



China Senior Housing and Health Care

**Newsletter
June 2015**

For internal review only

Content

News Update

- Encouraging Policy for Private Capital to Participate in the Senior Care Service Industry
- National Regulation on the Price Administration of Senior Care Institution
- The Implementation Opinions on the Financing Support for Establishment of Senior Care Service System

Industry Analysis

- A Brief Discussion on Ageing Characteristics and Aged-Care Model in Zhejiang Province
- Expect Great Things: Care Expo 2015!

Policy Focus

- Several Thoughts on the Land Acquisition Regime for Senior Care Facilities

Cross-Culture Perspective

- The Dutiful Son and the Overseas Chinese
--Old Wine vs. New Bottle, the Filial Piety Aged-Care Culture in the New Era

Event Highlight

- China's Senior Care Industry--The First Comprehensive Industry Survey Published

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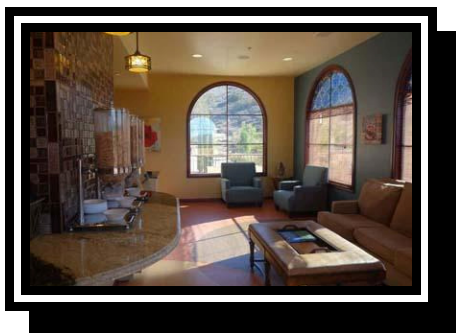
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Encouraging Policy for Private Capital to Participate in the Senior Care Service Industry

Recently, ten ministerial departments including the Ministry of Civil Affairs, National Development and Reform Commission and the Ministry of Education jointly issued the Implementing Opinions on Encouraging Private Capital to Participate in the Development of Senior Care Service Industry (hereinafter referred to as the “Opinions”). The Opinions set forth a series of encouraging policies for private capitals in the fields of home and community senior care service, institutional senior care, etc. it also provides detailed or preferential policies on incorporation of medical and senior care services, improvement of the finance environment and implementation of incentives of taxes, human resource and land provision.

The Opinions provide to “encourage private capital to enhance regional interaction in order to establish an amount of more competitive, scalable and chained senior care facilities”, “encourage private capital to establish senior day-care centers, active adult activity centers to provide catering, accommodation, bathing, healthcare, entertaining and home-care services to the aged people, especially for the high-aged, left-alone and indigent ones”.

In respect to the combination of medical and senior care, the Opinions set out various measures, such as: (a) support and develop senior care facilities for dependent seniors and provide more favorable financial subsidies to private-owned facilities; (b) encourage senior care facilities to set up internal clinic or establish contractual relationship with medical institutions in order to provide convenient services to the seniors; (c) encourage doctors and nurses to work in nursing homes, and allow doctors to practice on multiple sites of medical and senior care institutions; (d) facilitate the extension of medical services into the communities and families, with the support of grass-root medical centers. ■



National Regulation on the Price Administration of Senior Care Institution

In order to establish a system in the price regulatory regime for senior care institution, fully encourage private funds to participate in the senior care services, improve the supply-demand gaps and ensure the development of a healthy industry, the National Development and Reform Commission have in this March jointly issued a Guidance for regulating the Pricing activities in senior care institutions.

The Guidance provides that the price administrative mechanism for the services in senior care institution shall be market-oriented. Private-owned for-profit senior care institutions shall have the freedom to determine the charge item and standard of their services without any interference from the government authorities; private-owned non-profitable senior care institutions shall reasonably determine their price standard, and government authorities should give necessary surveillance to non-profitable institutions in respect to their profit and loss status, charging item and frequency for fee adjustment; and, government-funded senior care institutions shall implement discriminated price policies specific to different senior costumers. In the meantime, the government will explore to establish the price mechanism for the public funded, private operated senior care institutions.

The Guidance also emphasis the necessity to allocate responsibilities and stick to the principles in determine price standard for government-funded senior care institutions. In order to further regulate the pricing activities in senior care institutions, it is required to publicize prices in the facility and disclose annual financial report publicly. Operators should not charge any fee or provide any service against the senior's will. ■

The Implementation Opinions on the Financing Support for Establishment of Senior Care Service System

The senior care industry has just embraced another policy support. This April, the Ministry of Civil Affairs and China Development Bank jointly issued *The Implementation Opinions on the Financing Support for Establishment of Senior Care Service System* (hereinafter referred to as the "Opinions"). Target of the Opinions is to gradually develop a senior care service system with Chinese characteristics.

