

GLENN DALE HOSPITAL MARKET STUDY

February 18, 2016

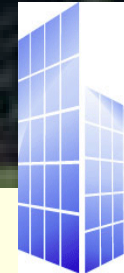
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of Prince George's County

DEFINITION

What is a Continuing Care Retirement Community?

- A Continuing Care Retirement Community (CCRC) is retirement option offering a continuum of care to its residents, allowing for access to and ease of transition to future healthcare levels of care.
 - Independent living (IL) units
 - Assisted living (AL) units, possibly specifically designed units offering memory care (MC) services.
 - Nursing facility (NF) beds

STUDY ELEMENTS

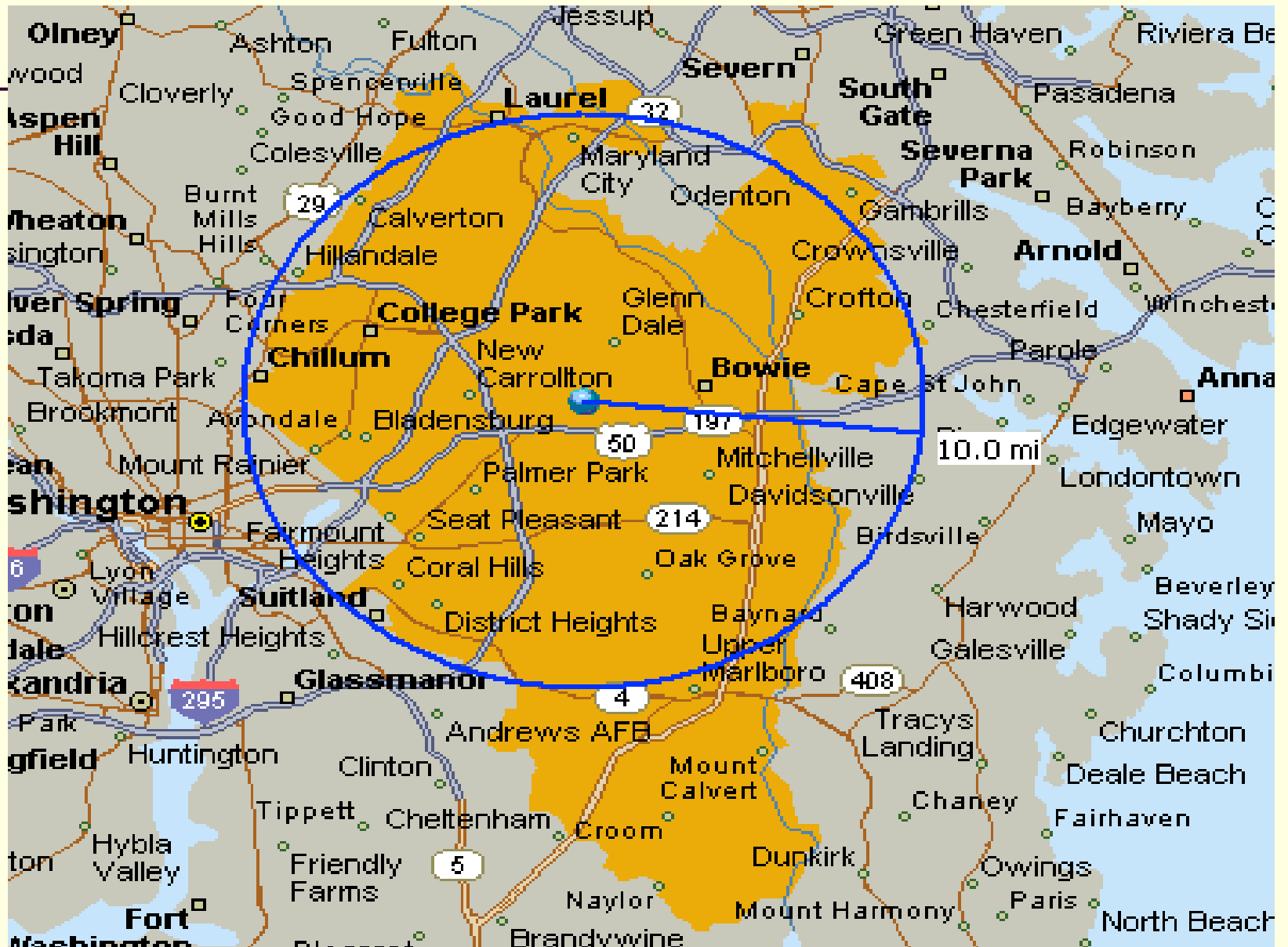
- ❑ Site and Area Evaluation
- ❑ Definition of Market Area
- ❑ Demographic Analysis
- ❑ Competitive Analysis (existing and planned)
- ❑ Market Depth Analysis for CCRC levels of care
- ❑ Qualitative Interviews

