

Senior Housing and Care Market Continues to Evolve



by
Anthony Papantonis

Higher expectations from potential residents, encroaching competition, and the ability for operators to efficiently adjust to a community's greatest demand in the continuum of care are driving change in today's senior living market. These factors, combined with our steadily growing population of people living beyond age 85 (projected to triple from 7.3 million to 21 million by 2050), are keeping the senior living industry in motion.

Following a surge in senior housing construction as the Baby Boomers began entering retirement age a few years ago, there has been a leveling off in construction starts nationally, according to data from the National Investment Center for Seniors Housing & Care (NIC). Some of the slowdown has been attributed to an equilibrium now being realized between supply and demand, as more than 5,900 senior housing units came online in the fourth quarter of 2016. Additional factors include a rise

in construction costs (including a labor shortage), as well as a pulling back on construction lending by traditional banks.

More recently, however, a survey published in December by investment banking and advisory services firm Lancaster Pollard indicated that 70% of the senior living facilities operators said that they were likely to "pursue a renovation project" in 2016, whereas, when asked this same question in 2017, an even higher percentage (75%) said a construction project was likely. And for those operating or building in Massachusetts, the news is even more encouraging. Last year, the *Boston Globe* reported that due to the concentration of wealth in the state (especially in eastern Mass.), occupancy rates for the Bay State were four percentage points higher than the national average — at nearly 95% — which translates into continued strong demand for the region.

For one thing, competition among senior living facilities for clients, particularly on the high end of the market, is fierce. Where possible, operators are either building new facilities (Massachusetts ranked seventh in the nation in new construction starts with 1,459 units in 2015) or renovating dated ones to better compete in the marketplace.

As new senior living communities are being constructed or repositioned,

operators are enhancing their amenity packages to include features such as wellness centers (including activities like yoga, meditation, and tai chi), expanded dining options that one might find in an upscale hotel, as well as concierge-type fee-for-services. Also, as the Boomers are becoming more comfortable in the digital age, communities are incorporating a wide range of new technologies, from



ensuring dependable Wi-Fi access, to offering health-monitoring devices that help to manage medications, monitor vital signs, or activate an alert when fall-prone residents are at risk.

There is also a shift in the type of buildings being constructed. *Senior Housing News* predicts that 2017 will be a comeback for independent living. The growth in this segment is attributed to the steady economic growth the country has undergone following the recession, with the stock and real estate markets

(and retirement funds) reaching record highs. During the uncertainty of the recession, aging seniors and their families often postponed the decision to move to independent and assisted living.

Another trend that shows no sign of slowing down is the increase in memory care units being built. The Alzheimer's Association recently reported that while 5.4 million Americans are currently living with Alzheimer's, that number is expected to soar to 16 million by 2050. As the need for additional memory care units increases, some operators are converting other units to meet this demand. In Weston, Mass., Maplewood Senior Living recently converted 13 assisted living units into 22 memory care units, indicative of the shift in thinking among senior care providers that allows residents flexibility to age in place (in lieu moving to a skilled nursing facility) in their retirement communities as they progress along the continuum of care.

There is no doubt that the senior living industry will continue to adapt to the changing demands of our aging population. However, to remain viable, owners, contractors, and architects alike will be charged with delivering creative solutions to meet this ever-growing and evolving industry.

Anthony Papantonis is president of Nauset Construction.

TOPAZ

- QUALITY PRODUCTS
- ECONOMICAL PRICING
- OUTSTANDING SERVICE!

PROVIDING THE
BEST SOLUTIONS
FOR ALL YOUR
DOCUMENT NEEDS

Call or e-mail TOPAZ today • 800.255.8012
sales@topazeng.com • www.topazeng.com



NEW

**WIDE-FORMAT HIGH-SPEED
PRODUCTION COLOR PRINTS**



HP PAGEWIDE XL 8000 40"

CALL OR EMAIL TODAY TO LEARN MORE.

- Amazing Speed: 30 "D Size" Color drawings per minute
- Highly efficient - Exceptionally low cost per print!
- Up to 6 rolls, auto-switching • Dual ink supplies
- Stacker/online folder (details available upon request)



NEW

**WIDE-FORMAT PRODUCTIVITY
AT AN AFFORDABLE PRICE**



HP DESIGNJET T 2530PS

CALL FOR SPECIAL PROMOTIONAL PRICING!

- Print-Copy-Scan in Color
- Only 21 Seconds Per Print!
- 2 Rolls - Auto Switching
- Low Cost Per Print



TOP
SELLER

**EFFICIENT AND RELIABLE
OFFICE DOCUMENT SOLUTIONS**



Copystar CS 2552ci

CALL FOR SPECIAL PROMOTIONAL PRICING!

- FULL COLOR Print-Copy-Scan up to 11" x 17"
- Speed: 25 ppm (Color or B/W)
- Paper Capacity: up to 4,100 sheets
- Amazing Quality, Highly Efficient
- Apple AirPrint™ enabled for iOS devices



New England's Wide Format Specialists Since 1980.
TOPAZ Engineering Supply, Inc. • 35 Pond Park Road, Hingham, MA

* Features and specifications listed in this ad are only a partial representation.
Please call or email for full details and specifications.