2BR	566 - 579 702 - 830 886 - 1,030	\$530 - \$530 \$700 - \$803 \$967 - \$1,241		Avg. age = 78; 12 couples.
<b>Savannah Oaks</b> 14351 Dysprosium Stret <i>Ramsey</i>	1999	50 0 0.0%	18 - 1BR 20 - 1BR/D 12 - 2BR	705 - 705 908 - 956 1,020 - 1,020	\$734 - \$734 \$865 - \$895 \$1,060 - \$1,060		Most residents age 70+; some couples.
<b>Farmstead Cottages</b> 13742 Marigold Street <i>Andover</i>	1998	6 0 0.0%	6 - 2BR	1,520 - 1,520	\$1,888 - \$1,935		Avg. age = 80; 4 couples (btw. Aff and MR).
<b>Cottages of Coon Creek</b> 2637 110th Lane <i>Coon Rapids</i>	1997	10 0 0.0%	15 - 1BR 32 - 2BR	700 - 700 882 - 882	\$779 - \$779 \$949 - \$949		Avg. age = 72; 8 couples.
<b>Willows, The</b> 845 Bunker Lake Boulevard NE <i>Ham Lake</i>	1997	49 0 0.0%	26 - 1BR 11 - 1BR/D 12 - 2BR	660 - 854 920 - 920 1,037 - 1,220	\$647 - \$839 \$853 - \$853 \$1,059 - \$1,059		Avg. age = 76; mostly singles.
<b>Oak Crest</b> 1639 Highway 10 NE <i>Spring Lake Park</i>	1997	101 11 10.9%	76 - 1BR 35 - 2BR	725 - 883 1,002 - 1,219	\$797 - \$1,042 \$1,097 - \$1,339		Avg. age = 90.
<b>Dellwood Estates</b> 749 East River Road <i>Anoka</i>	1992	57 2 3.5%	n/a - 1BR n/a - 2BR	940 - 940 1,085 - 1,295	\$729 - \$799 \$888 - \$900		Avg. age = 58; mix of couples and singles.
<b>Parkview Villa South</b> 965 40th Avenue NE <i>Columbia Heights</i>	1991	43 0 0.0%	39 - 1BR 4 - 2BR	600 - 600 n/a - n/a	\$562 - \$562 \$715 - \$715		Avg. age = 75.
<b>Blaine Courts</b> 701 85th Ave NE <i>Blaine</i>	1991	54 0 0.0%	43 - 1BR 11 - 2BR	696 - 835 833 - 933	\$631 - \$648 \$741 - \$762		Avg. age = 80; 20% couples.

CONTINUED

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 12  
EXISTING SENIOR HOUSING FACILITIES  
ANOKA COUNTY  
September 2010**

<b>Project Name</b>	<b>Year Built</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Base Monthly Fee</b>	<b>Payment for Services</b>	<b>Resident Profile</b>
<b>Apache Village</b> 3839 Hart Boulevard <i>Columbia Heights</i>	1969	145 10 <b>6.9%</b>	97 - 1BR 48 - 2BR	650 - 650 840 - 840	\$740 - \$740 \$810 - \$740		Avg. age = 65; mix of couples and singles.
<b>Total Units</b>		<b>1,049</b>					
<b>Overall Vacancy Rate</b>		<b>5.6%</b>					
<b>Congregate</b>							
<b>Farmstead Terrace - Affordable</b> 13742 Marigold Street <i>Andover</i>	1998	27 0 <b>0.0%</b>	27 - 1BR	670 - 726	\$755 - \$755		Avg. age = 80; 4 couples (btw. Aff and MR).
<b>Farmstead Terrace - Market Rate</b> 13742 Marigold Street <i>Andover</i>	1998	39 0 <b>0.0%</b>	9 - 1BR 14 - 1BR/D 16 - 2BR	736 - 906 948 - 948 1,072 - 1,280	\$1,017 - \$1,415 \$1,453 - \$1,453 \$1,622 - \$1,850		Avg. age = 80; 4 couples (btw. Aff and MR).
<b>Epiphany Pines</b> 1900 111th Ave NW <i>Coon Rapids</i>	1994	107 0 <b>0.0%</b>	75 - 1BR 32 - 2BR	604 - 897 918 - 1,084	\$841 - \$1,145 \$1,184 - \$1,330		Avg. age = 80; some couples.
<b>Walker Plaza</b> 131 Monroe Street <i>Anoka</i>	1990	88 1 <b>1.1%</b>	6 - EFF 64 - 1BR 18 - 2BR	462 - 486 542 - 750 847 - 1,219	\$1,140 - \$1,155 \$1,350 - \$1,670 \$1,895 - \$2,230		Avg. age = 85; 10 couples.
<b>River Oaks</b> 910 Western Street <i>Anoka</i>	1988	80 5 <b>6.3%</b>	4 - EFF 60 - 1BR 16 - 2BR	418 - 418 550 - 788 814 - 924	\$1,081 - \$1,081 \$1,206 - \$1,350 \$1,506 - \$1,709		Avg. age = 80; 3 couples.
<b>Margaret Place</b> 1555 118th Lane NW <i>Coon Rapids</i>	1987	72 3 <b>4.2%</b>	48 - 1BR 24 - 2BR	641 - 652 849 - 898	\$975 - \$975 \$1,095 - \$1,095		n/a
<b>Boulevard Apartments</b> 4458 Reservoir Boulevard NE <i>Columbia Heights</i>	1984	77 32 <b>41.6%</b>	55 - 1BR 22 - 2BR	660 - 660 850 - 850	\$1,010 - \$1,010 \$1,320 - \$1,575	Accepts up to 10 Section 8 vouchers.	Avg. age = 81.
<b>Total Units</b>		<b>490</b>					
<b>Overall Vacancy Rate</b>		<b>8.4%</b>					
<b>Adjusted Vacancy Rate **</b>		<b>2.2%</b>					
<b>** Excludes Boulevard Apartments due to atypical market performance.</b>							
<b>Assisted Living</b>							
<b>Lighthouse of Columbia Hght.</b> 3801 Hart Boulevard <i>Columbia Heights</i>	2009	43 0 <b>0.0%</b>	6 - EFF 35 - 1BR 2 - 2BR	382 - 429 409 - 628 840 - 840	\$2,450 - \$2,650 \$2,550 - \$3,450 \$4,300 - \$4,500	Private EW	Avg. age = 82.
<b>White Pine - Blaine</b> 12446 Jamestown Street NE <i>Blaine</i>	Nov. 2009	63 16 <b>25.4%</b>	10 - EFF 51 - 1BR 2 - 2BR	404 - 404 627 - 627 732 - 732	\$1,925 - \$1,925 \$2,325 - \$2,325 \$2,825 - \$2,825	Private EW Cadi	Avg. age 65; 50% utilizing non-private payment.
<b>Select Senior Living</b> 11350 Martin Street <i>Coon Rapids</i>	2008	76 0 <b>0.0%</b>	23 - EFF 22 - 1BR 2 - 1BR/D 29 - 2BR	448 - 529 526 - 801 1,147 - 1,147 966 - 1,268	\$2,631 - \$2,694 \$2,824 - \$3,147 \$3,416 - \$3,416 \$3,630 - \$3,732	Private EW Cadi	Avg. age = 78- 80.
<b>Creekside Cottages</b> 1190 117th Avenue NW <i>Coon Rapids</i>	2006	12 0 <b>0.0%</b>	12 - EFF	125 - 125	\$3,800 - \$4,000	Private EW Cadi	Avg. age = 80. AL/MC = 50%/50%.
<b>CONTINUED</b>							

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 12  
EXISTING SENIOR HOUSING FACILITIES  
ANOKA COUNTY  
September 2010**

