



MASTER PLANNING WITH GSI

A Strategic Foundation for Long-Term Success



What is master planning?

Master planning is the strategic process of drafting a long-term vision for the re-development of a community. The ultimate goal of master planning is to facilitate the long-term viability of a community by keeping it relevant within the marketplace it serves. The planning process typically begins with senior management and other relevant stakeholders evaluating a community's existing product and program in relation to marketplace needs and industry trends, and then outlining a roadmap for the proper sequencing of future projects. Any projects currently in the pipeline are also re-evaluated through this lens. Ultimately, a plan is

crafted that takes into account all aspects of the community and its offerings – from amenities, dining, fitness/wellness, and other programming, to the physical assets themselves. In other words, it's not just about new facilities or apartments. It's about a new way of thinking, growing and maximizing outcomes to the satisfaction of all involved – especially the residents of the community.

With a master plan in place, the initial project development can commence. The plan itself acts as a North Star for every facet of every project undertaken over the ensuing years, as illustrated by the chart below:

Project Development



Why is master planning important?

When communities forgo master planning, they ultimately set themselves up for failure. Without a strategically sound master plan, communities tend to make similar mistakes over time. Many will undertake new construction just to fill space on their campus. Others will renovate product offerings, often repeatedly, that are no longer germane to the industry or their audience. Most will remain unaware of shifting marketing conditions and subsequently fail to meet the needs and expectations of future prospects.

But when done well, master planning ensures that every facet of a community – from the residences to the dining experience to the social

programming – not only operates at a high level but works together to create an overall experience and sense of community that is unique within the marketplace. In other words, a good master plan ensures the community stays relevant within the market while maintaining a superior competitive advantage – year after year and project after project. GSI possesses the breadth of experience necessary to ensure that no piece of the master planning puzzle is ill-suited to its purpose. Risks to the community’s capital, functionality and reputation are greatly reduced, with success becoming a matter of course instead of a matter of faith.

What are the phases of master planning?

	Preparation	Assessment	Collaboration	Delivery
Planning Activities	<ul style="list-style-type: none"> • Collect Client Information • Complete Assessment Studies <ul style="list-style-type: none"> • Survey • Market • Site/Building • Finance • Regulatory 	<ul style="list-style-type: none"> • Understanding of Goals • Strategic Visioning • Engage Stakeholders • Market Analysis • Present Assessment Findings 	<ul style="list-style-type: none"> • Conceptual Design • Project Strategy • Project Economics 	<ul style="list-style-type: none"> • Strategic Repositioning Plan • Phasing Plan • Present Final Plan • Final Report
Key Meetings	<ul style="list-style-type: none"> Kickoff Meeting Stakeholder Interview Select Architect Select Master Planning Team 	<ul style="list-style-type: none"> Visioning Exercise Assessment Meeting #1 	<ul style="list-style-type: none"> Design Charrette Design Working Meetings Contractor Price Estimates Collaboration Meetings #2 and 3 	<ul style="list-style-type: none"> Board Presentation Finalize Plan

The GSI Master Planning Process encompasses four phases: **Preparation, Assessment, Collaboration** and **Delivery**.

Preparation

Preparation for the robust planning process that follows begins with an initial set of market opportunity surveys and other studies. The results of this research are presented to stakeholders to ensure everyone involved understands the current situation.

Assessment

During the assessment phase, the GSI team undertakes a comprehensive evaluation of the community's current status within the marketplace. Such items as existing infrastructure, market dynamics, strengths and weaknesses in programming, potential constraints or opportunities of the site, and any relevant regulatory considerations are taken into account at this time. After presenting its findings to the community, GSI will lead a visioning exercise to gain input on creative ideas for programming along with design features to be considered for future campus enhancements.

Collaboration

With the assessment phase complete, GSI moves into the initial design stage – crafting several conceptual studies based upon learnings from the aforementioned phase. The design studies are then presented to the community's senior leadership team and other stakeholders at an on-site meeting where collaboration and focus are the main drivers. Refinements and additional meetings follow until a final design is collaboratively developed and agreed upon, along with the design program – an accompanying financial plan detailing the estimated project budget, timeline and operational impact. The plan assesses the feasibility of securing financing and attaining desired financial outcomes.

Delivery

Ultimately, this comprehensive process culminates with the creation of the master plan report. It incorporates design, program, phasing and economic data to demonstrate overall viability. The master plan report serves as the cornerstone for directing the strategic vision of the community going forward. It distills the aspirational into the executional, helping to ensure a successful revitalization in the short term and a thriving community for the future.

Why is finding the right investors crucial?

Nonprofit industry projects are primarily funded with tax-exempt bonds or bank debt. Most often, an investment banker is hired to source the most optimal funding mechanism based upon the community's current financial condition. GSI can coordinate with the owner's existing investment banker or conduct an RFP-based search with top investment banker groups. Together with GSI, the investment

banker(s) will then create a financial plan for each phase of the plan to ensure the project's ability to attract sufficient debt or other capital resources needed to cover costs. By aligning communities with the right investors, GSI greatly mitigates risk so the finalized master plan remains both executable and financially viable over the long term.

