

## Dexter retirement development comes to market

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Robert Ramey / Ann Arbor Business Review Stacey Olson

The nonprofit United Methodist Retirement Communities Inc. is closing in on construction of an \$18 million, 60-home retirement community for active seniors in Dexter.

The Cedars of Dexter won final site plan approval from the Dexter Village Council in late September, when 11 units had been sold and preliminary site work has been completed. Construction is expected to start around the middle of 2008.

The Cedars of Dexter will be one of only a handful of senior communities in the area to offer life leases, where residents put down the cost of the unit but ownership is retained by UMRC, said John Thorhauer, president and CEO of UMRC, which invests the entry fees. Residents recover at least 90 percent of the entry fee when they leave. Entry fees will run between \$279,000 and \$319,000 at The Cedars of Dexter.

"We're targeting the active senior, 60 years or older who are looking to be relieved of the maintenance of their homes so they can enjoy an active life," said Stacey Olson, marketing director. "It's a new standard of senior living."

The soft housing market isn't expected to prove a hurdle, Thorhauer said: "We're not just a new subdivision. We're a lifestyle choice for people looking for a community of friends and services. People know each other. This is very different from a housing development."

The Craftsman style design of The Cedars will fit nicely with historic Gordon Hall, which shares the property, said James G. Haeussler, president of Peters Building Co, project builders. "They have an architectural style of historical significance. And it's a new product for the community done by a respected organization in the field."

Sales are ahead of projections since UMRC began marketing the project less than two months ago, Thorhauer said. Some 36 deposits are needed before construction begins. A marketing push began in September with a direct mailing, Olson said, and will be followed by information seminars, open houses and cold calling. Marketing efforts are being directed toward Dexter and Ann Arbor and will expand as needed, Olson said.

The UMRC will finance the project through the sale of tax-exempt bonds. Ziegler Capital Market is preparing the financial package and selling the bonds. They suggest that UMRC have deposits for at least 60 percent of the units before construction begins for investor comfort, Thorhauer said.

The houses, included in two- and three-unit groupings, will range in size from 1,590 to 1,900 square feet and will be available in two-bedroom and two-bedroom and den options.

The UMRC, with a 100-year history, offers a range of housing options to 400 seniors at its Chelsea facilities, from independent living to assisted living to memory care and skilled nursing. All residents have traditional rental agreements. Plans are to someday expand on the Chelsea location and build retirement homes with life leases similar to The Cedars of Dexter, Thorhauer said.

While the Cedars of Dexter will offer independent living for adults 60 years and older, it will have private duty home care available as needs arise, Thorhauer said. "That's what makes this unique. It's done with the intent of keeping people in their homes as long as it's practical and safe."

UMRC vetted the design of the Cedars of Dexter when they constructed four units on the Chelsea campus last spring: Two as models and two are rented. They gathered feedback since the models opened in May and decided on a number of changes: Larger bedrooms, more walk-in closet space, a two-car garage option and more. All are barrier-free with large doors.

The UMRC decided to expand in mid-2005 after experiencing wait lists of up to two years at its Chelsea location. They conducted market studies and studied existing competition. There was strong interest from the Dexter area and no competition, Thorhauer said.

At about the same time, the Greek Revival Gordon Hall and surrounding property, owned by the University of Michigan, came on the market. With 67 acres, it was too large for the UMRC project. But they partnered with the Dexter Area Historical Society and Museum to purchase the property. The Cedars will occupy almost 15 acres while the rest will remain in the hands of the historical society. UMRC closed on the land in July.