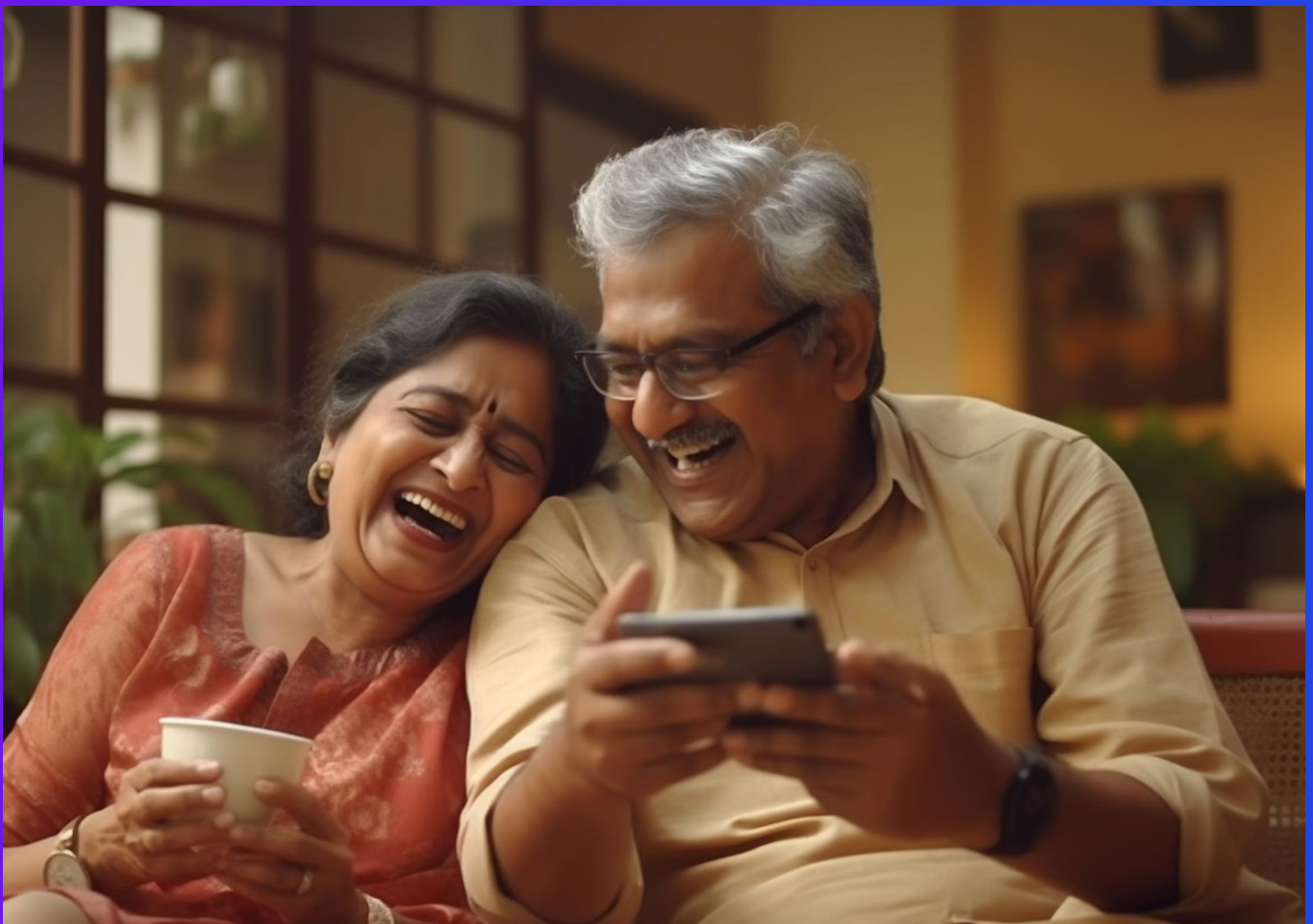




# The rise of silver generation:

Transforming the senior living landscape



March 2025

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# Foreword

The world is witnessing a transformative shift in demographics, with India projected to have a significant elderly population by 2050. This inevitable demographic evolution is driving growth in India's senior living sector, supported by favourable demographics, growing number of NRIs with aging parents, and decreasing stigma. Senior living, as an industry, is still in its early stages in India, yet it holds immense potential to improve quality of life for our aging population while catalysing economic growth.

To realise this vision, developers need to adopt innovative design and operational models that prioritise comfort, safety, and inclusivity while integrating advanced healthcare and community features. Investors must recognise the long-term value of the sector, facilitating sustainable funding models and fostering scalable projects. Simultaneously, the government must enact favourable policies — such as reverse mortgages, interest subsidies, and public-private partnerships — to incentivise the sector while ensuring affordable options and financial security for senior citizens.

Collaboration between stakeholders — private developers, investors, healthcare providers, and policymakers — will be critical to building sustainable and forward-looking communities that prioritise care, safety, and engagement. It is crucial to recognise that elder care and retirement communities should not be viewed merely as extensions of real estate developments.

The elderly care market in India has been gaining ground, especially post the COVID-19 pandemic, indicating a likely rise in the acceptance of senior care. The shift towards nuclear families

underscore the need for professional and specialized care for seniors who may lack family support.

Challenges such as accessibility and affordability, awareness-related constraints, the lack of a comprehensive healthcare system, and a shortage of trained professionals persist. Yet, our nation is tackling these issues with policy reforms such as Ayushman Bharat coverage for individuals aged 70 and above, investments in healthcare infrastructure, capacity building for healthcare professionals, and initiatives to enhance social inclusion and financial security for seniors. These changes are progressive and rapidly advancing, heralding a new era of improved care and support for our senior citizens.

Looking ahead, our vision should be to create a dynamic and resilient senior living sector that meets current market demands and anticipates future needs. By fostering innovation, sustainability, and inclusivity, we aim to build communities that enhance the quality of life for senior citizens. With adequate support and strategic planning, we can transform this sector into a pillar of societal well-being and economic advancement. Together, we can build a future where senior living becomes a cornerstone of inclusivity and societal well-being.



**Boman R Irani**

President - CREDAI



# Foreword

The world is witnessing a significant demographic shift, with the senior citizen population expected to grow at an unprecedented rate. According to an estimate by the WHO, between 2015 and 2050, the share of the world's population over 60 years is expected to double from 12 per cent to 22 per cent. This demographic shift not only presents a significant opportunity but also compels us to rethink how we support and care for our aging population.

India, too, stands at a critical juncture in this transformation. Currently, India is home to ~157 Mn people aged 60 and above, which is over 10.8 per cent of the country's total population. By 2030, the senior population is projected to reach ~192 Mn.

The golden years usher in an era of active adult communities, offering a blend of independence and social engagement for those 60 years and older. Eventually, the journey leads to assisted senior living, where specialised care and support become crucial. This stage, typically starting in the mid-70's, offers a range of options from assisted living to skilled nursing facilities, each tailored to meet the unique health and lifestyle needs of older adults.

However, the definition of senior living itself requires reconsideration. Traditionally linked to the retirement age of 60, senior living should perhaps begin at 50+, aligning with lifestyle shifts where children often move out for education and work. Shouldn't we redefine senior living to cater to active adults at 50+, focusing on independence, engagement, and wellness rather than just aging care?

This report explores global best practices and provides a roadmap for a dynamic, resilient, and impactful sector. It delves into the growth potential of the senior housing market, highlighting key factors such as changing family dynamics, increased life expectancy, and the growing demand for quality senior care.

The report also addresses current challenges, including the need for high-quality infrastructure, skilled manpower and financial products tailored for seniors such as reverse mortgages, and appropriate insurance products. By addressing these challenges with empathy and foresight, we can create a future where our aging population is not only cared for but also celebrated, ensuring that their golden years are truly golden.

Government intervention is crucial to creating a defined policy framework, offering incentives and subsidies for developers, and making senior living more accessible for end users. With a sharp focus on fostering sustainable developments, advancing infrastructure, and strengthening public-private partnerships, we have the opportunity to transform senior living sector in India.



