

LIFE BEGINS @ 60

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The senior living market in India can do well if the government introduces tax incentives for the segment

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With senior citizens in India increasingly enjoying the benefits of healthy and active lifestyles into their 70s and 80s, the needs and expectations of this population will present both challenges and opportunities to developers in the years ahead. There are 100 million senior citizens living in India right now and by 2016, their number will touch 110 million. This figure is likely to reach 326 million and will constitute 20% of India's total population by 2050.

The reverse mortgage scheme, a popular concept in the developed countries to help seniors generate cash flows, was introduced in India in September 2008. Under the reverse mortgage scheme, persons above 60 years of age and owning a residential property in India can mortgage their house with a financial institution like bank etc, and enjoy regular payments during the contract period and continue to stay in the same house.



SENIOR LIVING	Year	2014	2016	2050
	Population	100 M	110 M	326 M

India is witnessing a demographic shift due to a steady increase in life expectancy, thanks to improved healthcare. This will lead to a rise in demand for senior housing

However, the scheme failed to pick up steam.

Over the years, there has been a change in the mindset of senior citizens, with many of them aspiring for an independent and productive life after retirement spent in the company of like-minded peers. It is due to this reason that many companies such as Antara Senior Living, a part of the Max India Group, launched a premium senior living project on a 20-acre site in Purukul, Dehradun. The project comprises 217 apartments of various sizes ranging from 1500 sq ft to 7000 sq ft designed around the lifestyle, safety and wellness requirements of seniors.

Tata Housing that launched Riva Residences in Bangalore, is planning to invest around ₹1,200 crore to increase its

penetration in top eight cities by 2018 under this segment. The newly launched projects would be a part of Tata Housing's current townships in and around Ahmedabad, Mumbai, Kolkata, Chennai, and national capital region amongst other locations.

Other developers active in this space are Ashiana Housing, Puravankara in Pune and Covai in Chennai. All these developers have launched projects in the affordable range.

These developers offer senior living projects either under the lease model - which means that a person takes a unit from the developer on lease for a lifetime and pays an additional monthly maintenance amount - or under the outright purchase model, where an individual buys an asset like any other residential unit. In the lease model, if

an individual sells an existing property to buy into a senior living lease, for say ₹2 crore, he will have to pay a capital gains tax of about ₹40 lakh because the senior living product is not an asset but a lease for the remaining life span.

In the absence of monthly cash flows, sustainability becomes an important factor for senior citizens. Consequently, they tend to move towards either leased properties (senior citizen/old age homes) or into smaller homes to retain month-on-month cash flows.

Although the reverse mortgage policy had been introduced with senior citizens in mind, the concept is yet to make any inroads into the system in India.

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