



October 2026

NATURALLY OCCURRING RETIREMENT COMMUNITIES (NORCS):

WHY PENSION FUNDS SHOULD UNDERSTAND AND SUPPORT THEM

“NORCS are intergenerational communities that naturally evolve to house a significant proportion of older adults. Unlike purpose-built retirement homes, these communities emerge organically. For example in Ontario, over 200,000 older adults live in NORC buildings – more than the total number residing in long-term care and retirement homes combined. This presents a unique opportunity to develop innovative, community-oriented solutions that support aging in place.”

NORC Innovation Centre, UHN

Aging in Place

Stating the obvious, the ‘aging’ topic covers a much broader range of subjects than just post-work income provision in the form of pensions. Pension funds should understand the broader context and its implications as they interact with plan members. The importance of that understanding will grow as the proportion of people over age 65 in developed economies is projected to rise from 20% of the population today, to 25% by 2050.

Past *Letters* have explored the implications of this broader understanding of reality. For example, the title of our [September 2022 Letter](#) was “Your Hundred Year Life: A Film That Explains Why and How We Should Retire Retirement”. The *Letter* preceded the screening of a film with that name at the *Rotman School of Management, University of Toronto* on February 6, 2023. Click [HERE](#) to view the film.

We noted the film made four key points:

1. There is more to aging than just how it could/should be financed. It also has important health and social consequences which deserve equal study.
2. On the work design side, an aging population requires understanding what is happening at both the supply and demand sides of labour markets. It also means supporting people through a series of transitions as they age. The standard working career span of 18-65 should be abandoned, and replaced with a new 5-95 ‘life model’.
3. On the health side, an aging population means age-related afflictions will become an increasingly important factor in health care provision.
4. On the habitation side, locations with high densities of older residents form naturally. This collective ‘aging in place’ presents the opportunity to cost-effectively scale up the delivery of personal care, habitation maintenance, and health care services. This concept has been named *Naturally Occurring Retirement Community*, or *NORC* for short. Toronto’s *University Health Network (UHN)* launched an initiative in 2022 to introduce the *NORC* concept in Toronto.

This *Letter* takes a deeper dive into point #4, the *NORC* concept, and identifies ways in which pension funds can support and promote this powerful support mechanism for ‘aging in place’.

***NORC* Research Findings**

What results has research on the *NORC* concept produced thus far? A 2022 article titled “*NORCS: A Scoping Review*”ⁱ provides the answer. Based on a review of 60 US and 4 Canadian studies on the *NORC* topic, it reports:

- North Americans prefer to age at home rather than in dedicated aging institutions.
- The increased social support provided by *NORCS* reduces the incidence of isolation often experienced as people grow older, and increases their psycho-social well-being.
- *NORC* membership is associated with better physical health.
- With complex organizational structures involving internal staff, external partners, and government agencies, the management of *NORCS* is challenging, with financial sustainability high on the list.
- The article concludes with this observation: “*NORCS* show great promise in initial outcomes that benefit the health and well-being of older adults”.

With these broad findings in mind, the *Letter* now turns to the tangible progress made to date at *UHN’s NORC Innovation Centre (NIC)*. The information was provided by *NIC’s* Jen Recknagel, Director of Innovation and Design.

The *NIC* Story To Date

Jen was one of the panelists invited to comment on the “Your Hundred Year Life” film at its 2023 showing at the *Rotman School of Management*. At that time, she described the founding of the *NIC* initiative and its aspirations.

Today, three years later, she provided this *NIC* progress report:

- *NIC* launched in 2022. Its goals are to support the health and well-being of *NORC* participants. Its work spans research, design, and policy development.
- *NORC* buildings are defined as apartments, condos, co-ops with 30% or more adults aged 65 or older.
- Now active in 30 *NORCS* in the Greater Toronto area supporting 4,000+ older adults.
- Partnering with 65+ different service organizations.
- Material health care cost savings have been achieved through efficient home care delivery. For example, the average annual cost per *NORC* participant has been \$266. This compares to \$359 for a single Emergency Department visit, \$1100 per day in Acute Care, and \$75,247 per year in a Long-Term Care Home.
- Secured \$6M+ in research funding.
- Research results thus far: 81% of *NORC* occupants feel a sense of belonging, 78% have neighbours they can call on, 10% decrease in loneliness, early signs of physical and mental

wellbeing, early reporting suggest a 63% reduction in Emergency Department visits after joining the program.

- Communities are actively seeking *NORC* support, often faster than *NIC* can respond.
- Expansion plans are currently being developed. The aspiration is to make aging in place both possible and sustainable. This means stronger connections , earlier support, and better conditions for aging in community
- We believe local delivery can be increasingly funded by public/system partners. However, ongoing funding for *NIC* itself remains a question. It needs this ongoing funding to continue to provide training, implementation support, and research for continuous improvement.

Note the close parallels between the broad research findings set out in the *NORC Scoping Review* paper, and the more specific findings set out in the *NIC* story to date.

Future *NIC* Funding

Recall that the broad *NORC Scoping Review* listed financial sustainability as an ongoing challenge for *NORCS*, and that the *NIC* story echoed that concern. This raises an important question. Why do organizations like *NIC*, which have shown to produce material cost savings in health care and habitation through the creation and maintenance of *NORCS*, have trouble funding their own sustainability and expansion? In our view, the answer is that without a direct financial connection between the material value being created by *NIC*-type organizations and their ability to finance its own operations, their sustainability would appear to depend wholly on adequate charitable giving, which can be problematical from a sustainability perspective.

What would be a more reliable source of funding for *NIC*-type organizations? One such source might be funding from a government agency charged with promoting and facilitating the formation and management of organizations that produce material social and financial value at a low cost. Another funding source could be explicit *NORC* sponsorships by corporations seeking the attention of aging adults as potential clients/customers. Logical areas where corporate sponsors might be interested in such sponsorship arrangements are groceries, financial services, health care products, and real estate.

For completeness, this *Letter* also proposes consideration of a more radical funding model alternative, where pension funds become sources of funding and owning *NIC*-type organizations. The caveat with this approach is that pension funds are not charitable organizations. They are legally required to maximize return without taking undue risks. So in this funding model, *NIC*-type organizations would have to generate sufficient net income to meet pension fund return expectations. This could be done through charging a modest *NORC* membership fee. Even an annual fee of only \$20 would generate material revenues with millions of *NORC* participants. Alternatively, the focus could be on developing the corporate sponsorship model to a point where it becomes a material revenue source.

Meanwhile, *NIC* has developed a growth model that foresees further *NORC* growth in the Greater Toronto area, and possibly extends into the rest of Ontario. Indeed, there may be growth opportunities right across Canada, possibly requiring the creation of additional *NIC*-type organizations. Pension fund sponsorship of these growth opportunities would make a nice analogue to the *Canadian Pension Model* story, which started with the *Ontario Teachers' Pension Plan* in 1990. From there, the *Model* traveled across Canada, and is now making its way across the world.

In short, the *NORC Innovation Centre* at the *UHN* could be the start of a *NORC* development chain that also makes its way across Canada and then the world. Broad pension fund advocacy, sponsorship and ownership in the *NORC* space could facilitate the realization of this vision. As frontline guardians of the financial security of their plan members, such pension fund advocacy would be a logical extension of their fiduciary duties.

Keith Ambachtsheer

Endnotes:

- i. Parniak, DePaul, Frymire, and Donnelly, "[NORCS: Scoping Review](#)", *JMIR*, 2022

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