



THE URBAN OPPORTUNITY: SENIOR LIVING DEVELOPMENT AND DESIGN IN THE CITY



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THE URBAN OPPORTUNITY

Seizing the urban opportunity in senior living yields incredible success, and the benefits far outweigh the difficulties endured—when projects are carried out thoughtfully and deliberately, that is.

The vibrant nature and bustling appeal of cities tend to rely on a youthful image, one in which 20-somethings and young professionals live, work and play in urban centers. But reports from demographers, economists and real estate consultants have revealed that the number of millennials in cities is cresting, which in turn means growth in demand for urban living among this generation is likely to stall.

This opens cities up to lure different generations—specifically, seniors—in an effort to remain flourishing centers. In turn, it provides opportunity to senior living developers and operators to capture this market and build to their desires for walkable, connected communities.

“I think the next generation, baby boomers and those beyond, are going to be more selective in the kind of senior communities they decide on, and because of that, we’re going to see urban settings become more popular,” says Jeff Anderzhon, a senior planner and design architect at Eppstein Uhen Architects (EUA), which has offices in Milwaukee and Madison, Wisconsin, as well as Des Moines, Iowa.

However, barely 2% of all “empty nesters” in suburban locales seek a true urban residence, according to a 2006 study by the Research Institute for Housing America, and the vast majority of retirees still live in car-dependent suburbs and rural areas, according to a 2009 Brookings Institution study. This means those targeted for these types of developments make up a small portion of the entire senior population, and are likely to be lifelong city dwellers.

The urban opportunity doesn’t come without its challenges, either.

Developments are tougher to fund and build due to land scarcity, while design requires extra brainpower to maximize space and attract residents from a narrower market who want an urban lifestyle.

But when senior living capitalizes on this target audience, the results are tremendous, thanks to high-rise buildings, creative uses of space, optimal amenities and much more.

Seizing the urban opportunity in senior living yields incredible success, and the benefits far outweigh the difficulties endured—when projects are carried out thoughtfully and deliberately, that is.



View of Milwaukee from Saint John's by the Lake

PHOTO COURTESY OF SAINT JOHN'S BY THE LAKE



WHO IS THE URBAN SENIOR LIVING RESIDENT?

When launching the development process for a senior living community in a downtown area, it's crucial to get a sense of who exactly the building is for. While markets certainly vary by city, and even by neighborhood within each city, there's still a general profile of an urban senior living resident and their preferences that should be taken into consideration as a starting point.

First and foremost, developers and operators must get a sense of where they believe their residents will come from.

Senior Housing News conducted research demonstrating the preferences of seniors considering moving to senior living. In our survey of 301 people over age 55, 65.9% already live in a city, and nearly one-third of participants find a senior living community in an urban setting most appealing. However, almost half indicate a suburban setting as the most appealing.

The findings suggest operators must target a much smaller subset of the population, with most coming from the city itself. And they both mirror and contradict the experiences of providers who have built communities in city centers.

The majority—70%—of the population at Lenbrook, a life plan community (continuing care retirement community, or CCRC) located in metropolitan Atlanta, Georgia, comes from a 5-mile radius, but the community has recently experienced a larger portion of residents coming from out of state to be closer to their adult children, according to Felecia Sveta, vice president of hospitality and operations. This figure has grown over the last several years to reach a new high of 17%.

Likewise, Houston, Texas-based Belmont Village Senior Living predicts that residents of its 160-bed assisted living and memory care community under development in Chicago's upscale Lincoln Park neighborhood will likely be urban in nature to begin with, according to Co-Founder and CEO Patricia Will. There's a reservoir of seniors in downtown Chicago, and many who already live in Lincoln Park, who will want to move to the new community and stay in the immediate area. And if people do come from the suburbs, it will be for one of two reasons: their adult children or grandchildren live or work nearby, or they're under medical care at an institution in the city, Will says.

The idea that most residents at urban communities will come directly from the vicinity is again reflected in consumers' preferences, according to a study from AARP. Two-thirds of respondents in the "Home and Community Preferences of the 45+ Population" survey strongly agreed with the statement of remaining in their local communities for as long as possible.

NEARLY

1/3

of seniors who participated in a recent Senior Housing News survey find a senior living community in an urban setting most appealing



The trend is also bolstered by the most recent data from the U.S. Census Bureau, which shows the senior population (those age 65 and older) in core cities has risen by 621,000 since 2010, as compared to the suburbia surge of 2.6 million seniors. This shows seniors aren't necessarily flocking to cities, but rather want to remain in cities if that's where they reside presently.

At Balfour at Riverfront Park, a CCRC located in Denver, Colorado, the situation is quite different. Half of the residents are from out of state, largely because their adult children have moved to Colorado. Otherwise, some residents were already living downtown before making the move to Riverfront Park, and a relatively small percentage come from the suburbs.

"I thought we'd see more people coming downtown to live in our community, whose children work or live downtown, but we have not seen much of that, and I don't know if that's going to change," Balfour Senior Living Founder and CEO Michael Schonbrun says.

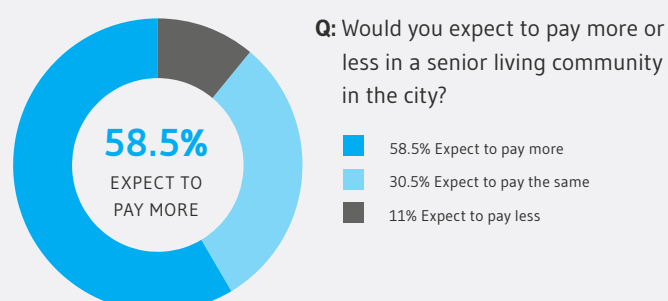
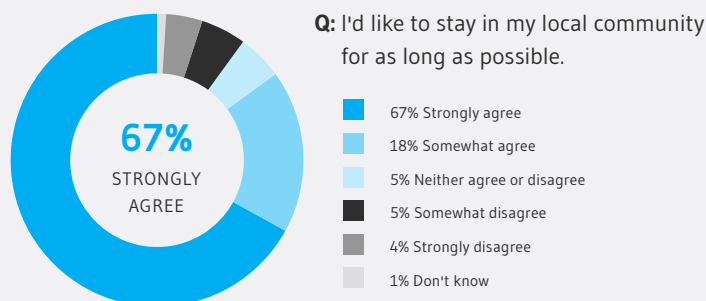
Of course, as the real estate saying goes, it's location, location, location that attracts seniors to communities in cities. Rents are 20% higher at Balfour at Riverfront Park than they are in the provider's suburban settings, but if seniors want to be involved in the hustle and bustle of downtown areas, they will pay a premium, Schonbrun says.

SHN's survey findings depict consumers' expectations of the cost of city senior living. Of the 82 who indicated a desire to live in an urban community, 58.5% said they would expect to pay more to reside in a senior living community in the city. Still, one-third of participants—30.5%—expect to pay the same as they would at a suburban community.



Exterior of Goodwin House Bailey's Crossroad in Alexandria, VA
PHOTO COURTESY OF GOODWIN HOUSE

Seniors prefer staying in their communities as long as possible and expect to pay more for urban senior housing



Source: Home and Community Preferences of the 45+ Population, November 2010, AARP

Source: Senior Housing News Senior Living Consumer Preferences Survey 2017