<b>Project Name</b>	<b>Year Built</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Base Monthly Fee</b>	<b>Payment for Services</b>	<b>Resident Profile</b>	
<b>Suite Living</b> 10669 Ulysses Street NE <i>Blaine</i>	2004	19 1 <b>5.3%</b>	16 - EFF 3 - 1BR	350 - 350 450 - 450	\$2,175 - \$2,175 \$2,900 - \$2,900	Private EW Cadi		
<b>Crest View on 42nd</b> 900 42nd Avenue NE <i>Columbia Heights</i>	2002	41 14 <b>34.1%</b>	10 - Shared 14 - EFF 12 - 1BR 5 - 2BR	495 - 545 309 - 364 420 - 480 673 - 680	\$1,565 - \$1,565 \$2,015 - \$2,055 \$2,055 - \$2,230 \$2,900 - \$2,940	Private EW	Avg age = 83.	
<b>Epiphany Assisted Living</b> 10955 Hanson Boulevard <i>Coon Rapids</i>	2001	50 0 <b>0.0%</b>	1 - EFF 45 - 1BR 2 - 1BR/D 2 - 2BR	385 - 385 505 - 730 770 - 770 1,025 - 1,230	\$2,270 - \$2,270 \$2,361 - \$2,866 \$3,212 - \$3,212 \$3,507 - \$3,620	Private EW Cadi	Avg. age = 83; 10% couples.	
<b>Farmstead Commons</b> 13733 Quay street <i>Andover</i>	1998	51 0 <b>0.0%</b>	13 - EFF 33 - 1BR 5 - 2BR	449 - 518 539 - 703 906 - 960	\$2,303 - \$2,491 \$2,632 - \$2,901 \$3,357 - \$3,357	Private	Avg. age = 83; 1 couple.	
<b>Homestead at Coon Rapids</b> 11372 Robinson Drive <i>Coon Rapids</i>	1998	36 0 <b>0.0%</b>	n/a - Shared n/a - EFF n/a - 1BR	400 - 500 300 - 400 500 - 500	\$2,645 - \$3,980 \$3,090 - \$4,265 \$3,880 - \$5,055	Private EW	Avg. age = 85; no couples.	
<b>Sterling House of Blaine</b> 1005 Paul Parkway <i>Blaine</i>	1997	20 1 <b>5.0%</b>	2 - Shared 18 - EFF	300 - 300 200 - 200	\$2,175 - \$2,175 \$2,900 - \$2,900	Private	Avg. age = 83.	
<b>Eagle Street Catered Living</b> 12009 Eagle Street <i>Coon Rapids</i>	1997	12 0 <b>0.0%</b>	10 - Shared 2 - EFF	200 - 250	\$3,800 - \$4,000	Private EW Cadi	Avg. age = 80.	
<b>Demar Catered Living</b> 11777 Xeon Boulevard <i>Coon Rapids</i>	1995	12 1 <b>8.3%</b>	6 - Shared 6 - EFF	300 - 300 200 - 350	\$3,800 - \$3,800 \$4,000 - \$4,600	Private EW Cadi	Avg. age = 80.	
<b>Royce Place</b> 1515 44th Avenue NE <i>Columbia Heights</i>	1991	64 13 <b>20.3%</b>	28 - Shared* 21 - EFF 15 - 1BR	235 - 235 325 - 433 470 - 470	\$1,535 - \$1,535 \$1,570 - \$1,890 \$2,060 - \$2,060	Private EW	Avg. age = 70; age range 55 - 100.	
<b>Walker Plaza</b> 131 Monroe Street <i>Anoka</i>	1990	14 0 <b>0.0%</b>	14 - EFF	121 - 150	\$1,065 - \$1,065	Private	Avg. age = 85.	
<b>Total Units</b>		<b>513</b>						
<b>Overall Vacancy Rate*</b>		<b>6.7%</b>						* Excludes White Pine - still in initial lease-up.
<b>Adjusted Vacancy Rate**</b>		<b>0.9%</b>						** Excludes Crest View on 42nd and Royce Place due to atypical performance.
<b>Memory Care</b>								
<b>Lighthouse of Columbia Hght.</b> 3801 Hart Boulevard <i>Columbia Heights</i>	2009	36 10 <b>27.8%</b>	27 - EFF 7 - 1BR 2 - 2BR	211 - 342 340 - 380 435 - 435	\$4,850 - \$5,050 \$5,350 - \$5,450 \$8,000 - \$8,000	Private EW	Avg. age 82; 2BR typically has two occupants.	
<b>Select Senior Living</b> 11350 Martin Street <i>Coon Rapids</i>	2008	14 0 <b>0.0%</b>	10 - EFF 4 - 1BR	485 - 580 592 - 663	\$4,687 - \$4,750 \$4,880 - \$5,617	Private	Avg. age = 78- 80.	
<b>Suite Living</b> 10669 Ulysses Street NE <i>Blaine</i>	2004	13 0 <b>0.0%</b>	13 - EFF	350 - 350	\$5,125 - \$5,125	Private	n/a	
<b>CONTINUED</b>								

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 12  
EXISTING SENIOR HOUSING FACILITIES  
ANOKA COUNTY  
September 2010**

<b>Project Name</b>	<b>Year Built</b>	<b>Units/ Vacant</b>	<b>Unit Mix</b>	<b>Unit Size</b>	<b>Base Monthly Fee</b>	<b>Payment for Services</b>	<b>Resident Profile</b>
<b>Crest View on 42nd</b> 900 42nd Avenue NE <i>Columbia Heights</i>	2002	9 0 <b>0.0%</b>	3 - Shared 6 - EFF	495 - 545 309 - 364	\$2,785 - \$2,785 \$3,230 - \$3,255	Private EW	Avg. age = 83.
<b>Epiphany Memory Care</b> 10955 Hanson Boulevard <i>Coon Rapids</i>	2001	23 0 <b>0.0%</b>	23 - EFF	330 - 350	\$2,270 - \$2,313	Private EW Cadi	Avg. age = 83.
<b>Farmstead Arbor</b> 13733 Quay Street <i>Andover</i>	1998	17 0 <b>0.0%</b>	n/a - EFF n/a - 1BR	449 - 518 539 - 539	\$4,431 - \$6,183 \$4,763 - \$6,323	Private	Avg. age = 82; no couples.
<b>Homestead at Coon Rapids</b> 1770 113th Lane <i>Coon Rapids</i>	1998	24 0 <b>0.0%</b>	24 - EFF	300 - 400	\$4,315 - \$5,300	Private EW	Avg. age = 82.
<b>Total Units</b>		<b>136</b>					
<b>Overall Vacancy Rate**</b>		<b>0.0%</b>	**Excludes Lighthouse of Columbia Heights - still in initial lease-up.				

Source: Maxfield Research Inc.

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 13**  
**UNIT FEATURES/BUILDING AMENITIES/SERVICES**  
**COMPARABLE SENIOR HOUSING PROPERTIES**  
**September 2010**

	Unit Features			Building Amenities								Services				Other
	Full/Partial Kitchen	Walk-in Closet	Balcony or Patio	Community Room	Dining Room	Craft/Hobby Room	Library	Fitness Room	Storage	Workshop	Garage Parking	Meals	Housekeeping	Home health care	Transportation	
<b>Affordable Senior Rental</b>																
Banfill Crossing	F	Y	N	Y	N	Y	Y	N	N	Y	U	--	--	--	--	Guest suite; comm. laundry.
Cottages of Coon Creek	F	N	Y	Y	N	N	N	N	N	N	A	--	--	--	--	W/D hook-ups.
Oak Crest (active adult)	F	Y	N	Y	Y	N	Y	Y	N	N	U	5/week	Opt.	Opt.	Lmt.	Opt. services thru Pres Homes.
Cottages of Willow Pond	Y	N	Y	Y	N	N	N	N	Y	N	A	--	--	--	--	Guest suite; hook-ups.
Oak Hills Manor	F	Y	N	Y	N	N	N	N	Y	N	D	--	--	--	--	
Cottages of Spring Lake Park	F	Y	N	Y	N	Y	Y	Y	Y	N	A	--	--	--	--	Guest suite; comm. laundry.
<b>Market Rate Senior Rental</b>																
Oaks of Lake George	F	Y	Y	Y	N	N	Y	Y	Y	Y	U	--	--	--	--	In-unit W/D; guest suite; car wash.
Pine Manor Estates	F	Y	Y	Y	N	N	Y	Y	N	N	U	--	--	--	--	In-unit W/D; terrace/sundeck.
Blaine Town Square	F	N	N	Y	Y	N	Y	Y	Y	N	U	--	--	--	--	Pool; kids playroom; outdoor patio.
Chauncey Barrett Gardens	F	S	Y	Y	N	N	N	N	Y	N	A	--	--	--	--	In-unit W/D; walking paths.
Majestic Greens	F	S	S	Y	N	Y	Y	Y	Y	N	U	--	--	--	--	Garden plots.
Redwood Terrace	F	Y	N	Y	N	N	Y	Y	Y	N	A	--	--	--	--	Guest suite; W/D hook-ups.
Banfill Crossing	F	Y	N	Y	N	Y	Y	N	N	Y	U	--	--	--	Sched.	2BR have W/D; guest suite; store.
Cloverleaf Courts	F	S	N	Y	N	N	Y	Y	Y	Y	U	--	--	--	Sched.	Garden plots; sundeck; comm. laundry.
Savannah Oaks	F	S	Y	Y	N	N	N	N	Y	N	U	--	--	--	--	In-unit W/D; guest suite; sundeck.
Farmstead Cottages	F	Y	Y	Y	Y	Y	Y	Y	Y	N	A	Opt.	Opt.	--	Sched.	In-unit W/D; guest suite.
Cottages of Coon Creek	F	N	Y	Y	N	N	N	N	N	N	D	--	--	--	--	W/D hookups.
Willows, The	F	S	Y	Y	N	N	Y	N	Y	N	U	--	--	--	--	In-unit W/D; guest room.
Oak Crest (active adult)	F	Y	N	Y	Y	N	Y	Y	N	N	U	5/week	Opt.	Opt.	Lmt.	Opt. services thru Pres Homes.
Dellwood Estates	F	Y	Y	Y	N	N	Y	Y	Y	N	U	--	--	--	--	Pool; gazebo; comm. laundry.
Parkview Villa South	F	Y	Y	Y	Y	N	N	N	N	N	U	--	--	--	--	Noon meal available from VOA.
Blaine Court	F	S	S	Y	N	Y	Y	N	Y	N	D	--	--	--	--	
Apache Village	F	S	Y	Y	N	Y	N	Y	Y	N	U/D	--	--	--	Lmt.	Pool and sauna.

