



The senior housing
and healthcare real
estate market

SHHA

Multi-stakeholder perspectives on
global investment opportunities.

OCTOBER 2025

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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. As the focus shifts from an ageing society to a longevity society, adapting the current ecosystem is essential to meet evolving needs and opportunities.

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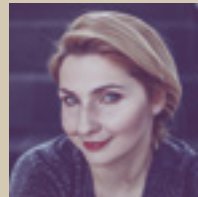
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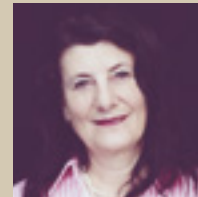
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INTRODUCTION



SENIOR HOUSING AT A TURNING POINT

A note from Ron van Bloois
Chair of the SHHA

The senior housing and healthcare real estate sector is experiencing a real momentum. Investment flows are picking up, confidence is returning, and across Europe and beyond, we see a willingness to act, collaborate, and innovate. The market is no longer just reacting to demographic pressures—it is proactively shaping the future of ageing.

We are moving toward a reverse demographic pyramid, with low fertility and a growing proportion of people aged 65 and above. Not only is the share of older people increasing, but so is the severity of their needs. The number of people requiring intensive care will continue to rise beyond 2050. The data are clear: by 2050, 3 out of 10 people will be over 65, and while today 1 in 4 older adults needs care, by mid-century there will be a 30% increase,

meaning roughly 2 in 5 older adults will have severe care needs.

It is also becoming clear that the next generation of older adults will have different expectations and requirements, spanning from independent and assisted living—designed around the longevity concept, enabling longer, healthier, and more engaged lives—to specialised medical facilities.

It is becoming clear that the next generation of older adults will have different expectations and requirements, spanning from independent and assisted living to specialised medical facilities

Artificial intelligence, data-driven solutions, and innovative operational models are opening unprecedented opportunities. Yet technology alone is not enough. If we connect the dots—aligning human resources, technology, land, and public-private capital—we can create environments that are resilient, scalable, and ready to serve diverse demographic pyramids in the decades to come.

Our sector is evolving, and optimism is justified. Operators, investors, developers, advisors, and tech innovators are increasingly working together, learning from one another, and building integrated solutions. By fostering collaboration, sharing best practices, and leveraging our combined expertise, we can ensure that senior housing and healthcare real estate is both a strategic investment and a force for social good.

As we release this new SHHA Report, we celebrate the progress we have made and reaffirm our commitment to a future where ageing is met with dignity, innovation, and opportunity. Together, we are shaping an ecosystem that can truly meet the needs of today's and tomorrow's generations.

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THOUGHT LEADERSHIP

INSIGHTS FROM THE SENIOR HOUSING & HEALTHCARE SUMMIT ORGANISED BY SHHA,
EPRA AND HOSTED BY DELOITTE

PUBLIC/PRIVATE COOPERATION KEY TO DELIVERY OF SUSTAINABLE SENIOR HOUSING

CLOSE COOPERATION BETWEEN THE PUBLIC AND PRIVATE SECTORS IS KEY TO NARROWING THE GAP BETWEEN DEMAND AND SUPPLY, EXPERTS AGREED AT THE SENIOR HOUSING & HEALTHCARE SUMMIT DURING A PANEL DISCUSSION ON “BRIDGING PUBLIC AND PRIVATE EFFORTS: A PATH TO SUSTAINABLE SENIOR HOUSING AND HEALTHCARE”.



“When we delivered our guidelines we found that our recommendations, instead of being watered down as usually happens, were actually strengthened, which shows what an important issue this is for all 27 EU countries,” said Dana-Carmen Bachmann, Head of Unit, Directorate-General for Employment, Social Affairs and Inclusion, European Commission. “Now we are at the implementation stage, which is crucial because the challenges are dramatic. We need more investment in healthy ageing.”

Member States are adopting different measures but there is a real shift towards more home care and community-based services.

“Prevention and healthy ageing is key, because the majority of older people want to stay in their neighbourhoods or communities,” said Aad Koster, Vice-President, European Ageing Network. “By 2050, hopefully only people with severe dementia or who need end-of-life care will be in nursing homes and all other seniors will live at home or in communities.”

The old-fashioned nursing home with 300 or 400 beds is the past, not the future, he said, as new

By 2050, hopefully only people with severe dementia or who need end-of-life care will be in nursing homes and all other seniors will live at home or in communities

solutions are being developed in several European countries, often from the ground up, to address evolving needs. The challenge is the same, as all populations are ageing fast and all countries are experiencing a shortage of carers, but solutions can be tailored to the specific context.

“There are many competing agendas but the challenge of demographic change cannot be ignored,” said Alina-Nona Petric, Special Protection Specialist, World Bank Group. “A close partnership with the public sector is essential and investment in human capital is key.”

FIRE is the acronym the World Bank uses to indicate the main issues at play: the f stands for financing, as private capital plays a key role in implementing public policy; the i stands for innovation, as it is crucial to leverage what is happening in the tech and AI space; the r is regulation, which is needed to professionalise the sector but must not be excessive; and the e stands for evaluation, collecting reliable data on what the needs are in order to deliver services that are tailored to the specific group.

"We are working on access to affordable land and on making financing easier, creating more favourable conditions to help people access the care they need," said Isabelle Clerc, Deputy Chief Executive Officer & Real Estate Director, Euryale. "We are also working with technology and developing specific AI technology."

There are great hopes that technological innovation will improve efficiency, lower costs and solve some of the labour shortage issues, but it is not a magic wand.

"Innovation will undoubtedly help, provide many different solutions and also reduce costs," said Frédéric Durousseau, CEO, Clariane Real Estate. "But senior housing and healthcare will remain a human-centric and labour-intensive sector."





THE IMPERATIVE IS PROMOTING HEALTHY AGEING

SOME MEGATRENDS ARE AFFECTING THE FUTURE OF CARE FOR OLDER PEOPLE IN A FAST-AGEING SOCIETY AND BOTH THE PUBLIC AND PRIVATE SECTORS SHOULD BE AWARE OF THEM.



"The biggest megatrend is ageing, so fostering healthy ageing is an imperative now," said Karolin Killmeier, Policy Analyst in the OECD's Health Division, Directorate for Employment, Labour & Social Affairs. "The share of older people is increasing and so is the severity of their needs. The number of people with severe needs will keep increasing beyond 2050."

The data are clear: 3 out of 10 people will be over 65 by 2030 and one out of four older people will need care, but by 2050 there will be a 30% increase – meaning two out of five people will have care needs.

"This means that public care expenditure must increase by 2.6% a year on average just to maintain the current level of support," said Killmeier. "What is needed is to fund better, target better and spend better."

Better funding means diversifying funding sources, going beyond income tax revenues and developing innovative schemes. Targeting better means giving a greater share of funding to those who have more severe needs and lower income. Spending better means investing more in prevention, rehabilitation

and technology to make sure people live longer in better health, and promoting better health care models.

"There are some good examples already, like the Nordic countries doing preventive home visits or Poland's primary care centres pooling different professions under one roof with specific expertise on over-75s," said Killmeier. "Ireland has specific care pathways for older people and Japan has community-based integrated care."

One megatrend that gives reasons for optimism is the promising technological advances that will change what has traditionally been a labour-intensive sector.

"Productivity increases have the potential to contain public spending to a great extent," she said. "It is a bold prediction, but we foresee a 7% reduction by 2030, rising to 17% by 2040 and 31% by 2050."

Another megatrend is the clear preference for home-based care in all OECD countries, even if the vast majority of the money spent goes on residential care, up to 90% in some places. Some countries are realising this and changing their approach:

Australia, for example, is reforming its support-at-home scheme, adapting homes and helping people remain active in their communities.

"We need innovative residential building solutions to make communities more age-friendly," said Killmeier. "Regulations should be adjusted to fund new forms of living for older people, supporting independence and autonomy, promoting social inclusion, respecting people's lifestyle choices and allowing them to remain active and healthy for as long as possible."

Significantly, people are not only aware of the problem but they are willing to do something about it. According to OECD surveys, 65% of respondents are concerned about accessing good quality long-term care and that percentage rises to over 80% in some countries like Spain, Greece and Portugal. Many people say they are willing to pay 2% more in taxes to fund better public long-term care.

INVESTMENT IN HEALTHCARE TO INCREASE BY 82% IN Q2 2025

INVESTMENT IN HEALTHCARE HAS REBOUNDED
IN Q1 2025 AND THE RECOVERY IS EXPECTED TO
CONTINUE THIS YEAR.



“In Q1 investment was €2 billion, which is a 50% increase on Q1 2024,” said John Gladstone, Lead Director, EMEA Healthcare Capital Markets, JLL, in his “Investment outlook for Senior Housing and Healthcare” presentation.

“In Q2 2025 we estimate senior living/care home investment to be 82% up on Q2 last year.” In the 12 months to the end of March 2025, total investment in the sector was €9.1 billion, which is still 15% down on the previous 12 months, Gladstone said, but the recovery has started and is expected to continue.

