

Eagles Nest Market Feasibility Analysis

Junction, Texas

Prepared for:
South Star Senior Living

Amended April 22, 2025



Turning mature market data into management decisions™

Amended April 22, 2025

Ms. Amy Riley-Clanton, Co-Founder
Mr. Troy Clanton, Co-Founder
South Star Senior Living

Via Email: amy@southstarseniorliving.com
troy@southstarseniorliving.com

Re: Results of the Market Feasibility Analysis to Determine Market Support for Living (entrance fee and rental), Assisted Living, Assisted Living Memory Care, and Skilled Nursing for the proposed Eagles Nest campus in the Junction, TX market area.

Dear Ms. Riley-Clanton and Mr. Clanton:

This report presents the revised results of the market feasibility analysis conducted by PMD Advisory Services LLC (PMD). This report presents our analysis of the market for Independent Living (entrance fee and rental), Assisted Living, Assisted Living Memory Care, and Skilled Nursing for the proposed Eagles Nest senior living community in the Junction, Texas market area. We have revised the report to include your Prototype unit mix and pricing as provided to PMD via email on July 19, 2024. It is our understanding that this analysis will be used to inform the strategic planning process for this campus and to obtain financing for the project.

PMD Advisory Services, LLC understands that the analysis will be used as support for your internal planning process. PMD has no responsibility to update the information presented in the study unless engaged by you to do so. PMD dedicates its efforts to provide objective, professional advice, and helpful recommendations based on the information reviewed during the research period and founded on research, marketing and development principles that have worked successfully in other, similar retirement community markets.

Thank you for allowing us the opportunity to work with you on this project. After you have a chance to review, please contact us so we can schedule a time to review our findings and answer your questions.

Sincerely,
PMD Advisory Services, LLC



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CHAPTER 1

SUMMARY OF FINDINGS

Introduction

The purpose of this engagement was to conduct a supply and demand analysis in the Junction, TX Primary Market Area (PMA) to determine if there is additional unmet demand in the market to support the development of the Eagles Nest campus. The results of this study will be used for internal strategic planning and financing

The analysis includes:

- A calculation of project and market penetration rates
- Specific recommendations regarding the number of independent living residences (entrance fee and rental), assisted living, assisted living memory care and skilled nursing beds by type that the Eagles Nest primary market area (PMA) could support

To assess the market potential within the Eagles Nest market area to support the proposed senior living products, PMD:

- defined a realistic market area for the Eagles Nest PMA
- reviewed local real estate market conditions

- analyzed demographic data for the market area
- identified potential competitors (existing and planned)
- generated an inventory of existing and planned community characteristics
- site visits to a sample of the competitive communities - the data reported on competitive communities reflects the results of telephone mystery shops of the competitive communities as well as Internet research and in-person tours of the top three competitive communities in the market area.
- calculated potential market demand using PMD's proprietary Senior Market Profile (SMP) demographic segmentation database and proprietary demand models for independent living (entrance fee and rental) residences, assisted living, assisted living memory care and skilled nursing beds

Community Description

As envisioned, the Eagles Nest proposed community will be located adjacent to the Kimble Hospital site located at 349 Reid Road in Junction, Texas. The community will be developed in three phases to include independent living residences, assisted living, assisted living memory care, and skilled nursing beds/residences. Once completed it is envisioned the community will include 64 independent living residences consisting of 24 independent living entrance fee cottages and 40 independent living rental apartments, 52 assisted living beds/residences, 28 assisted living memory care beds/residences, and an undetermined number of skilled nursing beds.

Site Location Evaluation

An evaluation of the site's location, using 16 different criteria, rated the location an **84** out of **100**. This classifies the location as a "Very Good" location for the development, operation and investment in senior housing and long-term care.

Market Area Definition

The market area for the Eagles Nest is based on input from the South Star Senior Living team, patterns of movement and migration, and PMD's experience in the region. The Eagles Nest independent living, assisted living, assisted living memory care and skilled nursing residences are expected to generate 85% of the community's resident population

from within the PMA. For the purposes of this analysis, the Eagles Nest PMA has been defined to include 31 ZIP Codes, all or parts of which are in 14 counties.

Market Area Demographics

Estimates for total population and households in the Eagles Nest PMA show modest growth between 2019 and 2024 that tracks with Texas's growth and well outpaces the U.S.'s growth. Projections indicate decelerated growth in the PMA's and state's population and households and a slight acceleration in the U.S.'s population growth and no change in the household growth rate between 2024 and 2029. The PMA's growth in both total population and households will begin to lag growth in Texas but will continue to outpace the U.S.'s growth rates during the period.

- Long-range population projections for the Eagles Nest PMA show a pattern of steady positive growth initially followed by contraction between 2035 and 2050 for the age 75 to 79 cohort and between 2040 and 2050 for the age 80 to 84 cohort. For the age 85 and older cohort, growth is particularly strong from 2029 to 2035 and remains solid though decelerating through 2050.
- Estimates for the year 2024 show a total of 10,161 households ages 65 to 74 and 9,438 households are ages 75 and older in the Eagles Nest PMA. Growth in both PMA segments is moderate, lagging growth in Texas and in the U.S. between 2019 and 2024.
- Short-term projections show the PMA's households ages 65 to 74 reaching 10,334 and the age 75 and older segment totaling 10,440 households in 2029. Growth in the PMA's age 65 to 74 and 75 and older segments will continue to underperform growth in the segment in Texas and the U.S. The PMA's projected 2.0% compound annual growth rate for age 75 and older households lags the state's 3.6% rate and the national 3.0% growth rate between 2024 and 2029.
- In 2024 median income of \$60,249 for age 65 to 74 households and \$47,631 for age 75 and older households in the Eagles Nest PMA are lower than Texas's and the nation's median incomes for the target market cohorts. PMA median income is projected to rise reaching \$68,976 for age 65 to 74 households and \$53,524 for age 75 and older households in 2029 remaining below the state and national median incomes.

- Median home value for age 75 and older PMA homeowners of \$269,465 is notably higher than the estimated median home value for Texas and slightly lower than the U.S. median home value for age 75+ owners in 2024. The median home value for PMA age 75 and older households is projected to increase to \$340,437 and will remain well above the state's median and will rise just above the U.S.'s median home value in 2029.
- Based on ZIP Code-level data from Zillow.com for the last 12 months, PMD calculated an estimated median home sold price/value of \$373,481 for the PMA. This median is 37.5% higher than the estimated median home value on PMD's Senior Market Profile (SMP) report of \$271,635 for 2024. These two data points indicate that the home values in the SMP underestimate median home value based on sales activity, therefore, this adjustment to home value is made when conducting the demand analysis.
- The median net worth estimates for the Eagles Nest PMA's age 75 and older households of \$275,266 is much higher than for Texas (\$227,585) and for the U.S. (\$262,064) for target market households in 2024. Projections show median net worth for PMA age 75+ households increasing to \$308,562 in 2029 remaining well above the state and above the nation. In fact, 33.9% of age 75 and older households in the PMA are projected to have net worth of \$500,000 or more in 2029, up from 31.2% in 2024.
- PMD analyzed the geographic distribution of targeted households by ZIP Code in the PMA and surrounding vicinity for the year 2026. Targeted households include those age 75 and older with minimum income of \$50,000 and adult children ages 45 to 64 with minimum income of \$125,000. The analysis shows the PMA Kerrville ZIP Code 78028 will rank highest in the entire region for concentrations of specified age 75 and older households in 2026. By contrast, the highest concentrations of targeted adult children households will be situated outside the Eagles Nest PMA.

Economic Assessment

PMD examined the larger economic situation, including the labor market, in the Hill Country Region of Texas Nonmetropolitan Area, (Hill Country NMA or NMA), which includes 33 counties that encircle the Austin and San Angelo metropolitan areas of which

all or parts of eleven counties are in the Eagle's Nest PMA. Comparisons are made with Gillespie County, Kerr County, Kimble County, the state of Texas and the United States where data are available.

- PMD reviewed employment data by major and detailed occupational categories using data from the Bureau of Labor Statistics (BLS) for May of 2022 and May of 2023, (the most recent available). These data showed employment gains in ten of the top twelve categories including strong growth in Construction and Extraction Occupations (12.0%), Management Occupations (7.3%) and Healthcare Practitioners and Technical Occupations (6.6%). Data on detailed categories within Healthcare Practitioners and Technical and Healthcare Support occupational groups show employment growth in five of the ten categories for which data was reported. There was marked growth in the number of Registered Nurses (180 employees for a 6.5% gain) and Physical Therapist (50 employees for a 20.0% gain). Conversely, there were notable losses in Home Health and Personal Care Aides (230 employees for a 6.4% loss) and Nursing Assistants (90 employees for a 4.3% loss), between 2022 and 2023.
- Gillespie County has had the lowest unemployment rates, lower than Kerr and Kimble counties, Texas and the nation during the last ten years. Unemployment rates for Kerr and Kimble counties were also lower than the unemployment rates in Texas and the U.S. during the period. The unemployment rate for April 2024 of 2.2% for Gillespie County and of 3.0% for Kerr County were the lowest and second lowest rates, respectively, during the past years. Kimble County's lowest rate was 2.4% in 2019.
- Educational attainment in the Gillespie County was moderately high with proportionately more persons earning bachelor's degrees than in Kerr and Kimble counties and the state – and second to the nation in the number earning graduate and professional degrees - in 2022. Conversely, Kimble County had the smallest percentage of population in those categories and the largest percentage with a high school education or equivalency.

Competitive Products

The Eagles Nest PMA contains a total of 24 retirement communities providing independent living, assisted living, assisted living memory care and skilled nursing. The

Eagles Nest PMA has 143 independent living residences with an average occupancy of 84%, 482 assisted living I beds in service (484 licensed beds) with an average occupancy of 85%, 147 assisted living memory care beds (147 beds in service) with an average occupancy of 84%, and 1,330 skilled nursing beds (1,330 licensed beds) with an average occupancy of 60%.

At the time of the study, PMD identified no planned projects in the Eagles Nest PMA.

Market Demand Analysis

In order to conduct the market feasibility tests for the proposed products, the SMP data for the Eagles Nest market area was used with PMD's proprietary demand models for independent living (entrance fee), assisted living, assisted living memory care and skilled nursing products.

Independent Living Residences – Entrance Fee

PMD conducted testing using independent living cottage entrance fees based on all owner households with a home value of **\$25,000 and above** (2026 dollars) and who can afford a corresponding monthly fee of **\$5,109** (2026 dollars). All renter households were discounted by 80%, assuming that potential residents would likely be owners trading the equity in their home for the entrance fee. The cottage entrance fee and monthly fee is based on the fees as provided by South Star for a 1,525 square foot two-bedroom, two-bath with attached two car garage floor plan for a non-refundable contract in the year of opening of 2026.

The demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who have homes worth **\$25,000** or more, and can afford a monthly fee of **\$5,109** or higher can support about **73 - 121** additional residences with a project penetration rate of 3% and 5%, respectively. The addition of **73** entrance fee residences in 2026 (potential at a 3% penetration rate), increases the market penetration rate to **3.7%** indicating a market with excellent potential.

The addition of the planned **24** independent living entrance fee cottage residences requires a project penetration rate of **1.0%** and yields a market penetration rate of **1.2%**.

Independent Living Residences – Rental

PMD conducted testing on independent living rental based on all households who can afford a weighted average monthly fee of **\$3,747** (2026 dollars). The monthly fee is based on the weighted average monthly fee for a weighted average 990 square foot independent living rental apartment style residence as provided by South Star for an opening year of 2026.

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older households who can afford a weighted average monthly fee of **\$3,747** can support about **120 - 200** additional residences with a project penetration rate of 3% and 5%, respectively. The addition of **120** rental residences in 2026 (potential at a 3% penetration rate), increases the market penetration rate to **7.8%** indicating excellent market potential.

The addition of the planned **40** independent living rental apartment residences requires a project penetration rate of **1.0%** and yields a market penetration rate of **5.4%**.

Note: The demand estimates for independent living entrance fee and independent living rental are not additive.

Assisted Living

Testing was conducted using estimated 2026 weighted average monthly fee of **\$5,969** as provided by South Star for a weighted average 556 square foot residence in an opening year of 2026 with a minimum income of **\$35,000** required for one-person households for assisted living frail.

The demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a weighted average monthly fee of **\$5,969** in 2026 dollars and a minimum household income of **\$35,000** in 2026, will support **64 - 80** additional assisted living beds.

Assisted Living Memory Care

Testing was conducted using estimated 2026 weighted average monthly of **\$6,859** as provided by South Star for a weighted average 421 square foot residence in an opening year of 2026 with a minimum annual income of **\$45,000** for one-person households.

The demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a weighted average monthly fee of **\$6,859** in 2026 and a minimum household income of **\$45,000** in 2026 will support **46 - 68** additional assisted living memory care beds.

Skilled Nursing

The demand analysis indicates that, in 2026, the PMA, using the assumptions identified in this analysis will support:

- Private Pay Beds – **no additional** skilled nursing beds
- Medicare (plus Medicare Advantage) – **no additional** skilled nursing beds
- Medicaid – **no additional** skilled nursing beds.

CHAPTER 2

CONCLUSIONS AND RECOMMENDATIONS

Based on PMD's market analysis, we offer the following conclusions and recommendations to South Star (SS) regarding the proposed Eagles Nest campus in Junction, TX. These recommendations offer ideas and strategies that we believe would likely position the community in a leadership role in serving older adults within the Eagles Nest PMA.

Conclusions

- The campus scored as a Very Good location for the development of independent senior living, assisted living, assisted living memory care and skilled nursing products. The site is well located in terms of access to convenience shopping and banking as well as churches and recreational opportunities.
- Target households ages 75 and older are projected to grow at a moderate pace through 2029, trailing growth in the segment at the state and national levels between 2024 and 2029.
- The long-term projections for age 75 plus population segments show waning growth in the age 75 to 79 and 80 to 84 segments and strong though decelerating growth in the age 85 and older segment through 2050.

- Well over eight in ten age 75 and older households in the Eagles Nest PMA are estimated to be homeowners in 2024 and 2029. This very high homeownership among PMA households is a positive indicator as the proceeds from the sale of the home can be utilized for fees.
- Of the three key financial indicators for age 75 and older households in the Eagles Nest PMA – median net worth – is estimated in 2024 and 2029 to be above Texas’s and the U.S.’s median values. PMA median income for the segment is slightly lower but compares closely to the state and nation. Median home value for the PMA’s age 75 and older owners is much higher than the state’s and is only slightly lower than the nation’s median values for both years.
- Analysis of real estate sales data from Zillow.com for a period of approximately the last year show home values in the PMA are about 37% higher than PMD estimates and therefore adjustment to home value is made in the demand analysis.
- Projections indicate that age 75 and older households in the Eagles Nest PMA with high net worth (\$500,000+) will total 3,541 households in 2029 and will comprise more than one-third of all age 75 and older households in the year.
- The geographic analysis of ZIP Codes in the region shows that while the heaviest concentrations of targeted senior and adult children households will be located outside the Eagles Nest PMA, the PMA’s Kerrville ZIP Code will have the highest number of targeted senior households in 2026.
- Employment data from 2022 and 2023 shows moderate growth among all categories in the Hill Country Region of Texas Nonmetropolitan Area but strong gains in select occupational categories, and growth in healthcare support occupations pertinent to the retirement housing and long-term care industries. Current and historical (past ten years) data for Gillespie, Kerr and Kimble counties indicate unemployment rates trending consistently below the state and nation. Educational attainment levels in Gillespie County matched or were slightly below the U.S and were higher than the state in 2022, while levels were generally below average for Kerr and Kimble counties.
- The Eagles Nest PMA contains a total of 24 retirement communities providing independent living, assisted living, assisted living memory care and skilled nursing. The Eagles Nest PMA market area currently contains:

- Independent Living – 143 residences - 84% occupied
- Assisted Living – 482 beds in service (484 licensed beds) – 85% occupied
- Assisted Living Memory Care – 147 beds in service (147 licensed beds) – 84% occupied
- Skilled Nursing – 1,330 beds in service (1,330 licensed beds) – 60% occupied
- There are no planned projects in the Eagles Nest PMA
- Based on the results of the demand analysis, it appears that the market, based on the price points tested, is deep enough to support:
 - 73 - 121 independent living entrance fee residences with market penetration rates of 3.7% - 6.2%, respectively. *The addition of the planned 24 independent living entrance fee cottage residences requires a project penetration rate of 1.0% and yields a market penetration rate of 1.2%.*
 - 120 - 200 independent living rental residences with market penetration rates of 7.8% - 10.2%, respectively. *The addition of the planned 40 independent living rental apartment residences requires a project penetration rate of 1.0% and yields a market penetration rate of 5.4%.*
 - 64 - 80 new assisted living beds, and
 - 46 - 68 new assisted living memory care beds
 - 0 Private Pay SNF beds
 - 0 Short Term-Rehab SNF beds
 - 0 Medicaid SNF beds

Skilled Nursing Conclusions

- Metric Competitive Analysis – PMD analyzed payor mix, average annual number of patient days over the last three year's Cost Reports for Eagles Nest and competitors, impact of Medicare Advantage enrollment, the impact of the Patient Driven Payment Model (PDPM) on Medicare fee-for-service reimbursement, and a case mix analysis describing the financial impact on Medicare fee-for-service revenue.
 - Payor mix – The average Medicare A percentage for the PMA was 16%, a lower-than-average percentage compared to the industry norm. Schleicher

County Medical Center had the highest Medicare payor mix share with 86% Medicare of the competitive skilled nursing facilities.

- Medicare Market Share – River Hills Health and Rehab Center led the market with 26.1% market share.
- Average annual patient day trends – the latest three-year average number of patient days was analyzed to identify trends in the market in order to inform the demand analysis for skilled nursing beds. In many markets SNFs have experienced a decline in the average annual patient days and in the PMA, there was an average *decrease* in patient days of -0.70% per year, a smaller than average decrease compared to many other markets.
- Impact of Medicare Advantage enrollment – In Kimble County, Texas, for example, 28.65% of the eligible Medicare population were enrolled in Medicare Advantage as of May 2024. It is projected that in 2026, an increase of 2% in enrollment will occur, for a total of 30.65% of the eligible Medicare population enrolled. The 2024 enrollment was used in the demand calculations. The top three plans accounting for 74% of the enrollment were:
 - Care Improvement Plus South Central Insurance Company (112 enrollees)
 - Humana Insurance Company (56 enrollees)
 - Sierra Health and Life Insurance Company (131 enrollees)
- Quality Benchmarks – it is increasingly important for SNF providers to maintain high quality as it has become a decision-making metric for families, Medicare fee-for-service reimbursement and payors as well as a measure of financial performance
 - CMS 5 Star Rating – a remarkable 75% of the SNFs in the PMA had three Stars or less, out of 13 facilities. No facilities had a four or five Star rating.
- The percent of all cause hospital readmissions and average length of stay is now tied to incentives and penalties. Two of the three top competitors would lose the 2% put into the incentive pool because their performance was worse than (higher) than the threshold readmission target of 20%, incurring monetary penalties.

- Two of the top competitors had Medicare average lengths of stay longer than the 20-day threshold which means they would incur monetary penalties.

Recommendations:

Subsequent to the Eagles Nest 2024 Market Feasibility Analysis completed by PMD on July 22, 2024, management has finalized plans the proposed community as indicated in the tables below. **The demand analysis supports the number of proposed residences.**

Table 2-1: Eagles Nest PMA Product Mix By Management

Residences		Junction		
		Product Mix per Building	Square Feet	
Independent Living Cottages				
Two-Bedroom 2 Bath 2 Car Attached Garage ¹		12		
Total Residences		24	1,600	\$5,109
Building Efficiency				
Independent Living Rental Apartments				
Studio		0	0	
One-Bedroom 1 Bath		24	825	3,510
One-Bedroom 1.5 Bath w/Den		0	950	3,747
Two-Bedroom 2 Bath		8	1,100	4,045
Two-Bedroom 2.5 Bath w/Den		8	1,300	4,435
Total Residences		40		
Building Efficiency				
Assisted Living				
Studio - Standard		20	400	5,100
Studio Prestige		12	550	5,900
One Bedroom Standard		12	620	6,500
One Bedroom Prestige		8	820	7,450
Total Residences		52		
Building Efficiency				
Assisted Living Memory Care All-Inclusive				
Studio Standard		24	400	6,800
Studio Prestige		4	550	7,415
Total Residences		28		
Independent Living +				
Total Residences		144		

1 There will be a total of 12 townhome cottage buildings with two cottages per building for a total of 24 independent living cottage residences.

Given PMD's assessment of the competition in the Eagles Nest market area, PMD recommends consideration be given to including the following options and amenities when developing new products on the campus:

- Community amenities should include:
 - Full-service spa with beauty/barber salon, nail technician and massage therapist
 - Convenience store
 - Full-service bank
 - Outdoor spaces with fire pits and seating
 - Walking paths
 - Indoor/Outdoor pool
 - Movie theatre with theatre seating
 - Auditorium
 - Arts and Crafts studio
 - Activity area
 - Card room
 - Game room
 - Chapel
 - Guest rooms
 - Wellness Center
 - Library
 - Multiple lounge areas
 - Dog Park
 - Pickleball court (outdoor)
 - State-of-the art fitness center with senior friendly equipment
 - Multiple dining venues with quality food offerings that are innovative and creative. Dining venues may include:
 - Main dining room
 - Private dining room
 - Café/Bistro/Pub
 - Outdoor dining areas
- Independent living features should include finishes and amenities such as:
 - Quality lighting and improved outlet placement

- Ample closet space with walk-in closets
- Linen closets in the bathrooms
- Pantry in the kitchen
- Showers with frameless sliding shower doors, easy entry and built-in molded shower seats in one-bath residences and a shower and tub in two-bath residences; include two sink vanities in primary baths
- Washers and dryers in all residences (preferably side-by-side)
- Screened-in patios or balconies
- Wireless internet service in common areas and in residences
- Individually controlled thermostats
- Quality cabinets and appliances
- Corian surface countertops
- Emergency pull-cords in bathrooms and bedrooms
- Fingerprint resistant full-size two door refrigerators with built in ice/water dispensers and bottom drawer freezer
- Smooth top stoves with built in ovens
- Built-in dishwashers
- Garbage disposal
- Charging for electric vehicles
- Consider adding a “Smart Home” feature such as Alexa or Google Home which allow keyless entry, turning on lights, and regulating heating and air conditioning
- To be competitive in the market, independent living monthly fees for the new product should provide include:
 - One meal a day or dollar meal allowance
 - Weekly housekeeping (bi-weekly in Villas)
 - Weekly flat linen service (bi-weekly in Villas)
 - All utilities (except telephone)
 - Basic cable/satellite television
 - Local transportation
 - Maintenance
 - Wi-Fi

- Assisted living and assisted living memory care monthly fees for the new product should include:
 - Three meals a day and daily snacks
 - Daily light housekeeping in assisted living memory care, weekly in assisted living
 - Weekly flat linen service
 - All utilities (except telephone)
 - Basic cable/satellite television
 - Local transportation
 - Maintenance
 - Wi-Fi
 - Personal care (for fee based on level of care needed)
 - Daily activities
- Neighborhood features in assisted living and assisted living memory care should include:
 - Open country kitchen
 - Dining area with an abundance of windows for natural light
 - Lounge area with fireplace
 - T.V. room
 - Secure outside space with gardening options in assisted living memory neighborhood
 - Courtyard in assisted living with seating and eating area
 - Consider employing state of the art technologies to manage and monitor resident care and charting, medication management, patient movement
- Residence features in assisted living and assisted living memory care should include:
 - Quality lighting and improved outlet placement
 - Ample closet space with walk-in closets
 - Kitchenettes with refrigerator, sink and microwave (assisted living only)
 - Linen closets in the bath
 - Private bath with showers with easy entry and built in or foldable shower seat
 - Hard surface countertops in kitchenettes and baths

- Internet connections or access to wireless internet service (more for resident's family)
- Individually controlled thermostats
- Innovative technology such as automatic lighting, temperature sensors, bath/shower water temperature sensors, pressure mat sensors by bed for nighttime motion detection, bed use sensors, automatic water taps and other information gathering technology to assist staff in maintaining resident health, iPad customized to each resident with music and video choices in memory care.

Skilled Nursing Recommendations

Skilled Nursing Demand Analysis

- There was no unmet demand for private pay beds, short term rehab beds, or Medicaid beds. There is no support for adding skilled nursing beds at this time.
- An alternative may be to identify an appropriate partner SNF in the area that would provide skilled nursing services to campus residents as needed.

CHAPTER 3

PROJECT DESCRIPTION

AND

SITE LOCATION EVALUATION

Eagles Nest Project Description

As envisioned, the Eagles Nest proposed community will be located adjacent to the Kimble Hospital site located at 349 Reid Road in Junction, Texas. The community will be developed in three phases to include independent living residences, assisted living, assisted living memory care, and skilled nursing beds/residences. Once completed it is envisioned the community will include 64 independent living residences consisting of 24 independent living entrance fee cottages and 40 independent living rental apartments, 52 assisted living beds/residences, 28 assisted living memory care beds/residences, and an undetermined number of skilled nursing beds.

Campus amenities may include a doctor's office, pharmacy, pool, pickle ball courts, multiple dining venues, dog park, band shell, gazebos, barbeque areas, woodworking shop, wellness center, pond, beauty salon/barber shop, walking trails, and fitness center.

Propose Site Plan 3-1: Eagles Nest Site Proposed Plan



Site Location Evaluation

Using an objective 16-point evaluation tool, PMD evaluated the location of Eagles Nest site. Appendix 1 of this report contains Eagles Nest Campus Location Evaluation Checklist. The results of the evaluation follow.

Site Location Evaluation Criteria

Several key factors determine a location's suitability for the continued development of senior housing and care facilities. They include the following:

- Accessibility to utilities
- Accessibility to public transportation (more of an issue for employees than the residents)
- Proper zoning and compatibility with surrounding land uses
- Accessibility to full service and emergency health care, fire, and safety services
- Accessibility to religious and cultural facilities
- Access to shopping and personal service providers

PMD's Site Location Evaluation tool takes into account each of these factors and how each impact the successful continued development and operation of senior housing and care on Eagles Nest site.

Eagles Nest, Junction, Texas

The proposed Eagles Nest site is located at 349 Reid Road in Junction, TX 76849. See Aerial Photo 3-1 below.

Aerial Photo 3-1: Eagles Nest Site and Surrounding Area



Results of Eagles Nest Site Location Evaluation

An evaluation of the site's location, using 16 different criteria rated the location an **84** out of **100**. This classifies the location as "Very Good." Please refer to the completed Site Location Evaluation Form in Appendix 1 for detailed information.

The location's strengths include:

- Access to all required utilities
- Land uses for contiguous properties are complimentary with the community
- Vehicular access to the site is from a quiet street

- The Junction Volunteer Fire Department (1.6 miles South) and the Kimble County Sheriff's Office (1.5 miles Southeast) are located less than two miles from the campus allowing for quick response in the case of an emergency
- The Kimble County Hospital District Emergency Room is located adjacent to the site
- The Kimble County Historical Museum (0.1 miles South), Kimble County Library (1.1 miles Southeast), Backstreet Players Red Barn Community Theater (0.3 miles South) and OST Exhibit (1.3 miles Southeast) are all located less than two miles from the site
- There are several places of worship located less than two miles from the site which include Junction Full Gospel Church (0.8 miles South), Goodwill Baptist Church (0.8 miles South), Trinity Episcopal Church (0.9 miles South), First Methodist Church (1.1 miles South), Junction Truth Tabernacle (1.1 miles South), First Presbyterian Church (1.2 miles South), The River Church (1.3 miles South), St. Theresa Catholic Church (1.4 miles South), College Street Church of Christ (1.2 miles South), First Baptist Church (1.4 miles South), and Kingdom of Jehovah's Witness (1.7 miles South)
- Convenience banking are nearby within two miles of the site including First State Bank (0.3 miles South), Junction National Bank (1.2 miles Southeast), Frontera Healthcare Pharmacy (1.1 miles South),
- Parks and recreational facilities are within four miles from the site and include Schreiner Park (1.8 miles South), Holloway Junction Park (1.2 miles South), Kimble County Scout Grounds (3.1 miles South)
- There are no senior living communities located near the site

The location's weaknesses include:

- Major shopping is located over 100 miles from the campus at The Rim in San Antonio. Some of the shops include T.J. Maxx & Home Goods, JCPenney, Nordstrom Rack, Target, Maggiano's Little Italy, The Rustic, BJ's Restaurant & Brewhouse, Mash'D, Hopdoddy Burger Bar, Chick-fil-A, Lupe Tortilla Mexican Restaurant, Mi Familia at the Rim, Red Robin, Torchy's Tacos, Stone Werks Big Rock Grill, The Rim, Total Wine & More, Gloria's Latin Cuisine, IHP, Raising Cane's Chicken Fingers, Tiago's Cabo Grille, Bowl & Barrel, Lowe's Home Improvement,

World Market, Mattress Firm, Bassett Furniture, Kirkland Home, Factory Mattress, Fleet Feet, Boot Barn, DSW Designer Shoe Warehouse, SAS Shoes, Famous Footwear, Jared, James Avery Artisan Jewelry, Best Buy, AT&T Store, Verizon, GameStop, and Sun & Ski Sports

- There is no public transportation at or near the campus which is more for employees benefit than for the residents.

Overall, PMD's analysis indicates that from a location perspective, the location is "Very Good" for the development, operation and investment in senior housing and long-term care.

CHAPTER 4

MARKET AREA DESCRIPTION

Introduction

This section of the report presents an analysis of demographic trends within the Eagles Nest PMA in Junction, Texas. Demographic data are presented for the market area in detail and for the state of Texas and the U.S. for comparison purposes.

Market Area Definition

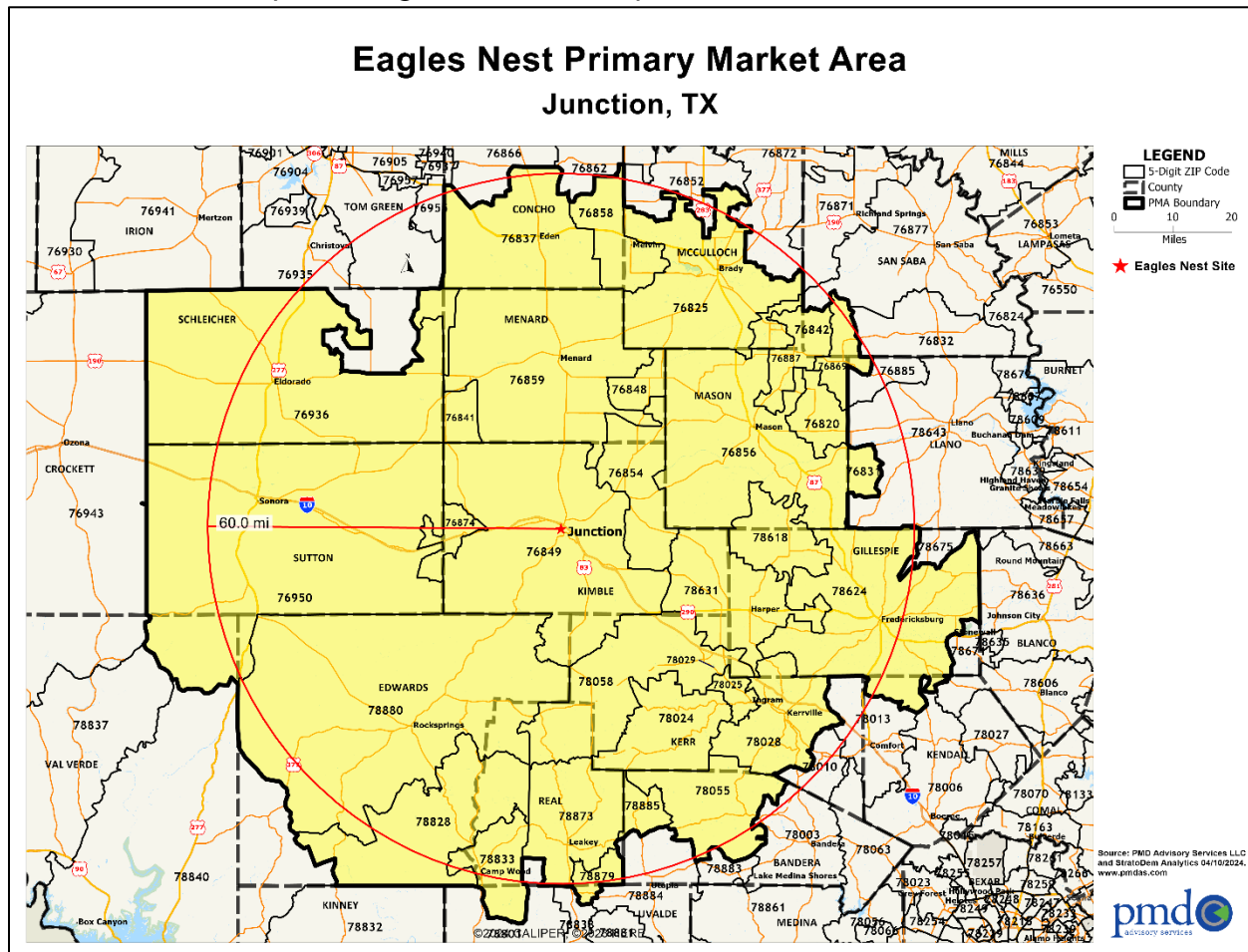
The market area definition typically includes the area in which the project site is located as well as towns, cities, and/or counties that are located within close geographic proximity. The primary market area (PMA) definition for the Eagles Nest community is based upon input from the South Star Senior Living team, expected patterns of movement, natural and man-made barriers, and PMD's experience in similar markets. The Eagles Nest PMA is expected to generate 85% of the community's resident population. For the purposes of this analysis, the Eagles Nest PMA has been defined to include 31 ZIP Codes in 14 counties. (Data was not available for Telegraph ZIP Code 76883 so it was not included in the PMA.) See Table 4-1 and Map 4-1 below.

Table 4-1: Eagles Nest Primary Market Area, Junction, TX

ZIP Code	Place	County	ZIP Code	Place	County
76820	Art	Mason	76950	Sonora	Sutton
76825	Brady	McCulloch	78024	Hunt	Kerr
76831	Castell	Llano	78025	Ingram	Kerr
76837	Eden	Concho	78028	Kerrville	Kerr
76841	Fort McKavett	Menard	78055	Medina	Bandera
76842	Fredonia	San Saba	78058	Mountain Home	Kerr
76848	Hext	Menard	78618	Doss	Gillespie
76849	Junction	Kimble	78624	Fredericksburg	Gillespie
76854	London	Kimble	78631	Harper	Gillespie
76856	Mason	Mason	78828	Barksdale	Edwards
76858	Melvin	Concho	78833	Camp Wood	Edwards
76859	Menard	Menard	78873	Leakey	Real
76869	Pontotoc	Mason	78879	Rio Frio	Real
76874	Roosevelt	Kimble	78880	Rocksprings	Edwards
76887	Voca	McCulloch	78885	Vanderpool	Bandera
76936	Eldorado	Schleicher			

ZIP Code for Eagles Nest appears in bold italics.

Map 4-1: Eagles Nest Primary Market Area, Junction, TX



PMA is area in yellow. The 60-mile radius (red circle) is for reference purposes only.

Demographic Characteristics

The analysis of demographic trends presents 2019, 2024, and 2029 population and household data. StratoDem Analytics is the source for estimates for the years 2019 and 2024 and projections for 2029 provided on the Senior Market Profile (SMP). (See Appendix 2 for the complete SMP.)

The proposed Eagles Nest retirement community is expected to appeal to age 75 and older population for independent living, assisted living and assisted living memory care residences and age 65 and older population for skilled nursing beds. This section presents general demographic data for the population, as well as summary data for target market segments. Comparisons to the state of Texas and the United States are

made throughout the section to provide a context for the data presented. Additional detailed data is provided from the SMP in separate subsections.

Population

Population trends for the Eagles Nest PMA in comparison to trends for the state of Texas and the United States are presented in Table 4-2 below. Table 4-3 and Table 4-4 display population projections and population projection compound annual change rates that provide a long-range view of population growth by age segment in the PMA.

Table 4-2: Population Trends, Eagles Nest Primary Market Area, Texas and U.S. - 2019-2029

Population Trends Eagles Nest Primary Market Area 2019-2029							
	2019 Estimates	2024 Estimates	2029 Projections	Change* 2019-2024		Change* 2024-2029	
				Number	Percent	Number	Percent
PMA							
Age 65-74	15,290	16,538	16,837	1,248	1.6%	299	0.4%
% of total	14.9%	15.6%	15.5%				
Age 75+	12,632	13,979	15,470	1,347	2.0%	1,491	2.0%
% of total	12.3%	13.2%	14.3%				
TOTAL	102,502	105,869	108,539	3,367	0.6%	2,670	0.5%
TX							
Age 65-74	2,220,550	2,616,938	2,904,437	396,388	3.3%	287,499	2.1%
% of total	7.7%	8.5%	8.9%				
Age 75+	1,391,871	1,656,390	1,983,240	264,519	3.5%	326,850	3.7%
% of total	4.8%	5.4%	6.1%				
TOTAL	28,860,742	30,727,515	32,674,270	1,866,773	1.3%	1,946,755	1.2%
United States							
Age 65-74	31,508,850	35,741,141	38,123,711	4,232,291	2.6%	2,382,570	1.3%
% of total	9.5%	10.5%	10.8%				
Age 75+	21,424,443	24,623,664	28,534,717	3,199,221	2.8%	3,911,053	3.0%
% of total	6.5%	7.2%	8.1%				
TOTAL	330,080,353	340,068,284	351,474,041	9,987,931	0.6%	11,405,757	0.7%

*Compound Annual Growth Rate. Source: Senior Market Profile, PMD Advisory Services, LLC, and StratoDem Analytics, April 2024.