CONTINUED

# SENIOR HOUSING MARKET ANALYSIS

**TABLE 13**  
**UNIT FEATURES/BUILDING AMENITIES/SERVICES**  
**COMPARABLE SENIOR HOUSING PROPERTIES**  
**September 2010**

	Unit Features			Building Amenities							Services				Other	
	Full/Partial Kitchen	Walk-in Closet	Balcony or Patio	Community Room	Dining Room	Craft/Hobby Room	Library	Fitness Room	Storage	Workshop	Garage Parking	Meals	Housekeeping	Home health care		Transportation
<b>Congregate</b>																
Farmstead Terrace	F	Y	N	Y	Y	Y	Y	Y	Y	N	U	Opt.	Opt.	Opt.	Sched.	Comm. laundry; guest suite; sundeck.
Walker Plaza	F	Y	N	Y	Y	Y	Y	N	Y	Y	U	1/day	Opt.	Opt.	Sched.	
Epiphany Pines	F	N	N	Y	Y	Y	Y	N	Y	Y	U	Opt.	Opt.	--	Sched.	W/D hook-ups.
River Oaks	F	S	S	Y	Y	Y	Y	Y	Y	N	U	10/mo	Weekly	Opt.	Sched.	Opt. services; comm. laundry.
Margaret Place	F	S	N	Y	Y	Y	Y	N	Y	N	D	1/day	Opt.	Opt.	Sched.	Cont. breakfast included.
Boulevard Apartments	F	Y	N	Y	Y	Y	Y	N	N	N	U	Opt.	Opt.	Opt.	Sched.	Guest suite.
<b>Assisted Living</b>																
Lighthouse of Columbia Heights	P	S	N	Y	Y	N	Y	N	Y	N	U	3/day	Weekly	Some	Sched.	Two loads of laundry/week; service pkgs.
White Pine - Blaine	P	S	N	Y	Y	N	Y	Y	Y	N	U	3/day	Weekly	Opt.	Sched.	W/D in-unit; service packages.
Select Senior Living	F	N	N	Y	Y	Y	Y	Y	N	N	U	3/day	Weekly	Some	Lmt.	Service packages.
Creskide Cottages	N	N	N	Y	Y	N	N	N	N	N	-	3/day	Weekly	Some	Sched.	Two loads of laundry/week.
Suite Living	P	S	N	Y	Y	Y	Y	N	N	N	-	3/day	Weekly	Some	--	Two loads of laundry/week; packages.
Crest View on 42nd	P	N	N	Y	Y	Y	N	N	N	N	-	2/day	Weekly	Opt.	Sched.	Flat linen service; free comm. laundry.
Epiphany	F	Y	N	Y	Y	Y	Y	N	Y	N	-	2/day	Weekly	Some	Sched.	Terrace/sundeck; Opt. laundry service.
Farmstead Commons	P	S	N	Y	Y	Y	Y	Y	Y	N	U	2/day	Weekly	Some	Sched.	Service packages.
Homestead at Coon Rapids	N	Y	N	Y	Y	Y	Y	N	N	N	-	3/day	Weekly	Some	Sched.	Service packages.
Oak Crest (AL)	F	Y	N	Y	Y	N	Y	Y	N	N	U	2/day	Weekly	Some	Sched.	Services thru Pres Homes.
Sterling House of Blaine	P	N	N	N	Y	N	Y	Y	Y	N	-	3/day	Weekly	Some	Sched.	Service packages.
Eagle Street Catered Living	N	N	N	N	Y	N	N	N	N	N	-	3/day	Weekly	All	Lmt.	All inclusive; sundeck/terrace.
Demar Catered Living	N	N	N	N	Y	N	N	N	N	N	-	3/day	Weekly	All	Lmt.	All inclusive; mostly EW residents.
Royce Place	N	S	N	Y	Y	Y	N	Y	N	N	-	3/day	Opt.	Opt.	Sched.	Fee-for-service - personal care and assist.
Walker Plaza	F	Y	N	Y	Y	Y	Y	N	Y	Y	U	10/mo.	Opt.	Opt.	Sched.	Service packages.
<b>Memory Care</b>																
Lighthouse of Columbia Heights	N	S	N	Y	Y	N	Y	N	Y	N	U	3/day	Weekly	Some	Sched.	Two loads of laundry/week; service pkgs.
Select Senior Living	P	N	N	Y	Y	Y	Y	Y	N	N	-	3/day	Weekly	Some	Lmt.	Service packages.

CONTINUED

**SENIOR HOUSING MARKET ANALYSIS**

**TABLE 13  
UNIT FEATURES/BUILDING AMENITIES/SERVICES  
COMPARABLE SENIOR HOUSING PROPERTIES  
September 2010**

	Unit Features			Building Amenities							Services				Other	
	Full/Partial Kitchen	Walk-in Closet	Balcony or Patio	Community Room	Dining Room	Craft/Hobby Room	Library	Fitness Room	Storage	Workshop	Garage Parking	Meals	Housekeeping	Home health care		Transportation
<b>Suite Living</b>	P	S	N	Y	Y	Y	Y	N	N	N	-	3/day	Weekly	Some	--	Two loads of laundry/week; packages.
<b>Crest View on 42nd</b>	P	N	N	Y	Y	Y	N	N	N	N	-	3/day	Weekly	Opt.	Sched.	Flat linen service; free comm. laundry.
<b>Epiphany</b>	P	Y	N	Y	Y	Y	Y	N	Y	N	-	3/day	Weekly	Incl.	Sched.	Tiered service packages; outdoor area.
<b>Farmstead Arbor</b>	P	N	N	Y	Y	Y	Y	Y	Y	N	-	3/day	Weekly	Some	Sched.	Service packages.
<b>Homestead at Coon Rapids</b>	N	Y	N	Y	Y	Y	Y	N	N	N	-	3/day	Weekly	Some	Sched.	Service packages.

Y = Yes; N = No; S = Some; F= Full Kitchen; P = Partial kitchen (kitchenette); A = Attached Garage; U = Underground Parking; D = Detached Garage.

Source: Maxfield Research Inc.

### Introduction

Earlier sections of this report examined growth trends and demographic characteristics of the Anoka County submarkets, current senior housing market conditions, and proposed or planned projects that may come on-line and satisfy some market demand. The current section utilizes findings from earlier sections to estimate the market potential for market rate and affordable active adult, congregate, assisted living, and memory care housing products in individual submarkets and in Anoka County.

### Demand Methodology

Demand methodology employed by Maxfield Research utilizes capture and penetration rates that blend national senior housing trends with local market characteristics, preferences, and patterns. Our demand calculations consider the following target market segments for each product type:

***Affordable Active Adult Rental Housing:*** The income-restriction for affordable housing products in Anoka County (60% AMI) is currently \$35,280 for a one-person household and \$40,320 for a two-person household. Since the majority of seniors have only one person per household, we conservatively use \$35,000 as the upper end of the income range. We also include homeowner households earning incomes between \$15,000 and \$24,999 who, after considering additional income and equity from the sales of their homes, would be able to afford the monthly rents at affordable rental housing projects but would not exceed the upper income threshold. To account for inflation, our figures in 2015 are adjusted to include households earning incomes between \$29,000 and \$40,500 as well as homeowner households earning incomes between \$17,500 and \$28,999. All income-qualified 55+ households are considered in the total market base.

***Market Rate Active Adult Rental and Ownership Housing:*** Most households earning incomes above the upper threshold for affordable active adult housing would be able to afford market rate senior housing products. Therefore, in 2010, we include all age 55+ households earning incomes above \$35,000 as well as homeowner households earning incomes between \$25,000 and \$34,999 who would be able to afford the monthly rents after factoring in additional income and equity from the sales of their homes. To account for inflation, these figures are adjusted to include households earning incomes at or above \$40,000 in 2010 and homeowner households earning incomes between \$30,000 and \$39,999. All income-qualified 55+ households are considered in the total market base.

