



The senior housing and healthcare real estate market

SHHA

A multi-stakeholder
perspective on investment
opportunities across Europe

OCTOBER 2024

MEMBERS



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SHHA



SHHA is a multi-stakeholder platform that brings together industry leaders – operators, developers, financial institutions and “investors”. Established in 2020, it aims to promote, drive and encourage the maturity of the international senior housing and healthcare real estate investment markets and to help address post-COVID changes and the significant growth in demand.

THE SENIOR HOUSING AND HEALTHCARE SECTOR IS TRANSFORMING THE NARRATIVE FROM AN AGING SOCIETY TO A LONGEVITY SOCIETY, OFFERING INNOVATIVE LIVING AND CARE SOLUTIONS THAT EMPOWER OLDER ADULTS TO LEAD DIGNIFIED, INDEPENDENT LIVES WITH ENHANCED QUALITY AND PURPOSE.



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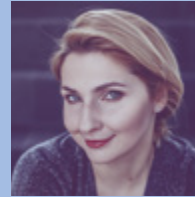
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INTRODUCTION



THE QUALITY OF LIFE FOR ALL GENERATIONS

A NOTE FROM RON VAN BLOOIS Chair of the SHHA

The Senior Housing and Healthcare sector is about much more than providing care and services to older adults—it's about enhancing the quality of life for all generations. As we reflect on the state of our industry, it's clear that our narrative must evolve to position our sector as a vital solution that supports meaningful, connected, and healthier lives for people of all ages.

At the heart of our work is the well-being of seniors, ensuring they receive not only the right care but also treatment rooted in dignity, respect, and compassion. Thoughtfully designed senior living communities offer an environment where individuals can thrive, living with purpose and forging meaningful connections. These communities provide more than healthcare—they foster opportunities for residents to stay active, socially engaged, and fulfilled.

Innovations are transforming the way we deliver care. From personalised care plans, to social and cognitive engagement, to health, wellness, and care monitoring with predictive analytics, we are harnessing technology to enhance the resident experience. Robotic assistance, virtual health assistants, and insights into caregiver support, remote monitoring, fall mitigation, and emergency response are revolutionising the sector. These advancements

The growing demand for communities that support active, engaged living is a testament to the role senior housing can play in maintaining health, independence, and a sense of purpose

not only improve the quality of care but also offer predictive insights into resident preferences, enabling curated social engagement that enriches lives. Additionally, they assist company boards with regulatory standards, compliance, historical audits, and proactive risk management—ensuring both operational excellence and resident satisfaction.

But this sector isn't just about caregiving. It empowers a generation of vibrant adults who are living longer and healthier lives. The growing demand for communities that support active, engaged living is a testament to the role senior housing can play in maintaining health, independence, and a sense of purpose. These spaces allow seniors to participate in activities that enrich their lives and keep them connected to their communities.

Our impact reaches beyond the seniors we care for. It touches the younger, professionally active generations who are often responsible for their aging parents and grandparents. Knowing that their loved ones are in safe, nurturing environments allows families to focus on their own responsibilities and personal well-being, fostering peace of mind and a sense of balance in their lives.

This brings us to the broader narrative of intergenerational solidarity. By creating spaces that care for older adults, we also strengthen family bonds, enabling connections across generations. Our communities ensure that everyone—young and old—can lead fulfilling lives, secure in the knowledge that their loved ones are in environments that offer safety, respect, and support.

At SHHA, we believe in sharing this positive story—one of connection, meaningful living, and communities that support each other across generations. Senior housing and healthcare are not simply about addressing the needs of an aging population; they are about building a society where every individual, regardless of age, can live with quality and purpose.

This change of mindset, language, and narrative was key at our Summit 2024 in Brussels. I hope you enjoy exploring the stories that reflect this exciting transformation.



THOUGHT LEADERSHIP

INSIGHTS FROM THE SENIOR HOUSING & HEALTHCARE SUMMIT ORGANISED BY SHHA,
EPRA AND HOSTED BY DELOITTE (BRUSSELS, JUNE 2024)

MANAGING THE SHIFT FROM AN AGEING TO A LONGEVITY SOCIETY

THE WAY WE THINK ABOUT OLD AGE IS CHANGING AS WE EXPECT MORE FROM OUR LATTER YEARS. THIS IS CRUCIAL TO HOW THE DEMOGRAPHIC REVOLUTION WILL PLAY OUT IN THE COMING YEARS.



The shift from an ageing to a longevity society is one that all societies face, from the most to the least developed. Healthy aging - aka “successful ageing” - is defined by the WHO as “the process of developing and maintaining functional ability that enables well-being in older age.” The key is one of managing this global demographic shift.

Longer life expectancy, lower fertility rates, public health programmes and breakthroughs in medicine and health care mean that since 1950 - when 8% of the world’s population was over 65 - by 2000, that number had risen to 10 and is predicted to reach 22% in 2050.

“If you didn’t realize, by 2050 we will have 31 countries that will have the same age as Japan and Italy today,” said Nicola Palmarini, Director National Innovation Centre for Ageing (NICA), UK.

Within 25 years half the population of Western Europe will be over 50, 25% over 65, and the Less Developed Countries will have one billion elderly people. This necessitates extending economic activity into later life and rethinking social security, delegates heard.

The biggest demographic challenge of all is ageing in Less Developed Countries (LDCs) with little or poor infrastructure to provide long-term care or social security. Population ageing is an inevitable outcome of the demographic transition from higher to lower levels of fertility and mortality that yields a period of rapid population growth and, eventually, an older generation. LDCs are predominantly in the early or middle stages and are ill-prepared to offer the essential services and support needed by their ageing populations.

But, at the same time, the decline of fertility during a demographic transition also kickstarts a period in which a country’s working-age population increases as a share of the total, boosting economic growth on a per capita basis.

Meanwhile, China is coming up with interesting solutions. “China is important so my first recommendation to you is to keep an eye on what they’re doing,” Palmarini said. “Don’t think because it’s a different culture that they’re different from us. They’re doing a lot of innovation in this space. By the way, they already have 220 million people over 60.”



Declining fertility rates and increased lifeexpectancies over the last few decades mean China has one of the more rapidly aging societies in the world. Fertility rates have continued to fall since the one-child policy starting in 1978 ended in 2016, as preferences for small families have stayed popular.

Children are becoming more expensive to raise and women's growing access to higher education and the labor market are also key factors, while high rates of internal migration have also separated adult children from their older parents. There is little public support for long-term care services and pensions are low. This inversion of older and younger populations implies that it will become increasingly difficult for China to fund old-age programmes with a diminished labour force. A slowdown in economic growth and reduced military power are also possibilities.

Palmarini noted how elderly people are generally healthier now than in 1970. "Someone who was 70 in 1970 and someone 70 in 2024 are very very different biologically, not only because the world changed but biologically we are wired differently. Technology is heavily influencing the synapsis in our

Someone who was 70 in 1970 and someone 70 in 2024 are very very different biologically, not only because the world changed but biologically we are wired differently

brain." The World Health Organisation (WHO) even recently introduced a new metric known as health life expectancy (HALE), including a way to measure a healthy, functional life in old age.

New research has found, for example, that 75- and 80-year-olds in Finland are physically and mentally fitter than they were 30 years ago. The average person born in the 1960s lived to around 52 in Finland and can now expect to live to over 80.

Researchers found today's 75- and 80-year-olds show major improvements in grip strength, walking speed and forced exhalation. The authors suggest the results are a combination of better education, greater economic opportunity and greater physical activity and nutrition.

Meanwhile, "About 1% of working people in the UK could add \$6.5 billion to the UK's GDP," Palmarini said. The 50+ contribution to global GDP is expected to double over the next 30 years, according to AARP's Global Longevity Economy Outlook. Despite accounting for 24% of the world population in 2020, people aged 50+ accounted for about 34% of global GDP. The 50+ population accounted for half of global consumer spending (\$35 trillion) in 2020, and by 2050 this figure will reach nearly 60% (\$96 trillion).

However, as Palmarini noted, socio-economic differences still have a major impact on ageing. "If you go to London Tower Hamlet or Chelsea in London there is 11 years of healthy life expectancy difference. Chicago is 32nd in the world in terms of highest discriminations between healthy ageing within a population," he said.



THE SENIOR HOUSING AND HEALTHCARE REAL ESTATE MARKET

ELDERLY HEALTH CARE SECTOR RIDES ROUGH AND SMOOTH OF MACROECONOMIC CLIMATE

THE HIGH COST OF DEBT HAS MADE THINGS MORE CHALLENGING, BUT STAKEHOLDERS CAN START LOOKING AHEAD WITH OPTIMISM AS INTEREST RATE MOVEMENTS SHIFT.



While runaway growth is not expected, positive signs offer a bit more flexibility for policymakers to make the right choices and steer in the right direction. “A crucial factor over the past 12 to 18 months in the investment markets has been the cost of debt, which has made things more difficult. However, we are now—touch wood—on the right track and can look ahead with confidence, knowing that interest rate movements are starting to trend downward,” said the Director of Savills’ European Living Research, Richard Valentine-Selsey.