**Chintan Patel**

Partner – Deal Advisory,  
Head -Building, Construction  
and Real Estate,  
KPMG in India



# Aging population: A global paradigm shift in senior living

Global populations are aging rapidly, driven by unprecedented increases in life expectancy. By 2050, the population of individuals aged 60 and older is expected to skyrocket by 90 per cent, increasing from 1.1 Bn in 2024 to 2.1 Bn.<sup>1</sup> This demographic will make up more than one-fifth of the global population by mid-century. This remarkable increase in longevity is driven by advancements in medical care and sanitation which stands as a significant societal achievement. However, for organisations, policymakers, and communities alike, this demographic shift represents not just a challenge, but a clarion call to create sustainable, inclusive, and future-ready ecosystems that prioritise the well-being of older adults.



## Senior population trends across key global markets in comparison to India

Population trends (60+ age group) <sup>1</sup>	2024		2030		2035		2050	
	Mn persons	% of total population	Mn persons	% of total population	Mn persons	% of total population	Mn persons	% of total population
US	83.6	24.2%	92.4	26.0%	97.4	26.8%	110.5	29.0%
UK	17.6	25.5%	19.4	27.3%	20.6	28.4%	23.1	30.5%
Australia	6.3	23.5%	7.1	25.3%	7.8	26.8%	9.7	29.9%
New Zealand	1.2	23.3%	1.4	25.5%	1.5	27.1%	1.7	30.2%
India	156.7	10.8%	191.5	12.6%	224.0	14.2%	346.0	20.6%



1. World Population Prospects 2024, Department of Economic and Social Affairs Population Division, United Nations, accessed on 05 January 2025, KPMG in India analysis.





## Senior population growth patterns across key global markets in comparison to India

Senior Population Trends (60+ age group) <sup>1</sup>	Short Term Growth - CAGR (2024-30)	Medium Term Growth - CAGR (2030-35)	Long Term Growth - CAGR (2035-50)	Overall Growth – CAGR (2024-50)
US	1.7%	1.1%	0.8%	1.1%
UK	1.6%	1.2%	0.7%	1.0%
Australia	2.2%	1.9%	1.4%	1.7%
New Zealand	2.2%	1.6%	1.0%	1.4%
India	3.4%	3.2%	2.9%	3.1%

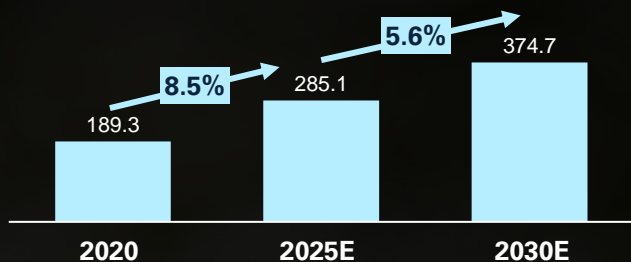
By 2050, the senior population in the United States is projected to surge from 83.6 Mn (24.2 per cent of the total population) in 2024 to 110.5 Mn (29.0 per cent). The United Kingdom and Australia also anticipate significant growth, with the UK's senior population increasing from 17.6 Mn (25.5 per cent) to 23.1 Mn (30.5 per cent), and Australia's from 6.3 Mn (23.5 per cent) to 9.7 Mn (29.9 per cent). New Zealand mirrors this trend, with its senior population expected to rise from 1.2 Mn (23.3 per cent) to 1.7 Mn (30.2 per cent).<sup>1</sup> This demographic shift underscores the urgent need for innovative senior living solutions to accommodate the rapidly growing elderly population across these nations.







### Global senior living market size: 2015-30 (USD Bn)<sup>2</sup>



The global senior living market – sized at ~USD 190 Bn in 2020 is projected to reach ~USD 375 Bn by 2030. The Asia Pacific and Middle East regions are poised to be among the fastest-growing markets, with compound annual growth rates (CAGR) of 11.2 per cent and 8.4 per cent, respectively.<sup>2</sup>

As global demographics evolve, the silver economy is emerging as a powerful driver of economic and social transformation. With longer life expectancy and an aging population, older adults are no longer just recipients of care but active contributors to economic growth as well. According to the European Commission, this demographic shift will not only generate significant economic opportunities but also reshape industries, workforce dynamics, and policy frameworks.

Unlike previous generations, today's older adults are financially empowered, largely free from economic burdens, and have both the time and resources to

actively engage in travel, leisure, and new experiences. Their spending patterns are reshaping industries such as hospitality, wellness, technology, and luxury services, driving demand for personalised and high-quality offerings. From healthcare and financial services to real estate and consumer goods, businesses must adapt to cater to this expanding market. By embracing innovation and fostering inclusive policies, the silver economy presents a unique opportunity to build a more resilient, adaptive, and sustainable future.

2. Global Retirement Communities Markets, Analysis & Forecasts, 2015-2020, 2025F, 2030F with COVID-19 Impact Insights, GlobalNewswire, April 2022, and KPMG in India analysis.





The senior living sector in Asia is growing rapidly, driven by expanding elderly populations and changing family structures. The demand for both independent and assisted living is increasing, especially in urban areas where nuclear families are more common. Success in this sector requires high-quality operations, hospitality, and personalised care, providing a homelike environment with services including food, housekeeping, nursing, and medical care. Against this backdrop, we have launched Sindora Living, Keppel's senior living brand and operating platform for Asia.

In Asia, many seniors still prefer independent living but there has been a growing acceptance of assisted living as caregiving needs rise. To support this, subsidies at both the investment and operational levels, such as tax exemptions and care-related incentives, could help reduce costs

and improve accessibility to quality senior living services. International models, such as China's life insurance products combined with senior living services, could offer insights for regional markets in Asia, including India, where there is potential to introduce similar financial products to subsidize costs.

The senior living sector is not government regulated in most Asian countries. National-level regulation and coordination is important to help establish industry standards and best practices, as well as support the sector's sustainable growth. The senior living sector holds significant potential. Enhancing regulatory frameworks and investing in high-quality care will be key to meeting the needs of an aging population while adapting to each country's unique demographic and cultural contexts.

#### **Nathaniel Farouz**

Managing Director, Senior Living,  
Real Estate Division of Keppel Ltd.

