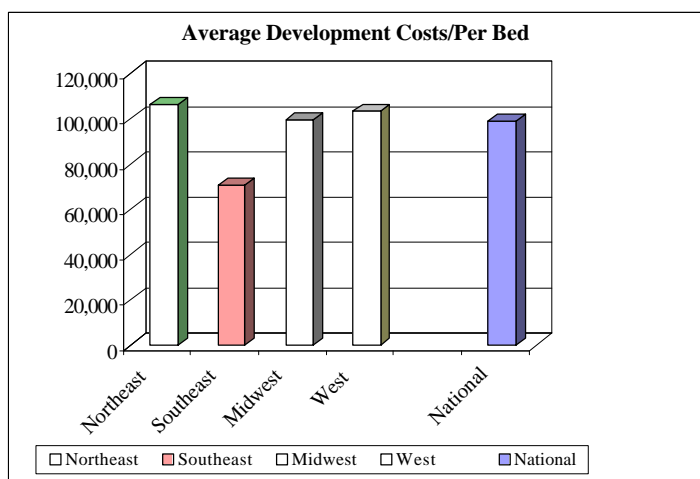




◆ 1999 Assisted Living Development Cost Survey ◆

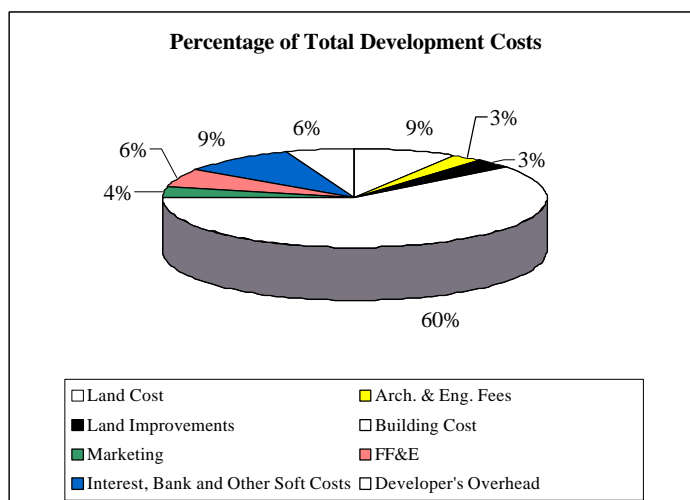
	Northeast	Southeast	Midwest	West	National
<i>Data Sample Size</i>	40	14	24	10	88
AVERAGE DEVELOPMENT COSTS					
Land Cost	\$768,739	\$552,528	\$548,806	\$1,032,448	\$704,327
Arch. & Eng. Fees	292,337	139,347	226,037	210,862	240,657
Land Improvements	231,989	114,933	322,850	332,506	249,569
Building Cost	5,806,548	3,783,175	4,481,477	4,393,078	4,962,643
Marketing	346,706	180,505	275,773	288,725	294,331
FF&E	547,995	382,524	460,980	391,349	480,138
Interest, Bank and Other Soft Costs	739,445	692,023	801,450	1,106,362	790,506
Developer's Overhead	507,059	356,023	475,384	551,296	479,419
Total Development Costs	\$9,238,160	\$6,201,058	\$7,592,757	\$8,306,626	\$8,200,382
PROJECT DESCRIPTION					
Size in Square Feet	61,313	46,340	44,417	54,888	53,593
Units	76	58	61	79	69
Beds	87	77	72	82	81
Double Occupancy Percentage	10%	27%	15%	5%	13%
Size Per Unit	766	756	724	661	741
Size Per Bed	688	551	613	631	639
Total Land Size (Acres)	6.36	4.84	4.01	5.09	5.33
Units Per Acre	13.90	14.76	19.25	16.05	14.80
Beds Per Acre	15.95	18.76	23.49	15.21	17.25
DEVELOPMENT COST ANALYSIS					
Total Development Cost	\$9,238,160	\$6,201,058	\$7,592,757	\$8,306,626	\$8,200,382
Total Development Cost Per Sq. Ft.	157	126	167	169	156
Total Development Cost Per Unit	118,787	96,456	120,160	108,376	114,426
Total Development Cost Per Bed	106,613	70,950	99,875	103,273	98,722
Land Cost Per Acre	\$150,490	\$116,233	\$164,663	\$184,657	\$152,869
Land Cost Per Unit	9,873	8,456	8,841	11,612	9,564
Land Cost Per Bed	8,789	6,222	7,368	11,096	8,256
Building Cost Per Square Foot	\$98	\$77	\$98	\$91	\$94
Building Cost Per Unit	74,491	58,812	70,216	58,021	68,959
Building Cost Per Bed	66,940	43,713	58,377	55,379	59,596
FF&E Per Square Foot	\$9	\$9	\$10	\$9	\$9
FF&E Per Unit	7,106	6,707	7,199	5,540	6,890
FF&E Per Bed	6,375	4,701	5,956	5,281	5,870
Marketing Cost Per Square Foot	\$6	\$3	\$5	\$6	\$6
Marketing Cost Per Unit	4,703	2,446	3,784	3,997	4,011
Marketing Cost Per Bed	4,279	1,821	3,020	3,871	3,500
PERCENTAGE OF DEVELOPMENT COSTS					
Land Cost	8%	9%	7%	11%	8%
Arch. & Eng. Fees	3%	2%	3%	2%	3%
Land Improvements	3%	3%	5%	4%	3%
Building Cost	63%	61%	59%	54%	60%
Marketing	4%	3%	3%	4%	3%
FF&E	6%	7%	6%	5%	6%
Interest, Bank and Other Soft Costs	7%	10%	11%	12%	9%
Developer's Overhead	6%	6%	6%	8%	6%
Total Development Costs	100%	100%	100%	100%	100%

