



Terra Lumina
Life Lease Housing



Mission Association for Seniors Housing

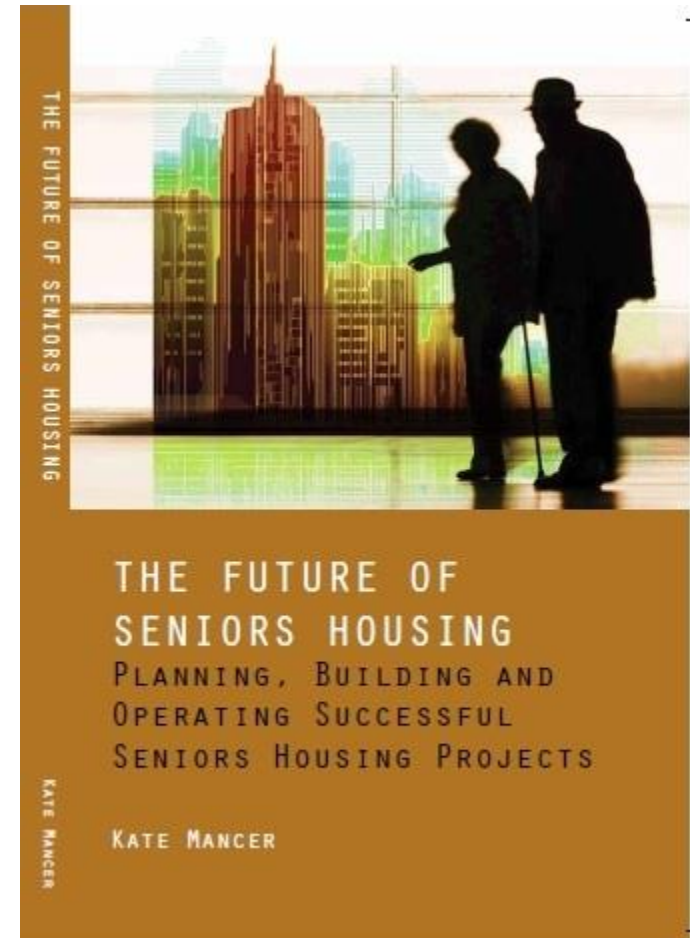
LIFE LEASE HOUSING

23d 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?

Douglas Porter, CFA, Chief Economist • douglas.porter@bmo.com • 416-359-4887

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 focussed 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, 2½% 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 2.0%, the lower end of that spectrum looks likely in the 2020s.

- **Labour force growth will slow markedly, but it will still grow.** Lags behind the actual and projected slowdown in real GDP growth in the working age population is set to peak as the baby boom population was born from the mid-1950s. As this bulge approaches what had been the norm, the labour force will begin to see a decline around 2020. However, based on current immigration assumptions, the labour force will still grow, but at a much slower rate. It's worth noting that out modest gains even well into the next decade. On the other side of the potential GDP equation, with counting for the other side, and it's more of a surprise that trend productivity has been relatively (and optimistically?) stable at just over 1% for the past 30 years. We will assume 1¼% productivity

Chart 1
Canadian Economic Growth... Past, Present, Future
(annualized % chng)

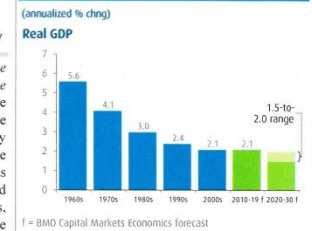


Chart 2
Canada: Slower Growth Ahead
Canada (10-yr % chng : a.r.)

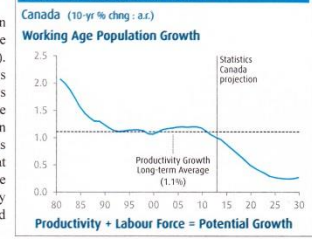
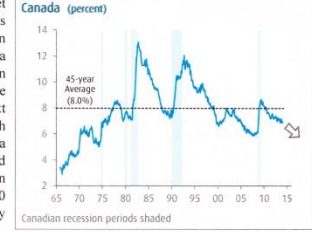


Chart 3
Unemployment Rate: Drifting Down
Canada (percent)