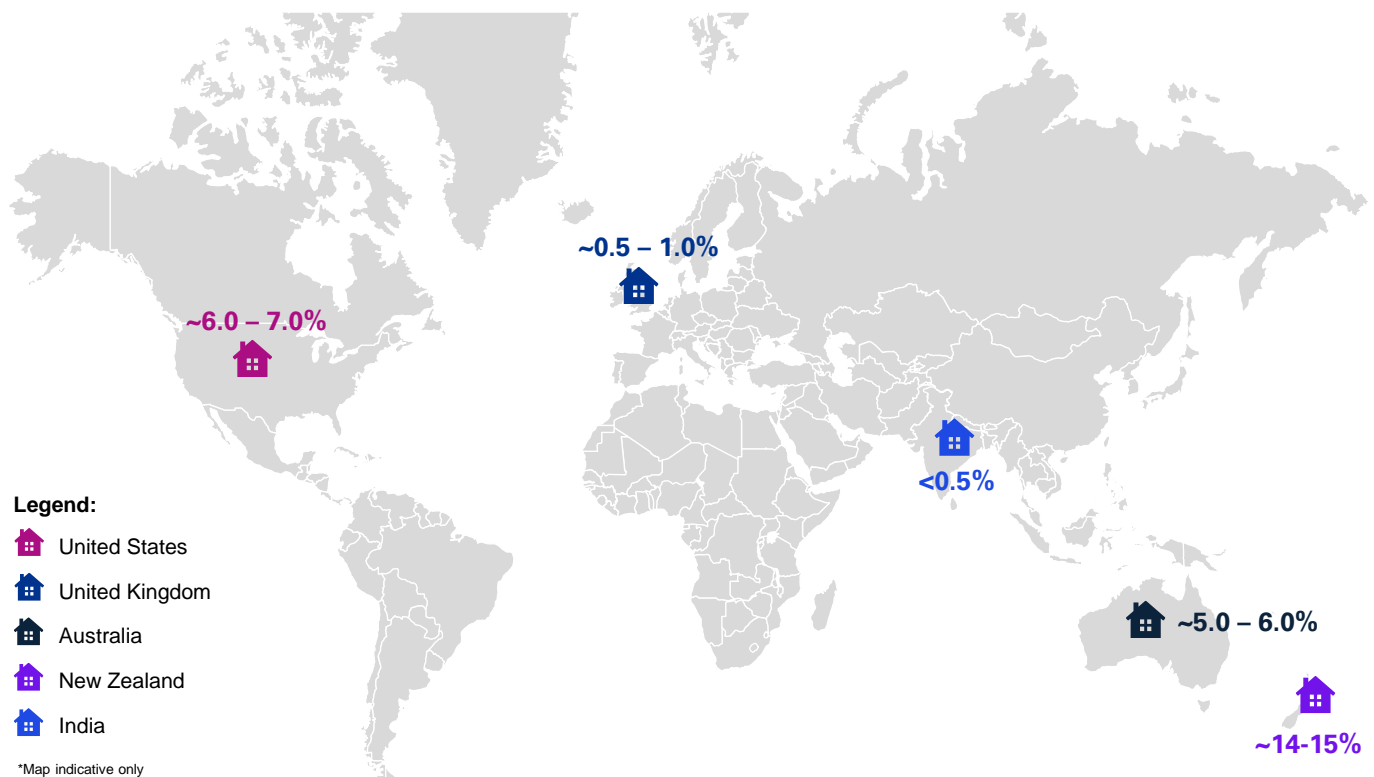




India stands out with a substantial increase in its senior population, from ~157 Mn (10.8 per cent) in 2024 to ~346 Mn (20.6 per cent) by 2050.<sup>1</sup> While the proportion is relatively lower compared to some nations, the sheer scale of this increase underscores the impact of India's large population base. These trends indicate a global shift towards an aging population, which will have profound implications for healthcare, social services, and economic policies.



### Senior living penetration rate for population aged 60+ years (2021)



Senior living penetration rates exhibit significant variation across countries, reflecting diverse demographic trends and market maturity levels:

New Zealand, with the highest penetration rate at ~14 to 15 per cent<sup>3</sup>, followed by the United States at 6 to 7 per cent.<sup>4</sup> This is followed by Australia at ~5 to 6 per cent.<sup>5</sup> In contrast, the UK has a penetration rate of around 0.5-1 per cent<sup>4</sup>, indicating that its senior living market remains in the early stages of development. India, with a penetration rate of less than 0.5 per cent<sup>6</sup>, highlights that the market still in its infancy, underscoring immense untapped potential in addressing the needs of its rapidly aging population.

### Exploring the trends, challenges, and opportunities of an aging Asian population<sup>1</sup>

The proportion of elderly individuals in Asia is set to rise significantly, from 15 per cent in 2024 to 25 per cent by 2050. China and India, due to their large population, lead in absolute numbers, with China's senior population projected to increase from ~292 Mn in 2024 to ~504 Mn in 2050, and India's from ~157 Mn to ~346 Mn.

By 2050, regions like Hong Kong (SAR), China and Taiwan would have the highest proportions of elderly, at 55.2 per cent and 46 per cent, respectively, reflecting advanced aging demographics despite their smaller population sizes.

3. NZ will need 26,000 retirement village units in next decade: JLL report, the weekly source, May 2023;

4. Spotlight: UK Senior Living, Savills, February 2022;

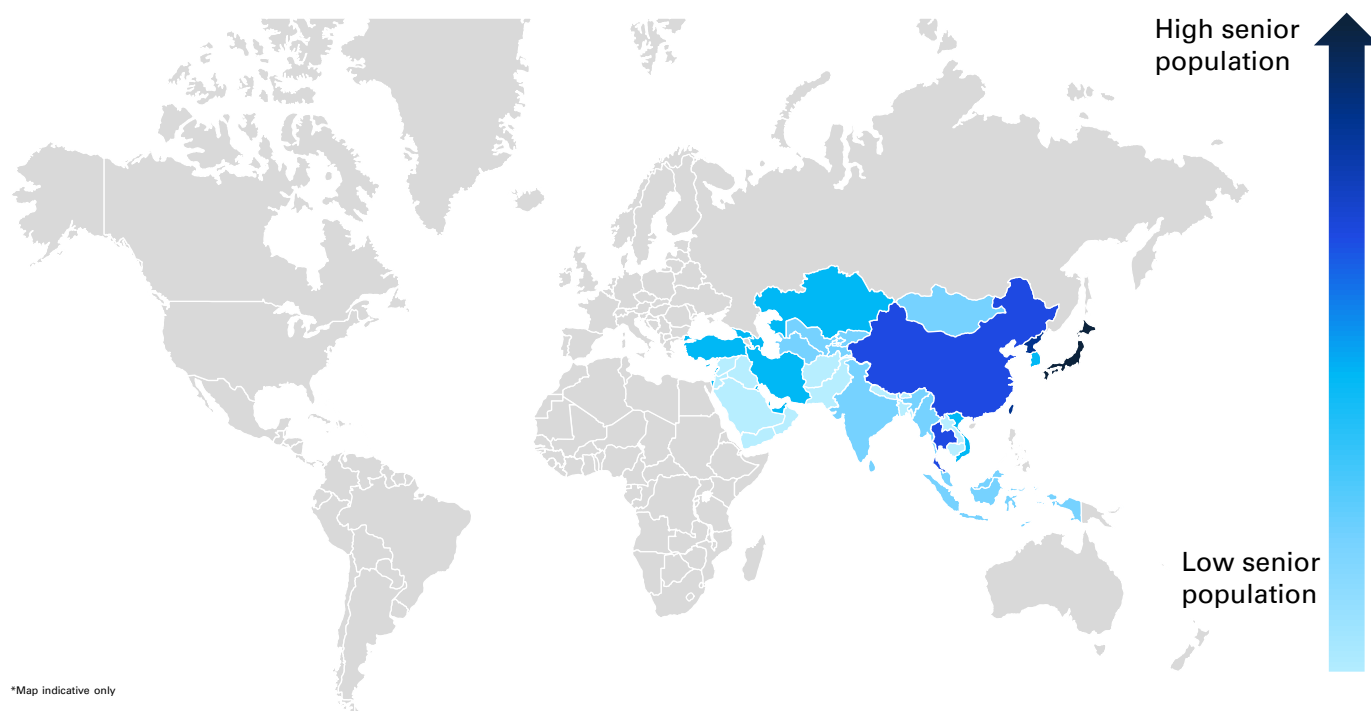
5. Australia's robust fundamentals for retirement living, Oxford Economics Australia, July 2024;

6. KPMG in India analysis





## Population trends across Asia (2024)



Countries like Japan, South Korea, and Taiwan are expected to see their senior populations comprise over 40 per cent of the total population, indicating an aging crisis that will require extensive healthcare and social infrastructure reforms.<sup>1</sup>



## Senior population trends across key Asian markets

Senior Population Trends <sup>1</sup>	2024		2030		2035		2050	
	Mn persons	Share of total population	Mn persons	Share of total population	Mn persons	Share of total population	Mn persons	Share of total population
China	292.2	20.6%	369.2	26.4%	422.1	30.7%	504.0	40.0%
India	156.7	10.8%	191.5	12.6%	224.0	14.2%	346.0	20.6%
Japan	44.4	35.9%	45.6	38.1%	47.5	41.0%	45.5	43.3%
Thailand	15.7	22.0%	18.9	26.5%	21.0	29.8%	24.0	36.1%
Vietnam	14.1	13.9%	17.6	16.9%	20.5	19.2%	29.8	27.1%
Taiwan	6.2	26.9%	7.2	32.1%	7.9	35.8%	8.9	46.0%
South Korea	4.8	18.1%	5.9	22.0%	6.6	24.8%	7.2	27.9%
Malaysia	4.1	11.6%	5.2	13.6%	6.1	15.4%	10.3	23.3%
Hong Kong (SAR), China	2.3	31.1%	2.7	36.6%	2.9	41.2%	3.4	55.2%
Singapore	1.1	19.1%	1.3	22.2%	1.5	24.8%	2.1	34.8%

Source: KPMG in India analysis.





The senior living sector in the UK is similar to India and is at its nascent stages, with penetration rates in the range of 0.5-1 per cent. Both markets face a growing aging population and a demand-supply gap, offering a compelling opportunity for developers to address this underserved segment.

In the UK, demand is moving towards "housing with care" models that offer lifestyle amenities such as gyms and restaurants along with integrated care services. This model catering to affluent seniors seeking a blend of independent living and future care, could potentially serve as a blueprint for India, where independent living is common and rental options are limited, mirroring the UK's market dynamics.

