## SENIOR HOUSING:

#### WHAT'S FOR LUNCH - ALPHABET SOUP??

MAAO 2019 Fall Conference October 1, 2019

#### **PRESENTERS**

- Dan Blonigen SAMA, City of Bloomington
- Matt Gersemehl SAMA, City of Bloomington
- Brad Moore MAI, Nicollet Partners
  - 952-452-2232

#### SEMINAR OBJECTIVES

- Define and describe the types of Senior Housing Facilities
- Emerging trends in Senior Housing
- Valuation Issues and MN Statutory Requirements

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- We encourage attendees to review the specific statues, regulations and other interpretive materials for a full and accurate statement of their contents.
- No people or animals were harmed in the making of this presentation.

### ALPHABET SOUP MATH

- AL>IL = AL ?
- IL>AL = IL ?
- IL + AL + MC + SNF = CCRC?
- $RCN = V_o$ ?
- $E = MC^2$  (I am not going to question this equation)







Photo Courtesy of Brookdale Senior Living

#### **Classifications for Seniors Housing Property Types**

These classifications have been endorsed by the following organizations: American Association of Homes & Services for the Aging (AAHSA); American Health Care Association (AHCA); American Seniors Housing Association (ASHA); Assisted Living Federation of America (ALFA); National Center for Assisted Living (NCAL); and the National Investment Center for the Seniors Housing & Care Industry, Inc. (NIC).

Active Adult Communities: For-sale single-family homes, townhomes, cluster homes, mobile homes and condominiums with no specialized services, restricted to adults at least 55 years of age or older. Rental housing is not included in this category. Residents generally lead an independent lifestyle; projects are not equipped to provide increased care as the individual ages. May include amenities such as clubhouse, golf course and recreational spaces. Outdoor maintenance is normally included in the monthly homeowner's association or condominium fee.

Senior Apartments: Multifamily residential rental properties restricted to adults at least 55 years of age or older. These properties do not have central kitchen facilities and generally do not provide meals to residents, but may offer community rooms, social activities, and other amenities.

Independent Living Communities: Age-restricted multifamily rental properties with central dining facilities that provide residents, as part of their monthly fee, access to meals and other services such as housekeeping, linen service, transportation, and social and recreational activities. Such properties do not provide, in a majority of the units, assistance with activities of daily living (ADLs) such as supervision of medication, bathing, dressing, toileting, etc. There are no licensed skilled nursing beds in the property.

Assisted Living Residences: State regulated rental properties that provide the same services as independent living communities listed above, but also provide, in a majority of the units, supportive care from trained employees to residents who are unable to live independently and require assistance with activities of daily living (ADLs) including management of medications, bathing, dressing, toileting, ambulating and eating. These properties may have some nursing beds, but the majority of units are licensed for assisted living. Many of these properties include wings or floors dedicated to residents with Alzheimer's or other forms of dementia. A property that specializes in the care of residents with Alzheimer's or other forms of dementia that is not a licensed nursing facility should be considered an assisted living property.

Nursing Homes: Licensed daily rate or rental properties that are technically referred to as skilled nursing facilities (SNF) or nursing facilities (NF) where the majority of individuals require 24-hour nursing and/or medical care. In most cases, these properties are licensed for Medicaid and/or Medicare reimbursement. These properties may include a minority of assisted living and/or Alzheimer's/dementia units.

CCRCs: Age-restricted properties that include a combination of independent living, assisted living and skilled nursing services (or independent living and skilled nursing) available to residents all on one campus. Resident payment plans vary and include entrance fee, condo/coop and rental programs. The majority of the units are not licensed skilled nursing beds.

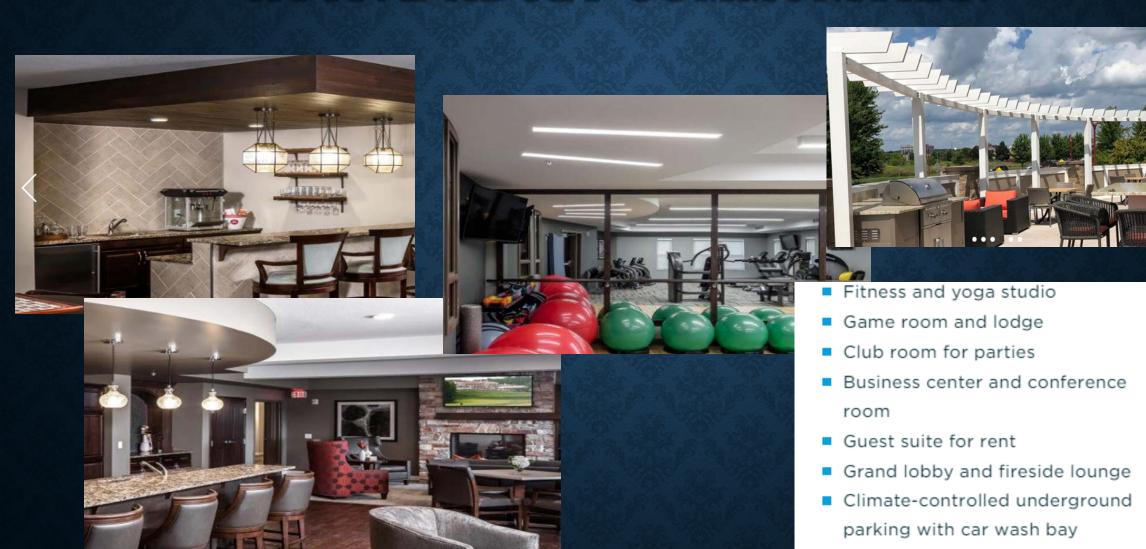
### **ACTIVE ADULT COMMUNITIES:**

 For-sale single-family homes, townhomes, cluster homes, mobile homes and condominiums with no specialized services, restricted to adults at least 55 years of age or older. - <u>Includes Cooperatives</u>

 Rental housing is not included in this category. Residents generally lead an independent lifestyle; projects are not equipped to provide increased care as the individual ages.

May include amenities such as clubhouse, golf course and recreational spaces.
 Outdoor maintenance is normally included in the monthly homeowner's association or condominium fee.

### ACTIVE ADULT COMMUNITIES:



Maker's space for hobbies like wood

working or crafts









# ACTIVE ADULT COMMUNITIES

WHICH ONE IS THE FAKE?

### AGE-RESTRICTED / SENIOR APARTMENTS:

 Multifamily residential rental properties restricted to adults at least 55 years of age or older.

 These properties do not have central kitchen facilities and generally do not provide meals to residents

• May offer community rooms, social activities, and other hospitality amenities.









# AGE-RESTRICTED / SENIOR APARTMENTS









### INDEPENDENT LIVING COMMUNITIES:

- Age-restricted multifamily rental properties with central dining facilities that provide residents, as part of their monthly fee.
- Access to meals and other hospitality services such as housekeeping, linen service, transportation, and social and recreational activities.
- Such properties do not provide, in a majority of the units, assistance with activities of daily living (ADLs) such as supervision of medication, bathing, dressing, toileting, etc.
- There are no licensed skilled nursing beds in the property.



## INDEPENDENT LIVING COMMUNITIES:







#### ASSISTED LIVING RESIDENCES:

- State regulated rental properties that provide the same services as independent living communities, but also provide, in a majority of the units, supportive care from trained employees to residents who are unable to live independently and require assistance with activities of daily living (ADLs) including management of medications, bathing, dressing, toileting, ambulating and eating.
- These properties may have some nursing beds, but the <u>majority of units are licensed</u> for <u>assisted living</u>. They include wings or floors dedicated to residents with Alzheimer's or other forms of dementia.

 A property that specializes in the care of residents with Alzheimer's or other forms of dementia that is not a licensed nursing facility should be considered an assisted living property.





# ASSISTED LIVING RESIDENCES:

- **❖**Unit Size
- **❖**Bathrooms
- **❖**Kitchens

#### ASSISTED LIVING RESIDENCES:

- Half Bathroom
- ❖ Jack and Jill Bathroom
- Community Dining Area
  - Kitchenette in Unit







- Licensed daily rate or rental properties that are technically referred to as skilled nursing facilities (SNF) or nursing facilities (NF) where the majority of individuals require 24-hour nursing and/or medical care.
- In most cases, these properties are licensed for Medicaid and/or Medicare reimbursement.
  - https://www.health.state.mn.us/facilities/regulation/directory/providerselect.html
- These properties may include a minority of assisted living and/or Alzheimer's/dementia units.

#### Health Regulation -Facilities and Professions

Facility Certification, Regulation and Licensing

Facility Manager Resources

Choosing a Facility

Find a Provider

Verify a Facility License or Professional Credential

File a Complaint

View Facility and Provider Complaint and Survey Findings

Resident and Provider Resources

Reports

About Health Regulation Division

#### **Related Sites**

Health Care Facilities, Providers and Insurance

#### Health Care Provider Directory

3 Steps to locating Minnesota's licensed, registered or certified health care providers.

Stop 1) Soloct a provider type	Nursing Homos		
Step 1) Select a provider type: Step 2) Complete one of the 4		elow.	
1)   By County	Which County:	Hennepin V	
	•	пеннерні	
2) O By City	Which City:		
3) O By Provider Name	Which Provider:		
4) O Select All	May produce a larg	e output list.	
Step 3) Submit your selection:	Submit Reset		

HOME

#### Health Regulation -Facilities and Professions

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#### **Related Sites**

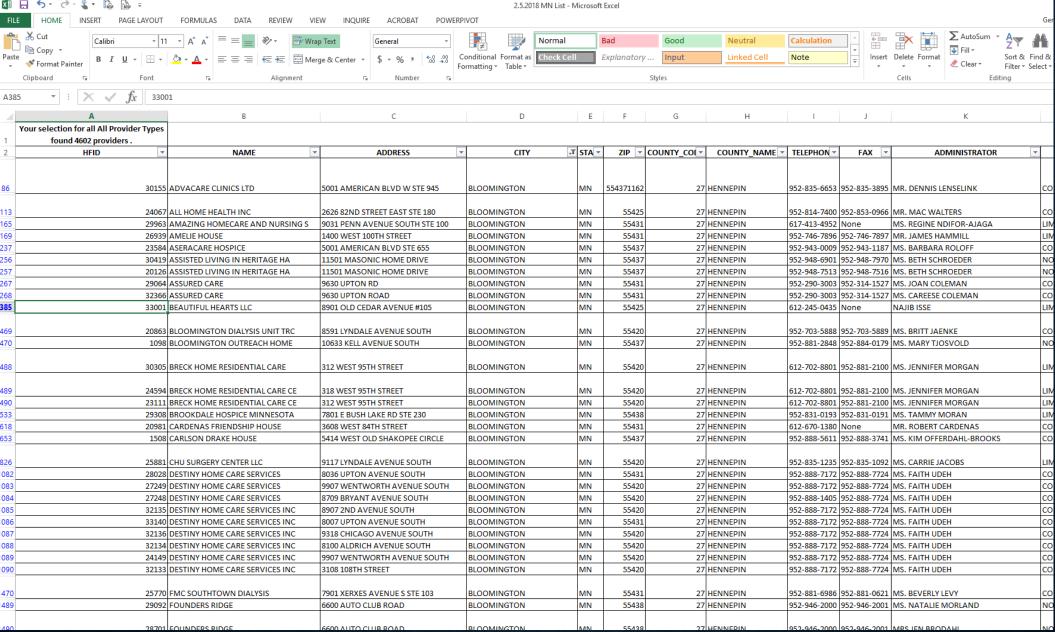
Health Care Facilities, Providers and Insurance

#### | Health Regulation - Facilities and Providers | Re-select Providers |

Your selection of Nursing Homes found 53 providers in HENNEPIN county.

