

## SENIOR HOUSING & HEALTHCARE SUMMIT 2024

The second Senior Housing & Healthcare Summit was again held in Brussels in June, and was hosted by the Senior Housing & Healthcare Association, EPRA and Deloitte, in whose offices the event was staged. **Paul Strohm** reports

# Keynote speech: megatrends, longevity and framing the narrative of ageing

In a keynote which set out to explore global trends in senior living, integrated retirement communities and care, Nicola Palmarini, director of the UK government-funded National Innovation Centre Ageing, set the stage by reminding us that by 2050, 31 countries will have the same age profile as Japan and Italy do currently.

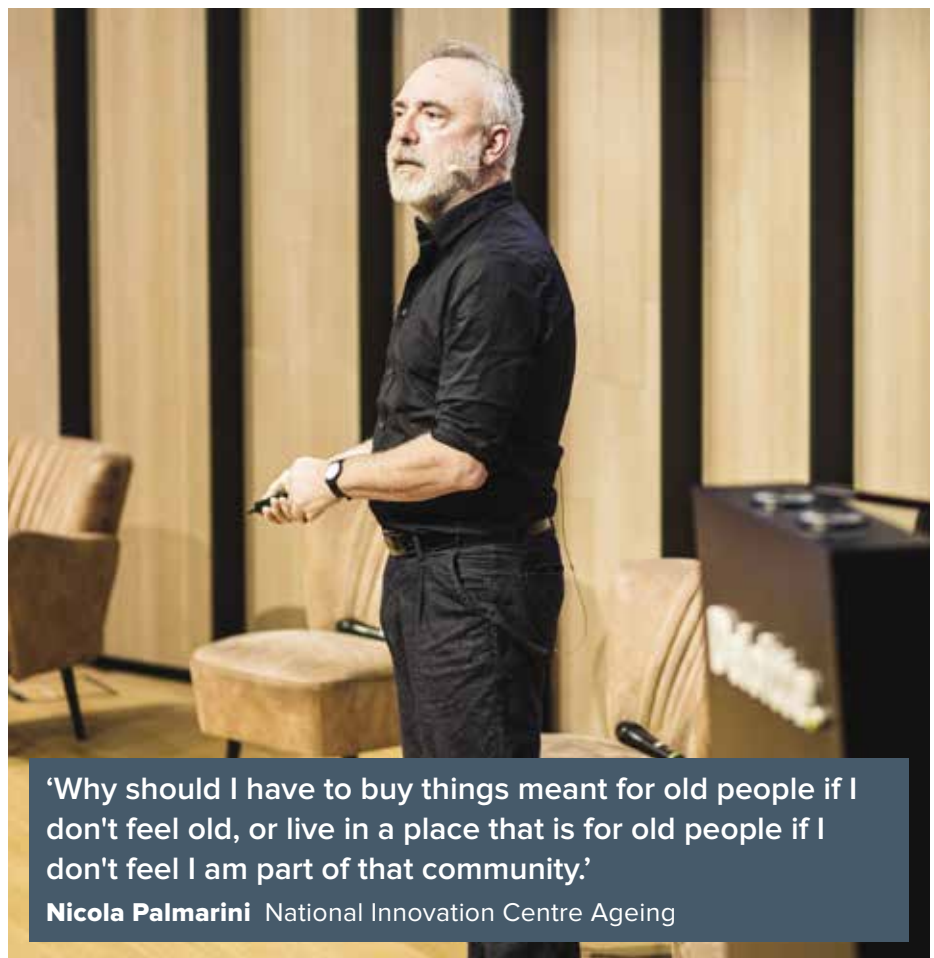
He said: “China is important. So my first recommendation to you is to keep an eye on what they’re doing. Don’t think that because it’s a far different culture they’re different from us. They’re doing a lot of innovation in the space.” And he pointed out that China already has 220 million people over 60. “Even if they’re not there in terms of ratio of the population, they’re there already with the size of the population.”

Palmarini urged people to think globally. “The little planet we’re living on has two billion people over 60 – by 2050 that number will be roughly between eight and nine billion.”

### AGEING IS CHANGING

He pointed out that the process of ageing is changing. “We’re mainly ageing in better health. We’re not only getting older, but we’re getting older healthier, which has a lot of implications about our trajectory of ageing.”

However, he contended that everyone is ageing differently and postcode is one of the principal differentiators. Where a person has lived will determine their ageing outcome, which has implications for those planning developments. He



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**Nicola Palmarini** National Innovation Centre Ageing

added that ageing is more “malleable” than it was supposed to be: “We can tweak ageing, we can change it.”

