

Treplus Communities

Active Adult Portfolio Has Strong Leasing Activity with Waitlists at Two of Five Properties

Active Adult living is emerging as a lifestyle solution that is an alternative to offerings in senior housing. NIC defines the [active adult segment](#) as rental properties that are age-eligible, predominantly market rate properties that are lifestyle focused. Active Adult communities offer social engagement in programming and events to support an active lifestyle. The amenities are not inclusive of dining services, transportation, housekeeping, or any other services found in traditional independent living. NIC expects the property type and definition to evolve as the product matures.

Active adult rental properties are a response to the preferences of the leading edge of the 85 million baby boomers and 65 million Gen Xers. Active adult residents are younger and have lower acuity needs than typical residents in senior housing independent living. The properties are generally marketed to these target consumers as active adult apartment homes and often with mention of it being a 55+ community.

Key factors in an active adult rental strategy are listed below and may be expanded upon in future case studies:

- Understanding the consumer
- Choosing amenities and activities that are distinct from traditional multifamily
- Choosing product type, design, and location that are conducive to downsizing
- Implementing and maintaining a strong brand

Objective

The National Investment Center for Seniors Housing & Care (NIC), a 501(c)(3) organization, works to enable access and choice by providing data, analytics, and connections that bring together investors and providers. NIC Analytics Case Studies feature organizations, strategies, and products that are solving industry challenges with creative solutions that are effective, repeatable, and scalable. NIC’s objective is to share these solutions with the industry.

About Treplus Communities

Treplus Communities (Treplus) has developed, built, and manages five active adult properties located in Ohio. One property – [Dogwood Commons](#) located near Dayton and opened in summer 2023 – won first place in the 2023 Senior Housing News Architecture & Design Awards in the “Active Adult” category. Four additional properties are located in the Columbus/Central Ohio area, with a fifth property planned. This growing, active adult brand has plans for expansion into additional Midwest markets. The following outlines the approach Treplus Communities utilizes to meet the housing and lifestyle needs of active adults.



Understanding the Consumer

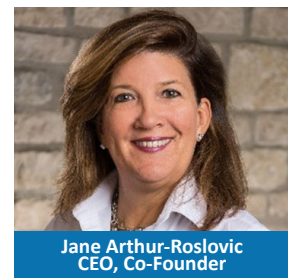
Treplus Communities offers one- and two-bedroom single-story floor plans ranging from 1200 to 1600 square feet with asking rents on average 20% above traditional multifamily and 40% below traditional independent living.

Residents of Treplus Communities are renters by choice who desire flexibility, maintenance-free living, and upscale single-story living spaces. More than one-third are still working; nearly half are single; and two-thirds come from a home that they own. Nearly half move into Treplus properties from 20 or more miles away.

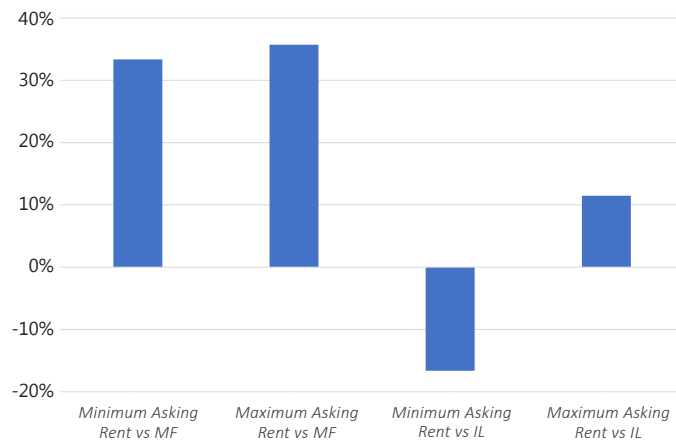
Target: 55+ Active Adult Marketing	Median Age: 73.5 25% are 55-64	65% Retired 35% Employed	48% Singles (primarily women) 52% Couples
66% Come from a Home They Own	Income: \$109,000 Annually (estimate) <small>*Must prove that income is 2.5x monthly rent.</small>	Distance: 5 Miles: 11% 10 Miles: 23% 15 Miles: 35% 20+ Miles: 48%+	

Source: Treplus Communities

Treplus Communities’ market rents on average are 20% above traditional multifamily market rates and 40% below independent living market rates. Treplus does not charge entrance fees, and rents include maintenance, repairs, lawn care, and property taxes. Rents may or may not include utilities, cable, and internet. Pets are popular and “pay rent,” typically a one-time fee of \$300 and then \$35/month. Amenities and activities are provided at no additional cost to residents, unless outside vendors are brought into the clubhouse common areas who then charge residents separately.



Dogwood Commons Asking Rent Comparison



Source: Treplus Communities, Apartments.com, NIC MAP Vision - As of January 19, 2024 on a price per square foot basis for MF and price per unit basis for IL.

Choosing Product Type, Design, and Location Conducive to Downsizing

Treplus builds single-story cottages with attached garages and ample storage to ease residents’ downsizing transition.