STUDY EXCLUSIONS

Study does not include examination of the following factors:

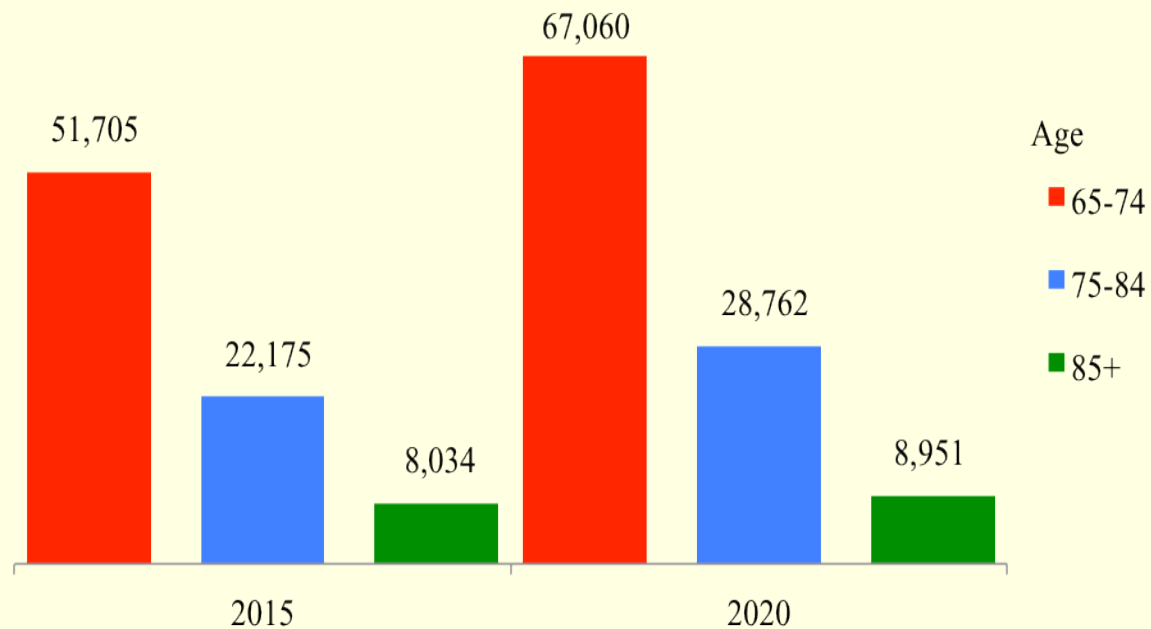
- The cost to remediate and adaptively reuse the existing historical buildings, meeting national, state, and local standards for historic structures impacting financial feasibility of a CCRC.
- The entitlement process, infrastructure and traffic mitigation issues that could hinder or have development cost impact.