He noted that economic growth is broadly returning across Europe. “We’re not anticipating explosive growth across the continent anytime soon, but steady growth gives politicians a little more room to make the right decisions and move forward in the right direction,” he added.

The senior living sector faced a tough 2023, with several operators closing down. However, the industry entered 2024 with some momentum in occupancy levels. The low rate of new construction and increasing demand from the baby boomer generation mean that occupancy gains should continue into 2025.





“In the capital markets, unsurprisingly, we saw a significant slowdown in investment activity in 2023, with a decrease of about 30% across the two major sectors,” Valentine-Selsey said. “But compared to other sectors in Europe, it’s not as bad as it seems. Office investments dropped by about 45-50%, industrials by 30%, and retail by around 25-30%. Everything has been affected by the current interest rate environment.”

He pointed out positive signs, referring to “Black Diamonds,” rising investment in the sector. “There are still active investors who are keen to enter the market but have been waiting for the right moment,” he observed.

Valentine-Selsey also highlighted that Germany has faced particular difficulties due to operational challenges, rising employment costs, and the collapse of a few operators, which have added to the strain.

“We’ve noticed a shift towards southern Europe in the living sectors, and this trend is also becoming evident in the senior living market,” he remarked.

Despite these challenges, he remained cautiously optimistic. “Every market has cooled off a little. I’m not going to make any firm predictions for this year, but if we see some positive changes over the summer, we could experience a bit of an uptick in activity by Q3 and towards the year’s end. Hopefully, 2025 will begin with stronger momentum.”

Valentine-Selsey also noted that cross-border investment remains the primary driver in the sector. “What’s particularly interesting is the origin of capital. In Europe, it’s mostly cross-border within the continent, but the UK is seeing more capital inflows from North America than average,” he said.

Looking at financial trends, he pointed out that swap rates have come down from their 2022 and early 2023 highs but remain significantly above the levels of the 2010s. “We’re not going back to those low levels, which changes the calculus for some players in a high-interest rate environment. Debt costs have led to an outward movement of prime yields across the market,” he explained.

Valentine-Selsey noted that yields had expanded by 25 to 50 basis points in the senior living sector

and by 50 to 100 basis points in care homes. “We could see further movement in some markets before yields start to come down, but we are nearing the end of this outward shift. Hopefully, that will create opportunities to capture some compression as conditions improve.”

He concluded with a positive outlook: “About 50% of investors across the broader living sectors plan to increase their capital allocation this year. However, we must remember that senior living and care homes remain niche segments. Only 22% of investors have allocations in senior living, and just 6% in care homes. That said, those active in the care home sector tend to allocate significantly more capital than in senior living, reflecting the sector’s greater maturity.”

LESSONS FROM THE US AND UK

IF THE EXPERIENCES OF MATURE ELDERLY CARE MARKETS LIKE THE US AND UK SHOW US ANYTHING, IT IS THAT PERSON-CENTRED CARE WILL BECOME EVER MORE CRUCIAL.



Older people may have money and they may have needs but it doesn't mean they'll buy just any old product, delegates heard at the "The future of senior living and care: global insights, policy challenges and strategic solutions" briefing at the recent SHHA summit in Brussels.

Asked what lessons he had learned from the US market, Scott Eckstein from Active Living International noted that the industry in Europe is following the US and UK in moving towards a more person-centred care approach. "The services are going to be coming to residents more than residents going to care - that's been going on for a little while in the US."

"I think one of the other things that we've learned it's about the experience. It's not just about providing care which is obviously very important but what is the experience somebody is receiving," Eckstein said.

"In the UK - especially from the integrated retirement communities - for a long time there was a strong focus on the real estate and the property play in this industry and there has been the realisation that actually there needs to be a shift to long-term operational services and service excellence and a sustainable business

model to match that," said Michael Voges, Executive Director, ARCO, United Kingdom.

"We've had examples where people came in and thought this is all about selling fancy real estate to older people and then they found out that selling is only the start of a very long journey that continues over many decades - so I think that's one mistake," Voges said.

"The focus on operations is much better these days and I think related to that and I very much agree with Scott it's around the fact that older people may have money and may have needs but it doesn't mean they'll buy just any product. You need to get the product right and I think the market research we've been seeing in the last 10 years or so is exponentially better than what happened before," Voges said.

"The other question is operational efficiency and risk distribution - both key factors that I think were for a long time not really considered. If you ask customers 'do you want to be responsible for capital expenditure when you're 85,' the answer is likely to be no. We've had real issues where in the past housing developments in the UK loaded up



the responsibility and the decision-making about long-term capital expenditure onto people who on average were 85 and then - surprise surprise - they either didn't invest or they didn't have the money to invest," Voges said.

"Customers are very diverse in every area - in Los Angeles in Santa Monica you can go from one neighbourhood to the next and the customer is completely different," Voges added.

"I think successful models are the ones that understand that very few older people wake up in the morning and think I really want a new house. or you know that my kitchen isn't good enough. In fact, most people dread the idea of downsizing," Voges added.

"The boomers born after World War II are the ones that change everything and they're looking for a choice now whether that's living on a cruise ship or travelling or living in a country club environment," Voges said.

In the US, nursing care is seen as 'institutional,' while residential care is considered a 'community-

based' service, with a far greater emphasis on home care. LaingBuisson estimates the UK has 260,000 residential care beds for older people and about 80% of providers are for-profit. LaingBuisson estimated the UK market for residential and nursing care to be worth £17.7bn in 2021, against the US's market size of \$131.3bn.

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Public funding accounted for 51% of the UK older people residential and nursing care market. The picture is more mixed in the US, where long term care insurance (LTCI) is more prevalent, covering 5% of US nursing care costs.

The OECD projects the number of people aged 65+ will grow by 1.9% per year in the UK, and 2.7% in the US between 2020 and 2030. "Gerontologists they're very excited about the impact on cardiovascular diseases, obesity and all of that. That might be a massive impact so that in 30-40 years people might be arriving in old age in much better shape than now. Senior Living is not sexy. I'm sorry it just isn't and I've been dealing with that most of my career. But we need to change that," Eckstein said.

"If you look at the wider global shifts in terms of demographics I believe that at the end of this century there will only be four countries in the world that will still have positive population growth. If you look at South Korea for example their population is projected to shrink by 60% by 2100," Eckstein said.



THE SENIOR HOUSING AND HEALTHCARE REAL ESTATE MARKET

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?"



IMPROVING SOCIETY AND HELPING THE CLIMATE

MORE AND MORE PLAYERS IN THE SECTOR
RECOGNISE NOT JUST THE PRICE BUT THE VALUE
OF A STRONG ESG POLICY.



Decarbonisation strategies in compliance with the Paris Agreement are establishing a viable cartography of risk in the elderly homecare sector.

“On the journey towards decarbonisation, mindsets are shifting and we are moving from debate to action. ESG credentials are now essential to future real estate capital values,” said Ana Cunha, Strategic Sustainability Advisor and CSR Director of Deerns Group.

The EU’s CSRD (Corporate Sustainability Reporting Directive) requires large companies to report transparently on their own sustainability. It establishes a uniform framework for the mandatory reporting of non-financial data for companies operating in the EU, replacing the Non-Financial Reporting Directive (NFRD) to encourage more accurate disclosure of sustainability targets and metrics.

While most elderly care providers are not subject to CSRD, many face accountability requirements via stakeholders such as health insurers and banks. Of the 400 elderly care providers that are members of trade association ActiZ, only 12 are CSRD-compliant.



The healthcare sector must also meet its ecological responsibilities, including reducing energy-related CO2 emissions, saving resources and avoiding waste. At the same time, hospitals are increasingly affected by legal ESG reporting regulations that require them to disclose sustainability data.

With its multiple greenhouse gas emission sources, the healthcare sector is a major contributor to global climate change. At 4.4%, it accounts for a significant proportion of global annual greenhouse gas emissions, according to Gesundheitsindustrie BW. The share in Germany is around 5%. These numbers put the healthcare sector ahead of aviation in terms of greenhouse gas emissions.

According to the Viamedica Foundation, one hospital bed consumes around 6,000 kWh of electricity and 29,000 kWh of heat annually – equivalent to the demand for two modern single-family homes. Hospitals also consume many raw materials and generate hazardous waste: With around eight tons of waste per day, hospitals are the fifth-largest waste producer in Germany.



“The starting point for us is not a blank page,” Raoul Thomassen, Chief Operating Officer, Aedifica, Belgium, said. “A few years ago we started and we were a pioneer in this topic first on the operational side we defined a strong ESG policy focusing on two main points: a decarbonisation strategy in compliance with the Paris agreement and we conducted an assessment of climate risk impact on all our assets so we were able to establish a cartography of the risk for each asset. Based on these principles of ESG policy we have been able to discuss with our main partners, operators and tenants.”

