



1Q20 NIC MAP Data Release Webinar & Discussion



Chuck Harry
Chief Operating Officer
NIC



Beth Mace
Chief Economist
NIC



Bill Kauffman
Senior Principal
NIC



Lana Peck
Senior Principal
NIC

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Serving America's Elders

NIC strongly supports all actions that:

- Prioritize testing
- Increase the availability of PPE
- Help frontline health care workers ably meet personal obligations



Webinar Outline

1. Setting the Stage with 1Q 2020 Data
2. Leadership Huddle Webinars Key Takeaways
3. Executive Survey Insights
4. Transactions Market
5. Skilled Nursing Data from 4Q 2019 Report
6. Q&A and Discussion

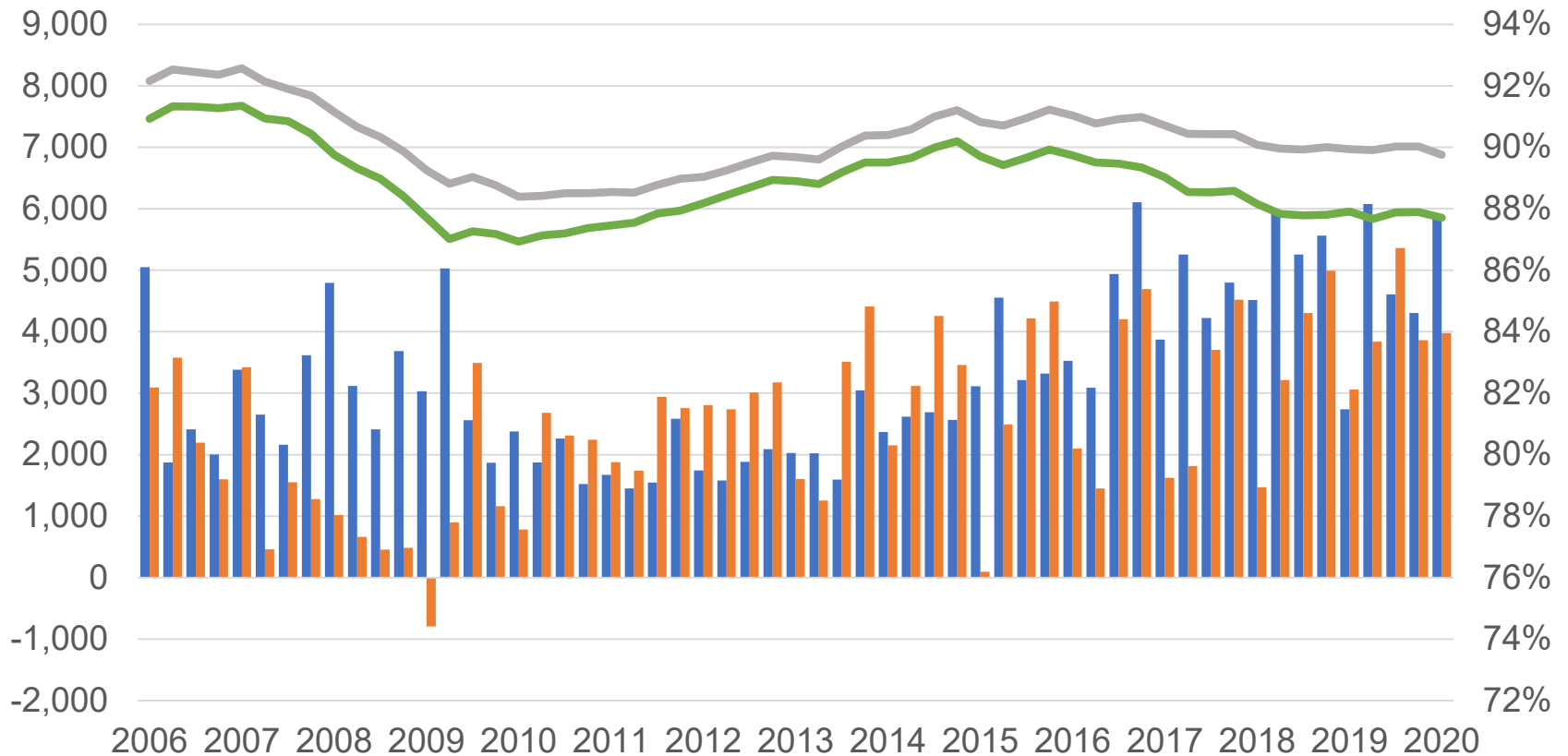
Seniors Housing Key Themes During First Quarter 2020

1. The first quarter data largely does not reflect the effects of the COVID-19 pandemic. It sets the stage.
2. The senior housing occupancy rate has been generally flat for the past few years, with 10-20 basis point changes from one quarter to the next since late 2017.
3. There is wide variation in property-level occupancy rates among the NIC MAP Primary Markets, with fully one-third of the property set recording occupancy rates above 95%.
4. Development and new construction starts for assisted living continue to slow, likely presaging further slowdowns ahead.
5. NIC's new weekly Executive Survey of industry leaders shows half to two-thirds of senior care organizations reported no change in March aggregate occupancy rates.
6. Preliminary data suggests that property sales transaction dollar volume was strong prior to COVID and totaled \$3.3 billion in the first quarter.

Seniors Housing Occupancy Largely Unchanged in 1Q 2020

Seniors Housing Fundamentals Primary Markets | 1Q06 – 1Q20

Inventory Growth Absorption
All Occupancy Stabilized Occupancy

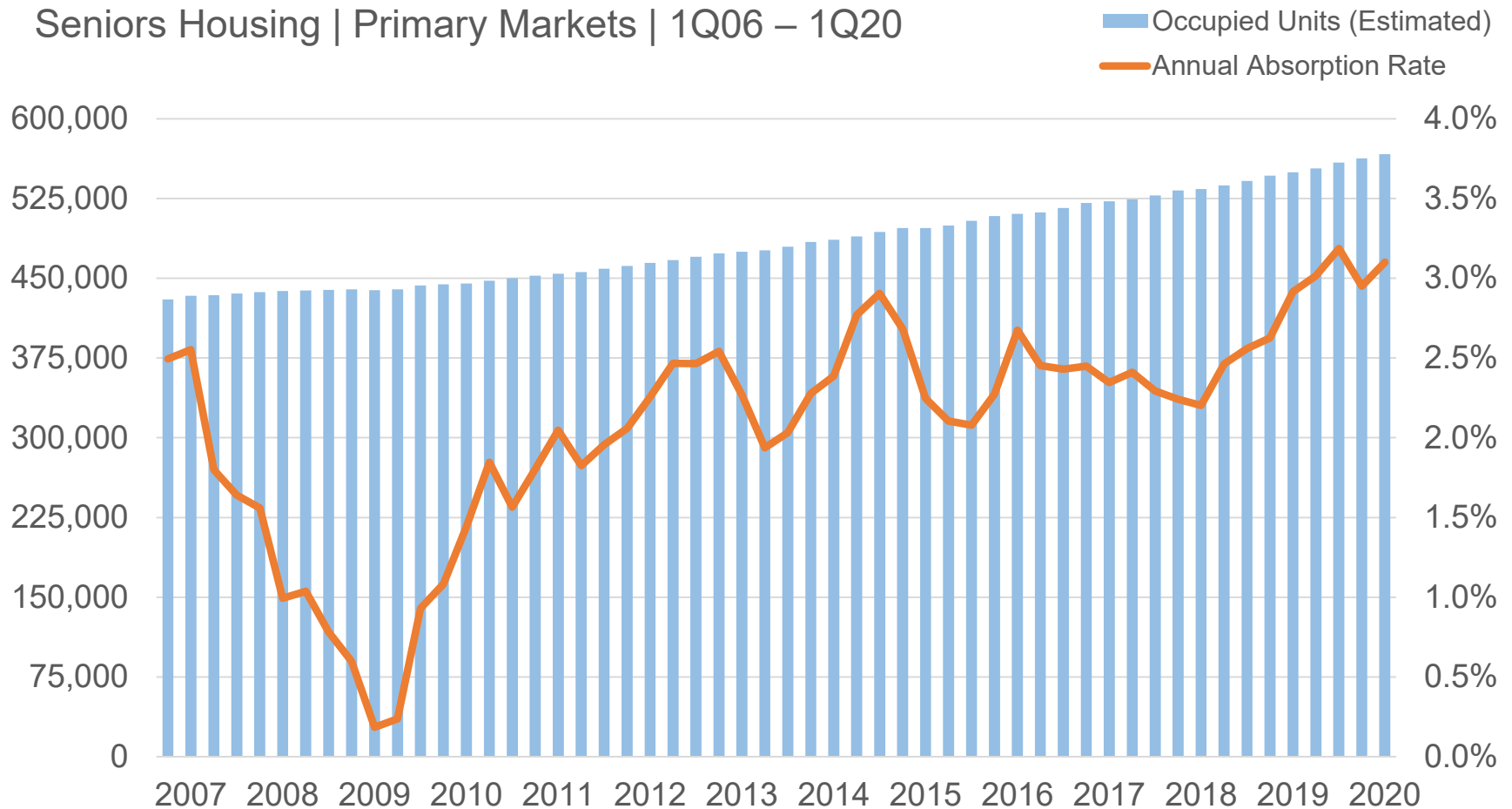


Source: NIC MAP® Data Service

Occupied Units Steadily Increasing Since 2006

Occupied Units (Estimated) and Annual Absorption Rate

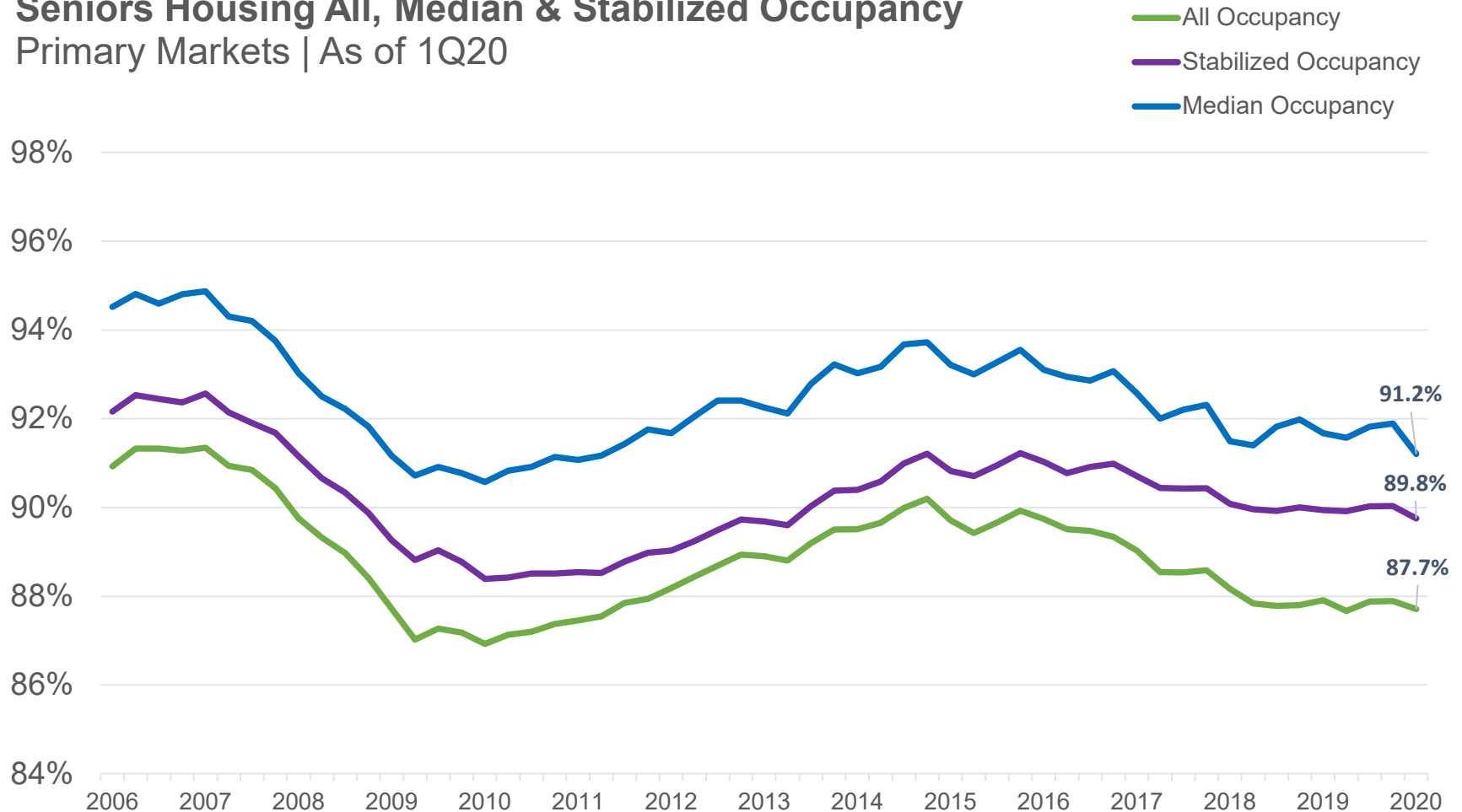
Seniors Housing | Primary Markets | 1Q06 – 1Q20