#### Download a data file of this provider list (Excel file)

ID	Provider Information
00727	Name: AUGUSTANA CHAPEL VIEW CARE CTR
	Address: 615 MINNETONKA MILLS ROAD
	HOPKINS, MN 55343
	Phone: 952-938-2761  Fax: 952-938-4092
	Administrator: MS. PAULA SPARLING
	Minnesota Licensed Bed Capacity: (Nursing Home Beds = 108)
	Federally Certified Beds: (Dual Medicare/Medicaid Skilled Nursing and
	Nursing Facility Beds = 108)
00164	Name: AUGUSTANA HCC OF MINNEAPOLIS
	Address: 1007 EAST 14TH STREET
	MINNEAPOLIS, MN 55404
	Phone: 612-238-5000 Fax: 612-238-5240
	Administrator: MR. STEVEN BAUKNER
	Minnesota Licensed Bed Capacity: (Nursing Home Beds = 250)
	Federally Certified Beds: (Dual Medicare/Medicaid Skilled Nursing and
	Nursing Facility Beds = 250)
31815	Name: AURORA ON FRANCE



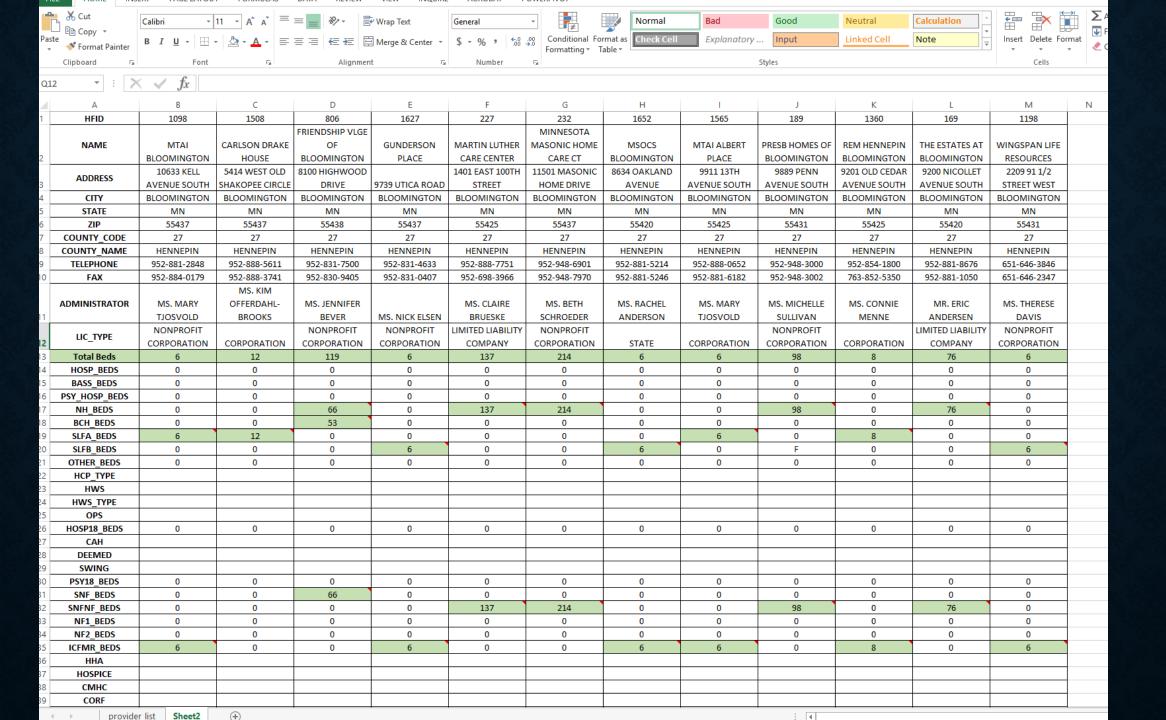


Exhibit 6.a Post-Acute Versus Long-Stay Care





Industry Bifurcation



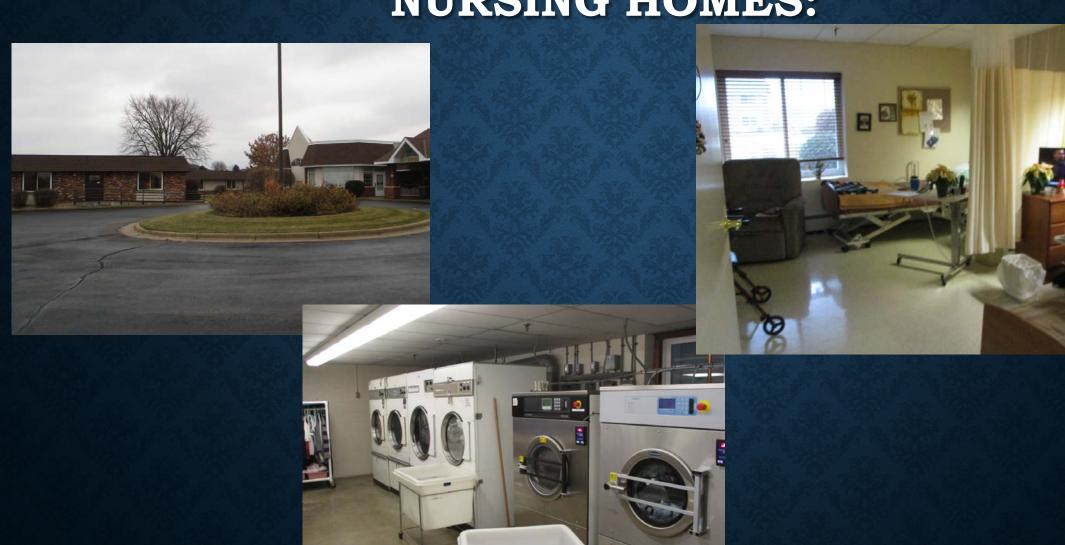
**Custodial/Long-Stay** 





- · Average length of stay: under 30 days
- Major joint replacement, severe infections, kidney/urinary tract infections
- Most residents discharged home with follow-up home healthcare

- · Average length of stay: 1 year+
- Frail residents with multiple conditions, often including dementia and incontinence
- Stay through end-of-life, many with hospice care in property, at home, or in specialized property





# CONTINUING CARE RETIREMENT COMMUNITIES (CCRCS)

• **CCRCs:** Age-restricted properties that include a combination of independent living, assisted living and skilled nursing services (or independent living and skilled nursing) available to residents all on one campus.

 Resident payment plans vary and include entrance fee, condo/coop and rental programs.

• The majority of the units are not licensed skilled nursing beds.

# CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

- "One-Stop-Shopping"
  - Multi-level care facilities that combine residential accommodations with health services.
  - The goal is to allow residents to receive the appropriate level of care across a continuum, from IL, AL to SNC as their health status changes and without having to move out of the retirement community.
  - Residents in independent or assisted living housing can move to the skilled nursing wing to receive short-term care following a serious illness or injury and then return to their room or apartment once they recover.

# CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

- CCRCs are sometimes called Life Care Communities, they aren't the same.
- Life care is actually a subset of continuing care available through one of three types of continuing care contracts.
  - Type A contracts provide extensive or full life care service.
  - Type B contracts provide modified or continuing care service.
  - Type C contracts are fee-for-service arrangements that provide continuing care service.
- Type A contracts are the most comprehensive and cover residential services, amenities and long-term nursing care without an increase in monthly fees.
- Type B and C contracts both cover residential services and amenities but limit nursing care with extra fees often required.

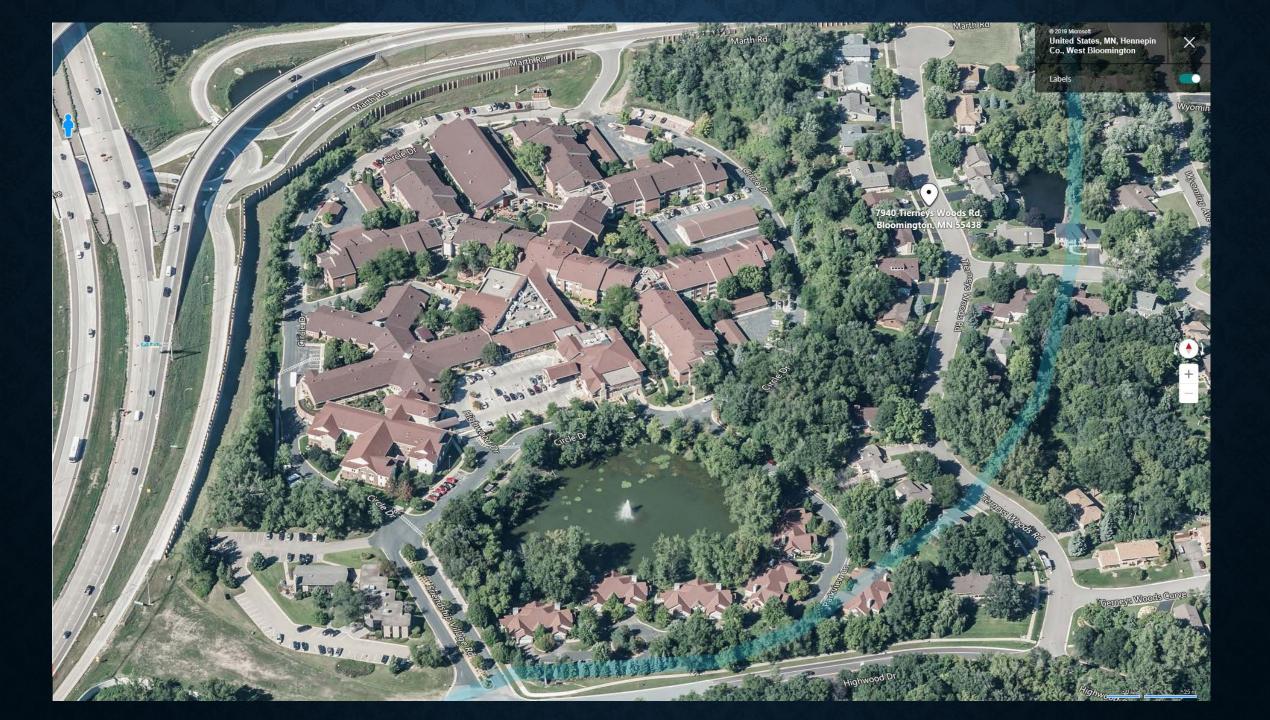
## CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

#### • Minnesota Statue Chapter 80D

- **Subd. 2.** "Continuing care" means the furnishing to an individual, other than an individual related by blood or marriage to the person furnishing the care, of board, lodging, and nursing service, medical service or other health-related service, regardless of whether or not the lodging and service are provided at the same location, pursuant to a written agreement effective for the life of the individual or for a period in excess of one year, which is conditioned upon the payment of an entrance fee in excess of \$100 and the payment of regular periodic charges for the care provided.
- Owned by a Corporation leased to individuals
- Homestead benefits apply 273.124 Subd. 5

# CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

- Life care communities are simply CCRCs operating under Type A contracts but with one distinct difference.
- Life care communities offers continuum of care to a resident for life, but residents
  who become financially unable to pay their monthly care fees are subsidized by the
  Non-Profit.
- Residents continue to receive the same access to services with no interruption in care
  or change in priority status. In other words, residents are guaranteed the same
  quality of care and access to care from day one through end of life, regardless of their
  personal financial situation.





THE OPPORTUNITY TO SECURE LIFE CARE EXPANDS IN THE BLOOMINGTON AREA.

### \$114.5 million expansion at Friendship Village

This exciting initiative is well underway and will soon transform the look of our campus. With new apartment homes available, it will soon be possible for more area seniors to choose our retirement community.

- 93 spacious 1- and 2-bedroom residential living apartments
- Floor plans from 788 sq. ft. to 2,226 sq. ft.
- . New health center with private and semiprivate assisted living and memory support suites
- · State-of-the-art physical and occupational therapy gym



### FRIENDSHIP VILLAGE OF BLOOMINGTON

#### • Today

- Independent Living 296 Apartments
- Independent Living Cottages 12 units
- Assisted Living 26 (Boarding Care\*)
- Long Term Skilled Nursing 52 Suites (66 beds\*)
- Short Term Skilled Nursing 0
- Memory Support 26 (Boarding Care\*)
- Total 412 Units

#### Proposed Expansion

- IL: +96 Apartments = 392 Apts
- ILC: No Change = 12 Units
- AL: (-26 BC) +42 Apts = 42
- LTSN: (-52 Suites/66 beds) + 48 Suites/50 beds = 48 Suites / 50 Beds
- STSN: + 16 Suites / 16 Beds
- MC/S: (-26 BC) + 32 Studios
- Total: (-52) 142 Units = 542 Units

# CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

- Presbyterian Homes of Bloomington
  - IL 101 Units
  - AL 131 Units
  - MC 18 Units
  - SN- 80 Units / 98 Beds
  - Total 330 Units OR
  - 250 Units & 98 Beds

