

# **Fearless Forecasts:** The Seniors Housing, Long Term Care and Home Care Markets

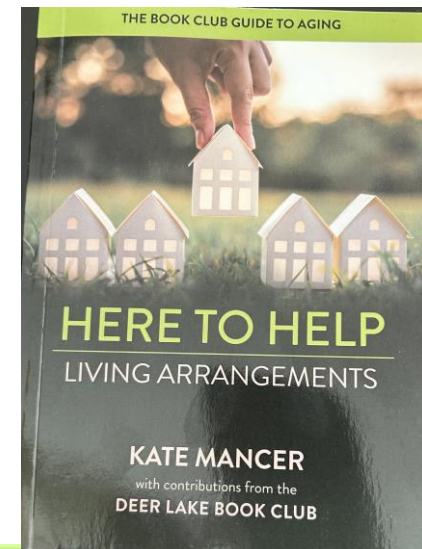
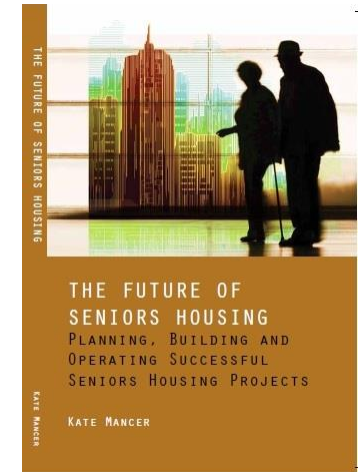
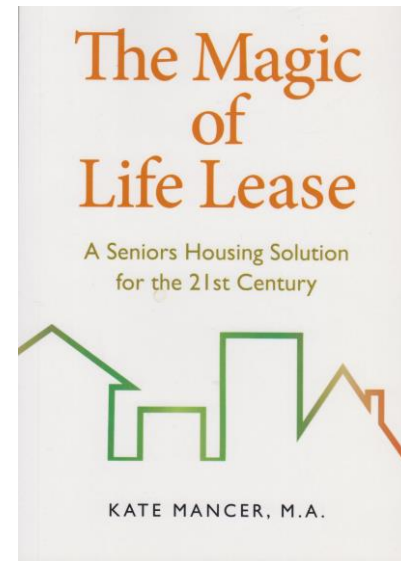
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# Fearless Forecasts (& a Few Rants)



# Lumina Services

- Leading provider of market & feasibility studies in the seniors housing & care industry in Western Canada since 1999
- Development consulting
- Operational consulting
- Marketing support
- Life lease development
- Consumer research
- Books – 3 & counting



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# On the Menu

- Active Adult (AA)
- Independent Living (IL)
- Assisted Living (AL)
- Private Pay Long Term Care (LTC)
- Home Care
- AI and technology
- A few rants

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# Brief Demographic Reminder: We are All Aging but in Different Ways. BC 2024 to 2046

Age Group	Absolute Growth	Percent Growth	2046 Population
55-64	124,976	17.0	861,356
65-74	74,266	12.4	671,801
75-84	304,684	100.6	607,433
85+	315,810	256.1	439,140

- Major growth 75+
- But don't forget: biggest group in 2046 is 55-64
- Oldest boomers over this period aged 78-100
- Youngest boomers 60-82

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# The Boomers: Our major customers for the next 4 decades!

- Aside from the Vietnam war, Woodstock and all those famous events, other defining characteristics that will affect our industry:
  - Women in the labour force
  - “Grey” divorce
  - Many fewer children
  - More and more people aging alone
  - Downsizing – yes or no

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# Where does everyone aged 55+ live now?

- 2021 population BC 55+ • 1,727,840
- Living in a seniors residence • 28,650 (1.6%)
- Living in a long term care home • 45,200 (2.6%)
- Combined LTC/seniors residence • 14,940 (0.8%)
- Living in the community • 1,639,050 (94.8%)



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# What an enormous opportunity!

# 95%

Of our potential target market is out there just waiting for us!

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## 3 more numbers before we carry on

- 78% of 55+ households in BC are homeowners
- Their average income is \$109,981 (before they sell their house)
- 302,925 owner households have incomes over \$100,000 (before they sell their house)

Is it possible that lack of affordability does not explain the 95%?

