

A Reprint from *Tierra Grande*, the Real Estate Center Journal

# SENIORS GO BACK TO SCHOOL



By Jennifer S. Cowley

Some affluent baby boomers are returning to their alma maters, and not just because they are nice places to visit. These retirees want to live there.

Universities and colleges are increasingly attracting retirement communities because of the cultural and educational opportunities they offer. Many such universities are located in smaller towns and cities that appeal to seniors looking for a slower-paced lifestyle. What's in it for the universities? Having seniors living close to or even on campus and joining in campus activities increases the chance they will donate to the university.

Universities have become involved in the development of seniors housing in a number of ways. Some alumni associations or foundations ask developers to build a seniors housing project. Alumni associations may offer their alumni lists for marketing seniors' developments. Other universities allow projects to be built on university property. Others donate land, provide a lease or sell land to developers.

Once a project is completed, universities generally integrate residents into campus life by allowing them to take classes, use university facilities, do volunteer work or participate in geriatric programs. Ithaca College built a Gerontology Institute inside a seniors housing facility.

A 1994 book, *University-Linked Retirement Communities: Student Visions of Eldercare* by Leon Pastalan and Benjamin Schwarz, lists almost 100 university-affiliated seniors housing communities throughout the United States. Texas is notably absent from the list, signaling an opportunity for Texas developers and universities alike.

These facilities are developed by various groups including private developers, corporations and nonprofits. The nonprofit Kendal Corporation has developed four continuing care facilities

## Representative Universities With Affiliated Seniors Housing

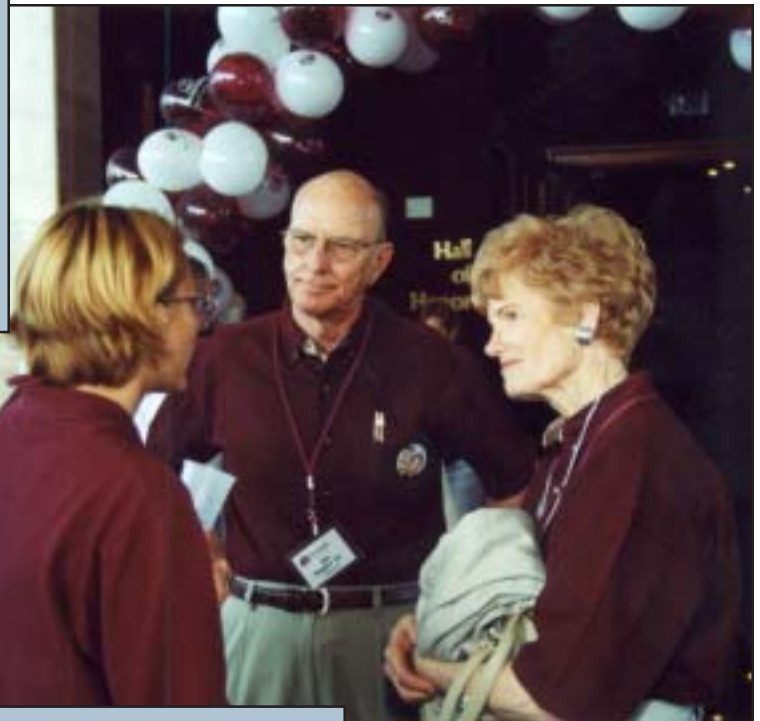
Alabama	University of Alabama
Arizona	University of Arizona
California	Stanford University
Connecticut	University of Connecticut
Indiana	Indiana University
Iowa	Iowa State University
Louisiana	Louisiana State University
Massachusetts	Babson College Lasell College
Michigan	University of Michigan
New Hampshire	Dartmouth University
New Jersey	Princeton University
New York	Cornell University Ithaca College
North Carolina	Appalachian State University Duke University
Ohio	Oberlin College Ohio Wesleyan
Pennsylvania	Lehigh University Pennsylvania State University Swarthmore College
Virginia	University of Virginia Washington and Lee
Washington	University of Washington
Canada	University of Guelph

Sources: *University-Linked Retirement Communities and Real Estate Center at Texas A&M University.*

Ohio's Oberlin College provided its former student marketing list to the Kendal at Oberlin, which is less than a mile from the campus. Opened in 1993, it has 192 independent living units, 42 nursing units and 24 assisted-living units. A not-for-profit organization owns and operates the facility. About 40 percent of residents are alumni or retired staff from the university. Oberlin College and its Conservatory of Music offer Kendal residents concerts, lectures and classes for free.

At the University of Virginia, The Colonnades, which opened in 1991, includes 180 independent apartments, 40 independent cottages, 44 assisted-living units and 54 skilled care nursing beds. The university contributed the land through a ground lease, put its name on the project, provided alumni lists for marketing purposes and offers classes at The Colonnades for residents. Sixty percent of residents are alumni or retired staff.

The University of Arizona provided its alumni list to recruit retirees for Academy Village at Rocking K Ranch, and gives residents privileges similar to those of retired university faculty. Some residents teach at the university. The university does not have an investment or ownership interest in the



close to university campuses. Marriott Senior Living Services division has been building seniors housing projects for years and has projects throughout the United States.

The Quadrangle near Pennsylvania State and The Colonnades at the University of Virginia are two Marriott developments. The Kendal at Lexington in Lexington, Virginia, University Commons at the University of Michigan and University of Arizona-affiliated Academy Village at Rocking K Ranch in Tucson, Arizona, all opened in 2000.