Adopting the right operating model is critical for long-term success. In the UK, traditional retirement unit-sale models have struggled with property upkeep, whereas structured models providing license to occupy (long term lease model), instead of outright purchase to unit owners and incorporating a Deferred Management Fees (DMF) (also known as an exit fee which is a percentage of the property value based on tenure) to be paid by residents at the time of vacating the premises, have proven more sustainable. These models not only generate long-term revenue tied to property value appreciation for the developer (typically stabilising after 7-8 years) but helps to cover the management and refurbishment cost of the development as well. They also enable innovative funding mechanisms such as sale-and-leaseback

agreements, providing liquidity while maintaining operational control for developers.

A structured DMF model benefits both users and developers by keeping developers vested in the property for its upkeep, allowing them to capitalise on appreciated capital value while ensuring a steady, sustainable income stream. Indian developers could adopt similar models to meet the growing demand in the senior living sector, provided there is transparency regarding DMF and adherence to government regulations. From the purchaser/occupiers, point of view it offers known costs which is important for this demographic. Furthermore, monthly costs can be kept low in return for higher exit fees.

Both markets, currently limited by regulatory support, could benefit from subsidies and incentives for developers, such as tax credits, eased zoning regulations, subsidised construction finance, and land cost grants, as seen in the mature markets of USA, Singapore, and Japan.

India's nascent senior living sector could benefit significantly from adopting global best practices, including integrated care models, structured DMFs, and innovative financing mechanisms. By addressing the rising demand and leveraging proven international frameworks, Indian developers could bridge the supply gap and unlock the long-term potential of this evolving sector.

**John Nettleton**  
Group Property and Partnerships  
Audley Group









# Golden years in focus: An overview of India's senior living sector

## Key statistics<sup>7</sup>

**~346 Mn**

Estimated elderly population by 2050 (60+ age group)

**9.1 years**

Life expectancy at 75 years in India (2015-19)<sup>#</sup>

**7 out of 10**

Seniors live in rural areas (basis 2011 census)

**15.7\***

Old-age dependency ratio in India (2021)

**11.1 percent**

Elders live alone without their spouse/ children

**25.6 percent**

Urban Indians aged 60+ currently working

**78 per cent**

of the elderly population are without a pension<sup>8</sup>

**18 per cent**

of seniors are covered by health insurance<sup>8</sup>

**26 per cent**

of urban India's debt is due to health-related expenses<sup>8</sup>

\*No. of elderly (60+ years) per 100 working age (15-59 years) population

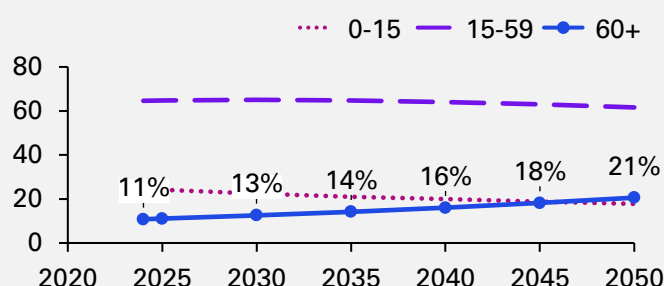
<sup>#</sup>Additional life years for those who attained the age of 75 years based on prevailing death rates for the sex, year and place.



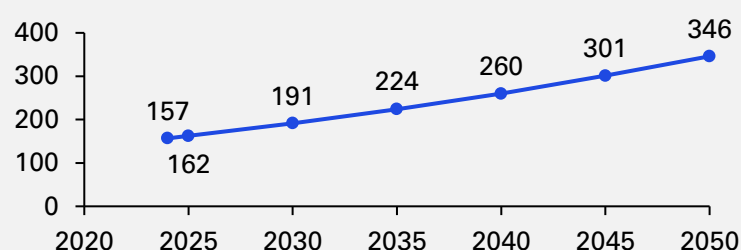


- In 2024, individuals aged 60 and above constitute ~11 per cent of India's population, a proportion anticipated to nearly double to over ~21 per cent by 2050.<sup>1</sup>
- By mid-century, India is projected to account for ~16 per cent of the global population aged 60 and older, out of an estimated ~2.1 Bn individuals in this age group worldwide.<sup>1</sup>
- This demographic shift is driven by an increase in life expectancy at birth, which has increased by 9.3 years, rising from 62.7 years in 2000 to 72.0 years in 2023, alongside a steadily declining fertility rate (from 3.4 to 2.0 live births per woman in the same period).<sup>1</sup>
- In addition, India's aging population presents significant challenges, particularly in the areas of healthcare, social structures, and disease management.
- The substantial increase in India's senior population will place immense pressure on the healthcare system, as older adults are projected to account for ~45 percent of the country's total disease burden by 2030.<sup>9</sup>
- Conditions such as dementia, which currently affects ~4 Mn individuals, are projected to rise sharply, impacting ~13.4 Mn Indians by 2050 and contributing to a total cost of ~USD 1 Tn annually.<sup>9</sup> This increase highlights the growing need for skilled nursing care to manage the complex needs of chronic care patients.

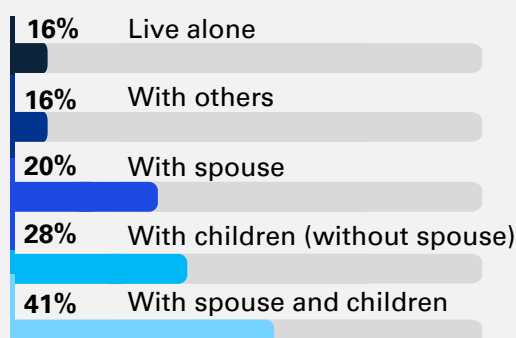
### Age-group wise share of population projection<sup>1</sup>



### 60+ population growth trends (Mn persons)<sup>1</sup>



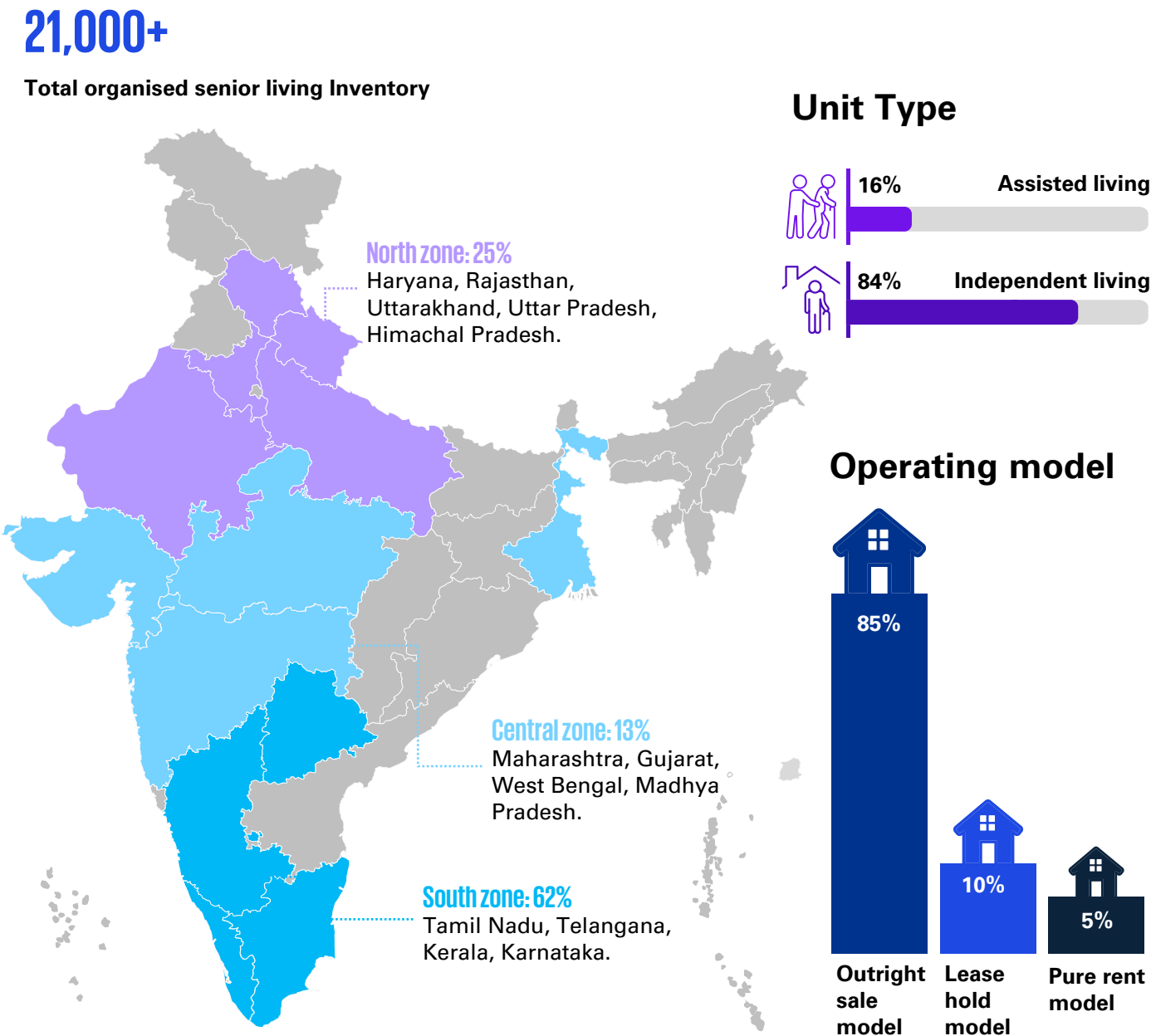
### Distribution of older persons by living arrangements<sup>9</sup>