We are not living in an ageing society anymore, he explained. “It’s switching to a longevity economy where people are

living for longer and longevity helps us to change the meaning of the word ‘ageing’.”

We have to distinguish between ageing and longevity, Palmarini said – “I think we have to start thinking in this perspective.” He also reminded the audience that

ageing is not happening to someone else. “It’s us who are getting older. These people are ‘us’, it’s not ‘them.’”

It is also important to start looking at the ageing process in that context. From a narrative perspective, he said that a “Me Too” movement related to ageing is emerging. “Be careful how you’re using and discriminating in your words about ageing because there is a wave coming if your brand is dealing with people. I think it’s going to happen sooner than we think and expect,” he warned.

### DIFFERENT EQUIVALENT AGES

There is also a growing realisation that it is the ageing population that will drive the economy. “And what we do? We keep on investing in Gen Z. Why?”

Palmarini asserted that the marketers’ trope that “you gain them when they’re younger to keep them forever” is “quite crazy” in this instance. Also, a person who is 70 years old today is very different from someone who was 70 in 1970, even biologically. They have a different “technical equivalent age”.

Thinking about who is going to live in a retirement development now, it is a different group of people compared to before. And because there is a range of outcomes for older people, their demands are not uniform.

“Why should I have to buy things meant for old people if I don’t feel old, or live in a place that is for old people if I don’t feel I am part of that community?” said Palmarini.

But he asserted that there is an economic need to keep people healthier for longer. “One year of healthy life in the US is between a \$35 and \$50 trillion contribution to the economy. It’s not just a ‘nice’ thing to be healthy. It’s important for our future and for our economy.”

There is a revolution in the way that people want to shape their future and people want to live alongside their peers. They are building their own villages. “This is really a change. But tell me, do you know a company that is supporting this with a mortgage?” he asked.

Change is inevitable he said, adding that just because we feel one way now, that will remain the case. While some changes are biological, others are social, such as divorcing in later life.

There needs to be a change of attitude to society’s inherent ageism. “We never thought that ageing was good. We always think ‘young is good, getting old is bad’. That’s the mentality we have,” Palmarini concluded. “But it’s changing because we’re becoming older, meaning that we’ll see ourselves as the target of discrimination.” ●



The Optimising Operations: Best Practices in Retrofitting and Design panel brought together Cofinimmo chief operating officer Sébastien Berden; architect Anja Dirks of studio id+; Erik van den Boom, Domus Valuas; Tom Sheridan, chief development officer of Cara Living; and Gary Burton, chief operating officer and chief financial officer at Audley Group.



## CSRD data has wider benefits for business

A presentation by Deloitte Belgium’s Sebastien Pauwels titled Compliance Roadmap: CSRD Reporting, Measures, and Valuation in Senior Living looked at the complexities of gathering and analysing the 1,100 data points required by the Corporate Sustainability Reporting Directive. One conclusion was that, although CSRD is a requirement, having acquired the data there are other ways of using it, such as improving companies’ recruitment processes.

CSRD could “also bring some value”, said Pauwels and could be “a very good occasion to demonstrate that, compared to your competitors – because it’s all about market assessments – you comply better, or offer better salary level compared to minimum wage, or [better] wellbeing.”

Similarly, energy data could be used. “At the moment, you gather data on energy consumption from your own assets, because you have to, it’s an obligation. Why not use it to analyse your assets?”

# Getting to grips with CSRD

In the panel discussion Charting the Course: Stakeholder Perspectives on CSRD Reporting in Senior Living, Helga Camalon, chief financial officer of Primonial REIM Care; Dr Stefan Voß, partner at CMS Germany; Raoul Thomassen, chief operating officer at Aedifica; and Ana Cunha, strategic sustainability advisory and CSR director at Deerns Group, discussed the challenges of implementing the Corporate Sustainability Reporting Directive.

“We are not afraid of this new directive, because the starting point for us is not a blank page,” said Camalon. She said that a strong ESG policy means a lot of the ground has already been covered. “It was important to us to involve the key stakeholders. With the tenants being among these stakeholders, we started to put in place ESG committees with our main tenants, establishing a dialogue. So I think that we have a strong base to go further in the application of the CSRD directive.”

Cunha added that although ESG data has been necessary for transparency and performance monitoring, the real challenge of implementing CSRD is the scale and the amount of data required. “It’s the scale and the amount of things to structure on topics that actually have been there for several years already, but not structured to give overall vision of the sustainability performance of companies,” she said.



