SANDY SPRINGS
GEORGIA

CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council **DATE:** September 10, 2014

FROM: John McDonough, City Manager

AGENDA ITEM: **201401133** - 305 Carpenter Drive, *Applicant: Masoud Zahedi*, to delete all conditions related to senior living in Sandy Springs zoning case RZ08-012

MEETING DATE: For Submission onto the September 16, 2014, City Council Regular Meeting Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

See attached:

Memorandum
Zoning Modification

APPROVAL BY CITY MANAGER: BRP *APPROVED*

PLACED ON AGENDA FOR: **09/16/2014**

CITY ATTORNEY APPROVAL REQUIRED: (✓) *YES* ( ) *NO*

CITY ATTORNEY APPROVAL: SM

SANDY SPRINGS
GEORGIA

To: John McDonough, City Manager

From: Angela Parker, Director of Community Development

Date: September 4, 2014 for submission onto the September 16, 2014 City Council meeting

Agenda Item: **201301133 305 Carpenter Drive** a request to modify Sandy Spring zoning case RZ08-012 and delete all conditions related to senior housing

DEPARTMENT OF COMMUNITY DEVELOPMENT RECOMMENDATION

APPROVAL CONDITIONAL of a request to modify Sandy Spring zoning case RZ08-012 and delete all conditions related to senior housing

Discussion:
To modify Sandy Spring zoning case RZ08-012 and delete all conditions related to senior housing.

PROPERTY INFORMATION

Address, Land Lot, and District	305 Carpenter Drive Land Lot 90, District 17
Council District	5 (Tiberio "Tibby" DeJulio)
Frontage	188.70 feet of frontage along the south side of Carpenter Drive.
Area	1.15Acres
Existing Zoning and Use	A-L (Apartment Limited Dwelling District) under Sandy Springs zoning case RZ08-012/U08-006/CV08-014 currently undeveloped.
Overlay District	Main Street Overlay District
2027 Comprehensive Future Land Use Map Designation	LWR (Live Work Regional)
Proposed Zoning	A-L (Apartment Limited Dwelling District)

APPLICANT/PETITIONER INFORMATION

Property Owner	**Petitioner**	**Representative**
Masoud Zahedi	Masoud Zahedi	N/A
Community Zoning Information Meeting	**Community Developer Resolution Meeting**	**Mayor and City Council Hearing**
April 22, 2014	May 29, 2014	July 15, 2014

DEPARTMENT OF COMMUNITY DEVELOPMENT RECOMMENDATION

The applicant is requesting to modify Sandy Spring zoning case RZ08-012 and delete all conditions related to senior housing as follows:

The staff is of the opinion that the applicant's request to delete all conditions related to senior housing would not cause a detriment to the public. The proposed use is consistent with the Future Land Use Map. The Future Land Use Map designation of LWR (Live Work Regional) which recommends a density over 20 units per acre. The applicant is proposing 104.35 units per acre. The proposed request is in harmony with the Comprehensive Plan policies on densities and is consistent with surrounding developments. Based on these reasons, the staff recommends **APPROVAL CONDITIONAL** of this modification request.

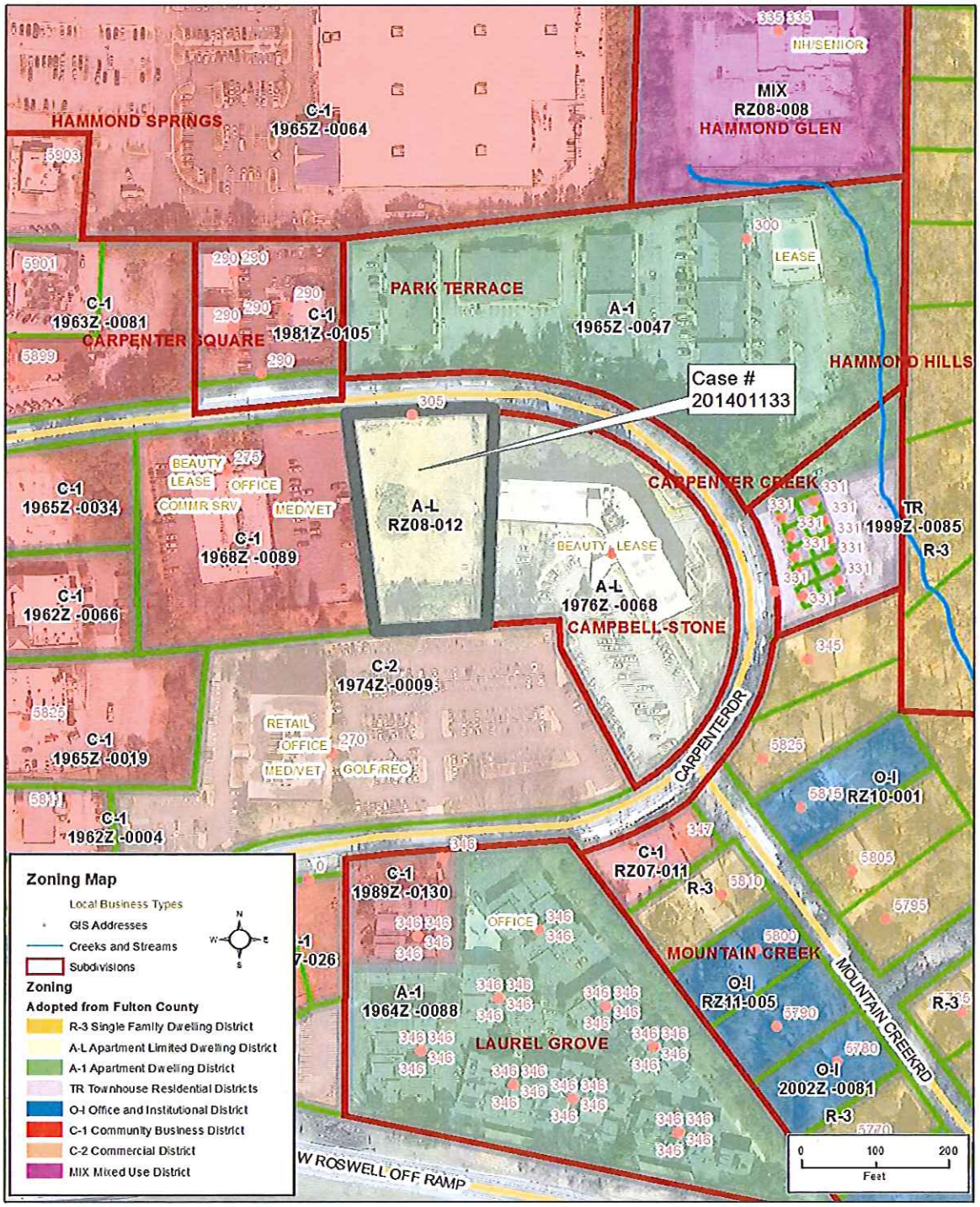
MAYOR AND CITY COUNCIL MEETING- July 15, 2014

The petition was heard at the July 15, 2014 Mayor and City Council meeting. The Council deferred the petition to the September 16, 2014 Mayor and City Council meeting to allow the applicant time to provide information supporting the rezoning request.

The applicant has provided a feasibility study and pictures of the proposed building.

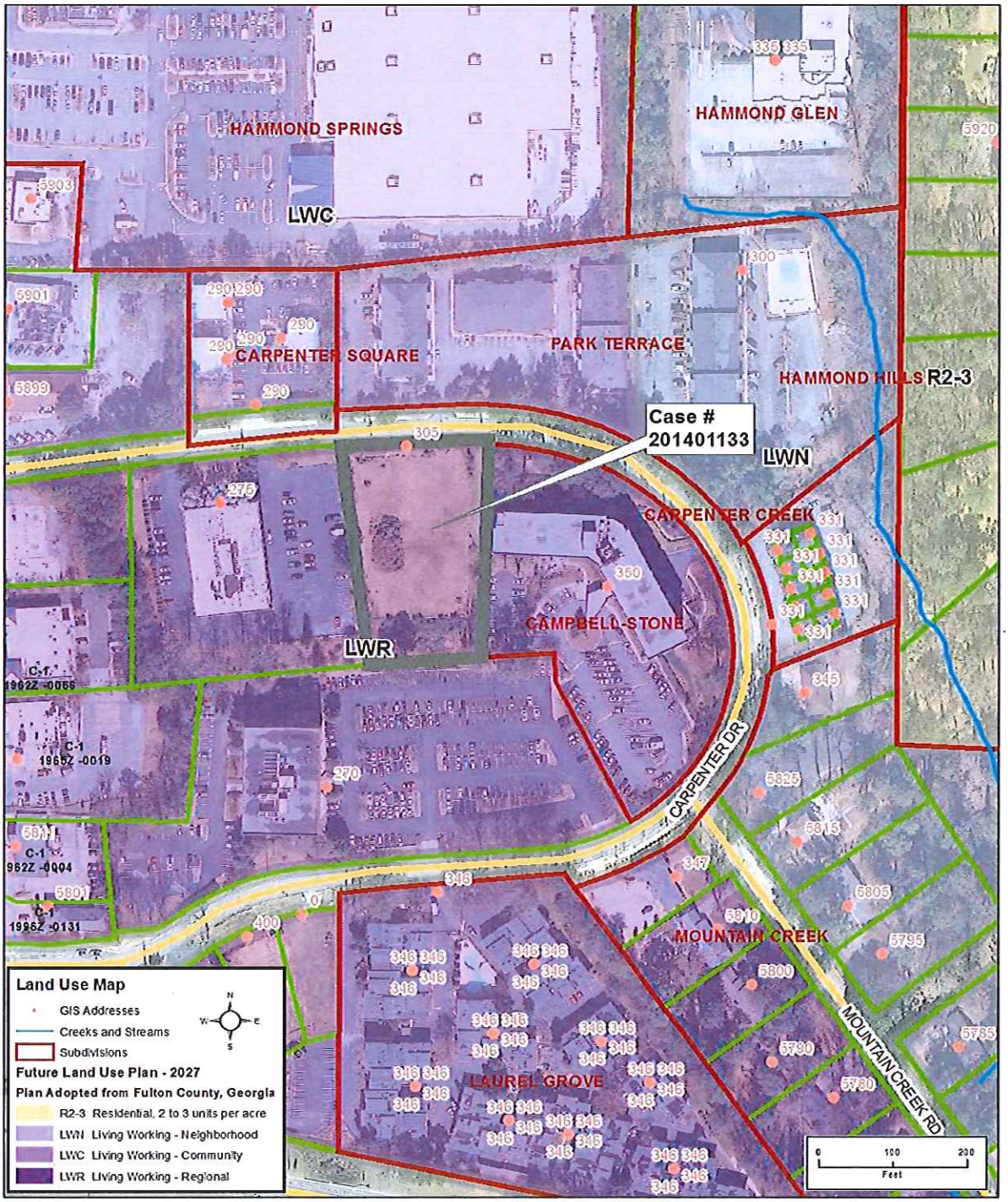
Zoning Map

305 Carpenter Drive



Future Land Use Map

305 Carpenter Drive



DEPARTMENT COMMENTS

The staff held a Focus Meeting with Transportation, Building and Permitting, Fire, Code Enforcement, Site Development, and the Arborist on May 7, 2014 at which the following departments had comments. The staff has received additional comments from Fulton County Department of Water Resources, Fulton County Health and Wellness, and Fulton County Schools (see attachments).

Transportation Planner	Carpenter Drive is classified a minor street and has a posted speed limit of 25 mph. Carpenter Drive is included in the Main Street Overlay District and the designated street type within the City Center Master Plan is "2-Lane with Parking". From the street centerline, the cross-section includes an 11-foot travel lane, eight-foot parking lane, 12-foot landscape strip, 6-foot sidewalk, and 10-foot supplemental zone adjacent to residential development. At time of Land Disturbance Permit, site shall meet requirements of Articles 11 and 12 of the Development Ordinance. Based on review of the zoning site plan, please note the following: • Driveway location shall meet requirements of Section 103-77 for sight distance and Section 103-73 for uninterrupted ingress/egress. • The minimum driveway spacing for 25 mph street is 200 feet and driveway shall be aligned with driveway across the street. • The right-of-way shall meet the requirements of Section 103-75. Applicant shall dedicate 37 feet of right-of-way from centerline, 11 feet from back of curb, or one foot from back of sidewalk, whichever is greater along the entire property frontage. • ADA-compliant paths shall be provided from sidewalk network to site arrival point(s).
Fire	• Refer to 120-3-3 Modifications to IFC "503.1.1 Buildings and facilities. Approved fire apparatus access roads shall be provided for every facility, building or portion of a building hereafter constructed or moved into or within the jurisdiction as determined by the local Fire Chief and/or Fire Code Official of the responding fire department or agency. The fire apparatus access road shall comply with the requirements of this section and shall extend to within 150 feet (45.7 m) of all portions of the facility or any portion of the exterior wall of the first story of the building as measured by an approved route around the exterior of the building or facility." • "Exception: The local Fire Chief and/or Fire Code Official of the responding fire department or agency is authorized to increase the dimension of 150 feet (45.7 m) where: • "1. The building is equipped throughout with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1, 903.3.1.2 or 903.3.1.3. • "2. Fire apparatus access roads cannot be installed because of location on property, topography, waterways, nonnegotiable grades or other

	similar conditions, and an approved alternative means of fire protection is provided. • "3. There are not more than two Group R-3 or Group U occupancies." •

STAFF RECOMMENDED CONDITIONS

Should the Mayor and City Council decide to approve the modification the staff recommends the approval be subject to the following conditions. The applicant's agreement to these conditions would not change staff recommendations. These conditions shall prevail unless otherwise stipulated by the Mayor and City Council.

1. To the owner's agreement to restrict the use of the subject property as follows:

   ~~a. 170 independent living, senior housing units at a density of 142.86 units per acre, whichever is less. Said housing shall have at least 80% of the occupied dwelling units occupied by at least one person who is 62 years of age or older which shall be verified by documentation submitted annually by the owner/developer pursuant to policies and procedures adopted by the Director of Community Development. Exceptions to this requirement shall be made for spouses if at least one (1) of the occupants is at least 62 years of age and for persons with disabilities.~~

   a. Residential uses at a density of 104.35 units per acre or 120 units, whichever is less.

   ~~a. The minimum heated floor area for the units shall be as follows:~~

      ~~a. No more than 80 units shall have a minimum heated floor area of 850 square feet~~
      ~~b. At least 30 units shall have a minimum heated floor area of 1,000 square feet~~
      ~~c. At least 60 units shall have a minimum heated floor area of 1,200 square feet~~

   ~~b. To a maximum building height ten (10) stories.~~

2. To the owner's agreement to abide by the following:

   a. To the site plan received by the Department of Community Development dated ~~May 6, 2008~~ March 27, 2014. Said site plan is conceptual only and must meet or exceed the requirements of the Zoning Ordinance and these conditions prior to the approval of a Land Disturbance Permit. Unless otherwise noted herein, compliance with all conditions shall be in place prior to the issuance of a Certificate of Occupancy.

3. To the owner's agreement to provide the following site development standards:

a. The owner/developer shall dedicate thirty (30) feet of right-of-way from centerline of Carpenter Drive along the entire property frontage or ten and one-half (10.5) feet from back of curb, whichever is greater, to the City of Sandy Springs.

b. Prior to issuance of an LDP, the owner/developer shall attempt to provide interparcel access with the adjacent properties. Should the owner/developer not come to an agreement on interparcel access at this time with the adjacent property owners, the owner/developer shall provide documentation of such. In addition, if an interparcel access agreement is not obtained; permanent easements shall be recorded allowing for future inter-parcel access along the entirety of the northern and eastern boundaries of the property, prior to the issuance of an LDP.

~~c. All units shall be designed, constructed and operated in accord with the Fair Housing Amendments Act. On an annual basis, the controlling entity shall verify compliance with all provisions of the Fair Housing Act related to occupancy in a manner deemed acceptable pursuant to policies and procedures adopted by the Director of Community Development.~~

~~d. The senior housing development may have at least one (1) unit designated as guest quarters for visitors of residents, but the total number of guest units may not exceed 1% of the total number of units within the development. Guest units shall have maximum heated floor area of 500 square feet.~~

~~e. The property shall be deed restricted to senior housing except as provided for by Fair Housing laws. Each senior housing development shall post on its premises notice of its status as a senior housing development in a manner readily visible to and accessible to the residents. Such notices shall be subject to the approval of the Department of Community Development.~~

~~f. The property shall comply with all applicable local, state, and federal regulations and copies of any applicable permits shall be provided to the Department of Community Development prior to the issuance of a certificate of occupancy.~~

~~g. The project is encouraged to incorporate Easy Living and applicable accessibility standards (as administered and copyrighted by a coalition of Georgia citizens including but not limited to AARP of Georgia, Atlanta Regional Commission, Concrete Change, Georgia Department of Community Affairs, Governor's Council on Developmental Disabilities, Home Builders Association of Georgia, Shepherd Center and the Statewide Independent Living Council of Georgia).~~

~~h. Home occupations shall be permitted in accordance with Section 4.12, Home Occupation, of the Zoning Ordinance.~~

~~i. Any proposed change in the use of a senior housing project that does comply with the Fair Housing Amendments Act shall conform to all current zoning and density requirements. Any such conversion shall be considered a zoning modification and be required to be brought into conformance with city standards.~~

~~j. The project is encouraged to incorporate features to enhance the quality of the senior housing development including, but not limited to, laundry rooms on each floor, lounges on each floor with automated external defibrillators (AEDs), balconies on each floor for fresh air, theater-style media centers, library, dining halls, wall-mounted emergency pull cords in each unit's bathroom, aerobics and fitness centers.~~

k. Streetscape along Carpenter Drive shall be installed to the standards set forth in the City Center Master Plan.

l. All units shall be individually metered and/or sub metered.

m. Interior ceiling heights should be a minimum of nine (9) feet.

n. No less than 15% of the site shall be maintained as green space and 5% as open and/or green space.

