

## **Senior Housing Development Tips: Key Things to Consider Before Entering the Senior Housing Market**

Despite an unprecedented age wave that would indicate a dramatic need for more senior housing in many communities, extensive due diligence is absolutely critical to ensuring success for senior housing development and the people and larger community it serves.

The adage “build it and they will come” might have worked for the Field of Dreams, but it holds little relevance in senior housing. Communities, churches, hospitals, colleges and investors seeking to work with a senior housing development partner should have a clear understanding of the demographics, personal and familial financial assets in a community, ethnicity, religion and even group psychology of the potential clients of the development.

Following are key points and questions to consider before embarking on a senior housing development project:

- **Study the demographics of the city, town or neighborhood being proposed for a senior housing community.** How many people will retire in five years, or 10 years? What level of income do they have? What level of government support do they have? Are they willing to leave their homes (this would require a telephone or mail survey, for example)? You can have all the bells and whistles in your architectural plans and marketing materials, but if people don't want to move, there isn't a market.
- **Look deeply at the demographics of families in your market area.** Locate demographics of families who may have some responsibility for caring for their parents – single or married couples in their late 30s to 50s represent a prime demographic span that may have to assume some responsibility for older family members. They may be searching for senior housing within a 10 mile radius of their own homes. A constant debate in senior housing development is whether to locate where seniors live or where their children live. Research will help you determine the answer.
- **Investigate existing senior housing in the community.** Gather data on other senior communities within a five, or 10- or 20-mile radius. What options are in the market? Are there independent living, home care, assisted living, rehabilitation and long-term care options? How many? Are they inclusive in one location or are the services spread and fragmented among multiple sites? Look at how large in size existing senior housing developments are, the average age of residents, when they first arrived,

their income levels and familial connections. How long did it take to reach occupancy in these residences? Months? Years?

- **Define well the area from which a proposed development will draw residents.** Will it be the full community? A few neighborhoods in a large city? Retirees from outside the community? Families who are caring for seniors in their home and who live in the immediate vicinity? This helps you target exactly who you are going to serve.
- **Evaluate other senior housing being proposed in the vicinity under consideration.** What other senior housing developments are planned? Will your proposal be the third, or fourth? Or first? How much competition will your development face? How will your senior housing development be different? Is that difference enough for your potential customers to want to live there?
- **Conduct qualitative and/or quantitative market research to determine if more senior housing can be supported.** Demographic data may say one thing, research another. For example, focus groups offer important qualitative insight that can be completely different than what the demographic data says. A large group of seniors in a community does not equal a ready pool of residents. For example, Ecumen found in one community favorable responses from seniors and near-retirees to the prospect of more senior housing. Yet when asked how many would actually move to a new senior community the positive response chilled to a trickle. Research helps Ecumen go “beneath the demographic data” to really learn more about the viability of senior housing development in a specific community.
- **Consider the current labor pool of health care workers in the region.** A new senior housing community that incorporates assisted living requires experienced employees. Health care workers are in short supply in many parts of the country. The Bureau of Labor Statistics and health care associations have figures on employment in health care professions and the time it takes to fill positions. Local colleges and universities also can offer guidance on the labor pool available for health care positions.
- **Plan for community connectivity that promotes successful aging.** Most people don’t want to live in isolation apart from larger communities. New senior housing developments tend to connect to neighborhoods and communities through access to trails, sidewalks, transit lines, highways, etc. Some are in built-up city neighborhoods, others in the heart, rather than the fringe, of suburbs, and others are adjacent to hospitals or clinics to create a community wellness hub. Plan for community connectivity. Are there potential partners for your project to enhance that connectivity, such as local churches, YMCA, a college campus, community center, or other community hubs and connectors?

Ultimately, developing a senior housing community is the process of creating a home for the people you've chosen to serve. As such, it is a rewarding, but also extremely complex undertaking.

When starting development, or choosing a development partner, help to ensure you are fully prepared before the first shovel enters the ground by adhering closely to the points above, and insisting any partner you enter into a relationship with does the same.