

Intergenerational Communities: The Latest Trend for Happier, Healthier Living

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By Denis Koval, CEO, Kapella Group

The number of Americans age 65 and older will more than double over the next 40 years and is projected to reach 80 million in 2040, according to the College of Health Sciences at University of Michigan-Flint. With this increase in older adults comes a greater need for community and security. There are over 13 million young adults in America today and the vast majority are eager to not only engage in community, but make an impact.

Intergenerational communities are on the rise with young adults and seniors. Bringing harmony to the young and old, intergenerational communities increases communication, diversity, culture and activity, making multifamily properties more profitable and stable.

Profitability comes when you are able to create an environment where different types of people can come together and live in unison. We live in a world where the young crave a good culture and want to make an impact, while the elderly want to feel alive and independent. Solidify your community's future by mixing the two.

Why intergenerational communities work

Generations Unified stated that an astounding 92 percent of Americans believe intergenerational activities can help reduce loneliness across all ages. Loneliness and isolation are big concerns within senior living communities, especially in today's environment with social distancing.

When one is isolated for long periods of time, depression and mental health problems start to form. The body will eventually follow the mind — when the mind starts to deteriorate, so does one's physical health.

By providing an environment to older adults to engage and commune with the younger generation it gives opportunity to build lasting relationships. Not only do intergenerational communities build harmony between the age gaps, they energize older adults and give them a sense of purpose, especially when given the opportunity to share their life experiences and skills with the youth.

Younger generations have an opportunity to seek wisdom by associating with the elder community. Intergenerational mentoring works to break down the barriers between today's youth and seniors. For those who do not have family or grandparents, this allows them to fill in the gaps by making connections with those much older than themselves. Investors, ownership groups and property managers are embracing this new way of living in order to have a positive impact on their communities and bottom line.

What this means for the future

Intergenerational communities offer multiple generations services at the same location. Partnerships can be formed with onsite childcare, onsite healthcare and activity programs that residents young and old can participate in.

"Interviews with staff from intergenerational housing programs across the nation testified to the effectiveness of these types of programs at promoting permanency and stability among target populations," says Silvana Esposito Hackett from the University of Minnesota.

More people are inclined to stay where they are getting the most bang for their buck. According to Real Property Management Express, the national average cost of a resident turnover is equal to three months' rent, not including the lost rent during the vacancy. The increased tenant retention rate in intergenerational communities benefits not only the tenants, but the investors and ownership groups as well.

Seniors are aware that their lifespan is less drawn out and are not only willing to pay more for their home, but are

at ease about it because they are able to receive both in-home care and a diverse community that keeps them going.

Retirement projects that are on college campuses are popular because they bring together two groups that have traditionally been siloed by age. College-based communities provide housing for retired faculty and staff. The communities can also be a big draw for alumni.

"More and more front-edge baby boomers want a different retirement experience," says Paul Riepma, PRS senior vice president of sales and marketing. "They're looking for a fully engaged, multicultural and multigenerational urban, university-inspired neighborhood."

Intergenerational shared spaces often blur the lines between housing, childcare and education. As a result, many government funding pools are available for these projects to draw from. This helps ownership groups and property managers meet the demand of attracting skilled staff and gaining accreditations to work with multiple age groups.

If a developer is willing to include affordable housing in this mix, tax credits are available in the form of Low-Income Housing Tax Credits (LIHTC) and various state funds. For example, in Massachusetts, MassHousing Priority Development funds provide grants to local governments to develop one or more affordable housing developments in their community that are liveable, vibrant and driven by community benefits. HOME funds provide competitive funding to local government, non-profit and private developers.

A generous amount of funding through these programs and others like them continues to increase the attractiveness and reliability of intergenerational communities to developers, investors, property managers and tenants. This is a win-win for all parties involved.

Denis Koval, CEO of Kapella Group has over 18 years of experience in the construction industry and holds an associate's degree in accounting and a bachelor's degree in construction management. He founded Kapella Group, where he serves as an active leader, consultant and mentor for both employees and clients.