Attachments

- Letter of Intent dated received September 4, 2014
- Site Plan dated received March 27, 2014
- Rendering dated September 4, 2014
- Rendering dated March 27, 2014
- Feasibility Study dated received September 4, 2014
- Site Photographs
- Additional comments from the Fulton County Department of Water Resources, Fulton County Sewer Department, and Fulton County Schools

LETTER OF INTENT

RECEIVED
SEP 04 2014
City of Sandy Springs
Community Development

9-4-2014
1.19 AC
305 CARPENTER DR ATLANTA, GA, 30328
LAND LOTS 90 17th SANDY SPRINGS GEORGIA
MASOUD ZAHEDI
5801 ROSWELL RD
ATLANTA GA 30328

The subject property consists of 1.19 acres zoned A-L age restricted . Masoud Zahedi intends to reduce new Multifamily Residential zoning shown on attached property descriptions and drawings for 6 story building with 3 story of parking above and underground , as 100 units building . This site is located on the Carpenter Dr. The proposed plan contains 190,000 square feet of building . The comprehensive land use plan designates this site as commercial mixed use district. The property is a part of the commercial zone classification. The property is bordered on the west by 3 story commercially zoned property with current use of office building , Carpenter Dr to the north, commercial parking lot to the south and 9 story apartment building to the east .The proposed use of this site is consistent with the existing adjacent properties. The property has a drop of almost 30' from front to back which make it very suitable for underground parking.

To allow building on existing height limitation for proposed 8 story Building we are applying for use permit .

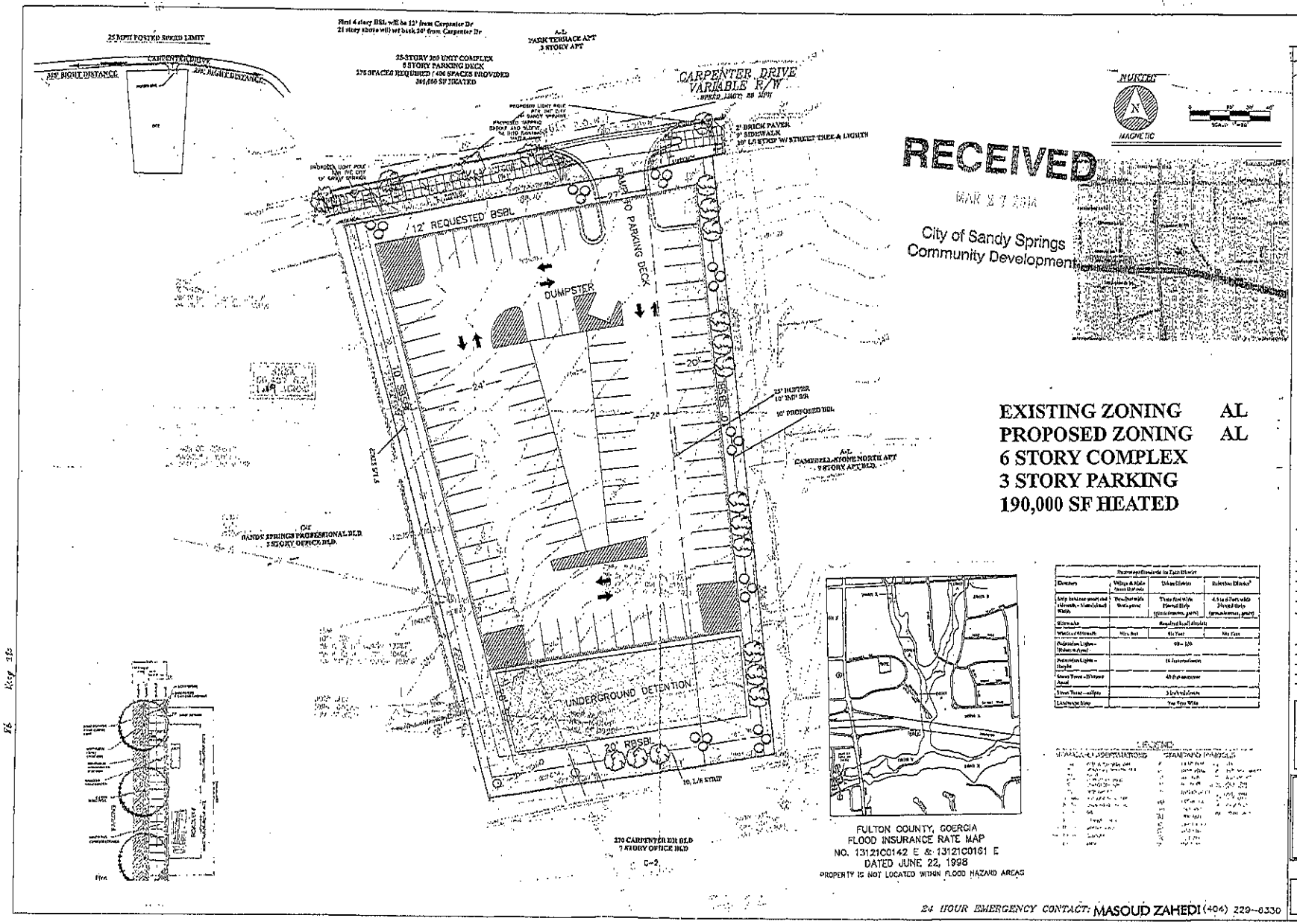
The following items of work have been build and inspected for conformance with the specification of the Fulton County Development Services Department and have been approved under LDP # 03-301,

Building footing/foundation
Storm drainage
Sanitary sewer
Detention pond
Grading and drainage

Landscape strips and building setbacks for the Multifamily Residential zoning categories will be adhered to.

Sincerely,

Masoud Zahedi



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MAR 2 7 2014

City of Sandy Springs
Community Development

EXISTING ZONING AL
PROPOSED ZONING AL
6 STORY COMPLEX
3 STORY PARKING
190,000 SF HEATED

FULTON COUNTY, GOERGIA
FLOOD INSURANCE RATE MAP
NO. 13121C0142 E & 13121C0161 E
DATED JUNE 22, 1998
PROPERTY IS NOT LOCATED WITHIN FLOOD HAZARD AREAS

Elements	Village & Mixed Street Districts	Urban Districts	Suburban Districts
Strip between street and sidewalk – Maintained Width	Two-foot wide Strip paver	Three foot wide Planted Strip (groundcover, pavers)	4.5 to 6 foot wide Planted Strip (groundcover, pavers)
Sidewalks	Required by all districts		
Vehicle/Sidewalk	Min. Ave	Min. Ave	Min. Ave
Pedestrian Lights – Maximum Apart	90 – 100		
Pedestrian Lights – Height	16 Intersections		
Street Trees – Distance Apart	40 feet on center		
Street Trees – caliper	3 inch minimum		
Landscape Strip	Two Tree Wide		

LEGEND

STANDARD PRESTIGIATIONS	STANDARD PARCELS
[illegible]	[illegible]

24 HOUR EMERGENCY CONTACT: MASOUD ZAHEDI (404) 229-6330

LIFESTYLE COMMUNITY OF SANDY SPRINGS
CITY OF SANDY SPRINGS
FULTON COUNTY, GEORGIA
LAND LOT: 90
DISTRICT: 17th
EH&D JOB# 27075 RELEASED FILE NAME 27075CS01

BH&D Engineering, Inc.
730 HERITAGE WALK
WOODSTOCK, GEORGIA 30188
PHONE: (678) 445-9453
FAX: (678) 445-4325

SUBMITALS

REVISIONS

SETBACKS

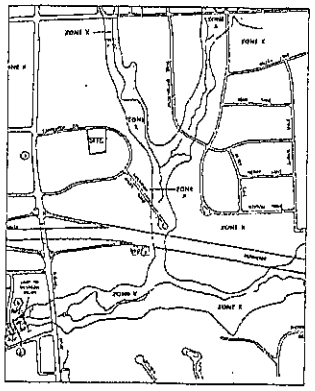
ZONING: AL

FRONT	SIDE	REAR
18'	10'	20'

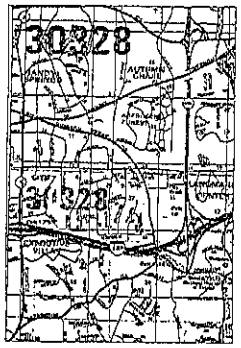
BUFFERS: 10' L.S.

GEORGIA REGISTERED PROFESSIONAL ENGINEER TERRY L. BOONES

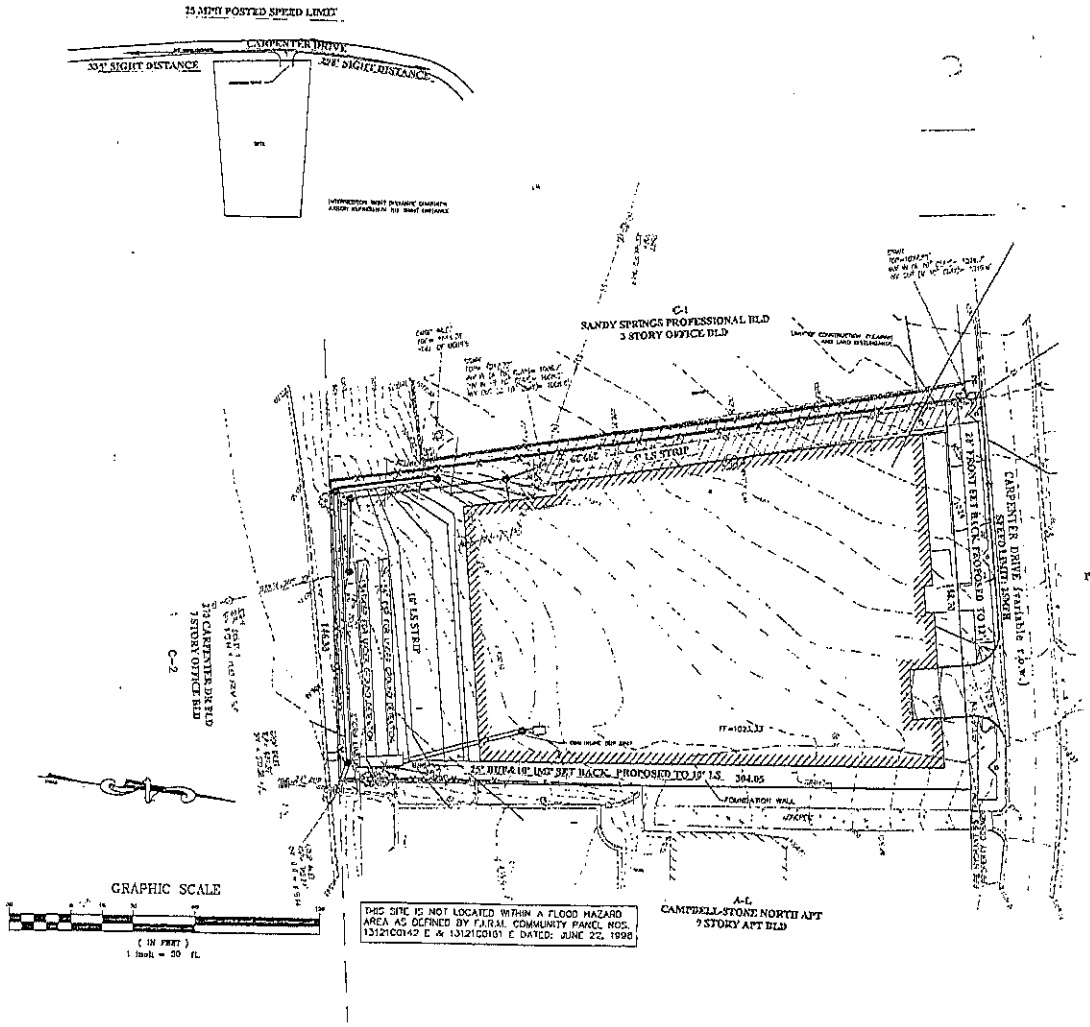
SHEET: 1
RE-ZONING PLAN



FULTON COUNTY, GOERGIA
FLOOD INSURANCE RATE MAP
NO. 13121C0142 E & 13121C0161 E
DATED JUNE 22, 1998
PROPERTY IS NOT LOCATED WITHIN FLOOD HAZARD AREAS



LOCATION MAP



THIS SITE IS NOT LOCATED WITHIN A FLOOD HAZARD AREA AS DEFINED BY F.I.R.M. COMMUNITY PANEL NOS. 13121C0142 E & 13121C0161 E DATED: JUNE 22, 1998

EXISTING ZONING AL
PROPOSED ZONING AL
6 STORY COMPLEX
3 STORY PARKING
190,000 SF HEATED

TOTAL BLDG COVERAGE = 32,800 SF OR 65%
TOTAL IMPERVIOUS AREA= 32,780 SF OR 65%
FULTON COUNTY SEWER
CITY OF ATLANTA WATER
NO STATE WATERS ON OR NEAR THE PROPERTY
THIS PROPERTY DOES NOT LIE IN THE 100 YR FLOOD PLANE 13121CO142 AND 13121CO161

RECEIVED

City of Sandy Springs
Community Development

DESIGNED BY:	SZ
DRAWN BY:	CAD
CHECKED BY:	SZ
IN CHARGE:	
DATE:	

OWNER:

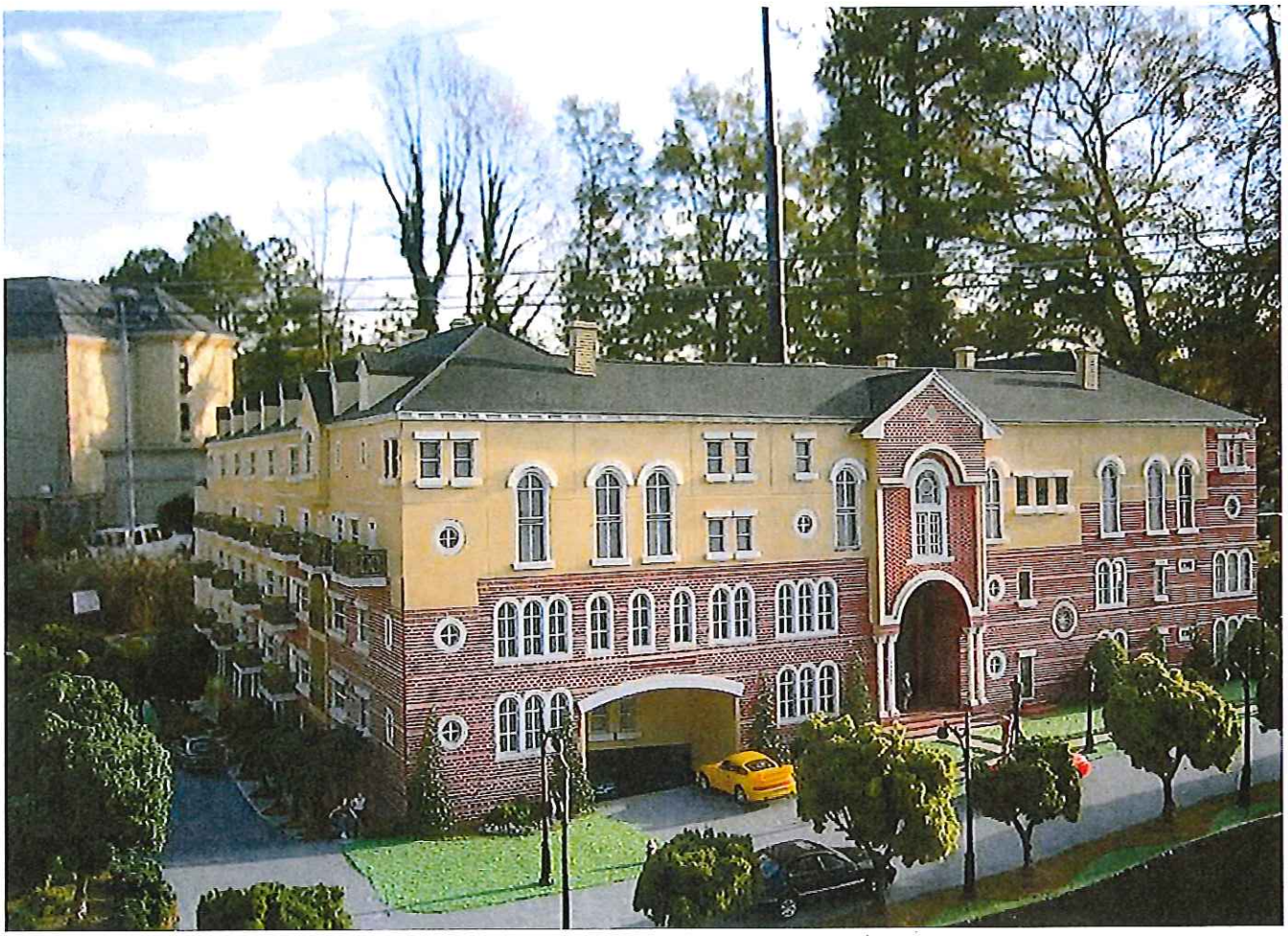
MASOUD ZAHEDI
5801 ROSWELL ROAD
ATLANTA, GEORGIA 30328
(404) 229-6330

REVISIONS		
DATE	DESCRIPTIONS	APPROVED

GRADING AND DRAINAGE PLAN

ESFUN COMMUNITY
305 CARPENTER DRIVE
LAND LOT 70, DISTRICT 17
FULTON COUNTY, GEORGIA

SCALE: H AS SHOWN V
CONTRACT NO.:
SHEET OF
DRAWING NO.: C-4



Phase I Market Study

Proposed Assisted Living/Memory Care Facility
305 Carpenter Drive NE
Atlanta, Georgia 30328
Latitude: 33.9164, Longitude: -84.3761

