

PART 4: THE EMERGING FUTURE FOR SENIOR HOUSING

New Movements, Technological Integration & Strategic
Recommendations for CRE Professionals

ACCRETE ADVISORS RESEARCH Q1 2026 EDITION

SENIOR HOUSING SERIES

"The senior housing sector is undergoing a quiet but profound structural transformation. Product evolution, technology integration, and the emerging affordability gap are collectively reshaping the landscape — creating new investment opportunities for those who understand where the industry is headed."

This final installment examines the structural transformation underway in senior housing — from product evolution and technological necessity to the industry's next massive growth frontier — and concludes with concrete strategic recommendations for CRE professionals.

I. Product Evolution & Market Segmentation

STRUCTURAL
TRANSFORMATION

The senior housing landscape is rapidly segmenting in response to an evolving consumer base, requiring a more nuanced investment strategy than ever before.

PRODUCT EVOLUTION

The Rise of Active Adult

Since 2018, nearly 90% of conversions from Independent Living (IL) were to Assisted Living (AL) — a shift toward higher acuity care. Concurrently, **Active Adult communities** are gaining significant traction: purpose-built for lifestyle-focused seniors (55+), achieving **95.7% stabilized occupancy** and sustained **5%+ rent growth** in 2025, with 44% of investors citing AL as their top acquisition target for 2026.

TECHNOLOGY

Enhancing Care & Efficiency

Top tech trends for 2026 include smart access control, **AI health monitoring**, telehealth, wearable devices, and robotics. AI-powered monitoring can predict health issues and enable proactive care. Robotics assist with meal delivery and mobility, while helping mitigate the structural labor shortage risk.

AFFORDABILITY

The Middle-Market Opportunity

The number of senior households spending >50% of income on housing has **nearly doubled** in two decades. The mid-income older adult population is expected to double by 2029, with over half unable to afford conventional senior living. This represents the industry's **next massive growth frontier**.

ACTIVE ADULT (55+) METRICS

STABILIZED OCCUPANCY

95.7%

Fastest-growing segment

RENT GROWTH

5%+

Sustained in 2025

CONVERSION SHIFT TO HIGHER ACUITY

IL → AL CONVERSIONS

90%

Since 2018

TOP 2026 TARGET

44%

Investors citing AL

II. Technology: Mitigating Operational Headwinds

LABOR &
EFFICIENCY

Technology is no longer an amenity; it is a core operational tool that directly addresses the industry's most critical risk: the persistent **labor shortage** (cited by 33% of investors as a top concern). Strategic investment in technology is essential for operators and a key diligence factor for investors.

AI & ROBOTICS

Workforce Augmentation

Automating non-care tasks (meal delivery, monitoring) and providing proactive health alerts to mitigate staffing pressure. AI-powered systems can predict health deterioration, enabling early intervention and reducing hospitalizations.

TELEHEALTH & WEARABLES

Proactive Care Delivery

Real-time health monitoring and virtual consultations enable proactive, preventative care, leading to longer lengths of stay and improved health outcomes — directly benefiting operator revenue and resident satisfaction.

SMART ACCESS & HOME TECH

Independent Living Support

Voice-activated assistants, automated lighting, and remote monitoring systems enable seniors to live more independently — increasing satisfaction, reducing staff burden, and extending the viability of lower-acuity settings.

III. The Affordability Challenge & Next Growth Frontier

MIDDLE-MARKET
OPPORTUNITY

THE UNSOLVED PROBLEM

A Growing Gap

The cost of conventional senior living is "prohibitively high" for many Americans. The number of senior households spending more than **50% of income on housing has nearly doubled** in the last two decades. With average asking rents exceeding \$5,800/month, a large and growing segment of older adults is being systematically priced out of the market.

THE GROWTH POTENTIAL

The Industry's Next Massive Frontier

The mid-income older adult population is expected to **double by 2029**, with over half of this segment unable to afford conventional senior living. Developers and operators who can innovate cost-effective designs and operational models to serve this segment — without compromising profitability — will be at the forefront of the industry's expansion.

MID-INCOME SENIOR HOUSEHOLDS

Doubles

By 2029

CANNOT AFFORD CONVENTIONAL AL

>50%

Of mid-income seniors

HOUSING COST BURDEN

2×

Increase over 20 years

IV. Strategic Recommendations for CRE Professionals

FOR CRE
PROFESSIONALS

FOR INVESTORS

Focus on acquiring existing, well-located assets for operational optimization or repositioning to higher-acuity care. Explore value-add opportunities in older properties and the highly profitable Active Adult segment. Leverage alternative financing and equity structures to mitigate higher-rate exposure.

FOR DEVELOPERS

Acknowledge high barriers but recognize the long-term imperative for new supply. Focus on underserved markets with high demand and low competition. Explore adaptable designs accommodating a continuum of care on a single campus. Viability in middle-market projects will define the industry's next growth cycle.

FOR OPERATORS

Invest strategically in AI, robotics, and telehealth to mitigate labor shortages and enhance resident experience. Balance affordability with profitability to capture the next wave of demand from the mid-income senior population. Utilize robust occupancy gains to fund operational improvements.

DATA SOURCES

- NIC MAP: ACTIVE ADULT COMMUNITY MARKET (Q1 2026)
- CUSHMAN & WAKEFIELD (2026 SENIOR LIVING INVESTOR SURVEY)
- URBAN INSTITUTE: SENIOR HOUSING AFFORDABILITY & MIDDLE-MARKET DEMAND
- NIC MAP: PROPERTY CONVERSION & CLOSURE TRENDS REPORT
- SENIOR HOUSING NEWS: TECHNOLOGY TRENDS & 2026 OUTLOOK
- CBRE SENIOR HOUSING INVESTOR SURVEY Q1 2026

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