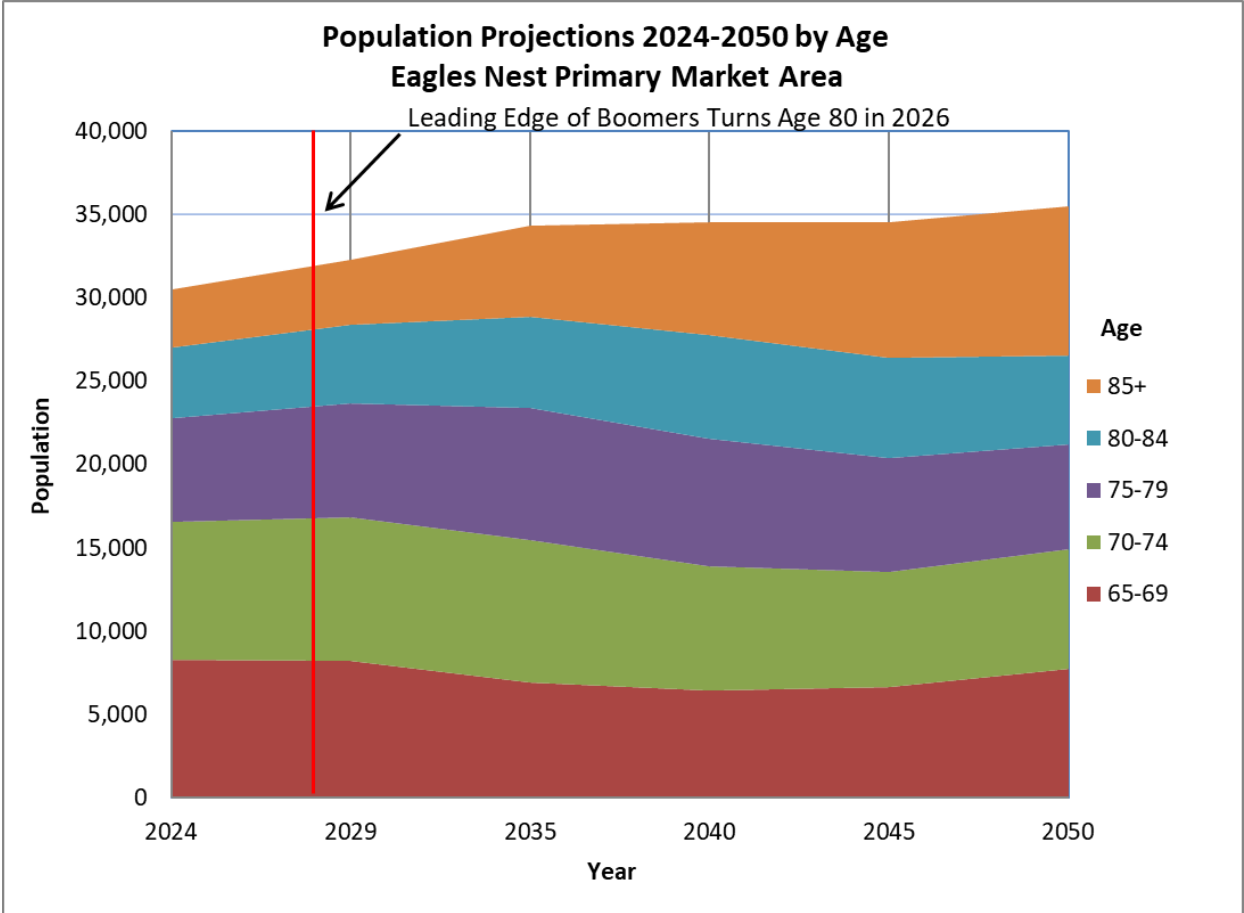
- Total population for the Eagles Nest PMA is estimated to be growing slowly between 2019 and 2024, much slower than Texas's growth but mirroring the U.S.'s growth. Projections indicate slight deceleration in the PMA's and state's growth rates and a slight increase in the nation's growth rate between 2024 and 2029. The PMA's growth will continue to be outpaced by Texas's growth and will begin to lag the U.S.'s growth rate during the period.
- The age 65 to 74 population in the Eagles Nest PMA is estimated to be growing at a measured rate, notably trailing growth rates for Texas and the U.S. between 2019 and 2024. Between 2024 and 2029, growth rates for aged 65 to 74 population will markedly decelerate at each level with the PMA's growth in the segment continuing to lag Texas's and the nation's growth rates.
- The Eagles Nest PMA's age 75 and older population is estimated to be growing at a gradual pace, increasing at a much slower rate than in Texas and the nation between 2019 and 2024. No change is projected for the PMA's age 75 plus population growth rate, while rates for Texas and the U.S. will slightly accelerate between 2024 and 2029.
- Age 65 to 74 population as a proportion of the total population in the Eagles Nest PMA is estimated to be substantially larger than Texas's and the U.S.'s proportions in 2024 and in 2029. The same holds true for the PMA's proportion of age 75 and older population compared to Texas's and the U.S.'s populations in 2024 and 2029.

Population Projections 2024 to 2050

The graph below presents population projections by five-year age cohort over age 65 from 2024 through 2050 for the Eagles Nest PMA. Figure 4-1 below illustrates the population projection trend lines. Table 4-3 below contains the actual projections for each age cohort and Table 4-4 shows the compound annual growth rates by age cohort. The shading in Table 4-4 represents age cohorts with Baby Boomers (persons born between 1946 and 1964).

These population projections for the Eagles Nest PMA are based on population projection change rates by age cohort for Gillespie and Kerr counties from the “2023 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2060, Woods and Poole Economics, Washington, D.C., Copyright 2023” which has been applied to PMD’s SMP estimates for the PMA to extrapolate the projections to the year 2050.

Figure 4-1: Population Projections 2024-2050 by Age, Eagles Nest PMA



Source: "2023 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2060, Woods and Poole Economics, Washington, D.C., Copyright 2023", SMP, and PMD Advisory Services, LLC.

Table 4-3: Projected Population by Age – Eagles Nest PMA

Projected Population by Age - Eagles Nest PMA 2024-2050						
Age/Year	2024	2029	2035	2040	2045	2050
65-69	8,309	8,195	6,941	6,402	6,634	7,708
70-74	8,229	8,643	8,524	7,475	6,942	7,182
75-79	6,278	6,834	7,942	7,673	6,801	6,308
80-84	4,208	4,745	5,469	6,207	6,018	5,353
85+	3,494	3,891	5,445	6,781	8,124	8,956
0-64	75,354	76,233	79,540	83,958	88,804	92,850
Total	105,869	108,539	113,860	118,496	123,324	128,356

Source: "2023 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2060, Woods and Poole Economics, Washington, D.C., Copyright 2023", SMP, and PMD Advisory Services, LLC.

*Table 4-4: Projected Population: Compound Annual Growth Rates –
Eagles Nest PMA*

Projected Population Compound Annual Growth Rate Eagles Nest PMA 2024-2050					
Age/Year	2024-2029	2029-2035	2035-2040	2040-2045	2045-2050
65-69	-0.3%	-2.7%	-1.6%	0.7%	3.0%
70-74	1.0%	-0.2%	-2.6%	-1.5%	0.7%
75-79	1.7%	2.5%	-0.7%	-2.4%	-1.5%
80-84	2.4%	2.4%	2.6%	-0.6%	-2.3%
85+	2.2%	5.8%	4.5%	3.7%	2.0%
0-64	0.2%	0.6%	1.1%	1.1%	0.9%
Total	0.5%	0.7%	0.8%	0.8%	0.8%

Source: "2023 Complete Economic and Demographic Data Source (CEDDS), State and County Projections to 2060, Woods and Poole Economics, Washington, D.C., Copyright 2023", SMP, and PMD Advisory Services, LLC.

Long-range population projections beyond the year 2029 for the Eagles Nest PMA show a pattern of contraction in the two youngest cohorts, which begins to turn positive between 2040 and 2045 for the age 65 to 69 segment and between 2045 and 2050 for the age 70 to 74 segment. Steady growth is indicated for the age 75 to 79 population between 2029 and 2035 and for the age 80 to 84 segment between 2029 and 2040 but thereafter contracts through 2050 for both segments. The PMA's age 85 and older population will grow at a decelerating rate between 2029 and 2050, increasing at a particularly strong pace between 2029 and 2040.

Households

Household change for the Eagles Nest PMA, the state of Texas and the U.S. are presented below. We examine both population and households to gain a complete understanding of market demographic characteristics and changes. Household counts for the Eagles Nest PMA, the state of Texas and the U.S. are presented in Table 4-5, as are household change rates for the period 2019 to 2024 and 2024 to 2029, which follows. The proportion of target market households at each level is also presented in Table 4-5.

*Table 4-5: Household Trends, Eagles Nest Primary Market Area,
Texas and U.S. - 2019-2029*

Household Trends Eagles Nest Primary Market Area 2019-2029							
	2019 Estimates	2024 Estimates	2029 Projections	Change* 2019-2024		Change* 2024-2029	
				Number	Percent	Number	Percent
PMA							
Age 65-74	9,406	10,161	10,334	755	1.6%	173	0.3%
% of total	21.9%	22.6%	22.3%				
Age 75+	8,517	9,438	10,440	921	2.1%	1,002	2.0%
% of total	19.9%	21.0%	22.5%				
TOTAL	42,900	44,891	46,299	1,991	0.9%	1,408	0.6%
TX							
Age 65-74	1,347,913	1,583,934	1,752,836	236,021	3.3%	168,902	2.0%
% of total	12.8%	13.9%	14.3%				
Age 75+	891,369	1,058,008	1,262,411	166,639	3.5%	204,403	3.6%
% of total	8.5%	9.3%	10.3%				
TOTAL	10,515,156	11,393,737	12,250,124	878,581	1.6%	856,387	1.5%
United States							
Age 65-74	19,535,618	22,121,852	23,554,201	2,586,234	2.5%	1,432,349	1.3%
% of total	15.2%	16.4%	16.8%				
Age 75+	14,077,454	16,179,275	18,726,130	2,101,821	2.8%	2,546,855	3.0%
% of total	11.0%	12.0%	13.3%				
TOTAL	128,508,561	134,646,079	140,584,959	6,137,518	0.9%	5,938,880	0.9%

*Compound Annual Growth Rate. Source: Senior Market Profile, PMA Advisory Services, LLC, and StratoDem Analytics, April 2024.

- Total households in the Eagles Nest PMA are estimated to be growing slowly, underperforming the state's growth and tracking with the nation's growth rate

between 2019 and 2024. Projections show total households in the PMA and in Texas growing at a decelerated pace – no change in the nation’s growth rate – during the next five years, with the PMA’s population growing at a fraction of the state’s and the U.S.’s growth rates between 2024 and 2029.

- Estimates show households ages 65 to 74 in the Eagles Nest PMA are growing at a sluggish pace compared to Texas’s and the U.S.’s growth rates between 2019 and 2024. Markedly slower growth is anticipated in the age 65 to 74 segment at each level between 2024 and 2029. The PMA’s minimal growth in the age 65 to 74 segment will be well outpaced by the state’s and the nation’s growth rates during the period.
- Households ages 75 and older in the Eagles Nest PMA are estimated to be growing at a gradual pace, distinctly slower than Texas’s and the nation’s growth rates between 2019 and 2024. Slightly decelerated growth in age 75+ households is projected for the PMA - accelerated growth for Texas and the U.S. - with the PMA’s growth continuing to be surpassed by the state’s and the nation’s growth in the segment between 2024 and 2029.

Household Trends by Age Cohort

The size of each of the three age 65 and older household age cohorts in the PMA in 2019, 2024 and 2029, and the change between 2019 and 2024 and between 2024 and 2029 is illustrated in Figure 4-2 below.

Estimates show households ages 65 to 74 comprising the largest cohort in the Eagles Nest PMA in 2019 and 2024 and are projected to remain so in 2029. The older the household cohort the smaller the number of households in the cohort in the PMA as illustrated in Figure 4-2.

*Figure 4-2: Age 65 and Older Households by Age Cohort
Eagles Nest Primary Market Area*

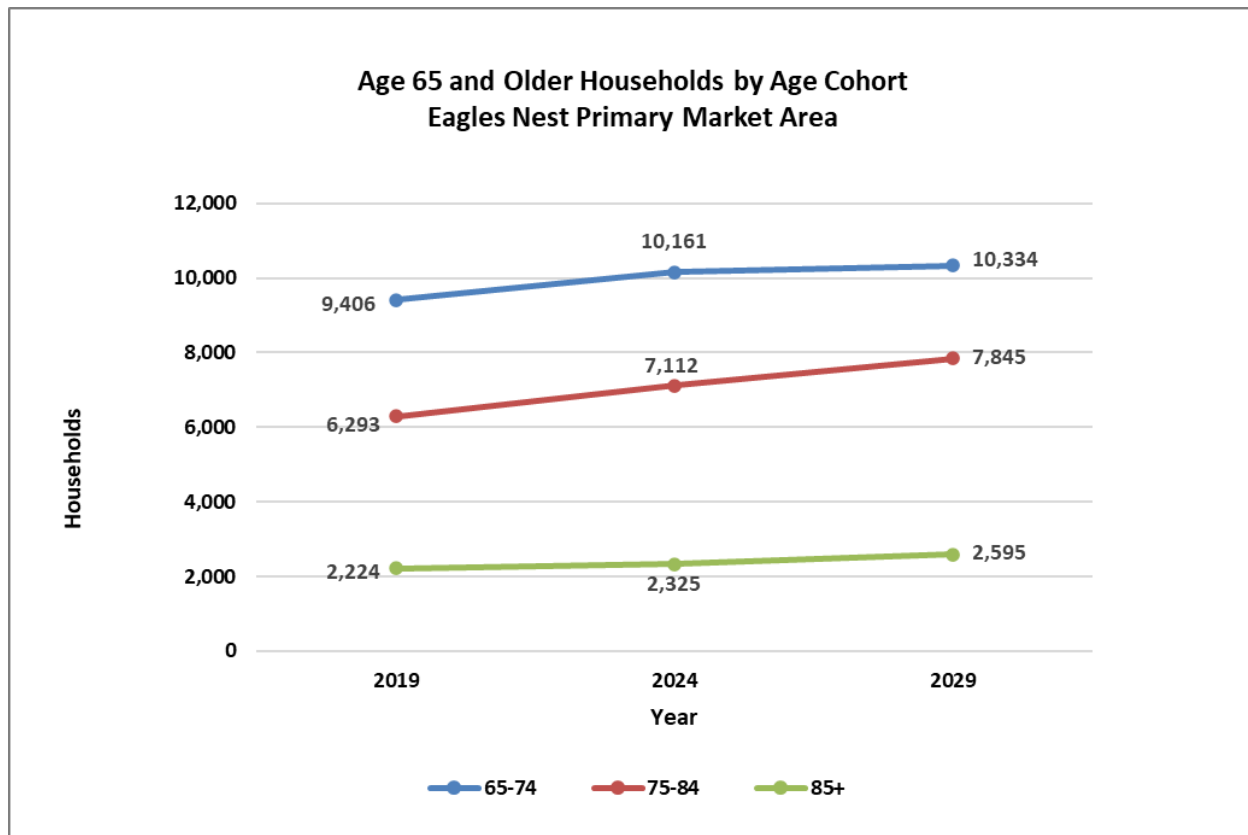
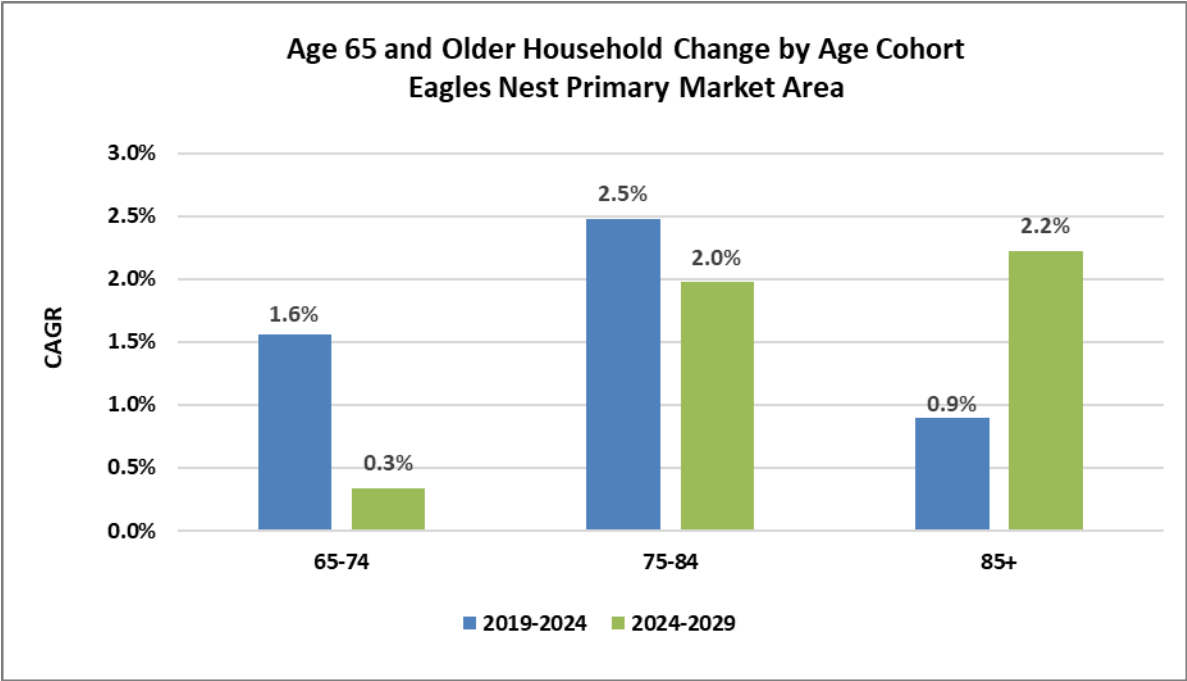


Figure 4-2a shows the pace of growth in each cohort in the Eagles Nest PMA between 2019 and 2029. PMA households ages 75 to 84 are the fastest growing segment between 2019 and 2024. Households ages 85 and older in the PMA are estimated to be the slowest growing segment during the same period.

During the next five years growth will slow substantially for households in the age 65 to 74 cohort in the Eagles Nest PMA. Growth for PMA households ages 75 to 84 will also decelerate though moderately between 2024 and 2029. The PMA’s age 85 and older segment will grow at a much faster pace during the next five years, outperforming growth in both younger segments. See Figure 4-2a.

Figure 4-2a: Age 65 and Older Household Change by Age Cohort
Eagles Nest Primary Market Area

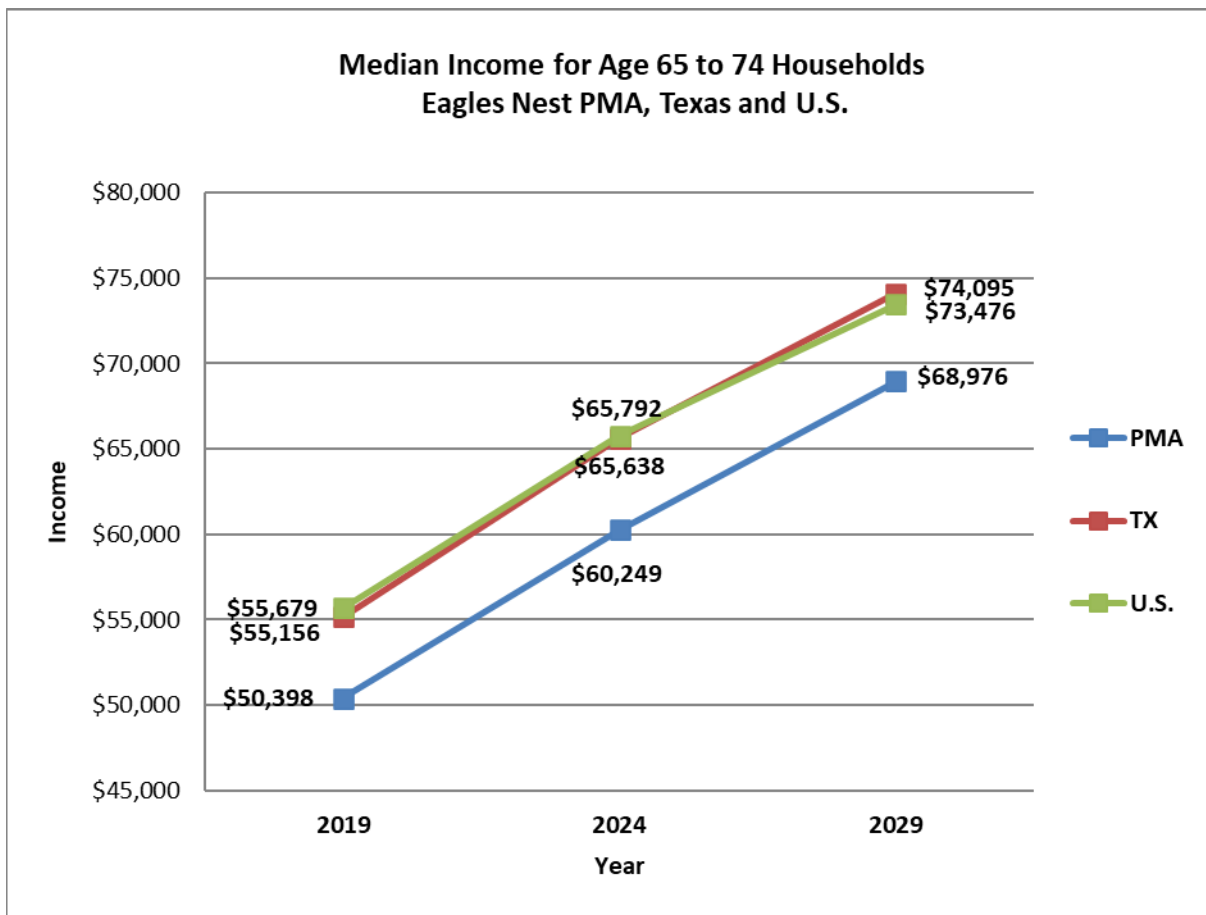


Target Market Household Income Trends

Median income for households ages 65 to 74 and 75 and older are estimated for the years 2019 and 2024 and projected for the year 2029 for the Eagles Nest PMA, Texas, and the U.S.

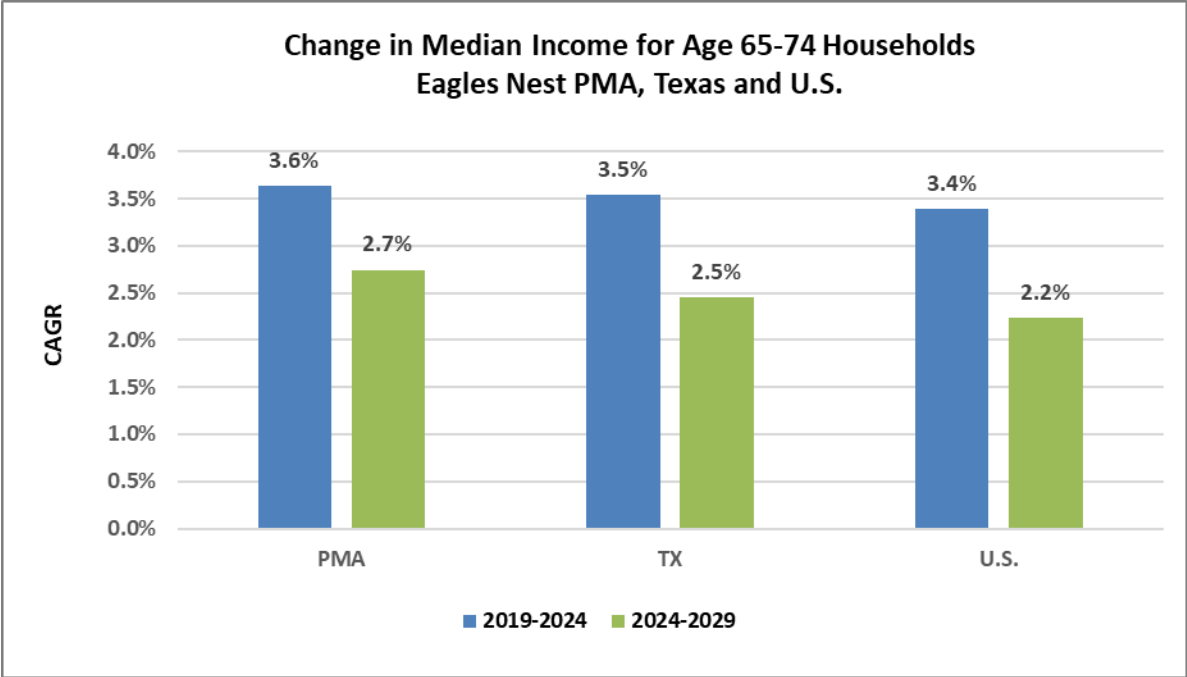
Median income for age 65 to 74 households in the Eagles Nest PMA is low compared to Texas's and the U.S.'s median incomes in 2024. Projections show the PMA's median income remaining below to state's and the nation's median incomes for the cohort in 2029. See Figure 4-3.

Figure 4-3: Age 65 to 74 Median Household Income, Eagles Nest PMA, Texas, and U.S. - 2019-2029



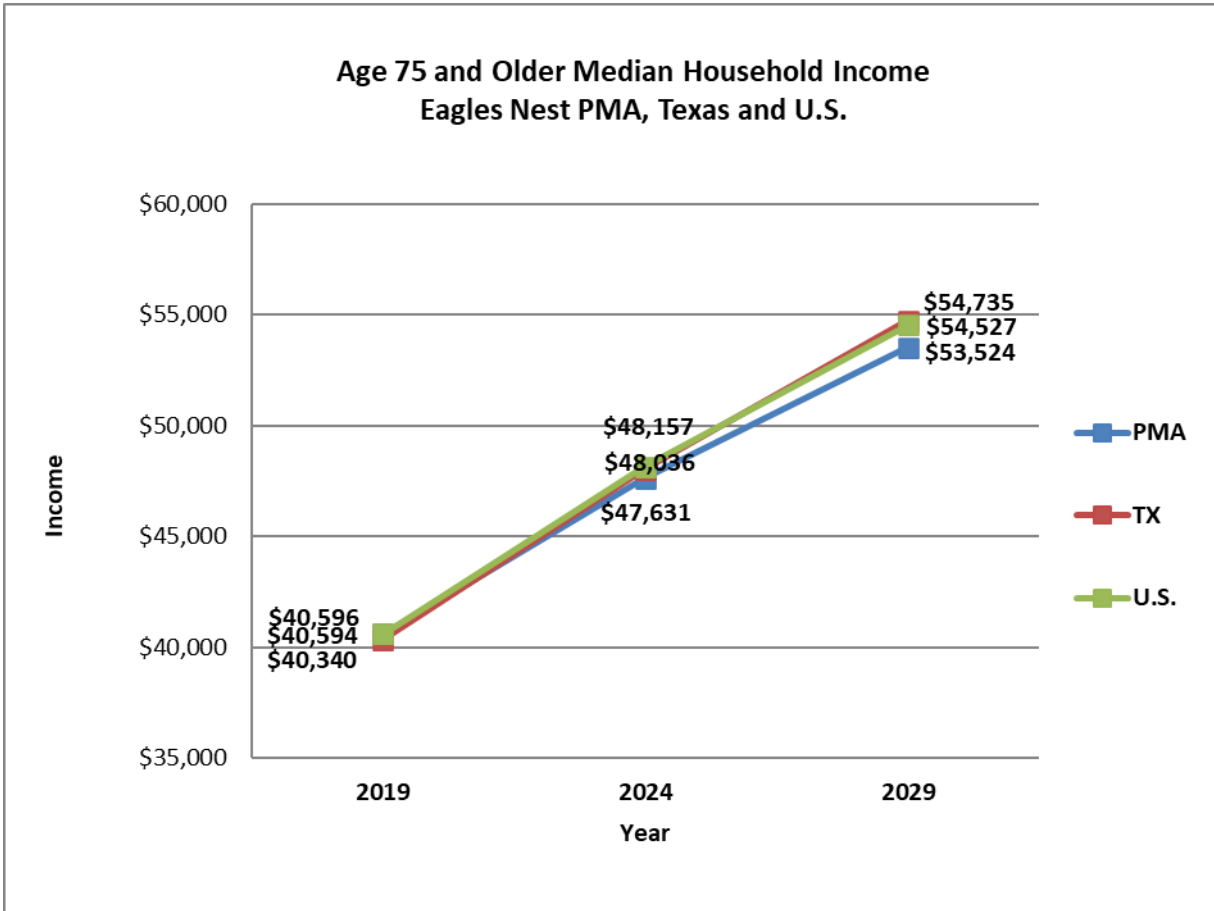
Median income for households ages 65 to 74 in the Eagles Nest PMA is estimated to be increasing at a solid rate, slightly outpacing median income growth in Texas and the U.S. between 2019 and 2024. Growth in median income for age 65 to 74 households is projected to decelerate at each level between 2024 and 2029, with the PMA’s growth continuing to stay ahead of the state’s and the nation’s growth rates during the period. See Figure 4-3a.

Figure 4-3a: Change in Median Income for Age 65-74 Households, Eagles Nest PMA, Texas, and U.S. - 2019-2029



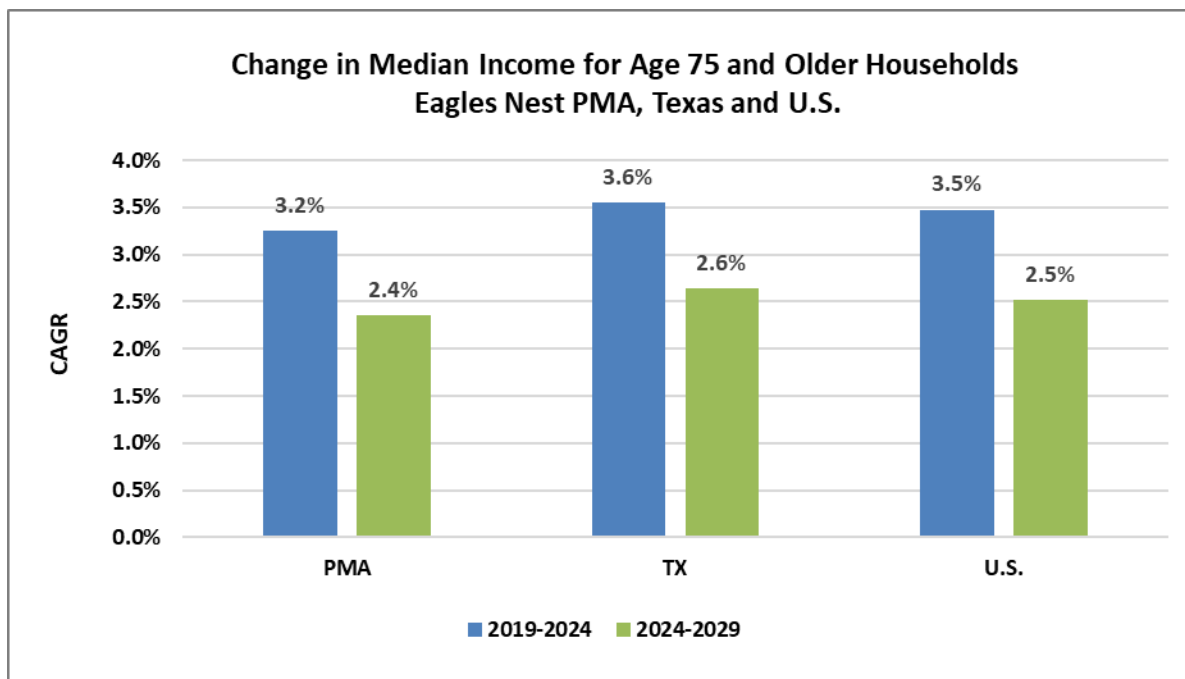
Age 75 and older households in the Eagles Nest PMA are estimated to have median income closely compares to median incomes in Texas and the U.S. in 2024. The PMA median income for age 75 and older households will remain comparable but will dip a bit lower than the state's and the nation's median incomes in 2029. See Figure 4-4.

Figure 4-4: Age 75 and Older Median Household Income, Eagles Nest PMA, Texas, and U.S. - 2019-2029



Median income for age 75 and older households in the Eagles Nest PMA is estimated to be growing at a steady rate, though more slowly than growth rates for Texas and the U.S. between 2019 and 2024. See Figure 4-4a below. Projections show median income for age 75 and older households growing at a slower pace at each level between 2024 and 2029 – with the PMA’s growth continuing to lag the state’s and the nation’s growth rates.

Figure 4-4a: Age 75 and Older Change in Median Household Income, Eagles Nest PMA, Texas, and U.S. - 2019-2029

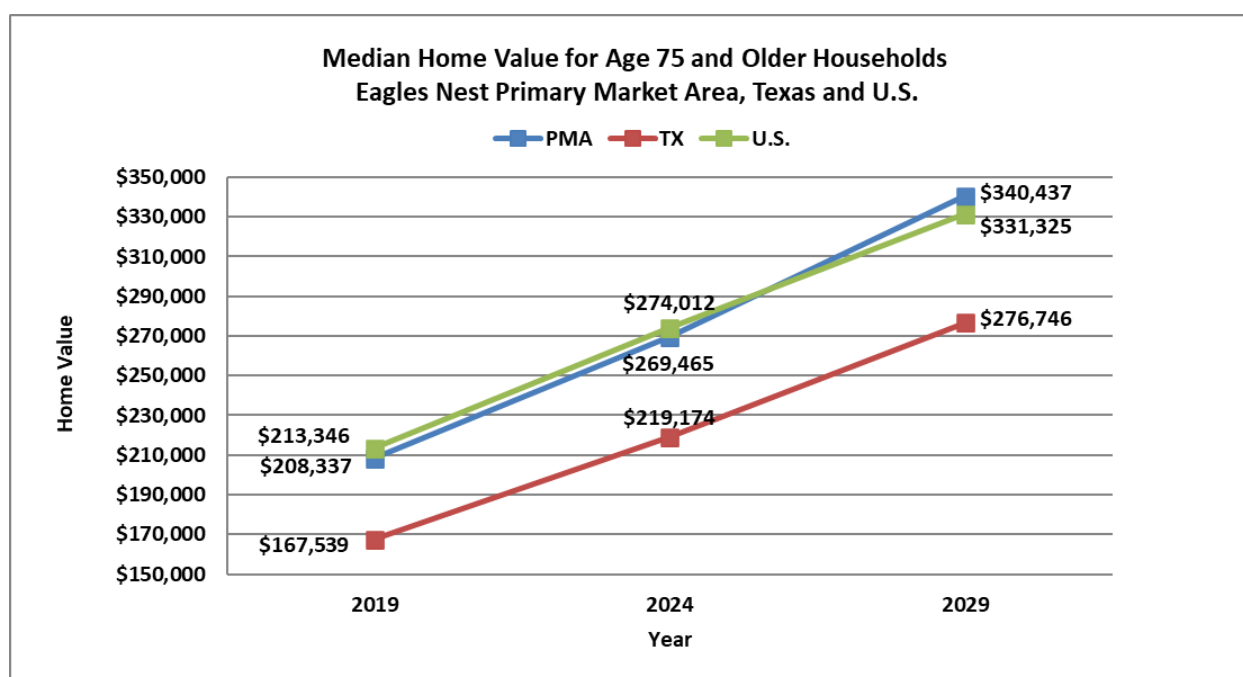


Census-Based Housing Value Trends in the Market Area

Home value information presented in this section presents 2019 and 2024 estimates and 2029 projections for households ages 75 and older from StratoDem Analytics.

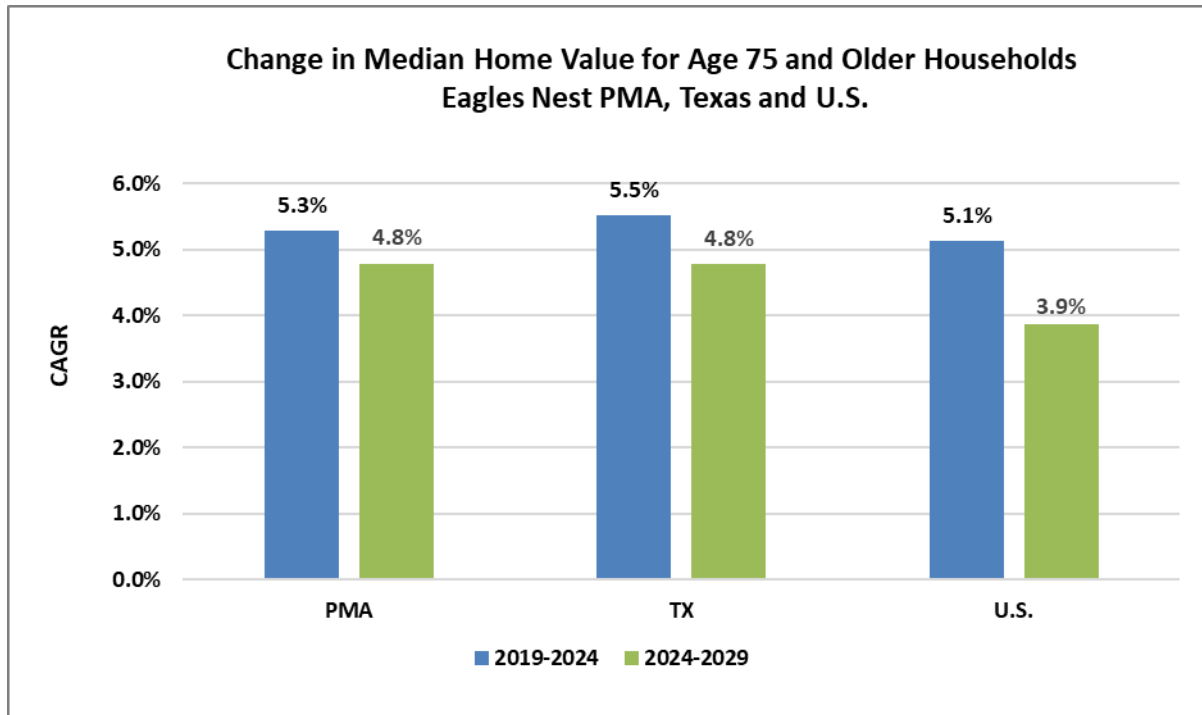
Median home value for age 75 and older homeowners in the Eagles Nest PMA is higher than the median for Texas and slightly lower than the U.S.'s median home value in 2024. In 2029, the PMA's median home value for age 75 and older households will rise slightly above nation's median and will remain well above Texas's median home value. See Figure 4-5.

