

## Press-release

### Russian Senior Care Conference confirmed demand for new facilities

**St. Petersburg, Russia. April, 2017.** The only business conference in the segment of aging services «Russian Senior Housing and care market» gathered about 70 participants from Russia and abroad. Representatives of long –term care providers, investors and real estate developers discussed the issues of funding and cooperation with the state, development of care facilities and investments in senior housing, as well as best practice in care, including dementia care. The conference took place April 13 and was organized by Project 60+, supported by non-state pension fund Blagosostoyanie.

The event was co-managed by the non-profit partnership SICUAP, first Russian association of companies in aging industry, the member of EAHSA, and Russian Guild of Property Managers and Developers (RGUD).

The main trend noted by the participants was the expansion of the market through new projects in senior housing. Until 2016 there was an extensive growth of substandard services only, now the growth in demand for quality care, the increase in the number of large operators, and the influx of investments lead the market to a new level. According to the survey by Project 60+ the growth of the private nursing homes market last year was largely based on newly built facilities.

This year the program of the conference was expanded with the tour for private nursing homes. Visits to new places, such as Sputnik, Kurortny and Osinovaya Roscha, gave full picture of real market situation for Russian and foreign guests.

One of the most informative speeches at the conference was devoted to the design of real estate for the elderly. Alexander Balabin, Managing Partner, SEVERIN Project, described the case of new general-type nursing home with a neuropsychiatric department in the Moscow region.

Alexey Sidnev, CEO of Senior Group, one of the largest operators of the care market, believes that the future of new projects in using the PPP mechanism. According to his calculations, the cost of construction of a standard senior facility with 108 beds is 324 million rubles. His assessment of market growth was confirmed also by the representatives of another major player - SGC Opeka, which also plans to expand its business using PPP.

One of the issues is preferred format of senior housing. Inna Karpenko, CEO of Blagopoluchiye, spoke about the transformation of the nursing home in the Moscow region to the center of medical and social rehabilitation. Anna Yurganova, Director of Nasha Zabota, shared her business history - from the start in St. Petersburg with small facilities to the opening of the geriatric center.

Real estate developers demonstrated noticeable increase in interest in senior housing, restrained by the lack of track record of implemented projects, low liquidity and profitability. Dmitry Krutov, Head of research of Doverie Group, made an analysis of several development cases in this segment, as well as described how to make such projects more attractive.

The general picture of Russian home senior care market was presented by Vadim Nosov, Director of

Blizkiye Lyudi center. The segment of home-based social services is growing by 25-30% per year, while it is represented by a small business, which gradually begins to work more actively with the state. The work of the care market operators is determined by the qualification of the staff and there is still a significant shortage of professional caregivers. At the conference, Sirpa Kauppi, an expert from the South Savo College (Finland) professional college, spoke about the implemented program of raising the qualification of social workers caring for seniors.

Foreign speakers at the conference shared information about the practice of the European services market for the elderly, expressed their advice and recommendations for Russia. Freek Lapré, Member of the board of the EAHS and consultant of QOlity, considers it necessary to develop Russian own concept for dementia care based on a social model, create care homes with small scale units on a larger scale and use technology to create maximum space for residents but in a safe environment. Frank van Dillen, architect and consultant, co-founder of Dementia Village Architects, focused on the benefits of applying a social approach to senior housing. In his view, the future is modern, adaptable, community-integrated facilities for the elderly, which will become social hubs.

Yevgeny Yakushev, Executive director of SAFMAR pension fund, gave a broad overview of the "silver economy", growing as the population is aging and life expectancy is increasing. In his opinion, the market is an interesting investment zone for pension funds, which are waiting for the relevant financial instruments. Natalia Kuracheva, Deputy Executive Director of Blagosostoyanie pension fund, also believes that the attitude to the market from investors becomes more positive. Confidence in the growth of demand already make senior housing and care projects from hypothetical to real.

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