What role does a senior living developer play in master planning?

It's important to have an experienced Senior Living Developer to assist not only in planning but in executing that master plan. These projects are extremely capital intensive with budgets often running into the millions of dollars, so having the right team — one with decades of experience in the senior living space — is crucial to the success of the project. The GSI master planning process involves brainstorming out-of-

the-box solutions so the client can be presented with different creative possibilities and options for redeveloping the community. Of course, the goal is to create a new vision for the community, but the proposed scope needs to be grounded in reality. GSI conducts financial analysis and modeling to ensure that each proposed phase is financially viable and meets industry financial metrics. This makes the master plan executable.

Why is GSI the best option to choose for master planning?

GSI has earned an impressive record of success across all aspects of senior living. From master planning and market analysis; to finance, development and sales; to construction oversight and third-party management; to everything else found in the Project Development Chart on page 2; there is no facet of the development process beyond our expertise. GSI can function in a specialized capacity or as an all-in-one partner for both for-profit and nonprofit development projects. This includes the development or repositioning of Continuing Care Retirement Communities (CCRCs), rental and active adult senior living options.

The multidisciplinary team at GSI has led more than 60 master planning projects across the nation. By taking a unique, cross-functional

approach to planning, GSI ensures that master plan outcomes align with the market conditions, site opportunities and constraints, and the financial position of the community. Throughout the process, GSI facilitates collaboration between all stakeholders, including the board, leadership team, internal subject matter experts and the project team.

Every master plan GSI helps craft is strategically sector to allow for phased implementation. Doing so helps ensure continued, consistent financial health while permitting the community to access required capital whenever necessary and prudent. After all, a plan that utilizes all the owner's balance sheet strength in the early stages becomes an often insurmountable obstacle to success in the long term.



Relevant Case Studies

The Bethany Home Expansion Project – Ripon, California

Faced with the challenge of revitalizing a community while dealing with the constraints that come with existing in a smaller market, the Bethany Board turned to GSI for master planning assistance. The goal was simple, yet challenging – to freshen a residential community featuring spacious apartments and lifestyle amenities that older adults desire, while building a sustainable model that allows residents to age in place. Through much collaboration and creative problem-solving, GSI and the community arrived at a master plan that will modernize an aging

physical plant, respect and celebrate the unique architecture of the community campus, improve operational efficiency, and strengthen a community where residents can age with grace for years to come.



eliseo Design Revitalization Project – Tacoma, Washington

When eliseo, a mature rental community in need of revitalization, first contacted GSI, it had already undertaken a two-year expansion and repositioning project with a different firm. Unfortunately, that effort was ill-fated with a much lower than expected number of EOIs (expressions of interest) converting to depositors, leaving eliseo short of the number of depositors – and their accompanying deposits – required to fund its planned expansion. Compounding the issue, the upscale design and subsequent pricing of the 89 new units did not match the expectations of the seniors on eliseo’s waitlist – a list established well before the expansion project’s inception. Because of this, significant effort had been expended to generate a new, more affluent lead base. Finally, the community’s historic revenue stream was based largely on the healthcare services it provided to its higher levels of care and residents needing those services had been steadily dwindling. If eliseo could not right their ship, the financial backing for the project would be in serious jeopardy – not to mention the overall fiscal health of the community.

From the outset, GSI worked collaboratively with eliseo’s existing team and partners, including the sales team, advertising agency, architect, senior management and other

stakeholders to conceive a viable solution to their situation.

As part of this solution, GSI worked with eliseo to transition from a rental-only model to a Type B contract model. Additionally, the full continuum of care the community had been offering on a rental basis was transitioned into an entry-fee contract product across all 130 units of the community. This essentially added healthcare benefits to resident contracts, creating a new income stream where it did not previously exist.

Today, a bit more than two years into the project, eliseo has sold 25 entry-fee contracts – equating to \$7 million of additional cash flow. Leads have also increased at a considerable rate. For example, before GSI’s involvement, the community had a grossly insufficient number of leads as of March 2021. By June 2023, after the new initiative had adequate time to take effect, the community’s lead base had swelled to more than 2,000 interested seniors.

A larger challenge for eliseo was its need to presell 50% of the 91 new units in order to secure the financing necessary to complete construction. GSI was able to help achieve this goal and secure the financing just four months after beginning its work with eliseo.

As part of the Transforming Age family, GSI has laid a foundation of Growth, Strategy and Innovation that hundreds of developers, investors and operators have built their successes upon for over 40 years. GSI understands what it takes to create thriving senior living communities for the long term — from development and consulting; to senior living operations and third-party management; to marketing, sales and repositioning. So, whether you're for-profit, nonprofit, focused on market-rate or affordable housing, new to the industry, or simply looking for expertise beyond your own walls, you can be confident that GSI has the expertise you've been searching for.



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