RECEIVED
SEP 04 2014
City of Sandy Springs
Community Development

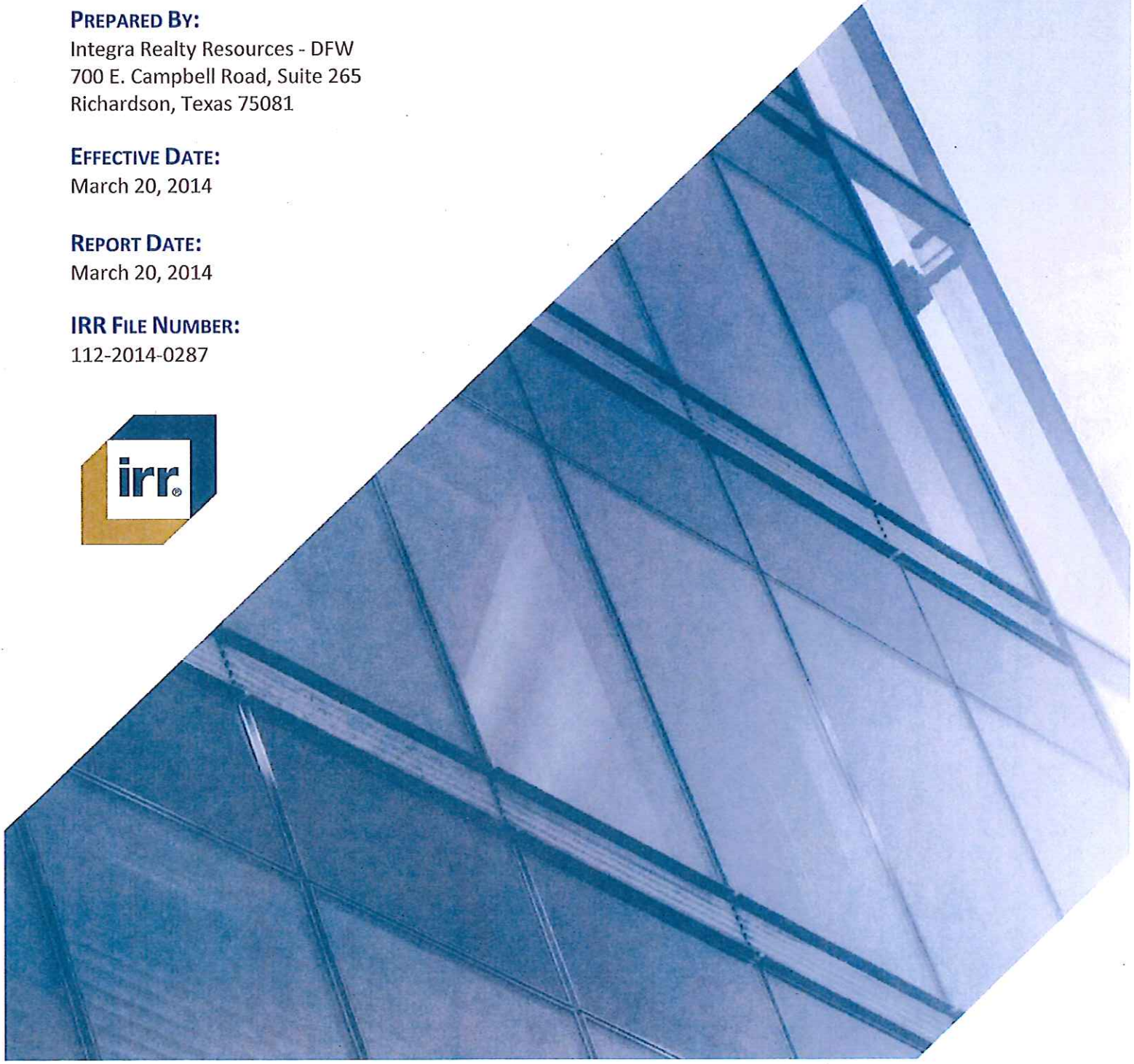
Prepared For:
J. Michael Bell
Executive Vice President
ADEVCO Corporation
400 Northridge Road, Suite 620
Atlanta, Georgia 30350

Prepared By:
Integra Realty Resources - DFW
700 E. Campbell Road, Suite 265
Richardson, Texas 75081

Effective Date:
March 20, 2014

Report Date:
March 20, 2014

IRR File Number:
112-2014-0287



PHASE I MARKET STUDY

INTRODUCTION

The purpose of the Phase I Market Study is to provide a preliminary indication of supply and demand conditions to Mr. Michael Bell relating to a proposed assisted living and dementia care facility. The Phase I Market Study is intended to be used as a tool to ascertain general senior housing market conditions in a specific market area and to determine if further analysis is warranted.

Per the scope of this engagement, we will analyze the assisted living market conditions (including dementia care) in order to determine whether or not there is sufficient unmet demand to support development of the subject with assisted living and dementia care to be located at 305 Carpenter Drive NE in the City of Atlanta, Fulton County, Georgia. Note that the scope of this assignment did not include an inspection of the subject site, neighborhood, or competing facilities. The findings in this study are preliminary and are subject to revision as additional due diligence is conducted.

DELINEATION OF PRIMARY MARKET AREA

The Primary Market Area (PMA) for any form of rental real estate property is defined as the area that a majority of the project's tenants will be drawn from. According to various industry sources, the primary market area of a seniors housing care facility is determined by the density of the population, the proximity of competing properties, and the ease of transit in the surrounding area. The primary market area for urban facilities is generally from 5 to 10 miles, for suburban facilities 5 to 20 miles, and for small town and rural facilities 20 to 30 miles[1]. This is borne from the following data in *The Assisted Living Industry, 2009 Overview.*

Distances that Residents Relocated From

Distance	Assisted Living	Assisted & Independent Living	CCRC
Less than 5 miles	40.00%	43.50%	52.20%
5 to 10 miles	20.40%	20.00%	16.40%
11 to 25 miles	20.00%	15.30%	13.40%
25 to 50 miles	7.30%	5.90%	6.00%
More than 50 miles	12.40%	15.30%	11.90%

A number of factors tend to define a market area. One important factor is density. In rural areas, it may be many miles between towns large enough to sustain services, and residents are accustomed to driving significant distances to access services. Conversely, in urban or suburban areas, a resident may have a choice of competing services within a short drive of his or her home and will normally select the more proximal service provider or the service provider more convenient to access. Physical barriers can also shape market areas. Rivers, lakes, streams, military bases, and major highways are all examples of barriers that can constrain market areas. Barriers can also be psychological. For example, it is common for persons who live on one side of a highway to seldom access services in a similar area on the opposite side of the same freeway, even though access is not constrained. Likewise, persons living in a given town or county are often reluctant to access services in an adjacent town or county. The location of competing facilities is also a factor to consider. In market areas served by a greater number of competing facilities, the primary drawing area for each facility tends to be smaller since residents of the market area tend to access the service provider nearest their location. Each of these factors is considered in the delineation of the subject's PMA.

[1] *Assisted Living Manual* (Published by Assisted Living Federation of America) and *Integrated Senior Care: Assisted Living and Long Term Care Manual* (Published by Thompson Publishing Group). These radii are also supported by the criteria used by many national developers of senior's housing.

PHYSICAL BARRIERS

There are no significant physical barriers in the immediate proximity of the subject that are believed to limit the subject's market area.

PSYCHOLOGICAL BARRIERS

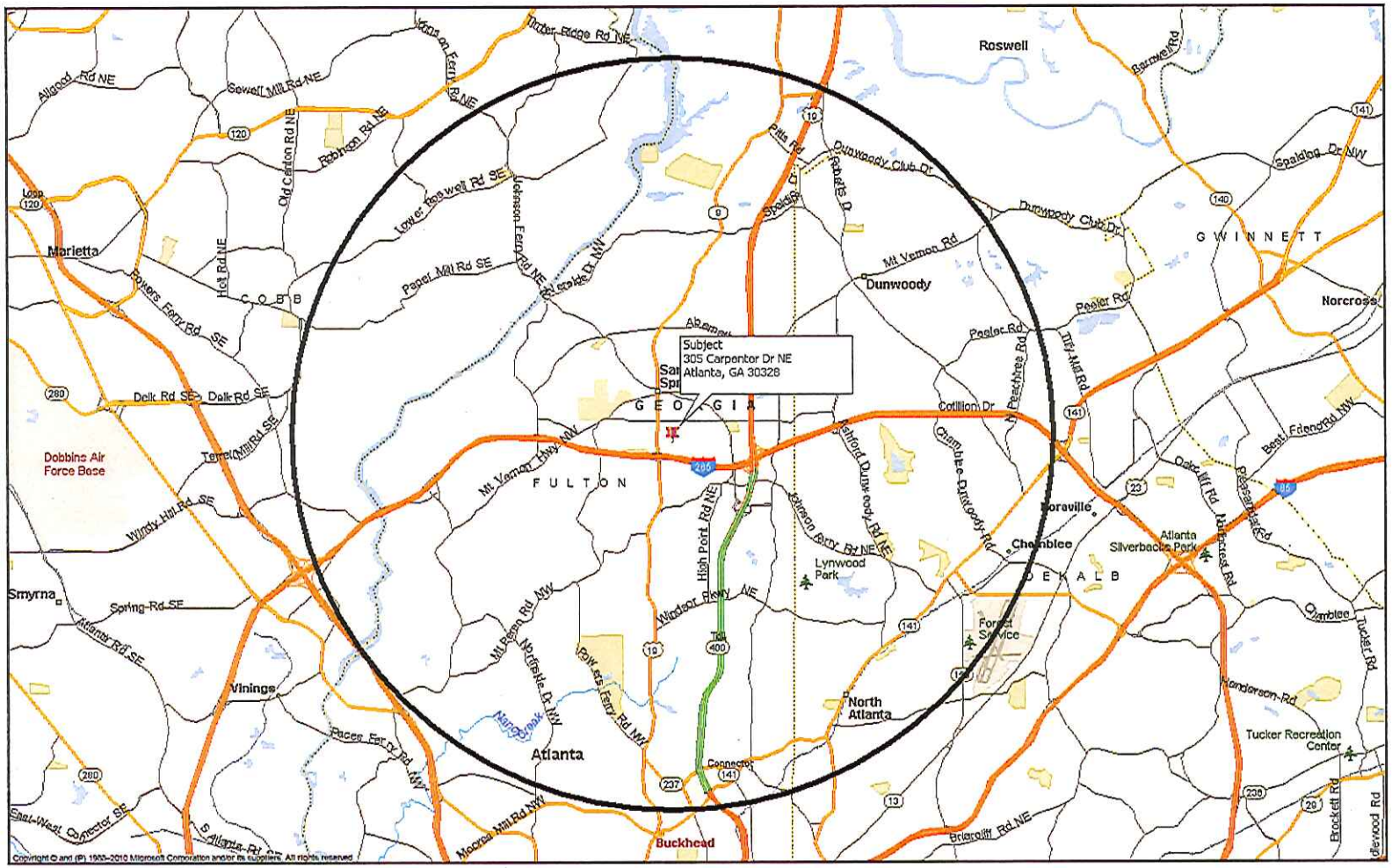
The subject's market area is not constrained by any known psychological barriers.

LOCATION OF COMPETING FACILITIES

There are competing facilities scattered throughout the area, indicating that seniors have a wide variety of facilities from which to choose. This tends to limit the size of market areas, as it is not necessary for seniors or adult children decision makers to travel far from the home to find suitable seniors housing.

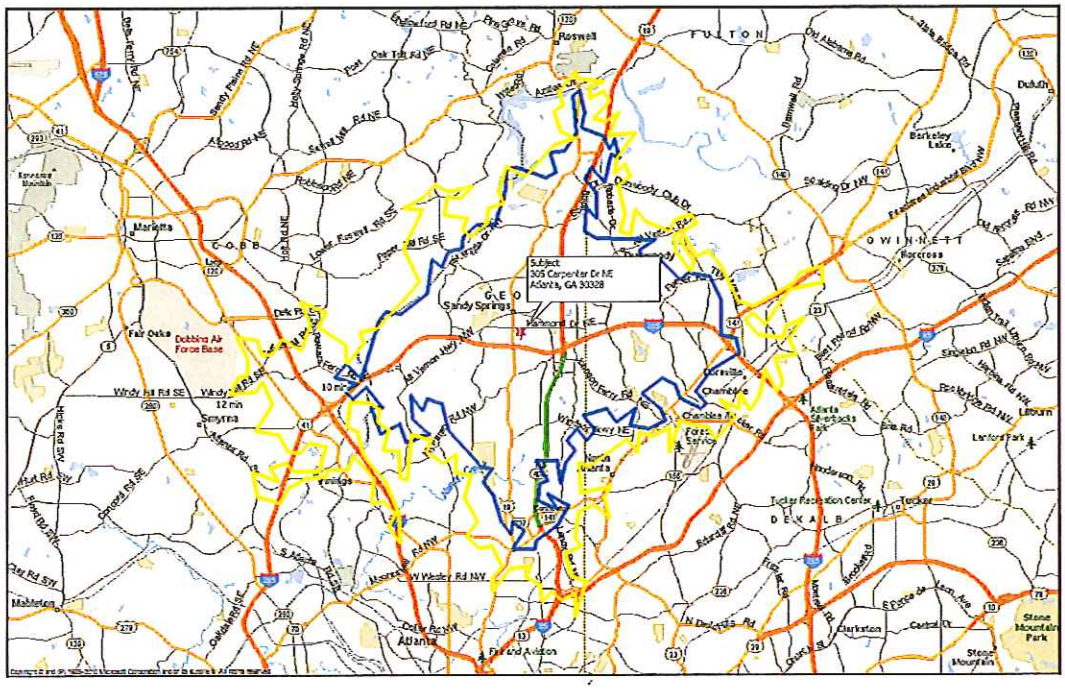
MARKET AREA DELINEATION CONCLUSION

Considering the physical and psychological barriers, population density, and the competing facilities' concentration, we have concluded that an appropriate Primary Market Area (PMA) for the subject is the area within a 5 mile radius of the site. In this market, we believe that the majority of demand will come from the PMA – no measurable draw from a secondary market area is forecast.

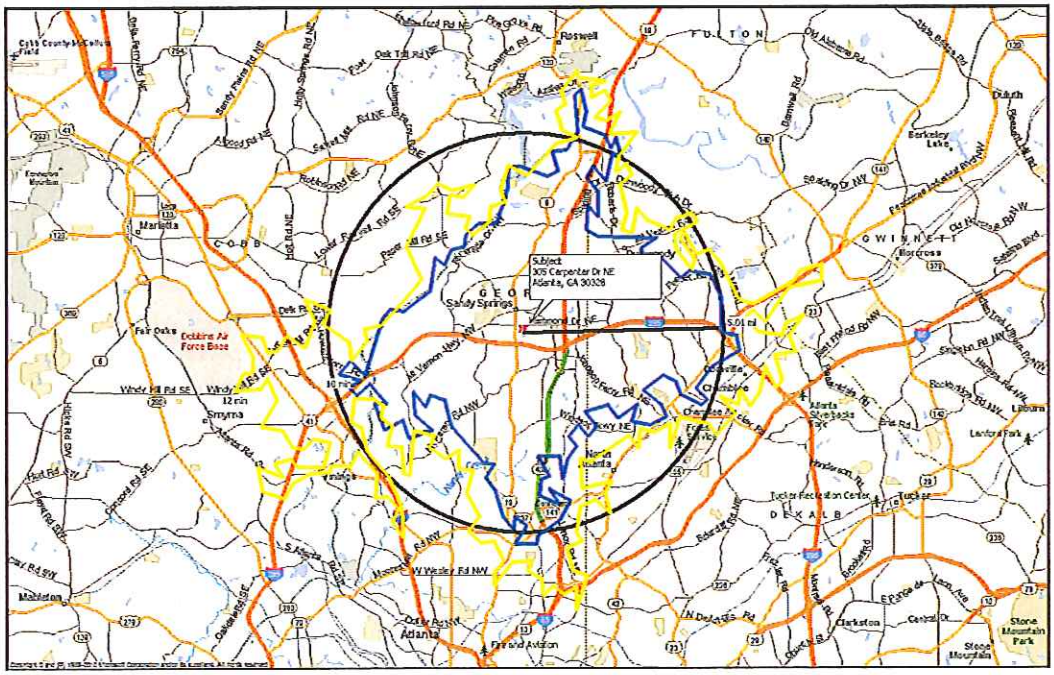


Market Area Map

We also considered 10 and 12-minute drive times from the subject, as represented in the following map.



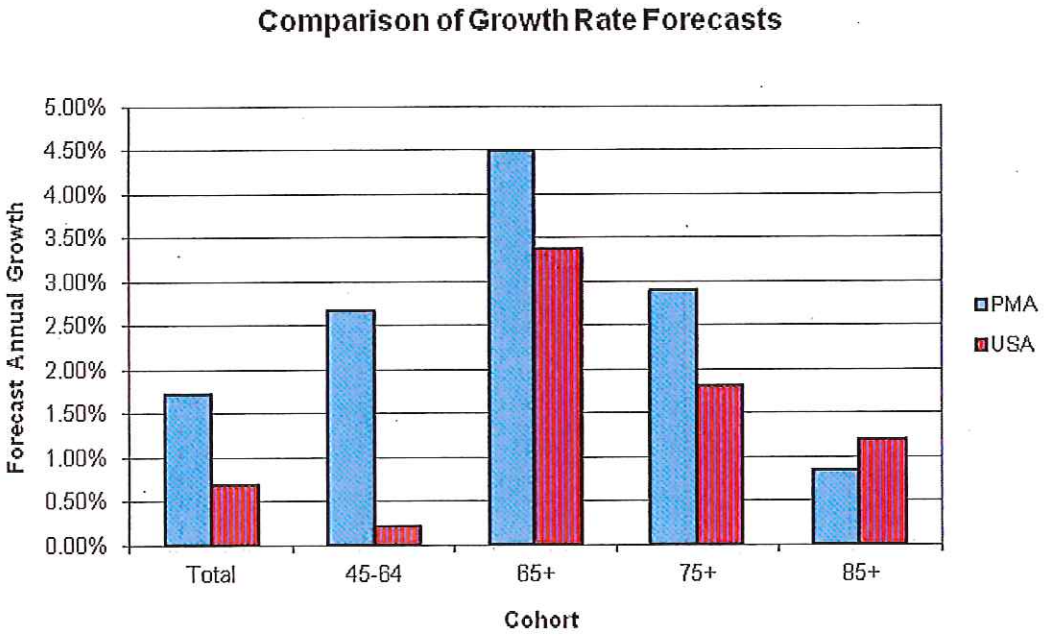
These drive times support our preceding market area delineation conclusion as shown below.