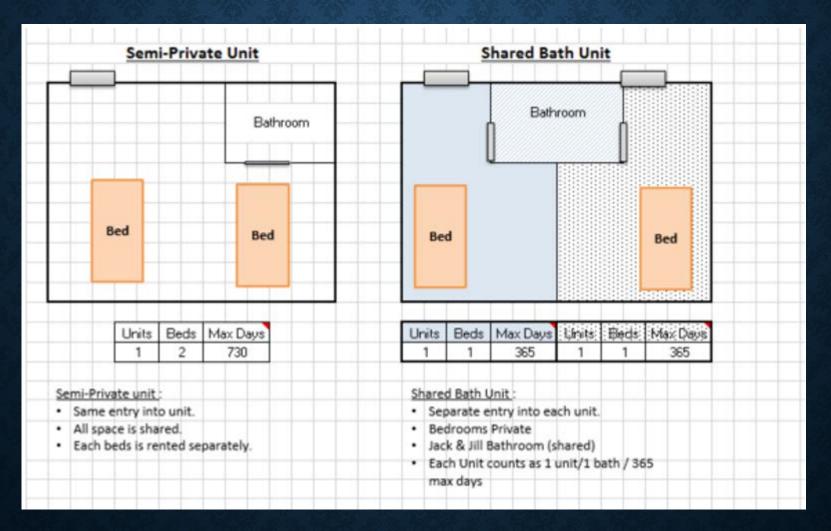


# CONTINUING CARE RETIREMENT COMMUNITIES (CCRC)

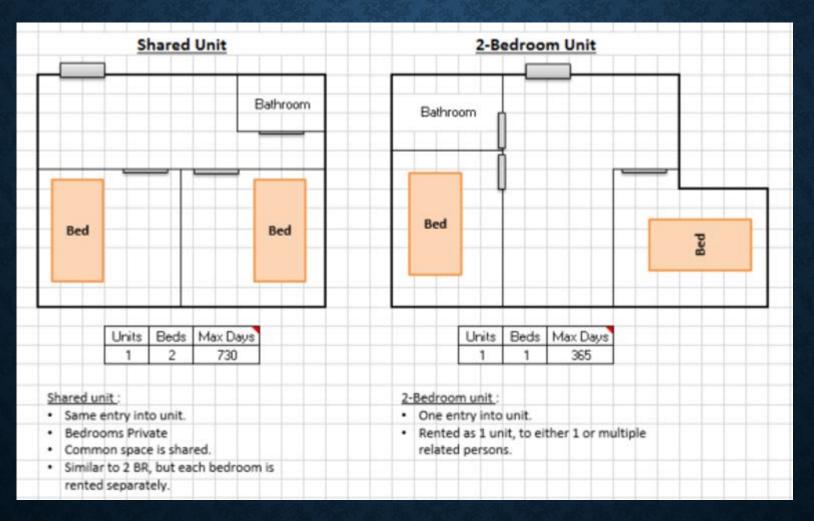
- Minnesota Masonic
   Homes
  - IL 56 Units
  - AL 45 Units
  - MC 20 Units/Beds
  - STSN- 100 Beds
  - LTSN 94 Beds
  - Total 101 Units & 214 Beds



# BEDS VS. UNITS



# BEDS VS. UNITS



### Why is Classification of Senior Housing Important?

- Identify Functional Obsolescence
- Identify trends and ratios for given Classification
- Develop support for allocation of Real Estate Value

Product Type	<u>Apartments</u>	Independent Living Age-Restricted/Senior Apt. Housing W/ Services Stand Alone IL Active Adult	Assisted Living Age-In-Place Stand Alone AL	Memory Care Specialty Care High Acuity	Skilled Nursing
Age Cohort	18 to 75	55 to 75	80+	55+	75+
HWS License	None	Maybe	Yes	Yes	Yes
Home Care License	None	None	Yes	Yes	Yes
Hospitality Services	None	Maybe	Yes	Yes	Yes
Health Care Levels	None	None	Yes	Yes	Yes
Dining Room Options	None	Maybe Comm 'l Kitchen	Comm 'l Kitchen & Dining room	Comm 'l Kitchen & Dining room	Comm 'l Kitchen & Dining room

Product Type	<u>Apartments</u>	Independent Living	Assisted Living	Memory Care	Skilled Nursing
		Age-Restricted/Senior Apt.	Age-In-Place	Specialty Care	
		Housing W/ Services	Stand Alone AL	High Acuity	
		Stand Alone IL			
		Active Adult			
Average Unit Size	400 to 1,600	600 to 1,200	400 to 900	150 to 500	80 to 200
	0, 1, 2, 3 BR	1-BR & 2-BR	S, 1, 2 BR	S, 1 BR	Prvt. Or Semi Prvt
Bldg. Efficiency	75% to 90%	65% to 85%	50% to 65%	40% to 60%	40% to 60%
Units to Bed Ratio	1:1	1:1	1:1 to 1:2 some shared units	1:1 to 1:2 some shared units	1:1 to 1:2 some shared units
Parking Ratio	1:1 to 2:1	1:1 to 2:1	0.5:1 to 1:1	under 0.5:1	under 0.5:1
Bathrooms	1 full bath	None, 1/2, Full	None, 1/2, Full	None, 1/2, Full	None, 1/2, Full

# ASSISTED LIVING RESIDENCES:

#### **EXAMPLE OF HOSPITALITY & HOME CARE SERVICES**

Property Features	<u>IL</u>	AL	<u>MC</u>	<u>CS</u>	<u>IL</u>	AL	<u>MC</u>	<u>CS</u>	IL	AL	MC	CS	<u>IL</u>	AL	MC	<u>CS</u>
Kitchen Type		None	None			Full	Full			Full	None			Full		
Unit Amenities		Nominal	Nominal			Avg.	Avg.			Avg.	Avg.			GD.	GD.	
Project Amenities		Average	Average			Avg./GD	Avg./GD			GD	GD			GD.	GD.	
Parking		Surface	Surface			Surface	Surface			Surface	Surface			UG	UG	
Tenant Utilities		Ph, Cbl	Ph, Cbl			Ph.	Ph.			Ph.	Ph.			ph.	Ph.	
Hospitality Services	<u>IL</u>	AL	MC	<u>CS</u>	<u>IL</u>	<u>AL</u>	MC_	<u>CS</u>	IL	AL	MC	CS	<u>IL</u>	AL	MC	CS
Transportation		Incl.	Incl.			Incl.	Incl.			Incl.	Incl.			Incl.	Incl.	
Meals Included		3 Daily	3 Daily			3 Daily	3 Daily			3 Daily	3 Daily			3 Daily	3 Daily	
Housekeeping		Weekly	Weekly			Incl.	Incl.			Weekly	Weekly			Weekly	Weekly	
Personal Laundry		2 Weekly	2 Weekly			Extra	Weekly			Weekly	Weekly			Weekly	Weekly	
Linens		Weekly	Weekly			Weekly	Weekly			Weekly	Weekly			Weekly	Weekly	
Daily Ok Checks		Incl.	Incl.			Incl.	Incl.			Incl.	Incl.			Incl.	Incl.	
Activities		Incl.	Incl.			Incl.	Incl.			Incl.	Incl.			Incl.	Incl.	
Health Services: Care Packages	<u>IL</u>	<u>AL</u>	MC	<u>CS</u>	<u>IL</u>	<u>AL</u>	MC	<u>CS</u>	<u>IL</u>	AL	MC	CS	<u>IL</u>	AL	MC	CS
Base Home Care Incl. in Rent		<u>Extra</u>	<u>Extra</u>			Extra	Extra			Extra	Extra			Extra	Extra	
1		\$532	\$1,528			a la carte	\$500			\$800	\$1,200			\$900	\$1,400	
2		\$844	\$2,091				\$1,000			\$1,500	\$1,800			\$1,700	\$1,900	
3		\$1,407	\$2,684				\$1,500			\$2,000	\$2,900			\$2,300	\$3,150	
4		\$2,182	\$3,087													

### MINNESOTA STATE LICENSURE

 Housing with Services License: An establishment providing "Assisted Living" must have a HWS license and can provide health-related services under a home care license. MN Statute 144D (Housing with Services Establishment).

**Housing with Services:** In this setting, you are renting "housing" and buying health-related "services." A single company may provide both the housing and the services, or the building may have an arrangement with home care agencies and other companies to provide some or all of the services. Please note that not all Housing With Services provide Assisted Living.

Source: Uniform Consumer Information Guide

### MINNESOTA STATE LICENSURE

**Assisted Living:** The legal requirements for Assisted Living vary by state. Minnesota's laws related to Assisted Living are based on the concept of "Housing With Services." In Minnesota, Housing With Services providers may call themselves "Assisted Living" only when they meet additional basic requirements under Minnesota law [MN Statute 144G]. The rights you have as a tenant of the housing and a client of the services are listed on the last page of this Guide.

- Source: Uniform Consumer Information Guide
- "Assisted Living" services must provide at a minimum: health-related services (assistance with medication and three ADLs), necessary nurse assessments of physical/cognitive needs of AL residents, registered nurse supervision staff, access to on-call registered nurse 24/7, two meals per day are available, weekly housekeeping and laundry service are available, a system for daily checks, "awake" staff 24/7, a system for arranging transportation, and assistance with accessing resources and social services in the community.
   MN Statute 144G (Assisted Living)

## MINNESOTA STATE LICENSURE

• Comprehensive License: Assisted Living shall only be provided in a registered HWS establishment and the provider must have a home care license.

**Home Care Provider:** In addition to a rental agreement, you will also sign a service agreement or service plan that covers services you will receive from the licensed home care provider. The building owner may be the home care provider and other times services may be provided by one or more outside home care providers. You have the right to choose freely among home care providers and to change providers after services have begun. This building has an arrangement with the following home care agency to provide services to its tenants.

- A Comprehensive home care provider may provide medication administration and therapies such as physical and occupational therapy.
- A Basic home care provider may provide basic home care services. A Basic home care provider cannot provide health-related services, such as medication administration or therapies such as physical or occupational therapy

Source: Uniform Consumer Information Guide

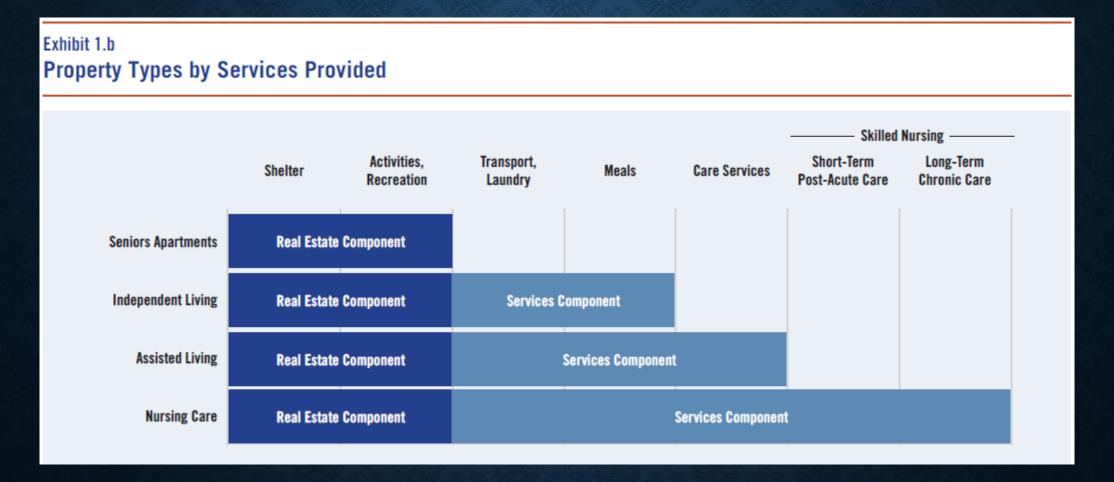
# SENIOR HOUSING MARKET UPDATE

## SENIOR HOUSING MARKET UPDATE

# Supply of Investment-Grade\* Seniors Housing and Care Properties in the U.S.

By Property and Unit Counts across Community Types, Campus Types, and Care Segments | Estimates as of 4Q17\*\*

By Community Type	# Properties	# Units***
Independent Living (IL)	2,800	427,000
Assisted Living (AL)	7,200	595,000
Memory Care (MC)	1,400	73,000
Nursing Care (NC)	10,300	1,344,000
CCRC/Life Plan Community	1,800	604,000
Total	23,500	3,043,000



Additional services result in higher monthly housing rates

### AVERAGE MONTHLY REVENUE

Exhibit 1.c

Average Monthly Rent by Care Segment

As of 4Q17



	Independent Living Communities	Assisted Living Communities	Memory Care Communities	Nursing Care Communities	CCRC/LPCs
Average Monthly Rent	\$3,050	\$4,577	\$6,301	\$9,463*	\$3,119

Source: NIC MAP® Data Service

# AVERAGE MONTHLY REVENUE

What annual growth factors are you using (or perceived to be used by others) for cash flow projections of senior housing properties in general:

Range	Average	
2%-5%	3.0%	Revenues
<u>2%-4%</u>	3.0%	Expenses
<u>1%-3%</u>	2.5%	General Inflation

### MEDIAN OPERATING EXPENSES

- Independent Living \$17,112/Unit
- Assisted Living \$28,068/Unit
- Nursing Care \$76,285/Unit
- CCRC/Life Plan Communities \$47,364/Unit

\*Source NIC Investment Guide 2018 (year end 2016 exp)

# OPERATING EXPENSES: IL

Exhibit 3.h

Monthly Operating Expenses in Independent Living Properties Per Occupied Unit
For Fiscal Year Ending 12/31/2016

	Low	er Quartile		Median	Upj	per Quartile
	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses
Total Operating Expenses	\$1,172		\$1,426		\$2,735	
Labor-Related Expense	\$483	41%	\$599	42%	\$1,220	45%
Property Taxes	\$106	9%	\$153	11%	\$231	8%
Property Insurance	\$25	2%	\$21	1%	\$43	2%
Liability Insurance	\$4	0%	\$4	0%	\$6	0%
Workers Comp	\$9	1%	\$13	1%	\$16	1%
Raw Food	\$114	10%	\$144	10%	\$236	9%
Non-Labor Other Dietary	\$23	2%	\$33	2%	\$27	1%
Utilities	\$117	10%	\$148	10%	\$212	8%
Marketing	\$50	4%	\$64	4%	\$80	3%
Repairs and Maintenance	\$76	6%	\$81	6%	\$122	4%
Housekeeping	\$6	1%	\$5	0%	\$20	1%
Resident Care Supplies	\$3	0%	\$1	0%	\$15	1%
Activities	\$12	1%	\$16	1%	\$27	1%
Total Management Fees	\$61	5%	\$60	4%	\$212	8%
All Other Operating Expenses	\$70	6%	\$82	6%	\$268	10%
All Corporate and/or Other Overhead Expenses	\$14	1%	\$3	0%	\$0	0%
Replacement Reserve	\$82		\$50		\$125	

Note: Expense subcategories may not add up to total expenses due to rounding. **State of Seniors Housing** defines the lower quartile as the average of the lowest 25% of responses, the median as the average of the 40th through 60th percentile, and the upper quartile as the average of the highest 25% of responses.