“We also started issuing our first social bond in 2021 after doing social reporting for the financial community in 2020.”

“Although there’s the directive obviously that’s being implemented but in some countries they are not set in terms of what that means country by country,” said Stefan Voß, Partner, CMS, Germany. “In Germany a draft was published a couple of months ago and just until last week there were over 100 comments provided by different market players, so from the hospitals, from politicians, from NGOs and from works councils and so on,” Voß added.

“I think the main problem at the moment is that major companies or and listed companies who are used to report on ESG issues are quite able to implement all these new data and new reporting obligations but the amount of companies which will fall under the new directive that’s I think a big task for those companies,” Helga Camalon, CFO PRIMONIAL REIM CARE, said.

“A local developer or a contractor in say Sweden who has no clue what this is all about or wouldn’t know why he would then have to start measuring his carbon emissions or for example creating a building passport that he wasn’t doing previously so it will require a different level of engagement with the supply chain. We know that not all of the rules have been set yet the game has already started so we have to be of a flexible mindset,” Voß said. “For example, in the measurement of waste, how much waste do we have on a daily basis in the care home or even types of waste in some countries is already heavily regulated and measured.”



THE SENIOR HOUSING AND HEALTHCARE REAL ESTATE MARKET

PUBLIC OWNERSHIP MODELS MAKING A COMEBACK

INVESTING IN HEALTH CARE AND SENIOR HOUSING IS CHALLENGING, WITH OPERATORS FILING FOR INSOLVENCY BECAUSE OF INCREASING COSTS, AND THE STATE MAKING A RETURN.



The state - or public - model in most European care sectors took a back seat for a while, but with commercial operators' margins squeezed, most countries are eyeing some form of return.

"A lot of Senior Living in the UK to date has been based on an ownership model which we think works really well and actually produces some stunning real estate to a demographic who've got the capacity to be able to buy into that, but we are seeing a push towards making that a more democratic broadening of the market for Senior Living in the UK as a lifestyle choice but also as a way of making our housing market work better across the piece," said Kevin Beirne, Head of Retirement Living Octopus Real Estate, United Kingdom.

"Social care is part of the political conversation and how it intersects with the National Health Service, which is still free at the point of use in the UK," said Candice Blackwood, Partner, Real Estate Group CMS, United Kingdom.

"I think there's a recognition of the role of Care Homes particularly around Dementia or Memory Care that 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," she added. "When I ask how much individual local authorities are now paying for a care bed it's fundamentally different answer than it was two or three years ago and that's a really interesting feature of the public sector coming back into care homes in the UK, which is you know maybe something I didn't necessarily expect two or three years ago."

The UK care home sector has had a tough couple of years, bearing the brunt of the Covid-19 pandemic, then losing around 20% of its occupancy, with rising numbers of residents opting to live with family members. Age UK reported in 2023 that almost 900,000 older people have been admitted to hospital in England every year as an emergency because the NHS was failing to keep them healthy at home. Its report on the state of health and care of older people in England concluded that "our health and care system is struggling, and too often failing, to meet the needs of our growing older population." The NHS's emphasis on hospitals and lack of community-based services mean that older people are more likely to fall ill and end up needing A&E care, Age UK said.

The UK is going to need more investment in care homes, with estimates putting that need at well over 6,000 homes just to replace those that are closing down. For constructors who specialise in delivering care homes, the future then looks bright.

"In the UK the public private partnership initiatives thrived under Labour in the early 2000s, so it's definitely an option and is certainly something both political parties are talking about because there isn't much other cash. I think the investment market in this sector is very keen to interact with the government," Blackwood said. "In the Senior Living market, one of our biggest investors in the UK is local government pension schemes," Blackwood added.

"To be honest right now in the current times investing in health care and senior housing is very challenging for us because on the one hand we see, especially in Germany, some operators filing for insolvency because of increasing costs and a lack of staff and a lot of developers are not able to build on a yield level," said Nikolai Schmidt, Managing Director - Transaction HealthCare Swiss Life Asset Managers, Germany. "It's not easy for us and for our investors. They are very picky when it comes to investing in

healthcare because operators are fighting insolvency and they need higher yields. The market in Germany is kind of standing still."

In 2022, the German Hospital Association (DKG) warned hospitals would face insolvency due to the energy crisis and high inflation. It was right. Data from Roland Berger, a global consulting firm, highlights a worsening financial situation for German hospitals, largely due to stagnating inpatient case numbers since the end of the COVID-19 pandemic. Some 70% of surveyed hospital directors and managers reported a deficit for 2023. Funding uncertainties, staffing challenges, and declining inpatient services are all contributing to the pressure on hospitals, experts noted. Many German hospitals have sought federal financial support for restructuring and bankruptcy prevention.

HOW TO MAKE SENIOR HOUSING AFFORDABLE

INNOVATIVE SOLUTIONS ARE NEEDED TO TACKLE
THE SECTOR'S THREE MAIN CHALLENGES



A three-pronged strategy is necessary to tackle the affordability problem in senior housing in Europe, delegates heard at the “Best practices in retrofitting and operational design” briefing which was held at the recent SHHA summit in Brussels. It was the second summit hosted by the Senior Housing & Healthcare Association, EPRA and Deloitte.

Demand will be tremendous, but we might not be able to meet it, given the volume needed in a short space of time

“Senior housing cannot be a privilege for a happy few like a Lamborghini or a house in Mauritius”, said Sébastien Berden, COO, Cofinimmo. “We

need innovative ideas to overcome the obstacles to making senior housing affordable.”

Demographic statistics and projections point to growing demand, as elderly population is set to increase across Europe. Before 2040 the ratio of working-age population to the over- 65 years old population, which is currently three to one, will rise to two to one in Europe. In Italy that level will be reached much earlier. Increasing demand is not necessarily a positive: solutions must be found to the problems the sector faces.

“There are clouds on the horizon and three headwinds for the industry”, said Berden. “First, demand will be tremendous, but we might not be able to meet it, given the volume needed in a short space of time. Another aspect is the cost of construction. There has been a 14% increase just in the cost of materials in the last three years.”

The third challenge is staff availability. “This is a real problem which is likely to get worse, as the increase in demand adds additional pressure on finding staff willing to work in healthcare”, said Berden.



In the senior living space the operational side is as important as the building. It's a combination of different factors and you have to get them all right

New solutions are being tried to deal with the demand for new buildings and the cost of construction – from good design to sustainable materials to higher density retirement villages.

“We must not only design and build good retirement homes, but also make sure they are future-proof and stand the test of time”, said Anja Dirks, Architect, Founder, Studio id+. “They need to be flexible and long-lasting. The choice of building materials with a long lifespan makes the asset worth more over time.”

The concept of residual value used to apply just to the value of the land, but now it's increasingly about the materials used, because they can still have a value further down the line.

“Using modular standardised systems allows us to build more quickly and more cheaply”, said Tom Sheridan, Chief Development Officer, Cara Living. “Also, density can be a solution to the affordability question for the end user. Living more densely is cheaper, but it also gives residents more of a sense of community.”

Cara Living's solution is vertical villages in urban areas close to all services and amenities within the community.

“We rationalised all three strands of what we do, design, property and operation, and created a fully



integrated operational platform”, said Sheridan. “In the senior living space the operational side is as important as the building. It’s a combination of different factors and you have to get them all right.”

In the UK, Audley Group has also found its own long-term solution to the affordability issue. It has diversified from its traditional luxury retirement villages and introduced a new brand, Mayfield, which has higher-density, larger sites at lower prices.

“We try to create affordable propositions for our residents not just at the point of purchase but throughout their stay with us”, said Gary Burton, COO & CFO, Audley Group. “We give them an option to have deferred payments, to the sale of the asset at end of life. We minimise the amount we receive now and we defer more. It’s a longer term investment for us and you need deeper pockets.”

The deferral scheme allows residents to be able to afford not just the monthly service charges and management fees, but also to participate in events, activities and excursions which improve their social interaction and quality of life. The design and spatial arrangement of the villages is increasingly focused



on social interaction and community.

“We do retirement living with an element of care, and people who work in our villages come from the hospitality sector”, said Burton. “Guests stay for ten years rather than ten days, but the approach is the same and so is the level of service. We have a big focus on staff retention, and a positive environment plays an important role.”

Cofinimmo also has devised solutions that tick all three boxes – speed and cost of construction, affordability for residents and staff availability and retention. The goal is finding the right balance between feeling at home in your own space but also being part of a community.

“We create a multi-service operation with economies of scale, that allows staff to move across”, said Berden. “Mixing care, creating a retirement village with assisted living but also additional services like a nursing home, a day care centre and other facilities. There is a bright future for assisted living, especially if integrated with other kinds of care.”

HOW AI IS HELPING WITH SENIOR LIVING

THE SENSOR TECHNOLOGY COMBINED WITH AI IS MAKING A MASSIVE DIFFERENCE IN EFFICIENCY WHEN IT COMES TO THE ELDERLY CAREGIVING SECTOR.



