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## Vancouver developers look to luxury housing for seniors

KERRY GOLD

VANCOUVER — Special to The Globe and Mail

Published Sunday, Jul. 05, 2015 10:40PM EDT

Last updated Tuesday, Jul. 07, 2015 2:02PM EDT

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Through the summer, The Globe's B.C. bureau will be taking an in-depth look at housing in the Vancouver region, where skyrocketing prices are limiting who can afford to buy a home in Canada's third-largest city and what those homes look like. We'll be examining trends in the Lower Mainland's housing market, as well as following buyers who are trying to navigate it.

Imagine living on a cruise ship that never sets sail.

For developers of the emerging seniors' luxury housing market, that's the goal: to create resorts stocked with movie theatres, pools, spas, yoga, tai chi and art classes, lecture halls, wine cellars, rooftop patios and farm-to-table organic meals prepared by five-star chefs.

"By 'high end' we don't just mean you have beautiful carpets and so on – that's only the hardware," says Don Ho, founder and president of Element Lifestyle Retirement Inc. "By 'high end' we mean all the services and amenities that we provide, so that a senior would love to come live with us."

And, he says, they can age in place, unlike a lot of other seniors-focused communities.

"We cater to people who are becoming less independent, but we don't tell them to move on and go to another location."

This fall, he'll begin construction on the new Opal seniors development at 408-488 W. King Edward St., across from the Canada Line station. Eight single-family lots were rezoned to make way for the Opal, which includes a four-storey and six-storey building. The project includes 47 strata units, 56 rental units and 32 licensed community-care units. All units would offer assisted living if needed, and residents would pay for additional services. Otherwise, residents live independently, and luxuriously.

"This kind of better lifestyle for seniors has been provided by other operators, but without offering the whole aging-in-place continuum," says Candy Ho, Mr. Ho's daughter and the company's vice-president of marketing and corporate relations. "If it's development-oriented, it means a high-profit margin. If it's government care, it's just bare need. So we are trying to provide the whole spectrum."

The seniors' market is set to grow. In about 15 years, when the boomers are all over 65, demand will spike. Real-estate analysis firm Altus Group estimates that demand will double from 2031 to 2036, with 33,000 additional retirement-home spaces needed a year.

And with a number of seniors in Vancouver cashing out with several million dollars from pricey west-side homes, there is a new market that is willing to pay more for private care.

"Seniors today have a lot of money at their disposal," says Mr. Ho, who is not new to the market.

He developed seniors' properties in Langley, White Rock and Qualicum Beach before selling off his previous company in 2005, to Chartwell Seniors Housing Real Estate Investment Trust. Other developers have already entered the high-end market for seniors. The Legacy near Oakridge is another one that offers luxury boutique-like housing.

While the trend for seniors' housing would appear a natural considering the aging boomer demographic, it's a complicated one. The obvious problem of trying to house

everyone over the age of 65 under the same roof is that fit seniors probably don't want to live alongside seniors who need 24-hour care. Mr. Ho's solution is to separate seniors according to their differing needs, but to make an effort to keep couples together. Some of the units will allow for that.

The developers also face an uphill public-relations battle. The "old folks' home" of yesteryear has a bad rap. Altus Group conducted a survey last summer to determine interest in seniors-focused housing. Eighty-three per cent of homeowners between 60 and 69 said it was either not very likely or not at all likely they'd move into any type of housing designed for seniors, even if for independent living. It's a niche market, requiring a specialized product.

"There certainly is a portion of the seniors group who want this type of product, but it would vary by specific location, with each proposed project requiring site specific analysis," says Patricia Arsenault, Altus Group's executive vice-president of research, valuation and advisory.

Thomas Fung, one of B.C.'s wealthiest businessmen, has been carrying out that sort of analysis for the past five years. As chairman and founder of conglomerate the Fairchild Group, Mr. Fung already owns and operates Aberdeen Centre. He wants to enter the luxury seniors' housing market, but first he is scouting such housing models elsewhere. He recently flew to Amsterdam to tour a village-like residence there that caters to seniors with memory problems. If he can partner with the right developer, he's hoping to bring the model to B.C.

Such a "private pay" project could easily cost a senior more than \$10,000 a month, says Mr. Fung.

"It will only cater to the high-net-worth families. But they are so rich, they don't mind paying a lot more."

A seniors' centre like the one he envisions also requires a lot of land, so it could work in a place like Delta, he says. He's been in talks with one well-known local developer.

"He has plenty of land for development, and he seems to like the idea, but I think we are still trying to find a way that is commercially viable. It's not easy."

Mr. Ho has already found the land and is in the planning phase of his own village-like project, called the Oasis, to be built on 17 acres in Langley. The Oasis and Opal are valued at more than \$290-million.

"Within our own village we will have commercial, retail and wellness centres, and adult children could live nearby in their own condos," says Mr. Ho.

There are indicators that not everyone will have the cash flow to afford luxury housing in their golden years, however. It is truly a niche market. An Angus Reid Institute released a poll this week that shows only 29 per cent of seniors polled have an "envious absence of financial anxiety." The majority of seniors are worried that they'll outlive their savings.

In the past five years, there's been a 20.5 per cent increase in bankruptcies among people over age 65, according to data from the Office of the Superintendent of Bankruptcy. "That's a big increase," says personal-bankruptcy trustee Judy Scott. "My guess would be that it's a combination of factors, including more people percentage-wise are retiring now ... and they have taken on a lot of debt in the past five or 10 years. And when that drop in income occurs, they are getting into some trouble." ■