

Senior living: Breaking barriers

Senior living is rapidly emerging as a serious asset class in India, and there is a growing investor interest in this segment

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The senior living segment is poised to play a key role in the real estate sector in year to come. The senior population is projected to grow from 157 million in 2024 to 346 million by 2050, constituting over 20.6 per cent of the country's total population. The sector presents tremendous potential for improving the quality of life for aging citizens while catalysing economic growth, says a CREDAI-KPMG report on the segment.

Elaborating further, Sumit Singla, chief executive officer, PLPB, says, "India stands at the edge of a profound demographic transformation. Today, approximately 10.5 per cent of its population, equating to about 15 crore individuals, are over the age of 60. By 2050, this number is set to be 38 crores, comprising 21 per cent of the total population. India's elderly population alone will surpass the current entire population of the USA. This unprecedented demographic shift, coupled with evolving societal attitudes and the rise of nuclear family structures, is rapidly positioning the senior living segment as one of India's most compelling and lucrative real estate investment frontiers. Driven by this increasing awareness of specialised care needs, senior living communities are emerging not merely as residences, but as thoughtfully designed ecosystems. These environments offer a potent blend of independence, readily accessible healthcare, and vital social engagement, making them highly attractive to both domestic and international investors seeking sustainable, high-potential opportunities."

The growing popularity of the senior living segment among investors can be attributed to a confluence of factors. They are: rapidly aging population, a heightened understanding of the benefits of specialised care, and the demonstrable potential for robust, long-term returns. This sector presents a particularly resilient investment opportunity, offering diversified revenue streams and significant long-term capital appreciation, often proving resilient even during broader economic fluctuations.

● **Evolving Family Structures:**

The proliferation of nuclear families and the increasing global mobility of younger generations for career advancement inevitably lead to a greater, often essential, need for dedicated senior living facilities that can provide comprehensive support and companionship.

● **Awareness of Specialised Care:**

There is a discernible shift in perception among both seniors and their families, recognising the immense benefits of specialised care, proactive wellness programmes, and the supportive community environments offered by modern senior living communities.

INVESTMENT ADVANTAGES

● **Predictable and Stable Returns:**

The inherent and growing demand for quality senior living facilities translates directly into reliable, stable income streams for investors, positioning this segment as a relatively recession-resistant asset class.

● **Diversified Revenue Potential:**

"These communities offer multiple attractive revenue streams extending far beyond just rental income. This includes charges for value-added services such as comprehensive healthcare, tailored amenities, curated recreational activities, and event-based income, enhancing

overall profitability," says Singla.

● **Premium for Value-Added Services:** Due to the specialized nature of the services, the tailored amenities, and the high-quality care provided, senior living communities can command premium pricing. This directly translates into

DID YOU KNOW?



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enhanced potential returns and robust margins for astute investors.

● **Government Support:** Increasingly, various regional and national governments are recognizing the critical social need for

senior-focused infrastructure. This is manifesting in supportive policies, potential incentives, and even subsidies for developers entering this segment, further de-risking and incentivizing investment.

● **Growth Projections:** Industry experts are forecasting unprecedented growth in the Indian senior living market, with some projections indicating a potential five-fold increase in market size by 2030, underscoring the immense scalability of this segment.

● **Catalyst for Positive Change:** By developing high-quality senior living communities, investors actively contribute to improving the lives of millions of seniors and their families, fostering environments that prioritize well-being, dignity, and active engagement.

● **Fostering Holistic Well-being:** Beyond financial metrics, the appeal of modern senior living communities, particularly those adopting a bioclimatic design philosophy, lies in their commitment to holistic well-being and vibrant community creation.

