



American Seniors
Housing Association

Argentum

LeadingAge

National Center
for Assisted Living

National Investment Center
for Seniors Housing & Care

THE STATE OF
Seniors Housing

2019

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American Seniors Housing Association

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Housing Association

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for Assisted Living

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for Seniors Housing & Care

THE STATE OF *Seniors Housing*

2019

Artwork for **The State of Seniors Housing 2019**
has been created by seniors housing residents.

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COVER ART:

SARAH GUERRERO

THE WATERMARK AT BEVERLY HILLS
HONG KONG BY NIGHT

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ELLYN CHAFETZ
SINAI RESIDENCE BOCA RATON
DAY DREAMS

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ED GREY
LEGACY AT ERIE STATION
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Introduction

The American Seniors Housing Association (ASHA), Argentum, LeadingAge, National Center for Assisted Living (NCAL) and National Investment Center for Seniors Housing & Care (NIC) are pleased to announce that this year's **The State of Seniors Housing** report reflects a sample of nearly 1,800 properties — one of the largest response sets for which we have ever collected data.

While we realize we must continue our efforts to seek participation from **all** industry operators, we have made significant progress improving the quality of the dataset by providing large operators the option of free data-mapping assistance so that most financial data can be submitted in formats they already use, and by upgrading our Excel-based survey design.

FALL 2019

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ASHA, Argentum, LeadingAge, NCAL, and NIC wish to thank the many companies who recognize the value and importance of participating in this data collection process. We also thank members of our State of Seniors Housing Task Force and others who continue to help improve the quality of this research. We remain committed to making this annual collaborative report as useful and timely as possible and welcome readers' feedback.

Our sincere thanks and appreciation to all who continue to support **The State of Seniors Housing** and share our collective goal of providing America's seniors with the highest quality housing and services.



FRED SAUNDERS

CYPRESS GLEN

TRAIN



EXECUTIVE

Summary

The State of Seniors Housing 2019 summarizes data collected from almost 1,800 seniors housing properties, together comprising almost one-quarter million units (or beds, in cases where a unit is occupied by more than one resident and the residents are unrelated). This represents approximately one in six professionally-managed seniors housing and care properties in the U.S. and one or more in every seven professionally-managed seniors housing and care units. The survey data, collected in 2019, describe performance results for the year ending December 31, 2018.

Surveys were received from a wide range of respondents and from regions and states in close proportion to the nation's regional and state populations as well as in close proportion to the number of seniors aged 65 and over and 85 and older. This suggests that the results are representative of "the state of seniors housing" across the U.S.:

- Most states in the United States (45 plus Washington, DC); states without representation were Alaska, Hawaii, Wyoming, North Dakota, and Arkansas. (in aggregate, less than 3% of U.S. seniors age 85+)
- Properties in hundreds of U.S. cities and towns
- Properties ranging from small (25 units or so; fewer than a dozen employees; and less than \$500,000 in total annual revenue) to large (more than 1,000 units; hundreds of employees; more than \$100 million annual revenue)



DOLORES COLE

THE WATERMARK AT ROSEWOOD GARDENS
ROSES





WILLIAM BLUMENSTEIN
THE FOUNTAINS AT LAKE POINTE WOODS
QUIET WATERS

WHAT TYPES OF PROPERTIES AND UNITS? WHERE FROM?

Of the 1,790 properties, more than one-third (41%) predominantly offer units for independent living:

- Freestanding independent living communities represent 8%, while independent communities with a smaller number of assisted living beds comprise 7%
- Independent living communities with both assisted living and memory care beds outnumber IL/AL communities by 2:1 and comprise more than 15% of the properties
- CCRCs, most of which contain predominantly independent living units with a smaller number of nursing care beds, comprise 9% of the properties
- No active adult apartments participated in this year's survey

Properties consisting predominantly of assisted living and/or memory care beds comprise more than one-half (59%) of the properties:

- Freestanding assisted living communities represent almost 25%
- Freestanding memory care communities are just over 5%
- But communities with both assisted living and memory care beds outnumber each of these freestanding types, and comprise more than 25%

Of the more than 230,000 units (or beds) contained in the properties, almost two-thirds are in predominantly independent living properties:

- About 8% of the units are found in freestanding independent living properties with another 8% of the total number of units/beds in independent living properties that have a smaller number of assisted living beds
- Close to 20% of the units/beds are in independent living properties that have both assisted living and memory care
- More than one-quarter (28%) of the units are in CCRCs, which comprise fewer than 10% of the properties, but CCRCs typically have much larger capacities

Properties consisting predominantly of assisted living and/or memory care beds account for just over one-third of the total units/beds, because these kinds of properties typically contain fewer units or beds each than independent living properties:

- Freestanding assisted living properties comprise just over 10% of the units/beds
- Assisted living properties which also contain memory care beds comprise almost 20% of the total units/beds
- Freestanding memory care properties accounted for a far smaller proportion of the total units/beds — only 2% despite accounting for more than twice that proportion of properties

California accounts for the largest proportion of the property responses (12.7%) and of the total units/beds at 13.5%. Texas accounts for the next largest: 8.3% of the properties and 7.8% of the beds, along with Florida (7.2% of the units and 9.2% of the beds). These proportions mirror to a close degree the proportion for each of those states of the entire U.S. population as well as the proportion of its seniors age 65+ and seniors age 85+ living in these states. More details about the types of properties and units, and their geographic distributions, are found in **Chapters 1 and 2** of this report.

PROPERTY SIZE

The average CCRC in the response set was more than twice the size (300 to 400 units/beds; between 300,000 and 350,000 square feet of gross building area, and almost 35 acres of building and grounds) of the average independent living community (about 130 units, about 130,000 square feet, about seven acres). In turn, the average IL property was about twice the size of the average AL property (about 50 to 60 beds, 60,000 square feet, three

to four acres). Freestanding memory care properties were smaller yet: about 55 beds, 35,000 square feet, three to four acres.

Even the allocation of space within buildings reflect different uses: assisted living properties allocate more space proportionally to common areas (more than 40%; closer to 50% if memory care is offered) than do property types containing predominantly independent living (closer to 30% common area). This is likely because more of the resident service functions for assisted living and memory care, such as aid with eating and bathing, take place outside of residents' rooms.

That "form follows function" principle is also reflected in typical unit sizes (600 to 750 square feet in independent living and CCRCs; considerably less than that for assisted living; less still for memory care) and in typical unit mixes (split evenly between one-bedroom and two-bedrooms for independent living; split evenly between studios and one-bedrooms in AL; overwhelmingly studios in memory care). More details about property and unit size, and about unit mix, are found in **Chapter 3**.

AGE OF PROPERTIES

Properties open less than two years by the end of 2018 were excluded from the sample analyzed in this report, because most of those properties would not yet have reached operating or financial stabilization.

The exclusion of properties opened within the most recent two years makes the survey's response set a bit older, in aggregate, than the universe of U.S. properties.

For most of the community types responding, the "median" property was approximately 20 years old. CCRCs, on average, skewed considerably older: one quarter averaged 54 years old; at the mid-range, the typical CCRC was 25 years old, built before the mid-1990s. [Throughout this report, we calculate the value of the median not as the value at the one property in the middle of properties whose values are arranged from lowest to highest, but rather as the average of values at the properties from the 40th to the 60th percentile. By doing so, the "median" we report is broader, more stable, and more typically represents the central cluster,

or “middle of the pack” of a set of data than at the one particular property in the middle, whose value might be idiosyncratic. This calculation is like taking the average of the set, but without undue influence from extreme high or low values.]

On the other hand, there are many newer properties — even CCRCs — in the competitive set available to prospective residents: overall, almost half of the quarter-million-odd units in our response set were in properties that had opened since 2000. Details are in **Chapter 4**.

PROPERTY OWNERSHIP AND MANAGEMENT

In this year's results, the majority of properties (95%) and units (80%) — excluding CCRCs — are owned by for-profit entities. Half the CCRC properties and more than two-thirds of the CCRC units are owned by not-for-profits. Among the for-profits, private for-profit ownership is twice as prevalent as for-profit entities being publicly-held.



DOROTHY HOLT
 PLANTATION VILLAGE
 DAY OF THE DINOSAUR



SARA SPROULS
THE KENSINGTON SIERRA MADRE
BREATHE

Of the for-profit units, only about one-quarter of the units are in properties self-managed by the ownership entity. Another quarter are managed by an affiliate of the owner, and more than half are managed by an unrelated third-party. Among the units in not-for-profit properties (of which virtually all in this year's survey are found within CCRCs), almost two-thirds are in properties that are third-party managed.

Over 80% of the survey respondents indicated that their property's manager operates more than 25 properties. Multi-community operators with 11-to-25 properties as a group comprise only about 12% of the responses, while operations with 10 or fewer properties, or single asset operators, were less frequent still. This result, however, could indicate response bias (that is, small and single-asset operators less likely to receive the survey or to respond, no matter what their proportion nationally).

*More detail about property management and ownership is found in **Chapter 5**.*

PAYMENT PLANS AND BASE FEES

Rental payment plans dominate: all or virtually all units/beds are rental at 97% to 100% of the properties in all property types except CCRCs. In CCRCs, that's only true for one-third of the properties; another one in five CCRCs contain a blend of rentals as well as units that require an entry fee of \$20,000 or more, and less than half of the CCRC properties required entry fees with no opportunity for rental plans.

Average monthly base fees per unit or per bed were almost always higher in the Northeast and West regions than in the other regions, and often by considerable amounts — 10% or higher. CCRC base fees are in many cases lower than fees in other properties with predominantly independent living units — likely because monthly CCRC base fees are in addition to entry fees in almost half the CCRC properties.

*More detail about payment plans and fee structures are found in **Chapter 6**.*

OCCUPANCY RATES

In this year's results, CCRCs posted overall occupancy rates between 90% and 91%, which is above other community types. Overall, the calculated "median" occupancy rates for stabilized properties centered at 89–90% and the "weighted average" occupancy rates (meaning, larger properties counted more heavily) calculated at about 100 basis points lower, 88–89%. Our results imply that many properties are maintaining occupancy above 88% to 90%, but that the under-performers are well below that, and so are dragging average occupancy rates down.

There is some evidence that larger properties are comparatively less well-occupied than smaller properties. Further, the data suggests that non-profit communities are better occupied than for-profit communities which could reflect most non-profits are CCRCs. CCRC communities had the highest occupancy rates. Among the for-profits, the publicly-owned companies operated slightly better-occupied than the privately-owned. This was

especially true for memory care. Overall, independent living units were highest-occupied, and as acuity levels increased, occupancy rates uniformly decreased.

More details about occupancy rates are found in **Chapter 7**.

RESIDENT TURNOVER

Annual turnover rates are calculated as the number of move-outs for each property during the year, divided by the average number of units or beds occupied during that year. The turnover rate for assisted living properties exceeded 50% (which implies that each bed turns more than once every two years) and even higher for memory care properties (typical freestanding memory care turnover ratios were over 70% annually). All this is not surprising, given the frailty of those residents when they enter.

Turnover was lower for independent living properties (closer to once every three years) and was lower still for CCRCs — excluding the CCRCs' nursing care beds, the independent living units in CCRCs typically turned only once every six years or so. More detail can be found in **Chapter 8**.

FINANCIAL PERFORMANCE RESULTS

Tables in this chapter provide “operating statements” for annual financial performance for the calendar year ending December 2018. The calculated values are derived by first ranking the various properties by Total Revenue per Occupied Unit (or bed) — including acuity-based care fees, if any, and including other revenues like net cash entry fees — and then determining the average value of properties in each rank (lower decile and quartile, “median” as 40th through 60th percentile, upper quartile and decile) for each line item. We do this as a broader, more representative way to report the value of that line item — more representative of the entire quartile or decile. Doing so allows total revenues, total operating expenses, net operating income and net cash flow to add up (or subtract down) the page representing the “income statement.”

“Median” total revenues per occupied unit increased in general with acuity: were lowest for freestanding independent living properties at approximately \$2,700 up to properties with both assisted living and

memory care at just under \$6,100 per month. However, CCRCs (with revenues from both independent living and nursing care, sometimes other levels of care, too, and often counting net entrance fee revenue) ranked highest, typically over \$6,100 per month.

After operating expenses (both labor and non-labor expenses, and corporate overheads) net operating income was highest at properties that included at least some memory care in the mix: as high as \$20,000 per year per occupied bed. CCRCs ranked in the middle of the pack with just over \$16,000 NOI per occupied unit/bed. Lowest were freestanding independent living, between \$12,000 and \$13,000 annual NOI at the median. Generally, revenues and NOI per occupied unit increases with acuity. However, NOI margins tend to decrease with acuity.

More details about revenue and expense line items, net operating income, and net cash flows are found in **Chapter 9**, and are also by larger vs. smaller properties. Per-resident-day operating metrics by property type conclude this chapter.



DONNA PORTER

THE FOUNTAINS AT LA CHOLLA
ARIZONA CACTUS



DIANA YSRAEL
THE KENSINGTON SIERRA MADRE
THE PURPLE FLOWER

SAME-STORE PERFORMANCE

Year-to-year comparisons between the State of Seniors Housing survey results can be misleading because the composition of the sample is somewhat different each year. Observed changes year-to-year may simply reflect the different sample rather than a true trend. To make more-valid and more reliable year-to-year comparisons, **Chapter 10** presents data from “same-store” properties — properties that do contribute data in successive years, and so allowing comparisons to be made in occupancy, revenues, operating expenses, and net operating income, without distorting real trends because the two sets of results came from different samples.

The analysis from the sample of contributors in this year's survey who also contributed in prior years (about half of the data contributors) shows that:

- Occupancy rates have been mixed — down for many product types due to new product, except for CCRCs where occupancy has grown
- There's been some revenue growth (more for memory care) and so revenue per occupied unit has grown modestly (except for CCRCs, where occupancy has grown at a faster pace than revenues)

- However, operating expenses have increased at twice or more the rate of the revenue increases
- Net operating incomes, NOI per occupied unit, and operating margins decreased this last year in aggregate, but we note that the market is bifurcated with roughly 60% reporting decreases in total dollars and 40% report at least a slight increase

Comparing performance during 2018 to the performance of the same properties who had reported five years earlier (almost 500 of them) shows that:

- NOI has shown more consistent (but nowhere near universal) growth
- but operating margins have not

STAFFING AND LABOR COST

Given the effect labor costs have on margins and profitability, **Chapter 11** provides a more in-depth analysis of staffing intensity and the cost of such staffing. Tables illustrate that more staff are required simply because some product types have more units and residents, but other effects emerge: staff-to-resident ratios go up as higher acuity residents are added. For example, adding higher-acuity residents to a freestanding property normally doubles staff count with few scale economies. And it takes roughly twice the staffing intensity for freestanding assisted

living as for freestanding independent living, and roughly twice the staffing intensity for freestanding memory care than for freestanding assisted living.

Staffing intensity ranges from roundly:

- 0.20 FTEs per resident (that is, about one staff for every five residents) in independent living
- 0.40 FTEs per resident (about two staff per every five residents) in assisted living
- 0.80 FTEs per resident (about four staff per every five residents) in memory care
- CCRCs employ, on average, one dedicated skilled nursing FTE for every skilled nursing resident

Chapter 11 also presents average annual wages (excluding cost of employee benefits and payroll taxes but including an unknown amount of overtime wages) by department at the various property types — ranging from \$30,000 and under for dietary and housekeeping employees to a \$30,000 to \$45,000 range for direct caregivers, to the mid-five-figure range for other staffing categories, to high-five-figures for administrators and marketers. CCRCs generally pay more than other product types for direct care workers (assisted living and nursing care), but freestanding memory care properties must pay more for most other labor categories.

OTHER SIGNIFICANT COST ITEMS

Chapter 12 examines, in more detail, significant cost items in categories other than labor cost:

- **Raw food costs** averaging almost \$8 per resident per day and ranging from below \$6 to almost \$11
- **Management fees** averaging between 4% and 5% of revenues; less for CCRCs (below 4%) and more for memory care (above 5%); management fees at individual properties varied widely around those averages, from 1% to almost 11%
- **Employee benefits costs** averaging around \$4,000 per FTE, which is between 10% and 11% of the total cost of wages and salaries. CCRCs on average paid a substantially higher percentage, on a salary base already higher at CCRCs than at other property types
- **Utilities costs** averaging just above \$2 per square foot; expressed differently, this equated to from \$5 to \$7 or above per resident per day
- **Capital expenditures** to maintain the property's competitive position averaging \$1,500 to \$5,000 per unit annually, but surprisingly high (close to \$4,000) for the newest properties and substantially more (\$6,000 and above) for properties 40 or more years old
- **Amounts budgeted for capital expenditures in 2019** fell consistently short of actual capital expenses in 2018, usually by \$1,000 or more per unit

KEY FINANCIAL AND OPERATING INDICATORS

Chapter 13 shows for communities operated on a for-profit basis and open two or more years:

Percentage operating margins [calculated as Net Operating Income divided by Total Revenue] decreased without exception across product types, as higher levels of care were added or serviced:

- Freestanding independent living properties 34%
- IL/AL properties below 34%
- IL/AL/MC properties dropping to 31%
- Freestanding AL properties 29%
- AL/MC properties below 29%
- Freestanding MC about 25%
- CCRCs at 24%

Even the lowest quartile of communities in each property type — and even for CCRCs, for which this has not always been the case — on average operated at a positive profit margin over the past year.

Debt service ratios were at the median above 2.0 for each of the various property types with sufficient response set sizes, and averaged 1.0 and above for even the lowest quartile of responding properties —

which means that most for-profit seniors housing properties were generating more-than-sufficient cash flow to cover their debt service.

Return on total project investment typically ran at the median about 7% and above. This means that returns on equity alone would run even higher, due to leverage using debt and due to relatively low interest rates on that debt (see example in Chapter 13). However, the “Return on Investment” presented in this report, is not necessarily the same as a current capitalization rate, because:

- The numerator [namely, Net Operating Income] of ROI as calculated here is from the year 2018 and is not current run-rate income nor is it 2019’s full-year projected income
- The denominator of ROI as calculated here — though it includes acquisition and development cost as well as costs of subsequent expansions/renovations — is in terms of the historical cost without regard to its present value



EILEEN WILCOX

THE FOUNTAINS AT GREENBRIAR
 RISING FROM A WATERY SLEEP

METHODOLOGY AND

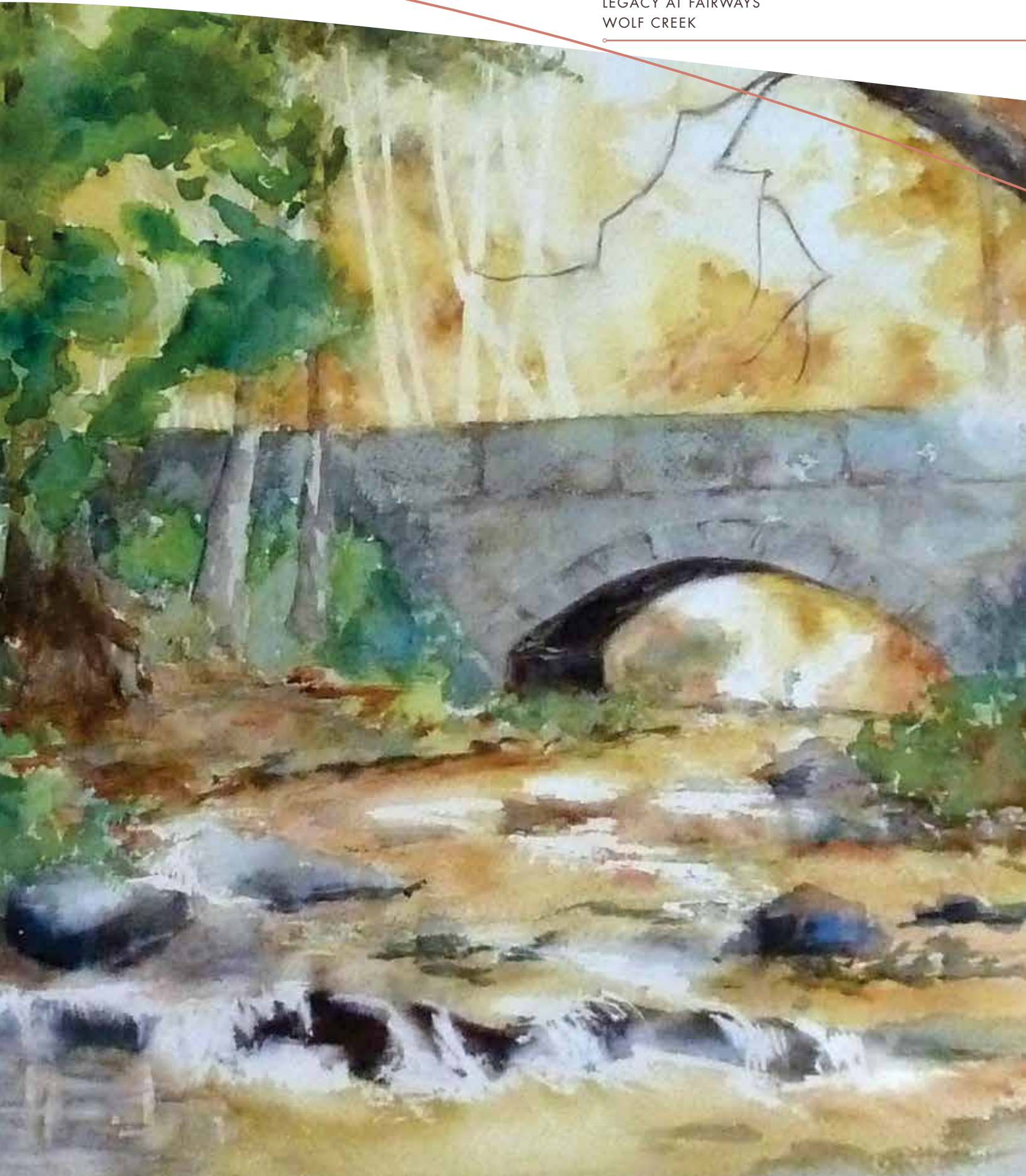
Data Analysis

ASHA, Argentum, LeadingAge, NCAL, and NIC contacted owners and managers of seniors housing residences throughout the United States and provided the 2019 State of Seniors Housing survey in an Excel format. Respondents were asked to complete separate surveys for **each** of their company's properties. Large regional and national providers (generally those with 2,500 or more units) were identified by the State of Seniors Housing Task Force and were given the option of submitting data electronically from their own operating statements, through confidential data-mapping services provided by HealthTrust. Several large providers utilized the data-mapping services, while others completed their surveys in the Excel format. Completed questionnaires were carefully reviewed for accuracy and, when appropriate, follow-up with respondents was made to clarify apparent ambiguities or inconsistent responses.

Respondents were asked for operating results for the 12-month period ending nearest to December 31, 2018. The metrics presented in this report that originated from the State of Seniors Housing questionnaires are subject to non-sampling errors, such as differences in the interpretation of questions by respondents or variations in financial reporting, and also are subject to sampling errors. Efforts were made, and are ongoing, to minimize the effects of these errors. Results may differ from findings from other surveys in reference to this industry because of differences in survey timing, question wording, and different respondent samples. The use of a statistical sampling protocol has been introduced to guide the selection of properties presented in **The State of Seniors Housing** report, so that the financial and operating performance of entities submitting responses for disproportionate numbers of properties would neither be over-represented nor under-represented.



KELLENE CHAMPLIN
LEGACY AT FAIRWAYS
WOLF CREEK



Terminology

The findings reported from our analysis of the survey results are presented in several different types of measurements and statistics: counts, sums, means (averages), and what we term “medians,” “deciles,” and “quartiles.”

STATISTICAL TERMINOLOGY

COUNT

Number of responses.

SUM

Aggregate value of numerical responses.

WEIGHTED AVERAGE

The average of a set of data points where each point is ascribed a weight of importance to the overall total.

MEDIAN

As used here, the [weighted] average of the 40th through the 60th percentile.

LOWER DECILE

As used here, the [weighted] average of the lowest 10% of responses.

UPPER DECILE

As used here, the [weighted] average of the highest 10% of responses.

LOWER QUARTILE

As used here, the [weighted] average of the lowest 25% of responses.

UPPER QUARTILE

As used here, the [weighted] average of the highest 25% of responses.



ROSEMARY WEILER
ST. ANDREW'S VILLAGE
END OF SUMMER



Counts are the number of responses to a particular question, while sums aggregate (total) the numerical responses.