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



PEOPLE LOVE LIFE LEASE



An Examination of Life Lease Housing Issues, 2007

"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



Elim Village, Surrey



PAL, Vancouver



LEGION MANOR MAPLE RIDGE





CASCADE
COURT

2000 Delta Road

MOUNTAINVIEW VILLAGE, KELOWNA



EDMONTON LIONS CLUB



VIC WYATT HOUSE WINNIPEG



McClure
Place
Saskatoon



SHEPHERD GARDENS TORONTO



Community
with Heart



Staywell Manor

ELEGANT SENIOR LIVING

174

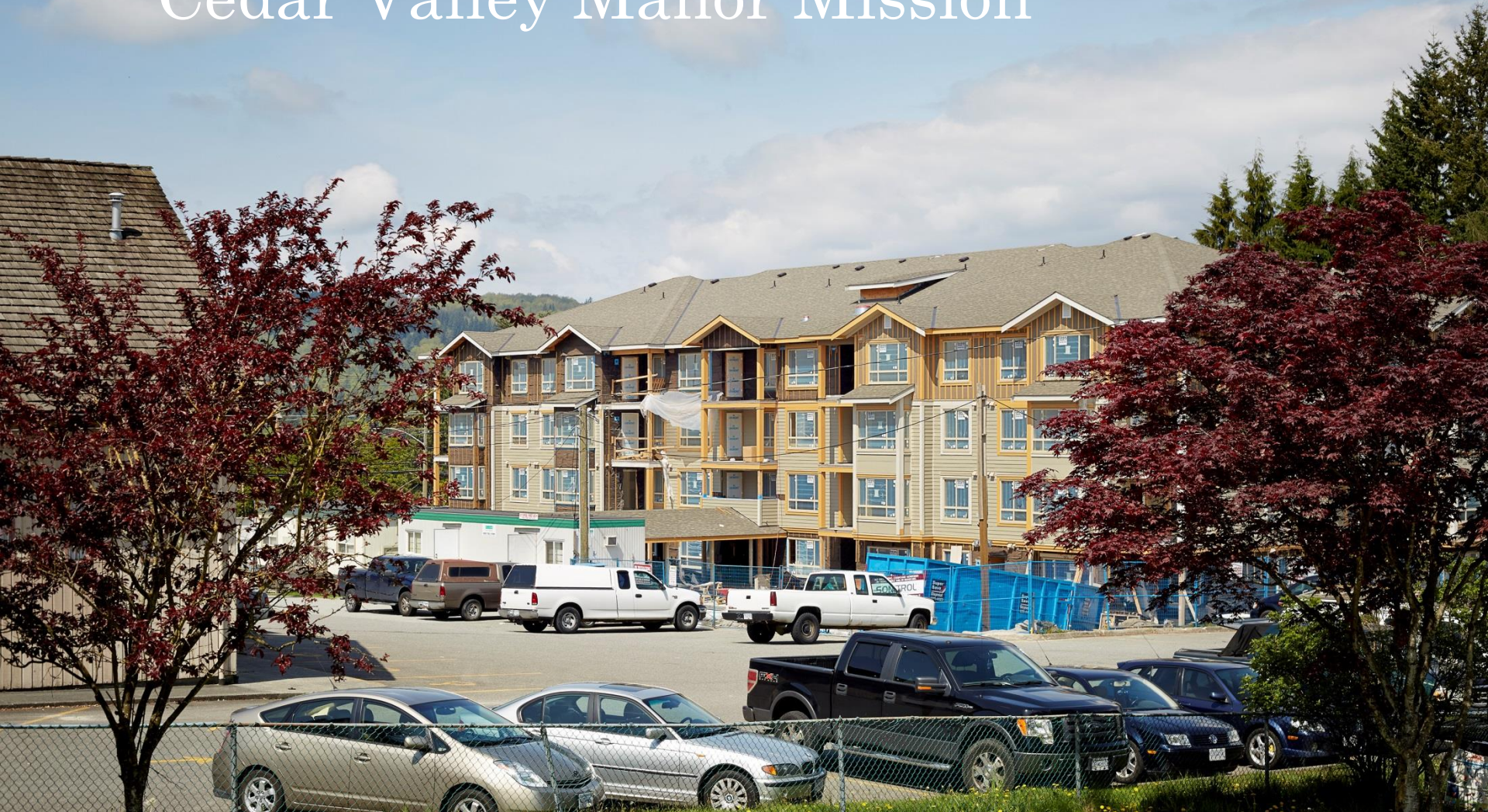
BRIDGEPARK MANOR STEINBACH MB



LAURIER HOUSE EDMONTON



Cedar Valley Manor Mission



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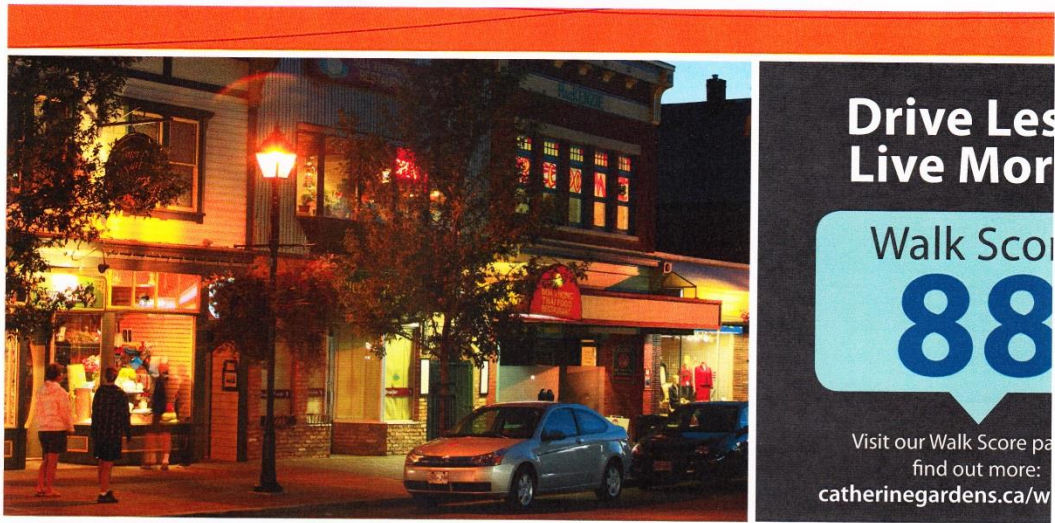


CEDAR VALLEY MANOR

CONNECT



CATHERINE GARDENS VERNON



Drive Less
Live More

Walk Score
88

Visit our Walk Score page to
find out more:
catherinegardens.ca/w



THE Location you want to Downsize to

Catherine Gardens has the independent lifestyle you've been looking for: Located in central Vernon, living at Catherine Gardens means daily errands, appointments and visits with friends are just around the corner, or maybe just outside your door.

Maintain your independence on your terms: Catherine Gardens is designed for the lifestyle you want in the location you want to live. And as a life lease, Catherine Gardens helps you simplify your future and safeguard your retirement.

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

2505 20th Ave. Vernon, British Columbia

1848 Commercial Drive, Vancouver BC | telephone

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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