

CONSUMER RESEARCH STUDY
FOR A PROPOSED
SENIOR LIVING COMMUNITY
IN CLARKSVILLE, MD

**Prepared for Erickson Living
August 2017**

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Introduction

Background

This report describes the results of a consumer study to determine the demand and the market's preferences for an Erickson Living community proposed for the corner of Clarksville Pike and Sheppard Lane in Clarksville, Maryland. The current plan for the community is for a yet undetermined number of independent living apartments and a health care building for assisted living, memory care and nursing care services.

Research Program

ProMatura Group's research program included a telephone survey and a research seminar. We surveyed 847 households by telephone and invited those who were interested in the proposed community to one of two seminars on August 8, 2017 at the Ten Oaks Ballroom in Clarksville. Households who attended the seminar received \$75 cash.

Sixty-six households who completed the phone survey participated in the research seminar.

Criteria for Research Participants

The consumer research was conducted with households from a purchased list and a lead list. The lead list, which was provided by Erickson Living, included households living in the Clarksville area, who had expressed an interest in an Erickson community.

Both the purchased list and the lead list included homeowners in the Clarksville area (see following page for ZIP codes included) who are 70+ years of age with an estimated annual household income of \$40,000 or more; and whose homes have a value of \$350,000 or more.

Research Seminar

ProMatura's research seminar is a method of collecting data from a large group of people (typically 50 or more) at one time at a designated venue. Participants' perceptions of the concepts presented during the seminar are measured via an electronic remote voting system, traditional printed surveys, and a conjoint (trade-off) analysis study.

Sample Area for the Consumer Research

The sample area for the consumer research includes the 40 ZIP codes in the adjacent table.

Sample Area for Consumer Research

ZIP Code	City	ZIP Code	City
20701	Annapolis Junction	20906	Silver Spring
20707	Laurel	21029	Clarksville
20723	Laurel	21036	Dayton
20724	Laurel	21042	Ellicott City
20755	Fort George G Meade	21043	Ellicott City
20759	Fulton	21044	Columbia
20763	Savage	21045	Columbia
20777	Highland	21046	Columbia
20794	Jessup	21075	Elkridge
20832	Olney	21104	Marriottsville
20833	Brookeville	21106	Mayo
20853	Rockville	21163	Woodstock
20855	Derwood	21228	Baltimore
20860	Sandy Spring	21244	Baltimore
20861	Ashton	21723	Cooksville
20862	Brinklow	21737	Glenelg
20866	Burtonsville	21738	Glenwood
20868	Spencerville	21784	Sykesville
20882	Gaithersburg	21794	West Friendship
20905	Silver Spring	21797	Woodbine

1. Telephone Survey (Appendix A)
 - Learn awareness and opinions of the retirement communities in the area
 - Determine the proportion who would consider moving to the proposed Erickson Living community in the future
 - Invite households who might move to the Erickson community to a research seminar
2. Research Seminar (Appendix B)
 - Present concepts in a PowerPoint Presentation
 - Obtain opinions
 - From questions posed by the participants and subsequent discussions
 - From results of an audience response system (electronic voting used throughout the seminar)
 - Written surveys
 - Traditional survey to capture background information on the participants
 - Conjoint analysis survey to measure what participants want and what they are willing to pay for their preferences

Objectives

The primary objectives of the consumer research are to provide:

1. An estimate of demand for the proposed Erickson community
2. A summary of potential customers' preferences in regard to:
 - a) Size/floor plan of the residence
 - b) Residence features
 - c) Community amenities
 - d) Service package
 - e) Entrance fee refund and pricing
3. A description of the product offering and the price points that will maximize sales for the proposed community.

RESULTS OF TELEPHONE SURVEY

Response Rate to Telephone Survey

ProMatura conducted the telephone survey with 847 age-qualified households. The majority of the surveys (69 percent or 584 households) are from the purchased list with the remainder from Erickson's lead list.

Fifteen percent of the purchased list contacted for the survey completed it, compared to 20 percent of the lead list. We expected the response among leads to be better since the introduction of the survey with leads mentioned Erickson Living, while the introduction to the survey of the purchased list did not. We did not reveal Erickson to the purchased list until later in the survey because we first wanted to capture the households' awareness and opinions of retirement communities in the area.

Response to Telephone Survey by List

	Lead List*	Purchased List	Total
Completed Telephone Survey	263 (20%)	584 (15%)	847 (16%)
Refused to Speak	1,047(80%)	3,251 (85%)	4,298 (84%)
Total Households Contacted	1,310 (100%)	3,835 (100%)	5,145 (100%)
* Erickson Living was identified in the introduction of the survey with leads but not in the introduction of the survey for the purchased list.			

Distribution of Telephone Survey Respondents

The table below shows the number of telephone surveys completed by ZIP code. The greatest proportion of completed surveys are from households in the 20906 Silver Spring ZIP code (12 percent), followed by 21042 Ellicott City ZIP code area (11 percent).

Distribution of Telephone Survey Respondents by ZIP Code

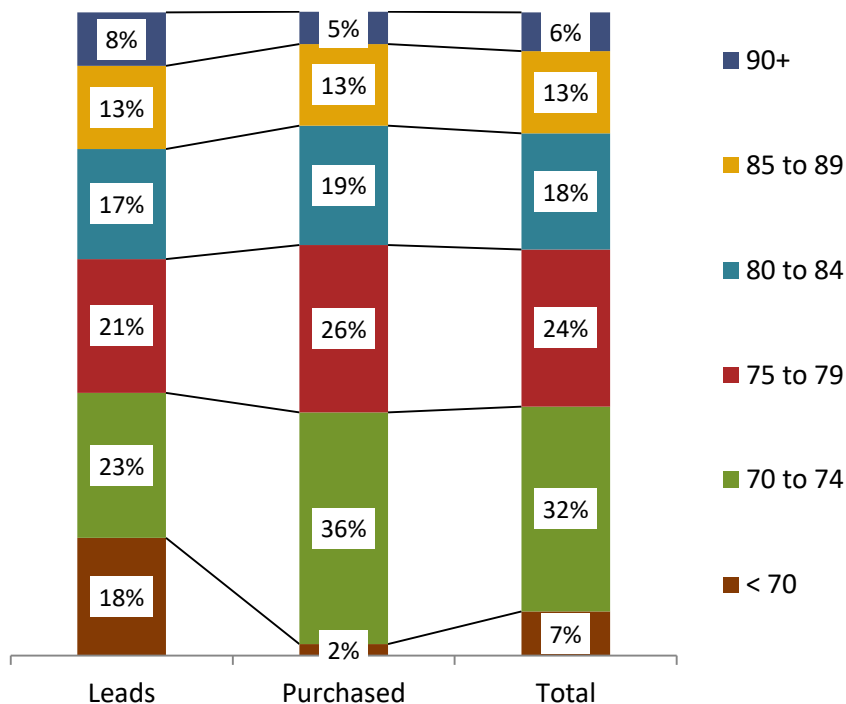
ZIP Code	City	Count	Percent	ZIP Code	City	Count	Percent
20906	Silver Spring	100	12%	21104	Marriottsville	12	1%
21042	Ellicott City	89	11%	20861	Ashton	11	1%
20853	Rockville	66	8%	21075	Elkridge	11	1%
21044	Columbia	66	8%	21738	Glenwood	10	1%
21045	Columbia	53	6%	21797	Woodbine	9	1%
21228	Catonsville	48	6%	20724	Laurel	8	1%
21784	Sykesville	48	6%	20833	Brookeville	8	1%
21043	Ellicott City	44	5%	21046	Columbia	7	1%
20905	Silver Spring	42	5%	20777	Highland	6	1%
20832	Olney	36	4%	20866	Burtonsville	6	1%
20855	Derwood	29	3%	21036	Dayton	6	1%
20882	Gaithersburg	20	2%	21244	Windsor Mill	6	1%
20707	Laurel	18	2%	21737	Glenelg	6	1%
21029	Clarksville	16	2%	20868	Spencerville	4	0%
20723	Laurel	15	2%	20794	Jessup	3	0%
21163	Woodstock	15	2%	21794	West Friendship	2	0%
20759	Fulton	14	2%		Total	847	100%
20860	Sandy Spring	13	2%				

Age and Gender of Respondents

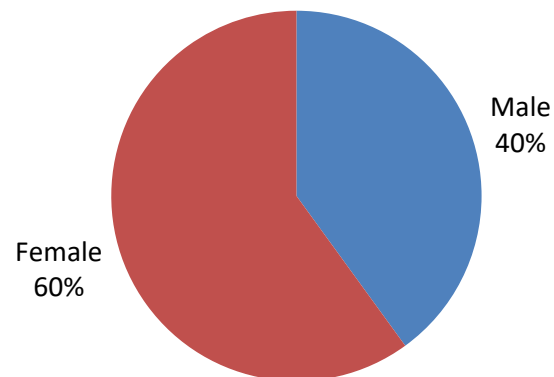
The individuals who completed the telephone survey are an average age of 78 years of age, and ages range from 45 to 99 years of age. Just more than half of survey respondents are between 70 and 79 years of age (56 percent). Though their average ages are not different, Erickson’s lead list has a higher proportion of households younger than 70 years of age than the purchased list. This is because ProMatura did not screen out any leads who were younger than 70 years of age, but did screen out any households from the purchased list who were not 70+ years of age and did not have a spouse who was 70+.

The majority of the telephone survey respondents are women (60 percent).

Age of Respondent by List Source



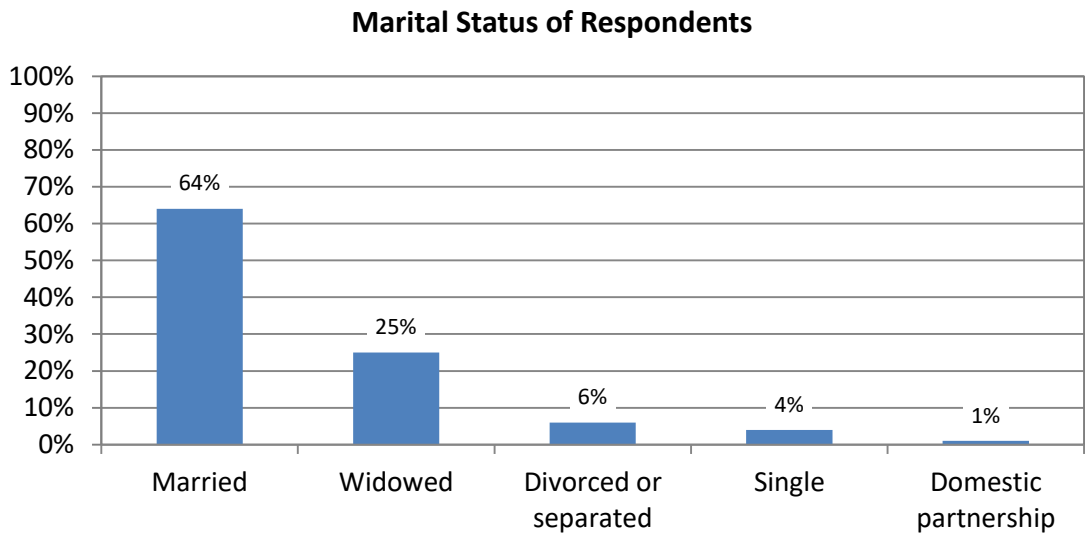
Gender of Respondents



Note:
Survey results are shown by list (purchased vs leads) when there is a statistically significant difference between the two groups.

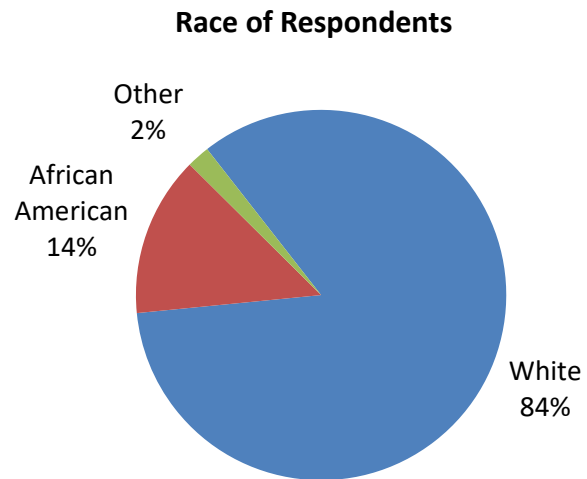
Marital Status

Almost two-thirds (64%) of the phone survey participants are married.



Race of Respondents

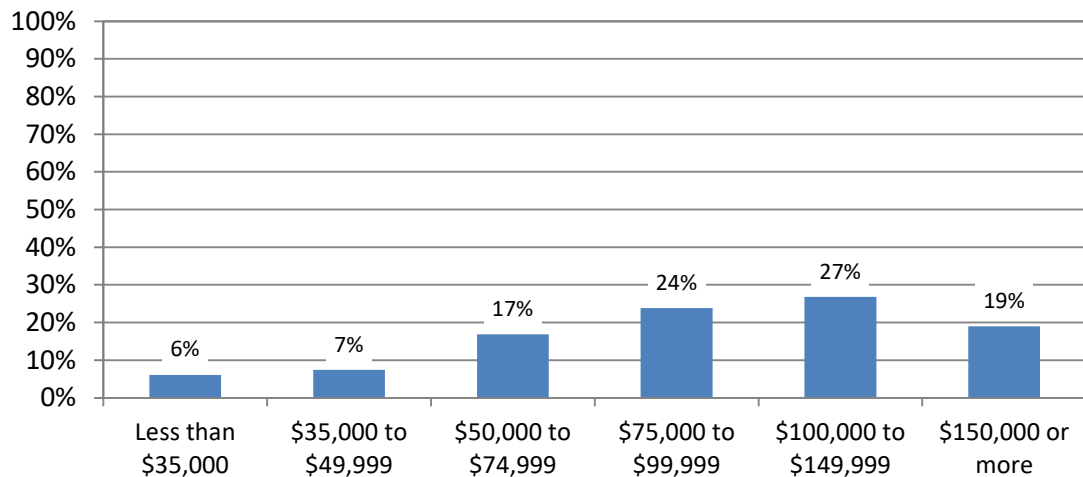
The majority of telephone survey respondents are white. Fourteen percent are African American.



Annual Household Income

Seventy percent of survey respondents have annual incomes of \$75,000 or more. Forty-six percent have incomes of \$100,000 or more. The annual household incomes among Erickson leads are similar to those of the purchased list of households.

Annual Household Income of Respondents

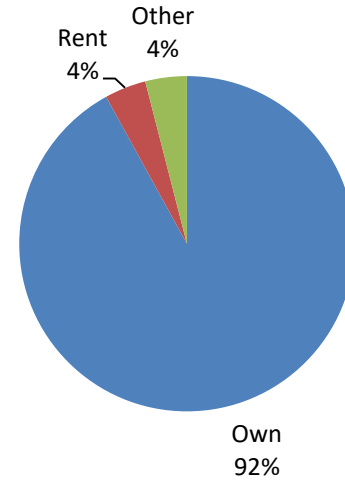


Home Ownership and Value

Ninety-two percent of the respondents are homeowners. The rate of home ownership is the same among the purchased list households and the leads.

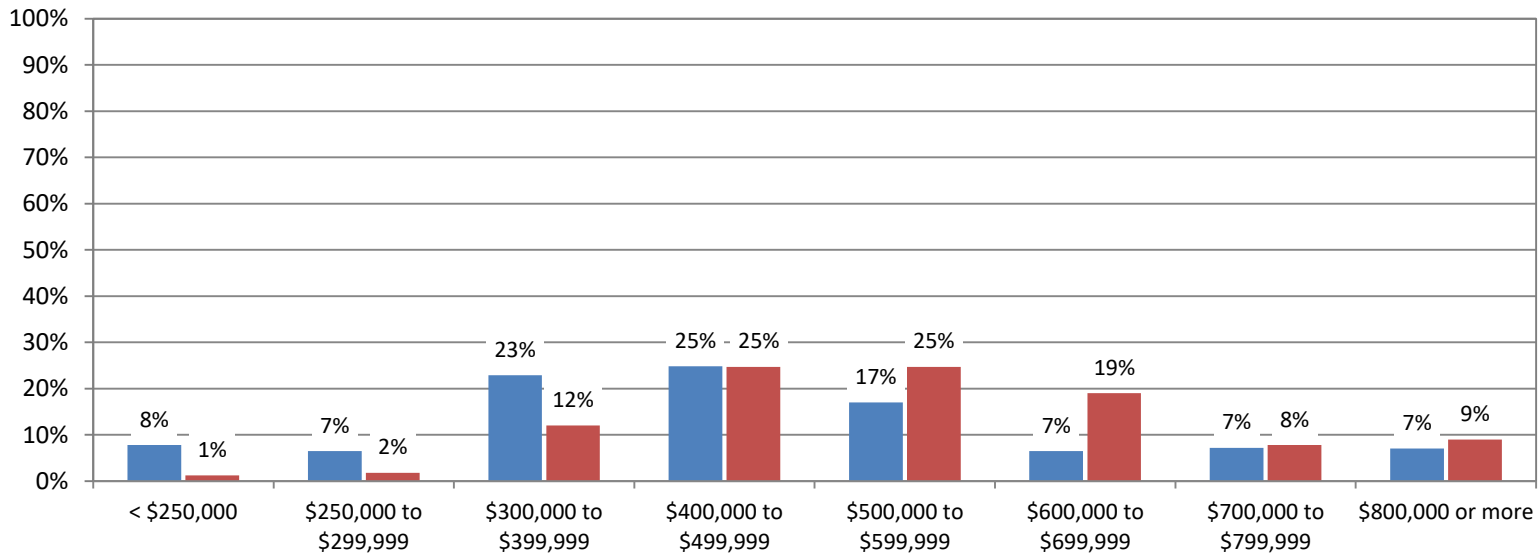
The purchased list reported higher home values than the leads. Sixty-one percent of the homeowners from the purchased list reported a home value of \$500,000 or more compared to 38% of leads.

