



# Senior Housing

## A Sunrise Sector in India

*A survey based empirical study*

September 2017

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## Senior Housing: A Sunrise Sector in India

### From President's Desk



**Mr. Gopal Jivarajka**

The share of elderly population in India's total population has increased from 5.6% in 1961 to 8.6% in 2011 and estimated to reach to 10.7% in 2021, 12.4% in 2026 and 23.6% in 2050. At this juncture, there is need to carefully examine the needs of elderly population with respect to socio, economic, financial, health and shelter along with focus on well versed geriatric facilities and use of innovative delivery models for comprehensive development and security of the elderly.

It is necessary to recognize that senior citizens are a valuable resource for the country and create an environment that provides them with equal opportunities, protects their rights and enable their full participation in society. Thus, extending support for senior citizens to ensure their social security, healthcare, shelter and welfare.

Therefore, senior housing would appropriately meet the needs of elderly population. Senior housing has evolved over the years to better match the new demand and lifestyle of seniors by offering a broader range of choices and variety of care facilities that allows senior to age with comfort and security.

However, the social stigma and lack of awareness about senior housing in our country is one of the main obstacles hindering growth of senior housing sector. Further, the sector will generate employment opportunities as large number of trained and skilled manpower is needed such as doctors, paramedical staff, professionals and care workers working in areas of setting up, executing and operating senior housing premises.

My best wishes to the distinguished participants at the seminar.





## Senior Housing: A Sunrise Sector in India



**Mr. Anil Khaitan**

### From Senior Vice President's Desk

As rising nuclear families and rapidly changing working style of today's generation requires long hours of commitment to their work, it is necessary to adequately address the emerging needs of the elderly population to promote their welfare and livelihood aspects.

Income security in old age, healthcare needs, safety and security and most importantly housing needs are necessary to focus on for the welfare of the elderly population. In this regard, senior housing sector will play a major role. Further, there is a need to increase the under standability and acceptability of senior housing in the society by organizing campaigns in collaboration of the Government and developers

Boost to the senior housing will facilitate generation of more and more employment opportunities in the healthcare, hospitality, housing and construction sectors. In the age of modernization and sustainable development, innovation is required to leapfrog the sector into a new-age of construction styles and methodology. Promoting mass senior housing construction with improved construction technologies and methodologies can help execute housing projects more efficiently and in lesser time.

Going ahead, our country needs more and more health and medical services, facilities and resources to fulfil caring needs of aged persons so that this section of the population should be capitalized in the process of growth and development of economy.

I wish all the success for the Seminar on Senior Housing sector in India.





## Senior Housing: A Sunrise Sector in India



**Mr. Rajeev Talwar**

### From Vice President's Desk

The senior housing sector in India is at a nascent stage with huge opportunities for the real estate developers, service providers, healthcare players and operators. Unlike western countries where the senior living sector has gained maturity, India has huge untapped potential in the sector.

There exist ample opportunities for the stakeholders of this sector for creating vast investments and employment opportunities in the economy on account of rising nuclear families and working population of our country.

In order to facilitate the elderly population, there is a need to introduce a single window mechanism for the elderly to enable them to obtain all facilities including health insurance and information about senior living apartments under one roof. There is also a need to introduce financial innovations for promoting participation of developers and consumers of the senior housing sector.

Motivation to real estate developers is required with lucrative framework and investment opportunities for promoting large scale participation in the senior housing sector by them in the coming times. Easy availability of land and finance options by the banks, tax incentives and subsidies would provide much needed fillip to this sector.

I wish the Seminar a great success which would be an excellent platform for great minds to come together.





## Senior Housing: A Sunrise Sector in India



**Mr. Saurabh Sanyal**

### From Secretary General's Desk

PHD Chamber of Commerce and Industry is an apex 112 years old proactive and dynamic multi-State apex organization working at the grass-root level across the states in India. The Chamber focuses on seven thrust areas including industrial development, infrastructure, housing, health, education and skill development, agriculture and agribusiness and digital India.

The survey based empirical study on Senior Housing: A sunrise sector in India is an exhaustive survey based report to understand the present state of the senior housing sector and growth dynamics in India from the perspective of key players or stakeholders, residents and prospective consumers.

The rising elderly population in the country will have an impact over various aspects of social and economic domains. Therefore, there is an emerging need to pay greater attention to ageing related issues and to promote holistic policies and programmes for dealing with ageing society.

I would like to express my gratitude towards all the stakeholders and surveyed participants for providing their valuable suggestions. I commend and appreciate the vigorous efforts of the PHD Research Bureau led by Dr. S.P. Sharma, Chief Economist and his team Ms. Surbhi Sharma, Senior Research Officer and Ms. Abha Chauhan, Research Associate who have come up with this comprehensive report.

I wish all the very best to all stakeholders of the seminar.





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## Senior Housing: A Sunrise Sector in India

### Executive Summary

The share of elderly population in India's total population has increased from 5.6% in 1961 to 8.6% in 2011 and estimated to reach to 10.7% in 2021, 12.4% in 2026 and 23.6% in 2050. At this juncture, there is need to carefully examine the needs of elderly population namely socio, economic, financial, health and shelter along with focusing on well versed geriatric facilities and use of innovative delivery models for comprehensive development and security of the elderly.

It is necessary to recognize that senior citizens are a valuable resource for the country and create an environment that provides them with equal opportunities, protects their rights and enable their full participation in society. Thus, extending support for senior citizens to ensure their social security, healthcare, shelter and welfare. Therefore, senior housing would appropriately meet the needs of elderly population. Senior housing has evolved over the years to better match the new demand and lifestyle of seniors by offering a broader range of choices and variety of care facilities that allows senior to age with comfort and security. The senior housing sector in India is at a nascent stage with huge opportunities for the real estate developers, service providers, healthcare players and operators. Unlike western countries where the senior living sector has gained maturity, India has huge untapped potential in the sector.

The present study focuses on to analyse the trend of senior housing sector in India, study the view of key players or stakeholders operating in this sector in India, both from the perspective of key players or stakeholders operating in this sector and consumers perspectives. A survey of about 30 senior housing projects developers, 486 senior housing residents survey and 2,598 prospective consumers survey have been undertaken. According to the survey, around 30% of the developers have been operating senior housing projects in India for about 2-5 years, 25% for around 1-2 and 5-7 years each and only 20% for more than 7 years. This is due to the fact that senior housing is a nascent sector in India and has only taken off since the beginning of the 21st century.

The survey highlights that around 60% of the companies operating senior housing projects in India are of Indian origin, 30% are operating in Joint Venture with Indian Companies and only 10% are companies are of foreign origin. According to the survey, around 80% of the developers have developed less than 5 senior housing projects on an average, whereas 15% of the developers have developed more than 5 projects and only 5% of the developers have developed more than 10 projects. This may be attributed to the hurdles faced by the developers related to land acquisition, financial assistance and regulatory framework etc. while undertaking senior housing projects. According to the survey, senior housing projects in India have different square feet rates in different regions across India. According to the survey findings, the per square feet rates for Western region varies between Rs. 9000-10000, Southern region varies between Rs. 4000-8000 and Northern region varies between Rs. 5000-7000 respectively.

The survey reflected that average time to complete all the procedural formalities to start senior housing project in India varies from 3 months to more than 12 months. While 55% of the developers are of the opinion that it takes 6-12 months to complete the procedural formalities, 35% of the developers responded that the time varies from 3-6 months and 10% of the developers believe the time taken is more than 12 months. This is due to various cumbersome formalities related to land registration, obtaining a construction permit, electricity connection and various other formalities across India.







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According to survey findings, around 60% of the developers offer complete sale model, 30 % offer only lease deposit model and only 10% of the developers offer pure rent model. About 30% of the developers provide post retirement employment assistance programmes to their residents and 70% of the developers provide loan facilities to the buyers of senior housing flats/apartments. According to the survey, the average price range of Senior Housing projects varies across India with 1BHK ranging between Rs 25-40 lakhs, 2BHK in the price range of Rs 40-80 lakhs and 3BHK in the range of Rs 80- 150 lakhs.

According to the survey findings, around 78% of senior housing projects in India are operating in the Western and Southern regions, while only 22% exist in Northern India. Senior housing sector has enormous potential if viewed from the size of the sector in 2016 till the projected year of 2030. On the basis of growth perceptions of the senior housing sector and survey, the sector has the potential to enter double digit growth, going ahead, on account of conducive regulatory environment, reviving investments in economy and expanding consumer base across all regions of the economy. According to the survey, developers felt that the size of the sector is estimated to reach from US\$ 1.26 billion in 2016 upto US\$ 7.7 billion by 2030 on account of conducive framework in our country.

According to the residents' survey, about 65% of the residents have purchased their apartment/flat/independent house in senior housing projects. The income levels over the past many years have risen and provided scope for increased savings. Therefore, savings at the time of retirement supported them to buy property. Around 25% of the residents have opted for Lease Deposit Model and remaining around 10% respondents have opted for Pure Rental Model. The survey has revealed that a large percentage of residents (43%) purchased 2BHK apartments, followed by 1BHK apartments (26%), 3BHK flats (21%) and remaining 10% purchased independent villas.

All respondents unanimously have opined that with rising age, the inclination towards healthcare facilities and food requirement increases, while the requirement for shelter tends to remain minimal, therefore small apartment size fulfils their need. The survey has revealed top ten priorities of residents while choosing a senior housing project. Location of the project has been ranked first, size and space of the project at second rank, comfort and design features at third rank, followed by independence, security, quality of life, price of buying a unit, cost of maintenance, health care services and facilities offered by service provider.

According to the prospective consumers survey, 78% of the total respondents have expressed their interest in opting for senior housing owing to various factors such as ease of living with supported facilities like assistance in day to day activities, healthcare facilitates, recreational activities for remaining socially connected etc. It has been observed during the survey that large share of respondents (33%) have preferred to opt for senior housing between the age group of 65-70 years, followed by 29% respondents opined to opt for senior living between 60-65 years of age and 19% respondents have expressed their interest to opt for senior housing between the age group of 70-75 years.

According to the survey, the key cities emerged as a retirement friendly destination in the Northern Region are NCR, Chandigarh, Dehradun, Lucknow, Jaipur and Amritsar. While in the North-Eastern Region, the emerging retirement cities are Guwahati and Shillong. In the eastern region, Ranchi, Jamshedpur, Kolkata and Patna are the emerging cities. Mumbai, Pune, Nasik, Ahmedabad,





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Vadodara, Panaji and Surat are the cities opted by the residents in the Western Region as favourite retirement destinations. Bengaluru, Chennai, Hyderabad, Coimbatore, Mysore and Puducherry are the key cities in the Southern region which have emerged as their preference for post retirement destinations. The key reasons for cities emerging as a retirement friendly destinations is on account of factors such as better connectivity, native places, familiarity with area, climatic familiarity, better employment opportunities for their children, etc

Most of the respondents (about 70%) have opined that top five places which will emerge as a retirement friendly destinations are Bengaluru, Hyderabad, Mumbai, NCR and Chandigarh. About 52% of the respondents have expressed their interest in post retirement employment assistance in areas like education, teaching, administrative, NGOs etc. Further, about 57% of the residents have opined that they would like to opt for loan facilities for purchasing senior living homes.

The key challenges for the senior housings sector in India are lack of availability of skilled manpower, lack of affordability, social stigma, lack of awareness and high cost of marketing. Rising nuclear families and working population of our country is giving push to seniors to prefer living separately and simultaneously remaining socially connected and fit. Hence, senior living concept is expected to emerge at an impressive growth rate in the coming times. Large number of senior today prefers to remain independent, financially stable, well informed, socially connected and therefore demand for senior housing sector is likely to grow in the coming times. Growing Senior housing sector is likely to push growth, productivity, investments and employment in other sectors of the economy such as healthcare, construction, hospitality, etc. The sector will generate employment opportunities as large number of trained and skilled manpower is needed such as doctors, paramedical staff, professionals and care workers working in areas of setting up, executing and operating senior housing premises.

In India the size of the elderly population, i.e. persons above the age of 60 years is fastly growing. For a developing country like India, this may pose mounting pressures on various socio economic fronts including pension outlays, health care expenditures, fiscal discipline, savings levels etc. This segment of population faces multiple medical and psychological problems. Hence, there is an emerging need to pay greater attention to ageing-related issues and to promote holistic policies and programmes for dealing with the ageing society. Regulatory body must be established for senior housing sector in India in order to invite genuine stakeholders to participate and promote fair plays in the market.

There is need to carefully examine the needs of elderly population and focusing on well versed geriatric facilities and use of innovative delivery models for comprehensive development and security of the elderly. Further, there is a need to introduce a single window mechanism for the elderly to enable them to obtain all facilities including life insurance, health insurance and information about senior living apartments under one roof. Government should facilitate developers by setting up hospitals, police stations, health camps, etc nearby senior housing projects to generate its acceptability and confidence among the society. Going ahead, our country needs more and more health and medical services, facilities and resources to fulfill caring needs of aged persons so that this section of the population should be capitalized in the process of growth and development of economy.





## Senior Housing: A Sunrise Sector in India

### 1. Global outlook of the Senior Housing Sector

**Globally, the proportion of over 65 in the population will more than double to 16.2% by 2050**

Senior housing is defined as a mix of real estate, hospitality, and care with high-quality housing and nursing care facilities presenting alternatives for an exploding senior population, from choice-based options (independent living) in early retirement to needs-based (assisted living, memory care, and skilled nursing) as care requirements increase. Today's complex and constant changing market environments require special solutions. The senior housing sector is the answer to the changing dynamics. Multi-modality continuing care retirement communities (CCRCs) combine several levels of care in a single setting so residents can age in place. The senior housing is an investment which has provided the real estate sector leading returns. It also offers an ideal platform for efficiently and effectively delivering home care, other health services and social and environmental supports.

Various terms are used to describe the senior housing, but there is no universal terminology so far. There are multiple assisted living definitions and models across the world adding to the confusion. Most often some vague distinctions between assisted living and senior housing are also made. Senior housing provides a variety of benefits including socialization, resident assistance and services including meals, transportation, laundry, housekeeping, security, and emergency response among others. These services enable seniors to remain independent and enjoy a high quality of life as they age. The benefits of senior housing are numerous that include supportive services and care coordination also.

A wide variety of senior housing options exist worldwide but their availability to individual seniors is dependent on various factors including financial circumstances and geography. Globally, some models are government regulated (and offer subsidized rent for income qualified residents) while others are not. Some are part of a campus offering multiple long term care and support services, while others are age-restricted buildings that provide no services.

Further, the structure of the world's population is undergoing significant change. The Organisation for Economic Co-operation and Development (OECD) forecasts that globally the proportion of over 65 in the population will more than double to 16.2% by 2050, with the percentage of people aged 80 and over trebling. Decreasing fertility rates, coupled with increasing overall life expectancy, are driving up the share of elderly in the population. As a result, demand for elderly care is expected to rise significantly. While emerging nations such as Nigeria and India maintain relatively high fertility levels, birth rates in Europe have been falling for decades, resulting in significantly higher proportions of elderly. Nearly 30% of Europe's population will be over 65 by 2050 and more than 11% will be over 80. Germany, Italy and Spain are expected to have 13% or more of their population aged 80 and over.





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**Globally, senior housing living is a very mature business with very niche products. It is growing in Asia in a significant manner due to the demographic profile of people.**

The growing number of elderly will impact on future demand for long-term care (LTC) services. However, while all types of LTC services are set to increase, they will not do so uniformly. Homecare, the preferred service line for most European countries in recent years, will prove to be inefficient given the rising share of patients with specialised medical needs. Additionally, societal changes, including declining family size, increasing childlessness and rising non-traditional living arrangements, mean that care homes will play a crucial role in caring for the increasing elderly population.

Today senior housing is a whole new world. The next generation of seniors will be more diverse, better educated and have more disposable income than their predecessors. The senior market is emerging to offer a plethora of options ranging from master-planned communities to high rise senior developments in 24 hour neighbourhoods to affiliation sponsored housing catering to lifelong learners and religious affiliation.

### 1.1. Demographics for senior housing sector across the largest countries

In developed economies, the United States is relatively young compared with many other developed countries. It has the largest number of people aged 65 and over among the developed countries, with over 43 million older people in 2012. Between 2012 and 2050, the United States will experience considerable growth in its older population, and the population aged 65 and over is projected to be 83.7 million, almost double its estimated population of 43.1 million in 2012.

Among the major economies, China is rapidly getting older. Three decades ago, only 5 percent of the population was over 65. In the year 2012, around 122 million people, or approximately 9 percent of the population, were over this age. So, this booming senior population, together with the changing household structure and growing wealth, has also created a new growth market: institution-based elderly care in China. Another way to evaluate the older population in United States is to compare it with the older populations in the other largest countries in the world: China, India, and Indonesia.

