

Are retirement homes for you?

These are not run-down old-age homes, where people live in pitiable conditions. Today's retirement homes take care of all the needs of senior citizens, and do it in style. Here's why you could consider this option

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Who doesn't dream of a retirement free of worries? For Suresh Goswami, this meant a luxurious retirement home. Just like the plush, assisted-living complexes he had seen in western countries, the former tailor's search for such a home for himself and his wife ended at the Lavassa retirement resort near Pune. "I had never thought such places existed in India," he says.

As more affluent Indians join the ranks of retirees, the demand for housing projects catering exclusively to this category is on the rise. There are at least 30 such projects and an equal number is on the drawing board. Most of these retirement homes are located in suburbs of metros, but some are being developed at well-known retirement destinations, such as Coimbatore, Goa and Dehradun.

Don't think of these housing projects as run-down old-age homes, where the aged are abandoned due to a pitiable state. Today's retirement homes are vibrant complexes that take care of food, housekeeping, health care and security, allowing senior citizens to enjoy their sunset years. This is precisely why Max India is promoting its retirement home business with the catchline "Fun and laughter, 60 and after".

Growing demand
Several factors are driving the demand for retirement housing in India. India's so-called demographic dividend will soon turn grey. Right now, nearly 98 million Indians (or roughly 15% of the population) are above 60 years of age. This number is expected to soar to 240 million by 2020. The country's overall population is growing at 1.5% annually, but the ranks of senior citizens are swelling at a much faster clip at 3.5% every year. Seeing the opportunity, several large corporate groups, such as Tata, L&F Housing Finance and Max Group have forayed into the development of these complexes.

Many senior citizens are financially independent when they retire, but the question that confronts them is, how they will manage when their grown-up children move to another

city, or country, for work. Safety concerns, healthcare needs and loneliness are pushing these people to retirement resorts that offer convenient solutions to these problems.

Safety & security

Safety and security are important concerns, especially because of the rise in crimes against senior citizens in cities. Many assisted living centres provide 24-hour security and some even have the CCTV facility — not to spy on the senior citizens, but to make sure that all is well. There is also the provision of emergency healthcare services. If there is an accident or a medical emergency, the senior citizen can be quickly taken to hospital or given first aid. Such an assurance is also a big relief for the retirees' children, who may have moved to another city or country for work.

Loneliness is the scourge of old age, though very few people see it as a problem and even fewer admit they are affected. Isolation can play havoc with a person's health and push him into depression. Living in a residential complex, where neighbours are in constant touch, can be uplifting. The residents in a retirement complex may not exactly be family, but they provide the much-needed companionship that seniors are looking for. The opportunity to interact and enjoy together improves the quality of life. Says Sanjay Lakhotia, founder, Aamoksh One Eighty, a company that manages homes for seniors: "We see a growing need for assisted-living centres in the country due to the changing demographics, migration of children for work, breaking down of the joint family system, and difficulty in managing by themselves in cities."

In the past, there was a social stigma attached to abandoning one's parents in a retirement home. However, attitudes have changed over the years. Says the Tata L&F Housing Finance executive, residential services, Cashman & Wakefield: "Though this concept is still in a nascent stage, at least it is not looked down upon anymore."

A considerable portion of the demand for such retirement homes is coming from non-resident Indians (NRIs).



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Outright purchase model

Project	Developer/managed by	Location	Options	Cost (₹ lakh)	Maintenance charges (₹ per month)
Panchsroti	S&B Dharma Samaj	Bangalore	Studio, 1- & 2-BHK, cottage	1.5-50	1,500-2,500
Ashiana Uthav	Ashiana Housing	Biharwad	1-2-, 3-BHK	21-45 (R)	1.75*
Ashiana Uthav	Ashiana Housing	Jalpur	2-BHK	25-35	1.85*
Bahri Beautiful Country-Andaman	Bahri Estate/Aamoksh One Eighty	Kodakanal	1-, 2- and 3-BHK	29-60	1,500-2,500
Ashiana Uthav	Ashiana Housing	Lavassa	1-, 2-, 3-BHK villa	35-111	4*
Golden Nest	Vascon/Golden Nest Marigold Trust	Pune	Studio, 1-BR	45-60 (R)	N/A
Aamoksh One Eighty Retirement Community	Aamoksh One Eighty Hospitality	Kasauli	Single program studio,	45-95	35,000-53,000
Ansara Senior Living	Part of M&A India	Mussoorie	Units, penthouse	150-700	20,000

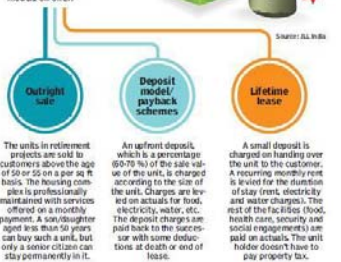
Upfront deposit model

Project	Developer/managed by	Location	Size (sq ft)	Initial deposit (₹ lakh)	Living expenses (₹ per month)
Shreehari Seniors	Shreehari	Cochin	300-600	1,500*, 15% higher on each higher floor	6,500
The Golden Estate	MCD Care Pvt Ltd	Fardesabad	300-600	15-27	15,000
Goathi	Goathi Senior Citizen's Home	Nahall, Kolkata	200-700	6-18	10,500-24,500

*In Rs per sq ft

THREE WAYS TO BUY A RETIREMENT HOME

Senior housing projects are tailored to the needs of the aged. One can choose from any of the three financial models on offer.