Home Ownership of Respondents



Home Value of Respondents

■ Lead ■ Purchased



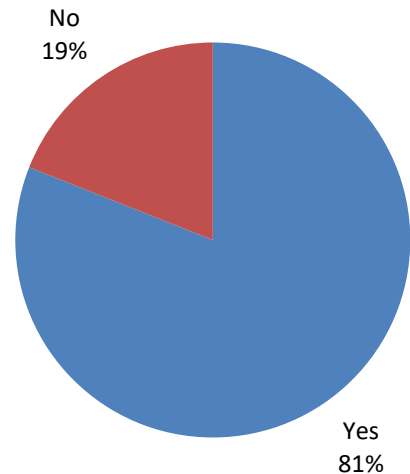
Awareness of Retirement Communities

The survey respondents were asked if they were aware of any full-service retirement communities* in their area. Eighty-one percent of telephone survey respondents are aware of retirement communities in the Clarksville area.

*** Definition of Retirement Communities Read to Telephone Respondents:**

These are residential communities that offer apartment or cottage living, and a variety of services that may include dining; social, educational and recreational programs; housekeeping; home maintenance; and transportation services. Some retirement communities also offer assisted living and nursing care services on site, if and when those services are needed.

Awareness of Area Retirement Communities



Unaided Recall of Retirement Communities

The respondents who said they were aware of at least one retirement community in their area were asked to recall the names of the communities. Charlestown and Riderwood were mentioned most often (both with 16% of respondents who said they are aware of retirement communities), followed by Leisure World (6%), Asbury Methodist Village (4%), Vantage House (4%) and Lutheran Village at Miller's Grant (4%).

Unaided Recall of Retirement Communities (Multiple Responses Allowed)

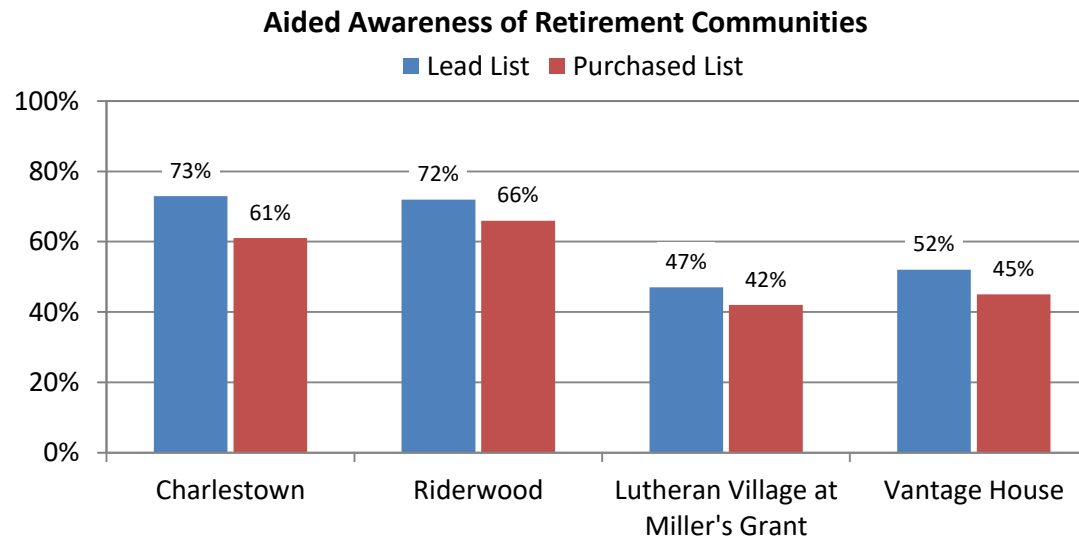
	Count	Percent*		Count	Percent*
Charlestown	116	16%	Homewood At Crumland Farms	3	< 1%
Riderwood	113	16%	Integrace	3	< 1%
Leisure World	40	6%	Riderwood	3	< 1%
Asbury Methodist Village	30	4%	The Village At Rockville	3	< 1%
Vantage House	30	4%	Buckingham's Choice	2	< 1%
Lutheran Village at Miller's Grant	29	4%	Falcons Landing/Johnson Center	2	< 1%
Ingleside at King Farm	17	2%	Frederick, Sunrise of	2	< 1%
Brook Grove	8	1%	Lorien Mt. Airy	2	< 1%
Fairhaven	8	1%	Montgomery Village, Sunrise of	2	< 1%
Brightview West End	7	1%	Morningside House of Leesburg	2	< 1%
Leesburg, Sunrise of	7	1%	Shady Grove Center	2	< 1%
Brightview Fallsgrrove	5	1%	Spring Arbor of Leesburg	2	< 1%
Miller's Grant	5	1%	Ashleigh at Lansdowne	1	< 1%
Oak Crest	5	1%	Ballenger Creek	1	< 1%
Bedford Court	4	1%	Citizens / Montevue Campus	1	< 1%
Brinton Woods Nursing & Rehab at Winfield	4	1%	Collingswood Nursing and Rehab	1	< 1%
Harmony Hall	4	1%	Country Meadows Of Frederick	1	< 1%
HeartFields at Frederick	4	1%	Heritage Hall - Leesburg	1	< 1%
Heartland	4	1%	Marian Assisted Living	1	< 1%
Lutheran Village	4	1%	Rockville Nursing Home	1	< 1%
Sunrise	4	1%	Somerford Place	1	< 1%

* Percent of all respondents who said they are aware of retirement communities in their area.

Aided Awareness of Retirement Communities

After respondents recalled the names of retirement communities of which they were aware, they were asked if they had heard of four communities: Charlestown, Riderwood, Lutheran Village at Miller's Grant, and Vantage House. The communities were presented to the participants in random order.

Charlestown is the most well known community among leads (73%), followed closely by Riderwood (72%). Households on the purchased list are slightly more aware of Riderwood (66%) than Charlestown (61%). Both Erickson properties are more well known than Lutheran Village at Miller's Grant and Vantage House among both survey groups.



Impression of Retirement Communities

The table below shows the respondents' opinions of each of the four retirement communities. Overall, all four properties were rated positively by the telephone survey participants. Eighty-eight percent of respondents each rated Charlestown and Riderwood either somewhat or very positively and 89% rated Vantage House positively. Lutheran Village at Miller's Grant received a slightly lower rating with an 81% positive rating.

Impression of Retirement Communities		
Charlestown	Very positive	33%
	Somewhat positive	55%
	Somewhat negative	9%
	Very negative	3%
Riderwood	Very positive	34%
	Somewhat positive	54%
	Somewhat negative	10%
	Very negative	2%
Lutheran Village at Miller's Grant	Very positive	27%
	Somewhat positive	54%
	Somewhat negative	17%
Vantage House	Very positive	31%
	Somewhat positive	58%
	Somewhat negative	9%
	Very negative	3%

Reasons for Negative Opinions of Communities

Survey participants who rated any of the four communities negatively were asked to explain their rating. These reasons are listed in the tables below and on the following page. The reason for a negative opinion mentioned most frequently for all four communities was that the community is “too expensive.”

Reasons for Negative Opinions of Charlestown

	Count
Too expensive	10
Community is too large	6
Community requires too much walking	3
Don't like the location	3
Staff not friendly	2
Don't like retirement communities	1
Don't like that company	1
Food is gross	1
High crime rate	1
No dining choices	1
Not familiar with the location	1
Plan to stay in own home	1
Too institutionalized	1
Too old	1
Too old fashioned	1
Too religious	1

Reasons for Negative Opinions of Riderwood

	Count
Too expensive	12
Friend/family had bad experience	7
Don't like the location	5
Too big	4
Don't like apartment living	3
Poor operations	2
Food is not good	1
No landscaping	1
No parking garage	1
Plan to stay in own home	1
Too many Jewish people	1

Reasons for Negative Opinions of Communities

Reasons for Negative Opinions of Lutheran Village at Miller's Grant	
	Count
Too expensive	19
Friend/family had bad experience	3
Poor quality maintenance service	3
Apartments are too small	1
Dining room is too small	1
Food is not good	1
Have other plans	1
Memory care is not in separate wing	1
No continuum of care	1
No landscaping	1
Too big	1
Too Lutheran	1
Too much walking involved	1

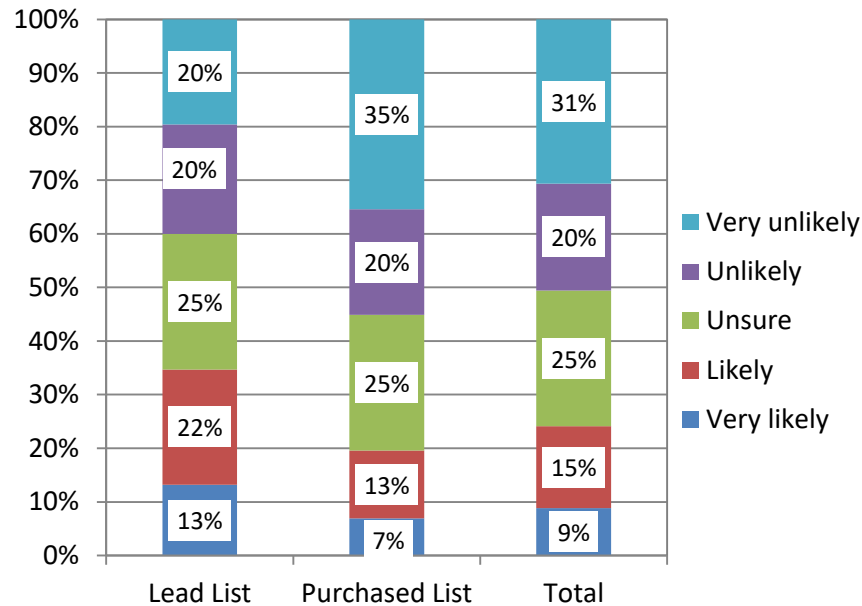
Reasons for Negative Opinions of Vantage House	
	Count
Too expensive	6
Building exteriors are undesirable	2
Don't like the cleaning supplies they use	2
Needs remodeling	2
Apartments don't have pleasing views	1
Doesn't have much to offer	1
Don't like the location	1
Mix of population	1
No menu options at meal times	1
Poor medical care provided	1
Too small	1

Likelihood of Moving to a Retirement Community Sometime in the Future

Twenty-four percent of all survey respondents are very likely or likely to consider a move from their current home sometime in the future and 25% are unsure for a total of 49% of all households surveyed who might consider a move one day.

As we would expect, households on Erickson's lead list are more likely than those on the purchased list to be considering a move sometime in the future. About one-third of the leads are very likely or likely to move compared to 20% of the purchased list.

Likelihood of Moving to a Retirement Community Sometime in the Future

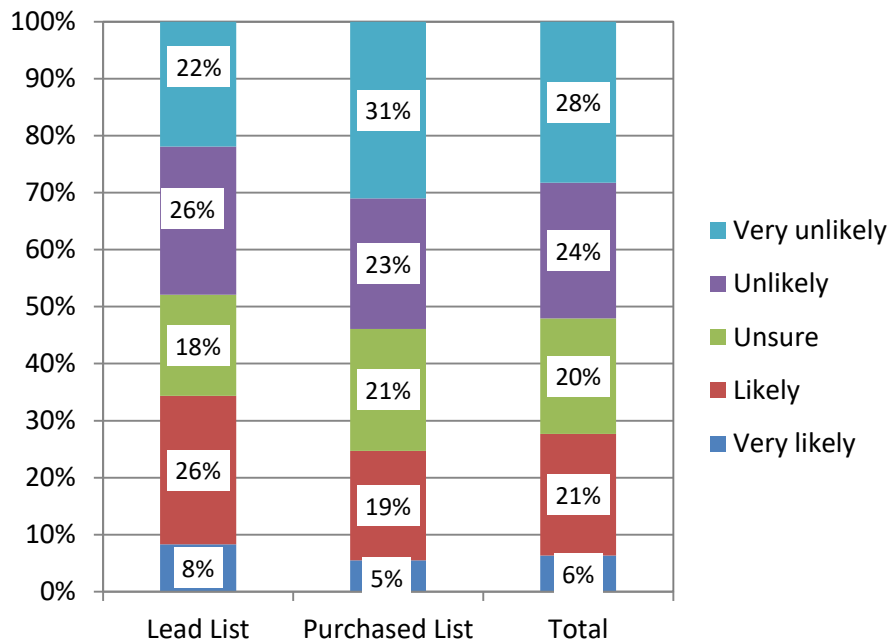


Likelihood of Considering a Retirement Community in the Clarksville Area

The telephone respondents were asked how likely they would be to consider a retirement community in the Clarksville area, assuming that the community met all of their needs. Thirty-four percent of households on the lead list and 24% of the purchased list are likely or very likely to consider a retirement community in the Clarksville area.

The most frequently provided reason for respondents to not consider a community in this area is that the location is too far from home (47%). Another 18% mentioned not liking the area but did not provide specific reasons why.

Likelihood of Considering a Retirement Community in the Clarksville Area

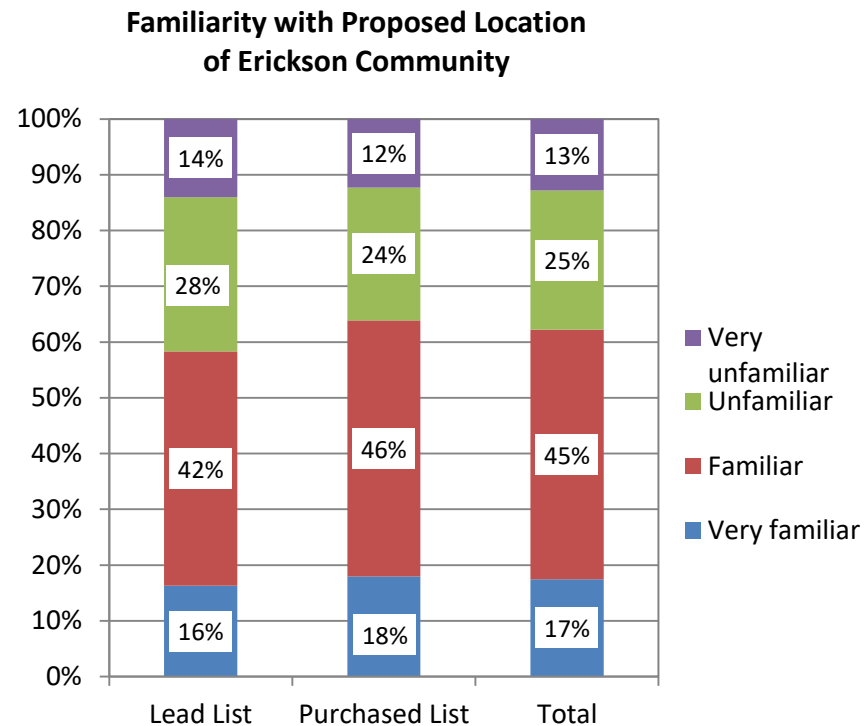


Reasons for Being Unlikely to Consider a Retirement Community in Clarksville

	Count	Percent
Too far from home	213	47%
Dislike that area	82	18%
Area is too expensive	21	5%
Have other plans	19	4%
Too rural	16	4%
Already live in a retirement community	13	3%
Plan to stay in own home	12	3%
Too far from stores, services	9	2%
Too much traffic	6	1%
Area is too crowded	4	1%
Too far from Baltimore	3	1%
Don't know anything about the area	2	< 1%
Too far from Washington DC	1	< 1%

Familiarity with Proposed Location for Erickson Community

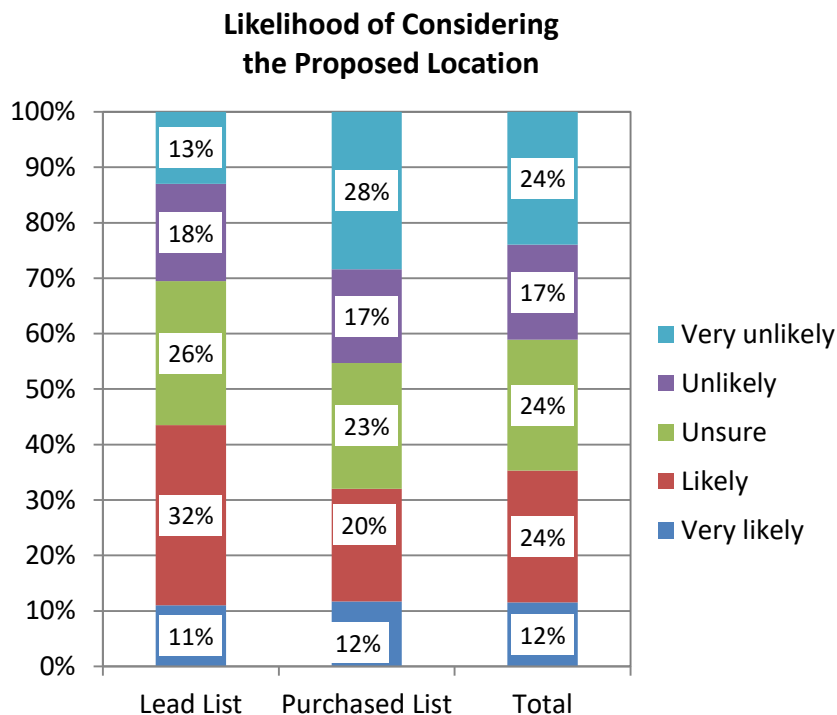
The majority of households on both survey lists are familiar or very familiar with the proposed location for the Erickson community which is at the corner of Clarksville Pike and Sheppard Lane in Clarksville. Households from the purchased list are slightly more familiar with the area than households on Erickson's lead list.



