Senior Living in Four Municipalities of China
Regional Outlook and Top Projects
In the past few months we have been conducting the extensive research and talking to industry pioneers aiming to explore the development and prospect of senior living markets in the multiple areas of China.

It’s our pleasure to share with you the first part of this series eBook, the Senior Living in Four Municipalities of China - Shanghai, Beijing, Chongqing and Tianjin.

- Only completed retirement living projects which are operational are taken into consideration
- The ranking is in no particular order and listed alphabetically
- The content of this e-Book only represents the opinions of IMAPAC
- All information is required from our partners and Internet
SHANGHAI

Retirement Living World China 2015
GENERAL BACKGROUND

◆ Largest city in the People’s Republic of China, but also the largest city (proper) in the entire world.
◆ It is a global financial center and a transport hub with the world’s busiest container port.
The municipality borders the provinces of Jiangsu and Zhejiang to the north, south and west, and is bounded to the east by the East China Sea.
◆ Shanghai is administratively equal to a province and is divided into 17 county-level divisions: 16 districts and one county.
◆ Eight of the districts govern Puxi. These eight districts are collectively referred to as Shanghai or the core city: Huangpu District, Xuhui District, Changning District, Jing’an District, Putuo District, Zhabei District, Hongkou District, Yangpu District, Pudong New District, Baoshan District, Minhang District, Jiading District, Jinshan District, Songjiang District, Qingpu District, Fengxian District and Chongming Island.
◆ As of 2009, these county-level divisions are further divided into the following 210 township-level divisions: 109 towns, 2 townships, 99 subdistricts. Those are in turn divided into the following village-level divisions: 3,661 neighborhood committees and 1,704 village committees.

STATISTICS

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>23,470,000 (2013)</td>
</tr>
<tr>
<td>Population density</td>
<td>9,400 people per square mile.</td>
</tr>
<tr>
<td>Life expectancy</td>
<td>82 years</td>
</tr>
<tr>
<td>Aged Population (60 and above)</td>
<td>3.88 million - 27% of the registered population (Civil Affairs 2013)</td>
</tr>
<tr>
<td>Aged Population (80 and above)</td>
<td>715,500 (2013)</td>
</tr>
<tr>
<td>Aged Population by end of 2015 (60 and above)</td>
<td>4.35 million nearly 30% of the city’s population</td>
</tr>
<tr>
<td>Area</td>
<td>6,340.5 km2 (2,448.1 sq mi)</td>
</tr>
<tr>
<td>GDP</td>
<td>CNY2.16 trillion/ US$352.36 billion (2013)</td>
</tr>
<tr>
<td>Per capita</td>
<td>CNY91,100/ US$14,862 (2013)</td>
</tr>
<tr>
<td>Price of apartment in city</td>
<td>CNY 50,86.96 per sqm</td>
</tr>
<tr>
<td>Average Monthly Disposable Salary</td>
<td>CNY 6,525.00/month</td>
</tr>
<tr>
<td>Median House Size</td>
<td>100 sqm for apartment</td>
</tr>
</tbody>
</table>

SENIOR LIVING

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of Senior Living</td>
<td>650 (2013 Shanghai standing committee’s internal and judicial affairs committee)</td>
</tr>
<tr>
<td>Public</td>
<td>300</td>
</tr>
<tr>
<td>Private</td>
<td>350</td>
</tr>
<tr>
<td>Total number of beds</td>
<td>105,000 (2013 Civil Affairs Bureau)</td>
</tr>
<tr>
<td>Total number of Day Care Center</td>
<td>326 (2011)</td>
</tr>
<tr>
<td>Shidu Families (parents who lost their only child)</td>
<td>8000</td>
</tr>
<tr>
<td>Current allowance for each shidu family</td>
<td>500 yuan ($82.6) /month.</td>
</tr>
</tbody>
</table>
SENIOR LIVING INTENT of RURAL and URBAN RESIDENTS

On May 27, 2013, the National Bureau of Statistics of the China Shanghai Investigation Team conducted an investigation into the elderly living intent of rural and urban residents.

The number of effective samples in this investigation is 2,248, of which the interviewees aged 60-69 account for 58.7%, aged 70-79% account for 41.3%. The investigation results showed that:

- Nearly 70% of the interviewees prefer aging-in-place, and nearly 70% of the interviewees support the “housing-for-pension”.
- 67.3% of the interviewees prefer the “traditional family security”, 21.2% of the interviewees prefer the “community-based senior living”, 11.1% of them prefer the “institutional senior care”.
- In selecting the senior care facility, 41.3% of the interviewees regard the “service quality” and 39.7% of the interviewees regard the “fee rate” as the most important indicators.
- The primary economic source of 36.2% of the rural interviewees comes from the subsidy provided by the children.