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# Carrying on: a few fascinating things

- There are approximately 200,000 IL/AL units in Canada. 99,300 of them are in Quebec
- BC is the only province that allows private pay **LTC**. Around 13% of our LTC beds are private pay, most of them high end
- Because 85-100% of LTC in Canada is publicly funded for everyone (ie not just for the poverty stricken), we don't have many examples of true campuses of care compared to the US where they are ubiquitous
- There is virtually no institutional support for the industry in Canada. The US has the brilliant National Investment Centre for Seniors Housing and Care (NIC). CMHC has just bailed on the sector by killing its Seniors Housing Survey which had existed for 23 years

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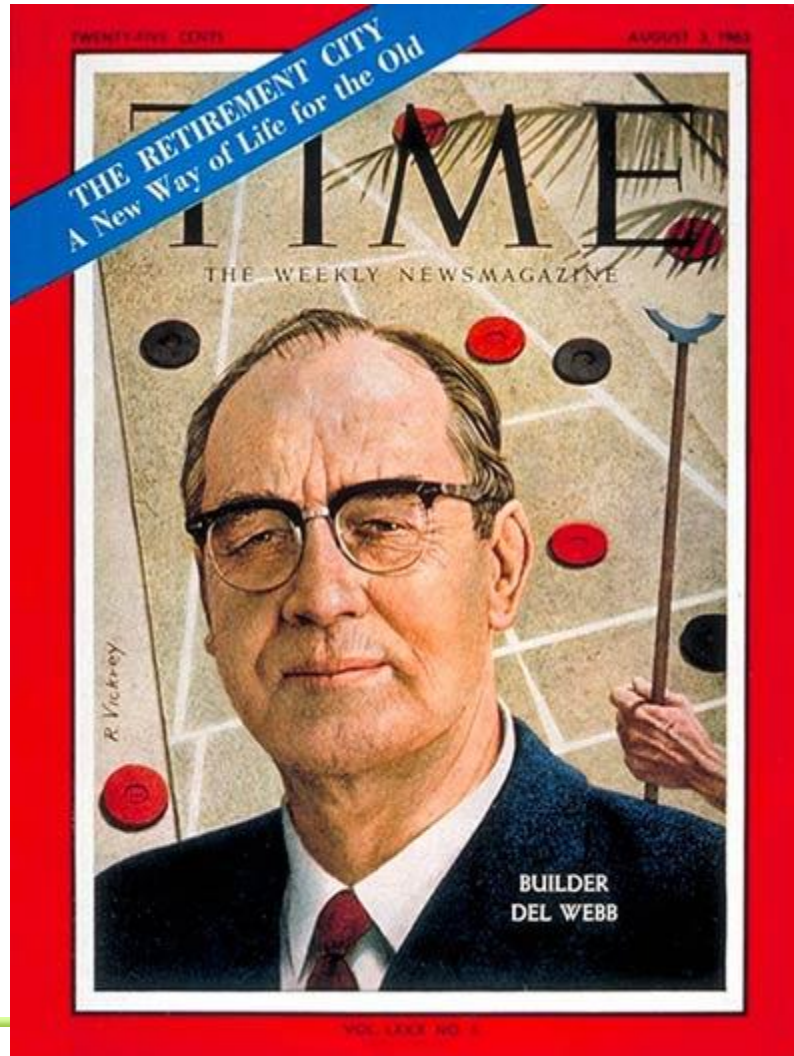
# Which brings us to: Rant # 1



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Back to our menu: the demand for  
Active Adult housing will increase  
enormously but only if we do it right

# Active Adult: what is it?



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# Active Adult 2024

- Age restricted (typically 55+)
- Lifestyle oriented, not needs oriented
- Limited staff - in Canada, typically 2 or 3
- Services if any are a la carte
- Tenure - hmmmm

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# Wellings of Calgary



WELLINGS IS WHERE YOU BELONG, LONG  
BEFORE YOU EVER NEED A RETIREMENT HOME



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# Three Robins: Red Deer, Stony Plain, Edmonton, Abbotsford, Prince George, Kelowna, West Kelowna



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# Doing it Right

- Understand your market
- Consumer research
- Effective marketing
- And, effective management

Bob Kramer (founder of NIC): What does the customer want? And find out via market research.

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# Rant # 2: We don't do enough consumer research (we hardly do any at all!)



