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Kemmons Wilson looks west, to sunset years

Decides Denver is attractive market for retirement ventures

By Amos Maki
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The impending retirement of more than 70 million Baby Boomers means a lot of things.

The coming wave threatens to push up Social Security, Medicare and Medicaid costs enough to crowd out all other federal spending.

But it also represents a potential windfall for the developers of empty nester condominiums targeting "active adults."

With that in mind, the Kemmons Wilson Cos. is targeting Denver for real estate ventures and other private equity investment opportunities.

"We did a little research and found that Denver was a pretty fine market," said Spence L. Wilson, principal and president of Kemmons Wilson Inc. "We were looking for something to do outside of Memphis and found that Denver was a great market for lots of different things."

KWC established Colorado Oaks LLC to develop specialty residential communities targeting empty nesters, a niche development KWC has been successful in developing locally.

The National Association of Home Builders says the fastest-growing part of the housing market is the 50-plus segment of buyers that includes Boomers, empty nesters, potential retirees and other categories of older buyers.

People 55 or older bought nearly a fifth of the 1.1 million new U.S. homes sold in 2003.

"It's a pretty remarkable demographic change," said Ron Hickman, senior vice president of Kemmons Wilson Inc. "We still think we're on the front edge of that wave."

KWC has purchased nearly 90 acres in three locations around Denver and plans on developing about 404 "active lifestyle" condos.

Boomers make up almost one-third of the nation's population and many of them don't plan on being carted off to conventional retirement communities. Instead, they're opting for homes built to meet their needs.

The KWC condos are usually one-story developments with two-car garages.

Locally, KWC developed The Oaks at Schilling Farms, a 130-unit development that is sold out. KWC is also developing The Oaks at Appling, a 134-unit project that is 75 percent sold.

The Memphis products sell for just under \$200,000 while the Denver ones will sell for just over \$200,000.

"That 'Main Street pricing' is a key ingredient to our attraction," Hickman said.

Another key ingredient to the attraction is the active lifestyle each community offers.

Bingo and shuffleboard have been replaced with fitness centers, clubhouses, meeting spaces and swimming pools.

And like in Memphis, KWC is finding that its Denver buyers are mostly locals who want to remain close to family, friends, doctors and churches.

"There are more and more people who want to live in the same neighborhood as they approach retirement," Hickman said.

According to a survey by NAHB and Countrywide Home Loans, about two-thirds of the builders who responded to the survey said their buyers were relocating from within the same community or state.

The firm is also exploring private equity investments, continuing a family tradition.

"We're looking everywhere at this point," Wilson said. "As a family we have always been interested in new ideas and new things."

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