◆ 1999 Assisted Living Development Cost Survey ◆



- Northeast region displays highest development cost on a per bed basis
- The southeast region displays the lowest development cost per bed
- The west region displayed the highest land cost on a per bed and per unit basis
- Marketing cost were generally consistent with a national average of \$3,500 per bed

- Northeast Region: CT, DE, ME, MD, MA, WV, VA, VT, RI, PA, OH, NY, NJ and NH
- Southeast Region: AL, AK, FL, GA, KY, LA, MS, TX, TN, SC, OK and NC
- Midwest Region: IL, IN, IA, KS, MI, MN, MO, WI, SD and NE
- West Region: AK, AZ, CA, CO, HI, ID, WY, WA, UT, OR, NM, NV and MT



National Senior Population Growth

Population Statistics (in thousands)											
Age	Census 1990	Estimate 1998	% Growth	Projected 2003	% Growth	Projected 2008	% Growth	Projected 2030	% Growth	Projected 2050	% Growth
Total Pop.	248,710	270,002	8.6%	281,452	4.2%	292,928	4.1%	346,899	18.4%	393,931	13.6%
65 - 69	10,060	9,572	-4.9%	9,644	0.8%	11,278	16.9%	19,633	74.1%	18,829	-4.1%
70 - 74	7,977	8,793	10.2%	8,450	-3.9%	8,577	1.5%	17,774	107.2%	15,902	-10.5%
75 - 79	6,096	7,204	18.2%	7,423	3.0%	7,197	-3.0%	13,962	94.0%	13,927	-0.3%
80 - 84	3,909	4,720	20.7%	5,325	12.8%	5,554	4.3%	9,555	72.0%	11,977	25.3%
85 +	3,131	3,995	27.6%	4,627	15.8%	5,391	16.5%	8,455	56.8%	18,223	115.5%
>65	31,173	34,284	10.0%	35,469	3.5%	37,997	7.1%	69,379	82.6%	78,858	13.7%
>75	13,136	15,919	21.2%	17,375	9.1%	18,142	4.4%	31,972	76.2%	44,127	38.0%

- From a national perspective, the ten states with the largest senior populations are Florida, California, Texas, New York, Pennsylvania, Ohio, Illinois, North Carolina, Arizona and Michigan.

Herman/Turner Group, LLC is a national professional services firm that consults to the senior housing, healthcare and real estate industries. The Herman/Turner Group, LLC is experienced in valuation, market analysis, and financial consulting. Clients come to the Herman/Turner Group, LLC for unbiased assistance in making better business decisions.