Lego Ideas Program: asking users for new concepts. Since 2008 more than 50 have gone into production

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# The Peanut Butter Sandwich Story



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# Independent Living (IL) & Assisted Living (AL)

Is one or the other now a figment of our imaginations?

Is IL “dead” as some practitioners like to say?

Why has the penetration into our target market stayed the same for the last 20 years?

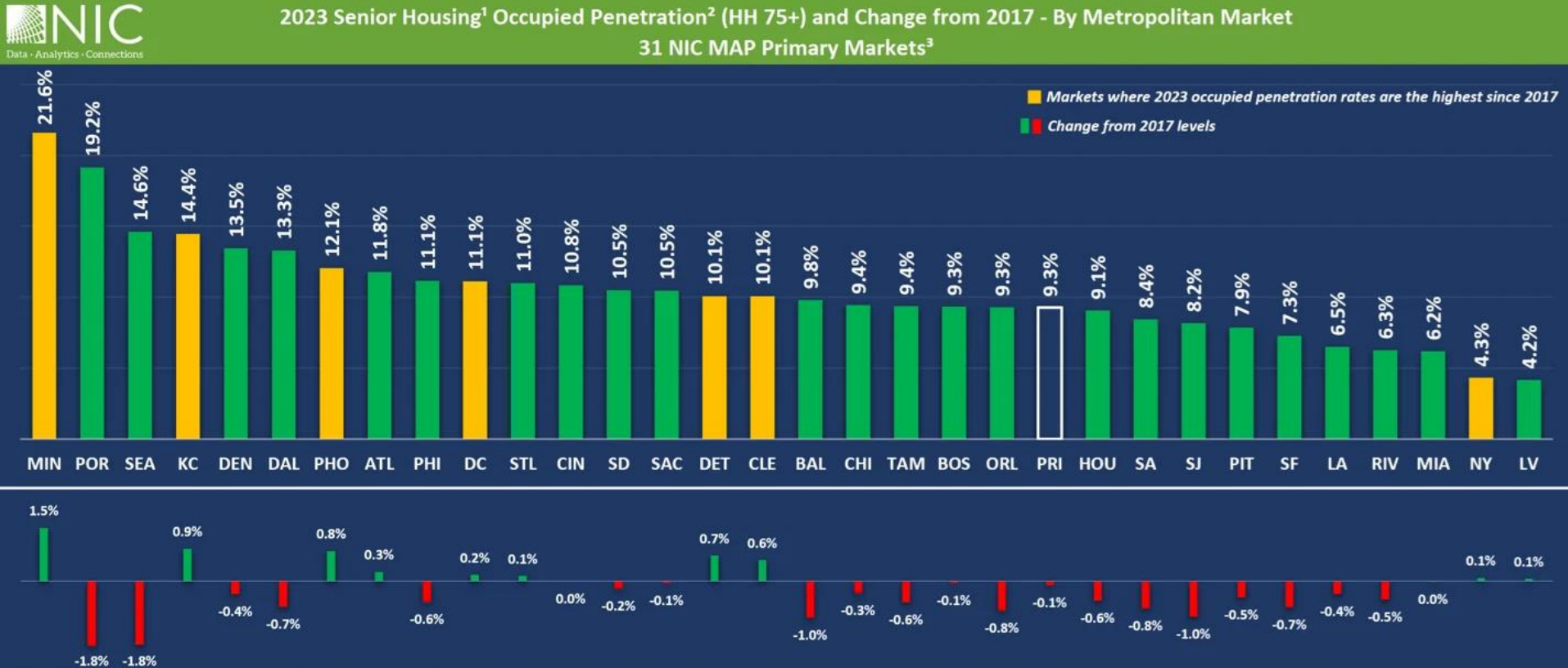
Are we pursuing our own version of insanity?

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# The Penetration Rate

Penetration rate = (Number of consumers or users or customers / total number of people targeted) x 100 (Source: <https://www.sortlist.com/blog/penetration-rate/>)

# US Penetration Rates (IL/AL)



<sup>1</sup>Senior Housing is the aggregate of independent living, assisted living, and memory care units across all senior housing and care properties. <sup>2</sup>Occupied penetration is calculated based on estimated occupied units and 75+ households | <sup>3</sup>Primary Markets - Made up of 31 of the largest core-based statistical areas (CBSAs) in the U.S. | The data represent the fourth quarter data for each year.