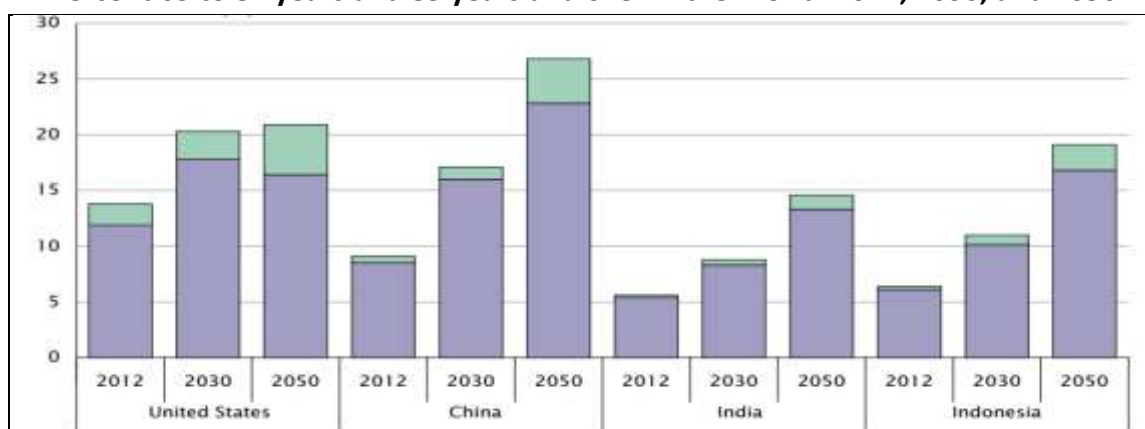
China, the world's largest population with 1.3 billion people in 2012, also had the world's largest older population, with 122 million people aged 65 and over. India, with 1.2 billion in 2012, had the second-largest population in the world. The United States had the third-largest older population (43 million), followed by Indonesia (15.8 million). By 2030, China's older population is projected to grow to 238.8 million. By 2050, its older population is projected to number 348.8 million, which is larger than the total U.S. population today.





## Senior Housing: A Sunrise Sector in India

Percent 65 to 84 years and 85 years and over in the World: 2012, 2030, and 2050



■ 85 years and over      ■ 65 to 84 years

Source: US Census Bureau, 2012 Population estimates, 2012 National Projections, and International Data base

### 1.2 Size of senior housing sector across the largest countries

According to NIC Investment Guide, there are currently about 2.9 million units in slightly less than 22,100 seniors housing and care properties with nursing care properties in terms of number of units and properties in the United States. The total market capitalization of this senior housing and care property market is estimated to be around US\$270 billion.

In the second largest economy of China, the senior housing properties stand at around 44304 units. In India, there are about 10000 units across senior housing properties with a market size of US\$ 1.26 billion. In Japan, however, the total senior citizen market was estimated to be around USD 699 billion in 2007 and is expected to reach USD 1.2 trillion in 2025.

**In the United States, there are currently about 2.9 million units in slightly less than 22,100 seniors housing and care properties with nursing care properties**

#### Size and properties of the Senior Housing Sector (Select Economies)

Countries	No. of Senior housing properties (in units)	Size of the market (in billions)
United States	2900000	270
China	44304	-
India	10000	1.26
Japan	-	699

Source: PHD Research Bureau, compiled from various sources

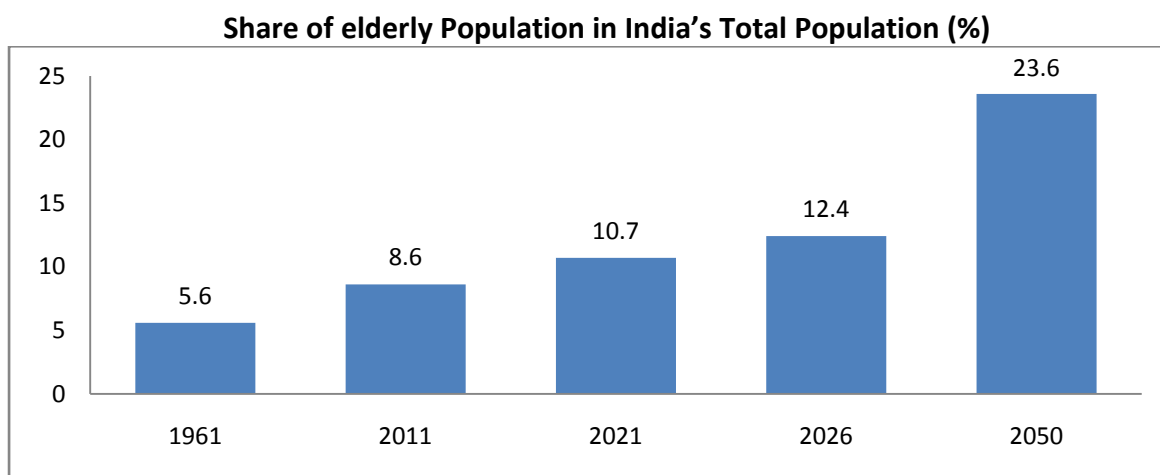




## Senior Housing: A Sunrise Sector in India

### 1.3 Share of elderly population in India's population (%)

The share of elderly population in India's total population has increased from 5.6% in 1961 to 8.6% in 2011 and estimated to reach to 10.7% in 2021, 12.4% in 2026 and 23.6% in 2050. The rapidly rising senior population demonstrates the great potential of the sector in the coming times.



Source: PHD Research Bureau, compiled from various sources. Note: Data are from Situation analysis of the elderly in India June 2011 and National policy on senior citizen 2011

## 2. Overview of the senior housing sector in India

Senior housing in India includes a broad range of independent living, assisted living and nursing care properties operated as stand-alone, multi-property and continuing care communities. While the former is fast spreading across the country, the later is still at the nascent stage. In assisted living and nursing care properties, a senior gets 24/7 services and nursing aid, while in the other one the seniors take care of themselves with medical and ambulance services available to them in close vicinity. The need for senior housing has arisen with increasing nuclear families; children are unable to devote time to their elders. So these societies or care homes give them satisfaction and they can focus on their work without guilt or stress.

Besides regular care, such as nutritious food, meditational facilities, bathing, laundry and incontinence care, these societies provide regular medical checkup, provide transportation for visit to a doctor, frequent picnics and outings, and activities such as crafts and yoga, access to television and music. Senior housing comprises a range of options based on the need for alternative housing, combined with ancillary services such as hospitality, supportive care and medical. The vast majority of senior citizens prefer to age in-place with assistance from family members, nurses and health aides; participation in adult day care center activities; and accessory (boarder) apartment living.







## Senior Housing: A Sunrise Sector in India

### Property types by service offerings

SERVICES	SENIORS APARTMENTS	INDEPENDENT LIVING	ASSISTED LIVING	NURSING CARE
HOUSING	[Shaded]			
HOSPITALITY SERVICES	[Shaded]			
CARE SERVICES	[Shaded]			[Shaded]
MEDICAL SERVICES	[Shaded]			[Shaded]

TYPE OF SERVICE	DESCRIPTION
<b>HOUSING AND HOSPITALITY</b>	INDEPENDENT LIVING, ASSISTED LIVING AND VERY FEW NURSING CARE, RECREATIONAL ACTIVITIES, HOUSEKEEPING, LAUNDRY, TRANSPORTATION AND MEALS
<b>CARE (SUPPORTIVE) AND MEDICAL (DIRECT PROVIDER OR THIRD PARTY)</b>	BATHING, DRESSING, TOILETING, TRANSFERRING, CONTINENCE AND EATING, USING TELEPHONE (E.G., FIND NUMBER), SHOPPING FOR GROCERIES, PREPARING MEALS, DOING HOUSEWORK, MANAGING MEDICATIONS, PERFORMING LAUNDRY, MANAGING FINANCES, CHRONIC CARE, POST- ACUTE CARE INCLUDING HOME CARE ETC.

Source: PHD Research Bureau, compiled from various sources

### 2.1 Financial models in the Senior housing sector in India

Senior housing is still a new concept in India, and therefore not part of social infrastructure sector. This means that this sector is predominantly led by private developer at present. Many developers and operators find venturing into this sector profitable and are developing various senior housing projects and marketing them on different financial models as per the local demands, the financial viability of these projects, and sale plans. Broadly, three financial models to acquire or reside in senior housing projects are available in India. These are:

**Financial models to acquire or reside in senior living projects in India are outright purchase model, Pure rent model and Upfront deposit with periodic rent model**

- a. Outright purchase model
- b. Pure rent model
- c. Upfront deposit with periodic rent model
  - a. **Outright purchase model:** Under this model, the developer transfers the title of the property in the name of the end user.
  - b. **Pure rent model:** In this model, the residents pay rent and a nominal security amount for their period of stay.
  - c. **Upfront deposit with periodic rent model:** This model is a combination of the above two models wherein the percentage of capital value of the project is charged up





## Senior Housing: A Sunrise Sector in India

front, while the rest of the amount is paid in the form of monthly rentals over the period of stay.

### 2.2 Evolution and growth prospects of the senior housing sector in India

Senior housing sector in India is undergoing a major change as developers in the country are increasingly turning to this sector where demand is on the rise even as there's a slowdown in the overall housing market. According to property consultancy JLL India, India contributes less than 1 percent of the global senior housing sector, highlighting the huge growth potential in the sector. A lot of builders have come up in India to tap the growing number of well to do seniors, who have the financial resources and want to live independently post retirement due to several reasons. Earlier, there were very few developers catering to the segment and most of the facilities were run by charitable or non profitable institutions.

Actually, the senior housing concept took hold in the country in the early 2000, but the sector started gaining any kind of serious momentum only after 2010. Also, growth in this sector has been happening in pockets rather than holistically. Most of the country's senior housing projects have cropped up in the Western and Southern regions. The sector has immense opportunities for developers in the coming times in all the regions on account of rising elderly population across the country.







## Senior Housing: A Sunrise Sector in India

### 3. Objectives of the study

Senior housing sector in India survey focuses to understand the present state of senior housing sector and growth dynamics of the same in India from the perspective of key players or stakeholders operating in this sector. In addition, perception of customers/residents regarding senior housing sector in India has also been analysed.

#### **The specific objectives of the survey based study are:**

1. To analyze the global outlook of the senior housing sector
2. To study the trend of senior housing sector in India
3. To study the view of key players or stakeholders operating in this sector in India
4. To study the consumer perception about senior housing sector in India
5. To study the key destinations in India for senior housing
6. To study the emerging growth opportunities in senior housing sector in India
7. To analyse the issues and challenges of the senior housing sector in India
8. To study the policy scenario for senior citizen in India
9. To study the challenges and emerging growth opportunities for senior housing sector in India
10. To draw conclusions and suggestions





## Senior Housing: A Sunrise Sector in India

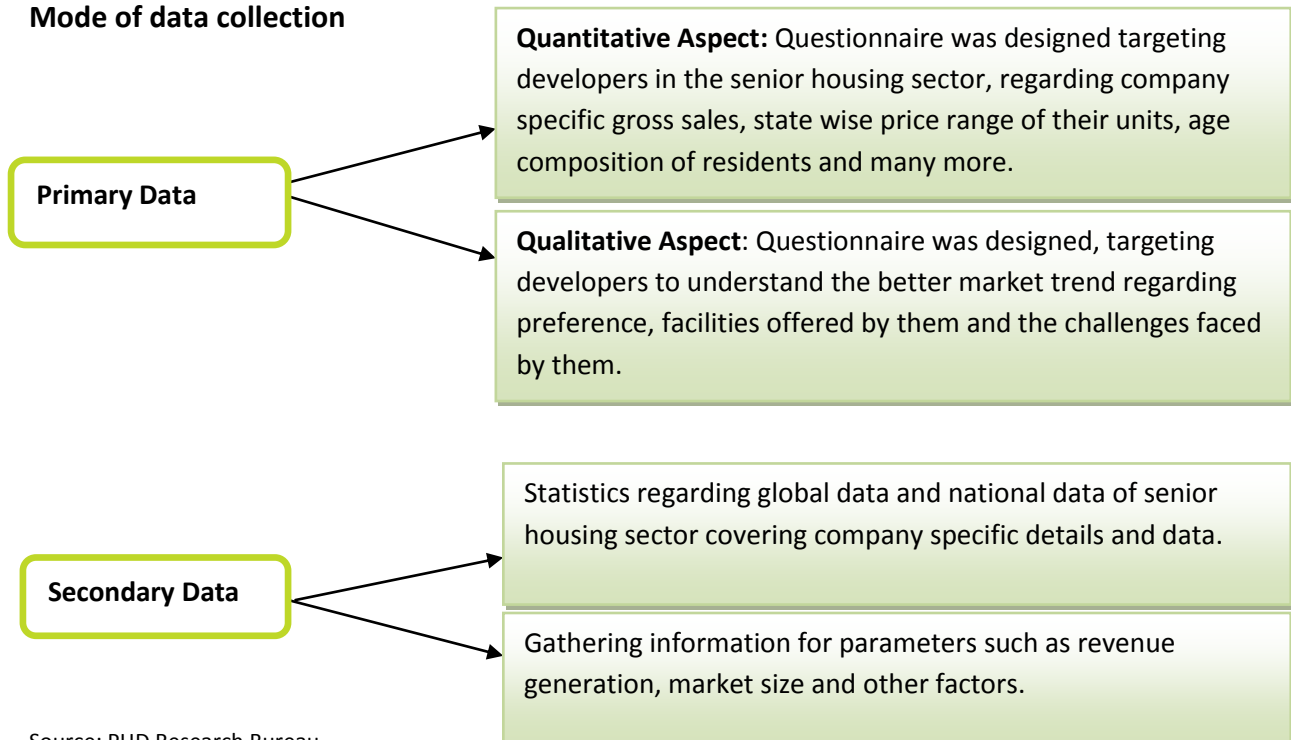
### 4. Research methodology

The present study focuses on to analyse the trend of senior housing sector in India, study the view of key players or stakeholders operating in this sector in India, both from the perspective of key players or stakeholders operating in this sector and consumers perspectives. The key activities to conduct the survey were initiated in January 2016 and extended for a period of around twenty months. These activities ranged from preparation of questionnaires, data retrieval, verification of the survey findings, and inputs from developers/ key players and consumers in the senior housing sector in India.

#### 4.1 Data Collection

Primary and secondary data sources have been taken into consideration. Both qualitative and quantitative methods have been used. In addition, reports of ministries of Government of India, project reports of companies, feasibility reports and organisational announcements have also been referred.

##### Mode of data collection



Source: PHD Research Bureau





## Senior Housing: A Sunrise Sector in India

### 4.2 Data collection technique

In case of survey of developers dealing with senior housing projects in India, systematic sampling technique was used in which the developers were chosen on the basis of secondary research analysis and data available with the PHD Chamber. However, in case of consumers' survey, random sampling technique was used where respondents were chosen randomly across projects in various cities. Prospective consumers survey was also undertaken where customers from the age groups of 26 and above from different strata of the society including income levels, preferences and tastes were chosen.

#### Process of data collection

Questionnaire	Technique	Description	No. of respondents
<b>Senior housing projects developers</b>	Systematic Sampling <sup>1</sup>	Developers across projects in various cities in India were identified and an exhaustive list was prepared.	<b>30</b>
<b>Senior housing residents survey</b>	Random sampling: Equal Probability of Selection Method of Sampling	Responses were received from cities including Bengaluru, Bhiwadi, NCR, Hyderabad, Mumbai, Chennai, Coimbatore, Pondicherry, Cochin, Pune, Amritsar and Chandigarh. Customers from the age groups of 55 and above from different strata of the society including income levels, preferences and tastes were chosen.	<b>486</b>
<b>Prospective consumers survey</b>	Random sampling: Equal Probability of Selection Method of Sampling <sup>2</sup>	Customers from the age groups of 26 and above from different strata of the society including income levels, preferences and tastes were chosen.	<b>2,598</b>

Source: PHD Research Bureau

<sup>1</sup> It is used in those cases where a complete list of population from which the sample is to be drawn is available.

<sup>2</sup> In this technique every individual, or object, in the population of interest has an equal opportunity of being selected for the sample





Senior Housing: A Sunrise Sector in India

# SENIOR HOUSING DEVELOPERS SURVEY ANALYSIS





## Senior Housing: A Sunrise Sector in India

### 5. Senior housing developers survey analysis

The senior housing sector in India is at a nascent stage with huge opportunities for the real estate developers, service providers, healthcare players and operators. With the recent relaxation of Foreign Direct Investment (FDI) restrictions on investments in the sector and a population of seniors to cater to in the coming decades, there clearly exists an untapped opportunity for investment and development in this sector. Unlike western countries where the senior housing sector has gained maturity, India has huge untapped potential in the sector. Given the backdrop, a survey has been conducted and systematic sampling technique was used where developers were contacted across various senior housing projects in various cities through field surveys, interactions and emails for better outlook of the sector and inferences have been derived on the responses received.

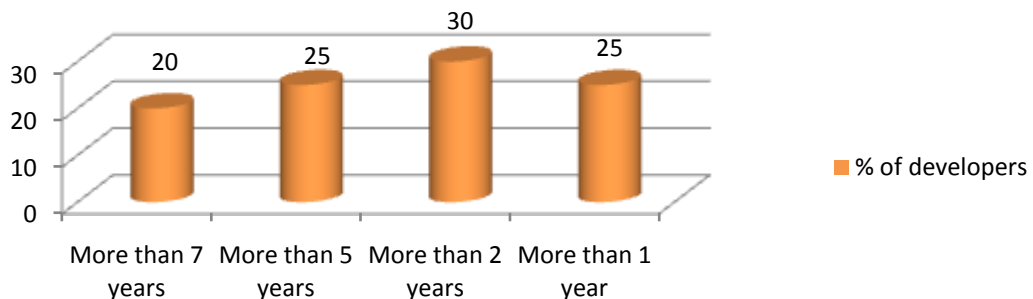
#### 5.1 Sample Selection

The survey pertains to responses from developers of various senior housing projects across India who were systematically selected for survey and the sample size chosen for the study is 30. Out of the total 30 respondents, the survey was conducted capturing developers with direct interactions from field and also through e-mails. Since it was not feasible to survey all cities due to time constraints, responses were received from key cities where senior housing is highly concentrated including Bangalore, NCR, Hyderabad, Mumbai, Pune, Chennai, Coimbatore, Pondicherry, Cochin, Amritsar and Chandigarh. The largest shares of respondents were both Private Indian and multi-national companies contributing 80% of responses and 20% served the charitable organizations.

