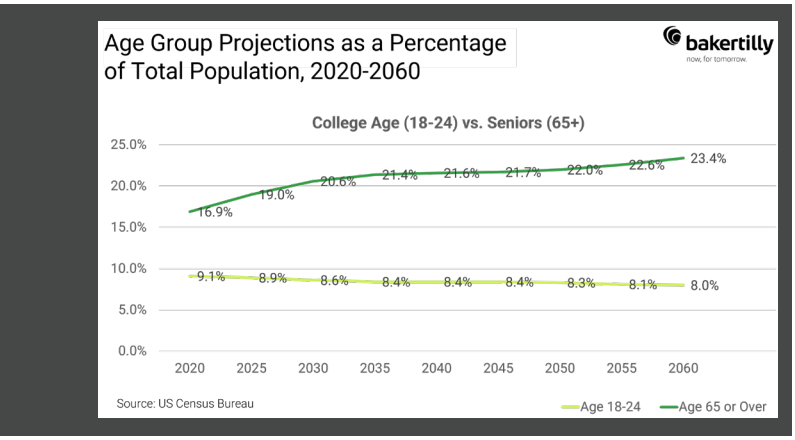
CREATIVE OPPORTUNITIES FOR GROWTH



UNIVERSITY BASED RETIREMENT COMMUNITIES

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There has been a lot of buzz around **University-Based Retirement Communities** (UBRC's). Even in the midst of the COVID-19 pandemic, industry experts have predicted a rise in their number[1] as both higher ed and senior living seek creative strategies for future vitality.



Downward trends in on-campus enrollment and revenue can be partially attributed to a declining cohort of college-age population. At the same time there has been a well-documented rise in baby boomers reaching retirement age and thus increasing demand for senior housing options. However, both groups have faced increasing competition whether from similar organizations or increasingly by home-based alternatives that technology has made possible.

The New Senior on Campus: Upsides for Institutions and Senior Living Sponsors

College-affiliated retirement communities, located on or near higher ed campuses, provide both entities with creative opportunities for mutual growth. From an institution's perspective, an ideal UBRC partnership can introduce a steady form of alternative revenue while supporting campus initiatives such as research, academic programs and community outreach. Colleges also benefit from having an active pool of senior residents on campus as continuing education students, guest lecturers, research advisors, student mentors, club advisors and volunteers.

For senior living providers, a University-Based Retirement Community provides a differentiator in an increasingly competitive marketplace. A UBRC can provide instant branding and name recognition, as well as staffing resources in the form of student internships or part-time employment. There are the obvious benefits of authentic lifelong learning experiences and intergenerational interactions. However, UBRC's can also offer more robust athletic, recreational and performing arts amenities than a typical retirement community campus.



RESIDENTS OF THE VILLAGE AT PENN STATE HAVE OPPORTUNITIES TO VOLUNTEER ON CAMPUS, TAKE CLASSES, OR USE CAMPUS ATHLETIC FACILITIES AND TAKE LESSONS FROM COLLEGE ATHLETES. IN ADDITION TO CAMPUS OFFERINGS, ROAD SCHOLAR AND OSHER LIFELONG LEARNING INSTITUTE (OLLI) CLASSES ARE ALSO OFFERED ON-SITE FOR VILLAGE RESIDENTS EACH SEMESTER.

What Exactly is a UBRC?

Andrew Carle, former Director of George Mason University's Program in Seniors Housing Administration, is credited with coming up with the term, University Based Retirement Communities,™ along with specific criteria to qualify as a UBRC. Based on Carle's definition, the following criteria are required:

- Full continuum of senior care
- Senior housing located within about one mile of the university campus
- Shared programming
- Financial ties
- Alumni connection.

However, there are a number of business and operational models that have been mutually beneficial for colleges and senior living providers. Each partnership is somewhat unique and terms are often used interchangeably.

Other College-Affiliated Retirement Models

Generally, University-Affiliated communities are located near a college campus, benefit from educational opportunities and/or some campus resources for residents and can typically use the institutional name in marketing/branding. In a University-Partnered relationship the institution and provider have a focused, mutually beneficial relationship, often centered around research or health services.



LASELL VILLAGE, DEVELOPED AND GUIDED BY LASELL UNIVERSITY IN NEWTON, MASSACHUSETTS, IS UNIQUE FOR ITS DIRECT APPROACH TO LIFELONG LEARNING. EACH RESIDENT CREATES A PERSONALIZED COURSE TO MEET AN ANNUAL 450-HOUR MINIMUM OF LEARNING AND FITNESS ACTIVITIES. THE COMMUNITY REPORTS THAT MOST RESIDENTS EXCEED THIS MINIMUM REQUIREMENT.[2] PHOTO CREDIT: LASELL VILLAGE VIA FACEBOOK, POSTED 28 APR. 2017

There is also a network of institutions in the United States and internationally that have earned Age-Friendly University (AFU) designation. Participants commit to AFU's ten age-friendly principles through programs and policies that center on engaging with older adults inside and outside of the classroom. From academic program to special events, Age-Friendly Universities provide robust opportunities for intellectual and social engagement. There are currently around 50 Age-Friendly Universities in the US including Lasell University, also a UBRC.