Source: State of Seniors Housing 2017 (Table 9.1)

# OPERATING EXPENSES: AL

Exhibit 4.h

Monthly Operating Expenses in Assisted Living Properties Per Occupied Unit
For Fiscal Year Ending 12/31/2016

	Lower	r Quartile	Mer	dian	Upper Quartile		
	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses	Dollars	% of Total Operating Expenses	
Total Operating Expenses	\$2,029		\$2,339		\$3,535		
Labor-Related Expense	\$1,050	52%	\$1,279	55%	\$1,931	55%	
Property Taxes	\$66	3%	\$102	4%	\$155	4%	
Property Insurance	\$31	2%	\$35	1%	\$34	1%	
Liability Insurance	\$15	1%	\$11	0%	\$23	1%	
Workers Comp	\$25	1%	\$17	1%	\$59	2%	
Raw Food	\$154	8%	\$168	7%	\$207	6%	
Non-Labor Other Dietary	\$15	1%	\$23	1%	\$30	1%	
Utilities	\$128	6%	\$127	5%	\$149	4%	
Marketing	\$50	2%	\$74	3%	\$101	3%	
Repairs and Maintenance	\$105	5%	\$91	4%	\$105	3%	
Housekeeping	\$13	1%	\$14	1%	\$28	1%	
Resident Care Supplies	\$21	1%	\$25	1%	\$15	0%	
Activities	\$10	0%	\$16	1%	\$27	1%	
Total Management Fees	\$127	6%	\$125	5%	\$128	4%	
All Other Operating Expenses	\$217	11%	\$230	10%	\$491	14%	
All Corporate and/or Other Overhead Expenses	\$1	0%	\$2	0%	\$53	1%	
Replacement Reserve	\$47		\$64		\$155		

Note: Expense subcategories may not add up to total expenses due to rounding. **State of Seniors Housing** defines the lower quartile as the average of the lowest 25% of responses, the median as the average of the 40th through 60th percentile, and the upper quartile as the average of the highest 25% of responses.

Source: State of Seniors Housing 2017 (Table 9.4)

# OPERATING EXPENSES: NC

# Operating Expenses in Nursing Care Per Resident Day

For Fiscal Year Ending 12/31/2016

	Lower Quartile	Median	Upper Quartile
Total Operating Expenses	\$159	\$209	\$275
Nursing	\$65	\$82	\$104
Social Services	\$2	\$3	\$6
Ancillary Services	\$16	\$22	\$31
Plant	\$9	\$11	\$14
Housekeeping	\$4	\$6	\$7
Laundry	\$2	\$3	\$4
Dietary	\$15	\$18	\$22
Admin	\$35	\$46	\$61
Benefits	\$12	\$19	\$27

Source: CliftonLarsonAllen 32nd Edition of the Skilled Nursing Cost Comparison Report: More Data More Insight.

### **OPERATING MARGINS**

# Exhibit 4.i Operating Margins by Community Type

For Fiscal Year Ending 12/31/2016

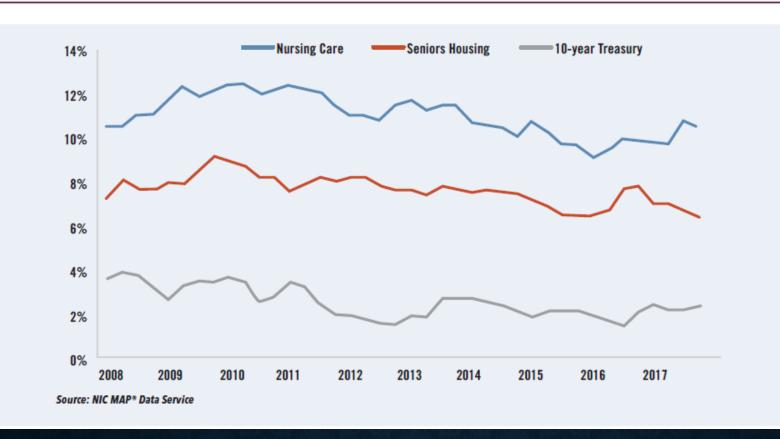
	Lower Quartile	Median	Upper Quartile
Freestanding Independent Living	30.2%	47.0%	55.9%
Freestanding Assisted Living	12.7%	31.8%	43.9%
Freestanding Nursing Care <sup>1</sup>	-5.5%	0.5%	5.4%
CCRC/Life Plan Community	7.9%	24.9%	39.9%

<sup>1</sup>This information was collected as part of "The 32nd Edition Skilled Nursing Facility Cost Comparison Report" and published on <u>CLAconnect.com</u>. The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, investment, or tax advice or opinion provided by CliftonLarsonAllen LLP (CLA) to the reader. For more information, visit <u>CLAconnect.com</u>.

Source: State of Seniors Housing 2017 (Table 13.1)

# CAP RATES

Exhibit 10.d Rolling 4-Quarter Capitalization Rates/Yield 1Q08-4Q17



# CAP RATES

#### **Overall Capitalization Rate**

	20		20	Basis Point Change from 2018	
	All Responses Range Average		Adjusted Re Range		
Age Restricted Apartments	5%-7.5%	6.0%	5%-7%	6.0%	0
Unlicensed Congregate Living	5.5%-7.8%	6.7%	6%-7.5%	6.6%	+10
Licensed Assisted Living	6%-9%	7.4%	6.3%-8.5%	7.4%	-10
Licensed Memory Care	6.3%-9%	7.9%	6.8%-9%	7.9%	-10
Licensed Skilled Nursing-Long Term Care	7.3%-13.3%	11.7%	11%-13%	11.9%	+10
Licensed Skilled Nursing-Subacute Care	7.3%-14.5%	12.0%	10.5%-13%	12.2%	-10
Continuing Care Retirement Community	7.3%-11%	8.9%	7.5%-10%	8.9%	+20

# CAP RATES

What are your expectations of overall capitalization rate changes for senior housing properties in general over the next 12 months (% of total responses):

<u>2019</u>		<u>2018</u>	<u>2017</u>
0%	Increase more than 100 basis points	0%	0%
20%	Increase 0 to 100 basis points	71%	45%
73%	Flat, no significant change	24%	_55%
<u>7%</u>	Decrease 0 to 100 basis points	5%	0%
0%	Decrease more than 100 basis points	0%	0%

### TARGET MARKET

- Average age of move in is low 80's.
- Typical new IL resident 83yr widowed female.
- 2016 population over 80 was 12.2 Million or 4% of US.
- Significant growth in late 2020's of 4.6%/yr.

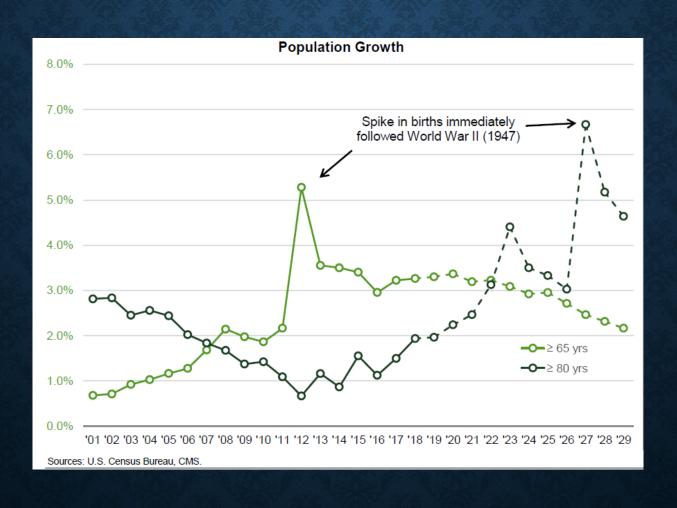
#### U.S. Population and Households by Age Cohort\*

	Population	(Millions)	Households (Millions)				
	Number	% of Total	Number	% of Total			
45-64	84.2	26%	46.6	39%			
65-74	28.6	9%	18.2	14%			
75-84	14.2	4%	Not Available				
75+	20.6	6%	13.6	11%			
<b>80</b> +	12.2	4%	Not Available				
85+	6.4	2%	Not Available				
* Population estimates for 2016 and household estimates for 2017							

Source: U.S. Census Bureau



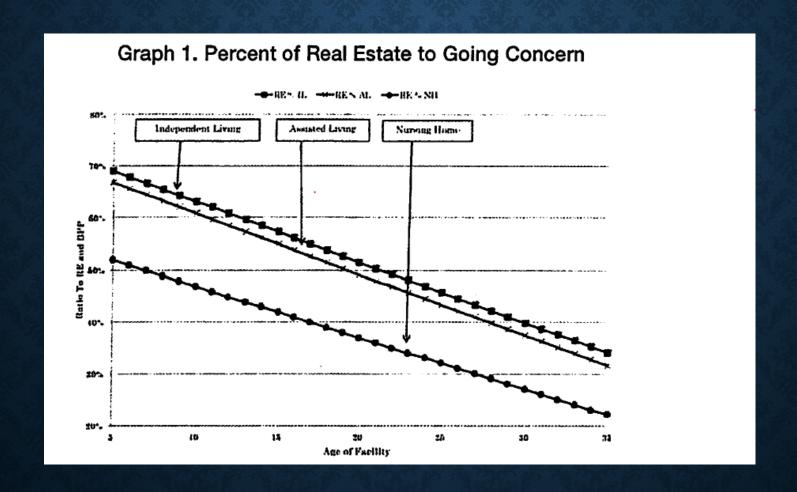
# **80YR OLD POPULATION GROWTH**



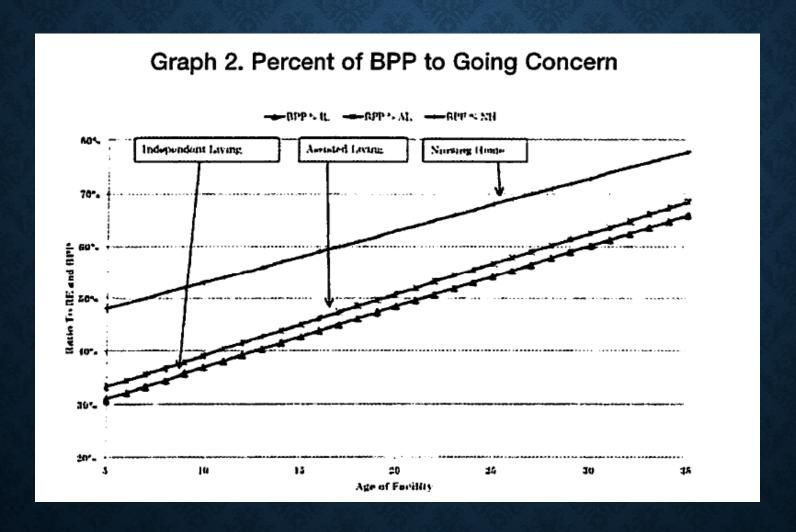
Product Type <u>Apartments</u>		Independent Living	Assisted Living	Memory Care	Skilled Nursing
		Age-Restricted/Senior Apt.	Age-In-Place	Specialty Care	
		Housing W/ Services	Stand Alone AL	High Acuity	
		Stand Alone IL			
		Active Adult			
EGI P/unit or P/bed	\$5K to \$25K PU	\$5K to \$35K PU	\$30K to \$60K Pbed	60K to \$100K Pbed	\$75K Pbed +
OER	30% to 60%	30% to 60%	60% to 75%	70% to 85%	85% to 95%
Cap Rates	4.5% to 7%	5% to 8%	6% to 10%	7% to 11%	12%+
		<del>-</del>	<del>-</del>		

Higher Services = Higher Rents = Higher Operating Exp. = Higher Risk =

Higher Business Value Component



Source: <u>Valuation of Real Estate Within Senior Living Facilities</u>; Senior Housing & Care Journal, 2011 Volume 19 Number 1.