GRADE ADMINISTRATION STANDARD for SENIOR CARE INSTITUTIONS

On February 25th, 2014, the Shanghai Municipal government issued the Administrative Regulation of Senior Care Facilities (the “Regulation”). It will be implemented as of June 1 2014.

The Regulation stipulates that:

- Government from every local level shall incorporate the development of senior care facilities in different district areas into the master plan of national economy and society according to the condition of social economy development and senior care demand, and shall ensure newly-built and old residential areas be equipped with senior care facilities.
- The Regulation requires government from every local level to encourage and support social strength to establish and operate senior care facilities by providing investment subsidies, purchasing services and improving the policy for investment and financing.
- It requires government to encourage private capital to operate public senior care facilities through management entrustment, and encourage senior care facilities to join relevant industrial associations, the main function of which shall cover the areas of providing professional training, serving as third party organization in establishing appraisal system of senior care level, and assisting in disputes resolution in order to protect the legal rights and interests of senior care facilities and their residents.

In respect to the registration mechanism of senior care facility, the Regulation provides two registration approaches for senior care facility upon licensure approval:

- Not-for-profit senior care facility shall be registered with the Registration and Administration Authority of Public Institutions upon being set as Public Institutions, while private-run facility shall be registered with the Ministry of Civil Affairs;
- For-profit senior care facility shall be registered with the Ministry of Administration for Industry and Commerce.
In respect to the operation and management of facilities, the Regulation provides that senior care facility shall
- Assess the physical condition of the elderly and set the care level which will be stated in the service contract subject to the confirmation of the elderly or their representatives.
- Carers of the facility can not start their work until they obtain post licenses upon professional training and passing the examination.

In addition, the Regulation creatively states that the government from central urban areas shall draft the subsidies measures for guiding and encouraging seniors living in urban areas to move into the senior care facilities in suburbs, in order to relieve uneven occupancy of facilities in different areas.

LEGAL UPDATES

As of the release of the Law on Protection of Senior Citizens’ Rights and Interests (the —Elderly Law), new regulations will generally clarify the government’s role and responsibility in the administration and supervision of senior care institutions, how incentive policies will be implemented to attract private investors, and industrial standards on construction, competence/care need appraisal and senior care service, etc.

Elderly Law sets the tone on how elderly care business is positioned as one of the national strategies, which is briefly in six angles:
- To tackle the challenge of providing affordable social insurance for seniors, in which the government has a big role to play and tends to phase out a series of measures;
- To tackle the risk of sickness and disability of the seniors, the government will gradually establish long-term care mechanism;
- To develop elder-friendly environment for seniors. The target is to improve the living standard for seniors.
- Constructing more senior houses, developers will get benefits in the course of the new round of urbanization construction, which is happening now in every cities of China;
- To protect the seniors’ rights;
- To care for the mental wellness of seniors;
- To tackle the service needs from seniors by developing professional service, including skilled nursing care in facilities, in-home care, among other.

On February 2013, Shanghai promulgated the Assessment Standards of Level of Care for the which will be implemented on May 1 2013. This Assessment Standard is the first of its kind in China.

It uses the international appraisal tool of Activities of Daily Living (ADL) and appraisal table for cognition to set up main factors that may affect seniors’ daily living competence in the parameters of independence, cognition, emotional behavior and vision. It will also set up background parameters of living environment. All these parameters will contribute to a preliminary conclusion of a senior’s daily living competence, which leads to four types of appraisal results and three levels of care needs.

The main purpose of the appraisal mechanism is to technically identify whether the need of care really exits, and then to associate it corresponding service (either community-based home care or institutional senior care).

Another purpose is to provide technical basis for reasonably allocating the senior care resources, for example, indigent and disabled seniors can be accordingly assessed of their level of care in need, so that related subsidy will be determined and differentiated by the assessment result.
DETAILED MEASURES for SENIOR CARE INSTITUTIONS

In the senior care facility operation and management area, Shanghai has promulgated as of the end of last year Several Opinions on Promoting the Construction of Senior Care Facility in the 12th Five-Year Period which has been implemented in districts all over the city.

In the Opinions, Although the voice is clear to encourage private capital to invest in senior care facility construction, preferential policies are still limited only to non-profitable facilities that meet the requirements of:

- Self-owned land use right and property by the private investor
- Not-for-profit nature is not allowed to change, and such facilities is qualified to be included in the basic social welfare system and execute governmental guidance of pricing policy.
- Facilities meet these requirements can enjoy a maximum subsidy of RMB 80,000 per newly constructed bed in the pilot period of time. Other private-run facilities with not-for-profit nature can enjoy subsidy around RMB 20,000, which differs in every district.