In order to improve the sustainable development of senior care service system and address the financing difficulty that has restricted the development of senior care industry for long, the Opinions set out that:

1. China Development Bank and local Ministry of Civil Affairs should establish an interactive mechanism for the development of senior care service system on financing so as to promote the establishment of a senior care

service system which is led by the government, supported by finance institutions, participated by the whole society and operated by the market itself. The development financing funds will play the leading role in the course, and with the participation of private capitals, the social senior care system will be established based on home healthcare and supported by community and institutional-based care.

2. Application of senior care projects for loans from China Development Bank should be recommended or approved by the Ministry of Civil Affairs. The supportive fields from China Development Bank and local Ministry of Civil Affairs will be in the following five areas:

- 1) The infrastructure projects of community or home based services, including urban community day care centers, restaurants for the aged, entertainment centers for the aged as well as senior service information platforms; and other convenient senior service facilities and equipments for the improvement of housing conditions and living environment for senior citizens.
- 2) Development projects of home care networks for seniors. The support would be provided for the small companies and all kinds of large-scale, chain-oriented and branding organizations who dedicate to provide the aged with door-to-door services that can cover the areas of daily activities, health, entertainment as well as spiritual consolation and legal consultation and other kinds of home care services for seniors, such as assistance with meal, bathing, personal cleaning, emergency needs and healthcare, etc.
- 3) Projects of senior care institutions, mainly including nursing home, social welfare institution, senior care hospital, senior's home, senior community and other institutions and facilities which provide comprehensive services such as centralized residence and care services for the aged.
- 4) Training center projects established for senior care service personnel. The support would be provided for enhancing the specialty and courses related to senior care service in the universities and professional colleges; and for the development of training centers with the support from professional colleges and senior care institutions so as to strengthen the professional training to relevant people.
- 5) Other relevant projects, mainly including enterprises which provide life care services, health care services and products directly for the aged.

3. The Ministry of Civil Affairs and China Development Bank will jointly establish an extensive access mechanism. The Ministry of Civil Affairs should take its advantage to recommend senior care projects to China Development Bank and provide the policy guidance, at the meantime assist China Development Bank in pre-selection of project and post-lending management.

4. China Development Bank should take full advantage of development-oriented financing in medium and long term loans, and play an active role in the development of senior care projects, assessment, approval as well as the issuing of loans and post-lending management. The loan period shall be determined by the payback capacity of the project. The maximum loan term could be 15 years with a possible grace period of 3 years.

In addition, the Opinions clarify the conditions for loans, loan approval process and main responsibilities of the Ministry of Civil Affairs and China Development Bank, which provides procedural policy support in respect to the financing of senior care projects. ■

Industrial Analysis

A Brief Discussion

on

Ageing Characteristics and Aged-Care Model in Zhejiang Province

By Professor Zoe Ying email: zoe.ying@ibc-joint.com

The statistics provided by Zhejiang Working Commission on Ageing shows that, during the twelfth-five year period, the number of elderly people at 60 and above has been increasing 420 thousand each year, and would have reached up to 9.9123 million in 2015 - about 24.18% of the total population in Zhejiang. So far the average annual growth rate of ageing population at 80 and above has been 6.41%. Moreover, as per the 5th national census, the number of empty-nest households with the age of 65 and above senior citizens has touched 35.12% in Zhejiang, ranking No. 2 nationwide. Also, the 4-2-1 family structure (i.e., 4 elderly people, 2 adults, and 1 child) has been typically emerged in Hangzhou, the capital city of Zhejiang province. According to the latest statistics published by the 6th census, the Hangzhou household mode may exhibit the 8-4-2-1 pattern (i.e., 8 senior citizens at the age of 80 and above, 4 elderly people at the age of 60 and above, 2 young adults, and 1 child) by 2020. By the end of twelfth-five plan, it's very likely to foresee a trend that every hundred workforces (15-59) have to foster 31 elderly people (>60) in Zhejiang province.

The above data has vividly shown the distribution characteristics of ageing population and the changing pattern of family structure in Zhejiang. In the mean

time, Zhejiang has been quite active in encouraging innovation of aged-care system, large-scale development of aged-care industry, and policy measures to facilitate the establishment of aged-care service zone and / or Medi-care Complex with life nourishment and elderly care. In consideration of all these features, the Zhejiang senior living and care services (with Chinese characteristics) may have the following models.