Most university-affiliated seniors housing developments lease units, an arrangement in which

### Kendal at Oberlin Pricing

Apartment Style	Entrance Fee One Resident	Entrance Fee Two Residents	Monthly Rent One Resident	Monthly Rent Two Residents
Studio	\$66,950	N/A	\$1,630	N/A
One-bedroom	\$115,875-\$184,400	\$136,000-\$205,000	\$1,860-\$2,320	\$2,865-\$3,320
Two-bedroom	\$184,400-\$229,700	\$205,000-\$250,000	\$2,600-\$3,020	\$3,600-\$4,025

Source: Kendal at Oberlin

residents pay a one-time entrance fee or endowment as well as monthly rent. The entrance fee or endowment is generally partially refundable if the resident leaves the facility. At The Colonnades, residents can choose to pay the standard endowment or a modified endowment that allows them to pay less money up front in return for higher monthly fees. Facilities offering units for sale usually require residents to pay the purchase price and then a monthly fee.

**MOST UNIVERSITY-AFFILIATED** housing developments give residents an opportunity to participate in campus life by taking classes, teaching or attending sporting and cultural events.

### The Colonnades Pricing – Monthly Rates

Style	Monthly Fee* No Endowment	Monthly Fee** Modified Endowment	Monthly Fee*** Standard Endowment
One-bedroom Apt.	\$2,237-\$2,979	\$1,802-\$2,438	\$1,484-\$2,014
Two-bedroom Apt.	3,466-4,070	2,650-3,286	2,120-2,544
Two-bedroom Cottage	4,017-4,335	3,180-3,498	2,438-2,650

\*For a second person add \$710 for an apartment and \$647 for a cottage

\*\* For a second person add \$636 for an apartment and \$578 for a cottage

\*\*\* For a second person add \$562 for an apartment and \$509 for a cottage

Source: The Colonnades

### Academy Village Pricing

Unit Style	Purchase Price	Monthly Fee*
One-bedroom Townhome	\$148,425	\$535
Two-bedroom Townhouse	\$171,095-\$191,775	\$535
Two-bedroom Home	\$205,810-\$241,840	\$535
Three-bedroom Home	\$279,195-\$318,335	\$535

\* Add \$75 for a second person

Source: Academy Village

academy, but village residents have access to the university library, computers and discounts on books and university events.

The Village is part of a 3,000-acre, master-planned residential and resort community bordering 67,000 acres of the Saguaro National Park. The retirement community is 40 minutes from campus.

Townhomes at the Village range from 934 to 1,443 square feet; homes contain 1,314 to 2,233 square feet. Fifty-nine lots were included in the first phase. The facility does not provide

### University Commons Pricing

Unit Style	Purchase Price	Monthly Fee
Condominium	\$266,770-\$511,760	\$398-\$625
Townhome	325,380-501,950	507-604
Villa	549,000-609,000	685

Source: University Commons

medical facilities like many other seniors facilities, although an assisted-living facility is planned.

University Commons, affiliated with the University of Michigan, has 92 condominiums owned by residents. The university provided off-campus land across from the university for the facility. The community was designed for current or former University of Michigan faculty, staff and alumni age 55 or older.

Many universities have strong ties with their alumni and are able to attract retirees back to the area by developing university-affiliated seniors housing. As baby boomers age, the

### The Colonnades Pricing – Entrance Fees

Unit Style	Entrance Fee* Modified Endowment	Entrance Fee** Standard Endowment
One-bedroom Apt.	\$65,561-\$89,952	\$131,111-\$179,935
Two-bedroom Apt.	\$106,011-\$128,324	211,989-256,647
Two-bedroom Cottage	\$139,326-\$149,767	278,621-299,545

\*For a second person add \$5,586

\*\* For a second person add \$8,374

Source: The Colonnades

demand for this type of facility is expected to increase. No such facility currently exists in Texas, but that is likely to change in the not-so-distant future. 📍

*Dr. Cowley (cowley.11@osu.edu) is a former assistant research scientist with the Real Estate Center at Texas A&M University.*



### LOWRY MAYS COLLEGE & GRADUATE SCHOOL OF BUSINESS

Texas A&M University  
2115 TAMU  
College Station, TX 77843-2115

<http://recenter.tamu.edu>  
979-845-2031  
800-244-2144 orders only

**Director**, Dr. R. Malcolm Richards; **Associate Director**, Gary Maler; **Chief Economist**, Dr. Mark G. Dotzour; **Senior Editor**, David S. Jones; **Associate Editor**, Nancy McQuiston; **Assistant Editor**, Kammy Baumann; **Editorial Assistant**, Ellissa Bravenec; **Art Director**, Robert P. Beals II; **Circulation Manager**, Mark W. Baumann; **Typography**, Real Estate Center; **Lithography**, Wetmore & Company, Houston.

### Advisory Committee

Joseph A. Adame, Corpus Christi, chairman; Jerry L. Schaffner, Lubbock, vice chairman; Celia Goode-Haddock, College Station; Carlos Madrid, Jr., San Antonio; Catherine Miller, Fort Worth; Angela S. Myres, Kingwood; Nick Nicholas, Dallas; Douglas A. Schwartz, El Paso; Gloria Van Zandt, Arlington; and Larry Jokl, Brownsville, ex-officio representing the Texas Real Estate Commission.

*Tierra Grande* (ISSN 1070-0234), formerly *Real Estate Center Journal*, is published quarterly by the Real Estate Center at Texas A&M University, College Station, Texas 77843-2115. Subscriptions are free to Texas real estate licensees. Other subscribers, \$20 per year.

**Views expressed** are those of the authors and do not imply endorsement by the Real Estate Center, the Lowry Mays College & Graduate School of Business or Texas A&M University.