Averages and Weighted Averages:

Averages are the arithmetic “means” — the sum of a set of values, divided by the count of the number of items in that set. Sometimes those averages are better expressed as weighted by the number of units, the number of dollars, the number of FTEs, etc., represented by each respondent — so that larger properties, with more units, more residents, more revenues, etc., can be made to count more heavily in the averages. For example, “average” number of FTEs per resident for a set of properties could be calculated either by:

- 1) Calculating the FTEs per resident, property by property, with both large and small properties assigned equal weights. Then, take the average of all these separate calculations. This would be an unweighted average. Or,
- 2) Adding the total number of FTEs in the entire set, then dividing by the number of residents in the entire set (which would weight larger properties more heavily).

We endeavor to make clear which averaging method is used in the various tables.

Percentiles: Measures derived from percentile data are presented extensively throughout this report, often including the 10th and 90th percentiles (in other words, the lower and upper deciles);

the 25th and 75th percentiles (the lower and upper quartiles); and the 50th percentile, often (but not here) referred to as the median. Medians are sometimes preferred rather than means (in other words, averages) which can be skewed by a few extremely high or low response values.

Quartiles are calculated by dividing a sample into four equal parts. When responses are arranged sequentially, the “lower quartile” describes the properties in the lowest 25% of the sample. The “upper quartile” describes the upper 25% of the responses. Similarly, the lower decile describes the lowest 10% of the responses, and the upper decile describes the upper 10% of the responses.

In this report, the metrics presented for a decile or quartile are calculated as the average of **all** the responses within the decile or quartile, respectively, rather than as the **one**-property’s value at the “cutpoint” separating that decile or quartile from the next. Our method of calculation was chosen to better summarize and represent **all** the properties within that decile or quartile rather than portray the characteristic(s) for only one particular property (the one which happens to fall **at** the cutpoint), and which may well not be as representative of the entire decile or quartile. Such data, when presented, now summarize the responses within the decile

or quartile, rather than representing the one property at the cutpoint.

In the same spirit, the metric presented as a “median” in this report is **not** (except where so identified) the one particular middle property in a set arrayed in ascending or descending order, but rather is the average of the properties in the middle two deciles (the 5th and 6th decile, in other words from the 40th to 60th percentile). By doing so, the “median” we report is broader, more stable, and more “typical” of a set of data than is one particular property. This calculation was chosen to better represent the central cluster, or “middle of the pack” characteristic of an entire set of data, and still without undue influence from extreme high or low values.

Exhibits in which “medians” are presented are often accompanied by decile and/or quartile statistics. Together with the “median,” such deciles and quartiles provide a range of responses to identify higher-performing and lower-performing properties. Means (that is, averages) are presented either when a sample is relatively uniform, or in select cases when it is not, along with median data, in order to identify the effects of outlier responses.

Questions about the exhibits or survey methodology should be directed to Colleen Blumenthal of HealthTrust at colleen.blumenthal@healthtrust.com

All figures in this report are intended to serve as descriptive information, not as benchmarks or performance goals. **The State of Seniors Housing** results are dependent on the underlying properties selected by contributing operators (although where a disproportionate number of properties are available from particular respondents, the State of Seniors Housing protocol is to conduct a randomized sample within that selection). Consequently, year-to-year comparisons are inappropriate because — except where a “same-store sample” is made explicit — the sample composition is different each year; resulting differences reported year-to-year are otherwise confounded with differences solely due to the underlying samples not being identical.

The American Seniors Housing Association, Argentum, LeadingAge, National Center for Assisted Living and National Investment Center for the Seniors Housing & Care Industry do not attempt to set or conform prices or operating ratios for the seniors housing industry.

DEFINITIONS AND

Nomenclature

Categorizing seniors housing remains a challenge, because most states use varying nomenclature and regulatory systems. However, by making survey instructions very specific and then carefully sorting data afterwards, we believe that property types have been accurately and consistently categorized for purposes of this report.

CATEGORIZATION OF UNIT TYPES

Rather than asking **respondents** to categorize their property type, we instead asked them to identify the kinds of **units** and/or beds that were contained within each property surveyed, based on the following definitions:

Senior Apartments: Market-rate units in age-restricted communities where at least 80% of the residents are age 55 or older. Although optional meal plans may be offered at these senior apartments, the base monthly fee does not include meals in a common dining facility. Therefore, “senior apartments” are different from “independent living units.”

Independent Living Units: Designed for seniors who pay for some services (e.g., meals, housekeeping, transportation) as part of a monthly fee or rental rate, and who require little if any assistance with Activities of Daily Living. Typically, independent living units are not licensed for health care — although the residents of independent living units may receive home health care services provided to them by either an outside agency or by a licensed affiliate of the property management. In order to qualify as having independent living units (rather than seniors apartments), the community must contain a common dining facility that provides at least one daily meal as part of the monthly fee.



ESTELLA SZEMELATHE FOUNTAINS AT BOCA CIEGA BAY
FOUR RUTABAGAS



Assisted Living Beds: Designed for frail seniors who need assistance with Activities of Daily Living (bathing, eating, dressing, toilet, transfer in/out of bed, etc.) but do not require continuous skilled nursing care. These beds can be offered in a separate wing, separate floor, or separate building and typically have state licensure requirements for the delivery of assisted living services.

Memory Care Beds: Designed for residents with significant cognitive impairment as a result of having Alzheimer's disease or related dementia. Memory Care beds are not licensed as nursing beds, but may have additional state licensure requirements.

Skilled Nursing Beds: Licensed nursing beds.

CATEGORIZATION OF PROPERTY TYPES

By asking respondents to categorize their units/beds, **rather than** property type, the database is designed to allow the **research team** then to make logical groupings by type, **after** responses are reported – thereby reducing respondent bias and minimizing confusion over terminology. The major groupings used in the analysis are:

The **senior apartments** category consists of properties for which the majority of units are market-rate senior apartments (but not independent living units for which a meal plan is included in the base monthly fee).

The **independent living community** category is comprised of two distinct sub-categories:

- 1) Includes "freestanding" properties with independent living units **only**, and
- 2) Separately identified, where applicable, are properties with both independent living units **and** a smaller amount of assisted living beds and/or Memory care beds – but in which the majority of the property's units are for independent living

The **assisted living** category is comprised of several distinct sub-categories:

- 1) "freestanding": assisted-living-only residences, together with assisted living residences **predominantly** containing assisted living beds, but which may sometimes include a small number of independent living units (and where the majority of the property's units/beds — and therefore its revenues — are for assisted living)
- 2) Separately identified, where applicable, are assisted living properties that also contain some Memory care beds
- 3) Separately identified, "other" properties that may contain **only** Memory care beds, or majority-assisted living with some skilled nursing and/or other specialty care beds.

The **nursing facility** category consists of properties for which the majority of beds are skilled nursing beds.

Continuing Care Retirement Communities/ Life Plan Communities (CCRCs) feature a combination of independent living units and skilled nursing beds, as well as properties that [must] comprise both independent living units and nursing care beds, but may also include some assisted living beds and/or Memory care beds.

The **State of Seniors Housing** report categorizes CCRCs **separately** from independent living communities — in contrast to some other research reports in this industry which consider CCRCs to be a **sub-category** of independent living communities.

Within the CCRC category are **entry-fee CCRCs** as well as **rental CCRCs**, in which residents pay no up-front entry fee at the time they occupy an independent living unit (although a nominal deposit or community fee consisting of up to a few months' rent may be paid up-front, an entry fee of more than \$20,000 is **not** required). At these rental CCRCs, the resident pays the prevailing market rate for the level of care provided.



SHIRLEY NEMETZ-RESS
THE FOUNTAINS AT MILLBROOK
MAGENTA I



CHUCK DUVALL
THE CYPRESS OF HILTON HEAD
EASTERLY VIEW OF MARSH AT SUNSET

OTHER TERMS DEFINED:

Total Revenues: Base fees, acuity-based level-of-care fees, second-occupant fees, community (move-in) fees, interest income and miscellaneous income, plus net cash (if any) from entry fees received less entry fees refunded.

Net Operating Income (NOI): Total Revenues minus total operating expenses. Such expenses are defined as labor, marketing/advertising, repairs/maintenance, property taxes, insurance, raw food and/or outsourced dietary service expenses, utilities, management fees, and property-level operating expenses. Corporate (overhead) allocations are also subtracted, to yield Net Operating Income.

NOI is calculated **before** subtracting deductions for operating lease payments, ground lease payments, debt service, amortization, depreciation, income taxes, and capital expenditures and replacement reserves above normal repair and maintenance. So, NOI is analogous to the quantity represented by the commonly used acronym EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization, and Rents or Reserves).

Return on [Historical] Investment

(Unleveraged): NOI divided by total project investment (meaning debt and equity). For acquired properties, that total project investment is total historical cost: purchase price plus all capital costs incurred to date, including subsequent expansions/renovations after acquisition. For properties developed “from the ground up,” that total project investment is also total historical cost: development cost including land acquisition, pre-marketing, and subsequent expansions/renovations after initial development

Because the total project investment in the ROI denominator is in terms of historical cost — sometimes from many years ago — and is not adjusted for inflation or time-value-of money, and because the NOI in the ROI numerator is historical (last full year’s) rather than run-rate or current year’s projected income, the “Return of Investment” presented in this report is not necessarily equivalent to a current capitalization rate.

Debt Service: Annual interest, principal, and other debt-related expenses such as mortgage insurance premiums and letter of credit fees, trustee or servicing fees.

Debt Coverage Ratio: NOI divided by total debt service.

Replacement Reserve: An allowance for the periodic replacement of building and furniture/fixtures/equipment components. The replacement reserve is also known as “CapEx” (capital expenditures).

Net Cash Flow: NOI less debt service (or less facility and ground lease amounts, if the property is leased rather than debt-financed) and less capital replacement reserves to cover repairs and maintenance.

Community Types and Unit Mix

The State of Seniors Housing 2019 report summarizes data collected from almost 1,800 seniors housing properties, comprised of over 230,000 units/beds. This represents about one in every six or seven professionally-managed seniors housing and care properties in the U.S. and one or more in every seven professionally-managed seniors housing and care units.

The survey data, collected in the first two quarters of 2019, describe performance results for the 12 months ending nearest to December 31, 2018.

WHAT TYPES OF SENIORS HOUSING & CARE COMMUNITIES?

Nearly one-third of the properties (31.3%) are those which predominantly offer units for independent living — more than one-third (40.6%) when including Continuing Care Retirement Communities (in which most also predominantly offer units for independent living) in the total (see Table 1.1).

- *Freestanding independent living communities represent 8%*
- *Almost three times as many properties (23%) consist of predominantly independent living but with a smaller number of assisted living and/or memory care beds. Within that category, twice as many have memory care in addition to assisted living*
- *Just under 10% are CCRCs, which, by definition, are comprised of independent living units and skilled nursing beds, and often also contain assisted living and/or memory care beds*

Properties consisting predominantly of assisted living and/or memory care beds comprise more than one-half (59%) of the properties.

- *Freestanding assisted living communities represent almost 25%*
- *Freestanding memory care communities are less than 6%*
- *Communities with both assisted living and memory care beds outnumber each of these freestanding types, and comprise more than 25% of the entire response set*

CCRCs comprise fewer than 10% of the **properties** (9.3%) but a much greater proportion (28.4%) of the **units/beds** because individual CCRCs typically have much larger occupant capacities and much larger resident counts.

TABLE 1.1**Survey Respondents by Community Type**

COMMUNITY TYPE	# OF RESPONDENTS	PERCENTAGE
Independent Living	143	8.0%
Independent/Assisted Living	129	7.2%
Independent/Assisted Living/Memory Care	288	16.1%
Assisted Living	446	24.9%
Assisted Living/Memory Care	471	26.3%
Freestanding Memory Care	102	5.7%
Assisted Living/Skilled Nursing	43	2.4%
CCRC	167	9.3%
Nursing	1	0.1%
TOTAL	1,790	100.0%

WHAT KINDS OF UNITS ARE IN THOSE PROPERTIES?

The response set totals more than 230,000 units. Units found in predominantly independent living properties (not yet counting CCRCs) total just over one-third (35.6%) of the sample. When CCRCs are added, the total becomes almost two-thirds (64%) of the units. See Table 1.2.

- *Freestanding independent living properties and independent living properties with a smaller number of assisted living beds each represent approximately 8% of the sample's aggregate number of units*
- *Independent living properties with a smaller number of assisted living and memory care beds comprise closer to 20% of the sample's aggregate number of beds*

Because assisted living properties and memory care properties typically contain fewer units or beds each than do independent living properties, the total proportion of **units (beds)** in predominantly-assisted-living properties was considerably less than half (in fact, barely over one-third) of the sample despite assisted living and/or memory care properties accounting for considerably more than one-half of the **properties**.

- *Freestanding assisted living properties comprise just over 10% of the units (beds). Assisted living properties, which also contain memory care beds, comprise almost 20% of the total units (beds). Freestanding memory care properties accounted for a far smaller proportion (between two percent and three percent) of the total units (beds)*

We believe the response set includes at least one in every six or seven (approximately 15%) of the U.S. inventory of professionally-managed seniors housing **properties** (excluding properties that are predominantly nursing homes, and also excluding properties that are predominantly seniors apartments with few or no meals or services provided). The same response set includes at least one in every seven of the U.S. investment-grade inventory of seniors housing and care **units/beds** (again, excluding those in seniors apartments without services, and excluding those in nursing homes).

We do not claim that the survey respondents are representative of the universe of professionally-managed seniors housing and care providers in the United States. It is unknown whether respondents are systematically different from non-respondents, and the response set is not drawn via probability sampling. However, the volume of the survey responses here lends confidence that the results are based on data from a meaningful sample representative of the universe of existing providers.

¹ Sources of unit counts and properties in the US are the NIC Investment Guide, 4th edition, and (properties >25 units in) Long-Term Care Providers and Services Used in the US: Data from the National Study of Long-Term Care Providers 2013-2014, published February 2016, by the National Center for Health Statistics.

TABLE 1.2**Total Units / Beds by Type of Community**

COMMUNITY TYPE	TOTAL UNITS / BEDS	PERCENTAGE
Independent Living	19,139	8.2%
Independent/Assisted Living	19,153	8.2%
Independent/Assisted Living/Memory Care	44,452	19.1%
Assisted Living	29,632	12.8%
Assisted Living/Memory Care	44,013	18.9%
Freestanding Memory Care	5,625	2.4%
Assisted Living/Skilled Nursing	4,210	1.8%
CCRC	66,073	28.4%
Nursing	60	0.0%
TOTAL	232,357	100.0%

CHAPTER TWO

Where are the Units and Properties Located?

Surveys were received from a widespread range of respondents, and the properties located in regions and states in close proportion to the regional and state populations; to their numbers of seniors age 65+ and seniors age 85+. That geographic distribution further suggests that the results reported here are reasonably representative of the state of seniors housing across the U.S.

SURVEYS WERE RECEIVED FROM:

- Most states in the continental United States (45 plus Washington, DC); the states without representation were Alaska, Arkansas, Hawaii, North Dakota and Wyoming (in aggregate, less than 3% of U.S. seniors age 85+)
- Every region of the United States
- Properties in hundreds of U.S. cities and towns
- Properties ranging from quite small (25 units or so; fewer than a dozen employees; and less than \$500,000 in total annual revenue) to quite large (more than 1,000 units; hundreds of employees; and more \$100 million annual revenue)

TABLE 2.1A

Distribution of All Communities by State (Top Ten States)

RANK	STATE	NUMBER OF PROPERTIES	PERCENT OF TOTAL
1	CA	228	12.7%
2	TX	149	8.3%
3	FL	129	7.2%
4	IL	109	6.1%
5	WA	93	5.2%
6	MI	71	4.0%
7	PA	70	3.9%
8	MA	68	3.8%
9	NY	66	3.7%
10	OH	64	3.6%
TOTAL OF TOP 10		1,047	58.5%
TOTAL OF ALL STATES		1,790	100.0%

Considering all **property types** together, California accounts for the largest proportion of the property responses at 12.7%, followed by Texas (8.3%), Florida (7.2%) and Illinois (6.1%). See Table 2.1a.

California also ranks as the top state in numbers of **units/beds** in this year's response set, with 13.5% of the national total, followed by Florida (9.2%), Texas (7.8%), and Pennsylvania (5.5%). See Table 2.1b.

Note that the states of New York and Ohio place in the top 10 for numbers of **properties**, but not for numbers of unit/beds — implying that the typical property in these two states is smaller than the national average. Conversely, Maryland and Arizona place in the top 10 states for numbers of units/beds but not for numbers of properties. The number of CCRCs in the sample for these states skewed the unit/bed counts upward.

TABLE 2.1B

Distribution of All Units by State (Top Ten States)

RANK	STATE	NUMBER OF UNITS	PERCENT OF TOTAL
1	CA	31,458	13.5%
2	FL	21,335	9.2%
3	TX	18,172	7.8%
4	PA	12,841	5.5%
5	IL	11,848	5.1%
6	MD	11,278	4.9%
7	AZ	9,043	3.9%
8	MA	8,977	3.9%
9	WA	8,755	3.8%
10	MI	8,396	3.6%
TOTAL OF TOP 10		142,103	61.2%
TOTAL OF ALL STATES		232,357	100.0%

The same states in terms of national property counts also figured prominently when considering specific **types** of communities — see Table 2.2 — but several other states are also represented in these Top 5 rankings by community type:

- Arizona for properties with independent and assisted living and also for memory care properties
- Indiana for freestanding assisted living properties
- North Carolina and South Carolina for CCRCs
- Washington for four of the six property types

REGIONAL DISTRIBUTION

The largest proportion of all units/beds in this year’s sample was from the West and Southeast regions (each just over a quarter of the sample) followed by the Northeast (about one-fifth of the total) — see Table 2.3.

Of interest, the proportion of units/beds in our response set, with few exceptions, neatly corresponds to the population in total and to the numbers of seniors in these regions. For example,

- States in the Southeast region contain between 24% and 25% of the U.S. population; these same states contain 26% of the U.S. seniors age 65+ and between

24% and 25% of the U.S. seniors age 85+. This region contains 26% of the units/beds in our sample

- States in the Northeast region contain between 17% and 18% of the U.S. population; between 18% and 19% of the seniors age 65+ and just under 21% of the seniors age 85+. This region contains between 19% and 20% of the units/beds in our sample

Even for individual states, the proportion of units/beds in our response set closely mirrors the seniors population. For example,

- California contains about 12% of the U.S. population; between 10% and 11% of its seniors age 65+; and between 11% and 12% of its seniors age 85+. This state contains between 13% and 14% of the units/beds in our sample
- Texas contains between 8% and 9% of the U.S. population; just under 7% of its seniors age 65+; and more than 6% of its seniors age 85+. This state contains just under 8% of our sample
- Florida contains between 6% and 7% of the U.S. population; between 8% and 9% of its seniors age 65+; and between 8% and 9% of its seniors age 85+. This state contains 9% of the units/beds in our sample, and 7% of its properties

These patterns further suggest that the results reported here may be reasonably representative of the state of seniors housing in the U.S.

TABLE 2.2

Distribution of Communities by State and Type (Top Five States)

RANK	IL	IL / AL	AL	AL / MC	MC	CCRC
1	MI (29)	CA (24)	IL (57)	CA (85)	WA (11)	CA (20)
2	TX (27)	FL (13)	TX (40)	FL (36)	CA & TX (10)	PA (15)
3	NY (14)	TX (13)	WA (37)	TX (35)	AZ (9)	FL (12)
4	CA (12)	NY (12)	IN (33)	MA (31)	IL (6)	NC (11)
5	WA (8)	IL & AZ (9)	OH (31)	WA (23)	—	SC (10)

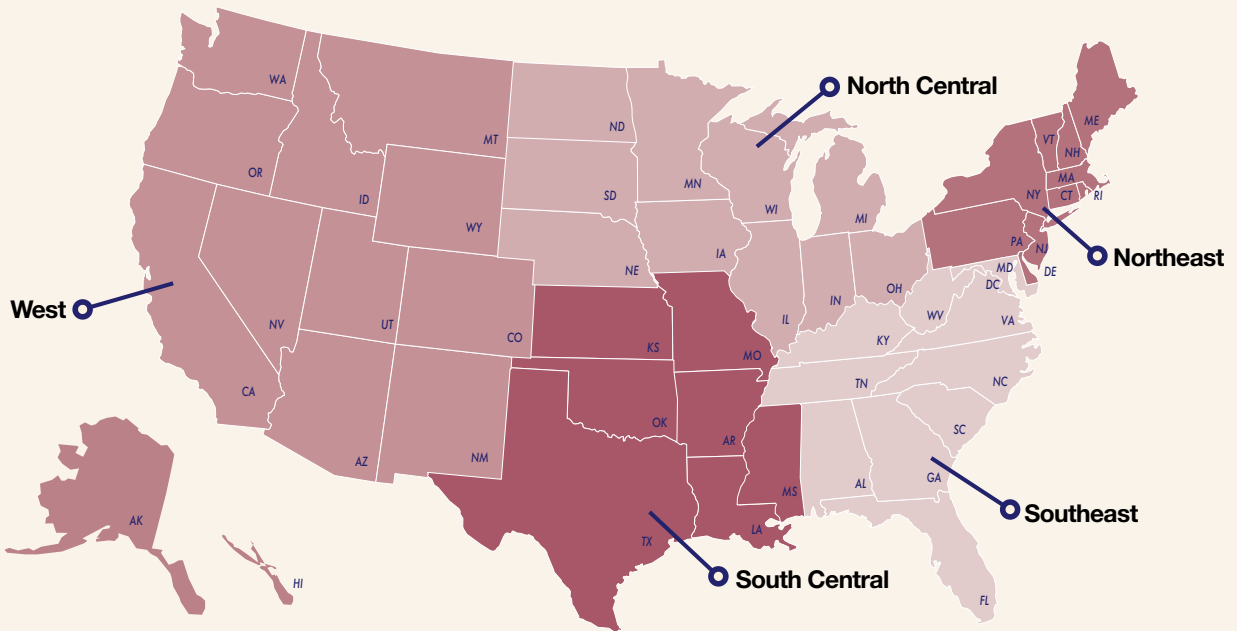
¹ State and regional population totals, and counts of seniors age 65+ and of seniors age 85+ are all taken from U.S. Census Bureau, Population Estimates as of July 1, 2018.

TABLE 2.3

Regional Distribution of Total Units / Beds by Community Type

REGION	NORTHEAST	SOUTHEAST	NORTH CENTRAL	SOUTH CENTRAL	WEST	TOTAL
IL	2,818	1,750	4,494	5,907	4,170	19,139
% of Those Responding	14.7%	9.1%	23.5%	30.9%	21.8%	100.0%
IL/AL	2,506	4,700	2,461	2,652	6,834	19,153
% of Those Responding	13.1%	24.5%	12.8%	13.8%	35.7%	100.0%
IL/AL/MC	8,943	13,533	3,237	3,747	14,992	44,452
% of Those Responding	20.1%	30.4%	7.3%	8.4%	33.7%	100.0%
AL	2,408	4,330	9,897	3,489	9,508	29,632
% of Those Responding	8.1%	14.6%	33.4%	11.8%	32.1%	100.0%
AL/MC	9,712	9,341	4,859	6,044	13,924	43,880
% of Those Responding	22.1%	21.3%	11.1%	13.8%	31.7%	100.0%
MC	805	790	864	830	2,336	5,625
% of Those Responding	14.3%	14.0%	15.4%	14.8%	41.5%	100.0%
CCRC	16,268	24,465	7,466	6,059	11,815	66,073
% of Those Responding	24.6%	37.0%	11.3%	9.2%	17.9%	100.0%
All Other	1,260	1,775	239	436	560	4,270
% of Those Responding	29.5%	41.6%	5.6%	10.2%	13.1%	100.0%
TOTAL UNITS / BEDS	44,720	60,684	33,517	29,164	64,139	232,224
% OF THOSE RESPONDING	19.3%	26.1%	14.4%	12.6%	27.6%	100.0%

Note: Totals exclude units for which locations were not provided.



CHAPTER THREE

Property Size

CCRCs, with multiple levels of housing and care, have the highest number of units per property and the largest total building footprints and lot sizes. Freestanding independent living communities are generally built with more capacity than freestanding assisted living or freestanding memory care residences, while combination properties (independent living with some assisted living beds; or, assisted living with some memory care beds; etc.) are generally larger than the respective freestanding buildings.

Even the allocations of space **within** buildings reflect their different uses. Assisted living properties and those with memory care allocate more space proportionally to common areas — as opposed to rentable space — likely because more of the resident-service functions, such as assistance with eating and bathing, take place **outside** of residents' rooms.

SIZE DISTRIBUTION BY NUMBERS OF UNITS (OR BEDS)

The typical (whether average, or what we term “median”) CCRC, at 300 to 400 units/beds, is two to three times the capacity of the typical independent living community (at about 130 units) which in turn is two to three times the capacity of the typical assisted or memory care community (about 50 to 60 beds) — see Table 3.1. The distribution of community sizes for each property type, in terms of numbers of units or beds, is presented in Tables 3.2 through 3.8.