Plural Diversified Homecare Service

Advocated by the government, developing home-based elderly care service would be the mainstream aged-care model in China (including Zhejiang) in the near future. In addition to the traditional homecare, facility care and community care service providers, care homes or senior housing can also be rooted in the general community to provide full-board, day care, or temporary care services. For instance, through professional people and volunteer workers, they have been gradually enhancing home care services for the elderly people with an emphasis on setting up town (street) / village home care service centers and other community service centers in North and East Zhejiang (e.g., Huzhou, Pinghu / Tongxiang of Jiaxing, Ningbo,

Zhuji of Shaoxing).

Such plural diversified innovations of home care services would well apt to the population density, huge ageing population base, and urban-rural dichotomy in Zhejiang province, where typically bore the imprints of grass-root old community neighbourhood harmonious culture .

Senior Housing Butler Service

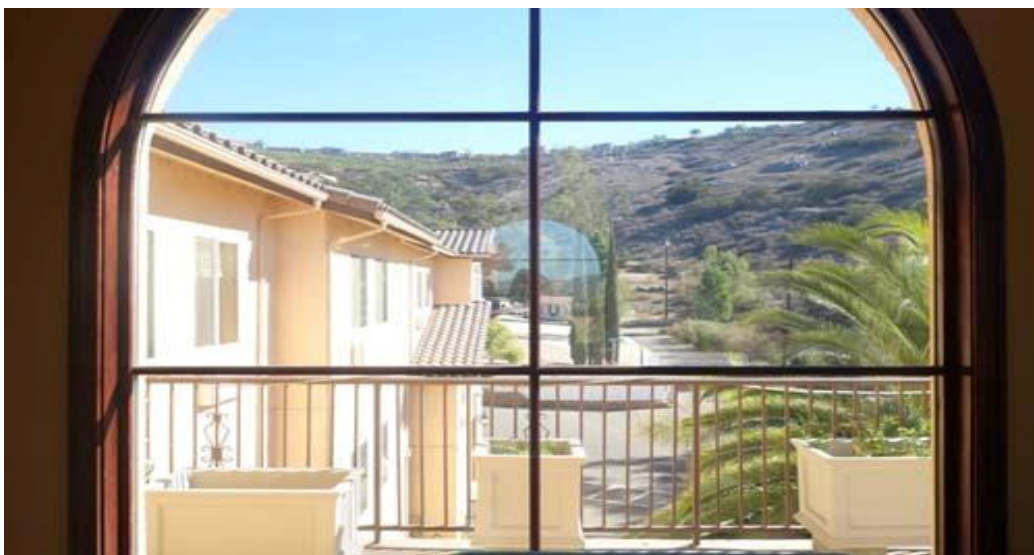
Rooted in the senior housing model with appropriate facility design, butler service may add high additional value to the elderly residents by launching nursing and medi-care, rehabilitation and health management, recreational and sports activities, and catering and life services. Till now more and more real estate developers have entered into the aged-care market under active development of senior housing projects. Typical good examples are Graceland in Wuzhen (developed by Greenland), Dignified Life at Liangzhu by (developed by Vanke), and Golden Age at Fuyang (developed by Zhejiang Silver Hair). And the targets of this model are usually those healthy, independent, and economically rich elders.

For various reasons, introducing the concept of ‘retirement community’ into the majority of Chinese senior housing projects does not necessarily mean that they have been really, essentially launching high quality aged-care service. At present, it is still worthy of pondering over their operation, care and management services.

Multilayered Facility Care Service

Due to the special geographical location and economic status of Zhejiang in China, it is practicable to let social forces develop senior living facilities and to guide various investors in investing in care homes with good names, brands and competitive forces. Fundamentally, the elderly people need to get rid of fears and confusions brought by diseases. The Medi/Aged-care Complex or Nursing Care Facilities, integrating medical treatment and nursing care, life nourishment and elderly care, and health products and care services, are foreseen to be ideal care models that will ensure quality services in a timely manner for senior citizens. For example, Aikang and Cypress Garden are actually tailored to suit different market segments by attaching great importance to medi- and nursing-care.

In fact, the Chinese government pays great attention to and provides huge support for the combination of medi- and aged-care as well as disabled and dementia care. The three aged-care models, i.e., the multilayered senior living and care model, the plural diversified home care model and the senior housing butler service model, may well complement each other in Zhejiang, in terms of its economic, demographic and geographic indicators. ■



Expect Great Things:

Care Expo 2015!

