Profile of Customers in Southern Lincoln County, Nevada

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SUMMARY
The profile of people that may move into new developments in southern Lincoln County is outlined to determine how to service these potential customers. The profile of these target consumers is extrapolated from information provided by developers about the new communities and from data on residents in similar communities, marketing information on golfers and current home buyers. The majority of residents will have minimum household incomes of $55,000 per year and most will be much higher. The new communities will consist of empty-nesters and other families moving into their second or third homes. The residents will be retired, work at home, traveling to work in Las Vegas or working in the community as construction, golf course or emergency service staff. There will be some part-time residents in vacation or second homes. The customers in the new developments in southern Lincoln County are likely to be active individuals that enjoy a sense of open space, community and a healthy lifestyle. To win these customers the product must provide a good deal in their eyes with exceptional quality and service.

INTRODUCTION
To successfully market a product to a targeted consumer group, it is necessary to understand the lifestyle and habits of that group. Businesses can expand or develop through markets found in the new planned communities being built at the southern edge of Lincoln County by understanding the needs and wants of residents that will be living there.

METHODS
The profile of potential future customers in planned communities of southern Lincoln County was derived from several sources. Information on the size and planned characteristics of the new developments was collected from one-on-one interviews with the developers of the communities. Further demographic and economic information was collected from similar communities across the United States and in...
neighboring communities from the U.S. Census Bureau. This data is in an updated and easily searched format on the http://www.city-data.com website. Industry articles about targeted consumer groups, such as golfers, were also researched.

NEW COMMUNITY PLANS
The following section provides an understanding and description of the new communities to help identify who would like to live there and their priorities on environment and spending.

Lincoln County Land Act (LCLA)
The LCLA, or sometimes called Toquop, is a cluster of eight land parcels located in the southeast corner of Lincoln County and just north of Mesquite. Development on the land is currently awaiting the completion of a habitat conservation plan, an environmental impact statement (EIS), water agreements and infrastructure planning between all parties. The majority of houses will be built in five to 15 years totaling an estimated 40,000 homes. With so many uncertainties to be resolved, the land brokers/developers have not completed, or released, detailed plans for their land.

Discussions with the developers indicate that much of the area will be developed into an upper-middle class and upper-class residential and commercial area. There will be recreation and commercial areas for golf, casinos, shopping centers, big box stores and health services. The LCLA developers expect to sell homes largely to move-up buyers (second and third home owners) and empty-nesters/retired people. This will include locals, executives, baby boomers (people born between 1946 and 1964), generation X (people born 1965 to 1976) and the over 60 years of age group.

Coyote Springs
Coyote Springs Investment (CSI) is a self-contained development located at the southern end of Lincoln County and partially in Clark County on U.S. Highway 93. The development will become a stand alone community. Development is starting in Clark County with a 15-acre plant nursery, two golf courses and an in-ground infrastructure in residential areas is already established. Model houses are planned to be open for viewing in late December 2007. The development will start in a few years in Lincoln County upon final environmental clearance and demand for more homes.

The promotion and plans for Coyote Springs sells it as “a town away, a world apart.” The unique feature about CSI is the first Professional Golf Association (PGA) state-of-the-art golf training facility in the western United States. It will host championship golf and provide expert PGA-level training. The community is being marketed as one with space, parks, walkways, an equestrian park, mountain views, wellness and fitness amenities, full technology wiring and knowing your neighbor. The area will contain primary homes, second homes for the weekend, vacation properties, ranch estates and retirement villages.

Pardee Homes is contracted to be the major housing developer. Houses will range from starter to upper-end, with houses priced at 25% below Vegas Planned Unit Development (PUD) house market around $225,000 to $1 million plus. CSI will build some high-end custom homes on larger lots. There will be villages of condominiums, town homes and retirement communities. As the community grows, it will include the schools, churches, retail stores and businesses of a mid-sized city. A city business center, including a casino, is planned for the Lincoln County side (Coyote Springs, 2007).