SIZE DISTRIBUTION BY BUILT SPACE

CCRCs contain the largest building area, with median enclosed space of 340,000 square feet — almost eight acres of interior floor space. In contrast, the typical independent living building contains about 130,000 square feet. Assisted living building sizes are typically less than half of that, in turn, and memory care buildings were even less.

TABLE 3.1**Median and Average Number of Total Units / Beds by Community Type**

COMMUNITY TYPE	MEDIAN	AVERAGE
Independent Living	126	134
Independent/Assisted Living	141	148
Independent/Assisted Living/Memory Care	138	154
Assisted Living	52	66
Assisted Living/Memory Care	90	93
Memory Care	56	55
CCRC	291	396
ALL COMMUNITIES	97	130

TABLE 3.2**Size Distribution of Independent Living Communities by Number of Units**

UNITS AT COMMUNITY	COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 120	67	46.9%
121 – 160	41	28.7%
161 – 200	20	14.0%
201+	15	10.5%
TOTALS	143	100.0%

TABLE 3.3

Size Distribution of Independent/Assisted Living Communities
by Number of Units/Beds

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 120	45	34.9%
121 – 160	30	23.3%
161 – 200	29	22.5%
201+	25	19.4%
TOTALS	129	100.0%

TABLE 3.4

Size Distribution of Independent/Assisted Living/Memory Care Communities
by Number of Units/Beds

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 120	108	37.5%
121 – 160	68	23.6%
161 – 200	48	16.7%
201+	64	22.2%
TOTALS	288	100.0%

TABLE 3.5

Size Distribution of Assisted Living Residences by Number of Units/Beds

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 40	155	34.8%
41 – 80	171	38.3%
81 – 120	74	16.6%
121+	46	10.3%
TOTALS	446	100.0%

TABLE 3.6

Size Distribution of Assisted Living/Memory Care Residences
by Number of Units/Beds

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 40	8	1.7%
41 – 80	156	33.1%
81 – 120	226	48.0%
121+	81	17.2%
TOTALS	471	100.0%

TABLE 3.7

Size Distribution of Memory Care Residences by Number of Units/Bed

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 40	23	22.5%
41– 80	77	75.5%
81 – 120	2	2.0%
121+	0	0.0%
TOTALS	102	100.0%

TABLE 3.8

Size Distribution of CCRCs by Number of Units/Bed

UNITS/BEDS AT COMMUNITY	NUMBER COMMUNITIES IN SIZE CLASS	% OF TOTAL
1 – 200	41	24.6%
201 – 300	46	27.5%
301 – 400	34	20.4%
401+	46	27.5%
TOTALS	167	100.0%

TABLE 3.9

Median Square Footage by Community Type

COMMUNITY TYPE	MEDIAN TOTAL AREA (SF)	MEDIAN COMMON AREA (SF)	MEDIAN NET RENTABLE AREA (SF)
Independent Living	130,864	36,312	94,552
Independent/Assisted Living	139,476	48,706	90,770
Independent/Assisted Living/Memory Care	165,069	61,182	103,887
Assisted Living	58,568	24,755	33,814
Assisted Living/Memory Care	82,649	37,235	45,414
Memory Care	35,128	18,911	16,217
CCRCs	339,768	94,577	245,191

Note: Communities are ranked by total square feet. Medians reflect the average of the 5th and 6th deciles.

TABLE 3.10

Median Square Footage Percentage by Community Type

COMMUNITY TYPE	MEDIAN COMMON AREA	MEDIAN NET RENTABLE AREA
Independent Living	28%	72%
Independent/Assisted Living	35%	65%
Independent/Assisted Living/Memory Care	37%	63%
Assisted Living	42%	58%
Assisted Living/Memory Care	45%	55%
Memory Care	54%	46%
CCRCs	28%	72%

Note: Communities are ranked by total square feet.

Building sizes also vary with how many levels of care are provided: residences offering just one type of care generally contain less floor space than properties where combinations of care levels are offered — see Table 3.9.

Because the principal purposes and mix of services vary among property types, the allocation of building area (that is, the allotment between private/rentable/living space versus the public/common areas) also differs from one property type to another. In this year's responses, the proportion of common area as a fraction of total building area is between 25% and 30% for CCRCs; roughly 30% for independent living communities; between 40% and 45% for assisted living residences; and more than 50% for freestanding memory care — see Table 3.10.

LOT SIZES

Respondents were also asked to provide the total property size (in acres) of their communities. Because CCRCs are often comprised of more than one building, they are usually situated on significantly larger parcels of land — the middle half of our responding CCRCs ranged from seven to 102 acres, with a median of 35 acres — compared to either independent living communities (the middle half of which fell within a three-to 14-acre range, with a median about seven acres) or assisted living and/or memory care communities (middle half in the two-to nine-acre range, with a median about four acres). For detail, see Table 3.11.

UNIT SIZE AND MIX

Per-unit sizes (calculated as the total rentable square footage, divided by the number of available units) clustered at the mid-range, between 600 to 700 square feet per unit for independent living properties, 400 to 550 square feet for assisted living properties, and between 700 and 800 square feet for CCRCs. Memory care properties report the smallest sizes with the median around 300 square feet. See Table 3.12 for detail.

We also collected unit mix data: for independent living units there are as many two-bedroom units as one-bedroom units. Assisted living residences, which years ago were typically studio apartments, are now almost evenly divided between studios and configurations with a bedroom (or more than one) **separate** from the living area. Memory care apartments are predominantly studios, sharing sleeping and living quarters — see Table 3.13.

TABLE 3.11**Median Property Size by Community Type (in Acres)**

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	3.0	6.6	13.8
Independent/Assisted Living	1.8	5.5	15.4
Independent/Assisted Living/Memory Care	2.0	6.0	15.1
Assisted Living	2.1	3.5	7.0
Assisted Living/Memory Care	2.0	4.2	8.8
Memory Care	2.1	3.5	8.2
CCRC	6.6	34.5	102.0
ALL COMMUNITIES	2.2	5.0	11.6

Note: Communities are ranked by unit size. Each quartile represents the weighted average of all communities falling in that rank, while the median reflects the average of the 5th and 6th deciles.

TABLE 3.12**Average Unit Sizes (in Square Feet)**

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	422	646	1,099
Independent/Assisted Living	415	642	951
Independent/Assisted Living/Memory Care	411	612	1,212
Assisted Living	391	541	717
Assisted Living/Memory Care	290	389	826
Memory Care	230	276	1,407
CCRCs	434	750	1,439
ALL COMMUNITIES	382	559	903

Note: Communities are ranked by unit size. Each quartile represents the weighted average of all communities falling in that rank, while the median reflects the average of the 5th and 6th deciles.

TABLE 3.13**Unit Mix by Level of Care**

COMMUNITY TYPE	STUDIO % OF TOTAL	ONE-BEDROOM % OF TOTAL	TWO-BEDROOM % OF TOTAL
Independent Living	8%	46%	46%
Assisted Living	49%	45%	6%
Memory Care	83%	14%	3%

Note: All figures represent weighted averages.

CHAPTER FOUR

Age of Communities

Table 4.1 shows that in this year's total, the median of most property types was close to 20 years old. However, the CCRCs skewed somewhat older with a median of 25 years while independent living properties with both assisted living and memory care were slightly newer with a median age of 17 years. The newest quarter of these independent/assisted/memory care properties had been open three years on average, similar to memory care communities, versus an average of six years for the newest quarter of the assisted living cohort — see Table 4.1.

(For purposes of this report, properties that had been open **less than two years** by December 31, 2018 were **excluded** from the sample, as those properties in many cases had not reached operational or financial stabilization. That exclusion of properties built within the most recent two years moves the survey's response set a bit older, in aggregate, than the universe of all U.S. properties, because we analyze the oldest but not the newest).

TABLE 4.1**Community Type by Years Open** (Stabilized Properties Only)

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	9	19	37
Independent/Assisted Living	8	21	36
Independent/Assisted Living/Memory Care	3	17	32
Assisted Living	6	21	27
Assisted Living/Memory Care	6	19	27
Memory Care	3	19	24
CCRCs	12	25	54
TOTAL	6	20	32

Note: Communities are ranked by age. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

However, this survey suggests there are many newer seniors housing options available to prospective residents: overall, almost half the units/beds in the marketplace were in properties that had opened since 2000 (see Table 4.2) and, for many of the product types

— freestanding independent living; independent living with some assisted and memory care beds; assisted living with some memory care beds; freestanding memory care; and others — more than half the units, as Table 4.2 shows, were in properties that had opened since 2000.¹

TABLE 4.2

Age of Total Units/Beds by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL	
YEAR OPENED	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
Before 1980	761	5.7%	911	5.5%	1,385	3.8%	487	1.8%
1980 through 1989	2,870	21.3%	4,598	28.0%	5,397	15.0%	1,395	5.2%
1990 through 1999	2,675	19.9%	4,704	28.6%	8,342	23.1%	12,354	46.1%
2000 through 2009	6,246	46.4%	4,378	26.6%	9,653	26.8%	6,829	25.5%
2010 and later	906	6.7%	1,859	11.3%	11,269	31.3%	5,746	21.4%
No Response	5,681	—	2,703	—	8,406	—	2,821	—
TOTAL UNITS / BEDS	19,139	100.0%	19,153	100.0%	44,452	100.0%	29,632	100.0%

Note: Total units columns include those with no response about year built, to total 232,357; in contrast, total percent columns exclude those with no response about year built, to total properties with 232,357 less 40,136 = 192,221 units responding about year built.

¹ Tables in this chapter, absent better information, consider **all** of a community's units/beds (that is, all levels of care in a given property — for example, a CCRCs independent living units, nursing care beds, assisted living beds if any, etc.) as constructed in the year that community opened.

	AL/MC		MC		CCRC		ALL OTHER		ALL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
	597	2.2%	0	0.0%	11,592	18.0%	0	0.0%	15,733	8.2%
	1,583	6.0%	164	3.6%	12,822	19.9%	639	16.3%	29,468	15.3%
	9,674	36.5%	2,044	44.3%	15,764	24.5%	2,041	52.2%	57,598	30.0%
	8,922	33.6%	698	15.1%	21,684	33.7%	1,068	27.3%	59,478	30.9%
	5,759	21.7%	1,704	37.0%	2,536	3.9%	165	4.2%	29,944	15.6%
	17,478	—	1,015	—	1,675	—	357	—	40,136	—
	44,013	100.0%	5,625	100.0%	66,073	100.0%	4,270	100.0%	232,357	100.0%

FOR-PROFIT OWNERSHIP VS. NOT-FOR-PROFIT

In this year’s results, the dominant share of properties is owned by for-profit entities — except for CCRCs. Of the for-profit properties, private for-profit ownership is twice as prevalent as publicly-held for-profit entities. Freestanding independent living and freestanding assisted living properties were less likely to be publicly-owned than freestanding memory care. Combination properties (other than CCRCs) were relatively more likely to be publicly-owned.

TABLE 5.1

Property Ownership by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
Private For-profit	114	79.7%	60	46.5%	156	54.7%	367	82.5%
Publicly Held	27	18.9%	68	52.7%	128	44.9%	77	17.3%
Not-for-profit	2	1.4%	1	0.8%	1	0.4%	1	0.2%
No Response	0	—	0	—	3	—	1	—
TOTAL	143	100.0%	129	100.0%	288	100.0%	446	100.0%

Note: Total properties columns include those with no response about ownership, to total 1,790; in contrast, total percent columns exclude those with no response about ownership, to total properties with 1,790 less 12 = 1,778 properties responding about ownership.

TABLE 5.2

Ownership of All Units / Beds by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
Private For-profit	15,445	80.7%	10,104	52.8%	24,996	57.0%	24,965	84.5%
Publicly Held	3,578	18.7%	8,874	46.3%	18,533	42.3%	4,528	15.3%
Not-for-profit	116	0.6%	175	0.9%	304	0.7%	37	0.1%
No Response	0	—	0	—	619	—	102	—
TOTAL	19,139	100.0%	19,153	100.0%	44,452	100.0%	29,632	100.0%

Note: Total units columns include those with no response about ownership, to total 232,357; in contrast, total percent columns exclude those with no response about ownership, to total units with 232,357 less 1,361 = 230,996 units responding about ownership.

Of the CCRCs, on the other hand, about half of the properties and more than two-thirds of the units/beds, are owned by not-for-profit entities — see Tables 5.1 and 5.2. This finding implies that it is the larger CCRC properties, not the smaller, that are owned by the not-for-profit entities.

AL/MC		MC		CCRC		ALL OTHER		ALL	
NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
278	59.9%	68	67.3%	51	30.5%	6	13.6%	1,100	61.9%
185	39.9%	33	32.7%	32	19.2%	36	81.8%	586	33.0%
1	0.2%	0	0.0%	84	50.3%	2	4.5%	92	5.2%
7	—	1	—	0	—	0	—	12	—
471	100.0%	102	100.0%	167	100.0%	44	100.0%	1,790	100.0%

AL/MC		MC		CCRC		ALL OTHER		ALL	
NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
27,263	62.8%	3,722	66.8%	14,171	21.4%	577	13.5%	121,243	52.5%
16,104	37.1%	1,851	33.2%	6,543	9.9%	3,140	73.5%	63,151	27.3%
58	0.1%	0	0.0%	45,359	68.6%	553	13.0%	46,602	20.2%
588	—	52	—	0	—	0	—	1,361	—
44,013	100.0%	5,625	100.0%	66,073	100.0%	4,270	100.0%	232,357	100.0%

TYPE OF MANAGEMENT

Of the for-profit units/beds in this year's results, those in freestanding memory care and in for-profit CCRCs have an equal or higher likelihood of being self-managed (that is, by the same entity which owns the property) than being managed by contracting with an unrelated third-party. Most other campus configurations are more likely to be third-party managed —

see Table 5.3. Properties containing a minority, about one-quarter, of all the for-profit units/beds, are managed by an affiliate of the owner rather than by the ownership entity itself or by an unrelated third-party.

Among the units/beds in not-for-profit properties (of which virtually all in this year's survey are

TABLE 5.3

For-Profit Management of Units/Beds by Community Type

TYPE	IL		IL/AL		IL/AL/MC		AL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
Self Managed	3,307	20.6%	955	6.0%	3,709	10.2%	10,381	40.0%
Third Party	9,004	56.1%	10,607	66.5%	21,921	60.4%	12,152	46.9%
Affiliate of Owner	3,752	23.4%	4,387	27.5%	10,646	29.3%	3,388	13.1%
No Response	2,960		3,029		7,253		3,572	
TOTAL	19,023	100.0%	18,978	100.0%	43,529	100.0%	29,493	100.0%

Note: Total units columns include those with no response about management type, to total 184,394; in contrast, total percent columns exclude those with no response about management type, to total units with 184,394 less 50,242 = 134,152 units responding about management type.

TABLE 5.4

Not-For-Profit Management of Units/Beds by Community Type

TYPE	IL		IL/AL		AL/MC	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
Self Managed	116	100.0%	175	100.0%	0	0.0%
Third Party	0	0.0%	0	0.0%	58	100.0%
No Response	0	0.0%	0	0.0%	0	0.0%
TOTAL	116	100.0%	175	100.0%	58	100.0%

found within CCRCs), a majority — almost two-thirds — are managed by unrelated third-parties. If not managed by third-parties, those not-for-profits are almost always self-managed. No not-for-profit properties or units/beds in our sample were managed indirectly by an affiliate of the owner — see Table 5.4.

	AL/MC		MC		CCRC		ALL OTHER		ALL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
	3,610	15.6%	2,084	57.8%	6,300	50.1%	0	0.0%	30,346	22.6%
	12,682	54.7%	1,178	32.7%	2,777	22.1%	570	100.0%	70,891	52.8%
	6,908	29.8%	344	9.5%	3,490	27.8%	0	0.0%	32,915	24.5%
	20,167		1,967		8,147		3,147		50,242	
	43,367	100.0%	5,573	100.0%	20,714	100.0%	3,717	100.0%	184,394	100.0%

	CCRC		ALL OTHER		TOTAL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
	15,656	34.5%	857	95.9%	16,804	36.1%
	29,703	65.5%	37	4.1%	29,798	63.9%
	0	0.0%	0	0.0%	0	0.0%
	45,359	100.0%	894	100.0%	46,602	100.0%

OPERATOR SIZE

Over 80% of the survey respondents indicated that their property’s manager operates more than 25 properties. Somewhat smaller multi-community operators (with 11 to 25 properties) as a group comprise only about 12% of the responses, while operations with 10 or fewer properties, or single-asset operators, were less frequent still in this year’s survey — see Table 5.5.

This result could indicate response bias — that is, single-asset operators or those with only a few properties under management are less apt to receive the survey, or to respond to it, no matter what their proportion nationally — or may reflect industry consolidation.

Of interest, CCRC properties (which we saw in Chapter 3 generally have larger per-property

TABLE 5.5

Number of Communities Managed

OPERATOR SIZE	IL		IL/AL		IL/AL/MC		AL	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
1 (this property)	0	0.0%	0	0.0%	13	5.0%	1	0.3%
2 – 10	10	7.8%	2	1.8%	7	2.7%	12	3.1%
11 – 25	14	10.9%	22	19.8%	24	9.2%	11	2.9%
> 25	105	81.4%	87	78.4%	217	83.1%	359	93.7%
TOTAL	129	100.0%	111	100.0%	261	100.0%	383	100.0%

resident capacities than any other campus configuration) showed the lowest proportion of the 25+ operators in Table 5.5. This might indicate increased difficulty in managing large chains of individual large properties, or it may well indicate other diseconomies of scale for multiple project chains when the individual projects themselves are very large.

AL/MC		MC		CCRC		ALL OTHER		TOTAL	
NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
0	0.0%	1	1.5%	9	6.9%	0	0.0%	24	1.8%
2	0.7%	0	0.0%	11	8.5%	2	22.2%	46	3.4%
16	5.9%	3	4.5%	70	53.8%	5	55.6%	165	12.1%
253	93.4%	63	94.0%	40	30.8%	2	22.2%	1,126	82.7%
271	100.0%	67	100.0%	130	100.0%	9	100.0%	1,361	100.0%

Payment Structures, Base Fees, and Level of Care Fees

PRIMARY PAYMENT PLANS: RENTAL VS. ENTRY-FEE

Rental payment plans are dominant among all community types — see Table 6.1— **except** CCRCs, where just under one-half of the properties require entry fees of more than \$20,000¹ (in addition to monthly fees, in most cases) as the primary payment option.

In addition, almost 20% of the CCRCs were “entry fee” properties **but** where residents had the option of choosing a rental payment plan instead — that is, a blend where some of the residents in those properties had **not** been required to post a \$20,000+ entry fee, although other residents in that same property **were** required to post a \$20,000+ entry fee.

Although this survey has different samples each year, it is worth noting that, from the results, rental programs for CCRCs have generally become more prevalent. In fact, this is the **first** year

- that fewer than half of the State of Seniors Housing respondents described their CCRC property as requiring a \$20,000+ entry fee for all or virtually all units;
- that as many as one in five described their CCRC as having a blend of entry fee units as well as rental units; and
- that as many as one-third described their CCRC as having all or virtually all their units in rental programs rather than entry-fee

TABLE 6.1

Primary Payment Structure by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL	
	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
All or Virtually All Rental	108	99.1%	123	96.9%	269	97.8%	444	100.0%
All or Virtually All with Entry Fee (>\$20,000)	0	0.0%	3	2.4%	2	0.7%	0	0.0%
Blend of Rentals + Units with Entry Fee (>\$20,000)	1	0.9%	1	0.8%	4	1.5%	0	0.0%
No Response	34	—	2	—	13	—	2	—
TOTAL	143	100.0%	129	100.0%	288	100.0%	446	100.0%

Note: Total communities columns include those with no response about fee structure, to total 1,790; in contrast, total percent columns exclude those with no response about fee structure, to total communities with 1,790 less 162 = 1,628 communities responding about fee structure.

¹ Respondents were instructed that requiring nominal “community fees” or “move-in fees” or “security deposits” did not, in themselves, qualify a property as an “entry-fee” community where an up-front fee of \$20,000 or more, whether eventually refundable or not, was required.

BASE FEES AND LEVEL OF CARE FEES

Average monthly base fee revenues per unit or per bed (that is, excluding care fees in those cases where those care fees are unbundled and charged extra) by region are shown in Table 6.2. That table makes it evident that:

- *Looking down the rows: base fees are almost always higher in the Northeast and West regions than in the other regions, and often by considerable amounts — 10% or more higher*
- *Looking across the columns: CCRC base fees (even excluding nursing care beds and resulting revenue) are in many cases lower than — or at least not much higher than — other seniors housing types. This is likely because monthly CCRC base fees are in addition to entry fees in half to two-thirds of CCRC properties, as reported in Table 6.1*

Tables 6.3 and 6.4 demonstrate the same pattern across regions (that is, reading down rows) that

are evident in Table 6.2 — namely, that significant premiums in the Northeast and West regions.

Tables 6.3 and 6.4 also show, for assisted living and memory care beds regardless of the campus type in which they are found, that level of care fees add significantly to base fee revenue — often 10% more for assisted living and often 15% or more for memory care.

Comparing the bottom row of Table 6.2 to the bottom row of Tables 6.3 and 6.4 also makes it evident that the overall monthly cost to live in properties that have predominantly IL units (that is, freestanding IL and CCRC campus types) and which therefore have few or no level-of-care fees, is closer to \$5,000/month whereas the overall monthly cost to live in an AL bed is more like \$6,000/month and the overall cost to live in a MC bed is more than \$7,000/month once care fees are taken into account.

AL/MC		MC		CCRC		ALL OTHER		TOTAL	
NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING	NUMBER	PERCENT RESPONDING
362	99.7%	99	100.0%	58	34.7%	41	93.2%	1,504	92.4%
0	0.0%	0	0.0%	77	46.1%	1	2.3%	83	5.1%
1	0.3%	0	0.0%	32	19.2%	2	4.5%	41	2.5%
108	—	3	—	0	—	0	—	162	—
471	100.0%	102	100.0%	167	100.0%	44	100.0%	1,790	100.0%

TABLE 6.2**Average Monthly Base Fee Revenue per Occupied Unit/Bed per Month by Region**

REGION	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC
Northeast	\$6,815	\$5,493	\$5,444	\$4,703	\$3,966	\$4,901	\$6,112
Southeast	\$4,177	\$4,244	\$4,518	\$3,755	**	\$4,134	\$4,684
North Central	\$4,266	\$3,394	\$4,469	\$4,210	\$3,094	\$3,492	\$4,264
South Central	**	\$4,064	\$4,178	\$3,702	\$3,094	\$3,245	\$3,863
West	\$5,128	\$4,710	\$4,713	\$3,867	\$4,000	\$4,284	\$4,895
ALL COMMUNITIES	\$5,096	\$4,381	\$4,664	\$4,047	\$3,539	\$4,011	\$4,764

Note: Only IL communities are solely comprised of units; other community types include units and beds. CCRC base fees exclude skilled nursing beds and revenues.
 **Insufficient sample size.

TABLE 6.3**Assisted Living Average Monthly Base Fee Revenue per Occupied Unit/Bed and Level of Care (LOC) Fees per Month by Region**

REGION	BASE MONTHLY FEE	LOC MONTHLY FEE	TOTAL MONTHLY BASE + LOC FEES
Northeast	\$6,166	\$619	\$6,785
Southeast	\$4,613	\$487	\$5,100
North Central	\$3,871	\$465	\$4,336
South Central	\$3,997	\$601	\$4,598
West	\$5,044	\$882	\$5,926
ALL COMMUNITIES	\$4,833	\$631	\$5,463

Note: Both the base monthly and LOC fees represent the unweighted average for assisted living across all community types. Further, that the sum of the averages may not equal the whole.

TABLE 6.4**Memory Care Average Monthly Base Fee Revenue per Occupied Unit/Bed and Level of Care (LOC) Fees per Month by Region**

REGION	BASE MONTHLY FEE	LOC MONTHLY FEE	TOTAL MONTHLY BASE + LOC FEES
Northeast	\$7,525	\$1,139	\$8,723
Southeast	\$5,822	\$258	\$6,123
North Central	\$6,080	\$338	\$6,418
South Central	\$5,313	\$299	\$5,678
West	\$6,168	\$1,286	\$7,454
ALL COMMUNITIES	\$6,278	\$793	\$7,104

Note: Both the base monthly and LOC fees represent the unweighted average for memory care across all community types. Further, that the sum of the averages may not equal the whole.

CHAPTER SEVEN

Occupancy Rates

OCCUPANCY BY TYPE OF COMMUNITY

In this year's results (as was also true last year), CCRCs posted overall occupancy rates as high or higher than just about every other type of community — see Table 7.1 and compare columns with each other.