Aged care has been such a heated topic in recent years. Accordingly, various types of industry forums, summits, and expos become more and more popular. Care Expo China 2015 (www.CareExpoChina.com/?l=en) held on [November 17 and 18](#) is, in our opinion, definitely the most anticipated industry event to attend especially after a disappointing series of expos, such as China Aid (Shanghai, Late April), CISSE (Beijing, Early May), and CMEF (Shanghai, Mid May). As one of the largest multinational aged-care B2B conference and trade show, with a global perspective, Care Expo has over the past few years differentiated itself. The event showcases nationwide and worldwide best practices, high-quality healthcare services and innovative technical solutions.

We have always been participants of Care Expo witnessing its rapid growth over the past three years, as well as the increasing enthusiasm of investors who attend from both here in China and abroad. The upcoming 4th edition will be the largest to date with over 8,000 sqm of expo floor, 3 concurrent conferences and over 5,000 expected attendees/visitors. And above all, as a multinational and professional B2B trade show, previous successful experiences fully prove that Care Expo has created a fantastic platform and a fast and efficient access to the market for those who are looking for business opportunities in China's rapidly developing senior caring industry.

Following are our conclusions as to why aged care industry professionals and businesses should attend the fourth edition of Care Expo this year:

Primarily, audience is the vital indicator that exhibitors would definitely measure, when it comes to consider in attending a trade show. They might have concerns, and we believe most of them have encountered the similar cases as "Our target customers are hospitals and care homes; however, most of the visitors at other expos are people who want to buy discounted consumer goods. It is a shame since they are not our marketed clients." Or "We are looking for distributors or sales agents, and if there were too many individual consumers among visitors, it would cause too much confusion and trouble to find our real target."

As a pure B2B trade fair, the primary audience of Care Expo are industry professionals such as CEO/Director/GM, purchasing managers, suppliers/distributors, CTO/CIO/IT managers, Operational directors and managers, BD directors or managers, real estate developers, medical/healthcare directors, investors, doctors, nursing staff, as well as organizations, including governmental entities and associations, care homes or home-care/community-care facilities, hospitals, etc. As a fact, Care Expo provides senior industry exhibitors a superior platform for marketing and an effective access to meeting professional buyers for real business development.

Another general concern of exhibitors is the structure of exhibitors at an expo: more complementary or more competitive? As a valuable legacy of the past three years, the diversity of exhibitors is one of the greatest features of Care Expo. According to the previous exhibitor list, Care Expo's exhibitors covered such a wide range of Architectural Design and Planning, Construction and Products, Barrier-free Facilities and Products, Assisted-living Technology, Bathing Equipment and Rehabilitation Products, Aged-friendly Furniture & Soft Furnishings, Mobility and Ancillary Products, Adapted Vehicles, Healthcare and Medical Products, Cleaning Products and Equipment, Financial/Insurance Services, Legal/Consulting Services, Catering Supplies and Services, and HR/Training Services, etc.

Meanwhile, to deliver strong expo ROI and provide a customized partnering solution for exhibitors, Care Expo China 2015 added an innovative program: Care Expo GoodMatch Program. GoodMatch is the next evolution in two-way, business matchmaking whereby Care Expo utilizes its extensive database and knowledge of the aged-care landscape in China to connect foreign businesses with carefully selected and well-evaluated Chinese businesses; to introduce Chinese companies engaged in the China health care with foreign experts, service providers and manufacturers of geriatric products and technologies. Moreover, this year at Care Expo 2015, Care Expo TV offers a great way to enhance exhibitors' marketing outreach. The exclusive TV journalist will report live from the conference Hall and Expo floor. The interview and discussion will stream to the Expo floor teletron TV's and to the Care Expo feed on the website! In addition Care Expo TV can also broadcast exhibitor company's products or services on a continuous loop on-site over the course of the 2 day Care Expo and 6 months afterwards on the Care Expo website! Finally, Care Expo has developed a StudyTour program which is not only the best value of any such program in China, but the best conceived and executed as well. This year alone Care Expo will go to the USA twice and Australia. We understand from the Directors of Care Expo that trips to Germany and Israel are planned for next year.

The last but not the least, the professionalism is another significant factor to evaluate an expo. Exhibitors might complain the insufficient professional linkage between the host and the event organizer, as well as the lack of involvement of industry professionals. Fortunately, exhibitors do not need to worry about the above issue at Care Expo at all; on the contrary, having an international and professional team squad is another strength that Care Expo has been always proud of. In addition to the inclusive and enriched two-day Care Expo Summit, this year the host of Care Expo also deliberately designed better educational content to the conference with a Master Class and a Symposium from Alzheimer's Disease International (ADI, <http://www.alz.co.uk>) and International Association for Gerontology and Geriatrics (IAGG, <http://www.iagg.info>) respectively. These two groundbreaking educational programs aim to establish an unique international platform gathering healthcare experts, academics, business professionals and governmental policy makers from across the healthcare field, promoting Alzheimer's and aged-care awareness, meeting the educational demand on better understanding dementia, geriatrics and gerontology, and accordingly improving care services quality in China.