Figure 4-5: Age 75 and Older Census Based Median Home Value, Eagles Nest PMA, Texas, and U.S.: 2019-2029



Growth in median home values for age 75 and older households in the Eagles Nest PMA is estimated to be strong, somewhat trailing Texas's growth and outpacing the U.S.'s growth rate between 2019 and 2024. During the next five years, growth rates are projected to decelerate at each level. The PMA's growth will begin to track with the state's growth and outperform the nation's growth rate between 2024 and 2029. See Figure 4-5a below.

Figure 4-5a: Change in Median Home Value for Age 75 and Older Households, Eagles Nest PMA, Texas, and U.S.: 2019-2029



Housing Sales Values in the PMA

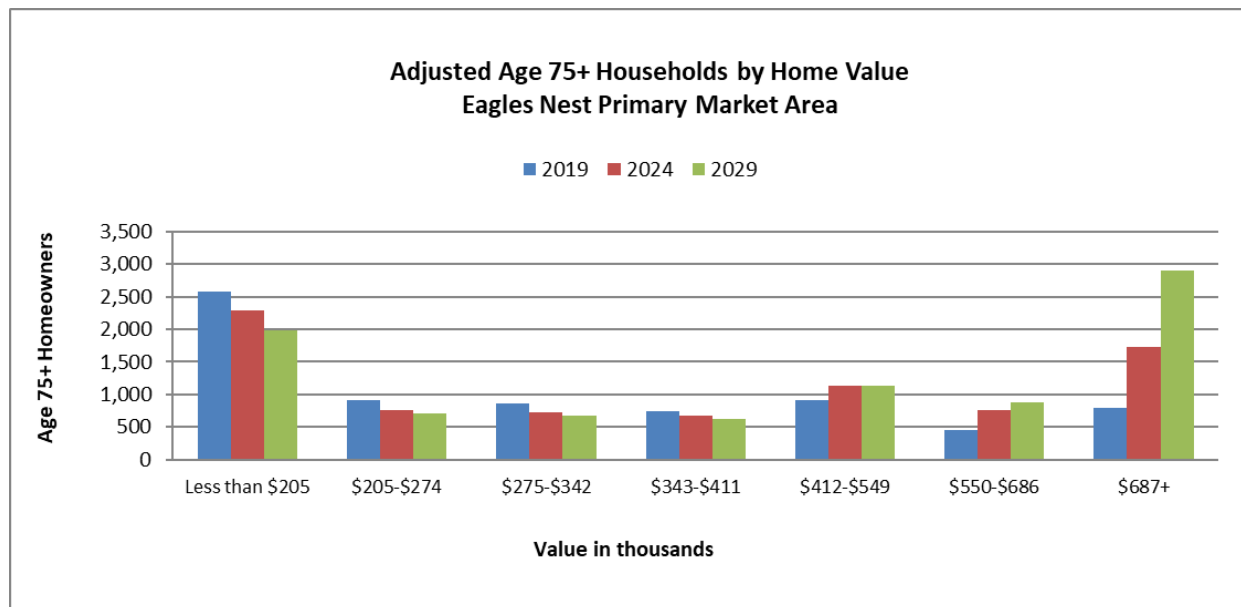
Median Multiple Listing Service Sale Price

To better estimate median home values in the PMA, PMD obtained residential sales data from Zillow.com, a real estate data search service for 39 of the 42 ZIP Codes. Data was obtained for 14 of the PMA's 31 ZIP Codes for a period of June 1, 2023, through May 31, 2024 . (Of the 17 ZIP Codes with no sales data, three did not have owners and another eleven had 120 or fewer owners in 2022.) PMD calculated a median home sale price of \$373,481 based on Zillow data and weighted by number of owners per ZIP Code.

Calculation of Home Value Adjustment

The estimated median home value of \$373,481 during the last year based on real estate sales price data is 37.5% higher than the estimated 2024 median home value on PMD's SMP of \$271,635 for all homeowners in the Eagles Nest PMA. These two data points indicate that the home values in the SMP underestimate the median home value based on sales activity, therefore this adjustment is made when calculating demand. Figure 4-6 shows the adjusted distribution of the Eagles Nest PMA age 75 and older households by home value for 2019, 2024 and 2029.

*Figure 4-6: Adjusted Age 75+ Households by Home Value,
Eagles Nest PMA, 2019-2029*

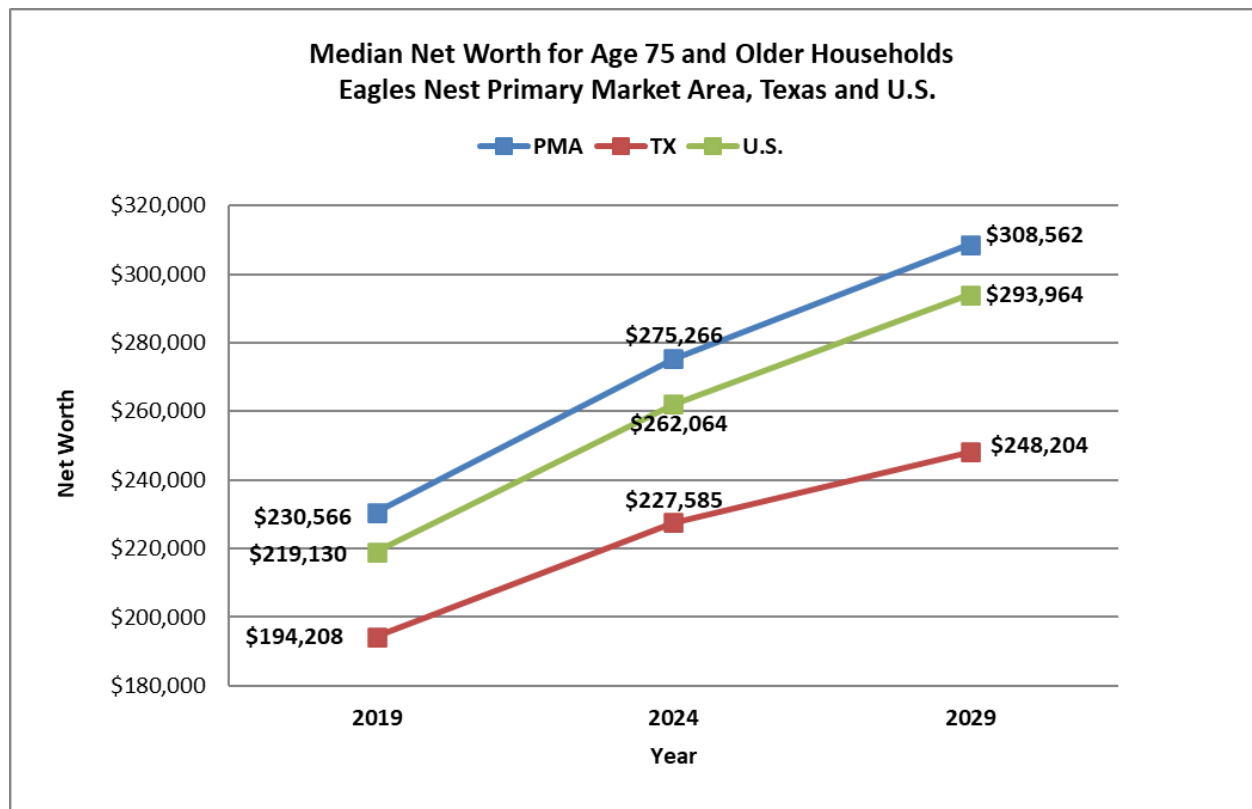


Target Market Net Worth – Age 75+ Households

Net worth estimates for 2019, the current year and five-year projections for age 75 and older households are taken from the SMP (see Appendix 2, which present median data for the PMA, the state and the U.S. and distributions for PMA households). Net worth is defined as all assets (such as the value of a home and investments) minus all liabilities (car loan, credit card debt, mortgage, etc.).

Median net worth for age 75 and older households in the Eagles Nest PMA in 2024 lies well above Texas's median and above the U.S.'s median net worth value. Median net worth is projected to rise at each level with gap between Texas's median and the PMA's median widening for age 75 and older households in 2029. See Figure 4-7 below.

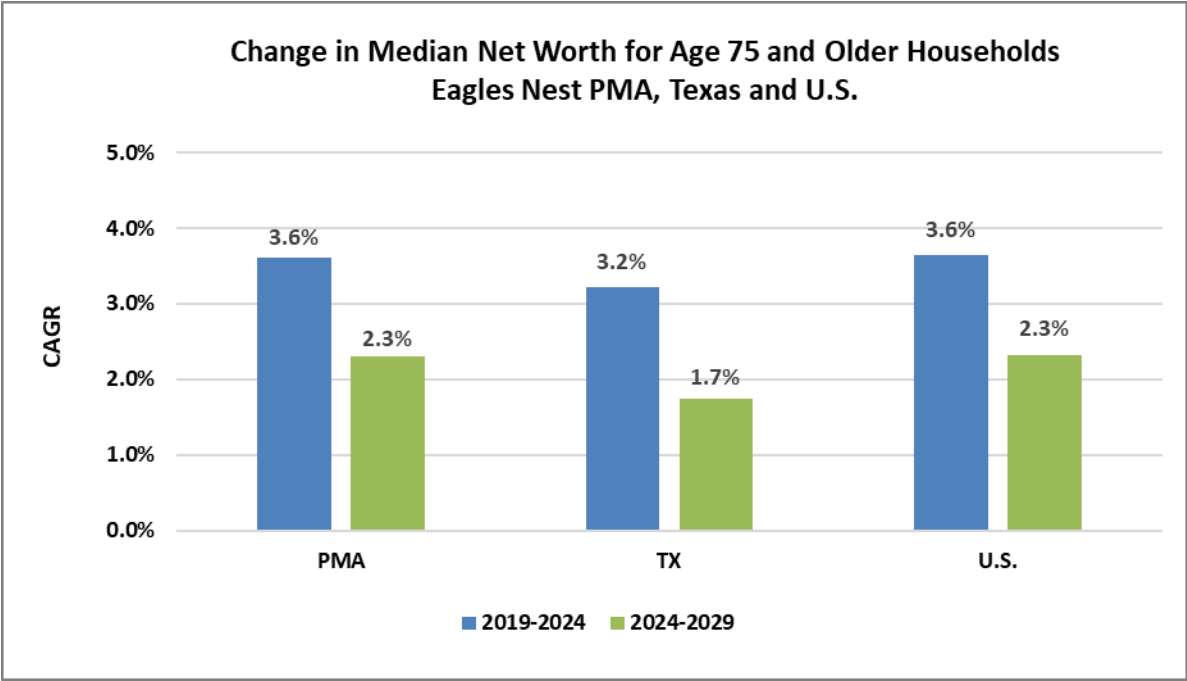
Figure 4-7: Age 75 and Older Median Net Worth, Eagles Nest PMA, Texas and U.S.: 2019-2029



Between 2019 and 2024, median net worth for households ages 75 and older in the PMA is estimated to be growing soundly, at a faster pace than Texas's growth and tracking

with the nation’s growth rate. Growth in net worth is projected to decelerate at each level during the next five years. The median net worth growth for age 75 and older households in the Eagles Nest PMA will continue to outpace Texas’s growth rate and mirror the nation’s growth between 2024 and 2029. See Figure 4-7a.

Figure 4-7a: Change in Median Net Worth for Age 75 and Older Households, Eagles Nest PMA, Texas, and U.S.: 2019-2029



Geographic Distribution of Target Market Households

PMD mapped the geographic distribution of target market senior and adult children households for each of the 137 ZIP Codes in the Eagles Nest PMA and surrounding vicinity for the year 2026. Senior target market households are defined as households age 75 and older with income of \$50,000 and above and are on Map 4-2. Adult children households are defined as households ages 45 to 64 with minimum income of \$125,000 (See Map 4-3). The Thematic Map Report appears in Appendix 3. The highest-ranking ZIP Codes of target segments are in Tables 4-6 and 4-7 below.

Target Seniors – 2026 Age 75 and Older Households with Income \$50,000+

The ten highest-ranking ZIP Codes with concentrations of targeted senior households in the region, as well as the community campus and five highest ranking PMA ZIP Codes, are listed in Table 4-6 ranked in descending order.

*Table 4-6: 2026 Age 75+ Households with Income of \$50,000 and Above
Eagles Nest PMA and Surrounding Vicinity, Highest-Ranking ZIP Codes*

ZIP Code	City	County	2026 Age 75+ HHs w/Inc. \$50K+	Rank	
				PMA	Region
78028	Kerrville	Kerr	2,161	1	1
78209	San Antonio	Bexar	1,950	-	2
78230	San Antonio	Bexar	1,947	-	3
78132	Canyon Lake	Comal	1,486	-	4
76904	San Angelo	Tom Green	1,284	-	5
78232	San Antonio	Bexar	1,263	-	6
78676	Wimberley	Hays	1,178	-	7
78213	San Antonio	Bexar	1,149	-	8
78216	San Antonio	Bexar	1,146	-	9
78228	San Antonio	Bexar	1,129	-	10
78624	Fredericksburg	Gillespie	1,098	2	11
78025	Ingram	Kerr	264	3	52
76825	Brady	McCulloch	206	4	57
76856	Mason	Mason	170	5	61
76849	Junction	Kimble	143	6	65

PMA ZIP Codes appear in bold typeface. Project site ZIP Code appears in bold italics.

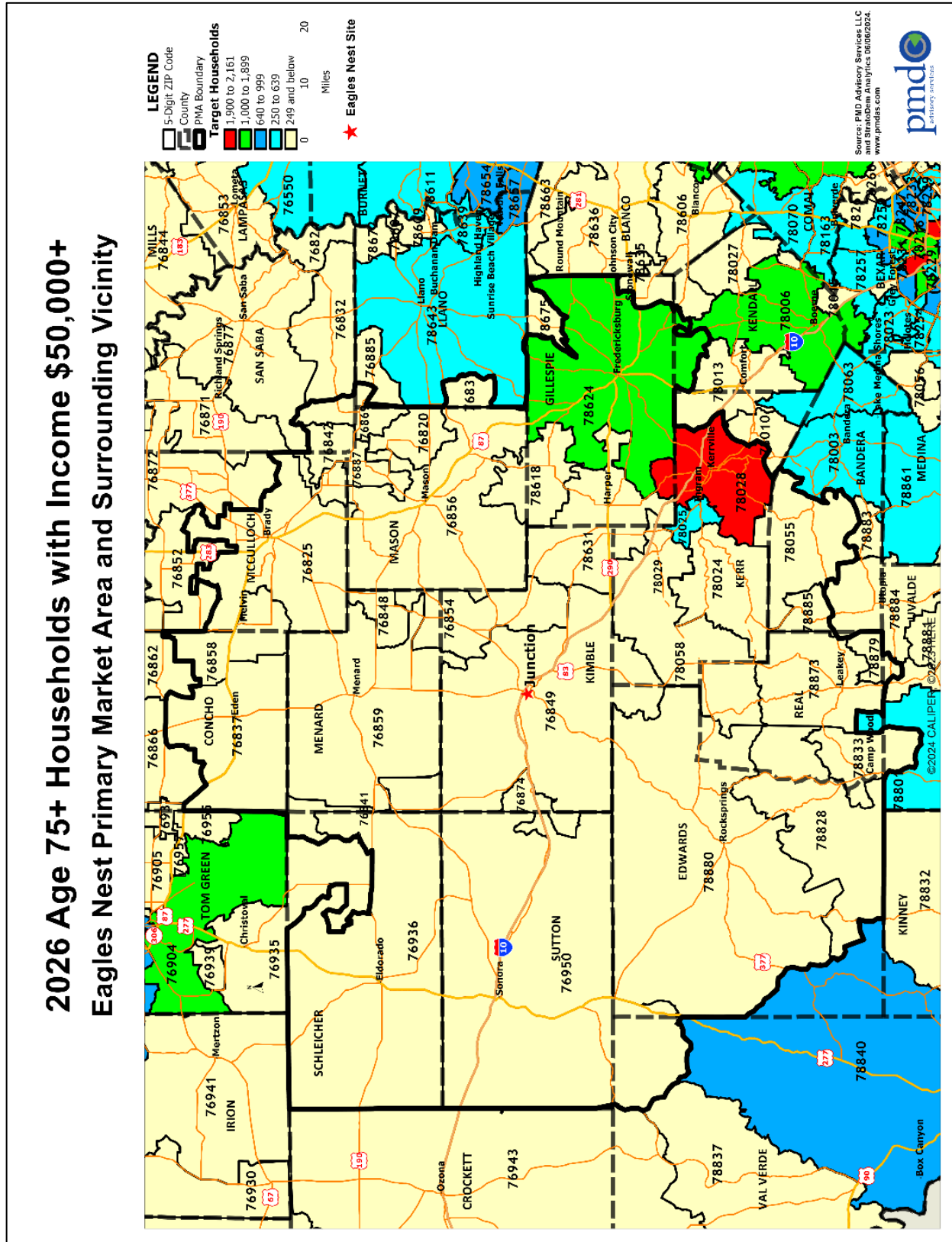
- In 2026, Kerrville ZIP Code 78028, southeast of the Eagles Nest project site, and abutting Fredericksburg ZIP Code 78624 and Ingram ZIP Code 78025, will rank

1st, 2nd, and 3rd highest in the PMA and 1st, 11th, and 52nd in the region in the number of targeted age 75 and older households.

- Estimates for 2026 show Brady ZIP Code 76825 in McCulloch County and adjacent Mason ZIP Code 76856 in Mason County, north of the Eagles Nest site, ranking 4th and 5th highest in the PMA and 57th and 61st in the region in age 75 and older households with incomes of \$50,000 and above.
- Junction ZIP Code 76849 for the Eagles Nest project site will rank 6th highest in the PMA and 65th in the region in income-specified age 75 and older households in 2026.
- Regionally, the highest-ranking ZIP Codes located outside and near the PMA's border is San Angelo ZIP Code 76904 in Tom Green County, which will rank 5th highest in targeted senior households in 2026.

Only one PMA ZIP Code will rank among the top ten in the region in concentration of age 75 and older households with incomes of \$50,000 and above, but it will rank first in 2026.

Map 4-2: 2026 Age 75 and Older Households with Income of \$50,000 and Above



Adult Children – 2026 Age 45-64 with Household Incomes of \$125,000 and Above

Map 4-3 on the following page depicts the density of target adult children households age 45 to 64 (adult children) with household incomes of \$125,000 and above within and adjacent to the Eagles Nest PMA in 2026. Table 4-7 displays the highest-ranking ZIP Codes in the PMA and region along with the Eagles Nest campus ZIP Code in 2026.

*Table 4-7: 2026 Age 45-64 Households with Income of \$125,000 and Above
Eagles Nest PMA and Surrounding Vicinity, Highest-Ranking ZIP Codes*

ZIP Code	City	County	2026 Age 45-64 HHs w/Inc. \$125K+	Rank	
				PMA	Region
78250	San Antonio	Bexar	4,934	-	1
78132	Canyon Lake	Comal	4,515	-	2
78247	San Antonio	Bexar	4,373	-	3
78258	San Antonio	Bexar	4,002	-	4
78251	San Antonio	Bexar	3,952	-	5
78254	San Antonio	Bexar	3,830	-	6
78260	Timberwood Park	Bexar	3,650	-	7
78023	San Antonio	Bexar	3,393	-	8
78209	San Antonio	Bexar	3,206	-	9
78232	San Antonio	Bexar	3,023	-	10
78028	Kerrville	Kerr	1,907	1	23
78624	Fredericksburg	Gillespie	999	2	42
76825	Brady	McCulloch	223	3	63
78025	Ingram	Kerr	186	4	66
76856	Mason	Mason	125	5	70
<i>76849</i>	<i>Junction</i>	<i>Kimble</i>	<i>108</i>	<i>6</i>	<i>71</i>

PMA ZIP Codes appear in bold typeface. Project site ZIP Code appears in bold italics.

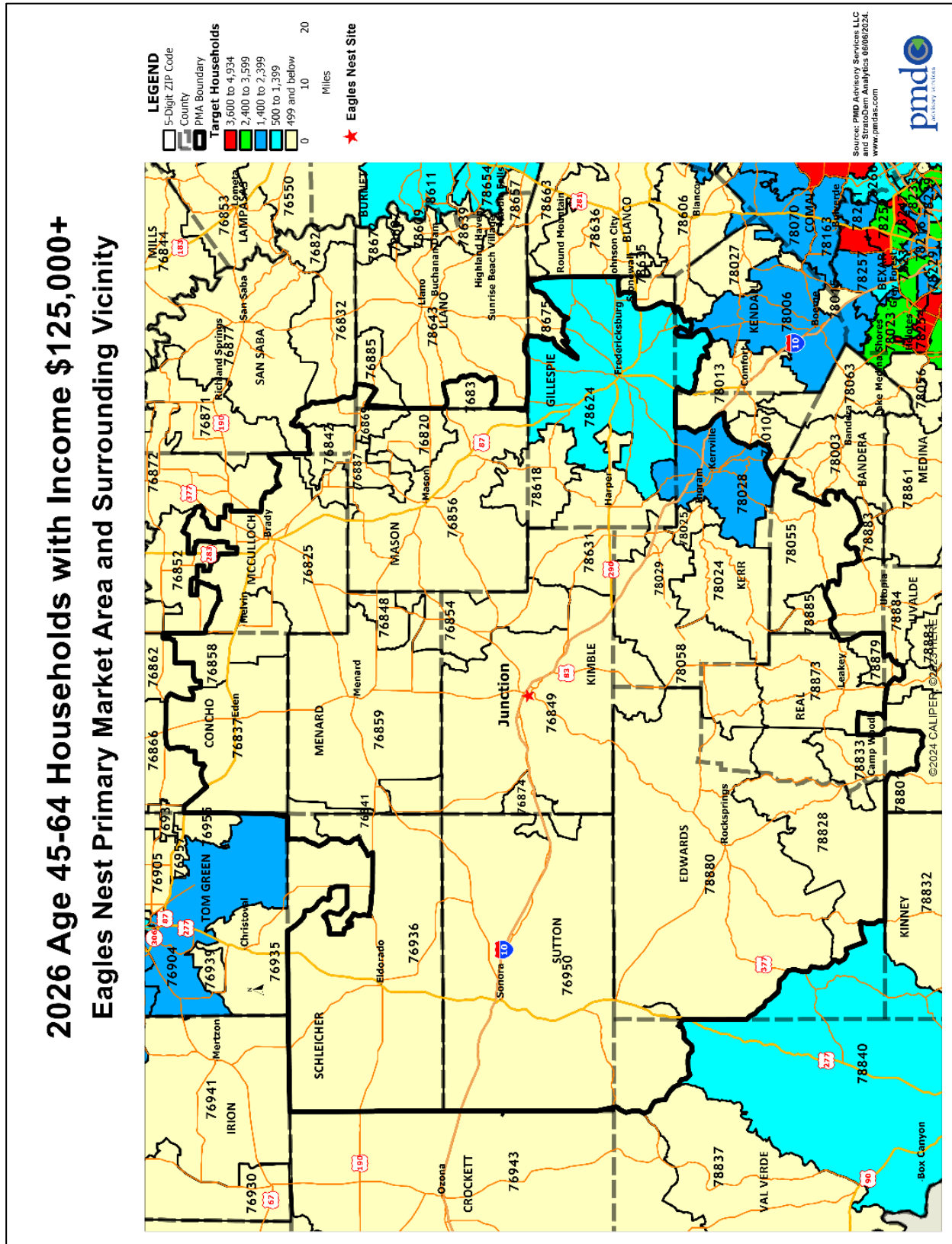
- Estimates of the number of adult children households ages 45 to 64 with income of at least \$125,000 shows Kerrville ZIP Code 78028 and Fredericksburg ZIP Code 78624 will rank 1st and 2nd in the PMA and 23rd and 42nd in the region in 2026. Nearby Ingram ZIP Code 78025 will rank 4th in the PMA and 66th in the region.
- Brady ZIP Code 76825 and adjacent Mason ZIP Code 76856 will be 3rd and 5th in the PMA and 63rd and 70th in the region in adult children ages 45 to 64 with minimum income of \$125,000 in 2026. Nearby Junction ZIP Code 76849 for the

Eagles Nest project site will ranks 6th in the PMA and 71st in the region in specified adult children households.

- Adult children households will be most heavily concentrated outside the PMA's southern border in Bexar County in 2026.

Like age 75 and older households in the Eagles Nest PMA, the highest concentrations of adult children ages 45 to 64 with income of at least \$125,000 in 2026 in the PMA will be in Kerrville and Fredericksburg.

Map 4-3 2026 Age 45-64 Households with Income of \$125,000 and Above



CHAPTER 5

ECONOMIC ASSESSMENT

As a part of this engagement, PMD was charged to examine the larger economic situation and particularly the labor market in the Eagle's Nest PMA and surrounding area. In this chapter, the areas of reference are the Hill Country Region of Texas Nonmetropolitan Area, (Hill Country NMA or NMA) which includes 33 counties that encircle the Austin and San Angelo metropolitan areas, of which all or parts of the following eleven counties are in the Eagle's Nest PMA: Concho, Gillespie, Kerr, Kimble, Llano, Mason, McCulloch, Menard, San Saba, Schleicher, and Sutton. Comparisons are made with Gillespie County, Kerr County, Kimble County, the state of Texas and the United States where data are available.

The purpose of this economic analysis is to create a context for evaluating future investment in the PMA marketplace not just on the strength of the senior living market but also on the overall economy in the larger geographic market.

Economic Base

PMD reviewed the top twelve occupations by number of persons employed using data from the Bureau of Labor Statistics (BLS) for May of 2022 and May of 2023. (May of 2023 is the most recent period for which data by occupational category are available at each geographic level.)

The top four major occupation categories in the Hill Country NMA were also in the top four in Texas and in the U.S. in 2023. The NMA ranked noticeably higher in Business and Educational Instruction and Library Occupations (5th) than the state (7th) and the U.S. (9th). The NMA's employment in Protective Service Occupations (11th), Construction and Extraction Occupations (8th) and Installation, Maintenance, and Repair Occupations (9th) also ranked higher than for Texas (15th, 11th, and 10th) and the U.S. (15th, 11th and 12th). Employment in Healthcare Practitioners and Technical Occupations (10th) in the Hill Country NMA ranked lower than in Texas (8th) and in the U.S. (7th) in 2023. See Table 5-1 below.

*Table 5-1: Employment by Top Twelve Major Occupation Categories, 2022-2023
Hill Country NMA, Texas, and U.S.*

Major Occupation Category	Hill Country Region of Texas nonmetropolitan area				Texas		U.S.	
	Rank	2023	Change		2023	Change	2023	Change
	2023	Employment	2022-2023		2023	2022-23	2023	2022-23
			Number		Rank	Percent	Rank	Percent
Office and Administrative Support Occupations	1	25,780	0	0.0%	1	-0.2%	1	-0.8%
Food Preparation and Serving Related Occupations	2	20,560	790	4.0%	3	4.9%	4	5.9%
Sales and Related Occupations	3	18,960	540	2.9%	4	2.6%	3	1.5%
Transportation and Material Moving Occupations	4	15,670	830	5.6%	2	4.3%	2	1.4%
Educational Instruction and Library Occupations	5	15,370	640	4.3%	7	2.1%	9	2.9%
Management Occupations	6	14,250	970	7.3%	5	11.1%	5	6.4%
Production Occupations	7	13,950	-20	-0.1%	9	3.4%	8	0.4%
Construction and Extraction Occupations	8	13,420	1,440	12.0%	10	5.0%	11	2.5%
Installation, Maintenance, and Repair Occupations	9	11,780	470	4.2%	11	5.5%	12	2.9%
Healthcare Practitioners and Technical Occupations	10	10,490	650	6.6%	8	7.0%	7	2.7%
Protective Service Occupations	11	8,420	90	1.1%	15	1.8%	15	1.9%
Healthcare Support Occupations	12	7,540	-150	-2.0%	12	2.4%	10	4.0%
Total All Occupations		202,490	7,320	3.8%		4.4%		2.7%

Source: May 2022 and May 2023 Metropolitan and Nonmetropolitan Area Occupied Employment and Wage Estimates, Hill Country Region of Texas nonmetropolitan area, May 2022 and May 2023 State Occupational Employment and Wage Estimates Texas, and May 2022 and May 2023 National Occupational Employment and Wage Estimates United States, Bureau of Labor Statistics, April 4, 2024.

In terms of change in the number of employees by occupation, total employment increased steadily in the Hill Country NMA, lagging Texas's growth but outpacing gains in the U.S., between 2022 and 2023. There was a double-digit percentage increase in Construction and Extraction Occupations in the NMA compared to more modest increases for Texas and the U.S. There were also notable gains in Management Occupations and Healthcare Practitioners and Technical Occupations, which was outpaced by the state's growth but surpassed the nation's growth during the period. Employment growth in Transportation and Material Moving Occupations in the Hill Country NMA was notable outperforming growth in the sector in Texas and the U.S.

Employment decreases in the Hill Country NMA were limited to two categories. Healthcare Support Occupations and Production Occupations decreased in contrast to increases for the state and the nation between 2022 and 2023. See Table 5-1.

Employment Base

PMD obtained employer information from the Gillespie County Economic Development Commission in the "2024 Community Profile, Fredericksburg, Texas" revised 11/2023 and from the Kerr Economic Development Corporation, "Top Employers" updated in December 2023. (PMD contacted the Kimble County Chamber of Commerce but did not receive a response.) See Table 5-2 below.

Employment in Healthcare, represented by Peterson Regional Medical Center and Kerrville State Hospital in Kerr County and Hill Country Memorial Hospital in Gillespie County, accounted for more than nearly half of employees working for the largest employers in the two-county area. Education employers Kerrville Independent School District (ISD), Schreiner University and Fredericksburg Independent School District accounted for nearly 30 percent of the employment among the area's major employers. The three retail employers, James Avery Artisan Jewelry, H.E.B. Food Store and Wal-Mart, represented just over 20 percent of the employment for the area's top employers. See Table 5-2 below.

*Table 5-2: Largest Employers in Gillespie and Kerr Counties - 2023
Ranked by Number of Employees*

Largest Employers in Gillespie and Kerr Counties			
Rank	Name of Organization/Company	Organization Type	Number of Employees
Gillespie County			
1	Hill Country Memorial Hospital	Healthcare	619
2	Fredericksburg Independent School District	Education	480
3	H.E.B Food Store	Retail	230
4	Wal-Mart	Retail	220
5	City of Fredericksburg	Government	193
Kerr County			
1	Peterson Regional Medical Center	Healthcare	1,315
2	James Avery Artisan Jewelry	Retail	775
3	Kerrville State Hospital	Healthcare	710
4	Kerrville ISD	Education	678
5	Schreiner University	Education	660
Total			5,880

Source: "Major Area Employers, 2024 Community Profile, Fredericksburg, Texas" revised 11/2023, Gillespie County Economic Development Commission and "Top Employers", updated December 2023, Kerr Economic Development Corporation.

Unemployment Rates

Unemployment rates released by the Bureau of Labor Statistics for Gillespie, Kerr, and Kimble counties, the state of Texas and the U.S. for the years 2015 to 2024 are depicted in Table 5-3 below. Unemployment rates for Gillespie, Kerr, and Kimble counties were obtained from Federal Reserve Economic Data (FRED), Economic Research Division of the Federal Reserve Bank of St. Louis. Data presented are for April of each year. Unemployment rates for the Hill Country Region of Texas are unavailable.

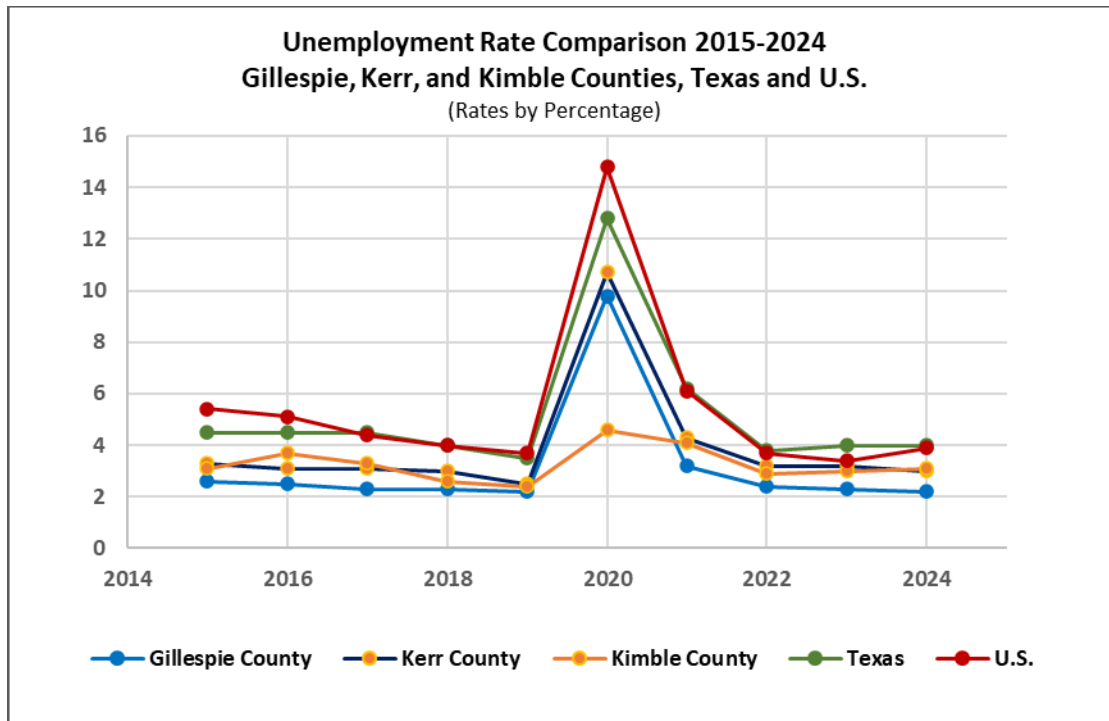
Gillespie County had the lowest unemployment rates during the past ten years compared to Kerr and Kimble counties, the state and the U.S. In all but one instance, unemployment rates in Gillespie County were lower than rates in Kerr and Kimble counties, in Texas and in the nation for the years 2015 through 2024. Unemployment rates for Kerr and Kimble counties were also lower than the unemployment rates in Texas and the U.S. in each of the last ten years. See Figure 5-1 and Table 5-3.

*Table 5-3: Gillespie County, Kerr County, Kimble County, Texas, and U.S.
Unemployment Rates by Percentage 2015-2024*

Unemployment Rates by Percentage 2015-2024 Gillespie, Kerr and Kimble Counties, Texas and U.S.					
Year	Gillespie County	Kerr County	Kimble County	Texas	U.S.
2015	2.6	3.3	3.1	4.5	5.4
2016	2.5	3.1	3.7	4.5	5.1
2017	2.3	3.1	3.3	4.5	4.4
2018	2.3	3.0	2.6	4.0	4.0
2019	2.2	2.5	2.4	3.5	3.7
2020	9.8	10.7	4.6	12.8	14.8
2021	3.2	4.3	4.1	6.2	6.1
2022	2.4	3.2	2.9	3.8	3.7
2023	2.3	3.2	3.0	4.0	3.4
2024	2.2	3.0	3.1	4.0	3.9

*Source: Bureau of Labor Statistics downloaded June 10, 2024. Figures
are percentages for April of each year.*

Figure 5-1: Unemployment Rate Comparison 2015-2024, Gillespie County, Kerr County, Kimble County, Texas, and U.S.



Source: Bureau of Labor Statistics downloaded June 10, 2024. Figures are percentages for April of each year.

The unemployment rate for April 2024 of 2.2% for Gillespie County and of 3.0% for Kerr County were the lowest and second lowest rates, respectively, during the past years. Except the 3.4% unemployment rate for the U.S., 2019 had the lowest unemployment rates - Gillespie (2.2%) and Kerr County (2.5%), Kimble County (2.4%) and Texas (3.5%).

Healthcare Employment Comparison by Type

Detailed data for occupations related to retirement housing and long-term care within the major categories of Healthcare Practitioners and Technical Occupations and Healthcare Support Occupations for the NMA are summarized below in Tables 5-4 and 5-4. Also included are hourly and annual wage rates by detailed occupational category.

PMD estimated employment by occupation in Gillespie, Kerr, and Kimble counties by first calculating employment in each category as a percentage of 2023 total employment in the Hill Country NMA. These percentages for each occupation category were then applied to the total number of employed persons in Gillespie, Kerr, and Kimble counties. Employment data for the county was obtained from Federal Reserve Economic Data (FRED) published by the Economic Research Division of the Federal Reserve Bank of St. Louis (<https://fred.stlouisfed.org>) for May 1, 2023.

Registered Nurses accounted for the largest occupation category, by a wide margin, in the Hill Country NMA - Licensed Practical and Licensed Vocational Nurses the second largest category in 2023. While far fewer employees were Physical Therapists, they comprised the third largest detailed category in the same year.

Employment increased steadily in the broad category of Healthcare Practitioners and Technical Occupations in the Hill Country NMA between 2022 and 2023. In four of the five detailed categories in the NMA employment increased, particularly for Physical Therapist with the largest percentage increase and Registered Nurses with the largest numeric increase. See Table 5-4 below.

