

Senior Living Is *Not* the Same Old Thing

A Baby-Boomer gold rush is well over the horizon, executives say, which means moving now to deal with current economic realities.

by Dennis Boone

Talk about ripple effects: The real-estate bust that started in 2007 was a big rock thrown into the nation's economic pond. But for retirement communities whose business model was based on their prospective tenants' ability to cash out on home values, it might as well have been boulder.

"The economy has affected this whole industry of continuing-care retirement communities nationwide," says Jamie Frazier, executive director of Lakeview Village in Lenexa. "Most of them are entry-fee communities, where you pay a certain amount up-front, then a monthly fee for life-care provisions."

For most people of retirement age, Frazier noted, their primary asset is their house. "Well, guess what? They're not selling, and they're *really* not selling in Kansas City," he said. "There is demand, yes, and people say they would like to move in, but the housing market is preventing them from accessing the asset they need. It's true in Kansas City, it's true nationwide."

In response, say retirement-community executives, organizations specializing in senior living have had to fine-tune their business models and reel in costs, while at the same time trying to expand their services and form new collaborative ventures to help draw people across the threshold. Those are just a few of the changes taking place in a business sector fraught with them.

No institution has witnessed more change throughout its history than the sprawling John Knox Village in Lee's Summit, founded in 1970 and by far the market leader in numbers of residents and employees.

"Forty-one years is a long time," says the president and CEO. "We have seen a pretty dramatic sea change in what retirees want today vs. 1970." That includes second-generation residents on the 450-acre campus, who aren't settling for smaller units, limited closet space and small bathrooms of the '70s. Housing choices today, Dan Rexroth said, "reflect the housing changes that the greater housing community has seen with

larger rooms and kitchens and closets." As amenities inside homes have changed, he said, so has the need to shift to a new reality, one that comes with operating and infrastructure costs attached.

"As we move to the next generation of retirees," he said, "they want more choices and want to be in more control of those choices. Just like the Baby Boom generation has been in control of whatever the topic has been, they want to

"I've been doing this for 17 years and the whole spectrum has changed" in care settings, Hanna said. The evolution of "senior citizens home" into communities offering independent living, assisted living, skilled nursing, and memory care have imposed new operating demands on many organizations. For Bishop Spencer, that has included aging-in-place programs to keep residents in the units they've come to know as home.

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take charge of their retirement, also."

Getting clients into units, though, remains the imperative for organizations that aren't at capacity. One way to do that, Frazier noted, was through innovative approaches to helping people stage and show their homes to maximize dollar value if they are able to sell. Lakeview Village, for instance, has developed relationships with realty professionals to provide services that help people transition from homeowner to senior-center resident.

Those innovations also include services prior to moving on-site at a retirement community, such as dealing with transaction documentation or packing up entire households, helping residents dispose of or arrange for storage of a lifetime's worth of accumulated goods, from furnishings to photo collections. And for many organizations, it means going the extra step on service, with such add-ons as transportation services or shopping assistance.

Even for those who are at capacity, like Bishop Spencer Place near the Country Club Plaza, there are challenges, said Mendi Hanna, marketing director there.

"What that's done is change things, made people wait longer" for units to open up for new clients, she said. "People are living longer with medical technology and treatments improving, so we're seeing disease affect people more, in different ways."

For example, there are more residents with Parkinson's disease and those living longer with dementia and Alzheimer's. Meeting their needs has meant a shift away in the types of employees, with less of a focus on skilled nursing. "It has filtered all the way down," she said. "What we used to see in skilled nursing is now assisted living, and what was assisted living is now independent living."

A key market differentiator for retirement centers is location, noted Brooke Dankenbring, director of Brighton Gardens Assisted Living, rooted in the suburban setting of Leawood. "Where we're located is a more affluent area," she said. "Even though the economy has caused folks to have setbacks, we're lucky because even though we have competitors, we can offer a good product and we have a good reputation. That helps when people are looking." ■