

Common Goals: Senior Housing Trends in the State of Texas

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Every new year welcomes opportunities and challenges, especially following a presidential election. The same can be said for the senior housing market, an area I have focused the majority of my career on serving. While it's still too early to determine what, if any, impact the new president will have on the senior housing industry, there is no denying that the landscape is changing.

As the nation's 75 million baby boomers continue to get older, they are looking to downsize and often relocate to be closer to their adult children. The housing they desire is specifically designed to meet their unique needs, allow for greater flexibility and less maintenance. As a result, active age-restricted independent housing is gaining popularity alongside traditional, need-based environments that cater to those that require more regular assistance.

After several strong years of performance, heightened competitive pressure is abound in the senior housing sector. Although the most recent data from the National Investment Center for Seniors Housing & Care suggested that supply and demand remain basically in balance, investors and developers have taken note of oversaturation in many urban locations and are now looking elsewhere.

Here in Texas, we are observing a big push towards the suburbs. Senior housing demand has eased up in the densely populated Dallas, Houston, Austin and San Antonio metro areas due to oversupply.



Consequently, the underserved outlying suburbs have transformed into hotbeds for senior housing investment statewide.

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While Texas does have a solid demographic of retirees, the state's strong business climate has resulted in a mass migration of people following corporate relocations or those who are looking to capitalize on the business-friendly environment and high standards of living. In fact, data from the U.S. Census Bureau shows that more people relocated to Texas than any other state in 2016. In total, the bureau found that more than 1,300,000 people have migrated to Texas since 2010.

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This trend is particularly prevalent in the Gulf Region which has enjoyed a significant increase in population. The area's perennially expanding petrochemical industry has been a major source of attraction for many adult transplants who are later followed by their senior parents. In turn, the senior housing market has seen a significant uptick in the area.

At Cadence McShane, we follow these trends closely and keep a pulse on the industry as we continue to serve the unit shortage that is stifling some of the untouched areas of the Texas senior housing market. With over 30 years of experience in this marketplace, we understand the intricacies and distinctive requirements that make a senior housing project most successful. We are positioned and uniquely qualified to meet the demonstrated



market needs. Call upon Cadence McShane and experience the difference for your next senior housing project.



David Tague

Vice President - Housing & Senior Living

As Vice President - Housing & Senior Living, Dave provides growth and leadership for Cadence McShane's expanding housing market

sector focused on broadening the firm's construction opportunities within the multi-family, senior living and student housing markets.

A 32-year construction industry veteran, Mr. Tague possesses market rate, luxury rental construction experience and a heavy concentration of expertise within the senior living sector. His senior living expertise includes the turnkey construction of

numerous large scale senior communities including independent, assisted-living and continuing care retirement developments. Prior to joining Cadence McShane Construction, Mr. Tague most recently served as Vice President - Operations for Spring Valley Construction Company where he oversaw and led project management and field supervisory teams in the construction of large-scale residential projects. Mr. Tague also served as Vice President of Construction for Erickson Retirement Communities where he facilitated the growth and geographical expansion of the company.