


## Independent Living Communities


Performance, Correlates of Occupancy  
Strategies for Success

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## Objectives

1. Review performance of service-enriched, age-qualified housing
  - Independent living
  - Assisted living
2. Look at correlates (predictors) of occupancy
3. Discuss strategies for success




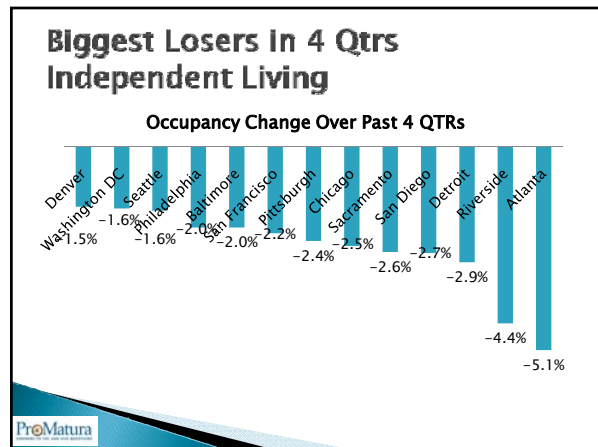
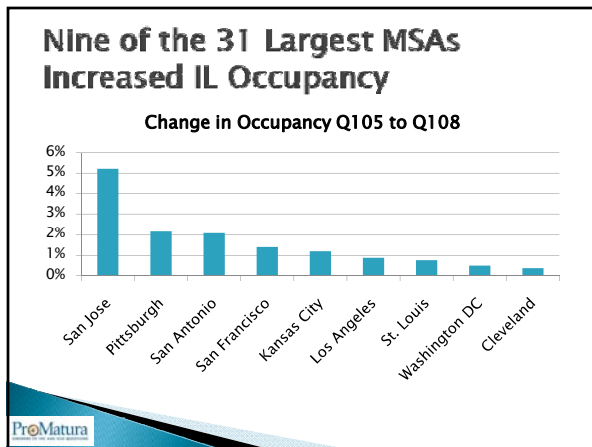
## Industry Performance

- ▶ NIC MAP is the seniors housing & care industry's leading data provider, tracking revenue, occupancy, supply and construction data in America's top 100 metro markets. NIC MAP's comprehensive database includes over 12,500 market rate seniors housing properties representing Independent Living, Assisted Living, Dementia Care and Nursing Care.
- ▶ Reporting all data on top 31 MSAs, today
- ▶ 2009 reporting data on top 100 MSAs



## NIC MAP™

- ▶ NIC MAP™ data is collected quarterly from approximately 13,000 properties in the 100 largest U.S. cities.
- ▶ Contact Michael Hargrave, Vice President, NIC MAP™ at 410-267-0504 or at [mhargrave@NIC.ORG](mailto:mhargrave@NIC.ORG) for subscription information.

### Largest Declines in Occupancy

Assisted Living		Independent Living		Completions	
Baltimore	-0.5%	Denver	-1.5%	Cincinnati	52
San Francisco	-0.5%	Washington DC	-1.6%	Atlanta	55
Los Angeles	-0.6%	Seattle	-1.6%	Portland	93
Boston	-0.8%	Philadelphia	-2.0%	Baltimore	98
San Diego	-1.5%	Baltimore	-2.0%	Chicago	164
Orlando	-1.6%	San Francisco	-2.2%	Dallas	222
Minneapolis	-2.2%	Pittsburgh	-2.4%	Houston	237
Philadelphia	-2.3%	Chicago	-2.5%	Seattle	511
Las Vegas	-2.4%	Sacramento	-2.6%		
Detroit	-2.7%	San Diego	-2.7%		
Phoenix	-2.9%	Detroit	-2.9%		
Riverside	-3.0%	Riverside	-4.4%		
Seattle	-3.3%	Atlanta	-5.1%		



### Home Price Change Q207 to Q208 Top 16

Home Price Change Q207 to Q208 Top 16	IL Change Occupancy	Percent Change
San Antonio, TX		2.5%
Pittsburgh, PA	(-2.18%)	1.4%
Houston-Baytown-Sugar Land, TX		-1.0%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	(-1.61%)	-3.0%
Kansas City, MO-KS		-3.1%
Dallas-Fort Worth-Arlington, TX		-3.5%
Seattle-Tacoma-Bellevue, WA		-3.7%
Portland-Vancouver-Beaverton, OR-WA		-4.1%
Baltimore-Towson, MD	(-2.03 %)	-4.5%
Cincinnati-Middletown, OH-KY-IN		-4.6%
New York-Northern New Jersey-Long Island, NY-NJ-PA		-5.3%
Saint Louis, MO-IL		-5.5%
Portland-South Portland-Biddeford, ME		-5.7%
Minneapolis-St. Paul-Bloomington, MN-WI		-7.2%
Chicago-Naperville-Joliet, IL	(-2.37%)	-9.0%
Atlanta-Sandy Springs-Marietta, GA	(-5.1 %)	-9.8%



