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## As Baby Boomers Retire, Developers Bet Urban Senior Living Will Take Off

*Luxury retirement communities – many with rooftop pools, celebrity chefs and spa-style wellness centers—are planned for major U.S. cities*

By Nancy Keates

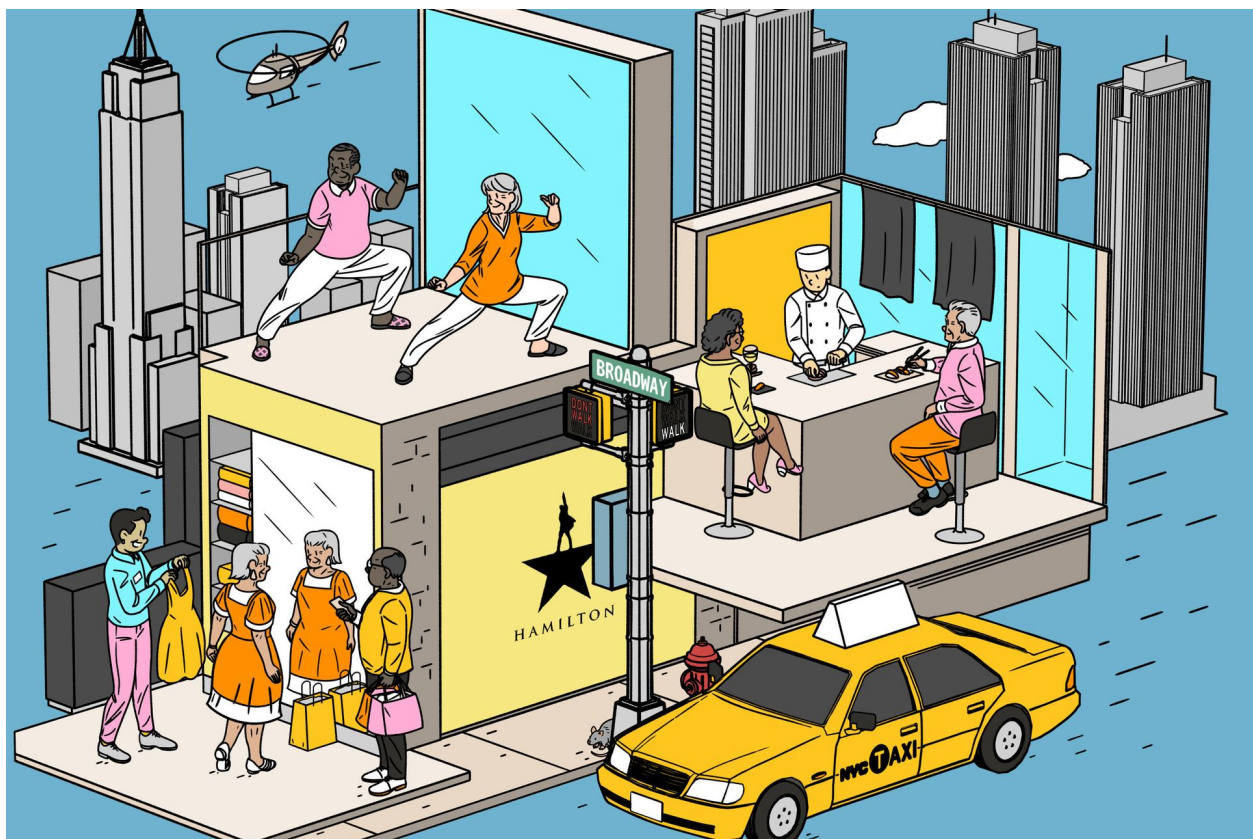


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Baby boomers aren't going to tolerate being put out to pasture.

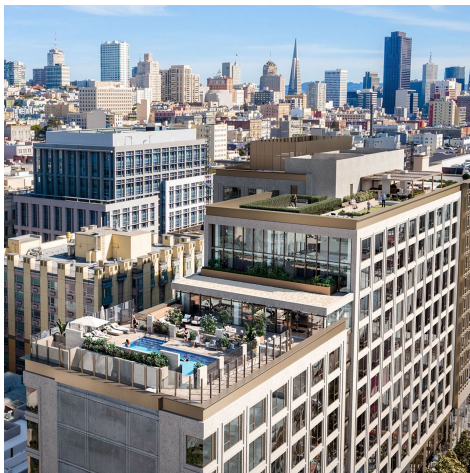
That's the thinking behind an expected surge in development of [luxury senior-living communities](#) in dense urban settings.

Many developers are betting that over the coming decades, more seniors will [shun traditional suburban retirement communities](#) and demand to live where there are lots of dining, entertainment and shopping choices nearby. As a result, a plethora of projects, many with rooftop pools, celebrity chefs and spa-style wellness centers, are planned for major U.S. cities.

"Everybody's trying to crack the code for what the baby boomers want," says Beth Burnham Mace, chief economist at the [National Investment Center for Seniors Housing & Care](#). Fewer than 20 ultra high-end senior living communities exist in downtown urban areas across the country now, she estimates, and predicts that number could triple, or more, in the next several years if projects in the pipeline pan out.

Because it's much more expensive to develop senior-living housing in cities than in suburbs, many of these new projects—from independent-living and assisted-living properties to skilled nursing care and memory-care units—are expected to aim at the high end. Some developers are looking at converting unused office buildings and hotels, options increased by pandemic vacancies. They are also betting more seniors will be able to afford luxury housing: Research shows baby boomers, born 1946 through 1964, will drive [a rapid expansion in the share of high-income seniors](#) in coming years.

