



How Home Builders Can Find
New Opportunities in
55+ Communities

Contents

Introduction	How Home Builders Can Find New Opportunities in 55+ Communities	3
Section 1	Builder Confidence in the Single-Family 55+ Housing Market	4
Section 2	Ways to Leverage Development Experience for Residential Investments	5
Section 3	Growth in 55+ Housing	6
Section 4	What Makes an Ideal 55+ Community	7
Section 5	Generation X: Anticipating the Needs of the Next Generation Entering the 55+ Market	9
Section 6	How to Tap into a Franchising Business Model to Enter the 55+ Real Estate Market	11
Conclusion	13
About Epcon Franchising	14



Introduction

How Home Builders Can Find New Opportunities in 55+ Communities

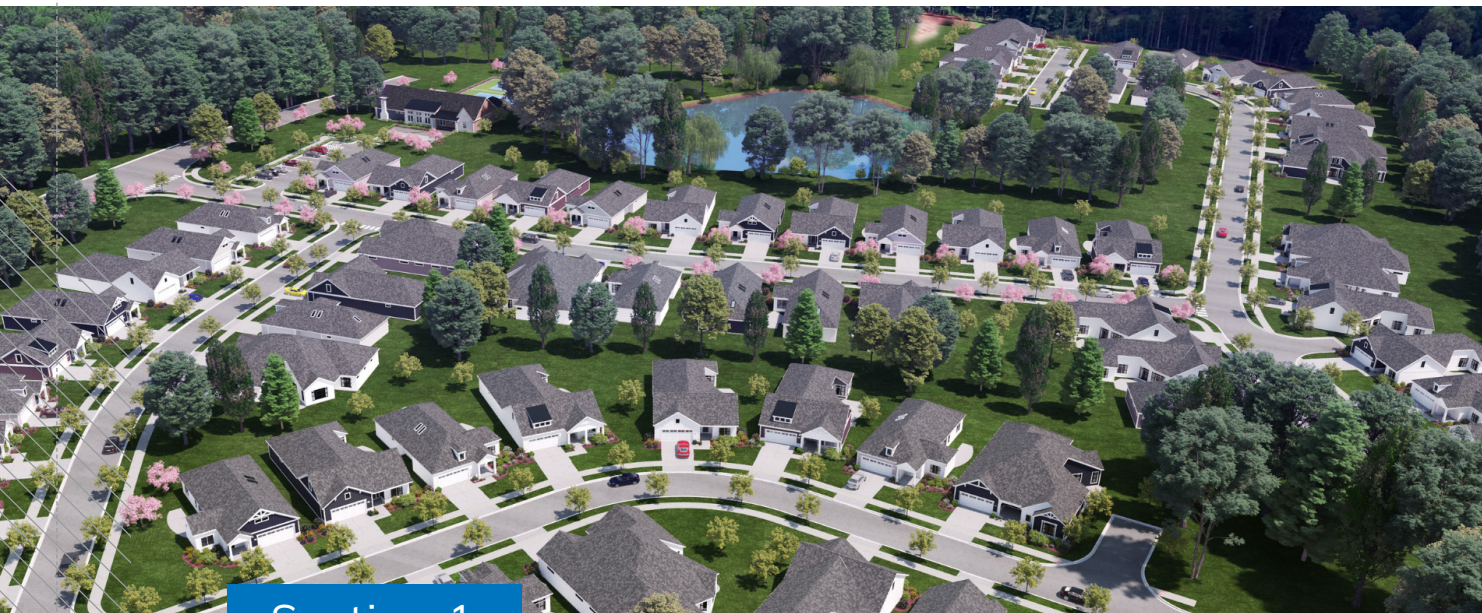
Timing is everything, right?



In the home building industry, economic conditions and changing demographics make timing crucial. Despite economic conditions, a number of factors create an environment ripe with potential for home builders.

Savvy home builders know to look for new investment opportunities during uncertain times to leverage their development experience. One such opportunity could be 55+ housing as Baby Boomers and Gen Xers retire and downsize.