Source: <u>Valuation of Real Estate Within Senior Living Facilities</u>; Senior Housing & Care Journal, 2011 Volume 19 Number 1.

	IL - Econ Life 50		AL - Econ Life 45		NH - Econ Life 40	
Age	RE %	BPP%	RE %	BPP%	RE %	BPP%
10	63.2%	36.8%	60.9%	39.1%	47.0%	53.0%
15	57.4%	42.6%	55.0%	45.0%	42.0%	58.0%
20	51.6%	48.4%	49.2%	50.8%	37.0%	63.0%
25	45.7%	54.3%	43.4%	56.6%	32.1%	67.9%
30	39.9%	60.1%	37.5%	62.5%	27.1%	72.9%
35	34.1%	65.9%	31.7%	68.3%	22.1%	77.9%

As real property depreciates in value, the business personal property (BPP) makes up a larger percentage of the going-concern value.

Source: <u>Valuation of Real Estate Within Senior Living Facilities</u>; Senior Housing & Care Journal, 2011 Volume 19 Number 1.

### **METHODOLOGIES**

Several methods to value the business component Several methods to allocate the Real Estate Value

- 1. Use two or three different methods to test the reasonableness
- 2. Understand the weaknesses of each methodology
- 3. Understand your strengths and where you have support
- 4. Use the "Sit on the Curb" Method (does this make sense approach)

Critical to have pertinent market data to provide a reliable/supported conclusion.

### **Identifying Obsolescence**

- Size of the units?
- Kitchens in units?
- Full private bathrooms?
- Commercial Kitchen?
- Sufficient Parking?
- Building Efficiency Ratio?
- Number of Beds versus Units?

Typically a higher level of services would indicate more business value and obsolescence

### **Identifying Obsolescence**

- How does this functional obsolescence affect your adjustments?
  - What rent can you get for a unit given the design? What is your adjustment to rent comps?
  - What is the vacancy rate (how marketable are the units)?
  - What miscellaneous Income can you generate (storage lockers, parking, laundry, etc.)?
  - How does the building efficiency affect landlord paid heat, water/sewer, electric?
  - How does parking impact grounds maintenance?
  - How is advertising expense impacted?
  - What cap rate should be selected?

These adjustments can impact the Operating Expense Ratios and Per Unit conclusions

### **Identifying Obsolescence**

- HYPOTHETICAL: If there was no business, what would the building sell for?
  - What would be the use of the building?
  - Would the design of the building limit the potential use?
  - Would a buyer need to adapt or convert some of the units?
- The purpose of the assignment is to allocate the Real Estate Value
  - This assumes the existing design is at the Highest and Best Use

# CASE STUDY

# CASE STUDY

- 166 Unit Development
- 65 IL, 65 AL, 24 MC & 12 CS
- 2019 Proposed Construction
- Cost of \$35,000,000 or \$210,000/Unit



# OPERATING STATEMENT - REVENUE

Rent Revenue	Units	Proj	ections	% of Revenue	<b>\$/</b> L	Jnit
Independent Living	68	\$	1,800,000	22%	\$	26,471
Assisted Living	62	\$	2,400,000	30%	\$	38,710
Memory Care	24	\$	1,100,000	14%	\$	45,833
Care Suites	12	\$	400,000	5%	\$	33,333
Total Rent Revenue	166	\$	5,700,000	71%	\$	34,337
Healthcare Revenue						
Home Health Aide Services		\$	450,000	6%		
Nursing Services		\$	200,000	2%		
Memory Care Package Revenue		\$	700,000	9%		
Care Suite Package Revenue		\$	700,000	9%		
Total Health Care Revenue		\$	2,050,000	25%	\$	12,349
Other Revenue		\$	300,000	4%		
Total Effective Revenue		\$	8,050,000	100%	\$	48,494

# OPERATING STATEMENT - EXPENSES

Expenses		% of Revenue	<b>\$/</b> L	Init
Operating Expenses				
Personnel	\$ 2,400,000	30%	\$	14,458
General & Administrative	\$ 450,000	6%	\$	2,711
Utilities	\$ 160,000	2%	\$	964
Operating & Maintenance	\$ 160,000	2%	\$	964
Taxes & Insurance	\$ 450,000	6%	\$	2,711
Elderly Care Expense	\$ 1,300,000	16%	\$	7,831
Total Operating Expenses	\$ 4,920,000	61%	\$	29,639
Net Operating Income	\$ 3,130,000	39%	\$	18,855

# INDICATED GOING CONCERN VALUE

Net Operating Income		\$ 3,130,000
Cap Rate		7.7%
Capitalized Value		\$ 40,650,000
	\$/Unit	\$ 244,880

## ALLOCATION OF VALUE

 Presently, a <u>consensus does not exist between</u> economists, appraisers, investors, accountants and others on <u>acceptable methodology for accurately measuring the</u> <u>contributory value</u> of business asset component of real estate intensive going concern.

 AI: Appraisal of Nursing Facilities pg 315.— "In real estate tax assessment appeals, taxypayers often try to minimize taxes on viable nursing facilities by making an erroneous argument that the real estate should be evaluated without the positive contribution of the intangible assets."

# ENTREPRENEURIAL OR PROPRIETARY PROFIT CAPITALIZATION

Intangable Value (Entrepreneurial or Proprietary Profit Capitalization)										
% of NOI	15%	20%	25%							
Proprietary earnings deduction	\$469,500	\$626,000	\$782,500							
Capitalization Rate	0.125	0.125	0.125							
Capitialized Proprietary Earnings	\$3,756,000	\$5,008,000	\$6,260,000							

\$ 40,650,000	\$	40,650,000	\$	40,650,000
\$ 3,756,000	\$	5,008,000	\$	6,260,000
\$ 1,600,000	\$	1,600,000	\$	1,600,000
\$ 35,294,000	\$	34,042,000	\$	32,790,000
\$212,614		\$205,072		\$197,530
87%		84%		81%
\$	\$ 3,756,000 \$ 1,600,000 \$ 35,294,000 \$212,614	\$ 3,756,000 \$ \$ 1,600,000 \$ \$ 35,294,000 \$ \$212,614	\$ 3,756,000 \$ 5,008,000 \$ 1,600,000 \$ 1,600,000 \$ 35,294,000 \$ 34,042,000 \$212,614 \$205,072	\$ 3,756,000 \$ 5,008,000 \$ \$ 1,600,000 \$ \$ 1,600,000 \$ \$ \$ 34,042,000 \$ \$ \$212,614 \$ \$205,072

## OTHER ALLOCATION METHODS

• Lease Income versus Operation Earnings (Net lease)

	Market Lease Coverage		
(1)	Estimated NOI (Going Concern)	=	\$2,359,341
(2)	Market Lease Coverage		1.20
	Income Attributable to Real Estate	=	\$1,966,117
	Real Estate/Personal Property OAR		6.00%
	Value of Real Estate/Personal Property @	=	\$32,768,622
		Rounded:	\$32,800,000
	Total Property Value Concluded via Appraisal	=	\$35,000,000
	Less: Personal Property (FF&E) Value	@	-\$1,290,000
	Less: Residual Real Estate Value Indication	@	-\$31,510,000
		_	
	Remainder (Indicated Business Value)	=	\$2,200,000

- Cost Approach (set's upper limit of RE?)
- Sales approach proxy compare \$/SF of residential and medical office

• What would these units rent for as Apartments with no service?

#### **Luxembourg Apartments**

- 500 SF 1BR market rate unit
- 2016 Construction
- Luxury amenities
- \$1100/mo or \$2.20/SF

#### **East Bloomington Senior**

- 422 SF Care Suite
- 2019 Construction
- Senior Amenities
- Smaller unit but 10% more common area

	Comp 1		
Subject	Luxembourg	Ad	justment
		\$	1,100.00
420	500	\$	(40.00)
		\$	-
		\$	-
		\$	-
		\$	20.00
		\$	20.00
		\$	-
		\$	1,100.00
		\$	2.62
		Subject Luxembourg 420 500	Subject Luxembourg Ad  \$ 420

Rent Revenue	Units	Unit SF	NRA	Rent	t/SF	Mon	Monthly Rent		ual Rent
Independent Living	68	830	56,440	\$	1.93	\$	1,600	\$	1,305,600
Assisted Living	62	650	40,300	\$	2.15	\$	1,400	\$	1,041,600
Memory Care	24	420	10,080	\$	2.50	\$	1,050	\$	302,400
Care Suites	12	450	5,400	\$	2.44	\$	1,100	\$	158,400
Total Rent Revenue	166	676	112,220	\$	2.09			\$	2,808,000
Underground Parking	90					\$	50	\$	54,000
						PGI		\$	2,862,000

			CAPITAL	IZATION	PROCE	SS		
POTE	NTIAL GR	ROSS IN	COME (F	GI)				\$2,862,000
LESS: VA	ACANCY & COL	LECTION LO	SS					
% OF P	GI				4.00%			(\$114,480)
OTHER	INCOME:				2.00%	of PGI		\$57,240
EFFE	CTIVE GR	OSS IN	COME (E	GI)				\$2,804,760
				% of	PGI + Misc	\$/Unit		
LESS: A	NNUAL OPERA	TING EXPENS	SES		25.00%	\$4,396.45		\$729,810
	NNUAL RESERV		ACEMENT	\$250/unit	1.42%			\$41,500
TOTAL	ANNUAL ALLO	WANCE			26.42%	\$4,646.45		\$771,310
NET C	OPERATIN	IG INCO	ME (NOI)	)				\$2,033,450
	CAPITALIZAT	<u>ION</u>						
	OVERALL RAT				5.50%			
	TAX RATE (pa					\$ 455,949.00		
	BUILT-UP RAT	E			7.12%			
	CAPITALIZED	VALUE						\$28,559,691
	LESS PERSONA	U DROBERTY	7		\$2,500			\$415,000
	LESS PERSONA	AL PROPERT	L		\$2,300	per Unit		\$415,000
INDICA	ATED VALU	E VIA ING	COME ADD	DOVCH				\$28,144,691
HADICA	TIED VALU	E VIA INC	CME AFF	NOACH				920,144,091
							ROUNDED	\$28,145,000
INDICA	ATED VALU	E PER UI	TIV				PER UNIT	\$169,548
							GIM	9.85
								\$252.29

			% Allocation
Approach	Indicated Val	lue	of Going Concern
Going Concern Income	\$	40,650,000	
Actual Cost	\$	35,000,000	
Rent Comparison (RE)	\$	28,145,000	69%
Implied Intangible Value	\$	12,505,000	31%



# COOPERATIVES

- Members own a percentage interest (certificate of membership or corporate shares) in the cooperative corporation plus the exclusive right to occupy a particular dwelling unit. (Occupancy Agreement)
  - Members in the Co-op are owners who lease the individual units back to themselves as tenants
- New members buying a cooperative share only pays the equity or share price at closing.
  - Think Mortgage Loan to Value Equity plus Financing = 100% of Value

- The Co-op holds a master mortgage that is insured by HUD for the entire building, property and grounds.
- The Co-op Members pay a monthly fee that covers their proportionate share (based on square footage) of the operating expenses, taxes and the master mortgage.
- Members participate in the decision making process of operating the Co-op by electing a Board of Directors from among the Members of the Cooperative.
- Each Member unit owns one vote.
- The Board of Directors is responsible for the general operation of the cooperative. The board hires and oversees a management company to administrate the day-to-day operations and approves the operating budget and carrying charges.

Members decide whether or not to increase monthly fee based on actual expenses.
 Members also receive the tax benefits of ownership.

• Cooperative Members have the right to be considered homeowners with the benefit of deducting their proportionate share of the mortgage interest and real estate taxes on their personal income tax return.

• Homestead Benefits apply. 273.124 Subd. 3

• When a member wishes to move out, their share is resold and the member and/or their estate receive the amount of the initial share cost plus the equity, or predetermined increase, for each year the member lived in the cooperative.

• The selling member is responsible for expenses associated with refurbishing the unit and transfer of the membership interest.

• The Cooperative has an option, but not an obligation, for a period of 60 days to purchase the Membership.

## TYPES OF HOUSING COOPERATIVES

- A market rate cooperative sells shares at full market value in the original sale and permits a market rate of return on re-sales by its members.
- A *limited equity cooperative* limits the return allowed when shares are sold. The amount of return is determined by a formula established in the corporation's bylaws.
- A tiered pricing cooperative offers different payment options to home buyers. The more you pay down, the less the monthly cost is.