*Table 5-4: Hill Country NMA Healthcare Jobs by Wage & Employment, May 2023
(with Gillespie, Kerr & Kimble Counties 2023 Employment Estimates)*

Hill Country of Texas Nonmetropolitan Area Healthcare Practitioners Jobs by Wage & Employment, May 2023 and Change 2022-2023 (with Gillespie, Kerr, and Kimble Counties 2023 Employment Estimates)								
Occupation Code	Occupation Title	NMA Employment			Gillespie, Kerr and Kimbal Counties	NMA Wage Rates		
		2023	Change 2022-2023			Median Hourly Wage		Annual Mean
			Number	Percent	2023 Estimate	2023	% Change 2022-2023	2023
00-0000	All Occupations	202,490	7,320	3.8%	37,544	\$18.94	5.3%	\$49,390
29-0000	Healthcare Practitioners and Technical Occupations	10,490	650	6.6%	1,945	\$32.66	6.8%	\$79,910
29-1031	Dietitians and Nutritionists	40	10	33.3%	7	\$28.13	-8.1%	\$62,660
29-1122	Occupational Therapists	160	20	14.3%	30	\$47.08	-1.0%	\$97,400
29-1123	Physical Therapists	300	50	20.0%	56	\$51.19	6.4%	\$107,720
29-1141	Registered Nurses	2,960	180	6.5%	549	\$37.77	2.9%	\$82,040
29-2061	Licensed Practical and Licensed Vocational Nurses	1,630	0	0.0%	302	\$26.94	13.0%	\$54,410

Not all subcategories are presented. May 2023 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Hill Country Region of Texas nonmetropolitan area, Bureau of Labor Statistics Occupational Employment Statistics, extracted April 2024 .

Median hourly wages for Healthcare Practitioners and Technical Occupations were highest for Physical Therapists in the Hill Country NMA in 2023. Licensed Practical and Licensed Vocational Nurses had the lowest median wage, which was nevertheless higher than the median wage for all occupations in the NMA. Three of the five detailed occupation categories saw increases in median hourly wages. Licensed Practical and Licensed Vocational Nurses had a double-digit percentage increase in median hourly wage while Dietitians and Nutritionists decreased notably between May 2022 and May 2023. See Table 5-4.

Among Healthcare Support Occupations, Home Health and Personal Care Aides followed by Nursing Assistants comprised the largest detailed categories in the Hill Country NMA in 2023. Only Occupational Therapy Assistants added employees among the five detailed Healthcare Support categories between 2022 and 2023. Home Health and Personal Care

Aides had the largest decrease in the Hill Country NMA during the one-year period. See Table 5-5.

*Table 5-5: Hill Country NMA Healthcare Support Jobs by Wage & Employment 2023
(with Gillespie, Kerr & Kimble Counties 2023 Employment Estimates)*

Hill Country of Texas Nonmetropolitan Area Healthcare Support Jobs by Wage and Employment 2023 and Change 2022-2023 (with Gillespie, Kerr, and Kimble Counties 2023 Employment Estimates)								
Occupation Code	Occupation Title	MSA Employment			Gillespie, Kerr and Kimbal Counties Counties	MSA Wage Rates		
		2023	Change 2022-2023			Median Hourly Wage		Annual Mean
			Number	Percent	2023 Estimate	2023	% Change 2022-2023	2023
00-0000	All Occupations	202,490	7,320	3.8%	37,544	\$18.94	5.3%	\$49,390
31-0000	Healthcare Support Occupations	7,540	-150	-2.0%	1,398	\$13.88	4.4%	\$31,080
31-1120	Home Health and Personal Care Aides	3,350	-230	-6.4%	621	\$10.71	2.4%	\$24,280
31-1131	Nursing Assistants	1,990	-90	-4.3%	369	\$14.82	7.6%	\$32,090
31-2011	Occupational Therapy Assistants	90	20	28.6%	17	\$35.84	2.4%	\$73,740
31-2021	Physical Therapist Assistants	160	-10	-5.9%	30	\$36.57	8.6%	\$72,750
31-2022	Physical Therapist Aides	140	-20	-12.5%	26	\$13.99	7.9%	\$29,170

Not all subcategories are presented. May 2023 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Hill Country Region of Texas nonmetropolitan area, Bureau of Labor Statistics Occupational Employment Statistics, extracted April 2024, downloaded June 2024.

Median hourly wages were highest for Physical Therapist Assistants and Occupational Therapy Assistants in the Hill Country NMA – the lowest for Home Health and Personal Care Aides in 2023. Employees in all five occupations saw wages increase between 2022 and 2023, most substantially for Physical Therapists Assistants and Physical Therapist Aides during the period. See Table 5-5.

PMD estimates that the need for healthcare jobs in Gillespie, Kerr, and Kimble counties are going to increase by 6.4% based on the growth in the age 65 and older population between 2024 and 2029. Table 5-6 on the following page provides estimates of the net additional number of healthcare and healthcare support employees that will be required in Gillespie, Kerr and Kimble counties in 2029. Home Health and Personal Care Aides, Registered Nurses, and Nursing Assistants are projected to realize the largest numerical increases during the next five years in the county.

*Table 5-6: 2023 Healthcare and Healthcare Support Jobs and 2029 Projected Need
Gillespie, Kerr & Kimble Counties*

Gillespie, Kerr, and Kimble Counties Estimated 2023 Healthcare and Healthcare Support Jobs and 2029 Projected Employment				
Occupation Code	Occupation Title	Estimated 2023 Employment	Projected 2029 Employment Need	Net Additional Need
29-1031	Dietitians and Nutritionists	7	55	10
29-1122	Occupational Therapists	30	32	2
29-1123	Physical Therapists	56	59	4
29-1141	Registered Nurses	549	584	35
29-2061	Licensed Practical and Licensed Vocational Nurses	302	322	19
31-1120	Home Health and Personal Care Aides	621	661	40
31-1131	Nursing Assistants	369	393	24
31-2011	Occupational Therapy Assistants	17	18	1
31-2021	Physical Therapist Assistants	30	32	2
31-2022	Physical Therapist Aides	26	28	2

**Net additional need estimated by applying the ratio of 2023 estimated employment to the 65+ population to the 2029 project population and then subtracting the 2029 total need from the 2023 estimated employment count.*

Future Outlook

According to the U.S. Bureau of Labor Statistics employment projections, healthcare support occupations will be among the top fastest growing occupations between 2022 and 2032. Nationally, Physical Therapy Assistants, Occupational Therapy Assistants, and Home Health and Personal Care Aides are projected to grow by 26.1%, 24.0%, and 21.7% respectively during the next ten years. These three occupational categories rank 9th, 11th and 16th in terms of fastest growing occupations. Among occupations with the most job growth in the U.S., the BLS projects Home Health and Personal Care Aides – representing the occupation with the largest employment increase between 2022 and

2032 – will total over 4.5 million in 2033, which is 804,600 more aides than in 2022, for a 21.7% increase between 2022 and 2032. Registered Nurses, the 5th largest occupation in terms of employment growth, are projected to grow by 5.6% adding 177,400 to total more than 3.3 million persons in 2032.

Educational Attainment

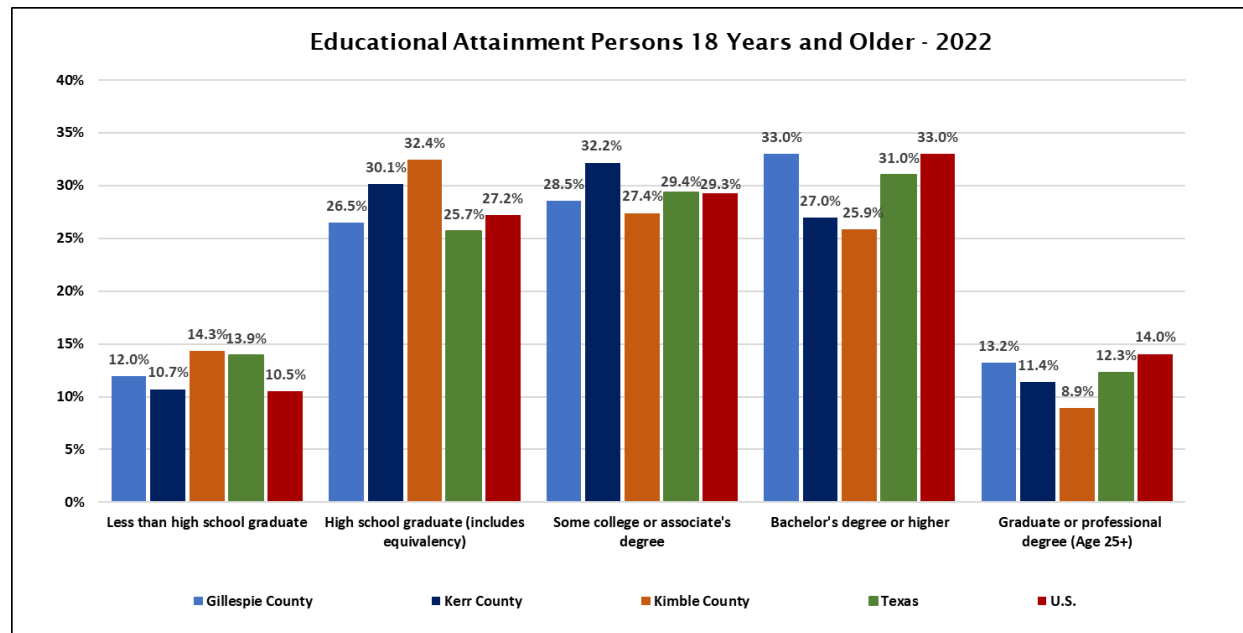
Gillespie County demonstrated high levels of educational attainment compared to the Kerr and Kimble counties and the state of Texas in 2022. Gillespie County had the largest percentage of population aged 18 years and older with a bachelor's degree or higher, matching the U.S.'s rate, and the second highest percentage of population aged 25 and older with graduate and professional degrees. Kerr County had the largest percentage of population ages 18 and older with some college degree. Conversely Kimble County had the smallest percentage of population in those categories and the largest percentage with a high school education or equivalency in 2022. See Table 5-7 and Figure 5-2 below.

Table 5-7: Educational Attainment: Gillespie County, Kerr County, Hill Country NMA, Texas, and U.S., 2022

Educational Attainment Persons Ages 18 Years and Older - 2022					
Educational Attainment Level	Gillespie County	Kerr County	Kimble County	Texas	U.S.
Less than high school graduate	12.0%	10.7%	14.3%	13.9%	10.5%
High school graduate (includes equivalency)	26.5%	30.1%	32.4%	25.7%	27.2%
Some college or associate's degree	28.5%	32.2%	27.4%	29.4%	29.3%
Bachelor's degree or higher	33.0%	27.0%	25.9%	31.0%	33.0%
Graduate or professional degree (Age 25+)	13.2%	11.4%	8.9%	12.3%	14.0%

Source: 2022 U.S. Census Bureau, ACS 1-Year Estimates Subject Tables, Table S1501, American Community Survey data downloaded June 10, 2024.

Figure 5-2: Educational Attainment Persons 18 Years and Older – Gillespie County, Kerr County, Kimble County, Hill Country NMA, Texas, and U.S., 2022



Source: 2022 U.S. Census Bureau, ACS 1-Year Estimates Subject Tables, Table S1501, American Community Survey data downloaded June 10, 2024.

CHAPTER 6

COMPETITIVE AND COMPARABLE ENVIRONMENT

PMD examined existing independent living (entrance fee and rental), assisted living, assisted living memory care and skilled nursing competitive and comparable communities within the Eagles Nest PMA.

PMD's investigation into the PMA for Eagles Nest uncovered the following product counts, considered to be comparable and/or competitive for this analysis. PMD obtained information on competitive/comparable communities via client input, community visits, telephone inquiries, and website research (both community and state organizations), and community brochures. Unless otherwise noted, this chapter contains the counts used in the demand analysis for each product type.

The Eagles Nest PMA contains a total of 24 retirement communities providing independent living, assisted living, assisted living memory care and skilled nursing. The Eagles Nest PMA has 143 independent living residences with an average occupancy of 84%, 482 assisted living beds in service (484 licensed beds) with an average occupancy of 85%, 147 assisted living memory care beds in service (147 licensed beds) with an

average occupancy of 84%, and 1,330 skilled nursing beds in service (1,330 licensed beds) with an average occupancy of 60%.

At the time of the study, PMD identified no planned projects in the Eagles Nest PMA.

The information in Table 6-1 which follows was reported to PMD during telephone inquiries, internet research, collateral materials, and client input. The information was collected in May and June 2024, and the data reported reflects the market findings at the time of the research. The abbreviations in Table 6-1 in the “Type” column indicate the type of each competitive community as follows, some of which may contain several abbreviations:

- IL – Independent Living
- AL – Assisted Living
- ALMC – Assisted Living Memory Care
- SNF - Skilled Nursing
- LPR – Life Plan Rental
- LPEF-A – Life Plan Entrance Fee Type A
- LPEF-B – Life Plan Entrance Fee Type B
- LPEF-C – Life Plan Entrance Fee Type C

The following information reflects PMD’s investigation of market conditions at the time of this study and could, subsequently, change.

Note:

1. *In the tables below where WNP (would not provide) is noted reflects that the competitive community would not provide the information requested.*
2. *Reported occupancies as disclosed by community at time of inquiry and are subject to change. PMD is not responsible for the accuracy of self-reported community occupancy as reported at time of inquiry.*
3. *Licensed beds are based on information provided through state licensing agencies and may differ from actual number at community. The licensed beds reported by state agencies reflects the total number of beds the community may occupy at any time.*
4. *PMD Advisory Services, LLC uses the following sources for identifying competitive communities: telephone and internet research, on-site field work, and state licensing agencies. All information is verified through telephone inquiries.*

Table 6-1: Competitive and Comparable Communities Eagles Nest PMA

			IL		AL			ALMC			SNF			
Community Name	Zip Code	Year Open	# Res	% Occ.	# Res / Beds in Service	# Lic Beds	% Occ.	# Res / Beds in Service	# Lic Beds	% Occ.	# Res / Beds in Service	# Lic Beds	% Occ.	Type
Existing Communities														
220 Harper Assisted Living	78028	1995			16	16	100%							AL
		New Ownership January 2023												
Arbor House Fredericksburg	78624				16	16	100%	16	16	81%				AL/ALMC
Brady West Rehab & Nursing	76825	1991									106	106	34%	SNF
Brookdale Kerrville	78028	2000			60	60	80%							AL
Cedar Hills Geriatric Center	78833	1980									86	86	93%	SNF
Concho Health & Rehabilitation Center	76837	2008									66	66	67%	SNF
Enhanted Rock	78624	2019									120	120	WND	SNF
Fredericksburg Nursing And Rehabilitation	78624	1999									90	90	36%	SNF
Heritage Place	78624	1994			70	70	94%							AL
Hilltop Village Nursing And Rehabilitation	78028	1987									150	150	WND	SNF
Juniper Village At Guadalupe Riverfront	78028	1984/1986	143	84%	45	45	89%							ILR/AL
Knopp Assisted Living Center Inc. and Knopp Memory Care	78624	1999			42	42	80%	11	11	91%	60	60	90%	AL/ALMC/SNF
Knopp Retirement Center	78624	1967			60	60	75%				119	119	WND	AL/SNF
Menard Manor	76859	2004									40	40	%	SNF
Morning Star Memory Care Of Fredericksburg LLC	78624	2013						16	16	88%				ALMC
Mountain Villa At Kerrville	78028	2009			50	50	78%							AL
New Haven Of Kerrville	78028	Formally SNF AL Conversion 2013						48	48	77%				ALMC
River Hills Health And Rehabilitation Center	78028	1987									150	150	82%	SNF
River Point Of Kerrville	78028	2012			36	38	95%	32	32	78%				AL/ALMC
Riverside Health and Rehabilitation ¹	78028	2024									130	130	2%	SNF
Royal Oaks Assisted Living	76825	2022			25	25	44%							AL
Schleicher County Medical Center	76936	1969/2013									34	34	WND	SNF
The Villages Of Windcrest	78624	2019			62	62	97%	24	24	88%				AL/ALMC
Waterside Nursing & Rehabilitation	78028	1985									179	179	45%	SNF
Total Existing Communities, Residences and Beds in PMA	24		143	84%	482	484	85%	147	147	84%	1330	1330	60%	
Planned Communities														
None Identified														
Total Planned Communities, Residences and Beds in PMA														
Total Existing and Planned Communities, Residences and Beds in PMA	24		143	84%	482	484	85%	147	147	84%	1330	1330	60%	

1. As of May 29th, 2024, waiting on state survey, but they currently have three private pay residents.

Competitor Communities - Overall Map



Map 6-1a: Competitive Communities - Eagles Nest PMA Overall KEY

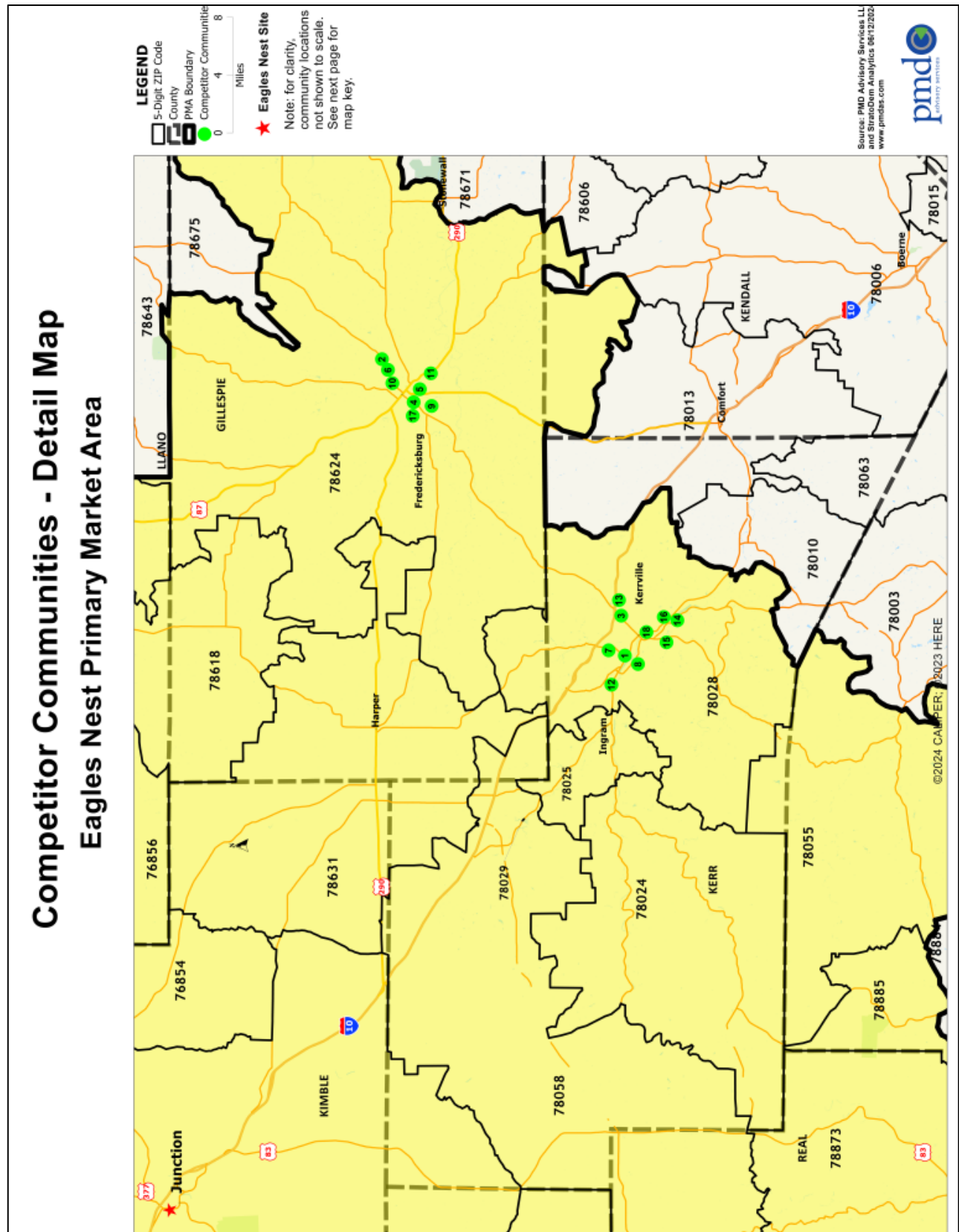
Competitive Communities Map Key - Overall
Eagles Nest Primary Market Area

Competitive Communities

Key	Name
-----	------

- | | |
|---|---------------------------------------|
| 1 | Brady West Rehab & Nursing |
| 2 | Cedar Hills Geriatric Center |
| 3 | Concho Health & Rehabilitation Center |
| 4 | Menard Manor |
| 5 | Royal Oaks Assisted Living |
| 6 | Schleicher County Medical Center |

Map 6-2: Competitive Communities - Eagles Nest PMA Detail



Competitive Communities Map Key - Detail

Eagles Nest Primary Market Area

Competitive Communities

Key	Name
-----	------

- | | |
|----|---|
| 1 | 220 Harper Assisted Living |
| 2 | Arbor House Fredericksburg |
| 3 | Brookdale Kerrville |
| 4 | Enchanted Rock |
| 5 | Fredericksburg Nursing And Rehabilitation |
| 6 | Heritage Place |
| 7 | Hilltop Village Nursing And Rehabilitation |
| 8 | Juniper Village At Guadalupe Riverfront |
| 9 | Knopp Assisted Living Center Inc. and Knopp Memory Care |
| 10 | Knopp Retirement Center |
| 11 | Morning Star Memory Care Of Fredericksburg LLC |
| 12 | Mountain Villa At Kerrville |
| 13 | New Haven Of Kerrville |
| 14 | River Hills Health And Rehabilitation Center |
| 15 | River Point Of Kerrville |
| 16 | Riverside Health and Rehabilitation |
| 17 | The Villages Of Windcrest |
| 18 | Waterside Nursing & Rehabilitation |

Table 6-2: Competitive Community Information Eagles Nest PMA

	220 Harper Assisted Living	Arbor House Fredericksburg	Brady West Rehab & Nursing	Brookdale Kerrville
Address	220 Harper Rd	2230 North Llano St	2201 Menard Hwy	725 Leslie Dr
City	Kerrville	Fredericksburg	Brady	Kerrville
State	TX	TX	TX	TX
Zip Code	78028	78624	76825	78028
Telephone #	(830) 895-4600	(830) 997-4613	(325) 597-2906	(830) 257-6769
Year Open	1995	New Ownership January 2023	1991	2000
Management / Sponsor	J.B. Gouger	Shay Donica, Owner	Brady SNF, LLC	Brookdale Senior Living
Status	For-Profit	For-Profit	For-Profit	For-Profit
Type	AL	AL/ALMC	SNF	AL
# Residences				
Independent Living				
Assisted Living Beds in Service	16	16		60
Assisted Living Memory Care Res/Beds in Service		16		
Skilled Nursing Res/Beds in Service			106	
Occupancy				
Independent Living				
Assisted Living	100%	100%		80%
Memory Care		81%		
Skilled Nursing			34%	
Estimated Annual Increase %	2-5%	5%	1 % - 2%	5%

Table 6-2a: Competitive Community Information Eagles Nest PMA

	Cedar Hills Geriatric Center	Concho Health & Rehabilitation Center	Enchanted Rock	Fredericksburg Nursing And Rehabilitation
Address	710 Hwy 55	613 Eaker St	210 West Windcrest St	1117 S. Adams St
City	Camp Wood	Eden	Fredericksburg	Fredericksburg
State	TX	TX	TX	TX
Zip Code	78833	76837	78624	78624
Telephone #	(830) 597-5445	(325) 869-5531	(830) 637-7885	(830) 997-4364
Year Open	1980	2008	2019	1999
Management / Sponsor	Jasmine Grace Healthcare	Eden II Enterprises, LLC	Conquest Healthcare	Gillespie Nursing Operations, LLC
Status	For-Profit	Not-For-Profit	For-Profit	Not-For-Profit
Type	SNF	SNF	SNF	SNF
# Residences				
Independent Living				
Assisted Living Beds in Service				
Assisted Living Memory Care Res/Beds in Service				
Skilled Nursing Res/Beds in Service	86	66	120	90
Occupancy				
Independent Living				
Assisted Living				
Memory Care				
Skilled Nursing	93%	67%	WND	36%
Estimated Annual Increase %	1-3%	2-3%	WND	1% - 3%

Table 6-2b: Competitive Community Information Eagles Nest PMA

	Heritage Place	Hilltop Village Nursing And Rehabilitation	Juniper Village At Guadalupe Riverfront	Knopp Assisted Living Center Inc. and Knopp Memory Care
Address	96 Frederick Rd	1400 Hilltop Rd	135 Plaza Dr	202 Billie Dr
City	Fredericksburg	Kerrville	Kerrville	Fredericksburg
State	TX	TX	TX	TX
Zip Code	78624	78028	78028	78624
Telephone #	(830) 997-9406	(830) 895-3200	(830) 895-2626	(830) 997-7924
Year Open	1994	1987	1984/1986	1999
Management / Sponsor	Five Star Senior Living	SSC Kerrville Hilltop Village Operating Company LLC	Juniper Management LLC	Knoop Healthcare Services
Status	For-Profit	Not-For-Profit	For-Profit	For-Profit
Type	AL	SNF	ILR/AL	AL/ALMC/SNF
# Residences				
Independent Living			143	
Assisted Living Beds in Service	70		45	42
Assisted Living Memory Care Res/Beds in Service				11
Skilled Nursing Res/Beds in Service		150		60
Occupancy				
Independent Living			84%	
Assisted Living	94%	WND	89%	80%
Memory Care				91%
Skilled Nursing		WND		90%
Estimated Annual Increase %	6-8%	WND	5-8%	5%

Table 6-2c: Competitive Community Information Eagles Nest PMA

	Knopp Retirement Center	Menard Manor	Morning Star Memory Care Of Fredericksburg LLC	Mountain Villa At Kerrville
Address	103 E Trailmoor Dr 1208 N. Llano	100 Gay St	106 Heritage Hills Dr	2201 Junction Hwy
City	Fredericksburg	Menard	Fredericksburg	Kerrville
State	TX	TX	TX	TX
Zip Code	78624	76859	78624	78028
Telephone #	(830) 997-4426	(325) 396-4515	(830) 990-9007	(830) 792-4001
Year Open	1967	2004	2013	2009
Management / Sponsor	Knoop Healthcare Services	Menard Hospital District	Micheal Stork, Owner	Valens True North LLC
Status	For-Profit	Not-For-Profit	For-Profit	For-Profit
Type	AL/SNF	SNF	ALMC	AL
# Residences				
Independent Living				
Assisted Living Beds in Service	60			50
Assisted Living Memory Care Res/Beds in Service			16	
Skilled Nursing Res/Beds in Service	119	40		
Occupancy				
Independent Living				
Assisted Living	75%			78%
Memory Care	WND		88%	
Skilled Nursing	WND	95%		
Estimated Annual Increase %	5%	9%	1-3%	2-6%

Table 6-2d: Competitive Community Information Eagles Nest PMA

	New Haven Of Kerrville	River Hills Health And Rehabilitation Center	River Point Of Kerrville	Riverside Health and Rehabilitation
Address	747 Alpine Dr	2091 Bandera Hwy	1441 Bandera Hwy	1555 Bandera Hwy
City	Kerrville	Kerrville	Kerrville	Kerrville
State	TX	TX	TX	TX
Zip Code	78028	78028	78028	78028
Telephone #	(830) 896-6555	(830) 257-9900	(830) 258-4150	(830) 412-2366
Year Open	Formally SNF AL Conversion 2013	1987	2012	2024
Management / Sponsor	Enriched Senior Living, LLC	Uvalde Hospital District	Northstar Senior Living, Inc	Conquest Healthcare
Status	For-Profit	Not-For-Profit	For-Profit	For-Profit
Type	ALMC	SNF	AL/ALMC	SNF
# Residences				
Independent Living				
Assisted Living Beds in Service			38	
Assisted Living Memory Care Res/Beds in Service	48		32	
Skilled Nursing Res/Beds in Service		150		130
Occupancy				
Independent Living				
Assisted Living			95%	
Memory Care	77%		78%	
Skilled Nursing		82%		2%
Estimated Annual Increase %	3-5%	9.0%	5%	5%

Table 6-2e: Competitive Community Information Eagles Nest PMA

	Royal Oaks Assisted Living	Schleicher County Medical Center	Waterside Nursing & Rehabilitation	The Villages Of Windcrest
Address	1900 Nine Rd	104 N US HWY 277	1213 Water St	702 West Windcrest St
City	Brady	Eldorado	Kerrville	Fredericksburg
State	TX	TX	TX	TX
Zip Code	76825	76936	78028	78624
Telephone #	(325) 597-1641	(325) 853-2507	(830) 896-2411	(830) 307-7258
Year Open	2022	1969/2013	1985	2019
Management / Sponsor	Loree Tamayo Consulting And Management, Inc	Schleicher County Hospital District	Kerrville Nursing Operations, LLC	Acorn Corp, Owner/ Frontier Management Group
Status	Not-For-Profit	Not-For-Profit	Not-For-Profit	For-Profit
Type	AL	SNF	SNF	AL/ALMC
# Residences				
Independent Living				
Assisted Living Beds in Service	25			62
Assisted Living Memory Care Res/Beds in Service				24
Skilled Nursing Res/Beds in Service		34	179	
Occupancy				
Independent Living				
Assisted Living	44%			97%
Memory Care				88%
Skilled Nursing		WND	45%	
Estimated Annual Increase %	3-5%	WND	2%	5-9%

Table 6-3: Competitive Community Amenities Eagles Nest PMA

	220 Harper Assisted Living	Arbor House Fredericksburg	Brookdale Kerrville	Heritage Place	Juniper Village At Guadalupe Riverfront	Knopp Assisted Living Center Inc. and Knopp Memory Care
Community Amenities						Billie Dr.
Activity Area (Indoor)	X	X	X	X	X	Dining Room
Arts & Crafts Studio			X			
Banking						
Beauty Salon/Spa		X	X	X	X	X
Billiards						
Bistro/Café/Coffee Bar						
Chapel						
Computer Use/Room			X			
Courtyard/Patio	X	X	X	X	X	X
Dining Room	X		X	X	X	X
Dog Park						
Fitness Center				X	X	
Game Room						
Garages						
Gardens/Greenhouse			X	X		
Gift Shop/General Store						
Guest Rooms						
In-house Physical Therapy				X	X	
Laundry Rooms					X	
Library			X			
Lounge/Seating Area	X	X	X	X	X	X
Multipurpose Rooms			X			
Outdoor Recreational Areas						
Pool Indoor						
Pool Outdoor						
Private Dining Room		X				
Pub/Bar						
Theatre					X	
TV Room	X	X	X	X		X
Walking Trails		X				
Wellness Center						
Woodwork Shop						

Table 6-3a: Competitive Community Amenities Eagles Nest PMA

	Knopp Retirement Center	Morning Star Memory Care Of Fredericksburg LLC	Mountain Villa At Kerrville	New Haven Of Kerrville	River Point Of Kerrville	Royal Oaks Assisted Living	The Villages Of Windcrest
Community Amenities	Trailmore						
Activity Area (Indoor)	Dining Room	X	X	X	X	X	X
Arts & Crafts Studio							
Banking							
Beauty Salon/Spa	X				X	X	X
Billiards							
Bistro/Café/Coffee Bar				X		X	
Chapel							
Computer Use/Room					X		X
Courtyard/Patio	X	X	X	X/ Secured	X	X	X
Dining Room	X	X	X	X	X	X	X
Dog Park							X
Fitness Center							X
Game Room							
Garages	\$15/ Monthly Carport						
Gardens/Greenhouse							
Gift Shop/General Store							
Guest Rooms							
In-house Physical Therapy							X
Laundry Rooms	X						
Library					X	X	X
Lounge/Seating Area	X	X	X	X	X	X	X
Multipurpose Rooms							X
Outdoor Recreational Areas							
Pool Indoor							
Pool Outdoor							
Private Dining Room							X
Pub/Bar							X
Theatre							X
TV Room	X		X	X	X	X	X
Walking Trails		X					X
Wellness Center							
Woodwork Shop							

Table 6-4: Independent Living Apartment Residences and Fees Eagles Nest PMA - Rental

Residence Type	Juniper Village At Guadalupe Riverfront	
Studio		
Sq Feet	337	
Community Fee	\$2,000	
Security Deposit	None	
Monthly Fees	\$2,100	
Per SF Cost	\$6.23	
One Bedroom		
Sq Feet	557	
Community Fee	\$2,000	
Security Deposit	None	
Monthly Fees	\$3,305	
Per SF Cost	\$5.93	
Two Bedroom		
Sq Feet	876	1,000
Community Fee	\$2,000	
Security Deposit	None	
Monthly Fees	\$4,045	
Per SF Cost	\$4.62	\$4.05
Second Person Fee	\$1,200	

Table 6-5: Independent Living Services Included in Monthly Fee Eagles Nest PMA

Services	Juniper Village At Guadalupe Riverfront
24-Hour Staff	X
Activities	X
Cable	\$90/Month
Emergency Response	X
Housekeeping	Weekly
Linen Services	\$26.50/ Hour
Maintenance	X
Meals	3 a day
Personal Laundry	\$18/Load
Transportation	\$12/ Local
Telephone	For Fee
Utilities	X
Wi-Fi	X

Table 6-6: Assisted Living Residences and Fees Eagles Nest PMA

Residence Type	220 Harper Assisted Living		Arbor House Fredericksburg		Brookdale Kerrville		Heritage Place	
Studio			14					
Sq Feet	WNP		230		WNP		283	
Community Fee	\$1,000		\$1,500		\$4,255		\$2,500	
Security Deposit	None		None		None		None	
Monthly Fees	\$3,900		\$4,200		\$4,255		\$3,400	
Per SF Cost			\$18.26				\$12.01	
One Bedroom								
Sq Feet					WNP		542	
Community Fee					\$4,770		\$2,500	
Security Deposit					None		None	
Monthly Fees					\$4,770		\$5,400	
Per SF Cost							\$9.96	
Two Bedroom			1 (Couples Room)					
Sq Feet			700					
Community Fee			\$1,500					
Security Deposit			None					
Monthly Fees			\$5,600					
Per SF Cost			\$8.00					
All-Inclusive	X							
Levels of Care								
LOC 1			Assessment Prior to Admission. LOC Cost Not to Exceed \$900.		A la carte. WNP cost.		Stand By Assists Included. Based on Assessment LOC Costs Range from \$250 to \$800.	
LOC 2								
LOC 3								
LOC 4								
LOC 5								
LOC 6								
LOC 7								
Med Management	Included		Included in LOC		Included in LOC		Included in LOC	
Second Person Fee	\$2,500		\$1,500		\$1,000		\$1,000	

Table 6-6a: Assisted Living Residences and Fees Eagles Nest PMA

Residence Type	Juniper Village At Guadalupe Riverfront		Knopp Assisted Living Center Inc. and Knopp Memory Care		Knopp Retirement Center		Mountain Villa At Kerrville	
Studio								
Sq Feet	337		WNP		WNP		200	
Community Fee	\$2,500		\$3,665	\$4,650	\$800		\$500	
Security Deposit	None		None		None		None	
Monthly Fees	\$3,985		\$3,565	\$4,650	\$3,750		\$2,046	
Per SF Cost	\$11.82						\$10.23	
Companion Suite								
Sq Feet							230	
Community Fee							\$500	
Security Deposit							None	
Monthly Fees							\$2,046	
Per SF Cost							\$8.90	
One Bedroom								
Sq Feet	557	674			WNP			
Community Fee	\$2,500				\$900	\$1,000		
Security Deposit	None				None			
Monthly Fees	\$5,920	\$6,295			\$4,200	\$4,500		
Per SF Cost	\$10.63	\$8.78						
All-Inclusive					X			
Levels of Care								
LOC 1	Included		\$200				Included	
LOC 2	\$495		\$400				\$1,564	
LOC 3	\$935							
LOC 4	\$1,210							
LOC 5	\$1,515							
LOC 6	\$2,475							
LOC 7	\$2,750							
Med Management	Included in LOC		Included		Included		Included (Six meds or less)	
Second Person Fee	\$1,200		\$1,550		\$800	\$1,000	None	

Table 6-6b: Assisted Living Residences and Fees Eagles Nest PMA

Residence Type	River Point Of Kerrville		Royal Oaks Assisted Living		The Villages Of Windcrest	
Studio						
Sq Feet	330	WNP	350		425	
Community Fee	\$3,750	\$3,950	\$1,500		\$2,500	
Security Deposit	None		None		None	
Monthly Fees	\$3,750	\$3,950	\$3,200		\$3,800	
Per SF Cost	\$11.36		\$9.14		\$8.94	
One Bedroom						
Sq Feet	357	472	528		550	
Community Fee	\$4,250	\$4,850	\$1,500		\$2,500	
Security Deposit	None		None		None	
Monthly Fees	\$4,250	\$4,850	\$4,200		\$4,650	
Per SF Cost	\$11.90	\$10.28	\$7.95		\$8.45	
Two Bedroom						
Sq Feet					945	1,100
Community Fee					\$2,500	
Security Deposit					None	
Monthly Fees					\$6,800	\$7,300
Per SF Cost					\$7.20	\$6.64
All-Inclusive						
Levels of Care						
LOC 1	\$500		\$400		\$300	
LOC 2	\$800		\$800		\$600	
LOC 3	\$1,000		\$1,200		\$900	
LOC 4	\$1,400				\$1,200	
LOC 5	\$1,600				\$1,500	
LOC 6					\$1,800	
LOC 7						
Med Management	Included in LOC		Included		Included in LOC	
Second Person Fee	\$1,000		\$800 (1 BR Only)		\$1,200	