The calculated "median" occupancy rates centered at 89–90% and the "weighted average" (meaning, large properties count more heavily) occupancy rates calculated at about 100 basis points lower.

What we are reporting as "median" occupancy [actually, the average of the fifth and sixth deciles — meaning, when ranked by occupancy, the properties in the 40th to 60th percentile — which is a broader and more representative measure of the "middle of the pack" than using only one "middle" property for the median] more often was higher than the "weighted average" occupancy rate. Because the average, taken across all properties and all properties within a given community type, is more sensitive to extremes (both high and low) than is the median, our results imply that many properties are maintaining occupancy above 88% to 90%, but that the under-performers are well below that, and therefore dragging average occupancy rates down.

And because the average occupancy rates reported in Table 7.1 are weighted [calculated as total occupied units or beds in a category, then divided by total available units or beds in that category], large properties impact the results more heavily than smaller properties. So the fact that weighted average occupancy falls below "median" occupancy also implies that larger properties are comparatively less well-occupied (percentage-wise) than smaller properties are.

In addition, Table 7.1 may imply that not-for-profit communities are better-occupied than for-profit communities — although this could be confounded with the fact that the not-for-profits were almost entirely comprised of CCRCs, which the top rows of the Table show have the highest occupancy rates. Comparing top to bottom sections of Table 7.1 shows that not-for-profit CCRCs did demonstrate higher occupancy rates than CCRCs overall (that is, the CCRCs overall contained both non-profits and for-profit CCRC properties).

Among the for-profits, the publicly-owned companies operated slightly better-occupied than the privately-owned ones. Though this was not true for all community types, it was demonstrably true for freestanding memory care communities.

OCUPANCY BY LEVEL OF CARE

Occupancy rates by what we call care segment or level of care, rather than by community type, are presented in Table 7.2 for the subset of Table 7.1's respondents who broke out their

TABLE 7.1

Occupancy by Community Type and Ownership Status

ALL COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	78.4%	75.6%	75.5%	73.8%	76.0%	73.9%	77.3%	75.7%
Median	89.2%	87.5%	90.2%	90.2%	90.2%	89.5%	90.0%	89.6%
Weighted Average	87.7%	86.7%	88.1%	87.8%	88.1%	86.6%	90.5%	88.7%
Upper Quartile	97.4%	96.7%	96.3%	98.5%	97.4%	98.1%	96.5%	97.2%
PRIVATE FOR-PROFIT COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	77.1%	72.3%	75.0%	73.7%	75.7%	72.0%	**	74.3%
Median	88.4%	86.7%	90.6%	89.9%	90.2%	84.7%	**	89.1%
Weighted Average	86.9%	85.8%	88.1%	87.7%	87.8%	83.1%	**	87.1%
Upper Quartile	96.8%	96.9%	97.0%	98.2%	97.0%	95.1%	94.8%	97.1%
PUBLICLY HELD COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	**	80.4%	76.2%	74.6%	77.8%	**	**	77.9%
Median	**	88.1%	89.4%	92.1%	90.1%	**	**	90.2%
Weighted Average	91.4%	87.9%	88.0%	88.4%	88.4%	92.7%	86.4%	88.4%
Upper Quartile	**	96.4%	95.2%	99.9%	97.6%	**	**	97.5%
NOT-FOR-PROFIT COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	**	**	**	**	**	**	80.9%	81.1%
Median	**	**	**	**	**	**	92.3%	92.3%
Weighted Average	**	**	**	**	**	**	92.2%	92.2%
Upper Quartile	**	**	**	**	**	**	97.1%	97.2%

Note: Communities are ranked by percent occupied. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.
 **Insufficient sample size.

numbers of available and occupied units by level of care, and not just for the property as a whole. Table 7.2 shows that independent living units — whether in freestanding IL properties, or in combination campuses, or in CCRCs — tended to be the best-occupied level of care at between 90% and 91%. Reading across columns of Table 7.2 from right to left also demonstrates that as acuity levels **increase**, occupancy rates uniformly **decrease**.

Units and beds in **not-for-profit** communities were slightly more occupied in **all** levels of care than were units or beds in for-profit operations. Among the **for-profits**, units or beds in properties owned by publicly-held entities ran at approximately 100 basis points higher occupancy than in privately-owned operations — though this was truer of memory care beds than other levels of care.

TABLE 7.2

Occupancy by Level Of Care and Ownership Status

ALL COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	SN BEDS	ALL LEVELS OF CARE
Lower Quartile	76.3%	74.6%	70.4%	62.1%	75.7%
Median	90.5%	90.4%	89.8%	88.9%	89.6%
Upper Quartile	97.8%	98.1%	98.3%	98.2%	97.2%
PRIVATE FOR-PROFIT COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	SN BEDS	ALL LEVELS OF CARE
Lower Quartile	74.9%	73.5%	69.1%	**	74.3%
Median	89.7%	90.1%	89.4%	**	89.1%
Upper Quartile	97.8%	98.1%	97.8%	**	97.1%
PUBLICLY HELD COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	SN BEDS	ALL LEVELS OF CARE
Lower Quartile	78.7%	76.0%	72.6%	**	77.9%
Median	89.6%	90.3%	90.0%	**	90.1%
Upper Quartile	97.3%	98.4%	98.4%	**	97.5%
NOT-FOR-PROFIT COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	SN BEDS	ALL LEVELS OF CARE
Lower Quartile	83.1%	80.0%	69.6%	67.7%	81.1%
Median	93.6%	92.4%	**	89.5%	92.3%
Upper Quartile	98.2%	98.1%	98.9%	95.3%	97.2%

Note: Communities are ranked by percent occupied. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

** Insufficient sample size.

Resident Turnover

Annual resident turnover is calculated as the number of move-outs at properties during the year, divided by the number of units or beds occupied at those properties during that same year.

Survey results from Table 8.1 indicate that “median” annual resident turnover is highest for memory care properties, followed by assisted living properties, whether or not those assisted living properties contain memory care beds or not. Turnover rates at those kinds of properties exceeded 50% annually. A 50% or more annual turnover rate means that half or more of the beds, on average, turn each year; in other words, that each bed “turns” more than once every two years. This is not surprising, given the frailty of residents in these environments when they enter. It’s worth noting that for at least one-quarter (the upper quartile) of the freestanding memory care properties, each bed turns **more often** than once **every** year.

Turnover was lower for freestanding independent living properties and was lower still for CCRCs (excluding their skilled nursing beds). In some years the Table 8.1 results support the strategy of retaining residents longer by adding higher-acuity levels of care, so that residents can age in place. That is not necessarily true this year: adding assisted living beds and/or memory care beds to independent living properties does not appear to decrease overall turnover compared with freestanding independent living, while adding memory care beds to assisted living properties can decrease overall turnover slightly compared with freestanding assisted living. In any case, it may also be true that having multiple levels of care attracts additional residents in the first place (as is likely for CCRCs), but that cannot be proven or disproven from analyzing this set of survey results.

LENGTH OF STAY

Using data for resident turnover from responding properties, we have calculated in Table 8.2 the average length of stay by community type. This is calculated as taking the reciprocal of annual turnover rates from Table 8.1, then converted to number of months. For example, if one-third of the units turn over in one year, that would imply a three-year typical stay (36 months). Residents in CCRCs have the longest typical tenure, as Table 8.2 shows — almost six years.

TABLE 8.1**Annual Resident Turnover**

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	18.6%	32.2%	50.1%
Independent/Assisted Living	25.9%	42.3%	63.5%
Independent/Assisted Living/Memory Care	28.7%	43.6%	63.5%
Assisted Living	34.4%	53.5%	82.6%
Assisted Living/Memory Care	36.0%	52.2%	75.6%
Memory Care	44.4%	72.5%	115.2%
All CCRCs (excluding skilled nursing beds)	9.4%	16.8%	36.9%

Note: Communities are ranked by turnover ratio. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 8.2**Implied Length of Stay (in months)**

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	23.9	37.3	64.5
Independent/Assisted Living	18.9	28.4	46.4
Independent/Assisted Living/Memory Care	18.9	27.5	41.8
Assisted Living	14.5	22.4	34.9
Assisted Living/Memory Care	15.9	23.0	33.3
Memory Care	10.4	16.6	27.0
All CCRCs (excluding skilled nursing beds)	32.5	71.5	127.4

Note: Communities are ranked by turnover ratio. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

Tables 9.1 through 9.7 provide an “operating statement” for annual financial performance for the calendar year ending December 31, 2018 (or the organization’s fiscal year nearest to that). The calculated values for each line item in the deciles, quartiles, and “medians” we report are derived by **first** ranking the various properties on the basis of Total Revenue per Occupied Unit (or bed), and **then** taking the weighted average (weighted so that larger properties, the ones with more units, count more heavily) of the units for each line item in the properties that fall into that rank (that decile, quartile, etc.). The “median” that we employ is really the average of the 40th through 60th percentiles as a broader measure of the central clustering or “typical result” than the value of that line item at the one — possibly idiosyncratic — property at the middle would be. And the other major reason we use this way of calculating the “median” — really a form of “trimmed mean” — is that a **simple** mean is often unduly influenced by extreme high or low values.

Similarly, the “quartile” and “decile” metrics we report are not that item’s value at the **one** property — again, possibly idiosyncratic — that falls at that cut-point, but rather are the weighted average for that line item for **all** properties which fall into that quartile or decile. Again, we do this as a broader, more representative way to report the value of that line item — more representative of the entire quartile or decile. Doing so allows total revenues, total operating expenses, net operating income and net cash flow to add up (or subtract down) the page representing the “income statement.”

REVENUES

Among the principal property types for which responses were received, “median” total revenues per occupied unit were lowest for freestanding independent living properties at approximately \$2,700 per month. Next lowest was for freestanding assisted living properties at about \$1,100 per month higher than that, at just under \$3,800 per occupied bed per month. Next, came properties with both independent and assisted living, at just under \$4,400 per month per occupied unit or bed. Properties with memory care varied: IL/AL/MC at just under \$5,200 per month, then

freestanding memory care at roundly \$5,800 per month with AL/MC properties at just under \$6,100 per month. The highest rank was for CCRCs where independent living units predominate but where some nursing care revenues are also averaged into the mix, at more than \$6,100 per month. So, results confirmed the general pattern of higher per-occupied-unit revenues (charged because higher service costs are incurred) as resident acuity increases throughout the spectrum of seniors housing and care, as one would expect. Worth mentioning, however, is that CCRC revenues also benefited from considerable additions of net cash from entry fees collected net of those refunded -- recall from Chapter 6 that some 65% of CCRCs collected at least some entry fees. Absent that revenue due to net entry fees (Table 9.7 shows that net cash from entry fees contributed more than \$600 per month per occupied unit, at the "median"), CCRCs ranking for revenues falls from highest back toward the middle of the pack.

EXPENSES

Labor-related expenses, including benefits and payroll taxes, are the largest major expense categories for seniors housing communities. Moreover, labor expenses as a percentage of revenue rise as the needs (the acuity) of the residents increase — indicating that these labor expenses are not being sufficiently priced in. Tables 9.1 through 9.7 demonstrate that:

- *Total labor costs at freestanding independent living communities (those without assisted living, memory care, or nursing beds) are generally 20% to 25% of total revenues*
- *Communities with assisted living units have labor costs that are closer to 40% of total revenues*
- *Property types with memory care generally have labor costs above 40% of total revenues*
- *CCRCs (which serve nursing care residents as well as independent living) reach labor costs 45% of total revenues*

NET OPERATING INCOME

Tables 9.1 through 9.7 demonstrate that "median" NOI (in terms of dollars per occupied unit or occupied bed) was highest at properties that included at least some memory care units in the mix: above \$20,000 per year for assisted living properties that included memory care beds; more than \$19,000 per year for independent living properties that included both assisted living and memory care beds; and \$17,000 for freestanding memory care properties. CCRCs ranked in the middle of the pack with just over \$16,000 annual NOI per occupied unit. Independent living communities with some assisted living ranked next at over \$14,000 annually; then freestanding AL (between \$13,000 and \$14,000) and lowest were freestanding independent living communities, between \$12,000 and \$13,000 at the median. We observe that this ranking among property types in terms of dollars of NOI per occupied unit almost perfectly parallels the ranking of Revenue dollars per occupied unit listed earlier in the "Revenues" section of this chapter. Such a pattern, (that is, more acuity means higher profitability in terms of NOI dollars) is however by no means observed when profitability is measured

by Operating Margins [that is, not dollars but rather percent of Total Revenues brought down to NOI] — as we will see in Chapter 13; for that profitability metric it is a case that higher acuity means lower profitability.

ADDITIONAL ANALYSIS — BY PROPERTY TYPE AND PROPERTY SIZE

Tables 9.8 through 9.19 provide revenue and expense results per occupied unit (or bed) comparing property size (smaller vs. larger) for each property type. Comparing Tables 9.8 and 9.9, for example, will show that there's little difference between larger freestanding IL properties and smaller freestanding IL properties in terms of Revenues per Occupied Unit and also little difference between smaller and larger properties in terms of NOI per Occupied Unit. IL properties that also provide some assisted living beds are also fairly consistent in this respect: comparing Table 9.10 with Table 9.11 shows that smaller such properties may have very slightly lower Revenues per Occupied unit (\$51,707 vs. \$52,425 at the median) but that the smaller properties have slightly higher NOI per Occupied Unit (\$15,305 vs. \$14,907 at the median). For other property types, the predominant pattern is that while the smaller properties often have much the same Revenue per Occupied Unit as the larger properties, it is much more often the case that the larger properties produce higher NOI dollars per Occupied Unit (or bed) than smaller properties: to see this, compare Table 9.12 vs. 9.13; Table 9.14 vs. Table 9.15; Table 9.16 vs. Table 9.17, and Table 9.18 vs. Table 9.19.

Tables 9.20 through 9.25 provide select operating results (revenues, operating expenses, NOI, margins, and average occupancy throughout the year) for the major property types (those that provided sufficient numbers of

responses to be meaningful) in terms of another metric of substantial interest to the industry: per resident per day.

The presentations in Tables 9.20 through 9.25 show that occupancy rate does not uniformly fall as price increases. In other words, higher prices do not necessarily empty the building out.

Readers might wonder why occupancy rates from Tables 9.20 through 9.25 are not identical to those shown in Chapter 7, and why NOI margins from Tables 9.20 through 9.25 are not identical to those shown in Chapter 13 upcoming. The reasons include:

- occupancy rates in Chapter 7 are for groupings (quartiles, 40th through 60th percentiles whose average is taken as the "median," etc.) of properties **ranked in order of occupancy**;
- occupancy rates calculated here in Chapter 9 are for groupings (quartiles, 40th through 60th percentiles whose average is taken as the "median," etc.) of properties ranked (ordered) quite differently — **ranked by Revenue per Resident Day** — and which results in different property groupings. [As well, properties in these Chapter 9 tables only include those who provided occupancy and financial performance results, both];
- operating margins in Chapter 13 are calculated for groupings **ranked in order of operating margin**, whereas operating margins calculated here in Chapter 9 are for groupings of **properties ranked in order of Revenue per Resident Day**, and which also therefore result in **different** property groupings. [As well, Chapter 13 only includes for-profit properties whereas Chapter 9 includes both for-profit and not-for-profit]

Therefore, it is not surprising that resulting margins here are similar but not identical to those in Chapter 13, nor that resulting calculated occupancy rates here are similar but not identical to those in Chapter 7.

TABLE 9.1

Independent Living Communities (IL Only) — Per Occupied Unit

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$19,048	\$23,361	\$32,384	\$50,583	\$64,414
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$17,950	\$22,279	\$31,085	\$45,555	\$56,580
2nd Occupant Base Fees	\$53	\$155	\$348	\$896	\$1,153
OTHER REVENUES					
Community Fees	\$68	\$208	\$354	\$725	\$990
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$2	\$56	\$214	\$37	\$44
All Other Operating Income	\$974	\$663	\$384	\$3,370	\$5,647
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$7,717	\$12,043	\$19,683	\$28,739	\$38,691
LABOR RELATED					
Administrative	\$1,045	\$1,319	\$1,466	\$2,206	\$2,524
Dietary	\$1,351	\$1,871	\$2,686	\$3,971	\$5,104
Housekeeping	\$628	\$686	\$785	\$965	\$1,138
Maintenance	\$518	\$529	\$521	\$769	\$874
Assisted Living Labor	\$0	\$0	\$42	\$796	\$1,441
Nursing Labor	\$0	\$0	\$0	\$0	\$0
Marketing	\$51	\$279	\$607	\$726	\$790
Activities	\$252	\$385	\$503	\$578	\$727
All Labor in Other Departments	\$227	\$137	\$245	\$851	\$939
Payroll Taxes	\$44	\$346	\$907	\$705	\$917
Employee Benefits	\$75	\$179	\$263	\$699	\$1,065
LABOR RELATED TOTAL	\$4,192	\$5,731	\$8,027	\$12,267	\$15,520
NON-LABOR RELATED					
Property Taxes	\$770	\$1,046	\$1,965	\$2,767	\$4,150
Property Insurance	\$108	\$194	\$334	\$390	\$459
Liability Insurance	\$133	\$75	\$70	\$552	\$717
Workers Comp	\$10	\$53	\$70	\$130	\$173
Raw Food	\$288	\$876	\$1,676	\$2,375	\$2,951
Non-Labor Other Dietary	\$32	\$147	\$287	\$191	\$190
Utilities	\$457	\$957	\$1,932	\$2,322	\$3,173
Marketing / Advertising	\$251	\$474	\$881	\$946	\$1,234
Repairs & Maintenance	\$320	\$623	\$933	\$1,203	\$1,456
Housekeeping	\$12	\$68	\$151	\$209	\$405
Resident Care Supplies	\$59	\$26	\$3	\$128	\$242
Activities	\$18	\$90	\$208	\$256	\$456
Total Management Fees	\$447	\$799	\$1,311	\$2,191	\$3,043
All Other Operating Expenses	\$391	\$731	\$1,809	\$2,708	\$4,301
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	\$229	\$153	\$27	\$102	\$222
Net Operating Income	\$11,331	\$11,318	\$12,701	\$21,844	\$25,722
Debt Service And / Or Lease Payments¹	\$2,592	\$2,379	\$1,503	\$1,826	\$3,326
Replacement Reserve	\$276	\$619	\$1,211	\$2,644	\$3,532
Net Cash Flow	\$8,463	\$8,320	\$9,988	\$17,374	\$18,864

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.2

Independent Living Communities (Only those with IL and AL) — Per Occupied Unit/ Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$32,079	\$36,410	\$52,454	\$81,796	\$99,542
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$16,468	\$14,515	\$24,326	\$23,875	\$15,417
2nd Occupant Base Fees	\$314	\$325	\$893	\$362	\$310
Assisted					
Base Fees (for all levels of care)	\$12,282	\$18,470	\$19,932	\$51,095	\$79,193
2nd Occupant Base Fees	\$26	\$106	\$148	\$175	\$159
Acuity-based Care Fees	\$1,753	\$1,727	\$2,702	\$2,197	\$1,794
Memory Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$12	\$1,760	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$0	\$0	\$0	\$0
OTHER REVENUES					
Community Fees	\$503	\$607	\$761	\$1,380	\$1,806
Net Cash From Entrance Fees	\$0	\$0	\$1,525	\$0	\$0
Interest Income	\$0	\$4	\$14	\$0	\$0
All Other Operating Income	\$733	\$656	\$2,142	\$952	\$863
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$22,471	\$25,161	\$38,131	\$47,371	\$56,589
LABOR RELATED					
Administrative	\$2,034	\$1,875	\$2,174	\$2,922	\$3,486
Dietary	\$2,731	\$2,877	\$3,972	\$5,569	\$6,769
Housekeeping	\$594	\$743	\$1,123	\$1,582	\$2,092
Maintenance	\$642	\$750	\$1,002	\$930	\$1,110
Assisted Living Labor	\$2,938	\$3,185	\$3,775	\$6,829	\$7,873
Nursing Labor	\$0	\$223	\$0	\$1	\$0
Marketing	\$582	\$661	\$864	\$853	\$823
Activities	\$520	\$506	\$630	\$968	\$1,085
All Labor in Other Departments	\$275	\$303	\$3,861	\$250	\$0
Payroll Taxes	\$841	\$844	\$1,385	\$1,722	\$1,979
Employee Benefits	\$706	\$691	\$1,502	\$1,715	\$1,851
LABOR RELATED TOTAL	\$11,862	\$12,658	\$20,289	\$23,341	\$27,069
NON-LABOR RELATED					
Property Taxes	\$1,299	\$1,596	\$1,986	\$4,066	\$5,863
Property Insurance	\$182	\$185	\$538	\$448	\$497
Liability Insurance	\$334	\$363	\$212	\$305	\$240
Workers Comp	\$200	\$254	\$500	\$776	\$968
Raw Food	\$1,913	\$2,021	\$2,409	\$3,253	\$3,714
Non-Labor Other Dietary	\$375	\$367	\$347	\$321	\$215
Utilities	\$1,586	\$1,855	\$2,603	\$3,016	\$3,797
Marketing / Advertising	\$749	\$878	\$1,118	\$1,309	\$1,531
Repairs & Maintenance	\$897	\$1,053	\$1,716	\$1,668	\$1,804
Housekeeping	\$243	\$214	\$211	\$476	\$556
Resident Care Supplies	\$47	\$72	\$73	\$93	\$54
Activities	\$182	\$179	\$213	\$478	\$485
Total Management Fees	\$1,159	\$1,425	\$2,304	\$3,938	\$5,094
All Other Operating Expenses	\$1,425	\$2,009	\$3,612	\$3,870	\$4,704
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	\$19	\$32	\$0	\$15	\$0
Net Operating Income	\$9,608	\$11,249	\$14,322	\$34,424	\$42,952
Debt Service And / Or Lease Payments¹	\$666	\$794	\$3,167	\$5,286	\$6,270
Replacement Reserve	\$1,299	\$1,929	\$4,766	\$4,705	\$5,483
Net Cash Flow	\$7,643	\$8,526	\$6,389	\$24,433	\$31,200

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.3

Independent Living Communities (Only those with IL/ AL/ MC) — Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$35,419	\$42,383	\$62,040	\$88,385	\$101,665
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$13,055	\$17,041	\$22,407	\$19,958	\$20,897
2nd Occupant Base Fees	\$478	\$517	\$410	\$439	\$426
Assisted					
Base Fees (for all levels of care)	\$13,092	\$14,877	\$22,686	\$42,761	\$51,029
2nd Occupant Base Fees	\$72	\$69	\$136	\$134	\$52
Acuity-based Care Fees	\$1,737	\$1,732	\$2,187	\$3,350	\$4,549
Memory Care					
Base Fees (for all levels of care)	\$5,902	\$6,155	\$10,136	\$17,565	\$20,189
2nd Occupant Base Fees	\$1	\$1	\$4	\$10	\$5
Acuity-based Care Fees	\$558	\$585	\$947	\$825	\$787
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	-\$7	\$49	\$0	\$31	\$75
OTHER REVENUES					
Community Fees	\$429	\$634	\$1,000	\$2,176	\$2,669
Net Cash From Entrance Fees	\$0	\$0	\$36	\$109	\$0
Interest Income	\$0	\$0	\$4	\$0	\$0
All Other Operating Income	\$102	\$721	\$2,087	\$1,027	\$987
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$27,533	\$30,437	\$42,958	\$55,340	\$62,443
LABOR RELATED					
Administrative	\$1,888	\$1,791	\$2,537	\$4,318	\$4,642
Dietary	\$2,499	\$3,040	\$3,655	\$4,941	\$5,245
Housekeeping	\$676	\$807	\$901	\$1,246	\$1,273
Maintenance	\$635	\$721	\$791	\$849	\$887
Assisted Living Labor	\$4,255	\$4,225	\$7,668	\$11,048	\$12,795
Nursing Labor	\$709	\$1,276	\$827	\$1,125	\$1,604
Marketing	\$512	\$597	\$757	\$828	\$788
Activities	\$608	\$684	\$748	\$867	\$778
All Labor in Other Departments	\$939	\$1,086	\$2,540	\$811	\$1,260
Payroll Taxes	\$786	\$929	\$1,626	\$2,121	\$2,317
Employee Benefits	\$556	\$794	\$1,858	\$2,262	\$2,421
LABOR RELATED TOTAL	\$14,062	\$15,951	\$23,905	\$30,417	\$34,011
NON-LABOR RELATED					
Property Taxes	\$1,328	\$1,454	\$2,365	\$3,690	\$4,481
Property Insurance	\$454	\$467	\$614	\$468	\$580
Liability Insurance	\$793	\$628	\$447	\$622	\$834
Workers Comp	\$217	\$313	\$657	\$952	\$1,221
Raw Food	\$1,943	\$2,225	\$2,633	\$3,493	\$3,770
Non-Labor Other Dietary	\$285	\$315	\$314	\$215	\$124
Utilities	\$1,969	\$2,192	\$2,417	\$2,958	\$3,313
Marketing / Advertising	\$729	\$762	\$1,018	\$1,459	\$1,756
Repairs & Maintenance	\$1,094	\$1,180	\$1,264	\$1,637	\$1,658
Housekeeping	\$246	\$268	\$266	\$428	\$541
Resident Care Supplies	\$245	\$186	\$179	\$194	\$211
Activities	\$132	\$161	\$282	\$458	\$521
Total Management Fees	\$2,037	\$2,010	\$2,617	\$4,368	\$5,091
All Other Operating Expenses	\$1,974	\$2,292	\$3,946	\$3,779	\$3,914
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$26	\$34	\$35	\$201	\$414
Net Operating Income	\$7,886	\$11,946	\$19,082	\$33,044	\$39,221
Debt Service And / Or Lease Payments¹	\$385	\$1,467	\$6,155	\$3,594	\$2,957
Replacement Reserve	\$193	\$1,404	\$2,838	\$4,174	\$4,419
Net Cash Flow	\$7,309	\$9,075	\$10,088	\$25,276	\$31,846