***Congregate Housing:*** Due to the availability of services, congregate housing typically attracts older, frailer seniors. Although the cost of housing and services in congregate housing is above the cost of rent in active adult housing, seniors often contribute higher proportions of their incomes for housing with services than for housing without services. Hence, the income-qualified market remains the same as for market rate active adult housing in 2010 and 2015. However, only income-qualified 65+ households are considered as only a few, if any, older adults (age 55-64) reside in congregate housing communities.

## DEMAND ANALYSIS

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***Assisted Living Housing:*** With even more services included and available for residents of assisted living housing, seniors must have slightly higher incomes in order to afford the cost of care and be able to pay with private funds. Many seniors who are unable to pay with private funds may utilize Elderly Waivers, CADI Waivers, or other forms of financial assistance; however, since these calculations consider private pay assisted living housing only, this segment of the potential market for assisted living housing is not included. The income-qualified market in 2010 for assisted living housing includes all age 75+ seniors earning incomes above \$40,000 as well as 40% of the homeowner households earning incomes below that level. Due to the typical age of residents in assisted living housing, only income-qualified 75+ seniors are considered in the total market base.

***Memory Care Housing:*** Memory care housing is the most service-intensive product level considered in this analysis, and therefore is typically the most costly for seniors and their families. It is estimated that seniors will spend up to 90% of their incomes to afford assisted living and memory care housing. In order to income-qualify for memory care housing that generally costs a minimum of \$4,000 to \$4,500 per month, seniors will need to earn incomes of at least \$60,000 and/or be able to qualify after considering home equity and other assets (2010). All income-qualified seniors age 65 and older are considered in the market base for memory care housing.

After calculating the number of age- and income-qualified seniors for different housing products, specific market penetration and capture rates are applied to each age cohort in order to quantify the demand potential for various housing products. We consider the following factors when assigning appropriate penetration and capture rates across the age cohorts and for various housing products:

- Anoka County household incomes, household tenure, and home values in comparison to other Metro Area communities;
- Metro-wide penetration and capture rates and comparisons to other geographies that are similar to Anoka County;
- Existing competitive inventory of senior housing communities, including the age of existing facilities, absorption of new product, and overall market performance;
- Information made available from surveys with senior housing communities, including draw patterns and resident profiles; and
- Statistical information from reputable sources about the percentage of seniors by age cohort who reside in senior housing alternatives and for what length of time.

Lastly, in addition to demand being generated by within Anoka County, we also account for a percentage of demand (approximately 15%) that results from the positive net movement of seniors to Anoka County from other areas of the State or Nation. The locations of adult caregivers, quality and accessibility of healthcare services and retail, community orientation patterns, personal preferences, and quality and availability of senior housing alternatives in Anoka County will all aid in attracting seniors from outside the County to relocate to senior housing inside the County.

**Demand for Senior Housing in Anoka County**

Based on the previously described demand methodology, Table 14 displays total and excess demand by service level in Anoka County as a whole.

TABLE 14 TOTAL EXCESS SENIOR HOUSING DEMAND ANOKA COUNTY 2010 & 2015						
	2010					
	ACTIVE ADULT			SERVICE-ENHANCED		
	Aff. Rental	MR Rental	MR Owner	Cong.	Assisted Living	Memory Care
Total demand from Anoka County	444	1,052	525	745	575	357
Plus demand from outside Anoka County	67	158	79	112	86	54
Less existing units	(271)	(997)	(235)	(466)	(382)	(118)
<b><i>Equals total excess demand</i></b>	<b>240</b>	<b>213</b>	<b>369</b>	<b>391</b>	<b>279</b>	<b>293</b>
	2015**					
Total demand from Anoka County	380	1,336	667	973	649	414
Plus demand from outside Anoka County	57	200	100	146	97	62
Less existing units	(271)	(997)	(235)	(466)	(382)	(118)
<b><i>Equals total excess demand</i></b>	<b>166</b>	<b>539</b>	<b>532</b>	<b>653</b>	<b>364</b>	<b>358</b>
	Growth - 2010 to 2015					
<b><i>Numerical growth in excess demand</i></b>	-74	327	163	262	85	66
<p>* Existing units are subtracted at market equilibrium -- 95% occupancy for active adult rental housing, 98% occupancy for active adult owner housing, 95% occupancy for congregate housing, 93% occupancy for assisted living housing, and 93% occupancy for memory care housing. In addition, only 80% of the assisted living housing is considered competitive due to a portion of these units that are occupied by seniors utilizing non-private payment sources (i.e. Elderly Waiver, CADI Waiver, etc.)</p> <p>** 2015 figures do not account for any proposed or planned senior housing projects. The impact of proposed/planned developments are discussed by submarket in the study.</p>						

The **total demand** in Anoka County is currently 3,720 senior housing units. After adding in additional demand from the net movement of seniors to Anoka County and subtracted the existing supply at market equilibrium, **excess demand** - demand beyond the current supply - is calculated for 1,784 senior housing units.

Over the next five years, senior housing demand in Anoka County is calculated to grow by 903 units (excluding the slight drop in affordable housing demand). At that time, **total demand** in

## **DEMAND ANALYSIS**

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Anoka County is calculated for 4,419 units and **excess demand** is calculated for 2,613 units. With these significant demand figures, a considerable amount of senior housing product must come on-line in Anoka County submarkets in order to meet the growing housing demand from the senior population in and near the County.

### **Demand for Senior Housing in Anoka County Submarkets**

The second step of our analysis accounts for the migration patterns of seniors between communities by applying a rigorous analysis of the locations to which seniors in a given submarket will move. First, we employ our demand methodology by submarket to calculate the demand being generated by the senior populations in each submarket. After these figures have been calculated, we assign capture rates to each submarket to calculate the net movement of seniors between various geographies. In addition to demographic factors, which are an inherent part of any demand analysis, other factors that influenced our analysis of migration patterns include the following:

- Interviews with property managers;
- Location of medical services and retail;
- Residences and places of employment of adult caregivers;
- Main transportation routes and typical transportation patterns;
- Community orientation patterns;
- Market perceptions of different geographies and overall attractiveness for senior housing in a given submarket;
- Location of existing senior housing supply;
- Performance of existing senior housing communities; and
- Depth of demand for senior housing in a given market and its ability to support a multi-level senior housing campus.

Using the above criteria as a guide, Table 15 on the following page displays the percentage of excess Anoka County demand by service level that could realistically be captured in each submarket.

**DEMAND ANALYSIS**

**TABLE 15  
SENIOR HOUSING EXCESS DEMAND  
ANOKA COUNTY SUBMARKETS  
2010 & 2015**

	ACTIVE ADULT			SERVICE-ENHANCED**			Total Pct. by Submarket
	Aff. Rental	MR Rental	MR Owner	Congregate	Assisted Liv.	Memory Care	
Andover	5% - 10%	10% - 15%	0% - 5%	5% - 10%	5% - 10%	5% - 10%	5% - 10%
Anoka	10% - 15%	10% - 15%	10% - 10%	5% - 10%	10% - 15%	10% - 15%	9% - 13%
Blaine	15% - 20%	15% - 15%	20% - 25%	20% - 25%	15% - 20%	15% - 20%	17% - 21%
Circle Pines & Lexington	0% - 5%	--	--	--	--	--	0% - 1%
Columbia Heights & Hilltop	20% - 25%	5% - 10%	10% - 15%	10% - 15%	10% - 15%	10% - 10%	10% - 14%
Coon Rapids	10% - 15%	20% - 25%	10% - 15%	15% - 20%	15% - 20%	15% - 20%	15% - 20%
East Bethel & Bethel	--	--	--	--	--	--	--
Fridley	15% - 20%	15% - 15%	15% - 20%	15% - 20%	15% - 20%	15% - 20%	15% - 19%
Ham Lake	--	--	--	--	--	--	--
Lino Lakes & Centerville	--	5% - 5%	5% - 10%	5% - 10%	5% - 5%	5% - 5%	5% - 7%
Linwood & Columbus	--	--	--	--	--	--	--
Oak Grove & Nowthen	--	--	--	--	--	--	--
Ramsey	5% - 5%	5% - 10%	5% - 10%	5% - 10%	5% - 10%	5% - 10%	5% - 10%
Spring Lake Park	0% - 5%	0% - 5%	5% - 10%	0% - 5%	0% - 5%	0% - 5%	1% - 6%
St. Francis	--	--	--	--	--	--	--

\*\* Service-enhanced demand is calculated for private pay seniors only; additional demand could be captured if Elderly Waiver and other sources of non-private payment sources are permitted.

Sources: Maxfield Research Inc.