#### 5.2 Developers' average years of operating senior housing projects in India

According to the survey, around 30% of the developers have been operating senior housing projects in India for about 2-5 years, 25% for around 1-2 and 5-7 years each and only 20% for more than 7 years. This is due to the fact that senior housing is a nascent sector in India and has only taken off since the beginning of the 21st century.

**Developers' average years of operating senior housing projects in India**



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





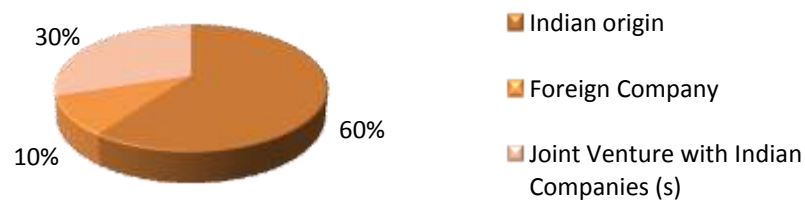


## Senior Housing: A Sunrise Sector in India

### 5.3 Origin of companies operating senior housing projects in India

The survey highlights that around 60% of the companies operating senior housing projects in India are of Indian origin, 30% are operating in Joint Venture with Indian Companies and only 10% are companies are of foreign origin. This data highlights the challenges faced by the multinational companies while setting up senior housing projects in India.

**Kind of Companies operating in India**

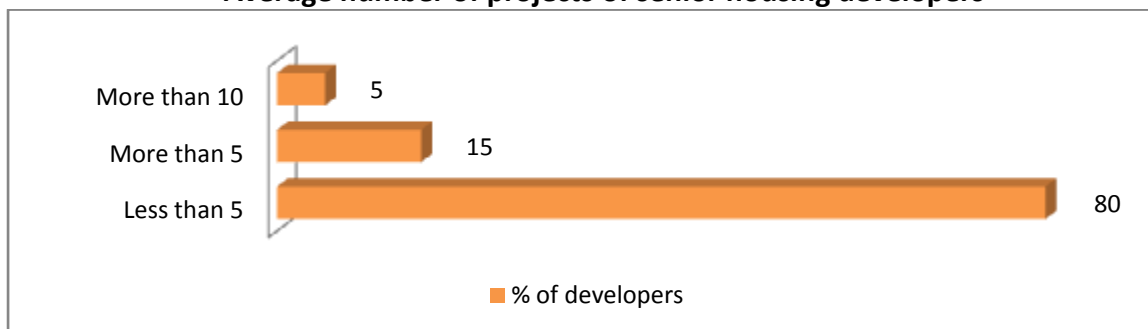


Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.4 Average number of projects developed by senior housing developers in India

According to the survey, around 80% of the developers have developed less than 5 senior housing projects on an average, whereas 15% of the developers have developed more than 5 projects and only 5% of the developers have developed more than 10 projects. This may be attributed to the hurdles faced by the developers related to land acquisition, financial assistance and regulatory framework etc. while undertaking senior housing projects.

**Average number of projects of senior housing developers**



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.5 Senior housing players across India

There has been a marked increase in the number of developers in the senior housing sector in India in the last ten years with gradual growing acceptability and demand in the sector. Geographically, senior housing projects are coming up in the suburbs of all key metros in the country and in some selected destinations such as Coimbatore, Pondicherry, Kerala, Goa, Mumbai, Pune, Jaipur, Haryana, Delhi and Dehradun etc. There are more than 30 developers operating in the sector, who have multiple operational as well as ongoing projects across the country. Few of the Private players who have already made a foray into





## Senior Housing: A Sunrise Sector in India

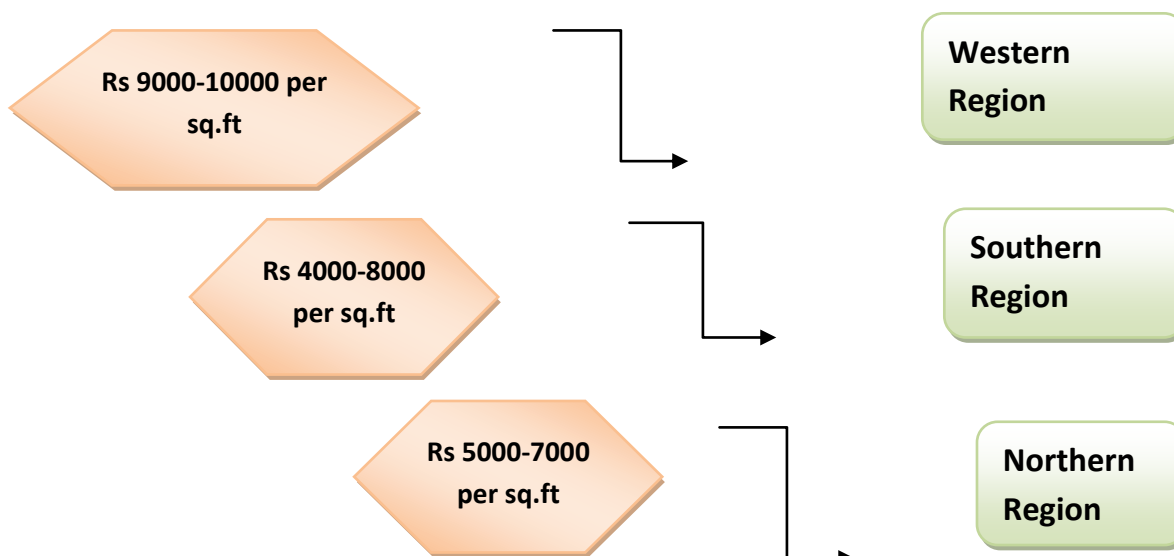
the senior housing sector are Ashiana Housing Limited, Antara Senior Living, Covai Properties, Mantri Primus Lifespaces, Impact Senior Living Estate, LIC housing, Panchvati Senior Living, Paranjape Schemes, Serene Senior Living, The Golden Estate, Tata Riva Housing, Vedaanta Senior Living, Brindavan Senior Citizen, among others. Their projects are already operational in major metros like NCR, Pune, Bangalore, Amritsar, Coimbatore, Mumbai, Pondicherry and Chennai. Apart from these, there are also charitable organizations working in the sector. Some of India's reputed corporate groups like Max India have also forayed into the sector looking at the potential of the sector in the times to come. Further, most of the developers in the sector offer sales as well as refundable deposit fee model. In terms of types of units, most of the developers offer 1,2,3 BHK Apartments, Villas, Studio apartments, Cottages and Penthouses.

### 5.6 The square feet rate of Senior Housing

According to the survey, senior housing projects in India have different square feet rates in different regions across India. This is due to the fact that these regions have different cost of construction due to variation in prices of factor inputs, location as well as construction quality. It has also been observed that as senior housing projects are highly in demand in Western and Southern India, so the square feet prices are observed higher in these regions. However, in Northern and eastern regions, the senior housing market is still untapped and the developers are coming up with more and more projects in these regions with lower square feet rates as compared to other regions to tap the market.

According to the survey findings, the per square feet rates for Western region varies between Rs. 9000-10000, Southern region varies between Rs. 4000-8000 and Northern region varies between Rs. 5000-7000 respectively.

### Square feet rates of Senior Housing across regions in India



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





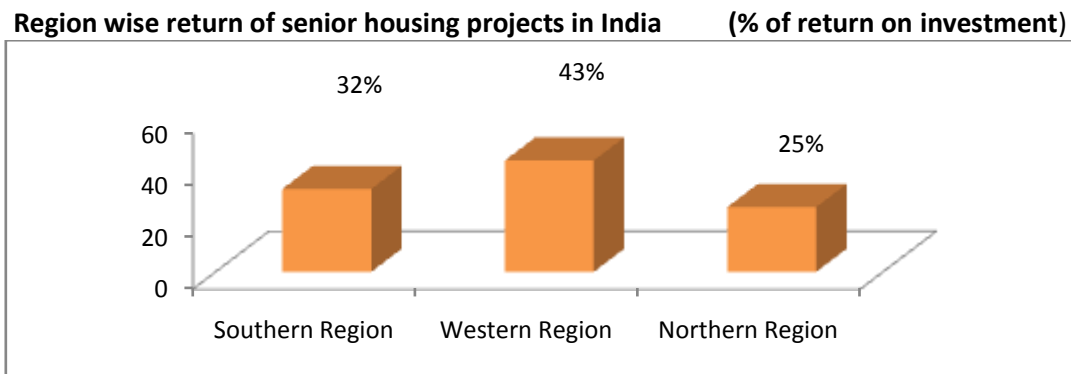
## Senior Housing: A Sunrise Sector in India

### 5.7 Return on Investment of senior housing projects in India

Over the years, there have been a rising number of senior housing projects in India with gradual growing acceptability and demand for the sector. To meet the diverse needs of senior population and potential growth of senior housing sector, developers are gradually expanding their construction of projects and penetration to various parts of the country. In view of the variation in the number of projects across different states, the return on investment of senior housing projects in India varies across regions with the highest return coming from Western region and lowest from Eastern region.

#### Return on Investment of senior housing projects across regions

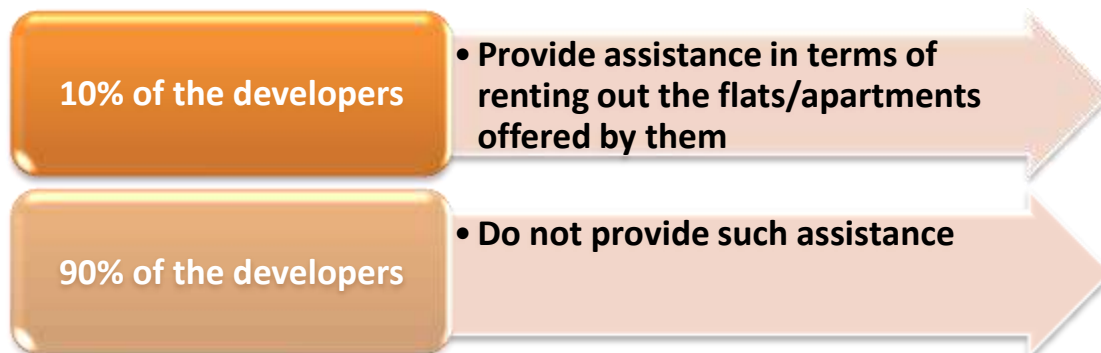
According to the survey, the highest percentage of return on investment in senior housing projects (43%) have been coming from the Western region of our country, followed by 32% return from Southern region and 25% of the return from the Northern region of India.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.8 Renting and leasing assistance provided by developers

The survey has revealed that around 10% of the developers provide assistance to buyers in terms of renting out the flats/apartments offered by them. However, 90% of the developers do not provide any such assistance.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17



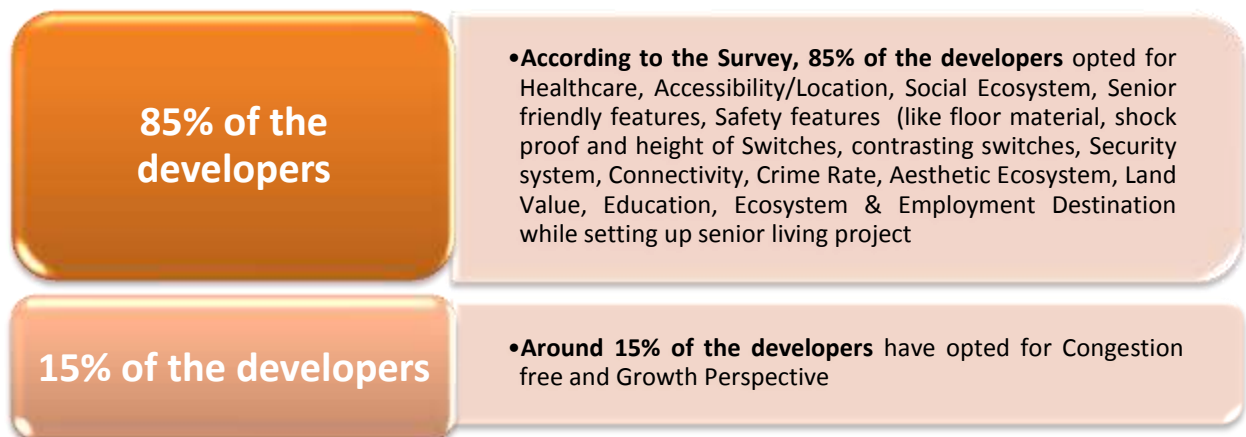




## Senior Housing: A Sunrise Sector in India

### 5.9 Factors kept in mind by developers while setting up senior housing project

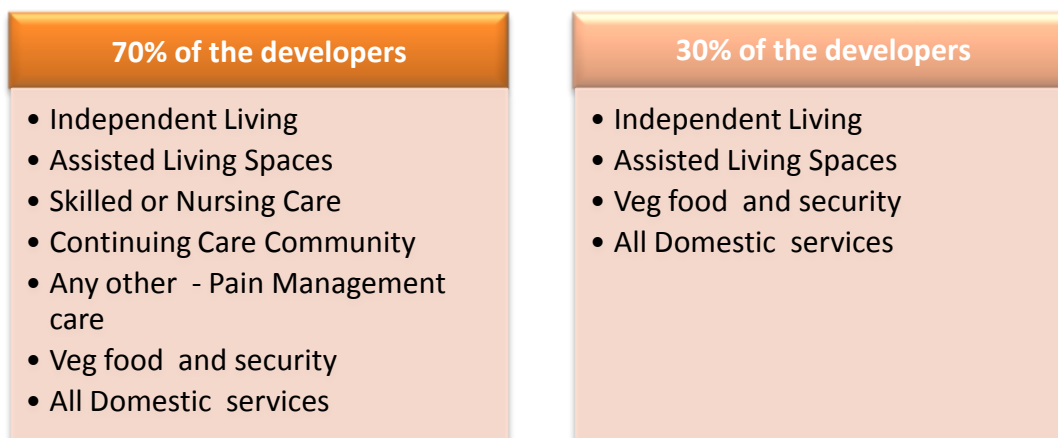
According to the survey, about 85% of the developers preferred Healthcare, Accessibility/Location, Social Ecosystem, Safety features (like floor material, shock proof lighting, etc.), Security system, Connectivity, Less Crime Rate, Aesthetic Ecosystem, Education, Ecosystem and Employment Destination while setting up senior housing project. However, only 15% of the developers opted for Congestion Free and Growth Perspective.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.10 Types of senior housing facilities offered by senior housing developers

According to the survey, about 70% of the developers offer facilities like independent living, assisted living spaces, skilled or nursing care, continuing care community, pain management care, veg food and security and all domestic services. However, 30% of the developers only offer facilities like independent living, assisted living spaces, veg food and security and all Domestic services.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

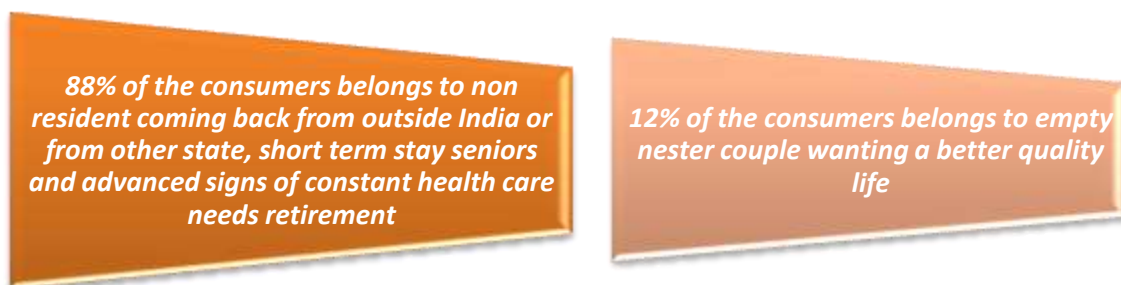




## Senior Housing: A Sunrise Sector in India

### 5.11 Section of consumers who buys senior housing apartments

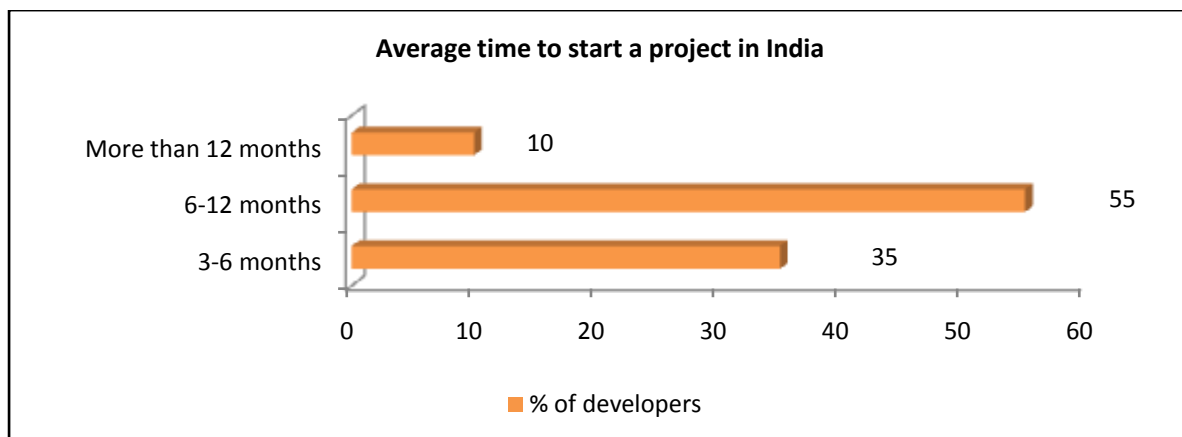
According to the survey, around 88% of the consumers who buy senior housing apartments belong to the category of non-resident Indians either coming back from outside India or from other states, short-term stay seniors, seniors with advanced signs of constant health care needs and retired people. Only 12% of seniors are empty-nester couples who want a better quality of life. This is due to the changing pattern of family living arrangements in urban areas from joint family to nuclear family, where children are either busy in their professional life or want to stay independently and alone.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.12 Average time to complete all the procedural formalities to start senior housing projects in India

