

House work by Erin Pooley

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Getting old isn't what it used to be. While seniors in need of health care used to depend on more traditional options — relying either on provincially funded government agencies to provide limited home care or making the often difficult decision to enter a retirement residence — many are now choosing to stay at home. And they're willing to pay for it. That trend has helped create a growing home-care market for Canadian companies that offer everything from non-medical services, such as bathing and meal assistance, to complex nursing care. "The whole elder-care business is shifting from a hospital model to a hospitality model — a wellness model," says Pat Irwin, president of ElderCare Canada, a Toronto-based consultancy that charges \$125 an hour to help clients — in many cases, the children of aging parents — navigate the often-confusing elder-care market.

According to the Canadian Home Care Association, a not-for-profit group that represents more than 600 home- and community-care organizations, Canadians spend close to \$1 billion on private home care each year. It expects that figure will continue to grow as the publicly funded system struggles to meet the demands of shifting demographics. Statistics Canada estimates that by 2026, the number of seniors — those over the age of 65 — is expected to reach about 7.8 million, or 21% of the population.

David Watson is the president of Premier Homecare Services Inc., a Toronto-based company that specializes in non-medical care for GTA-based seniors suffering from Alzheimer's or dementia. For between \$16 and \$18 an hour, Premier will send a licensed caregiver to a client's home to provide anywhere from three- to 24-hours-a-day of quality one-on-one care. "I think the trend is that people are staying home longer. They want to be comfortable," says Watson. Their children, he adds, "have grown up with nannies and cleaners — they are the same people that are more accepting of having to pay for services [for their parents]." Since Premier is a private company, Watson will not disclose annual sales figures, but he says business has been booming since he started it in 2003. In

fact, he doubled his staff last year and expects to do so again within two years.
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Larger, national home-care businesses such as Comcare Health Services and Bayshore Home Health, which provide everything from comprehensive private nursing care to non-medical services, could also stand to benefit from the trend of seniors staying home. And several large American home-care franchises see opportunity in Canada, too, including Home Instead Senior Care of Omaha, Neb., and Comfort Keepers of Dayton, Ohio, two organizations that in the past few years have started offering home-care services in this country.

ElderCare's Irwin foresees plenty of business opportunities for savvy health-care entrepreneurs willing to jump into this growing market, one she believes is currently under-served. "All kinds of private enterprise will need to go in to fill the gap," she says, pointing to opportunities for smaller businesses willing to provide services ranging from senior's transportation and nutrition services to personalized fitness programs and specialized meal preparation.

The anticipated retirement of thousands of boomers over the coming years is also driving a flurry of consolidation and takeover speculation among nursing-home real estate income trusts. For example, Canada's second-largest retirement home operator — Chartwell Seniors Housing REIT of Mississauga, Ont. — is rumoured

to be eyeing one of its largest competitors, Toronto-based Retirement Residences Real Estate Investment Trust. And in late May, Markham, Ont.-based nursing-home operator Extendicare Inc., which, through its subsidiaries, operates 438 nursing and assisted-living facilities in North America, announced the company would be converted into a real estate investment trust after spinning off its Assisted Living Concepts unit.

Gavin Graham, chief investment officer at the Guardian Group of Funds, says despite some short-term challenges in the retirement REIT space — namely an over-capacity of beds created by the addition of 20,000 new long-term spaces in Ontario over the past two and a half years — the "longer-term demographics look good." Predicts Graham: "Over time, the spaces will get filled up, the fees will start to rise, and they will be able to staff it up properly. We're certainly not getting any younger."