The market is becoming polarised, as the top 10 investors accounted for half of the capital deployed over the past 12 months. The biggest players are Welltower, Omega Healthcare and Assura, but in the top ten there are also new entrants like Stadt Hamburg, StepStone RE and Meadow Partners.

Large deals have returned: M&G’s European Living Fund made its first healthcare purchase in Erfstadt, in Germany, while Omega Healthcare Investors acquired a £241 million portfolio of 46 care homes in the UK.

In these uncertain times, healthcare is seen as a secure investment and listed healthcare has outperformed other property sectors in 2025

“Large entity acquisitions are dominating the European healthcare landscape,” said Gladstone. “Look at the Aedifica/Cofinimmo €12 billion merger, or CareTrust’s £650 million acquisition of Care REIT, or the recent PHP and KKR/Stonepeak bidding war for Assura.

“There are also joint ventures happening, like the €700 million Swedish care home partnership between Nrep and Sehlhall Fastighet, or the Dutch care home JV between emeis and NLV.

“The sector is recovering despite political uncertainty and tight operator margins,” said Gladstone. “Listed healthcare has outperformed other property sectors this year, with share prices up 24% on average, and occupancy rates have grown from 85% in 2021 to 93% on average, reaching 99% in Finland.”

Another positive for the sector is the emergence of new senior living products like co-housing, intergenerational living and integrated retirement communities with services and care, as these hybrid models are attracting rising investment.

In these uncertain times, healthcare is seen as a secure investment, according to JLL, and listed healthcare has outperformed other property sectors in 2025, as share prices were up 24% on average.

CREATING A LONGEVITY REAL ASSET CLASS TO DEAL WITH THE 'SILVER TSUNAMI'

THE PROPERTY INDUSTRY MUST ADAPT TO
DEMOGRAPHIC CHANGES BY MAKING THE
LONGEVITY REAL ASSET CLASS HAPPEN.



“Faced with a ‘silver tsunami’, the real estate sector must provide innovative solutions,” said Cédric van Meerbeeck, Senior Director, Infrastructure & Real Estate, Deloitte. “It is a unique opportunity to create something that all ageing people can call home.”

It is an opportunity but also a challenge, as 80% of assets that will be standing in 2050 have already been built, yet less than 3% of existing stock is age-friendly.

Adaptation of buildings is necessary, but difficult at present. The obstacles range from inflation to high building costs, and from skills shortages to regulatory complexities, and they all delay the delivery of much-needed age-friendly real estate assets.

A combination of measures can help overcome these obstacles, said Meerbeeck: “Technology can help with delivery, but there must be incentives for companies to become active participants, and building permits must be speeded up. The real estate landscape is not fit for purpose now, but EU deregulation is providing tailwinds for age-friendly and smart building adaptations.”

The EU’s three key approaches are liveability, sustainability and accessibility. Tech innovations are actively shaping the future of longevity real estate, moving from conceptual ideas to tangible applications, such as digital twins that reduce energy costs but also enhance residents’ experience by adapting to their needs.

“We must prioritise healthy ageing and real estate design has a key role to play in this,” said Meerbeeck. “It is not just about the individual building, but about its context. In order to achieve maximum impact, we must focus on better accessibility and on the community to prevent loneliness, which is becoming a social issue.”

By 2050, one-third of the population in the European Union will be over 65 and the number of people over 80 will double, driving demand for specialised homes.

Progress is being made, with new options ranging from care homes to housing-with-care to home share to co-living to shared lives in an intergenerational context, where, for example, students pay lower rent but provide some services to senior people.

“New models are emerging to deal with the unfolding demographic imperative,” said Meerbeeck. “There’s a broad range of initiatives, often community-based and originating from people on the ground, because there can be no one-size-fits-all approach to care.”

Longevity real estate is a diversified market that offers a spectrum of solutions tailored to different income levels, needs and desired levels of independence.

“There is a strong business case to be made, but it needs to cover six key aspects,” said Meerbeeck. “Develop innovative senior living models; leverage technology; provide seamless integration between housing and care; collaborate with public authorities, who decide what and where you will be able to build; implement community-centric approaches; and accelerate the creation of age- and environment-friendly buildings. A proactive, visionary and collaborative approach is crucial.”

HOW TO CREATE THE RIGHT FINANCIAL INCENTIVES

EXPERTS AGREE THAT MORE CLARITY
AND BETTER ALIGNMENT WILL DELIVER
MORE MUCH-NEEDED SENIOR HOUSING
AND HEALTHCARE PROJECTS.



As demand for senior housing and healthcare projects increases across Europe, a crucial issue is creating the right financial incentives that will deliver that much-needed future-proof, affordable, resilient and specialised infrastructure and healthcare. This was discussed during the 'Financing Models for Senior Housing and Healthcare' panel at the June Senior Housing & Healthcare Summit in Brussels.

"Investors are very keen to deploy capital in the elderly care space, but they want more clarity and consistency," said Charles Favard, Managing Director, Head of EMEA Real Estate, Private Funds Group, UBS. "Regulations are not consistent across Europe, and investors who want to buy a property need to get the accounts of that care home so they can understand the business model."

Providing transparency is key to attracting investors to this space.

"Care homes provide a core-plus profile and attract global capital, but greater alignment in terms of incentives is needed to put capital where it is needed," said Xavier Cheval, CEO, Praemia

Healthcare. "Operators want more investment from owners to improve quality of service, while investors want more clarity about the financials from the operators."

Panellists agreed there needs to be more consistency and clarity across the board and, crucially, better alignment.

"We should rethink the model of tax incentives and have a more holistic and targeted approach," said Danny Stas, Real Estate Industry Leader, Deloitte. "At present the tax incentives are not adapted to the needs of elderly people and those for operators or real estate players are not aligned. We need to connect the dots."

The standardisation of regulations would result in lower operational costs and better availability of resources, as well as fewer hurdles to obtaining the necessary financing.

"The current fragmentation of the legislative and regulatory framework makes it difficult to offer the services and the cheaper financing that are clearly needed," said Dana Burduja, Head of Life Sciences

& Health Division, European Investment Bank.

A model that has worked well in every setting is the combination of publicly funded care with private top-ups, Favard said: "The state provides the minimum care for people, and then whoever wants to pay more to get better quality housing, they can top up and be in a better care home if they want to."

Burduja agreed: "Indeed, we have realised that the top-up model is the one that works best from the point of view of what we consider eligible services that ensure the best possible equity of access. We look at projects from all angles. We're not a policymaker, we're a policy taker, but we're able and willing to look at this model."

In 2024 the EIB supported projects worth close to €3 billion in life sciences and healthcare, which means that the total value of these projects was somewhere in the range of €6 billion or more, as the bank usually supports up to 50% of any investment to bring in other investors.

"We have a very large area of financial instruments, and while we can provide loans directly to our

counterparts, we can also work with financial intermediaries, or we can also work with companies that are just providing the infrastructure, be it in any kind of public-private partnership,” Burduja said. The elderly care space is very interesting for investors because it offers low volatility, depth and long-term visibility on income, even if the quality of operators can vary significantly.

“It’s a question mark across Europe,” Favard said. “But in some countries, like the Nordics, there’s a backstop from the government, so it’s a great market to be in from an investor standpoint, because if your operator goes bust, the government steps in. We can see that this guarantee is bringing a lot of capital to the elderly care market.”

Another key point for investors is inflation hedging, as inflation has been a significant worry in the last two years. The operators took CPI indexation without drama, because they were also able to increase their weekly fees in line with inflation.

“From their point of view, investors see this market as being resistant to inflation and delivering a stable

core cash yield, which is why we see a lot of equity willing to come in,” said Favard.

Another positive is that the healthcare and senior housing space is less volatile than the office or retail sectors which, as we have seen recently, are subject to unpredictable risks and dangers such as falling consumer confidence, declines in GDP, the pandemic or the working-from-home trend.





INVESTOR
APPETITE GROWS,
BUT SENIOR
LIVING FACES

REGULATORY
AND
OPERATIONAL
HURDLES



Europe's senior living and healthcare real estate sector is drawing unprecedented levels of institutional capital as investors seek defensive, income-producing assets in the face of demographic change. But at the Senior Housing & Healthcare Summit's Investment Panel, experts warned that operational risk, regulatory complexity, and cultural barriers continue to slow the market's growth compared with other living sectors.

Opening the discussion, Caryn Donahue, head of the healthcare and senior living team at Savills, said investor sentiment was evolving rapidly as the need-driven nature of the asset class became clearer.

"I think we're seeing a lot of positives around the care home space. But from an investor's perspective, it's about getting over the reputational risk that can come with registered care. At Savills, we run an investor sentiment survey every year. Last year, only about 16% of respondents wanted to invest in care homes; this year, it's up to 35%. It's almost doubled, as more people see the long-term return profile of the income from registered care and the needs-driven elements behind it."



Kevin Beirne, head of retirement at Octopus Real Estate, agreed that sentiment was shifting but stressed that operational risk in particular had often been overstated. He said Octopus had introduced measures to control quality from the outset.