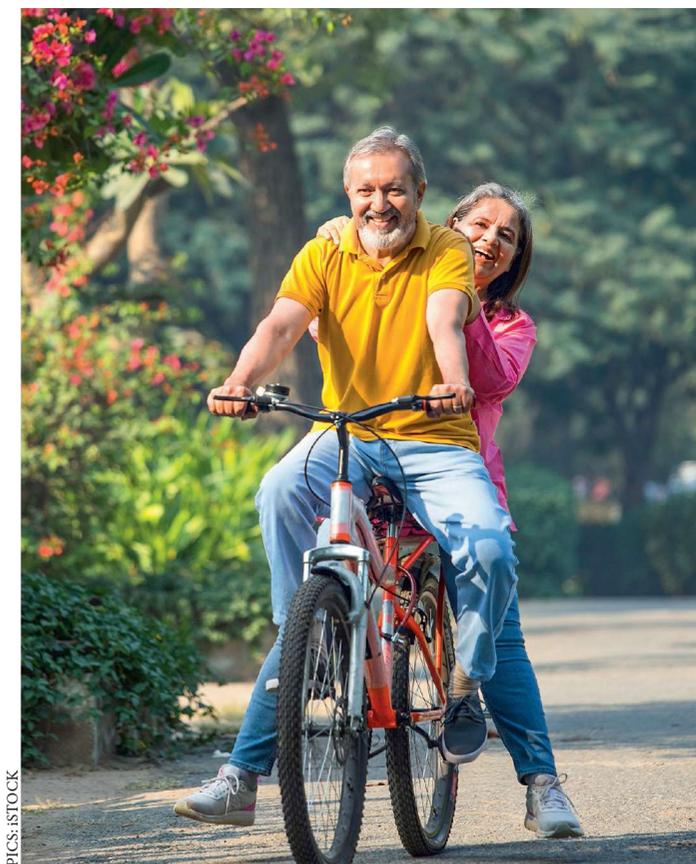
● **Intergenerational Community:** The very essence of such developments is their community-centric design, deliberately fostering shared spaces where social interaction is not just possible, but natural and

encouraged. This directly addresses the widespread issue of urban loneliness among seniors. "The wisdom and life experiences of elders can be shared, while they, in turn, benefit from the fresh perspectives and dynamism of younger generations. This constant, gentle interaction keeps minds active, spirits lifted, and builds genuine, deep community bonds. It cultivates an environment where every generation feels valued and connected, promoting a profound sense of belonging and reducing isolation," avers Singla.

● **Sustainable and Comfortable Living:** "Bioclimatic architecture ensures optimal thermal comfort year-round by leveraging natural ventilation and sunlight patterns. This translates to living spaces that are inherently comfortable, require less artificial heating or cooling, and consequently, incur lower utility costs — directly contributing to financial wellness and peace of mind for residents," further adds Singla.

The senior living sector in India presents a compelling and multi-faceted investment opportunity. It is driven by an undeniable demographic imperative, offers attractive financial returns, and allows investors to contribute meaningfully to addressing a critical social need. As India's population ages, smart investments in thoughtful, community-oriented senior living are poised to yield not only significant financial dividends but also a lasting, positive social impact.

Similarly, Rajit Mehta, chairman of the Association of Senior Living India, and MD and CEO of Antara Senior Care, says, "India's senior living sector represents compelling investment opportunities in real estate today. The market, currently valued at \$1.8 billion, is projected to grow at a robust 27 per cent CAGR, reaching \$7.7 billion by 2030. This growth is underpinned by a supply-demand gap — with only 20,000 senior living units available against an estimated demand of 1.5 to 2 million units. For forward-looking investors, this gap signals exceptional return potential in a market still in its nascency. Today, people's retirement planning goes beyond financial planning. They don't just ask how much to



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save for their retirement, but also how they want to live, and where. This has added a second dimension to retirement planning; individuals are now actively choosing products and services, including senior friendly homes that offer security, healthcare, social interaction, and service-driven living environments that take away the stress of managing mundane tasks to maintain a certain standard of living."

People in their 50s and 60s are purchasing units as future-ready investments, with many letting out premises to seniors seeking fully serviced environments, but unable to buy such a unit.

"India's senior living penetration rate of less than 0.5 per cent presents a first-mover advantage. With market penetration expected to double to 2.5 per cent within six years, early investors have a window to establish market position before the sector reaches maturity. Currently, the top 10 operators control approximately 81 per cent of India's senior living inventory, indicating significant opportunities for both consolidation and new market entry," maintains Mehta.

Anantharam V Varayur, co-founder Manasum Homes Senior Living, says, "Senior living is rapidly emerging as a serious asset class in India,

and it is heartening to see growing investor interest in this space. As the elderly population expands and family structures evolve, there is a clear demand for communities that offer comfort, care, and independence to seniors. Unlike conventional residential real estate, senior living operates on models that ensure recurring revenue through rentals, service fees, and healthcare offerings, making it financially sustainable. The residents are long-term, turnover is low, and the communities tend to maintain high occupancy levels. These factors provide a level of stability and predictability that investors increasingly value."

Moreover, what is truly exciting is that today's seniors are active, aspirational, and looking for a lifestyle upgrade, not just a place to live. Investors are starting to understand that senior living is not just a real estate product but a service-led model with multiple revenue streams and long-term impact.

"The segment aligns well with the growing appetite for socially responsible investing while also offering attractive returns. When done thoughtfully with the right location, amenities, and commitment to ongoing care, senior living is not only a profitable venture but also a deeply fulfilling one," concludes Varayur.