Companies also have different deadlines. For some, it this financial year, for others, it is next year. “But as we are in the supply chain of the big ones we are already getting ready,” added Cunha. “And that’s the challenge: the speed, the amount of topics and data to address.”

## MEMBER STATE DIFFERENCES

There are also differences in the way that CSRD is implemented in the different member states, as Voß pointed out. “Nobody exactly knows the details which will be implemented in the laws of the member states of the European Union,” he said.

“Major companies that are used to reporting on ESG issues are able to

implement all these new data and reporting obligations. But it is a big task for those companies that have not applied all these obligations and they will have to look for qualified staff and of course, this will involve additional costs.”

But the complexity of modern supply chains can create further complications, said Thomassen. “CSRD will force us to engage with the whole supply chain, because, while we may be used to some things, our supply chain might be a local developer or a contractor in, say, Sweden, who does not have any clue what this is all about, or wouldn’t know why they would have to start measuring their carbon emissions or creating a building passport that they were not doing previously.”



**The Best Practices: Longevity, Ageing in Place, and Innovations** panel discussion featured Naboth van den Broek, founder and managing partner of SevenAges; Bart Sasim, founder and managing director of Coliving Ventures; Klaus Niederlander, chief executive of EchoCare; and Professor Scott Eckstein, managing director of Active Living International and director of the Senior Living Program at Boston University’s School of Hospitality Administration.

The session explored the latest concepts, business models, and technologies that are driving positive change in the senior housing market.



## 'Care home financial viability is linked to quality'

The SHHA Summit's panel session, World of Investments, Capital Flows, and PPP featured Frédéric Durosseau, chief real estate and development officer at Clariane, formerly Korian; Candice Blackwood, partner of law firm CMS; Kevin Beirne, director and head of retirement of Octopus Real Estate; and Nikolai Schmidt, head of transaction healthcare at Swiss Life Asset Managers.

"A lot of US investors, whom we haven't seen for a couple of years in the UK, were priced out by the pension funds for several years. So I think the pendulum has swung a little bit more in favour of the US REITs. Their cost of capital is expensive, though, and so I think there is also competition from public sector," Blackwood said.

Beirne said: "I think there's a recognition that care homes, particularly around dementia or memory care, have to work in unison with the NHS. And

so I think we're going to see a slightly different dimension of public investment back into care homes in the UK.

Durosseau added: "Long-term financial viability is linked to the quality of care you can supply. It's not that important who is paying in the end,

public sector, private sector... do you put your parent in a private or public nursing home? What's important is that you care, that your parent will get the best quality of care. For us, the key question is how to constantly elevate, ameliorate, how to increase the quality of care."



## Senior care 'is the start of a very long journey'

A fireside chat-style session titled Shaping the Future of Senior Living and Care explored global trends in senior living and care, focusing on person-centred models and quality of life. In conversation were Professor Scott Eckstein, managing director of Active Living International and director of the Senior Living Program at Boston University's School of Hospitality Administration; and Michael Voges, chief executive of Associated Retirement Community Operators (ARCO).

"When I got into the industry about 30 years ago, we were reminiscing about what happened before and focusing on that," said Eckstein. "Now we're looking at what's next. We are looking at lifespans that are extending and extending, so I'm working with residents

to figure out what is next and curating that lifestyle. A lot of the projects I'm working on in Europe now are 'curating' lifestyles."

Voges added: "If we look at the mistakes that the sector made in the UK, I think we've come a long way. For a long time there

was a strong focus on the real estate and the property play in this whole industry, regardless of the country. There has been a realisation that actually there needs to be a shift on long-term operational services and service excellence and a sustainable business model to match that.

"We've had examples where people came in and thought, actually, this is all about selling fancy real estate to older people, and then they found out, selling it the first time is only the start of a very long journey that then continues over many decades.

"Older people may have money and they may have needs, but it doesn't mean they'll buy any product. You need to get the product right."



And he said the service offering should not be overmedicalised, but it should not be undermedicalised either. "In many ways, it's about getting the offer right. Ask your customers, do your homework. Spreadsheet says 'yes', but customer says 'no' is something that we see in many countries that I look at."

## We need a shift from ageing to longevity



Sylwia Ziemacka,  
Head of membership,  
SHHA

Our Senior Housing and Healthcare Summit, organised in collaboration with EPRA and Deloitte, was again a resounding success. The event gathered numerous thought leaders, each contributing their wealth of knowledge and experience to a shared mission: enhancing the quality of life for our ageing population.