Table 6-7: Assisted Living Services Included in Monthly Fee - Eagles Nest PMA

Services	220 Harper Assisted Living	Arbor House Fredericksburg	Brookdale Kerrville	Heritage Place	Juniper Village At Guadalupe Riverfront	Knopp Assisted Living Center Inc. and Knopp Memory Care
24-Hour Staff	X	X	X	X	X	X
Activities	X	X	X	X	X	X
Assistance w/ADL's	X	For Fee	For Fee	X/ For Fee	For Fee	For Fee
Cable	X	X	X	X	\$90/Month	\$25/Month
Emergency Response	X	Pendants	X	X	X	X
Housekeeping	Daily	Weekly	Weekly	Weekly	Weekly	Daily
Linen Services	Weekly	Weekly	Weekly	Weekly	Weekly	Daily
Meals	Three Daily	Three Daily	Three Daily	Three Daily	All Day Dining	Three Daily
Medication Management	X	For Fee	For Fee	For Fee	For Fee	X
Personal Laundry	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Transportation	For Fee	X	For Fee	For Fee	For Fee	\$27/ Roundtrip
Telephone	X	For Fee	For Fee	For Fee	For Fee	X
Utilities	X	X	X	X	X	X
Wi-Fi	X	X	X	X	X	X

Table 6-7a: Assisted Living Services Included in Monthly Fee - Eagles Nest PMA

Services	Knopp Retirement Center	Mountain Villa At Kerrville	River Point Of Kerrville	Royal Oaks Assisted Living	The Villages Of Windcrest
24-Hour Staff	X	X	X	X	X
Activities	X	X	X	X	X
Assistance w/ADL's	X	X/ For Fee	For Fee	For Fee	For Fee
Cable	\$25/ Month	X	X	Roku Only	X
Emergency Response	X	X	X	X	X
Housekeeping	Weekly	Weekly	Weekly	Weekly	Weekly
Linen Services	\$8/ Per Load	Weekly	Weekly	Weekly	Weekly
Meals	Three Daily	Three Daily	Three Daily	Three Daily	Three Daily
Medication Management	X	X/ For Fee	For Fee	X	For Fee
Personal Laundry	\$8/ Per Load	Weekly	Weekly	Weekly	Weekly
Transportation	\$27/ Roundtrip	X	X	For Fee	X
Telephone	X	X	X	No Phones	For Fee
Utilities	X	X	X	X	X
Wi-Fi	X	X	X	X	X

Table 6-8: Assisted Living Memory Care Residences and Fees Eagles Nest PMA

Residence Type	Arbor House Fredericksburg	Knopp Assisted Living Center Inc. and Knopp Memory Care	Morning Star Memory Care Of Fredericksburg LLC	New Haven Of Kerrville	River Point Of Kerrville	The Villages Of Windcrest
Studio						
Sq Feet	180	WNP	WNP	204	310 335	360
Community Fee	\$1,500	\$4,960	\$1,000	\$2,000	\$6,050 \$7,050	\$2,500
Security Deposit	None	None	None	\$500	None	None
Monthly Fees	\$5,500	\$4,960	\$5,425	\$5,000	\$6,050 \$7,050	\$4,500
Per SF Cost	\$30.56			\$24.51	\$19.52 \$21.04	\$12.50
Companion Suite						
Sq Feet			WNP	204	WNP	
Community Fee			\$1,000	\$2,000	\$4,950	
Security Deposit			None	\$500	None	
Monthly Fees			\$4,400	\$4,500	\$4,950	
Per SF Cost				\$22.06		
All-Inclusive	X	X	X			
Levels of Care						
LOC 1				Included	Included	\$300
LOC 2				\$850	\$250	\$600
LOC 3				\$1,250	\$500	\$900
LOC 4				\$2,200		\$1,200
LOC 5						\$1,500
LOC 6						\$1,800
Med Management	Included	Included	Included	Included	Included	Included in LOC
Second Person Fee	None	None	None	\$4,500	\$1,500	None

Table 6-9: Assisted Living Memory Care Services Included in Monthly Fee - Eagles Nest PMA

Services	Arbor House Fredericksburg	Knopp Assisted Living Center Inc. and Knopp Memory Care	Morning Star Memory Care Of Fredericksburg LLC	New Haven Of Kerrville	River Point Of Kerrville	The Villages Of Windcrest
24-Hour Staff	X	X	X	X	X	X
Activities	X	X	X	X	X	X
Assistance w/ADL's	X	X	X	X/ For Fee	X/ For Fee	For Fee
Cable	X	\$25/Month		X	X	X
Emergency Response	Pendants	X	X	X	X	X
Housekeeping	Weekly	Weekly	Daily	Weekly	Weekly	Weekly
Linen Services	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Meals	Three Daily	Three Daily	Three Daily	Three Daily	Three Daily	Three Daily
Medication Management	X	X	X	X	X	For Fee
Personal Laundry	Weekly	Weekly	Daily	Weekly	Weekly	Weekly
Transportation	X	For Fee	For Fee		X	For Fee
Telephone	For Fee	X		For Fee	X	For Fee
Utilities	X	X	X	X	X	X
Wi-Fi	X	X	X	X	X	X

Table 6-10: Skilled Nursing Residences and Fees Eagles Nest PMA

Community Name	Private	Semi-Private
Communities Inside PMA		
Brady West Rehab & Nursing	\$159	\$111
Cedar Hills Geriatric Center	\$160	\$139
Concho Health & Rehabilitation Center	\$205	\$155
Enchanted Rock	\$174	\$160
Fredericksburg Nursing And Rehabilitation	\$203	\$160
Hilltop Village Nursing And Rehabilitation	WND	WND
Knopp Assisted Living Center Inc. and Knopp Memory Care (Knopp Nursing & Rehab Center)	\$300	
Knopp Retirement Center (Knopp Healthcare & Rehab Center)	\$250	
Menard Manor		\$165
River Hills Health And Rehabilitation Center	\$178	\$158
Riverside Health and Rehabilitation	\$350	\$200
Schleicher County Medical Center	WND	WND
Waterside Nursing & Rehabilitation	\$173	\$157

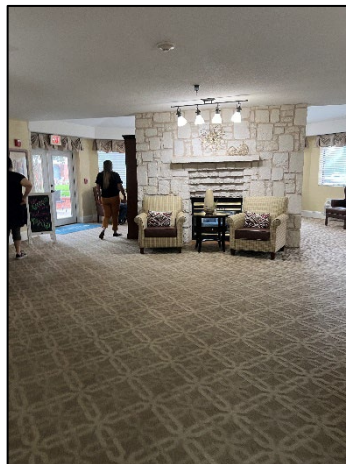
Tours of Competitive Communities

Juniper Village of Guadalupe Riverfront is an independent living rental and assisted living community located at 135 Plaza Drive in Kerrville, TX on a seven-acre site. Opened in 1984/1986 the community is a for-profit community owned/managed by Juniper Management LLC. The community offers 143 independent living apartment residences (84% occupancy), and 45 licensed assisted living licensed beds (89% occupancy). The community reported annual rate increases of between 5% and 8%.

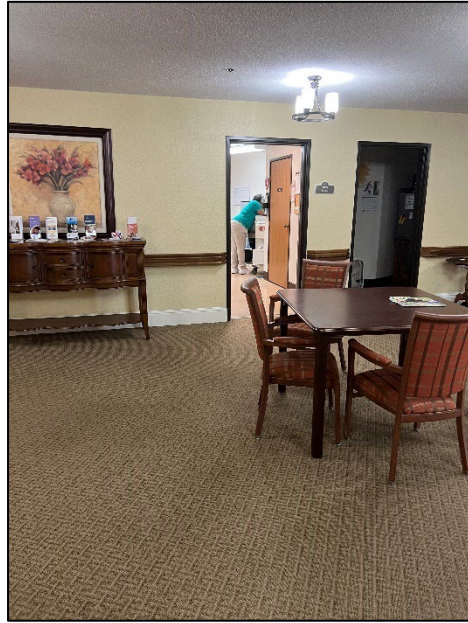
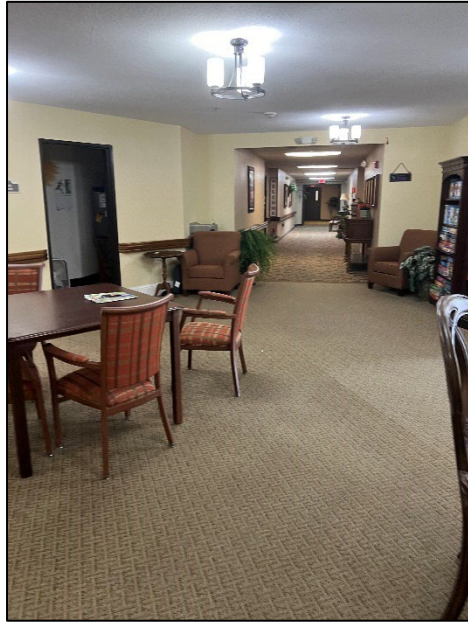


PMD met with the Senior Lifestyle Counselor (Counselor). The Counselor stressed the need for assisted living memory care in the market and that they are the only independent living community in the area.

When entering the community, you are welcomed to a large reception area with seating and a brick fireplace as the main focal point, leading to the main dining room. The reception desk is located to the right of the entrance.



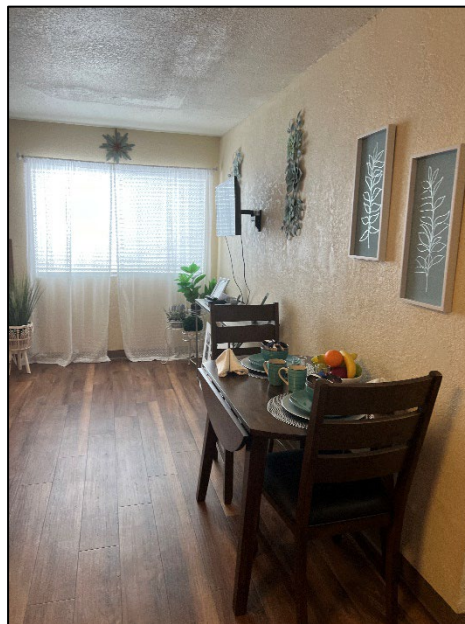
The community does not offer many amenity areas. Those amenity areas offered include a small fitness center, library/puzzle area, in-house physical therapy, laundry rooms, beauty/barber shop, lounge/seating areas, small theatre room, and outdoor courtyard with seating area and tables.

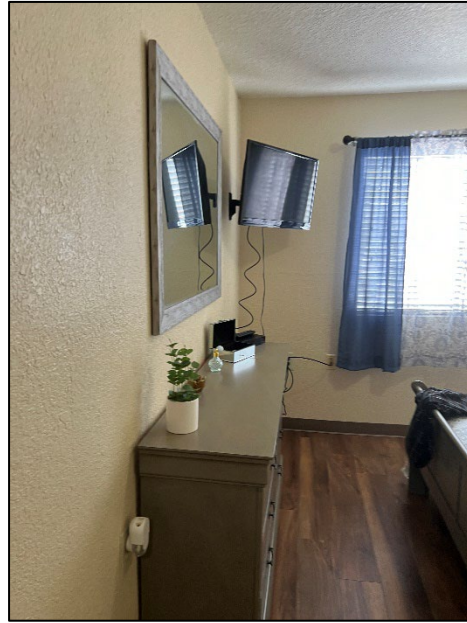


The independent living dining room is a large room with lots of overhead lighting, round tables with white tablecloths, and windows offering significant amount of natural sunlight.



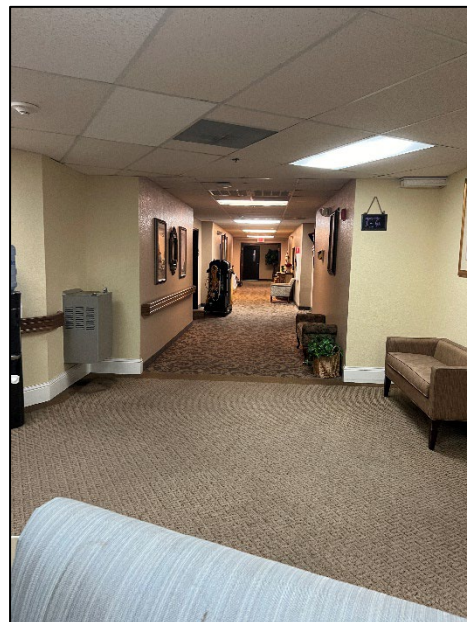
PMD toured a one-bedroom independent living model apartment. The apartment included a kitchen area with a white electric stove/oven combination, upper and lower cabinets, full-size refrigerator, stainless steel sink and Formica countertops. The kitchen area opens to the main living room which is large enough to accommodate a small café style table and small couch. This area also includes a wall mounted air conditioning unit. Natural sunlight is brought in from a double window. The bedroom is large enough to accommodate a long dresser, full size bed, and two nightstands. The bathroom has a linen closet next to a small single bowl vanity with under cabinet storage, commode with grab bars and a walk-in shower with shower seat, adjustable shower head and grab bars.





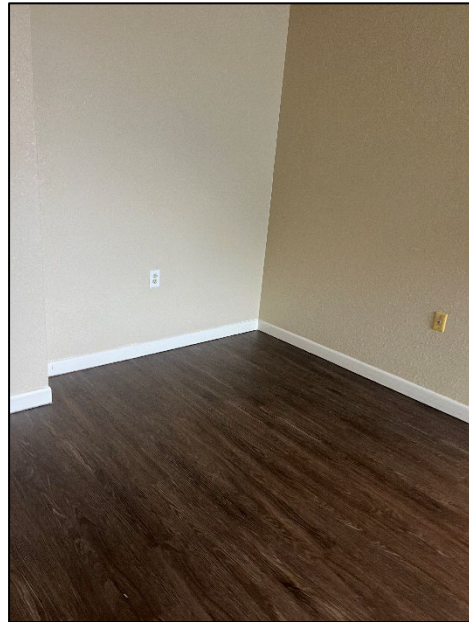


The assisted living dining room offers soft white lighting and round tables set up for a maximum of four people per table and a large window providing natural sunlight. There are multiple seating areas along a hallway which has residences on both sides of the hallway.



PMD toured a studio residence. The main living area can accommodate a twin/full size bed with nightstands and a dresser. There is a small area which can accommodate a small table/desk, in addition there is a large walk-in closet. The residence includes a

kitchenette with a raised dorm size refrigerator with freezer, Corian countertop, upper and lower cabinets, and small stainless steel sink. The bathroom was a nice size with a vanity with single bowl sink, Corian countertop, and cabinets beneath the sink. The commode is located next to the vanity and a walk-in shower next to the commode. The shower is fully tiled and has a handheld shower, built-in shower seat and grab bars.





Overall, the community is a bit outdated, and residents appeared frail, most residents observed during the tour were in wheelchairs placed at or near the main entrance doors by the receptionist.

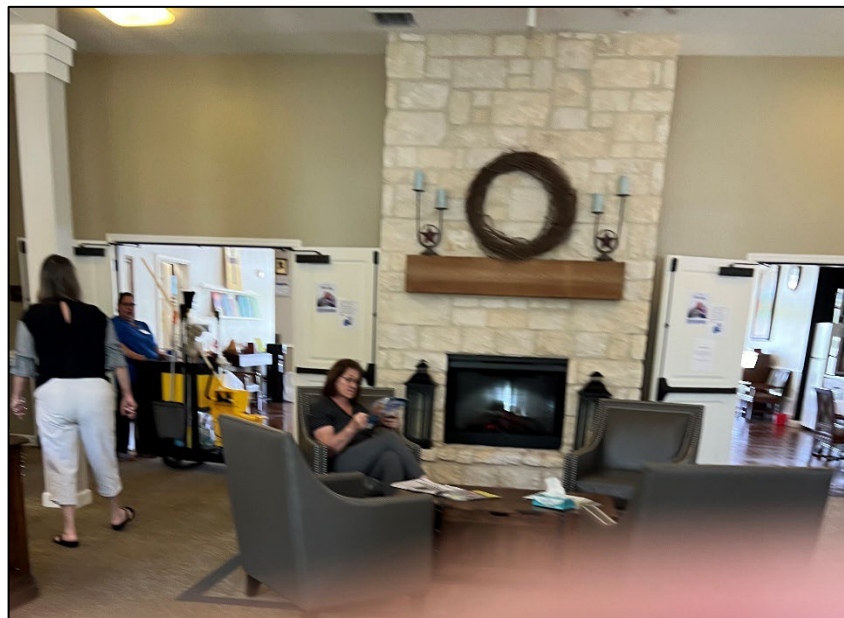
*The residences at Juniper Village of Guadalupe Riverfront **are included** in the supply and demand analysis of the Eagles Nest PMA as they are located in the PMA and are considered to be potentially comparable and competitive.*

River Point of Kerrville is an assisted living and assisted living memory care community located at 1441 Bandera Highway in Kerrville, TX. Opened in 2012, the community is owned/managed by NorthStar Senior Living, Inc, a for-profit organization. The community offers 38 assisted living licensed beds with 95% reported occupancy and 32 assisted living memory care beds with 79% reported occupancy. The community reported annual rate increases of 5%.

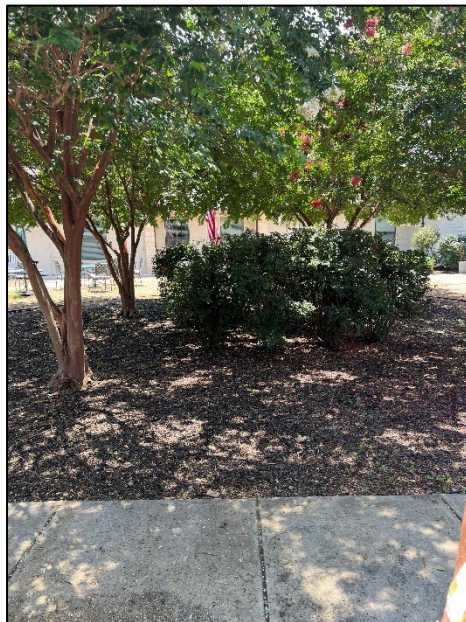
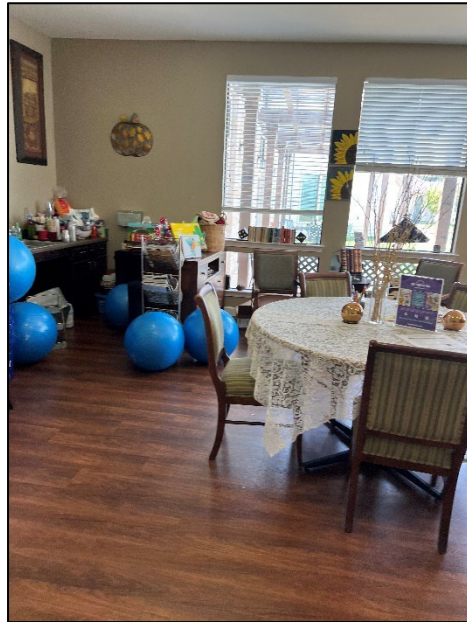


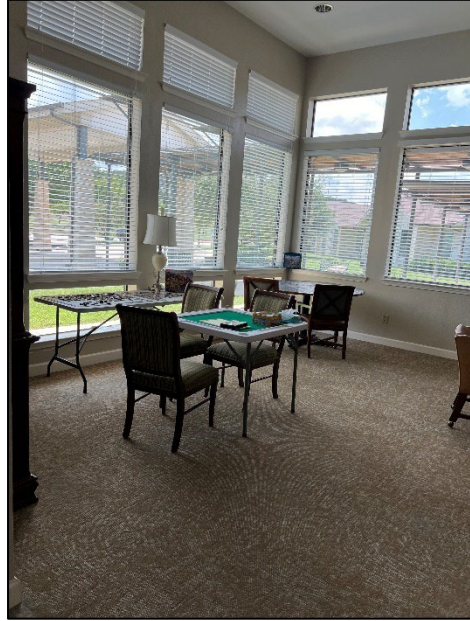
The tour was conducted by the Community Relations Director (Director). The Director mentioned they offer a 5% discount off the monthly fee for veterans. She also recommended a home health care agency should the resident require a higher level of care or injectables. It was also mentioned that the community will furnish the residences with basic furniture (twin size bed, dresser, nightstand, and chair) at the residents/family request.

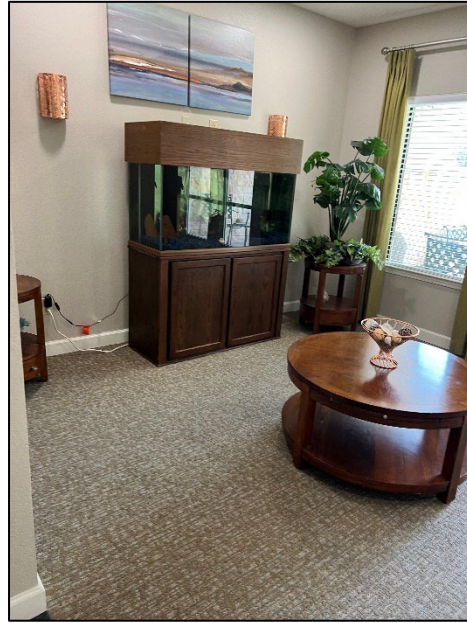
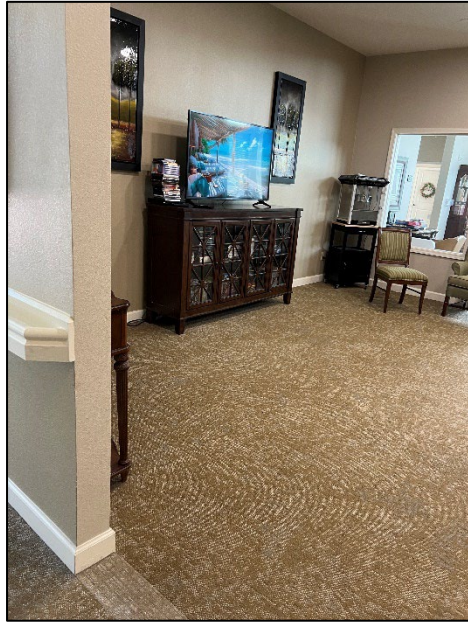
When entering the community, you are welcomed into a reception area with a fireplace and a conversational seating area with club chairs and a reception desk to the left of the entrance.



Community common areas are minimal and include an arts/crafts room also used for exercise programs, outdoor courtyards with seating and tables, walking trails, and a covered area, large activity room surrounded by windows with a small library, and table with chairs, lounge area with club chairs, and “relaxation” area with a fish tank and small couch.







The assisted living dining room is a large room with several floor to ceiling windows and transient windows providing natural sunlight, overhead lighting and square tables set up for 2 – 6 people, and a door leading to an outdoor courtyard area.



PMD toured a studio model residence with a kitchenette area with a full size refrigerator/freezer, Corian countertop, under cabinet microwave, and small stainless sink with overhead cabinets and cabinets below the counter. The kitchenette opens to the main living area which accommodated a twin size bed, nightstand and a couple of lamps, a dresser, and a double window providing natural sunlight. The bathroom offers a commode with grab bars and a step-in shower with foldable shower seat, and grab bars. The vanity area has a small Formica counter with a built-in sink, under sink cabinets, and mirrored medicine cabinet.





The community Director would not allow PMD to take pictures in the assisted living memory care unit. Access to the assisted living memory care is through two secured fire doors leading into a lounge area with a television and seating. The beauty/barber salon is available to both assisted living and assisted living memory care residents.

The dining room also functions as an activity area. It is a large room which offers natural sunlight through many windows and overhead lighting.

PMD toured a studio model residence with a full size bed, two nightstands, club chair, and dresser. The bathroom offered a vanity with Corian countertop, a large mirror, sink, plenty of cabinet space, a walk-in shower with built-in shower seat, commode and many grab bars throughout.

Overall, the community is in need of renovations and upgrading.

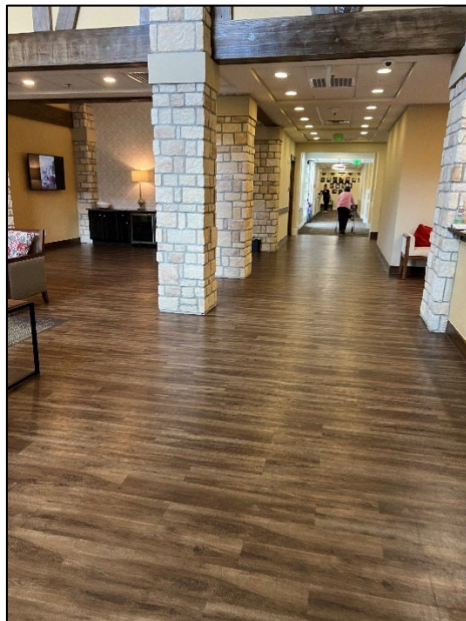
*The residences at River Point of Kerrville **are included** in the supply and demand analysis of the Eagles Nest PMA as they are located in the PMA and are considered to be potentially comparable and competitive.*

The Villages of Windcrest is an assisted living and assisted living memory care rental community located at 702 West Windcrest Street in Fredericksburg, TX. Opened in 2019, the community is owned by Acorn Corp and managed by Frontier Management Group, a for-profit organization. The community offers 62 assisted living licensed beds with 97% reported occupancy and 24 assisted living memory care beds with 88% reported occupancy. The community stated annual rate increase are 5% - 9%.



The tour was conducted by the Sales Director (Director). The Director shared that they are currently offering a summer promotion where all two-bedroom two-bathroom residences are \$5,100 no matter the size. It was also mentioned that all residents start at care level one and are required to purchase an emergency alert pendent for \$175.

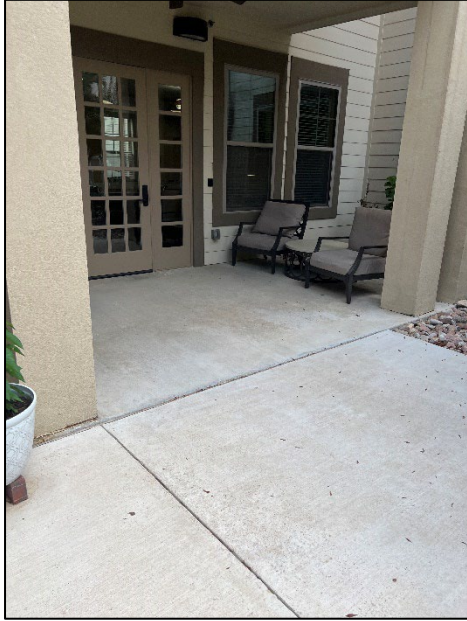
When entering the community, you are welcomed into a large reception area with a reception desk to the right of the entrance and a living area with a fireplace and seating across from the reception area.





Community amenities include a courtyard with under cover seating, walking paths, card/activity area, seating area with television, theatre, exercise room, dog park, café/bar area with wine barrel tables and chairs, library with doors leading to a balcony area and beauty/barber shop.





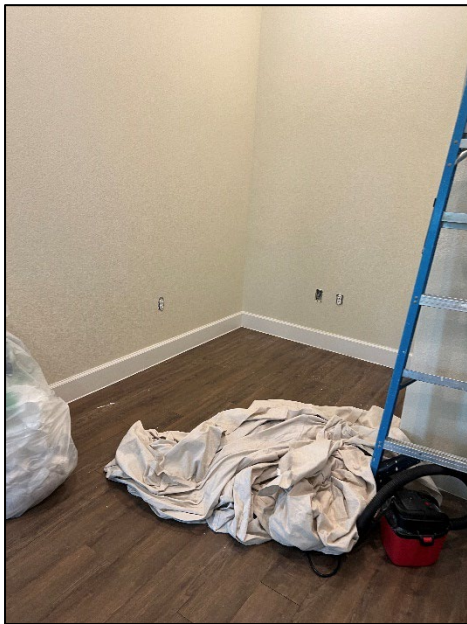
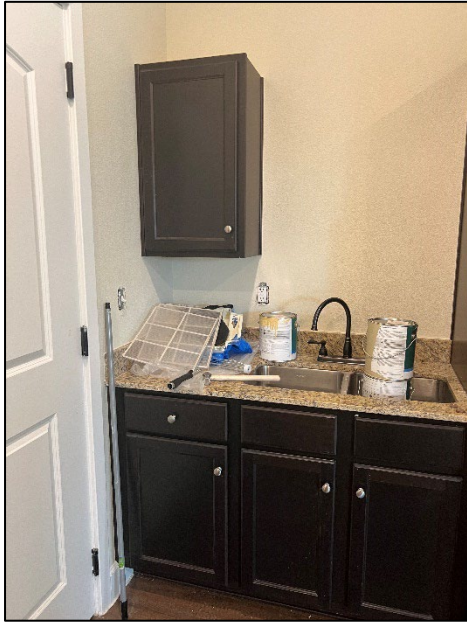


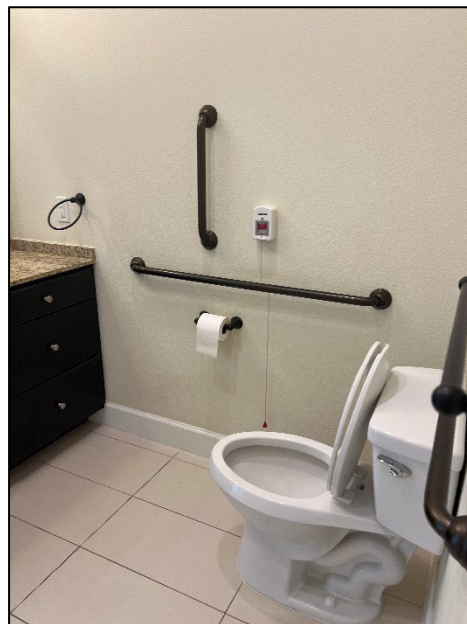
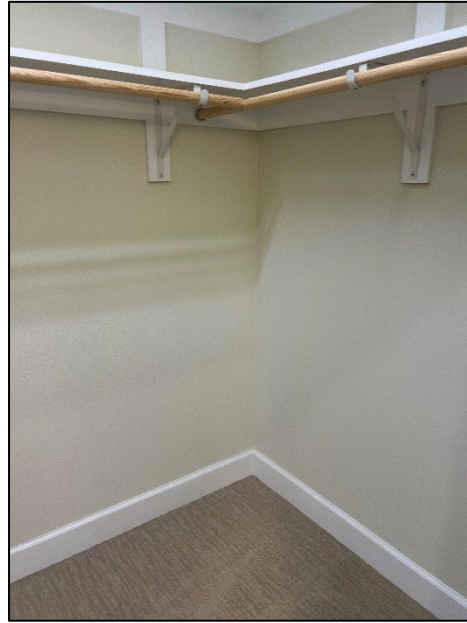


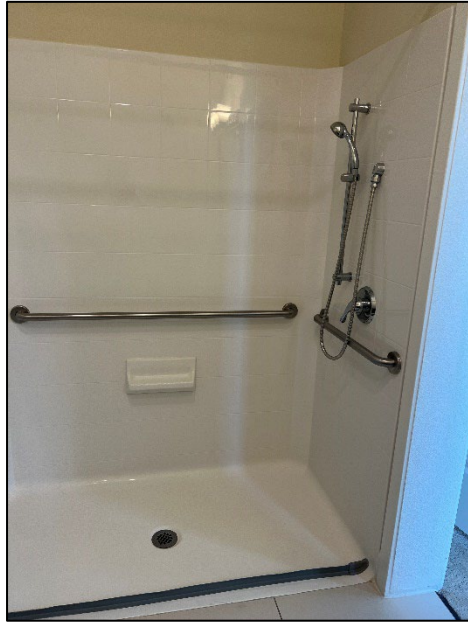
The assisted living dining room is a large room with abundant overhead lighting and windows providing natural sunlight. The dining room also has access to an outdoor courtyard. The dining room is very inviting and welcoming.



PMD toured a one-bedroom assisted living residence under renovation. The residence offered a kitchenette with Corian countertops, double stainless steel sinks, full size refrigerator/freezer, cabinets, and an eating nook. The main living area was bright with natural sunlight coming from the window. The space is large enough to accommodate a small sofa and chair. The bedroom can accommodate a king size bed, nightstands, and dresser. The room has two windows that provide sunlight, and a large walk-in closet. The bathroom includes a large vanity with Corian countertop, mirror, single bowl sink, and under sink storage. The commode is surrounded with grab bars and is located across from the vanity. When you walk into the bathroom, to the left is a shelving area serving as a linen closet and a fiberglass shower with an adjustable shower and grab bars.





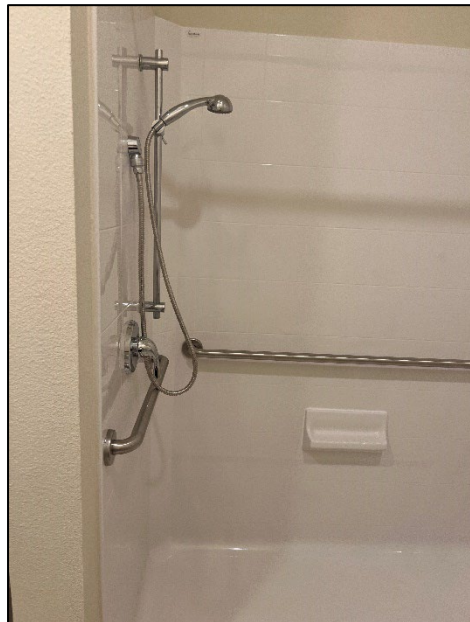
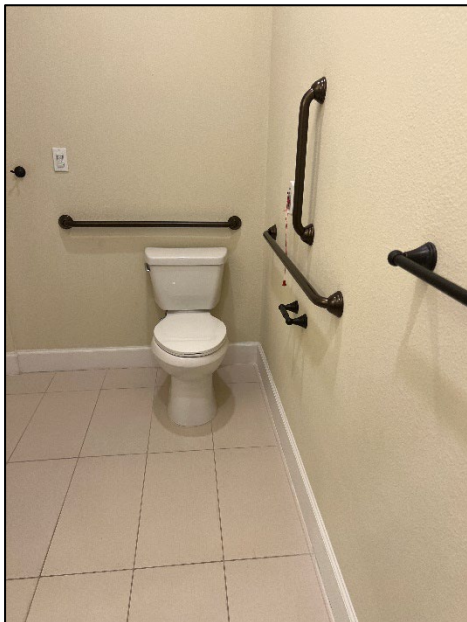


Assisted living memory care is a secured area. When entering you are welcomed into an activity area with a long table with chairs and a television. There is a small area with games and the main dining room. The dining room is a large room with windows and access to an outdoor secured courtyard with gazebo.





PMD toured a studio assisted living memory care residence. The residence was a nice size room with window providing natural sunlight and in lieu of a closet there was a wardrobe. The room can accommodate a twin/full size bed, small nightstands, and small dresser. The bathroom includes a small vanity with Corian countertop, mirror, and single bowl sink. Next to the vanity is a fiberglass shower with adjustable handheld shower and grab bars. The commode is surrounded with grab bars and is located across from the shower.





Overall, the community shows very well and is very up to date with neutral colors. It is inviting and welcoming.

*The residences at The Villages of Windcrest **are included** in the supply and demand analysis of the Eagles Nest PMA as they are located in the PMA and are considered to be potentially comparable and competitive.*

Eagles Nest Skilled Nursing Facility Competitive Analysis

The SNF environment is changing rapidly and PMD believes it is timely to offer deeper insights into several influencing factors that can/will drive a SNFs overall competitive edge. There has been plenty of information reported on the necessity of maintaining high quality, on the necessity to focus on keeping the Medicare payor percentage high to bolster margins, on the annual decline in average annual patient days many markets are experiencing, the impact that increased Medicare Advantage enrollment has on operations and profitability, and last, but not least, the impact CMS' prospective reimbursement methodology (Patient-Driven Payment Model, or PDPM) has on revenue, profitability, and operations.

PMD analyzed the above influencing factors and offers the following insights and strategies into the complexities of the competitive environment in the Eagles Nest PMA.

Skilled Nursing Payor Details

Table 6-11 reflects the payor mix of the identified competitive and comparable skilled nursing facilities in the Eagles Nest PMA. Beds in Table 6-11 include ONLY the certified skilled nursing beds and excludes “nursing facility beds”, “other long-term care beds”, “skilled nursing home health agency beds”, and “other” non-certified beds as reported on www.snfddata.com/www.medicare.gov. Accordingly, the number of skilled nursing beds on Table 6-11 may differ from the number of licensed nursing home beds reported on Table 6-1.

Table 6-11: Eagles Nest PMA Competitive Skilled Nursing Payor Mix

Community Name	Medicare %	Medicare Beds	Medicaid %	Medicaid Beds	Private Pay/ Other %	Private Pay/ Other Beds	Five Star Overall Rating	# Licensed Beds
Brady West Rehab & Nursing	13%	14	72%	76	15%	16	3	106
Cedar Hills Geriatric Center	2%	2	84%	72	14%	12	1	86
Concho Health & Rehabilitation Center	8%	5	74%	49	18%	12	3	66
Enchanted Rock	16%	19	39%	47	45%	54	1	120
Fredericksburg Nursing & Rehab	16%	14	56%	51	28%	25	1	90
Hilltop Village Nursing & Rehab	11%	17	55%	82	34%	51	1	150
Knopp Healthcare & Rehab Center	5%	3	49%	29	46%	27	2	60
Knopp Nursing & Rehab Center	5%	6	42%	50	53%	63	2	119
Menard Manor	10%	4	40%	16	50%	20	3	40
River Hills Health & Rehab Center	19%	28	39%	58	42%	64	1	150
Riverside Health & Rehabilitation ¹	0%	0	0%	0	100%	3	0	130
Schleicher County Medical Center	86%	29	0%	0	14%	5	2	34
Waterside Nursing & Rehab	11%	19	73%	131	16%	29	1	179
Average/Total	16%	162	48%	661	36%	380	2	1330

Source: www.snfdata.com/www.medicare.gov

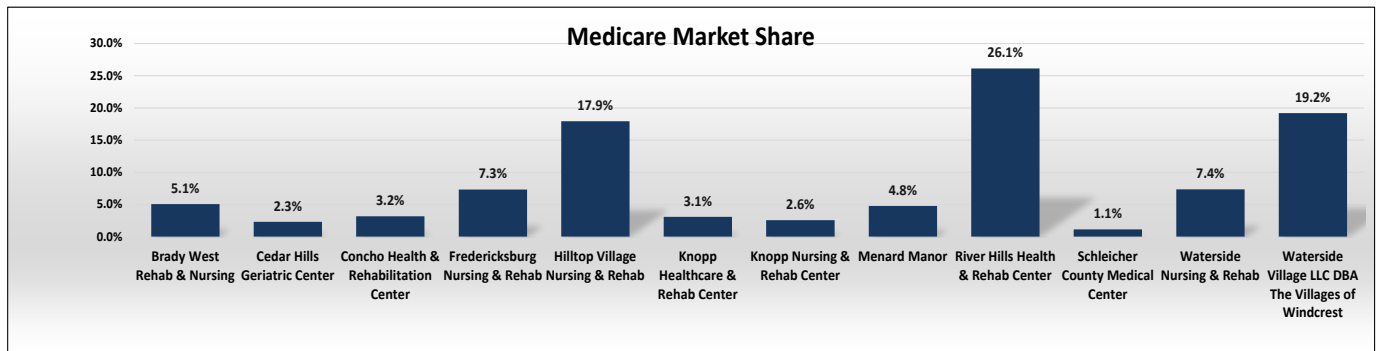
The average Medicare A percentage for the PMA was 16%, which is a below average percentage for the industry. Schleicher County Medical Center had the highest Medicare A percentage in the PMA with 86% (29 patients of its 34 beds). River Hills had the second highest Medicare A percentage with 19% (28 patients of its 150 beds).