Likelihood of Considering a Move to the Proposed Location

After hearing the specific location of the proposed Erickson community, survey respondents again indicated how likely they would be to consider a retirement community in this location. Forty-three percent of Leads and 32% from the purchased list are likely or very likely to consider a retirement community in this Clarksville location.

Those unlikely or very unlikely to consider a community in the proposed location provided their reasons why. The comment made most often is that the location is too far from home. Others mentioned disliking the area.



Reasons for Being Unlikely to Consider the Proposed Location (Multiple Responses Accepted)

	Count	Percent
Too far from home	95	43%
Dislike that area	43	19%
Too much traffic, too congested	35	16%
No plans to move	12	5%
Too busy	8	4%
Not interested in retirement living	7	3%
Have plans to move elsewhere	6	3%
Too rural	6	3%
County is too expensive	3	1%
Too far from Baltimore	3	1%
Too far from stores, services	1	< 1%
Too far from Washington DC	1	< 1%

Opinion of the Proposed Community

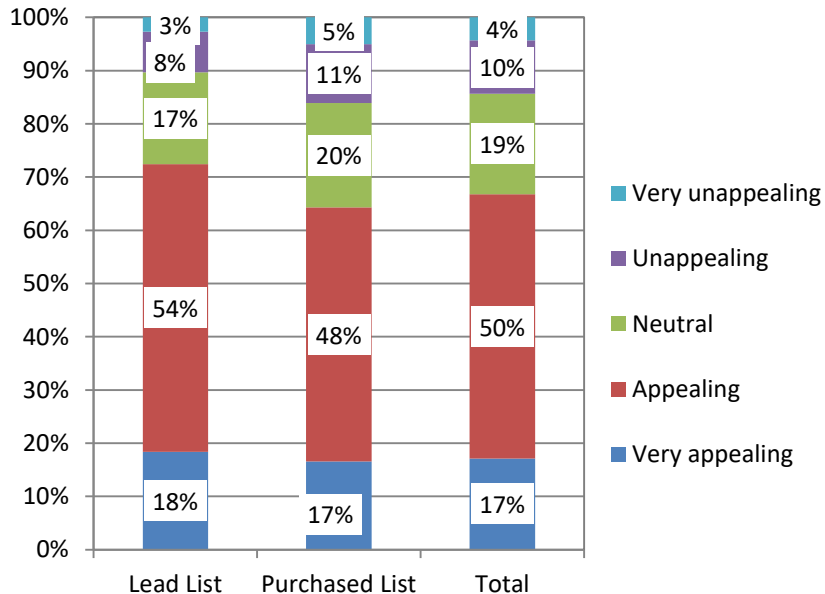
After hearing a brief description of the proposed Erickson community (see adjacent text box), two-thirds of all respondents indicated that the community sounds appealing or very appealing.

The largest number of those who indicated that the proposed community is unappealing did not appear to have any complaints about the concept for the community but stated that they plan to stay in their current home (59%) or have other plans or plan to move elsewhere (29%).

Description of Erickson Community Read to Respondents:

Designed as a resort-style residential community, residents of this new Erickson community would choose from a number of spacious apartment floor plans, each with a full kitchen and washer/dryer. Select units will have a patio or balcony. Residents would have access to a host of amenities and services including a choice of dining venues, clubhouse, convenience store, fitness center, and attractively-landscaped outdoor spaces and walking paths. All residents would benefit from extensive health care services provided by the community. This new community will be smaller than the typical Erickson community.

Opinion of the Proposed Community



Reasons for Negative Opinion of the Proposed Community (Multiple Responses Allowed)

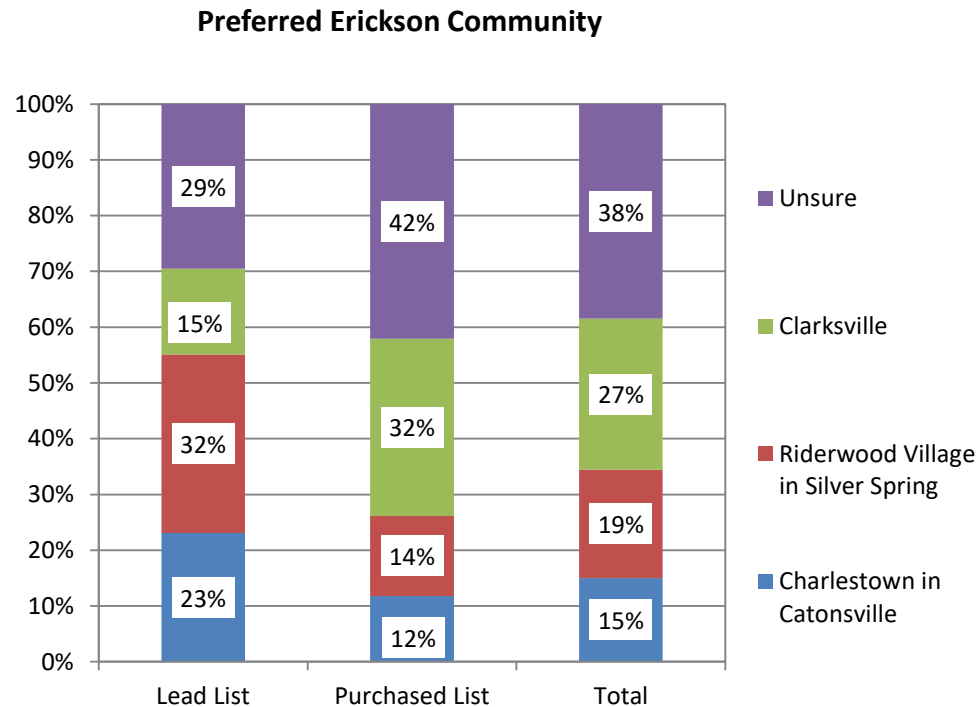
	Count	Percent
Plan to stay in home, home is paid for	72	59%
Have other plans, plan to move elsewhere	36	29%
Don't like the location	15	12%
Don't want to live in a retirement community	14	11%
Too expensive	10	8%
Too big/too many apartments/too dense	7	6%
Don't like apartment living	5	4%
Don't like CCRCs	3	2%
Too young, too healthy	2	2%
Already live in a retirement community	1	1%
Bad food	1	1%
Don't like the doctors they have	1	1%
Meals need to be included	1	1%
No golf course	1	1%

Preferred Erickson Community

Telephone survey respondents were informed that Erickson Communities has two other communities in the area: Charlestown in Cantonsville and Riderwood in Silver Spring. They were also told that the new community in Clarksville will be smaller than both Charlestown and Riderwood but about 25% more expensive.

Among the leads, about one-half prefer either Riderwood or Charlestown, 15% would choose Clarksville and 29% are unsure. Among the purchased list, 32% prefer Clarksville, 26% prefer either Charlestown or Riderwood and 42% are unsure.

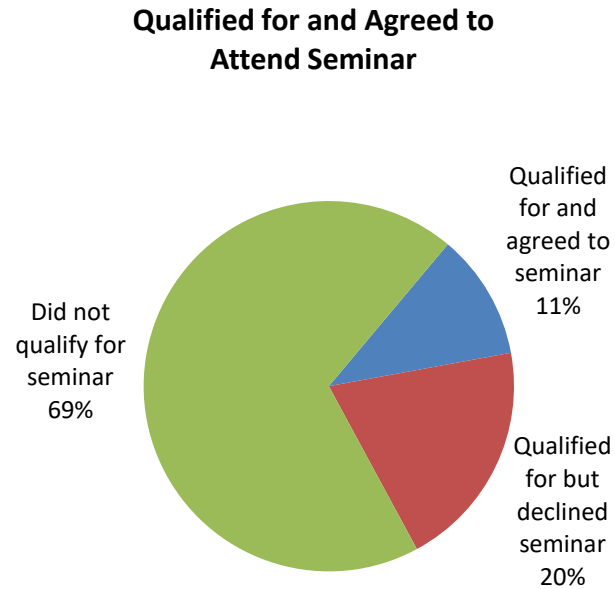
The reason we may be seeing a preference for Riderwood and Charlestown among the leads is most likely because most of this group has already shopped one or both of these communities. Also, the leads reported lower home values than the households on the purchased list and were told the Clarksville community would be more expensive than Riderwood and Charlestown.



Agreed to Attend Seminar

The telephone respondents who said they were very likely or likely to move to the proposed Erickson community or were unsure about moving there were invited to attend the research seminar.

Thirty-one percent of the telephone survey respondents qualified for the seminar, and 11% (or 93 households) agreed to attend.



RESULTS OF RESEARCH SEMINAR

Characteristics of Seminar Participants

Seminar Attendance

Of the 93 households who agreed to attend the seminar, 66 showed, for a participation rate of 71%.

Age

The survey participants are an average of 75 years of age and their spouses are an average of 74. The survey participants and their spouses range from 60 to 91 years of age.

Marital Status

The majority of the participants (57%) are married.

Race

Nearly two-thirds of seminar attendees are white. Just over one-fourth are African American.

Number of Households Who Participated in Research Seminar

	Total
Number of Households Who Agreed to Participate	93
Number of Households Who Participated	66 (71%)

Age and Marital Status of Research Seminar Participants

	Total
Age in Years	
Respondent Average	75
Respondent Range	60 to 88
Spouse Average	74
Spouse Range	61 to 91
Marital Status	
Married	57%
Widowed	21%
Divorced or separated	18%
Domestic partnership	5%
Race	
White	65%
African American	27%
Asian	2%
Caribbean American	2%
Hispanic	2%
Other	2%

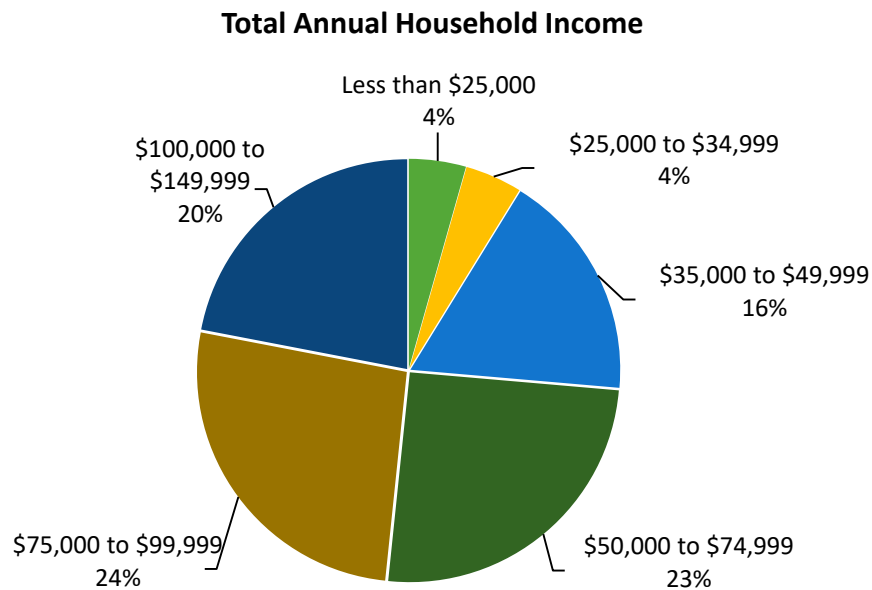
Distribution of Participants by ZIP Code

The research seminar participants are from one of 19 ZIP code areas listed in the adjacent table. The largest percentages are from the 21045 Columbia ZIP code area (13 households) and the 21044 Columbia ZIP code area (12 households).

Location of Participants' Current Residence			
ZIP Code	City	Count	Percent
21045	Columbia	13	20%
21044	Columbia	12	18%
21042	Ellicott City	7	11%
21784	Sykesville	6	9%
21029	Clarksville	4	6%
21043	Ellicott City	3	5%
21163	Woodstock	3	5%
20723	Laurel	2	3%
20707	Laurel	1	2%
20759	Fulton	1	2%
20832	Olney	1	2%
20855	Derwood	1	2%
20905	Silver Spring	1	2%
20906	Silver Spring	1	2%
21046	Columbia	1	2%
21075	Elkridge	1	2%
21228	Catonsville	1	2%
21738	Glenwood	1	2%
21797	Woodbine	1	2%
	Unknown	5	8%
Total		66	100%

Total Annual Household Income

Almost all of the households (92%) reported an annual income of \$35,000 or more. Two-thirds reported an annual income of \$50,000 or more and 44% reported an annual income of \$75,000 or more. These results suggest the seminar participants would be able to afford the monthly fees at the proposed Clarksville community.

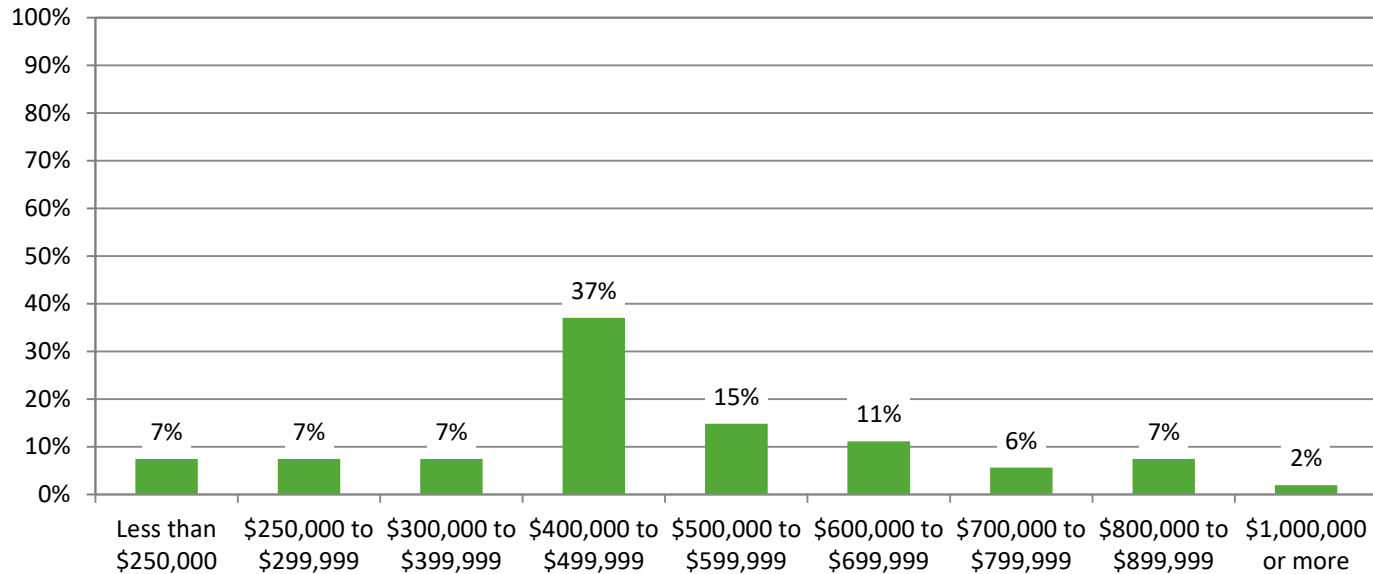


Home Ownership and Estimated Market Value of Current Home

The majority of seminar participants (88%) are homeowners. Seventy-eight percent of the households estimate their home value is \$400,000 or more and roughly one-fourth (26%) estimate their home value is \$600,000 or more.