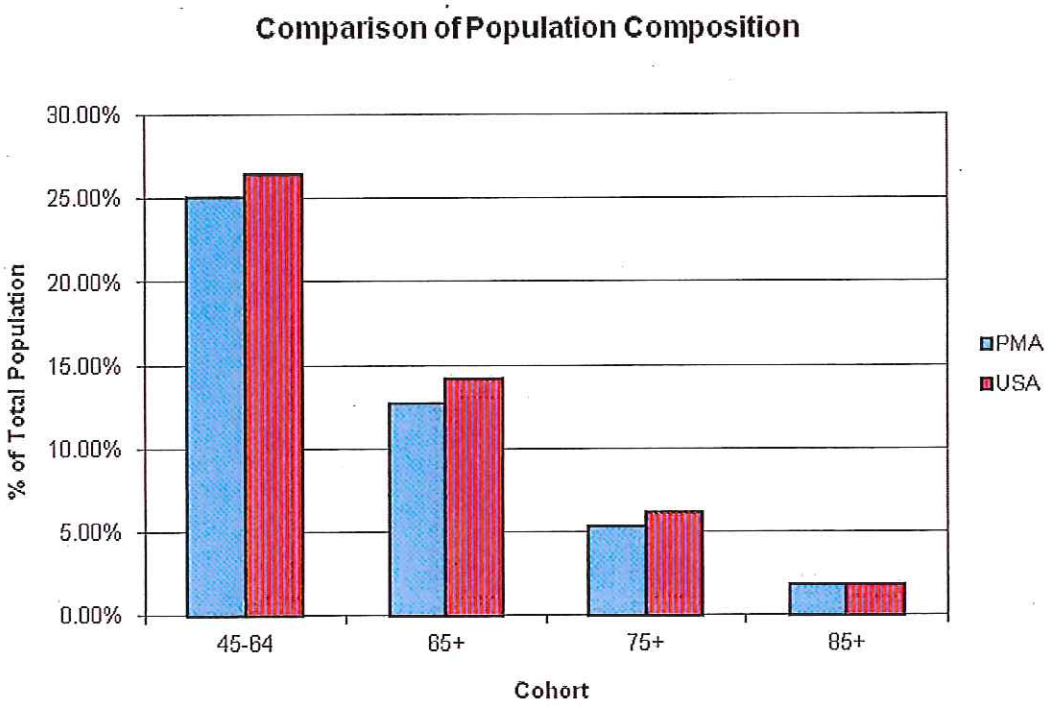


SENIORS HOUSING MARKET DEMOGRAPHICS

Demographics relevant to the seniors housing market are as follows:

Market Area Characteristics		
Item	**PMA**	**USA**
Total Population		
2014 Population	220,839	317,199,353
Forecasted 2019 Population	240,585	328,309,464
Forecasted Annual Growth, 2014-2019	1.73%	0.69%
Adult Child (45-64) Population		
2014 Population 45-64	55,520	83,954,938
Forecasted 2019 Population 45-64	63,307	84,870,332
Forecasted Annual Growth, 2014-2019	2.66%	0.22%
2014 Age 45-64 Pop. as % of Total Pop.	25.14%	26.47%
65 Plus Population		
2014 Population 65+	28,146	45,157,410
Forecasted 2019 Population 65+	35,063	53,278,626
Forecasted Annual Growth, 2014-2019	4.49%	3.36%
2014 Age 65+ Pop. as % of Total Pop.	12.75%	14.24%
75 Plus Population		
2014 Population 75+	11,918	19,526,535
Forecasted 2019 Population 75+	13,748	21,349,923
Forecasted Annual Growth, 2014-2019	2.90%	1.80%
2014 Age 75+ Pop. as % of Total Pop.	5.40%	6.16%
85 Plus Population		
2014 Population 85+	4,136	5,972,019
Forecasted 2019 Population 85+	4,313	6,338,467
Forecasted Annual Growth, 2014-2019	0.84%	1.20%
2014 Age 85+ Pop. as % of Total Pop.	1.87%	1.88%
Income Levels		
Median Household Income, All Ages	$68,484	$51,579
Median Income Level Age 65 to 74	$68,986	$45,061
Median Income Level Age 75 to 84	$39,897	$30,351
Median Income Level Age 85+	$27,048	$23,851
Source: Claritas		


Comparison of Growth Rate Forecasts
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
Forecast Annual Growth
Total
45-64
65+
75+
85+
Cohort
PMA
USA


Comparison of Population Composition
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
% of Total Population
45-64
65+
75+
85+
Cohort
PMA
USA

Overall population growth is forecast to be greater than average in the PMA. Growth of persons in the "adult child" age brackets (45 to 64) is forecast to be greater than average, while the percent of total population that is within the 45 to 64 age group is less than average. The percent of total population that is 65+ is less than average. Forecasted growth for the 65+ cohort is greater than average. The percent of total population that is 75+ is less than average. Forecasted growth for the 75+ cohort is greater than average. Lastly, the 85+ population is forecast to grow at a pace less than the national average, while representing a less than average percent of the total population base of the PMA. Senior income levels are above average.

SUPPLY & DEMAND ANALYSIS

INTRODUCTION

In this section, we will analyze supply and demand conditions.

METRO MARKET SUPPLY & DEMAND CONDITIONS

The NIC Map Database provides the following data for the Atlanta MSA, which includes the counties shown in the following map. It is noted that MAP31 represents the top 31 MSAs within the United States.

An overview of the Atlanta seniors housing market is shown in the following table, comparing the MSA data to comparable data for the Top 31 MSA's in the NIC survey. As shown below, the average occupancy during the 4th Quarter of 2013 for stabilized assisted living properties in the Atlanta MSA is 89.9%, as compared to 90.6% for the Top 31 MSA's, indicating that the local market is competitive.

PROPERTY INFORMATION

Property Types ->	Majority IL		Majority AL		Majority NC	
	Metro	Primary Markets	Metro	Primary Markets	Metro	Primary Markets
Stabilized Occupancy	91.7%	90.3%	89.9%	90.6%	91.8%	88.0%
Average Monthly/Daily Rent	$3,026	$2,848	$3,806	$4,254	$207	$282
Median Age	16	23	15	15	40	37
Reporting Need to Upgrade(%)	No Data	No Data	No Data	No Data	No Data	No Data
Median Units/Beds Per Property	190	172	59	72	134	120
For Profit (%)	71.8%	62.5%	92.5%	87.7%	81.7%	79.5%
Property Count	39	1,465	134	2,512	93	3,984
Inventory	7,556	326,770	8,322	197,735	13,041	563,810
Independent Living Units	5,946	244,090	286	10,389	210	11,245
Assisted Living Units[1]	1,038	46,784	7,994	181,529	572	19,223
Nursing Care Beds	572	35,896	42	5,817	12,259	533,342
Penetration	6.6%	6.7%	7.2%	4.1%	11.4%	11.6%
Construction Units/Beds	0	5,067	415	10,369	0	3,682

Trends in the Denver assisted living market over time are shown in the following table:

MAJORITY AL

METRO TRENDS

	Existing Inventory		Occupancy		Quarterly Supply and Demand		Under Construction Inventory		
Period	# Properties	# Units/Beds	All Properties	Stabilized	Absorption	Inventory Growth	# Properties	# Units/Beds	YoY Rent Growth[1]
4Q2013	134	8,322	87.2%	89.9%	116	95	5	415	2.3%
3Q2013	133	8,227	86.8%	88.7%	108	45	6	511	2.3%
2Q2013	132	8,182	86.0%	88.3%	-97	24	6	511	2.3%
1Q2013	132	8,158	87.4%	89.2%	40	50	6	469	2.2%
4Q2012	131	8,108	87.4%	89.1%	27	92	5	385	1.7%
3Q2012	130	8,016	88.1%	89.7%	146	179	4	282	1.3%
2Q2012	128	7,837	88.2%	88.5%	53	-1	6	461	.7%
1Q2012	128	7,838	87.6%	87.9%	132	22	4	360	.2%
2011	128	7,816	86.1%	86.8%	268	150	5	383	.8%
2010	126	7,666	84.3%	85.5%	181	170	3	240	1.2%

The NIC survey divides the Denver market into submarkets by constituent county, the data for which are shown in the table below:

SELECTED SUBMARKETS

SENIORS HOUSING

Submarket	Stabilized Occupancy	Occ. Annual Change (bps)	YoY Rent Growth	Inventory
Carroll	97.7%	386	-1.0%	259
Cherokee	97.6%	428	3.4%	492
Clayton	80.7%	-396	Protected	379
Cobb	89.4%	36	2.8%	1,750
DeKalb	88.5%	205	2.4%	2,737
Fayette	92.8%	543	-5.1%	499
Forsyth	84.2%	-743	-1.8%	413
Fulton	91.7%	322	3.8%	5,316
Gwinnett	92.7%	185	.2%	1,945
Walton	84.4%	153	Protected	437

MAJORITY IL

Submarket	Stabilized Occupancy	YoY Rent Growth	Average Rent per Unit	Construction vs. Inventory	Inventory	Penetration	Yearly Absorption	Yearly Inventory Growth
Carroll	No Data	No Data	No Data	0.0%	0	0.0%	No Data	No Data
Cherokee	Protected	No Data	Protected	0.0%	150	3.9%	Protected	0
Clayton	Protected	Protected	Protected	0.0%	174	3.4%	Protected	0
Cobb	92.3%	3.2%	$2,967	0.0%	573	3.6%	10	0
DeKalb	89.0%	1.2%	$2,362	0.0%	1,953	12.3%	60	10
Fayette	Protected	No Data	Protected	0.0%	145	4.6%	Protected	0
Forsyth	No Data	No Data	No Data	0.0%	0	0.0%	No Data	No Data
Fulton	93.5%	4.4%	$3,325	0.0%	3,235	15.4%	216	104
Gwinnett	95.0%	Protected	$3,621	0.0%	1,005	8.5%	50	0
Walton	Protected	Protected	Protected	0.0%	51	1.9%	Protected	0

MAJORITY AL

Submarket	Stabilized Occupancy	YoY Rent Growth	AL Average Rent per Unit	MC Rent per Unit	Construction vs. Inventory	Inventory	Penetration	Yearly Absorption	Yearly Inventory Growth
Carroll	97.7%	-1.0%	$3,392	Protected	0.0%	259	8.1%	10	0
Cherokee	98.8%	4.6%	$3,782	$4,421	13.5%	342	8.9%	15	1
Clayton	91.2%	Protected	Protected	$3,578	0.0%	205	4.1%	13	0
Cobb	87.9%	2.6%	$3,888	$4,702	7.9%	1,177	7.4%	24	0
DeKalb	87.2%	5.6%	$3,967	$4,974	0.0%	784	4.9%	3	-2
Fayette	93.8%	.0%	$4,480	$4,825	0.0%	354	11.3%	6	95
Forsyth	84.2%	-1.8%	$3,803	$4,606	0.0%	413	12.9%	-5	-1
Fulton	88.9%	2.7%	$4,096	$4,958	6.2%	2,081	9.9%	82	59
Gwinnett	90.0%	2.2%	$3,935	$4,842	10.6%	940	7.9%	17	47
Walton	83.4%	Protected	$3,189	$3,623	0.0%	386	14.5%	6	4

For stabilized properties that are mostly assisted living in the Atlanta area, the average occupancy rate is 89.9%. In addition, for Fulton County (the subject's county), assisted living occupancy is 88.9%.

DELINEATION OF THE MARKET AREA

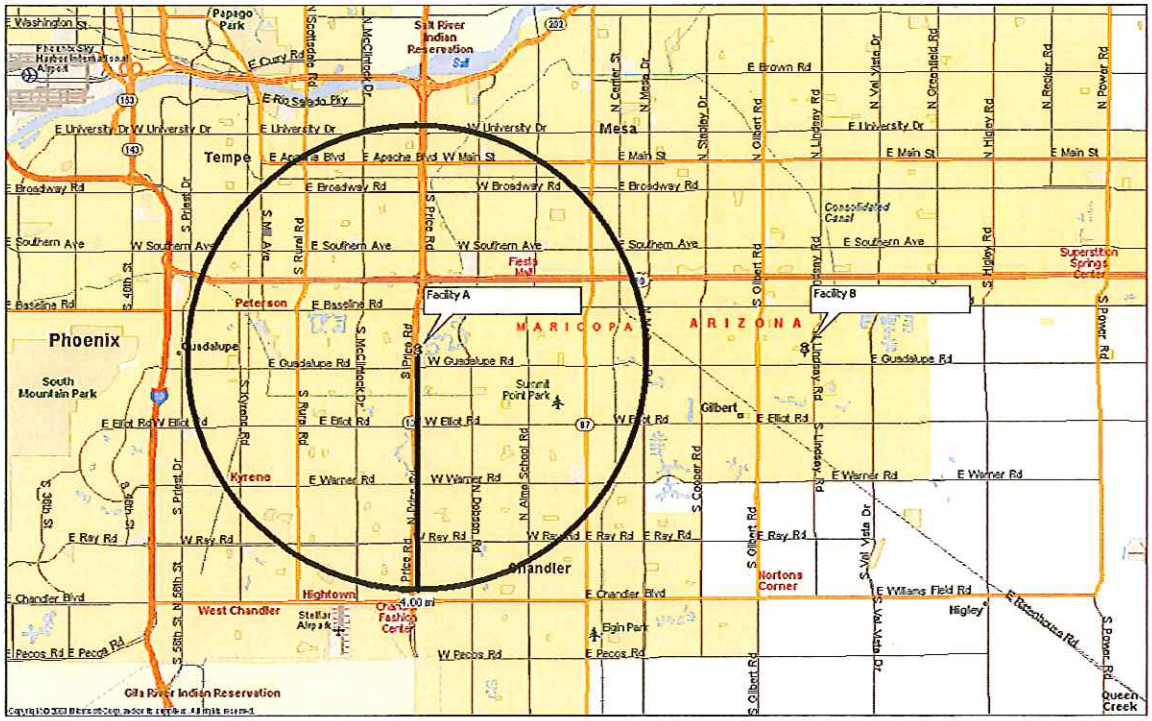
As discussed previously, we consider the subject's Primary Market Area (PMA) to be the area within a 5-mile radius of the site.

TARGET MARKET

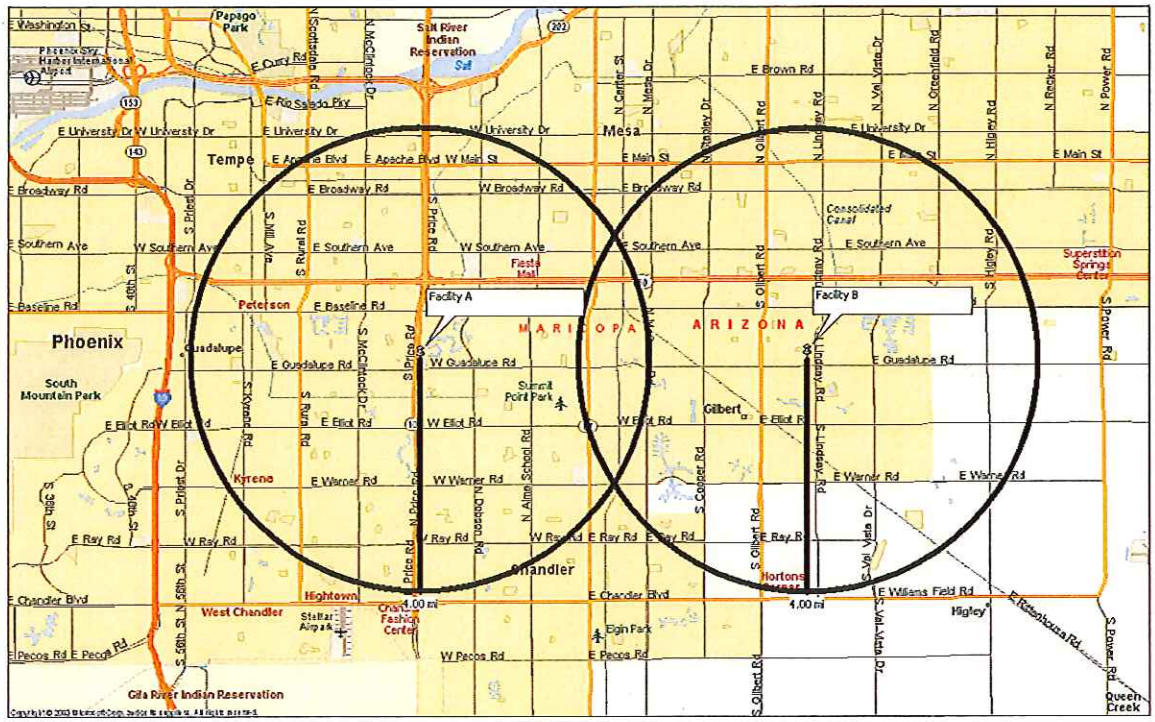
The subject's target market group consists of the "age qualified" population that has adequate income to live in elderly housing and "adult children" who are caregivers for an elderly relative. Therefore, the subject's primary target market for assisted living are seniors ages 65+ with household income of $25,000+, as well as adult children who might relocate such as person to the market.

METHODOLOGY FOR QUANTIFYING SUPPLY

In the case of facilities located some distance from the subject, we have allocated only a portion of the units based upon the estimated percent the market area for each competing facility overlaps the PMA. For example, the map below shows two fictional facilities, A and B along with the concluded market area for Facility A.



Facility B is not within the market area for Facility A. However, Facility B's market area does overlap some of the market area for Facility A, as shown below:



Our methodology for estimating supply considers Facility B in the example above as being partially competitive with Facility A. We base the degree of it is competitiveness upon the percentage of the subject's market area (Facility A in this example) that is overlapped by the estimated market area for Facility B. The percent of overlap is mathematically calculated using a formula that factors in the size of the market area and the distance between each comparable and the subject.

For example, if facility B has 100 beds and the market area for facility B overlaps Facility A's market area by 20%, then 20 of Facility B's beds are considered competitive. This same procedure is used to estimate competitive supply for each facility in and surrounding the subject's market area.

ASSISTED LIVING SUPPLY ANALYSIS

We will now focus upon the assisted living segment of the market. Bed licenses are granted based upon double occupancy in many rooms. In practice, a lesser number of rooms are typically occupied by more than one person. For this reason, we will analyze "operating beds" as opposed to licensed beds. For purposes of this report, a facility's "operating beds" is considered the optimal number of persons that the facility is designed to accommodate at one time. This figure is generally equal to or greater than the number of units, and equal to or less than the number of licensed beds. Our analysis also disregards small board and care facilities in and around the market area, although we know such facilities to be present. Board and care facilities generally have less than 25 living beds, are operated by "mom and pop" type operators, and offer

accommodations and services of lesser quality. For consistency, such facilities are also excluded from the penetration rates utilized in the demand analysis.

EXISTING SUPPLY OF ASSISTED LIVING

The following table is a list of the assisted living facilities serving the subject's market area.

