

Collective power will take us forward



Ron van Bloois,
Co-founder
and chair, SHHA

After a year of 'wait and hold' and refinancing, it is time to continue our journey to a futureproof system of later living and healthcare real estate. SHHA has become a voice for the industry and is having a significant impact, creating a collective energy and helping align the value chain – we do need this collective power and cross-border inspirations.

We are reframing the markets with a focus on consumer behaviour among older adults, liveability in senior living environments with a focus on independence and empowerment, and affordability in the context of longevity.

The rise of integrated retirement communities and build-to-rent for individual seniors is key. They require investment managers to run individual leases instead of working on long-term master leases with operators. The residential side of senior

living needs a variety of offerings, from cities to rural areas and from social housing to high-end formulas with additional services.

Next to the 'active-older-

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adults' approach, we should speed up development of state-of-the-art operational real estate for specific target groups, such as people with dementia.

Another generally positive influence on our asset class is the demand to perform in terms of ESG, particularly the social aspects. This appetite will grow because of the Corporate Sustainability Reporting Directive and the value-chain approach. The inclusivity of workers in the value chain, one's own workforce, consumers/end-users and communities, will be at the forefront and increase the focus on operational property assets.

With all of this in mind, I am looking forward to meeting our members and peers in 2024, first at Mipim, then at the second SHHA summit in Brussels. <https://shha.international>

Senior housing need universal, but differences call for respect

Octopus Real Estate, which claims to be the largest investor in care homes and senior living in the UK, is planning to expand elsewhere in Europe across all 'living' sectors.

"Each country in Europe has a different level of maturity in the market," said Octopus senior investment manager Mathilde Guittard.

"Everybody acknowledges the demographics and the fundamentals are here, it's just about finding the right partners and finding the right opportunities," she added.

Octopus is still making value-add

returns in the UK, which Guittard said is a difficult challenge at present. The company will be looking at each European country on a case-by-case basis.

"I think there are some transferable skills between countries," she said. "However, you need to respect cultural differences and you need to adapt to the market. We want to be customer-centric, so we want to listen."

"What we want to bring is the ethics that we have at Octopus. Focusing on the green aspects and social aspects, that's very important for us," Guittard explained.

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Octopus Real Estate



Political shift needed to end German care home hurdles

Healthcare operators are under financial pressure due to lack of staff, lack of storage and rising costs.

"We are seeing that a lot of operators and investors are going more from care to senior living and assisted living," said Savills Germany's associate director for operational capital markets, healthcare, Max Eiting (pictured right).

"We see opportunities in the value-add sector: manage to ESG is a big topic here," he continued.

However, Eiting said there needs to be a change at a political level so

that operators are no longer under pressure due to staff shortages.

Furthermore, negotiation and renegotiation of costs with long-term care insurers takes too long. "That's a huge problem," he said.

"In Germany we have 16 federal states with 16 federal laws regarding care homes. We have some elections so maybe there will be a change in some federal states. But it's not a federal state topic."