7. Caring for Our Elders Institutional Responses, India Ageing Report 2023, International Institute for Population Sciences, (IIPS), The United Nations Population Fund (UNFPA), accessed on 09 January 2025;  
 8. Senior Care Reforms in India: Reimagining the Senior Care Paradigm, A Position Paper, Niti Aayog, accessed on 13 January 2025;  
 9. 2021 Longitudinal Ageing Study India, International Institute for Population Sciences, (IIPS), accessed on 13 January 2025 and KPMG in India analysis.

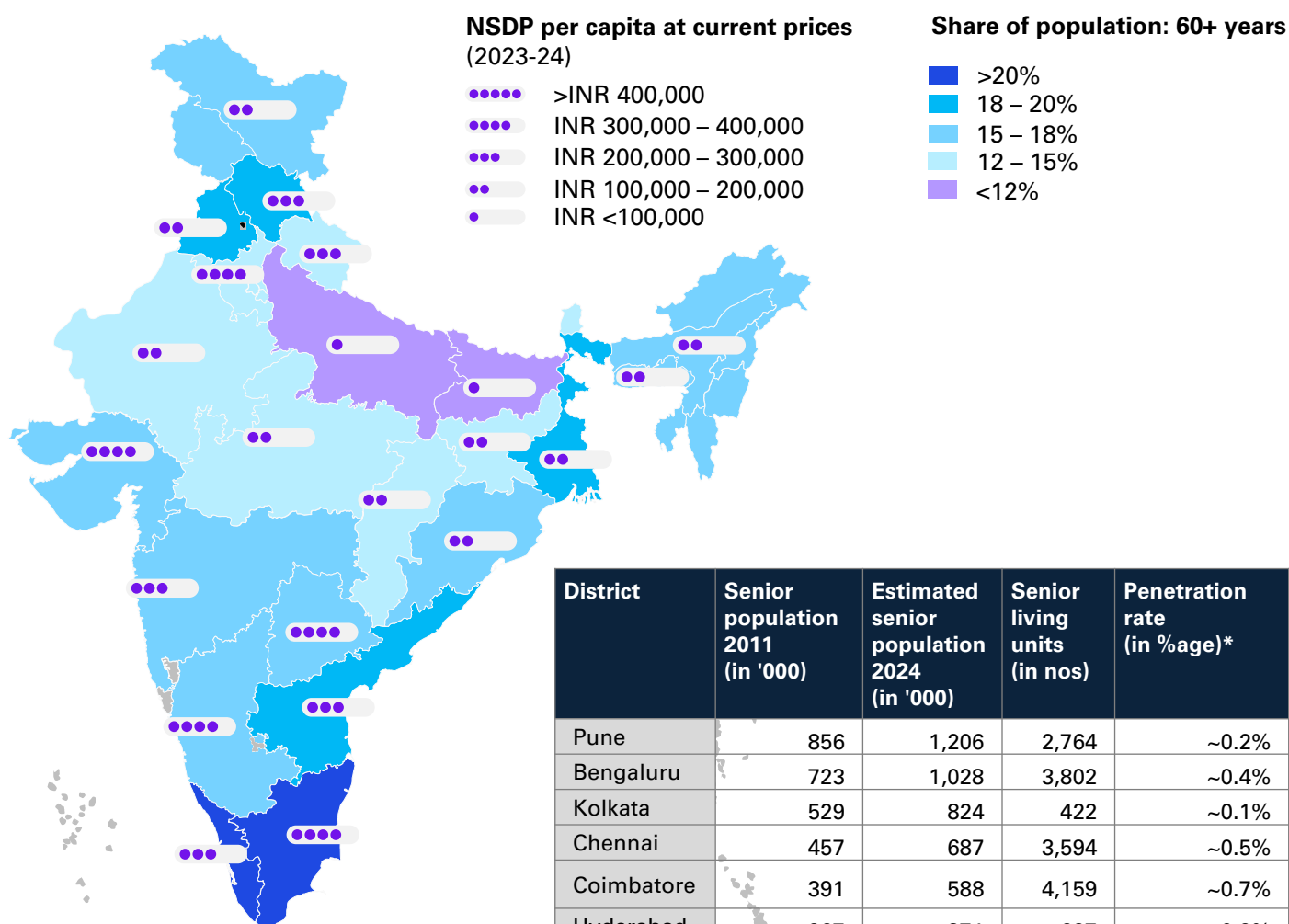


Senior living inventory distribution across India





## Mapping Indian states by senior citizen population share and per capita Net State Domestic Product (NSDP)



\*Map indicative only

Source: Census of India 2011 and KPMG in India analysis

\*Basis non-exhaustive list of senior living projects by organised developers in India

- In 2024, cities such as Pune (~1.2 Mn seniors) and Bengaluru (~1.03 Mn seniors) are witnessing robust growth in their senior demographics, while cities like Chennai, Kolkata, Coimbatore, and Hyderabad have also show consistent increases.
- However, the penetration of senior living homes remains low, with Coimbatore leading at 0.7 per cent, followed by Chennai (0.5 per cent), Bengaluru (0.4 per cent), and Pune and Hyderabad at 0.2 per cent, respectively. Kolkata trails at 0.1 per cent, indicating an underdeveloped senior living market.
- This urban trend mirrors broader state-level patterns, with some of the states in India, such as Kerala, Tamil Nadu, and Andhra Pradesh, reporting the highest proportion of seniors aged 60 and above.
- Kerala, for instance, has nearly 16 per cent of its population in this age bracket, driven by high life expectancy, better healthcare, and social indicators. Tamil Nadu and Andhra Pradesh also have substantial senior populations, enabling demand for specialised living facilities. States such as Kerala may benefit from community-centric models leveraging its strong societal bonds, while states like Tamil Nadu and Karnataka, with their well-established healthcare ecosystems, could focus on integrating wellness and medical care into senior living developments.
- Despite this demographic opportunity, cultural preferences for family caregiving and a limited supply of senior living facilities remain barriers in most regions. Addressing this gap will require tailored approaches that align with the needs and preferences of seniors in these states.



## Demand and challenges in India's senior living market

## Demand drivers

## Growing awareness and decreasing stigma



Increasing demand for community living that fosters social interaction and well-being, coupled with decreasing stigma, makes senior living communities desirable lifestyle choices.

## Shift to nuclear family setups



The transition from joint to nuclear families is transforming caregiving dynamics, increasing the demand for senior living solutions.

## Economic self-sufficiency and rising disposable income of seniors



More financially self-sufficient seniors and increased disposable incomes enable better choices in senior living facilities.

## Return of Non-Resident Indians (NRIs) to India



An increasing number of NRIs are returning with global perspectives, driving demand for modern and inclusive senior living concepts in India.

## Increasing dependency ratio



The rising proportion of dependents relative to the working-age population highlights the urgent need for structured elderly care.

