



**China Aged Care Industry Report,  
2012-2015**

**Apr. 2013**

## STUDY GOAL AND OBJECTIVES

This report provides the industry executives with strategically significant competitor information, analysis, insight and projection on the competitive pattern and key companies in the industry, crucial to the development and implementation of effective business, marketing and R&D programs.

## REPORT OBJECTIVES

- ◆ To establish a comprehensive, factual, annually updated and cost-effective information base on market size, competition patterns, market segments, goals and strategies of the leading players in the market, reviews and forecasts.
- ◆ To assist potential market entrants in evaluating prospective acquisition and joint venture candidates.
- ◆ To complement the organizations' internal competitor information gathering efforts with strategic analysis, data interpretation and insight.
- ◆ To suggest for concerned investors in line with the current development of this industry as well as the development tendency.
- ◆ To help company to succeed in a competitive market, and

## METHODOLOGY

Both primary and secondary research methodologies were used in preparing this study. Initially, a comprehensive and exhaustive search of the literature on this industry was conducted. These sources included related books and journals, trade literature, marketing literature, other product/promotional literature, annual reports, security analyst reports, and other publications.

Subsequently, telephone interviews or email correspondence was conducted with marketing executives etc. Other sources included related magazines, academics, and consulting companies.

## INFORMATION SOURCES

The primary information sources include China Customs, and National Bureau of Statistics of China etc.

## Abstract

At present, China's population aging has entered the accelerated phase. In 2012, 194 million people were at or above 60 years old, accounting for 14.3% of the total population. In 2013, the aged population amounts to 202 million, accounting for 14.8%. At the same time, the increasing population of the oldest, childless and disabled elderly as well as those with chronic diseases exacerbates the aging problem.

In response to the aging problem, China has issued a series of policies to support the aging industry and build the social aged care service system based on homes, communities and institutions. Now, the majority of the regions in China have proposed the "9073" plan (90% of the old people accept home-based care, 7% community-based care and 3% institution-based care). During the "Twelfth Five-Year", China will erect the aged care service system consisting of centralized services and community- & home-based care.

As of the end of 2011, China had a total of 39,145 aged care institutions with 3.132 million beds, which was far from meeting the domestic demand. Measured by the "9073" aged care system, China faced a shortage of 2.418 million aged care beds in 2011.

Meanwhile, the limited number of paramedics can not meet the demand; according to the ratio 3:1, China needs 10 million paramedics at least, but now only less than 1 million paramedics are available.

In recent years, China has allowed social capital to enter the aged care field; meanwhile, the intensified aging embodies huge potentials of the aged care market. Social capital has flown into the aged care real estate industry. For instance, the projects developed by private enterprises such as Shanghai Qinheyuan and Sunset Glow have been put into operation. Real estate companies including Vanke, Poly Real Estate and R & F Properties, insurance firms like Taikang Life and China Life Insurance, diversified enterprises such as Harbin Institute of Technology Group Inc., Fosun Group and Legend Holdings and foreign-funded corporations like Fortress Investment and Emeritus Corp. have also set foot in the aged care real estate market and foreign companies.

## Abstract

### Representative Enterprises and Projects in China Aged Care Real Estate Industry, 2011-2013

Major Enterprises	Major Projects or Plans
Vanke	Vanke has launched aged care real estate products in Beijing, Qingdao, Wuhan and other places; in November 2011, its first aged care real estate project (Beijing Fangshan "Vanke Xingfuhui") started construction; in addition, the company also implements aged care real estate projects in Hangzhou, Qingyuan and Changchun.
Poly Real Estate	In November 2010, Poly Real Estate began the construction of its first retirement apartment project in Shanghai ----- Poly An Ping He Xi Hui o Lin Yu Le Ling Center and started marketing in September 2012; in 2011, it cooperated with Beijing Anping Investment Co., Ltd. to set up a professional aged care management company; in Beijing, its first aged care real estate project is located in Xishan.
Beijing Sun City	Beijing Sun City is located in Xiaotangshan Town, Changping District which is the northern suburb of Beijing. Buyers moved to the apartments in May 2010. Beijing Sun City is operated by the real estate development mode and only 12% of the apartments are used as retirement apartments.
Shanghai Qinheyuan	In May 2008, Shanghai Qinheyuan completed China's first membership-based retirement community in Pudong New Area, Shanghai, and the land was acquired from the government with the mature operation modes. The Phase IV of the project commenced in 2012.
Taikang Life	In November 2009, the company's retirement community investment pilot program was approved by China Insurance Regulatory Commission. In March 2010, it set up a subsidiary engaged in the investing in and operating retirement communities; in June 2012, the construction of the aged care real estate project "Taikang flagship retirement community" commenced in Beijing.
New China Insurance	It invested RMB1.92 billion in its first aged care real estate project, which covered 272,000 square meters. The project will be started in 2013 and put into operation in 2015.
Jiuhua Group	It began to presell the first aged care hotel in December 2012, and it planned to sell 7,000 apartments.
AVIC	In December 2012, AVIC's first aged care service center was founded, covering 5,060 square meters.
Emeritus Corp.	In June 2012, Emeritus established Shanghai Kaijian Huapeng Aged Care Services Limited together with Shanghai Shengyuan Development Co., Ltd., Shanghai Hongtian Construction Engineering Co., Ltd., with the registered capital of USD3 million and the total investment of USD6 million.
Ruihui International	In September 2012, Ruihui International, Lushan Municipal Civil Affairs Bureau and Zhuhai Zilai Hongsheng Investment Development Co., Ltd. signed a strategic cooperation framework agreement about Lushan Xihai Shanshui Jinghua International Health & Care and Sports Center.

#### The report covers the following aspects:

Overview of China aged care industry, including aged-care models, industrial chain, and basic features;

Analysis of Chinese aged care system, consisting of industry policies, medical & health system, aged care security system and financial security system;

Analysis of Chinese aged care market, containing aged care market demand, status and problems of home-based care, market supply of institution-based aged care, and development trends of aged care market;

Detailed analysis on Chinese aged care real estate, such as advanced foreign modes, industry development, competition, profit modes, proposed and ongoing projects, as well as investment risks;

Operation, aged care real estate projects and future planning of two major real estate enterprises, two insurance companies and six private enterprises.

### 1 Overview of Aged Care Industry

- 1.1 Definition
- 1.2 Industry Chain
- 1.3 Modes
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  - 1.3.2 Institution-based Care
  - 1.3.3 Community-based Care
- 1.4 Features
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  - 1.4.2 Welfare
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- 2.3 Medical Security
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  - 4.2.4 Diversified Enterprises
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- 4.5 Investment Risks
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