



Dear ASHA Member,

Before the COVID-19 pandemic hit, and closed huge swaths of the nation's economy, the seniors housing and care industry was close to a valuation peak, if not already there. Occupancy was improving across the seniors housing sectors, development had slowed to near sustainable levels in many markets, and a faith that demographics could make nearly any community successful in the coming decade caused per-unit/bed prices to soar. Most believed that the market would continue to rise relatively unabated for years.

We covered the state of the 2019 seniors housing and care M&A market in the 25th Edition of *The Senior Care Acquisition Report*, which was published in March 2020. With statistics compiled from a proprietary M&A database that includes both publicly announced transactions and deals privately disclosed to us, the comprehensive Report breaks down and analyzes the assisted living, independent living, skilled nursing and CCRC markets, including historical trends of pricing statistics and financial indicators such as:

- Per-unit/bed prices
- Cap rates
- Operating margins and NOI per unit/bed
- State-by-state figures
- Details on all 450 publicly announced transactions in 2019
- Directories of all senior care lenders, brokers, operators, REITs and PE firms

As an addendum to the *Report*, we have updated several statistics using data from the last four quarters and included them on the following page, providing the true last snapshot of the seniors housing and care M&A market at its peak. Only by knowing these acquisition market indicators will we truly understand exactly how COVID-19 is going to impact operations and values of senior care properties.

This preview is provided to members of the American Seniors Housing Association. For report information, visit <http://www.seniorcareinvestor.com/scar2020>.

Sincerely,

Stephen M. Monroe
Managing Editor

Ben Swett
Editor





ACQUISITION MARKET INDICATORS

ASSISTED LIVING, INDEPENDENT LIVING & SKILLED NURSING

The seniors housing and care M&A market was at a near-peak into the first quarter of 2020, according to statistics from the previous four quarters. The **assisted living** market rose 3% in price as a result of a higher quality community being sold, on average, and improving operating metrics across the sector stemming from slowing development. **Independent living** values remained consistent, with the sector largely avoiding the issues of overbuilding and labor scarcity. The average cap rates for the seniors housing sectors both rose incrementally, which we expect to continue even more drastically in the next several quarters. **Skilled nursing** values were virtually identical compared with 2019, as the market grew quiet after PDPM, although high acuity facilities with good Medicare census remained the favorite acquisition target, keeping the average price high.

	U 3 , 20 (12 months Ending)*		201 (Calendar Year)	
	AVERAGE PRICE PER UNIT	CAPITALIZATION RATE	AVERAGE PRICE PER UNIT	CAPITALIZATION RATE
ASSISTED LIVING	\$255,800	7.7%	\$248,400	7.6%
INDEPENDENT LIVING	\$232,300	6.9%	\$233,600	6.7%
SKILLED NURSING**	\$92,800	12.1%	\$93,000	12.2%

*Based upon rolling 12 month average **Beds
Source: The Senior Care Acquisition Report, 25th Edition

The prices per unit and capitalization rates are based upon historical data or rolling twelve months of available data from public and privately announced transactions.



The *Senior Care Acquisition Report* is published by Irving Levin Associates, Inc. with headquarters in Norwalk, CT. Established in 1948, this privately held corporation publishes research reports and newsletters, and maintains merger and acquisition databases, on the health care and senior housing markets. Learn more about our publications and memberships at www.levinassociates.com.



The Senior Care
Acquisition Report

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