Adding 55+ communities to their product mix allows home builders to diversify their portfolio while using their land acquisition and development knowledge. [In 2023, 59% of all buyers over the age of 60 purchased a detached single-family home](#), leaving an opportunity for home builders to grow their overall market share by serving this demographic.



Section 1

Builder Confidence in the Single-Family 55+ Housing Market

Home buyers over the age of 55 continue to be underserved despite research showing that they are [the largest segment of new home buyers](#).

What This Means For You

There is a lot of demand for new homes that are popular within a niche that few builders are capitalizing on: the 55+ market. Baby Boomers are the largest segment of new home buyers, with the combined share of [younger Boomers \(58 to 67 years old\)](#) and [older Boomers \(68 to 76 years old\)](#) having risen to 39% in 2022.

These numbers are likely to pick up over time as the population ages, especially as older Americans are increasingly looking for a home they can comfortably spend the rest of their lives in. All of this means that the 55+ space is a largely untapped market with plenty to offer to those who are willing to invest. Epcon has recognized the value of building homes and communities popular with this demographic before the term became popularized, having advocated for it since 1986.

The timing is right for experienced home builders to explore other sectors to diversify their portfolios. The 55+ housing market is a sector that deserves a closer look.





Section 2

Ways to Leverage Development Experience for Residential Investments

Experienced construction and development professionals may find an alternative strategy in residential community building, given their expertise in construction and development. Below are several reasons this opportunity positions builders and developers for growth:

The complexities of acquisition and development are well understood.

Home builders who are already well-versed in these areas can quickly transition to new types of development. Builders may even be able to use land they were originally planning for another type of product that has slowed in growth to take advantage of growing residential sectors.

Residential development can be less expensive than building commercial properties.

Less expensive properties may require developers to take on less debt. For example, demand for multifamily housing is highest in high-priced urban areas, and high-end amenities are expected, making apartments increasingly expensive to build relative to detached single-family homes.

Building residential properties allows investors to diversify from annuity-style investments.

Once developers have built and sold a community, they can move on and pocket any proceeds or reinvest in a subsequent community. This allows investors to try a new type of development without having to collect and manage monthly income, freeing up capital quicker for future development. This type of development often has a shorter waiting period before the investment is recouped.



Section 3

Growth in 55+ Housing

When considering a transition to residential communities, one sector in particular could represent significant opportunity – 55+ housing. There are 70 million Baby Boomers in the United States and about 12,000 of them will turn 65 every day.

By 2030, all Baby Boomers — those born from 1946 through 1964 — will be 65 or older. In addition to this, the longevity economy, which includes the products and services purchased by Americans over 50 years old and the further economic activity those purchases generate, is currently valued at more than \$7 trillion per year. It is expected to reach more than \$13.5 trillion by 2032.

With the active adult market growing and a positive outlook on economic conditions, an opportunity opens for home builders looking to break into the 55+ market segment.

There are 70 million Baby Boomers in the United States and about 12,000 of them will turn 65 every day.

Kiplinger Personal Finance





Section 4

What Makes an Ideal 55+ Community

With an understanding of land acquisition and development, experienced home builders and developers can apply their knowledge to building single-family communities popular with people over 55 with attention to some key specifications.

This demographic focuses on lifestyle.

Baby Boomers enjoy entertaining and spending time with friends while spending less time on home maintenance. Research from 2023 shows that [59% of all buyers over the age 60 purchased a detached single-family home](#). Communities offering detached patio homes are more popular with 55+ home buyers versus a multifamily condominium or apartment complex because they offer a greater sense of the traditional home.

Ranch style homes that are open and emphasize functionality are preferred.

Thriving 55+ home builders have used market research of the Baby Boomer demographic to create floor plans that meet this group's unique desires. Since lifestyle is important and entertaining is a focus, open concept living areas and private outdoor spaces are at the forefront of design.