## Challenges

## Cultural norms



Deeply rooted cultural norms in India prioritize home-based eldercare, making the idea of senior living homes less acceptable in traditional societies.

## Challenges in extended operational support and investor returns



Developers feeling cautious due to extended operational support requirements, and investors face marginally longer payback periods compared to traditional residential projects.

## Awareness in rural areas



Limited awareness and understanding of the benefits and diverse options within senior living prevent families in rural areas from considering these solutions.

## Affordability and infrastructure challenges



High costs and underdeveloped infrastructure limit access to quality senior living homes.

## Regulations



The absence of comprehensive regulatory frameworks and quality standards results in inconsistent levels of care and services across the sector.

## No Insurance Coverage for Senior Living



Health insurance and long-term care coverage in India do not support the costs associated with senior living facilities.





The senior living sector in India is undergoing a significant transformation, driven by an aging population and the gradual shift away from traditional joint family structures. With urbanisation, the rise of dual-income households, and increasingly dispersed families, the demand for senior living solutions is steadily growing. However, societal resistance and affordability challenges continue to hinder widespread acceptance. While structured environments and amenities in senior living communities offer a promising solution, many seniors still prefer aging in place with home care, highlighting the need for affordable and culturally acceptable alternatives.

Geographically, southern India leads in senior living acceptance due to its older demographic, while northern and western regions are steadily progressing. For the sector to flourish, it must transition from traditional real estate models to sustainable frameworks that seamlessly integrate real estate, healthcare, and hospitality. These frameworks should cater to diverse needs by offering a mix of independent living and assisted living formats, ensuring continuous care for different age groups. Assisted living, however, presents operational complexities, which limits market participation to a few key players. Many developers lack the expertise to handle ongoing operational demands and often do not have structured partnerships with healthcare providers.

From a financial perspective, developers with projects in the senior living sector typically anticipate different returns depending on the

project type. Assisted living projects, due to their higher operational costs and stringent regulatory requirements, yield post-tax IRRs of ~12-15 per cent. In contrast, Independent living projects tend to achieve higher returns, with post-tax IRRs ranging between 15-25 per cent based on the project profile. This disparity highlights the need for developers to carefully evaluate their operational models and identify formats that balance financial viability with quality care.

Sustained success in the senior living sector hinges on a shift in mindset. Developers must adopt a resident-first approach, prioritising empathy, trust, and long-term relationships. Achieving this balance requires a focus on superior operational standards, either through self-management or partnerships with capable operators committed to service quality. Properties must also evolve beyond luxury amenities, instead emphasising the delivery of quality care that builds trust with residents and their families.

Unlocking the full potential of India's senior living sector will require a collaborative effort between policymakers, developers, and operators. Government support through tax incentives, subsidised land, and favourable policies can play a critical role in attracting private investment and enhancing affordability for end-users. Ultimately, the success of this sector depends on delivering long-term, resident-centric solutions that address the evolving needs of India's senior citizens while ensuring both operational and financial sustainability.

**Vishal Gupta**  
Managing Director  
Ashiana Housing Ltd





## From independence to support: Tailored solution for every stage of senior care

Senior living communities are designed to create vibrant environments that prioritise health, security, and social connections. These communities offer solutions through various models, including Independent living, Assisted living, and Skilled nursing care, each catering to different needs and ensuring dignity and quality of life for seniors.

Entry age of seniors (years)

55+



### Independent living

Independent living suitable for active older adults who can manage their daily living on their own, don't require frequent healthcare support, and are looking to enrich their social lives.

#### Key Requirements:

- Autonomy
- Focused on socialising, recreation, and fitness.

65+



### Assisted living

Designed for older adults who require assistance with activities of daily living such as bathing, housekeeping, medication administration, etc., Often tailored to service specific needs.

#### Key requirements:

- Moderate autonomy
- Activities focused on well-being and recreation.

75+



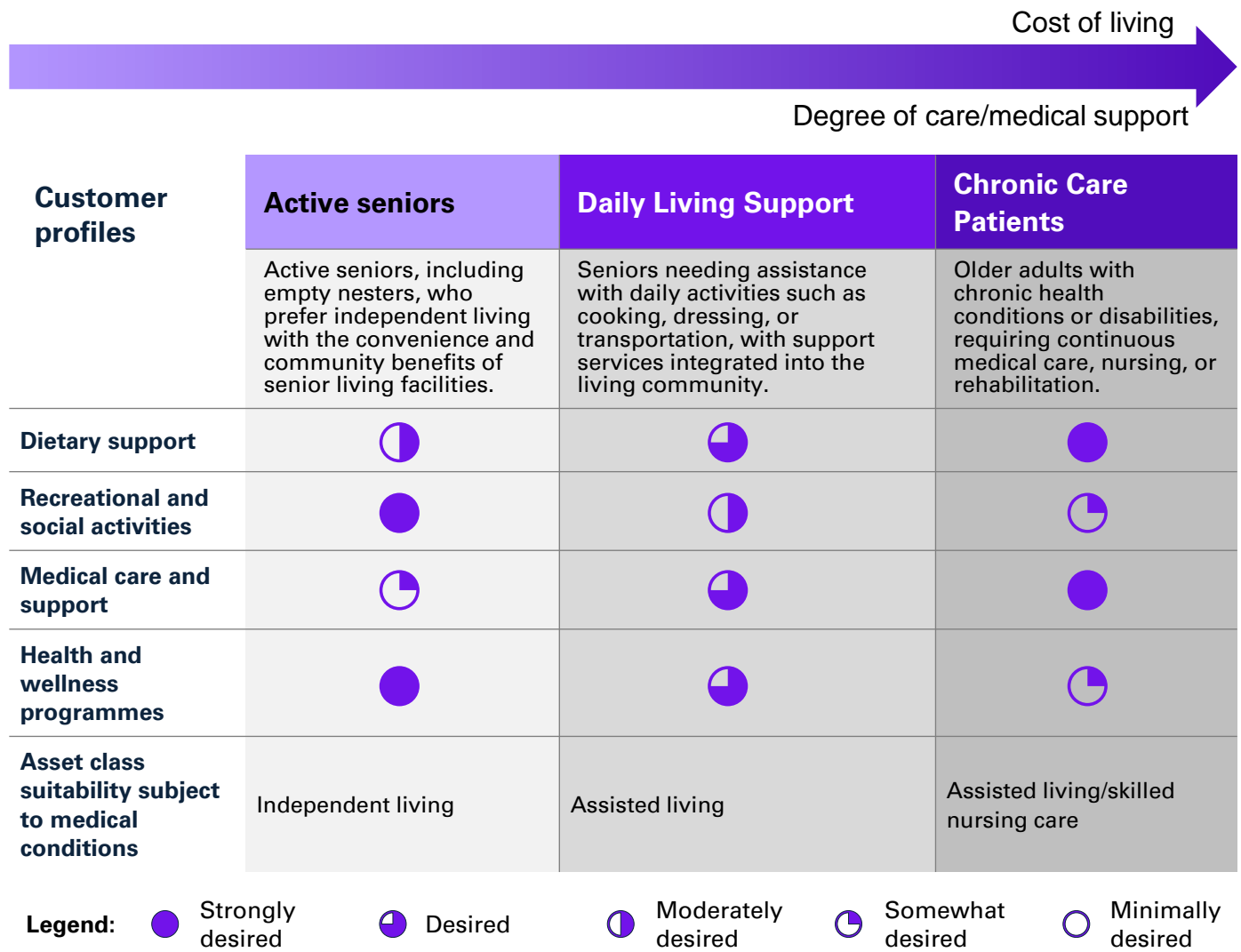
### Skilled nursing care

Skilled nursing care and around-the-clock assistance for senior citizens with mental and physical health concerns

#### Key requirements:

- 24/7 medical care
- Support with essential tasks.





Source: KPMG in India analysis.



Model	Freehold sale model	Pure rental model	Leasehold model
Description	<ul style="list-style-type: none"><li>• In this model, the residential unit is sold outright to the buyer, transferring full ownership for a one-time payment.</li><li>• The developer realises the property value immediately, with no further income generated from the unit.</li></ul>	<ul style="list-style-type: none"><li>• This model involves the developer retaining ownership and renting the unit to tenants, generating a steady stream of rental income.</li><li>• The developer generates additional revenue through maintenance fees and a range of operator provided services, including F&amp;B and concierge services.</li></ul>	<ul style="list-style-type: none"><li>• The leasehold model allows the developer to sell the unit at an upfront discount while retaining the right to earn a percentage of its resale value in the future.</li><li>• This approach balances immediate revenue with deferred earnings tied to property appreciation.</li></ul>
Prevalence	Emerging markets such as countries in Asia and certain regions of Europe.	Developed markets such as the United States and Canada.	Progressive markets such as Australia, the United Kingdom, and New Zealand.