One of the most compelling takeaways came from Nic Palmarini, director of the UK National Innovation Centre for Ageing, who emphasised the need to transition from an ageing society to a longevity society. This shift requires a fundamental change of approach, focusing not merely on managing decline but on fostering sustained health, activity, and

**‘The Summit underscored the future of ageing is not about surviving longer, but living better’**

engagement in later years. The discussions highlighted innovative solutions and strategies aimed at improving senior housing and healthcare. These solutions are vital

as they promise to transform the ageing experience, making it more vibrant and fulfilling. The Summit underscored that the future of ageing is not about surviving longer, but living better.

As we move forward, it is crucial that we keep these conversations alive and turn ideas into actions. The Summit is just the beginning of a broader movement to reshape our society’s approach to ageing. By continuing to advocate for and implement these solutions, we can significantly enhance the lives of older adults and build a better, healthier future for all.

We invite you to join the Senior Housing and Healthcare Association to help move these initiatives forward. Don’t miss our upcoming activities at Expo Real, which will take place on Monday, 7 October, at 9am. Let’s work together towards a brighter, healthier society.  
<https://shha.international>



## Foundation and Deer Capital buy UK care group for £100m

Foundation Group and Deer Capital have acquired healthcare provider Hartford Care, which operates 20 care homes across the UK’s South East, for around £100 million.

Hartford Care provides nursing, residential, dementia and end-of-life care. Its 20 homes comprise a total of 774 beds, with a further 156 beds to be added in the next 12 months.

The deal is the first acquisition in the UK care home sector by Wyoming, USA-based Deer Capital

and Foundation. It will provide significant additional capital to enable Hartford Care to pursue an expansion strategy that intends to double the size of the portfolio by 2026.

The transaction was led by Knight Frank’s healthcare team.

“This is one of the largest care home transactions in the last 18 months, and we are pleased to report that sector activity has significantly picked up over the last quarter,” said Julian Evans, head of healthcare at KF.

## Northern Horizon’s evergreen social infrastructure fund starts

Northern Horizon, the specialist healthcare asset manager, has launched an evergreen social infrastructure fund after the conversion of its third healthcare fund into an open-ended fund.

With the launch of the evergreen fund, Northern Horizon Aged Care Social Infrastructure SCSp SICAV-RAIF, Northern Horizon increases its longstanding commitment to address the shortage of modern care homes in the Nordics.

“Institutional investors and international investors are increasingly focused on the social and environmental impact of their investments,” said Andrew Smith, partner and head of group business

development at Northern Horizon.

He added: “With the Aged Care Social Infrastructure Fund, we are providing our investors the opportunity to create long-term social value in the Nordics, as well as the prospect of stable, risk-adjusted returns.”

The population of the Nordic countries is ageing rapidly. The Aged Care Social Infrastructure Fund aims to help meet the additional demand by investment in aged care homes and other social infrastructure properties in Sweden, Finland, Norway and Denmark.

Aged Care Social Infrastructure Fund is the fifth healthcare fund managed by Northern Horizon.

# Fundamentals will reverse UK's drop in healthcare investment

Investment into UK healthcare assets fell 49% to £1.2 billion in 2023, down from £2.36 billion in the previous year.

However, this was in line with other real estate sectors as the increasing cost of debt affected pricing and sentiment, according to Knight Frank's *Healthcare Capital Markets 2024* report.

Almost half (48%) of transactions were single asset deals, compared with 28% in 2022. Overseas buyers were less active, accounting for only 25% of volumes compared with the five-year average of 48%.

Knight Frank forecasts that investment volumes will increase if monetary policy eases as expected in the second half of 2024.

Ryan Richards, associate, healthcare, at Knight Frank said: "The cost of debt contributed to a drop-off in larger portfolio deals in 2023, with volumes driven by smaller, single-asset transactions. This is

starting to change in 2024 as pricing stabilises with REITs and institutional buyers returning to the sector amid continued uncertainty around long-term demand for traditional core asset classes such as retail and offices."

The firm said this is underpinned by strong fundamentals in the healthcare sector. Most UK healthcare investment has been focused on elderly care facilities (83% of volumes in 2023) and demand for these facilities is set to increase dramatically with the UK's over-85 population set to rise from 1.7 million to 3.7 million by 2050.

Also, the weighted average unexpired lease term (WAULT) of healthcare assets is 25-30 years and leases tend to be indexed



to inflation. Average annualised returns reached 4.4% at Q4 2023, up from 3.5% in 2022.