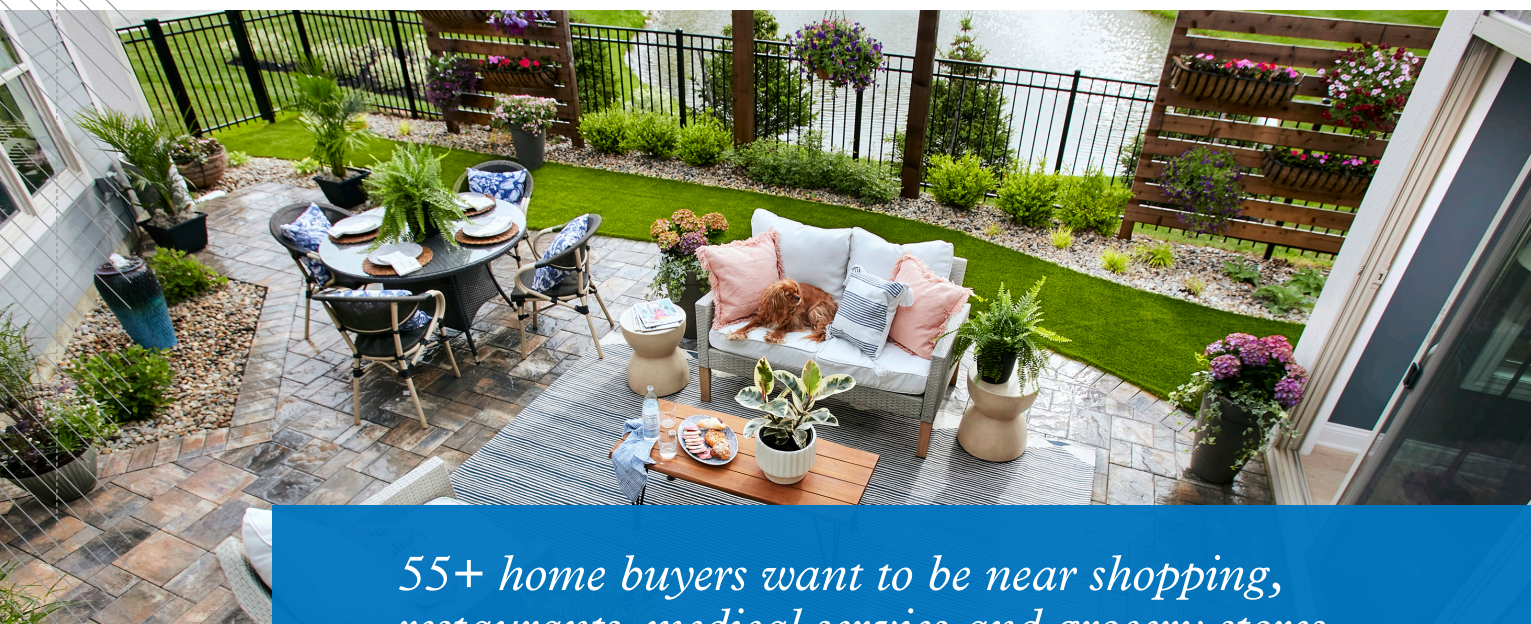
Doing less is more.

Many 55+ new construction home buyers are rightsizing and looking for less square footage, fewer bedrooms and less maintenance. In addition to offering the right floor plan options, 55+ communities must provide some outdoor home maintenance. This includes lawn care, snow removal and trash pickup.

Community is everything.

More important than just a smaller, low-maintenance home, 55+ buyers want to feel part of a community. Location and neighborhood safety are [two major factors that influence a home buyer's decision to purchase](#).

Developers targeting this demographic should consider communities that include amenities like walking trails and clubhouses. Other ideal benefits could include a swimming pool, fitness facilities and plenty of community gathering spaces to host social events, all of which facilitate the sort of lifestyle that appeals to the 55+ demographic.



55+ home buyers want to be near shopping, restaurants, medical services and grocery stores — not in remote areas.

They also want connectivity to family, friends and adventure.

NAHB, What Home Buyers Really Want



Section 5

Generation X

Anticipating the Needs of the Next Generation Entering the 55+ Market

Generation X is quickly entering the 55+ market. This shift will have significant implications for the future of 55+ housing. At Epcon, we work to stay ahead of trends, so you have a turnkey product that will continue to resonate as Gen X enters the 55+ market.