• A "limited equity cooperative" is a corporation organized under chapter 308A or 308B, which has as its primary purpose the provision of housing and related services to its members which meets one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 90 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" shall mean the income of a member existing at the time the member acquires cooperative membership, and median income shall mean the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development. It must also meet the following requirements:

- The articles of incorporation set the sale price of occupancy entitling cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:
  - (1) the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;
  - (2) the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;
  - (3) accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised Consumer Price Index for All Urban Consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed \$500 for each year or fraction of a year the membership or share was owned; plus

- (4) real property capital contributions shown in the records of the corporation to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property-related indebtedness.
  - (b) The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).
  - (c) The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.
  - (d) The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501(c)(3) of the Internal Revenue Code or a public agency.

For purposes of taxation, the assessor shall value a unit owned by a limited equity cooperative at the lesser of its market value or the value determined by capitalizing the net operating income of a comparable apartment operated on a rental basis at the capitalization rate used in valuing comparable buildings that are not limited equity cooperatives. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section <u>549.09</u>, shall be extended against the property on the tax list for the current year.

# THE BLOOMINGTON EXPERIENCE







Realife Cooperative of Bloomington on Nicollet helps seniors enjoy independent living and avoid the isolation often associated with growing older. Residents enjoy a sense of family through participation in social gatherings, dinners, outings and other activities.

Cooperative housing means joint ownership by residents. It provides home ownership without the responsibility for maintaining building and grounds. Our cooperative is non-profit. Unit monthly charges include real estate taxes. Residents are entitled to deduct their portion of the mortgage interest and property taxes on their personal income tax returns.

Cooperative residents are their own landlords. Cooperative ownership instills pride in residents who have a deeper interest in maintaining the property. Residents participate in a shared government by electing a board of directors from their membership.



# PRACTICAL

- · A secure building with controlled access
- Nicollet Room with serving kitchen for dining, parties, meetings
- Two Guest Rooms available for a modest charge (\$35/night)
- Fully equipped Laundry Rooms cost is included in monthly fee
- Thermostat Controlled Heat in your own unit, included in monthly fee
- Heated, secure Underground Parking (garage stall is \$40/month)
- · Car Wash Bay for resident use
- · Storage Rooms, one for each apartment
- Beautifully landscaped grounds maintained by professionals
- · "While You're Away" service
- Fitness Center and exercise class
- Pool Table
- · Woodworking Shop fully equipped
- · Craft Room
- Library
- The Loft with games, puzzles, TV & DVD player and computer
- Individual Garden Plots
- Van and Two Bus Lines
- Decks for every apartment
- In-House US Postal Boxes and In-House Banking with BMO Harris
- Weekly Newsletter & Monthly Calendar
- · Capable, Trustworthy Staff
- A Community of Friends, both old and new, who offer care, support and security



Unit Type	Sq. Ft.	*Share Payment	**Monthly <u>Charge</u>
1 Bed	troom U	nits	
С	669	\$29,174	\$563
D	740	\$34,290	\$660
В	827	\$36,176	\$677
2 Bed	lroom Ur	uits	
EE	984	\$40,696	\$715
I	1,057	\$45,348	\$811
G	1,090	\$46,870	\$869
E	1,124	\$48,410	\$886
J	1,152	\$48,860	\$893
K	1,195	\$50,544	\$913
F	1,422	\$57,162	\$1,055
H	1,460	\$60,274	\$1,123
		fund	atod 1/2/16\

(updated 4/3/16)

- \* These values go up on April 3<sup>rd</sup> of each year.
- \*\* Monthly charges subject to change if cost of living expenses go up.

Compare our prices and square footage with other buildings; you won't be disappointed.



March 28, 2017

Matt Gersemehl Bloomington City Assessor

Dear Mr. Gersemehl,

The Members of Realife Cooperative of Bloomington on Wentworth do not argue the math of the tax rate, so much as the philosophy of grouping cooperative members with condominium owners. We greatly appreciate the opportunity to explain Senior Housing Cooperatives and what they do for the greater good. As you can see in the letter below, many other government agencies classify senior housing cooperatives, especially limited equity cooperatives, in such a way as to mutually support their senior community.

While they are not qualified as low-income, Senior Housing Cooperatives were developed with a specific need in mind: affordable housing for seniors who are on fixed incomes. Senior cooperatives are collectively owned and governed by the members themselves. They are not for profit organ

The affordability creates a strong waitlist so that shares can be turned over quickly, which is essential for Members moving to settings with more care. Again, the returns are not speculative.

Senior Housing Cooperatives still fit the unique needs of the aging community today. Seniors can find housing that is predictable and affordable. They can maintain the integrity of the decision-making. This is more than a place to live. We provide community. We appreciate that this community recognizes the value of having a senior housing cooperative present to support the needs of the aging population.

Sincerely,

Dam m. munce

Dawn M. Munce
Director of Management Services
On behalf of the Members of Realife Cooperative of Bloomington

Most senior
with a mas
Initial owne
value of the
personal me
cooperative
annually).

cooperative

Most senior housing cooperatives follow a <u>limited equity appreciation</u> plan and are <u>financed</u> with a master mortgage insured by the Department of Housing and Urban Development. Initial owners will pay an upfront share price that is approximately 35% percent of the total value of the unit. There are cooperatives in a variety of price ranges to fit a broad spectrum of personal means and budgets, but cooperatives are <u>designed to be affordable</u>. In limited equity cooperatives, share equity grows according to a predetermined formula (generally around 1.5% annually).

Limited equi Membership that investments and benefits

discourage and avoid speculation either in the sale and resale of Memberships and rights under Occupancy Agreements by members or by the Cooperative. They also usually qualify as a 501c organization for the fact that they exist exclusively to provide for the housing needs of its senior Members.

Rising real estate taxes are usually caused, in a time of inflation, by rising valuation as a result of comparable sales in the neighborhood. Since it is cooperative shares, not an actual parcel of real estate, that are transferred between departing members and new members, there is never any real estate sold or recorded that would respond to extreme changes in market value. Therefore, any increases in cooperative members' real estate taxes are usually a function of mill rates assessed, not market price increases. The overall consistency of share valuation is what keeps Cooperative Members' costs from being affected by the volatility of the housing market.



#### REALIFE COOPERATIVE OF BLOOMINGTON ON NICOLLET

2017 MARKET VALUE ANALSYS

					Market Value Analsys							
			2017 Ass	essment	Condo		Income		Income		Share Paymen	t
Unit Type	Size "SF"	# of Units	EMV's	Extended	Approach	Extended	GRM		Pro Forma		Analysis	
С	676	3	\$82,500	\$247,500	\$84,500	\$253,500	\$92,500	\$277,500	\$86,700	\$260,100	\$83,400	\$250,200
D	728	6	\$90,600	\$543,600	\$91,000	\$546,000	\$99,600	\$597,600	\$93,400	\$560,400	\$98,000	\$588,000
D	730	2	\$90,700	\$181,400	\$91,000	\$182,000	\$99,600	\$199,200	\$93,700	\$187,400	\$98,000	\$196,000
В	832	3	\$99,800	\$299,400	\$119,800	\$359,400	\$113,800	\$341,400	\$106,700	\$320,100	\$103,400	\$310,200
EE	988	12	\$113,200	\$1,358,400	\$130,900	\$1,570,800	\$123,900	\$1,486,800	\$116,200	\$1,394,400	\$116,300	\$1,395,600
1	1,057	4	\$117,100	\$468,400	\$134,800	\$539,200	\$132,500	\$530,000	\$124,300	\$497,200	\$129,600	\$518,400
G	1,092	5	\$125,800	\$629,000	\$139,200	\$696,000	\$136,900	\$684,500	\$128,400	\$642,000	\$133,900	\$669,500
E	1,118	17	\$123,800	\$2,104,600	\$142,000	\$2,414,000	\$140,200	\$2,383,400	\$131,500	\$2,235,500	\$138,300	\$2,351,100
J	1,152	4	\$130,400	\$521,600	\$144,000	\$576,000	\$137,900	\$551,600	\$129,400	\$517,600	\$139,600	\$558,400
K	1,196	9	\$135,200	\$1,216,800	\$161,500	\$1,453,500	\$143,200	\$1,288,800	\$134,300	\$1,208,700	\$144,400	\$1,299,600
F	1,378	11	\$150,100	\$1,651,100	\$155,700	\$1,712,700	\$157,100	\$1,728,100	\$147,300	\$1,620,300	\$163,300	\$1,796,300
Н	1,456	2	\$162,300	\$324,600	\$196,600	\$393,200	\$166,000	\$332,000	\$155,700	\$311,400	\$172,200	\$344,400
		78		\$9,546,400		\$10,696,300		\$10,400,900		\$9,755,100		\$10,277,700
		Garage Parcel		\$549,300		\$549,300		\$549,300		\$412,900		\$549,300
		Total Value		\$10,095,700		\$11,245,600		\$10,950,200		\$10,168,000		\$10,827,000
		Average Unit Valu	e	\$129,432		\$144,174		\$140,387		\$130,359		\$138,808



#### REALIFE COOPERATIVE OF BLOOMINGTON ON NICOLLET

2017 MARKET VALUE ANALSYS

Unit Type	Yr Built	Date of Value	2017 Value	Unit Size
"B" - 1 Bedroom Unit	1998	1/2/2017	99,800	832

Market Approach: Condo Comp	arables					
Bloomington Address	Yr Built	Sale Date	Sale Price	Adj Price	Size	Price Per SF
8830 Nicollet Ave S, Unit 2	1966	8/22/2016	121,250	124,562	832	\$149.71
5347 Highpointe Terrace	1985	6/17/2016	124,791	129,892	874	\$148.62
5120 W 102nd, Unit 212	1974	5/9/2016	94,000	98,594	812	\$121.42
7300 Woodstock Curve	1983	4/15/2016	153,200	161,444	864	\$186.86
5120 W 102nd, Unit 104	1974	4/15/2016	89,711	94,539	812	\$116.43
5120 W 102nd, Unit 207	1974	10/21/2015	93,120	101,512	725	\$140.02
		Avg's	112,679	118,424	820	\$143.84
		Median's	107,625	113,037	822	\$144.32
		Market Value		832	\$144.00	\$119,800

Single Family Home Comparal Bloomington Address 8320 11th Ave S 9812 Stevens Ave S 10829 Normandale Blvd 8726 Dupont Ave S	Yr Built 1953 1949 1952 1951	Sale Date 9/2/2016 8/19/2016 8/15/2016 8/5/2016	Sale Price 196,860 164,803 179,353 164,300	Size 856 792 858 864	Informational Only Not
8250 11th Ave S	1952	8/3/2015	164,803	856	Used in Valuation
8525 1st Ave S	1950	6/30/2016	203,700	800	Analysis
		Avg Median	178,970 172,078	838 856	



Apartment Style Analy	ysis
Unit Size	832
Rent Per SF	\$1.20
Monthly Rent	\$998.40
Annual Rent	\$11,980.80
GRM	9.5
Market Value	\$113,800

Share Payment Analysis		
Date of Pricing	4/3/2016	
Share Payment	36,176	
% of Market Value*	35%	
Market Value	\$103,400	
*per 3/28/2017 letter fro of Managment Services a		or

Range of Value Conclusion	ns	
Condo Comparables	\$119,800	
Income Approach	\$113,800	
Share Payment Analysis	\$103,400	
2017 Assessment	\$99,800	

#### ASSESSMENT HISTORY

	Market	%
YEAR	Value	Chg
2017	99,800	31.5%
2016	75,900	3.5%
2015	73,300	8.0%
2014	67,900	4.9%
2013	64,700	0.0%
2012	64,700	0.0%
2011	64,700	0.0%
2010	64,700	-10.0%
2009	71,900	-2.4%
2008	73,700	2.5%
2007	71,900	3.0%
2006	69,800	3.6%
2005	67,400	



#### REALIFE COOPERATIVE OF BLOOMINGTON ON NICOLLET

2017 MARKET VALUE ANALSYS

Unit Type	Yr Built	Date of Value	2017 Value	Unit Size
"I" - 2 Bedroom Unit	1998	1/2/2017	117,100	1057

Market Approach: Condo Compa	rables					
Bloomington Address	Yr Built	Sale Date	Sale Price	Adj Price	Size	Price Per SF
5283 Balmoral Ln	1981	11/22/2016	133,000	134,122	1067	\$125.70
5326 Highpointe Dr	1985	11/1/2016	135,703	137,433	1088	\$126.32
11251 Oregon Circle	1990	10/27/2016	135,500	137,363	1074	\$127.90
7501 W 101st St, Unit 105	1983	10/21/2016	122,400	124,236	1004	\$123.74
10700 Toledo Curve	1980	9/29/2016	138,000	140,691	1067	\$131.86
10718 Toledo Curve	1982	9/15/2016	137,125	140,193	1067	\$131.39
		Avg's	133,621	135,673	1,061	\$127.82
		Median's	135,602	137,398	1,067	\$127.11
		Market Value		1057	\$127.50	\$134,800