"One of the things we do at Octopus is have a couple of nurses who actually work in our investment team. They help us underwrite platforms so we know right at the outset whether we're dealing with a quality proposition or one that's slightly less so. Probably the only time we really reject things at investment committee is on the basis of their say-so.

"There's a living issue right across Europe. Every jurisdiction I go to, access to good quality accommodation is a challenge — whether it's first-time buyers, people with families, or older people. So we really have to think about ourselves in the continuum of that."

For Naboth van den Broek, founder of SevenAges Capital Management, the sector's diversity still makes it hard for newcomers to navigate. With multiple subsectors and varying levels of operational intensity, investors can struggle to see the full picture.



“It’s not always that clear what we’re really talking about. Because there are actually lots of things in this sector that have fairly different profiles. There are lots of different subsectors that all have very different profiles in terms of returns, in terms of operational risk, in terms of the regulatory side, et cetera. So, we’re not talking about a monolithic market. We’re talking about lots of different things. And that makes it complicated. It makes it complicated to assess, makes it complicated to figure out as an investor who believes in the macro case where to actually invest in that macro case because you have to account for all those differences.”

Berthold Becker, managing director at TSC Real Estate Germany, agreed that definitions and product clarity remained obstacles for investors, even those with capital ready to deploy.

“First of all, I think it’s indeed a question of definition. There are senior living, healthcare, care, a lot of buzzwords out there and many people just try to find what is senior living. We have a lot of discussions with investors, very much capital in the back and they’re actually trying to find out

what is senior living. That’s one. So I don’t think that investors are being held back. It’s just that they have not been able to make decisions yet.” With inflation and interest rates beginning to stabilise, Candice Blackwood, partner at law firm CMS, said some investors who had paused activity in the past year were now preparing to return.

“We’re also seeing investors who were traditionally very active in the market have paused over the last year or so whilst they wait for inflation and interest rates to stabilise. And I think they are beginning to do that, fingers crossed, this year.”

Turning to southern Europe, Kevin Beirne pointed to Spain in particular as a market with the right fundamentals for long-term institutional investment. “Spain’s a really interesting proposition... Spain has the macros that attract an institutional investment platform like Octopus. It has a significant imbalance between supply and demand right across the residential areas... It really does look as though it’s got all of the fundamentals there that would make a senior living proposition successful and much demanded.”

Panellists concluded that while Europe’s ageing demographics and stable income profiles offered a compelling case for senior living and healthcare real estate, the next phase of growth would require clearer definitions, more regulatory alignment, and closer integration between operations and property. For now, investors see a sector with enormous potential — but still one learning to balance opportunity with complexity.

INNOVATING THE VALUE CHAIN IN SENIOR LIVING: INSIGHTS FROM THE OPERATIONAL PANEL

AT THE SENIOR HOUSING & HEALTHCARE SUMMIT'S OPERATIONAL PANEL, CHAIRED BY PROFESSOR SCOTT ECKSTEIN, SENIOR LIVING LEADERS EXPLORED HOW TECHNOLOGY, PARTNERSHIPS, AND INNOVATIVE LAND STRATEGIES ARE RESHAPING THE SECTOR'S VALUE CHAIN.



Panellists agreed that demographic shifts, sustainability imperatives, and rising costs demand a more integrated approach between real estate investors, operators, and public authorities.

Geert Wellens, founder of Triginta, opened by highlighting how reusing existing assets can align environmental goals with urban needs.

“We’re going to have to concentrate more and more on the reuse and the redevelopment of existing buildings. Religious congregations are now and then ready to hand over their buildings because you do something with a building that has an added value for society. So I think multifunctional buildings, I think centrally located. And if you know the centres of most European cities are still in the hands of religious congregations. And they look for a new future for their buildings because they’ve become obsolete. And certainly the reuse of those buildings and convert them into healthcare real estate.”

On consolidation, Alexander Fröse, managing partner at Periscope Partners, said the sector’s fragmentation left space for new partnerships and stronger operating platforms. “By 2030, every

fourth person is 65 years plus. Germany doesn’t actually mean everyone needs help immediately, but specific data and underlying data is actually matching our idea here. The goal should be to consolidate this fragmented market with leading senior living operators. If you have partnerships with leading senior living operators where you don’t have a conflict of interest because you don’t have a share on the OpCo and the other way around as well.

“Simultaneously you go into the transaction where the leading senior living operator is doing the diligence on the OpCo on the operations. You do your due diligence on the PropCo, and then you have before closing a lease agreement in place. And there’s the opportunity because you can say, look, those are the reporting requirements we need for our potential financing banks. That’s what we expect from you. Do your leading senior living operator in terms of ESG, et cetera.”

Raoul Thomassen, chief operational officer at Aedifica, underlined the benefits of this PropCo/OpCo model from both sides. “For operators, an asset-light strategy allows them to put their working capital in improving care and growing their business,

maybe taking over in the case of other operators. That’s of course their driver. For them a metric would definitely be the return on capital employed because if they would also have to invest it in buildings, that would slow them down. That’s what we have seen at least in the past.

“If you look at it from the side of the PropCo, the landlord where we look at is, okay, we would be able to specialise on that side of the spectrum, not giving care, specialise on the real estate, having the ability to scale that to diversify because you’re then also not with one operator. Typical metrics would be the asset yields. The asset yields benefit a lot from having these long-term leases that are index-linked, that provides you a great deal of income security. Those are two metrics on the two sides.”

On location strategy, Amand-Benoît D’Hondt, chief investment officer at AG Real Estate, said demographic analysis and regulatory realities were critical. “Choosing the right municipality for us is really a decisive factor. It’s generally one that actually makes a success compared to a failure. It is not necessarily the big locations, the big cities where we are willing to be the most active also because in

those cities you generally have a topic which is, of course, critical and everybody knows is shortage of staff.

“It is true that in Brussels, in Ghent, in Antwerp, in those cities, you would typically take more time to find the right staff than in some other municipalities where it’s easier to grasp and to be able to form a solid community of care people. And, so, I’d say another topic which is very important is the fact that the operating permits are, in Belgium, not necessarily movable. You can move them from one municipality to the neighbouring municipality in some regions, but you cannot do that everywhere.

“And you have to determine where you can move them, and so you are generally stuck with the location in that particular municipality. So, choosing the right municipality for us is really a decisive factor, and it’s generally one that actually makes a success compared to a failure.”

Finally, Ana Cunha, strategic sustainability advisory and corporate social responsibility director at Deerns Group, stressed that ESG compliance and digital tools now shaped decisions far earlier in

the value chain. “We shall design buildings that are suitable for both climate, care, resilient operations, and compliance, because today when we talk about sustainability or ESG, actually we look into elements of environment, of social, of governance, and all of them have specific, mandatory, or more corporate-related KPIs.

“So, it’s important when we start designing an asset or addressing a set of assets, because we have clients that make the engineering come earlier because they want to understand in the due diligence process or in the capex estimate, quite realistic ones, how much they can transform the building, how much does it cost, and what is the expected performance. So engineering is being called much earlier in the process than some years ago, and the regulatory push actually helped that.”

Looking ahead, panellists agreed that technology investment, regulatory cooperation, and faster permitting will be essential to ensure Europe’s senior living infrastructure keeps pace with demographic change while remaining financially and environmentally sustainable.







SHHA IN-DEPTH

SENIOR LIVING & CARE – IS GERMANY READY FOR CONSOLIDATION AND INTERNATIONAL CAPITAL

Widening Demand/Supply Gap in Senior Housing in Germany

The gap between growing demand and shrinking supply in the German senior housing sector is widening, delegates heard at the SHHA In-Depth webinar on 'Senior Living & Care – Is Germany Ready for Consolidation and International Capital?'

"To meet the additional demand, Germany needs to build 41 care homes every month until 2040, yet it is currently building fewer than two a month," said Matti Schenk, Associate Director Research, Savills Germany. "There is insufficient development activity, yet the need will grow at double-digit rates across all segments, from care homes to assisted living."

Demographics explain the scale of the challenge: the German population is ageing rapidly, and the number of people over 80 is projected to increase by 51% by 2050, reaching over 9 million.

At present, 86% of older people receive care at



Matti Schenk

home, but the vast majority (78%) do not live in senior-friendly housing and must navigate stairs and other internal barriers.