"There's an enduring lifestyle commitment among our customer base to remaining in the cities," says Bryan Cho, Executive Vice President of Related Cos., which recently opened a luxury senior community with Atria Senior Living under the Coterie brand in San Francisco. "Every generation has different tastes. There's a desire for people to get back together in a post-pandemic world. They want to be connected to culture and family."



*A rendering of the luxury senior community Related Cos. recently opened with Atria Senior Living in San Francisco. Monthly rents range from \$8,000 to more than \$25,000 at the property, which has a pool on the roof. PHOTOS: RELATED COMPANIES/ATRIA SENIOR LIVING (RENDERING)(2)*

At the San Francisco property, with monthly rents of \$8,000 to more than \$25,000, services include meals, housekeeping, concierge services and cultural programming. Related will open a community in New York City's Hudson Yards this fall, and recently announced similar projects in the downtowns of Santa Clara and Cupertino in California. It expects to have two to three urban projects a year in coming years in large urban centers including New York, Boston, Washington, Chicago and Los Angeles, Mr. Cho says.

The pandemic had tragic consequences in many senior-living communities because of the vulnerable population they serve, and caused many to leave or avoid these facilities. But, helped by the advent of vaccines, sentiment has shifted and the sector is starting to recover, according to a report by commercial real-estate analytics firm Green Street.

Many developers are counting on what's dubbed the silver tsunami to begin boosting demand for senior housing by the mid-2020s. The 80-plus population in the United States will roughly triple in 2023 from its 2018 level to around 600,000, according to the [U.S. Census Bureau's International Database](#). The data show that by 2024 there will be a greater number of older adults than children under age 18, increasing the need for support services.



*Residents of Maplewood Senior Living's Inspir property in New York City attend a cooking class. The company tentatively plans up to 10 urban senior developments around the U.S. in the next five years.*

PHOTO: LANNA APISUKH FOR THE WALL STREET JOURNAL

Historically, most senior housing was built in suburban locations, and over the past several years, there's been a recognition that many urban markets are underserved for senior living, says David S. Schless, president of the American Seniors Housing Association in Washington. He estimates about a quarter of new development will be targeted to city locations over the next five years.

The higher costs of urban locations have been a barrier to senior-living development. But with the percentage of baby boomers living in cities rising, according to Census Bureau data, developers expect more demand from those wanting to stay. As development costs are generally 30%-40% higher in cities than in suburbs, most of these urban senior-living communities are likely to be luxury residences that appeal to the upper-end private-pay market and wealthier people already living in urban areas, says Byron Carlock, head of PricewaterhouseCoopers's U.S. real-estate practice. The great majority of private senior-living communities don't accept Medicare.

"Our residents want to live in New York—they don't want to live in New Jersey or Long Island," says Gregory D. Smith, president and CEO of Maplewood Senior Living. "People want to stay where they've been for the majority of their lives."



*A wine-tasting class is one of the amenities offered at Inspir in New York.*

PHOTO: LANNA APISUKH FOR THE WALL STREET JOURNAL



Maplewood Senior Living's Inspīr brand, which has a luxury senior-living community in New York's Carnegie Hill neighborhood, tentatively plans up to 10 urban senior developments in the next five years, including two to three more in Manhattan, two in Washington, and one apiece in Los Angeles, Seattle, the Miami area and possibly Chicago. It is also considering developing three to five communities in central London, Mr. Smith says.

Among new locations, the company recently signed a deal to develop an Inspīr community at the former Fairfax at Embassy Row in Washington, D.C., a historic hotel that closed in 2021. The plan is to turn it into a senior-living community with award-winning chefs, spa-style wellness and A-list cultural events.

"Thirty years ago, people looked at senior housing because they didn't want to burden their families. They needed help with shoveling snow, cutting the grass, health assistance," says David Freshwater, co-founder and chairman of Watermark Retirement Communities. "Now, seniors are more proactive. They want something more diverse, in terms of race, culture and age and seek the kinds of engagement and cultural experiences urban markets provide."



*Instructor Brad Cole gives a fitness class at Inspīr senior-living community in New York. Pools and spa-style wellness centers are among the hallmarks of upscale senior-living communities coming to U.S. cities.*

PHOTOS: LANNA APISUKH FOR THE WALL STREET JOURNAL(2)

Watermark's Elan Collection brand now has five luxury senior-living communities around the U.S., including one in Brooklyn Heights, where units on average rent for around \$13,000 a month, including meals and housekeeping, though prices go up to \$20,695. Several sites are in development, in Portland, Ore., West Palm Beach and Coral Gables, Fla., Philadelphia and the Washington, D.C., area.

In eight to 10 years, urban locations will make up 40%-50% of Watermark's portfolio, up from 10%-15% now, Mr. Freshwater says. While some baby boomers will want to be in the suburbs or

in walled-off golf communities, he says, focus groups, consumer research—and intuition—indicate that the urban market will be attractive to the affluent segment of the market.

Research at Alliance Residential Co. shows that baby boomers are looking for an urban lifestyle that isn't widely available in senior living now, says Dale Boyles, managing director for senior housing at the Scottsdale, Ariz.-based company. "We are committed to looking for sites," he says. "They're not easy to come by." The company has two urban senior living communities in its Holden brand under construction, in Bellevue, Wash., and Portland, and one in the pipeline at Fort Lauderdale.

"The light has gone on," says Al Rabil, CEO of Kayne Anderson Capital Advisors, which has investments in various brands of senior-living communities around the country, including in Boston and Los Angeles, and projects in the pipeline for St. Louis, Mo., and Denver, Colo. "Just because you're 82, you don't have to move out of the city. People want to stay where they are. It's where they go to live, not to die."

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