As a company, Treplus Communities understands that the bulk of prospective residents are moving from homes that they own, typically from over 2,500 square feet and sometimes much larger, e.g., 5,000-7,000 square feet. As a result, single-story living resonates more than traditional apartment-sized multi-story living. Each apartment building is comprised of 2-5 units, all with integrated Universal Design features, and each with a spacious attached garage with room on both sides for storage shelving. One-bedroom units have one-car garages, and two-bedroom units have two-car garages.



Treplus properties are comprised of 90-110 units. Each community has 5,000 square foot clubhouse commons with a pool table and darts, and a flex room for everything from yoga to book club. Additionally, each community has a Community Garden that is popular with residents who actively plan fall, spring, and summer gardens that have been known to compete with other Treplus Community Gardens.

Regarding site location, while some active adult operators prefer to be near traditional senior housing as part of the housing and care continuum, Treplus prefers to build communities with specific criteria that offer highly sought after local amenities that support the active adult lifestyle. In site selection, Treplus cites proximity to retail and services with high importance.



Universal Design Features in Treplus Communities

- No step entries into the home
- Single-floor, ranch-style living; no steps within the home – including no-step walk in showers (with tubs in the 2nd bath)
- Surfaces that are stable, firm, and slip resistant (wood look flooring and tile)
- Wide interior doors (at least 3’0”), hallways, and accessible bathrooms
- Lever handles for opening doors
- Bright and appropriate lighting, particularly natural and task lighting
- Light switches and electrical outlets at heights that are more accessible
- Additional grab bars in bathrooms that are adaptable

Treplus Communities seeks optimally located development and construction sites in Midwestern states for active adult communities with the following criteria as a guide:

- 15+ acre site near active recreational amenities, trails, parks, and community services
- Zoned multifamily or has the ability for an active adult use at a density of six dwelling units per acre
- Infrastructure and utilities available to site
- Suburban infill sites or part of master planned communities and residential development projects

Challenges/Lessons Learned

In site location, the ability to obtain entitlements and win over NIMBYs requires a great deal of education to local officials regarding the benefits of building active adult, e.g., freeing up single-family homes for young families to purchase and helping older adults save on housing as they age by downsizing. Active adult communities have less impact on traffic than traditional multifamily housing and provide real estate taxes without utilizing school systems.

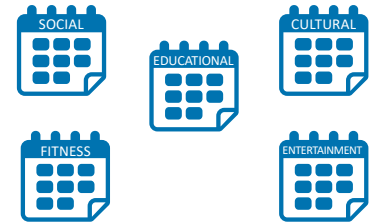
Choosing Amenities and Activities Distinct from Multifamily

A Resident Activity Committee plans events, which the Lifestyle Coordinator executes.

Activities:

Treplus utilizes a Resident Activity Committee (“The RAC”), which is comprised of 10% of residents at each community. The RAC plans activities, and Treplus Communities provides a Lifestyle Coordinator to facilitate programs and events. For example, one community requested a Spa Day, and the Lifestyle Coordinator brought in an outside

vendor to offer massages using the flex room. Each community has its own Resident Activity Committee, and the company employs one Lifestyle Coordinator to serve all five of its communities. For residents who wish to travel, Treplus Travel offers three annual trips to residents of all communities as a package. Travel offers additional opportunities for inter-community engagement, friendships, and camaraderie.



Challenges/Lessons Learned

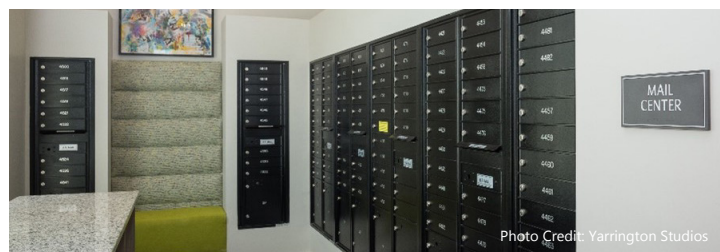
Each Treplus community has its own “personality” and often “competes” with other Treplus communities, strengthening brand recognition and camaraderie.

Amenities:

Treplus Communities are new construction that include landscaped areas, water features, green space, a clubhouse, a fitness center, and common areas.

Each community has on-site management and maintenance, as well as access to a concierge service to help with a variety of personal care and home services, e.g., event ticket purchases and vacation or business travel planning. Additionally, “SPIRO 100” wellness programs are available to all residents in the home or fitness center, i.e., virtual gym memberships at no extra cost to residents.

The Commons buildings have coffee bars, and the on-site Community Director provides fresh-baked cookies daily. In addition to the clubhouse, another popular place for socializing is the mail center and package room.



Common Area Features Include:

- Café with coffee bar and liquor lockers
- Private party spaces with kitchen
- Clubhouse
- Wellness facilities
- Outdoor patios with barbecue grills and fire pits
- Business and computer centers
- Book and DVD libraries
- Community Garden
- Dog Park

Challenges/Lessons Learned

Community culture drives amenity use. For example, liquor lockers are fully rented at some Treplus properties and not as popular at others.

Implementing and Maintaining a Strong Brand


Communities are typically 25% pre-leased for the entire project upon opening initial units.