Individually Likely to Live in CSI or LCLA
These developments are creating a living environment that has a sense of open space, recreation activities and community. Residents in these communities will dominantly consist of individuals that enjoy outdoor recreation activities, want to escape the city hustle and bustle and desire a closer social environment. For the first few years the only job base will be construction, golf course, emergency services, out-of-home employment or driving to Las Vegas. These communities will provide golf courses which will attract golf lovers, especially at the high-level facility at CSI.

According to standard mortgage calculations, a starter house at the $225,000 would require approximately a household income of $53,000 for a regular mortgage. Therefore,
residents will have higher household incomes than the national averages.

**RESIDENTS OF SIMILAR COMMUNITIES**

Similar communities near Las Vegas compared to those that will be built at CSI and Toquop were identified as Lake Las Vegas, Aliante, Providence, Seven Hills, Mountains Edge in Las Vegas and Mesquite.

Lake Las Vegas is a high-end golf community which resembles the CSI residential areas around the golf courses and one community planned in LCLA. Table 1 shows that this community consists largely of high income empty-nesters/retired couples in the baby boomer and older age ranges. The average travel time to work is 70 minutes which would be similar to the drive to Las Vegas from the Lincoln County developments.

Table 1. Demographics and economics of similar communities in southern Nevada

<table>
<thead>
<tr>
<th></th>
<th>Mesquite</th>
<th>Lake Las Vegas</th>
<th>Las Vegas* Communities</th>
<th>All of United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Age (years)</td>
<td>39</td>
<td>48</td>
<td>38-40</td>
<td>38</td>
</tr>
<tr>
<td>Household Size</td>
<td>2.6</td>
<td>2.1</td>
<td>2.4-2.9</td>
<td>2.6</td>
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<tr>
<td>Income Per Capita</td>
<td>$23,359</td>
<td>$147,800</td>
<td>$27,000-$43,500</td>
<td>$24,020</td>
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<tr>
<td>Household Income</td>
<td>$46,084</td>
<td>$104,600</td>
<td>$56,900-$93,000</td>
<td>$44,684</td>
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<tr>
<td>Median Home Age (years)</td>
<td>7</td>
<td>2</td>
<td>1-4</td>
<td>27</td>
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<tr>
<td>Median Home Cost</td>
<td>$418,600</td>
<td>$948,000</td>
<td>$321,000-$455,000</td>
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<td>Commute Time (minutes)</td>
<td>14</td>
<td>71</td>
<td>25-32</td>
<td>27</td>
</tr>
<tr>
<td>Cost of Living Index</td>
<td>133</td>
<td>229</td>
<td>117-138</td>
<td>100</td>
</tr>
</tbody>
</table>

* Based on three similar master planned communities: Mountains Edge, Providence and Seven Hills.

The demographics and economics of new communities in Las Vegas (Table 1), which are similar to the southern Lincoln County developments, show that residents of these areas average 39 years of age and have 2.4 to 2.9 people living in the household. The income per household and per person is above the national averages and the household income matches the higher cost of houses. The residents commute 30 minutes to work which is substantially less than the 60 to 70 minute drive to Las Vegas from the developments. From this information we can extrapolate that a large number of the residents have a higher income and are working professionals with one or two youth at home.

Residents of Mesquite are very similar to the national average resident in their age and income. Many households consist of two income-generating adults with a child or two. The value of their homes, at over $400,000, is much higher than the national average and the homes are much newer. They work in Mesquite, most likely at a casino.

To understand the people that move to and build in a serious golf community like CSI, the demographics of residents around the PGA Village in Port Saint Lucie, Florida, the location of the only other PGA training facility in the United States, were studied. Table 2 shows information about the residents that live near the PGA village. The residents have a higher income and the house prices are higher than the national average. One community consists of younger couples with children (zip 34987) and the other, retired couples (zip 34986).

