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Editor's Pick: These luxury NYC seniors homes start at \$12K a month

Developers are betting there are sufficient numbers of the affluent and aging who won't want to leave their urban neighbourhoods, even as they suffer cognitive decline.

Manhattan is about to become a testing ground for what could be the next luxury real estate boom. Well, maybe mini-boom, considering the rather narrow target group: frail urban seniors with fat bank accounts.

Developers are spending hundreds of millions on high-end assisted-living apartment projects, one on the Upper East Side and one in Midtown, and aiming for more in the area and across the U.S. The bet is that there are sufficient numbers of the affluent and aging in big cities who won't want to leave their neighbourhoods, even as they suffer cognitive decline.

It is, of course, a rather small group of any age or mental ability that can handle the monthly rents these kinds of places will command. They'll start at \$12,000 (U.S.) at the complex that Maplewood Senior Living and Omega Healthcare Investors Inc. are putting up on Second Ave. and 93rd St. Some will top more than \$20,000 at the building Welltower Inc. and Hines are about to break ground for on the corner of 56th St. and Lexington Ave.

They'll boast the usual luxury frills like uniformed doormen and lush landscaped gardens. But they'll also incorporate special features for the elderly and memory impaired, such as sharply contrasting wall colours in bathrooms to help those with poor eyesight identify fixtures and hallway lighting designed to encourage sleep at night.

"The risk is that you'd be the anti-Field of Dreams — you build it and they don't come," said Michael Knott, managing director at Green Street Advisors LLC, a real estate research company. "But the absolute lack of supply of this product provides some comfort that even though these are pioneering projects, there will be demand."

The elderly with dementia or Alzheimer's are an underserved cohort, whatever their income. According to Welltower, there are just 70 licensed memory-care beds in Manhattan. And while the borough is oversaturated with posh condo offerings, no new assisted-living facilities have opened there since at least 2005, when the National Investment Center for Seniors Housing & Care began tracking the projects.

There are only 622 such units in the borough, with a median occupancy of 97 per cent and average rents of about \$6,020.

“We’re seeing people who are in New York, wanting and demanding to live in New York, but there’s really nothing available,” said Greg Smith, chief executive officer of Westport, Connecticut-based Maplewood, which owns 13 senior communities, most of them in suburbia, and a 48-acre (19-hectare) farm from which it sources food for its properties.

And if there was ever a good time to dive into Manhattan, this could be it, with deluxe residences going begging and land values down 21 per cent so far this year, according to brokerage Cushman & Wakefield. “Because of what’s happening broadly in real estate in New York City, it feels like the winds are moving in a direction that will allow us to find good sites,” said Thomas DeRosa, CEO of Welltower in Toledo, Ohio, the largest publicly traded senior-housing owner by market value.

Both Welltower and Maplewood are scouting for additional locations in New York, and in other major metropolitan areas, anticipating the so-called silver tsunami that will double the U.S. population of 80-somethings in the next two decades. In fact, Maplewood’s New York complex is the first in a planned international brand of boutique senior properties called Inspir that is considering sites in Los Angeles, Miami and London.

At the 23-storey, \$270 million Maplewood-Omega tower on the Upper East Side, residents will enjoy farm-to-table dining, a spa, a movie theatre and a “sky park” on the 16th floor that will feature a flower-lined walking path and a sun porch. Smith said he views the project as “a hotel brand — a high-end luxury hotel brand.”

Welltower and Houston-based developer Hines will begin work on their project this month, preparing to raze two squat buildings they bought for a combined \$115 million, to make way for a 16-storey structure where the bathrooms will be marble and the exterior will look like limestone, the signature skin of some the neighbourhood’s more rarefied residential structures.

The upper range of rents will be at least triple the average \$6,988 that Welltower charges at the rest of its U.S. senior-housing portfolio, based on the company’s second-quarter filings.

Senior housing has traditionally been suburban-focused because land is so much cheaper outside cities, and developers hadn’t seen a big enough market to justify paying more, and charging more, for urban locations near transportation and nightlife, Knott said. The aging members of the massive baby-boom generation

helped change their minds. Now, he said, many living in cities have the means to pay a premium to remain in familiar environments.

And many will need special care. In New York state alone, about 460,000 residents aged 65 and older are expected to be living with Alzheimer's-related dementia in 2025, some 18 per cent more than there are today, according to the Alzheimer's Association.

To serve the wealthiest of them, senior-housing developers are taking cues from their tony-apartment building counterparts and putting extra emphasis on finishes and flourishes, to make their facilities look like the places residents left behind.

At the Maplewood building, set to open in 2019, that will mean concierge-style caregiving, where staff won't wear clinical-looking clothing and will offer housekeeping and reservations to Broadway shows. There will be a salon and a swimming pool.

In a prototype of the Welltower development, a sample apartment has nearly three-metre ceilings, with lights dotting the perimeter in lieu of an obtrusive fixture. Hines' design team uses an app to evaluate every pattern and colour choice through the eyes of someone who's aging, said Sarah Hawkins, a managing director with the firm. Someone with cataracts might have a yellowish sheen to their view of the surroundings. Carpet colours and patterns also can't be too contrasting, because that might make it seem that the floor is moving.

A hallway handrail, required by law in all assisted-living centres, is camouflaged in wainscoting. Hall lights are timed to the body's circadian rhythms, glowing bluish in the morning to promote wakefulness and yellowish at night.

What's key, DeRosa said, is that the assisted-living complex look like something else to residents — "like a building that they're accustomed to." So the exterior will be limestone blocks at the base and concrete poured to evoke the stone for the rest. The entrance courtyard will feature two walls carpeted in greenery, and a culinary consultant has been hired to advise on the proper mix of restaurants for a clientele accustomed to eating out as often as five nights a week.

"If you've lived your whole life in a limestone-clad building on the Upper East Side, this will not feel alien to you," DeRosa said. "This building should feel like a seamless part of the community that someone would have experienced for the last 60 to 80 years."

Source:

https://www.thestar.com/business/real_estate/2017/08/21/these-luxury-nyc-seniors-homes-start-at-12k-a-month.html