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.4

Assisted Living Residences without Memory Care — Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$35,172	\$36,855	\$45,358	\$71,241	\$81,832
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$13	-\$5	\$0	\$2,571	\$0
2nd Occupant Base Fees	\$1	\$20	\$0	\$95	\$0
Assisted					
Base Fees (for all levels of care)	\$31,425	\$32,141	\$35,500	\$51,980	\$60,909
2nd Occupant Base Fees	\$134	\$140	\$271	\$623	\$502
Acuity-based Care Fees	\$2,543	\$2,111	\$5,295	\$11,289	\$11,728
Memory Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$529	\$1	\$1,833	\$4,523
Ancillary Revenues	\$0	\$0	\$5	\$79	\$194
OTHER REVENUES					
Community Fees	\$265	\$246	\$442	\$1,219	\$1,313
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$110	\$121	\$120	\$68	\$169
All Other Operating Income	\$682	\$1,551	\$3,723	\$1,484	\$2,494
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$29,385	\$29,701	\$31,681	\$47,103	\$57,113
LABOR RELATED					
Administrative	\$2,222	\$2,278	\$2,174	\$3,223	\$3,591
Dietary	\$2,469	\$2,590	\$2,779	\$4,765	\$5,397
Housekeeping	\$491	\$567	\$512	\$973	\$1,121
Maintenance	\$663	\$637	\$581	\$994	\$1,089
Assisted Living Labor	\$5,173	\$4,747	\$5,412	\$9,927	\$11,302
Nursing Labor	\$1,371	\$1,732	\$1,855	\$1,017	\$2,508
Marketing	\$414	\$446	\$717	\$1,221	\$1,396
Activities	\$497	\$498	\$514	\$1,123	\$1,256
All Labor in Other Departments	\$25	\$143	\$129	\$189	\$385
Payroll Taxes	\$1,097	\$1,143	\$1,410	\$2,051	\$2,561
Employee Benefits	\$1,147	\$1,168	\$1,351	\$2,086	\$2,388
LABOR RELATED TOTAL	\$15,569	\$15,951	\$17,435	\$27,569	\$32,994
NON-LABOR RELATED					
Property Taxes	\$1,035	\$906	\$1,107	\$2,013	\$2,198
Property Insurance	\$475	\$472	\$351	\$482	\$513
Liability Insurance	\$164	\$221	\$263	\$388	\$467
Workers Comp	\$364	\$260	\$240	\$835	\$1,018
Raw Food	\$2,096	\$2,069	\$2,162	\$2,659	\$2,708
Non-Labor Other Dietary	\$276	\$220	\$187	\$441	\$467
Utilities	\$1,683	\$1,594	\$1,645	\$2,497	\$2,662
Marketing / Advertising	\$782	\$942	\$1,120	\$1,553	\$2,016
Repairs & Maintenance	\$950	\$1,098	\$1,115	\$1,416	\$1,867
Housekeeping	\$187	\$130	\$180	\$370	\$592
Resident Care Supplies	\$161	\$227	\$185	\$525	\$1,116
Activities	\$135	\$128	\$207	\$422	\$535
Total Management Fees	\$1,556	\$1,718	\$1,596	\$2,583	\$3,841
All Other Operating Expenses	\$3,931	\$3,755	\$3,888	\$3,285	\$3,961
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$23	\$9	\$0	\$64	\$159
Net Operating Income	\$5,786	\$7,153	\$13,677	\$24,139	\$24,718
Debt Service And / Or Lease Payments¹	\$1,236	\$1,584	\$1,766	\$3,139	\$5,620
Replacement Reserve	\$1,318	\$721	\$1,110	\$3,007	\$2,292
Net Cash Flow	\$3,232	\$4,848	\$10,801	\$17,992	\$16,807

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.5

Assisted Living Residences with Memory Care — Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$42,315	\$49,961	\$72,750	\$106,685	\$118,051
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$997	\$1,752	\$1,978	\$1	\$0
2nd Occupant Base Fees	\$76	\$67	\$27	\$10	\$0
Assisted					
Base Fees (for all levels of care)	\$23,398	\$28,494	\$50,273	\$73,169	\$82,445
2nd Occupant Base Fees	\$281	\$351	\$266	\$124	\$4
Acuity-based Care Fees	\$3,891	\$4,119	\$4,082	\$8,311	\$10,309
Memory Care					
Base Fees (for all levels of care)	\$10,369	\$11,856	\$12,896	\$16,192	\$14,231
2nd Occupant Base Fees	\$45	\$28	\$6	\$14	\$0
Acuity-based Care Fees	\$1,760	\$1,746	\$1,113	\$5,520	\$7,178
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$2	\$71	\$0	\$0
OTHER REVENUES					
Community Fees	\$601	\$655	\$943	\$1,941	\$2,455
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$257	\$209	\$233	\$120	\$22
All Other Operating Income	\$639	\$682	\$861	\$1,281	\$1,406
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$34,563	\$37,981	\$52,516	\$69,769	\$73,119
LABOR RELATED					
Administrative	\$2,551	\$2,392	\$3,533	\$4,700	\$4,407
Dietary	\$2,517	\$2,968	\$3,585	\$4,276	\$4,326
Housekeeping	\$590	\$703	\$974	\$1,207	\$1,214
Maintenance	\$711	\$701	\$718	\$1,057	\$1,143
Assisted Living Labor	\$8,516	\$8,939	\$13,293	\$17,752	\$18,765
Nursing Labor	\$650	\$583	\$425	\$1,616	\$2,077
Marketing	\$756	\$891	\$1,111	\$1,521	\$1,718
Activities	\$752	\$777	\$932	\$1,376	\$1,560
All Labor in Other Departments	\$562	\$801	\$1,683	\$3,879	\$4,179
Payroll Taxes	\$1,621	\$1,761	\$2,465	\$3,339	\$3,377
Employee Benefits	\$939	\$1,188	\$2,151	\$2,916	\$3,159
LABOR RELATED TOTAL	\$20,163	\$21,706	\$30,872	\$43,640	\$45,926
NON-LABOR RELATED					
Property Taxes	\$1,374	\$1,633	\$2,474	\$3,043	\$3,342
Property Insurance	\$513	\$505	\$590	\$554	\$523
Liability Insurance	\$448	\$462	\$641	\$632	\$652
Workers Comp	\$278	\$371	\$965	\$1,536	\$1,688
Raw Food	\$2,055	\$2,231	\$2,545	\$2,939	\$2,811
Non-Labor Other Dietary	\$356	\$434	\$373	\$552	\$566
Utilities	\$1,786	\$1,893	\$2,190	\$2,589	\$2,423
Marketing / Advertising	\$1,074	\$1,197	\$1,652	\$1,698	\$1,599
Repairs & Maintenance	\$963	\$1,118	\$1,772	\$1,703	\$1,705
Housekeeping	\$236	\$347	\$516	\$799	\$864
Resident Care Supplies	\$206	\$199	\$229	\$722	\$905
Activities	\$194	\$316	\$608	\$675	\$716
Total Management Fees	\$1,377	\$1,895	\$3,478	\$5,311	\$6,026
All Other Operating Expenses	\$3,542	\$3,676	\$3,613	\$3,377	\$3,374
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$7,751	\$11,980	\$20,234	\$36,915	\$44,931
Debt Service And / Or Lease Payments¹	\$92	\$354	\$1,072	\$4,959	\$4,614
Replacement Reserve	\$1,251	\$965	\$1,012	\$1,329	\$1,360
Net Cash Flow	\$6,408	\$10,660	\$18,150	\$30,627	\$38,957

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.6

Freestanding Memory Care — Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$34,479	\$43,532	\$69,586	\$118,865	\$133,775
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Memory Care					
Base Fees (for all levels of care)	\$27,663	\$35,581	\$64,273	\$89,419	\$102,514
2nd Occupant Base Fees	\$0	\$52	\$28	\$45	\$114
Acuity-based Care Fees	\$5,808	\$6,914	\$3,324	\$25,124	\$26,477
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$8	\$263	\$26	\$0
OTHER REVENUES					
Community Fees	\$724	\$651	\$944	\$2,961	\$3,066
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$70	\$357	\$915
All Other Operating Income	\$285	\$326	\$685	\$933	\$690
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$25,000	\$31,489	\$52,582	\$92,247	\$103,178
LABOR RELATED					
Administrative	\$2,278	\$3,131	\$4,322	\$6,396	\$7,002
Dietary	\$1,180	\$1,547	\$2,683	\$4,727	\$4,992
Housekeeping	\$123	\$358	\$1,066	\$1,987	\$2,296
Maintenance	\$568	\$635	\$816	\$1,551	\$1,782
Assisted Living Labor	\$8,898	\$10,274	\$14,344	\$8,450	\$10,413
Nursing Labor	\$0	\$697	\$1,784	\$5,505	\$0
Marketing	\$1,009	\$1,034	\$1,371	\$2,640	\$3,327
Activities	\$727	\$884	\$1,437	\$1,849	\$1,279
All Labor in Other Departments	\$10	\$18	\$83	\$19,598	\$28,981
Payroll Taxes	\$1,194	\$1,477	\$2,806	\$4,796	\$5,741
Employee Benefits	\$1,207	\$1,240	\$1,275	\$4,083	\$4,775
LABOR RELATED TOTAL	\$17,195	\$21,296	\$31,987	\$61,582	\$70,586
NON-LABOR RELATED					
Property Taxes	\$707	\$897	\$1,581	\$2,236	\$2,217
Property Insurance	\$202	\$259	\$893	\$732	\$608
Liability Insurance	\$423	\$378	\$211	\$103	\$57
Workers Comp	\$384	\$505	\$879	\$1,692	\$1,033
Raw Food	\$1,006	\$1,237	\$2,119	\$2,947	\$3,232
Non-Labor Other Dietary	\$114	\$210	\$391	\$671	\$687
Utilities	\$1,222	\$1,290	\$1,635	\$2,730	\$2,874
Marketing / Advertising	\$806	\$893	\$1,706	\$2,748	\$2,948
Repairs & Maintenance	\$577	\$699	\$1,135	\$1,541	\$1,417
Housekeeping	\$110	\$229	\$342	\$1,171	\$1,332
Resident Care Supplies	\$73	\$111	\$438	\$2,042	\$3,483
Activities	\$140	\$180	\$236	\$410	\$340
Total Management Fees	\$0	\$437	\$3,420	\$6,413	\$7,576
All Other Operating Expenses	\$2,040	\$2,821	\$5,605	\$4,790	\$4,788
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$46	\$4	\$440	\$0
Net Operating Income	\$9,479	\$12,043	\$17,005	\$26,618	\$30,597
Debt Service And / Or Lease Payments¹	**	**	**	**	**
Replacement Reserve	\$1,077	\$898	\$832	\$2,467	\$2,726
Net Cash Flow	**	**	**	**	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.7

CCRCs — Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$45,958	\$55,594	\$73,215	\$110,127	\$131,256
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$19,883	\$23,366	\$27,419	\$35,094	\$41,779
2nd Occupant Base Fees	\$1,739	\$2,217	\$1,560	\$3,719	\$4,963
Assisted					
Base Fees (for all levels of care)	\$4,660	\$5,520	\$8,683	\$8,925	\$7,973
2nd Occupant Base Fees	\$27	\$26	\$72	\$62	\$56
Acuity-based Care Fees	\$703	\$368	\$1,194	\$1,738	\$1,448
Memory Care					
Base Fees (for all levels of care)	\$1,658	\$1,470	\$3,649	\$3,957	\$3,316
2nd Occupant Base Fees	\$0	\$0	\$5	\$3	\$0
Acuity-based Care Fees	\$49	\$20	\$108	\$117	\$190
Nursing					
Base Fees	\$6,603	\$9,781	\$16,613	\$13,128	\$13,501
Ancillary Revenues	\$1,379	\$1,014	\$3,063	\$2,862	\$2,325
OTHER REVENUES					
Community Fees	\$518	\$156	\$378	\$157	\$173
Net Cash From Entrance Fees	\$5,618	\$6,860	\$7,354	\$35,174	\$51,391
Interest Income	\$84	\$162	\$708	\$954	\$1,124
All Other Operating Income	\$3,038	\$4,633	\$2,410	\$4,236	\$3,017
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$34,777	\$40,104	\$57,027	\$63,000	\$71,074
LABOR RELATED					
Administrative	\$1,423	\$1,339	\$1,975	\$1,615	\$1,952
Dietary	\$3,687	\$4,109	\$4,602	\$4,306	\$4,118
Housekeeping	\$1,137	\$1,259	\$1,614	\$1,164	\$1,219
Maintenance	\$964	\$1,062	\$1,647	\$989	\$1,019
Assisted Living Labor	\$1,692	\$1,896	\$3,382	\$3,102	\$2,798
Nursing Labor	\$4,618	\$5,549	\$7,434	\$5,520	\$4,816
Marketing	\$521	\$536	\$1,077	\$893	\$858
Activities	\$192	\$229	\$516	\$393	\$460
All Labor in Other Departments	\$2,849	\$4,211	\$5,041	\$8,743	\$12,949
Payroll Taxes	\$1,281	\$1,509	\$2,077	\$2,164	\$2,334
Employee Benefits	\$1,935	\$2,345	\$3,418	\$3,584	\$3,871
LABOR RELATED TOTAL	\$20,300	\$24,044	\$32,783	\$32,474	\$36,393
NON-LABOR RELATED					
Property Taxes	\$863	\$1,423	\$1,083	\$2,280	\$2,921
Property Insurance	\$350	\$307	\$906	\$588	\$773
Liability Insurance	\$238	\$193	\$291	\$399	\$336
Workers Comp	\$416	\$467	\$392	\$649	\$705
Raw Food	\$2,577	\$2,619	\$3,403	\$3,715	\$4,264
Non-Labor Other Dietary	\$460	\$260	\$755	\$394	\$409
Utilities	\$2,126	\$2,314	\$2,826	\$3,036	\$3,615
Marketing / Advertising	\$750	\$807	\$1,053	\$1,831	\$1,837
Repairs & Maintenance	\$1,423	\$1,264	\$1,971	\$2,578	\$2,620
Housekeeping	\$161	\$149	\$374	\$629	\$701
Resident Care Supplies	\$389	\$351	\$1,031	\$1,868	\$1,571
Activities	\$107	\$91	\$511	\$879	\$1,211
Total Management Fees	\$1,106	\$1,618	\$2,190	\$3,280	\$4,006
All Other Operating Expenses	\$3,512	\$4,200	\$7,457	\$8,398	\$9,713
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$11,181	\$15,490	\$16,188	\$47,127	\$60,182
Debt Service And / Or Lease Payments¹	\$2,291	\$2,537	\$4,112	\$3,956	\$6,009
Replacement Reserve	\$7,465	\$9,525	\$4,357	\$4,106	\$4,262
Net Cash Flow	\$1,425	\$3,428	\$7,719	\$39,065	\$49,910

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.8

Independent Living Communities (IL Only) — Per Occupied Unit/Bed - Property Size < 121 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	\$23,800	\$32,246	\$46,041	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	\$22,208	\$31,043	\$41,291	**
2nd Occupant Base Fees	**	\$218	\$342	\$519	**
OTHER REVENUES					
Community Fees	**	\$228	\$324	\$825	**
Net Cash From Entrance Fees	**	\$0	\$0	\$0	**
Interest Income	**	\$164	\$278	\$102	**
All Other Operating Income	**	\$966	\$242	\$831	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	\$15,150	\$19,670	\$26,839	**
LABOR RELATED					
Administrative	**	\$1,716	\$1,855	\$2,665	**
Dietary	**	\$2,425	\$2,792	\$3,939	**
Housekeeping	**	\$776	\$901	\$932	**
Maintenance	**	\$504	\$504	\$814	**
Assisted Living Labor	**	\$6	\$105	\$584	**
Nursing Labor	**	\$0	\$0	\$0	**
Marketing	**	\$363	\$517	\$933	**
Activities	**	\$410	\$555	\$786	**
All Labor in Other Departments	**	\$76	\$454	\$921	**
Payroll Taxes	**	\$665	\$1,053	\$1,040	**
Employee Benefits	**	\$214	\$168	\$806	**
LABOR RELATED TOTAL	**	\$7,155	\$8,905	\$13,421	**
NON-LABOR RELATED					
Property Taxes	**	\$1,153	\$1,620	\$1,650	**
Property Insurance	**	\$214	\$357	\$454	**
Liability Insurance	**	\$32	\$39	\$262	**
Workers Comp	**	\$74	\$42	\$102	**
Raw Food	**	\$1,312	\$1,580	\$2,191	**
Non-Labor Other Dietary	**	\$247	\$309	\$385	**
Utilities	**	\$1,274	\$1,795	\$2,325	**
Marketing / Advertising	**	\$682	\$830	\$983	**
Repairs & Maintenance	**	\$751	\$701	\$892	**
Housekeeping	**	\$109	\$75	\$207	**
Resident Care Supplies	**	\$8	\$0	\$220	**
Activities	**	\$118	\$150	\$294	**
Total Management Fees	**	\$1,020	\$1,264	\$1,687	**
All Other Operating Expenses	**	\$1,002	\$2,003	\$1,768	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	\$0	\$0	\$0	**
Net Operating Income	**	\$8,650	\$12,577	\$19,202	**
Debt Service And / Or Lease Payments¹	**	\$1,895	\$3,089	\$1,278	**
Replacement Reserve	**	\$881	\$1,922	\$2,074	**
Net Cash Flow	**	\$5,875	\$7,566	\$15,850	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.9

Independent Living Communities (IL Only) — Per Occupied Unit/Bed — Property Size > 120 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	\$22,876	\$32,407	\$53,500	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	\$21,938	\$30,937	\$48,169	**
2nd Occupant Base Fees	**	\$160	\$449	\$1,167	**
OTHER REVENUES					
Community Fees	**	\$232	\$423	\$665	**
Net Cash From Entrance Fees	**	\$0	\$0	\$0	**
Interest Income	**	\$7	\$135	\$0	**
All Other Operating Income	**	\$539	\$463	\$3,499	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	\$11,382	\$19,910	\$30,530	**
LABOR RELATED					
Administrative	**	\$1,183	\$1,342	\$1,963	**
Dietary	**	\$1,683	\$2,601	\$3,932	**
Housekeeping	**	\$592	\$670	\$977	**
Maintenance	**	\$570	\$563	\$743	**
Assisted Living Labor	**	\$0	\$68	\$945	**
Nursing Labor	**	\$0	\$0	\$0	**
Marketing	**	\$292	\$648	\$613	**
Activities	**	\$384	\$488	\$467	**
All Labor in Other Departments	**	\$200	\$110	\$854	**
Payroll Taxes	**	\$245	\$768	\$558	**
Employee Benefits	**	\$200	\$404	\$674	**
LABOR RELATED TOTAL	**	\$5,350	\$7,663	\$11,728	**
NON-LABOR RELATED					
Property Taxes	**	\$1,041	\$2,061	\$3,529	**
Property Insurance	**	\$206	\$294	\$370	**
Liability Insurance	**	\$108	\$114	\$737	**
Workers Comp	**	\$53	\$107	\$154	**
Raw Food	**	\$805	\$1,857	\$2,602	**
Non-Labor Other Dietary	**	\$116	\$276	\$92	**
Utilities	**	\$925	\$2,107	\$2,462	**
Marketing / Advertising	**	\$422	\$845	\$967	**
Repairs & Maintenance	**	\$574	\$1,035	\$1,425	**
Housekeeping	**	\$55	\$253	\$218	**
Resident Care Supplies	**	\$37	\$9	\$80	**
Activities	**	\$89	\$248	\$244	**
Total Management Fees	**	\$758	\$1,385	\$2,544	**
All Other Operating Expenses	**	\$684	\$1,640	\$3,361	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	\$160	\$17	\$15	**
Net Operating Income	**	\$11,494	\$12,497	\$22,971	**
Debt Service And / Or Lease Payments¹	**	\$2,285	\$481	\$1,217	**
Replacement Reserve	**	\$1,211	\$943	\$2,579	**
Net Cash Flow	**	\$7,998	\$11,073	\$19,174	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

** Insufficient sample size

TABLE 9.10

Independent Living Communities (Only those with IL and AL) — Per Occupied Unit/Bed — Property Size < 161 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	\$36,150	\$51,707	\$85,139	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	\$12,272	\$20,185	\$6,472	**
2nd Occupant Base Fees	**	\$211	\$197	\$49	**
Assisted					
Base Fees (for all levels of care)	**	\$20,037	\$27,190	\$71,198	**
2nd Occupant Base Fees	**	\$91	\$95	\$145	**
Acuity-based Care Fees	**	\$2,181	\$2,328	\$2,330	**
Memory Care					
Base Fees (for all levels of care)	**	\$0	\$0	\$2,153	**
2nd Occupant Base Fees	**	\$0	\$0	\$106	**
Acuity-based Care Fees	**	\$0	\$95	\$5	**
Nursing					
Base Fees	**	\$0	\$0	\$0	**
Ancillary Revenues	**	\$0	\$0	\$0	**
OTHER REVENUES					
Community Fees	**	\$615	\$722	\$1,825	**
Net Cash From Entrance Fees	**	\$0	\$0	\$0	**
Interest Income	**	\$7	\$0	\$0	**
All Other Operating Income	**	\$737	\$896	\$856	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	\$25,619	\$36,401	\$49,498	**
LABOR RELATED					
Administrative	**	\$1,985	\$1,809	\$3,134	**
Dietary	**	\$2,900	\$3,262	\$5,670	**
Housekeeping	**	\$662	\$728	\$1,675	**
Maintenance	**	\$707	\$649	\$985	**
Assisted Living Labor	**	\$3,833	\$4,639	\$8,403	**
Nursing Labor	**	\$199	\$616	\$0	**
Marketing	**	\$573	\$672	\$863	**
Activities	**	\$510	\$583	\$981	**
All Labor in Other Departments	**	\$117	\$3,087	\$27	**
Payroll Taxes	**	\$977	\$1,495	\$1,827	**
Employee Benefits	**	\$803	\$1,431	\$1,811	**
LABOR RELATED TOTAL	**	\$13,266	\$18,971	\$25,376	**
NON-LABOR RELATED					
Property Taxes	**	\$1,451	\$1,751	\$4,394	**
Property Insurance	**	\$177	\$521	\$373	**
Liability Insurance	**	\$327	\$250	\$277	**
Workers Comp	**	\$303	\$454	\$663	**
Raw Food	**	\$2,079	\$2,011	\$3,165	**
Non-Labor Other Dietary	**	\$322	\$159	\$147	**
Utilities	**	\$1,671	\$2,097	\$3,001	**
Marketing / Advertising	**	\$891	\$984	\$1,344	**
Repairs & Maintenance	**	\$1,001	\$1,055	\$1,281	**
Housekeeping	**	\$233	\$254	\$456	**
Resident Care Supplies	**	\$83	\$50	\$98	**
Activities	**	\$178	\$251	\$303	**
Total Management Fees	**	\$1,493	\$2,136	\$4,123	**
All Other Operating Expenses	**	\$2,130	\$5,457	\$4,465	**
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**	\$15	\$0	\$32	**
Net Operating Income	**	\$10,531	\$15,305	\$35,641	**
Debt Service And / Or Lease Payments¹	**	\$808	\$671	\$2,128	**
Replacement Reserve	**	\$1,759	\$3,051	\$5,260	**
Net Cash Flow	**	\$7,964	\$11,584	\$28,254	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.11