Table 2. Demographics and economics of similar communities in Florida’s PGA Village

<table>
<thead>
<tr>
<th></th>
<th>Port St. Lucie, Florida</th>
<th>All of United States</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Zip Code 34987</td>
<td>Zip Code 34986</td>
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<tr>
<td>Median Age (years)</td>
<td>32</td>
<td>56</td>
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<tr>
<td>Household Size</td>
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<td>Income Per Capita</td>
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<tr>
<td>Household Income</td>
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<td>Median Home Age (years)</td>
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<tr>
<td>Median Home Cost</td>
<td>$320,600</td>
<td>$347,000</td>
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<tr>
<td>Commute Time (minutes)</td>
<td>30</td>
<td>30</td>
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<tr>
<td>Cost of Living Index</td>
<td>121</td>
<td>126</td>
</tr>
</tbody>
</table>

**PROFILE OF GOLFERS**
Understanding what type of individuals love golf may provide some clues about who will want to live in and visit CSI and some of the golf communities in LCLA. A study performed by the PGA of America’s Consumer Marketing department (Golf 20/20, 2001) showed that a large portion of golfers tend to be married (78%), home owners (87-92%) with a higher income ($77,700-82,800/year) and a higher education (50% have degrees) than the national average. Beyond golf, golfers enjoy outdoor activities (more than indoor activities), such as hiking/camping, fishing and baseball/softball. Their most important leisure time activities are dining out, reading, traveling, surfing the Internet and playing with pets. Home leisure activities are gardening/yard work, cooking and home improvement. Walking is the most popular physical activity.

Golf is considered to be an essential tool for business by many executives and top CEOs (Naversen Geraghty, 2006; Furlong, 2001). Living in a top, golf community is an attraction to executives and managers but the distance of an hour drive to Las Vegas may discourage their living in CSI or LCLA communities.

PROFILE OF NEW HOME BUYERS

A study of new home buyers in 2006 showed the typical homebuyer was 41 years old and one-quarter of the buyers had a household income of greater than $100,000. The most important reason for purchasing a home was a desire for a larger home and the most important factor in selecting a home was neighborhood quality. Most future new housing sales will be demanded by empty-nesters (baby boomers - born between 1946 and 1964). Not only will baby boomers purchase a primary residence but a significant share will purchase a vacation home or investment property (National Association of Realtors, 2006).

The baby boomers’ vision of retirement is different with an expectation of remaining active in work, volunteering and recreation. They want to live their later years in an environment that will facilitate that lifestyle with running, swimming, biking, rock climbing and kayaking.

Baby boomers desire to remain young in action, thought and feel. The baby boomers are the largest group of consumers holding 80% of U.S. financial assets and spending 50% of their disposable income. Their nests are emptying and therefore they will have more disposable income to spend. Enhancing lifestyle, health and appearance are highly valued. They make sure that purchases are reasonably priced but when it comes to food, quality is the top priority (Hale, 2005). In summary, baby boomers enjoy great customer service that saves time, money and aggravation. A business can please them by adding features to service their children or grandchildren (Missouri Small Business Development Centers, 2007).

There will also be suburban type communities with good school systems desired by traditional two-parent families. These are largely adults of generation X with higher income. Both parents are involved in parenting, which creates a desire for family entertainment activities and greater socializing in the community (Rosan, 2005).

Higher income generation X individuals spend extensively on luxury items. They are value conscious but willing to pay for personal service and high quality (American Express, 2005).

People buying in golf communities are largely non-golfers with less than 60% of the residents playing golf. Homes are bought in these communities for the beauty of the area, prestige, open space and a sense of community through the club house. Golf communities are adding walking trails and equestrian facilities for the non-golfers (Reed, 2004).

PROFILE OF POTENTIAL CUSTOMERS

From the house price ranges and design of the communities, CSI and LCLA communities will likely draw in residents who are comparable to similar communities and recent home buyers, largely baby boomers and some higher income household generation X families. These people enjoy the outdoors and like to be active. Their higher income means they will spend money, especially on quality items and good service. They watch where their money is spent and look for a bargain. These potential customers like to be individuals and to buy products that reflect their uniqueness. Many of these consumers appreciate nature and desire more social interaction with neighbors and friends.
REFERENCES