Fee for Service Medicare Market Share

Medicare, as a payor source, is often considered to be the most sought-after form of reimbursement because the prospective daily rate is higher than many other forms of reimbursement and, depending on the acuity, the potential profitability may be higher. PMD analyzed 2023 Cost Report information to determine each facility's Medicare market share using the assumption that a larger market share of Medicare patients means a stronger competitive factor. The overall market leader, River Hills Health and Rehab Center had 26.1% Medicare A market share.

Figure 6-1 displays the Medicare Market Share extracted from the facilities 2023 Cost Reports.

Figure 6-1: Medicare Market Share



Source: snfdata.com

Quality Benchmarks

CMS has historically measured quality via a combination of health inspection rating, staffing rating, and quality of care rating. CMS provides this data in a combined rating available to the public, known as the CMS Five Star Quality Rating. Remarkably, 75% of the SNFs in the PMA had an overall rating of less than three stars. There were no SNFs with a four or a five Star rating.

In the July 2022 refresh, CMS significantly changed the calculation for the staffing component of the Five Star Quality Rating System. Focus on RN and total nurse turnover, weekend staffing versus weekday staffing hours, and administrator turnover are now included in the staffing calculations used to award stars.

Yet another compelling reason to maintain high CMS Five Star Ratings was identified in Clifton Larson Allen's (CLA) 34th Annual Skilled Nursing Cost Comparison Report, released October 2019. CLA correlated quality ratings with median operating margin and occupancy. The break from negative operating margins occurs at Three Stars – negative margins were correlated with less than three stars, positive margins with three stars and above. Recent research has identified higher Administrator turnover with lower margins. A heightened emphasis on star ratings from hospitals, health plans, and consumers has increased the importance of these ratings for SNFs and now, as the health care industry

transitioned payment toward value and quality, this rating can impact financial performance as well.

Maintaining high quality is also paramount to maintaining referral relationships and contracts with payors. Other metrics beyond the Five Star Quality Rating will continue to be relevant to the discussion and demonstration of quality with hospitals, payers, and families. These measures include length of stay, readmissions to acute care within 30 days of hospital discharge, cost-per-episode, and clinical and functional outcomes. PMD advises our clients to measure, monitor, and self-correct the above parameters to within expected performance thresholds to prove high quality is provided to the various stakeholders.

Annual Patient Day Trends

As the SNF industry continues to change and evolve to meet the demands of new reimbursement and care models, such as managed care, value-based purchasing, and disease management guidelines, combined with consumer preference for non-SNF settings; we are generally seeing a decline in the annual number of patient days in numerous markets. In this instance, we analyzed the annual patient day trends across the most recent three-year period for each facility in the PMA and found an average annual *decrease* in patient days of **0.70%**, which is better-than-average compared to other markets.

We include the analysis of the market trends in annual patient days in the PMA to develop the average annual percent change in days reflected in the cost reports for the last three years available and apply the metric to the demand analysis for SNF beds.

Impact of Medicare Advantage Enrollment

Nationwide, Medicare Advantage (MA) enrollment is increasing rapidly. In Kimble County, Texas, for example, 28.65% of the eligible Medicare population were enrolled in Medicare Advantage as of May 2024. It is projected that by 2026, an increase of 2% in enrollment will occur, for a total of 30.65% of the eligible Medicare population enrolled. The May 2024 enrollment for Kimble County is estimated at 28.65% and will be used in the demand calculations for short-term rehab, long-term care, and private-pay beds.

Specifically, the county had 1,403 eligible beneficiaries, 402 were enrolled in Medicare Advantage plans, as of May 2024. Three plans dominated the market with a combined 74% of the market share. The top three plans with the most enrollment were:

1. Care Improvement Plus South Central Insurance Company (112 enrollees).
2. Humana Insurance Company (56 enrollees)
3. Sierra Health and Life Insurance Company (131 enrollees)

Typically, the conversion of original Medicare to MA enrollees has negatively impacted SNFs as more MA patients are admitted. Primarily, it results in shorter lengths of stay and reduced per diem reimbursement. The National Investment Center, in its' June 2023 report, indicated the average fee-for-service Medicare reimbursement per patient day was \$581 versus \$458 per patient day for Medicare Advantage reimbursement. The continued decline in managed Medicare revenue per patient day poses a challenge to skilled nursing operators as the reimbursement differential between Medicare fee-for-service and managed Medicare accelerates. By way of illustration:

- MA reimbursement rate is, on average, 22% lower than traditional Medicare.
- MA average length of stay is 13 days versus 21 days for traditional Medicare.
- Medicare Advantage accounts for an average of 10.5% of revenue in urban areas and 5.2% in rural areas

In this scenario, for every 25% shifted from Medicare to MA (meaning Medicare would shift from 100% of the skilled mix of revenue to 75%), a traditional SNF would need to incrementally add three more MA residents to maintain its revenue stream. If not, a 7% decline in revenue can be expected.

Given the increasing prevalence of MA enrollees, it is incumbent on SNF operators to employ strategies to drive census and to ensure effective expense management. SNF providers will have no choice but to proactively manage the resident population to mitigate the risks of lower reimbursement and shorter average lengths of stay.

CMS' Skilled Nursing Facility Value-Based Purchasing Program (SNF VBP)

The SNF VBP program reimbursement is tied directly to quality of care. CMS sets rates according to the complexity of a clinical condition versus the number of therapy minutes a patient receives, as was the case in the past.

The impact of PDPM reaches far beyond fee-for-service Medicare and it (or a similar methodology) is being implemented by Medicare Advantage plans, managed Medicaid, other managed care payors, and Accountable Care Organizations. So, while the following analyses focus on fee-for-service Medicare, extrapolation to other payers is easily applicable.

What does that mean to SNF providers? Some industry experts report the payment methodology is “budget neutral.” That said, not all SNFs retain their current payment levels. Under the payment structure, all SNFs stand a 2% withhold of their annual total Medicare reimbursement. The 2% is placed in an incentive pool with a potential redistribution to the 60% of the highest performing facilities at the end of the measurement year. Two metrics drive the program: 30-day-all-cause readmissions and length of stay.

For the analysis of the impact of SNF VBP, PMD analyzed the top competitors in the market identified by the highest Medicare market share: Fredericksburg Nursing and Rehabilitation, River Hills Health and Rehab Center, and Schleicher County Medical Center.

Quality Metrics Tied to Reimbursement

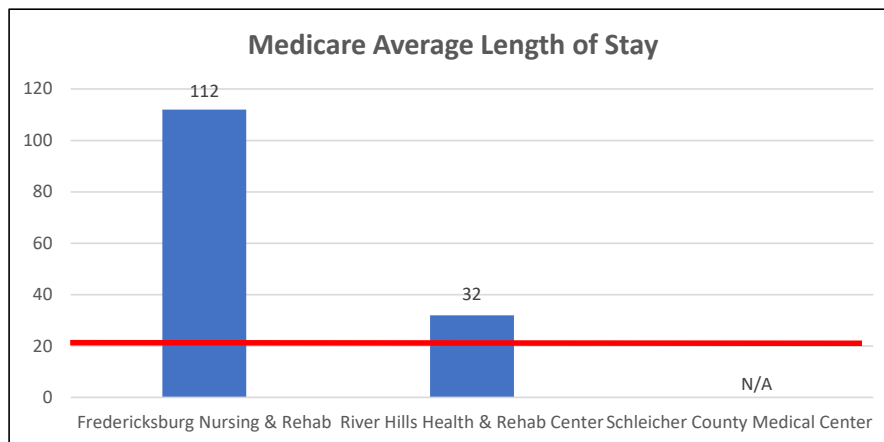
A key metric for the value-based reimbursement model has been the SNF 30-day all-cause readmission rate. Under the measure, readmissions within the 30-day window are counted regardless of whether the patient is readmitted directly from the SNF, or from home following SNF discharge.

That said, the industry knows the readmission measure will be reinstated. In fact, effective fiscal year 2027, CMS will measure (and reward) SNFs who have low *long-term* patient rehospitalizations. PMD acknowledges that to continue to develop and

implement readmission reduction efforts is particularly difficult for SNFs that serve vulnerable populations and have lower profit margins. However, PMD believes supporting efforts to curb readmissions should be a priority for SNF providers and those efforts will pay off for all stakeholders in the long run. Of the top three competitive SNFs, River Hills Health and Rehab Center was the only SNF that reported their readmissions rate. Their readmission rate was 28.2%, higher than the target of 20%.

The second key metric is the average length of stay per Medicare patient. Under PDPM the reduction in payment for Physical and Occupational Therapy is 2% for every 7 days after day 20. The impact for providers who do not shorten their lengths of stay will be significant. Figure 6-2 below displays the average length of stay for the top competitors against the 20-day target length of stay.

Figure 6-2: Medicare Average Length of Stay



Both top competitors that reported had lengths of stay in excess of the 20 day target. That means, under this scenario, the top competitive communities would lose another 2% of their Physical and Occupational Therapy reimbursement for every seven days over the target length of stay of 20 days.

Financial Impact Analysis under PDPM

Numerous analyses have been developed to better inform SNF operators of the potential financial impact under PDPM and PMD will not repeat that analysis here. It is germane to the discussion, however, to shed some light on new strategies with regards to case mix

that are emerging to better position a SNF for success, all while delivering consistent care to residents.

For those concerned with how to achieve a strategy to bolster Medicare payments in the face of these changes, PMD offers the following: the primary way to mitigate the change/potential reduction in Medicare payments is to attract more medically complex cases. The medically complex care needs, along with non-therapy ancillaries (based on co-morbidities and the use of extensive services like respiratory therapy, medical supplies, drugs, and lab services) result in significantly more favorable reimbursement.

The more strategic “balance” between therapy and medically complex patients, going forward, is estimated along the lines of 40% therapy and 60% medically complex cases.

Operations Impact under PDPM

Several topics have been demonstrated as critical under PDPM. First, it is well known that CMS is closely observing compliance in the provision of group and concurrent therapy. With a 25% cap on group and concurrent therapy, CMS made it clear that individual therapy is the standard of care. They will be looking for a warning message that noncompliant providers will receive on their validation reports. If CMS sees the message pop up repeatedly it could trigger an audit. Specifically, the agency would look at patient functional outcomes and whether they have improved in conjunction with whether there has been an increase in group therapy. If the evidence is lacking, CMS has assured providers takebacks will occur.

The entire case management process is critical to scrutinize under PDPM. From admission, accuracy of the diagnostic information, treatment, interventions, services, and plans of care need to be reviewed. Compliance issues with the assessment process, electronic transmissions, validations, and timeliness of assessments are all critical elements to getting paid. The utilization review process should already be revamped to capture the elements of PDPM.

Patient Categories that Enable PDPM Revenue Maximization

It is well known that the ICD-10 coding of one of ten principal diagnosis drives overall reimbursement. Similarly, the Non-Therapy Ancillary (NTA) section coding of 50 different comorbidities drives reimbursement. The higher the NTA score the higher the case mix which results in higher per diem reimbursement. While not all inclusive, several broad categories that could be influential for Eagles Nest to score more points on the MDS in this regard are:

1. HIV/Aids – 8 points
2. Parenteral IV feeding, high level – 7 points
3. Intravenous medication – 5 points
4. Ventilator care – 4 points
5. Parenteral IV feeding, low level – 3 points
6. Chronic Obstructive Lung Disease – 2 points.

The above displays select comorbidities. Whether Eagles Nest project develops clinical specialty service lines and/or markets their capabilities, keeping an eye to the most lucrative diagnoses of potential patients will be well placed under PDPM.

Planned Communities

In order to identify any planned communities, PMD obtained and performed analysis of Dodge Global Network Construction Reports for the Eagles Nest PMA as well as contacted the local planning departments and company representatives. At the time of the study, there were no planned projects identified.

CHAPTER 7

MARKET DEMAND ANALYSIS

Demand Calculations

This section of the market analysis presents the working assumptions used to evaluate the market potential for each level of care in the Eagles Nest PMA. Demand calculations are based on an opening year of 2026. To determine market demand, PMD will assume that all comparable existing and planned residences in the PMA are full and will test to see if the market will support additional residences of each type in the Eagles Nest PMA.

The SMP data summarized previously in the Demographic Characteristics section of this report are employed in this market assessment. Information and insights gathered in previous sections were also used to help formulate assumptions in this analysis of market depth.

The SMP data for the PMA are utilized in PMD's proprietary computer models in order to estimate PMA unit potential for independent living residences (entrance fee and rental), assisted living, assisted living memory care, and skilled nursing beds. The assumptions and results of the demand calculations are summarized in this section.

Independent Living Demand Analysis

The Project Penetration Rate calculates the portion of the net qualified target market (age and income qualified households (and home value qualified households for entrance fee analyses) less existing and planned competitive residences) that the subject project can expect to capture. Historically, Project Penetration Rates of 3% to 5% have been used as benchmarks. PMD contends that the Project Penetration Rate cannot be used in a vacuum and must be evaluated based on local market conditions and the resulting Market Penetration Rate.

The Market Penetration Rate calculates the total number of age and income qualified households for rental projects and the total number of age, income and home value qualified households for an entrance fee projects that are currently living in existing product plus any required to fill planned residences divided by the total number of age and income qualified households in the market area. Using this PMD formula for calculating Market Penetration, historically Market Penetration rates of less than 25% indicate excellent opportunity in most markets while rates between 25% and 30% indicate very good potential, depending on the current occupancy rates in existing communities.

By measuring the unit potential, using both the Project Penetration Rate and the Market Penetration Rate, we are able to identify the number of new residences that can be added to the market and keep close to, or within, historical benchmarks.

Following are the assumptions utilized in developing both the Project Penetration Rate and the Market Penetration Rate for the independent living analysis in the Eagles Nest PMA.

Independent Living Demand Analysis – Entrance Fee - Cottages

The table below reflects the independent living entrance fee competitive communities used in this demand analysis.

Table 7-1: Competitive Communities in Demand Analysis – Independent Living Entrance Fee - Cottages

Community Name	Zip Code	Year Open	# Res	# Res In Demand	Type
Existing Communities					
None Identified					
Total Existing Communities, Residences PMA	0		0	0	
Planned Communities					
None Identified					
Total Planned Communities, Residences in PMA	0		0	0	
Total Existing and Planned Communities, Residences in PMA	0		0	0	

PMD conducted testing using independent living cottage entrance fees based on all owner households with a home value of **\$25,000 and above** (2026 dollars) and who can afford a corresponding monthly fee of **\$5,109** (2026 dollars). All renter households were discounted by 80%, assuming that potential residents would likely be owners trading the equity in their home for the entrance fee. The cottage entrance fee and monthly fee are based on the fees provided by South Star for a 1,525 square foot two-bedroom, two-bath with attached two car garage floor plan for a non-refundable contract in the year of opening of 2026.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed demand calculations appear in Table 7-3. Following is a summary description of the assumptions used for evaluating the depth of demand by Project and Market Penetration Rates for independent living entrance fee residences in the Eagles Nest PMA.

Table 7-2: Demand Calculation Assumptions – Independent Living Entrance Fee

Assumption	Independent Living - \$25,000 Entrance Fee
First Year of Occupancy	2026
Minimum Age at Entrance	75
Multipliers:	85.3% Percent Age 75+ Owners 14.7% Percent Age 75+ Renters 56.2% Percent Age 75+ 1 Person 43.8% Percent Age 75+ MC and Other 82.5% Percent with Homes worth \$25,000+
2026 Monthly Fee:	Price Point 1: \$5,109 2 nd Person Fee: None
Fee to Income Ratio	60% assuming that independent living households could spend up to 60% of their monthly income to cover the monthly fee.
Stabilized Occupancy	95%
Percent Draw from the Study Area	85%
Upper Income Limit	No upper income limit is used in this analysis.
Contribution of Home Sale to Homeowner Annual Income	None assuming it will be used for entrance fee.
Existing Competitive Communities	There were 0 existing competitive and comparable entrance fee residences identified in/outside the PMA.
Planned Competitive Communities	No planned residences were identified in the PMA.
Acceptable Project Penetration Rates	3% and 5% rates are tested in this analysis

Table 7-3: Demand Calculations – Independent Living Entrance Fee

Eagles Nest PMA Independent Living Entrance Fee Demand Analysis			
Assumptions			
Year of Opening:		2026	
Minimum Entry Age at Opening:		75	
Rent to Income Ratio:		60%	
Minimum Monthly Fee at Opening:		\$5,109	
Second Person Charge:		\$0	
Minimum Annual Income Requirement for 1 person Household:		\$102,180	
Minimum Annual Income Requirement for 2 person Household:		\$102,180	
Minimum Entrance Fee at Opening:		\$25,000	
Age and Income Qualified Households by Type			
1 Person Owner Households:		1,092	
Married Couples and Other Owner Households:		852	
20% of 1 Person Renter Households		8	
20% of Married Couples and Other Renter Households		6	
Total Age and Income Qualified Households:		1,958	
Competitive Residences			
Existing:		0	
Existing - Outside PMA		0	
Planned:		0	
Planned - Outside PMA:		0	
Total:		0	
Net Target Market:		1,958	
Project Penetration Rate:		3%	5%
	Net Target Households:	59	98
Market Area Draw:	85%	69	115
Occupancy Rate:	95%	73	121
Total Supportable Residences:		73	121
Market Penetration Rate*			
Current Supply:		0.0%	
With 3% Demand :		3.7%	
With 5% Demand :		6.2%	
*Market penetration rates are based on the total number of households with incomes of \$102,180+ for one person households and \$102,180+ for two person households with minimum home value of \$25,000.			
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Findings - Project Penetration Rates – Independent Living Entrance Fee

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older owner households who have homes worth \$25,000 or more, and can afford a monthly fee of \$5,109 or higher can support about 73 - 121 additional residences with a project penetration rate of 3% and 5%, respectively.

Findings – Market Penetration Rates – Independent Living Entrance Fee

Utilizing the PMD methodology for calculation of demand, the current market penetration rate for age 75 and above independent living entrance fee residences is 0.0% which indicates a market with excellent potential depending on other factors in the PMA. This calculation is based on 0 existing and planned comparable and competitive entrance fee residences divided by 1,958 qualified households, which is the total number of target age 75 and older households with an annual income of \$102,180 or more and a median home value of \$25,000 or more.

The project penetration calculation indicates that the market based on households age 75 and older should support an additional 73 - 121 residences in 2026. The existing market penetration rate in the Eagles Nest PMA is 0% which indicates a market that likely has excellent potential in the market for new product, depending on other factors in the PMA. The addition of 73 entrance fee residences in 2026 (potential at a 3% penetration rate), increases the market penetration rate to 3.7% indicating a market with excellent potential.

The addition of the planned 24 independent living entrance fee cottage residences requires a project penetration rate of 1.0% and yields a market penetration rate of 1.2%.

Independent Living Demand Analysis – Rental

The table below reflects the independent living rental competitive communities used in this demand analysis.

Table 7-4: Competitive Communities in Demand Analysis – Independent Living Rental

Community Name	Zip Code	Year Open	# Res	# Res In Demand	Type
Existing Communities					
Juniper Village At Guadalupe Riverfront	78028	1984/1986	143	143	ILR/AL
Total Existing Communities, Residences PMA	1		143	143	
Planned Communities					
None Identified					
Total Planned Communities, Residences in PMA	0		0	0	
Total Existing and Planned Communities, Residences in PMA	1		143	143	

PMD conducted testing on independent living rental based on all households who can afford a weighted average monthly fee of **\$3,747** (2026 dollars). The monthly fee is based on the weighted average monthly fee for a weighted average 990 square foot independent living rental apartment style residence as provided by South Star for an opening year of 2026.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed demand calculations appear in Table 7-6. Following is a summary description of the assumptions used for evaluating the depth of demand by Project and Market Penetration Rates for independent living rental residences in the Eagles Nest PMA.

Table 7-5: Demand Calculation Assumptions – Independent Living Rental

Assumption	Independent Living Rental
First Year of Occupancy	2026
Minimum Age at Entrance	75
Multipliers:	56.2% Percent Age 75+ 1 Person 43.8% Percent Age 75+ MC and Other
2026 Weighted Average Monthly Fee:	Price Point 1: \$3,747 2 nd Person Fee:
Fee to Income Ratio	60% assuming that independent living households could spend up to 60% of their monthly income to cover the monthly fee.
Stabilized Occupancy	95%
Percent Draw from the Study Area	85%
Upper Income Limit	No upper income limit is used in this analysis.
Contribution of Home Sale to Homeowner Annual Income	None
Existing Competitive Communities	There were 143 competitive and comparable rental residences identified in and outside the PMA.
Planned Competitive Communities	No planned residences were identified in the PMA.
Acceptable Project Penetration Rates	3% and 5% rates are tested in this analysis

Table 7-6: Demand Calculation Assumptions – Independent Living Rental

Eagles Nest PMA Independent Living Rental Demand Analysis				
Assumptions				
Year of Opening:		2026		
Minimum Entry Age at Opening:		75		
Rent to Income Ratio:		60%		
Weighted Average Monthly Fee at Opening:		\$3,747		
Second Person Charge:		\$0		
Minimum Annual Income Requirement for 1 person Household:		\$74,940		
Minimum Annual Income Requirement for 2 person Household:		\$74,940		
Age and Income Qualified Households by Type				
1 Person Households:		1,894		
Married Couples and Other Households:		1,476		
Total Age and Income Qualified Households:		3,370		
Competitive Residences				
Existing:		143		
Existing - Outside PMA		0		
Planned:		0		
Planned - Outside PMA:		0		
Total:		143		
Net Target Market:		3,227		
Project Penetration Rate:		3%	5%	
	Net Target Households:	97	161	
Market Area Draw:	85%	114	190	
Occupancy Rate:	95%	120	200	
Total Supportable Residences:		120	200	
Market Penetration Rate*				
Current Supply:		4.2%		
With 3% Demand :		7.8%		
With 5% Demand :		10.2%		
*Market penetration rates are based on the total number of households with incomes of \$74,940+ for one person households and \$74,940+ for two person households.				
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Findings - Project Penetration Rates – Independent Living Rental

This demand analysis indicates that the PMA, using the assumptions identified in this analysis based on all age 75 and older households who can afford a weighted average monthly fee of **\$3,747** can support about **120 - 200** additional residences with a project penetration rate of 3% and 5%, respectively.

Note: The demand estimates for independent living entrance fee and independent living rental are not additive.

Findings – Market Penetration Rates – Independent Living Rental

Utilizing the PMD methodology for calculation of demand, the current market penetration rate for age 75 and above independent living rental residences is **4.2%** which remains within the PMD “Excellent” benchmark range and indicates that there is likely Excellent potential in the market for new product, depending on other factors in the PMA. This calculation is based on **143** existing and planned comparable and competitive rental residences divided by **3,370** qualified households, which is the total number of target age 75 and older households who can afford a weighted average monthly fee of **\$3,747** or more.

The project penetration calculation indicates that the market based on households age 75 and older should support an additional 120 - 200 residences in 2026. The existing market penetration rate in the Eagles Nest PMA is 4.2% which falls within the PMD “Excellent” benchmark range and indicates fair market potential depending on other factors in the PMA. The addition of 120 rental residences in 2026 (potential at a 3% penetration rate), increases the market penetration rate to 7.8% indicating excellent market potential.

The addition of the planned 40 independent living rental apartment residences requires a project penetration rate of 1.0% and yields a market penetration rate of 5.4%.

While no nationally accepted standards exist for achievable market penetration as the independent living product is still maturing in many regions, a market in a region which

is at or below 25% total market penetration indicates excellent market potential. A market penetration rate of 26% to 30% indicates very good opportunity. A market penetration rate of 40% or more is an indication of a market that may be at or reaching saturation.

For purposes of this study, secondary source analysis, risk ratings for market penetration are characterized as:

Market Penetration Rate

- Rate of less than 25%
- Rate of 26 – 30%
- Rate of 31 - 35%
- Rate of 36 - 40%
- Rate of more than 40%

General Characterization for Most Markets

Excellent market potential
Very Good market potential
Good market potential
Fair market potential
Could indicate a saturated market
depending on local market conditions

It is important to remember that this analysis calculates the number of age and income qualified households living within the PMA that are not currently residing in a senior living community that could support additional senior living residences. It does not tell us how many of these qualified households will move to a senior living community, or more specifically, to the Eagles Nest senior living community.

Assisted Living Demand Analysis

Testing was conducted using estimated 2026 weighted average monthly fee of **\$5,969** as provided by South Star for a weighted average 556 square foot residence in an opening year of 2026 with a minimum income of **\$35,000** required for one-person households for assisted living frail.

The minimum household income approach defined above is based on the results of a national analysis conducted by NIC and anecdotal evidence from providers that demonstrates that assisted living (frail and memory care) residents often have incomes below what we would calculate using the monthly fee. This reflects spend down of assets and/or financial assistance provided by family members plus other sources like the Department of Veterans Affairs.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed spend down tables appear in Appendix 4. The assumptions used for evaluating the depth of the market for assisted living residences in the PMA and the demand calculations are presented in the tables which follow.

The table below provides a breakdown of the beds included in the demand analysis.

Table 7-7: Competitive Communities in Demand Analysis – Assisted Living


Community Name	Zip Code	Year Open	# Lic Beds	# Lic Beds In Demand	Type
Existing Communities					
220 Harper Assisted Living	78028	1995	16	16	AL
Arbor House Fredericksburg	78624	New Ownership January 2023	16	16	AL/ALMC
Brookdale Kerrville	78028	2000	60	60	AL
Heritage Place	78624	1994	70	70	AL
Juniper Village At Guadalupe Riverfront	78028	1984/1986	45	45	ILR/AL
Knopp Assisted Living Center Inc. and Knopp Memory Care	78624	1999	42	42	AL/ALMC/SNF
Knopp Retirement Center	78624	1967	60	60	AL/SNF
Mountain Villa At Kerrville	78028	2009	50	50	AL
River Point Of Kerrville	78028	2012	38	38	AL/ALMC
Royal Oaks Assisted Living	76825	2022	25	25	AL
The Villages Of Windcrest	78624	2019	62	62	AL/ALMC
Total Existing Communities, Beds in PMA	11		484	484	
Planned Communities					
None Identified					
Total Planned Communities, Beds in PMA	0		0	0	
Total Existing and Planned Communities, Beds in PMA	11		484	484	

Following is a summary description of the balance of the assumptions used and the results of evaluating the depth of demand by Project and Market Penetration Rates for assisted living beds in the Eagles Nest PMA.

Table 7-8: Demand Calculation Assumptions – Assisted Living

Assumption:	
First Year of Occupancy	2026
Minimum Age at Entry	75
Households expected to receive assistance with two or more activities of daily living:	The percent of households expected to receive assistance with two or more activities of daily living is estimated by age – 13.6% age 75-79, 13.4% age 80-84 and 22.2% age 85+
Multipliers:	56.2% Percent Age 75+ 1 Person 43.8% Percent Age 75+ MC and Other
Weighted Average Monthly Fee 2026 dollars:	Price Point 1: \$5,969
Minimum Household Income 2026 dollars:	Minimum Income: \$35,000
Stabilized Occupancy	95%
Percent Draw from the PMA	85%
Upper Income Limit	None
Spend down of assets on fees:	It is expected over the typical length of stay in assisted living of 20 months that a household with an annual income of \$35,000 will spend down about \$109,330 of assets. The age 75 median net worth in the PMA is \$288,584 and a household with the median net worth will have a balance remaining of \$184,203.
Existing Competitive Communities	There are 484 existing assisted living beds in/outside the PMA.
Planned Competitive Communities	No planned competitive beds were identified in the PMA.
Acceptable Market Capture Rate	20% and 25%

Table 7-9: Demand Calculations – Assisted Living

Eagles Nest PMA			
Assisted Living Demand Analysis			
Assumptions			
Year of Opening:	2026		
Minimum Entry Age at Opening:	75		
AL PMA Need Qualifiers/Multipliers:	By Cohort / Cumulative		
Age 65-69/65+:	9.5%	12.9%	
Age 70-74/70+:	10.9%	14.0%	
Age 75-79/75+:	13.6%	15.7%	
Age 80-84/80+:	13.4%	17.4%	
Age 85+	22.2%	22.2%	
Weighted Average Monthly Fee at Opening:	\$5,969		
Rent to Income Ratio:	75%		
Annual Income Requirement:	\$95,504		
Annual Income based on Spend Down Analysis - One Person:	\$35,000		
Age, Income, Need Qualified* Households by Type			
1 person - Income and Asset Spend Down	569		
Married Couples and Other - Income	175		
Total Age, Income and Need Qualified Households:	744		
Competitive Beds			
Existing:	484		
Existing Outside PMA:	0		
Planned:	0		
Planned Outside PMA:	0		
Total:	484		
Net Target Market:	260		
Project Penetration Rate:	20%	25%	
Net Target Households:	52	65	
Market Area Draw:	85%	61	76
Occupancy Rate:	95%	64	80
Total Supportable Beds:	64	80	
Market Penetration Rate**			
Current Supply:	4.92%		
With 20% Demand:	5.57%		
With 25% Demand:	5.74%		
*Need qualification equals the need for assistance with 2+ ADLs.			
**Market penetration rates calculated based on NIC formula which used total number of competitive beds divided by total number of Age 75+ Households			
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Assisted Living Frail Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a weighted average monthly fee of **\$5,969** in 2026 dollars and a minimum household income of **\$35,000** in 2026, will support **64 - 80** additional assisted living beds. For the detail spend down tables see Appendix 4.

Assisted Living Memory Care Demand Analysis

Testing was conducted using estimated 2026 weighted average monthly of **\$6,859** as provided by South Star for a weighted average 421 square foot residence in an opening year of 2026 with a minimum annual income of **\$45,000** for one-person households.

The minimum household income approach defined above is based on the results of a national analysis conducted by NIC and anecdotal evidence from providers that demonstrates that assisted living (frail and memory care) residents often have incomes below what we would calculate using the monthly fee. This reflects spend down of assets and/or financial assistance provided by family members plus other sources like the Department of Veterans Affairs.

The demand assumptions and results of the demand calculations are summarized in this section, and the detailed spend down tables appear in Appendix 4. The assumptions used for evaluating the depth of the market for assisted living memory care beds in the PMA and the demand calculations appear in the tables which follow.


The below provides a breakdown of the beds included in the demand analysis. Following is a summary description of the balance of the assumptions used and the results of evaluating the depth of demand by Project and Market Penetration Rates for assisted living memory care residences in the Eagles Nest PMA.

Table 7-10: Competitive Communities in Demand Analysis – Assisted Living Memory Care

Community Name	Zip Code	Year Open	# Lic Beds	# Lic Beds In Demand	Type
Existing Communities					
Arbor House Fredericksburg	78624	New Ownership January 2023	16	16	AL/ALMC
Knopp Assisted Living Center Inc. and Knopp Memory Care	78624	1999	11	11	AL/ALMC/SNF
Morning Star Memory Care Of Fredericksburg LLC	78624	2013	16	16	ALMC
New Haven Of Kerrville	78028	Formally SNF AL Conversion 2013	48	48	ALMC
River Point Of Kerrville	78028	2012	32	32	AL/ALMC
The Villages Of Windcrest	78624	2019	24	24	AL/ALMC
Total Existing Communities, Beds in PMA	6		147	147	
Planned Communities					
None Identified					
Total Planned Communities, Beds in PMA	0		0	0	
Total Existing and Planned Communities, Beds in PMA	6		147	147	

Table 7-11: Demand Calculation Assumptions – Assisted Living Memory Care

Assumption:	
First Year of Occupancy	2026
Minimum Age at Entry	75
Households expected to receive assistance with two or more activities of daily living plus Dementia:	The percent of households expected to receive assistance with two or more activities of daily living plus symptoms of dementia is estimated by age. – 6.9% age 75-79, 11.6% age 80-84, and 26.0% age 85+
Multipliers:	56.2% Percent Age 75+ 1 Person 43.8% Percent Age 75+ MC and Other
Weighted Average Monthly Fee 2026 dollars: Minimum Household Income 2026 dollars:	Price Point 1: \$6,859 Minimum Income: \$45,000
Stabilized Occupancy	95%
Percent Draw from the PMA	85%
Upper Income Limit	None
Spend down of assets on fees:	It is expected over the typical length of stay in memory care of 18 months that a household with an annual income of \$45,000 will spend down about \$75,532 of assets. The age 75 median net worth in the PMA is \$288,584 and a household with the median net worth will have a balance remaining of \$216,638.
Existing Competitive Communities	There are 147 existing memory living beds in/outside the PMA.
Planned Competitive Communities	No planned competitive beds were identified in the PMA.
Acceptable Market Capture Rate	10% and 15%

Eagles Nest PMA			
Assisted Living Memory Care Demand Analysis			
Assumptions			
Year of Opening:		2026	
Minimum Entry Age at Opening:		75	
AL PMA Need Qualifiers/Multipliers:	By Cohort /	Cumulative	
Age 65-69/65+:	1.5%	7.6%	
Age 70-74/70+:	3.5%	9.8%	
Age 75-79/75+:	6.9%	13.0%	
Age 80-84/80+:	11.6%	18.2%	
Age 85+	26.0%	26.0%	
Weighted Average Monthly Fee at Opening:		\$6,859	
Rent to Income Ratio:		80%	
Annual Income Requirement:		\$102,885	
Annual Income based on Spend Down Analysis - One Person:		\$45,000	
Age, Income, Need Qualified* Households by Type			
1 person - Income and Asset Spend Down		386	
Married Couples and Other - Income		129	
Total Age, Income and Need Qualified Households:		515	
Competitive Beds			
Existing:		147	
Existing Outside PMA:		0	
Planned:		0	
Planned Outside PMA:		0	
Total:		147	
Net Target Market:		368	
Project Penetration Rate:		10%	15%
	Net Target Households:	37	55
Market Area Draw:	85%	43	65
Occupancy Rate:	95%	46	68
Total Supportable Beds:		46	68
Market Penetration Rate**			
Current Supply:		1.49%	
With 10% Demand:		1.96%	
With 15% Demand:		2.19%	
*Need qualification equals the need for assistance with 2+ ADLs plus memory care.			
**Market penetration rates calculated based on NIC formula which used total number of competitive beds divided by total number of Age 75+ Households.			
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Assisted Living Memory Care Demand

This demand analysis indicates that the PMA, using the assumptions identified in this analysis, using a weighted average monthly fee of **\$6,859** in 2026 and a minimum household income of **\$45,000** in 2026 will support **46 - 68** additional assisted living memory care beds. For the detailed spend down tables see Appendix 4.

Skilled Nursing Demand Calculations

This section of the market analysis presents the working assumptions used to evaluate the market potential for skilled nursing private pay beds, short-term rehab (Medicare A and Medicare Advantage) beds, and Medicaid beds in the Eagles Nest PMA. Demand calculations are based on an opening year of 2026. To determine market demand, PMD will assume that all comparable existing beds in the PMA are full and will test to see if the market will support additional beds of each payor type in the Eagles Nest PMA. There were no planned beds.

The SMP data summarized previously in the Market Area Description section of this report are employed in this market assessment. Information and insights gathered in previous sections were also used to help formulate assumptions in this analysis of market depth.

The SMP data for the PMA are utilized in PMD's proprietary computer models in order to estimate PMA unit potential for skilled nursing beds private pay, short-term rehab (Medicare A and Medicare Advantage), and Medicaid beds. The assumptions and results of the demand calculations are summarized for 2026 in this section.

Skilled Nursing Bed Competitive Supply

The table below provides a breakdown of all skilled nursing beds in the PMA by payor type and 5 Star Quality Rating. The counts of bed by payor source are utilized in the demand estimates which follow.

Table 7-13: Skilled Nursing Beds in Demand

Community Name	# Lic Medicare Beds	# Lic Medicare Beds in Demand	# Lic Medicaid Beds	# Lic Medicaid Beds in Demand	# Lic Private Pay Beds	# Lic Private Pay Beds in Demand	Five Star Overall Rating	# Licensed Beds	# Licensed Beds in Demand
Brady West Rehab & Nursing	14	14	76	76	16	16	3	106	106
Cedar Hills Geriatric Center	2	2	72	72	12	12	1	86	86
Concho Health & Rehabilitation Center	5	5	49	49	12	12	3	66	66
Enchanted Rock	19	19	47	47	54	54	1	120	120
Fredericksburg Nursing & Rehab	14	14	51	51	25	25	1	90	90
Hilltop Village Nursing & Rehab	17	17	82	82	51	51	1	150	150
Knopp Healthcare & Rehab Center	3	3	29	29	27	27	2	60	60
Knopp Nursing & Rehab Center	6	6	50	50	63	63	2	119	119
Menard Manor	4	4	16	16	20	20	3	40	40
River Hills Health & Rehab Center	28	28	58	58	64	64	1	150	150
Riverside Health & Rehabilitation ¹	0	0	0	0	3	3	0	130	130
Schleicher County Medical Center	29	29	0	0	5	5	2	34	34
Waterside Nursing & Rehab	19	19	131	131	29	29	1	179	179
Total	162	162	661	661	380	380	2	1330	1330

Note: There may be differences noted due to rounding.