With the AI revolution, caregivers will increasingly be able to focus on what's most important, caregiving, not worrying about monitoring.

Bart Sasim, Co-Founder & Managing Partner Coliving Ventures, noted how a year ago the World Economic Forum started realising that global ageing was a big problem and actually put it at the same level as global climate change and as geopolitical instability. But did not speak about AI - perhaps now the time has arrived.

Integrating AI into senior living communities is no longer a futuristic concept but a reality. AI can augment and even exceed human capabilities by providing faster or new ways to manage diagnostics, treatment protocol development, drug development, personalised medicine and patient monitoring and care.

Klaus Niederländer, CEO of Echo Care Technologies, said the best AI devices are those that learn seniors' daily activities, facilitating recognition of changes in behaviour – both physical and cognitive. "Early detection, targeted intervention, and effective prevention are the key," he said.



The rise in GPT is the start of a tectonic shift, with AI tools taking notes during office visits, applying risk stratification tools that assess whether a patient is ready to be released from hospital, for example. AI also helps improve back-office functions for operators and improves care for residents via meal planning, medication management and care plan evaluations.

"We're going to see massive increases in the betterment of AI over the years. When you see it in practice it's pretty incredible the efficiencies that can be created and they actually impact on residents and staff," said Scott Eckstein from Active Living International.

Operational efficiency is another area where AI works well, with AI-driven scheduling tools optimising staff deployment. It can also assist in managing logistics, such as inventory and supply chain management. Electronic health records (EHR) are also crucial to the healthcare industry. About 80% of medical practices use EHR and the next step is to use AI to interpret the records and provide new information to physicians.

"But robotics is a double-edged sword," Eckstein noted. "In general, engineers say robotics is not

quite ready for Senior Living. We're using robots in self-driven cars or a little robot that'll bring you your toothbrush if you forgot it. I think one of the reasons we're not seeing this happening quite as much in the US is a fear of liability, one of the reasons we're not seeing quite as much of it here in Europe is a fear of regulation," Eckstein said.

"Also, if we don't have people there to actually use the AI, they're kind of pointless and in the US - and I know in other countries - that's a significant staffing problem. The knowledge gap, which the pandemic made worse. Now we've got to train a new generation of workers. It's one of the reasons I'm more of a proponent of smaller companies than larger companies because larger companies tend to be too far removed from the culture and we're selling lifestyle and we're implementing it through culture so that's something that we need to improve on," Eckstein said.

"AI is obviously the Talk of the Town, but it only works when you get quality data in," said Naboth van den Broek, Founder & Managing Partner SevenAges Capital Management, Netherlands.





“How many 20-year-olds are there who are working on innovations relating to global ageing in the silver economy? How many 25-year-olds are there? What’s the startup ecosystem for this sector? What’s the startup ecosystem in global senior care? How can we cross-pollinate when talking about senior housing and healthcare? In the future, I think there will be a lot to learn from the PBSI sector,” Sasim said.

Investing in AI entails high initial costs and ongoing maintenance, but returns on investment can be significant, from cutting down on operating expenses and the time it takes to do an annual budget. During Covid-19, many senior living providers moved into remote patient monitoring and telehealth technology.

For owners and operators of communities, navigating the AI landscape demands a strategic approach, balancing technological innovation with resident safety, ethics, workforce training and an evolving regulatory framework. Some anxiety about data privacy and security exists, when dealing with sensitive health information and some fear AI will lead to job displacement for caregivers.

“A well-known kind of rule of thumb is that incumbents don’t innovate. Real Innovation comes from the 20-year-old or it comes from the company that’s been around for 6 months and doesn’t know yet if it’s going to get its next funding round done or if it’s going to get any seed investment,” van den Broek added.

We’re going to see massive increases in the betterment of AI over the years. When you see it in practice it’s pretty incredible



SHHA IN-DEPTH:

EXPLORING KEY MARKET
CHARACTERISTICS

Spain's Senior Living and Care Market

ATTRACTING INTERNATIONAL INVESTORS AND CAPITAL

Spain's senior living and care market is emerging as a prime target for international investors, driven by compelling demographic trends, robust market fundamentals, and increasing demand for care home infrastructure. With a total population of 48 million, 20% of whom are over 65, Spain is rapidly aging, positioning the country as one of the top destinations for senior care investment in Europe.

GROWING SENIOR POPULATION AND LIFE EXPECTANCY

Spain has one of the longest life expectancies in Europe at 84 years, compared to the EU average of 81.5. By 2050, Spain's dependency rate—the ratio of non-working to working population—is expected to reach 60%, well above the EMEA average of 52%. The +80 population will grow to 10.8% by 2042,

making it the third-highest in Europe. This increasing elderly population puts Spain in a unique position to attract international capital seeking long-term investment opportunities.

CURRENT AND FUTURE MARKET GAPS



Lourdes Pérez Carrasco

The demand for senior care homes in Spain is outpacing supply. "By 2024, Spain will face a shortfall of nearly 100,000 care home beds, with an active pipeline of over 47,000 new beds. By 2030, this gap is expected to widen further to 140,000 beds," said Lourdes Pérez, MRICS, Director, Valuations - Healthcare & Flex Living Lead at JLL. Spain's current bed stock stands at 387,020, with only 12% of future demand being met by ongoing projects. This creates a critical opportunity for investors to address the rising demand.

INVESTMENT POTENTIAL: A €10 BILLION MARKET BY 2030

Spain's senior care market is projected to require €3.5 billion in investment by 2024, rising to €10 billion by 2030. "Notably, only 60% of the existing stock is professionally managed, and just 55% of homes operate with economies of scale," Pérez added, indicating the vast potential for investors with

expertise in operational efficiency and scalability to enter the market and enhance operations. These figures underscore the capital intensity required to close the gap in care home infrastructure.

SENIOR LIVING AS A RETIREMENT DESTINATION

Spain is attractive not only to domestic seniors but also to international retirees. Its warm climate, affordable healthcare, and quality of life make it a preferred retirement destination, amplifying the demand for senior living and care facilities. The market exhibits polarization between prime products attracting wealthier foreign retirees and more affordable local solutions, contributing to the diverse needs for senior living options.

SURGE IN INVESTMENT ACTIVITY: Q1 2024

Spain's senior care market has seen a surge in investment, with a forecast of €500 million in healthcare investment for 2024. In the first quarter alone, approximately €25 million was invested in care homes, according to data from JLL.

Key Market Indicators

- Average pension (2024):
€1,370/month
- Minimum wage (2024):
€15,876/year
- Average rent for care homes:
€4,600/year
- Construction cost per bed:
€70,000

"The strong fundamentals of Spain's healthcare real estate market are attracting substantial interest from international investors," Pérez commented. This momentum highlights the growing appetite for healthcare real estate and senior living projects.



SHHA In-Depth Session: Senior living and care in Spain during the Summit



SHHA In-Depth Session: Senior living and care in Spain during the Summit

AEDIFICA'S STRATEGIC INVESTMENTS IN SPAIN

In December 2021, Aedifica, a leading healthcare real estate investor, announced its strategic investment in a series of high-quality care home projects to be developed in Spain by Neurocare Home, which will also operate the properties upon completion.

Aedifica's projects are centered on an innovative care model, featuring small-scale care hubs within larger-scale infrastructure, designed to offer personalized care within a more intimate setting. Each facility includes green open-air patios on every floor, promoting well-being and access to nature for residents, while single rooms with ensuite bathrooms ensure privacy and comfort. Aedifica also places a strong emphasis on sustainability, incorporating energy-efficient designs and environmentally friendly materials into its care home developments.

Raoul Thomassen, COO of Aedifica, highlighted the company's ongoing projects in Spain: "Currently, Aedifica has two key projects set for completion in 2024: a 180-bed care home in Tomares, Andalusia, and a 140-bed care home in Zamora. Additionally,



Raoul Thomassen

we have reserved land in Salamanca for the development of a 160-bed care home. These initiatives reinforce our commitment to expanding Aedifica's portfolio and meeting the increasing demand for senior living infrastructure in Spain. Our projects showcase Aedifica's leadership in providing high-quality, sustainable care home solutions that are aligned with modern care standards."



Unlocking the potential of Poland's senior living and care markets

A PROMISING OPPORTUNITY FOR INTERNATIONAL INVESTORS

Poland, with its rapidly aging population and evolving societal norms, presents a significant opportunity for growth in the senior living and care market. For international investors unfamiliar with the specifics of the Polish market, this sector offers both a promising and underdeveloped landscape, ripe for development as demographic and economic pressures mount.

A DEMOGRAPHIC SHIFT DRIVES DEMAND

Poland's aging population is growing rapidly. By 2050, it is expected that 39-40% of the population will be aged 60 or older, with one-third of this group being over 80. This demographic shift underscores the need for senior living and care solutions. Currently, around 25% of the population is over 60,

and the pressure on long-term care facilities will only intensify.