Source: NIC MAP® Data Service

Median Occupancy Rate Well Above Average Occupancy

Seniors Housing All, Median & Stabilized Occupancy Primary Markets | As of 1Q20



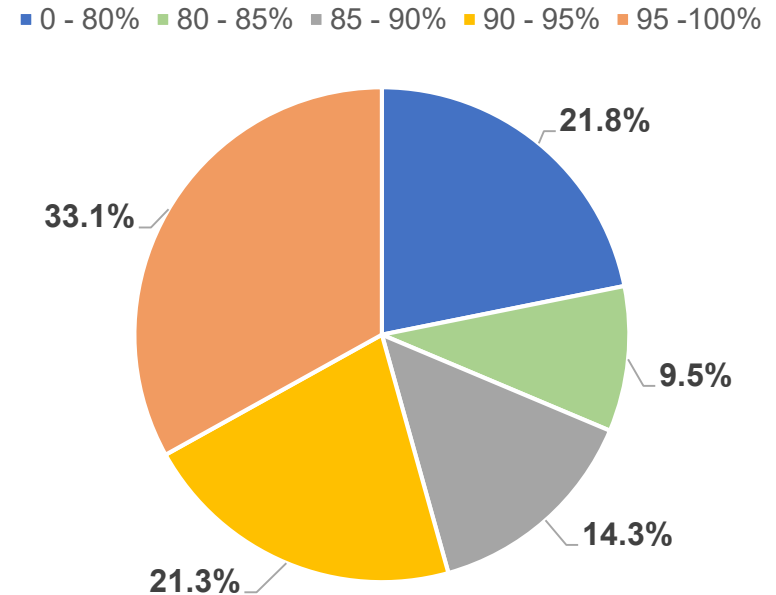
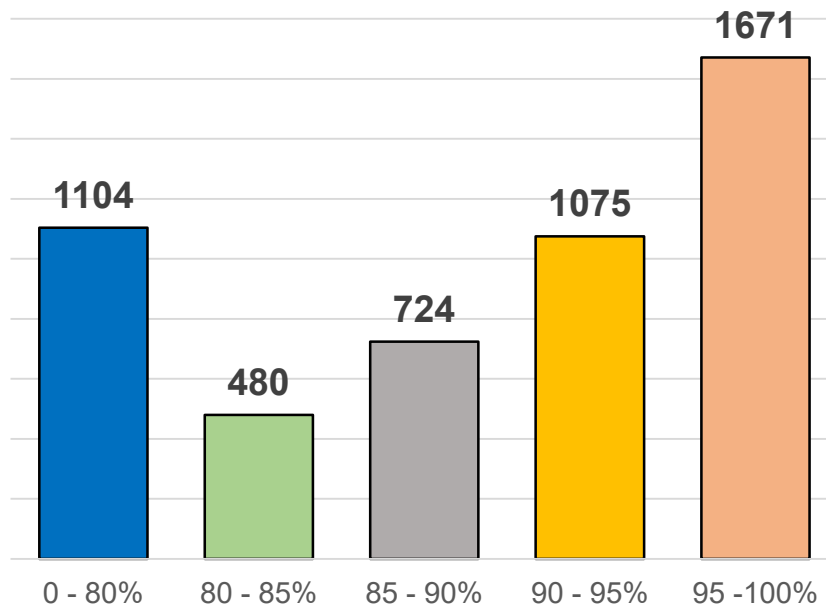
*All and Stabilized Occupancy are weighted averages.

