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A New Senior Moment

Zumba classes, sushi chefs and kilns in the crafting room: the newest generation of 55-plus communities caters to active—and demanding—retirees.

By [DAWN WOTAPKA](#)

High-end retirement communities aim at a new generation of retirees who don't think of themselves as old. Dawn Wotapka reports. At Vivante on the Coast, a \$62 million retirement community under construction in Newport Beach, Calif., renters will be able to relax in a hydromassage room or take a dip in the indoor saltwater pool. They'll watch movies in a private theater and sip wine from Napa Valley's finest vineyards. And when they're hungry, a sushi chef will be on standby.

The Vivante is the newest generation of residential housing catering to retirees who demand far more than the old-school retirement homes with bland food and drab décor. Today's facilities boast full-size gyms, chefs trained at top cooking schools, professionally decorated interiors and an activity list that would exhaust even a teenager.

"In my day, you counted on somebody taking care of your grandmother or grandfather until they went into a nursing home," said Bill Bergman, a retired president of the company that made Vicks VapoRub, which is now owned by [Procter & Gamble](#). "I never dreamed that people lived like this." Mr. Bergman, 81, lives at the Vi at Silverstone in Scottsdale, Ariz., where he and his wife, Donna, paid just under \$1 million for a 2,500-square-foot villa.

Rentals and sales at many retirement communities fell after the housing bust. And while the market is still below its 2005 peak, things are picking up. The National Association of Home Builders, a trade group, expects home sales in single-family communities catering to those 55 and older to increase by nearly a quarter this year, on top of 2012's 21% climb. Pulte Group, one of the nation's largest home builders, said sales at its senior-focused Del Webb communities spiked nearly 40% late last year from the previous year.

Developers are also rushing to build more units and new communities to cash in on baby boomers as they hit retirement age. By 2020, the share of U.S. households over 55 years old could hit 46.6%, up from 42% in 2012, according to the NAHB.

This group tends to embrace an active retirement, with many boomers planning a move to age-focused communities while they can still enjoy themselves instead of waiting until it is medically necessary. "They're going to be a very demanding group," said Donna Herbst, a regional director with Atria Senior Living, a Louisville, Ky.-based chain of nearly 130 senior communities nationwide.

Today's 55-and-older communities boast everything from entertainment areas with videogames and computers to state-of-the-art gyms with personal trainers and activities like age-modified Zumba and belly-dancing classes. Some have dog parks so that beloved pets have a place for themselves. Mr. Bergman said Heidi, his 12-year-old miniature wire-haired dachshund, is "very happy" with her living situation at the Vi.

"They're residents of ours as well," said Phill Barklow, Vivante's vice president of operations, of the pets. "They're family members. To say...you can't have your family member with you, that's not fair."

Residents eat well, with some staff chefs on call to whip up anything at most any hour. Menu items at the Atria's West 86 community on Manhattan's Upper West Side include a Belgian endive salad with micro greens and teardrop tomatoes, and sesame-seared tuna with baby bok choy. Chefs also offer the classics: steak, chicken and salmon.

"Most people's perception of senior living is that senior-living food is similar to cafeteria-type dining," said Robert Scarmato, culinary-services director at Atria's West 86. "We're trying to give four-star-restaurant quality." Atria also offers entrees that comply with diets restricted for fat, sugar or sodium.

Of course, living the golden good life doesn't come cheap. At the Vivante in California, where units will include Caesarstone countertops and Grohe faucets and fixtures, monthly rents will range from \$3,990 for a studio to \$11,000 for a two-bedroom and include meals, Internet and local transportation. Residents will also receive an iPad they can use to see daily menus, schedule activities and submit maintenance requests. At the West 86 community, rents for two-bedroom units can top \$10,000.

This high cost can quickly weigh on finances, as Dennis Sullivan is learning. After a series of falls two years ago, Mr. Sullivan, a 71-year-old former television-news producer, moved to West 86. His rent for a 373-square-foot studio apartment is about \$5,000 a month, plus \$300 a month to have his medicines managed and dispensed each day. "My accountant is telling me I should be spending \$1,000 less a month for rent," he said. "It's costly to live here, and that's a problem."

Most senior communities have homes for sale or rent. But for those who can part with a significant amount of money at once, facilities known as continuing-care retirement communities, or CCRCs, require a steep upfront payment in exchange for a home and care until the resident's death. (In some cases, a portion of the move-in fee is refunded to heirs.) Residents also typically pay a monthly fee.

The Vi at Silverstone in Arizona is a CCRC, where Arch Rambeau and his wife Laree, both 77, paid a \$650,000 move-in fee late last year to "buy into" the community. They paid a lower fee with the understanding that a portion would not be refunded to their heirs. The Rambeaus also pay a monthly fee of more than \$6,000. "We no longer have any maintenance responsibility. If a light burns out, they come and replace the light," said Mr. Rambeau, a former General Dynamics senior vice president who lives in a private villa with a two-car garage. "It's like we decided to go live at the Hyatt in Orlando, Fla., or some place and decided to just live there the rest of our lives."

The Vi at Silverstone has different types of housing—traditional single-family homes (known as villas), assisted-living residences and a skilled nursing home—to serve residents as their needs change. Before moving there, Mr. Rambeau said he researched everything from his community's actuarial projections to several years of balance-sheet statements before he felt comfortable enough to buy in. He said his CPA and attorney examined the same information.

CCRCs, which grew in popularity during the housing boom, are considered risky by some seniors. In rare cases, some residents have seen reductions in services or lost their upfront payments when the developer encountered financial problems.

Alternatively, active-adult communities don't require the upfront payments to cover a lifetime of care. These developments are typically composed of traditional, single-family residences, condos or townhomes, albeit ones without children. "We wanted some protection from teenage kids, souped-up cars," said Jim Holdread, a retired insurance marketing manager who moved into an active-adult home in Orlando late last year.

Many of the homes include master suites on the first floor to help owners avoid stairs, and landscaping, lawn maintenance and snow removal is usually included in the monthly maintenance fee. Advanced medical services are not generally included. [Toll Brothers](#) said its buyers want plenty of storage space to accommodate a lifetime of furniture and mementos, said Tim Gehman, the company's director of design.

The highlight of many of these communities is the amenity-filled clubhouse. Developers typically spend millions of dollars erecting a showpiece filled with everything from arts-and-crafts rooms—some with a kiln—to industrial kitchens to cater large parties. At Toll's Regency at Monroe community in New Jersey, the 40,000-square-foot clubhouse includes a tennis pavilion, a billiards room and a fitness center. As with many communities, there's a "lifestyle director" on staff. Clubhouses are "expensive, but if you don't have that clubhouse, you're not going to get any buyers" looking for that lifestyle, Mr. Gehman said. Base prices at Regency range from the low \$400,000s to nearly \$550,000.

These centers serve as a social hub for residents, who drive to them in golf carts in some locations. At Meadowbrook Pointe on New York's Long Island, a former horseracing track is now an active-adult community, where unit prices start at \$525,000 and can top \$1 million. At the clubhouse, residents can watch games on 17 televisions in the sports bar, play cards in one of two rooms or catch a movie in the 36-seat theater. "One of the problems I have is people come here and act like teenagers," joked Michael Dubb, chief executive of the developer, Beechwood Organization. "A little too much partying, late hours."

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