Jacek Kałużny, Director of Operational Capital Markets at Savills Poland, highlights the urgency: *"Poland is aging rapidly. Currently, every fifth person in the country is 65 years or older, and in 20 years, this percentage will rise to nearly 30%. This means the demand for senior housing and care will only grow, and we must be prepared for this development."*

Kałużny also emphasized that the market for senior care in Poland is still in its early stages of development, with very low availability of private care facility beds—currently less than 2% for people over 80. Additionally, the shortage of qualified operators capable of managing such investments remains a challenge.

Historically, elder care in Poland has been family-based, but this is changing. Shifting cultural attitudes



Jacek Kałużny

and growing awareness of the need for specialized senior care are creating new opportunities for investors in this underdeveloped market.

GOVERNMENT SUPPORT AND EMERGING INITIATIVES

Poland's government is starting to take steps to

address the senior care crisis. In December 2023, the appointment of a Minister for Elderly People's Affairs signaled the recognition of this growing issue. The Minister, Marzena Okła-Drewnowicz, introduced the "senior grant" program aimed at supporting families who care for seniors at home by providing funds to hire professional caregivers.

"The senior grant system will help family members stay active in the workforce while creating new job opportunities for caregivers," Okła-Drewnowicz noted, predicting the program would positively impact over 500,000 seniors.

While much of the government's focus has been on home-based care, there is growing recognition of the need for institutional care. Andrzej Lejczak, President of KIDO (the Polish Chamber of Long-Term Care Facilities), suggested extending government aid to seniors in care homes, saying, *"State aid should be equally available to seniors in long-term care facilities, so families can choose between home care and professional facilities."*

KEY INVESTMENT OPPORTUNITIES IN SENIOR LIVING



dr Andrzej Lejczak

Poland offers a range of attractive opportunities in senior living, particularly in assisted living and independent living communities. These options are cost-effective and align well with the needs of an aging population.

Dagmara Kryskiewicz, an investor at MI, sees significant potential in these segments:

"Assisted and independent living communities are very attractive investments. They meet the needs of older adults who want to maintain independence but require some level of support."



SHHA In-Depth Session: Senior living and care
in Poland during the Summit

Skilled nursing facilities also present a substantial investment opportunity, especially as demand for intensive care rises. The home care segment, supported by telemedicine, offers additional investment potential as Poland looks for cost-effective ways to care for seniors.



Dagmara Kryskiewicz

MARKET FRAGMENTATION AND CHALLENGES

The senior care market in Poland is fragmented, with many small, family-run facilities. This creates opportunities for larger players to enter and

consolidate the market. However, Aleksandra Jach, attorney and KIDO expert, notes that pricing remains a challenge. The average monthly cost for a stay in a senior care facility is between PLN 5,000 and PLN 7,000 (approximately EUR 1,500), which is high compared to Poland's minimum wage.

Despite this, many facilities operate at over 90% occupancy, showing strong demand. Still, securing financing in this emerging sector remains difficult, as there is limited data to forecast demand accurately.

Another challenge is workforce shortages, an issue seen across Europe. Kryskiewicz notes, *"Finding and retaining qualified staff is critical for the success of senior care facilities. This issue is not unique to Poland but will be a significant challenge for investors."*

LEGAL AND REGULATORY CONSIDERATIONS

Navigating Poland's senior living and care market requires an understanding of the country's legal and regulatory environment. Anna Wiśniewska,

counsel in CMS's Real Estate and Construction Practice, offers her insight into the legal framework for senior housing investments.

"For the proper legal qualification of investments targeting senior care, the range of services offered



Anna Wiśniewska

to clients is crucial. Facilities offering independent living or assisted living services are not fundamentally different from typical residential investments, but nursing homes fall under stricter regulations," Wiśniewska explains.

She highlights that finding suitable land for senior care developments can be challenging due to recent changes in Poland's spatial planning laws. *"With the new planning and zoning laws that came into force in September 2023, municipalities are required to develop general plans by 2025. These plans will determine future land-use decisions, so investors need to monitor local planning processes closely."*

Additionally, any facility providing round-the-clock care must obtain a permit from the voivode (district authority), adding another layer of regulatory compliance. Investors must also consider the potential tax implications, particularly VAT exemptions or reductions for senior care services, which can significantly impact the financial structure of an investment.



SHHA In-Depth Session: Senior living and care in Poland during the Summit

'Unique' senior housing sector in the Nordics attracting investors' interest

The Nordics' senior housing sector is attracting considerable interest from foreign investors because of a combination of factors that make it unique, experts agreed at the Senior Living and Care in the Nordics in-depth seminar, organised by SHHA and Real Asset Media, which took place recently.



Jonas Nolin

"The supply/demand imbalance is getting worse, and this problem can only be addressed by private investors", said Jonas Nolin, Co-Fund Manager, Investment Director, Head of Sweden, Northern Horizon. "We see really good opportunities for the private sector to step in".

The increase in demand follows the same demographic changes visible in other European countries, as people live longer. What is unique to the Nordic countries is that they have a historically strong welfare system based on needs, rather than ability to pay, and local authorities are responsible for the sector.

"There are three reasons why we have seen such strong interest from investors", said Charles Favard, Managing Director, Head of EMEA Real Estate, Private Funds Group, UBS.



Charles Favard

"First, demand is strong, which is not always the case for other asset classes like offices or logistics. Second, the market is clearly undersupplied so investors have the certainty the asset will be fully let. The third is the resilience of income, as the Government is the ultimate guarantor of the rent. This is unique to the Nordics".



Clive Drury

In addition to the State guarantee, the investment proposition is made even more enticing by the fact that yields have moved up significantly and now the yield spread to government bonds is attractive.

“A defining characteristic of the Nordics is that social infrastructure is underpinned by the State”, said Clive Drury, Nordic Lead, Operational Real Estate, JLL Sweden. “The prospect of secure income over the long term is looked on favourably by investors. We’ll see private sector taking an increasing market share.”

If the business case for investors is clear, it is also the case that local authorities, given the massive increase in demand, need all the assistance they can get from private sector specialists.

“Care homes are costly to build, regulations are very strict and there has been an undersupply of beds for many years”, said Nolin. “Municipalities are wholly responsible for old age care, but they need help from the private sector to build the assets and cope with the demand.”



Jon van Geffen

The demand is strong and growing across the Nordics. “We work closely with the municipalities and we see a big need for senior homes, our assessment is that at least 500 must be built before

2030”, said Martin Persson, Transaction Manager, Skanska, Sweden. “But they are complex assets to build so it’s not easy for a new developer to enter the market.”



Martin Persson

SHHA IN DEPTH

SHHA





Jussi Rouhento

In Sweden, a government agency supervises the sector and has strict demands and detailed rules on how care homes are built. Barriers to entry are high: the authorities want players who are committed over the long term, so it is difficult for foreign players to get established.

“We are building ten care homes in Sweden and we work hard to design the assets in the right way”, said Jon van Geffen, head of growth & real estate, Ambea. “Demand is huge, but the politics make it hard: out of 290 municipalities in Sweden, only five have freedom of choice, meaning that

private companies can compete with the State. Many municipalities don’t want to buy places from us in care homes.”

By contrast, Denmark has freedom of choice legislation in place at a national level, so people can choose the private sector over the state sector. “We see huge potential in the Danish market”, said van Geffen. “But the demand is similar: we need 460 more care homes in Sweden alone and the same in Denmark over the next ten years.” It is likely that care homes will have to be larger in future to accommodate growing numbers of residents.

“There are 240,000 beds in the market now and our calculations are that we need 70,000 more by 2030 and 200,000 more by 2050 because of longer life spans”, said Jussi Rouhento, Fund Manager, Managing Director in Finland, Northern Horizon. “Asset sizes will need to be bigger and consolidation in the sector is also likely to continue.”





INSPIRATION AND KNOWLEDGE

BEST PRACTICES



Exploring Rental Models in Senior Living

INTERVIEW WITH **KEVIN BEIRNE**

Head of Retirement Living, Octopus Real Estate

WHEN CONSIDERING SENIOR LIVING OPTIONS, BOTH RENTAL AND PURCHASE MODELS ARE COMMON. WHAT ARE THE KEY ARGUMENTS FOR AND AGAINST EACH, AND HOW DO YOU DECIDE WHICH MODEL TO IMPLEMENT IN YOUR PROJECTS?

We view our senior living models as complementary, each offering varying levels of amenities, convenience, flexibility, and financial commitments. Our objective is to ensure that customers have the freedom to choose the tenure model that best suits

their individual preferences. One thing is certain: there is a shortage of supply but no shortage of potential demand. In more mature markets like the U.S. and New Zealand, approximately 5% of people aged 65 and over reside in senior living communities. In contrast, the UK, with over 10 million individuals aged 65 and above, has only 0.6% of this population living in such settings. This represents a largely untapped market of around 500,000 potential residents. Similar trends are evident in Spain, where demographic shifts and evolving cultural norms suggest a comparable opportunity. With our expertise in the sector built over the years

and supported by a unique specialist team, we aim to capture this growing market while continuing to deliver strong returns for our investors.