### Home Price Change Q207 to Q208 - Bottom 15

Home Price Change Q207 to Q208 - Bottom 15	IL Change Occupancy	Percent Change
Boston-Cambridge-Quincy, MA-NH**		-10.8%
Denver-Aurora, CO	(-1.51%)	-11.8%
San Jose-Sunnyvale-Santa Clara, CA		-12.7%
Orlando, FL		-15.7%
Washington-Arlington-Alexandria, DC-VA-MD-WV	(-1.56%)	-16.8%
Cleveland-Elyria-Mentor, OH		-17.0%
Tampa-St.Petersburg-Clearwater, FL		-18.8%
San Francisco-Oakland-Fremont, CA	(-2.03 %)	-19.1%
Miami-Fort Lauderdale-Miami Beach, FL		-19.3%
Phoenix-Mesa-Scottsdale, AZ		-22.5%
Las Vegas-Paradise, NV		-23.6%
Los Angeles-Long Beach-Santa Ana, CA		-29.5%
Riverside-San Bernardino-Ontario, CA (	-4.43 %)	-32.7%
Sacramento--Arden-Arcade--Roseville, CA	(-2.49%)	-35.6%
Detroit - NO DATA Provided	(-2.67 %)	
San Diego - NO DATA Provided	(-2.64 %)	



### Correlates of Occupancy All Stabilized CCRCs

Variables that Correlated with Occupancy of Independent Living Residences	Pearson Correlation	Significance Level
Percent Studio Units	-.290(**)	0.000
Not-for-profit status has higher occupancy	.198(**)	0.000
Median income of 45-64 households	.185(**)	0.000
Median household income of households 45-54	.151(**)	0.000
Increase in median income of 65+ households	.145(**)	0.001
Median household income of households 55-59	.145(**)	0.001
Median household income of households 60-64	.140(**)	0.001
Median home value for current year	.114(**)	0.008
Median income of 65+ households	.112(**)	0.009
Median household income of households 65-69	.111(*)	0.010
AL Penetration of Occupied Units 65+ population	.106(**)	0.014
AL Penetration of Occupied Units 75+ population	.106(**)	0.014



### Correlates of Occupancy EF CCRCs Stabilized

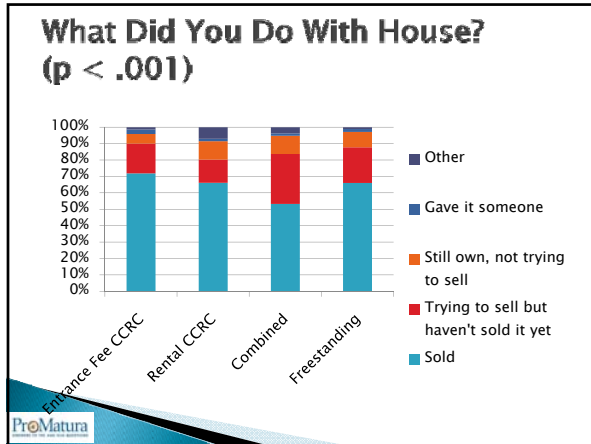
Entrance Fee CCRC , \$200,000+ for One-Bedroom Residences		
Increase in median income of 65+ households	.330(**)	0.003
IL units in 5-mile radius	-.285(*)	0.012
Increase in median income of 45-64 households	.261(*)	0.022
Increase in of 75+ population	-.257(*)	0.024
Increase in of 75+ households	-.253(*)	0.026
Median household income of households 45-54	.244(*)	0.033
Median home value for current year	.238(*)	0.038
Growth in households age 75+ and household income \$25,000+	-.228(*)	0.046
Increase in median income of 65+ households f	.330(**)	0.003



### American Seniors Housing Association Matched Sample of Movers and Non-Movers to Independent Living

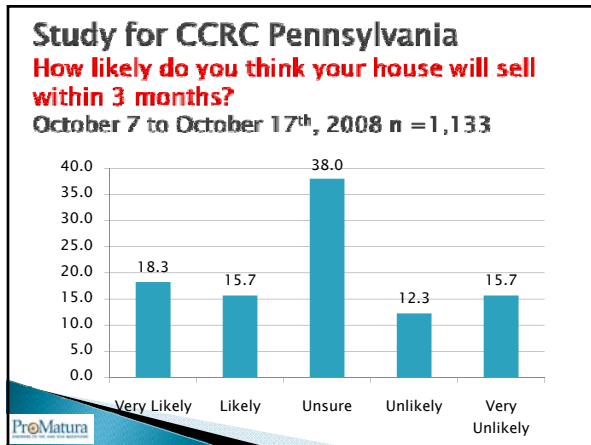
- ▶ Dates June 15 to October 13, 2008
- ▶ Moved to independent living in past 6 months
- ▶ Matched sample (age, gender, marital status, education, income, market areas, home value), but do not plan to move to independent living





### Concerns About Moving to Independent Living (n=937)

Cost	14.9%
Didn't want to leave my home/family /friends/ possessions	14.1%
Freedom/ Independence	10.1%
Adjusting to new life	9.3%
No Concerns	7.3%
Fitting in/Making friends	7.2%
Adjustment to smaller space	6.6%
Age of residents	5.2%
Transportation	3.9%
My Age/Health	3.6%
Trepidation	3.5%
Amenities	2.9%
Monthly Fee	2.0%
Lonely	1.9%
Food	1.9%
Family	1.6%
Boredom	1.4%
Location	1.4%
Entry Fee	1.1%



- ### Tips for the Future
- ▶ Focus on providing value
  - ▶ Focus on creating vibrant, lively, communities
  - ▶ Invest in your sales counselors
  - ▶ Invest in customer service