How Senior Living Operators Can ‘Keep It Simple’ to Boost Affordability

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The senior living industry is struggling with affordability. Companies working on new projects should “keep it simple.”

Many senior living communities are still too expensive for their prospective residents. A recent American Seniors Housing Association (ASHA) report found that average independent living monthly fees exceed residents’ monthly incomes by 116%, while assisted living services exceed residents’ monthly incomes by 174%.

Operators can “keep it simple” in their communities through streamlining service offerings, creating multiuse rooms throughout a community and having replicable floorplans for units, according to Scott Hendrix, senior associate at architecture studio McMillan Pazdan Smith.

“Don’t overcomplicate things. That extends to the building, to the staffing, to everything,” Hendrix told Senior Housing News.

Senior living operators renovating an existing community or building anew can embrace flexibility in a bigger way as active adult operators have done. For example, many active adult communities have specialty rooms that can adapt to different uses and activities.

While 55-plus is a different product type due to its for-sale nature, senior living operators can still learn from some of the components of those projects. McMillan Pazdan Smith worked on a master-plan community for people 55 and older, Cresswinds Home from Kolter Homes. The concept's planners took inspiration from the multifamily world by building a clubhouse with a kitchen that had a demonstration side and dining room that could transform into a space for clubs, meetings or light-fare meals like grab-and-go options, Hendrix said.

One or two staff members can oversee a room, fitting within the cost targets of lower-acuity models seen in sectors such as active adult senior housing or independent living.

Data shows senior living residents prefer larger units, a feature that many middle-market price points can't accommodate. But operators can make up for having smaller or shared rooms by giving residents reasons to leave their rooms. While the industry is struggling to kickstart new development, and therefore aren't often choosing the location of newly managed communities, Hendrix said operators should look for locations with surrounding connections to the area and the people who live there.

One example Hendrix provided of this working was a Williams Terrace project in Charleston, South Carolina. While it was an affordable housing project for seniors, it took one floor plan for units and repeated it to keep it linear. Residents could remain connected with the surrounding community with deep porches, and it was located in a downtown area that is directly adjacent to a city park, which helps lighten the burden of amenity spaces.

To help cover the costs of these locations, Hendrix said operators will need to focus on developing partnerships or go into the development plan knowing it will take time to truly become a revenue generator.

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