"Senior living must be developed at scale and fast," said Schenk. "At the same time, homes need to

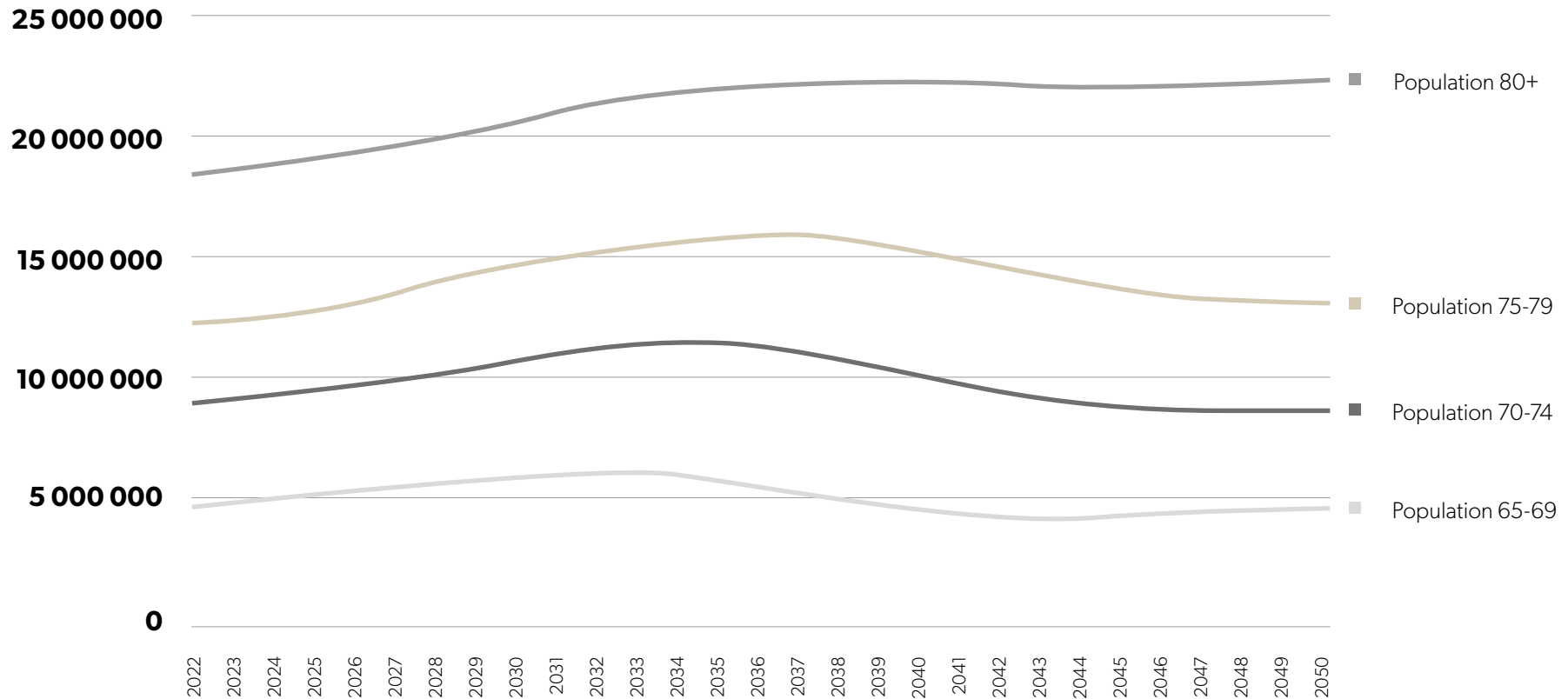
be modified and adapted, and the existing stock of senior housing must be modernised, as most buildings were constructed before 2000 and require updating."

The implications are clear: "A massive amount of capital is urgently needed for new construction and for the modernisation of existing assets, and private capital is essential to meet this challenge."

On the downside, high interest rates and the insolvency of some operators in recent years have caused a sharp decline in transaction volumes, currently at €1.2 billion annually, far below the €4 billion recorded before the crisis.

On the positive side, the market remains highly liquid, and its opportunities are attracting foreign investors once more.

Forecast of number of elderly people in Germany



Source: Savills

“Foreign capital dominated the sector for years, mainly specialised REITs from Benelux and the Nordics, but had been shrinking recently,” said Schenk. “Now investors are coming from new regions, including Spain and Asia-Pacific. Germany has more global appeal due to its market size and demographic trends.”

Investors face two main challenges: first, the fragmentation of the market, both in terms of ownership and operators, with the top ten operators holding just 14.3% of the market. The second issue is regulatory complexity, as each of Germany’s 16 federal states (Bundesländer) has its own Care Home Act.

“If you have a large portfolio, you must deal with multiple operators, making due diligence complex, and navigate different regulations even for the same type of building depending on location,” said Schenk. “Having a strong local partner is essential for investors entering the market.”

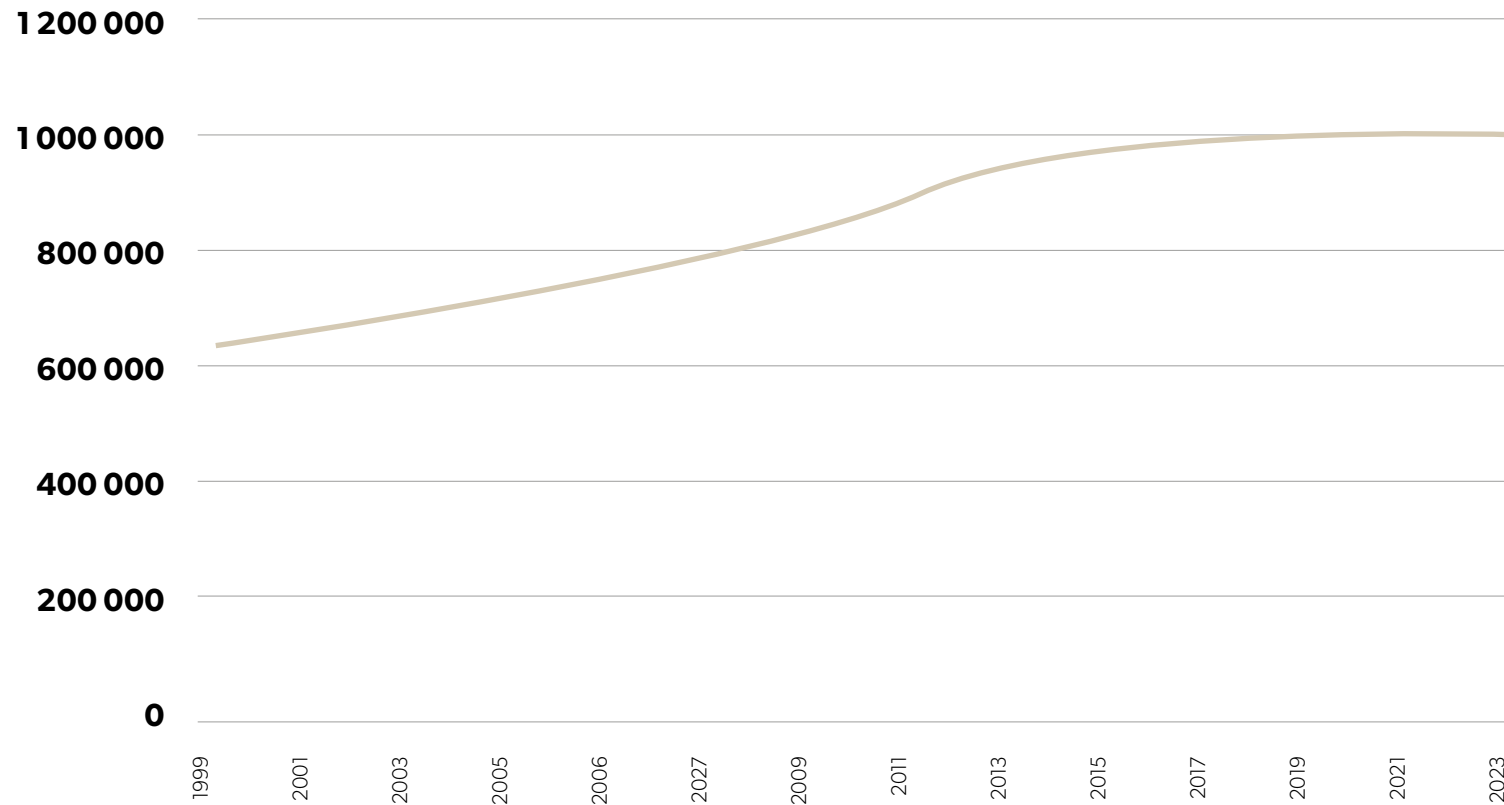
Investors recognise the enormous potential of the German market and interest is growing, but some

are deterred by regulatory obstacles and concerns over the sustainability of the healthcare system amid rising costs and staff shortages.

“A comprehensive reform of the system is necessary,” he said. “It is clear that more private capital—both domestic and foreign—is needed, and the authorities should facilitate its deployment.”



Number of beds in care homes in Germany



Source: Savills

Opportunities and consolidation in the German Senior Housing market

The German senior housing market presents significant opportunities for foreign investors, but obstacles must be addressed to unlock its full potential, experts agreed at the SHHA In-Depth webinar on the German market.

STRONG DEMOGRAPHICS, STRONG POTENTIAL

"No one disputes the demographic figures, and everyone can see the huge potential this market offers," said Yeliz Bicici, COO of Cofinimmo. "We are at a pivotal moment. To meet demand, authorities and private capital must collaborate to improve the system for residents and attract investment—benefiting everyone in Germany."