Single Family Home Comparables Bloomington Address 4419 W Old Shakopee Rd 8521 Haeg Drive 8338 Ewing Rd 8926 Dupont Ave S 8528 5th Ave S 8517 Haeg Circle	Yr Built 1954 1954 1964 1952 1951	Sale Date 9/19/2016 9/16/2016 7/7/2016 6/29/2016 6/17/2016 6/16/2016	Sale Price 205,000 271,503 263,355 235,000 280,000 261,000	Size 1040 1050 1081 1056 1056	Informational Only Not Used in Valuation Analysis
		Avg Median	252,643 262,178	1,056 1,053	

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Apartment Style Analysi	is
Unit Size	1057
Rent Per SF	\$1.10
Monthly Rent	\$1,162.70
Annual Rent	\$13,952.40
GRM	9.5
Market Value	\$132,500

Share Payment Analysis	
Date of Pricing	4/3/2016
Share Payment	45,348
% of Market Value*	35%
Market Value	\$129,600
*per 3/28/2017 letter fro of Managment Services a	om Dawn Munce, Director at Realife

Range of Value Conclusion	ns
Condo Comparables	\$134,800
Income Approach	\$132,500
Share Payment Analysis	\$129,600
2017 Assessment	\$117,100

#### ASSESSMENT HISTORY

Market	%
Value	Chg
117,100	21.5%
96,400	3.0%
93,600	8.0%
86,700	5.0%
82,600	0.0%
82,600	0.0%
82,600	0.0%
82,600	-10.0%
91,800	-2.5%
94,200	2.5%
91,900	3.0%
89,200	3.5%
86,200	
	Value 117,100 96,400 93,600 86,700 82,600 82,600 82,600 91,800 94,200 91,900 89,200



- Applewood Pointe of Bloomington
- Built 2004
- 2.5% Annual Appreciation

#### Dwellling Unit Appreciation Chart- Applewood Pointe of Bloomington

Initial Dwelling Dwelling Unit Value at the end of Each Year

(C) 197	- 5	200.800	S	205.820	- 5	210,966	3	210,240	ъ	221,040	Ф	221,101	Ψ	232,000	Ψ	200,000	Ψ	_ , ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	*		T		
	\$	203,680	\$		•			219,341		224,825			\$	236,206	\$	242,112	\$	248,164	\$	254,368	•	260,728	
AND SHAPE	\$	207,200	Š	212,380		. ,	\$	223,132	\$	228,710	\$	234,428	\$	240,288	\$	246,296	\$	252,453	\$	258,764	•	265,234	
ireside	*	208,480	Š.	213,692				224,510		230,123	\$	235,876	\$	241,773	\$	247,817	\$	254,013	\$	260,363	•	266,872	
Rome	\$	223,200	\$	228,780	\$	234,500	•	240,362		246,371	\$	252,530	\$	258,844	\$	265,315	\$	271,948	\$	278,746	*	285,715	
Rome Beautry	ě	225,920	4	231,568	\$	237,357		243,291		249,373			\$	261,998	\$	268,548	\$	275,262	\$	282,143	\$	289,197	
•	φ.	244,000	ψ	250,100	\$	256,353		262,761		269,330		276,064		282,965	\$	290,039	\$	297,290	\$	304,723	\$	312,341	
loneycrisp	ė	264,640	•	271,256	\$	278,037	Š	284,988		292,113	\$			306,901	\$	314,574	\$	322,438	\$	330,499	\$	338,762	
Bala Bauthara Dasa	φ	265,280		271,912			•			292,819				307,643	\$	315,335	\$	323,218	\$	331,298	\$	339,581	
Southern Rose	φ	200,200	φ	2/1,812	Ψ	270,710	Ψ	200,010	Ψ	2.02,010	•	000,1-10	*	55.,5.5	*	,.							
				16 11		/7 12		18 13		19 14		20 15		2 / 16		22 17		2318		2 Y 19		<i>25</i> 20	
Selleleus	ř.		¢	175,295			\$		\$		\$		\$		\$	203,288	\$	208,370	\$	213,580	\$	218,919	0.0
Deliclous				210.564	\$	,	\$		\$	· · · · · · · · · · · · · · · · · · ·	\$		\$		\$	244,189	\$	250,294	\$	256,551	\$	262,965	
McIntosh		9	Φ				\$		\$		-	244,936	-	251,060	\$	257,336	\$	263,769	\$	270,364	\$	277,123	
=uji			φ	221,900	- :	251,978	\$		\$			271,353	\$		\$	285,090	\$	292,218	\$	299,523	\$	307,011	
Liberty			Þ	245,833	\$		7			265,187		271,817	•	278,612	Š	285.577		292,717	\$	300.035	\$	307,536	
Haralson			Þ	246,252		252,409	\$				\$			298,089	\$	305,541		313,179	\$	321,009	\$	329.034	
Braeburn			\$	263,467		270,054	\$		\$		-		•	302,364	\$	'	,		\$		\$	333,753	
Empire			\$	267,246		273,927		280,775	\$			294,989	- 1	'			\$	323,161	\$	331,240	\$	339,521	
Cortland			\$	271,864			- 7	285,627	\$		- 0	300,087	\$		- :	317,227	\$	325,158	\$		\$	341,619	
Fireside			\$	273,544	- :		\$				1	301,941	\$				•	348,116	\$		ŝ	365,739	
Rome			\$	292,858		300,179	\$							331,342		,	φ	352,358	4	361,167	\$	370,196	
Rome Beautry			\$	296,427	\$	,	\$					327,200	,	335,380	\$		Φ		ą.	390,071	Š	399,822	
Honeycrisp			\$	320,149	\$	328,153	\$	336,357		344,766		353,385		362,219	\$		\$	,	ą.		4	433,643	
Gala			\$	347,231	\$	355,911	\$	364,809	\$	373,929	5	383,278	ş	392,860	\$	402,681	ф	412,748	Ð	423,067	φ	400,040	

Annual Appreciation 2.59

Value increases 2.5% each year over previous year's value



Initial Dwelling Unit Value does not correlate exactly to a purchase price as is the case in a single family home or condominium. Initial Dwelling Unit Value is used to give an estimate of the cost to deliver the cooperative unit to the members, and more importantly is a benchmark for determining annual appreciation of the unit. It should specifically be noted that the Initial Dwelling Unit Value may be more or less than the sum of down payments made, plus the mortgage amount allocated to a unit.



Applewood Southtown

Built 2009

2.5% Annual Appreciation

#### **EXHIBIT A**

Dwelling Unit type	Initial Dwelling Unit Value **	Option A Total Down Payment	Option B Total Down Payment	Option C Total Down Payment	Option D Total Down Payment
DELICIOUS	160,395	24,276	56,355	96,237	160,395
FUJI	195,595	29,596	68,705	117,327	195,545
FUJI PLUS	208,495	31,556	73,255	125,097	208,495
GOLDEN FUJI	214,600	32,480	75,400	128,760	214,600
LIBERTY	216,635	32,788	76,115	129,981	216,635
BRAEBURN	232,175	35,140	81,575	139,305	232,175
WASHINGTON	245,680	37,184	86,320	147,408	245,680
ROME	258,075	39,060	90,675	154,845	258,075
CORTLAND	260,480	39,424	91,520	156,288	260,480
ROME BEAUTY	264,180	39,984	92,820	158;508	264,180
HONEYCRISP	282,125	42,700	99,125	169,275	282,125
GOLDEN HONEYCRISP	283,235	42,868	99,515	169,941	283,235
GALA	305,990	46,312	107,510	183,594	305,990
FIRESIDE	306,915	46,452	107,835	184,149	306,915

#### Illustration of Transfer Value Calculations

Dwelling Unit Type	Initial Dwelling Unit Value	Payment Option A
DELICIOUS	160,395	24,276

Annual Compounded Interest		Cumulative Dwelling Unit Value
Year 1	4,010	164,405
Year 2	4,110	168,515
Year 3	4,213	172,728
Year 4	4,318	177,046
Year 5	4,426	181,472

	First Transfer Occurs in Year 3	Second Transfer of Same Membership Occurs in Year 5
Applicable Down Payment	24,276	24,276
Annual Compounded Interest Accrued	12,333	21,077
Approved Upgrades	10,000	10.000
Transfer Value	46,609	55,353

<sup>\*</sup> Assume the second Member made no additional upgrades.



Applewood ValleyWest

• 2.0% Annual Appreciation

• Built 2015

#### EXHIBIT A (to be amended later)

velling Unit type	Initial Dwelling Unit Value **	Option A Total Down Payment	Option B Total Down Payment	Option C Total Down Payment	Option D Total Down
eburn	\$244,400	\$38,775	\$86,950	\$148,050	Payment
	\$261,040	\$41,415	\$92,870	-	\$231,475
Intosh	\$266,864	\$42,339		\$158,130	\$247,235
shington	\$276,224	-	\$94,942	\$161,658	\$252,751
eburn w/sunroom		\$43,824	\$98,272	\$167,328	
ne	\$284,544	\$45,144	\$101,232	\$172,368	\$261,616
and	\$290,160	\$46,035	\$103,230		\$269,496
	\$292,864	\$46,464		\$175,770	\$274,815
ycrisp	\$317,200	\$50,325	\$104,192	\$177,480	\$277,376
and Plus	\$323,024		\$112,850	\$192,150	\$300,425
ycrisp Plus		\$51,249	\$114,922	\$195,678	
	\$329,680	\$52,305	\$117,290	\$199,710	\$305,941
do.	\$344,032	\$54,582	\$122,396		\$312,245
de	\$345,072	\$54,747	200	\$208,404	\$325,838
n Honeycrisp	\$358,592		\$122,766	\$209,034	\$326,823
Plus		\$56,892	\$127,576	\$217,224	\$339,628
nt	\$362,752	\$57,552	\$129,056	\$219,870	
	\$393,744	\$62,469	\$140,082	\$238,644	\$343,568 \$372,921

#### Illustration of Transfer Value Calculations

Dwelling Unit Type		
Fuji ype	Initial Dwelling Unit Value	D
	\$244.400	Payment Option A
Annual Compounded Interest	Cumulative Durelli	\$38,775

Annual Come	ounded Interest	V214,400
Year 1		Cumulative Dwelling Unit Value
Year 2	\$4,888	
Year 3	\$4,986	\$249,288
Year 4	\$5,085	\$254,274
Year 5	\$5,187	\$259,359
rear 5	\$5,291	\$264,546
The second secon	Ψ0,291	\$269.837

Applicable Down Payment	First Transfer Occurs in Year 3	Second Transfer of Same Membership Occurs in Year 5
Annual Compounded Interest A	\$38,775	5 year 5
Approved Upgrades	\$14,959	\$38,77
Terrot	\$5,000	\$25,43
Transfer Value	\$58,734	\$5,00
Assume the second Mont		\$69,212

Assume the second Member made no additional upgrades.
Initial Dwelling Unit Value does not correlate exactly to a purchase price as is the case in a single family home or a condominium. Initial Dwelling Unit Value is used herein to give an estimate of the cost to deliver the Dwelling Units to the members and, more importantly, is the benchmark for determining annual appreciation for Transfer Value purposes. It should be specifically noted that the Initial Dwelling Unit Value may be more or less than the sum of down payments made plus the mortgage amount allocated to a Dwelling Unit.