It is an interesting phenomenon that the exhibition economy has become the new power and lead in the senior caring industry. Exhibitors invest their marketing dollars in a "confex" (Conference and expo) to demonstrate their products/services (including new product introduction), promote brand communication, and develop business opportunities. Surely, exhibiting is one of the most important marketing tools for various organizations. Overall, a confex platform cannot thrive without a thorough analysis of exhibitors' targeted market, regular and efficient event organization, an appropriate angle of confex theme and precise congruency with industry trend and needs, rational and structural expo configuration, and sustainable pre-/at-/pro- expo services (including professional and value-added services like GoodMatch and Care Expo TV). Being able to fulfill these general demands of conference delegates, exhibitors, and visitors, we have all reasons to believe that Care Expo China 2015 is a grand event that is worth attending! We look forward to seeing you in November! ■

Policy Focus

Several Thoughts on the Land Acquisition Regime for Senior Care Facilities

By Michael Qu

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Since the promulgation of the *Guiding Opinion on Utilization of Land Use Right for Senior Care Facility*¹ (hereinafter referred to as the “Guiding Opinion”) by the Ministry of Land Resources last April, followed with the first acquisition of land use right for senior care facilities in Shenzhen, a wave of supply of land use right for the senior care facilities has come cross all over the country. Our observation in the first half of this year is that transaction of land use right for senior care facilities from all over the country is very active, among which the below cases are worth noting:

On January 21, the first land use right specific for the purpose of medical and senior care facility was granted in Nanjing. It is located in the southwest of Zhongshan College, which is a central area of the city. The total granted area of the plot is 120,000 square meters and the plot ratio is 1.75. The plot will be subjected to a lot of conditions for development. For example, one senior rehabilitation hospital need to be built on Cluster C of the plot, and senior living apartments with healthcare services that can accommodate over 1,000 beds need to be constructed on Cluster D of the plot. In addition, planning of the plot shall seek opinions from local Ministry of Civil Affairs and the Department of Health and obtain their approval; units built on Cluster C&D of the plot, which are for the purpose of senior rehabilitation hospital and senior apartments, can not be sold or transferred separately. Eventually, a local developer, Yincheng Real Estate acquired this plot at a price of 1.8 billion through 40 rounds of heating bidding.

Another case is Beijing’s first residential land provision with affiliated operational senior living facility on February 3. The plot located in Shunyi New Town was acquired by Beijing Capital Land at the cost of RMB 598 millions with a commitment to construct another 64.3 thousand square meters affordable housing on the plot. The average floor price of the plot is RMB 4,687 per square meter, 30% higher than the initial bidding price. This is the first of its kind in land supply in Shunyi District that requires the bidder to



¹ For more analysis of the Guiding Opinion, please refer to our previous article <http://www.lawviewer.com/upbads/20140429/535f3a1f464f2.pdf>

construct and self-hold the senior care facilities built on the plot. Total construction areas of senior living facilities count for 34,612 m².

Admittedly, the promulgation of the Guiding Opinion is aimed to regulate the planning of land use right for senior care facilities at local level, and further define detailed policies to ensure more supply of senior care facilities; however, from the implementation of the Guiding Opinion, several regional characteristics are worth noticing:

1. The Guiding Opinion has set forth that “Land use right for profitable senior care facility shall be granted by means of lease, transfer or other paid models, while putting lease as the main model in principle”. However, from recent land grant cases, we find the government in various regions still prefers to grant land use right for senior care facility together with residential units, rather than by means of pure lease. The reason, on the one hand, is to bring more fiscal revenue for the government from land premium; while on the other hand, is to address the profitability difficulties for developers by means of allowing them to obtain the profits through sales of residential units in the development of the whole plot.

2. Given the trend of land supply in tier-one cities, it is possible that in the future more local government will prefer to provide premium residential land bundled with the requirement to construct private senior care institutions, which as a matter of fact reflects the government’s motivation to encourage developers to participate in the construction and operation of private senior care institutions. It, however, also present a serious challenge for the government to effectively supervise the activities of developers in the course of development and operation of senior care facilities.