## DEMAND ANALYSIS

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Based on our analysis, the below listed submarkets have the strongest potential to capture the greatest share of senior housing demand in Anoka County. The below listed submarkets are calculated to be able to capture a sizeable portion of excess demand in Anoka County, which would be sufficient to support the development of a campus-style senior housing community in any/all of the following submarkets.

- Blaine (17% to 21% of excess Anoka County demand)
- Coon Rapids (15% to 20% of excess Anoka County demand)
- Fridley (15% to 19% of excess Anoka County demand)
- Columbia Heights & Hilltop (10% to 14% of excess Anoka County demand)

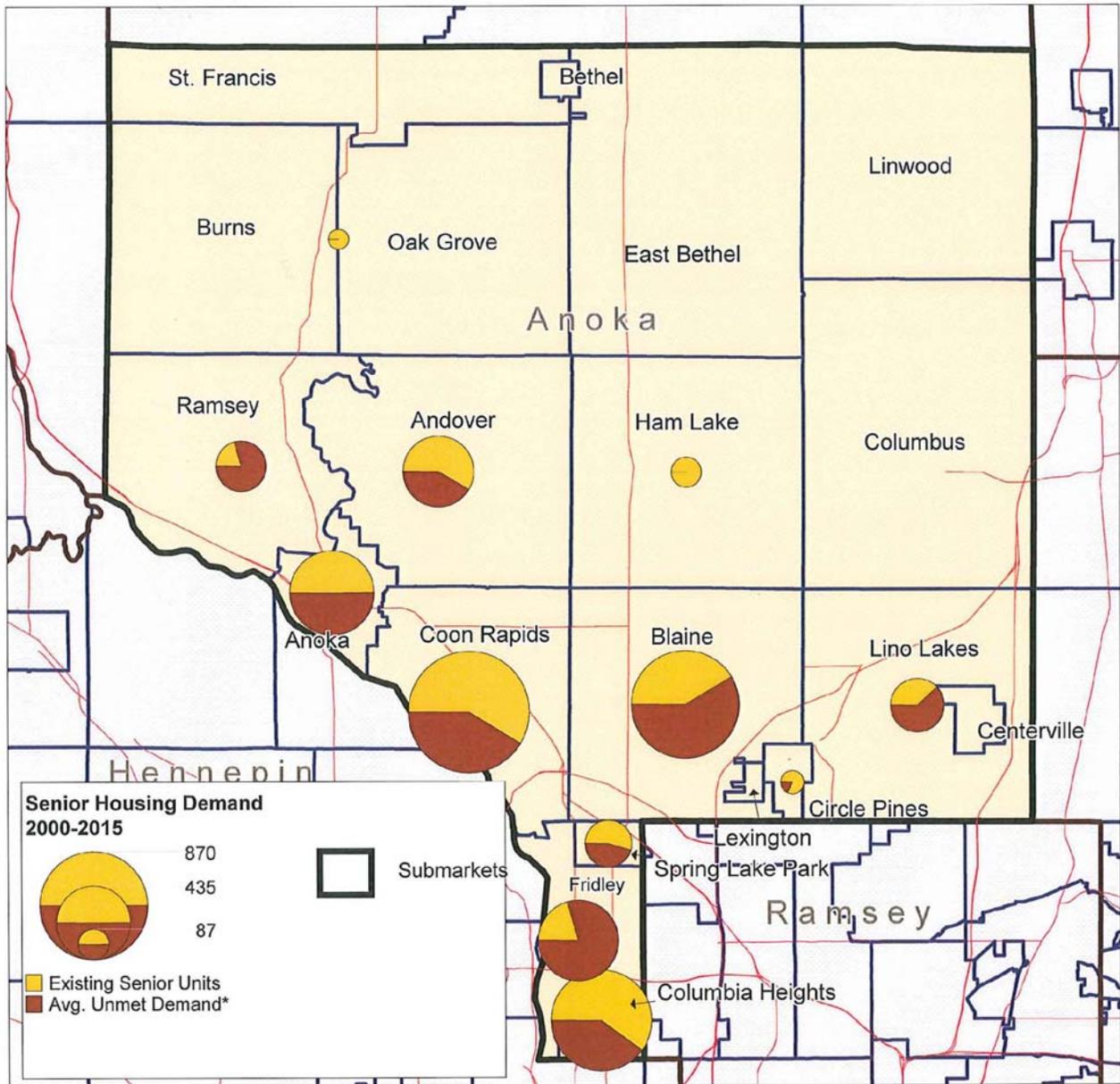
In addition, small- to mid-size senior housing communities, such as a stand-alone active adult complex (rental, ownership, or cooperative), mid-size campus-style senior housing community, or residential-style assisted living and memory care community could potentially be built in the following submarkets:

- Anoka -- 9% to 13% of excess Anoka County demand
- Andover – 5% to 10% of excess Anoka County demand
- Ramsey – 5% to 10% of excess Anoka County demand

It is important to note that demand is somewhat fluid between submarkets and will be impacted by development activity in nearby areas, including other communities along the Anoka County border. Ranges are given for each submarket since the actual percentage that could be captured may be lower or higher if proposed and/or planned developments move forward. For example, if a senior housing project moves ahead in Fridley, Fridley may also capture a portion of Columbia Heights' and Spring Lake Park's potential demand. Consequently, Columbia Heights and Spring Lake Park will capture a percentage of excess Anoka County demand on the lower end of their range shown in Table 15.

The following discussions provide a summary of supply and demand factors in each submarket, and provide recommendations on the types of products that may potentially be supported. The discussion is intended to serve as a guide for planning purposes but may require reassessment depending on any future development activity in and near Anoka County that is not considered in this analysis.

**Unmet Senior Housing Demand by Submarket – 2010 to 2015**



\* Actual unmet demand will vary depending on development that may or may not occur in neighboring submarkets. See conclusions for each submarket for the projected range of demand.

**Demand Analysis and Conclusions by Submarket: Andover**

Based on our analysis, Andover is positioned to capture approximately 5% to 10% of excess Anoka County demand, or approximately 130 to 210 units of senior housing by 2015. No proposed or planned developments are currently identified in Andover that may come on-line to meet this market demand.

The following table displays the existing supply of and excess demand for housing products in Andover.

<b>ANDOVER SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	5% - 10%	8 - 17
Active Adult - MR Ownership	100	0% - 5%	0 - 27
Active Adult - MR Rental	6	10% - 15%	54 - 81
Congregate	66	5% - 10%	33 - 65
Assisted Living	51	5% - 10%	18 - 36
Memory Care	17	5% - 10%	18 - 36
<b>Total Units</b>	<b>240</b>	<b>5% - 8%</b>	<b>131 - 209</b>

As the table shows, the existing supply is well distributed among service-enhanced senior housing product types but has a heavy balance of active adult ownership product. We recommend considering an active adult market rate housing community in Andover. Over time, additional service-enhanced housing will be needed.

**Demand Analysis and Conclusions by Submarket: Anoka**

Anoka is estimated to be able to capture between 9% and 13% of excess Anoka County demand. Numerically, this represents demand for about 230 to 335 units through 2015. With a continuum of care senior housing campus proposed by Volunteers of America, it likely that this project will meet a large portion of potential demand in the City. The project is proposed to include 12 townhomes, 48 market rate senior apartments, 42 subsidized units through HUD, 68 congregate units, and 24 memory care units

Anoka has a concentrated supply of congregate housing that is likely drawing residents from other submarkets in order to maintain strong market performance. In addition to the potential campus to be built by Volunteers of America, additional assisted living and memory care housing is likely to be needed in Anoka.

Existing units and excess demand are distributed according to the following table.

## DEMAND ANALYSIS

ANOKA SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	0	10% - 15%	17 - 25
Active Adult - MR Ownership	40	10% - 10%	53 - 53
Active Adult - MR Rental	57	10% - 15%	54 - 81
Congregate	168	5% - 10%	33 - 65
Assisted Living	14	10% - 15%	36 - 55
Memory Care	0	10% - 15%	36 - 54
<b>Total Units</b>	<b>279</b>	<b>9% - 13%</b>	<b>229 - 333</b>

Overall, the majority of short-term potential future demand will be met by the proposed Volunteers of America project, should it move forward. Following stabilization of the Volunteers of America project, an additional mid-sized senior housing campus may be supported.

### Demand Analysis and Conclusions by Submarket: Blaine

Our analysis identifies Blaine as a leading submarket in its ability to capture excess demand in Anoka County. We estimate 17% to 21% of excess demand could be captured in Blaine, or about 450 to 555 units through 2015.

