

Ageing gracefully - how should modern senior living concepts look like?

The population in Europe is continuously aging. A declining birth rate combined with a higher life expectancy (women: 83 years; men: 78 years)¹) are the main reasons for this development. According to the European Commission, people aged 65+ will represent 30 % of the total population in Europe while they currently represent 20 %²). Besides the increasing challenges in the labour market (the last birth cohorts of baby boomers are retiring within the next few years), we also need to think of attractive and dignified living solutions for seniors. At one point all people must ask themselves how, where and with whom they want to live when they retire. Usually, the answer is quite clear. People want to stay in their apartment or house where – in most cases – they have been living for many years. Nevertheless, many factors can make it challenging for seniors to stay in their familiar environment. Besides the potential need for assistance (with the household, groceries etc.), loneliness – for example, due to divorce or loss of a partner – is a severe issue considered to be a hidden pandemic as per the *World Health Organisation*.



picture: Leren Lu/Getty Images; npr

According to Eurofund, one third of all households in Europe are single households. Among people at the retirement age, the percentage of women (42 %) living alone is almost double the percentage of men (24 %) in the same situation¹). Besides the risk of experiencing financial problems, the mental and physical health of people feeling lonely can certainly also be affected. Modern **co-living concepts for seniors** with attractive public spaces (e.g., shared living rooms, terraces, gaming areas, libraries, gyms, etc) can therefore serve a big niche market in the long-term. Besides the guaranteed privacy in their own studios or apartments, seniors can use shared spaces to interact and socialise with fellow tenants and staff.



picture: Marys Grove by Erickson Senior Living

Senior living concepts should not be confused with traditional retirement homes. The concepts should be considered as alternative living solutions for people who do not want to live by themselves in a traditional apartment or house while still being independent (at least to a great extent). While general offers such as cleaning-, grocery- and concierge services are considered as must haves, medical assistance should be offered by external providers, if needed.

Community events (e.g., sport, culture, education, etc) should be conducted on a regular basis for tenants. Besides regular activities and events seniors also want to be socially integrated with other age groups. Mixed concepts offering accommodation for seniors and students already exist and provide mutual benefits, e.g., students assist seniors with technical issues (smartphones, tablets etc.) and in return they pay less rent for living in attractive and central locations.

Active contributions by seniors (e.g., giving cooking-, yoga- or dancing classes) are also an important factor for their sense of well-being. Hence as an operator it is useful to identify those tenants with certain talents or interests where others can benefit as well. Eventually it will also help creating a stronger sense of community.

All units should be equipped with a bathroom and a kitchenette or kitchen. The option of fully furnished apartments should – to a small extend – be provided. However, seniors prefer to bring their own furniture and belongings also due to emotional reasons. Furnished apartments should primarily serve for a testing period for potential tenants. During that time both the potential tenants and the operators can find out if it is a good match which is crucial for the overall community feeling. As the sense of independence and autonomy is a decisive element for seniors, home modifications (e.g., shower handle and seat) should not be implemented in advance but only if required. Alert systems however provide tenants with a feeling of safety and should ideally be standard equipment in all units.

With the increasing demand, senior living assets are consequently getting more and more popular amongst investors. Alone in the UK, institutional investors invested £1.4 billion in 2021 (+2.2 % compared to 2020)³) which was a record for the senior housing market. In Europe, investments in senior residences and senior living amounted to € 4 billion in the first half of 2021, with UK, Germany, Spain, Italy and Sweden representing the most attractive markets⁴). The new senior living brands *lively* (first opening planned in Gronau, Germany in 2023), *so.me homes* (first opening planned in Gmunden, Austria) and *THE EMBASSIES of Good Living* are considered future flagships of modern **co-living concepts for seniors**. With the increasing demand and supply, PKF livingexperts is keen to follow the trends of the senior living market and to be a key strategic partner in the further development of this essential market segment.

Sources:

1) Federal Office of Statistics Germany (Statistisches Bundesamt)

2) Eurostat: *Ageing Europe; 2019 edition*

3) Knight Frank: *The Intelligence Lab: Global property market insight senior living*

4) Savills News: *Record investments into the European senior living and care homes market*