Knight Frank has surveyed global investors, 13.3% of whom identified healthcare as their favoured real estate asset class, second only to the living sectors (13.8%).

"While healthcare investment was down in 2023, in line with real estate transactions globally, the sector's strong fundamentals means we expect activity to rebound this year as monetary policy begins to ease," Knight Frank's global head of healthcare Julian Evans said.

"There continues to be a 'flight to safety' in real estate, with investors seeking secure long-term income underpinned by strong supply-demand dynamics. Changing demographics, allied with a shortage of modern, ESG-compliant healthcare facilities and long inflation-indexed leases presents an undeniable case for healthcare."

## Partnership to create 300 senior apartments in Rome

A new public-private partnership will create a senior housing development in Rome with 300 apartments in nine separate buildings aimed at self-sufficient residents of 65 years old or more. The initial investment of €130 million will create Spazio Blu, a pilot project, with a plan to build more in future in a very underserved market.

INPS (Italy's National Institute for Social Security) has teamed up for the first time with CDP Real Asset (Italy's development bank), Investire Sgr, a private asset manager, and Policlinico Gemelli, the largest hospital in Rome.

"With this project we add another 'S', senior housing, to our involvement in student accommodation and social housing," said Giancarlo Scotti, chief executive of CDP Real Asset. "Our strategy now is to push ahead with senior housing, an asset class that needs to



**Giancarlo Scotti:**  
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be strengthened in Italy. Demand for independent accommodation for over-65s that caters to their needs is growing fast across the country."

The existing cluster of residential buildings, owned by INPS and managed by Investire Sgr, will be repurposed to be suitable for older people. Many amenities will be added, including areas for socialising and exercising, a cinema, a library and an infirmary in every apartment block.

The complex, in the Camilluccia area of Rome, is situated less than a kilometre from the Policlinico Gemelli, and the hospital's doctors and specialised nurses will be on hand to provide home care to residents. High-tech telemedicine and remote consultations will also be available. The aim is to avoid the need to go to hospital, reducing pressure on the health system.

Crucially, the nine buildings will be surrounded by other apartment blocks where families and young professionals live, which will ensure the neighbourhood remains intergenerational and that seniors will be able to interact and socialise with people of different ages and will not become lonely and isolated. Local residents have agreed to the scheme.

After this first pilot project, the plan is to roll out the Spazio Blu model across Rome and across Italy.



# PGIM acquires UK senior housing group Signature Senior Lifestyle

**P** GIM Real Estate is acquiring the real estate and operations of Signature Senior Lifestyle, which develops and operates senior housing in the UK.

Signature's portfolio comprises 13 senior living communities, including 10 operating properties and three consented development projects in and around Greater London. Signature's established management team will continue to operate the homes.

The acquisition, in partnership with Elevation Advisors, is being made on behalf of PGIM Real Estate's European value-add strategy and the deal was expected to close by the end of H1, 2024.

Elevation is a specialist investment manager in the European healthcare real estate sector with approximately £2 billion of assets under management.

"This is a landmark deal for the UK senior living sector and a hugely attractive growth opportunity for us, which strengthens our European value-add portfolio," said Nabil Mabed, senior portfolio manager of European value-add strategy at PGIM Real



Farnham Common House in Slough is one of Signature's assets

Estate. "Working with Elevation, we are confident we can add value to Signature on behalf of our investors."

He added that PGIM is seeing real estate markets stabilise and that the company maintains its conviction to the UK following

a value reset in the last two years.

Signature will prioritise future-proofing assets by using the latest technologies and standards, and the portfolio is currently achieving or targeting BREEAM ratings of Excellent or Very Good.

## Rangeford to develop retirement village in UK

Later living provider and operator Rangeford Villages has exchanged contracts to buy a development site in Hertfordshire, north of London.

Rangeford Villages is partnered by

Octopus Real Estate for the project. Once complete, it will be operated by Rangeford.

The land at Allum Lane, Elstree, has been acquired subject to planning

permission, which has been applied for by Endurance Estates.

Rangeford plans to develop 150 one-, two-, and three-bedroom apartments, as well as two- and three-bedroom bungalows. The wider scheme includes the relocation of a local GP surgery with 13 consulting rooms, four virtual consulting rooms and a pharmacy.

The Elstree development will follow Rangeford's full-service integrated retirement community model with a focus on wellness. It will include a gym and spa with swimming pool, sauna, steam room, and exercise studio.

Other facilities will include a restaurant and coffee shop, hair and beauty salon, treatment rooms, library and TV room.