Source: NIC MAP® Data Service

One Third of Properties Have 95% or Higher Occupancy

Seniors Housing Property Count by Occupancy Cohort Primary Markets | 1Q20

Average (Mean) Occupancy: 87.7%
Median Occupancy: 91.2%

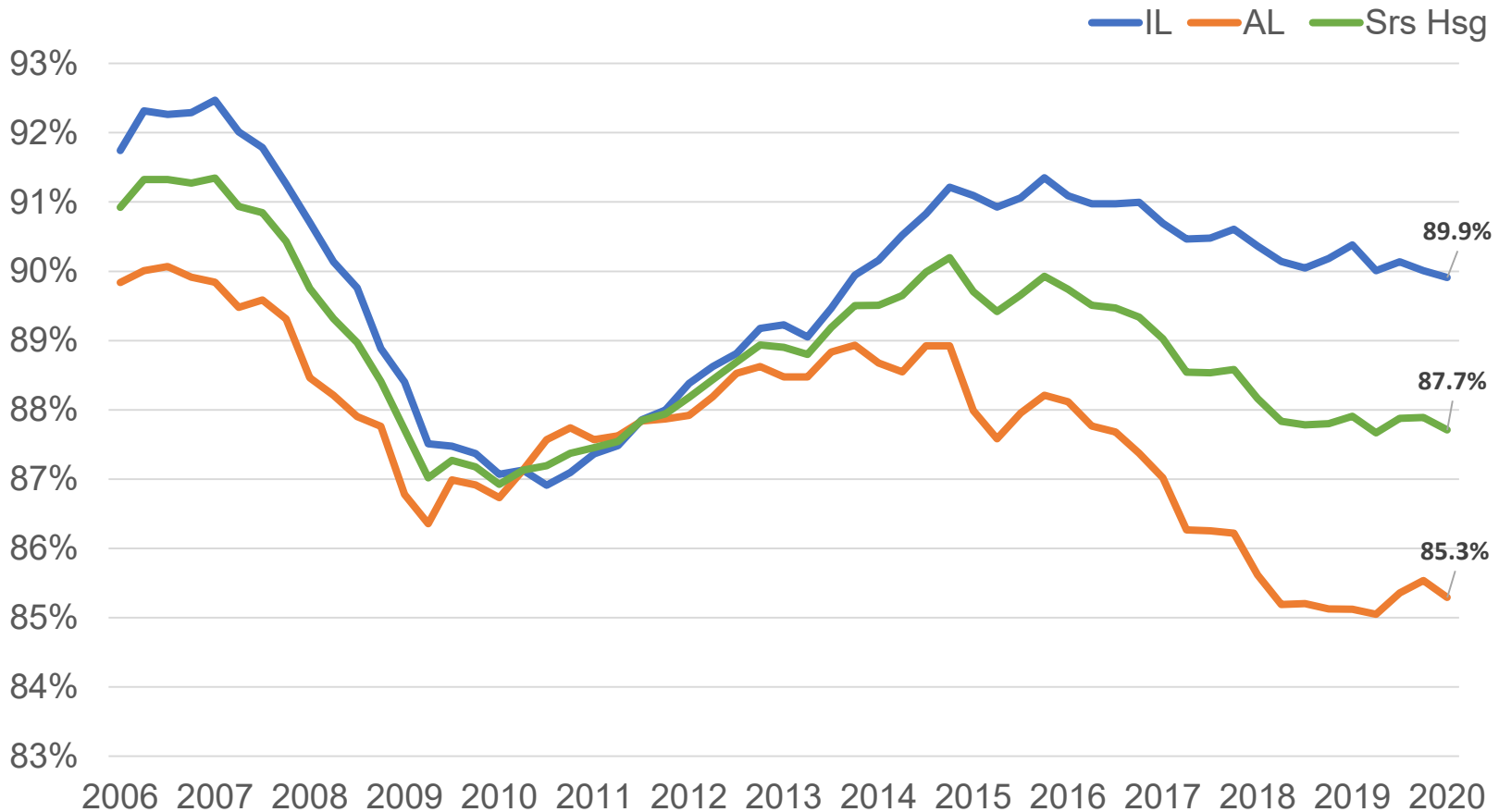


Source: NIC MAP® Data Service

Wide Disparity of Occupancy Rates Between IL and AL

Occupancy

Primary Markets | 1Q06 – 1Q20

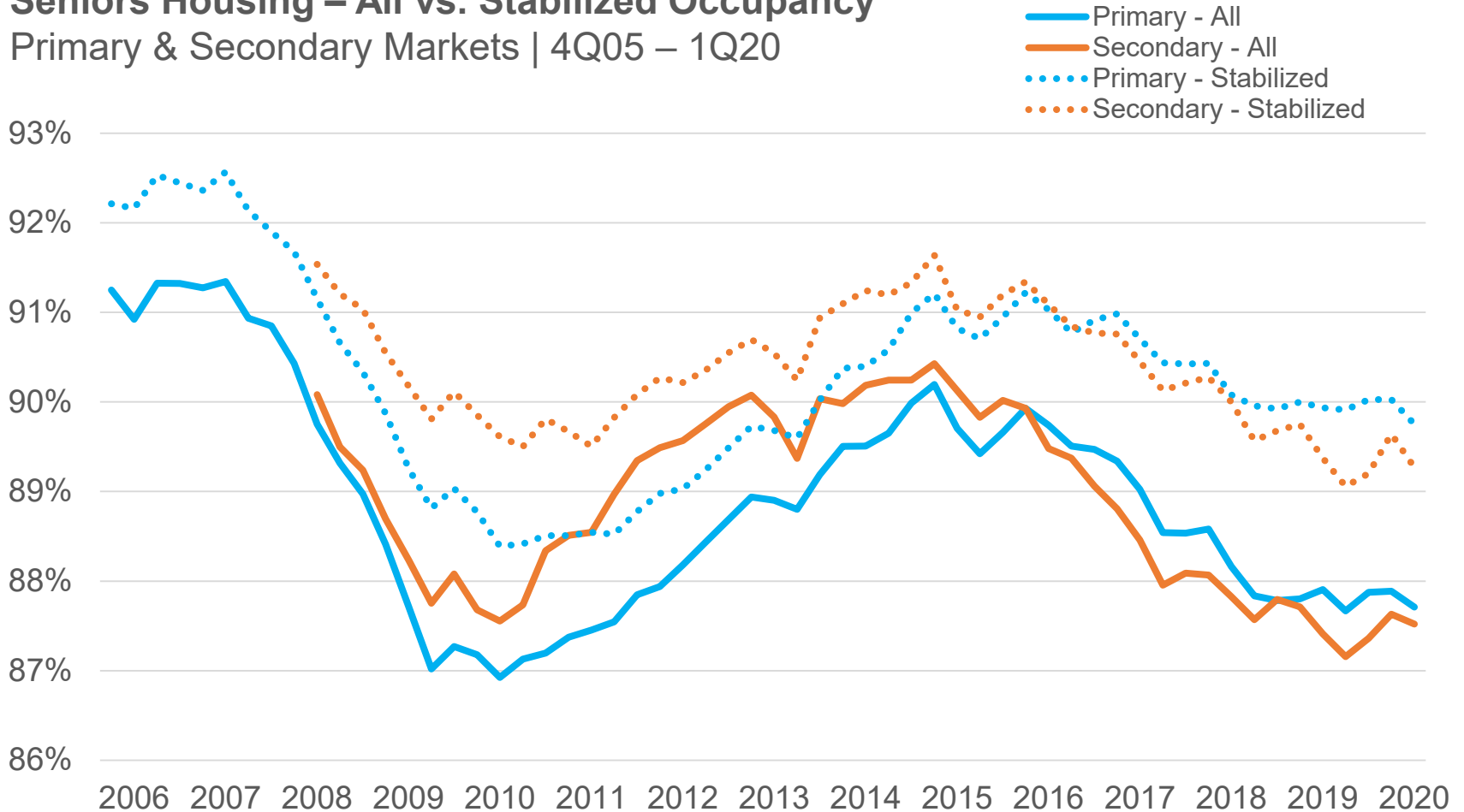


Source: NIC MAP® Data Service

Secondary Markets' Occupancy Slightly Below Primary

Seniors Housing – All vs. Stabilized Occupancy

Primary & Secondary Markets | 4Q05 – 1Q20

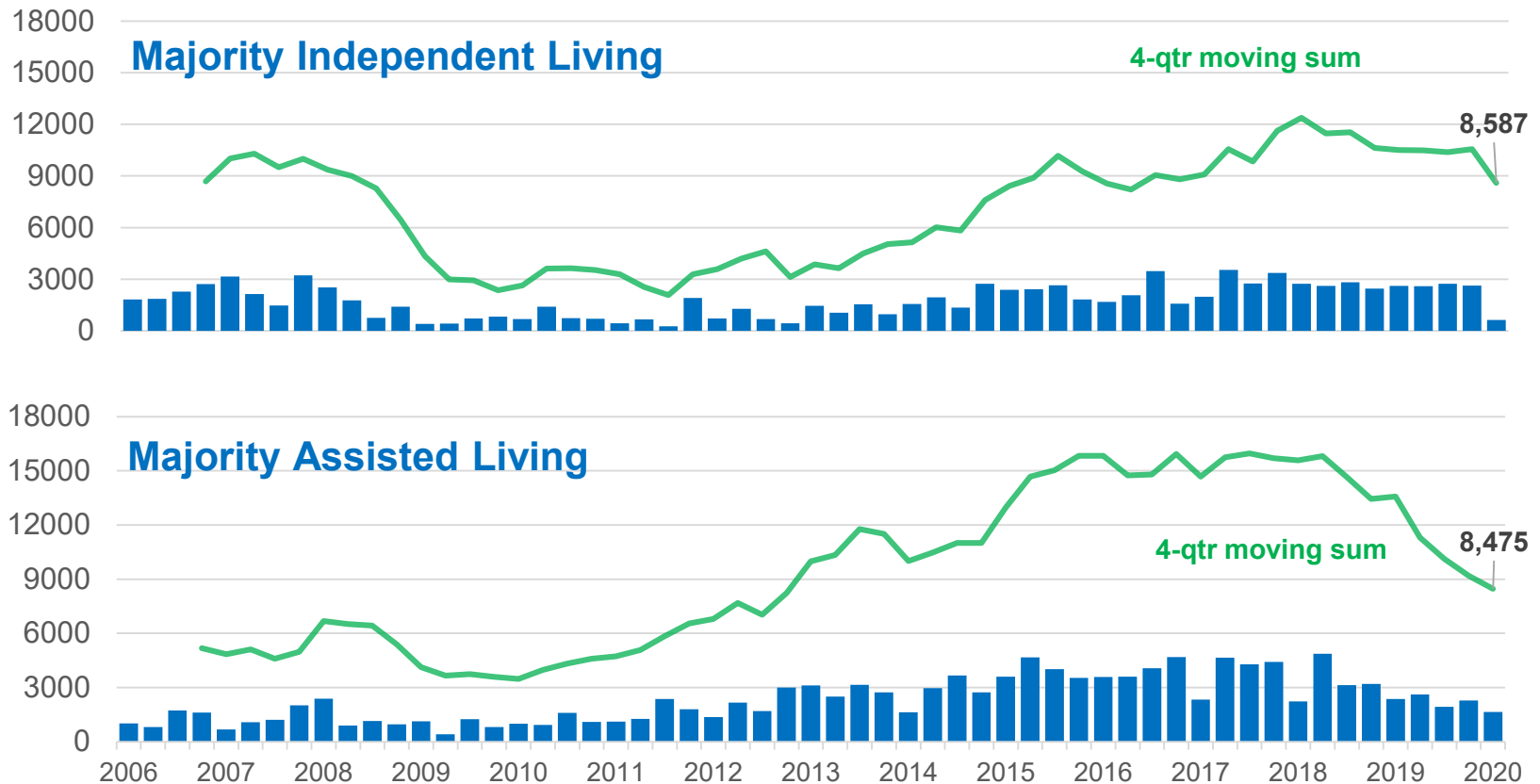


Source: NIC MAP® Data Service

Construction Starts Continued to Slow for Assisted Living

Seniors Housing Construction Starts (Units)

Primary Markets | 1Q06 – 1Q20



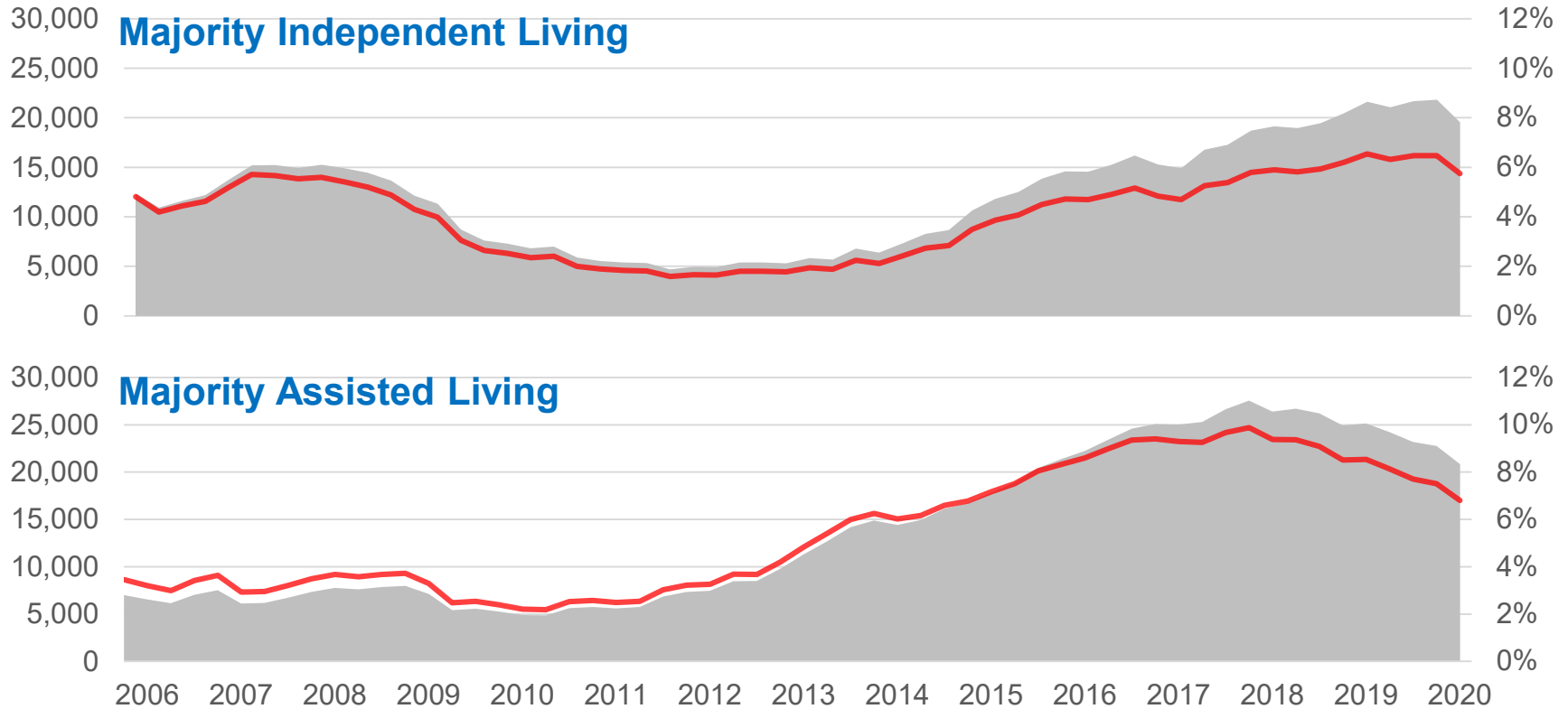
Source: NIC MAP® Data Service

Assisted Living Units Under Construction Declining

Spaces Under Construction and Construction as Percent of Inventory

Primary Markets | 4Q05 – 1Q20

■ Spaces Under Construction (L)
— Construction as % of Inventory (R)

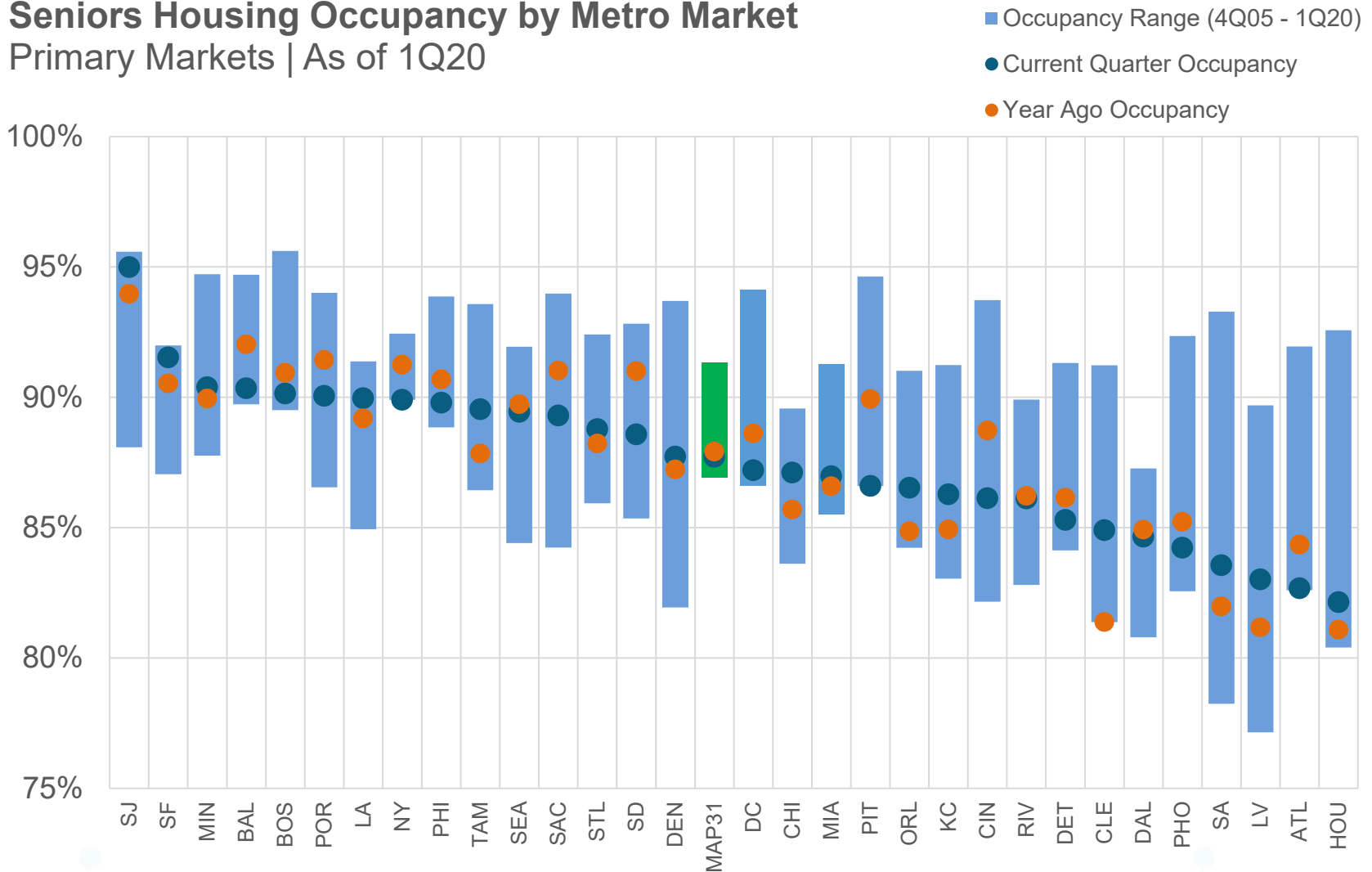


Source: NIC MAP® Data Service

Seniors Housing Occupancy Y/Y: 15 Markets Up, 15 Down

Seniors Housing Occupancy by Metro Market

Primary Markets | As of 1Q20

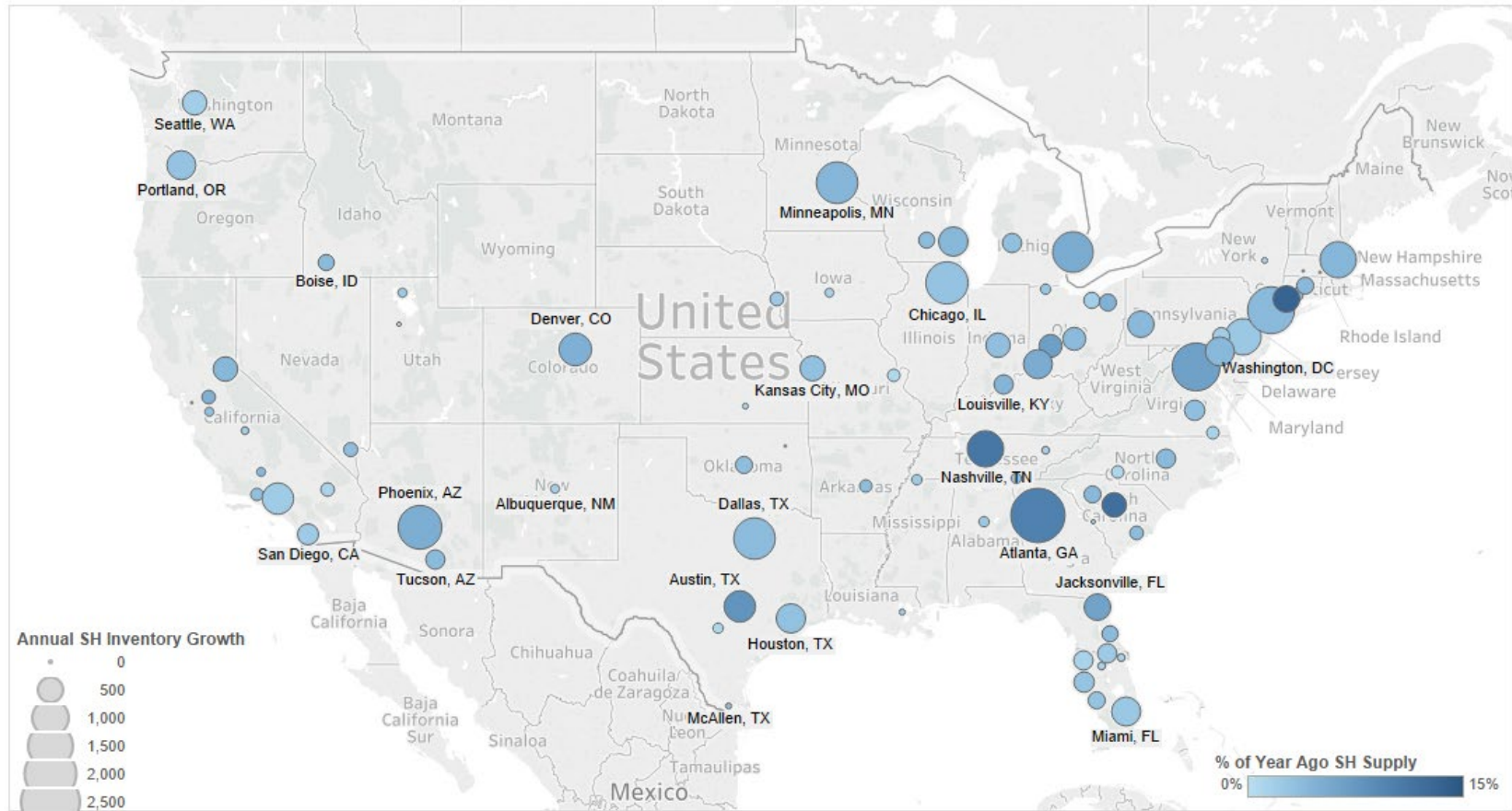


Source: NIC MAP® Data Service

Where Did Inventory Growth Occur Since 1Q 2019?