Source: KPMG in India analysis



## Merits and Demerits of each model for the developer

Parameters	Freehold sale model	Pure rental model	Leasehold model
<b>Revenue stream</b>	The developer will generate a one-time upfront revenue from unit sales, with no recurring income	Recurring revenue for the developer through monthly rentals and service charges.	Revenue split between initial sales (lower upfront price in certain cases) and Deferred Management Fee (DMF) at exit.
<b>Cash flow</b>	High initial cash inflow for the developer from unit sales.	Steady, predictable cash flow over time through rentals for the developer.	Developer will realise moderate initial cash flow with additional future inflows from DMF.
<b>Operational responsibility</b>	Limited responsibility; project operations for the developer; typically managed by a third-party operator through service charges.	Developer bears high responsibility for ongoing property management and tenant services.	Continued operational responsibility for the developer arises from retained control and the obligations associated with DMF.
<b>Risk exposure</b>	Dependent on market demand for unit sales.	Vulnerable to fluctuations in occupancy rates and rental demand.	Market fluctuations at resale may affect DMF returns.
<b>Ownership</b>	Ownership transferred to buyers; developers lose control over units.	Developers retain full ownership of the property.	Developers keep long-term control but give occupancy rights to leaseholders.
<b>Scalability</b>	Limited by one-time unit sales; no recurring income for reinvestment.	Scalable with steady rental income for the developer supporting operational and expansion costs.	Scalable for the developer due to blended income streams from sales and deferred fees.
<b>Developer reputation</b>	Easier to manage as developers exit the project post-sale.	Requires sustained property and service quality to maintain tenant satisfaction and brand image.	Mismanagement of property can negatively affect reputation.
<b>Customer base appeal</b>	Attracts buyers looking for long-term security and investment opportunities.	Appeals to those seeking flexibility and lower upfront costs.	Appeals to those seeking long-term occupancy at reduced upfront costs but willing to pay DMF later.
<b>Customer perception</b>	Buyers value full ownership and transferability but face high upfront costs.	Tenants enjoy flexibility but do not build equity in the property.	Leaseholders appreciate lower upfront costs but may show resistance towards payment of monthly management fees.
<b>Exit opportunity</b>	Immediate exit upon sale of individual units, ensuring rapid realisation of returns.	Option for portfolio monetisation through REITs, offering liquidity and diversification opportunities.	Developers ensure asset quality and services, generating recurring income and long-term value.

Source: KPMG in India analysis

## Revolutionising senior living: New concepts and practices

Senior living, often visualised through the lens of traditional retirement homes and care facilities, is on the cusp of a radical transformation globally. What was once perceived as retiring from active life is now regarded as embarking on a new beginning. This progressive approach to senior living is gaining momentum, driven by a blend of technological innovation, societal shifts, and a renewed focus on holistic well-being.



### Intergenerational living

This model encourages families to live near elderly relatives, thereby enhancing the sense of community and support for seniors. Developers are integrating residential projects with senior housing to facilitate this arrangement.

Brigade Orchards' Parkside Homes is a well-planned senior living community that ensures a lively, enriching experience for retirees while promoting intergenerational bonds within its comprehensive township.<sup>10</sup>



### Luxury senior living

A refined lifestyle combining elegant residences, upscale amenities, personalised care, and vibrant community living for a fulfilling retirement. Designed for comfort and indulgence, it offers exclusive services like concierge assistance, gourmet dining, and cultural experiences.

Located in Delhi NCR, Antara Senior Living by Max India is one of the leading luxury senior living projects, offering a high-end lifestyle with wellness and healthcare facilities tailored to seniors.<sup>11</sup>



### Wellness and holistic living

A holistic environment prioritising physical, emotional, and social well-being through fitness programmes, nutritious dining, and a supportive community.

Thoughtfully designed spaces and wellness-centered activities promote active aging and a balanced lifestyle.

The Watermark at Brooklyn Heights stands out for its resort-style senior living experience with unparalleled wellness programmes and a prime location in a historic New York neighborhood.<sup>12</sup>

10. Parkside Homes at Brigade Orchards, Brigade Orchards, accessed on 17 January 2025;

11. Antara Senior Care, Antara Max Group, accessed on 17 January 2025;

12. The Watermark at Brooklyn Heights Elan Collection, Discovery Management Group, accessed on 17 January 2025, and KPMG in India analysis.





### Sustainable senior living

Sustainable living practices are becoming a key focus in senior living communities. These communities emphasise eco-friendly practices like organic farming, renewable energy, and green building, fostering healthy, sustainable lifestyles for seniors.

The Green House Project in the USA promotes energy-efficient design and sustainable practices, providing a green, community-oriented environment for seniors.<sup>13</sup>



### Active aging communities

These communities are designed with fitness centres, walking trails, swimming pools, and spaces for group activities. Social clubs, art programmes, and interest-based groups are integrated to keep residents engaged.

The Villages in Florida is an example of a large, active aging community that provides a variety of sports, recreation, and social clubs tailored to senior.<sup>14</sup>



13. The Green House Project, accessed on 17 January 2025;

14. The Villages, Holding Company of The Villages, Inc., accessed on 17 January 2025 and KPMG in India analysis.









India's senior living market is significantly underpenetrated compared to Western countries. With the elderly population set to double by 2050, demand for quality senior living is surging. Changing family structures, driven by labor mobility, and increasing female workforce participation, are leading to more elders seeking independent living. Post-COVID-19, the stigma surrounding senior living is diminishing, fueled by growing domestic demand and rising interest from NRIs. A key opportunity lies in expanding the target demographic to 50+ rather than the conventional 60+. This aligns with the life stage when children move out, creating a natural shift in lifestyle needs. Flexible stay options can attract younger seniors, allowing short-term stays before transitioning to long-term residency. The focus should shift from medical care to vibrant, community-driven living.

Senior living must be repositioned as an aspirational lifestyle choice. Just as schools nurture socialisation for children and workplaces foster engagement for adults, senior living

communities should promote fulfillment, activity, and personal growth. The emphasis should be on creating spaces that enhance well-being, making them a desirable choice rather than a necessity.

To achieve this, communities must prioritise experience-driven living, multi-generational integration, and boutique-hotel-style environments. Moving away from institutional setups, they should offer engaging activities and premium services. Many operators are following an asset-light model, partnering with developers instead of owning properties, ensuring scalability and flexibility in expansion. Regulations for senior living in India are still evolving. While the country offers a more business-friendly environment than the western markets due to fewer regulatory constraints, a structured framework is needed to bring standardisation without stifling innovation and growth. The Indian senior living market has a vastly untapped opportunity. By reshaping perceptions, developers could make senior living a desirable choice, to unlock its full potential.