Several projects are proposed in Blaine that may come on-line to meet market demand. These projects include the following:

- Expansion of Suite Senior Living (formerly Comforts of Home) with 20 assisted living and 12 memory care units;
- Development of Crest View Senior Communities campus with a total of 174 units, including 100 congregate units, 54 assisted living units, and 20 memory care units;
- Development of the Hipp Farm site by Welch Companies with 45 congregate units, 46 assisted living units, 16 memory care units, and 32 skilled care beds.

Should all three projects move forward, residual demand in Blaine would be approximately 140 to 240 units through 2015. However, only the first (Suite Senior Living) is certain to move forward at this time, so strong development potential still exists for a campus-style senior housing project in Blaine.

The table on the following page displays the existing supply of and excess demand for housing products in Blaine.

## DEMAND ANALYSIS

<b>BLAINE SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	15% - 20%	25 - 33
Active Adult - MR Ownership	0	20% - 25%	106 - 133
Active Adult - MR Rental	243	15% - 15%	81 - 81
Congregate	0	20% - 25%	131 - 163
Assisted Living	102	15% - 20%	55 - 73
Memory Care	13	15% - 20%	54 - 72
<b>Total Units</b>	<b>358</b>	<b>17% - 21%</b>	<b>451 - 555</b>

Overall, Blaine would be an excellent location for a campus-style development since the sub-market currently does not have a community with this concept and limited existing product is available, particularly for congregate and memory care housing but also for active adult affordable housing and market rate ownership housing. In addition to a campus-style senior housing development, we also recommend consideration of a senior cooperative after overall housing market conditions improve.

### **Demand Analysis and Conclusions by Submarket: Circle Pines & Lexington**

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the Circle Pines & Lexington submarket at this time. We do not recommend considering the development of senior housing in this submarket at this time.

<b>CIRCLE PINES &amp; LEXINGTON SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	0% - 5%	0 - 8
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	44	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>44</b>	<b>0% - 1%</b>	<b>0 - 8</b>

### **Demand Analysis and Conclusions by Submarket: Columbia Heights & Hilltop**

Columbia Heights & Hilltop is also identified as a potential submarket for the development of a campus-style senior housing development, due in part to its ability to draw from surrounding communities outside Anoka County (mainly Minneapolis). We estimate 10% to 14% of excess

## DEMAND ANALYSIS

demand could be captured in Columbia Heights & Hilltop, or about 250 to 365 units through 2015.

The only proposed development in the Columbia Heights & Hilltop submarket at this time is a 50- to 60-unit affordable active adult housing development proposed by 37<sup>th</sup> and Central LLC. Long-term, we believe this would be an appropriate addition to the senior housing supply in Columbia Heights given its current lack of existing affordable housing options.

The existing supply and excess demand is distributed into the product types as shown in the table below.

Although this submarket is estimated to be able to capture a moderate percentage of excess Anoka County demand, we recommend pursuing additional research prior to moving forward with any development plans. The competitive inventory revealed several existing properties were struggling to maintain occupancy rates at market equilibrium; although these properties were an anomaly in Anoka County, surveying additional senior housing properties in nearby communities (located outside Anoka County) would offer a better picture of this submarket's ability to support additional product. Additionally, new developments under construction and planned in Fridley may draw seniors currently living in Columbia Heights & Hilltop. Thus, the actual percentage of Anoka County's excess demand capturable by this submarket will likely be on the lower end of the range shown.

<b>COLUMBIA HEIGHTS &amp; HILLTOP SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	20% - 25%	33 - 42
Active Adult - MR Ownership	0	10% - 15%	53 - 80
Active Adult - MR Rental	188	5% - 10%	27 - 54
Congregate	77	10% - 15%	65 - 98
Assisted Living	148	10% - 15%	36 - 55
Memory Care	45	10% - 10%	36 - 36
<b>Total Units</b>	<b>458</b>	<b>10% - 14%</b>	<b>251 - 364</b>

### **Demand Analysis and Conclusions by Submarket: Coon Rapids**

Coon Rapids is one of the leading submarkets for capturing Anoka County excess demand. We estimate 15% to 20% of excess demand could be captured in Coon Rapids, or about 385 to 515 units through 2015.

Two campus-style developments are proposed in Coon Rapids that may satisfy a segment of total demand. The first development by RKL Land Holdings has received city approval and would include 91 congregate units, 48 assisted living units, 10 high acuity assisted living units, and 32 memory care units in a 191-unit complex. The second project is very preliminary as no application has been submitted to the City.

## DEMAND ANALYSIS

The Coon Rapids submarket has the following unit supply as displayed in the table. Excess demand by product type that could be captured in Coon Rapids is also shown.

<b>COON RAPIDS SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	37	10% - 15%	17 - 25
Active Adult - MR Ownership	100	10% - 15%	53 - 80
Active Adult - MR Rental	64	20% - 25%	108 - 135
Congregate	179	15% - 20%	98 - 131
Assisted Living	198	15% - 20%	55 - 73
Memory Care	61	15% - 20%	54 - 72
<b>Total Units</b>	<b>639</b>	<b>15% - 20%</b>	<b>384 - 514</b>

The approved project by RKL Land Holding would meet a portion of demand, should it move forward; approximately 190 to 320 units of demand remain after accounting for the project. Affordable and/or market rate active adult housing (ownership and/or rental) may be considered in Coon Rapids as housing market conditions improve.

### Demand Analysis and Conclusions by Submarket: East Bethel & Bethel

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the East Bethel & Bethel submarket at this time. We do not recommend considering the development of senior housing in this submarket at this time.

<b>EAST BETHEL &amp; BETHEL SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	--	--
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	0	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>0</b>	<b>--</b>	<b>--</b>

### Demand Analysis and Conclusions by Submarket: Fridley

The Fridley submarket is one of the leading submarkets for capturing excess Anoka County demand. Through 2015, Fridley is estimated to be able to capture 15% to 19% of total excess demand, or about 375 to 480 senior housing units.

## DEMAND ANALYSIS

Fridley is in an excellent position for the development of a campus-style senior housing community as no existing service-enhanced housing is currently available in the submarket. The following table provides a summary of the existing supply and excess demand by service-level.

<b>FRIDLEY SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	11	15% - 20%	25 - 33
Active Adult - MR Ownership	0	15% - 20%	80 - 106
Active Adult - MR Rental	99	15% - 15%	81 - 81
Congregate	0	15% - 20%	98 - 131
Assisted Living	0	15% - 20%	55 - 73
Memory Care	0	10% - 15%	36 - 54
<b>Total Units</b>	<b>110</b>	<b>15% - 19%</b>	<b>374 - 478</b>

Several senior housing developments are currently proposed that may satisfy a portion of demand for senior housing in the Fridley submarket. These projects include the following:

- Completion of White Pines by Faulkner Development Group will add 18 assisted living units and 41 memory care units between two phases (the first phase is currently underway);
- Development of the project proposed by Trident Development would add a total of 72 units of service-enhanced senior housing, including 8 congregate units, 50 assisted living units, and 14 memory care units; and
- Redevelopment of the Columbia Arena site could potentially add senior housing, although the project and its concept remain very preliminary at this time.

After considering the completion of White Pine and the development of the project by Trident Development, a significant amount of new assisted living and memory care housing will be added to the senior housing supply in Fridley. There will still be considerable demand for independent housing products - active adult affordable rental, active adult market rate ownership, active adult market rate rental, and congregate housing. There may also be some residual demand for assisted living and memory care after new units at the White Pine and Faulkner projects have been absorbed.

### Demand Analysis and Conclusions by Submarket: Ham Lake

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the Ham Lake submarket at this time. We do not recommend considering the development of senior housing in this submarket at this time.

## DEMAND ANALYSIS

<b>HAM LAKE SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	0	--	--
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	99	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>99</b>	<b>--</b>	<b>--</b>

### Demand Analysis and Conclusions by Submarket: Lino Lakes & Centerville

Demand in Lino Lakes & Centerville is limited to only 5% to 7% of excess demand in Anoka County. With only 47 units of active adult affordable housing available, the completion of the hotel conversion project to assisted living and memory care (currently underway) will satisfy excess demand in the submarket. We do not recommend considering any additional senior housing units in this submarket at this time.

<b>LINO LAKES &amp; CENTERVILLE SUBMARKET</b>			
	<b>Existing Units (2010)</b>	<b>Anoka County Excess Demand (2015)</b>	
		<b>Percentage</b>	<b>Numerical</b>
Active Adult - Affordable	47	0% - 0%	0 - 0
Active Adult - MR Ownership	0	5% - 10%	27 - 53
Active Adult - MR Rental	47	5% - 5%	27 - 27
Congregate	0	5% - 10%	33 - 65
Assisted Living	0	5% - 5%	18 - 18
Memory Care	0	5% - 5%	18 - 18
<b>Total Units</b>	<b>94</b>	<b>5% - 7%</b>	<b>122 - 182</b>

### Demand Analysis and Conclusions by Submarket: Linwood & Columbus

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the Linwood & Columbus submarket at this time. We do not recommend the development of additional senior housing in this submarket at this time.