	Applewood Lyndale	Applewood Southtown	Applewood Valleywest
Year Built	2004	2009	2015
Appreciation %	2.5%	2.5%	2.0%
Unit Size/Description	1255 SF / Braeburn	1255 SF / Braeburn	1255 SF / Braeburn
Initial Equity Value	200,800	232,175	261,040
Comparison Value			
2004/05	200,800		
2009/10	221,646	232,175	
2015/16	257,041	262,685	261,040
2017	270,054	275,983	271,586
Assessment Values			
2015 EMV	134,400	155,000	
2016 EMV	168,300	195,600	220,800
2017 EMV	188,500	210,800	220,800
2017 EMV PSF	\$150	\$168	\$176

	Applewood Lyndale	Applewood Southtown	Applewood Valleywest
Year Built	2004	2009	2015
Appreciation %	2.5%	2.5%	2.0%
Unit Size/Description	1255 SF / Braeburn	1255 SF / Braeburn	1255 SF / Braeburn
Initial Equity Value	200,800	232,175	261,040
Comparison Value			
2004/05	200,800		
2009/10	221,646	232,175	
2015/16	257,041	262,685	261,040
2019	283,725	289,955	282,588
Assessment Values			
2017 EMV	188,500	210,800	220,800
2018 EMV	188,300	211,200	220,600
2019 EMV	190,800	211,100	225,600
2018 EMV PSF	\$152	\$168	\$180



#### **Applewood Pointe Metro Wide Complex Comparision**

		V	Lord	Local		1111			Northead		61.4
		Year	Land	Land			Mix		Number		GLA
Project Name	Coop Master Parcel Address	Built	SF	Acres	EFF	1 BR	2 BR	3 BR	of Units	GLA	Per Unit
Applewood Pointe of Maple Grove	35-119-22-33-0144 6222 Quinwood Lane N	2003	213,984	4.91	0	16	57	0	73	85,736	1,174
Applewood Pointe of Roseville	03-29-23-32-0078 1480 Applewood Court	2004			0	4	60	30	94	121,428	1,292
Applewood Pointe of Bloomington	03-027-24-32-0065 8341 Lyndale Ave S	2005	164,587	3.78	0	5	65	25	95	121,877	1,283
Applewood Pointe of Woodbury	18.028.21.22.0028 6050 Lake Rd	2005	129,415	2.97	0	12	34	30	76	101,952	1,341
Applewood Pointe of New Brighton	17-30-23-44-0014 1900 Rush Lake Trail	2006			0	0	57	63	120	173,339	1,444
Applewood Pointe of Bloomington at Southtown	05-027-24-14-0033 8100 Russell Ave S	2009	185,941	4.27	0	5	31	65	101	137,407	1,360
Applewood Pointe of Roseville at Langton Lake	04-29-23-32-0132 1996 Langton Lake Drive	2013			0	1	14	74	89	135,248	1,520
Applewood Pointe of Bloomington at ValleyWest	20-027-24-32-0066 10650 Beard Ave S	2015	152,956	3.51	0	0	18	59	77	113,532	1,474
Applewood Pointe of Shoreview	13-30-23-31-0129 4785 Hodgson Road	2015			0	0	18	59	77	118,154	1,534
Applewood Pointe of Champlin	19-120-21-22-0010 309 Dayton Road	2016	184,262	4.23	0	0	13	57	70	104,052	1,486
Applewood Pointe of Minnetonka	14-117-22-24-0011 12201 Minnetonka Blvd	2016	177,637	4.08	0	0	19	70	89	138,561	1,557
Applewood Pointe of Roseville at Central Park	02-29-23-34-0025 2665 Victoria St. N	2017			0	0	11	94	105	166,728	1,588
Applewood Pointe of Eagan	10-62630-01-010 1565 Quarry Road	2018	264,526	6.07	0	0	11	85	96	151,747	1,581
Applewood Pointe of Maple Grove at Arbor Lakes	23-119-22-24-0095 8250 Kirkwood LN	2019	201,763	4.63	0	0	12	90	102	158,903	1,558
Applewood Pointe of Champlin at Mississippi Crossings	19-120-21-24-0041 345 East River Entry	2019	172,264	3.95	0	0	12	73	85	135,839	1,598
Applewood Pointe of Eden Prairie	17-116-22-14-0086 16389 Glory LA	2019	192,260	4.41	0	0	15	84	99	155,255	1,568



#### **Applewood Pointe Metro Wide Unit Comparision**

		Unit		Year	Unit	201	9
Complex Name	Address	Num	Property ID#	Built	Size	Value	PSF
Unit Size of 1250	Address	Num	Property ID#	built	3126	Value	13
Applewood Pointe of Maple Grove	6222 Quinwood Lane N	119	35-119-22-33-0160	2003	1.218	172,700	14
Applewood Pointe of Roseville	1480 Applewood Court	112	03-29-23-32-0064	2004	1,255	133,200	10
Applewood Pointe of Woodbury	6050 Lake Rd	104	66.028.21.05.0004	2005	1,248	133,000	10
Applewood Pointe of Bloomington	8341 Lyndale Ave S	107	03-027-24-32-0139	2005	1,255	190,800	15
Applewood Pointe of New Brighton	1900 Rush Lake Trl	112	17-30-23-44-0017	2006	1,282	131,300	10
Applewood Pointe of Bloomington at Southtown	8100 Russell Ave S	103	05-027-24-14-0037	2009	1,255	211,100	16
Applewood Pointe of Roseville at Langton Lake	1996 Langton Lake Drive	210	04-29-23-22-0130	2011	1,255	131,000	10
Applewood Pointe of Bloomington at ValleyWest	10650 Beard Ave S	113	20-027-24-32-0077	2015	1,255	225,600	18
Applewood Pointe of Shoreview	4785 Hodgson Road	122	13-30-23-31-0128	2015	1,255	198,100	15
Applewood Pointe of Minnetonka	12201 Minnetonka Blvd	112	14-117-22-24-0021	2016	1,290	248,000	19
Applewood Pointe of Champlin	309 Dayton Road	112	19-120-21-22-0018	2016	1,255	230,000	18
Applewood Pointe of Roseville at Central Park	2659 Victoria St. N	116	02-29-23-34-0025	2017	1,293	240,200	18
Applewood Pointe of Eagan	1565 Quarry Road	120		2018	1,296	,	
Applewood Pointe of Maple Grove at Arbor Lakes	8250 Kirkwood Lane N	107		2018	1,296		
Applewood Pointe of Champlin at Mississippi Crossings	345 East River Entry	105		2018	1,232		
Applewood Pointe of Eden Prairie	16389 Glory LA	117		2019	1,298		
				Max	1,298	248,000	1
Unit Size of 1525							
UIII 312E UI 1323							
Applewood Pointe of Maple Grove	6222 Quinwood Lane N	312	35-119-22-33-0204	2003	1,418	200,000	14
	6222 Quinwood Lane N 1480 Applewood Court	312 202	35-119-22-33-0204 03-29-23-32-0078	2003 2004	1,418 1,528	200,000 163,300	14
Applewood Pointe of Maple Grove Applewood Pointe of Roseville					,		1
Applewood Pointe of Maple Grove	1480 Applewood Court	202	03-29-23-32-0078	2004	1,528	163,300	
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury	1480 Applewood Court 6050 Lake Rd	202 120	03-29-23-32-0078 66.028.21.05.0016	2004 2005	1,528 1,588	163,300 162,400	1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S	202 120 103	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135	2004 2005 2005	1,528 1,588 1,523	163,300 162,400 229,500	1011
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl	202 120 103 109	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014	2004 2005 2005 2006	1,528 1,588 1,523 1,557	163,300 162,400 229,500 159,600	1 1 1 1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S	202 120 103 109 110	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040	2004 2005 2005 2006 2009	1,528 1,588 1,523 1,557 1,525	163,300 162,400 229,500 159,600 252,000	10 10 10 10 10 10
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive	202 120 103 109 110 212	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132	2004 2005 2005 2006 2009 2011	1,528 1,588 1,523 1,557 1,525 1,535	163,300 162,400 229,500 159,600 252,000 159,700	10 10 10 10 10 10 10
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S	202 120 103 109 110 212 123	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087	2004 2005 2005 2006 2009 2011 2015	1,528 1,588 1,523 1,557 1,525 1,535 1,525	163,300 162,400 229,500 159,600 252,000 159,700 266,500	1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road	202 120 103 109 110 212 123 123	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129	2004 2005 2005 2006 2009 2011 2015 2015	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600	10 10 10 10 10 11 11 11 11
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd	202 120 103 109 110 212 123 123 121	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011	2004 2005 2005 2006 2009 2011 2015 2015 2016	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500	10 10 10 10 10 10 10 10
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of New Brighton Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka Applewood Pointe of Champlin Applewood Pointe of Roseville at Central Park	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd 309 Dayton Road	202 120 103 109 110 212 123 123 121 115	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011 19-120-21-22-0021	2004 2005 2005 2006 2009 2011 2015 2015 2016 2016	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525 1,525	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500 278,000	1 1 1 1 1 1 1 1 1
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Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of Bloomington at Southtown Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka Applewood Pointe of Champlin Applewood Pointe of Roseville at Central Park Applewood Pointe of Bagan Applewood Pointe of Maple Grove at Arbor Lakes Applewood Pointe of Champlin at Mississippi Crossings	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd 309 Dayton Road 2659 Victoria St. N 1565 Quarry Road 8250 Kirkwood Lane N 345 East River Entry	202 120 103 109 110 212 123 123 121 115 119 101	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011 19-120-21-22-0021	2004 2005 2005 2006 2009 2011 2015 2016 2016 2017 2018 2018	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525 1,525 1,525 1,554 1,555 1,557 1,556	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500 278,000	1 1 1 1 1 1 1 1 1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of Bloomington at Southtown Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka Applewood Pointe of Champlin Applewood Pointe of Roseville at Central Park Applewood Pointe of Bagan Applewood Pointe of Maple Grove at Arbor Lakes Applewood Pointe of Champlin at Mississippi Crossings	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd 309 Dayton Road 2659 Victoria St. N 1565 Quarry Road 8250 Kirkwood Lane N	202 120 103 109 110 212 123 123 121 115 119 101	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011 19-120-21-22-0021	2004 2005 2005 2006 2009 2011 2015 2016 2016 2017 2018 2018	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525 1,525 1,525 1,554 1,555 1,557	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500 278,000	1 1 1 1 1 1 1 1 1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of Bloomington at Southtown Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka Applewood Pointe of Champlin Applewood Pointe of Roseville at Central Park Applewood Pointe of Bagan Applewood Pointe of Maple Grove at Arbor Lakes Applewood Pointe of Champlin at Mississippi Crossings	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd 309 Dayton Road 2659 Victoria St. N 1565 Quarry Road 8250 Kirkwood Lane N 345 East River Entry	202 120 103 109 110 212 123 123 121 115 119 101	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011 19-120-21-22-0021	2004 2005 2005 2006 2009 2011 2015 2016 2016 2017 2018 2018	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525 1,525 1,525 1,554 1,555 1,557 1,556	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500 278,000	1 1 1 1 1 1 1 1 1
Applewood Pointe of Maple Grove Applewood Pointe of Roseville Applewood Pointe of Woodbury Applewood Pointe of Bloomington Applewood Pointe of Bloomington at Southtown Applewood Pointe of Bloomington at Southtown Applewood Pointe of Roseville at Langton Lake Applewood Pointe of Bloomington at ValleyWest Applewood Pointe of Shoreview Applewood Pointe of Minnetonka Applewood Pointe of Champlin Applewood Pointe of Roseville at Central Park Applewood Pointe of Bagan Applewood Pointe of Maple Grove at Arbor Lakes	1480 Applewood Court 6050 Lake Rd 8341 Lyndale Ave S 1900 Rush Lake Trl 8100 Russell Ave S 1996 Langton Lake Drive 10650 Beard Ave S 4785 Hodgson Road 12201 Minnetonka Blvd 309 Dayton Road 2659 Victoria St. N 1565 Quarry Road 8250 Kirkwood Lane N 345 East River Entry	202 120 103 109 110 212 123 123 121 115 119 101	03-29-23-32-0078 66.028.21.05.0016 03-027-24-32-0135 17-30-23-44-0014 05-027-24-14-0040 04-29-23-32-0132 20-027-24-32-0087 13-30-23-31-0129 14-117-22-24-0011 19-120-21-22-0021	2004 2005 2005 2006 2009 2011 2015 2016 2016 2017 2018 2018 2019	1,528 1,588 1,523 1,557 1,525 1,535 1,525 1,525 1,525 1,525 1,525 1,554 1,555 1,557 1,556 1,535	163,300 162,400 229,500 159,600 252,000 159,700 266,500 235,600 292,500 278,000 288,700	1 1 1 1 1 1 1 1 1
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# MINNESOTA HOMESTEAD CREDIT REFUND AND RENTER'S PROPERTY TAX REFUND

- Homeowners and Renters
- Principal place of residence
- New legislation in 2013 enhanced the program
- Two types available
  - 1. Regular Property Tax Refund
    - Property taxes versus your total household income
    - Renter \$61,320 Homeowner \$113,150
  - 2. Special Property Tax Refund
    - Increase in taxes beyond State Set level not income based.
    - For 2018 to 2019: increase of 12% AND at least \$100 increase.

The form required for filing for this refund is known as Form M1PR. Contact <u>www.taxes.state.mn.us</u> or 651-296-4444 or 1-800-657-3676 or call your Assessor's office for more information.

# PROPERTY TAX REFUND

		18 Tax			
<u>2017 Value</u>		<u>Estimate</u>			
\$129,400	\$	1,450			
(Median-Value)					
R€	efund Table				
Household		% of			
Income	Refund	d <u>Tax Paid</u>			
\$0 to \$1,670	\$1,215	5 83.8%			
\$5,000	\$1,179				
\$10,000	\$1,039				
\$20,000	\$789	54.4%			
\$30,000	\$553	38.1%			
\$40,000	\$423	29.2%			
\$50,000	\$292	20.1%			
\$60,000	\$149	10.3%			
\$70,000	\$0	0.0%			
Note - This is an estima	ate only based on 201	16 income ta	x rules per M	N Departme	nt of Revenue
Only your accountant o	can provide you an ac	curate estim	nation based o	on your spec	ific situation.

# QUESTIONS, COMMENTS OR OTHERS OPINIONS WELCOMED!