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# Developer sees growth in assisted-living projects

## Groundbreaking, grand opening mark strength in market

By John Rebchook  
ROCKY MOUNTAIN NEWS

Construction of a \$20 million assisted-living community in Jefferson County will break ground today.

The 85-unit, 71,100-square-foot MorningStar Littleton at 5344 S. Kipling St., just south of West Belleview Avenue, is the first of about \$200 million worth of assisted-living projects for developer Don MacKenzie during the next year.

MacKenzie, a developer of high-end urban apartments and condominiums, said there is more opportunity and less competition in assisted-living development, which is projected to be a growth industry because of the aging population.

MacKenzie also has two large tracts of ground under contract in Colorado Springs and Fort Collins for two \$60 million facilities.

"Fundamentally, multifamily doesn't have any barriers to entry," MacKenzie said. "When the apartment market is back at equilibrium, which I think will be in 2010, and you could start building along Parker Road again, for example, there would be four or five other developers building out there at the same time."

However, for assisted-living communities, lenders require exhaustive market studies that show demand is needed. If competitors are moving forward nearby, financing isn't available, he said.

From about 1999 to 2001, the market became overbuilt because Wall Street began

funding construction, much like it did with limited-stay hotels, MacKenzie said.

But now, most of those empty units in the developments built during that time have been absorbed, he said.

Also today, Christian Living Communities will hold the grand opening of its \$44 million Continuing Care Retirement Community called Holly Creek at 5500 E. Peakview Ave. That development has 52 cottages and 114 apartments on a 17-acre site.

Scott Williamsen, spokesman for Christian Living Communities, said there has been strong demand. The lender required it to meet certain leasing requirements during construction, and it always exceeded them, he said.

"Nationally, in the last 18 months, there seems to be significant growth, either through new construction or additional capacity being added to existing facilities," said Paul Williams, spokesman for the Assisted Living Federation of America, based in Fairfax, Va. "And I would say as more baby boomers age, this is going to be a growth industry for the foreseeable future."

At MorningStar, there will be 65 assisted-living units and 20 units for people with Alzheimer's disease. The average age of a person renting a unit is expected to be 81. The average monthly rent will range from \$3,000 to \$4,000. Most of the residents are expected either to be from the Littleton area or have grown children who live there.

The two-story facility will include a nursing station, a 1,500-square-foot dining hall, a 20-seat movie theater, a bistro, and a sun patio with gas grill and fireplace. MorningStar Assisted Living will be the operator and the manager. It is being designed by Lantz-Boggio Architects and being built by Palace Construction.

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