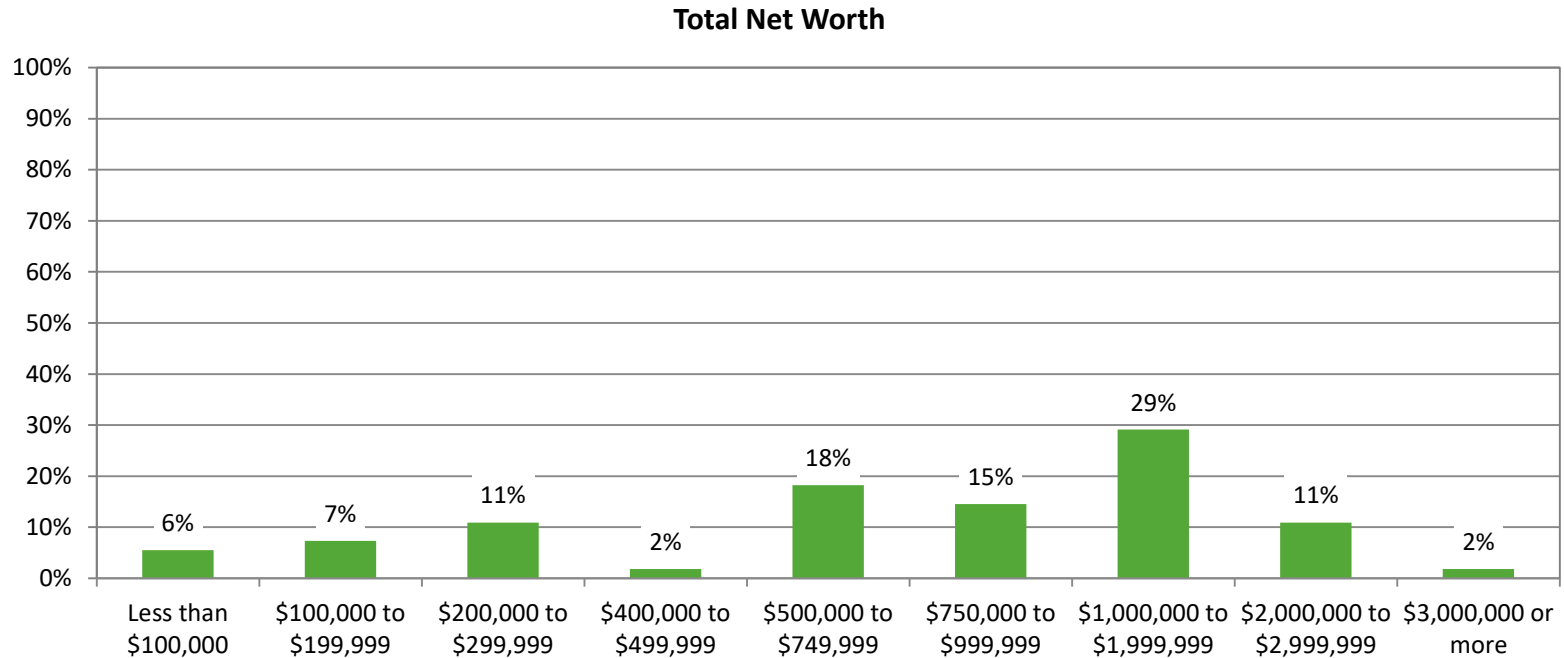
The 90% refundable entrance fees tested in the seminar started at \$350,000. The non-refundable plan started at \$210,000.

Estimated Market Value of Current Home



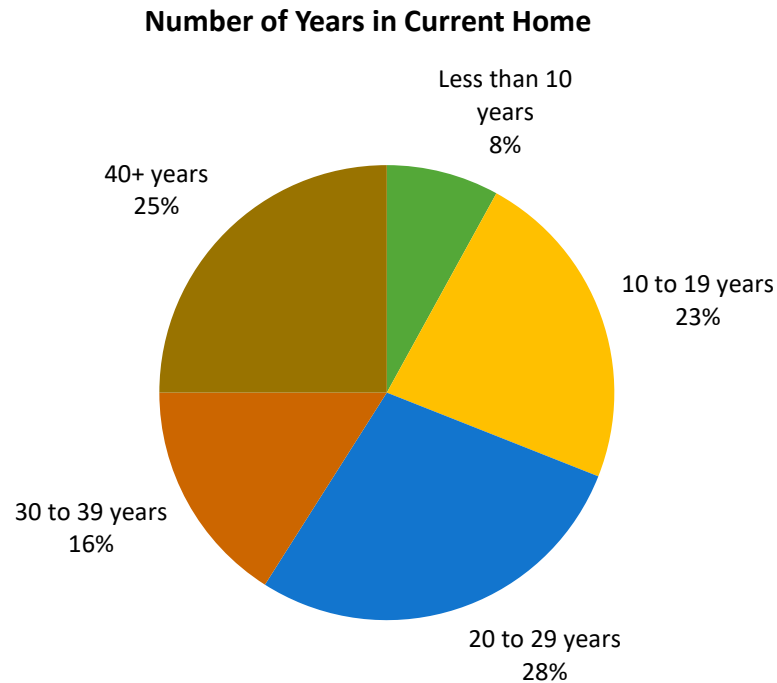
Total Net Worth

The net worths of the seminar participants vary widely, but 75% reported a net worth of \$500,000 or more. Forty-two percent reported a net worth of \$1,000,000 or more.



Time in Current Home

More than two-thirds of the seminar participants have lived in their home for 20 years or more. Forty-one percent have lived in their home for 30 or more years. The home tenure of the participants is slightly longer than we generally see among this age group, which suggests the target market for the proposed community may be more reluctant than average to move from their current home. The marketing staff at Erickson Clarksville will need to stress with prospects the benefits of moving to the community such as the quality lifestyle the community offers as well as the amenities and services.



Home Expenses

The table below shows the home expenses currently paid by the seminar participants. The expenses include property taxes, homeowners' insurance, home maintenance, homeowners association fees and utilities (electric, gas, water and sewer).

Seminar participants pay anywhere from \$1,360 to \$33,200 per year for all home expenses (excluding any mortgage) for an average of \$12,877 or \$1,073 per month.

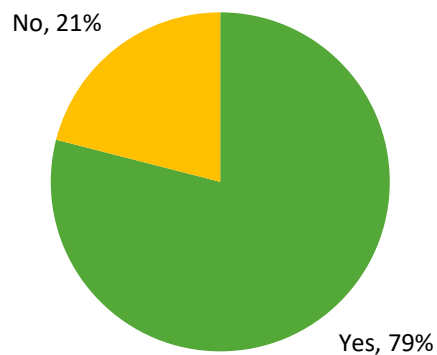
Home Expenses of Participants	
Annual Property Taxes	
Average	\$4,839
Range	\$2,000-\$13,000
Annual Homeowners Insurance	
Average	\$1,224
Range	\$160-\$5,000
Annual Home Maintenance	
Average	\$2,554
Range	\$500-\$10,000
Monthly Homeowners Association Fee	
Average	\$113
Range	\$0-\$800
Monthly Utilities (Electric, gas, water, sewer)	
Average	\$252
Range	\$30-\$600
Total Annual Home Expenses	
Average	\$12,877
Range	\$1,360 to \$33,200

Heard of Erickson Living Prior to Research

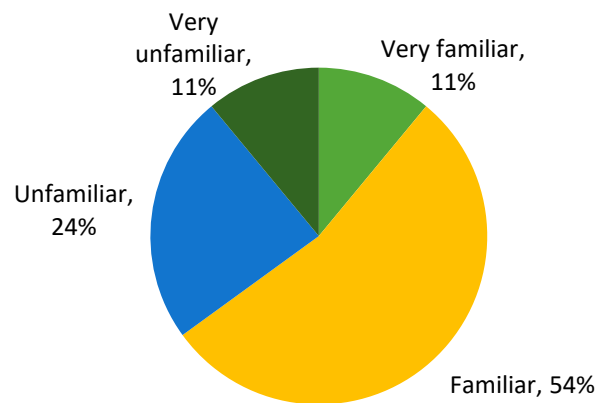
The majority of seminar participants had heard of Erickson Living prior to being contacted for this research study.

Two-thirds of participants are familiar or very familiar with Erickson Living.

Heard of Erickson Living



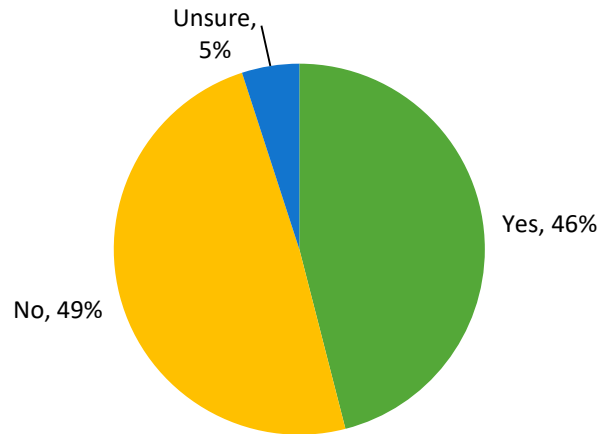
Familiarity with Erickson Living Communities (Audience Response)



Seminar Attendees Currently on an Erickson Community Mailing List

Almost one-half of the seminar attendees are currently on the mailing list for Charlestown and/or Riderwood, two other Erickson Living communities in the Baltimore/DC area.

Currently on an Erickson Mailing List



Erickson Mailing List Respondents are On

	Count
Charlestown	17
Riderwood	7
Both Charlestown and Riderwood	3

What Comes to Mind When Seminar Attendees Think of Erickson Communities

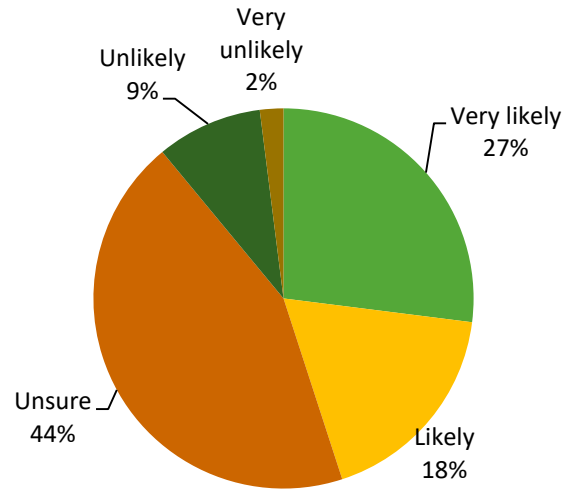
Participants were asked to describe what comes to mind when they think about an Erickson community. More frequent responses included “retirement” (9 mentions), Charlestown (6 mentions), continuum of care (5 mentions) and quality (4 mentions).

What Comes to Mind When Thinking about Erickson Communities	
	Count
Retirement	9
Charlestown	6
Continuum of care	5
Quality	4
A place to live the rest of your life	2
Big	2
Many activities	2
Security	2
Well planned	2
All inclusive	1
Beauty	1
Convenience	1
Emphasis on residents' needs	1
Food reputation	1
High costs	1
Inclusive	1
Less maintenance	1
Multiple locations	1
Old people	1
Organized	1
Restricted age groups	1

Likelihood of Moving in the Future

Forty-five percent of the households who attended the seminar are very likely or likely to move from their home sometime in the future. Another 44 percent are unsure whether they will consider a move. These results suggest that almost all of the seminar participants have thought about moving and are likely prospects for the proposed Erickson community in Clarksville.

Likelihood of Moving in the Future



Residential Options Seminar Attendees Are Considering for Next Home

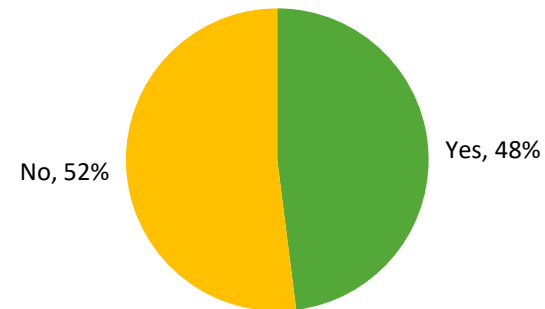
Seminar attendees were asked to select the various residence options they are currently considering for their next home. The majority indicated they are considering a senior living apartment (52 percent). One-fourth are considering a single-family home in a 55+ community and 21% are thinking of moving to a condominium for people of all ages.

During the audience response portion of the seminar, just under half (48%) of the attendees indicated they are currently considering moving to a senior living community.

Residential Options Attendees Are Considering for Their Next Home (Multiple Responses Allowed)

	Percent
Senior living apartment	52%
Single-family home for people 55+	25%
Condo for all ages	21%
Single-family home for all ages	6%
Other	3%
Unsure	6%

Currently Considering a Move to a Senior Living Community (Audience Response)



Senior Living Communities Seminar Attendees Have Considered

Those who are currently considering a senior living community were asked to list those communities. Twenty households indicated they are currently considering Charlestown in Cantonsville. Eleven households are considering Vantage House in Columbia and 8 others are considering Riderwood in Silver Spring.

Senior Living Communities Seminar Attendees Have Considered

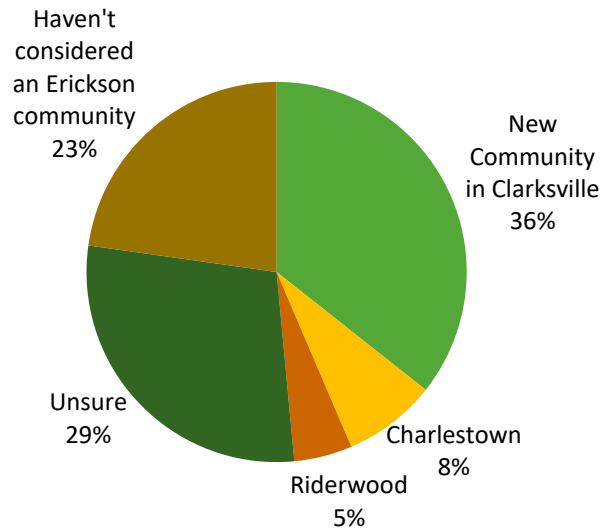
Community	City	Count
Charlestown	Catonsville, MD	20
Vantage House	Columbia, MD	11
Riderwood	Silver Spring, MD	8
Lutheran Village Miller's Grant	Ellicott City, MD	4
Fairhaven	Carroll, MD	2
Nell's Acres	Sykesville, MD	2
Bedford Court	Olney, MD	1
Brightview	Catonsville, MD	1
Brooke Grove	Olney, MD	1
Carroll Vista	Taneytown, MD	1
Cypress Glen	Greenville, NC	1
Evergrace	Sykesville, MD	1
Evergreen	Columbia, MD	1
Gardenside at Ingleside	Rockville, MD	1
Leisure World	Silver Springs, MD	1
Reynolds Lake	South Carolina	1
Rolling Meadows	Catonsville, MD	1
Springshire	Greenville, NC	1
Sunrise	Columbia, MD	1
The Landing	Wilson, NC	1
Watermark	Columbia, MD	1
Wesley Village	Catonsville, MD	1

Which Erickson Living Community Attendees Would Be Most Likely to Choose Before Hearing Seminar Presentation

Before hearing the seminar presentation, households were asked which Erickson Living Community they would be most likely to choose: Clarksville, Charlestown or Riderwood. While just over half are unsure or haven't ever considered an Erickson community, 36% would choose the new community in Clarksville, 8% would choose Charlestown and 5% would choose Riderwood.

The majority of households who indicated they would choose the new Erickson community in Clarksville would choose it because of its location.

Erickson Living Community Seminar Attendees Would Choose



Reasons for Choosing Each Erickson Community

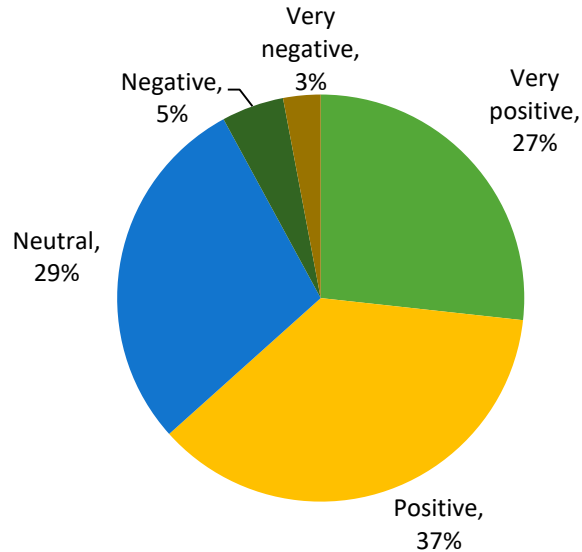
	Count
Erickson Clarksville	
Location	15
New, up to date facility	2
In Howard County	1
Less congested area	1
Charlestown	
Location	2
Community is already complete	1
Dining options available	1
Good medical services	1
Varied groups and organizations	1
Riderwood	
Good experience there	1
Year-round pool/All-weather campus	1
Location	1

Opinion of Location for Erickson Community

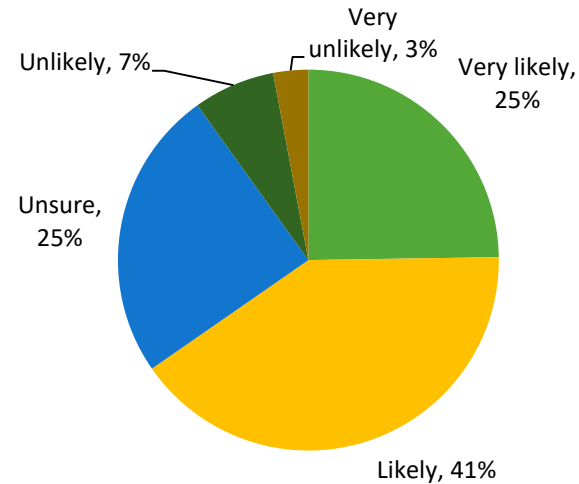
The market seems to have a favorable opinion of the proposed site for the new Erickson community in Clarksville. Nearly two-thirds of seminar attendees have a positive or very positive opinion of the proposed location. Almost all of the remaining households are neutral, probably because they are not familiar enough with the location.