Existing Supply of Assisted Living

Property Name	Type	Number of Assisted Living Beds	Miles From Subject	Percent of Beds Considered Competitive	Number of Competitive Beds
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	ALF/DEM	89	4.4	30%	26
Azalea Manor Inc 557 E Waterman St, Marietta	ALF/DEM	65	9.2	1%	1
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	ALF/DEM	66	0.7	84%	55
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	ALF/DEM	68	1.9	61%	42
Bickford Senior Living 840 Lecroy Drive, Marietta	ALF/DEM	56	7.2	9%	5
Buckhead 2848 Lenox Road, Atlanta	IALF	72	5.6	19%	14
Brighton Gardens of Buckhead 3088 Lenox Rd, Atlanta	ALF/DEM	112	5.3	22%	24
Sunrise of Buckhead 1000 Lenox Park Boulevard, Ne, Atlanta	ALF/DEM	84	4.8	26%	22
Canterbury Court 3750 Peachtree Rd.Ne, Atlanta	CCRC	18	4.2	32%	6
Carlton Senior Living 690 Mount Vernon Highway Northeast, Sandy	ALF/DEM	64	1.1	75%	48
Chambrel at Roswell 1000 Applewood Dr., Roswell	IALF	23	9.0	2%	1
Clairmont Place 2100 Clairmont Lake, Decatur	IALF	38	8.4	4%	1
Sunrise of Decatur 920 Clairmont Ave., Decatur	ALF/DEM	77	9.8	1%	1
Delmar Gardens Of Smyrna 404 Kings Springs Village Parkway, Smyrna	CCRC	77	8.8	3%	2
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	ALF/DEM	66	3.0	45%	30
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	ALF/DEM	113	2.7	49%	56
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	ALF/DEM	78	5.8	18%	14
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	ALF/DEM	65	6.4	14%	9
Emeritus at Big Creek 655 Mansell Rd., Roswell	ALF/DEM	96	9.0	2%	2

EXISTING SUPPLY OF ASSISTED LIVING (CONTINUED)

Emeritus at Dunwoody 1460 South Johnson Ferry Road, Atlanta	ALF	113	1.6	66%	75
Emeritus at Sandy Springs 1260 Hightower Trail, Atlanta	ALF	104	5.2	23%	24
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	ALF D/DEM	52	5.2	23%	12
Emeritus at Vinings 2401 Cumberland Parkway Southeast, Atlanta	ALF/DEM	107	7.0	10%	11
Freedom Pointe Roswell 75 Magnolia St., Roswell	ALF/DEM	92	7.0	11%	10
Gardens of Roswell 9212 Nesbit Ferry Rd, Roswell	ALF	46	8.3	4%	2
Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	ALF/DEM	58	9.4	1%	1
Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	ALF/DEM	84	5.1	24%	20
Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	ALF/DEM	85	9.4	1%	1
Johnson Ferry 9 Sherwood Ln, Marietta	IALF	41	3.1	44%	18
King's Bridge Retirement Center, Inc. 3055 Briarcliff Road, NE, Atlanta	IALF	30	6.1	16%	5
Lenbrook Square In Buckhead 3747 Peachtree Rd, NE, Atlanta	CCRC	16	4.2	32%	5
Manor on the Square 550 Barrington Drive, Roswell	ALF/DEM	62	6.8	12%	7
Morning Star Senior Living 680 Holcomb Bridge Rd, Norcross	ALF	48	9.0	2%	1
Mount Vernon Towers & Sandy Springs 300 Johnson Ferry Rd Ne/Adman Office, Sandy	IALF	26	1.6	66%	17
Northlake Gardens 1300 Montreal Rd, Tukcer	IALF/DEM	63	9.3	1%	1
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	ALF/DEM	59	4.0	34%	20
Parc at Buckhead 650 Phipps Blvd., Atlanta	IALF	40	4.3	31%	12
Parc At Piedmont 999 Hood Road. Marietta	IALF	23	6.8	12%	3
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	ALF D/DEM	52	7.6	7%	4
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	ALF/DEM	57	4.7	27%	15
St. George Village 11350 Woodstock Rd., Roswell	CCRC	39	9.6	1%	1
Sterling Estates 4220 Lower Roswell Rd. Marietta	IALF	90	4.3	31%	28
Summers Landing at Tilly Mill 4821 North Peachtree Road, Dunwoody	ALF	30	4.8	26%	8

EXISTING SUPPLY OF ASSISTED LIVING (CONTINUED)

Summers Landing at Tilly Mill 4821 North Peachtree Road, Dunwoody	ALF	30	4.8	26%	8
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	ALF/DEM	52	0.8	82%	42
Tapestry House 2725 Holcomb Bridge Rd, Alpharetta	ALF	32	7.5	8%	2
The Mann House 5413 Northland Dr., Sandy Springs	ALF/DEM	25	0.8	82%	20
The Renaissance on Peachtree 3755 Peachtree, Atlanta	IALF	43	4.2	32%	14
Winthrop West Senior Living Alzheimer Care 279 Technology Pkway, Norcross	ALF D/DEM	39	9.2	1%	1
Woodland Ridge 4005 South Cobb Drive, Smyma	ALF/DEM	281	8.4	4%	11
Total Number of Existing Competitive Beds					**750**

Type Key
NC = Nursing center
NC/ALF = Nursing center with assisted living.
NC/DEM = Nursing center with specialized Dementia care beds
ALF = Free-standing assisted living facility
ALF/DEM = Free-standing assisted living facility with dedicated Dementia care wing
ALF D/DEM = Free-standing assisted living facility 100% dedicated Dementia care wing
ILF = Independent Living Facility
IALF = Independent and assisted living facility
IALF/Dementia = Independent and assisted living facility with dedicated Dementia care wing
CCRC = Continuing care retirement community

OCCUPANCY OF EXISTING SUPPLY

The occupancy and waiting list status of the existing supply of assisted living is as follows:

Occupancy of Competitive Assisted Living

Property Name	Current Occupancy %	Waiting List Status
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	98%	No
Azalea Manor Inc 557 E Waterman St, Marietta	95%	No
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	94%	No
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	90%	No
Bickford Senior Living 840 Lecroy Drive, Marietta	N/Av	No
Buckhead 2848 Lenox Road, Atlanta	100%	No
Brighton Gardens of Buckhead 3088 Lenox Rd, Atlanta	N/Av	No
Sunrise of Buckhead 1000 Lenox Park Boulevard, Ne, Atlanta	N/Av	No
Canterbury Court 3750 Peachtree Rd Ne, Atlanta	N/Av	No
Carlton Senior Living 690 Mount Vernon Highway Northeast,	95%	No
Chambrel at Roswell 1000 Applewood Dr., Roswell	97%	No
Clairmont Place 2100 Clairmont Lake, Decatur	95%	No
Sunrise of Decatur 920 Clairmont Ave., Decatur	88%	No
Delmar Gardens Of Smyrna 404 Kings Springs Village Parkway, Smyrna	78%	No
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	95%	No
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	N/Av	No
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	N/Av	No
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	96%	No
Emeritus at Big Creek 655 Mansell Rd., Roswell	98%	No
Emeritus at Dunwoody 1460 South Johnson Ferry Road, Atlanta	N/Av	No
Emeritus at Sandy Springs 1260 Hightower Trail, Atlanta	92%	No
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	95%	No
Emeritus at Vinings 2401 Cumberland Parkway Southeast,	90%	No
Freedom Pointe Roswell 75 Magnolia St., Roswell	97%	No

OCCUPANCY OF EXISTING SUPPLY (CONTINUED)

Gardens of Roswell 9212 Nesbit Ferry Rd, Roswell	94%	No
Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	93%	No
Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	93%	No
Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	96%	No
Johnson Ferry 9 Sherwood Ln, Marietta	93%	No
King's Bridge Retirement Center, Inc. 3055 Briarcliff Road, NE, Atlanta	N/Av	No
Lenbrook Square In Buckhead 3747 Peachtree Rd, NE, Atlanta	88%	No
Manor on the Square 550 Barrington Drive, Roswell	93%	No
Morning Star Senior Living 680 Holcomb Bridge Rd, Norcross	80%	No
Mount Vernon Towers & Sandy Springs 300 Johnson Ferry Rd Ne/Adman Office,	N/Av	No
Northlake Gardens 1300 Montreal Rd, Tukcer	90%	No
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	95%	No
Parc at Buckhead 650 Phipps Blvd., Atlanta	N/Av	No
Parc At Piedmont 999 Hood Road. Marietta	100%	No
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	88%	No
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	85%	No
Sandy Spring Manor 3175 River Exchange Dr, Norcross	31%	No
St. George Village 11350 Woodstock Rd., Roswell	N/Av	No
Sterling Estates 4220 Lower Roswell Rd. Marietta	81%	No
Summers Landing at Tilly Mill 4821 North Peachtree Road, Dunwoody	90%	No
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	85%	No
Tapestry House 2725 Holcomb Bridge Rd, Alpharetta	94%	No
The Mann House 5413 Northland Dr., Sandy Springs	N/Av	No
The Renaissance on Peachtree 3755 Peachtree, Atlanta	90%	No
Winthrop West Senior Living Alzheimer 279 Technology Pkway, Norcross	90%	No
Woodland Ridge 4005 South Cobb Drive, Smyrna	93%	No

Based upon the reported occupancy levels, the weighted average occupancy for competitive beds is as follows:

Weighted Average Occupancy of Competitive Assisted Living

Property Name	Number of Competitive Beds	Current Occupancy %	Number of Occupied Beds
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	26	98%	25
Azalea Manor Inc 557 E Waterman St, Marietta	1	95%	1
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	55	94%	52
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	42	90%	38
Bickford Senior Living 840 Lecroy Drive, Marietta	-	N/Av	-
Buckhead 2848 LenoxRoad, Atlanta	14	100%	14
Brighton Gardens of Buckhead 3088 LenoxRd, Atlanta	-	N/Av	-
Sunrise of Buckhead 1000 LenoxPark Boulevard, Ne, Atlanta	-	N/Av	-
Canterbury Court 3750 Peachtree Rd Ne, Atlanta	-	N/Av	-
Carlton Senior Living 690 Mount Vernon Highway Northeast,	48	95%	46
Chambrel at Roswell 1000 Applewood Dr., Roswell	1	97%	1
Clairmont Place 2100 Clairmont Lake, Decatur	1	95%	1
Sunrise of Decatur 920 Clairmont Ave., Decatur	1	88%	1
Delmar Gardens Of Smyrna 404 Kings Springs Village Parkway, Smyrna	2	78%	2
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	30	95%	29
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	-	N/Av	-
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	-	N/Av	-
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	9	96%	9
Emeritus at Big Creek 655 Mansell Rd., Roswell	2	98%	2
Emeritus at Dunwoody 1460 South Johnson Ferry Road, Atlanta	-	N/Av	-
Emeritus at Sandy Springs 1260 Hightower Trail, Atlanta	24	92%	22
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	12	95%	11
Emeritus at Vinings 2401 Cumberland Parkway Southeast,	11	90%	10
Freedom Pointe Roswell 75 Magnolia St., Roswell	10	97%	10

Gardens of Roswell 9212 Nesbit Ferry Rd, Roswell	2	94%	2
Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	1	93%	1
Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	20	93%	19
Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	1	96%	1
Johnson Ferry 9 Sherwood Ln, Marietta	18	93%	17
King's Bridge Retirement Center, Inc. 3055 Briarcliff Road, NE, Atlanta	-	N/Av	-
Lenbrook Square In Buckhead 3747 Peachtree Rd, NE, Atlanta	5	88%	4
Manor on the Square 550 Barrington Drive, Roswell	7	93%	7
Morning Star Senior Living 680 Holcomb Bridge Rd, Norcross	1	80%	1
Mount Vernon Towers & Sandy Springs 300 Johnson Ferry Rd Ne/Adman Office,	-	N/Av	-
Northlake Gardens 1300 Montreal Rd, Tukcer	1	90%	1
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	20	95%	19
Parc at Buckhead 650 Phipps Blvd., Atlanta	-	N/Av	-
Parc At Piedmont 999 Hood Road. Marietta	3	100%	3
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	4	88%	4
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	15	85%	13
Sandy Spring Manor 3175 River Exchange Dr, Norcross	11	31%	3
St. George Village 11350 Woodstock Rd., Roswell	-	N/Av	-
Sterling Estates 4220 Lower Roswell Rd. Marietta	28	81%	23
Summers Landing at Tilly Mill 4821 North Peachtree Road, Dunwoody	8	90%	7
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	42	85%	36
Tapestry House 2725 Holcomb Bridge Rd, Alpharetta	2	94%	2
The Mann House 5413 Northland Dr., Sandy Springs	-	N/Av	-
The Renaissance on Peachtree 3755 Peachtree, Atlanta	14	90%	13
Winthrop West Senior Living Alzheimer 279 Technology Pkway, Norcross	1	90%	1
Woodland Ridge 4005 South Cobb Drive, Smyrna	11	93%	10
TOTALS	504	-	457
WEIGHTED AVERAGE OCCUPANCY		91%	-

ASSISTED LIVING UNDER CONSTRUCTION OR PROPOSED

Our research revealed the following competitive projects under construction or proposed:

Noble Village of Spalding – The Gary Holding Group is currently constructing an independent and assisted living facility with dementia care at 5701 Spalding Drive. The main building will contain 101 units and be comprised of 45 assisted living units, 18 dementia units, and 38 independent living units. To the west of the main building, there will be four independent living duplexes. It is located 7.4 miles northeast of the subject.

Morning Star Senior Living – The facility is an existing 48 unit assisted living facility with plans for an expansion. The city has received elevation plans but has not been provided with the number of units. As of the date of the report, we were unable to confirm with Morning Star the exact number of units for the expansion.

Tapestry House – The facility is an existing 32 unit assisted living facility. The owner has plans to convert the existing 32 units to a secure dementia wing and add 60 additional assisted living units.

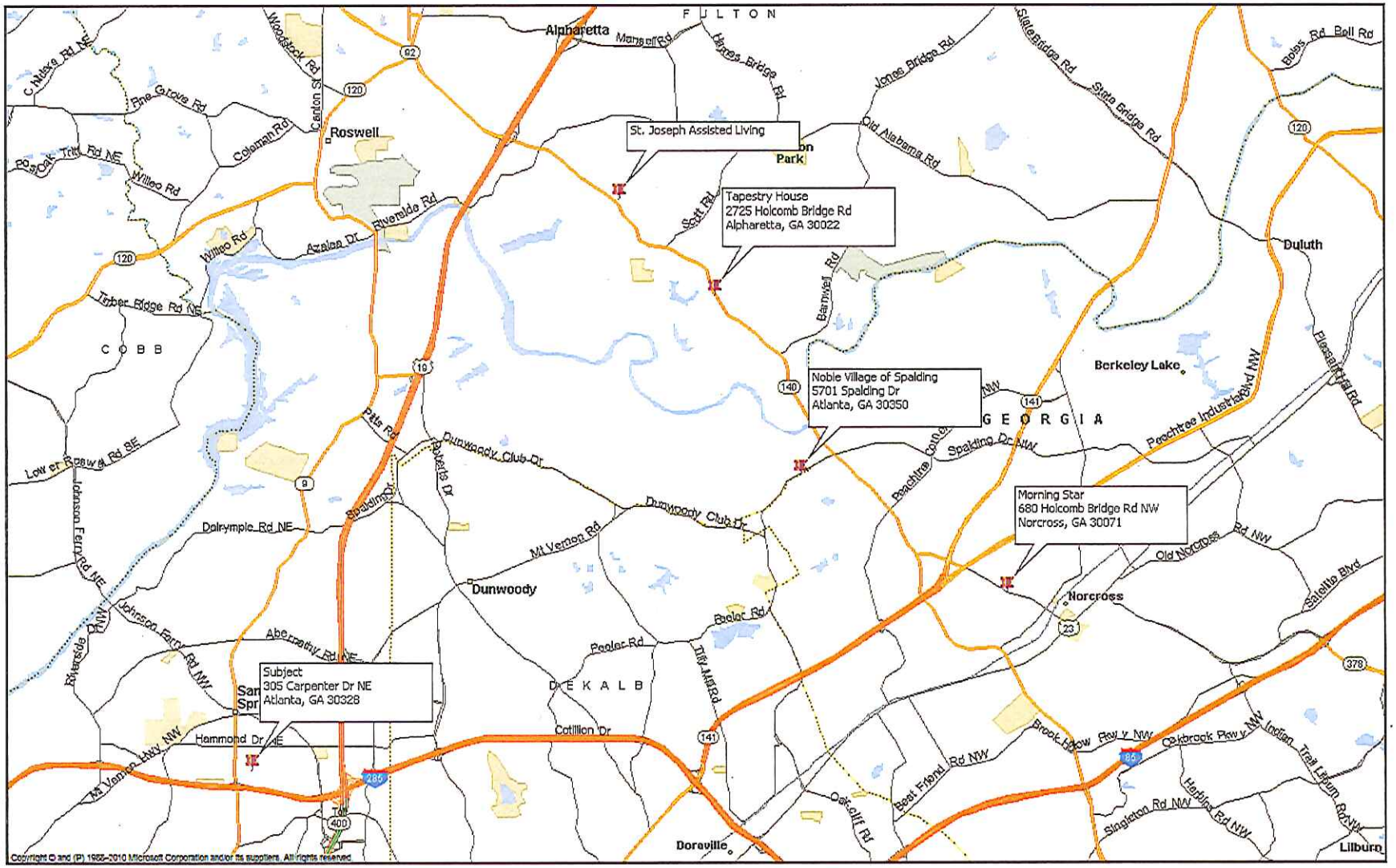
St. Joseph Assisted Living – This is a 100 unit proposed assisted living facility to be located at 1070 Hertz Gravel Road. The building will have 80,000 square feet. According to the city, the project is awaiting road infrastructure before it can be permitted. It will be located 7.4 miles north of the subject.

In our supply forecast, we will only include those facilities likely to be complete within the coming 24 months. These facilities are set forth in the following table.

Supply of Assisted Living Under Construction or Proposed

Property Name	Current Status	Number of Assisted Living Beds	Miles From Subject	Percent of Beds Considered Competitive	Number of Competitive Beds
Noble Village of Spalding 5701 Spalding Drive, Atlanta	Under Construction	63	7.4	8%	5
Relevant Supply Likely to be Complete Within 12 Months					**5**
Tapestry House 2725 Holcomb Bridge Rd, Alpharetta	Planned	60	7.5	8%	5
St. Joseph Assisted Living 1070 Hertz Gravel Road, Roswell	Proposed	100	7.4	8%	8
Relevant Supply Likely to be Complete Within 24 Months					**13**

A map showing the pipeline supply of assisted living in relation to the subject is as follows.