The survey reflected that the average time to complete all the procedural formalities to start a senior housing project in India varies from 3 months to more than 12 months. While 55% of the developers are of the opinion that it takes 6-12 months to complete the procedural formalities, 35% of the developers responded that the time varies from 3-6 months and 10% of the developers believe the time taken is more than 12 months. This is due to various cumbersome formalities related to land registration, obtaining a construction permit, electricity connection and various other formalities across India.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17



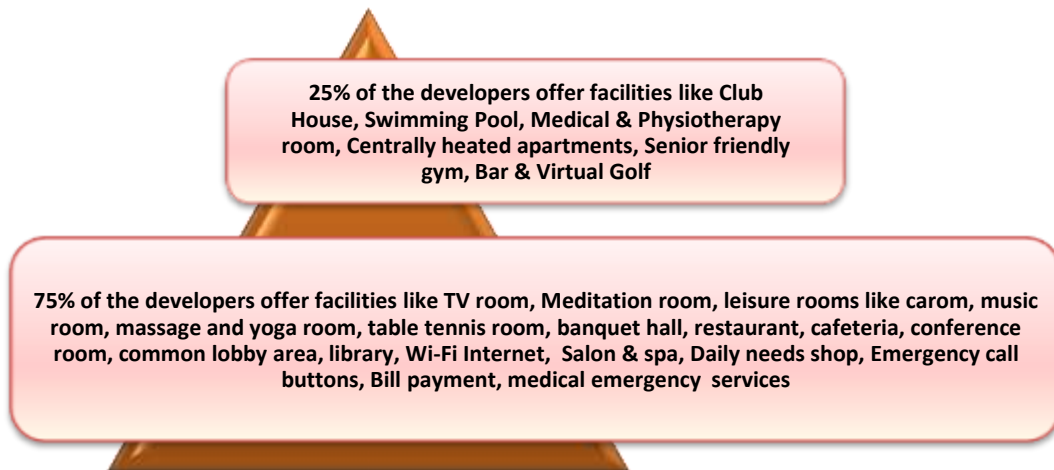


## Senior Housing: A Sunrise Sector in India

### 5.13 Services or facilities provided to residents by developers

As senior housing sector is still at a nascent stage in India, so the services/facilities provided to residents by developers varies across cities and developers. According to survey findings, around 25% of the developers offer facilities like Club House, Swimming Pool, Medical & Physiotherapy room, Centrally Heated Apartments, Senior friendly Gym, Bar and Virtual Golf. However around 75% of the developers offer facilities like TV room, Medication Room, Wi-Fi Internet, leisure and activity rooms, Banquet halls, Restaurant, Cafeteria, Conference Room, Common lobby area, Library, Salon & spa, Daily needs shop, Emergency call buttons, Bill payment and Medical Emergency Services, etc

#### Services/facilities provided to residents by developers



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

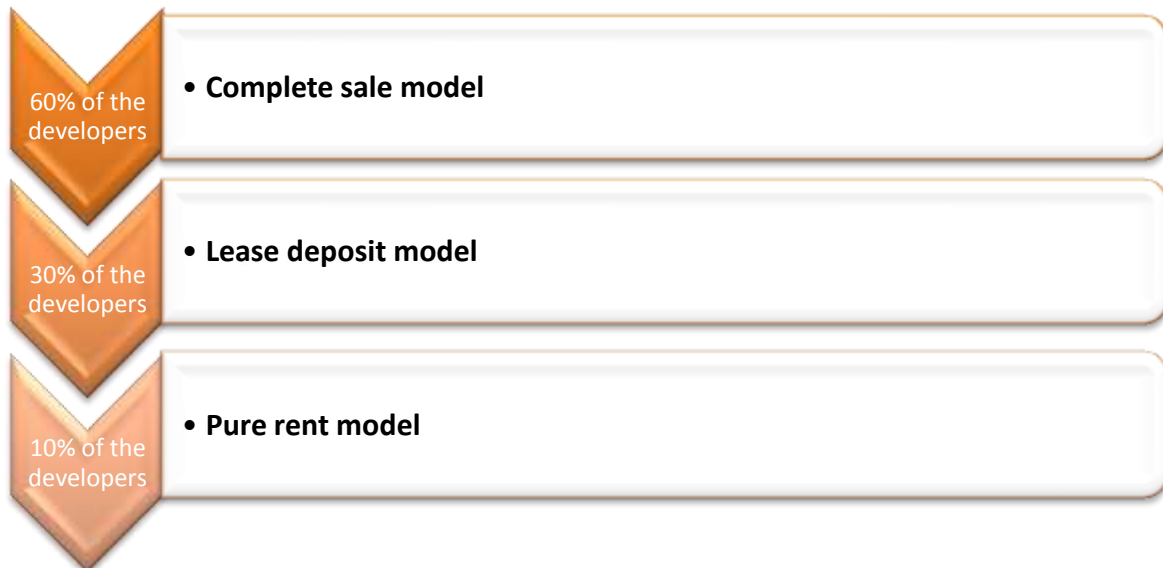
### 5.14 Financial models and disposal mechanisms offered by developers to residents

Many developers and operators find venturing into this sector profitable and are developing various senior housing projects and marketing them on different financial models as per the local demands, the financial viability of these projects, and sale plans. According to survey findings, around 60% of the developers offer complete sale model, 30 % offer only lease deposit model and only 10% of the developers offer pure rent model.





## Senior Housing: A Sunrise Sector in India



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### Post retirement employment assistance programmes provided by developers

**30% of the developers provide post retirement employment assistance programmes to their residents**

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### Loan facilities provided by developers to the buyers of senior housing flats/apartments

**70% of the developers provide loan facilities to the buyers of senior housing flats/apartments**

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### Factors responsible for boosting the growth of senior housing sector in India in the coming times

- Demographics
- Empty nest syndrome
- Availability of manpower
- Breakdown of joint family system
- Ability to pay
- Independent living
- Freedom to live
- Social circumstances

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





## Senior Housing: A Sunrise Sector in India

Areas where senior housing sector require assistance and support from the Government of India .

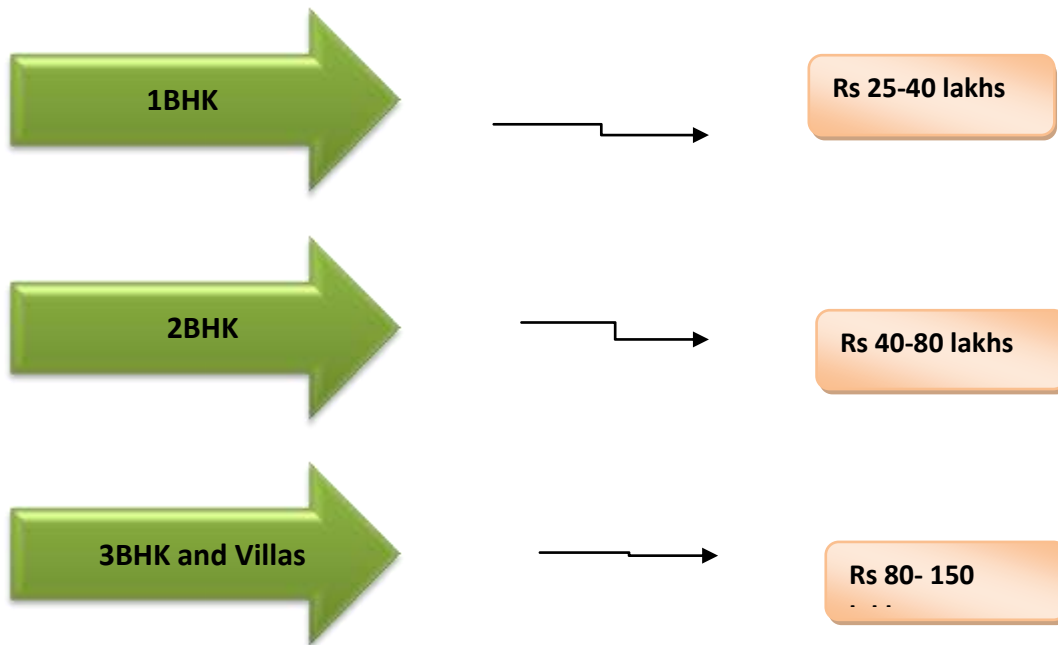


Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.15 Average price range of Senior Housing projects across India

According to the survey, the average price range of Senior Housing projects varies across India with 1BHK ranging between Rs 25-40 lakhs, 2BHK in the price range of Rs 40-80 lakhs and 3BHK in the range of Rs 80- 150 lakhs.

#### Average price range of Senior Housing projects across India



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

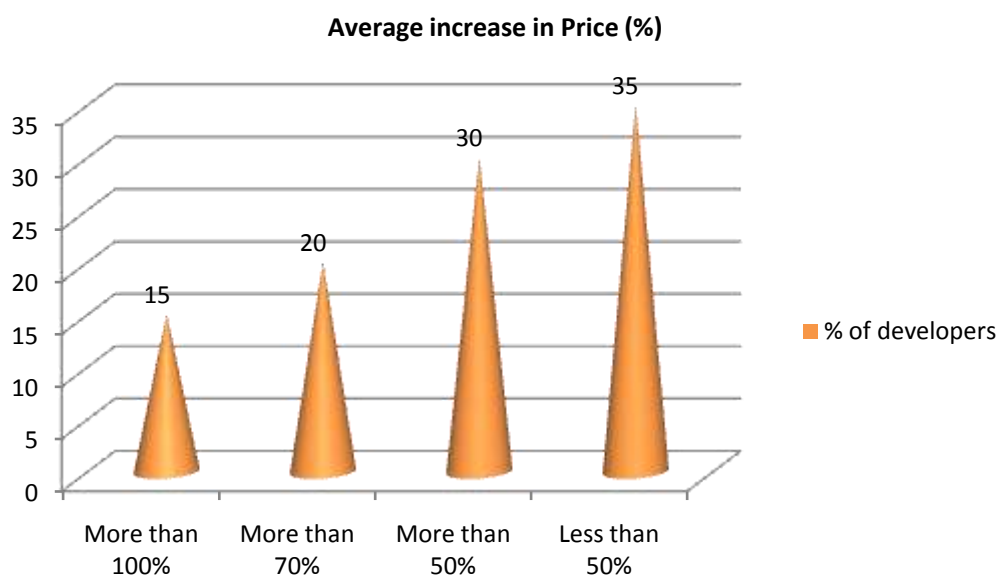




## Senior Housing: A Sunrise Sector in India

### 5.16 Average increase in prices (%) of senior housing projects

According to the survey, around 35% of the developers registered an average increase of less than 50%, 30% of the developers registered an increase of more than 50%, 20% of the developers registered an increase of more than 70% and only 15% of the developers registered an increase of more than 100%



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.17 Geographic distribution of senior housing projects in India

According to the survey, senior housing projects in India have cropped up in the Western and Southern regions. As per to the survey findings, these regions have a greater prevalence of nuclear families, higher literacy levels, more pronounced desire among young professionals to migrate to other countries and higher purchasing power, resulting in reduced dependency of seniors or family members.

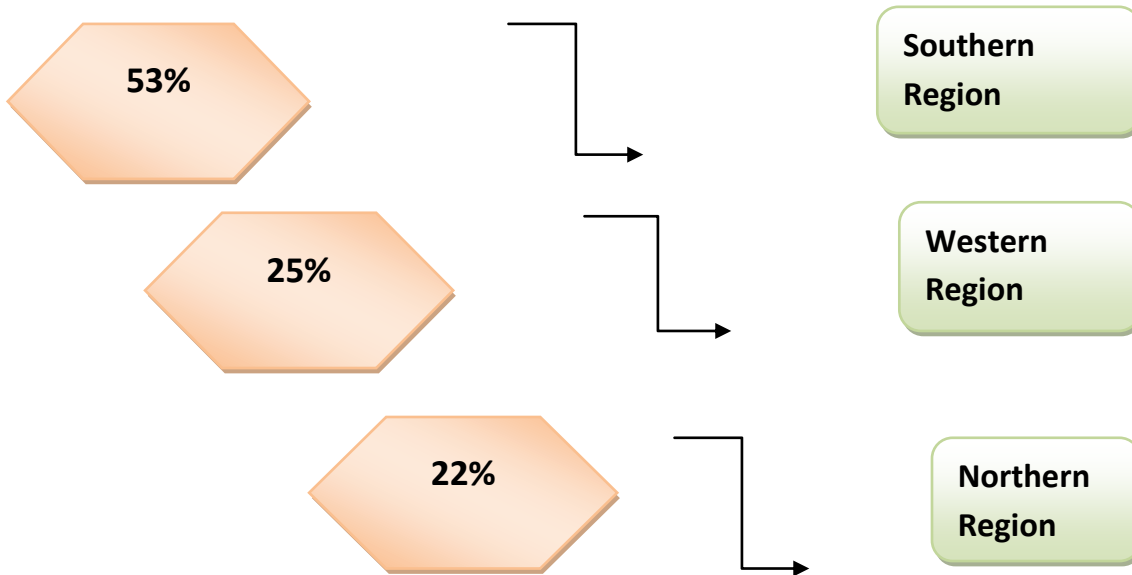
It is only after witnessing the high acceptance rate of senior housing projects in West and South India that developers began training their sights on the Northern and Eastern regions of India, predominantly targeting tier II and tier III cities. According to the survey findings, around 78% of senior housing projects in India are operating in the Western and Southern regions, while only 22% exist in Northern India.





## Senior Housing: A Sunrise Sector in India

### Geographic distribution of senior housing projects in India



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 5.18 Impact of urbanization on senior housing sector in India

There are currently 10.4 crore elderly people living in India today, and the 60 plus population is expected to reach 32.4 crores by 2050. With the projected further increase in urbanization rate of 56% in 2050, India's urban senior population could grow to 9.7 crores by 2050

(Population in Crores)

Urbanization impact on growing senior population						
Year	Urbanization Rate	Urban Population	Rural Population	Total population	Senior Urban Population	Senior Rural Population
2011	31	39	82	121	3.1	7.3
2015	32	42	90	132	3.6	8.4
2030	41	62	90	152	6	14
2050	56	95	75	170	9.7	22.6

Source: PHD Research Bureau, compiled from various sources







## Senior Housing: A Sunrise Sector in India

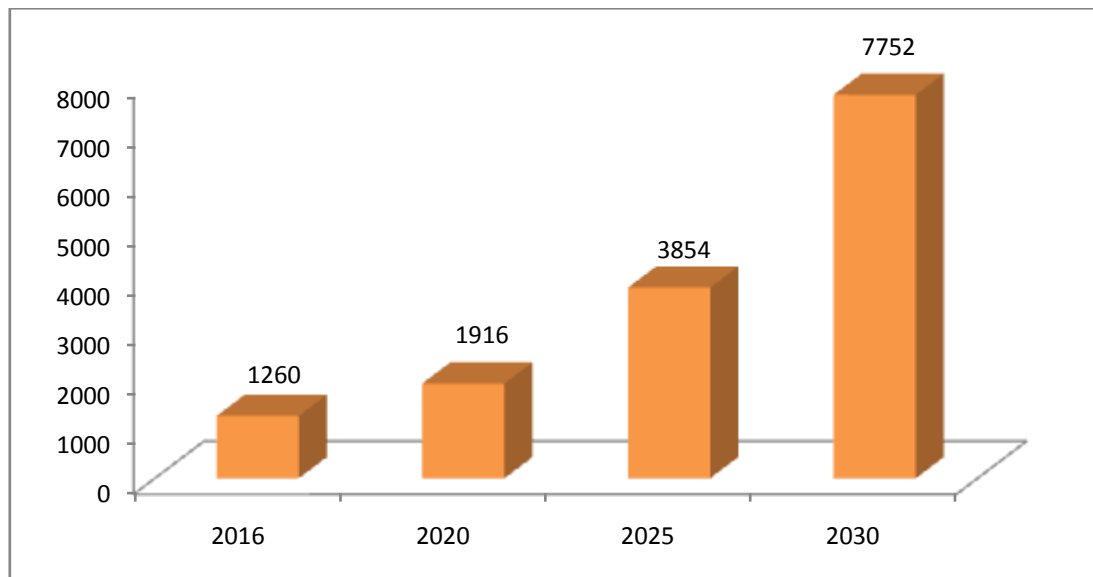
### 5.19 The size of senior housing sector in India

Based on our interaction with different developers across India, there are currently about 10,000 units sold in slightly less than 10 seniors housing and care properties with independent and assisted living properties in terms of number of units and properties in India. The total market capitalization of this senior housing and care property market is estimated to be around US\$ 1260 million in India, according to the survey.