Research seminar attendees were asked to indicate their likelihood of moving to a community in the proposed location. Two-thirds said they are likely or very likely to consider moving to a retirement community in the proposed location.

**Opinion of Location for Erickson Community
(Audience Response)**

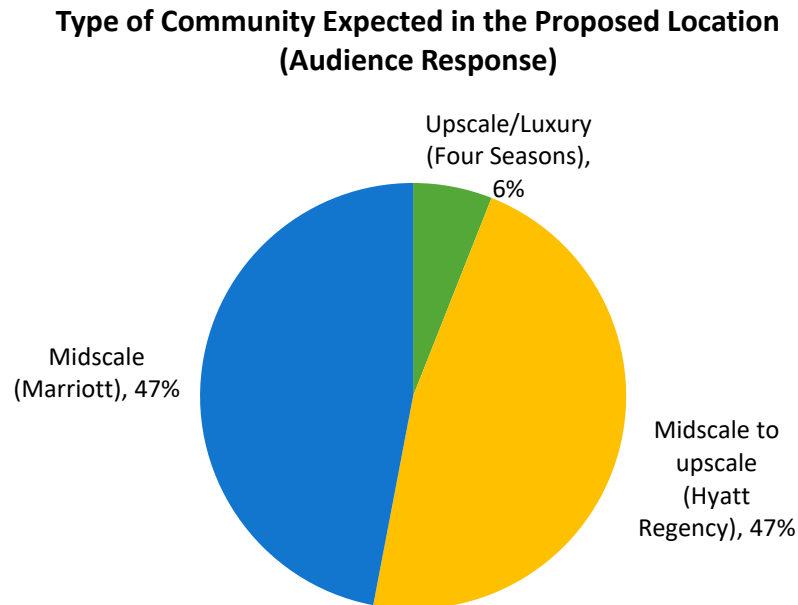


**Likelihood of Considering a Retirement
Community in the Proposed Location
(Audience Response)**



Type of Community Expected in the Proposed Location

Research participants were asked to indicate the type of community they would expect to see in the proposed location: an upscale/luxury community, a midscale to upscale community, or a midscale community. Seminar attendees are divided on their opinion of the type of community expected: 47% said they expect a midscale to upscale community (similar to a Hyatt Regency) in the proposed location, while another 47% expect a midscale community (similar to a Marriott).

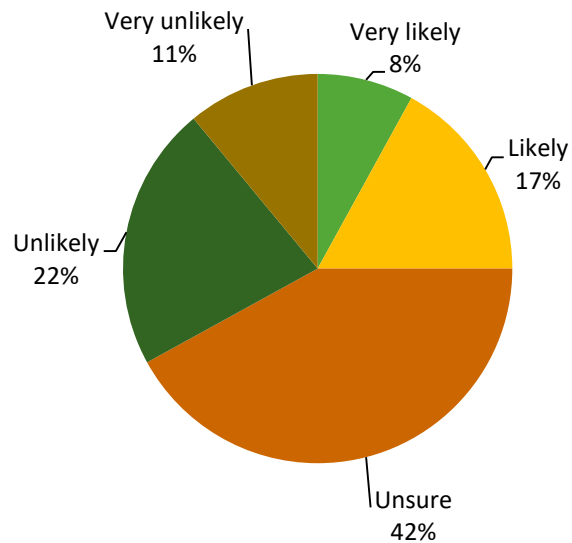


Likelihood of Moving to the New Erickson Community on the Proposed Site in Clarksville

At the conclusion of the research seminar, after seeing possible floor plans and pricing, 25% of seminar attendees indicated they are likely or very likely to move to the new Erickson community at Clarksville. Another 42% are unsure about whether they are likely to move to the community, while 33% are unlikely to move there.

Those unlikely to move to the new community tended to say it was because the prices are too high (13 mentions).

Likelihood of Moving to the New Erickson Community at Clarksville



Reasons Unlikely to Move to the New Erickson Community at Clarksville

Reason	Count
Too expensive	13
Too far from family	2
Can't make a decision until the complete community is available	1
Clarksville is too rural	1
Would rather move to Riderwood	1

Time Frame for Moving to the New Erickson Community in Clarksville

The table below shows the households' timeframe for moving to the new Erickson community in Clarksville by their likelihood of moving there. The survey stated that the new community might open in 2020.

The area highlighted in green shows that 26% of the seminar participants are likely to move to the new Erickson community at Clarksville within 3 years of its opening. This percentage is used in the demand calculation which can be found in the last section of this report.

**Time Frame for Moving to the New Community by Likelihood of Moving
(All Cells Add to 100%)**

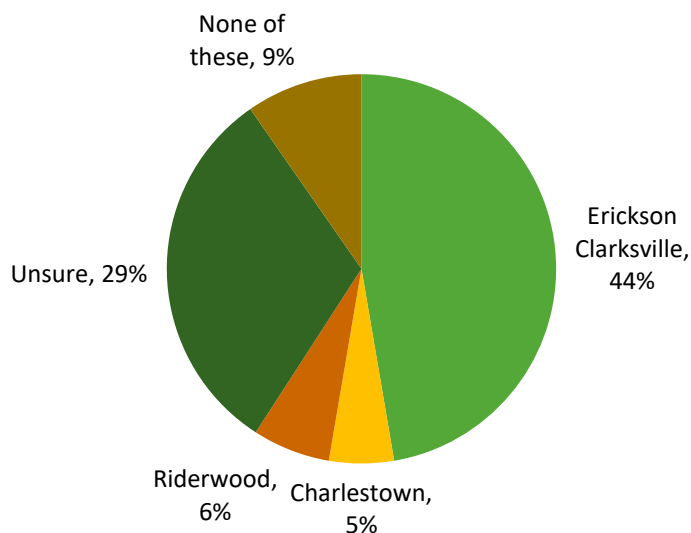
Time Frame for Moving from Opening (2020)	Likelihood of Moving to the New Community					Total
	Very likely	Likely	Unsure	Unlikely	Very unlikely	
Within 1 year	7%	11%	12%		2%	32%
1 to 2 years		6%	5%			11%
2 to 3 years	2%		5%	3%		10%
3 to 4 years						0%
5 or more years from opening/unsure			21%	8%	3%	32%
Would never move there				8%	7%	15%

Where Seminar Attendees Would Move if Charlestown and Riderwood Have Apartments Available

Seminar attendees were asked at the very end of the seminar, after they had viewed pricing and completed the conjoint analysis exercise, where they would most likely move if this new Erickson community is built as proposed and Charlestown and Riderwood have apartments available similar to those at the new community. Just less than half of respondents would choose the new Erickson community in Clarksville (44%). Twenty-nine percent are unsure.

Respondents provided explanations for their choice. These reasons are listed in the table below and in the tables on the following page.

Where Seminar Attendees Would Most Likely Move



Explanation for Choosing Erickson Clarksville

	Count
Apartment options look more spacious than I've seen at Charlestown.	1
Close to the area I've lived for 50 years.	1
Closer to where I live now.	1
Family close to location.	1
I live close to the site and I'm familiar with the area.	1
I would like to stay in Howard County.	1
If Clarksville isn't built in a timely manner, we will choose Charlestown.	1
Location, Location, Location.	1
New buildings have better updates and safety features.	1
Other counties aren't as desirable as Howard.	1
Proximity to Columbia.	1
We live three miles away from the Clarksville site.	1

Where Seminar Attendees Would Move if Charlestown and Riderwood Have Apartments Available

Explanations for why respondents would choose Charlestown, Riderwood or are unsure about what community they would most likely choose are listed in the tables below.

Explanation for Choosing Charlestown in Catonsville

	Count
Good floor plans and lower cost.	1
I like the location.	1
More reasonable cost and more amenities.	1

Explanation for Choosing Riderwood in Silver Spring

	Count
Lovely community.	1
Visited it before, good location and offered a plan similar to Five Star Senior Living and Sunrise Senior Living.	1
Lower entry fee.	1

Explanation for Being Unsure What Community to Choose

	Count
Currently live close to Clarksville, but would consider Catonsville.	1
Depends on pricing at all locations.	
I like the campus at Riderwood but don't know about the Clarksville construction and amenities.	1
If services are available, prefer Clarksville.	1
May consider other properties in other areas.	1
Not close enough to activities we are accustomed to.	1
Would have to visit locations.	1

Importance of Services

Research seminar participants were provided a list of services that might be offered by a retirement community and asked to rate the importance of each.

Group fitness/exercise classes and a continuum of care were rated by the research seminar attendees as most important. More than 80 percent rated group fitness/exercise classes, onsite skilled nursing, and onsite assisted living services as essential or desirable. Less than half of the households want concierge services or valet parking.

Importance of Services					
	<i>Essential + Desirable</i>	Essential	Desirable	Indifferent	Do not want or would not use
Group fitness/exercise classes	84%	42%	42%	5%	11%
On-site skilled nursing services	82%	39%	43%	13%	5%
On-site assisted living services	81%	45%	36%	16%	3%
Scheduled shuttle services	78%	36%	42%	14%	8%
On-site medical offices	73%	38%	35%	22%	5%
On-site memory care services	70%	28%	42%	25%	5%
IT support	70%	24%	46%	22%	8%
Housekeeping	65%	27%	38%	24%	11%
Country Club Dining plan - 30 meals per month	64%	16%	48%	23%	13%
Private transportation	63%	14%	49%	27%	10%
Country Club Dining plan - 15 meals per month	63%	13%	50%	27%	11%
Tech/computer or business center	53%	8%	45%	34%	13%
Concierge services	41%	6%	35%	38%	20%
Valet parking	26%	10%	16%	40%	34%

Importance of Amenities

Research seminar participants were also provided a list of amenities that might be offered by a retirement community and asked to rate the importance of each. Ninety percent or more rated wireless Internet access in the apartment, walking paths and a fitness center as essential or desirable. Participants were least concerned with a bocce ball court.

Importance of Amenities

	<i>Essential + Desirable</i>	Essential	Desirable	Indifferent	Do not want or would not use
Wireless Internet access in your apartment	97%	75%	22%	2%	2%
Walking paths	90%	56%	34%	6%	3%
Fitness center	90%	55%	35%	6%	3%
Wireless internet access throughout common areas	89%	61%	28%	8%	3%
Casual restaurant/grill	89%	37%	52%	11%	0%
Indoor swimming pool	89%	47%	42%	5%	6%
Convenience store	87%	26%	61%	11%	2%
Pharmacy	86%	38%	48%	13%	2%
Fast casual restaurant	83%	34%	49%	14%	3%
Media or movie room/theater	83%	30%	53%	13%	5%
Library/reading room	82%	44%	38%	17%	2%
On-site storage areas	79%	43%	36%	20%	2%
Tech/computer or business center	77%	21%	56%	19%	3%
Group exercise room	76%	45%	31%	14%	9%
Semi-formal restaurant	73%	17%	56%	23%	3%
Green building	70%	33%	37%	20%	10%
Game room with table tennis, billiards, cards	70%	22%	48%	25%	6%
Outdoor seating areas with fire pits	63%	14%	49%	29%	8%
Hair salon	62%	29%	33%	29%	10%
Art studio	61%	17%	44%	25%	13%
Full service day spa	57%	13%	44%	32%	11%
Communal gardening space	54%	21%	33%	29%	17%
Coffee bar	50%	16%	34%	41%	9%
Formal/high end restaurant	45%	10%	35%	42%	13%
Electric vehicle charging stations	43%	14%	29%	36%	22%
Dedicated community dog park	35%	13%	22%	24%	41%
Bar/lounge	34%	6%	28%	47%	19%
Putting green	32%	3%	29%	44%	24%
Indoor area for pickleball, volleyball, basketball	31%	6%	25%	36%	33%
Bocce ball court	21%	5%	16%	44%	34%

Other Services or Amenities Desired

Other services or amenities that research participants mentioned wanting in a new residence include a balcony (4 mentions), covered parking (3 mentions), and plenty of outdoor spaces (3 mentions).

Other Services or Amenities Desired	
	Count
Balcony	4
Covered parking	3
Outdoor spaces	3
Accept pets	1
Chapel	1
Classes in current events	1
Gathering area in each building	1
Golf	1
Guest quarters	1
Interfaith chapel	1
Large dance ballroom	1
Meditation and quiet room	1
Music room with piano	1
Netflix	1
Outdoor pool	1
Religious facility	1
Room service	1
Therapy pool	1
Woodworking shop	1

Fitness Equipment Used and Exercise Classes Desired

Participants listed the fitness equipment they currently use or would plan to use in a fitness center. The most frequently listed pieces of equipment include a treadmill (16 mentions), weights (16 mentions) and a stationary bike (14 mentions).

Exercise classes participants would most likely attend include yoga (25 mentions), aerobics (14 mentions) and Tai Chi (11 mentions).

Fitness Equipment Respondents Do/Would Use (Multiple Responses Allowed)	
	Count
Treadmill	16
Weights	16
Stationary bike	14
Elliptical machine	5
Recumbent bicycle	3
Walking	3
Nautilus circuit	2
Swimming	2
Barbells	1
Cardio	1
Non electric machines	1
Spinning machine	1
Strengthening machine	1
Track	1
Upper body	1

Exercise Classes Respondents Would Participate In (Multiple Responses Allowed)	
	Count
Yoga	25
Aerobics	14
Tai Chi	11
Zumba	7
Pilates	6
Swimming	4
Water aerobics	4
Weight training	4
Spinning	3
Cardio training	2
Low impact exercises	2
Chair aerobics	1
Jogging outdoors or bicycling	1
Parkinson's exercise classes	1
QiGong	1
Walking	1

Interest in Clubs or Activities

Seminar participants were asked to list the clubs, activities or events they would be interested in if they were to move to a new retirement community. Book club received the most mentions (9 mentions), followed by travel (6 mentions). Bridge club, dancing and musical events were each mentioned by four respondents.

Clubs or Activities Seminar Attendees Would Be Interested In at a New Community			
	Count		Count
Book club	9	French club	1
Travel	6	Hiking	1
Bridge club	4	Investment club	1
Dancing	4	IT service	1
Musical events	4	Knitting	1
Card games	3	Ladies ancient order of Hibernians	1
Mahjong	3	Lectures	1
Bible study	2	Live performing arts	1
Choirs	2	Monthly birthday celebration for residents	1
Current event discussions	2	Museums	1
Gardening	2	Outings to Broadway shows	1
Religious programs	2	Painting classes	1
Speakers	2	Parkinson's support group	1
Swimming	2	Pickleball	1
Walking inside paths	2	Political groups	1
Yoga	2	Pool	1
Aerobics	1	Pot lucks	1
Arts and crafts	1	Prayer meetings	1
Astronomy	1	Security	1
Athletic area	1	Shuttle service	1
Canasta	1	Social events	1
Celebration of different holidays	1	Symphony	1
Convenience store	1	Tennis	1
Cycling	1	Theater exercise	1
Daily fitness classes	1	Tourist attractions	1
Dog park	1	University courses	1
Exercise	1	Woodworking shop	1

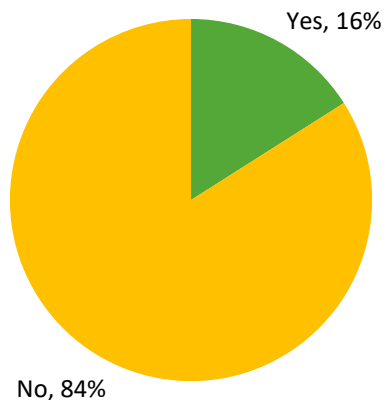
Special Diet Required

Sixteen percent of seminar attendees (10 households) require a special diet. Just more than half of those (55 percent) would expect a community to accommodate that special diet.

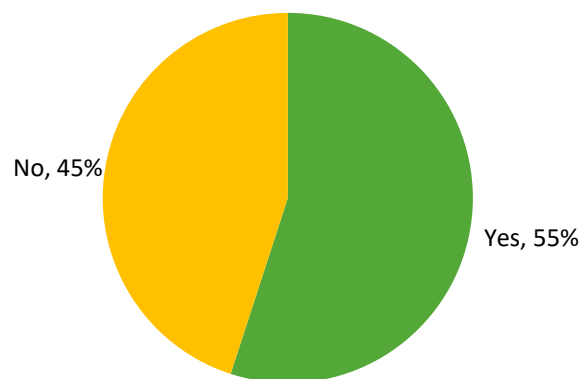
Diet requirements mentioned include diabetic/low sugar, low sodium, gluten free and kosher diets.

