



nerej

Senior housing: Better and more alternatives for our future - by Daniel Calano

March 10, 2017 - Appraisal & Consulting

Daniel Calano, Prospectus, LLC

Recently, I've had the opportunity to consult on the location and feasibility of an Alzheimer's care center. It is a sobering and thought provoking effort, as it often represents a sad and complicated life-ending period.

As I thought about it both objectively for my client, as well as philosophically for myself, I considered the many phases of "housing" over a person's life. A typical scenario is moving into apartments, while youthful; a little older, with more resources, buying a condominium; later with children, perhaps a single family house; then as an empty nester, downsizing back to a condominium or over 60 year old housing complex; finally, to an independent facility then assisted living, then special care or nursing home, or potentially the alternative of family care by moving back into one's children's house. It is a long road with many decisions.

A lot has been written on housing for the early years, that is apartments, condominiums and single family. Not as much has historically been said about later stage housing, although it should be. The country is now at the beginning of a 30-year surge in aging population, with those aged 65 and older growing by 30 million, over 83,000 each month.

It is clear that some savvy developers are addressing the need, thinking about and building both traditional and new senior housing options. In fact, some of the research suggests a potential overbuilding within the next few years. There are reportedly 11,500 new memory care units under construction, about 12% of all existing units. In Dallas for example, the sometimes poster child for excess, data shows 22 assisted living projects are under way. For the time being, there is a typical 95% occupancy of such assisted living facilities, a relative under supply of this housing, with a difficulty for users to find a place.

New units are being developed with more sensitivity and creativity to the problems at hand. They are being designed with more home like settings, optimizing privacy and dignity. Perhaps not gone, but certainly not growing, are the days of a semi-private room, with one bed by the window and a curtain between the two occupants. There is also more technology to enhance living. Examples include health monitoring devices and wireless wearable pendants that activate a call if someone falls. Projects also offer more geographic options, urban or suburban, to provide more individual choice in neighborhood, transportation modes and proximity to family and friends.

On the alternative side, a recent article from the Wharton Business School explores the age-old concept of elderly parents moving back into their children's abode. Back to the future. On the one hand, it can be ideal as parents are in a warm and loving space, and grandchildren can be part of the family continuum, a win-win. The downside of course is the mesh of family members may not work, and without opining on where the blame lies, it could simply be caused by baggage carried

from earlier years. You all know what I'm talking about. The article also reviews practical concerns such as this being more difficult in tight urban areas as opposed to suburban single-family houses, which can typically be expanded. Similarly, proximity to important facilities such as hospitals, day care, etc. weigh in on the success of the formula.

Concluding, older person housing will clearly get more spotlight over the next decade, whether it is ways in which elderly can live with a supportive family, or in assisted living facilities designed more like home. In either direction, the options are improving. Despite the often too general description of "housing needs," housing discussion needs to be parsed between type, design, location, income level and so on, all of which factors are fluid in this continuum of housing. These "sectors" of life can be as short as five years and as long as thirty years, but they all comprise a continuously flowing river of our changing housing needs.

Daniel Calano, CRE, is the managing partner and principal of Prospectus, LLC, Cambridge, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540