Seniors Housing Annual Inventory Growth

Primary & Secondary Markets | 1Q19 – 1Q20

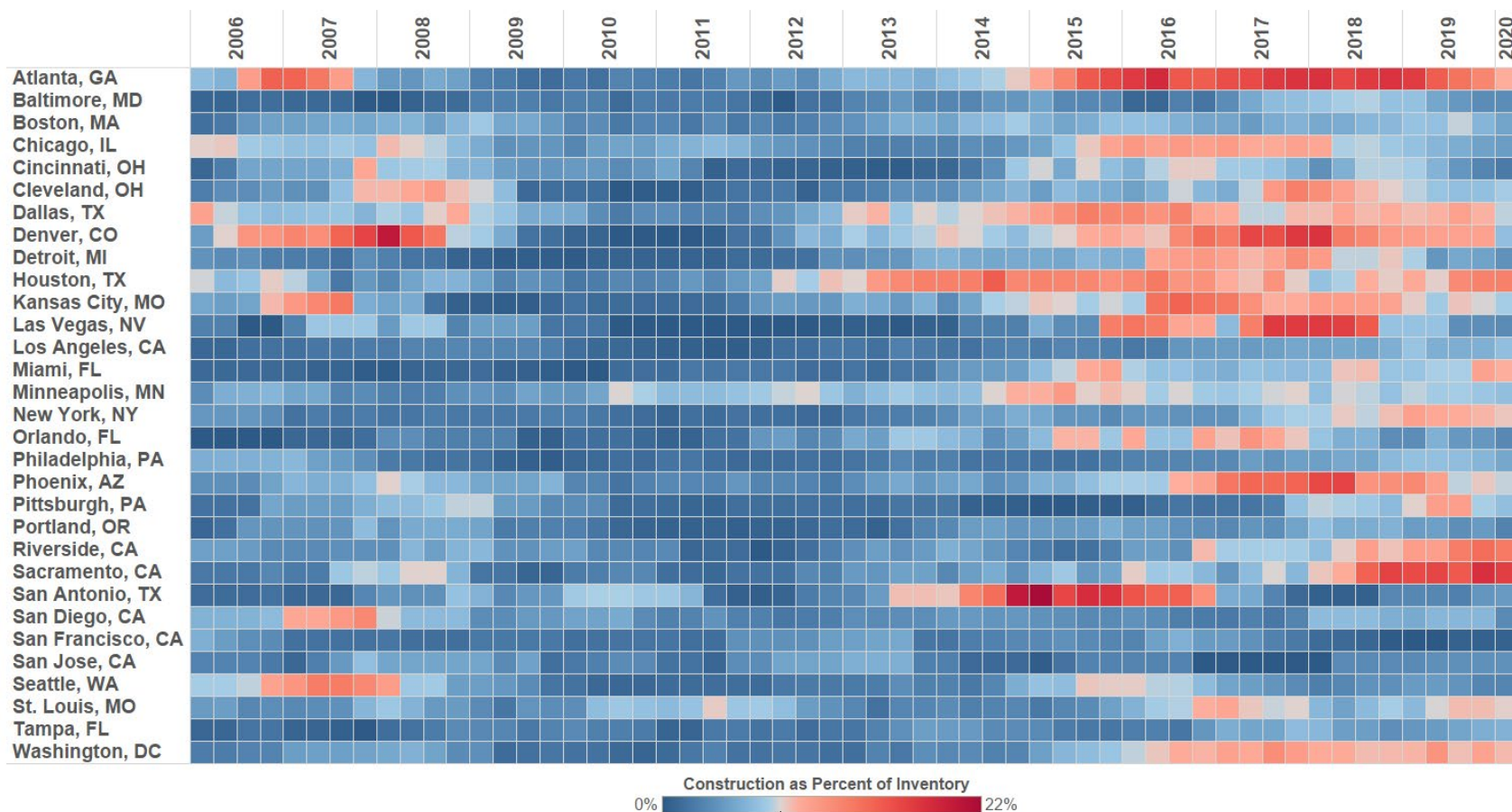


Source: NIC MAP® Data Service

Distinct Construction Cycles by Market

Seniors Housing Construction as Percent of Inventory

Primary Markets | 1Q06 – 1Q20

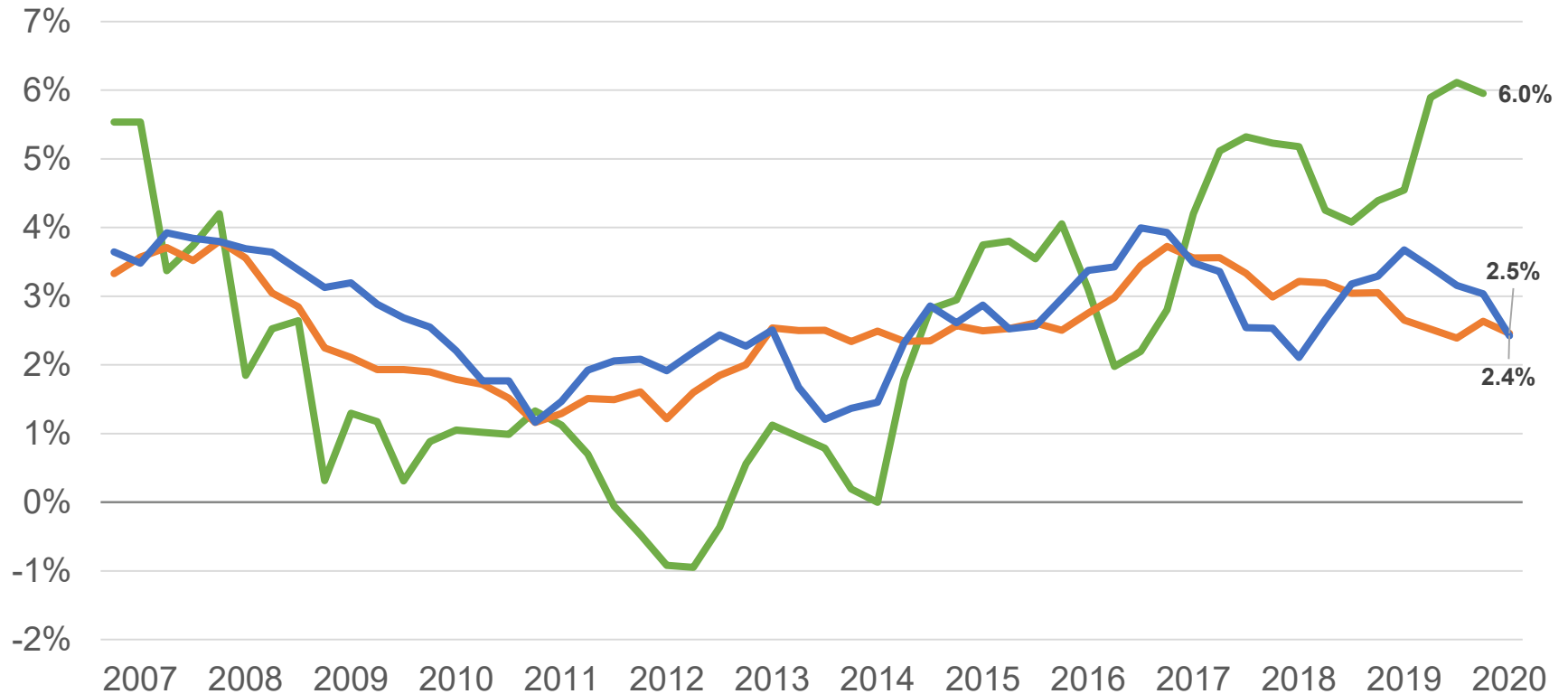


Source: NIC MAP® Data Service

Wage Growth Outpaced Rent Growth

Annual Asking Rent Growth / Avg. Hourly Earnings* Primary Markets | 4Q06 – 1Q20

- Assisted Living Employees
- Asking Rent - Assisted Living
- Asking Rent - Independent Living

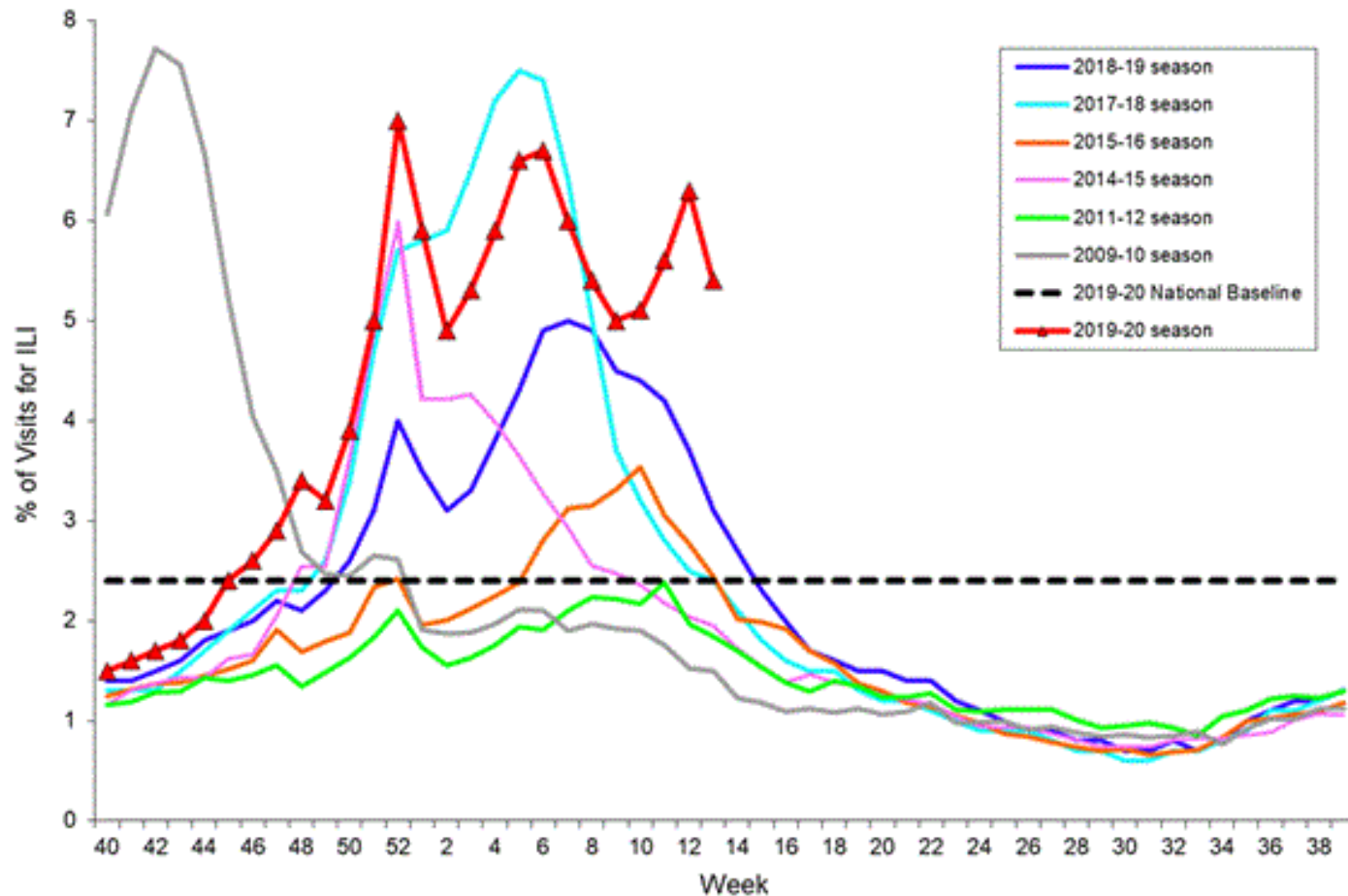


*Wage data as of 4Q19

Source: NIC MAP® Data Service, U.S. Bureau of Labor Statistics

Early and Widespread Flu Season This Year

Percentage of Visits for Influenza-like Illness (ILI) Reported by the U.S. Outpatient Influenza-like Illness Surveillance Network (ILINet), Weekly National Summary, 2019-2020 and Selected Previous Seasons



Source: Center for Disease Control (CDC)

Key Takeaways from Leadership Huddle #1



COVID-19, Financial Market Uncertainty, and the Impact on Seniors Housing & Skilled Nursing

- Transparency is key
- Financial partners are laser-focused on supporting their client/customer relationships and their respective portfolios
- Unlike the hospitality industry, the seniors housing and care industry is still operating and is open for business.
- Seniors housing and care has a foundation underneath it that a lot of other property types in real estate don't have. And that is access to Fannie Mae, Freddie Mac, and HUD lending sources.
- There is capital out there, albeit a more limited supply and priced at rates that are not nearly as aggressive as six months ago.
- The GSEs are offering forbearance programs to help borrowers manage through these difficult times.