Source: NIC MAP® Data, powered by NIC MAP Vision | Data as of 4Q 2023  
Prepared by: NIC Analytics of the National Investment Center for Seniors Housing & Care (NIC)

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# Penetration Rate Questions from NIC

- Why has the overall occupied penetration rate not shown notable changes over time?
- What factors contribute to higher occupied penetration rates in some markets and lower rates in others?
- Are there specific strategies that the senior housing sector can employ to positively impact occupied penetration rates?

## **Greater Vancouver and Fraser Valley**

**2003            3.4%**

**2021            3.7%**



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# Let's not just bank on demographic lottery wins

- 2003: 3.4% of 137,348 = 4,670
- 2021: 3.7% of 217,518 = 8,048
- 2046: 3.7% of 514,076 = 19,021

So even if we do nothing different, the demand for IL/AL will more than double over the next 20 years.

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# But what if we DID do something different?

- 2021: 3.7% of 217,518 = 8,048
- 2046: 3.7% of 514,076 = 19,021
- 2046: 5.0% of 514,076 = 25,704
- 2046: 8.0% of 514,076 = 41,126

41,126-19,021=22,105 “extra” units

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# Unfortunately this won't help

An analysis published by the Washington Post on Tuesday (May 14th 2024) calls into question A Place for Mom's description of itself as a "trusted advisory service," accusing the senior living referral site of recommending communities that have been cited for neglect or providing substandard care and of using reviews that have been manipulated by providers.

"facilities throughout the industry routinely manipulate the reviews by asking residents and families with only positive experiences to write them and sometimes by soliciting fake ones."

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# Low baseline levels of information

“This is a setting where people have very low baseline levels of information. Review manipulation is a bigger problem than on Amazon,” said Brett Hollenbeck, an economics professor and expert in online consumer reviews at the University of California Los Angeles.

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# So then, what can we do?

- Consumer research!!!!
- Fully understand our markets
- Education
- Let's get funny
- No misleading ads
- Better web sites (especially no more “We won't tell you anything unless you provide all your contact information”)
- Appropriate services & fee for services

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# How Mystery Shopping can Really Help

From a real fee for service schedule: 3 of 59 additional  
“wellness services” costs at an IL community

Toileting Reminder	\$175/month
Partial Toileting	\$275/month
Complete Toileting	\$600/month

Plus 56 more fees

**Don't do that!**

# Rant # 3: No Sense of Humour



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# Rant # 4: Truth in Advertising





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One of our existential challenges:  
nomenclature



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# What do we do about that?

Perfect challenge for the new organization

Launch a humorous education campaign

But be careful about it!

Talk to consumers first!!!!!!!!!!!!!!!!!!!!!!

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# Private Pay Long Term Care

- Often high end but not always
- Many mixed projects
- 5,175 seniors on the waitlist for a funded bed in 2023
- In BC 4,035 private pay beds & 28,064 funded
- Bedlam report: 45,000 additional LTC beds required between 2019 and 2041

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# Laurier house Edmonton



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# Home Care

“We are very successful at helping people to remain in the place that they want to be,” Giacobbe said. “We’re not determining where they’re going to stay, we’ll serve them no matter where they are, and their care coverage goes with them, even if they do go into assisted living or a nursing home.”

(Kendal at Home, affiliate of Kendal Corporation, a large nonprofit senior housing provider that operates across eight states.)

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# Provincially funded home care

- Annual average of 245 hours per client = an average of 5 hours per week
- % of new LTC residents in BC who potentially could have been cared for at home: 12.8% (Canadian average: 9.7%)

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# An effective partnership



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# A Potentially REALLY good idea: 5656 BalACLava





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# Virtual Retirement Communities



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Here's another related really good idea



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# Age Tech: Technology Designed to Tackle the Challenges of Aging

20 years ago



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# 2024

- Artificial intelligence
- Virtual therapy
- Fall detection
- Remote patient monitoring
- Robotics
- The list goes on (and on and on)

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# Rant # 5 Telus



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# Our Contribution to Society

Let's all work at helping to make aging a joyous adventure. Don't think that's a crazy goal – just think how much happier many people would be if they didn't dread the aging process so much. They'd say: Yeah! I am finally old enough to explore all the 55+ housing options out there. I've waited for this my whole entire life.

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