### Future Outlook of senior housing sector in India by 2030

Senior housing sector has enormous potential if viewed from the size of the sector in 2016 till the projected year of 2030. On the basis of growth perceptions of the senior housing sector and survey, the sector has the potential to enter double digit growth, going ahead, on account of conducive regulatory environment, reviving investments in economy and expanding consumer base across all regions of the economy. According to the survey, developers felt that the size of the sector is estimated to reach from US\$ 1.26 billion in 2016 upto US\$ 7.7 billion by 2030 on account of conducive framework in our country.

**Market size of Senior housing sector by 2030 (USD million)**



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17







Senior Housing: A Sunrise Sector in India

# SENIOR HOUSING RESIDENTS SURVEY ANALYSIS





## Senior Housing: A Sunrise Sector in India

### 6. Senior housing resident survey analysis

Senior housing has evolved to better match the new demands and lifestyle of seniors and their adult children by offering a broader range of choices and variety of care facilities that allows senior to age with comfort and security. Hence, it becomes imperative to obtain the insight of the senior housing sector through the consumers i.e the people residing in senior housing projects. Thus, a survey was conducted and random sampling technique was used where residents were chosen randomly across various senior housing projects in various cities through field surveys, interactions and emails for better outlook of the sector and inferences have been derived on the responses received.

#### 6.1 Sample characteristics

The survey pertains to responses from individuals who were randomly selected for survey residing in various senior housing projects across India and the sample size chosen for the study is 486. Out of the total 486 respondents, 56% are females and remaining 44% are males. Whereas, 59% of the sample respondents are married, 41% are single/widow/widower. The survey was conducted capturing respondents with direct interactions from field and also through e-mails.

Since it was not feasible to survey all cities due to time constraints, responses were received from key cities where senior housing is highly concentrated including Bengaluru, Bhiwadi, NCR, Hyderabad, Mumbai, Chennai, Coimbatore, Pondicherry, Cochin, Pune, Amritsar and Chandigarh.

Majority of the respondents surveyed belonged to age group of 66-70 years, representing 38% of the total sample population. It was followed by individuals within 60-65 years (20%), within 71-75 years (17%), 76-80 years (12%), more than 80 years (7%) and 55-59 years (6%). The largest share of respondents served the corporate sector before retirement including private Indian and multi-national companies contributing 35% of responses, 28% self employed or business, 23% served the government and 14% were house wives.

#### Characteristics of elderly respondent(s)

Category	Respondent(s) %
Gender-wise classification	
Female	56
Male	44
Status-wise classification	
Single/ Widow/Widower	41
Married	59
Age group classification	
55-59	6
60-65	20
66-70	38





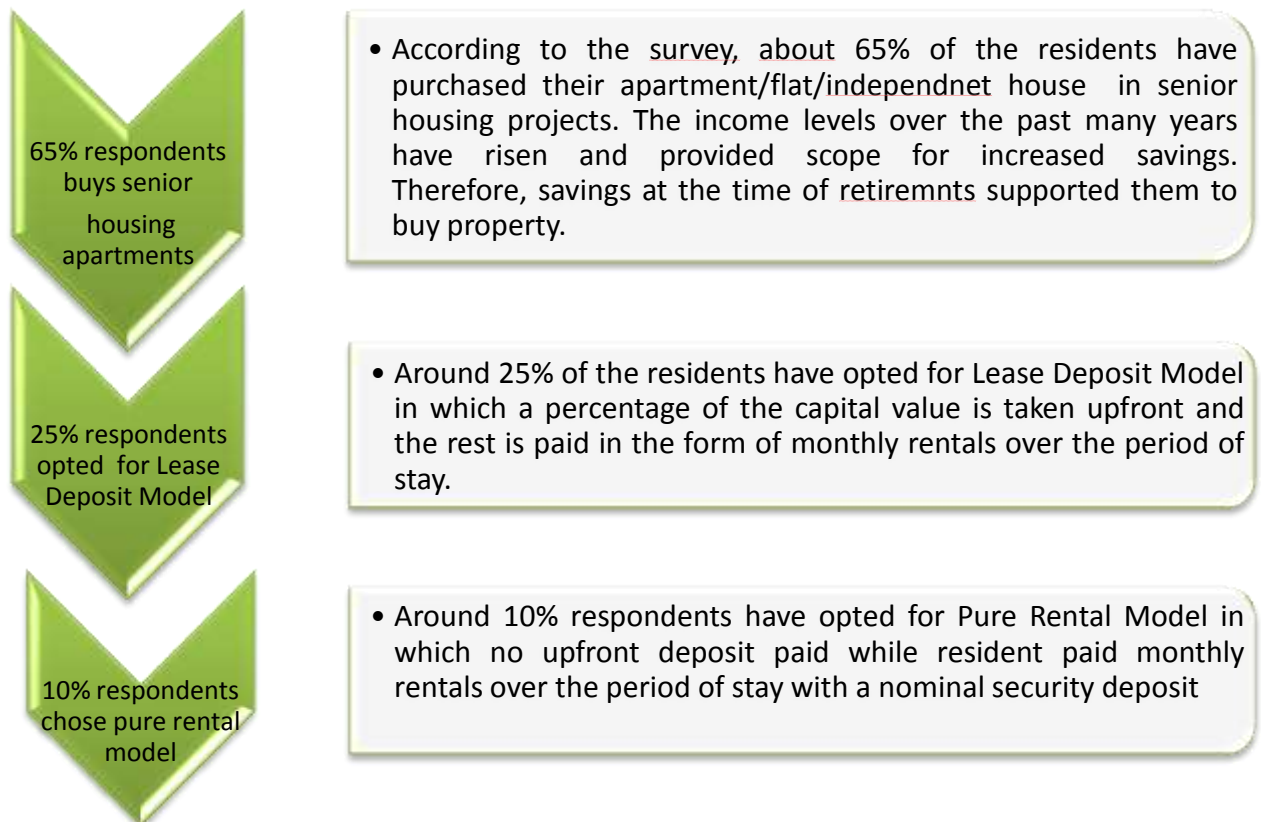
## Senior Housing: A Sunrise Sector in India

71-75	17
76-80	12
More than 80	7
Occupation classification before retirement	
Government sector –Central & State	23
Corporate sector ( Indian Private Companies and Multi-National Companies)	35
Self Employed/ Business	28
Housewife	14

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 6.2 Financial models availed by residents for senior housing

According to the survey, about 65% of the residents have purchased their apartment/flat/independent house in senior housing projects. The income levels over the past many years have risen and provided scope for increased savings. Therefore, savings at the time of retirement supported them to buy property. Around 25% of the residents have opted for Lease Deposit Model and remaining around 10% respondents have opted for Pure Rental Model.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





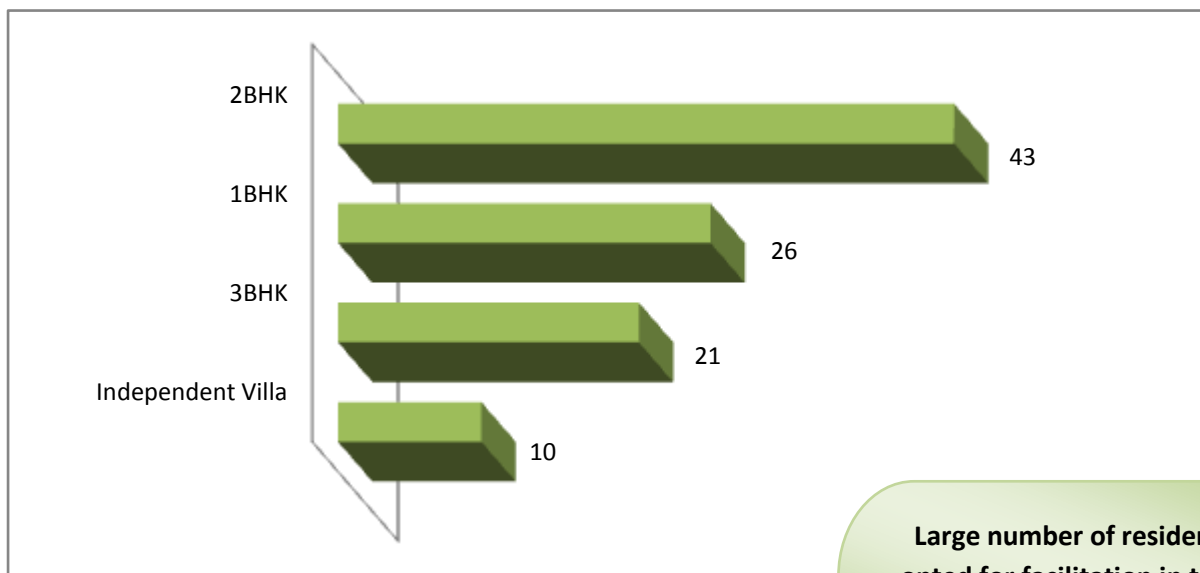
## Senior Housing: A Sunrise Sector in India

### 6.3 Apartment size preference by the residents

The survey has revealed that a large percentage of residents (43%) purchased 2BHK apartments, followed by 1BHK apartments (26%), 3BHK flats (21%) and remaining 10% purchased independent villas. All respondents unanimously have opined that with rising age, the inclination towards healthcare facilities and food requirement increases, while the requirement for shelter tends to remain minimal, therefore small apartment size fulfils their need.

**2BHK apartment size fulfils needs of a large segment of residents**

Apartment size preference by the residents (responses in %)



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

**Large number of residents opted for facilitation in their day-to-day activities**

### 6.4 Types of units opted by residents in senior housing projects

With a diminishing joint family concept and children moving ahead in their career in different countries/ cities, elder population has to take care of their-day-to-day activities. Alternatives such as retirement homes or communities with assisted living are being preferred by the elderly generation rather than staying alone.

About 84% of the respondents are living in independent living format of senior housing in India in which they are provided with senior friendly homes which includes better lighting, mobility facilitation, bathrooms and kitchens are designed to accommodate wheelchairs and walkers, hallways and doors are wider and tiles and flooring are anti-skid etc, better healthcare facilities and emergency services, for companionship and recreational activities.

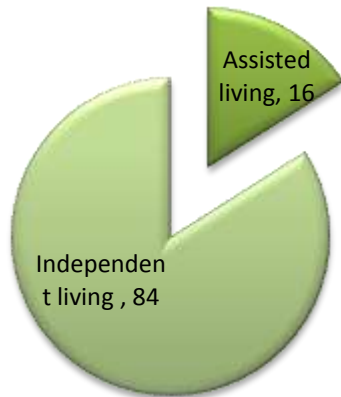




### Senior Housing: A Sunrise Sector in India

While remaining 16% residents prefer for easy accessibility to the various needs of life in the later stages and for taking care of any type of illness such as physical or mental.

#### Types of units opted by residents in senior housing projects (responses in %)



Continuing Care Retirement Communities (CCRC) is also coming up to provide extended benefits to seniors of independent and assisted living formats under one roof.

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

#### 6.5 Number of members residing in senior housing apartments

According to the survey, about 66% of the respondents are residing with their spouses, followed by 25% who are living alone in their apartments and remaining 9% respondents are residing with their spouse, family members such as mother, father, children who are disabled or daughter who is unmarried or widow.



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17



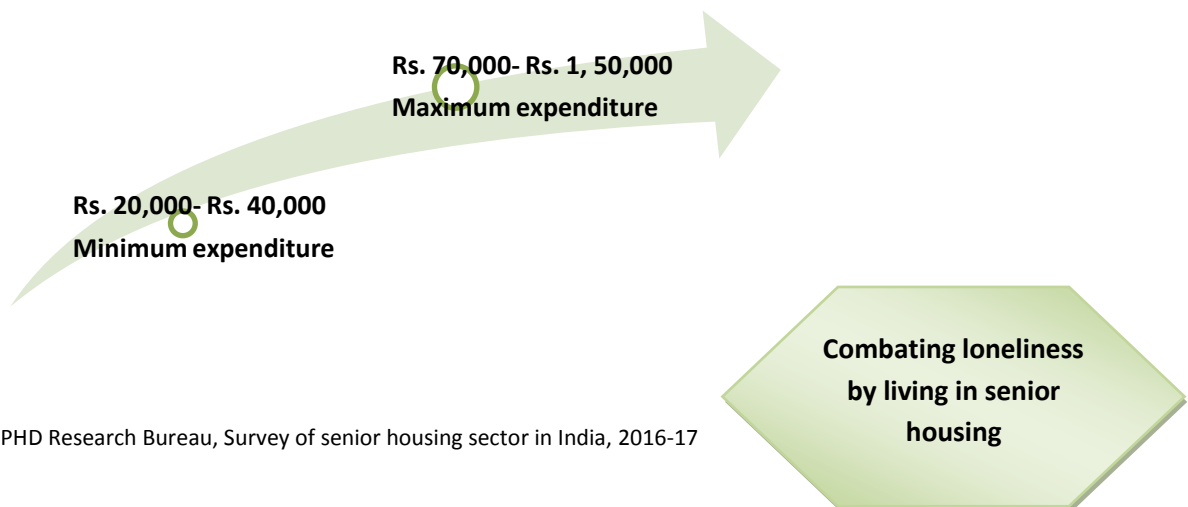


## Senior Housing: A Sunrise Sector in India

### 6.6 Average monthly expenditure by residents in senior housing

On an average, the residents in senior housing projects spends in the range of minimum expenditure of Rs. 20,000 to Rs. 40,000 during a month while the maximum expenditure lies in the range of Rs. 70,000 to Rs. 1,50,000 on various activities including food, rent, utility payments, medical expenses, leisure activities, picnics, entertainment activities, etc.

#### Average monthly expenditure by residents in senior housing



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 6.7 Reasons for opting senior housing by residents

According to the survey, around 39% residents expressed that their prime reason for opting to live in a senior housing project is because they were facing from loneliness. They stated that as an individual age, social networks also changes. Friends or family may not be as close by, or neighbours may move or pass on. Further, one may not be able to have access to public transportation or driving by own in order to meet up with family and friends.

So, in order to expose more social opportunities and avoid becoming isolated and housebound, they preferred to live in senior housing to meet their social and emotional needs. About 33% residents responded that as their family members settled abroad, they chosen senior living to meet the all round needs under one roof followed by about 16% who stated that they don't wish to become burden on their family or friends for day to day activities and remaining 12% preferred senior living apartments for special health care attention.

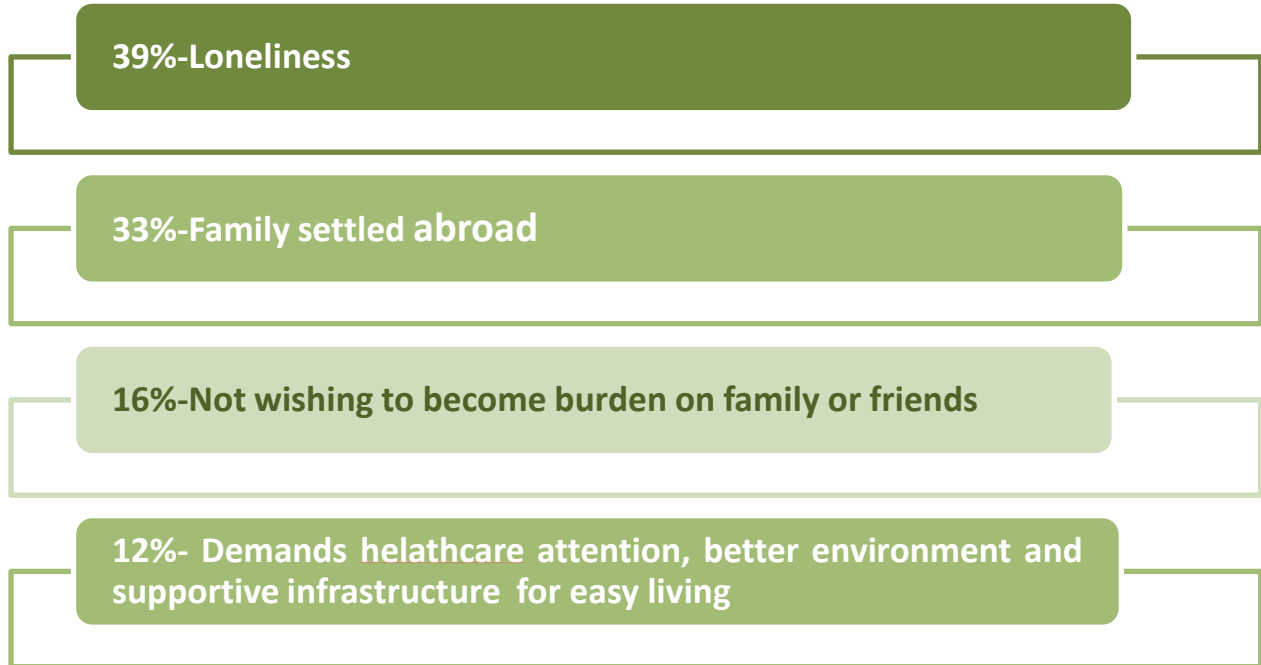






## Senior Housing: A Sunrise Sector in India

### Reasons for opting senior housing by residents (responses in %)

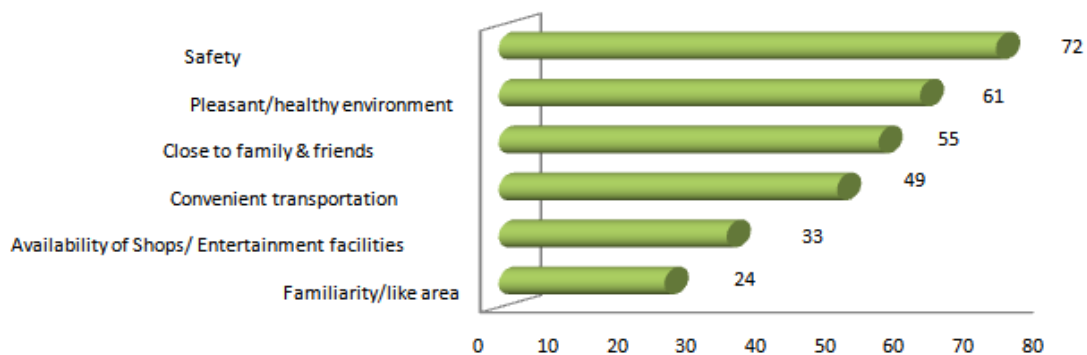


Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 6.8 Key features preferred by residents for choosing senior housing

The survey has revealed that safety features in terms of protection against crime and health safety has been given top priority by around 72% of the residents for choosing any senior housing project, followed by pleasant and healthy environment (61%), proximity to family and friends (55%), convenient transportation (49%), availability of shops and entertainment facilities in nearby areas (33%) and familiarity with the place (24%).