Key Takeaways from Leadership Huddle #2



The Intersection of Operators and the Financial Community in a COVID-19 Environment

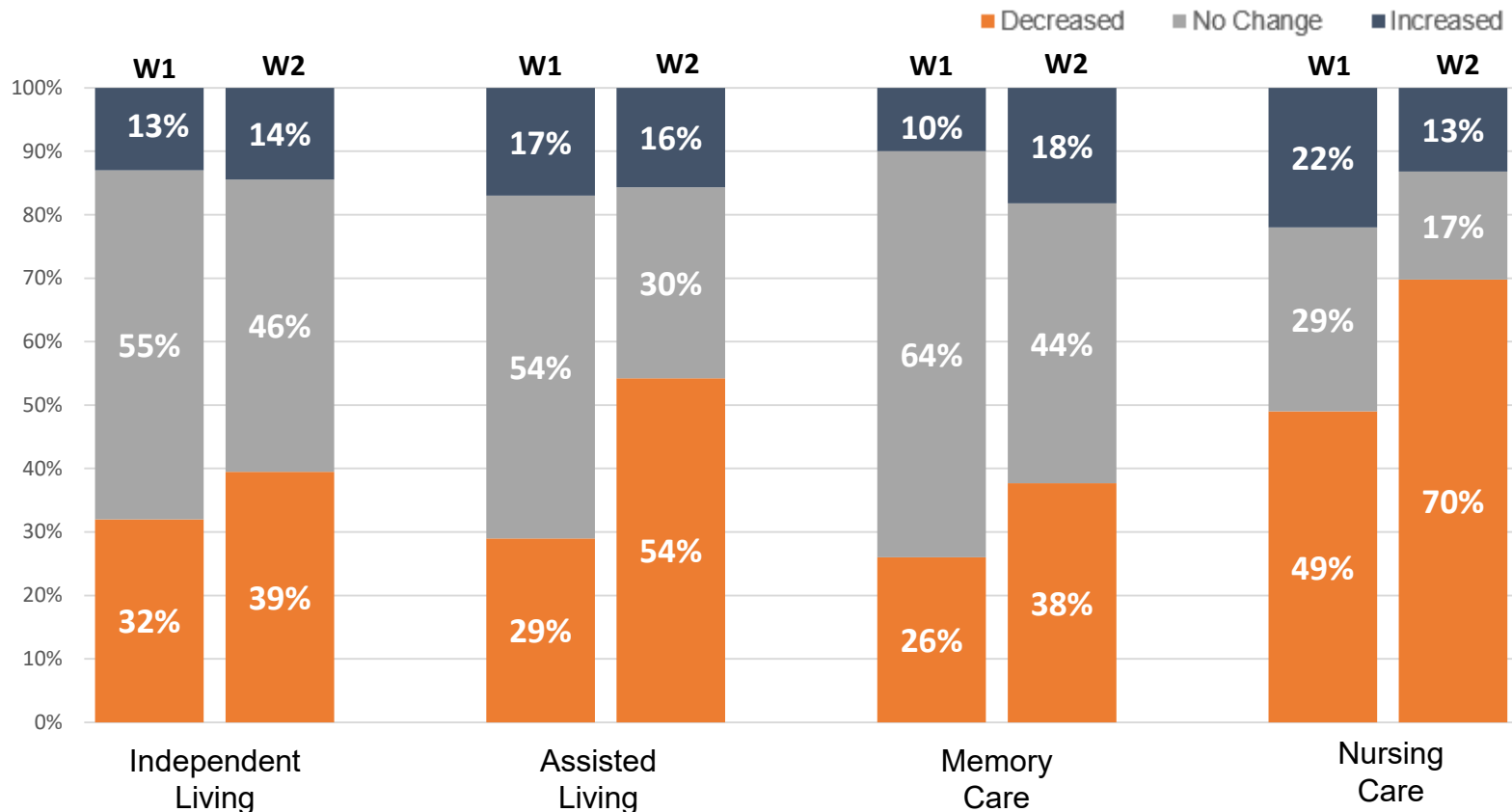
- Alignment of interest and agreement among operators and capital providers that safety and health of residents and staff are top priorities
- Operator protocols and best practices to protect residents are top priority.
- Capital providers are working hand-in-hand with operators to secure personal protection equipment (PPE).
- “We’re in this together” -- Cooperation among industry leaders, operators who may be competitors to each other and capital providers—sharing suppliers, strategies and tactics on labor
- Development activity will decline in near term
- Short-term financial impacts, less so in long-term

Visit nic.org/nic-covid-19-resource-center to learn more.

Executive Survey: Occupancy Increasingly Lower



NIC Executive Survey – Change in Occupancy by Care Segment Current vs. One Month Prior | Wave 1 and Wave 2



Wave 1 Data Collection: 3/24/20 – 3/31/20; Approximate Respondents: 180

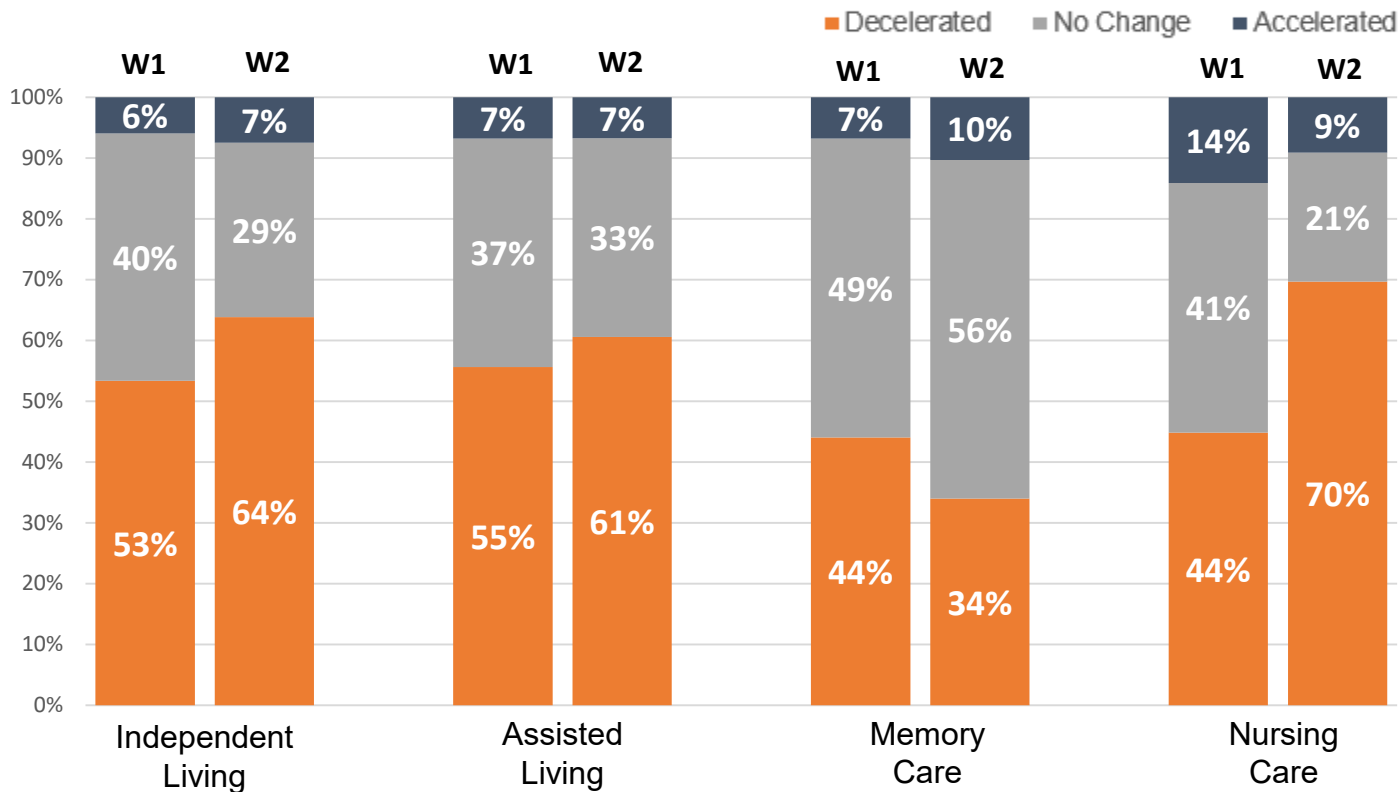
Wave 2 Data Collection: 4/1/20 – 4/12/20; Approximate Respondents: 150

Source: NIC Executive Survey

Executive Survey: Pace of Move-Ins Generally Decelerating



NIC Executive Insights – Pace of Move-Ins by Care Segment Current vs. One Month Prior | Wave 1 and Wave 2



To learn more about NIC's Executive Survey, or to take it, please visit:

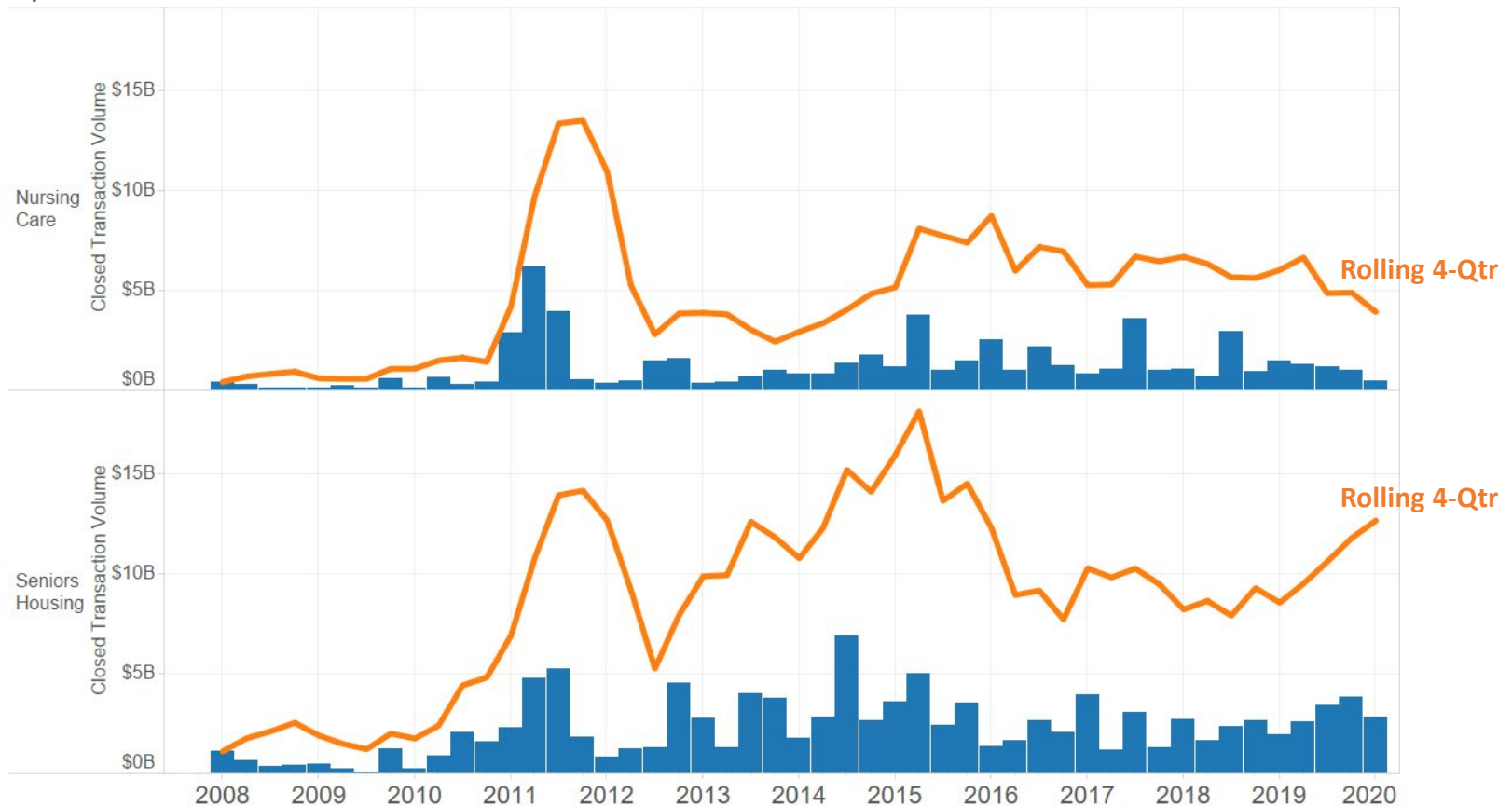
nic.org/executive-survey

Source: NIC Executive Survey

Preliminary Closed Seniors Housing & Care Dollar Volume: \$3.3Bn for 1Q 2020

Seniors Housing & Care Transactions Volume¹

U.S. | 1Q08 – 1Q20

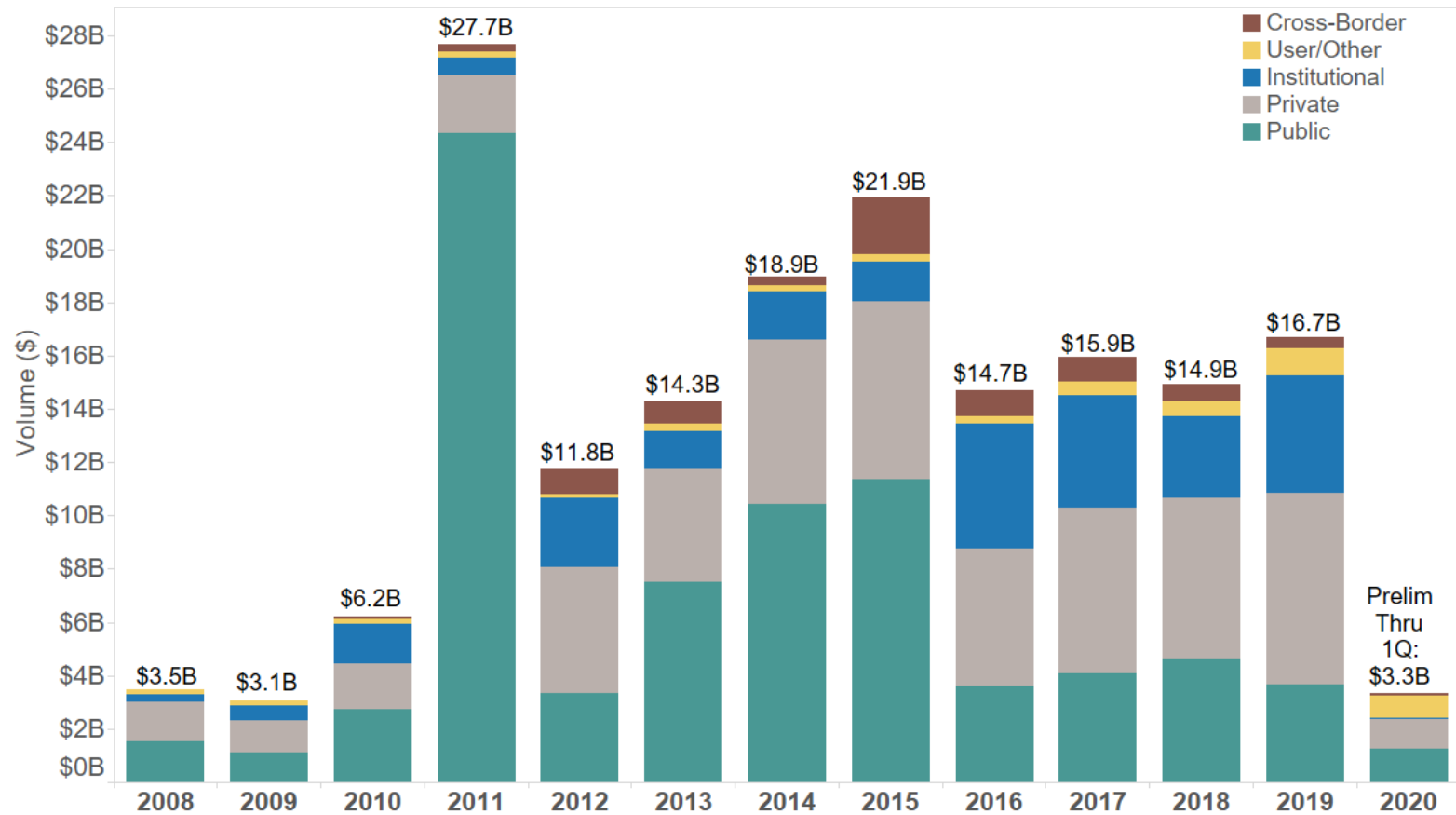


1. Preliminary Data as of 4/7/2020

Source: NIC MAP® Data Service, Real Capital Analytics

Private and Public Buyers Active in 1Q 2020

Closed Transactions Seniors Housing & Care Volume by Buyer Type¹ U.S. | 1Q08 – 1Q20

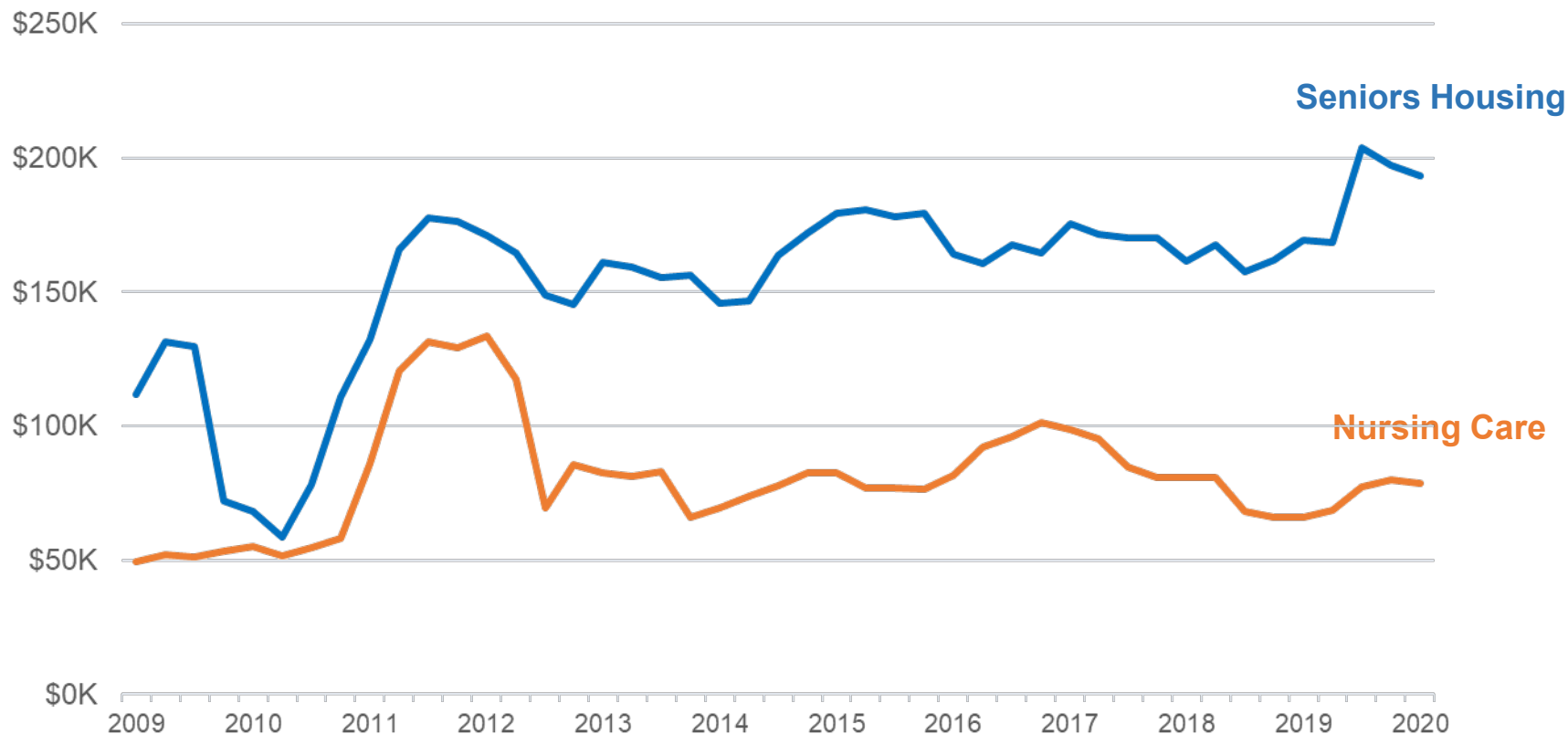


1. Preliminary Data as of 4/7/2020

Source: NIC MAP® Data Service, Real Capital Analytics

Seniors Housing Pricing Off Recent High

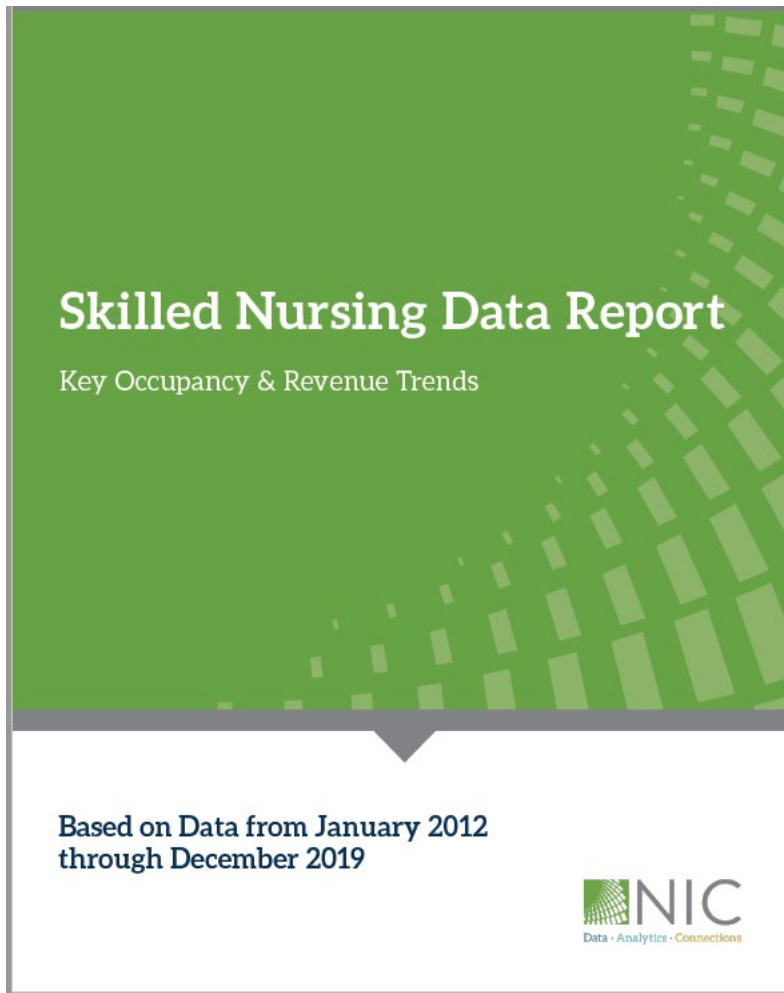
Seniors Housing & Care Transactions Rolling 4-Quarter Price Per Unit¹ U.S. | 1Q09 – 1Q20