Despite global economic instability, rising interest rates, and geopolitical challenges, the German market has remained relatively stable. Operators

have struggled in recent years due to slow governmental responses to rising costs. Now, with stabilised business plans and growing demand, the market offers great opportunities—but private capital alone cannot solve structural issues, Yeliz Bicici stressed.



Yeliz Bicici

Foreign interest is already increasing. *"International investors recognise that fundamentals are strong,"* said Berthold Becker, Managing Director at TSC Real Estate. *"We are seeing investment flows from the Middle East and the US, which is very positive. Private equity can support operators to consolidate and expand."* UK capital is also active, as demonstrated by Civitas' €300 million acquisition of German senior residences last year.

CHALLENGES: FRAGMENTATION AND REGULATION

Despite interest, fragmented regulation across Germany's 16 federal states creates complexity for investors. *"Foreign investors buying portfolios in different locations must navigate multiple jurisdictions,"* said Michael Hodges, Managing Director, Capital Markets at Christie & Co. *"Transparency around performance, sustainability of*



Michael Hodges

rents, and lease structures also needs improvement. Once these barriers are addressed, confidence will grow, similar to what has been seen in the UK."

CONSOLIDATION: THE NEXT STEP

Experts agree that consolidation is necessary to address market fragmentation. Many operators are small, managing only a handful of care homes, which can be a challenge for foreign investors. *We need to educate international capital to work with smaller operators and family businesses, who*

are often doing an excellent job locally," said Max Eiting, Director, Head of Healthcare Operational Capital Markets at Savills.

For smaller operators, capital injections and expertise allow them to upgrade facilities, meet regulatory requirements, and continue providing high-quality care. Yeliz Bicici highlighted that a diversified market with both domestic and international players benefits residents, who enjoy better buildings and improved care services.

Berthold Becker noted that consolidation is essential for efficiency: *"Senior housing is not a high-margin business; it relies on operational efficiency and synergies. Many small owner-operators cannot manage increasing bureaucracy and regulations."* He emphasised that consolidation must be done carefully, with the right investors, realistic returns, and not over-leveraging operators.

THE ROLE OF LOCAL PARTNERSHIPS

Success requires strong local partners with regional presence and on-the-ground teams. *"Germany can*



Max Eiting

follow the effective UK model, connecting operators with local healthcare providers," said Michael Hodges. This increases visibility of competent operators and provides clarity for incoming capital.

ADDRESSING SUPPLY CONSTRAINTS

A critical issue in Germany is the lack of new development, with little constructed in recent years. *"Most investors prefer yield over risk, focusing on adding value to existing assets, which is challenging,"* Berthold Becker said. Construction costs remain



Berthold Becker

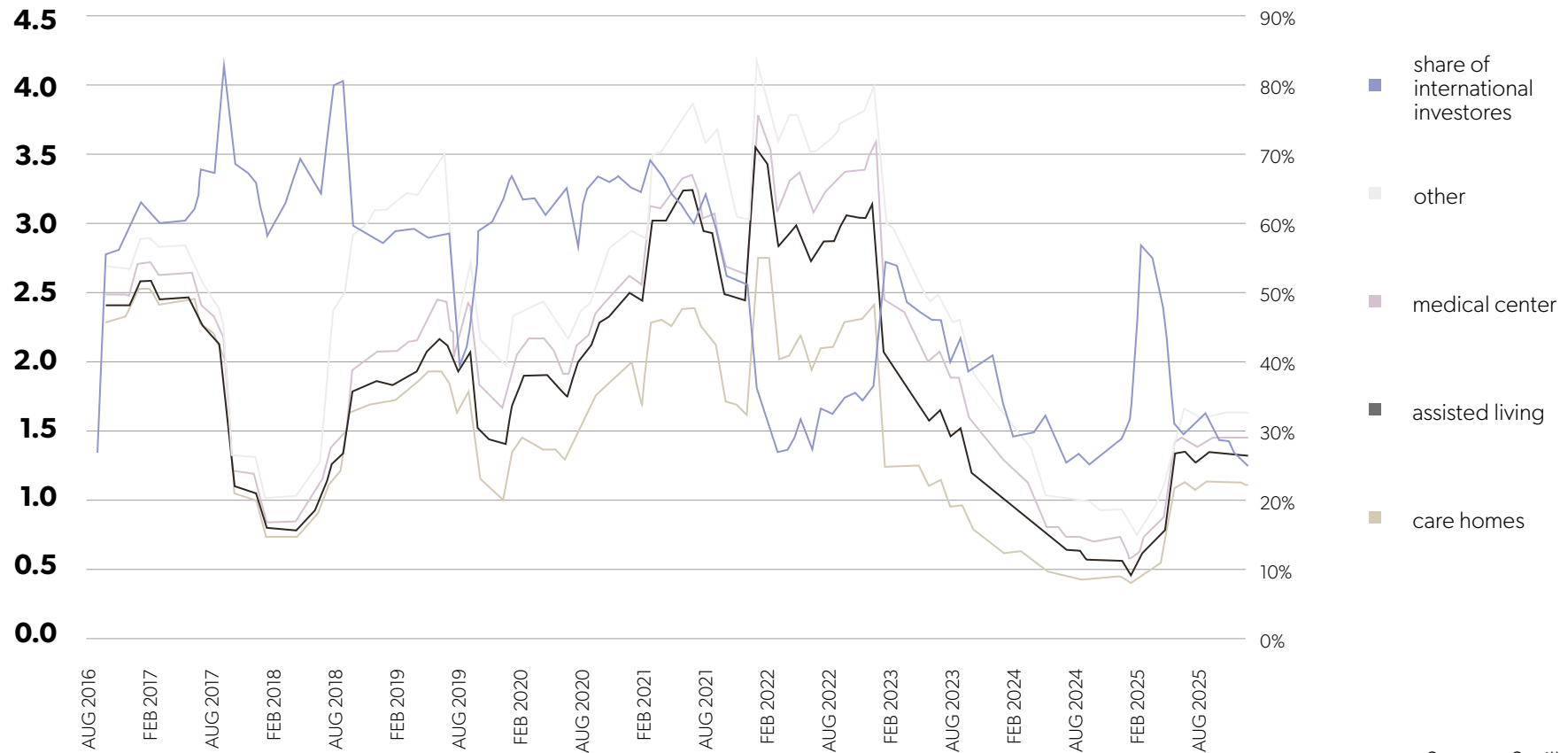
stakeholders is essential to improve efficiency, expand supply, and ensure high-quality care for Germany's ageing population.

high, adding further barriers. However, experts are optimistic that the market is recovering and that development activity will pick up in the next 12 months, creating opportunities for investors and operators alike.

POSITIVE OUTLOOK

With rising demand, foreign investment, and a consolidation wave underway, the German senior housing market is poised for growth. Collaboration between private capital, operators, and local

Transaction volume for healthcare properties in Germany



Source: Savills



THE REALITIES OF INVESTING IN GERMANY'S SENIOR HOUSING AND HEALTHCARE REAL ESTATE

Interview with NIKOLAI SCHMIDT
HEAD OF HEALTHCARE REAL ESTATE GERMANY
AT SWISS LIFE ASSET MANAGERS

HOW DOES SWISS LIFE'S INVESTMENT PHILOSOPHY SHAPE YOUR APPROACH TO SENIOR HOUSING AND HEALTHCARE REAL ESTATE IN GERMANY?

We have nearly 20 years' experience investing across Europe in healthcare real estate — nursing care, assisted living, medical centres — and currently

hold about €2.7 billion in assets, with €1.7 billion in Germany, one of Europe's largest markets. Our focus is on stable, long-term returns. Our core mission is "to enable people to lead a self-determined life". Beyond financial returns, this means building confidence in the future. Healthcare real estate is central to our strategy, especially given demographic and social changes, so we will continue investing steadily in this sector.

WHAT DISTINGUISHES GERMANY'S HEALTHCARE REAL ESTATE MARKET?

Germany is the largest European market by supply, followed by France. It is often said that the German market is attractive because of its insurance-based financing model. But it is worth acknowledging that only part of nursing care costs is covered by insurance. Care home residents or social welfare cover the rest,

so refinancing is tightly regulated because the state bears the cost.

Rising costs have strained this system. Some operators faced insolvency, which kicked off market consolidation. Today, many have improved their financing positions, and the market is stabilising. International investors, seeking higher returns and more opportunistic deals than German institutional investors, are selectively entering value-add opportunities but not yet at scale.

DO YOU SEE CONSOLIDATION CREATING OPPORTUNITIES FOR INSTITUTIONAL INVESTORS, OR DO YOU FAVOUR LONG-TERM PARTNERSHIPS?

Both. Strong asset management is demanded in this environment, accelerating consolidation among operators, investors, and asset managers. We're more selective in investments and partnerships, with rigorous due diligence as our investors expect. Our extensive, trusted network of developers and operators built over the years is a key advantage. We prefer working with trusted partners but remain

open to new relationships.

HOW ARE YOU APPROACHING FINANCING AMID EASING INTEREST RATES AND RETURNING LIQUIDITY?

