

One-Stop Senior Homes Gain Momentum

Projects planned despite rules that burden developers
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by Shira Boss-Bicak

Soaring property values are usually bad for seniors: They drive up taxes, and those living on fixed incomes get squeezed.

But the New York area's housing boom is giving continuing care retirement communities a boost as more seniors take the equity out of their houses and buy into the facilities, which let people of retirement age stay in one place for the rest of their lives.

Six new CCRCs are being developed around the state. The first in New York City is scheduled to open in 2008.

CCRCs have long been popular in other states, including Pennsylvania, which has 140. Strict regulations in New York, which has just eight facilities, have driven up costs for both developers and residents.

Seniors pay an entrance fee, usually hundreds of thousands of dollars, to get into a CCRC. Much of that is refunded to residents if they move, or to their estate when they die.

CCRCs are intended for those who want a social network that they won't lose should they become less active.

"I need an independent, vibrant community," says Laurel H. Berkman, who has reserved a

studio apartment at Skyline Commons, a CCRC under development in Jamaica, Queens. "If I reach a point when I need [assistance or constant care], I have a lifetime guarantee of getting it."

Skyline Commons requires an entrance fee of \$195,000 to \$895,000, depending on the size of the apartment, plus a monthly fee. With a studio, Ms. Berkman will pay \$2,714 a month for housekeeping, activities and 30 meals.

The 143-unit CCRC will also have 19 assisted-living apartments and a 40-bed nursing home.

Long-term care covered

If Ms. Berkman eventually needs more care, Skyline will provide it at no extra cost. CCRCs commonly wrap a long-term care policy into the entrance fee, so residents can have unlimited care without depleting their assets.

Because most facilities require a doctor's exam for entry, seniors who move to CCRCs tend to be healthy as well as affluent. With so few communities here, other states have attracted New York retirees who fit the bill. For instance, 8% of the residents at Meadow Lakes in East Windsor, N.J., are New Yorkers.

"It's said that this is one of the only states that exports its wealthy seniors," says Ken Harris, a director of the New York Association of Homes and Services for the Aging.

Though a bill has been passed to relax the rules, New York still requires that a CCRC have 70% of its units reserved before it can start building. To guard against CCRCs failing and residents losing their money, the state also mandates that a high percentage of the fees be kept in safe, low-yield investments.

"CCRCs have to sit on a huge amount of money, which is one of the reasons they are so expensive in New York," Mr. Harris says. The industry is lobbying for lower reserves and improved access to cheaper financing.

The communities also have to sell themselves carefully, as many potential residents are turned off by the concept of on-site nursing care.

"There's no question people misunderstand that this is targeted to healthy, active seniors," says James Davis, president and chief executive of Amsterdam House, which is developing The Amsterdam at Harborside in Port Washington.