



## Chancery Monthly

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### INDUSTRY TREND

#### KT Urban, Related, Atria to Create Silicon Valley Senior Housing with Affordable Component

By Tim Mullaney

Real estate developer KT Urban is partnering with Related Companies and Atria Senior Living to bring a mixed-use project to Cupertino, California.

Plans for the Westport Cupertino project call for 88 townhomes and 206 senior living units, KT Urban Partner Shawn Milligan told Senior Housing News. The project also will involve a 20,000-square-foot retail component, and the site is located within walking distance of a senior center, a park, restaurants, and other amenities.

Notably, 20% of the living units are designated as affordable housing for people with low or very low incomes, for a total of 48 units that will be offered below market rate, Milligan said.

The Related/Atria JV — announced in 2018 — is pursuing a \$3 billion pipeline focused on luxury urban developments. However, New York City-based Related also has substantial expertise in affordable housing that will be leveraged in this project. The company began as an affordable housing developer in 1972 and currently owns and manages 55,000 affordable and workforce housing apartment homes.

The proportion of affordable units goes beyond the city of Cupertino's requirements and qualifies the project for certain development concessions, such as more flexibility on heights, slope modifications and other considerations, Milligan said.

The affordable units will blend in with the overall look and feel of the project, which will bear the hallmarks of other upscale developments from Related and Louisville, Kentucky-based senior living operator Atria. Planned features include a library, lounge, roof deck, multiple dining venues, and spaces dedicated to health and wellness purposes.



This is the first foray into senior housing for KT Urban, which is based in Cupertino and acquired the site about five years ago. Currently, the land is home to The Oaks Center, a retail center with a town-and-country, open-air model that Milligan believes has become functionally obsolete. Redeveloping the site has been a “difficult journey,” he said, as initial plans met with community resistance over fears of increased traffic and other concerns.

Senior housing emerged as a promising option, as this use will not cause a spike in traffic or impact the school system, Milligan noted. Plus, he sees pent-up demand for senior living given the high barriers to entry in Silicon Valley. KT Urban anticipates that future residents will include people who have lived in the area for a long time as well as older adults who relocate to Cupertino to be closer to their children. The city is a thriving tech hub, and Apple’s headquarters are located less than 2 miles from the Westport Cupertino site.

In terms of the project timeline, Milligan anticipates that approvals will come through by the end of June and groundbreaking will occur nine to 12 months after that. The lead time will help insulate the construction process from any delays related to Covid-19, and give the team more runway to incorporate best practices related to infection control. It is too early to discuss cost projections, he said.

The Cupertino development should meet the rising demand among aging baby boomers for housing that is integrated in urban centers, while also helping address California’s housing crisis through the affordable component, Milligan believes.

“We think that the city of Cupertino is going to be proud of this project,” he said.

*Original Article*

<https://seniorhousingnews.com/2020/05/14/kt-urban-related-atria-to-create-silicon-valley-senior-housing-with-affordable-component/>

## Project Update

### The Bartlett Seniors Apartment Project

*The Bartlett Seniors Housing Complex will be a 129-unit apartment building designed for active senior living, located at 550 Bond Street in Oshawa, ON. The Bartlett represents an affordable alternative to conventional seniors housing, offering services that permit seniors to live independently, on an à-la-carte basis through a concierge, in a regular apartment building, while providing the comfort to seniors and their families that care will be available in short order should the need arise.*

1. KONE is ready to have the west elevators inspected by the TSSA.
2. Prime paint has been applied to 50% of the ground floor.
3. Balcony waterproofing has commenced on the south side.
4. Bulkheads on the fifth floor are almost complete.
5. HVAC rough in is nearly complete on the third and fifth floors.
6. Inspection of the plumbing on the fourth floor was successfully completed.





## The Middleton Seniors Apartment Project

*The Middleton will be a 122-unit apartment building designed for active senior living. It represents an affordable alternative to conventional seniors housing, offering services that permit seniors to live independently, on an à-la-carte basis through a concierge, in a regular apartment building, while providing the comfort to seniors and their families that care will be available in short order should the need arise.*

1. First cut and lagging of the shoring is complete.
2. Waterproofing, weeping tile and drainage systems are to be installed to remove the excess water we recently spotted in the soil before we can commence mass construction. We are analyzing the potential impact on budget with our consultant.
3. We have completed the review, along with the third-party consultant, of the tender bids from our current general contractor. With strong belief that certain cost increase could be mitigated, and with every intent to minimize risk for our project and hence our investors.
4. We received commitment letters on the debt financing for the project in Q1 2020.



*Chancery Seniors Housing Investments Inc. is a private real-estate investment firm with a focus on seniors housing. Powered by its two strong founding partners, Suske Capital Inc. and LD Capital Corp., Chancery creates a team with the expertise and experience of over 55 years in real estate and seniors housing developments with an estimated completion value of over \$5 billion.*

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