St. Joseph Assisted Living
Tapestry House
2725 Holcomb Bridge Rd
Alpharetta, GA 30022
Noble Village of Spalding
5701 Spalding Dr
Atlanta, GA 30350
Morning Star
680 Holcomb Bridge Rd NW
Norcross, GA 30071
Subject
305 Carpenter Dr NE
Atlanta, GA 30328
FULTON
COBB
DEKALB
GEORGIA
Alpharetta
Roswell
Duluth
Berkeley Lake
Dunwoody
Norcross
Doraville
Lilburn
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DEMENTIA CARE SUPPLY ANALYSIS

We will now focus upon the dementia care/Alzheimer's segment of the assisted living market. Alzheimer's disease is a progressive, degenerative disease that attacks the brain and results in impaired memory, thinking, and behavior. It was first described by Dr. Alois Alzheimer in 1906 and has been diagnosed in millions of people ever since. The exact causes of dementia have yet to be discovered. Dementia is an umbrella term used to describe the loss of cognitive or intellectual function. Many conditions can cause dementia. Dementia related to depression, drug interaction, thyroid, and other problems may be reversible if detected early. Several other diseases also cause dementia, such as Parkinson's, Creutzfeldt-Jakob, Huntington's, and Multi-Infarct or vascular disease, caused by multiple strokes in the brain.

The following statistics from the National Alzheimer's Association's *2011 Alzheimer's Disease Facts and Figures* report delineate the strong need for facilities that care for persons with Alzheimer's and related dementia:

- Alzheimer's is a progressive, degenerative disease of the brain and the most common form of dementia.
- An estimated 5.4 million Americans of all ages have Alzheimer's in 2011. This figure includes 5.2 million people aged 65 and older, and 200,000 individuals under age 65 who have younger-onset dementia.
- One in eight people aged 65 and older (13%) has Alzheimer's.
- Of those with Alzheimer's, an estimated 4% are under age 65, 6% are 65 to 74, 45% are 75 to 84, and 45% are 85 and older.
- More women than men have Alzheimer's disease and other dementias. Almost two-thirds of all Americans living with Alzheimer's are women. Of the 5.2 million people over age 65 with Alzheimer's in the United States, 3.4 million are women and 1.8 million are men. Based on estimates from ADAMS, 16% of women aged 71 and older have Alzheimer's disease or other dementia compared with 11% of men.
- People with fewer years of education appear to be at higher risk for Alzheimer's and other dementias than those with more years of education. Prevalence and incidence studies show that having fewer years of education is associated with a greater likelihood of having dementia and a greater risk of developing dementia.
- The number of Americans surviving into their 80s and 90s and beyond is expected to grow dramatically due to advances in medicine and medical technology, as well as social and environmental conditions. Additionally, a very large segment of the American population – the baby boom generation – is reaching retirement age.

- By 2030, the segment of the U.S. population aged 65 years and older is expected to double, and the estimated 71 million older Americans will make up approximately 20% of the total population. As the number of older Americans grows rapidly, so too will the numbers of new and existing cases of Alzheimer's disease and other dementias.

- In 2000, there were an estimated 411,000 new (incident) cases of Alzheimer's disease. For 2010, that number was estimated to be 454,000 (a 10% increase); by 2030, it is projected to be 615,000 (50% increase from 2000); and by 2050, 959,000 (130% increase from 2000).

- By 2030, the number of people aged 65 and older with Alzheimer's disease is estimated to reach 7.7 million – a 50% increase from the 5.2 million aged 65 and older currently affected.

- By 2050, the number of people aged 65 and older with Alzheimer's disease may triple, from 5.2 million to a projected 11 to 16 million, barring the development of medical breakthroughs to prevent or more effectively treat the disease.

In the past, most persons with Alzheimer's or related dementia have been cared for in the home by informal caregivers (friends or relatives) or through home health care agencies or other providers. With the continuing increase in two-income households and the recognition that caring for a person with dementia can be physically and mentally taxing, many informal caregivers are seeking out options outside the home. This has lead to growth in the number of facilities providing specialized care for persons with Alzheimer's and related dementia.

Facilities providing specialized care for persons with Alzheimer's and related dementia generally follow one of two models: the nursing care model and the assisted living model. Generally, the nursing care model can be characterized as being for patients who have relatively extensive health care needs in addition to requiring care for dementia within a nursing care model is a type of care subject to greater regulation than assisted living care. Staffing requirements for nursing care are typically greater, and the associated costs for care are higher. As many persons with dementia are otherwise healthy, the assisted living model is the leading model for the care of persons with dementia.

EXISTING SUPPLY OF DEMENTIA CARE

The existing supply of competitive dementia care within the PMA is as follows.

Existing Supply of Dementia Assisted Living

Property Name	Type	Number of Dementia Assisted Living Beds	Miles From Subject	Percent of Beds Considered Competitive	Number of Competitive Beds
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	ALF/DEM	20	4.4	30%	6
Azalea Manor Inc 557 E Waterman St, Marietta	ALF/DEM	40	9.2	1%	1
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	ALF/DEM	19	0.7	84%	16
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	ALF/DEM	20	1.0	77%	15
Bickford Senior Living 840 Lecroy Drive, Marietta	ALF/DEM	28	1.9	61%	17
Buckhead 2848 Lenox Road, Atlanta	IALF	14	5.6	19%	3
Brighton Gardens of Buckhead 3088 Lenox Rd, Atlanta	ALF/DEM	22	5.3	22%	5
Sunrise of Buckhead 1000 Lenox Park Boulevard, Ne, Atlanta	ALF/DEM	23	4.8	26%	6
Carlton Senior Living 690 Mount Vernon Highway Northeast,	ALF/DEM	22	1.1	75%	17
Sunrise of Decatur 920 Clairmont Ave., Decatur	ALF/DEM	20	9.8	1%	0
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	ALF/DEM	19	3.0	45%	9
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	ALF/DEM	23	2.7	49%	11
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	ALF/DEM	24	5.8	18%	4
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	ALF/DEM	12	6.4	14%	2
Emeritus at Big Creek 655 Mansell Rd., Roswell	ALF/DEM	19	9.0	2%	1
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	ALF D/DEM	52	5.2	23%	12
Emeritus at Vinings 2401 Cumberland Parkway Southeast,	ALF/DEM	23	7.0	10%	2
Freedom Pointe Roswell 75 Magnolia St., Roswell	ALF/DEM	16	7.0	10%	2

EXISTING SUPPLY OF DEMENTIA CARE (CONTINUED)

Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	ALF/DEM	16	9.4	1%	1
Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	ALF/DEM	27	5.1	23%	6
Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	ALF/DEM	20	9.4	1%	1
Johnson Ferry 9 Sherwood Ln, Marietta	IALF/DEM	13	3.1	44%	6
Manor on the Square 550 Barrington Drive, Roswell	ALF/DEM	17	6.8	12%	2
Northlake Gardens 1300 Montreal Rd, Tukcer	IALF/DEM	14	9.3	1%	1
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	ALF/DEM	22	4.0	34%	7
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	ALF D/DEM	52	7.6	7%	4
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	ALF/DEM	17	4.7	27%	5
St. George Village 11350 Woodstock Rd., Roswell	CCRC	14	9.6	1%	1
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	ALF/DEM	10	0.8	82%	8
The Mann House 5413 Northland Dr., Sandy Springs	ALF/DEM	25	0.8	82%	20
Winthrop West Senior Living Alzheimer 279 Technology Pkway, Norcross	ALF D/DEM	39	9.2	1%	1
Woodland Ridge 4005 South Cobb Drive, Smyrna	ALF/DEM	22	8.4	4%	1
Total Number of Existing Competitive Beds					**193**

Type Key
NC = Nursing center
NC/ALF = Nursing center with assisted living.
NC/DEM = Nursing center with specialized Dementia care beds
ALF = Free-standing assisted living facility
ALF/DEM = Free-standing assisted living facility with dedicated Dementia care wing
ALF D/DEM = Free-standing assisted living facility 100% dedicated Dementia care wing
ILF = Independent Living Facility
IALF = Independent and assisted living facility
IALF/DEM = Independent and assisted living facility with dedicated Dementia care wing
CCRC = Continuing care retirement community

OCCUPANCY OF EXISTING SUPPLY

The occupancy and waiting list status of the existing supply of dementia care is as follows:

Occupancy of Competitive Dementia Assisted Living

Property Name	Current Occupancy %	Waiting List Status
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	100%	Yes
Azalea Manor Inc 557 E Waterman St, Marietta	50%	Lease Up
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	95%	No
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	85%	No
Bickford Senior Living 840 Lecroy Drive, Marietta	N/Av	No
Buckhead 2848 Lenox Road, Atlanta	100%	Yes
Brighton Gardens of Buckhead 3088 Lenox Rd, Atlanta	N/Av	No
Sunrise of Buckhead 1000 Lenox Park Boulevard, Ne, Atlanta	N/Av	No
Carlton Senior Living 690 Mount Vernon Highway Northeast,	86%	No
Sunrise of Decatur 920 Clairmont Ave., Decatur	85%	No
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	100%	Yes
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	N/Av	No
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	N/Av	No
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	100%	Yes
Emeritus at Big Creek 655 Mansell Rd., Roswell	95%	No
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	95%	No
Emeritus at Vinings 2401 Cumberland Parkway Southeast,	95%	No
Freedom Pointe Roswell 75 Magnolia St., Roswell	88%	No
Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	94%	No
Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	95%	No

OCCUPANCY OF EXISTING SUPPLY (CONTINUED)

Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	99%	No
Johnson Ferry 9 Sherwood Ln, Marietta	100%	Yes
Manor on the Square 550 Barrington Drive, Roswell	93%	No
Northlake Gardens 1300 Montreal Rd, Tukcer	68%	No
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	88%	No
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	90%	No
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	90%	No
St. George Village 11350 Woodstock Rd., Roswell	N/Av	No
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	90%	No
The Mann House 5413 Northland Dr., Sandy Springs	N/av	No
Winthrop West Senior Living Alzheimer 279 Technology Pkway, Norcross	90%	No
Woodland Ridge 4005 South Cobb Drive, Smyrna	91%	No

Based upon the reported occupancy levels, the weighted average occupancy for competitive beds is as follows:

Weighted Average Occupancy of Competitive Dementia Assisted Living

Property Name	Number of Competitive Beds	Current Occupancy %	Number of Occupied Beds
Arbor Terrace of East Cobb 886 Johnson Ferry Rd, Marietta	6	100%	6
Azalea Manor Inc 557 E Waterman St, Marietta	1	50%	1
Belmont Village at Buckhead 5455 Glenridge Dr NE, Atlanta	16	95%	15
Bickford of Buckhead Senior Living 4804 Roswell Road, Atlanta	15	85%	13
Bickford Senior Living 840 Lecroy Drive, Marietta	-	N/Av	-
Buckhead 2848 Lenox Road, Atlanta	3	100%	3
Brighton Gardens of Buckhead 3088 Lenox Rd, Atlanta	-	N/Av	-
Sunrise of Buckhead 1000 Lenox Park Boulevard, Ne, Atlanta	-	N/Av	-
Carlton Senior Living 690 Mount Vernon Highway Northeast,	17	86%	15
Sunrise of Decatur 920 Clairmont Ave., Decatur	0	85%	0
Dogwood Forest Dunwoody 7400 Peachtree Dunwoody Road, Atlanta	9	100%	9
Dunwoody, Brighton Gardens of 1240 Ashford Center Parkway, Atlanta	-	N/Av	-
Sunrise of East Cobb 1551 Johnson Ferry Road NE, Marietta	-	N/Av	-
Elmcroft of Roswell 400 Marietta HWY Northwest, Roswell	2	100%	2
Emeritus at Big Creek 655 Mansell Rd., Roswell	1	95%	1
Emeritus at Sandy Springs Place 1262 Hightower Trail, Atlanta	12	95%	11
Emeritus at Vinings 2401 Cumberland Parkway Southeast,	2	95%	2
Freedom Pointe Roswell 75 Magnolia St., Roswell	2	88%	2
Heritage of Sandy Plains 3039 Sandy Plains Road, Marietta	1	94%	1

Sunrise of Huntcliff II 8480 Roswell Rd., Atlanta	6	95%	6
Sunrise of Ivery Ridge 2950 Old Alabama Rd, Alpharetta	1	99%	1
Johnson Ferry 9 Sherwood Ln, Marietta	6	100%	6
Manor on the Square 550 Barrington Drive, Roswell	2	93%	2
Northlake Gardens 1300 Montreal Rd, Tukcer	1	68%	1
Pacifica Senior Living Dunwoody 4484 North Shallowford Rd., Dunwoody	7	88%	6
Peregrine's Landing at Peachtree Creek 4375 Beech Haven Trail, Smyrna	4	90%	4
Plantation South At Dunwoody 4594 Barclay Dr., Dunwoody	5	90%	5
St. George Village 11350 Woodstock Rd., Roswell	-	N/Av	-
Summer's Landing Northland 5399 Northland Dr NE, Atlanta	8	90%	7
The Mann House 5413 Northland Dr., Sandy Springs	-	N/av	-
Winthrop West Senior Living Alzheimer 279 Technology Pkway, Norcross	1	90%	1
Woodland Ridge 4005 South Cobb Drive, Smyrna	1	91%	1
TOTALS	69	-	63
WEIGHTED AVERAGE OCCUPANCY		91%	-

DEMENTIA CARE UNDER CONSTRUCTION OR PROPOSED

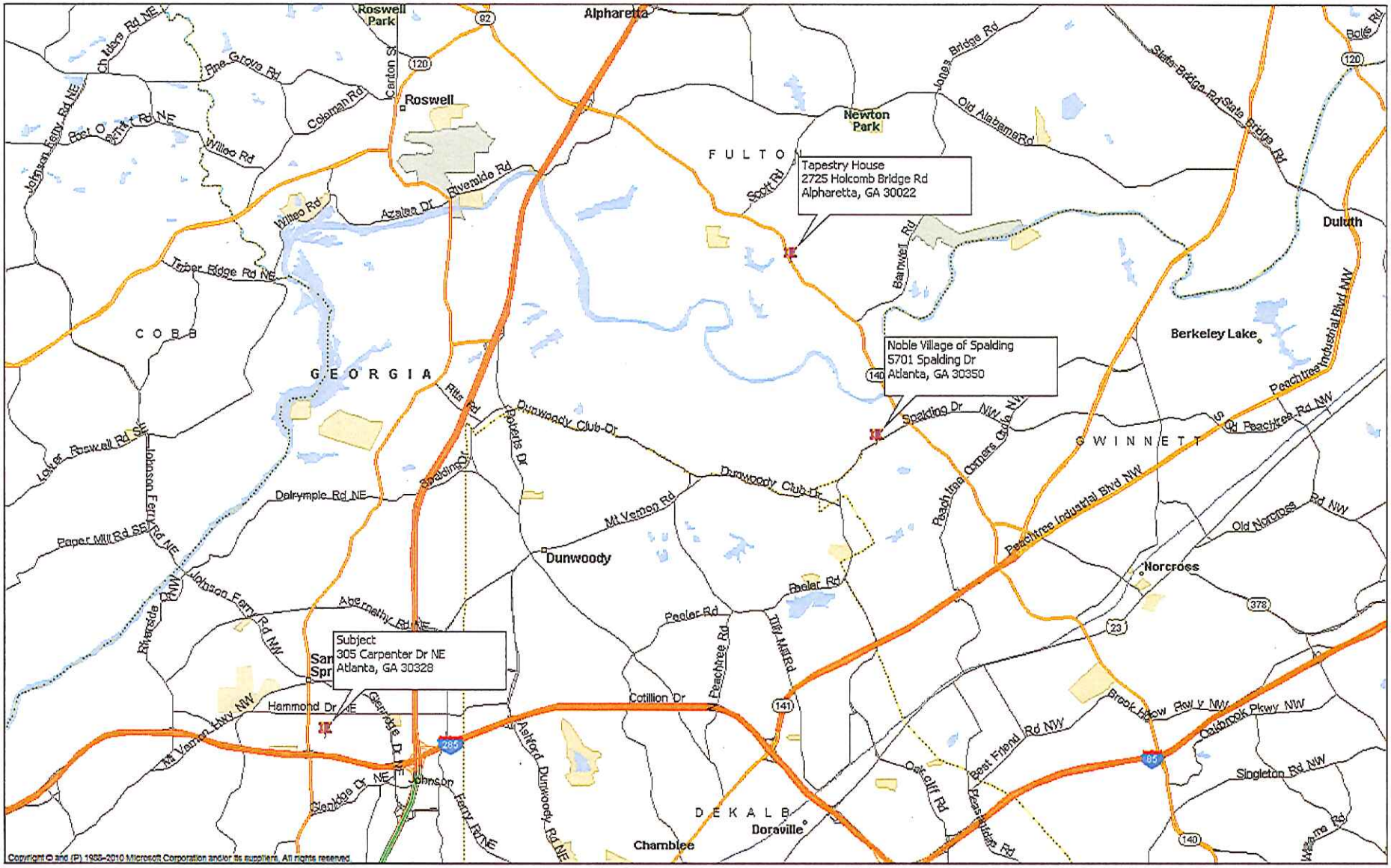
Our research revealed the following competitive projects under construction or proposed:

Noble Village of Spalding – The Gary Holding Group is currently constructing an independent and assisted living facility with dementia care at 5701 Spalding Drive. The main building will contain 101 units and be comprised of 45 assisted living units, 18 dementia units, and 38 independent living units. To the west of the main building, there will be four independent living duplexes. It is located 7.4 miles northeast of the subject.

Tapestry House – The facility is an existing 32 unit assisted living facility. The owner has plans to convert the existing 32 units to a secure dementia wing and add 60 additional assisted living units.

Supply of Dementia Assisted Living Under Construction or Proposed					
Property Name	Current Status	Number of Dementia Assisted Living Beds	Miles From Subject	Percent of Beds Considered Competitive	Number of Competitive Beds
Noble Village of Spalding 5701 Spalding Drive, Atlanta	Under Construction	18	7.4	8%	1
Relevant Supply Likely to be Complete Within 12 Months					1
Tapestry House 2725 Holcomb Bridge Rd, Alpharetta	Planned	32	7.5	8%	2
Relevant Supply Likely to be Complete Within 24 Months					2

A map showing the pipeline supply of assisted living in relation to the subject is as follows.