We typically maintain a 50% loan-to-value ratio, and while interest rates remain high, falling acquisition prices are enhancing debt appeal and yields. We intend to continue this balanced approach wherever possible.

HOW DO YOU INTEGRATE ESG PRINCIPLES INTO HEALTHCARE REAL ESTATE, BALANCING UPGRADES OF EXISTING ASSETS WITH NEW SUSTAINABLE DEVELOPMENTS?

Our healthcare funds comply with Article 8 of the Sustainable Finance Disclosure Regulation, requiring ongoing ESG assessment and optimisation. We prioritise assets with ESG credentials, with a particular focus on upgrading existing properties. To lead this, we founded The Climatch, with over 40 experts dedicated to ESG implementation — reflecting our long-term sustainability commitment.

WHAT ARE THE BIGGEST CHALLENGES FOR INVESTORS IN GERMANY'S SENIOR HOUSING AND HEALTHCARE MARKET?

The main challenges are the varied regulations across Germany's 16 federal states, high financing costs Europe-wide, and a shortage of qualified personnel — a European-wide problem.

Yet there are opportunities. Operator consolidation and increased professionalism continue. AI in care is growing, freeing nursing staff to focus on face-to-face patient care, which is vital.

Ultimately, success will go to those who rigorously assess location, demand, and operational viability — and respond strategically. An extensive, experienced network remains invaluable.

Everyone knows that the demand is there and will continue to grow enormously. That's not just because of demographic change, though that remains one of the biggest drivers of growth.



INSPIRATION AND KNOWLEDGE BEST PRACTICES



The Fern Dean Stepside: redefining residential elderly care through design and technology

In the foothills of the Dublin Mountains, where city views meet natural landscapes, a new chapter in Irish elderly care has begun. The Fern Dean Stepside, opened in 2024 and developed by Aedifica, sets a new benchmark for residential elderly care — not just through its approach to wellbeing, but through the intelligent, sustainable design of the building itself.

From the outset, the vision was clear: to create a building that uplifts, supports and blends seamlessly into its environment. The layout takes full advantage

of the scenic setting, while the architecture prioritises natural light and spatial comfort. Angled rooms with tall portrait windows invite sunlight deep into residents' living spaces, and three open-air balcony areas offer serene spots for residents to enjoy the fresh air.

Raoul Thomassen, Chief Operating Officer at Aedifica, highlighted how the project demonstrates the company's ESG-driven approach: "At The Fern Dean Stepside, thoughtful design elements like a

green roof and energy-efficient systems contribute to its A2 Building Energy Rating — a reflection of Aedifica's commitment to creating sustainable, future-ready care environments."

The building incorporates a vegetated roof across more than a third of its surface. Beyond its visual impact, this green roof encourages biodiversity, supports local wildlife and plays an important role in stormwater management, with rainwater collected and reused through a harvesting system



that enhances the site's green network. A hybrid heating system ensures energy efficiency. Together, these features underpin the residence's 'A2' Building Energy Rating, the second-highest achievable for commercial properties in Ireland.

A VIBRANT HUB FOR RESIDENTS AND COMMUNITY

The Fern Dean Stepside has quickly become a vibrant community where residents enjoy a rich array of activities, from creative arts and music to exercise classes, gardening, quizzes, and weekly Mass. Regular visits from local schools, choir performances, and an open-door visiting policy help maintain strong connections between residents, their families, and the wider community.

Designed as a social focal point, the building includes a hairdresser's studio, visitors' lounge and café that welcomes both residents and local visitors. Beyond serving as a home, it has become a gathering place in its own right, fostering social inclusion and actively engaging with the local community.

TECHNOLOGY, SAFETY AND A FUTURE-FORWARD APPROACH

Innovation was a guiding principle throughout the development. The Fern Dean Stepside is the first care home in Ireland to be fitted with a fully wired fall detection system — an advanced safety measure that uses discreet ceiling-mounted sensors to detect incidents in real time.

Care staff emphasise the benefits of this innovation: "The new Vayyar system provides us with invaluable real-time data to better understand when our residents are most vulnerable," said one member of the team. Henry Roe, Property Manager at Aedifica, added: "Innovation has been at the heart of The Fern Dean Stepside, making it Ireland's first care home equipped with a discreet, fully wired fall detection system that ensures resident safety without compromising privacy."

A PURPOSE-BUILT HOME, DELIVERED THROUGH PARTNERSHIP

While Aedifica led the development and delivery of the building, care services are provided by Virtue,

Ireland's fourth leading integrated care provider. With a network of homes and home care services across the country, Virtue brings deep expertise in person-centred care, placing residents' dignity, independence and wellbeing at the heart of daily life.

The residence features 125 private, en-suite bedrooms, each thoughtfully designed to feel both welcoming and personal. Particular attention was given to the interior fit-out, with every room equipped with custom cabinetry and finished in neutral tones that residents can easily make their own.

Bright, inviting communal areas — including warm lounges, spacious dining rooms, and leafy gardens — encourage social interaction and foster a strong sense of belonging. Care is delivered through personalised health plans, supported by a highly skilled nursing team and on-site access to a wide range of health professionals.

SETTING A NEW STANDARD FOR ELDERLY CARE

The Fern Dean Stepside stands as a model for what is possible when thoughtful design and social purpose

come together. It is a building that not only houses care, but enhances it — where residents thrive within an environment that reflects the best of contemporary architecture, innovation and community values.

For Aedifica, this project is part of a broader mission to invest in high-quality, sustainable healthcare real estate. In Stepside, that vision has found a clear expression.





Delivery of new greenfield residential care centre in Tavernes Blanques

Care Property Invest has further strengthened its position in the Spanish healthcare real estate market with the delivery and opening of the residential care centre operated by Solimar (part of the Vivalto Vie group) in Tavernes Blanques (Valencia, Spain).

PRIME LOCATION

The residential care centre is situated on the outskirts of Tavernes Blanques, on the border of the city of Valencia between a residential neighbourhood and an agricultural area. A variety of amenities are within

walking distance and it offers excellent connectivity by both car and public transport, making this a truly prime location.

SUSTAINABILITY AND INNOVATION

The residential care centre has been constructed with a modern design, using high-quality materials and the latest standards and techniques, while also prioritising residents' comfort and expectations throughout the design process. The result is a state-of-the-art residential care centre answering to the modern customer needs.

In terms of sustainability, the asset has achieved an EPC A score and incorporates, among other measures, the following energy-efficient and/or saving installations: air-to-water heat pumps for specific parts of the building, LED lighting, 164 photovoltaic solar panels, an Energy Monitoring System, and EV charging stations.

FINANCIAL AND OPERATIONAL STRUCTURE

The €10.6 million investment was financed through



debt and structured with a long-term 'triple net' lease agreement of at least 20 years. This provides financial stability while minimising operational risks.

The asset is the first partnership with Solimar, which currently operates 12 residential care centres in Spain (of which nine are in the autonomous community of Valencia), and in whose expertise we have great confidence. Solimar is part of the Vivalto Vie group, which operates a network of residential care centres in Belgium, France, Ireland and Spain.

MARKET IMPACT

With this delivery, the company's Spanish portfolio now includes seven operational care locations, leaving only the residential care centre in Elche yet to be delivered/opened.

The delivery of this centre now adds much-needed capacity in the Valencian region which urgently requires over 6,000 beds in residential care centres to be built in order to meet the WHO's recommended 'coverage rate' of five available beds per hundred people older than 65 years.







Villa Batavia: a new standard in elderly care and community living

In a world where ageing populations are growing, the need for compassionate, high-quality elderly care is more essential than ever. As a leading healthcare real estate player since 2005, Cofinimmo has been driven by the belief that nursing and care homes are the foundations of dignity, comfort, and community. Villa Batavia is the perfect illustration of this philosophy.

Located in Grimbergen, a green and accessible municipality on the outskirts of Brussels (Belgium), this newly built facility redefines what it means to age

with comfort, respect, and joy. Completed in early 2023, the complex replaces two older nursing and care homes (Ascot and Iris), marking a significant upgrade in both living standards and care quality. With 82 beds spread across a 6,100 m² surface area, the facility is designed to offer extensive care in a warm, homelike setting.

The site is organised into four small-scale residential units, each with its own living room, dining area, lounge corner, and open kitchen. This layout fosters a familial atmosphere while preserving the privacy

and independence of each resident. The rooms are spacious, equipped with private bathrooms, and can be personalised with cherished belongings. A protected unit is also available for residents with severe dementia, ensuring safety while maintaining freedom through supervised outings.

The building itself exemplifies sustainable design, featuring a hybrid heating and cooling system that combines gas with air/water heat pumps. To ensure optimal indoor air quality, it is equipped with a 'system D' ventilation system. Solar panels



THE SENIOR HOUSING AND HEALTHCARE REAL ESTATE MARKET



contribute to reducing the facility's environmental footprint, while electric vehicle charging stations and infrastructure supporting green mobility further reinforce its commitment to eco-friendly living.

These features reflect Cofinimmo's broader vision, which is to create healthcare infrastructure that is not only functional but future-proof.