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LINWOOD & COLUMBUS SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	0	--	--
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	0	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>0</b>	<b>--</b>	<b>--</b>

### Demand Analysis and Conclusions by Submarket: Oak Grove & Nowthen

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the Oak Grove & Nowthen submarket at this time. We do not recommend considering the development of senior housing in this submarket at this time.

OAK GROVE & NOWTHEN SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	0	--	--
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	51	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>51</b>	<b>--</b>	<b>--</b>

### Demand Analysis and Conclusions by Submarket: Ramsey

Ramsey is estimated to be able to capture between 5% and 10% of excess Anoka County demand, or about 130 to 255 units through 2015. With its current lack of supply of existing housing product, this submarket is in an excellent position for development of additional senior housing.

The table on the next page provides a summary of the existing supply and excess demand by service level.

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RAMSEY SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	0	5% - 5%	8 - 8
Active Adult - MR Ownership	0	5% - 10%	27 - 53
Active Adult - MR Rental	50	5% - 10%	27 - 54
Congregate	0	5% - 10%	33 - 65
Assisted Living	0	5% - 10%	18 - 36
Memory Care	0	5% - 10%	18 - 36
<b>Total Units</b>	<b>50</b>	<b>5% - 10%</b>	<b>131 - 253</b>

Potentially, development proposed by Edgewood Management Group may come on-line and meet a portion of demand for senior housing in Ramsey. Although the project is uncertain, preliminary plans indicated a 65-unit concept with 40 units of assisted living, five enhanced care suites, and 20 memory care units.

Although we do not recommend having two developments marketing simultaneously (i.e., the development by Edgewood Management Group and a second project), potential exists for a mid-sized campus-style senior housing development in Ramsey with a considerable number of congregate units along with a smaller number of assisted living and memory care units. This development would need to rely on drawing from neighboring submarkets to reach full occupancy, which we believe is realistic given Ramsey's market position. Should Edgewood Management Group choose not to move forward, a sizable campus-style senior housing community with all service levels could be supported.

In addition, a stand-alone market rate ownership (i.e. cooperative) or a second market rate rental project could be supported in Ramsey.

### Demand Analysis and Conclusions by Submarket: Spring Lake Park

The last submarket in our analysis to show potential for capturing a share of excess Anoka County demand is Spring Lake Park. Through 2015, up to 155 units (6% of excess Anoka County demand) could potentially be captured in this submarket.

Currently, the submarket has only a modest amount of existing product and has no proposed senior housing developments. The following table shows the existing supply by product level.

## DEMAND ANALYSIS

SPRING LAKE PARK SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	8	0% - 5%	0 - 8
Active Adult - MR Ownership	0	5% - 10%	27 - 53
Active Adult - MR Rental	101	0% - 5%	0 - 27
Congregate	0	0% - 5%	0 - 33
Assisted Living	0	0% - 5%	0 - 18
Memory Care	0	0% - 5%	0 - 18
<b>Total Units</b>	<b>109</b>	<b>1% - 6%</b>	<b>27 - 157</b>

Spring Lake Park could potentially support a mid-sized senior housing campus; however, due to its location and significant development activity proposed in neighboring submarkets (as well as in Mounds View in Ramsey County), we recommend being conservative with development plans initially. If the existing proposed projects in Fridley and Mounds View fail to move forward, the Spring Lake Park submarket will be more capable of supporting a senior housing campus. We recommend reassessing the potential for a senior housing campus in Spring Lake Park after the new developments in Fridley and Mounds View have reached stabilization.

### Demand Analysis and Conclusions by Submarket: St. Francis

Our demand calculations show only a minimal amount of excess Anoka County demand could be captured in the St. Francis submarket at this time. We do not recommend considering the development of senior housing in this submarket at this time.

ST. FRANCIS SUBMARKET			
	Existing Units (2010)	Anoka County Excess Demand (2015)	
		Percentage	Numerical
Active Adult - Affordable	0	--	--
Active Adult - MR Ownership	0	--	--
Active Adult - MR Rental	0	--	--
Congregate	0	--	--
Assisted Living	0	--	--
Memory Care	0	--	--
<b>Total Units</b>	<b>0</b>	<b>--</b>	<b>--</b>

### Introduction

Our assessment of the demographic, economic, and competitive market factors shows considerable excess demand for senior housing in Anoka County. Specifically, Blaine, Coon Rapids, and Fridley are identified as the leading submarkets for new senior housing and would be the optimal locations for new housing development.

This section outlines development parameters for a stand-alone active adult development and a campus-style senior housing community. The information in this section is intended to serve as a preliminary guide in the planning process. We recommend completing a more thorough analysis prior to development that would consider site-specific qualities as well as the positioning of nearby competitive buildings in the submarket. Findings from further analysis would aid in tailoring the concept to be the most successful at its proposed location.

### Active Adult Housing Development

Table 16 shows our recommended concept for an active adult rental complex developed as a stand-alone building either on the senior housing campus or at a different location. The active adult rental community could be built as a mixed-income project or affordable and market rate components could be developed in separate buildings at different locations. Depending on housing market conditions at the time of development, a 60-unit market rate senior housing cooperative could be considered as an alternative to a rental building.

Information is provided on unit mix, sizes, types, and monthly rents. Recommended monthly rents are comparable to other developments throughout Anoka County and represent what potential senior renters are willing and able to pay for modern senior housing alternatives located in and near Anoka County.

All pricing is based on a 2011 date of initial occupancy and can be trended upward by 2.5% to 3% annually in stable market conditions. The rents that can be achieved in different submarkets will vary slightly.

The affordable component would include a mix one-bedroom units ranging from 700 to 800 square feet and two-bedroom units ranging from 900 to 1,000 square feet. Monthly rents would range from \$775 to \$900 and \$950 to \$1,050 for one- and two-bedroom units, respectively.

The market rate component would feature one-bedroom (700 to 800 square feet), one-bedroom-plus-den (825 to 900 square feet), two-bedroom (975 to 1,100 square feet), and two-bedroom-plus-den (1,200 to 1,250 square feet). Monthly rents would range from \$850 to \$1,300 with a weighted average of \$1,086, or \$1.12 per square foot.

Monthly rents for active adult housing should include all utilities (except telephone and cable/satellite television) as well as an emergency call system, limited planned activities, and one underground parking space per unit.

## CONCLUSIONS AND RECOMMENDATIONS

<b>TABLE 16</b> <b>RECOMMENDED DEVELOPMENT CONCEPT</b> <b>ACTIVE ADULT SENIOR HOUSING DEVELOPMENT</b> <b>ANOKA COUNTY</b> <b>September 2010</b>				
<b>Unit Type</b>	<b>Unit Mix Pct.</b>	<b>Basic Monthly Fees</b>	<b>Unit Size (Sq. Ft.)</b>	<b>Rent per Square Foot</b>
<b>Mixed-Income Active Adult</b>				
1BR (AFF)	50% - 60%	\$800 - \$900	700 - 800	\$1.14 - \$1.13
2BR (AFF)	40% - 50%	\$950 - \$1,050	900 - 1,000	\$1.06 - \$1.05
		<b>\$918</b>	<b>840</b>	<b>\$1.09</b>
<b>40 - 60 Estimated number of units in a stand-alone building</b>				
1BR	20% - 30%	\$850 - \$950	700 - 800	\$1.19 - \$1.21
1BR/D	15% - 15%	\$975 - \$1,050	825 - 900	\$1.17 - \$1.18
2BR	50% - 60%	\$1,100 - \$1,200	975 - 1,100	\$1.09 - \$1.13
2BR/D	5% - 5%	\$1,250 - \$1,300	1,200 - 1,250	\$1.04 - \$1.04
		<b>\$1,073</b>	<b>949</b>	<b>\$1.13</b>
<b>40 - 60 Estimated number of units in a stand-alone building</b>				
Monthly rents should include all utilities and basic cable, except phone.				
<b>Note:</b> All rents are quoted in 2011 dollars and can be trended upward by 2.5% to 3% annually until opening.				
Source: Maxfield Research Inc.				

Based on our demand analysis, Columbia Heights & Hilltop, Blaine, and Fridley would be the strongest markets for development of an active adult affordable housing development. Secondary markets would be Anoka and Coon Rapids.

For active adult market rate housing, the strongest markets are Coon Rapids (rental), Blaine (ownership), and Fridley.

### Campus-Style Senior Housing Development

Table 17 shows our recommended concept for a campus-style senior housing community to be built in one of the four leading submarkets. Information is provided on unit mix, sizes, types, and monthly rents. Recommended monthly rents are comparable to other developments throughout Anoka County and represent what potential senior renters are willing and able to pay for modern senior housing alternatives located in and near Anoka County.

