

COVERING COMMERCIAL REAL ESTATE IN TEXAS  
**TEXAS**  
 REAL ESTATE  
 BUSINESS™


[HOME](#)
[ARCHIVES](#)
[SUBSCRIBE](#)
[AD SPECS](#)
[ADVERTISE](#)
[PAST ISSUES](#)
[CONTACT US](#)
[RESOURCES](#)


FEATURE ARTICLE, MAY 2007

[Search Texas  
Property Listings](#)



## THE CHANGING FACE OF RETIREMENT COMMUNITIES

The impending tidal wave of retiring Baby Boomers is redefining how developers approach senior housing.

Craig Smith

[Requirements for  
News Sections](#)

[Snapshots](#)

[Editorial Calendar](#)

[Upcoming  
Resource Guides](#)

[Search Real Estate  
Jobs](#)

[Search](#)

Defer up to **100%** of capital gains taxes when selling your investment or business property



First Baby Boomers redefined youth culture and middle age; now they're turning the tables on retirement. Boomers — those Americans born between 1946 and 1964 — have always carved their own path, and their retirement housing choices will be no exception. With 75 million Boomers poised to enter retirement communities during the next decade, they will drive a dramatic shift in this industry.

For developers, the impact on the retirement industry is less about increased demand and more about re-envisioning a housing model that's been largely status quo since the 1980s.

For starters, the days of stark, hotel-like hallways, set schedules and confined living spaces will not suffice. Boomers want to ease into retirement without sacrificing their freedom or lifestyle.

That means developers must rethink the traditional design of retirement communities and retool future development plans now to be ready for the new generation of demanding and discriminating retirees. This gives savvy developers a fresh opportunity to revise the concept via innovative and technologically empowered designs that take the retirement out of retirement communities. Developers that continue building traditional, dated facilities may be left out in the cold when millions of retirees can choose other options.

**RE BUSINESS**  
 Today's Real Estate  
 News

RETAIL  
 OFFICE  
 DEVELOPMENT  
 CONSULTING  
 INVESTMI

All fifty states.  
 One law firm.



### Modern-Day Living

To understand what the next generation of retirees will demand, it's important to remember how Boomers differ from current retirees: the World War II generation. Born between 1900 and 1925, most were raised in the Depression. Many served in the military, worked for decades at one company and were comfortable in an autocratic structure. Most could rely on retirement plans and pensions to fund their twilight years.

Boomers are the polar opposite. A fair amount of this group don't have military experience. There's an inherent distrust for institutions. They have more discretionary income, but less have pensions. Most see their retirement years as an unconstrained chance to try a different career or explore new ventures to transition, not to retire.

In a word, Boomer retirees are nontraditional, which is the mindset developers must adopt when planning and designing new retirement housing. In fact, the ripple effects of these nontraditional values from the first wave of Boomer retirees is already being seen.

The good news is that modern technology is emerging that virtually eliminates the design constraints of the traditional retirement community. Unlike their predecessors, Boomers are tech-savvy, and know how to leverage pagers, mobile phones, PDAs, the Internet, and other tools to easily connect with friends, family, fellow residents, and call for assistance when needed.

Also, almost every new facility will have to come standard with wireless broadband or fiber optic connections, which increases connectedness for residents and employees. For example, residents can monitor their home and appliances while traveling in Europe or their medications using PDAs or email alerts. Support staff



**REACH  
 MORE**



Looking for...

can communicate and monitor via mobile devices. This mobility means that from security to nurses, staff members are freed from central stations and are able to monitor and interact with residents.

Likewise, functions that might be difficult for some residents, such as securing locks, controlling appliances or opening doors, can be automated using the current generation technologies. This increases freedom and reduces risk. Emerging technologies promise fully automated homes that discretely interface with residents adapting and responding to their lifestyles and needs.