Tapestry House
2725 Holcomb Bridge Rd
Alpharetta, GA 30022
Noble Village of Spalding
5701 Spalding Dr
Atlanta, GA 30350
Subject
305 Carpenter Dr NE
Atlanta, GA 30328
Roswell Park
Alpharetta
Roswell
Newton Park
Duluth
Berkeley Lake
Dunwoody
Norcross
Chamblee
Doraville
FULTON
COBB
GEORGIA
GWINNETT
DEKALB
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BARRIERS TO ENTRY

The subject is in a market with limited barriers to entry. Vacant sites are plentiful and zoning and building permits are easily obtained. Thus, it is likely that future competition will be developed as demand warrants it.

SENIORS HOUSING DEMAND ANALYSIS

We will now analyze demand for seniors housing. Our analysis will show demand estimates for the current year, every year for the following four, and 10 years from the current year.

The demand estimates will be based upon the quantity of four potential "target groups" who are likely users of seniors housing. Analysis of these four target groups will provide four separate indications of demand for seniors housing. We will then consider each one of them to derive our demand conclusions, much as the three approaches to value in an appraisal are reconciled into a single value estimate. The Target Groups are as follows:

TARGET GROUP 1

Although the vast majority of persons entering seniors housing are age 80 and over, some persons between the ages of 65 and 80 do elect to live in seniors housing. Therefore, the broadest potential target group for seniors housing is persons age 65 and over. The number of persons age 65 plus is often considered in bed need methodologies adopted by various state licensing agencies.

TARGET GROUP 2

The next potential "target group" typically examined in evaluating demand for seniors housing is the number of households headed by a "householder" age 75 and over. The vast majority of seniors housing residents fall into the 75+ range.

TARGET GROUP 3

The next target group consists of the "age qualified" population that has adequate income to live in elderly housing. Many operators consider $25,000 to be the minimum "qualifying" income. Although research has shown that many seniors with lesser income levels can afford to reside in seniors housing due to having income from other sources or assets to spend down, $25,000 is widely considered a benchmark for the private pay market. Thus, Target Group 3 consists of the number of households with household income of $25,000+ headed by a householder age 75+.

TARGET GROUP 4

Target group 4 consists of a group referred to in the industry as "adult children". Children and/or other relatives of seniors generally play a significant role in the placement of a senior in a seniors housing facility. Market areas where there are large concentrations of persons in the 45 to 64 age group can often support significantly larger supply of seniors housing than would be indicated through analysis of seniors already residing in the area. This is because in-migration of seniors

into markets with large adult child populations is common, as the elderly are often relocated to a facility near the home of their adult children or other relative. Many operators of seniors housing have recognized the importance of the adult child market. Thus, Target Group 4 is the number of persons in the age 45 to 64 age bracket.

INCOME AND ADL QUALIFICATION

Some in the industry apply additional "qualifications" to further refine the potential target market before applying a penetration rate. These further qualifications might include quantification of seniors likely to require assistance with activities of daily living and quantification of seniors by living arrangements (restricting the market to those living alone under the assumption that few seniors living with spouses will choose seniors housing). However, there are no reliable "local" sources to accurately estimate these factors in a given market area, typically leading to the use of national statistics. These further qualifications tend to complicate the application and derivation of penetration rates and are a futile exercise since the same national data are typically applied to each market area. For this reason, we will not attempt to further "qualify" the potential market.

DISCUSSION OF ACHIEVABLE PENETRATION RATES

There are no industry standard definitions for penetration or capture rates. For purposes of this analysis, a penetration rate is considered to be the number of beds or units of a specific type that should be demanded at market equilibrium within a given market area, divided by the quantity of persons or households of a specific type in the same market area. For example, if 100 beds of assisted living should be demanded, and there are 1,000 persons age 65+ that reside in the PMA, the indicated penetration rate is 10%.

In order to determine appropriate penetration rates, we have relied upon the National Demand Estimates provided in *The Case for Investing in Seniors Housing and Long Term Care Properties With Updated Projections.* Using the updated demand estimates in this study, national penetration rates are calculated as follows:

Skilled Nursing

Item	Target Group			
	1. Persons 65+	2. Households 75+	3. Households 75+, Inc. $25,000 Plus	4. Persons Age 45-64
A. Demand for Skilled Nursing 2000 Per Revised Investment Case	1,679,327	1,679,327	1,679,327	1,679,327
B. 2000 Population/Households for Each Target Group From Claritas	34,991,852	10,655,032	4,784,660	61,953,662
C. Achievable Penetration Rate (A Divided by B)	4.80%	15.76%	35.10%	2.71%

Assisted Living

Item	Target Group			
	1. Persons 65+	2. Households 75+	3. Households 75+, Inc. $25,000 Plus	4. Persons Age 45-64
A. Demand for Assisted Living 2000 Per Revised Investment Case	706,146	706,146	706,146	706,146
B. 2000 Population/Households for Each Target Group From Claritas	34,991,852	10,655,032	4,784,660	61,953,662
C. Achievable Penetration Rate (A Divided by B)	2.02%	6.63%	14.76%	1.14%

Independent Living

Item	Target Group			
	1. Persons 65+	2. Households 75+	3. Households 75+, Inc. $25,000 Plus	4. Persons Age 45-64
A. Demand for Independent Living 2000 Per Revised Investment Case	706,740	706,740	706,740	706,740
B. 2000 Population/Households for Each Target Group From Claritas	34,991,852	10,655,032	4,784,660	61,953,662
C. Achievable Penetration Rate (A Divided by B)	2.02%	6.63%	14.77%	1.14%

The penetration rates are based upon demand for "public and private pay". The inclusion of "public pay" demand significantly impacts the nursing home sector, and has a lesser but still notable impact upon the other two sectors. It is important to note that in states where Medicaid Waivers and/or other public pay alternatives are not available, these penetration rates may not be realized. These demand estimates, derived from the most complete and authoritative study of national demand in existence, will be used as the basis for estimating demand in the subject's market area.

IRR has been evaluating seniors housing facilities since the mid 1980s. Over the years, we have worked with many of the most prolific developers of seniors housing in the nation including Sunrise Senior Living, Holiday Retirement, Senior Resource Group, Emeritus, Capital Senior Living, etc. Most of the successful developers and operators of private pay seniors housing target the adult child population (persons age 45 to 64). In our tours of literally hundreds of facilities nationally, we always ask the source of residents, and also ask how often the decision is made by an adult child caregiver. In most instances, the adult child caregiver is noted as being the primary decision maker, and in many markets more than 50% of the residents are brought in from outside the PMA by adult child caregivers that live in the PMA (i.e. Target Group 4 / Adult Children). Thus, in our analysis, the adult child market (Target Group 4) is given considerable weight.

We have also "field tested" the penetration rates derived from *The Case for Investing in Seniors Housing and Long Term Care Properties with Updated Projections* in the preparation of more than 3,000 market studies and appraisals of seniors housing assets prepared over the past 10+ years. We have found these penetration rates to be excellent predictors of actual market conditions. In other words, when our demand analysis indicated there to be an undersupply, we typically found

high market occupancy levels indicating unmet demand. Alternatively, when our demand model showed an oversupply, we have typically seen low market occupancy levels.

DEMAND ESTIMATES

The following table shows the estimated number of persons or households in each target group for a number of time periods, and the indicated demand for each period based upon the penetration rates previously discussed.

Demand For Assisted Living

Target Group 1 - Persons Age 65+

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. PMA Persons Age 65+	28,146	29,529	30,913	32,296	33,680	35,063	43,680
B. Achievable Penetration Rate	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
C. Indicated Market Area Demand (A X B)	568	596	624	652	680	708	881

Target Group 2 - Households Age 75+

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. PMA HHs Age 75+	8,422	8,694	8,966	9,239	9,511	9,783	11,364
B. Achievable Penetration Rate	6.63%	6.63%	6.63%	6.63%	6.63%	6.63%	6.63%
C. Indicated Market Area Demand (A X B)	558	576	594	612	630	648	753

Target Group 3 - Households Age 75+ With Income $25,000+

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. PMA HHs Age 75+ W/Inc. $25,000+	5,290	5,498	5,706	5,913	6,121	6,329	7,572
B. Achievable Penetration Rate	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%	14.76%
C. Indicated Market Area Demand (A X B)	781	811	842	873	903	934	1,118

Target Group 4 - Persons Age 45-64 (Adult Children)

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. PMA Persons Age 45-64	55,520	57,077	58,635	60,192	61,750	63,307	72,186
B. Achievable Penetration Rate	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
C. Indicated Market Area Demand (A X B)	633	651	668	686	704	722	823

Demand Conclusions

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
Indicated Demand	707	731	755	779	804	828	970
Adjustment for Local Market Conditions	0%	0%	0%	0%	0%	0%	0%
Concluded Demand	707	731	755	779	804	828	970

The demand indication for each Target Group is independent of the other three demand indications. In this case, our final demand conclusions is weighted 50% to Target Group 3 (age and income qualified seniors) and 50% to Target Group 4 (adult children). These two indications of demand are the best indicators of demand for private pay seniors housing.

COMPARISON OF SUPPLY AND DEMAND

The following table summarizes our conclusions of supply and demand for assisted living:

Comparison of Supply and Demand For Assisted Living							
Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. Indicated Demand	707	731	755	779	804	828	970
B. Less Existing Supply	750	755	768	768	768	768	768
C. Existing Unmet Demand or Oversupply	-43	-24	-13	11	36	60	202
D. Additions/Subtractions to Supply	5	13	0	N.A.	N.A.	N.A.	N.A.
E. Unmet Demand After Additions	-48	-37	-13	11	36	60	202

Our analysis indicates the PMA to have a modest oversupply of assisted living in the current year. However, the PMA is growing, so the demand model shows increasing demand. There are four known assisted living projects, other than the subject, forecast to potentially come online within the PMA during the next 24 months. Due to the various locations in relation to the subject, the projects will be considered only partially competitive within the PMA. Of the competitive pipeline supply, 5 new beds are schedule for delivery in 2014 leaving an oversupply of 48 beds. In 2015, there will be 13 new beds added to the market resulting in an oversupply of 37 assisted living beds.

As noted previously, demand for dementia care is a subset of overall assisted living demand. Dementia care facilities are normally licensed the same as "standard" assisted living facilities. Furthermore, it is relatively easy for facilities to begin or cease providing specialized dementia care since the physical plant requirements are not significantly different, and since the license is not different. We have previously determined demand for all assisted living, including dementia.

As of the fourth quarter of 2013, NIC MAP reported that there were 195,946 assisted living units and 51,590 dementia care units in the Top 31 metro markets. The combined assisted living supply count inclusive of dementia care was 247,536 units. The dementia care assisted living supply figure in turn equated to 20.8% of the total assisted living supply figure. The average occupancy was 90.3% for assisted living and 88.4% for dementia care, indicating that demand between the two segments is near a balanced level. Thus, based upon this comparison, dementia care demand would be 20.8% of total demand for assisted living.

However, we believe this provides just a starting point, and in fact understates potential demand for dementia care for several reasons. Firstly, dementia care units are much more likely to be semi-private than traditional assisted living, and the statistics noted above are based upon units, not beds. Thus, the quantity of dementia units above has a much higher level of double occupancy, thus the demand on a bed, rather than unit basis, would be much higher as a percent of total demand. Furthermore, many residents of traditional assisted living have mild to moderate dementia, and would be better suited for residency in a dementia facility, but the supply of dementia care units is lacking in many markets. Major operators of dementia care such as JEA and Benchmark believe that demand for dementia care is as high as 30% of total assisted living demand. Based upon this, we will estimate demand for dementia care at 30% of total demand. For dementia care assisted living, the supply and demand conclusions are shown below utilizing

30% of the overall assisted living demand for dementia care. Note that according the Alzheimer's Association more than 50% of residents within assisted living homes have some form of dementia or cognitive impairment. However, in some cases the dementia is mild and does not necessitate the resident being in a 100% secure dementia care unit.

The following table summarizes our conclusions of supply and demand for dementia care:

Comparison of Supply and Demand For Dementia Assisted Living

Item	Year						
	2014	2015	2016	2017	2018	2019	2024
A. Indicated Demand	212	219	227	234	241	248	291
B. Less Existing Supply	193	194	196	196	196	196	196
C. Existing Unmet Demand or Oversupply	19	25	31	38	45	52	95
D. Additions/Subtractions to Supply	1	2	0	N.A.	N.A.	N.A.	N.A.
E. Unmet Demand After Additions	18	23	31	38	45	52	95

Our analysis indicates the PMA to have a modest undersupply of assisted living in the current year with unmet demand for 19 beds. However, the PMA is growing, so the demand model shows increasing demand. There are two known assisted living projects, other than the subject, forecast to potentially come online within the PMA during the next 24 months. Due to the various locations in relation to the subject, the projects will be considered only partially competitive within the PMA. Of the competitive pipeline supply, 1 new bed is scheduled for delivery in 2014 leaving an undersupply of 18 beds. In 2015, there will be 2 new beds added to the market resulting in an undersupply of 23 assisted living beds.

SUPPLY AND DEMAND CONCLUSION

The PMA is a growing market. There are low barriers to entry in this market. Our analysis shows the assisted living market to be oversupplied. Based upon our analysis, we conclude the market does not have currently have depth to support an additional assisted living facility at this time.

MEMORANDUM

TO: Linda Abaray, Senior Planner
City of Sandy Springs, Department of Community Development

FROM: Monica Robinson, B.S., M.B.A., Environmental Planner
Department of Health and Wellness, Office of the Director

DATE: May 6, 2014

SUBJECT: **Zoning Comments for May 2014**

AGENDA ITEM	ZONING COMMENTS
201300687	The Fulton County Department of Health and Wellness will require that the applicant connects the proposed mixed-use development to public water and public sanitary sewer available to the site. Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. This development must comply with the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article III – Smokefree Air. If this proposed development includes a food service facility as defined in Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article V – Food Service, the owner must submit kitchen plans for review and approval by this department before issuance of a building permit and beginning construction. The owner must obtain a food service permit prior to opening. If this proposed development includes a public swimming pool as defined in the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article XII – Swimming Pools and Natural Bathing Beaches including spas, whirlpools, etc., the owner or contractor must submit plans for review and approval by this department and must obtain a Department of Health and Wellness permit to construct before issuance of a building permit. Also, the owner of the facility must obtain a Department of Health and Wellness permit to operate the pool prior to opening. Since this proposed development includes a tourist accommodation, as defined in the Department of Human Resources rules and regulations for tourist accommodations as adopted by Fulton County as the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article XIII – Tourist Accommodations, is proposed, the owner or contractor must submit plans for review and approval by this department before issuance of a building permit and beginning construction. The owner must obtain a tourist accommodation permit prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval.
201401133	The Fulton County Department of Health and Wellness will require that the applicant connects the proposed apartment development to public water and public sanitary sewer available to the site. Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. If this proposed development includes a public swimming pool as defined in the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article XII – Swimming Pools and Natural Bathing Beaches including spas, whirlpools, etc., the owner or contractor must submit plans for review and approval by this department and must obtain a Department of Health and Wellness permit to construct before issuance of a building permit. Also, the owner of the facility must obtain a Department of Health and Wellness permit to operate the pool prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval.

AGENDA ITEM	ZONING COMMENTS
201401164	The Fulton County Department of Health and Wellness will require that the applicant connects the proposed assisted living development to public water and public sanitary sewer available to the site. Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. This development must comply with the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article III – Smokefree Air. If this proposed development includes a food service facility as defined in Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article V – Food Service, the owner must submit kitchen plans for review and approval by this department before issuance of a building permit and beginning construction. The owner must obtain a food service permit prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval. If there are existing structures that will be demolished, this department is requiring that those structures be inspected by a certified pest control operator to insure that the premise is rat free. If evidence of rodent infestation is found, the property must be baited prior to demolition.
201401170	The Fulton County Department of Health and Wellness will require that the applicant connects the proposed condominium development to public water and public sanitary sewer available to the site. Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. If this proposed development includes a public swimming pool as defined in the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article XII – Swimming Pools and Natural Bathing Beaches including spas, whirlpools, etc., the owner or contractor must submit plans for review and approval by this department and must obtain a Department of Health and Wellness permit to construct before issuance of a building permit. Also, the owner of the facility must obtain a Department of Health and Wellness permit to operate the pool prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval.
201401173	The Fulton County Department of Health and Wellness will require that the applicant connects the proposed development to public water and public sanitary sewer available to the site. Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. This development must comply with the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article III – Smokefree Air. If this proposed development includes a food service facility as defined in Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article V – Food Service, the owner must submit kitchen plans for review and approval by this department before issuance of a building permit and beginning construction. The owner must obtain a food service permit prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval. The Fulton County Department of Health and Wellness recommends this facility meet all permit requirements for child care learning centers under Bright from the Start: Georgia Department of Early Care and Learning. If there are existing structures that will be demolished, this department is requiring that those structures be inspected by a certified pest control operator to insure that the premise is rat free. If evidence of rodent infestation is found, the property must be baited prior to demolition.

AGENDA ITEM	ZONING COMMENTS
201401257	Since this proposed development constitutes a premise where people work, live, or congregate, onsite sanitary facilities will be mandatory, prior to use or occupancy. This development must comply with the Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article III – Smokefree Air. Since this site is served by public water and public sanitary sewer and adequate facilities are required, the Department of Health and Wellness recommends that the appropriate jurisdiction conducts an inspection of the internal plumbing to assure that the facilities are appropriate for the proposed use. If this proposed development includes a food service facility as defined in Fulton County Code of Ordinances and Code of Resolutions, Chapter 34 – Health and Sanitation, Article V – Food Service, the owner must submit kitchen plans for review and approval by this department before issuance of a building permit and beginning construction. The owner must obtain a food service permit prior to opening. This Department is requiring that plans indicating the number and location of outside refuse containers along with typical details of the pad and approach area for the refuse containers be submitted for review and approval.