Special Diet Required	
	Count
Diabetic/Low-sugar	4
Low sodium	2
Gluten free	1
Kosher	1

Do you or your spouse require a special diet?



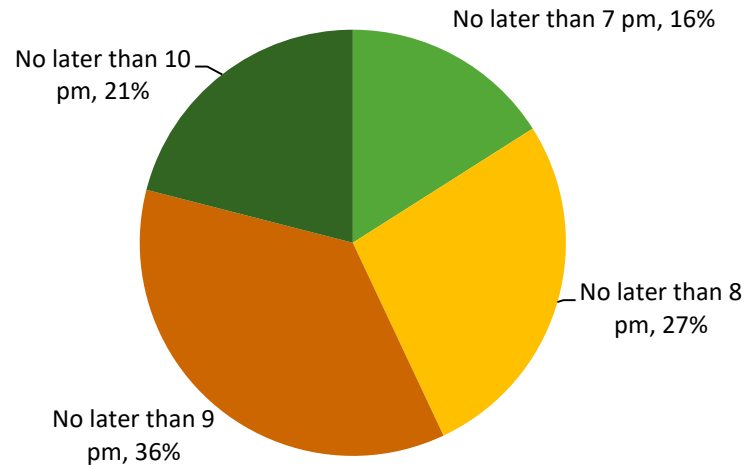
Do you require that a community accommodate your/your spouse's special diet?



How Late Should Food/Drink be Available?

Seminar attendees were asked how late they might want to be able to have a meal or drink if they were to move to the new Erickson community. The participants are divided on how late they want dining and/or bar services: 27% prefer up to 8 p.m., 36% prefer up to 9 p.m. and 21% want food/drink available up to 10 p.m.

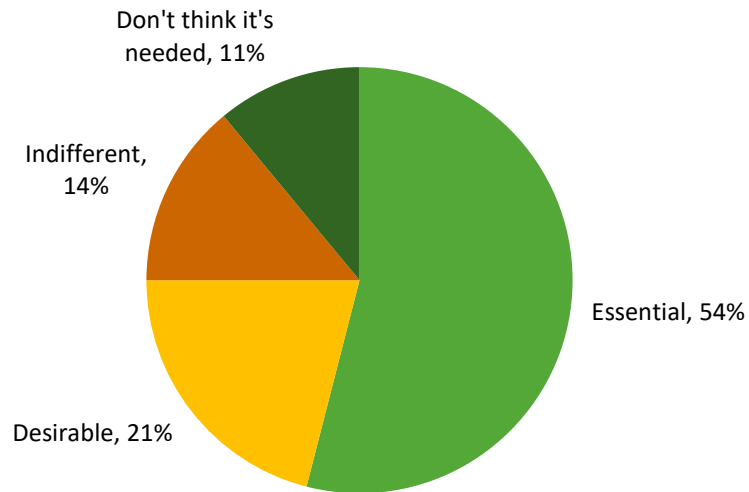
**If you were to move to this community, how late might you want to be able to have a meal and/or a drink?
(Audience Response)**



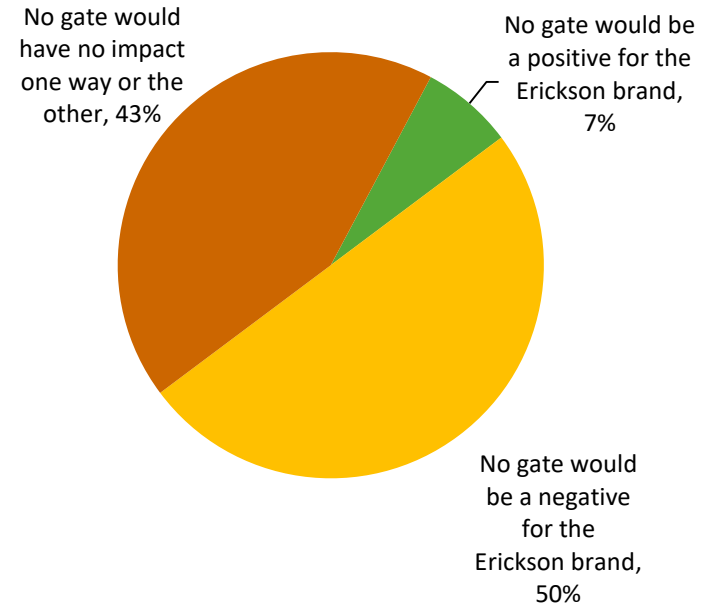
Importance of a Gate House with a Guard at the Community Entrance

The seminar participants want the Clarksville community to be gated. More than half said a gate was essential and 21% said it was desirable. And about one-half of the households think not having a gate would be a negative for the Erickson Living brand.

**Importance of Gate/Guard at Community Entrance
(Audience Response)**



**Impact of Not Having a Gate
on the Erickson Living Brand
(Audience Response)**

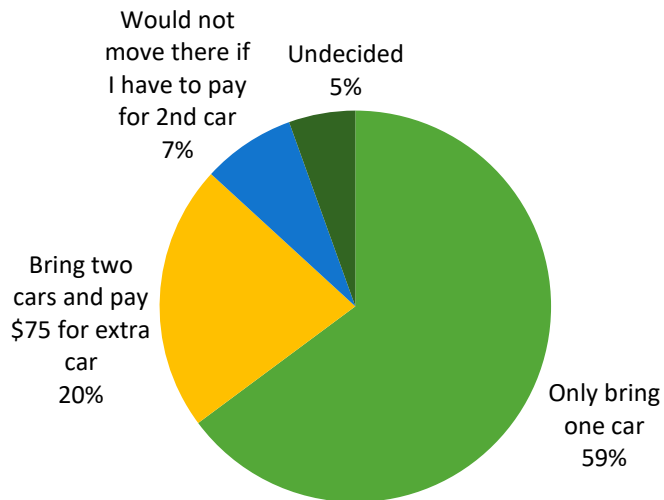


Plans for Parking at New Erickson Community

Seminar participants were told that their monthly fees for the new Erickson community would cover one garage space, and that a second car at the community would cost \$75 per month for an unreserved surface parking space. Knowing that the community will provide transportation, 59% of participants plan to bring only one car and 20% will bring two cars and pay the extra \$75 per month. Only 7% said they would not move to the community if they had to pay \$75 per month to park a second car outside.

Those who plan to bring two cars said that more frequent group transportation (57%) or access to a car sharing program such as Zipcar (40%) might convince them that they only needed one car.

What Seminar Attendees Plan to Do with Their Cars if They Move to Erickson Clarksville



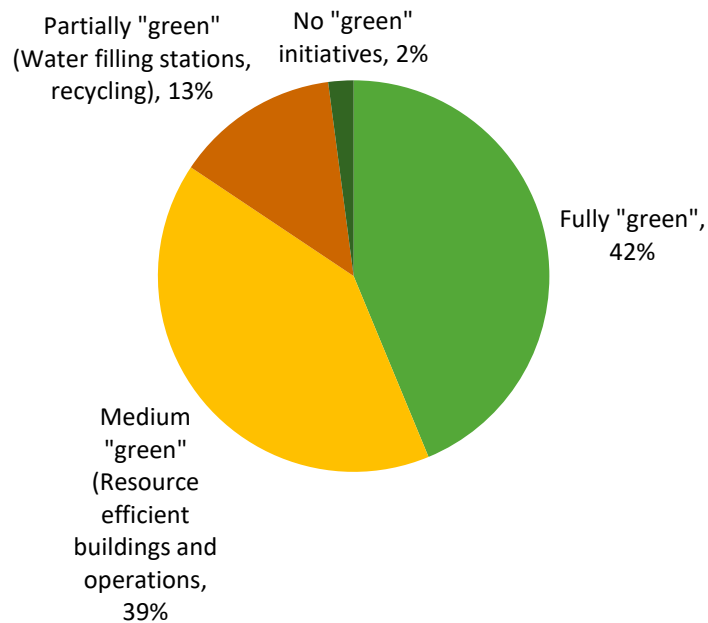
Transportation Options That Might Convince Seminar Attendees to Only Bring One Car (Multiple Responses Allowed)

	Count	Percent
More frequent group transportation	20	57%
Access to car sharing program	14	40%
Uber/Lyft service arranged by community	9	26%
Personal transportation for higher monthly fee	6	17%
None of these would convince me to bring only one car	12	34%

Preferences for a “Green Community”

The largest proportion of seminar attendees (42%) prefer that the new Erickson community is a fully “green” community described as one with resource efficient buildings and operations including solar panels and reusing rain water. Thirty-nine percent prefer a medium “green” community which was described as a community with resource efficient buildings and operations but did not include solar panels and reusing rain water.

How “Green” the New Erickson Community Should Be (Audience Response)



How “green” should this new community be?

1. No green initiatives
2. Partially green (water filling stations, recycling)
3. Medium green (resource efficient buildings and operations)
4. Fully green (resource efficient buildings and operations, solar panels, reusing rain water, etc.)

Floor Plan Preference

The seminar participants reviewed five floor plans and indicated whether or not they could see themselves living in each one. As seen in the table below, the Ramsey and Somerton are the most popular with around one-half of the households saying they could see themselves living in those apartment homes.

Several respondents also made some comments on the plans which can be found on the following pages.

		Floor Plan Preferences			
			Can you see yourself living in this apartment home?*		
Floor Plan		SF	Yes	Maybe	No
Ellicott	1 bedroom, 1.5 baths	890	25%	6%	69%
McKinley	2 bedroom, 2 bath	1050	42%	27%	31%
Newbury	1 bedroom, 1.5 baths, den	1135	34%	32%	34%
Ramsey	2 bedroom, 2 bath	1270	49%	24%	27%
Somerton	2 bedroom, 2 bath, den	1420	48%	28%	24%
Windsor	2 bedroom, 2 bath, den	1750	40%	24%	36%

* Note, respondents answered this question prior to seeing any pricing for the apartments. The results of the conjoint exercise in the next section of this report shows the respondents' preference for floor plan after viewing pricing.

“Ellicott” – 1 Bedroom, 1.5 Baths (890 sq. ft.)

Can you see yourself living in this apartment home?

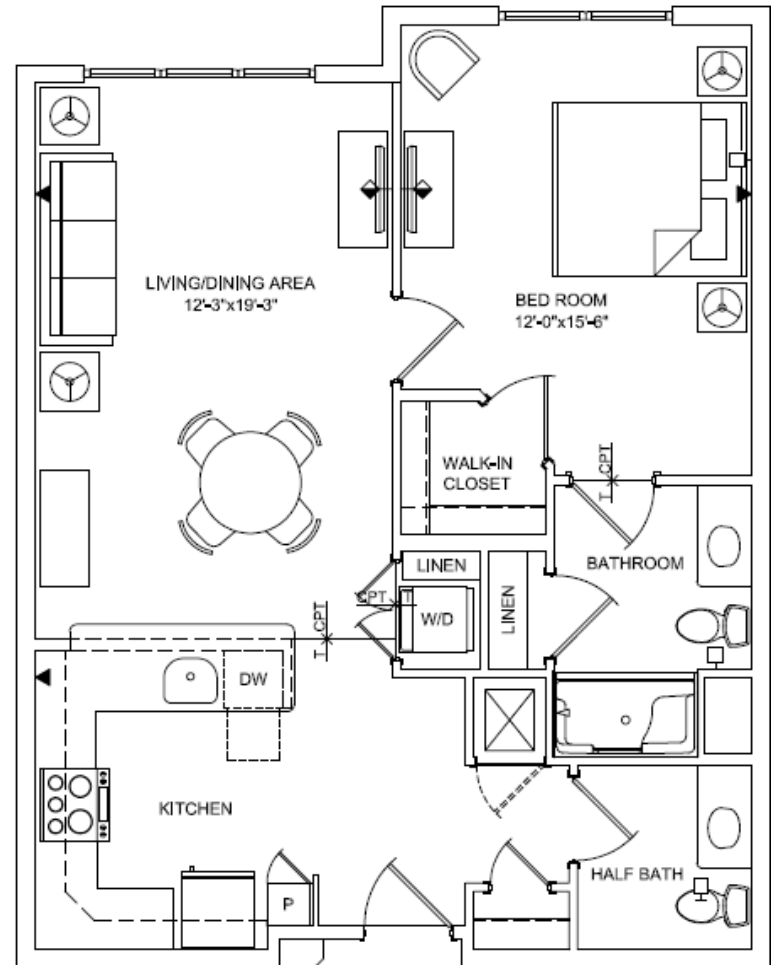
25% Yes

6% Maybe

69% No

What would you change?

- Add a bedroom or den
- Bar stools and counter for additional seating
- I would need additional rooms, more closet space
- Need two bedrooms and if available, a backyard
- The size of the bedroom, bath, and the layout
- Don't like the half bath across from the kitchen
- Too small
- We want more than one bedroom



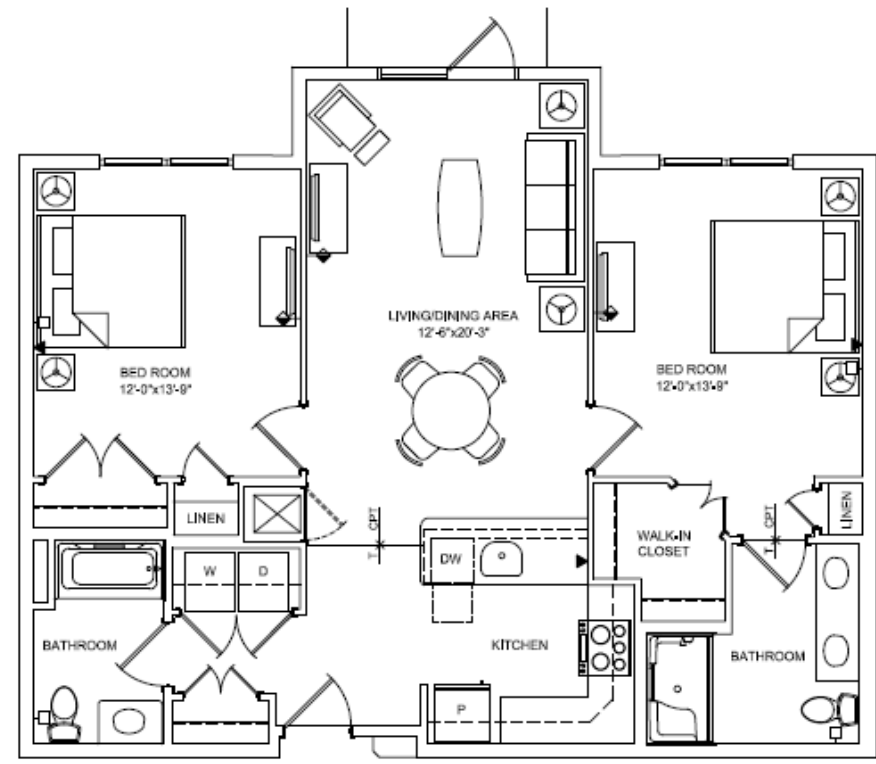
“McKinley” – 2 Bedrooms, 2 Baths (1050 sq. ft.)

Can you see yourself living in this apartment home?

42% Yes
27% Maybe
31% No

What would you change?

