



The Changing Face of **Active Adult Rental**



info@seniorhousingnews.com | seniorhousingnews.com

*Pool courtyard at Avenida Cool Springs in Franklin, TN
(Courtesy of Avenida Partners)*

Table of Contents

3 Introduction

5 The Demographic Opportunity

- Economic factors
- Social factors
- Market size
- How active adult is becoming part of the care continuum

14 The Product

- Unit count and unit size
- Amenities and common areas
- Staffing

22 The Players

- The builders
- The buyers

28 The Future

About Senior Housing News

Senior Housing News (SHN) is the leading source of news and information covering the senior housing industry.

With a national reach of more than 30,000 professionals, SHN boasts a readership that includes senior housing operators,

developers, banking institutions, real estate investment trusts, private equity and service providers catering to the industry. SHN provides a cutting-edge and targeted platform unlike any other publication, giving you the opportunity to reach decision-makers every day.

Key Takeaways

- 97% of senior housing professionals believe active adult's popularity will rise over the next three years
- 87% of senior housing professionals are currently pursuing active adult, which is a key product for multifamily developers, too
- Senior housing operators believe their industry is better suited than multifamily to develop active adult
- Active adult has the potential to become the first official step in the senior housing continuum
- The 4 trends that show the active adult opportunity for senior housing

Introduction

“What do boomers want?”

This is a question that senior housing operators face everyday, with one answer growing more rapidly than any other: active adult rental apartments.

That’s because as senior housing operators study market trends and listen to their consumers, what they are finding is that a mix of lifestyle and economic factors are pushing healthy, young baby boomers to explore housing options outside of their lifelong homes.

What these boomers want is a non-traditional senior housing option with no care component — something that affords them an active, wellness-based, social-driven lifestyle with lower economic commitment and greater flexibility. They are finding it in active adult rentals.

These age-restricted or age-targeted multifamily-style apartment communities have soared in popularity this decade among young baby boomers. They may share a general name with the Del Webb-style single-family home master-planned communities, but active adult rental apartments are a separate product type with a different consumer base and unique benefits and risks.

Azulon at Mesa Verde
(Photo by Chet Frohlich)

In other words, while the product isn't necessarily new, four key elements are: consumer demand, investor popularity, the players behind it and its place in the care continuum.

Consumer interest is rooted in a senior's desire to strip away the cost, responsibilities and commitment of home ownership.

Yet that is just half of the equation. Since active adult apartment rentals are primarily a lifestyle-driven product, not a needs-based one, the product's allure must be strong enough to sway these young, healthy boomers to leave their long-time houses in the first place.

The allure is the lifestyle that active adult affords, and the inherent acknowledgement that seniors who don't need onsite care don't want to live with people who do.

The allure is strong. In a recent Senior Housing News survey of 120 senior housing professionals, 87% of respondents are currently pursuing active adult. Both traditional senior housing operators and multifamily developers are



In a recent Senior Housing News survey of 120 senior housing professionals,

87%

of respondents said they are currently pursuing active adult opportunities.

making huge commitments in the space, with one senior housing company making a \$1 billion bet on active adult and selling its traditional senior housing to do so.

With this flurry of activity on both the consumer and developer side, it's no wonder that investment interest in the asset has tripled in the past four years. This report reveals the depth of that interest, the execution of the product, the mindset of the consumer — and how these factors are re-writing the paradigm of senior housing.



*Vita Littleton, in Littleton, CO
(Photo by Frank Ooms)*

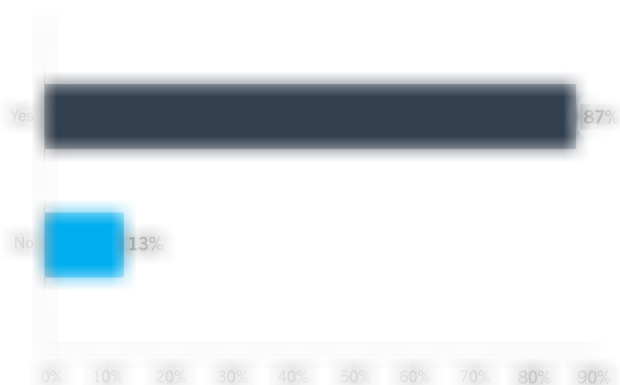


Senior Housing News Research Reveals Industry's Active Adult Enthusiasm

In September 2019, a Senior Housing News survey of 120 senior housing professionals revealed just how bullish the industry is on active adult. Senior housing operators believe the product will continue to gain popularity in the next three years, and as a result, they are largely pursuing these projects and believe that senior housing, not multifamily, is best equipped to develop active adult.

Below are the four main questions posed in the survey.

Are you currently pursuing active adult development?

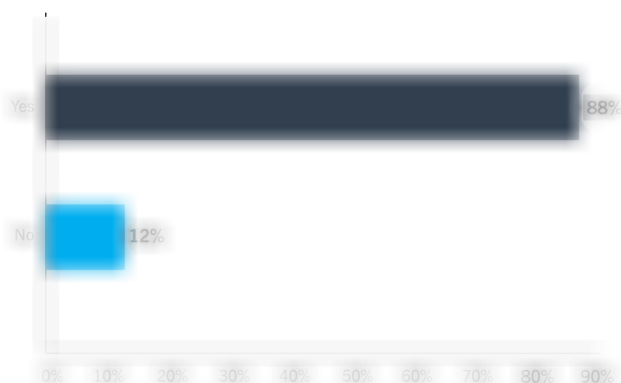


Do you see active adult growing in popularity over the next 3 years?



Survey results are available with full report purchase.

Do you think active adult should become part of the traditional senior housing continuum, as a first step before IL?



Between traditional senior living developers and multifamily developers, who do you think is best suited to develop active adult?