Independent Living Communities (Only those with IL and AL) — Per Occupied Unit/Bed — Property Size > 160 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	\$35,893	\$52,425	\$76,814	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	\$17,740	\$28,949	\$40,107	**
2nd Occupant Base Fees	**	\$408	\$1,246	\$567	**
Assisted					
Base Fees (for all levels of care)	**	\$15,318	\$13,179	\$31,325	**
2nd Occupant Base Fees	**	\$140	\$202	\$264	**
Acuity-based Care Fees	**	\$1,085	\$3,174	\$2,286	**
Memory Care					
Base Fees (for all levels of care)	**	\$0	\$0	\$0	**
2nd Occupant Base Fees	**	\$0	\$0	\$0	**
Acuity-based Care Fees	**	\$0	\$0	\$0	**
Nursing					
Base Fees	**	\$0	\$0	\$0	**
Ancillary Revenues	**	\$0	\$22	\$0	**
OTHER REVENUES					
Community Fees	**	\$613	\$719	\$932	**
Net Cash From Entrance Fees	**	\$0	\$2,121	\$0	**
Interest Income	**	\$0	\$19	\$0	**
All Other Operating Income	**	\$589	\$2,794	\$1,332	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	\$24,971	\$37,518	\$44,690	**
LABOR RELATED					
Administrative	**	\$1,727	\$2,026	\$2,753	**
Dietary	**	\$3,075	\$4,428	\$5,553	**
Housekeeping	**	\$820	\$1,259	\$1,603	**
Maintenance	**	\$755	\$1,078	\$840	**
Assisted Living Labor	**	\$2,726	\$2,755	\$5,283	**
Nursing Labor	**	\$325	\$2,853	\$1	**
Marketing	**	\$707	\$949	\$885	**
Activities	**	\$476	\$616	\$960	**
All Labor in Other Departments	**	\$650	\$669	\$561	**
Payroll Taxes	**	\$696	\$1,278	\$1,630	**
Employee Benefits	**	\$631	\$1,599	\$1,570	**
LABOR RELATED TOTAL	**	\$12,586	\$19,510	\$21,641	**
NON-LABOR RELATED					
Property Taxes	**	\$1,651	\$2,260	\$3,457	**
Property Insurance	**	\$145	\$495	\$497	**
Liability Insurance	**	\$392	\$169	\$323	**
Workers Comp	**	\$272	\$438	\$911	**
Raw Food	**	\$1,905	\$2,465	\$3,242	**
Non-Labor Other Dietary	**	\$273	\$448	\$504	**
Utilities	**	\$1,920	\$3,080	\$3,054	**
Marketing / Advertising	**	\$965	\$1,111	\$1,395	**
Repairs & Maintenance	**	\$915	\$2,233	\$1,903	**
Housekeeping	**	\$194	\$246	\$485	**
Resident Care Supplies	**	\$58	\$77	\$68	**
Activities	**	\$202	\$320	\$631	**
Total Management Fees	**	\$1,256	\$2,222	\$3,558	**
All Other Operating Expenses	**	\$2,172	\$2,443	\$3,022	**
ALL CORPORATE AND/ OR OTHER OVERHEAD EXPENSES	**	\$65	\$0	\$0	**
Net Operating Income	**	\$10,922	\$14,907	\$32,124	**
Debt Service And/ Or Lease Payments¹	**	**	\$4,806	\$8,017	**
Replacement Reserve	**	\$1,727	\$4,890	\$3,731	**
Net Cash Flow	**	**	\$5,211	\$20,376	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.12

Independent Living Communities (Only those with IL and AL with Memory Care) — Per Occupied Unit/Bed — Property Size < 161 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$34,536	\$41,575	\$61,732	\$86,933	\$97,908
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$9,082	\$9,660	\$12,009	\$16,632	\$11,558
2nd Occupant Base Fees	\$466	\$381	\$250	\$418	\$431
Assisted					
Base Fees (for all levels of care)	\$14,760	\$19,629	\$30,490	\$45,606	\$57,369
2nd Occupant Base Fees	\$107	\$68	\$114	\$130	\$48
Acuity-based Care Fees	\$2,106	\$2,490	\$2,665	\$2,349	\$2,776
Memory Care					
Base Fees (for all levels of care)	\$6,451	\$7,441	\$12,731	\$17,685	\$21,369
2nd Occupant Base Fees	\$0	\$0	\$19	\$2	\$0
Acuity-based Care Fees	\$1,156	\$1,302	\$1,437	\$911	\$1,064
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	-\$18	-\$7	\$44	\$46	\$51
OTHER REVENUES					
Community Fees	\$426	\$611	\$1,061	\$2,113	\$2,211
Net Cash From Entrance Fees	\$0	\$0	\$78	\$171	\$0
Interest Income	\$0	\$0	\$6	\$0	\$0
All Other Operating Income	\$0	\$0	\$827	\$869	\$1,031
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$27,326	\$32,256	\$44,502	\$53,245	\$60,161
LABOR RELATED					
Administrative	\$1,861	\$1,924	\$2,353	\$3,449	\$3,299
Dietary	\$2,525	\$2,721	\$3,723	\$5,062	\$5,697
Housekeeping	\$535	\$621	\$814	\$1,322	\$1,617
Maintenance	\$501	\$635	\$895	\$930	\$1,020
Assisted Living Labor	\$4,607	\$6,102	\$9,006	\$11,003	\$12,345
Nursing Labor	\$1,010	\$1,121	\$892	\$631	\$1,019
Marketing	\$534	\$623	\$851	\$929	\$878
Activities	\$599	\$677	\$760	\$964	\$974
All Labor in Other Departments	\$822	\$1,679	\$1,939	\$623	\$1,031
Payroll Taxes	\$886	\$1,046	\$1,743	\$2,050	\$2,087
Employee Benefits	\$618	\$869	\$1,700	\$2,111	\$2,168
LABOR RELATED TOTAL	\$14,499	\$18,018	\$24,676	\$29,075	\$32,134
NON-LABOR RELATED					
Property Taxes	\$987	\$1,083	\$2,656	\$3,349	\$4,244
Property Insurance	\$521	\$487	\$448	\$499	\$643
Liability Insurance	\$819	\$776	\$668	\$628	\$928
Workers Comp	\$189	\$380	\$618	\$781	\$862
Raw Food	\$1,604	\$1,905	\$2,623	\$3,350	\$3,736
Non-Labor Other Dietary	\$201	\$228	\$246	\$200	\$115
Utilities	\$1,913	\$2,009	\$2,443	\$2,864	\$3,443
Marketing / Advertising	\$809	\$856	\$1,176	\$1,460	\$1,705
Repairs & Maintenance	\$983	\$1,040	\$1,144	\$1,564	\$1,525
Housekeeping	\$111	\$203	\$311	\$444	\$565
Resident Care Supplies	\$279	\$210	\$173	\$165	\$238
Activities	\$124	\$140	\$227	\$398	\$429
Total Management Fees	\$2,275	\$2,007	\$2,861	\$4,240	\$4,690
All Other Operating Expenses	\$2,014	\$2,889	\$4,159	\$4,174	\$4,764
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$25	\$76	\$54	\$139
Net Operating Income	\$7,210	\$9,318	\$17,229	\$33,688	\$37,748
Debt Service And / Or Lease Payments¹	\$627	\$960	\$946	\$2,657	\$2,367
Replacement Reserve	\$127	\$1,379	\$3,675	\$4,695	\$5,532
Net Cash Flow	\$6,456	\$6,979	\$12,609	\$26,336	\$29,850

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.13

Independent Living Communities (Only those with IL and AL with Memory Care) — Per Occupied Unit/Bed -Property Size > 160 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$37,018	\$42,760	\$61,564	\$90,922	\$104,370
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$18,537	\$20,486	\$31,356	\$25,770	\$32,572
2nd Occupant Base Fees	\$523	\$581	\$502	\$476	\$343
Assisted					
Base Fees (for all levels of care)	\$9,912	\$12,647	\$15,632	\$37,789	\$40,658
2nd Occupant Base Fees	\$41	\$70	\$156	\$141	\$67
Acuity-based Care Fees	\$1,422	\$1,378	\$1,755	\$5,100	\$7,748
Memory Care					
Base Fees (for all levels of care)	\$4,828	\$5,554	\$7,410	\$17,353	\$17,380
2nd Occupant Base Fees	\$1	\$1	\$4	\$25	\$11
Acuity-based Care Fees	\$251	\$251	\$542	\$675	\$802
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$1	\$76	\$1,419	\$5	\$0
OTHER REVENUES					
Community Fees	\$465	\$645	\$925	\$2,286	\$3,177
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$14	\$5	\$2	\$0	\$0
All Other Operating Income	\$1,025	\$1,066	\$1,863	\$1,304	\$1,612
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$27,273	\$29,774	\$41,344	\$59,003	\$64,867
LABOR RELATED					
Administrative	\$1,780	\$1,729	\$2,803	\$5,837	\$6,389
Dietary	\$2,792	\$3,189	\$3,817	\$4,731	\$4,731
Housekeeping	\$877	\$894	\$1,078	\$1,113	\$971
Maintenance	\$707	\$761	\$735	\$707	\$675
Assisted Living Labor	\$2,887	\$3,349	\$6,417	\$11,125	\$14,353
Nursing Labor	\$1,177	\$1,348	\$779	\$1,988	\$1,338
Marketing	\$580	\$585	\$785	\$650	\$623
Activities	\$677	\$688	\$779	\$698	\$593
All Labor in Other Departments	\$763	\$810	\$2,037	\$1,140	\$1,394
Payroll Taxes	\$838	\$874	\$1,540	\$2,245	\$2,587
Employee Benefits	\$657	\$759	\$2,065	\$2,527	\$2,990
LABOR RELATED TOTAL	\$13,735	\$14,986	\$22,835	\$32,762	\$36,643
NON-LABOR RELATED					
Property Taxes	\$1,255	\$1,627	\$2,224	\$4,286	\$4,909
Property Insurance	\$417	\$458	\$750	\$414	\$464
Liability Insurance	\$527	\$559	\$273	\$612	\$581
Workers Comp	\$264	\$282	\$729	\$1,249	\$1,936
Raw Food	\$2,174	\$2,375	\$2,825	\$3,744	\$3,698
Non-Labor Other Dietary	\$369	\$356	\$421	\$242	\$225
Utilities	\$2,184	\$2,277	\$2,280	\$3,122	\$3,277
Marketing / Advertising	\$629	\$719	\$915	\$1,457	\$1,633
Repairs & Maintenance	\$1,352	\$1,245	\$1,522	\$1,766	\$1,723
Housekeeping	\$302	\$298	\$264	\$401	\$467
Resident Care Supplies	\$189	\$175	\$155	\$245	\$237
Activities	\$139	\$356	\$445	\$564	\$654
Total Management Fees	\$1,905	\$2,011	\$2,594	\$4,591	\$5,258
All Other Operating Expenses	\$1,797	\$2,013	\$3,112	\$3,089	\$2,417
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$35	\$38	\$0	\$458	\$744
Net Operating Income	\$9,745	\$12,986	\$20,220	\$31,918	\$39,503
Debt Service And / Or Lease Payments¹	**	**	**	**	**
Replacement Reserve	\$764	\$1,415	\$2,146	\$3,263	\$3,118
Net Cash Flow	**	**	**	**	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.14

Assisted Living Residences without Memory Care — Per Occupied Unit/Bed — Property Size < 81 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$35,413	\$36,935	\$46,113	\$71,771	\$82,020
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$38	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$2	\$1	\$0	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$30,601	\$33,090	\$36,173	\$55,667	\$65,445
2nd Occupant Base Fees	\$192	\$196	\$292	\$451	\$226
Acuity-based Care Fees	\$3,699	\$2,495	\$7,109	\$12,151	\$10,657
Memory Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$0	\$14	\$0	\$0
OTHER REVENUES					
Community Fees	\$208	\$220	\$580	\$1,448	\$1,653
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$57	\$106	\$94	\$0	\$0
All Other Operating Income	\$616	\$828	\$1,850	\$2,054	\$4,039
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$27,922	\$28,444	\$33,403	\$48,561	\$57,038
LABOR RELATED					
Administrative	\$2,425	\$2,442	\$2,610	\$4,016	\$4,644
Dietary	\$1,757	\$2,141	\$2,515	\$3,560	\$4,735
Housekeeping	\$453	\$450	\$394	\$686	\$958
Maintenance	\$554	\$574	\$649	\$1,077	\$1,315
Assisted Living Labor	\$6,119	\$4,752	\$8,000	\$12,837	\$13,345
Nursing Labor	\$699	\$1,607	\$723	\$626	\$1,461
Marketing	\$296	\$303	\$925	\$1,465	\$1,751
Activities	\$310	\$373	\$612	\$1,189	\$1,302
All Labor in Other Departments	\$39	\$62	\$75	\$434	\$921
Payroll Taxes	\$1,128	\$1,198	\$1,472	\$2,185	\$2,613
Employee Benefits	\$888	\$1,005	\$1,528	\$1,906	\$2,000
LABOR RELATED TOTAL	\$14,667	\$14,907	\$19,504	\$29,981	\$35,046
NON-LABOR RELATED					
Property Taxes	\$299	\$615	\$1,067	\$2,099	\$2,925
Property Insurance	\$475	\$407	\$307	\$364	\$474
Liability Insurance	\$99	\$119	\$381	\$439	\$394
Workers Comp	\$254	\$208	\$365	\$799	\$901
Raw Food	\$1,921	\$2,012	\$2,080	\$2,349	\$2,524
Non-Labor Other Dietary	\$206	\$164	\$208	\$309	\$409
Utilities	\$1,670	\$1,586	\$1,606	\$2,185	\$2,505
Marketing / Advertising	\$585	\$775	\$1,154	\$1,689	\$2,012
Repairs & Maintenance	\$805	\$915	\$1,178	\$1,349	\$1,637
Housekeeping	\$115	\$96	\$229	\$343	\$467
Resident Care Supplies	\$117	\$181	\$127	\$165	\$174
Activities	\$121	\$111	\$279	\$315	\$416
Total Management Fees	\$1,465	\$1,425	\$1,502	\$2,000	\$2,739
All Other Operating Expenses	\$5,120	\$4,923	\$3,418	\$4,177	\$4,415
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$7,491	\$8,491	\$12,710	\$23,211	\$24,982
Debt Service And / Or Lease Payments¹	\$333	\$984	\$1,079	\$2,050	\$553
Replacement Reserve	\$1,364	\$833	\$1,202	\$2,027	\$1,334
Net Cash Flow	\$5,793	\$6,674	\$10,429	\$19,134	\$23,095

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.15

Assisted Living Residences without Memory Care — Per Occupied Unit/Bed — Property Size > 80 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$34,765	\$36,851	\$43,560	\$70,431	\$81,231
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$0	\$0	\$0	\$6,661	\$0
2nd Occupant Base Fees	\$0	\$33	\$0	\$198	\$0
Assisted					
Base Fees (for all levels of care)	\$31,052	\$31,574	\$38,713	\$47,209	\$57,136
2nd Occupant Base Fees	\$120	\$100	\$201	\$705	\$706
Acuity-based Care Fees	\$2,260	\$1,810	\$2,584	\$10,238	\$12,751
Memory Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$884	\$0	\$3,026	\$7,775
OTHER REVENUES					
Community Fees	\$353	\$260	\$282	\$1,143	\$1,237
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$163	\$130	\$209	\$108	\$279
All Other Operating Income	\$817	\$2,060	\$1,571	\$1,143	\$1,347
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$30,726	\$30,423	\$29,293	\$45,536	\$55,539
LABOR RELATED					
Administrative	\$2,196	\$2,135	\$2,025	\$2,684	\$2,775
Dietary	\$2,944	\$2,905	\$2,874	\$5,550	\$5,839
Housekeeping	\$496	\$650	\$671	\$1,147	\$1,169
Maintenance	\$786	\$687	\$580	\$928	\$941
Assisted Living Labor	\$5,530	\$4,662	\$2,276	\$7,661	\$9,564
Nursing Labor	\$739	\$1,862	\$3,536	\$1,220	\$3,134
Marketing	\$571	\$537	\$405	\$1,056	\$1,110
Activities	\$647	\$572	\$423	\$1,082	\$1,191
All Labor in Other Departments	\$9	\$196	\$167	\$25	\$36
Payroll Taxes	\$1,285	\$1,177	\$981	\$1,931	\$2,463
Employee Benefits	\$1,066	\$1,225	\$1,538	\$2,203	\$2,516
LABOR RELATED TOTAL	\$16,269	\$16,607	\$15,475	\$25,488	\$30,739
NON-LABOR RELATED					
Property Taxes	\$1,573	\$1,114	\$1,102	\$2,011	\$1,836
Property Insurance	\$461	\$521	\$370	\$562	\$521
Liability Insurance	\$238	\$287	\$170	\$362	\$492
Workers Comp	\$506	\$290	\$87	\$823	\$1,039
Raw Food	\$2,157	\$2,117	\$2,160	\$2,881	\$2,792
Non-Labor Other Dietary	\$376	\$255	\$114	\$538	\$479
Utilities	\$1,607	\$1,603	\$1,508	\$2,694	\$2,701
Marketing / Advertising	\$920	\$1,060	\$1,122	\$1,408	\$2,079
Repairs & Maintenance	\$1,066	\$1,220	\$1,087	\$1,438	\$1,923
Housekeeping	\$270	\$151	\$56	\$375	\$666
Resident Care Supplies	\$135	\$262	\$304	\$728	\$1,708
Activities	\$159	\$137	\$119	\$489	\$576
Total Management Fees	\$1,566	\$1,884	\$1,718	\$3,034	\$4,022
All Other Operating Expenses	\$3,382	\$2,899	\$3,902	\$2,603	\$3,705
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$43	\$15	\$0	\$102	\$262
Net Operating Income	\$4,039	\$6,428	\$14,266	\$24,895	\$25,692
Debt Service And / Or Lease Payments¹	\$691	\$2,077	\$3,571	\$3,693	\$5,987
Replacement Reserve	\$1,511	\$634	\$1,041	\$3,648	\$2,717
Net Cash Flow	\$1,837	\$3,718	\$9,654	\$17,553	\$16,988

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.16

Assisted Living Residences with Memory Care — Per Occupied Unit/Bed — Property Size < 81 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$41,183	\$48,523	\$70,414	\$108,033	\$120,988
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$14	\$61	\$31	\$36	\$0
Assisted					
Base Fees (for all levels of care)	\$25,425	\$26,799	\$44,994	\$68,250	\$79,722
2nd Occupant Base Fees	\$196	\$204	\$431	\$22	\$16
Acuity-based Care Fees	\$4,028	\$4,365	\$4,396	\$10,406	\$12,484
Memory Care					
Base Fees (for all levels of care)	\$9,705	\$12,548	\$16,531	\$16,431	\$16,353
2nd Occupant Base Fees	\$16	\$12	\$7	\$17	\$0
Acuity-based Care Fees	\$821	\$1,722	\$1,137	\$8,953	\$8,365
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	-\$2	\$4	\$237	\$237	\$0
OTHER REVENUES					
Community Fees	\$386	\$600	\$662	\$2,063	\$2,357
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$345	\$172	\$27	\$283	\$0
All Other Operating Income	\$249	\$2,036	\$1,962	\$1,334	\$1,689
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$37,304	\$38,724	\$52,178	\$73,657	\$77,415
LABOR RELATED					
Administrative	\$2,961	\$2,802	\$3,156	\$4,340	\$4,728
Dietary	\$2,543	\$2,468	\$3,203	\$4,535	\$4,718
Housekeeping	\$660	\$627	\$879	\$1,383	\$1,469
Maintenance	\$805	\$706	\$769	\$1,317	\$1,193
Assisted Living Labor	\$10,853	\$10,723	\$14,049	\$18,102	\$19,587
Nursing Labor	\$0	\$826	\$0	\$2,476	\$2,419
Marketing	\$671	\$770	\$1,054	\$1,805	\$2,079
Activities	\$813	\$793	\$904	\$1,798	\$1,984
All Labor in Other Departments	\$1,063	\$1,200	\$1,200	\$4,203	\$3,897
Payroll Taxes	\$1,624	\$1,738	\$2,246	\$3,512	\$3,628
Employee Benefits	\$670	\$1,067	\$1,882	\$2,891	\$3,517
LABOR RELATED TOTAL	\$22,664	\$23,720	\$29,342	\$46,363	\$49,221
NON-LABOR RELATED					
Property Taxes	\$912	\$1,215	\$2,647	\$2,834	\$3,167
Property Insurance	\$660	\$442	\$617	\$608	\$590
Liability Insurance	\$575	\$503	\$949	\$640	\$558
Workers Comp	\$274	\$352	\$945	\$1,561	\$1,493
Raw Food	\$2,071	\$2,084	\$2,499	\$2,772	\$2,819
Non-Labor Other Dietary	\$281	\$284	\$366	\$585	\$676
Utilities	\$1,929	\$1,766	\$2,162	\$2,609	\$2,440
Marketing / Advertising	\$1,003	\$1,020	\$1,702	\$1,735	\$1,801
Repairs & Maintenance	\$1,344	\$1,177	\$1,766	\$1,619	\$1,740
Housekeeping	\$219	\$243	\$525	\$802	\$749
Resident Care Supplies	\$214	\$171	\$218	\$840	\$853
Activities	\$214	\$233	\$597	\$692	\$709
Total Management Fees	\$1,798	\$1,928	\$3,766	\$5,338	\$5,643
All Other Operating Expenses	\$3,146	\$3,567	\$4,076	\$3,988	\$4,312
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$0	\$23	\$1	\$670	\$644
Net Operating Income	\$3,879	\$9,798	\$18,236	\$34,376	\$43,573
Debt Service And / Or Lease Payments¹	**	\$459	\$187	\$3,945	\$4,348
Replacement Reserve	\$473	\$1,151	\$299	\$1,453	\$1,350
Net Cash Flow	**	\$8,189	\$17,751	\$28,978	\$37,874

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.17

Assisted Living Residences with Memory Care — Per Occupied Unit/Bed — Property Size > 80 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$42,856	\$50,693	\$74,077	\$105,886	\$116,011
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$1,278	\$1,130	\$2,590	\$1	\$0
2nd Occupant Base Fees	\$50	\$67	\$25	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$23,008	\$29,496	\$50,709	\$75,243	\$86,636
2nd Occupant Base Fees	\$400	\$391	\$283	\$179	\$91
Acuity-based Care Fees	\$3,594	\$4,166	\$4,486	\$7,306	\$8,277
Memory Care					
Base Fees (for all levels of care)	\$10,736	\$11,978	\$12,320	\$15,917	\$12,625
2nd Occupant Base Fees	\$49	\$33	\$2	\$13	\$0
Acuity-based Care Fees	\$2,059	\$1,767	\$1,381	\$4,141	\$4,782
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$3	\$2	\$53	\$0	\$0
OTHER REVENUES					
Community Fees	\$663	\$709	\$1,061	\$1,879	\$2,312
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$257	\$226	\$318	\$57	\$100
All Other Operating Income	\$760	\$728	\$848	\$1,149	\$1,188
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$34,157	\$38,238	\$52,962	\$68,628	\$71,287
LABOR RELATED					
Administrative	\$2,293	\$2,431	\$3,831	\$4,913	\$4,075
Dietary	\$2,659	\$3,224	\$3,648	\$4,132	\$4,335
Housekeeping	\$610	\$740	\$996	\$1,136	\$1,161
Maintenance	\$669	\$720	\$740	\$937	\$1,093
Assisted Living Labor	\$7,746	\$8,632	\$12,713	\$17,676	\$18,606
Nursing Labor	\$834	\$576	\$579	\$1,124	\$1,413
Marketing	\$866	\$948	\$1,126	\$1,401	\$1,582
Activities	\$715	\$763	\$932	\$1,200	\$1,379
All Labor in Other Departments	\$318	\$387	\$2,020	\$3,710	\$3,798
Payroll Taxes	\$1,814	\$1,855	\$2,550	\$3,261	\$3,451
Employee Benefits	\$987	\$1,194	\$2,268	\$2,915	\$2,759
LABOR RELATED TOTAL	\$19,511	\$21,471	\$31,404	\$42,406	\$43,653
NON-LABOR RELATED					
Property Taxes	\$1,502	\$1,742	\$2,649	\$3,095	\$3,470
Property Insurance	\$487	\$536	\$558	\$520	\$532
Liability Insurance	\$328	\$433	\$558	\$622	\$744
Workers Comp	\$261	\$375	\$949	\$1,514	\$1,561
Raw Food	\$2,089	\$2,324	\$2,607	\$2,995	\$2,977
Non-Labor Other Dietary	\$333	\$487	\$387	\$536	\$586
Utilities	\$1,717	\$1,921	\$2,241	\$2,568	\$2,405
Marketing / Advertising	\$1,219	\$1,296	\$1,635	\$1,683	\$1,503
Repairs & Maintenance	\$947	\$1,116	\$1,643	\$1,760	\$1,793
Housekeeping	\$286	\$381	\$504	\$794	\$885
Resident Care Supplies	\$199	\$213	\$304	\$669	\$801
Activities	\$243	\$327	\$549	\$680	\$733
Total Management Fees	\$1,365	\$1,990	\$3,546	\$5,265	\$5,819
All Other Operating Expenses	\$3,650	\$3,565	\$3,269	\$3,128	\$3,331
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	\$19	\$60	\$159	\$393	\$494
Net Operating Income	\$8,699	\$12,455	\$21,115	\$37,258	\$44,724
Debt Service And / Or Lease Payments¹	\$118	\$316	\$1,606	\$5,287	\$3,902
Replacement Reserve	\$1,406	\$959	\$1,487	\$1,259	\$1,028
Net Cash Flow	\$7,175	\$11,180	\$18,023	\$30,712	\$39,794