- Add balcony and screened porch
- Add screened first level porch
- Bedrooms are too small
- Don't like the bathroom across from the kitchen
- Master bedroom should include a shower and a tub
- Needs a fireplace and a balcony
- I'd like a separate dining area
- Not enough square footage
- Would like a den



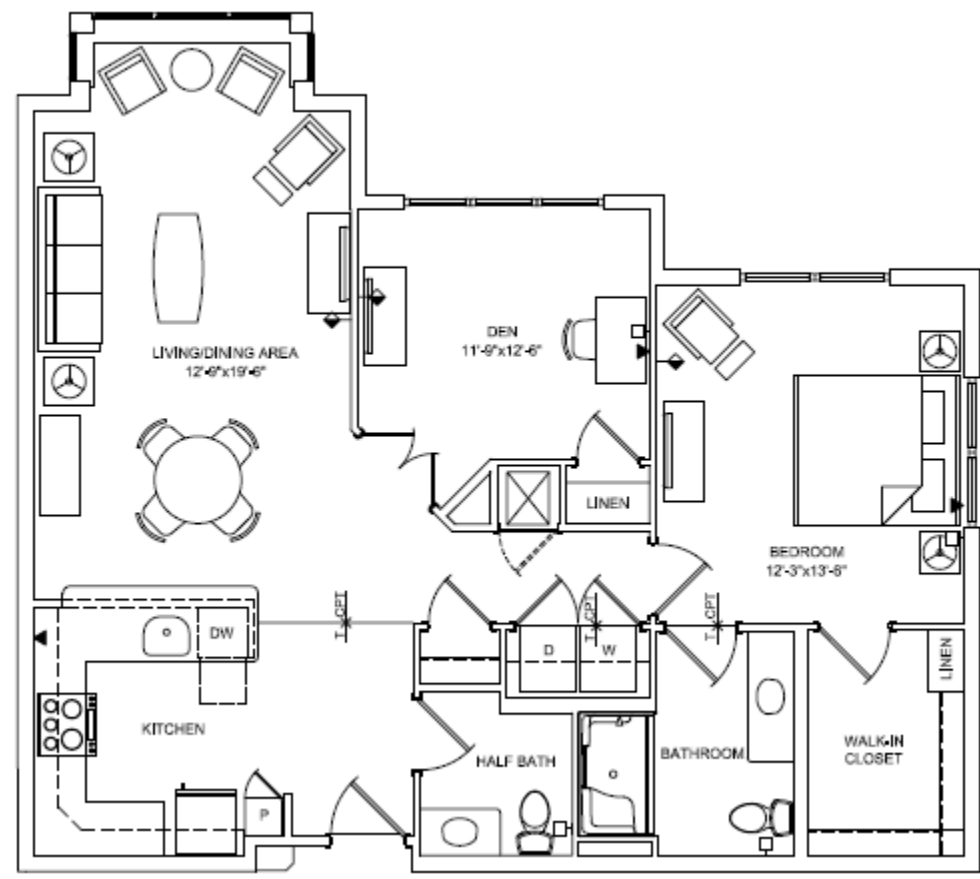
“Newbury” – 1 Bedroom, 1.5 Baths, Den (1135 sq. rt.)

Can you see yourself living in this apartment home?

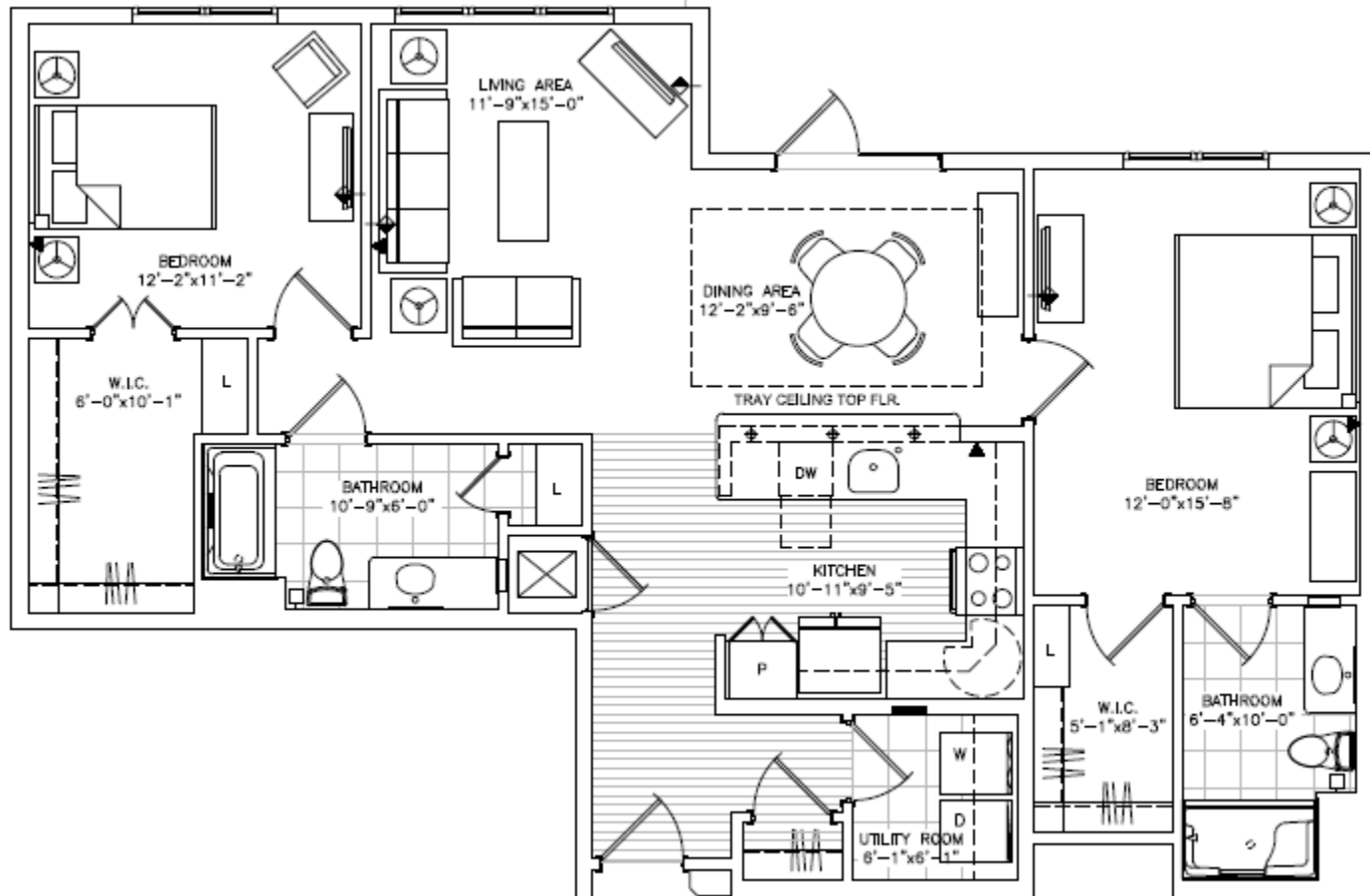
34% Yes
32% Maybe
34% No

What would you change?

- Add balcony and screened porch
- Add screened first level porch
- Additional bedroom, two full baths
- Do not like half bath across from kitchen; change to face hall across from den
- Double sink in master bath
- Washer/Dryer/Half-bath in McKinley is a better set-up
- Move closet and storage space; more square footage
- The bedroom is too small, linen closet is in a strange location
- This works for me; the den could be a dining and library
- Too small



“Ramsey” – 2 Bedrooms, 2 Baths (1270 sq. ft.)



“Ramsey” – 2 Bedrooms, 2 Baths (1270 sq. ft.)

Can you see yourself living in this apartment home?

49% Yes

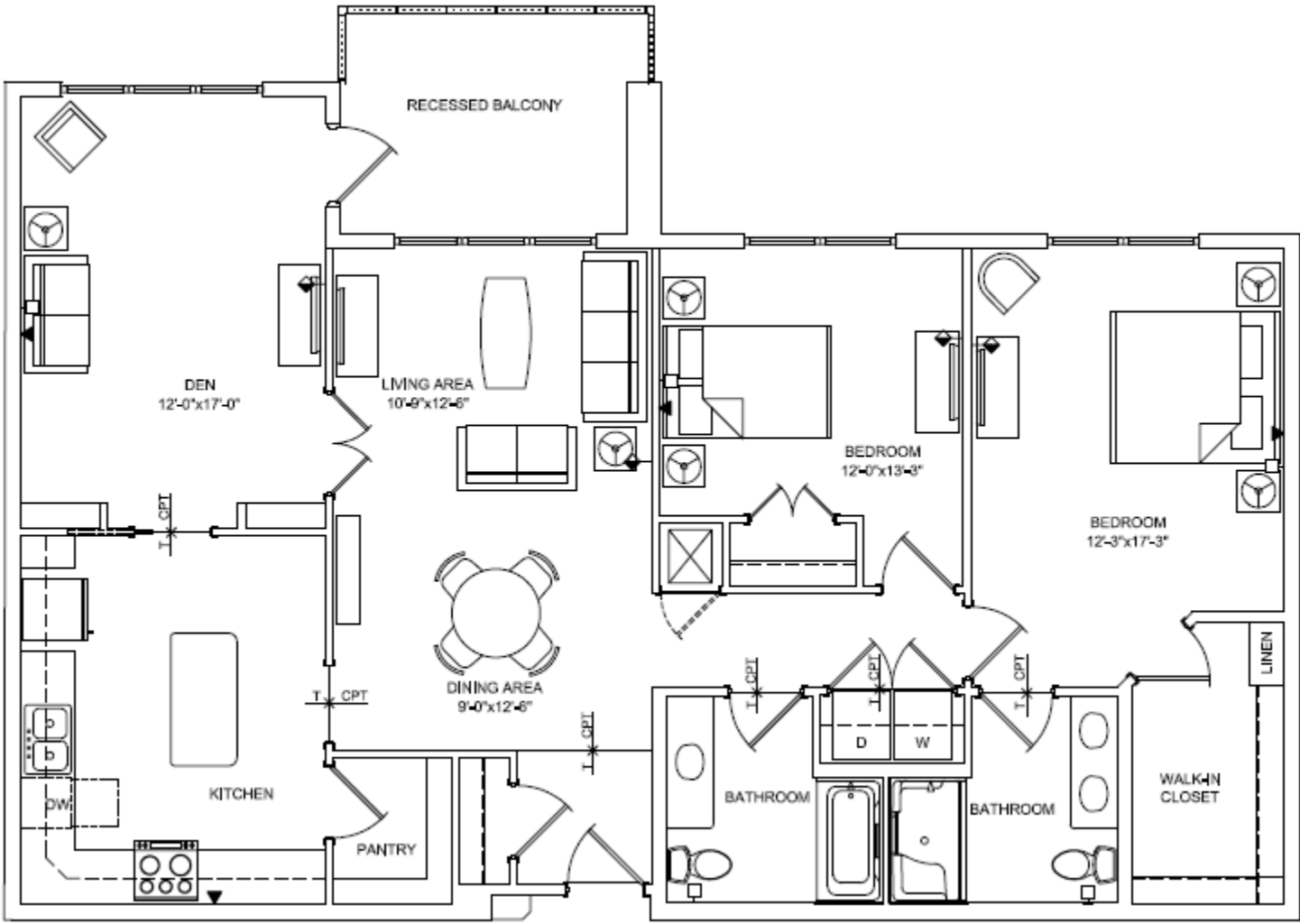
24% Maybe

27% No

What would you change?

- Add balcony and screened porch
- Add screened first level porch
- Balcony, fireplace
- Really like this one; dining area is separate
- Space for kitchen table
- Would like screened porch

“Somerton” – 2 Bedroom, 2 Baths, Den (1420 sq. ft.)



“Somerton” – 2 Bedroom, 2 Baths, Den (1420 sq. ft.)

Can you see yourself living in this apartment home?

48% Yes

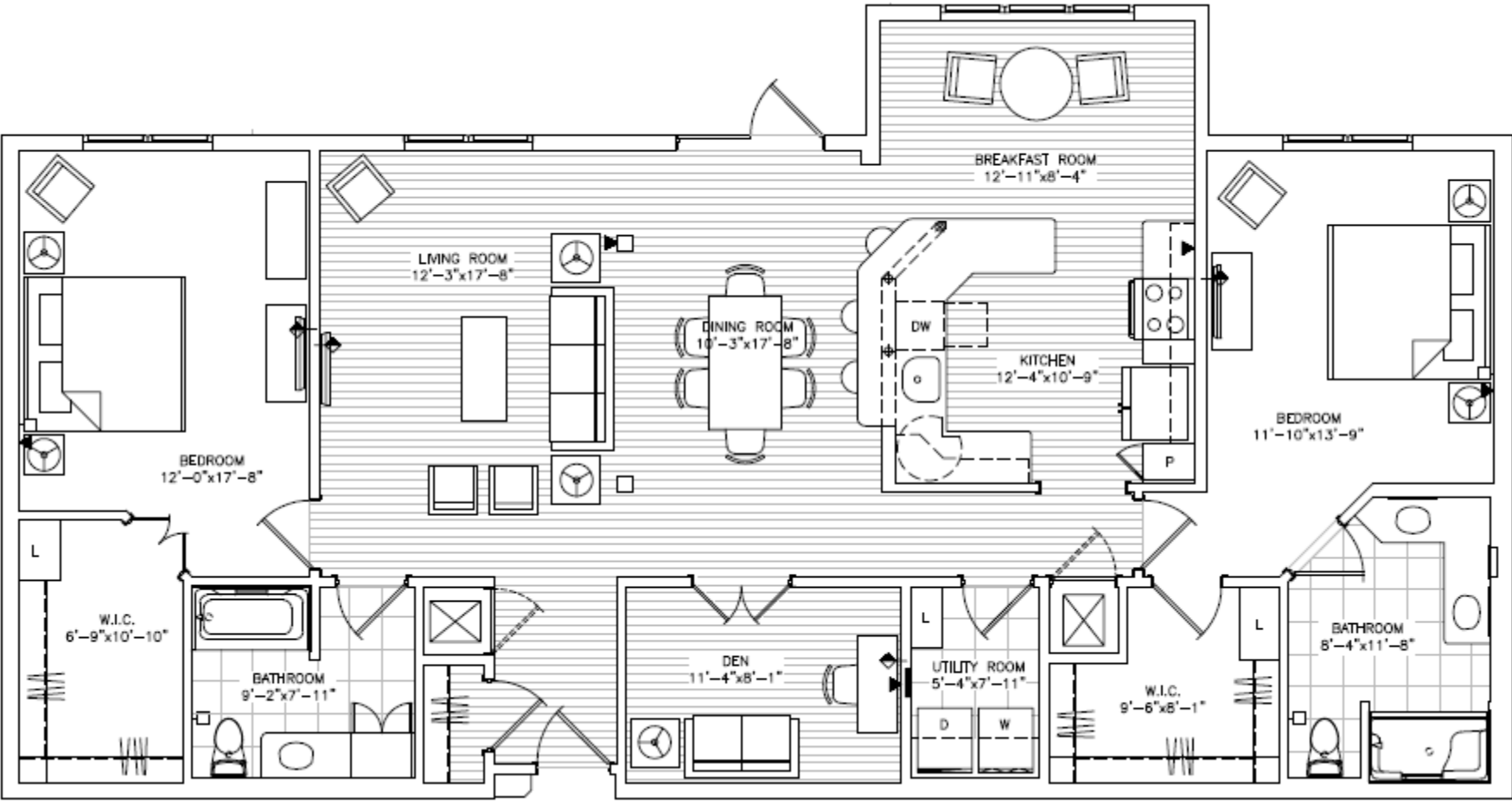
28% Maybe

24% No

What would you change?

- Add screened porch
- Dining area, though the den could be used as dining and library as it's off the kitchen
- Make the 12 x 17 bedroom larger, 24 x 20 would be ideal
- Not sure I like bath and bedrooms together
- Too big
- With first level screened porch

“Windsor” – 2 Bedroom, 2 Baths, Den (1750 sq. ft.)



All images, descriptions, pricing, and concepts are representations for research purposes only. Not to scale. The actual product is likely to differ.

“Windsor” – 2 Bedroom, 2 Baths, Den (1750 sq. ft.)

Can you see yourself living in this apartment home?

40% Yes

24% Maybe

36% No

What would you change?

- Add balcony
- Large master bedroom
- Maybe less open space
- Needs larger bedroom
- Needs closet inside master bathroom
- Nice open concept
- Too big

Preferred Standard Interior Finish

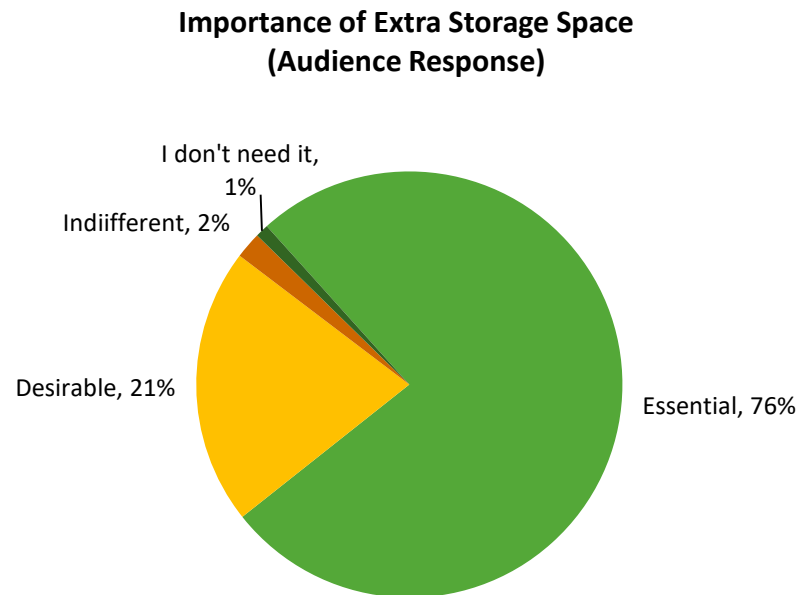
The market for the proposed Erickson community desires an upgraded finish in the apartments which includes granite countertops and stainless steel appliances in the kitchen; granite countertops and tile tub/shower surround in baths; a shower in the master bath and tub/shower combination in the 2nd bath; crown molding; and 9-foot ceilings.

They are divided in whether wood style flooring should be in the entry and kitchen, with carpet in the living room, or whether hardwood should be throughout the apartment.