As for the facility with for-profit nature, the Opinions only note that the government will provide on an overall consideration in policy making, but no concrete detail is provided. Therefore, we now only find preferential policies for non-profitable facilities in Shanghai.

Another local standard executed as of 1st June 2013 is Facility and Service Requirement for Senior Care Institution which stipulates detailed facility standards, service and management requirements in senior care facility. It particularly establishes basic hardware equipment requirement such as entrance and exit, step ramp, handrail at corridor, stair railing, and specified data for the construction of bedroom, bathroom and dinning room.

Apart from the above local standard, further local legislation is also under active planning by the regulators.
**SENIOR LIVING DEVELOPMENTS**

**Cascade Healthcare - Xuhui Facility**

- Opened in October 2012.
- Located in the ecological landscape section of the Xuhui Riverside plate, next to an eco-park
- US$6 million to renovate a five-story hotel to be used as a senior care assisted living facility.
- 50,000-square-foot
- 70-bed capacity
- Rooms charges about RMB10,000-20,000 a month, which includes meals and snacks, laundry and basic nursing care.
- Services on top of that cost extra.
- The facility caters largely to the upper middle class.

**Cascade Healthcare - Pudong Facility**

- Opened on February 18th, 2014.
- Located in the Pudong Expo radiation circle high-end community.
- The total construction area is 5000 square meters.
- Cascade Healthcare Pudong facility has a total 78 rooms.
- Offers medical care, rehabilitation and nursing services. Doctors and nurses will provide ward rounds each day.
- Charges are from 8000 to 20,000 yuan excluding care fees.
- There are five different types of room to choose, including garden view room.
- Each room equips with floor heating system, air conditioner, embedded locker, built-in wardrobe, telephone, LCD TV, wireless network, and emergency call devices.
- Residents can choose their own bed types, such as medical bed or home bed.
- Provide one to one training services, such as “PT”, “OT”, “ST”, “psychological counseling”

**Exterior view**
Public area

Room view
Washroom

Nurse station
Medical equipments

Professional medical care
Rehabilitation therapy

Nursing service
Cherish Yearn

- 15 buildings and 800 one-and two-bedroom independent living apartment.
- US$82 million project opened in 2008
- Offers three tiers of service including Standard Care, Nursing Care and Private Care, along with a recently added memory care unit.
- Community amenities including MegaFit health club, arts center, dance hall, computer center, pond, miniatur golf course, café and hotel.
- Business model: Cherish Yearn is earning profits from membership fee (RMB 400,000 to RMB 800,000) and annual fee (RMB 30,000 to RMB 70,000).
- There are two types of membership cards. They are called as Card Type A and Type B. Each type of card accounts for 50% of the total.
  - Card Type A is anonymous and can be inherited or transferred. The period of validity is the same as that of the use period of the suite.
  - Card Type B is registered with resident's name and cannot be transferred. The period of validity is 15 years depending on the apartment.
- Cherish Yearn finally managed to break even on 2012 for the first time since its opening in 2008. The company clocked a robust income of 100 million yuan ($16.25 million; 12.39 million euros) from sales of membership cards and raised about 20 million yuan in residents service fees, a 25 percent rise from the year before, covering its annual operating costs for the first time.
- Cherish Yearn now charges 980,000 yuan for a residential membership.
- Cherish Yearn is also the first senior housing project in China to promote the membership system. The residents pay for a retrievable membership card that allows an infinite residence and an additional annual service fee that covers cleaning, medical service and various amenities.
**Regular Fees (2012)**

<table>
<thead>
<tr>
<th>Type of Room</th>
<th>Number of People</th>
<th>Fee (RMB/month)</th>
<th>Membership Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard Care Level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2,500</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1,800</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1,500</td>
<td>0</td>
</tr>
<tr>
<td><strong>Nursing Care (Starting Point)</strong></td>
<td>Private Individual</td>
<td>4,500</td>
<td>150 RMB/day or 4,500 RMB/month</td>
</tr>
<tr>
<td></td>
<td>“A” Level</td>
<td>2,700</td>
<td>90 RMB/day or 2,700 RMB/month</td>
</tr>
<tr>
<td></td>
<td>“B” Level</td>
<td>1,950</td>
<td>65 RMB/day or 1,950 RMB/month</td>
</tr>
</tbody>
</table>