1. Preliminary Data as of 4/7/2020

Source: NIC MAP® Data Service, Real Capital Analytics

Key Points on Skilled Nursing Data Trends in 4Q 2019



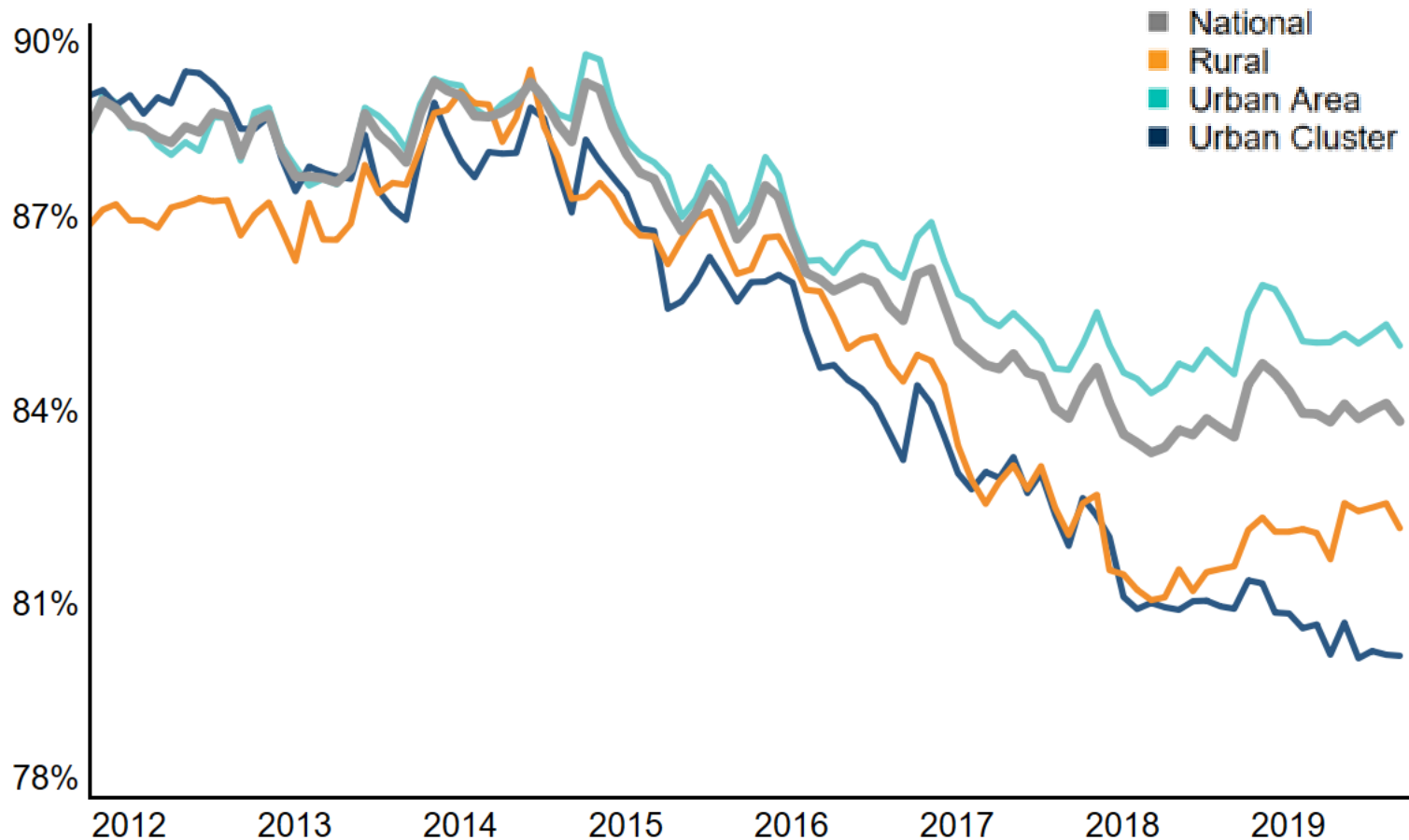
1. The occupancy rate continued to stabilize as the year closed out in 2019.
2. Skilled mix increased 41 basis points to 25.0% from the prior quarter.
3. Medicare revenue per patient day (RPPD) increased by 4.6%, ending the year at \$544.
4. Medicare revenue mix increased 74 basis points from the third quarter of 2019 to end the year at 21.5%.

Accessible through the Reports page in the NIC MAP® Client Portal

Source: NIC Skilled Nursing Data Initiative

Occupancy Stable in 4Q 2019

Occupancy | Urban and Rural Trends January 2012 – December 2019

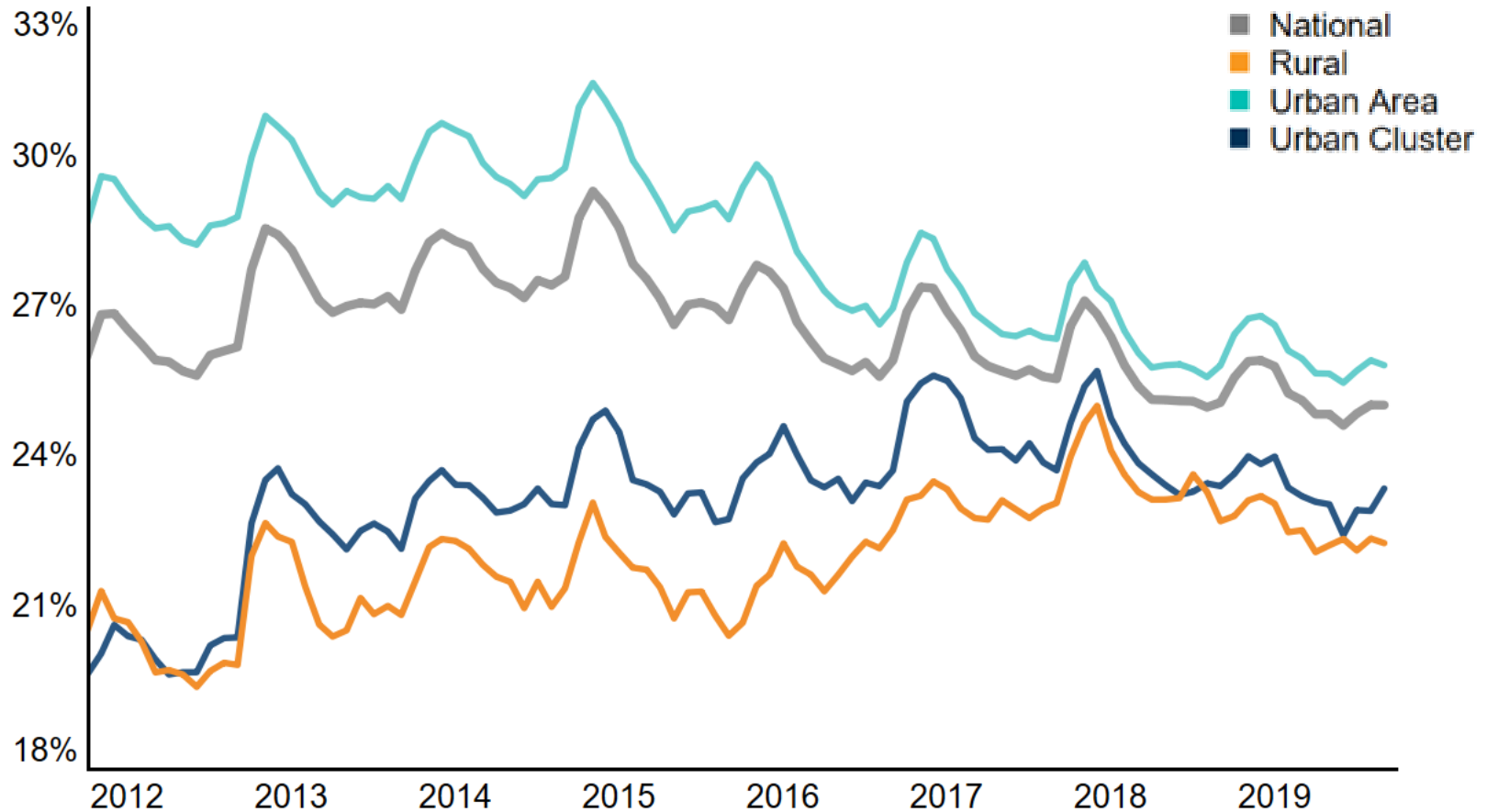


Source: NIC Skilled Nursing Data Initiative

Skilled Mix Increased in 4Q 2019

Skilled Mix | Urban and Rural Trends

January 2012 – December 2019

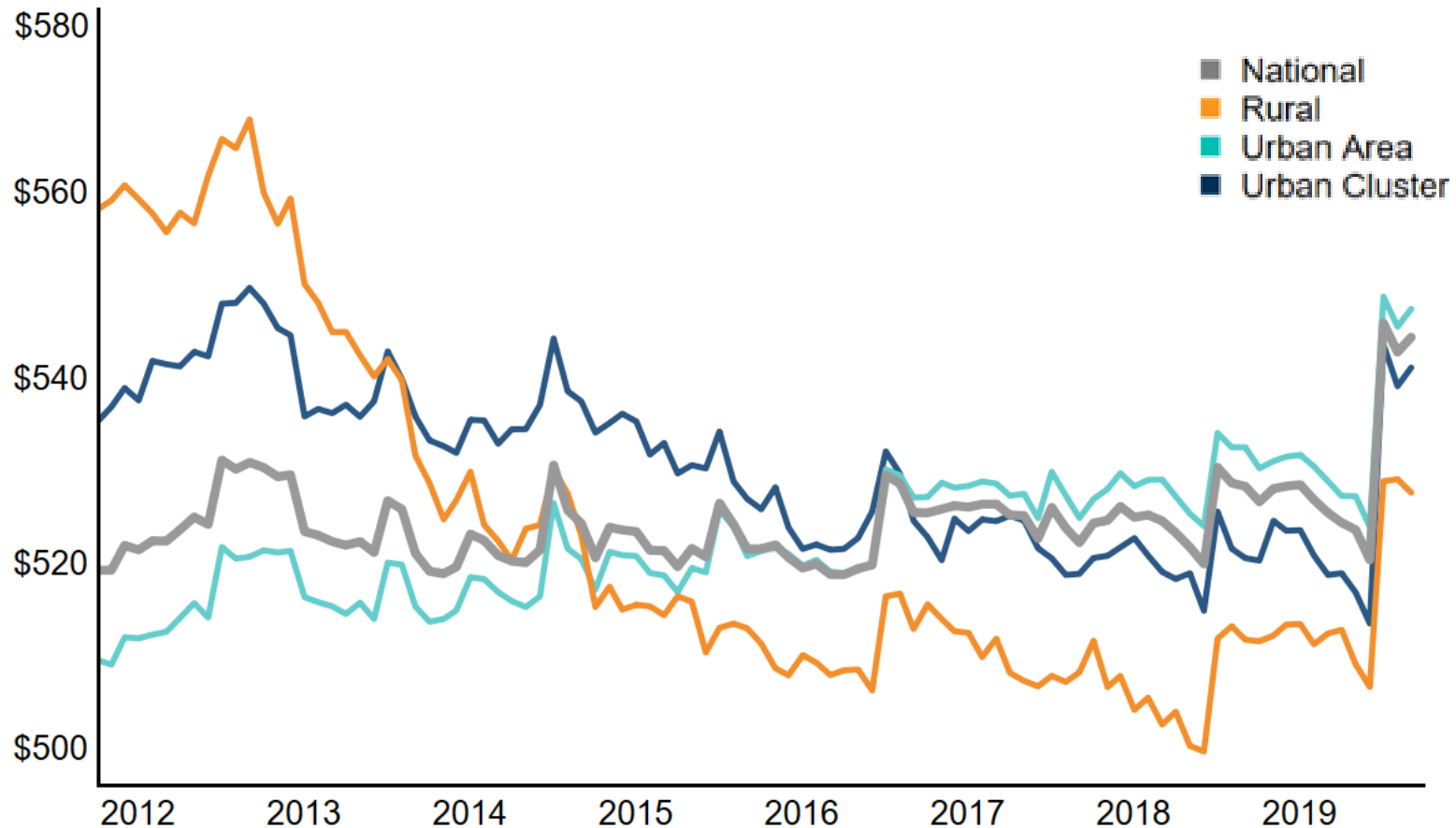


Source: NIC Skilled Nursing Data Initiative

Medicare RPPD Increased 4.6% Quarter Over Quarter

Medicare RPPD | Urban and Rural Trends

January 2012 – December 2019

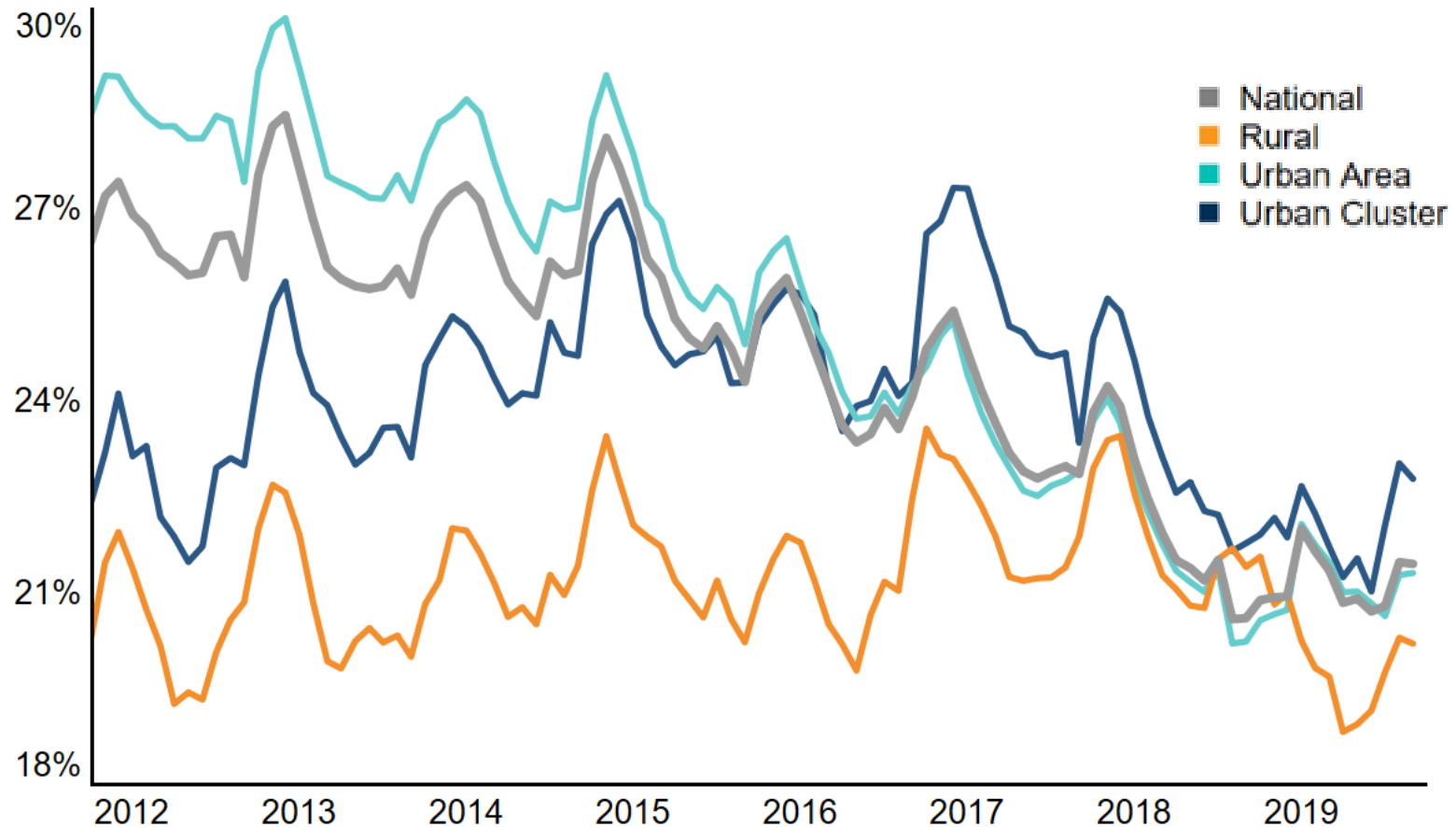


Source: NIC Skilled Nursing Data Initiative

Revenue Mix Up Quarter Over Quarter

Medicare Revenue Mix | Urban and Rural Trends

January 2012 – December 2019



Source: NIC Skilled Nursing Data Initiative

Q & A



During these unprecedented times, our deepest concerns go out to those directly impacted by the COVID-19 pandemic and those on the frontline keeping residents of seniors housing and skilled nursing communities safe.