Preferred Standard Interior Finish (Seminar)			
	Wood style in entry and kitchen, carpet in living room	Wood style throughout	Hardwood throughout
Flooring in main area	43%	15%	42%
	Granite	Quartz	Other
Kitchen countertops	60%	29%	11%
	White or black	Stainless steel	Stainless steel non-smudge
Kitchen appliances	29%	42%	29%
	Side by side	French door	
Refrigerator	45%	55%	
	Cultured marble	Granite	Quartz
Bath countertops	28%	44%	27%
	Shower in master, tub/shower in 2nd	Shower in both	
Bath	68%	32%	
	Fiberglass	Tile	
Tub/shower surround	31%	69%	
	No crown molding	Crown molding in living room	Crown molding throughout the unit
Crown molding	30%	33%	37%
	9-foot	10-foot	12-foot
Ceiling height	59%	29%	12%

Importance of Extra Storage Space

Seminar attendees desire extra storage. More than three-fourths of seminar attendees indicated that if they were to move to the new community, having extra storage would be essential. Another 21 percent said it was desirable.

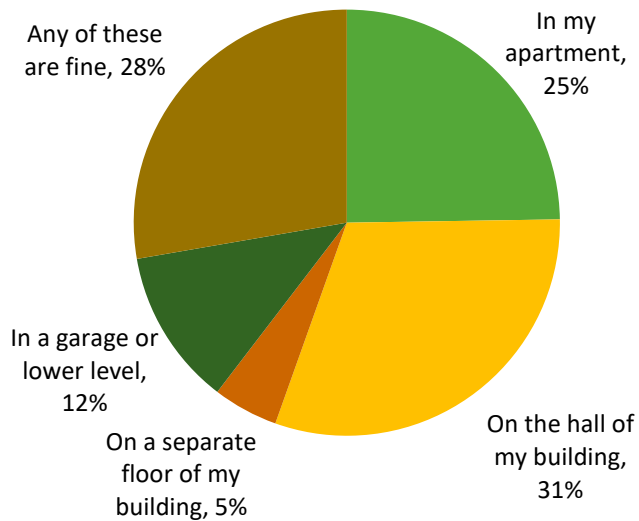


Importance of Extra Storage Space

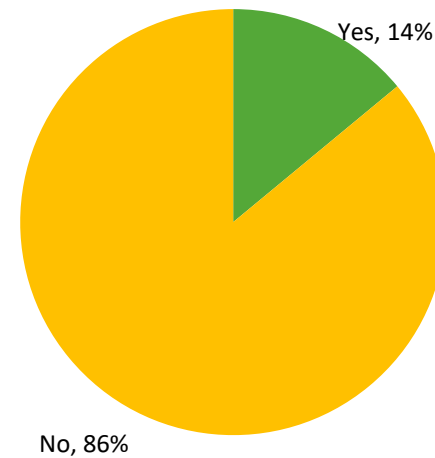
Participants are divided on where extra storage should be located at the new community. Thirty-one percent want it in the hall of their building, one-fourth want it in their apartment, and another 28 percent said any location would be fine.

Attendees, however, do not want to have to pay for their extra storage space. Eighty-six percent said they would not be willing to pay \$40 per month for a 4 x 4 x 8 storage space. Discussion that followed this question suggested the participants did not expect to pay an additional amount for extra storage.

**Where the Storage Should Be Located
(Audience Response)**

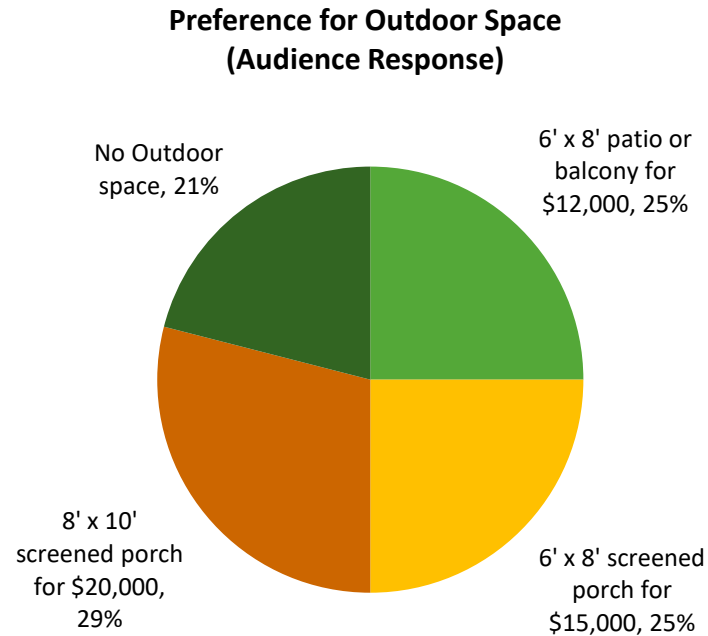


**Would You Pay \$40 per Month for 4x4x8 Storage?
(Audience Response)**



Preference for Outdoor Space

Seminar attendees are divided on their preferences for an outdoor space on the apartments of the new community. One-fourth each prefer a 6' x 8' patio/balcony for \$12,000 or a 6' x 8' screened porch for \$15,000. A slightly higher proportion (29%) prefer an 8' x 10' screened porch for \$20,000.



How Seminar Participants Plan to Pay for their New Residence

The majority of seminar participants (87%) plan to pay for their new residence with proceeds from the sale of their current home. Another 31 percent will use savings and investments.

How Seminar Participants Plan to Pay for their New Residence (Multiple Responses Allowed)

	Count	Percent
Proceeds from the sale of their home	52	87%
Savings and investments	18	31%
Borrow money from bank/lender	2	3%
Borrow money from family	1	2%

Thoughts about Howard County

Seminar attendees have a very positive opinion of Howard County. When asked to describe the best things about the county, the good location was mentioned most frequently (18 mentions) followed by the convenience offered (12 mentions) and the opportunities available in the area (10 mentions). If Erickson wants to help its residents stay connected to the Howard County community, participants suggested they could run a free shuttle to Howard County events (15 mentions), co-host activities with the county (5 mentions), and partner with Howard Community College for classes (5 mentions).

Best Things About Howard County (Multiple Responses Allowed)

	Count
Good location	18
Convenience	12
Opportunities available in the area	10
Safe community	8
Close to family and friends	7
Outdoor spaces	6
Area is beautiful	4
Central location	4
Close to Baltimore and DC	4
Good schools/colleges	4
Hospital and medical care	4
Community services	3
Diversity	3
Low crime rate	3
Everything	1
Excellent senior services	1
Malls	1
Property taxes	1
Upscale atmosphere	1

How Erickson Can Help Residents Stay Connected to the Howard County Community (Multiple Responses Allowed)

	Count
Run a free shuttle to Howard County events	15
Co-host activities	5
Partner with HCC for classes	5
Participate in community events	3
Emphasize community events	2
Open a dog park	1
Tie in with Howard County paths and open space	1
Utilize Howard County library services	1

How Erickson Might Attract a Diverse Resident Population

Seminar attendees provided suggestions for ways in which Erickson might attract a diverse resident population. The most frequently provided response was to offer cultural and ethnic programs on site (9 mentions). Other suggestions were including minorities among staff members (3 mentions) and lowering prices (3 mentions).

What Erickson Could Offer in Services and Programs to Attract a Diverse Resident Population (Multiple Responses Allowed)

	Count
Offer cultural and ethnic programs on site	9
Include minorities among staff members	3
Lower your prices	3
Make the community open to all	2
Offer a variety of church services	2
Offer shuttle services to cultural events/worship	2
Aggressively market for diverse groups	1
Engage in community outreach	1
Follow Columbia's vision for providing for diversity	1
Include minorities on marketing materials	1
Offer a diverse, cultural menu	1
Offer a Kosher meal plan	1
Offer a wide range of services	1
Offer HCC classes	1
Offer incentives for move-ins	1
Offer music/performances for different cultures	1
Offer subsidized housing	1
Offer trips to DC	1
Open a dog park	1

Final Comments Noted on Survey

At the end of the seminar, a few participants recorded some final thoughts. Their comments are below.

Final Comments by the Participants

Contract with Howard Community College to provide educational classes.

Economic diversity is not possible to achieve, only those with higher incomes and resources can live here. Often, that fact hurts minority communities, especially women and racial minorities.

I would like a full size tub. I like living among people of diversity.

Much concern about the 10% not refundable. You should invest the money and the amount left could be divided, some other method must be reviewed.

Paying \$900.00 a year for parking a second vehicle is insane.

Thank you for the opportunity and have a blessed day.

The presentation was excellent, very informative. Thank you.

This cost more than what I expected. This was an eye opener for me. The monthly cost are just a little less than a nursing home, but you do provide better services.

This is my first exposure to retirement community options.

Very informative, well done.

We really want to remain in Columbia in an Erickson community.

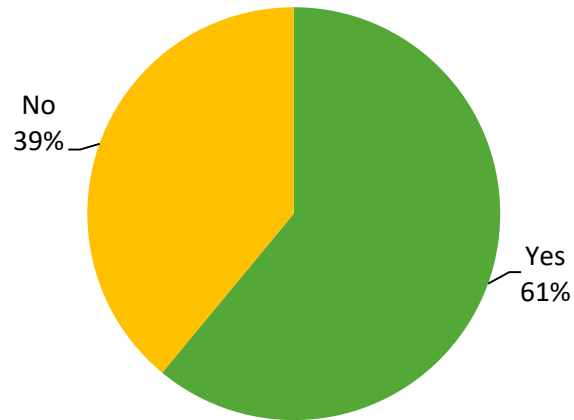
We would only move in with the 90% deposit plan. That should be Erickson's Traditional plan.

Your fees are too expensive.

Requests for Additional Information

Out of the 66 households who attended the seminar, 40 (or 61%) provided their name and address to receive updates on the new Erickson community in Clarksville. An additional 21 households who completed the phone survey but were unable to attend the seminar also requested information. ProMatura will supply the contact information for these 61 households to Erickson.

Seminar Participants Who Requested Additional Information



DEMAND ESTIMATE

Estimate of Demand

The following page shows estimates of demand for the proposed Erickson community based on the results of the telephone survey and the research seminar. Three demand estimates are shown: conservative, aggressive, and likely. The conservative estimate assumes that leads who refused to participate in the telephone survey and a proportion of the households from the purchased list who refused the survey are not potential prospects for the proposed community. We multiplied the total number of leads by their participation rate of 20%, and we multiplied the total number of age- and income-qualified households by their participation rate of 15%, then doubled that.

The introduction of the telephone survey for the purchased list did not mention that Erickson was considering the development of a new community in Clarksville, as the survey of leads did. As a result, we doubled the participation rate among the purchased list to arrive at the potential number of prospects to account for those households who refused the survey but might still be prospects for the community. Since the introduction of the survey of leads mentioned Erickson contemplating a new community in Clarksville, we assumed that only those who participated in the survey were potential prospects, so we did not double the participation rate as we did for the purchased list group.

The aggressive estimate does not include a reduction in the number of qualified households for the refusal rate to the telephone survey. All other calculations are the same as in the conservative estimate.

The likely estimate is the average of the conservative and aggressive estimates.

Assuming Erickson offers the 90% refundable entrance deposit contract at the projected prices, our most conservative estimate of demand over a three-year period is for 411 units. This estimate does not include any demand from outside of the survey sample area.

All estimates assume the residences at the proposed community are of the size and quality, and priced as tested in this research. Any variation from what was tested would result in a different estimate.

**Estimate of Demand for an Erickson Living Community in Clarksville, MD from Primary Market Area
Among Households 70+ with \$40,000+ Income in Primary Market Area
Assumes 90% Refundable Entrance Deposit at Projected Prices**

		Conservative (Assumes Universe of Leads is Total # of Leads x Survey Response Rate; Assumes Universe of Qualified Households is Qualified Households x Response Rate x 2)			Aggressive (Does Not Adjust Leads/Qualified Households by Survey Response Rate)			Likely (Assumes Average of Conservative and Aggressive for Row 7)		
		Leads	Purchased List (Excluding Leads)	Total	Leads	Purchased List (Excluding Leads)	Total	Leads	Purchased List (Excluding Leads)	Total
Row 1	Qualified households in primary market area (2017)	8,151	19,121	27,272	8,151	19,121	27,272	8,151	19,121	27,272
Row 2	Households in primary market area who are prospects for the Proposed Community (based on response rate to phone survey)	1,630	5,736		8,151	19,121		4,891	12,429	
Row 3	Households in primary market area very likely to move to the Proposed Community from phone survey	4%	3%		4%	3%		4%	3%	
Row 4	Households in primary market area likely to move to the Proposed Community from phone survey	15%	8%		15%	8%		15%	8%	
Row 5	Households in primary market area unsure about moving to the Proposed Community from phone survey	19%	18%		19%	18%		19%	18%	
Row 6	Total penetration from phone survey (Row 3 + Row 4 + Row 5)	37%	29%		37%	29%		37%	29%	
Row 7	Total market potential (Row 2 x Row 6)	602	1,641		3,008	5,469		1,805	3,555	
Row 8	Respondents who found an apartment home in conjoint at projected prices	70%	70%		70%	70%		70%	70%	
Row 9	Respondents very likely or likely to move to the Proposed Community who didn't find an apartment home in conjoint exercise	0%	0%		0%	0%		0%	0%	
Row 10	Total percent market share from conjoint (Row 8 + Row 9)	70%	70%		70%	70%		70%	70%	
Row 11	Respondents who found a home in conjoint (Row 7 x Row 10)	421	1,148		2,105	3,828		1,263	2,488	
Row 12	Percent of respondents who found home in conjoint who are very likely or likely to move to the Proposed Community in 2020 through 2022	26%	26%		26%	26%		26%	26%	
Row 13	Total 3-year demand (Row 11 x Row 12)	110	301	411	552	1003	1555	331	652	983
Row 14	Annual demand (Row 13/3)	37	100	137	184	334	518	110	217	328
Row 15	Low estimate of annual demand	35	96	132	177	321	497	106	209	315
Row 16	High estimate of annual demand	38	104	143	191	348	539	115	226	341

SUMMARY

Summary

Background Information

This report summarizes the results of consumer research conducted for a new Erickson Living continuing care retirement community in Clarksville, MD. The research program included a telephone survey and two research seminars with age- and income-qualified households living in the primary market area for the community (see page 5 for market area).

1. ProMatura surveyed 847 households via phone; and
2. 66 households attended one of two research seminars held at 10 Oaks Ballroom in Clarksville on August 8, 2017.

Key Results

The key findings from the consumer research are summarized below.

1. There is strong demand for the proposed Erickson community. We conservatively estimate there is a 3-year demand for 411 independent living units for the Clarksville community. This estimate is conservative because it assumes most of the households who refused to complete our telephone survey are not prospects for the Clarksville community. Our estimates assume the final product and pricing are similar to what was tested in this research and the community is effectively marketed to qualified households in sample area (shown on page 5 of this report).
2. Among the general age- and income-qualified market who completed the telephone survey, 32% of the households prefer the Erickson community in Clarksville, 14% prefer Riderwood Village, 12% prefer Charlestown and 42% are unsure. The respondents made their selection prior to seeing pricing.
3. The market prefers the standard Erickson service package that includes:
 - 1 meal per day
 - Utilitiles
 - Local phone
 - Basic cable
 - WiFi
 - Recycling and trash
 - Access to all amenities including fitness center
 - Scheduled group transportation

As a group, they do not want any of the following included in their base monthly fees: Concierge service, valet parking, personal transportation or a personal fitness program.

4. Other services desired by more than three-fourths of the market are, in order of importance:
 - Group fitness classes (84% rated essential or desirable)
 - On-site skilled nursing (82%)
 - On-site assisted living (81%)
 - Scheduled shuttle services (78%)

5. The community amenities important to three-fourths or more of the target market are, in order of importance:
 - Wireless Internet access in the apartments (97% rated essential or desirable)
 - Walking paths (90%)
 - Fitness center (90%)
 - Wireless Internet access throughout the community (89%)
 - Casual restaurant/grill (89%)
 - Indoor swimming pool (89%)
 - Convenience store (87%)
 - Pharmacy (86%)
 - Fast casual restaurant (83%)
 - Media or movie room (83%)
 - Library (82%)
 - On –site storage areas (79%)
 - Tech/computer center (77%)
 - Group exercise room (76%)
 - Gated community (75%)*

* During discussions, the participants felt pretty strongly that a gate was needed at the community entrance.

6. After hearing that each apartment comes with one underground parking space and anyone with a second car would be charged \$75 per month for surface parking, 59% of the seminar participants said they would bring one car to the community, 20% would bring two cars, 5% were undecided and only 7% would not move there if they had to pay to park a second car. It should be noted that this 7% was probably not planning to move to the community regardless.

7. The market expects a high level of finish in their apartments including:
 7. Wood style flooring in entry and kitchen or hardwood throughout unit;
 8. Granite countertops in kitchen and baths;
 9. Stainless steel appliances;
 10. Tile tub/shower surround;
 11. Crown molding, at least in the living room; and,
 12. 9-foot ceilings.