All pricing is based on a 2011 date of initial occupancy and can be trended upward by 2.5% to 3% annually in stable market conditions. The rents that can be achieved in different submarkets will vary slightly.

## CONCLUSIONS AND RECOMMENDATIONS

The subsections following Table 17 provide more detailed recommendations for each service level.

<b>TABLE 17</b> <b>RECOMMENDED DEVELOPMENT CONCEPT</b> <b>CAMPUS-STYLE SENIOR HOUSING DEVELOPMENT</b> <b>ANOKA COUNTY</b> <b>September 2010</b>				
<b>Unit Type</b>	<b>Unit Mix Pct.</b>	<b>Basic Monthly Fees</b>	<b>Unit Size (Sq. Ft.)</b>	<b>Rent per Square Foot</b>
<b>Congregate Living</b>				
1BR	40% - 50%	\$1,650 - \$1,750	700 - 750	\$2.33 - \$2.36
1BR/D	10% - 20%	\$1,800 - \$1,975	825 - 900	\$2.19 - \$2.18
2BR	40% - 50%	\$1,950 - \$2,100	950 - 1,000	\$2.10 - \$2.05
		<b>\$1,959</b>	<b>894</b>	<b>\$2.19</b>
<b>50 - 70 Estimated Number of units at a 110- 150-unit com</b>				
<b>Assisted Living</b>				
Studio	50% - 60%	\$3,100 - \$3,300	425 - 475	\$6.95 - \$7.29
1BR	35% - 40%	\$3,300 - \$3,500	550 - 650	\$5.38 - \$6.00
2BR	5% - 10%	\$3,500 - \$3,600	750 - 800	\$4.50 - \$4.67
		<b>\$3,301</b>	<b>531</b>	<b>\$6.22</b>
<b>40 - 55 Estimated Number of units at a 110- 150-unit com</b>				
<b>Memory Care</b>				
Studio	75% - 80%	\$4,900 - \$5,000	350 - 400	\$12.50 - \$14.00
1 BR	20% - 25%	\$5,250 - \$5,400	500 - 600	\$9.00 - \$10.50
		<b>\$5,034</b>	<b>414</b>	<b>\$12.15</b>
<b>20 - 25 Estimated Number of units at a 110- 150-unit com</b>				
<p>Monthly rents should include all utilities and basic cable, except phone. Congregate rents include daily noon meals, weekly housekeeping, activities, scheduled transportation, and emergency response. Assisted living rents include three meals per day, weekly housekeeping and linen service, case management, programming, and 24-hour supervision. Memory care rents include all assisted living services with three meals per day plus snacks, two loads of laundry/week, medication administration, personal assistance with daily activities, secured environment, and specialized programing.</p>				
Source: Maxfield Research Inc.				

### Congregate Living Component

For the service-enhanced building, we recommend a mix of congregare, assisted living, and memory care housing. The congregare component would represent 50 to 70 units based on an estimated campus size of 110-150 units. We suggest a mix of one-bedroom, one-bedroom-plus-

## **CONCLUSIONS AND RECOMMENDATIONS**

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den, and two-bedroom units. Detailed recommendations for the unit mix, sizes, and rents for the congregate component are displayed in Table 17.

The monthly rents for congregate housing should include all utilities (except telephone and cable/satellite television) and the following services:

- daily noon meal,
- weekly light housekeeping,
- regularly scheduled van transportation,
- social, wellness, and educational programs,
- emergency response system,
- daily “I’m OK” check program, and
- 24-hour emergency call system.

Additional meals and limited personal care services should be available to residents of the congregate component on a fee-for-service basis.

### **Assisted Living Component**

For the assisted living component, we recommend approximately 40-55 units based on an estimated campus size of 110-150 total units. We suggest the assisted living component include a mix of studio, one-bedroom, and two-bedroom units. Detailed recommendations for the unit mix, sizes, and rents for the assisted living component are displayed in Table 17.

The base monthly fee for assisted living housing should include:

- all basic utilities (except telephone),
- initial care needs assessment with periodic wellness checks,
- three meals per day,
- weekly housekeeping and linen laundering,
- continual health monitoring,
- activities program,
- case management, assistance with scheduling medical appointments, and arranging transportation,
- daily “I’m OK” check program, and
- 24-hour emergency call system.

### **Memory Care Component**

We recommend the memory care component to include 20 to 25 units divided into two smaller “neighborhoods” of approximately 10 to 12 residents each. Units should be predominately studios with a lesser percentage of one-bedrooms. Detailed recommendations for the unit mix, sizes, and rents for the memory care component are displayed in Table 17.

Base fees in the memory care component should include all the services of assisted living in addition the following:

## **CONCLUSIONS AND RECOMMENDATIONS**

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- daily housekeeping,
- medication management,
- two loads of personal laundry per week,
- meal assistance, and
- passive and stimulating programming.

Personal care services and other additional services should be made available either a-la-carte or through a tiered service package system.

### **Building Amenities and Unit Features**

We recommend the building have underground heated parking stalls that would be included (one per unit) for active adult residents and be available to congregate residents for an additional fee of about \$50 per month. Upon entering each building, we recommend a tastefully appointed reception area with a welcome desk, management offices, conference room, and lounging/waiting areas. Given its campus concept, we recommend centralizing most management offices in the service-enhanced building.

Each building should also include the following common areas:

- community room,
- salon/spa,
- library,
- media room,
- exercise room,
- guest suite,
- storage lockers,
- mail room,
- activity/crafts room, and
- laundry facilities on each floor.

Depending on the campus' location and site feasibility, we recommend the following outdoor amenities: patio area with grill and outdoor furniture; playground for grandchildren of residents; garden plots; and walking path (if possible).

### **Unit Features**

Each active adult and congregate unit should include the following features:

- full kitchen with sink, refrigerator, stove/oven, and dishwasher,
- full bathroom with walk-in shower,
- spacious bedrooms and living areas,
- ample storage space,
- balcony (some units),
- bay window (some units),

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- walk-in closet (some units),
- handicap and other accessibility features, and
- individually-controlled heating and air conditioning.

Each assisted living unit should include the following features:

- kitchenette with sink, dorm-size refrigerator, and two-burner stove/oven,
- full bathroom with walk-in shower,
- generous closet space,
- handicap and other accessibility features, and
- individually-controlled heating and air conditioning.

The memory care units should be located in a secured, self-contained wing on the first floor of the building. The wing would feature its own dining and common area amenities, including a secured outdoor patio and wandering area. Memory care units will also have small kitchenettes (with capability to disable the two-burner stove/oven, if necessary) and full bathrooms.

### Projected Absorption

Based on current market conditions and performance of existing senior housing buildings, we preliminarily project absorption of a campus that fits the parameters outlined above.

The absorptions figures assume an initial occupancy date in 2011 with a pre-leasing period of approximately six months. Additionally, we assume there would be no simultaneously marketing projects in or near the submarket that would directly compete with any service-level available in the campus. Should a competitive project be marketing concurrently, the rate at which absorption would slow depends on the positioning, location, and overlap in the pre-leasing/marketing periods. Lastly, the absorption projections assume a professional marketing campaign is undertaken.

We forecast that a market rate active adult building (recommended range of 40 to 60 units; absorption calculated at 50 units) would reach stabilized occupancy (95%) in approximately 12 to 14 months. This assumes 25% of the units would be preleased and the 35 remaining units would be leased at an average rate of 2.5 to 3.0 units per month.

For an active adult affordable building of the same development scale, we estimate stabilized occupancy (95%) would be reached in approximately ten to 12 months. This assumes 35% of the units would be preleased and the remaining 30 units would be leased an average rate of 2.5 to 3.0 units per month.

For the congregate component (recommended range of 50 to 70 units; absorption calculated at 60 units), we forecast that stabilized occupancy (95%) would be reached in approximately 13 to 16 months of initial occupancy. This assumes 35% of the units would be preleased and the remaining 36 units would be leased at an average rate of 2.25 to 2.75 units per month.

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We forecast that the assisted living component (recommended range of 40 to 55 units; absorption calculated at 47 units) would reach stabilized occupancy (93%) in approximately 13 to 17 months. This assumes 30% of the units would be preleased and the 30 remaining units would be leased at an average rate of 1.75 to 2.25 units per month. If residency is allowed to low-income seniors utilizing Elderly Waivers, absorption for assisted living may be quickened by about four months.

For the memory care component (recommended range of 20 to 25 units; absorption calculated at 23 units), we forecast that stabilized occupancy (93%) would be reached within 6 to 7 months of initial occupancy. This assumes 50% of the units would be preleased and the ten remaining units would be leased at an average rate of 1.5 units per month.