

Chancery Monthly November 2018

On November 8th and 9th, SenbridGe West, the foremost conference for the seniors housing and care industry in Canada, was held in Vancouver.

Suske Capital President & CEO, Steve Suske; Managing Director, Sarah Cathrae; President of Chancery Seniors Housing Investments, Jessica Zhang; President and CEO of Points West Living, Doug Mills; and Points West Living's Vice President of Development, Doug Murphy, were all in attendance.

Steve was part of a panel called "SenbridGe Soap Box," where he joined Gilbert Schiller, Director of Acquisitions, Revera Inc., onstage for a lively discussion that, some might say, was the highlight of the day.

Here are Sarah Cathrae's top take-aways from the conference:

1. All major seniors housing companies are focusing on internal development - some of them through joint venture partners.
2. Interest rates are climbing (back to what are arguably more market rates) and underwriters are shifting to debt service stress testing rather than lending based on values.
3. Operators are looking to technology to help both front line and back office workers, with major investment in both care software and payroll software with data analytics.
4. Hiring and retaining talent is increasingly difficult as the unemployment rate is low and the demographics that fuel our occupancy rates also limit our pool of service providers.
5. There is a clear need for at least 200,000 additional suites in the market over the next 20 years to address the needs of the aging population. This would not include additional suites needed in the event that there is a greater movement toward community living.
6. As the wave of baby boomers approaches, the market is trying to anticipate what they will be looking for in terms of amenities, suite sizing, and care options. There is a trend towards providing smaller amenity spaces with opportunities for more diverse and intimate experiences for the residents.
7. Studies are pointing to the benefits of living in community as a means of avoiding isolation and creating the opportunity for meaningful connection. These opportunities extend beyond the residence itself and there is an increasing focus on retirement communities engaging with the greater surrounding communities through programming and also the addition of communal amenity spaces such as spas, daycares or grab and go restaurants.
8. Developers have taken on an increasingly political role as they negotiate with municipalities to be treated fairly and perhaps as a distinct asset class. There was a call for the industry to work together to problem solve and address zoning and other political issues for mutual benefit.
9. Developers and bankers are encouraged to ensure there are healthy contingencies in their projects as interest rates rise and demand for skilled trades remains high.

The SenbriGE West conference also featured a tour to an innovative seniors housing community in Vancouver – Tapestry Wesbrook Village (“Tapestry”).



Our President, Jessica Zhang would like to share with us her thoughts and takeaways on Tapestry.

- 1. Located in the beautiful campus of UBC, Tapestry offers an array of continued learning opportunities to its residents. Led by “life-long learning” philosophy, the operator provides various programs, lectures, and activities to help its seniors residents find fulfillment after retirement.



2. There are two portions of the Tapestry property: condo and rental apartments. Tapestry presents a wide age range of the residents, from 59 to 101. The mixed-age community gives residents the comfort that they can age safely and gracefully in the community that they are familiar with.



3. "Food is the first priority." With top-notch chefs and the freshest ingredients, Tapestry offers unparalleled dining experience to its seniors residents. Every apartment resident has \$300 dining credits per month. Compared with traditional meal plan, the credit system not only gives flexibility – residents can choose to cook at home whenever they want, but also encourages them to stay connected and engaged with other people. Themed events such as "Ladies' Lunch" and "Gentlemen's Lunch" are held regularly to promote the bonding of the community.



4. Embracing technology is a key design idea of Tapestry community. Every unit is connected to Wi-Fi and has a flat screen display to give residents all kinds of information, such as weather and activity schedule to facilitate communication and remove anxiety from daily life. 95% of the residents have IPADS. Seniors can use smart TV to watch the latest episode on Netflix.

The demographic shift, the rapid development of information technology, and the advancement of medical technology altogether are reshaping the consumers' demand, yearning for a higher level of professional and humanized services.

Industry players are quickly adapting to the change and keep in pace with the design trend when developing seniors housing properties.

Safe and comfortable living space and thoughtful services are two major building blocks of a successful retirement community.

Seamless integration with community and surroundings is a new standard for the seniors housing industry. It is impressive that there are more and more seniors housing communities with refreshing individualized design, whether it reflects the preferences of operators, or the aesthetic taste of residents.