

## The Benefits of Repositioning, Revitalization & Expansion

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The average age of your residents is pushing into the high 80's, your plumbing systems are clogged, people describe your décor as "original retro" and your customers are saying, "I'm not ready yet". It sounds like one of Gilda Radner's famous Roseanne Roseannadanna skits from SNL ... "well Jane, it just goes to show ya'. It's always something. If it's not one thing it's another!"

The younger market wants granite countertops and stainless appliances, a stronger wellness focus, variety in dining, and private nursing beds with a private bathroom. Meanwhile, the media is telling people to stay in their current houses as long as they possibly can, and technologic advances are allowing them to stay put more safely and longer. So, how are you going to attract and meet the expanded desires and needs of the next generation, and how are you going to pay for it?

Spectrum Consultants has been partnering with CCRC's for 35 years to help plan, market and sell products and services to meet the needs of today's and tomorrow's customers. David Ratchford, founder and President of Spectrum, and his team of professional consultants thrive on helping communities move forward and find success today and into the future. David loves to ask, "Would you like to strengthen your bottom line, gain market share strength and diversify into a position of strength?"

Sheryl Callahan, CEO of Brazos Presbyterian Home, Inc. ("Brazos Towers at Bayou Manor" and "The Hallmark") multi-facility Continuing Care Retirement Community ("CCRC") provider in Houston, TX hired the Spectrum team to reposition one of her aging communities. "Revitalizing and expanding your community can provide the necessary funds to refresh existing commons and create new spaces that will WOW your constituents", says Callahan.

## The Application – housing, hospitality and healthcare

Brazos Towers celebrated its 50<sup>th</sup> Anniversary with a reputation for providing excellent services to its congenial, but quickly aging resident population. Occupancy declined and buildings aged while the housing market went weak and the economy went weaker. The Board of Directors decided they needed to reposition or start thinking about closing down. They made the prudent decision to hire a team of professional consultants to lead them through a revitalization process. The team included

strategic planners, architects, financial consultants, researchers, interior designers and contractors. “We couldn’t have done it without the support of our professional partners” says Callahan. By focusing on the three major components of the CCRC; housing, **hospitality and healthcare**, the team developed a plan that will expand the community to reach a broader market, revitalize the assisted living and nursing program, add memory support services, and refresh and expand the community spaces and service offerings. The result: a new 14-story residential tower with underground parking and expansive commons, which are under construction and due to open in late 2015.

### Housing:

Today’s consumers expect high-end finishes. They like wood flooring and porcelain tile, quartz countertops, glass mosaic backsplashes and stainless appliances. They want open-concept living spaces with higher ceilings and more and bigger closets. A solution in older buildings is to combine two existing apartments into one to create one large apartment. Existing cottage homes can be expanded by adding extensions to add square footage. But, more often than not, revitalization requires demolishing existing buildings or purchasing land to make way for an expansion.

At Still Hopes retirement community in Columbia, SC, CEO Danny Sanford struggled with small, outdated cottages that were attractive on the outside but poorly designed on the inside. “The bathroom door isn’t wide enough for my broad shoulders to fit through,” says Sanford. When cottages became available for resale, Still Hopes decided to leave them empty to allow space to building something new. Now, Still Hopes is marketing new, beautifully designed villa homes with garages, open floor plans and, of course, wider bathroom doors.

Still Hopes also kicked-off a capital fundraising campaign that will allow them to build the long-awaited “main street” with multiple dining venues, activity spaces and amenity areas that will match the multi-million dollar fitness and wellness venue they built before the financial crises.

Spectrum Consultants partnered with The Pines at Davidson when they decided to consider a new product. The Pines listened to potential customers say they wanted new homes with garage parking, bright open spaces, and balconies, and they didn’t want to walk down a long hallway to access to their new home. Along with Meyer, Greeson, Paullin, Benson Architects, The Pines created villas that included eight condo-style apartments, each with under-building parking and elevator access to a cluster of four apartments. The individual villa homes each boast two exterior walls that allow lots of windows and lots of natural light to flow.

## Hospitality Oriented Amenities:

Repositioning a retirement community may also include an expansion. New apartment homes, townhomes and villas can bring in additional capital and revenue. “CCRC’s can improve their financial ratios by collecting new entrance fees. And, more people living at the community increases monthly revenues as well,” according to an industry financial consultant. More revenue and capital allows an organization to expand services like:

- Transportation – valet and shuttle services to local shopping and health care providers
- Dining – a café for coffee & snacks, a pub for pre-dining gatherings, a private dining room for special occasions and cozy eating areas for intimate conversations
- Housekeeping – so residents can spend energy on what they like to do
- Maintenance – for peace of mind
- Wellness – salon and spa services to promote healthy living
- Concierge services – to help plan fun outings
- Cultural Arts & Education– music rooms, a theatre, classrooms for active minds
- Outdoor venues – dining, gathering and concert spaces. Walking paths and fitness trails.

Brazos Towers was pleased to see baby boomers reserving apartments in the expansion tower. The average age of people reserving in the expansion is 74, and several people will be moving to the community in their late 60’s.

## Healthcare Design and Service Delivery

The Pioneer Movement, the Household Model, the Greenhouse projects and, to a great extent, technology, have each impacted the way health care services are offered and delivered. However, buildings designed during the medical model years are hard to modify into today’s new standards. Semi-private rooms are out and private rooms are in. Shared bathing corridors located down the hallway are out and private bathrooms with showers are in. Communal dining is out and smaller, more intimate dining areas are in. Tray service is out and restaurant-style dining is in. It’s all about personalized care in a home-like environment.

A community expansion can open up the opportunity to build new healthcare spaces and renovate old ones. At Brazos Towers, people receiving Assisted Living services will move to the new tower into large, two-room suites with kitchenettes. Memory Care services will be added for the first time in a segregated area with commons that include a country kitchen, a casual living room, and arts studio and an expansive and secure outdoor patio. The repositioning efforts are allowing the community to serve people more effectively and comfortably.

## The approach

A good strategic plan and lots of time and effort can bring great results:

1. Develop a short and long range plan that includes wants, needs, timelines and financing
2. Build a team to support your efforts: Board involvement, management support, strategic planning, product development, architecture, legal, financial modeling, financial feasibility, interior design, existing and future residents
3. Engage in market demand and market research to provide data on which to base decisions
4. Stay flexible. Listen to the market. Time is money so move quickly.
5. Implement your plan when the financial and housing market appears ready to support your efforts.

Spectrum finds that many areas of the country are experiencing stronger housing and job markets that are allowing seniors to sell their homes and move on with their lives at a CCRC. A good strategic plan with short term and long term goals may be ripe for implementation, while market factors are becoming stronger.

## Outcomes

Results come from hard work. Who doesn't want a stronger bottom line, a larger market share and market strength. Revitalization and expansion brings opportunity for a broader range of services and a more diverse customer base. Refreshing apartments, cottages and commons can allow a CCRC to increase occupancy and serve more people. Higher occupancy allows for expanded services. Expanded services help to meet the needs and wants of today's customers. And, satisfied customers spread the good word, which allows you to expand your mission to serve people's needs.

Spectrum Consultants is ready to partner with you and expand our mission to "foster successful relationships with senior living communities to fulfill their missions by enhancing value and enriching the lives of seniors". We would love to hear your dreams and visions on Twitter @spectrumliving.