**Arun Paul**  
CEO and Founder  
Priya Living LLC



## Global lessons, local solutions: A strategic roadmap for senior living in India

To create a meaningful impact, a robust regulatory framework for senior living in India must cater to the diverse needs of the aging population, ensuring quality, affordability, and inclusivity. By integrating global best practices with tailored India-specific solutions, we can not only meet the rising demand but also establish a sustainable and equitable ecosystem for senior living. Key regulations across other mature and upcoming senior living markets and recommendations for the Indian senior living sector are as follows:

Country	Key incentives/Regulatory provisions	Recommendations for Indian senior living sector
<b>United States</b>	<ul style="list-style-type: none"> <li>Low-Income Housing Tax Credit (LIHTC) - incentive for developers to create qualifying places that offer affordable living for senior citizens.<sup>15</sup></li> <li>Medicaid Waivers for long-term care services with assistance to live at home or in a community.<sup>16</sup></li> <li>Department of Housing and Urban Development (HUD) Housing Assistance programmes – tailored to support financially stressed seniors by offering affordable housing options or partially covering rent payments directly to landlords.<sup>17</sup></li> </ul>	<ul style="list-style-type: none"> <li>Offer tax credits under GST benefits to developers building affordable senior housing.</li> <li>Explore Medicaid-like waivers models to support/fund affordable senior care assisted living (integrating it with Ayushman Bharat for better healthcare access).</li> <li>Introduce targeted rent subsidy programmes under state-specific schemes to make senior housing affordable for low-income groups. Existing schemes like Atal Vayo Abhyudaya Yojana (AVYAY) could be expanded to include rent subsidies.<sup>18</sup></li> </ul>
<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>Older People's Housing Taskforce was established to explore and enhance housing options, ensuring greater choice, quality, and security for older adults.<sup>19</sup></li> <li>Council tax discounts for seniors.<sup>20</sup></li> </ul>	<ul style="list-style-type: none"> <li>Establish a senior housing taskforce under the Ministry of Housing to access senior-specific housing needs.</li> <li>Offer grants through government initiatives such as Pradhan Mantri Awas Yojana (PMAY) to developers focusing on affordable senior housing.</li> <li>Expand property tax rebates for senior citizens, ensuring ease of application and uniformity across states. Additionally, establishing a framework for asset transfer would also stimulate demand for this asset class.</li> </ul>

15. How Does the Low Income Housing Tax Credit Work for Elderly Residents?, Seniority A Senior Living Directory, Cindy Moore, accessed on 21 January 2025;

16. Home and Community Based Services (HCBS) via Medicaid Waivers Assist Seniors in Aging at Home, American Council on Aging, November 2024,

17. Government Assisted Housing Options (HUD) for Aging Seniors, Paying for senior care, March 2024,

18. Atal Vayo Abhyudaya Yojana (AVYAY), Department of Social Justice & Empowerment, Government of India, accessed on 22 January 2025,

19. Older People's Housing Taskforce, Government of UK, accessed on 24 January 2025,

20. Council Tax Reduction For Pensioners, February 2025, and KPMG in India analysis.



Country	Key incentives/Regulatory provisions	Recommendations for Indian senior living sector
<b>Australia</b>	<ul style="list-style-type: none"> <li>Aged Care Capital Assistance Program (ACCAP) - provides grants to build, extend, or upgrade aged care services (~USD 250 Mn funding allocated for 52 projects).<sup>21</sup></li> <li>The Social and Affordable Housing Fund (SAHF) strives to deliver 2,200 additional homes across metropolitan and New South Wales (NSW) region by fostering partnerships between housing services, banks, super funds, and private companies.<sup>22</sup></li> </ul>	<ul style="list-style-type: none"> <li>Develop a Capital Assistance Fund to support development, upgradation in senior housing projects and integrate the fund with existing schemes like the Integrated Programme for Senior Citizens (IPSrC) to provide financial aid for senior care facilities.<sup>23</sup></li> <li>Launch a Subsidy Scheme for affordable senior housing in partnership with banks, healthcare providers, and funds, tailored to meet the specific regional needs of India.</li> <li>Encourage Public-Private Partnerships (PPPs) to drive investment and expertise into the senior housing sector.</li> </ul>
<b>Canada</b>	<ul style="list-style-type: none"> <li>Government Subsidised Housing for Seniors (65+ years of age) - tenants to pay 25 per cent to 30 per cent of their household income.<sup>24</sup></li> <li>Government of Canada's Long-Term Care Support Policy - ensure seniors in long-term care receive safe and high-quality care by investing in healthcare services, improving standards for care facilities, and supporting workforce stability.<sup>25</sup></li> </ul>	<ul style="list-style-type: none"> <li>Introduce rental senior housing schemes to create affordable senior housing based on their household incomes will help to reduce the entry cost for senior living projects.</li> <li>Outline a policy to support seniors in long-term care: <ul style="list-style-type: none"> <li>Allocating funds to improve healthcare services for seniors, focusing on better family health services, mental health services, and modernising the healthcare system.</li> <li>Providing training, wage increases and improving workplace conditions for personal support workers and related professions to ensure a stable and competent workforce.</li> </ul> </li> </ul>



21. Aged Care Capital Assistance Program, Department of Health and Aged Care, Australian Government, accessed on 28 January 2025;

22. A new affordable housing solution for seniors, Real estate Australia, Rachel Kurzyp, accessed on 28 January 2025;

23. Integrated Programme For Senior Citizens: Know The Projects And Benefits, Outlook Money, February 2024;

24. Government Subsidized Housing for Seniors in Canada by Province, Savvy New Canadians, Enoch Omololu, May 2024;

25. Government of Canada supports seniors in Long Term Care by helping to ensure they access safe and quality care, Government of Canada, March 2023, and KPMG in India analysis.

Country	Key incentives/Regulatory provisions	Recommendations for Indian senior living sector
<b>New Zealand</b>	<ul style="list-style-type: none"> <li>Positive Ageing Strategy for accessible health services and age-friendly communities.<sup>26</sup></li> </ul>	<ul style="list-style-type: none"> <li>Develop a <b>“National senior living strategy”</b> focusing on:               <ul style="list-style-type: none"> <li>Ensuring older people live well and age well throughout their lives.</li> <li>Providing effective rehabilitation, recovery, and restoration after acute events.</li> <li>Supporting individuals in managing long-term health conditions for a better quality of life.</li> <li>Providing comprehensive financial and medical assistance for older adults with complex needs.</li> <li>Ensuring end-of-life care caters to physical, cultural, and spiritual needs.</li> </ul> </li> </ul>
<b>Singapore</b>	<ul style="list-style-type: none"> <li>Long-Term Care Insurance (LTCI) for care expenses.<sup>27</sup></li> </ul>	<ul style="list-style-type: none"> <li>Introducing a structured long-term care insurance system that supports senior living expenses, aligned with Atal Pension Yojana and Ayushman Bharat for sustainable financial assistance may attract more buyers in the market.</li> </ul>



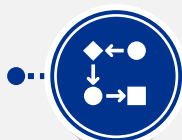
26. Positive Ageing Goals and Key Actions, Ministry of Social Development, New Zealand Government, accessed on 01 February 2025;

27. Long-term care, Learn about schemes that can help you pay for your long-term care needs., Ministry of Health Singapore, October 2024, and KPMG in India analysis.



## Global insights, local execution: Advancing strategic objectives

### Centralised policy framework



- Develop a National senior living policy with standardised regulations while allowing state-level flexibility based on demographic needs.
- Define clear guidelines for independent living and assisted living models, ensuring comprehensive service offerings.
- Create a national regulatory body to oversee policy implementation and compliance.

### Licensing and accreditation



- Mandate a licensing system for senior living operators with minimum standards for safety, healthcare services, infrastructure, and staff qualifications.
- Establish an independent accreditation body to certify senior living facilities and ensure compliance through periodic audits.

### Integration with healthcare



- Form partnerships with healthcare providers to offer on-site or nearby access to primary care, emergency services, and specialised geriatric care.
- Expand insurance coverage to include senior living facilities, integrating them into public and private health insurance plans.

### Financial incentives



- Offer tax exemptions, subsidies for senior living developers, structured as long-term incentives linked to project affordability.
- Introduce rental assistance programmes for low-income seniors, coordinated with existing schemes such as PMAY.

### Consumer protection



- Implement a comprehensive Residents' Bill of Rights, ensuring privacy, financial transparency, and access to grievance redressal mechanisms.
- Mandate clear disclosure of costs, contracts, exit policies, and dispute resolution options.
- Establish regulatory oversight to monitor compliance and penalise violations.

### Dispute resolution mechanism



- Set up dedicated senior living tribunals to expedite the resolution of disputes related to fees, services, or contracts.
- Introduce an independent ombudsman and alternative dispute resolution (ADR) mechanisms to provide non-litigation-based solutions.

### Promote PPP model



- Encourage mixed-use developments integrating senior living, healthcare, and recreational spaces on government land.
- Define clear PPP models, including financial incentives, land leasing agreements, and investment frameworks.
- Leverage CSR funds with clear allocation guidelines for affordable senior housing projects.

### Skill development for caregivers



- Establish specialised training programmes in geriatric nursing and caregiving to address workforce shortages.
- Offer financial incentives, such as stipends or subsidised education, to attract more individuals to caregiving professions.
- Launch awareness campaigns to highlight career opportunities in elder care, promoting skill development at scale.

Source: KPMG in India analysis



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