The site location also ensures easy access for families, staff, and services. With multiple bus lines, nearby tram and metro connections, and proximity to the A12 motorway and Brussels Ring, the complex is well-connected to the wider region.

When it comes to amenities, residents benefit from a thoughtfully designed environment that supports both comfort and well-being. Villa Batavia features a welcoming central reception area and the cosy O'Café, complemented by on-site salon services for hairdressing and pedicures. Dedicated spaces for physiotherapy and occupational therapy promote physical health, while accessible bathrooms with bathtubs ensure ease and safety. Modern conveniences such as Wi-Fi and television are available throughout the building, and residents can

enjoy peaceful moments in the shaded gardens. The entire facility is wheelchair-accessible, with lifts providing easy movement across all floors.

Orelia's dedicated care team is available day and night, working closely with residents and their families to develop personalised care plans that promote autonomy and well-being. A rich programme of activities makes every day unique, engaging, and fulfilling.

Through projects like Villa Batavia, Cofinimmo reaffirms its commitment to building environments where ageing is met with respect, comfort, and joy, while building a future worth growing old in.





Watermark Residences at Newgreens Chatswood, Sydney

Watermark Residences at Newgreens Chatswood is an innovative active-ageing senior living development set within the Newgreens luxury lifestyle and golf community in Sydney, Australia. The development comprises 106 two- and three-bedroom apartments, each with light-filled, spacious layouts, large balconies, and stunning views over the Chatswood Golf Course. Designed for modern senior living, the residences blend comfort, aesthetics, and functionality to support independent and engaged lifestyles.

LOCATION

Located just 10 km from Sydney's city centre, the site is set on the Chatswood Golf Course and surrounded by parklands and the Lane Cove National Park. Residents enjoy access to walking tracks, natural bushland, and scenic landscapes, offering a sense of privacy and tranquillity while remaining close to urban amenities.

LIFESTYLE AND AMENITIES

The development's centrepiece is the new Chatswood Golf Clubhouse, which provides extensive lifestyle and leisure facilities, including a fine dining restaurant, bar, function rooms, indoor hydrotherapy pool, yoga studio, gym, café, residents' lounge, cinema, consulting rooms, and a golf pro shop with access to the course and practice facilities. Residents benefit from on-site services including room service, housekeeping, and wellness programmes.





WELLNESS AND ON-SITE CARE

Watermark Residences offers a holistic approach to healthy ageing. Fitness and wellness classes—including yoga, hydrotherapy, personal training, and gym sessions—support physical health. Care services, delivered by private operator Vitalis Home and Health Care, range from assistance with daily tasks and medical appointments to in-home acute care, enabling residents to “age in place” and delay or avoid relocation to nursing homes. Personalised care ensures residents maintain independence and quality of life while accessing support when needed.

ARCHITECTURE

The development is carefully integrated into the site’s natural sandstone escarpments, maximising views of the golf course and surrounding bushland. The gently curved buildings are designed to follow the natural contours, with the five-storey scale reduced through cuttings into the escarpment and a buried basement car park. Landscaped lightwells aid navigation, while extensive gardens provide privacy and enhance aesthetics. The central clubhouse is a sculptural focal point, combining

contemporary design with harmonious integration into the environment.

INTERIOR DESIGN

Apartments feature timeless, elegant interiors with neutral palettes, allowing residents to personalise spaces. The clubhouse interiors combine luxury with comfort, using natural materials and warm tones that reflect the surrounding landscape. On-site dining options include a fine dining restaurant, lounge and bar, ground-floor bistro, and exclusive residents’ lounge, providing social and recreational spaces.

SUSTAINABILITY

Sustainability is embedded throughout the development. Rainwater is captured for irrigation, over 650 trees have been planted to complement the natural environment, and the golf course grounds have been preserved. The roof incorporates 2,000 solar panels, powering all apartments and eliminating residents’ electricity bills. Electric vehicle charging stations are also provided on-site.

INNOVATIVE DESIGN AND OPERATIONAL MODEL

Life3A’s architectural approach ensures that all apartments have golf course views, visual and acoustic privacy for neighbours, and minimal shadow impact. The design leverages the 18-metre site level change to create new landscaped areas, maximise setbacks, and integrate outdoor spaces. By combining innovative architecture, wellness facilities, and personalised care services, Watermark Residences creates a sustainable, high-quality living environment that supports independent, healthy, and fulfilling lives for seniors.



Residenza San Celso: Redefining Elderly Care Through Urban Regeneration in Milan

Residenza San Celso represents a landmark urban regeneration project in Milan, delivering a state-of-the-art nursing home within a densely built-up residential area near the iconic San Siro stadium. The development replaced an old school and transformed the site into a next-generation facility for elderly care, while also redeveloping the surrounding street, green areas, and infrastructure.

The project was developed and realised by Health Invest, a company with more than 25

years of experience in consultancy, research, development, design, and delivery of nursing homes, rehabilitation clinics, and senior housing. Its multidisciplinary team manages the full project lifecycle, from permits and financing to construction and operations. Beyond new developments, Health Invest also supports the modernisation and reorganisation of existing facilities, working with banks, leasing companies, and investment funds. With Residenza San Celso, Health Invest has demonstrated its ability to combine architectural

quality, innovative technology, and sustainability into a facility that sets new standards in elderly care.

FACILITIES AND ACCOMMODATION

Residenza San Celso provides 120 beds for non-self-sufficient elderly residents. These are divided into six self-contained units of 20 beds each, accommodated in 96 single rooms and 12 double rooms, all with en-suite bathrooms. The focus on privacy and comfort—favouring single rooms and



suites—contrasts with many traditional facilities that rely on shared rooms, establishing a new benchmark for hospitality-standard senior care.

DESIGN AND RESIDENT EXPERIENCE

Every aspect of the project was conceived to create a safe, stimulating, and homelike environment. Residents arrive through a pergola-covered garden and outdoor lounge area, leading to a bright reception hall with a spacious lounge and bar corner. The building's communal spaces include winter gardens, a glass-enclosed restaurant with an internal kitchen, and areas for rehabilitation, therapy, and social activities.

Amenities include a multipurpose events lounge, a modern rehabilitation gym with terrace, medical and therapy rooms, a central infirmary, a chapel, and a hairdresser/podiatrist salon. Each residential floor integrates hotel-style furnishings with discreet medical functionality, alongside lounges, dining rooms, gyms, tea lounges, and private meeting areas. The top floor houses the "Elite" unit, featuring superior, junior, and senior suites with refined layouts, large terraces, and exceptional levels of comfort.

Below ground, parking is provided for visitors and staff, with technical and support facilities such as laundry, storage, and staff rooms.

INNOVATION AND SUSTAINABILITY

Health Invest integrated advanced architectural and technological solutions to ensure operational efficiency and long-term resilience. Building automation allows remote monitoring and control of heating, cooling, lighting, and blinds.

The project achieved Italy's top energy class rating (A4) and LEED Gold certification. Around 65% of energy demand is met through renewable sources including photovoltaic panels, district heating, and a water-source heat pump. High-performance insulation, radiant panel climate control, and LED lighting further enhance energy efficiency and reduce environmental impact.

OUTCOMES AND IMPACT

Within a constrained urban context, Residenza San Celso has successfully delivered a modern, functional, and welcoming care environment

that prioritises residents' well-being, privacy, and dignity. The project has been positively received by residents, families, and regulatory authorities, and is regarded as a reference model for elderly care facilities in metropolitan settings.





Mariehjemmene Kolding: Intergenerational Care and Community in the Heart of Jutland

Mariehjemmene Kolding represents a forward-thinking approach to senior care, combining a modern aged care home with an integrated kindergarten to foster meaningful connections between generations.

LOCAL CONTEXT AND CARE NEEDS

Located in the southern part of Jutland, Kolding Municipality is one of many municipalities in Denmark experiencing a growing elderly population and an urgent need for more care beds. To meet this need, the municipality decided a few years ago to

establish an additional 170 care beds over a period of 4–5 years, as a combination of municipal and private care facilities.

This paved the way for Mariehjemmene Kolding, the first private care home in the municipality. The project was developed by NREP and was acquired by Northern Horizon in 2023 in the largest care home transaction ever completed in Denmark. After several years of planning and construction, Mariehjemmene care home and KLAX kindergarten opened their doors in the summer of 2025.

A PRIME LOCATION AND INNOVATIVE DESIGN

Mariehjemmene Kolding is unique in several ways. Not only is it the first private care home in Kolding Municipality, but its location is also one of the very best: in the heart of Kolding, close to the station, yet surrounded by nature with views of a green playground, a forest, and Kolding fjord.

The asset consists of two buildings: the northern building with four floors and the southern with three. A glass walkway connects the two, creating



a setting where two generations can benefit from one another in daily life.

CARE HOME CONCEPT AND RESIDENT EXPERIENCE

The care home is operated by Mariehjemmene, an experienced Danish non-profit organisation that has operated private aged care homes and facilities since 1958.