MARKET AREA



DEMOGRAPHIC ANALYSIS

Senior Population Trends In the Market Area

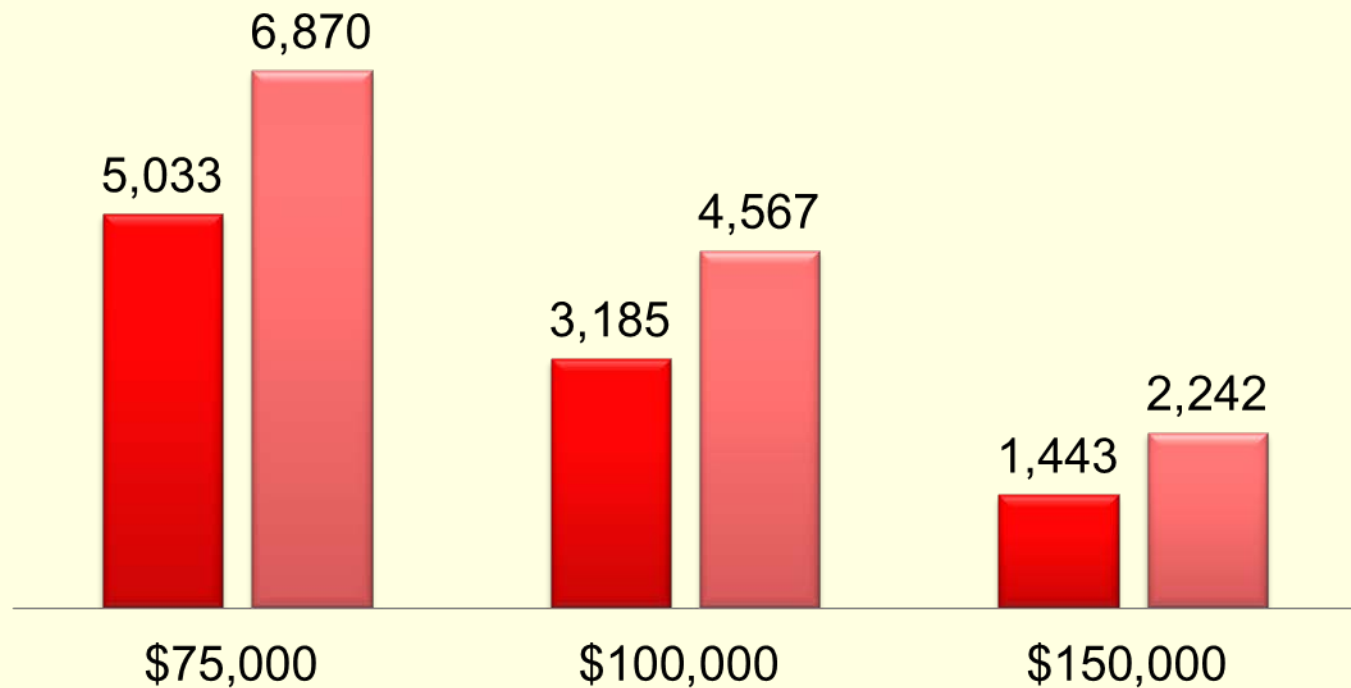


Market Area Average Annual Population Growth Exceeds Maryland's Growth by .6% for Age 65-74 and 1.7% for Age 75+

DEMOGRAPHIC ANALYSIS

Households Age 75+ Within the MA

■ 2015 ■ 2020



COMPETITIVE ENVIRONMENT

Criteria for Inclusion

- Located within or proximate to the Market Area
- 20% of residents drawn from Market Area
- 25+ residential units or licensed beds
- Offers substantive supportive services to residents
- Serves primarily private pay resident population