Generation X: born in 1965 - 1981

Gen X Signature Traits: pragmatic, self-reliant, results-driven

Looking at the Next Decade

Generation X will have a growing impact in the 55+ home building market over the next 20+ years. With unique insights into the buying habits of Gen X, Epcon is working to put the right strategies in place to maximize opportunity. Let's look at the preferences of this generation and the opportunities they create for home builders.



Three Key Insights Into 55+ Housing Through 2030

1. Generation X puts a premium on privacy.

Gen X places a strong emphasis on private, dedicated spaces where they can enjoy, relax and entertain. According to our proprietary research, over 80% of 45-54 year olds say private outdoor space is absolutely essential. Ensuring that home designs appeal to the needs of this generation through ongoing product development will be key. Home features like Epcon's private courtyards will appeal to Gen Xers' desire for outdoor entertainment space.

2. Generation X is sensitive to extra fees.

Since many Gen Xers haven't accumulated wealth quite like the Baby Boomer generation, added fees are being scrutinized. Lower and more transparent HOA fees will appeal to the pragmatic nature of Gen X home buyers.

3. As 55+ demographics shift toward Gen X, some housing preferences will remain steady.

While a new generation will bring its own unique opportunities and challenges, many of the early wave Gen X housing preferences, design priorities and demand for amenities will still be in-line with late wave Baby Boomers. This makes Epcon's market-tested floor plans and communities a turnkey home building opportunity for the foreseeable future.

Breaking Down the Target Gen X Market

Epcon Franchising is dedicating significant resources to understand Gen X buyers to develop the next generation of 55+ homes and communities. We're looking at price sensitivity, as well as housing and amenity preferences, to keep Epcon Communities ahead of the competition in this increasingly competitive housing segment.

As an Epcon Franchise Builder you will have access to this ongoing research as well as the targeted marketing and sales knowledge to capture the rising Gen X market.





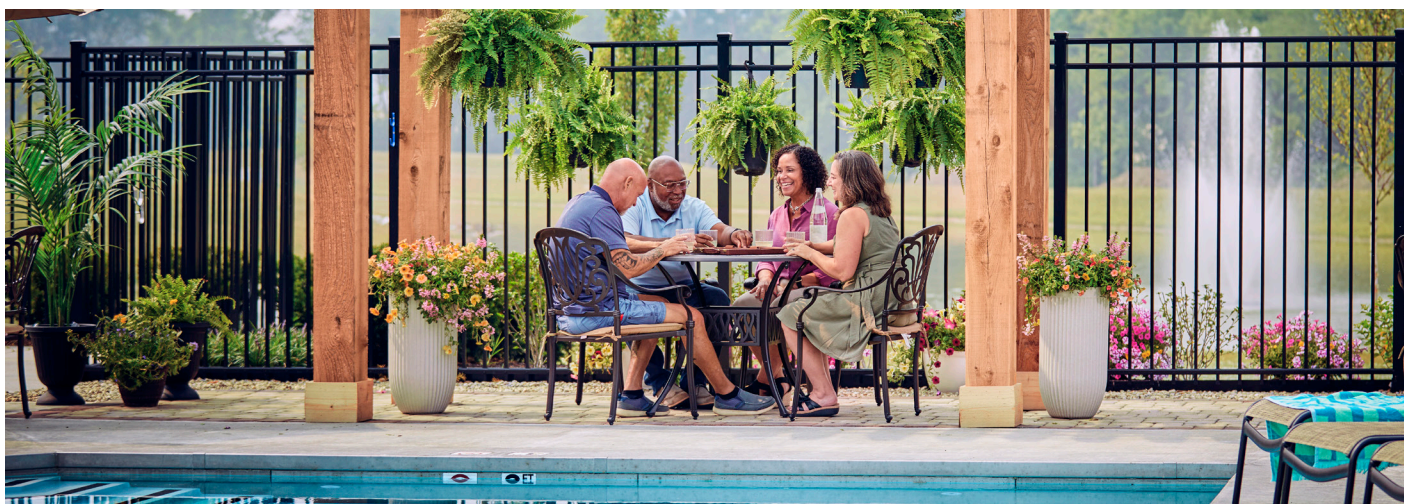
Section 6

How to Tap into a Franchising Business Model to Enter the 55+ Real Estate Market

Franchising offers the opportunity for home builders to enter a new area of development without having to reinvent the wheel.