3. Given the requirement of the Guiding Opinion that “it is not permitted to set up restrictive conditions such as qualification of the bidder or other limitation that will impair the fair competition of land bidding”, quite a few developers with no experience in the senior care space have taken part in the land bidding, which, as a result, escalate the over-heat of land grant price. Many industry insiders have big concerns over how those developers will be able to provide professional senior care services in the upcoming facilities.

4. At the meantime, when it has become a common practice for developers to hold and operate senior care properties after their acquisition and development of land, their needs to seek all kinds of operation and management resources through various channels in order to make up for the lack of their experiences has inevitably emerged, among which, many are opportunities for senior care operation company, senior care consultant, professional personnel training organization, etc.

5. Due to the common limitation that the senior care units built in the special supplied land can not be sold or transferred separately, developers would attempt to sell the long-term use right of senior care apartments by means of charging membership fee or entrance fee in order to rapidly enjoy their payback of capital. However, there is still no relevant regulatory supervision in this field to provide protection of the consumers’ interests.

6. On the other hand, since many of the government will set forth a strict payment condition in the land grant documentation, those operators who are professional in operations but are not as wealthy as insurance company and listed real estate company might be hard to participate in the land bidding process, which is not good for the development of senior care industry. Financing channels for the development of senior



care facilities are yet to be explored.

Given the current situation of land provision for the senior care facilities, it is anticipated that land grant of mixture-use of residential property, senior care facility and other public infrastructure will become a trend. Under the current context that land price in tier-one cities are still high and funds from various sources are pouring into senior care projects, joint land acquisition by developers, insurance company and senior care operational company is about to be seen very often. ■

Law View Partners has represented international companies in their investment in the Chinese senior living and healthcare market, our clients can benefit from our deep industry knowledge and experience, and from our creative, solution-oriented and responsive approach.



With a 3-year legacy, Care Expo is the largest multi-national B2B aged-care conference and trade show in China and has been perfected to meet the needs of our clients, both visitors and exhibitors. This November 17th – 18th will be the 4th edition of Care Expo and our largest to date, comprising 8,000 sqm. We also designed better educational content to our conference with a Master Class and a Symposium from Alzheimer's Disease International (ADI) and International Association for Gerontology and Geriatrics (IAGG), respectively. The Care Expo platform is simply the best way for you to engage, partner and network with the China aged-care industry.

FEATURES

- Pure play B2B focus;
- International network of supporters;
- Audience centric content programming;
- Global thought leadership via best in class NGOs;
- Cross sector participation and collaboration;
- Strong backing of local and international government agencies;
- One on One VIP meeting opportunities with Chinese city governor and association leadership;
- Proven marketing platform with results;
- International pavilion, a platform for overseas exhibitors;
- Master Class and a Symposium from Alzheimer's Disease International and International Association for Gerontology and Geriatrics;
- Facility tour in China, to observe active local projects.

OPPORTUNITIES

Participate in training and education programs;
 Explore huge market to home care service;
 Meet operators and management of local senior living/retirement villages/resorts;
 Sell conceptual design and planning service for institutional aged care, senior living, retirement villages and resorts;
 Introduce quality health care products (i.e. functional food - additives and nutrition, healthy food, assisted living and e-health products for the elderly);
 Advise infrastructure investment and operation;
 Market durable products for geriatric care, i.e. special beds, furniture and technology!