NIC is responding by doing what we do best – delivering data, analytics, and connections – to continue to provide transparency to the sector.





COVID-19 Resource Center

- Select NIC MAP[®] Data Delivered Monthly
- Leadership Huddle Webinar Series
- Executive Survey Insights
- Leadership braindate[™]
- NIC COVID-19 Content
 - Blog posts, newsletters, articles and more

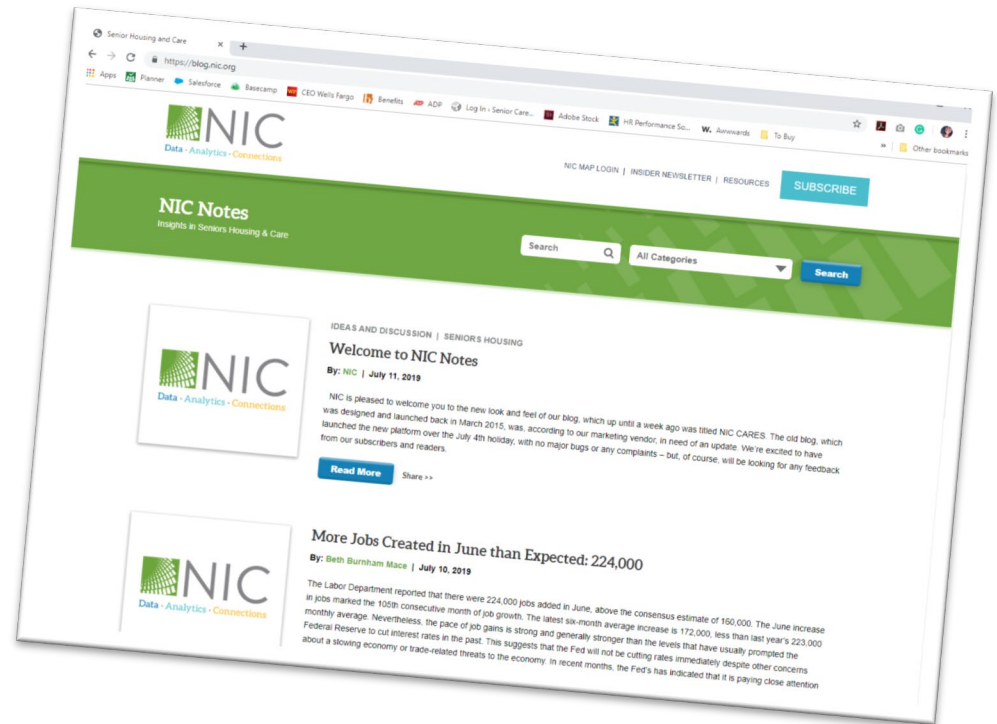
Visit nic.org/nic-covid-19-resource-center to learn more

NIC Notes

Insights in Seniors Housing & Care

Blog Article Categories:

- Seniors Housing
- Skilled Nursing
- Ideas and Discussion
- Market Trends
- CCRC
- Economic Trends
- Regulatory Environment
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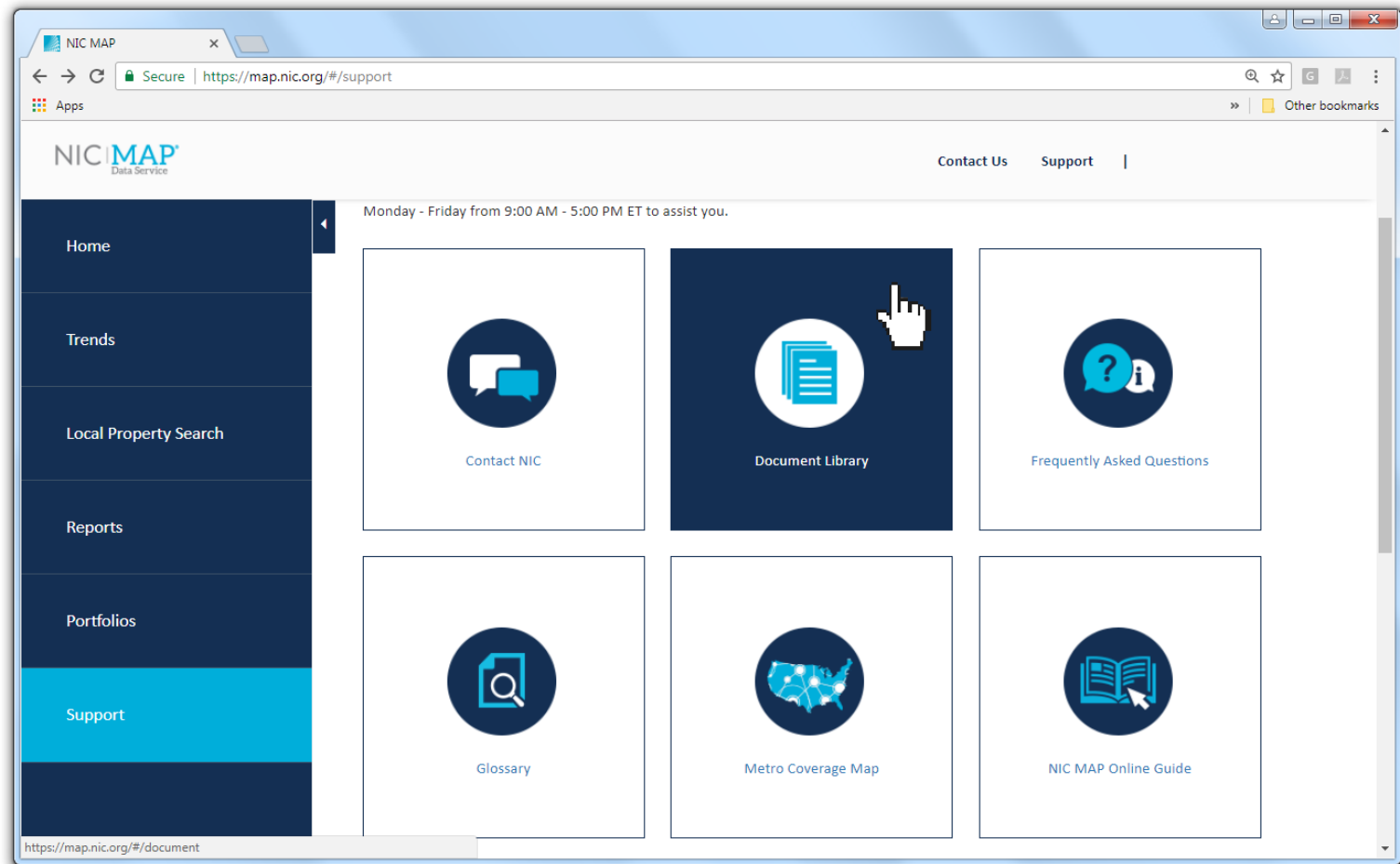
Conference Recap

Investors, operators, owners, and developers, as well as a growing number of current and potential healthcare partners, heard:

- The latest thinking on where the seniors housing and care sector is heading.
- How challenges of a changing landscape can create new opportunities.
- Why collaborative relationships are critical to success as our sector adapts to policy and demographic shifts.
- There's no better place to start building the partnerships that will address the needs of residents in a value-based world.

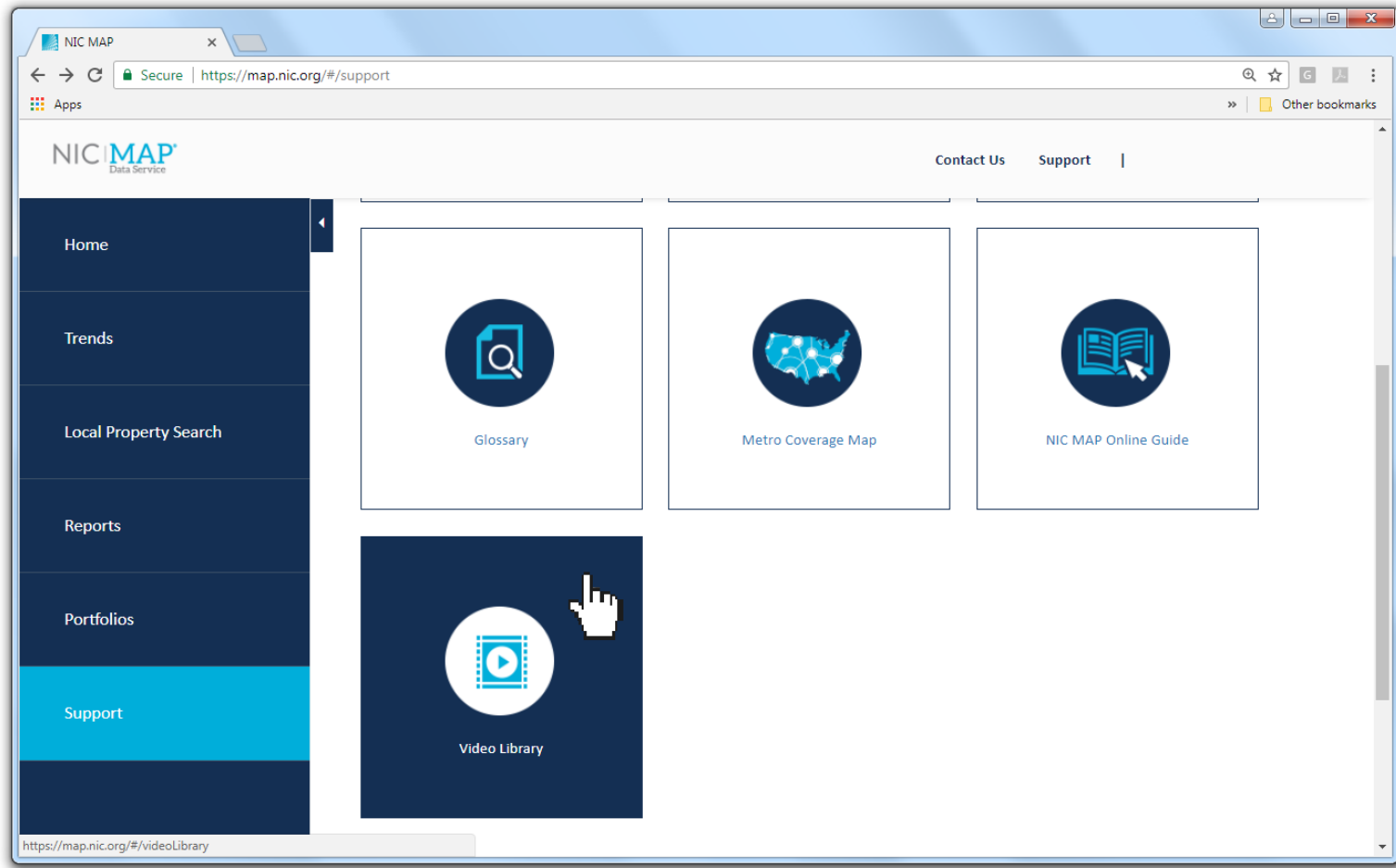
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Data Release Webinar Recording will be available in the Video Library.



Mark Your Calendars:
2Q20 Data Release
July 9, 2020



2Q20 Webinar & Discussion
July 16, 2020

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