### Features preferred by residents for choosing senior housing (responses in %)



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

Note: Multiplicity of options have been opted by respondents



## Senior Housing: A Sunrise Sector in India



### 6.9 Key things kept in mind by Senior citizens in regards to senior housing

1. Senior friendly environment
2. Companionship
3. Recreational activities
4. Basic healthcare facilities
5. Security
6. Facilitation in day to day requirements
7. Connectivity (to main city or where their children stays)
8. Openness of project (Environment)







## Senior Housing: A Sunrise Sector in India

### 6.10 Services opted by residents

According to the survey, nearly 70% have opted for housekeeping services, followed by meal service (67%), social and recreational activities such as playing activities games, cards, carom, table tennis, yoga, gymnasium, meditation room etc (64%), exercise and wellness programmes organised by service providers (61%), healthcare facilities (60%), access to staff help (51%), transportation help (41%) and assistance with eating, bathing, dressing, walking etc (25%).

Almost all the residents unanimously opined that staff of their respective senior housing projects are very courteous and helpful and have expressed to continue in their senior living society.

**Services opted by residents in their senior housing (responses in %)**

Housekeeping services	70%
Meal service	67%
Social and recreational activities	64%
Exercise and wellness programs	61%
Healthcare facilities	60%
Staff available to help with scheduled needs, as well as unexpected issues	51%
Transportation help	41%
Assistance with eating, bathing, dressing, going to the bathroom, and walking	25%

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17. Note: Multiplicity of options have been opted by respondents

### 6.11 Top 10 priorities of residents while choosing a senior housing

The survey has revealed top ten priorities of residents while choosing a senior housing project. Location of the project has been ranked first, size and space of the project at second rank, comfort and design features at third rank, followed by independence, security, quality of life, price of buying a unit, cost of maintenance, health care services and facilities offered by service provider.

**Top 10 priorities of residents while selecting senior housing**

Rank	Features
1	Location
2	Size and space
3	Comfort & design
4	Independence
5	Security
6	Quality of life
7	Price of buying a unit
8	Cost of maintenance
9	Basic Health care and other facilities
10	Senior friendly environment

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





## Senior Housing: A Sunrise Sector in India

### Key areas in which residents require assistance

- Convenient Banking services
- Availability of medical services such as hospitals in nearby areas
- Subsidized transportation services to nearby shopping centers
- Telecommunication/broadband services at subsidies rates for seniors
- Entertainment activities at nominal charges i.e special discounts for senior citizens
- Easy access to finance such as Home against property

### 6.12 Key areas in which residents require assistance from government and service providers

The survey has revealed that residents require assistance from the government and service providers in terms of the following parameters

**Residents willing to work; Job hunting post retirement becomes difficult**

### Residents seeks support in terms of post retirement employment assistance

The survey has revealed that a large chunk of residents have expressed their desire to continue to work after retirement as it helps them to stay physically and mentally healthy, and provides an additional source of income. The survey has revealed that residents have urged their service providers to provide employment assistance programmes and offer them more flexible and stress free work environment. Majority of the residents said that availability of skill, talent, stability and maturity and after fulfilling all personal and financial commitments, most have ample time and they would like to use them in a more productive manner.

Almost all the respondents have opined that the service providers should establish link with the various companies, agencies or organisations to offer employment opportunities to their respective residents. Key areas suggested by residents are:

- Working for former employer
- Working as Consultant in their respective specialised fields
- Teaching or tutoring
- Bookkeeping, customer service and data processing positions
- Home based internet jobs
- Associating with NGOs





## Senior Housing: A Sunrise Sector in India

### Must have features suggested by residents for Senior Housing Projects

- Housekeeping and maintenance services
- Leisure and welfare including yoga and meditation, walking trails, library, computers, culinary skills, arts and craft centres, television and music, indoor games like billiards, table tennis, carroms, chess, outdoor games like badminton, etc.
- Arrangement for social evenings, entertainment, dance and music, birthdays, anniversary, going for movies or picnics, etc
- Concierge service including payment of utility bills, banking help and other personal care needs etc.
- 24x7 security, electrical, plumbing and other maintenance services.
- Travel services including pick up and drop at nominal charges
- Laundry service
- Rooms with 24x7 medical help and therapeutic care
- Guest rooms for visiting family and friends.
- Efficient space to access to wheelchairs, walking space, visual tiling, wide doors, safety locks, etc
- Gas detectors, emergency assistance alarms, high light intensity and light indicators for locating the easy touch switches in the night.
- Anti skidding floor or slip-resistant flooring
- Fulfilment of religious beliefs i.e availability of temple, mosque, church, etc.
- Nearby convenience stores for shopping and salon services.
- Cooperation of activity managers and staff available at senior housing project.

Source: PHD Research Bureau, Survey of senior housing sector in India, January 2016





Senior Housing: A Sunrise Sector in India

# SURVEY OF PROSPECTIVE CONSUMERS FOR SENIOR HOUSING SECTOR IN INDIA





## Senior Housing: A Sunrise Sector in India

### 7. Survey of prospective consumers for senior housing sector in India

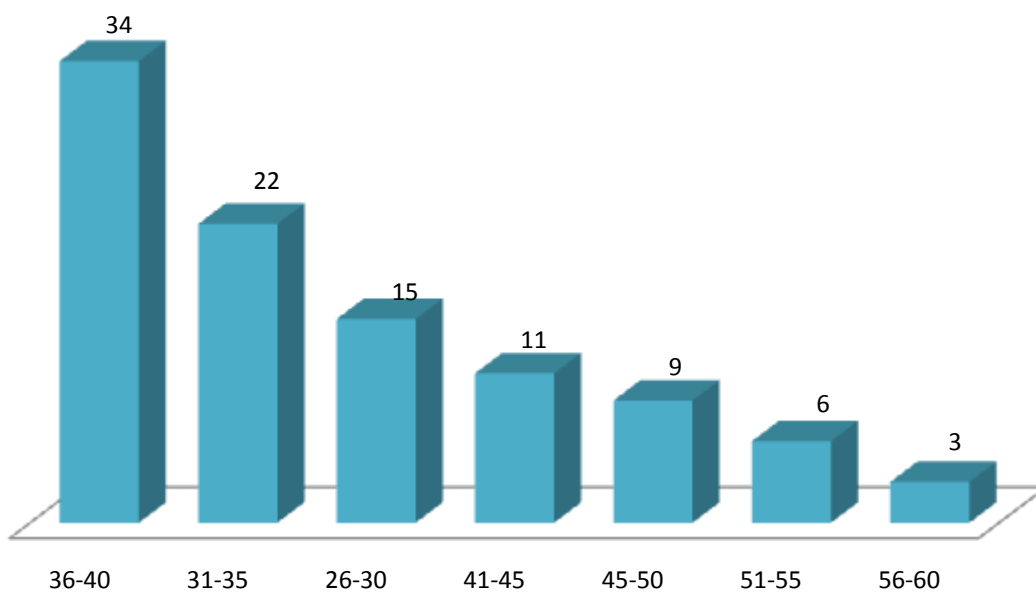
In order to know the perception of prospective consumers regarding senior housing sector in India, an extensive survey has been undertaken to assess the prospective segment of the population, their age, income, preference of location and investment for senior housing in the times to come. The survey encompasses the responses from individuals who were randomly chosen across various segments of the society and same size chosen for the survey is 2,598.

To undertake this survey, a structured questionnaire was designed and inputs were collected through emails and interactions. The responses have been put together and inferences on the aggregation are represented in terms of averages and percentages. Out of the total respondents, 58% are males and remaining 42% are females. About 69% of the respondents are married, while 31% are single.

#### 7.1 Age wise classification of prospective consumers

A large share of the respondents surveyed belonged to the age group of 36-40, representing 34% of the total population. It was followed by individuals within 31-35 years (21%), within 26-30 years (15%), within 41-45 years (11%). Less than 10% share in total respondents is falling in the age group of 45-50 years, 51-55 years and 56-60 years.

Age wise classification of prospective consumers (% of total respondents)



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17



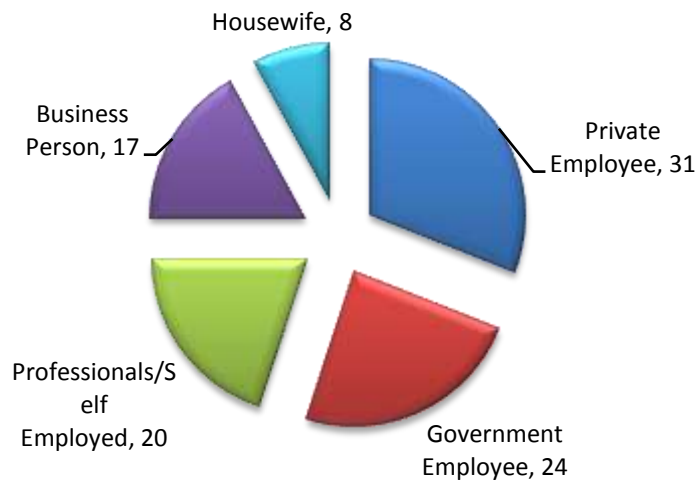


## Senior Housing: A Sunrise Sector in India

### 7.2 Nature of work of prospective consumers

According to the survey, a large share of respondents (31%) is from private sector, followed by 24% engaged in government sector, 20% are professionals/self employed, 17% respondents are engaged in business and remaining 8% are housewives.

**Nature of work of prospective consumers (% of total respondents)**

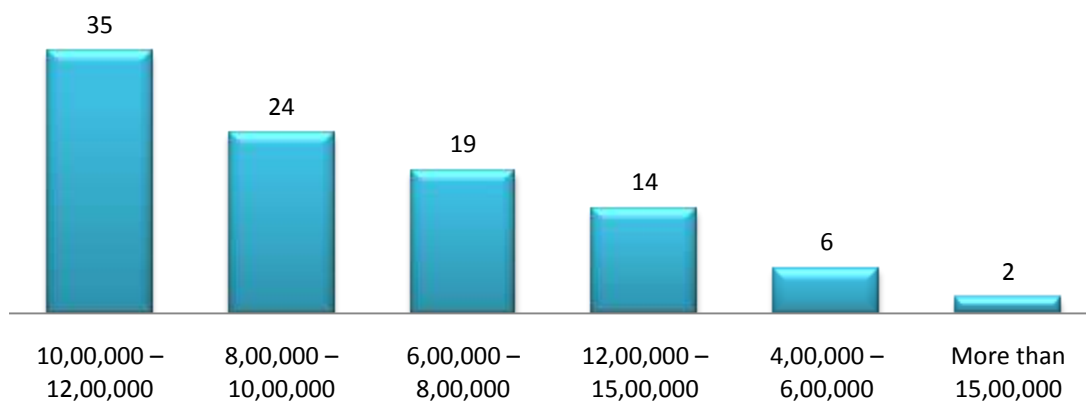


Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

### 7.3 Income profile of prospective consumers

The survey has revealed that a large share of respondents (35%) is having an annual income between Rs. 10,00,000 to Rs. 12,00,000, followed by 24% respondents have annual income between Rs. 8,00,000 to Rs. 10,00,000 and 19% respondents have an annual income of Rs. 6,00,000 to Rs. 8,00,000.

**Income profile of prospective respondents (% of total respondents; Income in Rs. )**



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17







## Senior Housing: A Sunrise Sector in India

### 7.4 Age preference of prospective consumers to join senior housing

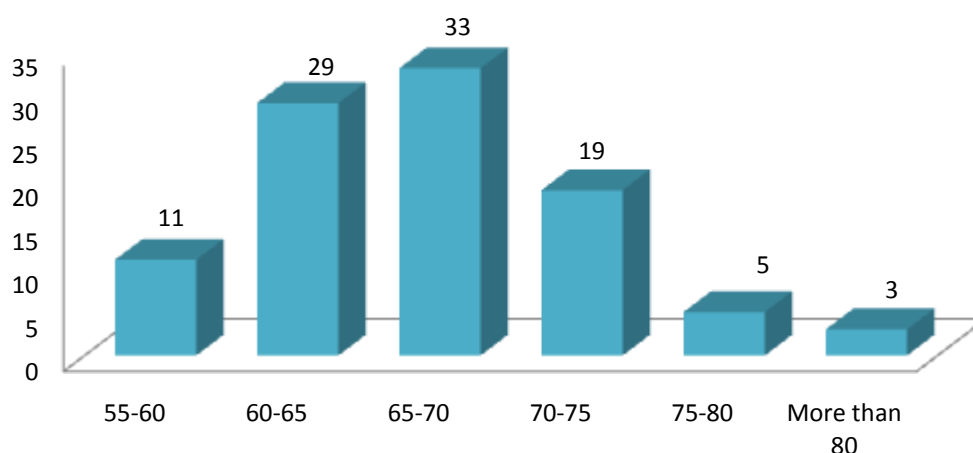
About 78% of the total respondents have expressed their interest in opting for senior housing

According to the survey, 78% of the total respondents have expressed their interest in opting for senior housing owing to various factors such as ease of living with supported facilities like assistance in day to day activities, healthcare facilities, recreational activities for remaining socially connected etc.

### 7.5 Age preference of prospective respondents for opting senior housing

It has been observed during the survey that large share of respondents (33%) have preferred to opt for senior housing between the age group of 65-70 years, followed by 29% respondents opined to opt for senior living between 60-65 years of age and 19% respondents have expressed their interest to opt for senior housing between the age group of 70-75 years.

#### Age preference of prospective respondents for opting senior housing (% of respondents)



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17. Note: This % share of respondents is share calculated from total respondents who are keen to join senior housing

#### Prospective buyers of senior housing

Category	Responses of Survey
% of respondents like to opt for senior housing	78%
Preferred age group keen for investing in Senior Housing	36-40 years
Category of people opting for Senior Housing	Private employees
Annual income profile of keen investors in Senior Housing	Rs. 8,00,000 to Rs. 12,00,000
Range of investment preference in Senior Housing	Minimum- Rs 25,00,000 Maximum- Rs. 90,00,000
Age preference for living in Senior Housing	65-70 years

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





## Senior Housing: A Sunrise Sector in India

### 7.6 Region wise key cities emerging as a favourite retirement destination

According to the survey, the key cities emerged as a retirement friendly destination in the Northern Region are NCR, Chandigarh, Dehradun, Lucknow, Jaipur and Amritsar. While in the North-Eastern Region, the emerging retirement cities are Guwahati and Shillong. In the eastern region, Ranchi, Jamshedpur, Kolkata and Patna are the emerging cities.

Mumbai, Pune, Nasik, Ahmedabad, Vadodara, Panaji and Surat are the cities opted by the residents in the Western Region as favourite retirement destinations. Bengaluru, Chennai, Hyderabad, Coimbatore, Mysore and Puducherry are the key cities in the Southern region which have emerged as their preference for post retirement destinations. The key reasons for cities emerging as a retirement friendly destinations is on account of factors such as better connectivity, native places, familiarity with area, climatic familiarity, better employment opportunities for their children, etc

Region	Key cities preferred as a retirement destination
<b>Northern Region</b>	NCR, Chandigarh, Dehradun, Lucknow, Jaipur and Amritsar
<b>North-Eastern Region</b>	Guwahati and Shillong
<b>Eastern Region</b>	Ranchi, Jamshedpur, Kolkata and Patna
<b>Western Region</b>	Mumbai, Pune, Nasik, Ahmedabad, Vadodara, Panaji and Surat.
<b>Southern Region</b>	Bengaluru, Chennai, Hyderabad, Coimbatore, Mysore and Puducherry

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

Most of the respondents (about 70%) have opined that top five places which will emerge as a retirement friendly destinations are Bengaluru, Hyderabad, Mumbai, NCR and Chandigarh.

