



## Chancery Monthly

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### INDUSTRY ACTIVITY

## Senior Housing, Multifamily Developers Vie for Control of Active Adult

By Jack Silverstein

As interest in the active adult apartment rental product rises, it is becoming something of a no-man's-land, with both senior housing operators and multifamily developers attempting to stake their claim to the lucrative, promising space.

In the new SHN survey of 120 senior housing professionals, 64% of respondents believe senior living is best suited to develop active adult — placing themselves above multifamily developers. Nineteen percent said that senior living and multifamily are best in partnership, 13% favor multifamily and 5% said that neither side has a clear advantage.

The results of that question match other results in the survey, with 88% believing that active adult should become the official first step in the care continuum, before independent living, and 87% stating that they are pursuing active adult development.

What is clear from interviews with professionals on both sides is that both senior housing operators and multifamily developers have strengths and weaknesses in the active adult space.



The multifamily operators are best with the construction and the building operations, while the senior housing operators excel in creating the community experiences that young seniors want.

Despite the cultural disadvantage compared to senior housing operators, multifamily developers still have great success in active adult, and are pursuing it in bunches.

In July 2019, Avenida Partners announced an annual planning pipeline of \$200 million for the next five years. While there are no concrete market numbers, one of the key leaders in the space is Greystar with its Overture brand. According to its website, Greystar has 39 communities that are either now open, in pre-lease or coming in 2020. The Carlyle Group is among its investors, and itself has 15 stabilized communities.

"You have to be patient on the lease-up, but once you get (the communities) full, they stay full," Zachary Crowe, principal at active adult leader and private equity firm The Carlyle Group, said in September at the National Investment Center (NIC) conference. "It's a very stable asset class, especially when adjusted for risk."

The success of multifamily developers has only emboldened senior housing, as seen by the survey results. Still, about a fifth of respondents believe that active adult is best in collaboration between senior housing and multifamily. Senior living's value in active adult is the ability to extend each resident's time in the community, says Dan Cinelli, principal at architecture and design firm Perkins Eastman.

"The interesting thing to me is that the average length of stay in an age-restricted active adult rental project is seven years," he says, adding that he estimates move-in age as 75. "That means that at 82, there is a big group of the population doing something else. One of the things we



said to (a developer partner) is, 'Is there a way that based on our knowledge of senior living, not multifamily, that we could move that needle for you?'"

Another senior housing operator moving the needle is Minneapolis-based non-profit Ebenezer Senior Living, whose active adult offering includes the 48-unit Glen Oaks in Clear Lake, Iowa, which opened October 5, 2019. As a third-party manager, Ebenezer worked with multifamily developer OneVision on Glen Oaks, providing "tweaks" that have helped OneVision deliver a product to which the region was unaccustomed, Ebenezer Vice President of New Development Susan Farr says.

Farr sees three main tweaks that the standard multifamily apartment complex — particularly those aimed at millennials — require to be set up for the 55+ market.

First, she recommends creating a handbook that operators can use to help residents when their health changes, such as tips on how to transition into and out of short-term care facilities.

Second, she recommends including more storage units and larger community rooms for entertaining, since this is a cohort that is downsizing in space yet not always in possessions, and still wishes to continue, or perhaps increase, their social lives.

Third, resources for typical living tasks, such as dry cleaning and transportation. The tweaks are designed to allow residents to age in place and feel like they are not losing only the responsibilities of homeownership, not the benefits. And they are designed to help multifamily developers succeed.

*Original article:*

<https://seniorhousingnews.com/2019/11/14/senior-housing-multifamily-developers-vie-for-control-of-active-adult/>

## PROJECT UPDATE

### Chancery Middleton Seniors Apartments

*The Middleton will be a 122-unit apartment building designed for active senior living. It represents an affordable alternative to conventional seniors housing, offering services that permit seniors to live independently, on an à-la-carte basis through a concierge, in a regular apartment building, while providing the comfort to seniors and their families that care will be available in short order should the need arise. Below is the project update and pictures from the site.*

- Shoring has commenced.
- Temporary electrical systems are scheduled for the first week of January.
- Dewatering trench and drain pits are installed and pumping.





*Chancery Seniors Housing Investments Inc. is a private real-estate investment firm with a focus on seniors housing. Powered by its two strong founding partners, Suske Capital Inc. and LD Capital Corp., Chancery creates a team with the expertise and experience of over 55 years in real estate and seniors housing developments with an estimated completion value of over \$5 billion.*

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