"Senior NRIs accustomed to top-end facilities in developed countries and retiring to their home country or those whose children have turned NRIs, are significant potential customers," affirms B. Sridhar, national director, social infrastructure practice (education, healthcare & senior living), Jones Lang LaSalle India (JLLI).

A recent report from JLLI puts the current demand for retirement housing in India at approximately 2 lakh units. There's an option to suit every pocket, with unit sizes varying from 300 sq ft to 2,500 sq ft. A basic apartment costs up to ₹23 lakh, while a mid-sized unit can cost ₹25-50 lakh. For those with deep pockets, there are luxury villas with price tags of ₹1 crore and above. Apart from this, there are charges for the services offered. The monthly charges for a couple come to ₹15,000-25,000 for standard services, and ₹25,000-40,000 for luxury services (see table).

Before you opt for it...
Reading the fine print in any agreement is critical, more so, when you are investing in a retirement home. These projects offer a number of facilities, but they come at a premium compared to regular housing projects. Instead of focusing on the luxury aspects and premium fittings, you need to make sure that the project is well-connected and offers all essential amenities within the campus.

Do the math while buying a house in a project. The cost of the services will rise every year. Since you will be living off your savings, don't over-extend and buy into a project you can't afford.

It's equally important to conduct some background checks. Go for a company that has developed a senior citizens' project and has some experience in the field. If services have been outsourced, examine the reputation of the service provider. In particular, find out about the service provider's level of specialisation in geriatric care.

If possible, visit the company's other projects and enquire from residents how satisfied they are. Check whether the developer is getting into the development of seniors' housing projects for the long term, or whether he is undertaking a one-off project. "A lot of developers may re-brand their project, claiming these are for senior citizens just because the land is situated in a far-off location and is not selling," says Vishal Gupta, managing director, Ashiana Housing.

It is a good idea to live on rent for some time before you take the plunge. Ramdas Aggarwal initially took an apartment on rent at Shivaji. "Many people find it difficult to live in assisted care centres. They are used to hectic lifestyles, so they are unable to adjust to such a quiet place," he says.

If you are living on rent initially, you hedge your bets. As financial planner Vishal Dhanwan points out, "This is the best model from the point of view of flexibility. You get to keep your capital and can use it to generate a cash flow. If the service provider does not deliver, you have the option to exit."

Assess your needs
Your choice will also depend on the level of care you need. This progresses

Assisted living changes as you age

As the retirement home market matures, projects will offer more focused facilities with all activities. At that stage, one may need full-time care, which costs a packet.

50-70 years
You are active and able to take care of yourself and may have no serious ailments.

Independent living
No different from traditional housing, but with senior-friendly features, such as better lighting, mobility facilitation, bathrooms and kitchens designed for wheelchair accessibility. Socialisation uplifts the atmosphere.

60-75 years
You are still active, but may need some support systems during the day.

Assisted living
These allow residents to have access to care workers, who assist the residents in day-to-day activities. This reduces the need to travel to hospitals and also instils a healthy form of lifestyle.

Above 70 years
You may need continuous medical attention and care in a homely environment.

Skilled nursing care
Offer nursing facilities and can take care of physical and mental disabilities. Services increase considerably in this stage, with due thorough research, and only then make the move.

ively changes as you grow older (see box). Most of the retirement homes that are coming up cater only to those in sound health. Some are also for those who can manage most of their tasks, but need help with a few chores. However, there is very little choice for invalids who need help with all activities. At that stage, one may need full-time care, which costs a packet.

What do you plan to do with your house after you move into a retirement home? If it is in the city, it could fetch you enough money to buy the retirement apartment and live comfortably for the rest of your life. It also means that you will have no back-up options. What if you don't like the life away from the city you have lived in for 50-60 years? What if you miss your family and friends? Some people retain their houses in the city. This can lead to a situation where the person is assisted, but cash-poor. He may be a co-tenant three times over, but won't have enough to pay for his medical bills or buy groceries.

One more problem is that a retirement home is not as liquid as other real estate. Banks and housing finance companies, too, are not as willing to extend loans because the buyer is well past his earning years. It is not possible to reverse mortgage a property where the ownership comes with a few strings attached.

So the decision to shift to a retirement home is not one you can take lightly. Weigh the pros and cons, conduct thorough research, and only then make the move.