Marketing and Lease-Up:

Treplus Communities has established relationships with professional downsizing consultants to help prospective residents transition from single-family homes to active adult lifestyles. The sales process¹ provides a worksheet to compare being a renter by choice versus owning a home as part of the downsizing decision process.

Compare 55+ Active Adult Living

Rent vs. Buy

RENT	UPFRONT COSTS	BUY
	Application Fee	Down Payment
	Process Fee	Inspection
	Security Deposit	Closing
		Updates

RENT	MONTHLY COSTS	BUY
	Cable	Mortgage
	Electric	Mortgage Insurance
	Gas	Property Taxes
	Insurance	Insurance
	Internet	HOA/Condo Dues
	Rent	Maintenance/Repair
	Water	Lawn Care
		Utilities
		Gas/Electric
		Water/Sewage/Trash

RENT	SELLING/MOVE-OUT COSTS	BUY
	Buy-Out Fee	Agent Commissions
	Damages	Closing Costs
		Escrow Fees
		Home Warranty
		Mortgage Payoff
		Notary Fee
		Prepayment Penalty
		Title Search Fee
		Transfer Tax

Worksheet

Monthly Costs	Rent at Treplus	Buy a Home Sample	Your Expenses
Mortgage or Rent Payment*	\$2,400	\$1,257	
Lost Investment Income on Equity in Home		\$350	
Application, Closing Fees	\$50		
Homeowners / Condo Association Fees		\$150	
Utilities - Gas, Electric	\$100	\$150	
Water	\$35	\$35	
Cable/Internet	\$160	\$160	
Property or Renters Insurance	\$40	\$75	
Property Tax	\$0	\$667	
Home Maintenance**	\$0	\$300	
Social Engagement	Priceless		
Total Monthly Cost	\$2,785	\$3,144	

*Comparison assumes a home price of \$350,000 with 20% downpayment and 3.50% interest rate on 30-year loan.

** Home maintenance costs do not include major repairs.

Source: Treplus Communities

¹ Prospects are encouraged to consult with trusted advisors.

At Dogwood Commons, after six months of construction and once safe and efficient to do so, Treplus placed a trailer on site for marketing and lease-up. After 12 months of construction, Treplus initially delivered the Commons (i.e., clubhouse), which included the leasing office, and at the same time delivered the first four buildings in the community, which are each comprised of 2-5 units that were 95% leased at soft opening. Within those buildings, Treplus designated one unit as the model for the remainder of construction and lease-up. Communities are typically 25% pre-leased for the entire project upon opening, and Treplus targets 36 months from start of construction to stabilization, i.e., 95% occupied. At soft opening, Dogwood Commons was 30% pre-leased with pro forma stabilization of 36-months.

Challenges/Lessons Learned

While on-site marketing costs drop dramatically once stabilized, Treplus maintains an in-house marketing team to maintain occupancy and brand awareness. Treplus also involves its property management teams in the construction process because resident expectations are more like a home purchaser than a traditional multifamily renter.

Managing Acuity:

Treplus follows all Fair Housing laws, including the Housing for Older Persons Act (HOPA), which was signed into law in 1995 and eliminated the requirement of 55+ communities to have senior care services. Treplus allows temporary utilization of home care as needed. The move-out process is like traditional multifamily in which a 60-day notice is required.



Overall Results

Treplus Communities' active adult rental strategy is focused on understanding the consumer, differentiating active adult from traditional senior housing and traditional multifamily housing, and implementing and maintaining a strong brand.

Treplus Communities offers a smart and sophisticated, condo-quality lifestyle for active adults. As an innovator within active adult living, this brand is redefining a housing solution that is purpose-built for today's savvy consumer with rich social programming as a unique resident experience. Residents form lifelong friendships, which is a key factor in retaining 80% of residents and maintaining annual turnover of 20% or less. An active, socially engaging lifestyle is important in supporting wellness and longevity. Each community is supported by a Community Director and Community Leasing Coordinator during lease-up and one Facilities Technician. The Lifestyle Coordinator completes the team.

Newly constructed award-winning community Dogwood Commons has negligible capital expenditures and rent growth that is highly correlated to apartment rent growth. This property had an investment of \$30 million in delivering 110 units. Treplus Communities has earned accolades for its innovative design of Dogwood Commons in the 2023 Senior Housing News (SHN) Design and Architecture Award for Active Adult. Other communities have been awarded the National Association of Home Builders (NAHB) Best of 55+ and Building Industry Association (BIA) awards locally.

Finally, Treplus Communities' active adult portfolio has strong leasing activity with waitlists at two of its five properties.

NIC appreciates the transparency and insights provided by Jane Arthur-Roslovic and her team at Treplus Communities. We look forward to keeping abreast of the scale and growth of Treplus Communities as demand for active adult housing and lifestyle continues to grow and evolve.



Get in Touch with NIC

Interested in learning more about this and other NIC Analytics Case Studies? Please contact Caroline Clapp, Senior Principal in Research & Analytics at NIC, for more information at cclapp@nic.org or 443-837-2413.