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.18

CCRCs — Per Occupied Unit/Bed — Property Size < 301 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	\$54,710	\$72,721	\$101,590	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	\$20,375	\$26,886	\$29,589	**
2nd Occupant Base Fees	**	\$1,419	\$1,443	\$2,480	**
Assisted					
Base Fees (for all levels of care)	**	\$9,072	\$11,419	\$15,952	**
2nd Occupant Base Fees	**	\$151	\$100	\$99	**
Acuity-based Care Fees	**	\$1,655	\$1,952	\$5,103	**
Memory Care					
Base Fees (for all levels of care)	**	\$3,212	\$4,961	\$5,999	**
2nd Occupant Base Fees	**	\$2	\$11	\$6	**
Acuity-based Care Fees	**	\$72	\$113	\$618	**
Nursing					
Base Fees	**	\$13,911	\$17,003	\$22,657	**
Ancillary Revenues	**	\$1,582	\$2,242	\$5,614	**
OTHER REVENUES					
Community Fees	**	\$388	\$718	\$244	**
Net Cash From Entrance Fees	**	\$1,498	\$3,377	\$9,872	**
Interest Income	**	\$64	\$157	\$657	**
All Other Operating Income	**	\$1,309	\$2,341	\$2,699	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	\$48,332	\$59,726	\$74,384	**
LABOR RELATED					
Administrative	**	\$2,256	\$1,791	\$2,075	**
Dietary	**	\$4,258	\$4,769	\$5,872	**
Housekeeping	**	\$1,410	\$1,608	\$1,696	**
Maintenance	**	\$1,619	\$1,487	\$1,488	**
Assisted Living Labor	**	\$3,378	\$3,815	\$7,080	**
Nursing Labor	**	\$7,029	\$7,421	\$9,548	**
Marketing	**	\$716	\$1,127	\$1,293	**
Activities	**	\$508	\$742	\$973	**
All Labor in Other Departments	**	\$1,903	\$3,787	\$2,733	**
Payroll Taxes	**	\$1,677	\$2,155	\$2,635	**
Employee Benefits	**	\$2,648	\$3,075	\$3,821	**
LABOR RELATED TOTAL	**	\$27,402	\$31,775	\$39,215	**
NON-LABOR RELATED					
Property Taxes	**	\$870	\$1,432	\$1,969	**
Property Insurance	**	\$810	\$1,035	\$714	**
Liability Insurance	**	\$278	\$265	\$407	**
Workers Comp	**	\$408	\$529	\$709	**
Raw Food	**	\$2,735	\$3,390	\$3,587	**
Non-Labor Other Dietary	**	\$719	\$769	\$825	**
Utilities	**	\$2,430	\$3,330	\$3,030	**
Marketing / Advertising	**	\$1,004	\$1,277	\$1,797	**
Repairs & Maintenance	**	\$1,578	\$2,442	\$2,464	**
Housekeeping	**	\$304	\$459	\$746	**
Resident Care Supplies	**	\$1,563	\$1,029	\$2,045	**
Activities	**	\$364	\$725	\$1,168	**
Total Management Fees	**	\$1,936	\$2,600	\$3,146	**
All Other Operating Expenses	**	\$5,314	\$7,749	\$11,203	**
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**	\$615	\$918	\$1,359	**
Net Operating Income	**	\$6,378	\$12,996	\$27,206	**
Debt Service And / Or Lease Payments¹	**	**	\$3,467	\$5,691	**
Replacement Reserve	**	**	\$3,580	\$3,247	**
Net Cash Flow	**	**	\$5,949	\$18,268	**

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

**Insufficient sample size

TABLE 9.19

CCRCs — Per Occupied Unit/Bed — Property Size > 300 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	\$46,158	\$55,586	\$72,201	\$111,218	\$135,827
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	\$20,052	\$23,685	\$27,498	\$37,967	\$43,141
2nd Occupant Base Fees	\$2,051	\$2,288	\$1,802	\$4,061	\$5,120
Assisted					
Base Fees (for all levels of care)	\$3,013	\$5,108	\$5,918	\$5,426	\$5,260
2nd Occupant Base Fees	\$29	\$9	\$28	\$53	\$66
Acuity-based Care Fees	\$364	\$115	\$508	\$250	\$40
Memory Care					
Base Fees (for all levels of care)	\$1,096	\$1,314	\$2,289	\$2,561	\$2,398
2nd Occupant Base Fees	\$0	\$0	\$1	\$0	\$0
Acuity-based Care Fees	\$54	\$14	\$1	\$19	\$0
Nursing					
Base Fees	\$7,157	\$9,408	\$15,922	\$11,267	\$10,911
Ancillary Revenues	\$1,306	\$851	\$3,670	\$1,760	\$1,813
OTHER REVENUES					
Community Fees	\$493	\$127	\$135	\$128	\$145
Net Cash From Entrance Fees	\$7,212	\$7,276	\$10,870	\$41,891	\$62,445
Interest Income	\$87	\$180	\$1,157	\$1,036	\$1,024
All Other Operating Income	\$3,244	\$5,211	\$2,403	\$4,799	\$3,466
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$33,495	\$40,915	\$54,577	\$61,408	\$69,462
LABOR RELATED					
Administrative	\$1,207	\$1,238	\$2,286	\$1,433	\$1,595
Dietary	\$3,706	\$4,069	\$4,485	\$3,734	\$3,111
Housekeeping	\$1,127	\$1,241	\$1,678	\$954	\$984
Maintenance	\$863	\$970	\$1,630	\$856	\$810
Assisted Living Labor	\$1,116	\$1,604	\$2,981	\$1,396	\$974
Nursing Labor	\$4,159	\$5,255	\$8,018	\$4,174	\$3,116
Marketing	\$435	\$526	\$1,054	\$752	\$689
Activities	\$136	\$199	\$337	\$206	\$255
All Labor in Other Departments	\$2,926	\$4,606	\$4,146	\$11,096	\$16,407
Payroll Taxes	\$1,244	\$1,486	\$1,942	\$1,981	\$2,153
Employee Benefits	\$1,828	\$2,262	\$3,304	\$3,521	\$3,838
LABOR RELATED TOTAL	\$18,748	\$23,455	\$31,860	\$30,103	\$33,933
NON-LABOR RELATED					
Property Taxes	\$843	\$1,503	\$1,199	\$2,385	\$3,135
Property Insurance	\$293	\$232	\$846	\$641	\$828
Liability Insurance	\$209	\$178	\$327	\$377	\$357
Workers Comp	\$424	\$478	\$332	\$565	\$626
Raw Food	\$2,683	\$2,585	\$3,039	\$3,767	\$4,362
Non-Labor Other Dietary	\$397	\$178	\$694	\$275	\$232
Utilities	\$2,123	\$2,274	\$2,484	\$3,052	\$3,621
Marketing / Advertising	\$645	\$805	\$828	\$1,831	\$1,793
Repairs & Maintenance	\$1,411	\$1,193	\$1,620	\$2,635	\$2,673
Housekeeping	\$136	\$124	\$294	\$700	\$593
Resident Care Supplies	\$314	\$196	\$826	\$1,867	\$1,560
Activities	\$54	\$54	\$261	\$932	\$1,069
Total Management Fees	\$1,014	\$1,642	\$1,634	\$3,300	\$3,791
All Other Operating Expenses	\$3,357	\$4,151	\$6,956	\$7,986	\$10,011
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$846	\$1,866	\$1,377	\$994	\$880
Net Operating Income	\$12,663	\$14,672	\$17,624	\$49,810	\$66,365
Debt Service And / Or Lease Payments¹	\$2,334	\$2,257	\$3,725	\$2,732	\$4,548
Replacement Reserve	\$9,055	\$10,200	\$4,307	\$4,323	\$4,017
Net Cash Flow	\$1,274	\$2,215	\$9,592	\$42,755	\$57,800

¹Includes annual principal and interest payments, other debt expenses (e.g. mortgage insurance premiums, letter of credit fees, trustee fees, servicing fees, etc.), operating lease payments and ground lease payments.

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.20**Independent Living Communities — Per Resident Per Day**

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	**	\$68.43	\$86.78	\$159.57	**
Total Operating Expenses	**	\$47.85	\$57.08	\$95.98	**
Net Operating Income	**	\$20.59	\$29.70	\$63.59	**
Operating Margin	**	30.1%	34.2%	39.9%	**
Average Annual Occupancy	**	86.5%	84.9%	89.1%	**

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

** Insufficient sample size

TABLE 9.21**Independent and Assisted Living Communities — Per Resident Per Day**

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	**	\$96.24	\$128.97	\$209.71	**
Total Operating Expenses	**	\$69.62	\$87.84	\$125.58	**
Net Operating Income	**	\$26.62	\$41.13	\$84.13	**
Operating Margin	**	27.7%	31.9%	40.1%	**
Average Annual Occupancy	**	86.3%	89.4%	88.2%	**

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

** Insufficient sample size

TABLE 9.22**Independent and Assisted Living with Memory Care Communities — Per Resident Per Day**

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	\$109.60	\$120.30	\$160.88	\$234.28	\$264.45
Total Operating Expenses	\$90.04	\$90.07	\$106.77	\$149.94	\$163.90
Net Operating Income	\$19.56	\$30.23	\$54.11	\$84.34	\$100.55
Operating Margin	17.8%	25.1%	33.6%	36.0%	38.0%
Average Annual Occupancy	85.4%	87.7%	88.6%	88.7%	90.2%

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.23**Assisted Living Residences** (excluding those with Memory Care) — Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	\$93.64	\$99.81	\$139.06	\$196.21	\$228.14
Total Operating Expenses	\$71.71	\$75.51	\$87.80	\$128.40	\$154.35
Net Operating Income	\$21.93	\$24.30	\$51.26	\$67.81	\$73.79
Operating Margin	23.4%	24.3%	36.9%	34.6%	32.3%
Average Annual Occupancy	90.3%	90.1%	92.1%	87.5%	86.3%

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.24**Assisted Living Residences** (including those with Memory Care) — Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	\$110.97	\$129.37	\$182.92	\$260.18	\$291.16
Total Operating Expenses	\$87.69	\$99.10	\$129.34	\$176.61	\$192.43
Net Operating Income	\$23.27	\$30.27	\$53.58	\$83.56	\$98.73
Operating Margin	21.0%	23.4%	29.3%	32.1%	33.9%
Average Annual Occupancy	83.8%	82.6%	89.2%	90.2%	92.1%

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 9.25**CCRCs** — Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	\$106.36	\$127.38	\$173.87	\$269.03	\$326.37
Total Operating Expenses	\$79.73	\$95.20	\$130.60	\$181.28	\$206.96
Net Operating Income	\$26.63	\$32.18	\$43.27	\$87.75	\$119.41
Operating Margin	25.0%	25.3%	24.9%	32.6%	36.6%
Average Annual Occupancy	93.4%	94.0%	86.5%	88.2%	88.9%

Note: Communities are ranked by Revenues per Occupied Unit/Bed. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

“Same-Store” Results

The results of the *State of Seniors Housing* survey we report are dependent on the underlying properties for which data are supplied each year. In consequence, simple year-to-year comparisons of the data can be misleading because the composition of the sample is somewhat different each year. The response set not being identical can mask or can magnify any differences caused by changes in conditions or performance over time. Although year-to-year comparisons of the reports are tempting, we discourage making those year-over-year comparisons of the “raw” report findings unless these factors are kept in mind.

To make more valid and more reliable year-over-year comparisons, this chapter presents only data from “same-store” properties — meaning, properties that do contribute data in successive years. Such same-store comparisons for any set of years will provide more confidence that the year-over-year differences identified and reported really are the result of changes actually resulting from each property’s performance, and so are more likely to represent real trends over time — rather than the differences possibly being as a result of examining performance from a different set of properties each year.

We can run that same-store analysis with some confidence because more than one-half of this year's sample who reported 2018's performance also contributed data last year (reporting 2017's performance) and so allowing some important year-to-year comparisons to be made (see Table 10.1) including:

- *Occupancy*
- *Revenues*
- *Operating expenses, and*
- *Net Operating Income*

Since the previous year, Table 10.1 shows that occupancy rates have been mixed — down for many product types due to increased supply; CCRCs are the exception with an increase in occupancy. There's been some revenue growth (more for memory care) and revenue per occupied unit has grown modestly (except for CCRCs where occupancy has grown at a faster pace than revenues). However, operating expenses have increased at twice or more the rate of the revenue increases (implying that price increases have not kept pace with expenses), and labor costs have continued growing as a share of revenue and of overall operating expenses. In consequence net operating incomes, NOI per occupied unit, and operating margins have decayed over this last year. However, we note that while, in aggregate, margins and profits were down,

about 40% of the same-store sample did report some improvement in total NOI.

Comparing performance during the year ending December 2018 to the performance reported five years prior, from the year ending December 2013 by almost 500 of this year's properties (remarkably, and most appreciated, that is more than one-quarter of this year's properties) enables us to make the comparisons shown in Table 10.2.

Overall, over the five years, NOI has shown more consistent (but nowhere near universal) growth, but operating margins have not. Comparative performances for individual property types are found in Table 10.2.

Readers of this chapter should also note that:

- *The metrics reported are of totals or of weighted averages for the relevant response sets, meaning that larger properties are weighted more heavily here;*
- *Changes are reported in percentages, not percentage points. This is why, for example, a decay from 39% operating margin one year to 34.3% the next is reported as a negative 12% in annual rate of change [that is, a change of almost 5 in 39], and not as a negative 4 or 5 percentage [point] rate of change*

TABLE 10.1

Same Store — National Profile Sort

COMMUNITY PROFILE	TOTAL COMMUNITIES	OCCUPANCY	TOTAL REVENUES	REVENUES PER OCCUPIED UNIT	TOTAL OPERATING EXPENSE
INDEPENDENT LIVING					
YE 12/31/18	62	87%	\$266,436,714	\$36,967	\$175,118,564
YE 12/31/17	62	89%	\$267,315,037	\$36,197	\$163,090,654
Annual Change		-1.8%	-0.3%	2.1%	7.4%
INDEPENDENT AND ASSISTED LIVING					
YE 12/31/18	89	87%	\$661,070,741	\$58,671	\$442,033,544
YE 12/31/17	89	89%	\$643,383,217	\$55,567	\$419,465,854
Annual Change		-2.9%	2.7%	5.6%	5.4%
INDEPENDENT AND ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/18	177	89%	\$1,588,080,787	\$65,144	\$1,085,358,579
YE 12/31/17	177	90%	\$1,584,819,869	\$64,890	\$1,044,841,032
Annual Change		-1.3%	0.2%	0.4%	3.9%
ASSISTED LIVING					
YE 12/31/18	105	91%	\$383,873,821	\$49,741	\$271,695,078
YE 12/31/17	105	91%	\$377,379,197	\$48,460	\$257,840,385
Annual Change		-0.3%	1.7%	2.6%	5.4%
ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/18	291	89%	\$1,965,260,389	\$82,131	\$1,396,402,933
YE 12/31/17	291	89%	\$1,912,155,851	\$79,983	\$1,331,042,250
Annual Change		0.1%	2.8%	2.7%	4.9%
MEMORY CARE					
YE 12/31/18	31	84%	\$130,837,293	\$97,895	\$105,862,841
YE 12/31/17	31	86%	\$125,191,978	\$91,850	\$96,264,236
Annual Change		-1.9%	4.5%	6.6%	10.0%
CCRC					
YE 12/31/18	83	92%	\$2,204,577,142	\$69,726	\$1,632,609,409
YE 12/31/17	83	88%	\$2,174,697,173	\$72,681	\$1,609,841,090
Annual Change		4.2%	1.4%	-4.1%	1.4%
ALL					
YE 12/31/18	863	89%	\$7,660,128,959	\$67,526	\$5,463,352,446
YE 12/31/17	863	89%	\$7,556,215,902	\$67,358	\$5,262,328,955
Annual Change		0.5%	1.4%	0.2%	3.8%

	OPERATING EXPENSES PER OCCUPIED UNIT	LABOR EXPENSES (INCLUDED IN TOTAL)	LABOR AS A RATIO OF REVENUES	NET OPERATING INCOME	NOI PER OCCUPIED UNIT	OPERATING MARGIN
	\$24,297	\$70,085,155	26.3%	\$91,318,150	\$12,670	34.3%
	\$22,084	\$64,277,811	24.0%	\$104,224,383	\$14,113	39.0%
	10.0%	9.0%	9.4%	-12.4%	-10.2%	-12.1%
	\$39,231	\$219,232,864	33.2%	\$219,037,197	\$19,440	33.1%
	\$36,228	\$210,736,491	32.8%	\$223,917,363	\$19,339	34.8%
	8.3%	4.0%	1.2%	-2.2%	0.5%	-4.8%
	\$44,522	\$571,896,439	36.0%	\$502,722,207	\$20,622	31.7%
	\$42,781	\$572,113,920	36.1%	\$539,978,837	\$22,109	34.1%
	4.1%	0.0%	-0.2%	-6.9%	-6.7%	-7.1%
	\$35,205	\$144,806,462	37.7%	\$112,178,742	\$14,536	29.2%
	\$33,110	\$137,098,967	36.3%	\$119,538,813	\$15,350	31.7%
	6.3%	5.6%	3.8%	-6.2%	-5.3%	-7.7%
	\$58,357	\$836,591,921	42.6%	\$568,857,455	\$23,773	28.9%
	\$55,676	\$801,428,171	41.9%	\$581,113,601	\$24,307	30.4%
	4.8%	4.4%	1.6%	-2.1%	-2.2%	-4.8%
	\$79,209	\$64,408,845	49.2%	\$24,974,451	\$18,686	19.1%
	\$70,627	\$61,271,620	48.9%	\$28,927,742	\$21,224	23.1%
	12.2%	5.1%	0.6%	-13.7%	-12.0%	-17.4%
	\$51,636	\$933,243,648	42.3%	\$571,967,733	\$18,090	25.9%
	\$53,803	\$893,442,003	41.1%	\$564,856,084	\$18,878	26.0%
	-4.0%	4.5%	3.0%	1.3%	-4.2%	-0.1%
	\$48,161	\$3,025,734,882	39.5%	\$2,196,776,513	\$19,365	28.7%
	\$46,909	\$2,916,175,529	38.6%	\$2,293,886,948	\$20,448	30.4%
	2.7%	3.8%	2.3%	-4.2%	-5.3%	-5.5%

TABLE 10.2

Same Store — National Profile Sort, Five-Year Trend

COMMUNITY PROFILE	TOTAL COMMUNITIES	OCCUPANCY	TOTAL REVENUES	REVENUES PER OCCUPIED UNIT	TOTAL OPERATING EXPENSE
INDEPENDENT AND ASSISTED LIVING					
YE 12/31/18	70	87%	\$522,486,464	\$51,171	\$343,439,529
YE 12/31/13	70	92%	\$455,030,505	\$44,692	\$288,758,882
Compound Annual Rate of Change		-1.1%	2.8%	2.7%	3.5%
INDEPENDENT AND ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/18	105	89%	\$943,391,376	\$61,641	\$634,972,558
YE 12/31/13	105	92%	\$801,269,974	\$52,741	\$522,126,657
Compound Annual Rate of Change		-0.8%	3.3%	3.2%	4.0%
ASSISTED LIVING					
YE 12/31/18	53	90%	\$201,986,899	\$49,879	\$142,886,672
YE 12/31/13	53	91%	\$186,860,668	\$45,355	\$121,606,228
Compound Annual Rate of Change		-0.3%	1.6%	1.9%	3.3%
ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/18	124	88%	\$844,888,234	\$66,105	\$616,248,958
YE 12/31/13	124	90%	\$719,184,525	\$57,491	\$507,919,481
Compound Annual Rate of Change		-0.4%	3.3%	2.8%	3.9%
CCRC					
YE 12/31/18	72	93%	\$2,176,046,153	\$63,216	\$1,555,725,113
YE 12/31/13	72	91%	\$1,934,592,833	\$56,611	\$1,362,718,299
Compound Annual Rate of Change		0.4%	2.4%	2.2%	2.7%
ALL					
YE 12/31/18	485	90%	\$4,955,391,211	\$60,103	\$3,474,410,909
YE 12/31/13	485	91%	\$4,341,078,922	\$53,281	\$2,957,836,300
Compound Annual Rate of Change		-0.3%	2.7%	2.4%	3.3%

	OPERATING EXPENSES PER OCCUPIED UNIT	LABOR EXPENSES (INCLUDED IN TOTAL)	LABOR AS A RATIO OF REVENUES	NET OPERATING INCOME	NOI PER OCCUPIED UNIT	OPERATING MARGIN
	\$33,636	\$173,378,594	33%	\$179,046,935	\$17,536	34%
	\$28,361	\$146,017,619	32%	\$166,271,623	\$16,331	37%
	3.5%	3.5%	0.7%	1.5%	1.4%	-1.3%
	\$41,489	\$338,099,368	36%	\$308,418,818	\$20,152	33%
	\$34,367	\$282,749,590	35%	\$279,143,318	\$18,374	35%
	3.8%	3.6%	0.3%	2.0%	1.9%	-1.3%
	\$35,285	\$81,868,692	41%	\$59,100,227	\$14,594	29%
	\$29,516	\$66,640,080	36%	\$65,254,440	\$15,838	35%
	3.6%	4.2%	2.6%	-2.0%	-1.6%	-3.5%
	\$48,216	\$376,703,060	45%	\$228,639,277	\$17,889	27%
	\$40,603	\$295,569,917	41%	\$211,265,044	\$16,888	29%
	3.5%	5.0%	1.6%	1.6%	1.2%	-1.6%
	\$45,195	\$876,921,976	40%	\$620,321,040	\$18,021	29%
	\$39,876	\$729,039,506	38%	\$571,874,534	\$16,734	30%
	2.5%	3.8%	1.4%	1.6%	1.5%	-0.7%
	\$42,141	\$1,943,603,446	39%	\$1,480,980,303	\$17,963	30%
	\$36,304	\$1,600,427,974	37%	\$1,383,242,622	\$16,978	32%
	3.0%	4.0%	1.2%	1.4%	1.1%	-1.3%

Staffing and Labor Costs

Findings for the number of Full Time Equivalent (FTE) employees, by payroll department and in total, are presented in this chapter.¹ Respondents were asked to provide staffing information only for employees who work on-site and to exclude corporate “overhead” such as regional property managers or corporate department managers. The average numbers of FTEs per property is shown in Table 11.1 for the various property types.

STAFFING RATIOS

Although Table 11.1 illustrates some of the differences in staffing between property types (for example, that adding higher-acuity residents to a freestanding property normally adds to staff count by 100% or more, with few, if any economies of scale), it does not draw a sufficient picture because it doesn’t explicitly recognize the typical size differences of communities in the respective property types. As shown back in Chapter 3, some property types typically have more units and more residents, therefore requiring more employees even before accounting for differences in functions performed at the properties. Table 11.2 addresses this shortcoming, and reports staff-to-resident ratios (expressed as the number of FTEs in each labor category and in total for the property, then divided by the average number of residents at that property throughout the year). If readers are more comfortable using resident-to-staff ratios rather than staff-to-resident ratios, just take the inverse of the findings shown in Table 11.2 — for example, take the inverse of the 0.46 average staff-to-resident ratio for CCRCs over all departments, and calculate as: one divided by 0.46 (or in other words 2.17) average number of residents for each FTE staff. It’s even more evident from Table 11.2 that staff-to-resident ratios go up as higher-acuity residents are added (and that it takes roughly twice the staffing intensity for freestanding memory care than for freestanding assisted living).

Table 11.3 drills deeper: it specifically breaks out assisted living staffing direct care data on a per-assisted-living-resident basis (or, on a per-memory-care-resident basis, as the case may be) for assisted living properties and for memory care properties as well as for assisted living residents or memory care residents within majority-independent living properties and in CCRCs. Table 11.3 also breaks out skilled nursing staffing ratios (per nursing care resident) within CCRCs.