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The Dutiful Son

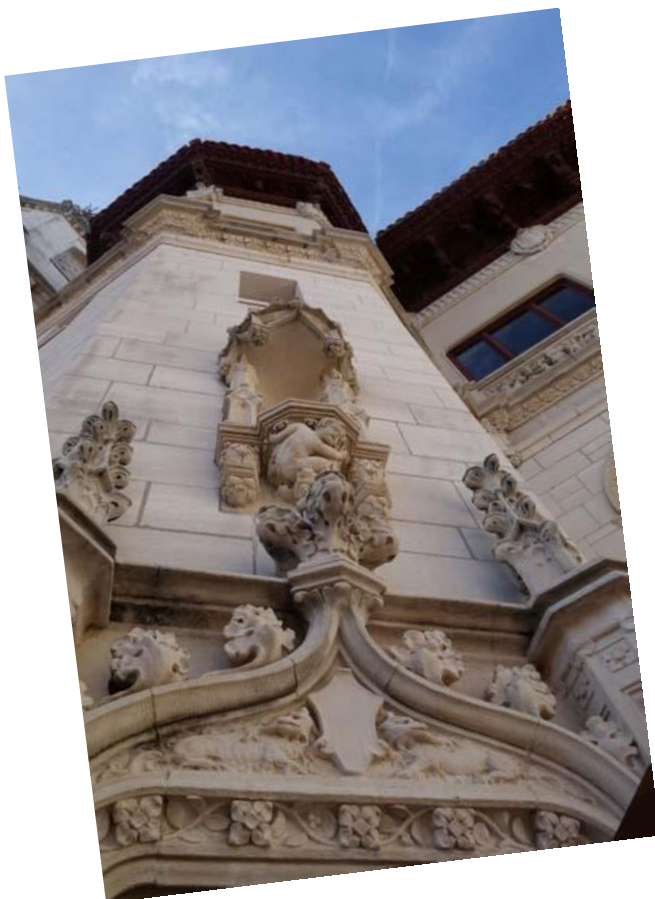
and

the Overseas Chinese

--Old Wine vs. New Bottle, the Filial Piety

Aged-Care Culture in the New Era

By Dr Jane ZHANG email: jane.zhang@ibc-joint.com



In the 30th year of reign of Qianlong (1770 A.D.), the Emperor issued an imperial edict: “*Shengtū Kaiji*, the dutiful son of Tonglu County, with both good ethical attributes of filial piety and righteousness, is deserved to erect a monument”. Mr Shentu, had suctioned off the liquid within an abscess on his father, deeply moved one of the local famous doctors in Pujiang County, who ultimately cured his father of the disease. Shentu’s filial piety story has been disseminated throughout every household in the region. So far, the commemorative plaque inscribed with ‘Dutiful Son’ is still hung over the beam of the old house. The filial piety expressed by Shentu, not merely transmits intergenerational affections, but also defines intergenerational obligations.

When stepping into the globalization era, more and more kids say good-bye to their parents, waive their hands to their hometown, and go even further abroad. Although internet has eased of communications, time and space still constructs phenomenological barriers to the fulfillment of

intergenerational cares, and in particular, a lot of ‘overseas Chinese’ have perplexed about what to do for their parents who still reside in China. In other words, should they rely on community-based home care services or depend on the senior housing butler services? Should they contract their parents’ care services to care homes or persuade them to apply for immigrations? Apparently, the senile and weak elderly look particularly bewildered by the sheer variety of choices.

Some follow-up interviews tell the fact that, with the kids being immigrated abroad in their early days, they occasionally return to China to visit their parents, and vice versa. With the advanced ageing problems, the elders are unavoidably to face various challenges in life, either physiologically or psychologically. Despite some of them can still live on their own, they are surely sluggish in physical reactions, and their kids, even permanently moved abroad, are still eager to try their best to carry out their filial piety obligations. Whilst some have already bought nice apartments with fully equipped senior living and care facilities, some have accommodated their parents into care homes with a complete set of care services. However, there are still some others who have been thinking of applying for immigrations for their parents due to not a strong confidence in social care, and what is more important, the elders have raised many facets of concerns of social care as described below:

- ✧ *“The community only offers services in dribs and drabs, a big gap to be filled in to satisfy what the elderly exactly need and want.”*
- ✧ *“The retirement apartment is affordable, but a lot of expenses have to be borne by ourselves after we move in, which means too much for us afterwards.”*
- ✧ *“Care home sounds great, but care workers are, after all, not family members.”*
- ✧ *“The procedures for immigrations seem very complicated, and there are many uncertain factors existed in physical examinations, visa applications, and traveling arrangements.”*
- ✧ *“We are skeptical about how much ‘respect’ we are able to gain in medical treatment and aged-care service here in China.”*
- ✧ *“The elders are usually easy to be exhausted and worried, but would care workers really care us like our own kids with true love and sufficient patience.”*
- ✧ *“Even though we are economically fairly all right, will we be able to buy the corresponding ‘respect’ in our home country?”*
- ✧ *“Our family members do not live in China, so there is no one who would come to visit us regularly. Once we encounter with medi-care problems, decision-making before surgery, or nursing care after surgery, how could care home or care workers function on behalf of them?”*