Specific strategies for Advancing Age Inclusivity in Higher Education can be found through the Toolkit[3] put together by the Gerontological Society of America (GSA) and its Academy for Gerontology in Higher Education (AGHE), with support from AARP.

Starting the Conversation

Recognizing the variability in UBRCs and the inherent challenges of two very different entities forming a partnership, RLPS assembled a group of senior living professionals to share their insights. This group consisted of a multi-site senior living sponsor, a marketing/financial analyst and a planning and design professional who have focused on the senior living market throughout their careers. These professionals shared their perspectives regarding mutual benefits that could be achieved, potential challenges to anticipate and key considerations for success in response to the following questions.

1. *We may be interested in a University-Based Retirement Community, but where do we start?*

College and universities with undeveloped property, vacant housing or research/academic partnering opportunities should reach out to local senior living providers to informally discuss the potential. Industry organizations such as LeadingAge, Argentum and the American Seniors Housing Association (ASHA) are good resources to identify reputable organizations. These community sponsors provide the background knowledge and experience needed to successfully operate a senior living community.

It's a good idea to start with communities located in close proximity to your campus, but there are also regional and national providers that could be good candidates. For instance, Kendal Corporation has partnered with colleges around the country through its various campuses. And most recently, this nonprofit teamed up with senior housing developer Greenbrier and the San Francisco Zen Center to open a new "zen-inspired" senior living community in Healdsburg, California.

Once you've made the initial connection, then it's a matter of evaluating the impact on each organization's bottom line – from both an upfront cost and long-term value standpoint. Each entity will also want to consider if and how joining forces will support the organizational mission and strategic growth objectives.

"We're looking for opportunities to offer older adults much more than basic housing and care," shares Evon Bergey, VP of Community Initiatives for Landis Communities. "We want to help them remain actively engaged in the community through lifelong learning and intergenerational interactions. At the same time, we're looking for ways to address the growing need for so-called "middle market" housing. A UBRC could be a good fit for providing housing that elders in the lower-middle income bracket could afford by taking advantage of existing campus infrastructure rather than building costly, new amenity spaces."



KENDAL AT GRANVILLE SHARES A SPECIAL BOND WITH NEARBY DENISON UNIVERSITY. DENISON ALUMNI HELPED START THE COMMUNITY IN 1996, WHICH WAS BUILT ON CAMPUS PROPERTY. MEMBERS OF ADMINISTRATION AND ALUMNI SERVE ON THE BOARD AND KENDAL AT GRANVILLE RESIDENTS ATTEND LECTURES, CONCERTS, PLAYS AND ATHLETIC EVENTS ON CAMPUS. KENDAL HOSTS DENISON STUDENTS AND FACULTY FOR LECTURES, WORKSHOPS AND OTHER SPECIAL EVENTS AND IN RECENT YEARS IMPLEMENTED AN ARTIST IN RESIDENCE PROGRAM FOR STUDENTS ENROLLED IN MUSIC STUDIES AT DENISON.

2. *If we build it, how do we know seniors will come?*

The numbers are promising from the standpoint of the "boomer wave," but that doesn't preclude the need for a market study to determine the specific realities for your campus. It's imperative to take a look at the real numbers for age and income qualified prospects in your market. This applies not only to establishing if there is a market need for seniors' housing, but also what that housing should look like and the type of amenities that will be expected.

According to Beverly Asper, Director at Baker Tilly US, "A market study is imperative not only for determining if some form of UBRC is viable, but also, the size and price point your local market can support, as well as the appropriate levels of care to be included."

Anticipated alumni impact should also be considered, along with competition and other market factors.

"A market study can help determine how likely alumni are to move into this type of community," Beverly points out. " Current UBRC's report anywhere from 50% to less than 10% of their resident population being alumni or former faculty and staff. This variability can be a reflection of numerous factors including geographical location, alumni engagement trends and strength of ties between the two entities."



CURRENTLY UNDER CONSTRUCTION, LANDIS PLACE ON KING IS 55+ HOUSING DESIGNED TO SERVE OLDER ADULTS AT THE MODERATE OR LOWER INCOME LEVEL WHILE ALSO RESPONDING TO CONSUMER PREFERENCES FOR A LIVING EXPERIENCE THAT PROVIDES AUTHENTIC INCLUSION IN A THRIVING COMMUNITY.

3. *How do we determine if our campus is a good fit for a University-Based Retirement Community?*

Some of the key factors for determining campus appeal for an older cohort are access to amenities, walkability and availability of services for everything from groceries to medical care.

