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A complex marketing challenge

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Once again, the Boomers have created a development boom. The current version is for over age 55 housing, often referred to as senior housing. This is a boom clearly driven by the demographic bubble which is the baby boom generation. A recent Boston Globe article noted that people aged 55 and older are projected to be 27% of the state's population by 2012, up from 24.6% today. They also quote a 2005 study by the Citizens Housing and Planning Association, which found that at least 24,000 units of age restricted housing have been built or permitted in Massachusetts since 2000. Many more have been announced in the last year or two.

As we review the performance of many of these complexes, several cautions become apparent. First, a clear understanding of the market both regionally and locally is imperative. By knowing your market you have answers to such questions as design, location, and amenities.

An important lesson is that what works in one location may not be successful in another. Many of the more successful developments are located within a walking environment. Being able to walk to shopping, services, and entertainment is an important component of success.

Design of the project must be targeted at the center of the market. Such things as unit layout, site design and amenity packages may make a critical difference between success and failure. In many cases pricing is less critical than the design and quality of construction (within limits).

It has become increasingly clear that the Developer's Mantra needs to be modified slightly too.....If you build it they may NOT come.

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