Terra Lumina
Life Lease Housing

Mission Association for Seniors Housing

Life Lease Housing
23rd Annual Friesen Conference
Simon Fraser University
LUMINA SERVICES; TERRA LUMINA LIFE LEASE

- Market & feasibility studies
- Development consulting
- Operational consulting
- Life lease development (TLL)
- Presentations
- Only Canadian member of V to V network
- Kate Mancer, M.A., Principal & author
- Curriculum, TRU
Long-Term Outlook: Destiny Dictated by Demography?

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Keynes is well remembered for stating that “in the long run we are all dead”, but less frequently quoted suggesting “but we still have to forecast it”. In some ways, longer-term trends are actually more straightforward to project than short- or medium-term trends, since the latter can be easily knocked off course temporarily by unforeseen political disruptions or weather—see 2014—while the former tend to be dominated by relentless forces, such as demographics. And, while much more attention is typically focused on the short-term projections by the media, markets and economists, the long-term outlook is arguably much more important for the planning of households, businesses, and governments. With that backdrop, here are some views on the major economic trends in North America for the next 5-15 years.

* Average growth rates will be slower; get used to it. Canadian real GDP growth has been stepping down the staircase since the 1960s, with each decade slower than the previous period (Chart 1). The only reason why the current decade will match the 2000s is because the global financial crisis did its damage in 2009, and this decade is benefitting from the recovery. From nearly 6% average real GDP advances in the 1960s, we cooled to 4% in the 70s, 3% in the 80s, 2.1% in the 90s, to the point where 2% is now seen as nearly normal. The Bank of Canada officially estimates that potential growth is now 1.9%. Get ready for another step down the staircase in the coming decade. While we have optimistically pegged the range of growth between 1.5% and 2.5%, the lower end of that spectrum looks likely in the 2020s.

* Labour force growth will slow markedly, but it will still grow. Behind the actual and projected slowdown in GDP in the working age population is set the peak population was born from the mid-1950s. As this bulge approaches what had been age, the labour force will begin to see a step around 2020. However, based on immigration assumptions, the labour force will modestly gain even well into the next decade (about half of the potential GDP growth, with caution for the other side, and it's more of a surprise the great hopes of policymakers and vitality that trend productivity has been ingly?) stable at just over 1% for the past 50 years optimistic and assume 1% productivity...
MY ROAD TO LIFE LEASE SALVATION

- 1999: Alternate Tenure Arrangements (CMHC)
- 2003: A Preliminary Exploration of Some Consumer Protection Issues (CMHC)
- 2008: Financing Seniors Housing Using Resident Equity (BC Housing, Real Estate Foundation, BCNPHA)
- Innumerable life lease presentations
- Countless focus groups
- Terra Lumina Life Lease 2010
- Currently marketing & selling Cedar Valley Manor (Mission) & Catherine Gardens (Vernon)
WHAT IS LIFE LEASE?

- Cross between owning and renting
- Residents provide financing
- Sponsor owns & manages the building; residents have 30 year lease
- Various “exit” mechanisms
WHAT IS THE POINT OF LIFE LEASE?

- Provides a way of using homeowner equity to increase housing options for seniors
- Provides an initial and ongoing role for non-profit organizations
- May be the only way for some communities to create seniors’ housing (Sunshine Coast?)
- Combined with VRCs can provide affordable AND SUPERIOR aging in place
- Can cover the spectrum: independent housing, assisted living and long term care life leases
Everyone in all 15 focus groups indicated that they would purchase a life lease unit again or advise a friend to purchase.

Residents indicated that they were extremely happy in their choice of housing.
LIFE LEASE MEANS THE BEST OF BOTH WORLDS

- The simplicity of rental – the “landlord” (the non-profit sponsor) looks after most things
- The security of rental – no special assessment surprises, no depreciation reports to deal with, no strata council politics
- Liquidity - If you don’t like it, move
- Peace of mind - no worries about poor real estate markets
- Capital retention – avoiding the “black hole” of rental payments
Is there anything Life Lease can’t do?

If it didn’t exist would it be necessary to invent it?

No
Yes
LEGION MANOR MAPLE RIDGE
MOUNTAINVIEW VILLAGE, KELOWNA
EDMONTON LIONS CLUB
Vic Wyatt House Winnipeg
Shepherd Gardens Toronto
Staywell Manor
ELEGANT SENIOR LIVING
174
Bridgepark Manor Steinbach MB
Laurier House Edmonton
Cedar Valley Manor Mission
Catherine Gardens
Vernon

THE Location you want to Downsize to

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And, after you move in, Catherine Gardens Connect will help you stay in your home as long as you want, easily and affordably.

Visit our presentation centre at the Schubert Centre
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1848 Commercial Drive, Vancouver BC | telephone 604-254-0888
www.catherinegardens.ca
Why does it work so well?
HOW DO WE GET MORE IN LIFE LEASES IN BC?

- In MB, 1 per 50 people aged 65+
- In SK, 1 per 120
- In AB, 1 per 180
- In ON, 1 per 200

In BC, 1 per 499
DID YOU KNOW?
The first life lease projects in Canada were built in the late 1970s and early 1980s. There are now more than 300 life lease projects in operation; about 135 of these are in Ontario.

LIFE LEASE HOUSING RESOURCE GUIDE
QUESTIONS AND ANSWERS FOR PEOPLE CONSIDERING LIFE LEASE HOUSING
CHALLENGES

- Resources
- Presales & deposits
- Sales & Marketing
- Long term Commitment
- Realtors
THANKS FOR YOUR ATTENTION!

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