Akbar, Abdul

From: Abaray, Linda <LAbaray@SandySpringsga.gov>
Sent: Tuesday, April 15, 2014 12:04 PM
To: Abaray, Linda
Cc: Allen, Colleen
Subject: Sandy Springs Preliminary Zoning Agenda- April
Attachments: 201300687 Letter of Intent.pdf; 201300687 Site Plan 3.5.13.pdf; 201401133 Site Plan.pdf; 201401133 LOI.pdf; 201401164 LOI & Site Plan.pdf; 201401170 LOI & Site Plan.pdf; 201401173 Letter of Intent & Site Plan.pdf; 201401257 LOI & Site Plan.pdf

All:

Please be advised, the material details the zoning petitions received on or before the April 2, 2014 submittal deadline. We are writing to solicit your comments with regard to these applications. Please forward a response in writing detailing your comments, or lack thereof to the attention of the Linda Abaray. Correspondence may be sent to the following address:

City of Sandy Springs
Department of Community Development
Planning and Zoning Division
7840 Roswell Road, Building 500
Sandy Springs, Georgia 30350
labaray@sandyspringsga.gov

	Agenda Item	Council District	Meeting Dates
Rezoning			
1.	201300687 Abernathy Road, Mount Vernon Highway, Peachtree Dunwoody Drive *Applicant: Hines Interest Limited Partnership* ▪ To rezone the subject property from O-I (Office and Institutional District) to MIX (Mixed Use District), with a use permit and concurrent variances.	4	CZIM – 4/22/14 CDRM – 5/29/14 PC-6/19/14 MCC-7/15/14
2.	201401133 305 Carpenter Drive *Applicant: Vossoud Zohedi* ▪ To rezone the subject property from A-L (Apartment Limited Dwelling District) to A-L (Apartment Limited Dwelling District) to allow multi-family, with concurrent variances.	5	CZIM – 4/22/14 CDRM – 5/29/14 PC-6/19/14 MCC-7/15/14
3.	201401164 8730 Roswell Road *Applicant: Centric Development, LLC* ▪ To rezone the subject property from AG-1 (Agricultural District) and O-I (Office and Institutional District) to A-L (Apartment Limited Dwelling District), with concurrent variances.	2	CZIM – 4/22/14 CDRM – 5/29/14 PC-6/19/14 MCC-7/15/14
4.	201401170 400 Carpenter Drive *Applicant: Holt Persinger* ▪ To rezone the subject property from C-1 (Community Business District) to A-L (Apartment Limited Dwelling District), with concurrent variances.	6	CZIM – 4/22/14 CDRM – 5/29/14 PC-6/19/14 MCC-7/15/14
5.	201401173 5188 & 5208 Roswell Road, 141,151,163,171 Mt. Paran Road *Applicant: Halpern Enterprises, Inc* ▪ To rezone the subject property from O-I (Office and Institutional District) and R-3 (Single Family Dwelling District) to MIX (Mixed Use District), with concurrent variances.	6	CZIM – 4/22/14 CDRM – 5/29/14 PC-6/19/14 MCC-7/15/14
6.	201401257 220 and 230 Sandy Springs Place	3	CZIM – 4/22/14 CDRM – 5/29/14

COMMENTS ON PUBLIC SERVICES AND UTILITIES

NOTE: Various Fulton County departments or divisions that may or may not be affected by the proposed development provide the following information. Comments herein are based on the applicant's conceptual site plan and are intended as general non-binding information and in no manner suggest a final finding by the commenter. All projects, if approved, are required to complete the City of Sandy Springs and the Fulton County Plan Review process prior to the commencement of any construction activity.

WATER AND WASTEWATER (SEWER):

WATER:

Anticipated water demand: 270 gallons per day (gpd) per residential lot x 120 multifamily units = 32,400 gallons per day (gpd)

This project is within the City of Atlanta water jurisdiction.

SEWER:

Basin: Long Island Creek
Treatment Plant: R.L. Sutton (Cobb County)
Anticipated sewer demand: 243 gallons per day

There are two wastewater manholes located within the southwest property corner of the 1.19 acre tract (305 Carpenter Drive) (sewer manholes # SMLI0404340 and # SMLI0404350) located in Land Lot 90, District 17.

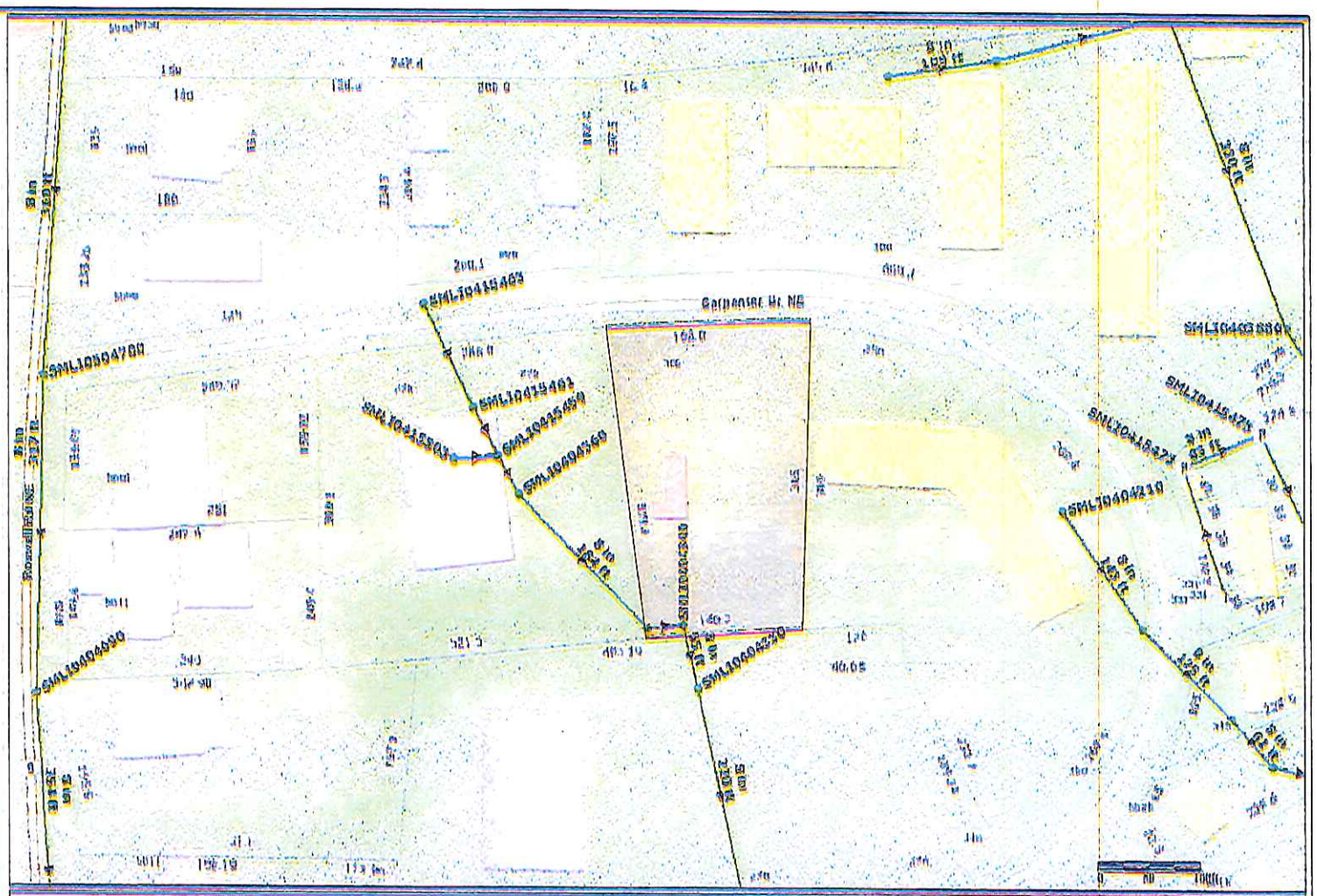
Comments: This information does not guarantee that adequate sewer capacity is available at this time or will be available upon application of permits. Please contact the Department of Public Works for more information.

Treatment Plant
RedUse
WasteWater
Water

Waste Water System
Private Manhole
Pump Station
Pump Station
Manhole
Accessible
Not Assessed
Problem
Lined Pipe
Force Main
Creek Crossing
Waste Water Pipe Flow
UNK
4" x 6"
8"
10"
12" x 18"
18" x 24"
30" x 48"
Greater than 48"
Waste Water Pipe
UNK
4" x 6"
8"
10"
12" x 18"
18" x 24"
30" x 48"
Greater than 48"
Parcel Dimensions

Address Points

waterservices_pub DBO.BASEMAP_County



305 Carpenter Drive

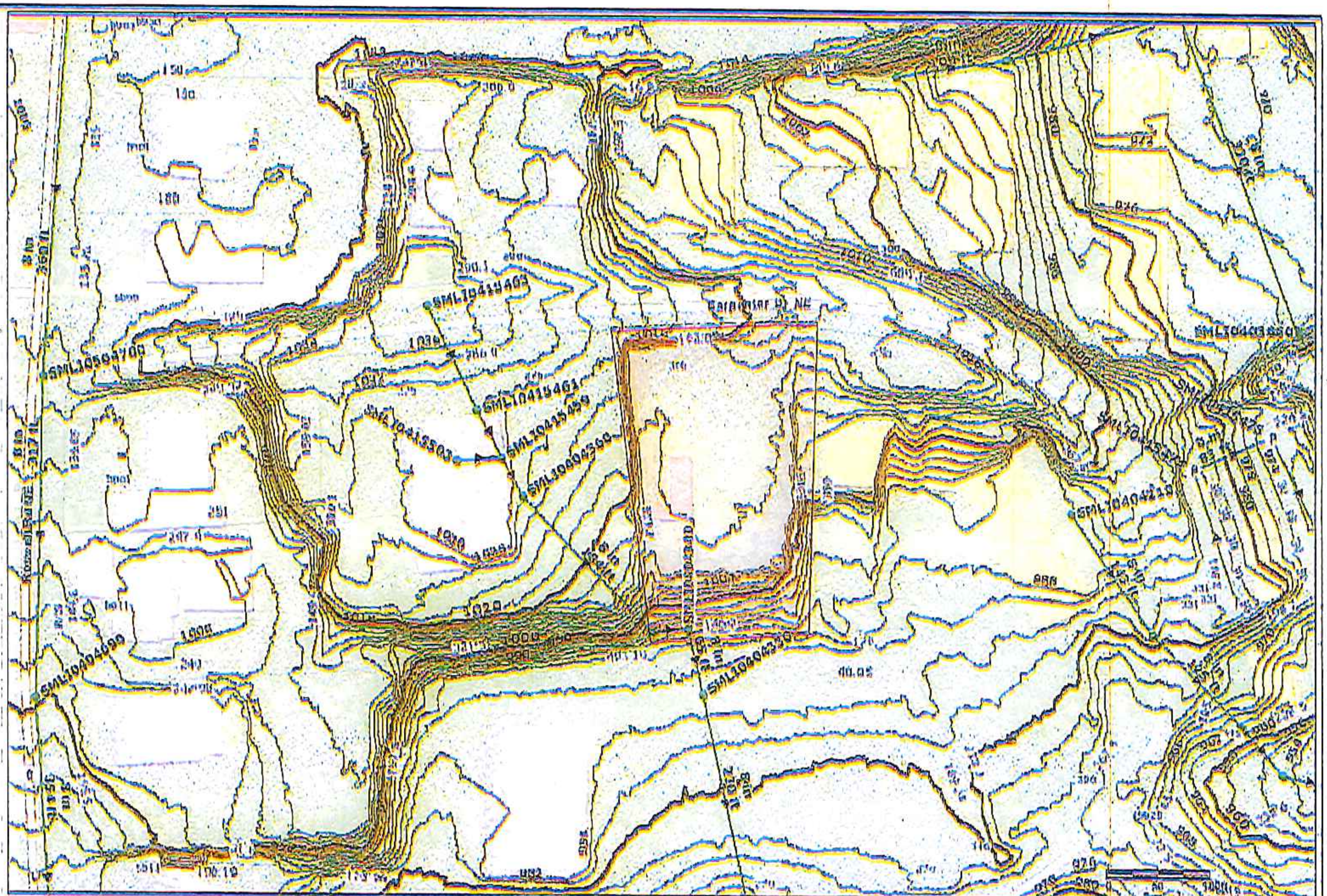
Fulton County, Georgia
5-6-2014

Treatment Plant
Re-Use
WasteWater
Water

Waste Water System
Private Manhole
Pump Station
Pump Station
Manhole
Assessable
Not Assessed
Problem
Lined Pipe
Force Main
Creek Crossing
Waste Water Pipe Flow
UNK
4" - 6"
8"
10"
12" - 16"
18" - 24"
30" - 48"
Greater than 48"
Waste Water Pipe
UNK
4" - 6"
8"
10"
12" - 16"
18" - 24"
30" - 48"
Greater than 48"

Topography
2ft Contour
10ft Contour

Parcel Dimensions



305 Carpenter Drive

Fulton County, Georgia

5-6-2014

Fulton County provides the data on this map for your personal use "as is". The data are not guaranteed to be accurate, correct, or complete. The feature locations depicted in these maps are approximate and are not necessarily accurate to surveying or engineering standards. Fulton County assumes no responsibility for losses resulting from the use these data, even if Fulton County is advised of the possibility of such losses.

Property Profile for 305 CARPENTER DR

Property Tax Information

Tax Year	2014
Parcel ID	17 009000020961
Property Address	305 CARPENTER DR
Owner	ZAHEDI MASOUD ET AL
Mailing Address	5801 ROSWELL RD ATLANTA GA 30328
Total Appraisal	$350,000
Improvement Appraisal	$0
Land Appraisal	$350,000
Assessment	$140,000
Tax District	59
Land Area	1.18999 ac
Property Class	Commercial Lots
Land Use Class	Commercial Auxiliary Improvements
TAD	
CID	

Zoning

Zoning Class	not available
Overlay District	
2030 Future Development	not available

Political

Municipality	Sandy Springs
Commission District	4
Commission Person	Tom Lowe
Council District	not available
Council Person	not available
Voting Precinct	SS07C
Poll Location	Hammond Park Gym, 705 Hammond Drive Ne
Congressional District	006
State Senate District	006
State House District	080

School Zones

Elementary School	Lake Forest
Middle School	Ridgeview
High School	Riverwood

Other Information

Zip Code	30328
Census Tract	101.10
In Less Developed Census Tract	No

Oblique Aerial View (looking north)

Property Map

Vicinity Map

Property Profile for 0 CARPENTER DR

Property Tax Information

Tax Year	2014
Parcel ID	17 009000020334
Property Address	0 CARPENTER DR
Owner	FOUR ZERO ZERO CARPENTER DRIVE LLC
Mailing Address	5801 ROSWELL RD ATLANTA GA 30328
Total Appraisal	$150,000
Improvement Appraisal	$0
Land Appraisal	$150,000
Assessment	$60,000
Tax District	59
Land Area	0.462809 ac
Property Class	Commercial Lots
Land Use Class	Vacant Commercial Land
TAD	
CID	

Zoning

Zoning Class	not available
Overlay District	
2030 Future Development	not available

Political

Municipality	Sandy Springs
Commission District	4
Commission Person	Tom Lowe
Council District	not available
Council Person	not available
Voting Precinct	SS11C
Poll Location	Highpoint Elementary School, 520 Greenland Rd
Congressional District	006
State Senate District	006
State House District	080

School Zones

Elementary School	Lake Forest
Middle School	Ridgeview
High School	Riverwood

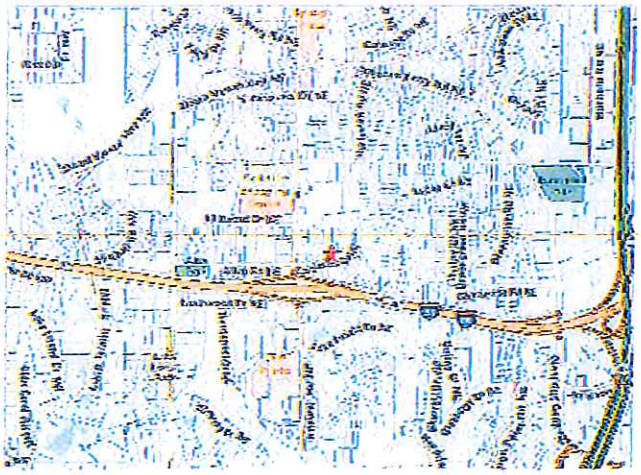
Other Information

Zip Code	30328
Census Tract	101.10
In Less Developed Census Tract	No

Oblique Aerial View (looking north)

Property Map

Vicinity Map



Fulton County Schools
Where Students Come First

Fulton County Schools - Rezoning Impact Statement

4/16/2014

PETITION: 201401133

JURISDICTION: Sandy Springs

USE	*# UNITS*
Single-family detached	0
Townhouse / Condo	0
Apartments	120

HOME SCHOOL	PROJECTED BASELINE ENROLLMENT [A]	CAPACITY [B]	ESTIMATED # NEW STUDENTS GENERATED	PROJECTED UNDER/OVER CAPACITY [C] WITHOUT DEV	PROJECTED UNDER/OVER CAPACITY [C] WITH DEV
Lake Forest ES	948 to 1,006	850	0 to 89	98 to 156	**98 to 245**
Ridgeview MS	1,161 to 1,233	1200	0 to 20	-39 to 33	**-39 to 53**
Riverwood HS	1,553 to 1,649	1325	4 to 25	228 to 324	**232 to 349**
TOTAL			4 to 134		

HS REGION: Riverwood HS

	AVERAGE - 1 STD DEV		AVERAGE + 1 STD. DEV.	
One single-family detached unit generates:	0.013091	to	0.208131	*elementary school students*
	0.000000	to	0.056933	*middle school students*
	0.000000	to	0.162666	*high school students*
One townhouse unit generates:	0.007704	to	0.089494	*elementary school students*
	0.000000	to	0.039527	*middle school students*
	0.007502	to	0.107628	*high school students*
One apartment unit generates:	0.000000	to	0.737742	*elementary school students*
	0.000000	to	0.167478	*middle school students*
	0.036368	to	0.207204	*high school students*

AVERAGE OPERATIONAL COST PER STUDENT (FY14):

TOTAL COST:$12,286 PORTION LOCAL REVENUE SOURCES: $8,209 PORTION STATE AND OTHER REVENUE SOURCES: $4,077

A Projected enrollment for the 2014-15 school year based on forecasted enrollment.
B Georgia Department of Education state capacity.
C Positive values indicate numbers of students a facility is over state capacity / negative values indicate number of stduents a facility is under state capacity.
** State capacity indicates space. However due to the number of special programs, portable classrooms or other measures may be needed to accommodate the instructional needs of the school.*
*** Student yields are calculated annually based on geocode of enrolled FCS students in built-out developments within the high school zone in which the proposed development is located.*