



# Building

## BUSINESS & APARTMENT MANAGEMENT

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### BUILDING NEWS

## Assisted Living Developments On The Rise

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Assisted living developments have been popping up in thriving residential communities all over Michigan, and the trend will only get stronger due to higher life expectancies and the influx of aging baby boomers. As the residential market continues to struggle, many builders and developers are turning their attention to this real estate segment to diversify their business in a challenging economy.

Assisted living centers focus on active senior citizens who do not need 24-hour nursing care, but can benefit from some help with daily needs. Residents are encouraged to remain social and interact with other neighbors. This means buildings are designed to incorporate community dining areas, exercise facilities, music rooms, libraries, salons, and billiards and game rooms. The goal is to help the elderly lead independent lives in a non-institutionalized environment.

#### ADA Requirements

There are a few key points that make assisted living centers different from other real estate projects. For starters, everything must be compliant with the American Disabilities Act, so all areas are made handicap accessible with sidewalks and entrances at grade level. And, because these communities encourage walk-ability, everything is close by and parking lots are much smaller than in an apartment

complex or retail center.

#### Financing

Although privately funded assisted living developments are being built, the majority are public projects where civil engineers, developers and builders take advantage of federal financing programs available for senior housing. Therefore, proposals, surveys and site plans are all subject to approval and inspection by institutions such as the Home Fund, Michigan Housing Development Authority, and U.S. Department of Housing and Urban Development. There are stringent design and timing requirements that must be met in order for funds to be committed to a project. It's vital to have a team familiar with the budgeting process and an understanding of how to work with these agencies to move a project forward.

#### Location, Location, Location

One of the main challenges is finding the right site for the facility. In order to receive funding, there must be clear need for the service, which means busy population

centers are optimal. As people age, they want to stay in the same community, go to their favorite stores and maintain familiar surroundings. It's relatively uncommon to see facilities in communities located away from a city's hub. If the assisted living development is receiving financial help from the government, each apartment in the building is expected to be filled, with future needs anticipated, as well.

Overall, the assisted living market will continue to grow as the retirement-aged population gets older and requires additional care. It's a type of housing that fulfills a need and also provides great opportunity for management companies to use this trend to increase their service offerings. All it takes are the right professionals with the requisite knowledge and experience to effectively design the project and ensure all budgetary and federal requirements are met. ■

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