#### Top five cities emerging as a retirement friendly destinations

Rank	City
1	Bengaluru
2	Hyderabad
3	Mumbai
4	NCR <sup>3</sup>
5	Chandigarh

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17

<sup>3</sup> National Capital Region (NCR) is a unique example of inter-state regional planning and development for a region with NCT-Delhi as its core. The NCR as notified covers the whole of NCT-Delhi and certain districts of Haryana, Uttar Pradesh and Rajasthan, covering an area of about 53,817 sq. kms. Haryana includes Faridabad, Gurgaon, Mewat, Rohtak, Sonapat, Rewari, Jhajjar, Panipat, Palwal, Bhiwani (including Charkhi Dadri), Mahendragarh, Jind and Karnal (thirteen districts). Uttar Pradesh includes Meerut, Ghaziabad, Gautam Budh Nagar, Bulandshahr, Baghpat, Hapur and Muzaffarnagar (seven districts). Rajasthan includes Alwar and Bharatpur (two districts).





## Senior Housing: A Sunrise Sector in India

### 7.7 Preference for post retirement employment assistance and loan facilities

About 52% of the respondents have expressed their interest in post retirement employment assistance in areas like education, teaching, administrative, NGOs etc. Further, about 57% of the residents have opined that they would like to opt for loan facilities for purchasing senior living homes.

Prospective respondents expressed their interest in post retirement employment assistance and loan facilities

## 8. Policy scenario for senior citizens in India

Over the years, the Government of India has launched various schemes and policies for older persons. These schemes and policies are introduced to promote the health, well-being and independence of senior citizens around the country.

### Government initiatives towards welfare of senior citizens

**Nodal ministry for senior citizens**— The Government of India has set up a nodal ministry i.e. Ministry of Social Justice and Empowerment focusing on policies and programmes for the Senior Citizens in close collaboration with State governments, Non-Governmental Organisations and civil society. The programmes aim at their welfare and maintenance, especially for indigent senior citizens, by supporting old age homes, day care centres, mobile medicare units, etc

**Maintenance and Welfare of Parents and Senior Citizens Act, 2007**—The act was enacted to ensure need based maintenance for parents and senior citizens and their welfare and ensuring that they not merely live longer, but lead a secure, dignified and productive life is a major challenge.

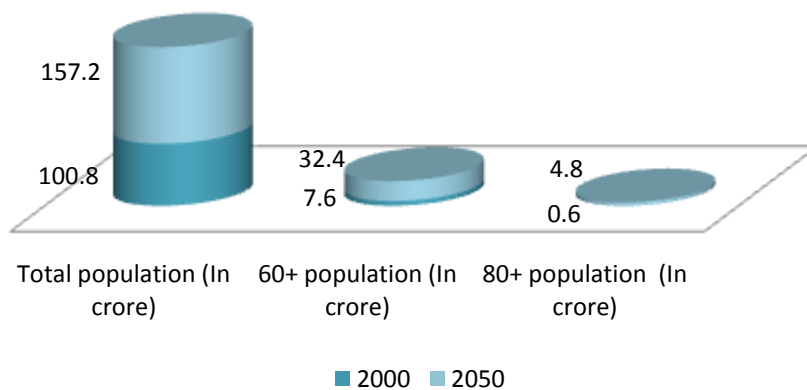
**National Policy on Senior Citizens 2011**- Rising human life expectancy over the years has resulted not only in increase of number of old persons but in a major shift in the age groups of 80 and above. According to the estimates provided in the draft National Policy of Senior Citizens 2011, the overall population in India will grow by 55% whereas population of people in their 60 years and above will increase by 326% and those in the age group of 80+ by 700% which is the fastest growing group.





## Senior Housing: A Sunrise Sector in India

### Population composition of India in 2000 vis-a-vis 2050



Source: PHD Research Bureau, compiled from Ministry of Social Justice and Empowerment, Government of India, National policy for Senior Citizens 2011

**National Council for Older Persons-** National Council for Older Persons (NCOP) was constituted in 1999 under the Chairpersonship of the Minister for Social Justice and Empowerment to oversee implementation of the Policy. It is the highest body to advise the Government in the formulation and implementation of policy and programmes for the aged and it was re-constituted in 2005.

**Inter-Ministerial Committee on Older Persons--** An inter-ministerial committee on older Persons was set up in which action plan on ageing issues for implementation by various ministries or departments concerned are being considered from time to time by the Committee.

**Central Sector Scheme of Integrated Programme for Older Persons-** An Integrated Programme for Older Persons (IPOP) was implemented since 1992 with the objective of improving the quality of life of senior citizens by providing basic amenities like shelter, food, medical care and entertainment opportunities. It also encourage productive and active ageing through providing support for capacity building of Government or Non-Governmental Organizations or Panchayati Raj Institutions or local bodies and the community at large. Under the Scheme, financial assistance up to 90% of the project cost is provided to nongovernmental organizations for establishing and maintaining old age homes, day care centres and mobile medicare units

The scheme has been revised since 1<sup>st</sup> April 2008 and has increased financial assistance for projects such as Maintenance of Respite Care Homes and Continuous Care Homes, Day Care Centres for Alzheimer's Disease/Dementia Patients, Physiotherapy Clinics for older persons, Help-lines and Counselling Centres, Regional Resource and Training Centres of Caregivers to the older persons, Awareness Generation Programmes for Older Persons and Care Givers, Formation of Senior Citizens Association, etc





## Senior Housing: A Sunrise Sector in India

### Other schemes for senior citizens

- **Ministry of Health & Family Welfare** provides facilities for senior citizens such as Separate queues for older persons in government hospitals, setting up of Two National Institutes on Ageing at Delhi and Chennai and geriatric departments in 25 medical colleges.
- **Ministry of Rural Development** has implemented National Old-age Pension Scheme (NOAPS) for persons above 65 years belonging to a household below poverty line.
- **Ministry of Railways** also provide separate ticket counters for senior citizens of age 60 years and above at various (Passenger Reservation System) PRS centres if the average demand per shift is more than 120 tickets. Further, concession in rail fare for male senior citizen at 30% and female senior citizen at 50% is provided.
- **Ministry of Civil Aviation** provides concession up to 50% for male senior citizens of 65 years and above and female senior citizens of 63 years and above in air fare.
- **Department of Pensions and Pensioner Grievances** has created a pension portal to enable senior citizens to get information regarding the status of their application, the amount of pension, documents required, etc along with provision of lodging grievances.

### Union Budget announcements for senior citizens in India during recent years

#### Union Budget 2015-16 announced various incentives for welfare of elderly population

In the Union Budget 2015-16, Government of India announced various packages to support senior citizen of our country which are mentioned below:

- **Senior Citizen Welfare Fund** –Union Budget 2015-16 announced proposal for creation of a Senior Citizen Welfare Fund, in the Finance Bill, for appropriation of these amounts to a corpus which will be used to subsidize the premiums of vulnerable groups such as old age pensioners, BPL card-holders, small and marginal farmers and others.
- **New scheme for providing Physical Aids and Assisted Living Devices for senior citizens-** In India, the population of senior citizens presently stands at about 10.5 crore, out of which over one crore are above the age of 80 years, About 70% of senior citizen population of our country lives in rural areas and a large number are in the below the poverty line (BPL) category and a sizeable proportion of them also suffer from age related disabilities. Therefore, government proposed a new scheme for providing physical aids and assisted living devices for senior citizens, living below the poverty line.
- **Tax proposals-** Government has extended benefits to middle class tax payers and in this regard the limit of deduction in respect of health insurance premium increased to Rs. 30,000 from the existing Rs. 20,000 for senior citizens. For very senior citizens of the age of 80 years or more, who are not covered by health insurance, deduction of Rs. 30,000 towards expenditure incurred on their treatment will be allowed. Further, The deduction limit of Rs.







### Senior Housing: A Sunrise Sector in India

60,000 towards expenditure on account of specified diseases of serious nature is proposed to be enhanced to Rs. 80,000 in case of very senior citizens. For the benefit of senior citizens, service tax exemption will be provided on Varishta Bima Yojana.

- Further, incentives under the Income-tax Act have been provided to senior citizens in the union budget. It has been proposed to increase the limit of deduction u/s 80D of the Income tax Act on health insurance premium from Rs 20,000 to Rs 30,000 for senior citizen. It is also proposed to allow deduction of expenditure of similar amount in case of a very senior citizen not eligible to take health insurance.

#### Union Budget 2016-17 announced incentives on health care for elderly population

Catastrophic health events are the single most important cause of unforeseen out-of-pocket expenditure which pushes lakhs of households below the poverty line every year. Serious illness of family members cause severe stress on the financial circumstances of poor and economically weak families, shaking the foundation of their economic security. In order to help such families, the Union Budget 2016-17 has announced to launch a new health protection scheme which will provide health cover up to Rs. One lakh per family. **For senior citizens of age 60 years and above belonging to this category, an additional top-up package up to Rs. 30,000 will be provided.**

#### Announcements for senior citizens in Union Budget 2017-18

For senior citizens, Aadhar based Smart Cards containing their health details will be introduced. A beginning will be made through a pilot in 15 districts during 2017-18. The LIC will implement a scheme for senior citizens to provide assured pension, with a guaranteed return of 8% per annum for 10 years.

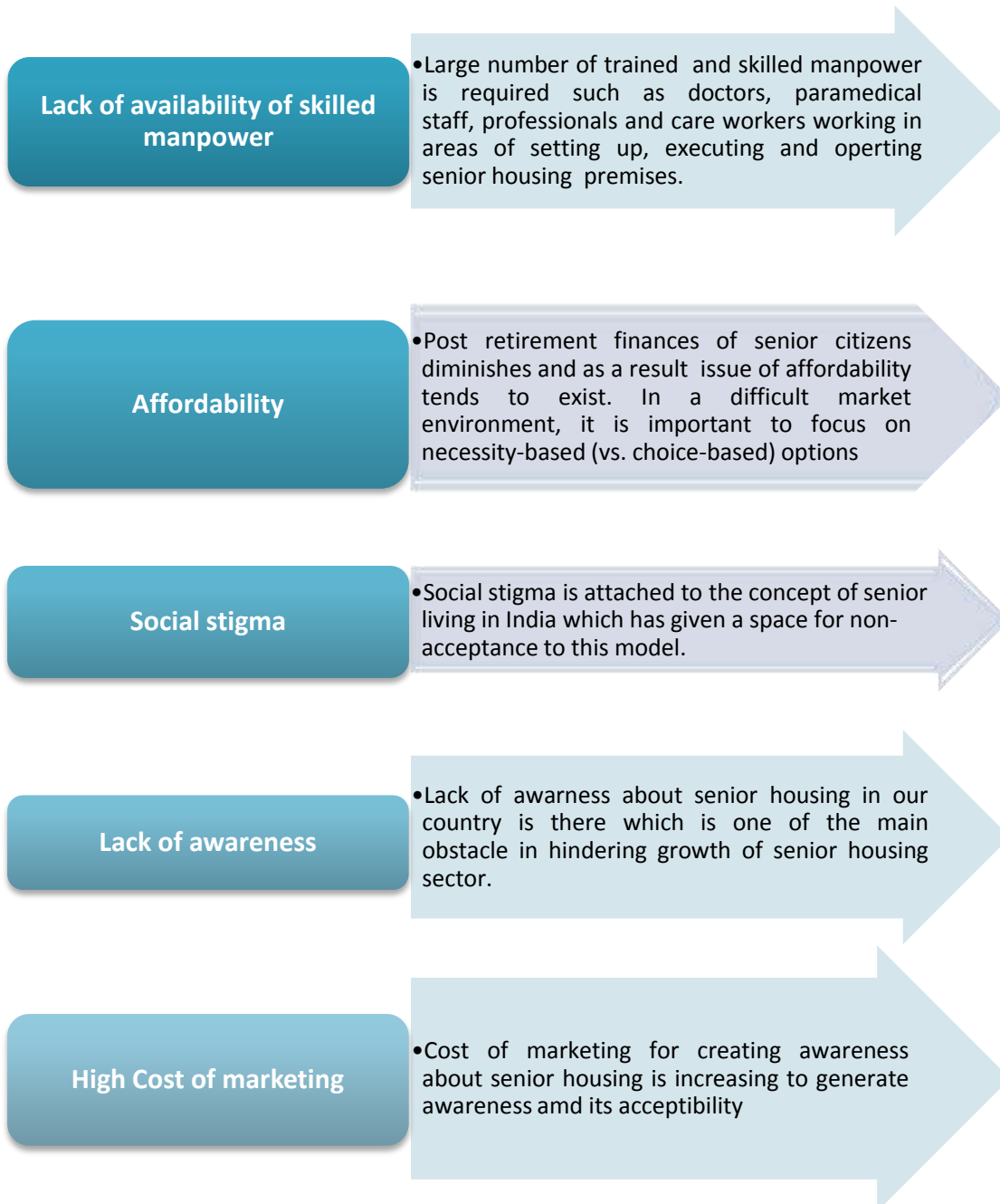






## Senior Housing: A Sunrise Sector in India

### 9. Challenges for the senior housing sector in India



Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17





## Senior Housing: A Sunrise Sector in India

Senior  
Housing : An  
Emerging  
world for  
Indian Real  
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### 10. Emerging growth opportunities for senior housing sector in India

- The share of elderly population in India's total population is expected to increase from 5.6% in 1961 to 8.6% in 2011 and estimated to reach to 10.7% in 2021, 12.4% in 2026 and 23.6% in 2050. Therefore, there exist ample opportunities for the stakeholders of this sector for creating vast investments and employment opportunities in the economy.
- Rising nuclear families and working population of our country is giving push to seniors to prefer living separately and simultaneously remaining socially connected and fit. Hence, senior living is expected to emerge at an impressive growth rate in the coming times.
- Working style of today's generation is rapidly changing and requires long hours of commitment to their work. Therefore, senior housing concept would appropriately meet the needs of elderly population.
- Large number of seniors today prefers to remain independent, financially stable, well informed, socially connected and therefore demand for senior housing sector is likely to grow in the coming times.
- Various incentives have been provided by Government of India to promote welfare of senior citizens. With proper framework for senior housing sector in the coming times, various opportunities in terms of attracting domestic and foreign investments are expected to escalate.
- Growing Senior housing sector is likely to push growth, productivity, investments and employment in other sectors of the economy such as healthcare, construction, hospitality, etc.
- The concept of senior housing also plays critical role in providing security to elderly population, save them from elder abuse incidents and evade them in certain cases on becoming a burden on their family.
- Boost to the senior housing will facilitate generation of more and more employment opportunities in the healthcare, hospitality, housing and construction sectors. In the age of modernization and sustainable development, innovation is required to leapfrog the sector into a new-age of construction styles and methodology. Promoting mass senior housing construction with improved construction technologies and methodologies can help execute housing projects more efficiently and in lesser time.

Source: PHD Research Bureau, Survey of senior housing sector in India, 2016-17. The share of elderly population has been taken from situation analysis of the elderly in India June 2011 and National policy on senior citizen 2011





## Senior Housing: A Sunrise Sector in India

### 11. Recommendations for senior housing sector in India

In India the size of the elderly population, i.e. persons above the age of 60 years is fastly growing. For a developing country like India, this may pose mounting pressures on various socio economic fronts including pension outlays, health care expenditures, fiscal discipline, savings levels etc. This segment of population faces multiple medical and psychological problems. Hence, there is an emerging need to pay greater attention to ageing-related issues and to promote holistic policies and programmes for dealing with the ageing society. Following are some of the recommendations for senior housing sector in India:

- Regulatory body must be established for senior housing sector in India in order to invite genuine stakeholders to participate and promote fair plays in the market.
- There is need to carefully examine the needs of elderly population namely socio, economic, financial, health and shelter along with focusing on well versed geriatric facilities and use of innovative delivery models for comprehensive development and security of the elderly.
- There is a need to introduce a single window mechanism for the elderly to enable them to obtain all facilities including health insurance and information about senior living apartments under one roof.
- On the supply side, there is a lack of institutional and product framework to promote retirement planning and absence of specialist players and packaged products catering to the needs of people who wish save for their silver years. On the demand side, retirement planning is not a top priority for most Indians.
- Need to increase the understandability and acceptability of senior housing in the society by organizing camps in collaboration of Government and developers.
- Going ahead, changes in the social environment are expected to result in a decline in joint families and extended community support post-retirement will lead to an increasing significant need for individual retirement planning. Therefore, there is need to introduce strong framework for senior housing sector in India to meet rising demand and protection of elderly population.
- Call for urgent change in social stigma attached to the senior housing concept and effective measures are required to make this sector more acceptable by senior citizens by creating awareness at a large scale.
- Spreading awareness about senior housing concept and making this as a viable career option for promoting employment opportunities in the economy is required.
- There is a need to introduce financial innovations for promoting participation of producers and consumers of the senior housing sector.
- Motivation to real estate developers with lucrative policy framework and investment opportunities for promoting large scale participation by them in the coming times.
- Easy availability of land and finance options by the banks, tax incentives and subsidies would provide much needed fillip to this sector.
- Need for enhancing training of senior care manpower to meet the diverse needs of this sector and in this regard, setting up of specialized institutions for this would be of great assistance.
- Developers of this sector must take into account the affordability of elderly buyers and construct their senior living project (s) accordingly.
- Government should facilitate developers by setting up hospitals, police stations, health camps, etc nearby senior housing projects to generate its acceptability and confidence among the





## Senior Housing: A Sunrise Sector in India

### Key factors responsible for boosting the growth of senior housing sector in India

1. Emerging elderly population
2. Combating Empty nest syndrome on declining joint family system and social circumstances
3. Availability of skilled manpower
4. Rising capacity and willingness of consumer to spend
5. Increasing preference for Independent living
6. Rising inclination towards working life





## Senior Housing: A Sunrise Sector in India

### 12. Conclusions

Senior housing is defined as a mix of real estate, hospitality, and care with high-quality housing and nursing care facilities presenting alternatives for an exploding senior population, from choice-based options (independent living) in early retirement to needs-based (assisted living, memory care, and skilled nursing) as care requirements increase. Today's complex and constant changing market environments require special solutions. The senior housing sector is the answer to the changing dynamics. Multi-modality continuing care retirement communities (CCRCs) combine several levels of care in a single setting so residents can age in place. It also offers an ideal platform for efficiently and effectively delivering home care, other health services and social and environmental supports.