These appeals, are fundamentally, closely associated with the development of product and service bundles. With the right pricing strategy that meets the market demand, on the one hand, how to decode the intangible ‘care and service quality’ by encoding a series of service procedures and management institutions becomes critically vital; and on the other hand, how to play around the traditional Chinese principle of ‘*qinqin* and *zunzun*’ (closeness and authority) in delivering ‘trust’, ‘dignity’ and ‘respect’, is also crucially significant. In addition to daily greetings, routine care, care service providers may bear in mind that, when presenting a ‘new bottle’, there is a need for the ‘old wine’, especially the ‘filial piety’ culture inherited from the ‘dutiful son’. This may however, particularly, apply to the elders whose kids are overseas, because they are, actually, seeking a replacement of affections (family love) and an alternative to dependence (family bond). ■

China's Senior Care Industry

The First Comprehensive Industry Survey

[*Available Now*](#)



The market research supporting this 200+ page report was led by in-person interviews through Rubicon's Beijing office, as well as Michael Qu and Joe Christian's regulatory analysis, over the course of six months (spanning Fall 2014 through Spring 2015), with an emphasis on interviews with senior executives and investment managers responsible for the projects in question.

The report features over 20 pages of high-level key takeaways designed for executives, real estate developers, and institutional investors who want a strong summary of the most important trends in the sector, but do not want to read through the 100 pages of operator profiles that follow.

In addition, over 30 pages of specific senior care regulatory analysis, alongside nearly 20 pages of regulatory work specific to home healthcare are included. This analysis combines the regulatory analysis by Michael and Joe next to the practical experience based on Rubicon's experience helping senior care investors and operators negotiate with Chinese authorities and actually open businesses in these sectors.

Best practices specific to sales and marketing, regulatory analysis, partner due diligence and operators are all included in this report as well.

For more information on the report, please click [here](#).

- For senior executives who do not want to wade through 200 pages of analysis and operator profiles, the most important pieces of market intelligence have been broken out in the first section of the report. At nearly 20 pages of analysis, this alone is an extremely robust contribution to any management team's internal discussion around the opportunities in China's senior care industry.
- In addition to in-depth operator profiles outlining the most important lessons they have learned during negotiations with regulators, as they opened the facility, and as they modified their product offering to access the emerging Chinese consumer, Rubicon has tabulated the key projects around their actual build-out, how they are licensed, and price points.
- The regulatory analysis section of this report is particularly strong. Sections around how China's land bank policies are changing, as well as explanations of the key subsidies and incentives for senior housing are included, as well as analysis of the most critical senior care and healthcare regulations that will shape the industry for years to come. ■

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Law View Partners is a boutique law firm in China that specializes in providing services to foreign investors and companies in high-growth sectors. The firm's resources and services span foreign investment and trade, M&A and finance, construction and real estate, corporate compliance, as well as market-leading experience advising clients in corporate transactional advice, intellectual property and commercial litigation. The Firm's strengths are in the fields of senior housing and healthcare; hotel and retail real estate; corporate compliance; and merger and acquisition.

Having represented international companies in their investment in the Chinese senior living market, our clients can benefit from our deep industry knowledge and experience, and from our creative, solution-oriented and responsive approach. Especially we can assist senior care investors and developers with the following issues:

- Advice on structuring business models and regulatory study
- Conduct legal due diligence on project acquisition
- Business incorporation and licensing and negotiate with joint venture partner
- Draft and standardize documents on (i) construction, operation and business transaction; (ii) third-party agreements and vendor's contracts; (iii) policies and procedure for residency
- Advice on finance, tax and government relation
- Deal with issues on intellectual property, licensing, general liabilities and employment.

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IBC-joint Research & Consultancy was set up with research initiatives in cultural differences. We believe that, during the era of globalization, 'culture differences' would not merely constitutes 'serious impediments' to cross-national expansions, but may also provide 'magic solutions' for business development. Our senior project managers and consultants have been actively taking part in management consulting, market research and cross-cultural exchanges for various industries.

We have also established a R&D centre conducting industry studies with particular reference to cultural insights. With the continuing improvement of Chinese living standards and people's cognition in the so-called quality of life, China will be gradually demanding high quality services with regard to a wide and varied selection of Housing & Health related products. For the aged-care industry, we honestly think that all industry participants desire for integration and innovation. In order to help achieve so, we offer the following services:

- Comparative Study & Market Research on HealthCare Industry and Housing Market across China & Abroad;
- Knowledge Development & Transfer: including medi- and aged-care, service and management model;
- HR Services: including Organisation Chart design, JDs, Performance Appraisal (esp. KPIs), Motivation Scheme, Head Hunting, and Employer-Employee Relationship Management.
- PR Services: including Government, Association and Media;
- Cross-cultural Exchange, and Training & Education.