Skilled Nursing Demand Analysis

Following is a summary description of the assumptions used and the 2026 depth of demand for skilled nursing beds in the Eagles Nest PMA.

Demand Analysis Assumptions

The working assumptions used to analyze demand for skilled nursing beds in 2026 in the Eagles Nest PMA include using the age qualified population for the PMA and the total number of licensed beds from the 13 existing facilities that were identified in the competitive analysis. The 2024 SMP age 65 and older population, the existing number of skilled nursing beds by payor type, and the utilization rate (age 65 and older

population in 2024 divided by the number of existing SNF beds) were used to identify the supportable skilled nursing beds by payor type.

PMD utilized an 85% market area draw to reflect a patient/family willingness to drive to a new, high-quality facility, and a 95% occupancy rate for the project. The 95% occupancy rate is based on the typical occupancy rate PMD has seen used in client development proformas.

Private Pay Skilled Nursing Demand Analysis

To determine demand for private pay skilled nursing beds, PMD calculated the number of private pay beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds minus the short-term rehab (Medicare A plus Medicare Advantage) beds, and the Medicaid beds. Medicare Advantage beds represented 29% of the Private Pay/Other beds. PMD adjusted the Medicare Advantage percentage for age 65 and older to 60% of the total, or in this instance 65 beds. In 2024, the PMA is estimated to have **30,517** persons over the age of 65. This base of age 65 and older population supported a total of 315 private pay beds. This equates to a **1.03%** utilization rate. Using the current use rate of 1.03% for age 65 and older persons adjusted by market area draw, it is estimated that the Eagles Nest market area will support **no new** private pay beds in 2026.

Table 7-14: 2026 Private Pay Skilled Nursing Demand Calculation

SKILLED NURSING PRIVATE PAY DEMAND CALCULATION		
		2024 Estimates
		Private Pay
Age 65 and Older Population		30,517
Total Existing Private Pay		380
% Medicare Advantage beds in PMA Adjusted For Age 65+		17%
Total Existing Private Pay (less Medicare Advantage beds)		315
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)		1.03%
		2026
		Private Pay
Projected Age 65 and Older Population		31,233
PMA Base Use Rate for Population Age 65 * Age 65+ Population		322
Avg Annual Percent Change in Medicare Advantage		1.00%
Estimate of New Supportable Less Medicare Advantage Beds		316
Avg Annual Percent Change in SNF Patient Days		-0.70%
Estimate of New Private Pay Supportable Beds		311
Total Existing Private Pay (less Medicare Advantage beds)		315
Total Planned Private Pay Competitive Beds		0
Total Existing plus Planned Private Pay Competitive Beds		315
Estimate of Net New Supportable Beds		0
Project Penetration Rate		5%
Net New Target Beds		0
Market Area Draw	85%	0
Occupancy	95%	0
Total Demand Potential		0

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Findings – Private Pay

It is estimated that the proposed Eagles Nest project **should not be able to capture any additional** private pay beds in 2026, at a 5% project penetration rate.

Short-Term Rehab (Medicare plus Medicare Advantage) Skilled Nursing Demand Analysis

Following is a summary description of the assumptions used and the results of evaluating the depth of demand for short-term rehab beds in the Eagles Nest PMA.

Demand Analysis Assumptions

The working assumptions used to analyze demand for skilled nursing short-term rehab beds in the Eagles Nest PMA include using the age qualified population for the PMA and the total number of licensed beds from the facilities that were identified in the competitive analysis. The number of beds used in the demand analysis includes beds from the 13 existing communities. In addition, the estimated number of Medicare Advantage beds that were included in the total Private Pay/Other category were subtracted from the Private Pay/Other beds and added to the number of short-term rehab beds to more accurately reflect the total number of short-term rehab beds in the market. Medicare Advantage beds represented 29% of the Private Pay/Other beds. PMD adjusted the Medicare Advantage percentage for age 65 and older to 60% of the total, or in this instance 65 beds. In recognition of the industry's change in the number of patient days, PMD analyzed the trend in patient days over the last three years in the PMA. PMD estimates that the rate of change trend will continue at the same average annual rate through the projected target year of 2026.

PMD utilized an 85% market area draw to reflect a patient/family willingness to drive to a new, high-quality facility and a 95% occupancy rate for the project. The 95% occupancy rate is based on the typical occupancy rate PMD has seen used in client development proformas of this type.

Demand Analysis – Short-Term Rehab (Medicare plus Medicare Advantage)

To determine demand for short-term rehab skilled nursing beds, PMD calculated the number of short-term rehab beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds in the PMA minus the Medicaid beds and the Private Pay beds. In 2024, the PMA is estimated to have 30,517 persons over the age of 65. This base of age 65 and older population supported a total of 227 short-term rehab (Medicare A beds plus Medicare

Advantage) beds. This equates to a **0.74%** utilization rate. Using the current use rate of 0.74% for age 65 and older persons adjusted by market area draw, it is estimated that the Eagles Nest market area will support **six new** short-term rehab beds (Medicare plus Medicare Advantage beds) in 2026.

Table 7-15: 2026 Short-Term Rehab Skilled Nursing Demand Calculation

SKILLED NURSING SHORT-TERM REHAB (MEDICARE PLUS MEDICARE ADVANTAGE) DEMAND CALCULATION		
	2024 Estimates	
		Short-Term Rehab
Age 65 and Older Population		30,517
Total Existing Medicare Beds Plus Medicare Advantage Beds		227
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)		0.74%
	2026	
		Short-Term Rehab
Projected Age 65 and Older Population		31,233
PMA Base Use Rate for Population Age 65 * Age 65+ Population		233
Avg Annual Percent Change in Medicare Advantage		1.00%
Estimate of New Supportable Beds Plus Medicare Advantage Beds		237
Avg Annual Percent Change in SNF Patient Days		-0.70%
Estimate of New Supportable Beds		234
Total Existing Short Term Rehab Competitive Beds Plus Medicare Advantage Beds		227
Total Planned Short Term Rehab Competitive Beds		0
Total Existing plus Planned Short Term Rehab Competitive Beds		227
Estimate of Net New Supportable Beds		6
Project Penetration Rate		5%
Net New Target Beds		0
Market Area Draw	85%	0
Occupancy	95%	0
Total Demand Potential		0

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Findings – Short-Term Rehab

It is estimated that the proposed Eagles Nest project **should not be able to capture any additional** short term rehab beds at a 5% project penetration rate in 2026.

Medicaid Skilled Nursing Demand Analysis

Following is a summary description of the assumptions used and the results of evaluating the depth of demand for Medicaid beds in the Eagles Nest PMA in 2026.

Demand Analysis Assumptions

The working assumptions used to analyze demand for Medicaid beds in the Eagles Nest PMA include using the age qualified population for the PMA and the total number of licensed beds from the existing facilities that were identified in the competitive analysis in the PMA minus the short-term rehab beds and the private pay beds. The number of beds used in the demand analysis includes beds from the 13 existing communities in the PMA with Medicaid nursing care beds. In recognition of the industry's changing number of patient days, PMD analyzed the trend in patient days over the last three years in the PMA. PMD estimates that the rate of change trend will continue at the same average annual rate through the projected target year of 2026.

PMD utilized an 85% market area draw to reflect a patient/family willingness to drive to a new, high-quality facility and a 95% occupancy rate for the project. The 95% occupancy rate is based on the typical occupancy rate PMD has seen used in client development proformas of this type.

Demand Analysis – Medicaid

To determine demand for Medicaid skilled nursing beds, PMD calculated the number of Medicaid beds in the PMA that are supported by the existing age 65 and older population in the market area using the entire complement of skilled nursing beds minus the short-term rehab beds and the private pay beds. In 2024, the PMA is estimated to have **30,517** persons over the age of 65. This base of age 65 and older population supported a total of 661 Medicaid beds. This equates to a **2.17%** utilization rate. Using the current use rate of 2.17% for age 65 and older persons adjusted by market area draw, it is estimated that the Eagles Nest market area will support **six new** Medicaid beds in 2026.

Table 7-16: 2026 Medicaid Skilled Nursing Demand Calculation

SKILLED NURSING MEDICAID DEMAND CALCULATION		
		2024 Estimates
		Medicaid
Age 65 and Older Population		30,517
Total Existing Medicaid Beds		661
PMA Base Use Rate for Population Age 65 and Older (Existing Beds/Age 65+ Population)		2.17%
		2026
		Medicaid
Projected Age 65 and Older Population		31,233
PMA Base Use Rate for Population Age 65 * Age 65+ Population		677
Avg Annual Percent Change in SNF Patient Days		-0.70%
Estimate of New Supportable Beds		667
Total Existing Medicaid Competitive Beds		661
Total Planned Medicaid Competitive Beds		0
Total Existing plus Planned Medicaid Competitive Beds		661
Estimate of Net New Supportable Beds		6
Project Penetration Rate		5%
Net New Target Beds		0
Market Area Draw	85%	0
Occupancy	95%	0
Total Demand Potential		0

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Findings – Medicaid

It is estimated that the proposed Eagles Nest project **should not be able to capture any additional** Medicaid beds in 2026, using a 5% project penetration rate.

APPENDIX 1

Site Evaluation Form



Turning mature market data into management decisions™

Senior Housing Site Location Evaluation Checklist

Project: Eagles Nest

Date: May 22, 2024

Location: 349 Reid Rd, Junction, TX 76849

Client: South Star Senior Living

1. Site Services Available

Gas	Yes (4)	<u>4</u>
Electricity	Yes (4)	<u>4</u>
Water	Yes (4)	<u>4</u>
Sewer	Yes (4)	<u>4</u>
Telephone	Yes (4)	<u>4</u>
Total:		20

2. Vehicular Access to Site

From quiet residential street	Yes (5)	<u> </u>
From secondary commercial street	Yes (3)	<u>3</u>
From busy primary artery	Yes (1)	<u> </u>
Total:		3

3. Property Zoning:

Zoned for elderly housing	Yes (5)	<u> </u>
Can be rezoned for elderly housing	Yes (3)	<u>3</u>
Total:		3

4. Fire and Police Protection Proximity:

0-2 miles	(6)	<u>6</u>
3-5 miles	(3)	<u> </u>
6-10 miles	(1)	<u> </u>
More than 10 miles	(0)	<u> </u>
Total:		6

5. Emergency Health Care Proximity:

0-2 miles	(6)	<u>6</u>
3-5 miles	(3)	<u> </u>
6-10 miles	(1)	<u> </u>
More than 10 miles	(0)	<u> </u>
Total:		6

6. Full Service Hospital Proximity:

0-2 miles	(6)	<u>6</u>
3-5 miles	(3)	<u> </u>
6-10 miles	(1)	<u> </u>
More than 10 miles	(0)	<u> </u>
Total:		6

7. Degree of Neighborhood Safety and Security:

Very Safe	(6)	<u>6</u>
Average	(3)	<u> </u>
Security Required	(1)	<u> </u>
Total:		6

Senior Housing Site Location Evaluation Checklist

Project: Eagles Nest

Date: May 22, 2024

Location: 349 Reid Rd, Junction, TX 76849

Client: South Star Senior Living

8. Cultural Facility Proximity: (e.g. Theater, Library, Museum, etc.)

0-1 mile	(5)	<u>5</u>
2-3 miles	(3)	<u> </u>
4-8 miles	(1)	<u> </u>
More than 8 miles	(0)	<u> </u>
Total:		<u>5</u>

9. Religious Facility Proximity:

0-1 mile	(6)	<u>6</u>
2-3 miles	(3)	<u> </u>
4-8 miles	(1)	<u> </u>
More than 8 miles	(0)	<u> </u>
Total:		<u>6</u>

10. Convenience Shopping Proximity: (e.g. bank, Drugstore, Cleaner, Deli, etc.)

0-1 mile	(5)	<u>5</u>
2-3 miles	(3)	<u> </u>
4-8 miles	(1)	<u> </u>
More than 8 miles	(0)	<u> </u>
Total:		<u>5</u>

11. Parks and Recreation Facility Proximity:

0-1 mile	(5)	<u> </u>
2-3 miles	(3)	<u>3</u>
4-8 miles	(1)	<u> </u>
More than 8 miles	(0)	<u> </u>
Total:		<u>3</u>

12. Major Shopping Mall Proximity:

0-5 miles	(5)	<u> </u>
6-10 miles	(3)	<u> </u>
11-15 miles	(1)	<u> </u>
More than 15 miles	(0)	<u>0</u>
Total:		<u>0</u>

13. Public Transportation Access Point:

At Site	(5)	<u> </u>
.5<1 mile	(3)	<u> </u>
1<1.5 miles	(1)	<u> </u>
More than 1.5 miles	(0)	<u>0</u>
Total:		<u>0</u>

14. Surrounding Land Use:

Compatible	(5)	<u>5</u>
Incompatible	(1)	<u> </u>
Total:		<u>5</u>

Senior Housing Site Location Evaluation Checklist

Project: Eagles Nest

Date: May 22, 2024

Location: 349 Reid Rd, Junction, TX 76849

Client: South Star Senior Living

15. Project Design, Compatibility with Surrounding Neighborhood (Example: High-rise in Neighborhood of Single Family Bungalows not Compatible):

Yes

(5) 5

No

(0)

Total: 5

16. Nearest Similar Facility:

5 or more miles

(5) 5

1-4 miles

(3)

Less than 1 mile

(1)

Total: 5

TOTAL SCORE: 84

Scoring: Maximum Score = 100 Points

92 to 100 = Excellent Location Should appeal to wide market.

82 to 91 = Very Good Location Should appeal to a significant part of the market.

70 to 81 = Good Location Depending on negatives - may have some limited market appeal.

60 to 69 = Average Location Need to carefully evaluate negatives - may have limited marketability.

0 to 59 = Below Average Location May be more risks than necessary.

APPENDIX 2

Senior Market Profile



Turning mature market data into management decisions™



Eagles Nest PMA

Junction TX

Market Area Overview 2024 Estimates

Page 1 of 14

Households		
	44,891	Total households
	9,438	Total 75+ households
Age 75+ Household Income		
	2,195	75+ households with income less than \$25,000
	2,747	75+ households with income between \$25,000 and \$49,999
	4,496	75+ households with income at least \$50,000
Age 75+ Households in Need of Assistance and No Dementia		
	352	75+ households with 2+ ADLs and income less than \$25,000
	429	75+ households with 2+ ADLs and income between \$25,000 and \$49,999
	697	75+ households with 2+ ADLs and income at least \$50,000
Age 75+ Households with Dementia		
	305	75+ households with 2+ ADLs and dementia and income less than \$25,000
	356	75+ households with 2+ ADLs and dementia and income between \$25,000 and \$49,999
	564	75+ households with 2+ ADLs and dementia and income at least \$50,000
Adult Child Households		
	14,084	Total 45-64 households
	5,375	45-64 households with income at least \$100,000
Household Home Value and Net Worth		
	\$64,849	All ages median household income
	\$47,631	75+ households median household income
	\$271,635	All ages median home value
	\$269,465	75+ households median home value
	\$177,343	All ages median net worth
	\$275,266	75+ households median net worth

Household Tenure/Type	Own		Rent	
	Count	Percent	Count	Percent
Total	32,658	72.7	12,233	27.3
Age 55-64	6,722	81.8	1,500	18.2
Age 65-74	8,704	85.7	1,457	14.3
Age 75-84	6,307	88.7	806	11.3
Age 85+	1,745	75.0	580	25.0

Households by Type	1 Person Female		1 Person Male		Couple		Other	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Total	12,333	27.5	6,781	15.1	15,046	33.5	10,732	23.9
Age 55-64	1,767	21.5	1,189	14.5	3,760	45.7	1,505	18.3
Age 65-74	2,613	25.7	1,455	14.3	5,235	51.5	858	8.4
Age 75-84	2,699	37.9	901	12.7	3,059	43.0	454	6.4
Age 85+	1,322	56.8	387	16.6	555	23.9	62	2.7

Notations

- "*CAGR%" refers to compound annual growth rate
- Rounding may result in a slight difference between numbers in row/column totals

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Historical and Current Year Estimates

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Variable	2019 Estimate Summary Comparison			2024 Estimate Summary Comparison			Market Area Change 2019 - 2024	
	Market Area	TX	US	Market Area	TX	US	Number	*CAGR%
Population								
Total (all ages)	102,502	28,860,742	330,080,353	105,869	30,727,515	340,068,284	3,367	0.6
55 and older	42,907	6,890,342	95,961,049	45,014	7,698,099	103,297,133	2,107	1.0
% of total	41.9	23.9	29.1	42.5	25.1	30.4		
65 and older	27,922	3,612,421	52,933,293	30,517	4,273,328	60,364,805	2,595	1.8
% of total	27.2	12.5	16.0	28.8	13.9	17.8		
75 and older	12,632	1,391,871	21,424,443	13,979	1,656,390	24,623,664	1,348	2.0
% of total	12.3	4.8	6.5	13.2	5.4	7.2		
85 and older	3,351	365,198	6,025,832	3,494	395,719	6,282,493	143	0.8
% of total	3.3	1.3	1.8	3.3	1.3	1.8		
Median age	47.6	35.0	38.3	47.9	35.9	39.2		
Households								
Total (all ages)	42,900	10,515,156	128,508,561	44,891	11,393,737	134,646,079	1,991	0.9
55 and older	26,418	4,127,572	58,727,956	27,820	4,612,831	63,350,715	1,402	1.0
% of total	61.6	39.3	45.7	62.0	40.5	47.0		
55 to 64	8,495	1,888,291	25,114,883	8,221	1,970,890	25,049,588	-273	-0.7
% of total	19.8	18.0	19.5	18.3	17.3	18.6		
65 and older	17,923	2,239,281	33,613,073	19,598	2,641,942	38,301,127	1,675	1.8
% of total	41.8	21.3	26.2	43.7	23.2	28.4		
65 to 74	9,406	1,347,913	19,535,618	10,161	1,583,934	22,121,852	755	1.6
% of total	21.9	12.8	15.2	22.6	13.9	16.4		
75 and older	8,517	891,369	14,077,454	9,438	1,058,008	16,179,275	920	2.1
% of total	19.9	8.5	11.0	21.0	9.3	12.0		
75 to 84	6,293	665,857	10,243,533	7,112	814,504	12,186,291	819	2.5
% of total	14.7	6.3	8.0	15.8	7.1	9.1		
85 and older	2,224	225,512	3,833,922	2,325	243,504	3,992,984	101	0.9
% of total	5.2	2.1	3.0	5.2	2.1	3.0		
Avg. Household size	2.4	2.7	2.6	2.4	2.7	2.5		
Avg. Household size 75+	1.6	1.8	1.7	1.6	1.8	1.7		
Median Income**								
All Households	\$53,223	\$64,918	\$64,905	\$64,849	\$77,383	\$75,832	\$11,626	4.0
55-64	\$62,636	\$74,747	\$74,166	\$76,626	\$90,093	\$87,580	\$13,990	4.1
65-74	\$50,398	\$55,156	\$55,679	\$60,249	\$65,638	\$65,792	\$9,850	3.6
Age 65+	\$45,132	\$48,339	\$48,449	\$53,746	\$57,740	\$57,615	\$8,614	3.6
Age 75+	\$40,594	\$40,340	\$40,596	\$47,631	\$48,036	\$48,157	\$7,037	3.2
Median Home Value**								
All Households	\$207,582	\$201,475	\$240,763	\$271,635	\$265,256	\$309,870	\$64,054	5.5
Age 75+	\$208,337	\$167,539	\$213,346	\$269,465	\$219,174	\$274,012	\$61,128	5.3
Median Net Worth**								
All Households	\$147,001	\$100,970	\$126,818	\$177,343	\$126,779	\$155,157	\$30,342	3.8
Age 75+	\$230,566	\$194,208	\$219,130	\$275,266	\$227,585	\$262,064	\$44,700	3.6

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Current and Projection Year Estimates

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Variable	2024 Estimate Summary Comparison			2029 Projection Summary Comparison			Market Area Change 2024 - 2029	
	Market Area	TX	US	Market Area	TX	US	Number	*CAGR%
Population								
Total (all ages)	105,869	30,727,515	340,068,284	108,539	32,674,270	351,474,041	2,670	0.5
55 and older	45,014	7,698,099	103,297,133	46,106	8,485,299	109,364,421	1,092	0.5
% of total	42.5	25.1	30.4	42.5	26.0	31.1		
65 and older	30,517	4,273,328	60,364,805	32,307	4,887,677	66,658,428	1,790	1.1
% of total	28.8	13.9	17.8	29.8	15.0	19.0		
75 and older	13,979	1,656,390	24,623,664	15,470	1,983,240	28,534,717	1,490	2.0
% of total	13.2	5.4	7.2	14.3	6.1	8.1		
85 and older	3,494	395,719	6,282,493	3,891	459,049	7,066,708	398	2.2
% of total	3.3	1.3	1.8	3.6	1.4	2.0		
Median age	47.9	35.9	39.2	48.0	36.5	39.9		
Households								
Total (all ages)	44,891	11,393,737	134,646,079	46,299	12,250,124	140,584,959	1,408	0.6
55 and older	27,820	4,612,831	63,350,715	28,600	5,083,153	67,184,332	781	0.6
% of total	62.0	40.5	47.0	61.8	41.5	47.8		
55 to 64	8,221	1,970,890	25,049,588	7,826	2,067,906	24,904,002	-395	-1.0
% of total	18.3	17.3	18.6	16.9	16.9	17.7		
65 and older	19,598	2,641,942	38,301,127	20,774	3,015,247	42,280,331	1,176	1.2
% of total	43.7	23.2	28.4	44.9	24.6	30.1		
65 to 74	10,161	1,583,934	22,121,852	10,334	1,752,836	23,554,201	174	0.3
% of total	22.6	13.9	16.4	22.3	14.3	16.8		
75 and older	9,438	1,058,008	16,179,275	10,440	1,262,411	18,726,130	1,002	2.0
% of total	21.0	9.3	12.0	22.5	10.3	13.3		
75 to 84	7,112	814,504	12,186,291	7,845	980,710	14,237,268	733	2.0
% of total	15.8	7.1	9.1	16.9	8.0	10.1		
85 and older	2,325	243,504	3,992,984	2,595	281,701	4,488,861	270	2.2
% of total	5.2	2.1	3.0	5.6	2.3	3.2		
Avg. Household size	2.4	2.7	2.5	2.3	2.7	2.5		
Avg. Household size 75+	1.6	1.8	1.7	1.6	1.7	1.6		
Median Income**								
All Households	\$64,849	\$77,383	\$75,832	\$74,943	\$88,736	\$85,456	\$10,094	2.9
55-64	\$76,626	\$90,093	\$87,580	\$89,306	\$102,121	\$97,245	\$12,681	3.1
65-74	\$60,249	\$65,638	\$65,792	\$68,976	\$74,095	\$73,476	\$8,727	2.7
Age 65+	\$53,746	\$57,740	\$57,615	\$60,476	\$65,500	\$64,688	\$6,730	2.4
Age 75+	\$47,631	\$48,036	\$48,157	\$53,524	\$54,735	\$54,527	\$5,893	2.4
Median Home Value**								
All Households	\$271,635	\$265,256	\$309,870	\$343,934	\$334,631	\$372,942	\$72,299	4.8
Age 75+	\$269,465	\$219,174	\$274,012	\$340,437	\$276,746	\$331,325	\$70,972	4.8
Median Net Worth**								
All Households	\$177,343	\$126,779	\$155,157	\$205,826	\$147,181	\$180,515	\$28,483	3.0
Age 75+	\$275,266	\$227,585	\$262,064	\$308,562	\$248,204	\$293,964	\$33,297	2.3

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Population / Age / Sex

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Age	Market Area Population			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
Total	102,502	105,869	108,539	3,367	0.6	2,670	0.5
Under 25	28,258	28,247	28,537	-11	-0.0	290	0.2
25 to 34	10,110	10,586	10,871	476	0.9	285	0.5
35 to 44	10,170	11,002	11,418	832	1.6	416	0.7
45 to 49	5,252	5,306	5,764	54	0.2	459	1.7
50 to 54	5,807	5,715	5,844	-91	-0.3	129	0.4
55 to 59	7,119	6,575	6,322	-544	-1.6	-253	-0.8
60 to 64	7,866	7,923	7,477	56	0.1	-446	-1.2
65 to 69	7,875	8,309	8,195	433	1.1	-114	-0.3
70 to 74	7,415	8,229	8,643	814	2.1	414	1.0
75 to 79	5,550	6,278	6,834	728	2.5	555	1.7
80 to 84	3,731	4,208	4,745	477	2.4	537	2.4
85 and older	3,351	3,494	3,891	143	0.8	398	2.2
Median age	47.6	47.9	48.0				
Female Total	52,100	53,894	55,278	1,795	0.7	1,384	0.5
Under 25	13,756	13,734	13,893	-23	-0.0	159	0.2
25 to 34	5,020	5,297	5,422	278	1.1	125	0.5
35 to 44	5,107	5,473	5,676	365	1.4	204	0.7
45 to 49	2,758	2,708	2,904	-49	-0.4	196	1.4
50 to 54	2,893	2,923	2,945	30	0.2	22	0.1
55 to 59	3,665	3,369	3,265	-295	-1.7	-105	-0.6
60 to 64	4,091	4,088	3,837	-3	-0.0	-251	-1.3
65 to 69	4,161	4,437	4,371	276	1.3	-65	-0.3
70 to 74	3,887	4,311	4,538	424	2.1	227	1.0
75 to 79	2,865	3,295	3,616	429	2.8	321	1.9
80 to 84	1,954	2,242	2,558	288	2.8	316	2.7
85 and older	1,942	2,018	2,254	75	0.8	236	2.2
Median age	48.9	49.5	49.6				
Male Total	50,403	51,975	53,261	1,573	0.6	1,286	0.5
Under 25	14,501	14,513	14,644	12	0.0	130	0.2
25 to 34	5,090	5,289	5,449	198	0.8	161	0.6
35 to 44	5,062	5,529	5,741	467	1.8	212	0.8
45 to 49	2,494	2,597	2,860	103	0.8	262	1.9
50 to 54	2,913	2,792	2,899	-121	-0.8	107	0.8
55 to 59	3,454	3,205	3,057	-249	-1.5	-148	-0.9
60 to 64	3,775	3,835	3,640	60	0.3	-195	-1.0
65 to 69	3,714	3,872	3,823	158	0.8	-49	-0.3
70 to 74	3,528	3,918	4,105	390	2.1	187	0.9
75 to 79	2,685	2,983	3,218	299	2.1	234	1.5
80 to 84	1,777	1,966	2,187	189	2.0	221	2.2
85 and older	1,408	1,476	1,638	68	0.9	161	2.1
Median age	46.1	46.3	46.4				

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Household Income

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Age	Market Area Households			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
Total	42,900	44,891	46,299	1,991	0.9	1,408	0.6
Under 25	1,311	1,303	1,292	-7	-0.1	-12	-0.2
25 to 34	4,191	4,389	4,502	198	0.9	113	0.5
35 to 44	5,089	5,517	5,729	428	1.6	212	0.8
45 to 49	2,874	2,895	3,144	21	0.1	249	1.7
50 to 54	3,017	2,967	3,032	-50	-0.3	65	0.4
55 to 59	3,957	3,653	3,515	-304	-1.6	-139	-0.8
60 to 64	4,537	4,568	4,311	31	0.1	-257	-1.2
65 to 69	4,894	5,159	5,085	265	1.1	-74	-0.3
70 to 74	4,512	5,002	5,249	490	2.1	247	1.0
75 to 79	3,856	4,363	4,748	507	2.5	386	1.7
80 to 84	2,437	2,750	3,097	312	2.4	347	2.4
85 and older	2,224	2,325	2,595	101	0.9	270	2.2
Median age for head of house	61.1	61.9	62.2				
Household Income (All Households)							
Total	42,900	44,891	46,299	1,991	0.9	1,408	0.6
Less than \$15,000	4,379	3,381	2,721	-998	-5.0	-661	-4.3
\$15,000 to \$24,999	4,938	4,256	3,772	-682	-2.9	-484	-2.4
\$25,000 to \$34,999	4,768	4,382	4,021	-386	-1.7	-362	-1.7
\$35,000 to \$49,999	6,350	5,943	5,570	-406	-1.3	-374	-1.3
\$50,000 to \$59,999	3,147	3,185	3,090	38	0.2	-95	-0.6
\$60,000 to \$74,999	4,000	4,013	3,992	13	0.1	-21	-0.1
\$75,000 to \$99,999	4,555	5,134	5,255	579	2.4	122	0.5
\$100,000 to \$124,999	3,138	3,868	4,265	730	4.3	397	2.0
\$125,000 to \$149,999	2,275	3,014	3,650	739	5.8	636	3.9
\$150,000 to \$199,999	2,657	3,755	4,708	1,098	7.2	953	4.6
\$200,000 or more	2,692	3,959	5,256	1,267	8.0	1,297	5.8
Household Income by Percentage							
Total	100.0	100.0	100.0	0.0	0.0	0.0	0.0
Less than \$15,000	10.2	7.5	5.9	-2.7	-5.9	-1.7	-4.8
\$15,000 to \$24,999	11.5	9.5	8.1	-2.0	-3.8	-1.3	-3.0
\$25,000 to \$34,999	11.1	9.8	8.7	-1.4	-2.6	-1.1	-2.3
\$35,000 to \$49,999	14.8	13.2	12.0	-1.6	-2.2	-1.2	-1.9
\$50,000 to \$59,999	7.3	7.1	6.7	-0.2	-0.7	-0.4	-1.2
\$60,000 to \$74,999	9.3	8.9	8.6	-0.4	-0.8	-0.3	-0.7
\$75,000 to \$99,999	10.6	11.4	11.4	0.8	1.5	-0.1	-0.1
\$100,000 to \$124,999	7.3	8.6	9.2	1.3	3.3	0.6	1.3
\$125,000 to \$149,999	5.3	6.7	7.9	1.4	4.8	1.2	3.3
\$150,000 to \$199,999	6.2	8.4	10.2	2.2	6.2	1.8	4.0
\$200,000 or more	6.3	8.8	11.4	2.5	7.0	2.5	5.2

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2019 Estimated Age / Income

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Household Income	Total	Under 45	45-54	55-59	60-64	45+ HHLDS	55+ HHLDS
Total	42,900	10,592	5,891	3,957	4,537	32,309	26,418
Less than \$15,000	4,379	871	510	346	491	3,509	2,998
\$15,000 to \$24,999	4,938	1,124	451	379	419	3,814	3,363
\$25,000 to \$34,999	4,768	1,185	564	424	413	3,583	3,019
\$35,000 to \$49,999	6,350	1,719	716	443	629	4,631	3,915
\$50,000 to \$59,999	3,147	686	488	238	327	2,461	1,974
\$60,000 to \$74,999	4,000	1,040	593	348	430	2,960	2,367
\$75,000 to \$99,999	4,555	1,129	787	455	567	3,427	2,640
\$100,000 to \$124,999	3,138	876	553	372	410	2,262	1,709
\$125,000 to \$149,999	2,275	698	321	233	273	1,578	1,257
\$150,000 to \$199,999	2,657	739	444	318	262	1,918	1,474
\$200,000 or more	2,692	526	463	399	315	2,166	1,703
Median Income	\$53,223	\$55,789	\$65,457	\$66,352	\$59,678	\$55,444	\$52,508
Mean Income	\$78,997	\$79,155	\$90,035	\$95,342	\$83,608	\$78,945	\$76,472
Household Income	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	4,894	4,512	3,856	2,437	2,224	17,923	8,517
Less than \$15,000	475	467	514	317	388	2,160	1,219
\$15,000 to \$24,999	600	657	528	399	382	2,565	1,309
\$25,000 to \$34,999	509	557	480	349	286	2,182	1,116
\$35,000 to \$49,999	670	740	668	403	361	2,842	1,432
\$50,000 to \$59,999	356	371	297	218	167	1,408	682
\$60,000 to \$74,999	502	502	333	151	101	1,589	585
\$75,000 to \$99,999	514	415	329	191	169	1,618	689
\$100,000 to \$124,999	330	214	218	80	85	926	382
\$125,000 to \$149,999	257	160	150	86	97	750	332
\$150,000 to \$199,999	317	185	170	133	87	893	391
\$200,000 or more	365	244	169	110	101	989	380
Median Income	\$49,613	\$46,424	\$42,684	\$40,660	\$37,095	\$45,132	\$40,594
Mean Income	\$82,528	\$69,368	\$65,981	\$64,120	\$61,154	\$70,500	\$64,188

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Current Age / Income

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Household Income	Total	Under 45	45-54	55-59	60-64	45+ HHLDS	55+ HHLDS
Total	44,891	11,209	5,862	3,653	4,568	33,682	27,820
Less than \$15,000	3,381	672	406	249	371	2,710	2,304
\$15,000 to \$24,999	4,256	887	368	294	359	3,369	3,001
\$25,000 to \$34,999	4,382	1,001	471	338	350	3,382	2,910
\$35,000 to \$49,999	5,943	1,484	609	332	569	4,460	3,851
\$50,000 to \$59,999	3,185	650	457	209	283	2,535	2,078
\$60,000 to \$74,999	4,013	1,061	521	280	410	2,952	2,431
\$75,000 to \$99,999	5,134	1,271	788	441	603	3,862	3,075
\$100,000 to \$124,999	3,868	1,163	601	384	479	2,705	2,104
\$125,000 to \$149,999	3,014	1,015	373	246	333	1,999	1,626
\$150,000 to \$199,999	3,755	1,188	613	356	358	2,568	1,955
\$200,000 or more	3,959	819	655	525	453	3,140	2,485
Median Income	\$64,849	\$72,898	\$78,114	\$82,137	\$72,875	\$67,128	\$61,956
Mean Income	\$93,160	\$96,237	\$105,500	\$112,485	\$98,524	\$92,136	\$89,319
Household Income	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	5,159	5,002	4,363	2,750	2,325	19,598	9,438
Less than \$15,000	360	374	394	266	290	1,684	950
\$15,000 to \$24,999	510	594	504	390	350	2,348	1,244
\$25,000 to \$34,999	453	567	510	393	301	2,222	1,203
\$35,000 to \$49,999	634	772	728	456	360	2,950	1,544
\$50,000 to \$59,999	388	411	341	248	198	1,586	787
\$60,000 to \$74,999	494	575	382	178	112	1,741	672
\$75,000 to \$99,999	593	535	444	239	219	2,030	902
\$100,000 to \$124,999	414	290	329	106	102	1,242	538
\$125,000 to \$149,999	346	232	213	117	140	1,046	469
\$150,000 to \$199,999	410	274	246	197	115	1,241	558
\$200,000 or more	557	378	273	161	138	1,507	572
Median Income	\$58,873	\$54,720	\$51,355	\$46,161	\$44,116	\$53,746	\$47,631
Mean Income	\$98,135	\$81,538	\$78,103	\$73,539	\$71,727	\$82,856	\$75,202

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historical current projection

Projection Age / Income

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Household Income	Total	Under 45	45-54	55-59	60-64	45+ HHLDS	55+ HHLDS
Total	46,299	11,523	6,176	3,515	4,311	34,776	28,600
Less than \$15,000	2,721	538	358	199	281	2,182	1,825
\$15,000 to \$24,999	3,772	701	341	249	295	3,071	2,730
\$25,000 to \$34,999	4,021	839	443	270	282	3,182	2,739
\$35,000 to \$49,999	5,570	1,283	553	280	461	4,287	3,734
\$50,000 to \$59,999	3,090	592	431	187	262	2,498	2,067
\$60,000 to \$74,999	3,992	1,009	540	238	360	2,983	2,443
\$75,000 to \$99,999	5,255	1,278	764	408	552	3,978	3,213
\$100,000 to \$124,999	4,265	1,307	644	384	473	2,957	2,314
\$125,000 to \$149,999	3,650	1,297	450	266	372	2,353	1,903
\$150,000 to \$199,999	4,708	1,534	747	384	405	3,174	2,427
\$200,000 or more	5,256	1,146	904	650	569	4,110	3,206
Median Income	\$74,943	\$90,655	\$88,798	\$95,476	\$84,752	\$78,581	\$70,900
Mean Income	\$105,099	\$110,787	\$118,582	\$127,088	\$112,027	\$103,214	\$99,896

Household Income	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	5,085	5,249	4,748	3,097	2,595	20,774	10,440
Less than \$15,000	269	297	316	226	238	1,345	779
\$15,000 to \$24,999	436	542	460	407	341	2,186	1,208
\$25,000 to \$34,999	403	560	497	403	323	2,187	1,224
\$35,000 to \$49,999	564	732	746	523	427	2,993	1,696
\$50,000 to \$59,999	314	417	383	282	221	1,618	887
\$60,000 to \$74,999	469	588	435	213	140	1,845	788
\$75,000 to \$99,999	606	595	507	289	256	2,253	1,052
\$100,000 to \$124,999	428	363	400	137	129	1,457	666
\$125,000 to \$149,999	378	288	279	138	181	1,265	598
\$150,000 to \$199,999	508	364	355	258	153	1,638	766
\$200,000 or more	709	503	369	222	185	1,987	776
Median Income	\$67,402	\$61,959	\$59,259	\$49,724	\$48,810	\$60,476	\$53,524
Mean Income	\$111,722	\$92,064	\$88,162	\$81,001	\$79,598	\$92,777	\$83,909

