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## *Innovators expand senior housing even in a downturn*

**F**ace it: We're getting old. Not just me — the whole country. Since America's first census in 1790, when less than 2 percent of our population was 65 and up, the 65-plus age group has swelled to a 13 percent share. By 2030, that'll be 30 percent.

Washington state's 65-and-over club added 165,515 members over the last decade, to 827,677. That's enough retirement-age people to fill Seattle and Tacoma combined.

To house this growing, graying crowd, the real estate and health care industries have introduced an array of shelter types. They range from nursing homes for the acutely ill to golf course communities for the rigorously active. Plus many choices in between.

All this Yankee innovation, of course, doesn't bring immunity from economic trends. It's the nonmedical end of the spectrum — independent-living communities — that got bashed hardest by the real estate slump of recent years, said Barbara Duffy, who heads Seattle law firm Lane Powell's senior housing practice.

Retirees wanting to cash in their houses to buy into a senior community couldn't get a decent price. Plus, their adult children might be unemployed and needing to share the roost. Thus, many seniors stuck it out in the old neighborhoods rather than move to that golf course community.

Assisted living centers — which help with daily activities such as bathing and medications — aren't so discretionary. When you need that service, you sell your house at a loss and go.

### INDUSTRY SNAPSHOT



Steven  
Goldsmith

previous days would have required nursing home care. Companies in that arena, such as Seattle-based Emeritus Senior Living, often also provide care for people with Alzheimer's and other memory-loss afflictions.

Can't predict what kind of care you'll need? In some senior communities, you can move in as an independent and then avail yourself of assistance and nursing care as the need arises.

Meanwhile, developers of senior living communities have gotten more aggressive in finding the audience. They're enticing discretionary buyers with amenities such as biking trails and fancy restaurants, and have tuned up their marketing pitches to boot. That tasting of fine Washington wines you might see advertised in the daily papers? It's hosted by Seattle Housing Assistance Group's Arrowhead Gardens for potential residents age 61-plus.

The proliferation of products points to a Washington senior housing sector that is viewed nationally as especially innovative, Duffy said. The region is home to

“Assisted living, being needs-based, hasn't taken the hit that independent living has,” Duffy said.

Many of today's assisted living residents, Duffy said, suffer from the kinds of acute disabilities that in pre-

vious days would have required nursing home care. Companies in that arena, such as Seattle-based Emeritus Senior Living, often also provide care for people with Alzheimer's and other memory-loss afflictions.

several influential players in the industry, such as: — Seattle-based Merrill Gardens LLC, on a growth spurt that has spread its 56 communities across 10 states, and which is raising a new \$150 million fund to build more.

— Emeritus, which has added 180 senior developments in the past two years.

— Redmond-based Aegis Living, which has opened new communities in Bellevue and Palm Desert, Calif., last year, bringing its total to 32 in Washington, California and Nevada.

— Seattle-based One Eighty/Leisure Care, which has opened 10 communities since 2008 and assumed management of five others.

And while there haven't been recent local deals on the level of last year's \$817 million blockbuster joint venture between Merrill Gardens and Toledo, Ohio-based Health Care REIT, money continues to flow into the sector, Duffy said.

“I think we will see a loosening up of capital markets for senior living,” she said.

The mere fact that Duffy's firm, Lane Powell, maintains a 22-lawyer practice in senior living says something about the sector's economic clout.

High above Seattle's Fifth Avenue and Pike Street, these attorneys handle real estate transactions, applications to open new nursing homes, compliance with the federal Fair Housing Act, Medicare regulations, hourly worker employment disputes, ripple effects from last year's health reform law, injury liability and much more.



Duffy