By adopting a business plan for the 55+ demographic that has almost four decades of real-world experience behind it, builders are able to get to market very quickly with confidence that the product offering will resonate with buyers.

Franchise business models offer training and support. In the 55+ industry, this knowledge can prevent common mistakes that could be costly for a new business venture.



Five Qualities to Look for In a 55+ Business Opportunity

1. Proven framework

A 55+ business opportunity should provide a framework: processes for developing communities, proven floor plans with CAD drawings and insider bookkeeping knowledge to help maintain margins.

2. Purchasing power

A 55+ business opportunity should provide national account buying power and “big builder” level rebates on construction materials and services, minimizing your cost structure relative to the competition.

3. Tools and technology

A 55+ business opportunity should provide the tools and technology needed for marketing and selling homes quickly. For example, tools like virtual tours and architectural renderings of home models are critical when pre selling homes, but often cost prohibitive for an independent builder to create. Epcon Franchising provides these marketing and technology assets that will increase a developer’s sales velocity without lowering their profit margin.

4. Greater velocity

If home designs are tested, they are easier to appeal to the 55+ buyer and result in fast and consistent turnover of homes. Well-documented plans allow home builders to build efficiently. For example, Epcon’s plans allow you to build a home in as little as 110 days. As investors close out communities, they can start new ones, providing long-term growth opportunities.

5. No long-term contracts

A 55+ business opportunity should not require long-term contracts so home builders are not committed decades to a particular brand. Epcon’s home building and community development franchise does not require Franchise Builders to sign a 10-, 15- or 20-year agreement. They simply commit to build their first community. If they choose to build additional communities anywhere in the country, they may not need to pay another initial franchise fee.

This gives active Epcon Franchise Builders the ability to develop as many communities as they want, or the option to move on to other business interests.





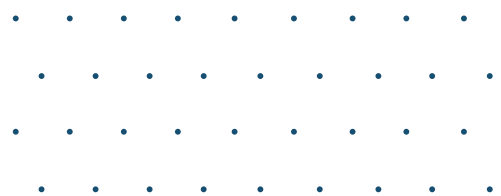
Diversify Your Home Building Business with 55+ Housing

The growth in 55+ housing offers a great opportunity for any home builder, but those who have real estate development experience are particularly well positioned in this sector.

Adding 55+ housing communities to a portfolio makes use of land acquisition and development experience, while diversifying a home builder's income strategy.

Home builders can take proceeds from one community and use that large amount of capital to start another real estate investment without having to wait to collect monthly income. Timing is everything for home builders who want to maximize their growth potential before large builders come into their market. By working with a company like [Epcon Franchising](https://www.epconfranchising.com) with proven expertise in the 55+ housing market, investors can enter the segment smarter and faster.

Learn more about working with Epcon Franchising by calling us at (888) 909-2430 or visiting our website at www.EpconFranchising.com.



400 Stonehenge Parkway
Dublin, OH 43017

888.909.2430

EpconFranchising.com



Learn about the steps to becoming an Epcon Franchise Builder.

Epcon Franchising provides a business blueprint for builders to capitalize on a large and underserved segment of the new home market, allowing them to build more, smarter and faster. Call 888-909-2430 to learn more about what we offer and get your questions answered specific to your business and market.

Sales Disclaimer: The offer of a franchise can only be made through the delivery of a Franchise Disclosure Document. Certain jurisdictions require registration prior to the offer or sale of franchise. We do not offer franchises in jurisdictions where we are not registered (or exempt from registration). Epcon Communities Franchising, Inc. 500 Stonehenge Parkway, Dublin, Ohio 43017. Minnesota Franchise Registration No. F-3531.