



Ebenezer's first Estoria development will be an 89-unit senior cooperative in Lakeville. (Rendering: Ebenezer)

## Ebenezer sees housing opportunity in aging Minnesota population

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There's a solid forecast for the senior housing market, and at least one major provider is responding to changing demands.

Ebenezer, one of the largest senior-living providers in the state, is expanding to develop senior housing cooperatives. The company's announcement comes as many developers are eyeing senior housing as a long-term strong investment.

About one in seven market-rate multifamily units developed in the Twin Cities metro last year were for seniors. For affordable units, about one in five were oriented toward seniors, according to a multifamily market report from Colliers.

While those numbers are down from the prior year, Heidi Addo, a senior associate at Michel Commercial Real Estate, said independent senior housing is a relatively new asset class and she's optimistic about the long-term forecast.

"The reason that there is this big demand and potential long-term demand for active-adult senior housing is because of baby boomers," said Addo, who helped secure the sale of Falcon Heights Town Square in March, which includes a senior component. "This is that stable asset class. This is people who have likely retired, so they're no longer on active-working income, which means they have pretty steady incomes, and they default much less."

The pipeline for 2022 shows that about 12% of projects in the Twin Cities metro will be for seniors, according to the Colliers report. The number of Minnesotans turning 65 this decade – about 285,000 – is greater than the past four decades combined, according to the state demographic center. By 2030, more than one in five Minnesotans will be older than 65.

The appeal to senior housing is simple. Addo said seniors can get luxury amenities and a sense of community found in multifamily spaces without the hassle of maintaining a house or “the 20-year-old down the hall having parties.”

The approach to senior living has changed. It’s not just the assisted living facilities often associated with the phrase senior housing. The demographic trends are getting younger too, catered to people 55 or 65 and older.

“The stigma of the old senior housing — people really don’t want [that]. They don’t want to have a bunch of health care nurses running around,” said Susan Farr, Ebenezer’s vice president of business development and head of the new Cooperative Development division. “So it’s independent. It’s pickleball, it’s fire pits, it is gardening plots and beautiful pub rooms and golf simulators.”

Ebenezer is tapping into that market shift by moving toward developing senior co-ops under its Estoria brand. They’re age-restricted buildings where tenants invest in the property, build equity and also have a say in the management of the property. The company has more than 40 years managing housing cooperatives.

The first Estoria building will be 89 units just east of Interstate 35 and south of County Road 42 in Lakeville. As soon as 60% of the units are sold, 14 to 16 months of construction will begin. Ebenezer hopes to begin construction late this year or early next year.

A report from Ebenezer shows that more than 75% of owner-member tenants move into senior cooperatives from single-family homes.

“So it really benefits the city in drawing people into their local communities too by opening up from homes,” said Shona Schmall, director of sales and marketing and cooperative development with Ebenezer.

## ABOUT J.D. DUGGAN

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