**VIP Fees (2012)**

<table>
<thead>
<tr>
<th>Type of Room (Number of people)</th>
<th>Fee (RMB/month) Not a Member</th>
<th>Fee (RMB/month) If a Member</th>
<th>Available Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>7,500</td>
<td>01, 10</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>8,000</td>
<td>6,000</td>
<td>05</td>
</tr>
<tr>
<td>3</td>
<td>7,500</td>
<td>5,600</td>
<td>02, 03, 08, 09</td>
</tr>
<tr>
<td>2</td>
<td>6,500</td>
<td>5,000</td>
<td>04, 07</td>
</tr>
<tr>
<td>4,500</td>
<td>150 RMB/day / 4,500 RMB/month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“A” Level</td>
<td>2,700</td>
<td>90 RMB/day / 2,700 RMB/month</td>
<td></td>
</tr>
<tr>
<td>“B” Level</td>
<td>1,950</td>
<td>65 RMB/day / 1,950 RMB/month</td>
<td></td>
</tr>
</tbody>
</table>
1 Bedroom Unit
◆ 2 Bedroom Unit
◆ Amenities
Hospital
Xiang-shu Bay Senior Living Community - Merrill Gardens

Price: RMB 5500 – RMB 16000
Bedrooms: 1-2
Property Features: Swimming Pool
Recreation Centre
Medical Services Nearby
Shops Nearby
Level of Support: Independent Living
24 Hour Emergency Call
Meals
Personal Care Services
Low Level Aged Care
Dementia Care

Starcastle

♦ It is located in the Baoshan District of Shanghai with a total area of approximately 18,000 square meters.
♦ It is equipped with 150 independent living units and 50 assisted nursing beds for single or twin living. Assisted living and independent living are completely separated
♦ The third and the fourth floors of Starcastle are for assisted living, and the fifth to the thirteenth floors are intended for independent living. Overall it has the capability to serve 250 to 300 seniors.
♦ In addition to residential units, the community will offer variety of public spaces available for use by residents.
♦ These include a full service restaurant, a café, a senior friendly fitness center, mahjong rooms, arts studios, classrooms, library, a tea house, computer room, spa, and hair salon.
♦ Fees:
  - Check-in Fee- one-time check-in fee covers room decoration, appliances and furniture as well as your health assessments and develop care plans. The amount depends on the type of room you choose.
  - Monthly Fee- Community monthly fees for all-inclusive system, covering daily meals, utilities, security, transportation, basic health care, community facilities and other activities in all aspects. Monthly apartment rent a room for a price, as per floor, room size, orientation, select the service contents and different. Usually RMB 10,000-20,000 per month.

♦ Starcastle also offers Home Care is designed to provide one-on-one assistance with medical concerns and daily activities in the comfort of own home.
  - Provide direct assistance with everyday tasks, like bathing, dressing and meals.
  - Provide trained staff to help with medical concerns like medication management or just taking seniors to doctor appointments.
  - Allow a person to maintain independence and stay in their own home longer.
Aveo Tide Healthland Campus

- Serviced retirement community located at Zhujiajiao Zhujiajiao District, China.
- Retirement lifestyle in a resort setting.
- Provides care and health management.
Emeritus Senior Living

- Emeritus Senior Living that it had formed a joint venture with Shanghai Shengyuan Group and Shanghai Hongtian Construction & Engineering Co Ltd.
- The three firms established Cascade Healthcare on June 14 with $3 million in registered capital, part of a $6 million total investment
- The company plans to invest in four to five high-end nursing homes in Shanghai and about 30 nationwide.

Rong Cheng Shen Quan Senior Living Co., Ltd.

- The First Listed Senior Care Company from Shandong on Shanghai OTC Market.
- Early this May, the first private-owned senior care company successfully listed in the Shanghai Equity Exchange Center. It is a good example of financing through capital market for small-to-mediate sized enterprises.

Shanghai Huoban (Partner) Home-based Care Service Co

- Shanghai Huoban (Partner) Home-based Care Service Co started in 2009 in Pudong New Area, is one of the first private home-based care service companies in the city, according to its founder Yang Lei. The company cooperates with local hospitals to give professional assessments of elderly clients' health condition and needs, prescribe particular services and train nursing workers. Each staff member is certified.
Meet the Leading Players Behind China’s Top Senior Living Projects at:

26-29 May 2015
Kempinski Hotel, Beijing, China
The FIRST and ONLY CEO forum for China’s Senior Living industry

DISTINGUISHED PANEL OF SPEAKERS

GOVERNMENT & IGOs

DEVELOPERS & OPERATORS

Join Us at Retirement Living World China 2015

Early Bird ends 24 April 2015

To explore your involvement, please contact Amber Liang
email: amber.liang@imapac.com  t: +65 6493 1871