IS YOUR RENTAL STRATEGY PRIMARILY FOCUSED ON THE UK, OR DO YOU PLAN TO IMPLEMENT IT IN OTHER MARKETS WHERE OCTOPUS REAL ESTATE IS EXPANDING, SUCH AS SPAIN AND OTHER EUROPEAN COUNTRIES? WHAT FACTORS DETERMINE WHERE THE RENTAL MODEL WILL BE USED?



We assess each jurisdiction across multiple dimensions, including legal, economic, political, cultural, and healthcare frameworks. As long-term landlords, our strategic decisions are not made lightly; we carefully select the right opportunities, with the right partners, at the right time. This disciplined approach allows us to maximise returns for our investors while ensuring we deliver high-quality, sustainable products for the residents.

In the UK, we have successfully established retirement communities that significantly enhance the quality of life for our residents, while delivering strong, consistent returns for our investors. Our expertise in senior living—especially in addressing social isolation among the 65+ demographic—has proven to be a differentiator. By offering more than just housing, we create vibrant communities that foster social connections and provide a lifestyle product. We believe this model can resonate in Spain, although we will thoughtfully adapt it to meet local preferences and market conditions.

Spain represents a compelling investment opportunity, driven by several key fundamentals. The country's favourable demographics, affordability,

availability of land, and ongoing supply-demand imbalance make it a promising market. The rental senior living product is a response to some cultural shifts we are observing. It provides a solution for residents living alone or for those increasingly valuing convenience, flexibility, and an all-in-one offering. Our strategic partnerships with Neinor, one of the leading players in the living sector in Spain, positions us well to create a product that focuses on residents while delivering the best returns to investors.

CAN YOU DESCRIBE OCTOPUS REAL ESTATE'S APPROACH TO IMPLEMENTING RENTAL MODELS WITHIN YOUR SENIOR LIVING PORTFOLIO, ESPECIALLY IN INTEGRATED RETIREMENT COMMUNITIES? HOW DO YOU COMPARE THESE MODELS TO ALTERNATIVES LIKE TRIPLE NET MASTER LEASES FOR OPERATORS, AND WHAT STRATEGIES DO YOU USE TO HELP WEALTHY SENIORS UNLOCK THEIR HOME EQUITY WHILE ENCOURAGING THEM TO MOVE INTO THESE COMMUNITIES?

At Octopus Real Estate, our approach centres on creating value for investors through a vertically integrated platform. This structure allows us to maintain a high level of involvement in operational details and control across our senior living portfolio. By doing so, we not only ensure superior service quality but also deliver consistently strong performance across our assets. Our long-term relationships with key stakeholders, including residents, operators, and investors, are crucial in sustaining this value.

Data-driven decision-making is core to our strategy. We continuously gather and analyse market feedback, allowing us to adapt swiftly and pragmatically. We place a strong emphasis on optimising the resident experience, reducing friction at every touchpoint. For us, senior living is more than just real estate—it's about delivering a service that enhances residents' quality of life, which ultimately drives long-term value and creates a premium product.

To assist seniors in unlocking equity from their homes, we partner with specialised service providers. These services include senior moving specialists,

decluttering experts, part-exchange options, and cash offers of up to 85% of the property's value. Additionally, we facilitate rental management for those who prefer to generate ongoing income from their homes while transitioning to one of our communities. This flexibility provides financial freedom and peace of mind to seniors, allowing them to choose the solution that best fits their needs.

While master lease models, such as triple net leases, work well in more established sectors like office space and care homes, we believe that in a nascent sector like senior living, a closer alignment of interests between operators and investors is critical. By fostering this alignment, we can better support operators as they scale and mature, ultimately driving greater value for all stakeholders.





ESG and Sustainability in Action

Northern Horizon has established itself as a leader in the Nordic social infrastructure real estate sector. Through five specialised funds, the company has invested in over 150 care properties across the Nordic countries since 2007. Its investors include prominent Nordic and European institutional stakeholders, who are increasingly focused on the social and environmental impact of their investments.

In 2021, Northern Horizon set an ambitious goal to achieve net-zero emissions from operations for all managed funds by 2030, in response to

evolving investor demands. To support this initiative, the company classified its healthcare funds under SFDR Article 8, committing to a 'light green' fund status.

As part of these commitments, ESG and sustainability now serve as core strategic measures and are embedded across all processes, including investment decisions:

- **New Investment Opportunities:** ESG considerations are fully integrated into the

decision-making process when evaluating new investments in the social infrastructure space.

- **Certified Assets:** The majority of properties are certified to leading sustainable standards, such as LEED, BREEAM, and DGNB.
- **Tenant Engagement:** The fund team makes efforts to discuss sustainability matters with tenants, encouraging and advising them to take action to reduce their carbon footprints and ensure the use of 100% non-fossil electricity in all properties.



Northern Horizon reports annually on the ESG performance of its healthcare funds and participates in internationally recognised assessments, including the UN PRI and GRESB, to benchmark its initiatives against industry standards.

AUTISM FOUNDATION KUOPIO

In July 2023, Northern Horizon acquired a 2,000 sqm care home in Kuopio, Finland, for its fourth healthcare fund. The care home, developed by Hoivarakentajat, a Finnish constructor specialising in energy-efficient buildings, opened in 2024 with a capacity for 34 residents.

A THOUGHTFUL DESIGN: MEETING THE NEEDS OF RESIDENTS WITH AUTISM

The Kuopio care home was specifically designed for individuals diagnosed with autism, a group with distinct support needs. For those with autism, the physical environment and external stimuli significantly affect their well-being.

Designing a care home that is both autism-friendly and environmentally sustainable required expertise

from various fields, including sustainable building, energy efficiency, room layout, lighting, and acoustics. The project was a collaborative effort between the developer, operator, architects, staff, and residents. This inclusive approach ensured the concept not only supported the residents' daily lives but also adhered to environmental standards.

The operator, Autismsäätiö (Autism Foundation), is a reputable non-profit organisation specialising in high-quality supported living and services for individuals on the autism spectrum. To ensure the unique needs of people with autism were prioritised, staff members and residents were actively involved in the planning process, giving residents a rare opportunity to influence their living environment.

The result is a meticulously planned and cohesive concept. The care home is constructed from domestic wood, a sustainable choice that also minimises sensory overstimulation for residents. Significant attention was given to natural lighting, while the acoustics and layout of common areas were carefully designed to prevent restlessness.

“We aim to provide high-quality healthcare real estate and comfortable living conditions to our residents with minimal negative environmental impact. We are very proud of our care home in Kuopio, which we believe reflects the state-of-the-art in sustainable care home development. The next step is to achieve LEED Gold certification for the property.”

KASPER WEHNER
Co-Fund Manager
and Northern Horizon
Aged Care IV

ENERGY EFFICIENCY AND RENEWABLE SOLUTIONS

With primary energy demand 10% better than the threshold for nearly net-zero buildings, the care home is highly energy-efficient. The building's indoor climate is maintained through geothermal heating and cooling systems. These and other green energy solutions contribute to the fund's goal of carbon-neutral heating and cooling.

To formalise its sustainability goals, Autismsäätiö and Northern Horizon signed a memorandum of understanding, setting clear objectives, including reducing operational emissions to zero by 2030.





Investing in Quality of Life

In the Belgian municipality of Binkom, the Aedifica group owns a care home for seniors. Last year, Aedifica renovated and extended the building, with the specific aim of significantly improving the quality of life for the residents, as well as the staff. To explain the positive impact the project has had on their lives, we hear from Jozef Lemmens, a resident who has lived there for several years, and Sara Van de Weyer, the location manager.

A NEW KITCHEN

“I have a great life here,” says Jozef (“just call me Jef”) Lemmens (78) with a broad smile. “Every day starts with looking outside from my bed, at the green surroundings and the light coming in.” After breakfast, Jef picks up the post and carries it around while chatting with other residents. Then he checks his pluviometer and feeds old bread to the ducks in the pond. “Since the recent renovation, we have our own kitchen, which is quite an improvement,”

Jef notes. The cook later adds that people have been eating more since the new kitchen was installed. Food is an important aspect for the residents: “We even have a dining committee that has a say in the menu,” Jef reveals. “The freshly prepared chicken soup is the house speciality.”

CONNECTION

“Actually, every day here is exciting; there are always activities.” Then Jef becomes more reflective. “How



“How would I describe what quality of life means to me? Being able to grow old actively in a safe and cosy environment, while staying connected to people”

JOZEF LEMMENS
Resident

would I describe what quality of life means to me? Being connected to people. Not being alone—that’s already a lot. Homeliness and cosiness, that’s what I like. And being able to grow old actively in a safe and secure environment, to move freely, do my own thing, and enjoy myself for at least another 10 years.”