The structure of the world's population is undergoing significant change. The Organisation for Economic Co-operation and Development (OECD) forecasts that globally the proportion of over 65 in the population will more than double to 16.2% by 2050, with the percentage of people aged 80 and over trebling. Decreasing fertility rates, coupled with increasing overall life expectancy, are driving up the share of elderly in the population. As a result, demand for elderly care is expected to rise significantly. While emerging nations such as Nigeria and India maintain relatively high fertility levels, birth rates in Europe have been falling for decades, resulting in significantly higher proportions of elderly. Today senior housing is a whole new world. The next generation of seniors will be more diverse, better educated and have more disposable income than their predecessors.

In developed economies, the United States is relatively young compared with many other developed countries. It has the largest number of people aged 65 and over among the developed countries, with over 43 million older people in 2012. Between 2012 and 2050, the United States will experience considerable growth in its older population, and the population aged 65 and over is projected to be 83.7 million, almost double its estimated population of 43.1 million in 2012. Among the major economies, China is rapidly getting older. Three decades ago, only 5 percent of the population was over 65. In the year 2012, around 122 million people, or approximately 9 percent of the population, were over this age. So, this booming senior population, together with the changing household structure and growing wealth, has also created a new growth market: institution-based elderly care in China.

Senior housing sector in India is undergoing a major change as developers in the country are increasingly turning to a mostly untapped segment where demand is on the rise even as there's a slowdown in the overall housing market. According to property consultancy JLL India, India contributes less than 1 percent of the global senior housing sector, highlighting the huge growth potential in the sector. A lot of builders have come up in India to tap the growing number of well to do seniors, who have the financial resources and want to live independently post retirement due to several reasons. Earlier, there were very few developers catering to the segment and most of the facilities were run by charitable or non profitable institutions.

The present study Senior Housing: A sunrise sector in India focuses on to analyse the trend of senior housing sector in India, study the view of key players or stakeholders operating in this sector in India, both from the perspective of key players or stakeholders operating in this sector and consumers perspectives. The senior housing sector in India is at a nascent stage with huge opportunities for the real estate developers, service providers, healthcare players and operators. Unlike western countries





## Senior Housing: A Sunrise Sector in India

where the senior housing sector has gained maturity, India has huge untapped potential in the sector.

Given the backdrop, a survey has been conducted and systematic sampling technique was used where developers were contacted across various senior housing projects in various cities through field surveys, interactions and emails for better outlook of the sector and inferences have been derived on the responses received. The survey pertains to responses from developers of various senior housing projects across India who were systematically selected for survey and the sample size chosen for the study is 30.

According to the survey, around 30% of the developers have been operating senior housing projects in India for about 2-5 years, 25% for around 1-2 and 5-7 years each and only 20% for more than 7 years. This is due to the fact that senior housing is a nascent sector in India and has only taken off since the beginning of the 21st century. The survey highlights that around 60% of the companies operating senior housing projects in India are of Indian origin, 30% are operating in Joint Venture with Indian Companies and only 10% are companies are of foreign origin. This data highlights the challenges faced by the multinational companies while setting up senior housing projects in India.

According to the survey, around 80% of the developers have developed less than 5 senior housing projects on an average, whereas 15% of the developers have developed more than 5 projects and only 5% of the developers have developed more than 10 projects. This may be attributed to the hurdles faced by the developers related to land acquisition, financial assistance and regulatory framework etc. while undertaking senior housing projects. According to the survey, senior housing projects in India have different square feet rates in different regions across India. The per square feet rates for Western region varies between Rs. 9000-10000, Southern region varies between Rs. 4000-8000 and Northern region varies between Rs. 5000-7000 respectively. According to the survey, the highest percentage of return on investment in senior housing projects (43%) have been coming from the Western region of our country, followed by 32% return from Southern region and 25% of the return from the Northern region of India. The survey has revealed that around 10% of the developers provide assistance to buyers in terms of renting out the flats/apartments offered by them. However, 90% of the developers do not provide any such assistance.

According to the survey, about 85% of the developers preferred Healthcare, Accessibility/Location, Social Ecosystem, Safety features (like floor material, shock proof lighting, etc.), Security system, Connectivity, Less Crime Rate, Aesthetic Ecosystem, Education, Ecosystem and Employment Destination while setting up senior housing project. However, only 15% of the developers opted for Congestion Free and Growth Perspective.

The survey reflected that average time to complete all the procedural formalities to start senior housing project in India varies from 3 months to more than 12 months. While 55% of the developers are of the opinion that it takes 6-12 months to complete the procedural formalities, 35% of the developers responded that the time varies from 3-6 months and 10% of the developers believe the time taken is more than 12 months. This is due to various cumbersome formalities related to land registration, obtaining a construction permit, electricity connection and various other formalities across India. Many developers and operators find venturing into this sector profitable and are developing various senior housing projects and marketing them on different financial models as per the local demands, the financial viability of these projects, and sale plans. According to survey







## Senior Housing: A Sunrise Sector in India

findings, around 60% of the developers offer complete sale model, 30 % offer only lease deposit model and only 10% of the developers offer pure rent model.

According to the survey, the average price range of Senior Housing projects varies across India with 1BHK ranging between Rs 25-40 lakhs, 2BHK in the price range of Rs 40-80 lakhs and 3BHK in the range of Rs 80- 150 lakhs. According to the survey, around 35% of the developers registered an average increase of less than 50%, 30% of the developers registered an increase of more than 50%, 20% of the developers registered an increase of more than 70% and only 15% of the developers registered an increase of more than 100%

According to the survey, senior housing projects in India have cropped up in the Western and Southern regions. The survey revealed that these regions have a greater prevalence of nuclear families, higher literacy levels, more pronounced desire among young professionals to migrate to other countries and higher purchasing power, resulting in reduced dependency of seniors or family members. It is only after witnessing the high acceptance rate of senior housing projects in West and South India that developers began training their sights on the Northern and Eastern regions of India, predominantly targeting tier II and tier III cities. According to the survey findings, around 78% of senior housing projects in India are operating in the Western and Southern regions, while only 22% exist in Northern India.

Senior housing sector has enormous potential if viewed from the size of the sector in 2016 till the projected year of 2030. On the basis of growth perceptions of the senior housing sector and survey, the sector has the potential to enter double digit growth, going ahead, on account of conducive regulatory environment, reviving investments in economy and expanding consumer base across all regions of the economy. According to the survey, developers felt that the size of the sector is estimated to reach from US\$ 1.26 billion in 2016 upto US\$ 7.7 billion by 2030 on account of conducive framework in our country.

Senior housing has evolved to better match the new demands and lifestyle of seniors and their adult children by offering a broader range of choices and variety of care facilities that allows senior to age with comfort and security. Hence, it becomes imperatives to obtain the insight of the senior housing sector through the consumers i.e the people residing in senior housing projects. Thus, a survey was conducted and random sampling technique was used where residents (486) were chosen randomly across various senior housing projects in various cities through field surveys, interactions and emails for better outlook of the sector and inferences have been derived on the responses received. According to the survey, about 65% of the residents have purchased their apartment/flat/independent house in senior housing projects. The income levels over the past many years have risen and provided scope for increased savings. Therefore, savings at the time of retirement supported them to buy property. Around 25% of the residents have opted for Lease Deposit Model and remaining around 10% respondents have opted for Pure Rental Model.

The survey has revealed that a large percentage of residents (43%) purchased 2BHK apartments, followed by 1BHK apartments (26%), 3BHK flats (21%) and remaining 10% purchased independent villas. All respondents unanimously have opined that with rising age, the inclination towards healthcare facilities and food requirement increases, while the requirement for shelter tends to remain minimal, therefore small apartment size fulfils their need.





## Senior Housing: A Sunrise Sector in India

About 84% of the respondents are living in independent living format of senior housing in India in which they are provided with senior friendly homes which includes better lighting, mobility facilitation, bathrooms and kitchens are designed to accommodate wheelchairs and walkers, hallways and doors are wider and tiles and flooring are anti-skid etc, better healthcare facilities and emergency services, for companionship and recreational activities. While remaining 16% residents prefer for easy accessibility to the various needs of life in the later stages and for taking care of any type of illness such as physical or mental. According to the survey, about 66% of the respondents are residing with their spouses, followed by 25% who are living alone in their apartments and remaining 9% respondents are residing with their spouse, family members such as mother, father, children who are disabled or daughter who is unmarried or widow.

On an average, the residents in senior housing projects spends in the range of minimum expenditure of Rs. 20,000 to Rs. 40,000 during a month while the maximum expenditure lies in the range of Rs. 70,000 to Rs. 1,50,000 on various activities including food, rent, utility payments, medical expenses, leisure activities, picnics, entertainment activities, etc. According to the survey, around 39% residents expressed that their prime reason for opting to live in a senior housing project is because they were facing from loneliness. They stated that as an individual age, social networks also changes. Friends or family may not be as close by, or neighbours may move or pass on. Further, one may not be able to have access to public transportation or driving by own in order to meet up with family and friends.

So, in order to expose more social opportunities and avoid becoming isolated and housebound, they preferred to live in senior housing to meet their social and emotional needs. About 33% residents responded that as their family members settled abroad, they chosen senior living to meet the all round needs under one roof followed by about 16% who stated that they don't wish to become burden on their family or friends for day to day activities and remaining 12% preferred senior living apartments for special health care attention.

The survey has revealed top ten priorities of residents while choosing a senior housing project. Location of the project has been ranked first, size and space of the project at second rank, comfort and design features at third rank, followed by independence, security, quality of life, price of buying a unit, cost of maintenance, health care services and facilities offered by service provider.

In order to know the perception of prospective consumers regarding senior housing sector in India, an extensive survey of 2,598 has been undertaken to assess the prospective segment of the population, their age, income, preference of location and investment for senior housing in the times to come. According to the survey, 78% of the total respondents have expressed their interest in opting for senior housing owing to various factors such as ease of living with supported facilities like assistance in day to day activities, healthcare facilitates, recreational activities for remaining socially connected etc. It has been observed during the survey that large share of respondents (33%) have preferred to opt for senior housing between the age group of 65-70 years, followed by 29% respondents opined to opt for senior living between 60-65 years of age and 19% respondents have expressed their interest to opt for senior housing between the age group of 70-75 years.

According to the survey, the key cities emerged as a retirement friendly destination in the Northern Region are NCR, Chandigarh, Dehradun, Lucknow, Jaipur and Amritsar. While in the North-Eastern Region, the emerging retirement cities are Guwahati and Shillong. In the eastern region, Ranchi,





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Jamshedpur, Kolkata and Patna are the emerging cities. Mumbai, Pune, Nasik, Ahmedabad, Vadodara, Panaji and Surat are the cities opted by the residents in the Western Region as favourite retirement destinations. Bengaluru, Chennai, Hyderabad, Coimbatore, Mysore and Puducherry are the key cities in the Southern region which have emerged as their preference for post retirement destinations. The key reasons for cities emerging as a retirement friendly destinations is on account of factors such as better connectivity, native places, familiarity with area, climatic familiarity, better employment opportunities for their children, etc

Most of the respondents (about 70%) have opined that top five places which will emerge as a retirement friendly destinations are Bengaluru, Hyderabad, Mumbai, NCR and Chandigarh. About 52% of the respondents have expressed their interest in post retirement employment assistance in areas like education, teaching, administrative, NGOs etc. Further, about 57% of the residents have opined that they would like to opt for loan facilities for purchasing senior living homes.

The key challenges for the senior housings sector in India are Lack of availability of skilled manpower, lack of affordability, Social stigma, lack of awareness and high cost of marketing. Rising nuclear families and working population of our country is giving push to seniors to prefer living separately and simultaneously remaining socially connected and fit. Hence, senior living concept is expected to emerge at an impressive growth rate in the coming times. Large number of senior today prefers to remain independent, financially stable, well informed, socially connected and therefore demand for senior housing sector is likely to grow in the coming times.

Growing Senior housing sector is likely to push growth, productivity, investments and employment in other sectors of the economy such as healthcare, construction, hospitality, etc. The sector will generate employment opportunities as large number of trained and skilled manpower is needed such as doctors, paramedical staff, professionals and care workers working in areas of setting up, executing and operating senior housing premises.

In India the size of the elderly population, i.e. persons above the age of 60 years is fastly growing. For a developing country like India, this may pose mounting pressures on various socio economic fronts including pension outlays, health care expenditures, fiscal discipline, savings levels etc. This segment of population faces multiple medical and psychological problems. Hence, there is an emerging need to pay greater attention to ageing-related issues and to promote holistic policies and programmes for dealing with the ageing society.

Regulatory body must be established for senior housing sector in India in order to invite genuine stakeholders to participate and promote fair plays in the market. There is need to carefully examine the needs of elderly population and focusing on well versed geriatric facilities and use of innovative delivery models for comprehensive development and security of the elderly. Further, there is a need to introduce a single window mechanism for the elderly to enable them to obtain all facilities including life insurance, health insurance and information about senior living apartments under one roof. Government should facilitate developers by setting up hospitals, police stations, health camps, etc nearby senior housing projects to generate its acceptability and confidence among the society.

Going ahead, our country needs more and more health and medical services, facilities and resources to fulfill caring needs of aged persons so that this section of the population should be capitalized in the process of growth and development of economy.





## Senior Housing: A Sunrise Sector in India

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## Senior Housing: A Sunrise Sector in India

### PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
<ul style="list-style-type: none"> <li>Research Studies</li> </ul>	<ul style="list-style-type: none"> <li>Macro Economy</li> </ul>	<ul style="list-style-type: none"> <li>Economic Affairs Newsletter (EAC)</li> </ul>	<ul style="list-style-type: none"> <li>Trade &amp; Investment Facilitation Services (TIFS)</li> </ul>
<ul style="list-style-type: none"> <li>State Profiles</li> </ul>	<ul style="list-style-type: none"> <li>States Development</li> </ul>	<ul style="list-style-type: none"> <li>Global Economic Monitor (GEM)</li> </ul>	<ul style="list-style-type: none"> <li>Business Research Consultancy</li> </ul>
<ul style="list-style-type: none"> <li>Impact Assessments</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Forex and FEMA Newsletter</li> </ul>	
<ul style="list-style-type: none"> <li>Thematic Research Reports</li> </ul>	<ul style="list-style-type: none"> <li>Foreign exchange market</li> </ul>	<ul style="list-style-type: none"> <li>Trade &amp; Investment Facilitation Services (TIFS) Newsletter</li> </ul>	
<ul style="list-style-type: none"> <li>Releases on Economic Developments</li> </ul>	<ul style="list-style-type: none"> <li>Global Economy and International Trade</li> </ul>	<ul style="list-style-type: none"> <li>State Development Monitor (SDM)</li> </ul>	





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### Studies Undertaken by PHD Research Bureau

#### A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September 2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
29. SEZs in India: Criss-Cross Concerns (February 2015)
30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
31. India - USA Economic Relations (February 2015)
32. Economy on the Eve of Union Budget 2015-16 (February 2015)
33. Budget Analysis (2015-16)
34. Druzhiba-Dosti: India's Trade Opportunities with Russia (April 2015)
35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
36. Progress of Make in India (September 2015)
37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)





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39. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
  40. Revisiting the emerging economic powers as drivers in promoting global economic growth (February 2016)
  41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
  42. BREXIT impact on Indian Economy (July 2016)
  43. India's Exports Outlook (August 2016)
  44. Ease of Doing Business : Suggestive Measures for States (October 2016)
  45. Transforming India through Make in India, Skill India and Digital India (November 2016)
  46. Impact of Demonetization on Economy, Businesses and People (January 2017)
  47. Economy on the eve of Budget 2017-18 (January 2017)
  48. Union Budget 2017-18: A budget for all inclusive development (February 2017)
  49. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
  50. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
  51. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
  52. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
  53. Punjab: Roadmap for the New Government – Suggestions for the industrial and Socio-Economic Development (May 2017)
  54. Goods and Services (GST): So far (July 2017)
  55. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
  56. Industry Perspective on Bitcoins (July, 2017)
- B: State profiles**
57. Rajasthan: The State Profile (April 2011)
  58. Uttarakhand: The State Profile (June 2011)
  59. Punjab: The State Profile (November 2011)
  60. J&K: The State Profile (December 2011)
  61. Uttar Pradesh: The State Profile (December 2011)
  62. Bihar: The State Profile (June 2012)
  63. Himachal Pradesh: The State Profile (June 2012)
  64. Madhya Pradesh: The State Profile (August 2012)
  65. Resurgent Bihar (April 2013)
  66. Life ahead for Uttarakhand (August 2013)
  67. Punjab: The State Profile (February 2014)
  68. Haryana: Bolstering Industrialization (May 2015)
  69. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015)
  70. Suggestions for Progressive Uttar Pradesh (August 2015)
  71. State profile of Telangana- The dynamic state of India (April 2016)
  72. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
  73. Rising Jharkhand: An Emerging Investment Hub (February 2017)
  74. Prospering Himachal Pradesh - A Mountain of Opportunities (August, 2017)





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### Notes





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