The home offers bright, modern care units for 80 elderly residents in need of 24/7 care, supported by a broad, multidisciplinary staff including nurses, care assistants, nursing aides, and pedagogues.

The units are organised into five groups, each accommodating 16 residents with a dedicated staff team. Each apartment is approximately 36 m², with a living room featuring a bay window, a private kitchenette, and a spacious bathroom. Residents are free to furnish the apartment themselves with their own familiar furniture and décor.

Meals play an important role in daily life, prepared in the home's own kitchen and served in inviting, light-

filled dining areas. Shared lounges, cosy common rooms, and accessible outdoor areas — including a courtyard, pétanque court, and walking paths — create a warm, homelike atmosphere.

KINDERGARTEN INTEGRATION

The kindergarten is an integrated facility for children aged 0–6 years, accommodating 89 children. It is operated by KLAX, a German private operator with 30 years of experience. KLAX' philosophy is inspired by the Danish approach to childcare, with space concepts designed around a variety of rooms dedicated to activities such as role play, science, art, and movement.

KLAX already piloted this intergenerational approach in Greve in 2023, locating a daycare next to an aged care home. The positive effects of close interaction between children and older residents — mutual joy, stimulation, and social learning — encouraged KLAX to bring the model further in Kolding, where even stronger daily connections are built.

ARCHITECTURE AND SUSTAINABILITY

Mariehjemmene Kolding was designed by Rubow Architects, specialists in care homes, educational facilities, and social housing, with numerous national and international awards to their name.

In line with Denmark's high standards, sustainability was a key priority. The project aims for DGNB Gold certification, focusing not only on environmental sustainability but also on social sustainability — especially through the daily intergenerational interaction between children and elderly residents.

IMPACT AND OUTLOOK

With Mariehjemmene Kolding, the municipality now offers its elderly residents greater choice between public and private care homes. The project stands as a model for how innovative design, intergenerational interaction, and sustainability can redefine aged care facilities, while creating new value for local communities.





Erftstadt an den Jahnshöfen – Setting a New Standard for Premium Senior Living in Germany

The SCHÖNES LEBEN Erftstadt residence is one of the most prominent examples of premium Senior Living in Germany. Completed as a greenfield development in North Rhine-Westphalia, the project combines barrier-free housing, a wide range of lifestyle amenities and integrated care services. The residence comprises 163 barrier-free apartments ranging from one to four rooms and between 37 and 120 square metres in size. The apartments are distributed across four new-build structures within a landscaped, fully accessible site. Within only eighteen months of opening, the residence had already reached an occupancy rate of 95 per cent.

MARKET CONTEXT AND STRATEGY

Demand for premium senior residences in Germany is rising rapidly, driven by demographic change, increased life expectancy and a growing expectation among older generations for autonomy, lifestyle and high service standards. Despite this strong demand, new construction activity in the sector remains limited, creating a significant supply gap and high barriers to entry. The SCHÖNES LEBEN Group, the fastest growing company in Germany in this new market segment, has positioned itself to address this imbalance.

Its expansion pipeline foresees at least five additional projects within the next three years and a further five by 2030. The group's model is built on high-quality new-builds meeting ESG standards, combined with a distinctive service bundle ranging from fine dining and wellness to professional healthcare support. Pricing has been carefully structured to make premium living accessible to a wider audience. In this sense, Erftstadt functions both as a proof of concept and a lighthouse project that supports the group's wider expansion strategy in Germany and, in the longer term, internationally.





LOCATION AND AMENITIES

The Erftstadt project, designed as a five-star senior residence, benefits from a green setting close to the historic Konradsheim moated castle and a neighbouring golf course. Residents have access to a full suite of amenities including the public Arnolds restaurant, the family café Papageno with outdoor terrace, exclusive club rooms and a library, a fireplace lounge, wellness and beauty areas, and a fitness suite with structured programmes. A rich programme of cultural and leisure events is offered almost daily. In addition, the residence provides outpatient and day care services, enabling residents to combine the independence of their own home with the reassurance of support whenever required.

DESIGN AND SUSTAINABILITY

The development was delivered in line with ESG standards, setting a benchmark in terms of architectural quality, sustainability and long-term usability. Both the built environment and the landscaped outdoor areas were designed with accessibility and comfort in mind, reinforcing the focus on high-quality living conditions.

OPERATIONAL PERFORMANCE

From an operational perspective, performance has been strong. Erftstadt achieved 95 per cent occupancy within just eighteen months of opening, underlining the strength of local demand for this type of accommodation. Other projects have delivered similar results: in Wolfsburg, more than 65 per cent of apartments were let within a year; in Gotha, full occupancy was reached within two years; and in Wuppertal, nearly half of the apartments were pre-let before completion. These results demonstrate not only the depth of demand but also the scalability and resilience of the model.

INVESTOR PERSPECTIVE

The Erftstadt project has attracted institutional investor interest. M&G Real Estate acquired the Erftstadt property for €82.5 million under a 25-year lease agreement, a transaction that highlights the investment-grade quality of the asset class. For long-term investors, the combination of stable demand, proven operational performance and strong ESG credentials makes developments such as Erftstadt particularly attractive.





A new form of assisted living: Premium living at Strand Domizil Grimmershörn in Cuxhaven

Strand Domizil Grimmershörn in Cuxhaven is a prime example of a new segment emerging in the field of senior living: high-quality rental apartments with hotel-like amenities, combined with comprehensive care and services. This form of senior care is primarily aimed at more affluent target groups who value comfort, security, individuality, and an exclusive living environment.

EXCLUSIVE LOCATION

The property is located in the front row on the Döser Seedeich, directly on Grimmershörner

Bay. Its waterfront location with views of the Elbe estuary combines a holiday atmosphere with urban centrality. This location highlights a trend: seniors with the necessary financial means are no longer just looking for functional care or residential options, but for an environment that signals quality of life and prestige.

THAT CERTAIN SOMETHING EXTRA

The property comprises 36 apartments that go beyond classic senior apartments in terms of furnishings and interior design. In addition to the

private living area, the building offers communal spaces that convey the character of an upscale club or boutique hotel. These include a restaurant, a club lounge, a fireplace room, a sauna with a rooftop bar, and a fitness area. Such offerings create a lifestyle that focuses not on sacrifice, but on enjoyment and activity.

CONCIERGE SERVICE AS A DISTINGUISHING FEATURE

At the heart of the care concept is a concierge who serves as the central point of contact for residents.



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The service ranges from everyday errands to support in special situations or in the event of illness. This highlights a significant difference from traditional retirement homes: the primary focus is not on care, but on an all-inclusive package that ensures quality of life.

ADDITIONAL SERVICES AND INDIVIDUALISATION

In addition to the basic services, residents have access to additional services that can be flexibly booked as needed, such as laundry and cleaning services, shopping services, or personal accompaniment to appointments. This modularity allows the level of care to be individually adapted to changing needs. The key is that residents retain their independence, while always having a comprehensive safety net in the background.

LEISURE, CULTURE, AND COMMUNITY

Strand Domizil Grimmershörn integrates cultural and leisure activities directly into the building. Collaborations with local institutions create a

programme of lectures, readings, and music evenings. In addition, there are sporting activities such as yoga and Pilates, as well as day trips. The aim is to make the transition to retirement not a retreat, but an active and enjoyable phase of life.

MARKET AND INDUSTRY SIGNIFICANCE

This example illustrates a development that is likely to become more relevant in the coming years: while the demand for inpatient care continues to grow, a premium segment tailored to affluent seniors is emerging in parallel. This target group demands more than just care – it expects comfortable living, high-quality services, and social and cultural participation.

Projects such as Strand Domizil Grimmershörn demonstrate that senior care does not necessarily have to be tied to traditional care structures. Instead, a hybrid model is emerging that combines residential living, hospitality, and services, setting new standards and opening up new business areas, particularly for investors and operators.





ABOUT Senior Housing & Healthcare Association

Senior Housing & Healthcare Association (SHHA) Established in 2020, SHHA is the leading international platform dedicated to senior housing and healthcare real estate.

With a truly global reach, we bring together operators, developers, financial institutions, and investors to exchange insights, strategies, and best practices that drive the sector forward.

There is strong momentum behind senior housing and healthcare: ageing demographics are creating growing demand, while limited supply highlights the need for innovation and investment. What was once viewed as an alternative asset class has now firmly entered the mainstream, attracting both domestic and international capital.

SHHA plays a central role in making the market more investable by fostering transparency, building confidence, and facilitating collaboration across the entire ecosystem. By redefining and recreating the way stakeholders engage, we are helping to establish senior housing and healthcare real estate as a resilient, scalable, and sustainable investment sector worldwide.

JOIN US TO SHAPE
THE FUTURE OF THE INDUSTRY!

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shha.international

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



SHHA

DRIVING THE SENIOR HOUSING & HEALTHCARE MARKET FORWARD

One certainty in these unpredictable times is that the global demographic shift is irreversible. Investing in senior housing and healthcare means investing in long-term well-being and quality of life worldwide.

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

www.SHHA.international



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