COMPREHENSIVE RENOVATION PROJECT FOR
ENHANCED WELL-BEING

“By smartly renovating the building and its surroundings, Aedifica significantly improved the quality of life for the residents of our care home,” says Sara Van de Weyer, the new location manager of ‘t Spelthof, where she was previously the head of care.

The renovation included upgrading the existing building, expanding from 80 to 125 rooms, installing an in-house kitchen with freshly prepared meals rather than delivered ones, and adding more outdoor terraces and parking spaces. The new wing lets in plenty of natural light, while in the old wing, partition walls were removed to make the rooms significantly larger. The fixed carpet was replaced with hygienic and easy-to-maintain linoleum, allowing service trolleys to roll much more smoothly.

“There are more lounges where people can meet, knit, read or watch TV,” Sara explains. “Restructuring each ward provides more storage space nearby, so less time is wasted fetching linen or cleaning supplies. There are improved nursing stations, and care staff can now use an interactive registration system to quickly tick off all care tasks within the room itself.”

INCLUSIVENESS

The range of care services is becoming more diverse. Sara is working on a partnership with a nearby psychiatric service to offer specialised care. For her, this is part of an increasingly inclusive social project. She also envisions a restaurant where anyone can dine with the residents or order a meal to take home after a working day. In this way, the residential care home will also become a community hub.

“Social cohesion has a very significant impact on the quality of life for residents, staff and the whole neighbourhood”

SARA VAN DE WEYER
Location Manager





An innovative and sustainable healthcare campus in Viersen

The 'Am Fritzbruch' residential complex in Viersen (North Rhine-Westphalia, Germany), which opened in Spring 2023, offers seniors a modern and secure home. The location of this residential complex impresses with its flowing transitions between the lively city of Viersen and idyllic countryside, which offers a wide range of opportunities for strolling, walking and relaxing.

Good transport connections as well as pharmacies, doctors and shopping opportunities in the immediate vicinity make the new residential complex

a particularly attractive place to live. The lovingly designed, barrier-free outdoor area of the residential complex offers numerous seating areas and contemplative moments in nature. This care campus offers 90 beds in single rooms for inpatient short-term and long-term care, 15 places in daycare and 96 assisted living apartments across a total area of about 16,400 m². The innovative care site is operated by the Schönes Leben Gruppe. With its wide range of services, the healthcare campus in Viersen is designed as an ecologically responsible care campus and offers a variety of care and living

options for the residents. Cofinimmo's role is to provide quality infrastructure to optimise the chances of wellbeing for residents and staff. That's why we are convinced facilities like these, that succeed in creating visitor traffic within their walls, contribute to the wellbeing of residents by combating loneliness. So, as well as classic nursing homes, Cofinimmo is also pioneering on health campuses like here in Viersen sites where a range of health services are offered. Not just for residents, but also for their visitors and neighbours: day centres, doctors, residential services, dentist, pharmacy,





a restaurant open to the public, a kindergarten (still to be built), etc. The idea is to enable visitors to benefit from these services while allowing them to spend time with their loved ones. The other big advantage of these structures is that healthcare teams, who are often understaffed in this sector, can be spread across these different infrastructures, where legislation allows.

Alongside the social dimension, the climate and energy dimension is also at the heart of our strategy. We are all aware of the importance of real estate in the global CO2 footprint and of the European objectives to achieve the famous “net zero carbon.” With its wide range of services, the healthcare campus in Viersen is a good example of this as it was designed as an ecologically responsible care campus (energy performance level A) and offers a variety of care and living options for its residents.





Assisted Living in Lower Saxony – Swiss Life Asset Managers

INITIAL SITUATION

An investment property located in Lower Saxony, was acquired by Swiss Life Asset Managers as an asset-turnkey deal in 2019. The property was noted for its strong macro and micro-location, characterized by high demand and a limited supply of similar real estate. This led to a sustainable annual rental income. The project was completed in two phases: the first in 2019 and the second in 2021, with the fund taking ownership after completion. However, in January 2023, the existing operator of

the property filed for insolvency. While this posed a potential risk to the rental income stream, rental payments were secured for three months after the insolvency filing, providing a limited cushion to address the issue.

APPROACH

In response to the operator's insolvency, Swiss Life Asset Managers immediately formed a project group dedicated to re-letting the property. External legal advisors were also involved to ensure proper

communication and negotiation with the insolvency administrator. In February 2023, the project team began contacting operators from both the Swiss Life network and third-party operators to explore new tenancy opportunities. By March 2023, exclusive lease negotiations began with newcare Group, an operator well-known to the asset manager since 2020. The negotiation process included finalizing the lease terms and simultaneously coordinating with all parties to address the legal framework of the insolvency.



RESULT

By April 2023, Swiss Life Asset Managers had successfully signed a rental agreement with newcare Group on nearly identical economic terms to the original agreement. The property, consisting of 40 assisted living units, 15 day-care units, and 24 flat-sharing spaces, continued to generate rental income without any interruptions. This swift action helped secure the ongoing performance of the property, ensuring it remained above the fund's target return. Importantly, the insolvency did not lead to any extraordinary devaluation of the property, and the business plan remained on track despite the unexpected operator change.

KEY TO SUCCESS

Several factors contributed to the success: The property's high occupancy rates, driven by strong market demand, and its sustainable rent made it an attractive asset for potential operators. This facilitated a smooth transition to a third-party operator under similar economic conditions, without significant negative impacts on the property's financial performance.

Swiss Life Asset Managers' proactive approach, combined with their established network and quick re-letting efforts, ensured the property remained a solid performer within the portfolio.

“Several factors contributed to the success: The property's high occupancy rates, driven by strong market demand, and its sustainable rent made it an attractive asset for potential operators”

NIKOLAI SCHMIDT
Managing Director
- Transaction Health Care,
Swiss Life Asset Managers







La Marina: Future-Proof Nursing Home in Barcelona

The “La Marina” development, located in Sants-Montjuïc (Barcelona), was successfully completed on 2nd August through a partnership between La Vostra Llar and Care Property Invest. This collaboration began in 2021 when La Vostra Llar sought a long-term financial partner to realise their vision of building a new, future-proof nursing home. After carefully assessing the project and La Vostra Llar’s strategy, Care Property Invest agreed to come on board.

ABOUT THE PARTNERS

Care Property Invest is a Belgian real estate investment trust (REIT) that focuses exclusively on healthcare properties. It manages a real estate portfolio worth €1.25 billion, consisting of 150 projects spread across Belgium, the Netherlands, Spain, and Ireland.

La Vostra Llar, a family-owned developer and operator, completed the nursing home between late 2022 and July 2024. The project involved renovating an existing building, preserving only the street-facing façade. With more than 35 years of experience in the nursing home sector, La Vostra Llar built a facility with

55 rooms to accommodate 78 residents, along with a day care centre for 15 people. The total construction spans 3,074 square metres across five floors.

DESIGN FOCUSED ON COMFORT AND HOMELINESS

La Vostra Llar’s operational expertise was reflected in the design of the nursing home, which was crafted to provide residents with a warm and welcoming environment. This homely feel was achieved through thoughtful design choices, including



wooden accents and a pleasant patio area. Another key strength of La Vostra Llar is its commitment to maintaining a human scale in their nursing homes, a factor that helps the company differentiate itself in the market.

SUSTAINABILITY AT THE CORE

Sustainability was also a priority, earning the building an EPC A rating. The eco-friendly measures included the installation of 51 photovoltaic panels, LED lighting, solar heat collectors, and an advanced energy management system.

OVERCOMING ECONOMIC CHALLENGES

Despite the challenges posed by rising interest rates, inflation, and broader economic uncertainty, both La Vostra Llar and Care Property Invest are proud of the successful outcome of the project.







Modern Senior Living Complexes: Insights from the Foreschate Project

The Foreschate senior living complex in Voorschoten serves as a prime example of how to modernise and enhance care facilities to better meet the evolving needs of elderly residents. Managed by Woonzorg Nederland and leased by care organisation Topaz, the complex represents a forward-thinking approach to senior housing. Here are some key best practices derived from the Foreschate project that can serve as a guide for similar developments.

PRIORITISE SUSTAINABLE DEVELOPMENT OVER RENOVATION

The original Foreschate building, with its 62 nursing home spaces, was outdated and inadequate for providing the necessary level of care for residents with moderate to severe needs. Instead of opting for a renovation, which may have provided only temporary solutions, the decision was made to construct an entirely new building. This approach ensures that the new facilities are future-proof, aligning with both modern sustainability standards

and the changing needs of senior care. For developers, investing in new construction rather than merely updating old structures can provide more long-term value and better service delivery.

DESIGN WITH SMALL-SCALE, HOMELY LIVING IN MIND

The new Foreschate complex features 70 care units designed specifically for high-care needs, along with 30 adjacent independent homes that have been upgraded for sustainability. A critical aspect



of the design is its emphasis on small-scale, homely living. The facility is divided into seven groups, each with ten studios and a shared living room. This structure supports a more personal and home-like environment, allowing residents to continue living as they were accustomed to at home. Engaging residents in everyday activities, such as helping with cooking, fosters a sense of normality and community.