Simply locating senior living near a college or university campus does not guarantee a strong connection.

- Is your campus located in a vibrant downtown so residents can easily get around or if your campus is isolated, will the on-campus resources be sufficient?
- Will there need to be a shuttle service If residents cannot easily walk to campus?
- Lifelong learning is desirable to many active older adults, but are there other benefits to being on campus, for example performing arts programming or athletic events?
- Can you provide appealing housing on par with other options in your market?

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"We've seen plenty of examples where retirement community and college campus neighbors have little to no interactions between the two," reports Beverly. "It seems like a missed opportunity, both from the sense of marketing differentiator and as a creative means to address increasing pressures on bottom lines."

The strongest UBRC relationships have a formalized program connecting senior residents to academic services and other campus amenities.



IT'S NOT YOUR GRANDMOTHER'S RETIREMENT COMMUNITY. CONTEMPORARY SENIORS' HOUSING MUST ACKNOWLEDGE THAT CONSUMERS HAVE MORE CHOICES THAN EVER BEFORE AND THEY ARE UNLIKELY TO SETTLE FOR SOMETHING THAT FEELS INSTITUTIONAL. PHOTO CREDIT: THE LOFTS AT LITITZ

"It's important to recognize current consumer expectations—for your marketplace, but also throughout the country if strong alumni support is expected," states Craig Kimmel, a Partner at RLPS Architects. "Campus life can be a great differentiator, but contemporary seniors' housing and amenities tend to be much more hospitality-based than campus housing. And you're probably going to be competing with other retirement communities, 55+ housing options and high-end private residences to attract people to your UBRC."

On the heels of the pandemic, consumers also have heightened expectations around safety measures, technological offerings, outdoor amenities and ready accessibility to healthcare and other resources.

80+ UBRC's in the United States[4]

4. *How does the funding work for a University-Based Retirement Community?*

Often, the initial cost of a feasibility study is split between the two entities. From there, the funding approach is as varied as UBRC relationships. Many existing UBRCs have been developer-financed and the senior living provider leases the property. There are options for HUD funding or tax credits, but these methodologies are restrictive and complicated to navigate. There is also a good bit of competition for this funding. Other funding sources include bank, bonds, PHARE (realty transfer tax) or USDA loans.

"Right now construction costs are high, with a great deal of volatility from ongoing pandemic-driven supply chain issues," Craig reports. "But the cost of borrowing is low to offset some of those challenges."

"Partnership details--roles, responsibilities and, of course, financial obligations must be established at the onset and regularly reviewed," says Beverly. "Often university administrators will serve on the board and vice versa, but you have to anticipate personnel changes over time. It's important to have regular goal-setting and responsibility reviews to maintain the relationship and alignment with evolving mission and strategic goal-setting over time."

Universities and senior living providers have much to offer one another. There is no standard UBRC template beyond the basic themes of lifelong learning and



intergenerational connections. This means that each institution and senior living provider must determine the best fit for their specific circumstances. It all starts with a conversation to envision the potential for what can be achieved.

Senior Living Association Resources:

American Health Care Association and the National Center for Assisted Living (AHCA/NCAL): ahcancal.org

LeadingAge: leadingage.org

National Investment Center for the Seniors Housing & Care Industry (NIC): nic.org

Society for the Advancement of Gerontological Environments (SAGE): sagefederation.org

[1] Regan, Tim "How Covid-19 Paves The Way For More Senior Living, University Partnerships." *Senior Housing News*, 1 Sept. 2020, https://seniorhousingnews.com/2020/09/01/how-covid-19-paves-the-way-for-more-senior-living-university-partnerships/.

[2] "Lifelong Learning." *Lasall Village*, https://lasellvillage.com/lifestyle/. Accessed 3, Feb. 2022.

[3] "Tools for Advancing Age Inclusivity in Higher Education." *The Gerontological Society of America*, Nov. 2021, https://www.geron.org/images/gsa/Marketing/SA/Toolkit_on_Advancing_Age_Inclusivity_November_2021.pdf.

[4] "College-Linked Retirement Communities." *Retirement Living*, https://www.retirementliving.com/college-linked-retirement-communities. Accessed 3, Feb. 2022



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Beverly Asper, a Director at Baker Tilly US LLP, provides market intelligence analysis to inform strategic planning of consumer driven senior housing options. She has a long history of financial audit, financial planning, and financial feasibility study preparation, collaborating with leadership teams on mission alignment, visioning, strategic organizational positioning, renewal, and sustainability initiatives.

Craig Kimmel, AIA, LEED AP, is a Senior Partner at RLPS Architects. His experience spans both senior living and higher education drawing on his particular focus managing projects for both new construction and facility reinventions. This background includes planning and design for The Village at Penn State and several Kendal communities in various states. Craig also serves on his local township planning commission providing a deeper understanding of long-term planning and municipal development issues.