
Feasibility Study Report:
JG Group Transitional Housing Development for
Active, Independent Seniors



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Executive Summary

The province of Ontario includes many towns and cities with strong communities, proud histories, and valuable heritage buildings. The Region of Waterloo alone is home to more than half a million people and is known for its storied history and strong local communities. With this in mind, the JG Group of Companies has recognized that there may be an unfulfilled niche to facilitate transitional housing for active and independent adults from their current dwellings to heritage-rich, community-based living residences. With an emphasis on examining the market interest in transforming existing urban heritage buildings into transitional adult housing developments, the JG Group of Companies approached Wilfrid Laurier University's (WLU) School of Business and Economics to assist in the development of this vision. WLU Consulting Group was formed and selected to work with JG Group in this endeavour.

The findings of this report generally support the vision of the client in so far as there is an interest in creating transitional housing for seniors in heritage properties. There are three main findings/recommendations:

First, the primary research indicates that the heritage aspect is of limited importance to the target market, however, the heritage aspect is of more importance for securing potential sites, obtaining approvals and possibly even grants. The heritage preservation aspect is generally seen as more of a benefit to the entire community rather than a benefit to the individual residents. The heritage aspect of the concept is only one of the many benefits, not the primary selling feature. It is also apparent that the vision is more supportable in urban centres, since it is the community amenities that are more important to potential buyers than the structure itself.

Second, the primary research determined the target market for this type of development is people in their late 60's to late 70's. Depending on the site and its location, it is most likely that

this type of development will be successful when marketed to those with middle to upper middle income and asset levels. Small luxuries, coupled with warm, inviting features, and a building community in the form of a furnished common area, are critical features for this type of development to succeed. Financial resources become a greater concern for most in the bottom third of incomes, so any project aimed at this section of the market would most likely need to be for intended for rental, not purchase.

Finally, an aggressive marketing campaign is recommended to not only make consumers aware of the facility, but must also educate the consumer as to how this form of housing will improve their lives. The target market will in many cases not be actively looking for transitional housing and need to be educated as to the virtues. A targeted approach which emphasizes both the features of the proposed units and the benefits of shedding a high maintenance house will encourage people to more seriously consider a move to transitional housing. The use of the word “transitional” may be detrimental for marketing purposes and should be reconsidered as “low-maintenance housing”. Marketing efforts must also clearly outline to what extent these heritage buildings have been renovated and that these are not designated heritage buildings. There is a perception that living within a designated heritage building will restrict what can be done and is therefore less attractive to the masses.

These recommendations/findings are also supported by secondary data analysis detailed in this report. The secondary information was gained from a number of studies and surveys carried out both in specific communities as well as across Canada. Each of these studies provided useful insight into the motivations, concerns, and preferences of the potential market.

In order to verify the secondary information and provide more local details, primary information was gained through a focus group. As a follow-up to this activity, a survey was developed and implemented. A total of 116 surveys were completed.

Several academic models and theories were applied in reaching the conclusions outlined here. Through these analyses, several alternatives were formulated and examined. The general recommendations indicated above, as well as more detailed recommendations, have been based on the analyzed alternatives presented. In the Region of Waterloo, the 65 years and over seniors market is expected to grow from 49,000 in 2001 to 80,000 in 2016, at a higher growth rate than any other age group. This surge in the seniors target market will create plenty of room for new developers and new ideas, not only within the Region, but also across the country. Although this indicates there is an expectation of growth in this market segment, the opportunities are already strong. The strength of the vision is also supported by the direction of multiple levels of government related to issues of restoration, density, transit, the environment, and reduction in urban sprawl.

Prior to finalizing any plans to proceed with this concept, it is suggested that the client conduct at least two more focus group sessions with participants aged 70 to 80. Additional focus groups will help the client understand the specific features that should be built into the units to assist with the marketability of the product.

The vision of developing heritage buildings into residences for mature and active people is one with a very solid probability of success if implemented by JG Group. In a quote from the Lazarus Report one key requirement to succeed in heritage restoration is “dynamic, risk-taking, creative developers with a passion for beautiful old buildings”. It is clear that the JG Group has both a competitive advantage both in its organization capabilities as well as its vision.