### **New Design Opportunities**

One of the first and most significant effects of technology will be the emancipation from the labor-dependent operating model, which dominates senior housing. In the traditional design, hallways and rooms extend from central stations with resident doors located within line of sight of staff. This design roots the 1940s, when lights visible from nurses' stations were installed above resident doors in nursing homes. This has been one of many sensory-based design constraints of retirement housing ever since.

Freedom from the labor-dependent model gives developers much greater leeway in design. Retirement community developers no longer have to construct connected multi-story linear hallway cookie-cutter buildings and wait for the rooms fill up.

Just as Boomers are changing the expectations of retirement living, technology is allowing housing designs to follow suit. The result: diverse, purpose-built campuses with multiple unit types, dynamic configurations, and atmospheres that are less like institutions and more like communities.

Few of the Boomers currently reside in apartment structures today and consumer preferences suggest they do not intend to in retirement. Most Boomers also think they will never fully retire; new designs will have to give Boomers more living space to plan their next life adventure. More space can include two bedrooms or an extra den for a home office — even for single occupants. In a few years, home office space will likely be an indispensable feature of retirement residences.

This emerging design is most often expressed as a villa, which features maintenance-free living and involvement with a community. The units themselves are constructed in a campus design, physically detached but electronically connected to a community center. In the early years this connectedness will empower social and recreational activities (such as scheduling golf course tee times, group travel and reservations for dinner). As Boomers age, however, the connectedness may have to shift to critical health and security monitoring that assures response as needed.

Villas are most similar to condominiums, where residents buy and condo associations have control. The ownership of villas is notable, because they offer residents more control over their assets and community.

Even nursing homes are being re-envisioned. One emerging model is "the green house." The green house model is smaller, usually accommodating 10 to 12 residents. It relies on a homey, open residential-style floor plan with a kitchen, dining room, living room and individual bedrooms. Front doors open to a living room, not a lobby.

The green house model is a design leap — but it is more about cultural change. Residents that live within green house communities have increased control over their daily schedules, meal times and choices, and other daily activities. There is a direct correlation between the physical environment and the new cultural paradigm.

Another intriguing model is Oatfield Estates in Oregon, which blends non-traditional design, transformed culture and empowering technology in an assisted living setting. Small-scale, home-like residences are set in a campus with live-in and home-based staff members. Residents guide decisions regarding menu, meal times and activities and, in fact, are active participants in planning, preparing and delivering these services. The dynamic nature of the programming is seamlessly supported by a technology system that monitors residents and staff, empowering flexibility while maintaining quality and accountability.

These are but a few examples of threshold innovation that is occurring in an industry not noted for rapid change. The Boomer wave is forcing a re-examination and re-envisioning of this traditionally staid industry.

### **Bringing the Boomers Home**

Clearly the country is ready for a new kind of retirement community. For

developers interested in getting on board, the opportunity is ripe but the risks are real. Innovative thinking and new design models are necessary but must be founded in solid research and field-tested to create enduring communities. That requires designing around technologies and building infrastructures that support current and future advancement and service needs.

This forethought will help innovative developers create communities that can adapt to changing needs of Boomers as well as eventual needs of Gen-Xers and their children. Imagine a time when people move into these communities for good, rather than jumping from active adult to retirement center to assisted-living to end-stage care.

Soon enough, the approaching wave will reach the communities now on the drawing board. When it does, innovative developers will be glad they anticipated these changes and capitalized on the nontraditional approaches to retirement housing and services.

Those who didn't are likely to miss the wave — and be left with a lot of unoccupied residences.

*Craig Smith is national practice leader of Integra Realty Resources' senior housing and health care practice.*

©2007 France Publications, Inc. Duplication or reproduction of this article not permitted without authorization from France Publications, Inc. For information on reprints of this article contact [Barbara Sherer](#) at (630) 554-6054.

**FRANCE**  
PUBLICATIONS, INC.  
3500 Piedmont Road  
Suite 415  
Atlanta, Georgia 30305  
TEL: 404-832-8262  
FAX: 404-832-8260