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ADLs Age / Income

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2024 Households with 2+ ADLs and No Dementia by Income by Age of Householder*	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	490	545	593	367	517	2,513	1,478
Less than \$15,000	34	41	54	36	65	229	154
\$15,000 to \$24,999	48	65	69	52	78	312	199
\$25,000 to \$34,999	43	62	69	52	67	293	189
\$35,000 to \$49,999	60	84	99	61	80	384	240
\$50,000 to \$59,999	37	45	46	33	44	205	123
\$60,000 to \$74,999	47	63	52	24	25	210	101
\$75,000 to \$99,999	56	58	60	32	49	256	141
\$100,000 to \$124,999	39	32	45	14	23	153	82
\$125,000 to \$149,999	33	25	29	16	31	134	76
\$150,000 to \$199,999	39	30	33	26	26	154	85
\$200,000 or more	53	41	37	21	31	183	89
Median Income	\$58,873	\$54,720	\$51,355	\$46,161	\$44,116	\$53,746	\$47,631
Mean Income	\$98,135	\$81,538	\$78,103	\$73,539	\$71,727	\$82,856	\$75,202
2029 Households with 2+ ADLs and No Dementia by Income by Age of Householder*	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	483	572	646	414	577	2,692	1,637
Less than \$15,000	26	32	43	30	53	184	126
\$15,000 to \$24,999	41	59	63	54	76	293	193
\$25,000 to \$34,999	38	61	68	54	72	293	193
\$35,000 to \$49,999	54	80	101	70	95	400	266
\$50,000 to \$59,999	30	45	52	38	49	214	139
\$60,000 to \$74,999	45	64	59	28	31	227	119
\$75,000 to \$99,999	58	65	69	39	57	287	165
\$100,000 to \$124,999	41	40	54	18	29	182	101
\$125,000 to \$149,999	36	31	38	18	40	164	97
\$150,000 to \$199,999	48	40	48	34	34	205	117
\$200,000 or more	67	55	50	30	41	243	121
Median Income	\$67,402	\$61,959	\$59,259	\$49,724	\$48,810	\$60,476	\$53,524
Mean Income	\$111,722	\$92,064	\$88,162	\$81,001	\$79,598	\$92,777	\$83,909

Notations

- NHATS Public Use Data. Round 2 and Round 5, sponsored by the National Institute on Aging (grant number NIA U01AG032947) through a cooperative agreement with the Johns Hopkins Bloomberg School of Public Health. Available at www.nhats.org.
- United States Census Bureau, Summary File for the American Community Survey from 2017 through 2021
- *Income distributions are derived by applying age-specific PMD-developed multipliers to the income distributions on SMP Page 7 for the current year and on SMP Page 8 for the projection year.
- Documentation on the PMD-developed multipliers is available upon request

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Dementia Age / Income

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2024 Households with Dementia and 2+ ADLs by Income by Age of Householder*	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	77	175	301	318	605	1,476	1,224
Less than \$15,000	5	13	27	31	76	152	134
\$15,000 to \$24,999	8	21	35	45	91	199	171
\$25,000 to \$34,999	7	20	35	45	78	185	159
\$35,000 to \$49,999	9	27	50	53	94	233	197
\$50,000 to \$59,999	6	14	24	29	51	124	104
\$60,000 to \$74,999	7	20	26	21	29	104	76
\$75,000 to \$99,999	9	19	31	28	57	143	115
\$100,000 to \$124,999	6	10	23	12	27	78	62
\$125,000 to \$149,999	5	8	15	13	36	78	64
\$150,000 to \$199,999	6	10	17	23	30	85	70
\$200,000 or more	8	13	19	19	36	95	73
Median Income	\$58,873	\$54,720	\$51,355	\$46,161	\$44,116	\$53,746	\$47,631
Mean Income	\$98,135	\$81,538	\$78,103	\$73,539	\$71,727	\$82,856	\$75,202
2029 Households with Dementia and 2+ ADLs by Income by Age of Householder*	65-69	70-74	75-79	80-84	85+	65+ HHLDS	75+ HHLDS
Total	76	183	328	358	675	1,620	1,361
Less than \$15,000	4	10	22	26	62	124	110
\$15,000 to \$24,999	6	19	32	47	89	193	168
\$25,000 to \$34,999	6	20	34	47	84	191	165
\$35,000 to \$49,999	8	26	52	60	111	257	223
\$50,000 to \$59,999	5	15	26	33	58	136	117
\$60,000 to \$74,999	7	21	30	25	36	119	91
\$75,000 to \$99,999	9	21	35	33	67	165	135
\$100,000 to \$124,999	6	13	28	16	34	96	77
\$125,000 to \$149,999	6	10	19	16	47	98	82
\$150,000 to \$199,999	8	13	25	30	40	114	94
\$200,000 or more	11	18	25	26	48	127	99
Median Income	\$67,402	\$61,959	\$59,259	\$49,724	\$48,810	\$60,476	\$53,524
Mean Income	\$111,722	\$92,064	\$88,162	\$81,001	\$79,598	\$92,777	\$83,909

Notations

- NHATS Public Use Data. Round 2 and Round 5, sponsored by the National Institute on Aging (grant number NIA U01AG032947) through a cooperative agreement with the Johns Hopkins Bloomberg School of Public Health. Available at www.nhats.org.
- United States Census Bureau, Summary File for the American Community Survey from 2017 through 2021
- *Income distributions are derived by applying age-specific PMD-developed multipliers to the income distributions on SMP Page 7 for the current year and on SMP Page 8 for the projection year.
- The prevalence rates for dementia used in the multipliers were informed by the work of the Alzheimer's Association in 2017 Alzheimer's Disease Facts and Figures available at www.alz.org/documents_custom/2017-facts-and-figures.pdf
- Documentation on the PMD-developed multipliers is available upon request

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2019 2024 2029
historical current projection

Home Value and Wealth - Age 75+ Households

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Home Value	Owner-occupied units			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
Total Owner Units	7,254	8,052	8,902	798	2.1	850	2.0
Less than \$50,000	774	590	472	-183	-5.3	-119	-4.4
\$50,000 to \$99,999	992	841	758	-151	-3.3	-82	-2.0
\$100,000 to \$149,999	804	854	752	50	1.2	-102	-2.5
\$150,000 to \$199,999	913	751	710	-162	-3.8	-41	-1.1
\$200,000 to \$249,999	858	729	669	-130	-3.2	-59	-1.7
\$250,000 to \$299,000	739	668	631	-71	-2.0	-37	-1.1
\$300,000 to \$399,000	914	1,128	1,134	214	4.3	5	0.1
\$400,000 to \$499,999	460	754	881	294	10.4	127	3.2
\$500,000 to \$749,999	433	866	1,247	433	14.9	381	7.6
\$750,000 to \$999,999	168	379	653	211	17.7	273	11.5
\$1,000,000 and over	197	490	994	293	20.0	505	15.2
Median Value**	\$208,337	\$269,465	\$340,437	\$61,128	5.3	\$70,972	4.8
Mean Value**	\$282,814	\$391,777	\$510,697	\$108,963	6.7	\$118,920	5.4
By Percentage of Total							
Less than \$50,000	10.7	7.3	5.3	-3.3	-7.2	-2.0	-6.3
\$50,000 to \$99,999	13.7	10.4	8.5	-3.2	-5.3	-1.9	-4.0
\$100,000 to \$149,999	11.1	10.6	8.5	-0.5	-0.9	-2.2	-4.5
\$150,000 to \$199,999	12.6	9.3	8.0	-3.3	-5.8	-1.4	-3.1
\$200,000 to \$249,999	11.8	9.0	7.5	-2.8	-5.2	-1.5	-3.6
\$250,000 to \$299,000	10.2	8.3	7.1	-1.9	-4.0	-1.2	-3.1
\$300,000 to \$399,000	12.6	14.0	12.7	1.4	2.1	-1.3	-1.9
\$400,000 to \$499,999	6.3	9.4	9.9	3.0	8.1	0.5	1.1
\$500,000 to \$749,999	6.0	10.8	14.0	4.8	12.5	3.3	5.4
\$750,000 to \$999,999	2.3	4.7	7.3	2.4	15.2	2.6	9.3
\$1,000,000 and over	2.7	6.1	11.2	3.4	17.5	5.1	12.9

75+ Household Wealth	Households			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
All households	8,517	9,438	10,440	920	2.1	1,002	2.0
Less than \$25,000	1,196	1,169	1,160	-27	-0.4	-9	-0.2
\$25,000 to \$49,999	360	382	387	23	1.2	5	0.3
\$50,000 to \$74,999	492	487	501	-6	-0.2	14	0.6
\$75,000 to \$99,999	457	431	445	-26	-1.2	14	0.6
\$100,000 to \$149,999	768	779	827	10	0.3	48	1.2
\$150,000 to \$249,999	1,223	1,272	1,386	48	0.8	114	1.7
\$250,000 to \$499,999	1,756	1,970	2,193	214	2.3	223	2.2
\$500,000 to \$749,999	640	834	958	193	5.4	124	2.8
\$750,000 to \$999,999	346	417	491	72	3.8	73	3.3
\$1,000,000 and over	1,279	1,697	2,092	418	5.8	395	4.3
Median Net Worth**	\$230,566	\$275,266	\$308,562	\$44,700	3.6	\$33,297	2.3
Mean Net Worth**	\$756,947	\$874,790	\$965,866	\$117,843	2.9	\$91,076	2.0

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Home Value and Wealth - All Households

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Home Value	Owner-occupied units			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
Total Owner Units	31,128	32,658	33,695	1,530	1.0	1,037	0.6
Less than \$50,000	3,454	2,389	1,759	-1,065	-7.1	-630	-5.9
\$50,000 to \$99,999	4,424	3,467	2,929	-957	-4.8	-538	-3.3
\$100,000 to \$149,999	3,454	3,546	2,889	92	0.5	-657	-4.0
\$150,000 to \$199,999	3,745	3,021	2,741	-723	-4.2	-280	-1.9
\$200,000 to \$249,999	3,215	2,789	2,468	-427	-2.8	-321	-2.4
\$250,000 to \$299,000	3,083	2,582	2,310	-502	-3.5	-272	-2.2
\$300,000 to \$399,000	3,775	4,246	3,988	471	2.4	-258	-1.2
\$400,000 to \$499,999	2,237	3,163	3,325	926	7.2	162	1.0
\$500,000 to \$749,999	1,941	3,528	4,588	1,587	12.7	1,060	5.4
\$750,000 to \$999,999	842	1,694	2,583	852	15.0	889	8.8
\$1,000,000 and over	958	2,234	4,115	1,276	18.4	1,881	13.0
Median Value**	\$207,582	\$271,635	\$343,934	\$64,054	5.5	\$72,299	4.8
Mean Value**	\$291,954	\$405,817	\$526,102	\$113,863	6.8	\$120,285	5.3
By Percentage of Total							
Less than \$50,000	11.1	7.3	5.2	-3.8	-8.0	-2.1	-6.5
\$50,000 to \$99,999	14.2	10.6	8.7	-3.6	-5.7	-1.9	-3.9
\$100,000 to \$149,999	11.1	10.9	8.6	-0.2	-0.4	-2.3	-4.6
\$150,000 to \$199,999	12.0	9.3	8.1	-2.8	-5.1	-1.1	-2.5
\$200,000 to \$249,999	10.3	8.5	7.3	-1.8	-3.7	-1.2	-3.0
\$250,000 to \$299,000	9.9	7.9	6.9	-2.0	-4.4	-1.0	-2.8
\$300,000 to \$399,000	12.1	13.0	11.8	0.9	1.4	-1.2	-1.9
\$400,000 to \$499,999	7.2	9.7	9.9	2.5	6.1	0.2	0.4
\$500,000 to \$749,999	6.2	10.8	13.6	4.6	11.6	2.8	4.7
\$750,000 to \$999,999	2.7	5.2	7.7	2.5	13.9	2.5	8.1
\$1,000,000 and over	3.1	6.8	12.2	3.8	17.3	5.4	12.3

All Households Household Wealth	Households			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
All households	42,900	44,891	46,299	1,991	0.9	1,408	0.6
Less than \$25,000	10,594	9,766	9,029	-828	-1.6	-737	-1.6
\$25,000 to \$49,999	2,720	2,901	2,810	181	1.3	-91	-0.6
\$50,000 to \$74,999	2,697	2,563	2,513	-135	-1.0	-49	-0.4
\$75,000 to \$99,999	2,254	2,252	2,241	-2	-0.0	-11	-0.1
\$100,000 to \$149,999	3,387	3,561	3,602	173	1.0	41	0.2
\$150,000 to \$249,999	4,958	5,133	5,291	175	0.7	158	0.6
\$250,000 to \$499,999	6,527	7,006	7,391	479	1.4	386	1.1
\$500,000 to \$749,999	2,786	3,196	3,477	409	2.8	281	1.7
\$750,000 to \$999,999	1,696	1,927	2,146	231	2.6	219	2.2
\$1,000,000 and over	5,279	6,588	7,798	1,309	4.5	1,210	3.4
Median Net Worth**	\$147,001	\$177,343	\$205,826	\$30,342	3.8	\$28,483	3.0
Mean Net Worth**	\$664,601	\$769,104	\$874,315	\$104,503	3.0	\$105,210	2.6

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Population Age 65+ by Race and Hispanic Origin

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Population	Market Area Population			Change 2019 - 2024		Change 2024 - 2029	
	2019	2024	2029	Number	*CAGR%	Number	*CAGR%
American Indian/Alaska Native Population	948	973	993	25	0.5	20	0.4
American Indian/Alaska Native Age 65 - 69	51	54	53	3	1.1	-1	-0.2
American Indian/Alaska Native Age 70 - 74	27	30	31	3	1.8	2	1.1
American Indian/Alaska Native Age 75 - 79	25	28	31	3	2.6	3	1.8
American Indian/Alaska Native Age 80-84	15	17	19	2	2.7	2	2.6
American Indian/Alaska Native Age 85 and older	13	13	14	0	0.4	1	2.0
Median American Indian/Alaska Native Age	36.8	37.2	37.5				
Asian Population	594	612	627	18	0.6	16	0.5
Asian Age 65 - 69	12	13	13	1	1.0	0	0.1
Asian Age 70 - 74	19	22	23	3	2.6	2	1.4
Asian Age 75 - 79	7	7	8	1	2.2	1	1.5
Asian Age 80-84	6	6	7	1	2.4	1	2.6
Asian Age 85 and older	1	1	1	0	1.6	0	2.7
Median Asian Age	36.4	36.7	37.0				
Black Population	1,369	1,395	1,423	27	0.4	28	0.4
Black Age 65 - 69	58	61	59	3	1.0	-1	-0.4
Black Age 70 - 74	43	50	54	6	2.8	4	1.5
Black Age 75 - 79	27	31	35	4	2.8	4	2.2
Black Age 80-84	22	25	27	2	1.8	3	2.3
Black Age 85 and older	16	17	18	1	0.8	2	1.9
Median Black Age	31.6	32.7	33.4				
Native Hawaiian/Other Pacific Islander Population	66	68	69	2	0.6	1	0.4
Native Hawaiian/Other Pacific Islander Age 65 - 69	2	3	3	0	2.4	0	1.2
Native Hawaiian/Other Pacific Islander Age 70 - 74	5	5	5	0	1.5	0	0.2
Native Hawaiian/Other Pacific Islander Age 75 - 79	0	0	0	0	2.5	0	1.2
Native Hawaiian/Other Pacific Islander Age 80-84	0	0	0	0	2.8	0	2.3
Native Hawaiian/Other Pacific Islander Age 85 and older	0	0	0	0	0.6	0	2.5
Median Native Hawaiian/Other Pacific Islander Age	40.3	40.1	36.5				
White Population	98,330	101,593	104,167	3,263	0.7	2,575	0.5
White Age 65 - 69	7,697	8,119	8,007	423	1.1	-112	-0.3
White Age 70 - 74	7,255	8,049	8,451	794	2.1	402	1.0
White Age 75 - 79	5,459	6,174	6,720	715	2.5	545	1.7
White Age 80-84	3,667	4,136	4,664	469	2.4	528	2.4
White Age 85 and older	3,305	3,446	3,838	141	0.8	392	2.2
Median White Age	48.3	48.7	48.7				
Hispanic Population	25,888	26,380	26,878	491	0.4	498	0.4
Hispanic Age 65 - 69	894	938	924	44	1.0	-14	-0.3
Hispanic Age 70 - 74	689	771	817	82	2.3	46	1.2
Hispanic Age 75 - 79	476	543	593	67	2.7	50	1.8
Hispanic Age 80-84	299	348	394	49	3.1	46	2.5
Hispanic Age 85 and older	210	208	228	-2	-0.1	20	1.8
Median Hispanic Age	28.7	29.4	29.7				

Eagles Nest PMA

Junction TX

2019 2024 2029
historical current projection

Market Area Geography

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County	Place	Zip Code
Mason County		76820
McCulloch County	Brady, TX	76825
Llano County		76831
Concho County	Eden, TX	76837
Menard County		76841
San Saba County		76842
Menard County		76848
Kimble County	Junction, TX	76849
Kimble County		76854
Mason County	Mason, TX	76856
Concho County	Melvin, TX	76858
Menard County	Menard, TX	76859
Mason County		76869
Kimble County		76874
McCulloch County		76887
Schleicher County	Eldorado, TX	76936
Sutton County	Sonora, TX	76950
Kerr County		78024
Kerr County	Ingram, TX	78025
Kerr County	Kerrville, TX	78028
Bandera County		78055
Kerr County		78058
Gillespie County		78618
Gillespie County	Fredericksburg, TX	78624
Gillespie County	Harper, TX	78631
Edwards County		78828
Edwards County	Camp Wood, TX	78833
Real County	Leakey, TX	78873
Real County		78879
Edwards County	Rocksprings, TX	78880
Bandera County		78885



APPENDIX 3

Thematic Map Report



Turning mature market data into management decisions™

Thematic Map Report
Eagles Nest PMA and Surrounding Vicinity


ZIP Code	City	County	2026 Age 75+ HHs w/Inc. \$50K+	Rank	ZIP Code	City	County	2026 Age 45-64 HHs w/Inc. \$125K+	Rank
78028	Kerrville	Kerr	2,161	1	78250	San Antonio	Bexar	4,934	1
78209	San Antonio	Bexar	1,950	2	78132	Canyon Lake	Comal	4,515	2
78230	San Antonio	Bexar	1,947	3	78247	San Antonio	Bexar	4,373	3
78132	Canyon Lake	Comal	1,486	4	78258	San Antonio	Bexar	4,002	4
76904	San Angelo	Tom Green	1,284	5	78251	San Antonio	Bexar	3,952	5
78232	San Antonio	Bexar	1,263	6	78254	San Antonio	Bexar	3,830	6
78676	Wimberley	Hays	1,178	7	78260	Timberwood Park	Bexar	3,650	7
78213	San Antonio	Bexar	1,149	8	78023	San Antonio	Bexar	3,393	8
78216	San Antonio	Bexar	1,146	9	78209	San Antonio	Bexar	3,206	9
78228	San Antonio	Bexar	1,129	10	78232	San Antonio	Bexar	3,023	10
78624	Fredericksburg	Gillespie	1,098	11	78259	San Antonio	Bexar	2,972	11
78240	San Antonio	Bexar	1,078	12	78253	San Antonio	Bexar	2,947	12
78133	Canyon Lake	Comal	1,045	13	78249	San Antonio	Bexar	2,873	13
78006	Boerne	Kendall	1,016	14	78230	San Antonio	Bexar	2,790	14
78247	San Antonio	Bexar	963	15	78109	Converse	Bexar	2,571	15
78258	San Antonio	Bexar	947	16	78233	San Antonio	Bexar	2,423	16
78239	Windcrest	Bexar	913	17	78070	Canyon Lake	Comal	2,229	17
78233	San Antonio	Bexar	908	18	78216	San Antonio	Bexar	2,108	18
76901	Grape Creek	Tom Green	898	19	78240	San Antonio	Bexar	2,089	19
78250	San Antonio	Bexar	892	20	78133	Canyon Lake	Comal	2,080	20
78217	San Antonio	Bexar	876	21	78006	Boerne	Kendall	1,970	21
76903	San Angelo	Tom Green	837	22	76904	San Angelo	Tom Green	1,956	22
78654	Marble Falls	Burnet	783	23	78028	Kerrville	Kerr	1,907	23
78201	San Antonio	Bexar	749	24	78261	Bulverde	Bexar	1,836	24
78840	Del Rio	Val Verde	739	25	78676	Wimberley	Hays	1,813	25
78249	San Antonio	Bexar	730	26	78257	San Antonio	Bexar	1,798	26
78238	San Antonio	Bexar	685	27	78163	Bulverde	Comal	1,766	27
78657	Horseshoe Bay	Llano	670	28	78244	San Antonio	Bexar	1,761	28
78212	San Antonio	Bexar	646	29	78217	San Antonio	Bexar	1,664	29
78070	Canyon Lake	Comal	608	30	78255	Cross Mountain	Bexar	1,633	30
78218	San Antonio	Bexar	580	31	76901	Grape Creek	Tom Green	1,597	31
78254	San Antonio	Bexar	572	32	78213	San Antonio	Bexar	1,544	32
78148	Universal City	Bexar	556	33	78239	Windcrest	Bexar	1,456	33
78257	San Antonio	Bexar	546	34	78228	San Antonio	Bexar	1,424	34
78163	Bulverde	Comal	530	35	78248	San Antonio	Bexar	1,251	35
78229	San Antonio	Bexar	528	36	78212	San Antonio	Bexar	1,163	36
78251	San Antonio	Bexar	517	37	78840	Del Rio	Val Verde	1,154	37
78260	Timberwood Park	Bexar	517	37	78238	San Antonio	Bexar	1,096	38
78253	San Antonio	Bexar	514	38	78201	San Antonio	Bexar	1,091	39
78259	San Antonio	Bexar	497	39	76903	San Angelo	Tom Green	1,069	40
78023	San Antonio	Bexar	495	40	78148	Universal City	Bexar	1,023	41
78109	Converse	Bexar	459	41	78624	Fredericksburg	Gillespie	999	42
78003	Lake Medina Shores	Bandera	400	42	78266	Garden Ridge	Comal	939	43
78611	Burnet	Burnet	399	43	78218	San Antonio	Bexar	929	44
78231	Shavano Park	Bexar	397	44	78229	San Antonio	Bexar	884	45
78248	San Antonio	Bexar	372	45	78231	Shavano Park	Bexar	869	46
78063	Lakehills	Bandera	367	46	78154	Schertz	Bexar	776	47
78255	Cross Mountain	Bexar	355	47	78654	Marble Falls	Burnet	724	48
76550	Lampasas	Lampasas	354	48	78256	San Antonio	Bexar	669	49
78861	Hondo	Medina	339	49	78611	Burnet	Burnet	587	50
78801	Uvalde	Uvalde	333	50	76905	San Angelo	Tom Green	498	51
78639	Kingsland	Llano	312	51	78801	Uvalde	Uvalde	497	52
78025	Ingram	Kerr	264	52	78063	Lakehills	Bandera	492	53
78643	Llano	Llano	256	53	76550	Lampasas	Lampasas	432	54
76905	San Angelo	Tom Green	246	54	78003	Lake Medina Shores	Bandera	412	55
78636	Johnson City	Blanco	225	55	78861	Hondo	Medina	391	56
78266	Garden Ridge	Comal	217	56	78015	Fair Oaks Ranch	Kendall	330	57
76825	Brady	McCulloch	206	57	78606	Blanco	Blanco	313	58
78244	San Antonio	Bexar	201	58	78636	Johnson City	Blanco	293	59
78154	Schertz	Bexar	194	59	78657	Horseshoe Bay	Llano	276	60
78015	Fair Oaks Ranch	Kendall	176	60	78013	Comfort	Kendall	248	61
76856	Mason	Mason	170	61	78004	Bergheim	Kendall	246	62
78606	Blanco	Blanco	168	62	78639	Kingsland	Llano	246	62
78261	Bulverde	Bexar	166	63	76825	Brady	McCulloch	223	63
78013	Comfort	Kendall	165	64	78010	Center Point	Kerr	206	64
76849	Junction	Kimble	143	65	78643	Llano	Llano	197	65
76844	Goldthwaite	Mills	127	66	78025	Ingram	Kerr	186	66
76877	San Saba	San Saba	126	67	78056	San Antonio	Medina	162	67
78010	Center Point	Kerr	112	68	78066	Rio Medina	Medina	154	68
78631	Harper	Gillespie	97	69	76844	Goldthwaite	Mills	148	69
78256	San Antonio	Bexar	96	70	76856	Mason	Mason	125	70

Thematic Map Report
Eagles Nest PMA and Surrounding Vicinity

ZIP Code	City	County	2026 Age 75+ HHs w/Inc. \$50K+	Rank	ZIP Code	City	County	2026 Age 45-64 HHs w/Inc. \$125K+	Rank
78058	Mountain Home	Kerr	90	71	76849	Junction	Kimble	108	71
76950	Sonora	Sutton	88	72	76950	Sonora	Sutton	107	72
76837	Eden	Concho	86	73	76877	San Saba	San Saba	106	73
78004	Bergheim	Kendall	86	73	76878	Santa Anna	Coleman	90	74
78609	Buchanan Dam	Llano	83	74	78631	Harper	Gillespie	77	75
78832	Brackettville	Kinney	81	75	76943	Ozona	Crockett	76	76
76853	Lometa	Lampasas	78	76	78609	Buchanan Dam	Llano	72	77
78055	Medina	Bandera	73	77	76936	Eldorado	Schleicher	69	78
76859	Menard	Menard	72	78	76837	Eden	Concho	64	79
76878	Santa Anna	Coleman	71	79	78058	Mountain Home	Kerr	63	80
78881	Sabinal	Uvalde	71	79	76853	Lometa	Lampasas	61	81
76936	Eldorado	Schleicher	69	80	76939	Knickerbocker	Tom Green	60	82
76943	Ozona	Crockett	61	81	78832	Brackettville	Kinney	57	83
78873	Leakey	Real	60	82	78881	Sabinal	Uvalde	50	84
78850	D'Hanis	Medina	58	83	76859	Menard	Menard	49	85
78024	Hunt	Kerr	57	84	78055	Medina	Bandera	49	85
78056	San Antonio	Medina	57	84	78024	Hunt	Kerr	48	86
76939	Knickerbocker	Tom Green	50	85	78873	Leakey	Real	48	86
78066	Rio Medina	Medina	50	85	78663	Round Mountain	Blanco	48	86
78880	Rocksprings	Edwards	47	86	78671	Stonewall	Gillespie	39	87
76864	Mullin	Mills	47	86	76941	Mertzon	Irion	37	88
78671	Stonewall	Gillespie	43	87	78672	Buchanan Lake Village	Llano	37	88
76871	Richland Springs	San Saba	38	88	76872	Rochelle	McCulloch	35	89
76941	Mertzon	Irion	38	88	78880	Rocksprings	Edwards	34	90
78663	Round Mountain	Blanco	38	88	78027	Kendalia	Kendall	34	90
78672	Buchanan Lake Village	Llano	37	89	76864	Mullin	Mills	33	91
78883	Tarpley	Bandera	34	90	76908	San Angelo	Tom Green	32	92
76872	Rochelle	McCulloch	32	91	78850	D'Hanis	Medina	31	93
78675	Willow City	Gillespie	31	92	76871	Richland Springs	San Saba	30	94
76832	Cherokee	San Saba	27	93	78675	Willow City	Gillespie	28	95
78027	Kendalia	Kendall	25	94	78883	Tarpley	Bandera	25	96
78618	Doss	Gillespie	23	95	76832	Cherokee	San Saba	22	97
76866	Paint Rock	Concho	22	96	78618	Doss	Gillespie	20	98
78884	Utopia	Uvalde	17	97	76866	Paint Rock	Concho	16	99
76854	London	Kimble	16	98	76937	Eola	Tom Green	15	100
78885	Vanderpool	Bandera	14	99	78635	Hye	Blanco	13	101
76831	Castell	Llano	12	100	76831	Castell	Llano	12	102
76908	San Angelo	Tom Green	12	100	76854	London	Kimble	12	102
76820	Art	Mason	11	101	76957	Wall	Tom Green	12	102
78635	Hye	Blanco	10	102	78884	Utopia	Uvalde	12	102
78607	Buchanan Dam	Llano	9	103	76940	Mereta	Tom Green	11	103
76845	Gouldbusk	Coleman	8	104	76820	Art	Mason	10	104
76852	Lohn	McCulloch	8	104	76845	Gouldbusk	Coleman	10	104
78838	Concan	Uvalde	8	104	78837	Comstock	Val Verde	10	104
76869	Pontotoc	Mason	7	105	78885	Vanderpool	Bandera	9	105
78879	Rio Frio	Real	7	105	76852	Lohn	McCulloch	9	105
76885	Valley Spring	Llano	7	105	78607	Buchanan Dam	Llano	9	105
78029	Kerrville	Kerr	7	105	76885	Valley Spring	Llano	8	106
78837	Comstock	Val Verde	7	105	78838	Concan	Uvalde	8	106
76874	Roosevelt	Kimble	6	106	76869	Pontotoc	Mason	6	107
76887	Voca	McCulloch	6	106	78879	Rio Frio	Real	5	108
76937	Eola	Tom Green	6	106	76955	Vancourt	Tom Green	5	108
78833	Camp Wood	Edwards	5	107	78029	Kerrville	Kerr	5	108
76957	Wall	Tom Green	5	107	76874	Roosevelt	Kimble	4	109
76842	Fredonia	San Saba	4	108	76887	Voca	McCulloch	4	109
76930	Barnhart	Irion	4	108	78833	Camp Wood	Edwards	4	109
76940	Mereta	Tom Green	4	108	76930	Barnhart	Irion	4	109
76841	Fort McKavett	Menard	3	109	76842	Fredonia	San Saba	3	110
76848	Hext	Menard	3	109	76841	Fort McKavett	Menard	2	111
78828	Barksdale	Edwards	3	109	76848	Hext	Menard	2	111
76862	Millersview	Concho	3	109	78828	Barksdale	Edwards	2	111
76824	Bend	San Saba	2	110	76836	Doole	McCulloch	2	111
76836	Doole	McCulloch	2	110	76862	Millersview	Concho	2	111
76935	Christoval	Schleicher	2	110	76935	Christoval	Schleicher	2	111
76955	Vancourt	Tom Green	2	110	76858	Melvin	Concho	1	112
76858	Melvin	Concho	1	111	76824	Bend	San Saba	1	112

Market area geography appears in bold. Community campus/project site ZIP Code appears in bold italics.

Source: PMD Advisory Services, LLC and StratoDem Analytics, June 2024



APPENDIX 4

Assisted Living and Assisted Living Memory Care Spend Down Tables



Turning mature market data into management decisions™

Eagles Nest PMA Assisted Living Spend Down Analysis

Typical Owner Household Resident Spend Down Profile

Month	Actual AL Monthly Fee	Medical & Other Personal Costs	Total Monthly Cost	Monthly Income	Monthly Short Fall	Accum Assets Required to be Drawn	Age 75+ Median Net Worth	Interest Proceeds
							<u>\$288,584</u>	<u>1.0%</u>
1	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$4,052	\$284,532	\$237
2	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$8,105	\$280,717	\$234
3	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$12,157	\$276,898	\$231
4	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$16,209	\$273,077	\$228
5	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$20,262	\$269,252	\$224
6	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$24,314	\$265,424	\$221
7	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$28,366	\$261,593	\$218
8	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$32,419	\$257,759	\$215
9	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$36,471	\$253,921	\$212
10	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$40,523	\$250,080	\$208
11	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$44,576	\$246,236	\$205
12	\$5,969	\$1,000	\$6,969	\$2,917	\$4,052	\$48,628	\$242,389	\$202
13	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$52,927	\$238,293	\$199
14	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$57,225	\$234,192	\$195
15	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$61,524	\$230,089	\$192
16	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$65,823	\$225,982	\$188
17	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$70,122	\$221,872	\$185
18	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$74,420	\$217,758	\$181
19	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$78,719	\$213,641	\$178
20	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$83,018	\$209,520	\$175
21	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$87,316	\$205,396	\$171
22	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$91,615	\$201,268	\$168
23	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$95,914	\$197,137	\$164
24	\$6,267	\$1,050	\$7,317	\$3,019	\$4,299	\$100,212	\$193,003	\$161
25	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$104,771	\$188,605	\$157
26	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$109,330	\$184,203	\$154
27	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$113,889	\$179,798	\$150
28	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$118,448	\$175,389	\$146
29	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$123,007	\$170,976	\$142
30	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$127,566	\$166,559	\$139
31	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$132,125	\$162,139	\$135
32	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$136,684	\$157,715	\$131
33	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$141,243	\$153,288	\$128
34	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$145,802	\$148,857	\$124
35	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$150,360	\$144,422	\$120
36	\$6,581	\$1,103	\$7,683	\$3,124	\$4,559	\$154,919	\$139,983	\$117
37	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$159,753	\$135,266	\$113
38	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$164,587	\$130,545	\$109
39	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$169,421	\$125,820	\$105
40	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$174,254	\$121,091	\$101
41	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$179,088	\$116,359	\$97
42	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$183,922	\$111,622	\$93
43	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$188,755	\$106,881	\$89
44	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$193,589	\$102,136	\$85
45	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$198,423	\$97,388	\$81
46	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$203,257	\$92,635	\$77
47	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$208,090	\$87,879	\$73
48	\$6,910	\$1,158	\$8,067	\$3,234	\$4,834	\$212,924	\$83,118	\$69
49	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$218,048	\$78,064	\$65
50	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$223,172	\$73,005	\$61
51	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$228,296	\$67,942	\$57
52	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$233,420	\$62,874	\$52
53	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$238,544	\$57,803	\$48
54	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$243,668	\$52,727	\$44
55	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$248,792	\$47,647	\$40
56	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$253,916	\$42,563	\$35
57	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$259,039	\$37,474	\$31
58	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$264,163	\$32,382	\$27
59	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$269,287	\$27,285	\$23
60	\$7,255	\$1,216	\$8,471	\$3,347	\$5,124	\$274,411	\$22,184	\$18

Spend Down Model Inputs	
5.00%	Annual Monthly Fee and Personal Expense Increase
\$35,000	Annual Household Income Minimum Threshold
3.50%	Annual Income Increase

Note: The State of Seniors Housing 2023 report states the average length of stay in assisted living at 25.7 months.



Eagles Nest PMA Assisted Living Memory Care Spend Down Analysis

Typical Owner Household Resident Spend Down Profile

Month	Actual DC Monthly Fee	Medical & Other Personal Costs	Total Monthly Cost	Monthly Income	Monthly Short Fall	Accum Assets Required to be Drawn	Age 75+ Median Net Worth	Interest Proceeds
							<u>\$288,584</u>	<u>1.0%</u>
1	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$4,109	\$284,475	\$237
2	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$8,218	\$280,603	\$234
3	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$12,327	\$276,728	\$231
4	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$16,436	\$272,850	\$227
5	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$20,545	\$268,968	\$224
6	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$24,654	\$265,083	\$221
7	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$28,763	\$261,195	\$218
8	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$32,872	\$257,304	\$214
9	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$36,981	\$253,409	\$211
10	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$41,090	\$249,512	\$208
11	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$45,199	\$245,611	\$205
12	\$6,859	\$1,000	\$7,859	\$3,750	\$4,109	\$49,308	\$241,706	\$201
13	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$53,679	\$237,537	\$198
14	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$58,049	\$233,364	\$194
15	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$62,420	\$229,188	\$191
16	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$66,791	\$225,008	\$188
17	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$71,162	\$220,825	\$184
18	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$75,532	\$216,638	\$181
19	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$79,903	\$212,448	\$177
20	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$84,274	\$208,255	\$174
21	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$88,644	\$204,057	\$170
22	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$93,015	\$199,857	\$167
23	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$97,386	\$195,653	\$163
24	\$7,202	\$1,050	\$8,252	\$3,881	\$4,371	\$101,756	\$191,445	\$160
25	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$106,404	\$186,957	\$156
26	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$111,051	\$182,465	\$152
27	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$115,699	\$177,970	\$148
28	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$120,346	\$173,471	\$145
29	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$124,994	\$168,968	\$141
30	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$129,641	\$164,461	\$137
31	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$134,289	\$159,951	\$133
32	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$138,936	\$155,437	\$130
33	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$143,583	\$150,919	\$126
34	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$148,231	\$146,397	\$122
35	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$152,878	\$141,872	\$118
36	\$7,562	\$1,103	\$8,665	\$4,017	\$4,647	\$157,526	\$137,342	\$114
37	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$162,466	\$132,517	\$110
38	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$167,406	\$127,687	\$106
39	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$172,346	\$122,853	\$102
40	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$177,286	\$118,016	\$98
41	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$182,226	\$113,174	\$94
42	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$187,166	\$108,328	\$90
43	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$192,106	\$103,478	\$86
44	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$197,047	\$98,625	\$82
45	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$201,987	\$93,767	\$78
46	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$206,927	\$88,905	\$74
47	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$211,867	\$84,039	\$70
48	\$7,940	\$1,158	\$9,098	\$4,158	\$4,940	\$216,807	\$79,169	\$66
49	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$222,056	\$73,985	\$62
50	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$227,306	\$68,797	\$57
51	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$232,555	\$63,605	\$53
52	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$237,805	\$58,409	\$49
53	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$243,054	\$53,208	\$44
54	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$248,304	\$48,003	\$40
55	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$253,553	\$42,793	\$36
56	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$258,802	\$37,580	\$31
57	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$264,052	\$32,362	\$27
58	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$269,301	\$27,139	\$23
59	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$274,551	\$21,912	\$18
60	\$8,337	\$1,216	\$9,553	\$4,303	\$5,249	\$279,800	\$16,681	\$14

Spend Down Model Inputs	
5.00%	Annual Monthly Fee and Personal Expense Increase
\$45,000	Annual Household Income Minimum Threshold
3.50%	Annual Income Increase

Note: The State of Seniors Housing 2023 report states the average length of stay in assisted living memory care at 18 months.





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