CREATE MULTIFUNCTIONAL AND ACCESSIBLE SPACES

The new complex not only serves the residents but also the broader community. It includes a welcoming reception area that encourages interaction among residents, visitors, caregivers, staff, and even local neighbours. On the ground floor, a community centre offers various multifunctional spaces, such as meeting rooms, a hair salon, physiotherapy services, and offices for Topaz care staff. Incorporating such accessible and versatile spaces supports the integration of the care facility into the community, making it more than just a place for residents but also a vibrant part of the local social fabric.

COLLABORATE WITH SPECIALISED PARTNERS

The successful execution of the Foreschate project was made possible through close collaboration with specialised partners, including Woonwerk Architecten, Topaz, and Ouwehand Bouw Katwijk. Woonwerk Architecten, based in Rotterdam and specialised in designing buildings for the elderly, played a pivotal role from the very beginning of the design process. As the project's architect, Woonwerk Architecten handled all phases, from initial design to obtaining building permissions, and took responsibility for the aesthetic aspects during the realisation phase. The design and construction were completed in an impressive 3.5 years, a testament to the smooth collaboration between all stakeholders.

This close partnership ensured that the project was specifically tailored to meet the unique needs of elderly residents, combining expertise from design, construction, and care providers. For developers, establishing a strong network of partners with relevant expertise is crucial to delivering high-quality senior living spaces.

“I was the architect, from the beginning in the design process with the office Woonwerk Architecten, an office situated in Rotterdam and specialised in designing buildings for the elderly. We did the whole phasing, design until the building permission, and the aesthetic role in the realisation phase. The design and build were completed in 3.5 years, which is very fast because of the perfect collaboration between all stakeholders”

EVELIEN VAN VEEN

Architect and partner,
Woonwerk Architecten

ALIGN WITH FUTURE CARE NEEDS AND RESIDENT PREFERENCES

A central goal of the Foreschate project was to align the housing and care complex with the preferences of today's seniors. This involved creating environments that not only provide necessary care but also enhance the quality of life for residents. By designing spaces that cater to varying care needs, from independent living to intensive care, and incorporating features that promote resident participation in daily activities, developers can create more adaptable and responsive care environments.



New Partners & Members



The UK's National Innovation Centre for Ageing (NICA) is a world-leading organisation, established with support from the UK Government and Newcastle University. NICA's mission is to co-develop and bring to market innovative products and services that enable people to live better, for longer. The Centre brings together a diverse group of professionals, including researchers, commercialisation experts, scientists, innovators, and technologists, who collaborate closely with the public.

This unique exchange of expertise and insights drives the creation of solutions that improve quality of life as we age.



B3 Development GmbH is a leading project development platform specialising in innovative housing concepts for seniors. Focused on creating self-determined and independent living solutions for the ageing population, B3 caters to the "boomer" generation, the largest age group with the highest share of wealth. B3 covers the entire process from development to property administration and customer service through a scalable Opco-Propco-Servco model.

With a curated project pipeline targeting West German cities and regional metropolitan areas, B3 blends care, hospitality, and residential living, offering communities where services are integrated but optional, promoting independence.



Commercial Acceleration is a leading consultancy with over a decade of experience in the retirement and care home sectors. The company works closely with operators, developers, and investors, helping them achieve higher occupancy and sustainable growth. Known for its deep industry expertise and award-winning approach, Commercial Acceleration was recognised as the Best Senior Living Consultancy in 2023.

As a member of the Senior Housing and Healthcare Association, the firm is committed to advancing the senior living and healthcare sectors through knowledge sharing, research, and the promotion of best practices.



Domus Valuas, a leading residential care organisation in the Netherlands, offers small-scale, personalised living with exclusive care in beautiful locations. With 31 unique residential care facilities situated in city centres, near forests, and in charming villages, Domus Valuas provides exceptional care in settings ranging from former city hospitals to historic estates.

Formed from the merger of Domus Magnus and Valuas Zorggroep in November 2022, the organisation is committed to creating a true sense of home for older adults, blending high-quality services with a homely atmosphere.



Pinsent Masons is a full-service international law firm with 25 offices across four continents. The firm specialises in five key sectors: Real Estate, Energy, Financial Services, Infrastructure, and Technology, Science & Industry. Pinsent Masons is committed to delivering more than legal expertise, offering a deep understanding of local commercial and cultural issues.

A key market focus is Later Living, where the firm supports leading operators and investors in joint ventures, planning, construction, and Integrated Retirement Communities. Its healthcare expertise further enhances its ability to provide full-service advice in this growing sector.



ABOUT Senior Housing & Healthcare Association

The Senior Housing & Healthcare Association was established in 2020 as an industry initiative to help create alignment between operators, investors, and stakeholders including banks and governments. Our members and partners operate across Europe, ensuring that the SHHA is well-positioned to support the transition within the sector and help prepare the market for the significant increases in future demand.

As the population ages and demographic structures shift, SHHA addresses the growing need for tailored housing solutions that support longevity and evolving social needs. We are committed to fostering innovative approaches that ensure senior living and care solutions adapt to new realities.



LET'S GET CONNECTED

OUR GOALS

1. Building awareness and thought leadership about our asset class
2. Strengthening our national expertise in selected European countries
3. Growing our network by attracting individual professionals from across Europe and strategic partnerships with fellow associations
4. Building relations with key policy makers on the European level (EU Commission, EP)
4. Making this asset class more attractive to investors)

MEMBERSHIP BENEFITS

- The opportunity to shape the voice of the industry
- Draw on thought leadership & unique insight
- Work together with other key players in the industry
- Expand your network of decision-makers
- Helping inform and influence public policy
- Recognition & brand visibility for your company

MEMBERSHIP PLANS

Choose one of the membership plans and get connected

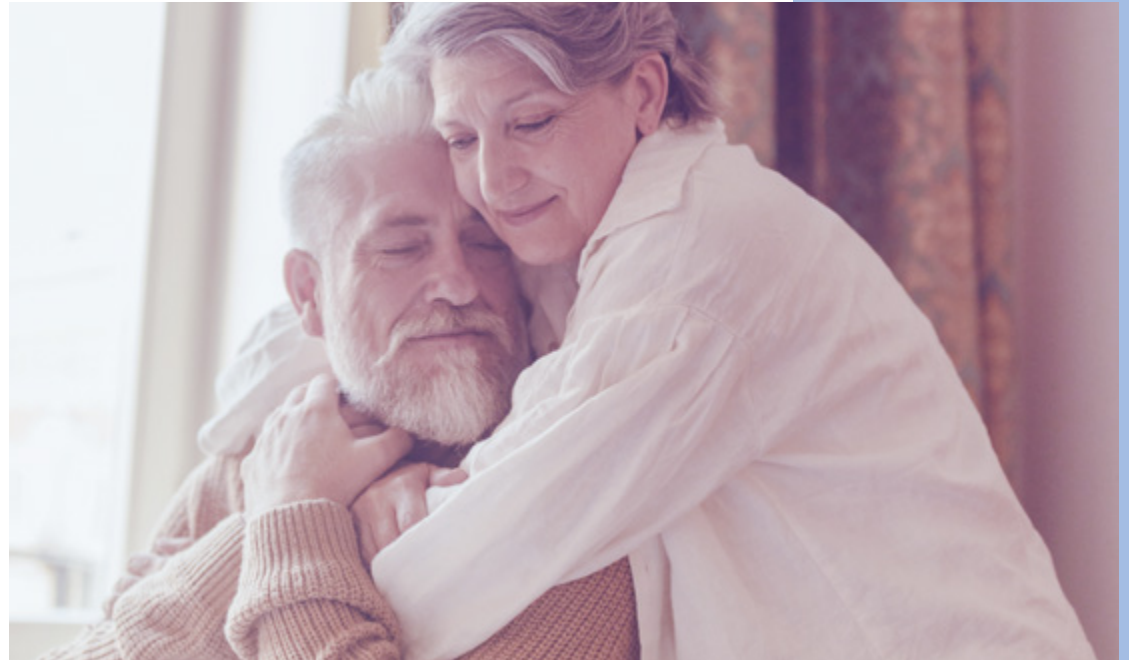
- SHHA BOARD MEMBERSHIP
- CORPORATE MEMBERSHIP
- BASIC CORPORATE MEMBERSHIP
- COUNTRY FOCUS MEMBERSHIP
- FRIEND OF THE ASSOCIATION (For individuals and small companies)

SHHA - driving the senior housing and healthcare sector forward

One thing that we can be sure in this unpredicted times is that we won't be able to reverse the demographic trend in Europe. Investing in senior housing and healthcare is investing in the quality of life.

JOIN US TO SHAPE THE VOICE OF THE INDUSTRY AND FOLLOW THE OPPORTUNITIES THAT ARE AHEAD!

www.SHHA.international



Join Us



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SHHA