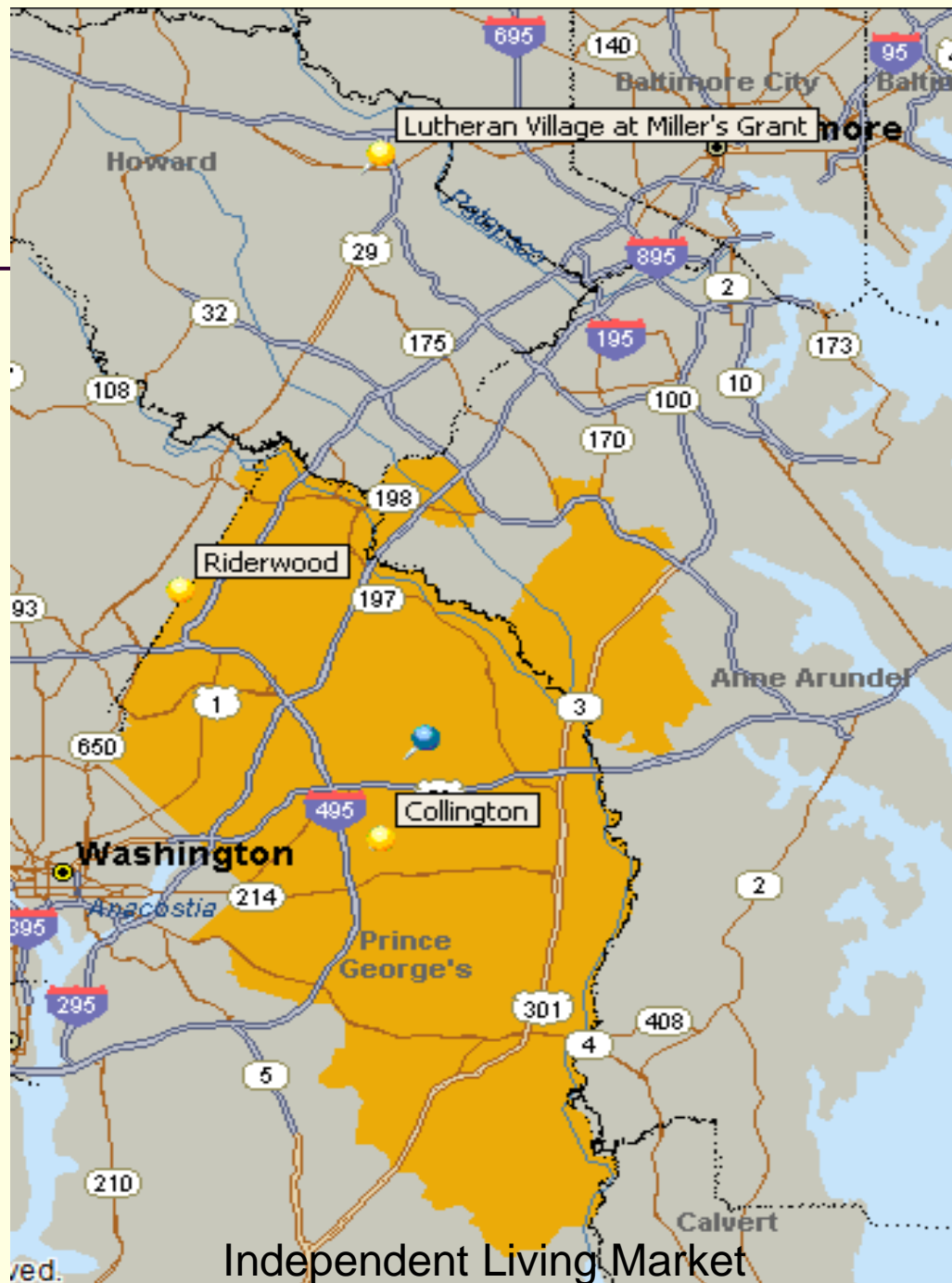
COMPETITIVE ENVIRONMENT

1 Comparable/
2 Competitive CCRCs

12 Assisted Living

10 Memory Care

16 Nursing



QUALITATIVE INTERVIEW SUMMARY

- “People feel 20-years younger than they are.”
- “We’d like to have good doctors and good medical care nearby, single-level living, not too isolated and close to restaurants, movies, and the theater.”
- “Make it intergenerational and active and a part of the community.”
- “Education is key. Very few are informed enough to navigate the process needed to go to Collington and Cameron Grove. Some may underestimate their ability to do this.”
- “The area has significant potential. Improvements along Route 450 bode really well for the Project site.”

MARKET DEPTH ANALYSIS

- Census data provided by Nielsen Claritas projected to year of analysis, 2020.
- Market Depth for Independent Living, Assisted Living and Memory Care based on income qualified households age 75+.
- Market Depth for Nursing based on the general population age 65+ with no income qualifications.
- Percentage of units filled from within the Market Area ranges from 75% to 100%.

MARKET DEPTH RESULTS AND CCRC SIZE RECOMMENDATION

	Market Depth Results – Total Units	Project Recommended Unit Count and Percentage of Total Units		Collington Percentage of Total Units	Riderwood Percentage of Total Units
IL	247 – 413	250 - 300	77% - 80%	76%	85%
AL	198 – 395	30	8% - 9%	6%	8%
MC	64 – 129	26	7% - 8%	8%	2%
NF	1,295 (beds)	19	5% - 6%	10%	5%

- *Note: Market depth is not the number of units recommended for development.*

CONCLUSIONS

- Exceptional growth is projected in affluent seniors within the MA and Prince George's County.
- There is a lack of contemporary retirement offerings within or proximate to the MA.
- The area is one of the few locations in the country that has the opportunity to be a retirement community attracting a substantially racially mixed resident population.
- The depth of the market is sufficient to support a CCRC at the Glenn Dale Hospital site.
- We advise developing fewer units than market depth findings indicate to avoid market saturation.

ADDITIONAL RECOMMENDATIONS

The project, if architecturally and financially feasible, will depend on the ability to find an experienced senior housing organization that is willing to take on all the challenges represented by the development including:

- The impact of historic preservation requirements
- Costs of remediation
- Ability to successfully market to and attract a largely African American population.