

# site **lines**

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SENIOR HOUSING

## Campuses: the New Wave in Senior Housing Development

*Rick Fenske, Vice President- Senior Housing*

Although popular in other parts of the country, the senior housing campus concept is still relatively rare in Minnesota, where the majority of senior housing development consists of freestanding buildings serving target market with similar housing preferences and care needs.

### **Continuing Care Campuses Defined**

Also commonly referred to as Continuing Care Campuses or Continuing Care Retirement Communities (CCRC's), these campuses typically refer to a senior living complex designed to provide a continuum of living accommodations, supportive services and health care within a single community. Some communities include a full spectrum of senior housing -- from independent living through skilled nursing, while others have a narrower focus and include only some components. At a minimum, these campuses will have independent living (active adult and/or con-

### **Creating a Continuum**



*Woodbury Health Care Center recently added Woodbury Estates, an assisted living facility, to its continuing care campus in Woodbury.*

gregate units) in addition to assisted living and/or nursing services. These communities can consist of a single building offering a variety of care alternatives under one roof (i.e. Commons on Marice in Eagan) or an elaborate master planned campus containing individual housing components each serving a market niche with specific care needs (i.e. Boutwell's Landing in Oak Park Heights).

Campuses typically offer a variety of recreational, health maintenance and social programs as well as conveniences such as transportation, barber/beauty services, restaurant-quality dining, a library/media center, and occasionally other amenities such as banking services and/or a convenience store. Many campuses also incorporate a town center that

houses community and programming spaces.

### **Evolution of the Campus**

Early CCRC's typically required substantial endowments and hefty monthly fees in exchange for guaranteeing residents with housing and health care services for little or no increases in monthly fees for the balance of their lives. However, increases in health care costs and life expectancy forced many of these "Life Care" facilities into bankruptcy. Today, most CCRC's offer very limited or no nursing care coverage in their entrance fees.

While entrance fees (usually partially refundable) are common in campuses throughout much of the country, they



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have received resistance in most markets in Minnesota. Only a handful of campuses in the states currently require entrance fees.

Locally, senior campuses have more commonly evolved from existing freestanding senior developments. In some cases, independent senior developments have added assisted living services/facilities to meet the population's growing care needs, while some of the more service-intensive senior housing facilities have added independent housing to ensure a steady supply of future residents. Most recently, the trend locally has been toward the master planned senior housing campus where a

continuum of housing and services have been designed from the onset.

### **The Campus Advantage**

The appeal of the senior campus is that it can provide the developer/sponsor with some distinct competitive advantages, such as:

- Variety of product attracts a larger segment of the potential market
- Expands the draw area which potential residents are likely to come from (typically regional versus community draw)
- The larger scale of these facilities allows for more recreational and social amenities than smaller free-standing developments

- Aids in resident retention by allowing existing residents to age in place
- Residents of the independent components act as a natural feeder into the more service-intensive facilities
- Increased efficiency in delivery of services
- Operational economies of scale
- If master planned, the development costs can be spread out over a larger development

Furthermore, these factors will enable senior campuses to maintain a competitive edge over freestanding developments, should the local senior housing market become saturated.



*The 64-unit Woodbury Estates joins the 212-bed nursing care facility, a 12-bed board and care wing and a 75-unit congregate building on the Woodbury Care Center campus.*

Currently, there are senior campuses under construction or likely to come online over the next few years in Brooklyn Park, Crystal, Eden Prairie (2), Inver Grove Heights, Mahtomedi, Maple Grove, Oak Park Heights, Plymouth, Rochester, and Woodbury. In addition, there are plans for additional product that will expand the continuum of housing and services offered in existing senior developments in Brooklyn Park, Coon Rapids, Hopkins, New Brighton, Plymouth, St. Anthony and St. Paul.

Rick Fenske is the VP of Senior Housing Research at Maxfield. Each year, Rick directs a review of the senior housing market in the Twin Cities. This year, Rick will be releasing his findings in the **Senior Housing Update**. The update will be available only in PDF format and distributed via email in July 2000.

**If you are interested in receiving the free Senior Housing Update, please email your name, address, phone and email address to Rick Fenske at:**  
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