What's the difference between Table 11.2 and Table 11.3? Table 11.2 shows assisted living labor on a per-resident basis and shows nursing labor on a per-resident basis but counting all residents in a property. Table 11.3, in contrast, shows assisted living labor per assisted living resident (or per memory care resident) and shows skilled nursing labor per skilled nursing resident. Note that, on average there is almost one skilled nursing FTE for every nursing resident in CCRCs, and never, in our response set of 167 CCRCs, less than one skilled nursing FTE for every 2 residents (that is, 0.58 per-resident minimum from Table 11.3) — this finding should constitute another benefit that CCRCs might choose to incorporate in their marketing messaging for future-planning-prone prospective customers.

LABOR COSTS

Average annual wages (including payroll taxes but excluding employee benefits costs) are presented for eight different labor categories (that is, per department) in Table 11.4. Please note that these annual wages should not be divided by 2,080 to obtain a measure of “average hourly wage rates” at the property because, among other things, the dollar totals shown include an unknown amount of overtime wages.

Table 11.4 does show, among other things, that it costs considerably more per FTE for CCRCs to employ assisted living workers, and costs more per FTE for CCRCs to employ skilled nursing workers, than those employees receive at other property types. Table 11.4 also shows that freestanding memory care properties must pay very high wages per FTE, compared to most other property types, for most labor categories other than direct care workers.

¹ Full Time Equivalent is defined for respondents to our survey as a 2,080 hour block of time paid in a year (that is, 40 hours per week over 52 weeks). For example, two part-time housekeepers each working 20 hours per week over the year are, together, equal to one FTE.

TABLE 11.1

Average FTEs by Labor Department and Community Type

DESCRIPTION	IL			IL / AL			IL / AL / MC		
DEPARTMENT	MIN	AVERAGE	MAX	MIN	AVERAGE	MAX	MIN	AVERAGE	MAX
Administrative	1.0	3.9	11.0	1.0	5.3	14.0	1.0	6.1	27.0
Dietary	2.0	12.7	39.0	4.0	19.5	78.0	2.0	18.7	101.0
Housekeeping	1.0	3.8	13.0	1.0	5.0	17.0	1.0	5.3	23.0
Maintenance	1.0	1.8	5.0	1.0	2.4	10.0	1.0	2.5	19.0
Marketing	1.0	1.4	4.0	1.0	1.6	4.0	1.0	1.7	5.0
Assisted Living	1.0	1.8	3.0	6.0	18.8	46.0	9.0	31.8	153.0
Skilled Nursing	**	**	**	9.0	15.2	23.0	1.0	22.5	98.0
Activities	1.0	1.6	4.0	1.0	2.5	13.0	1.0	3.0	15.0
Other	1.0	3.1	18.0	1.0	12.4	73.0	1.0	17.3	120.0
TOTAL	9.0	25.3	74.0	18.0	55.3	163.0	13.0	71.1	257.0

Note: Average reported for those communities with staffed departments; the sum of the parts may not equal the whole.
 N/A = NOT available, to ensure information confidentiality for a large data community.
 **Insufficient sample size.

TABLE 11.2

Average FTEs Per Resident by Labor Department and Community Type

DESCRIPTION	IL			IL / AL			IL / AL / MC		
DEPARTMENT	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX
Administrative	0.01	0.03	0.17	0.01	0.04	0.09	0.01	0.04	0.08
Dietary	0.04	0.11	0.27	0.05	0.15	0.32	0.03	0.13	0.26
Housekeeping	0.01	0.03	0.06	0.01	0.04	0.09	0.01	0.04	0.09
Maintenance	0.01	0.01	0.06	0.01	0.02	0.04	0.01	0.02	0.04
Marketing	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.02
Assisted Living	0.01	0.01	0.02	0.03	0.13	0.40	0.08	0.23	0.46
Skilled Nursing	**	**	**	0.06	0.10	0.12	0.01	0.02	0.36
Activities	0.01	0.01	0.04	0.01	0.02	0.06	0.01	0.02	0.05
Other	0.01	0.01	0.09	0.01	0.01	0.16	0.01	0.01	0.30
TOTAL	0.11	0.21	0.54	0.18	0.41	0.70	0.22	0.51	0.73

Note: Average reported for those communities with staffed departments; the sum of the parts may not equal the whole.
 **Insufficient sample size.

	AL			AL/MC			MC			CCRC		
	MIN	AVERAGE	MAX	MIN	AVERAGE	MAX	MIN	AVERAGE	MAX	MIN	AVERAGE	MAX
	1.0	2.1	8.0	1.0	4.7	12.0	1.0	2.6	6.0	2.0	8.7	N/A
	1.0	4.9	49.0	1.0	10.6	39.0	1.0	3.8	11.0	8.0	58.3	N/A
	1.0	1.7	7.0	1.0	3.3	10.0	1.0	2.4	32.0	1.0	19.5	N/A
	1.0	1.2	6.0	1.0	1.6	6.0	1.0	1.2	2.0	1.0	11.2	N/A
	1.0	1.1	3.0	1.0	1.4	5.0	1.0	1.1	3.0	1.0	4.3	N/A
	5.0	14.6	44.0	7.0	31.7	97.0	1.0	24.1	52.0	1.0	25.3	N/A
	1.0	13.7	25.0	1.0	16.5	53.0	1.0	2.6	43.0	14.0	55.4	N/A
	1.0	1.3	7.0	1.0	2.8	10.0	1.0	1.9	4.0	1.0	6.8	N/A
	1.0	7.8	114.0	1.0	13.3	94.0	1.0	16.9	45.0	1.0	56.8	N/A
	7.0	27.6	114.0	7.0	58.9	140.0	16.0	36.7	76.0	32.0	212.9	N/A

	AL			AL/MC			MC			CCRC		
	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX
	0.01	0.04	0.19	0.01	0.06	0.17	0.02	0.06	0.14	0.01	0.02	0.09
	0.02	0.15	0.40	0.03	0.12	0.32	0.03	0.08	0.15	0.06	0.11	0.23
	0.01	0.04	0.11	0.01	0.04	0.09	0.01	0.03	0.09	0.02	0.04	0.08
	0.01	0.02	0.05	0.01	0.02	0.04	0.01	0.01	0.04	0.01	0.02	0.09
	0.01	0.01	0.04	0.01	0.01	0.06	0.01	0.01	0.04	0.01	0.01	0.03
	0.06	0.13	0.58	0.09	0.36	0.92	0.07	0.46	0.66	0.01	0.04	0.22
	0.02	0.12	0.27	0.01	0.02	0.41	0.12	0.01	0.66	0.04	0.11	0.42
	0.01	0.02	0.10	0.01	0.03	0.07	0.02	0.03	0.07	0.01	0.01	0.05
	0.01	0.01	0.02	0.01	0.04	0.31	0.01	0.09	0.74	0.01	0.12	0.23
	0.24	0.41	0.89	0.17	0.69	1.05	0.53	0.80	1.10	0.27	0.46	0.74

TABLE 11.3**FTEs per Assisted Living/Memory Care or Skilled Nursing Resident by Community Type**

	IL / AL			IL / AL / MC			AL		
	MIN	WEIGHTED AVG	MAX	MIN	WEIGHTED AVG	MAX	MIN	WEIGHTED AVG	MAX
Assisted Living/ Memory Care	0.13	0.31	0.89	0.13	0.39	0.87	0.08	0.28	0.58
Skilled Nursing	Not Applicable			Not Applicable			Not Applicable		
	AL / MC			MC			CCRC		
	MIN	WEIGHTED AVG	MAX	MIN	WEIGHTED AVG	MAX	MIN	WEIGHTED AVG	MAX
Assisted Living/ Memory Care	0.19	0.38	0.81	0.36	0.52	0.66	0.17	0.46	0.84
Skilled Nursing	Not Applicable			Not Applicable			0.58	0.98	1.72

TABLE 11.4**Annual Weighted Average Wages per FTE by Department**

DEPARTMENT	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC
Administrative	\$53,425	\$58,144	\$64,336	\$67,422	\$77,691	\$85,115	\$87,689
Dietary	\$27,597	\$28,407	\$29,295	\$28,868	\$30,758	\$34,580	\$32,557
Housekeeping	\$26,827	\$29,603	\$27,825	\$29,380	\$28,129	\$30,823	\$30,238
Maintenance	\$43,713	\$50,098	\$50,188	\$48,277	\$52,322	\$48,504	\$50,237
Marketing	\$66,439	\$84,779	\$76,168	\$81,780	\$90,381	\$84,400	\$100,662
Assisted Living	**	\$35,757	\$34,961	\$31,450	\$32,887	\$31,484	\$43,085
Skilled Nursing	**	\$40,501	\$40,333	\$31,681	\$43,876	\$37,017	\$51,695
Activities	\$40,474	\$41,337	\$40,792	\$39,676	\$40,437	\$38,862	\$40,521
Other	\$65,722	\$30,632	\$37,348	\$33,818	\$41,051	\$52,631	\$44,199
TOTAL	\$37,334	\$36,746	\$37,421	\$36,538	\$39,213	\$40,817	\$44,568

Note: Payroll divided by total FTEs per department.

** Insufficient sample size.

CHAPTER TWELVE

Other Significant Cost Items

FOOD COSTS

Tables in Chapter 9 of this report demonstrated that raw food costs represent one of the largest categories of operating expenses, along with labor costs. Table 12.1 in this chapter drills down, to present daily food costs by property type and by region. Averages for particular property types in particular regions range from less than \$6 per resident per day to almost \$11 per resident per day — and so the range among individual properties would logically be even wider.

TABLE 12.1

Weighted Average Daily Raw Food Costs per Resident Day by Region

REGION	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Northeast	\$6.54	\$8.42	\$9.05	\$6.27	\$7.22	\$7.01	\$7.44	\$7.68
Southeast	\$6.25	\$6.59	\$7.24	\$5.86	\$6.97	**	\$8.89	\$5.86
North Central	**	\$7.84	\$7.87	\$6.09	\$7.66	**	\$8.37	\$8.03
South Central	\$6.13	\$6.67	\$7.51	\$5.80	\$6.98	**	\$7.24	\$6.87
West	\$5.91	\$7.43	\$8.02	\$7.57	\$7.67	\$6.25	\$10.92	\$8.33
ENTIRE U.S.	\$6.30	\$7.50	\$8.10	\$6.40	\$7.38	\$7.81	\$8.57	\$7.80

Note: Total food costs divided by total residents for the year.

** Insufficient sample size.

MANAGEMENT FEES

Management fees average close to 5% of revenue for most property types; closer to 4% for CCRCs, where communities are typically larger and so the smaller percentage is offset by volume; and at the other extreme somewhat higher than 5% for freestanding memory care communities which typically have smaller resident counts than other product types — and so total dollars are boosted in these cases by the higher percentage.

In any case, management fees exhibited significant variation property-to-property, with an overall range from 1% of revenue, up to between 10% and 11% of revenue. See Table 12.2 for detail.

EMPLOYEE BENEFITS COSTS

Tables 12.3a and 12.3b examine employee benefits costs in more detail, both in terms of costs per FTE and as a percentage of total wages and salaries, at seniors housing properties. Once again, there is a substantial range between minimum and maximum, around an average of from 10% to 11% of the total cost of wages and salaries.

Table 12.3a shows that CCRCs (many of which in our response set are not for-profits, as we showed in Chapter 5) on average pay substantially higher employee benefits — on average 12.5% of other wages and salaries — than benefits cost at other property types. This is significant because, as Chapter 11 showed, the wage and salary base itself at CCRCs for most labor categories is already higher at CCRCs than at other property types.

INSURANCE COSTS

The various parts of Table 12.4 show cost ranges, broken out by property type, for:

- *General property and (excess) liability insurance*
- *Professional liability insurance, and*
- *Workers Compensation insurance — with Workers Comp broken out by calculations of both cost per unit and also as a percentage of total wages and salaries*

UTILITY COSTS

Tables in Chapter 9 also showed utility costs to be one of the largest operating expense categories, along with labor and raw food costs. Utility costs are analyzed in more detail here. Breakouts by age of community as well as based on cost per square foot of building area, and by cost per resident per day, are provided in Table 12.5. Then, Table 12.6a and Table 12.6b break out these utility costs per square foot and per resident day by property type.

TABLE 12.2**Management Fees as a Percentage of Total Revenues by Community Type**

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	3.0%	5.1%	7.4%
Independent/Assisted Living	2.0%	5.0%	6.7%
Independent/Assisted Living/Memory Care	1.0%	4.9%	9.6%
Assisted Living	2.0%	5.0%	10.7%
Assisted Living/Memory Care	1.3%	5.0%	9.3%
Memory Care	2.0%	5.3%	7.5%
CCRC	1.1%	3.7%	9.1%
ALL COMMUNITIES	1.0%	4.6%	10.7%

Note: Weighted average reflects total management fees divided by total revenues for each community type.

TABLE 12.3**A — Total Cost of Employee Benefits per FTE by Community Type**

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	\$1,002	\$3,332	\$8,365
Independent/Assisted Living	\$497	\$2,911	\$8,912
Independent/Assisted Living/Memory Care	\$677	\$3,369	\$9,954
Assisted Living	\$344	\$3,597	\$11,116
Assisted Living/Memory Care	\$338	\$3,314	\$8,078
Memory Care	\$596	\$2,655	\$6,627
CCRC	\$1,047	\$5,276	\$11,127
ALL COMMUNITIES	\$338	\$4,104	\$11,127

B — Benefits as a Percentage of Total Wages and Salaries by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	2.3%	9.0%	36.5%
Independent/Assisted Living	1.5%	8.5%	39.0%
Independent/Assisted Living/Memory Care	1.8%	9.1%	29.5%
Assisted Living	1.0%	10.4%	34.4%
Assisted Living/Memory Care	1.0%	8.6%	34.5%
Memory Care	1.7%	7.5%	21.6%
CCRC	2.4%	12.5%	31.9%
ALL COMMUNITIES	1.0%	10.6%	39.0%

12.3A Note: Weighted average reflects total employee benefits divided by total FTEs for each community type.

12.3B Note: Weighted average reflects total employee benefits divided by total wages for each community type.

TABLE 12.4

A — Annual Cost of General Property and Liability Insurance Per Available Unit by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	\$20	\$339	\$1,855
Independent/Assisted Living	\$21	\$369	\$1,696
Independent/Assisted Living/Memory Care	\$24	\$443	\$1,989
Assisted Living	\$20	\$408	\$1,312
Assisted Living/Memory Care	\$23	\$478	\$1,795
Memory Care	\$58	\$542	\$1,708
CCRC	\$68	\$457	\$1,869
ALL COMMUNITIES	\$20	\$435	\$1,989

B — Annual Cost of Professional Liability Insurance Per Available Unit by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	\$33	\$406	\$2,709
Independent/Assisted Living	\$43	\$316	\$1,219
Independent/Assisted Living/Memory Care	\$34	\$615	\$3,419
Assisted Living	\$37	\$421	\$2,073
Assisted Living/Memory Care	\$30	\$717	\$3,569
Memory Care	\$35	\$430	\$1,124
CCRC	\$76	\$290	\$2,612
ALL COMMUNITIES	\$30	\$466	\$3,569

C — Annual Cost of Workers Comp Per Available Unit by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	\$29	\$164	\$579
Independent/Assisted Living	\$79	\$474	\$1,316
Independent/Assisted Living/Memory Care	\$82	\$636	\$3,440
Assisted Living	\$31	\$533	\$2,023
Assisted Living/Memory Care	\$35	\$951	\$3,375
Memory Care	\$88	\$781	\$2,726
CCRC	\$55	\$488	\$2,429
ALL COMMUNITIES	\$29	\$611	\$3,440

D — Annual Cost of Workers Comp as a Percentage of Total Wages and Salaries by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	0.5%	2.3%	9.8%
Independent/Assisted Living	0.5%	3.3%	7.9%
Independent/Assisted Living/Memory Care	0.7%	3.6%	11.3%
Assisted Living	0.6%	3.2%	7.8%
Assisted Living/Memory Care	0.5%	3.9%	13.1%
Memory Care	0.6%	3.0%	10.8%
CCRC	0.5%	2.4%	7.5%
ALL COMMUNITIES	0.5%	3.2%	13.1%

12.4A Note: Includes vehicle insurance and excess liability, but not professional liability. Weighted average reflects property insurance cost divided by total units for each community type.

12.4B Note: Weighted average reflects liability insurance cost divided by total units for each community type.

12.4C Note: Weighted average reflects workers comp insurance cost divided by total units for each community type.

12.4D Note: Weighted average reflects workers comp insurance cost divided by total wages for each community type.

TABLE 12.5**Utilities Cost by Community Age**

	MINIMUM	WEIGHTED AVERAGE	MAXIMUM
COMMUNITIES OPEN IN OR AFTER 2000			
By Square Foot	\$0.33	\$2.14	\$5.80
By Resident Day	\$1.29	\$6.87	\$15.19
COMMUNITIES OPEN 1980 – 1999			
By Square Foot	\$0.47	\$2.14	\$5.72
By Resident Day	\$2.05	\$6.67	\$16.09
COMMUNITIES OPEN BEFORE 1980			
By Square Foot	\$0.54	\$2.15	\$5.58
By Resident Day	\$2.03	\$7.80	\$16.58

Note: Weighted average reflects total utility expense divided by either total gross building area or total annual resident days for each category.

TABLE 12.6**A — Utilities Cost by Square Foot by Community Type**

COMMUNITY TYPE	MINIMUM	WEIGHTED AVERAGE	MAXIMUM
Independent Living	\$0.61	\$1.64	\$2.79
Independent/Assisted Living	\$1.50	\$2.34	\$3.42
Independent/Assisted Living/Memory Care	\$0.51	\$2.24	\$5.72
Assisted Living	\$1.06	\$2.99	\$4.80
Assisted Living/Memory Care	\$0.76	\$2.97	\$5.58
Memory Care	\$1.43	\$2.73	\$3.81
CCRC	\$0.47	\$1.98	\$5.80
ALL COMMUNITIES	\$0.47	\$2.14	\$5.80

B — Utilities Cost by Resident Day by Community Type

COMMUNITY TYPE	MINIMUM	WEIGHTED AVERAGE	MAXIMUM
Independent Living	\$1.29	\$5.82	\$14.50
Independent/Assisted Living	\$3.10	\$7.06	\$14.66
Independent/Assisted Living/Memory Care	\$1.60	\$6.98	\$15.12
Assisted Living	\$2.49	\$5.11	\$13.50
Assisted Living/Memory Care	\$2.00	\$6.20	\$17.64
Memory Care	\$2.05	\$5.08	\$12.74
CCRC	\$2.73	\$7.38	\$16.58
ALL COMMUNITIES	\$1.29	\$6.72	\$17.64

12.6A Note: Weighted average reflects total utility cost divided by total gross building area for each community type.

12.6B Note: Weighted average reflects total utility cost divided by annual resident days for each community type.

CAPITAL EXPENDITURES AND REPLACEMENT RESERVES

Responding to concerns that insufficient amounts were being set aside, to maintain the competitive position of seniors housing properties, the *State of Seniors Housing* survey asked about both budgeted and actual amounts of capital expenditure per property. We report the survey results

- by property **type**, in Table 12.7a, and
- by property **age**, in Table 12.7b

These responses indicate that the amounts budgeted range on average, when unweighted (that is, when properties get equal weights no matter what their size) from about \$2,000 per unit for newer properties up to about \$4,000 per unit for older ones. When larger properties get more weight (in proportion to their numbers

of units), capital budgets on average range from about \$3,500 per unit for newer properties up to about \$6,750 per unit for older ones.

In the year just concluded (2018), the survey found that budgeted capital expenditures did not appear to track experience with actual expenses, on average: budgeted amounts for the succeeding year (2019) now appear to run consistently about \$1,000 per unit below actual capital expenditures for the year ending December 2018 — as can be seen comparing the actual to budgeted columns for ALL COMMUNITIES in Table 12.7a (\$3,281 vs. \$2,114, and \$5,210 vs. \$4,253) or in, for example, the bottom line of Table 12.7b (\$2,855 vs. \$1,907, and \$4,132 vs. \$3,578).

Note that breakouts of various subsets within the total response set — for example, for properties only of certain ages or only by certain types of community — necessarily involve fewer properties and units than for the entire response set. In consequence, readers are cautioned that the individual statistics (averages, medians, quartiles, etc.) calculated for these smaller sub-samples are less likely to be statistically significant, and so conclusions drawn from these smaller sub-samples may not be as robust — as reliable and valid — as those from the entire set.

TABLE 12.7

A — Actual vs. Budgeted Capital Expenditures Per Available Unit by Community Type

COMMUNITY TYPE	MINIMUM		UNWEIGHTED AVERAGE		WEIGHTED AVERAGE		MAXIMUM	
	ACTUAL	BUDGETED	ACTUAL	BUDGETED	ACTUAL	BUDGETED	ACTUAL	BUDGETED
	2018	2019	2018	2019	2018	2019	2018	2019
Independent Living	\$158	\$250	\$3,328	\$1,683	\$3,456	\$1,548	\$6,000	\$5,331
Independent/Assisted Living	\$137	\$391	\$4,624	\$1,297	\$4,331	\$1,652	\$13,920	\$11,524
Independent/Assisted Living/Memory Care	\$157	\$138	\$5,188	\$1,222	\$4,869	\$1,439	\$15,747	\$15,640
Assisted Living	\$174	\$175	\$1,199	\$1,454	\$1,277	\$1,448	\$6,000	\$25,526
Assisted Living/Memory Care	\$180	\$160	\$2,030	\$806	\$1,839	\$840	\$6,000	\$1,818
Memory Care	\$163	\$307	\$1,446	\$1,160	\$1,238	\$958	\$10,000	\$8,333
CCRC	\$441	\$390	\$7,682	\$8,127	\$8,116	\$8,465	\$21,367	\$29,783
ALL COMMUNITIES	\$137	\$138	\$3,281	\$2,114	\$5,210	\$4,253	\$21,367	\$29,783

B — Actual Capital Expenditures Per Available Unit by Age of Community

YEAR OPENED	MINIMUM		UNWEIGHTED AVERAGE		WEIGHTED AVERAGE		MAXIMUM	
	ACTUAL	BUDGETED	ACTUAL	BUDGETED	ACTUAL	BUDGETED	ACTUAL	BUDGETED
	2018	2019	2018	2019	2018	2019	2018	2019
Before 1980	\$350	\$500	\$5,891	\$4,077	\$6,566	\$6,749	\$14,118	\$27,985
1980 through 1999	\$181	\$344	\$3,484	\$2,098	\$6,433	\$4,751	\$21,367	\$25,526
2000 and later	\$137	\$138	\$2,855	\$1,907	\$4,132	\$3,578	\$19,720	\$29,783

12.7A, B Note: Weighted average reflects total actual and budgeted capital expenditures, divided by total units, for each community type.

CHAPTER THIRTEEN

Key Financial Performance Indicators

Tables in this chapter display key operating and financial performance indicators for communities operated on a for-profit basis and that have been open for at least two full years.

While these results accurately portray the performance of the set of responses to the *State of Seniors Housing* survey, the results may not necessarily be indicative of overall industry performance (not only because of random sampling variation, but also because we attempt but may not have achieved exact industry representation in our response set). As well, direct comparisons with prior year survey results will not necessarily be appropriate (because, among other things they were taken from different samples each year). See Chapter 10 for a more-valid examination of year-over-year comparisons.

Please also note that results shown in this chapter may not be directly comparable to calculations made from the tables in Chapter 9 of this report: not only because this chapter focuses on for-profits only, but also because Chapter 9 was calculated with medians, quartiles, etc. based on properties being ranked by Revenues per Occupied Unit, while the calculations for this chapter (as detailed in the footnotes to the Chapter 13 tables) were made using different, but more appropriate, rankings for each table.

OPERATING MARGINS

Operating margins are calculated here as Net Operating Income (that is, calculated as EBITDAR) divided by Total Revenues. They were highest (about 34%) for freestanding independent living communities and ranged downward to about 24% for CCRCs. In fact, operating margins decreased without exception across product types as higher levels of care were added or serviced — see Table 13.1. The operating margins decreased as costs (especially labor costs) increased relative to revenues as the levels of resident acuity — and therefore the levels of resident care necessary — increased. In other words, even though revenues increased, they did not increase commensurately.

It's worth noting, however, that even the lowest quartile of properties in each product type — and even CCRCs, for which this has not always been the case — on average operated at a positive (above zero) gross profit margin over the past year.

DEBT SERVICE COVERAGE RATIOS

“Median” debt service coverage ratios were above 2.0 for each of the various property types with sufficient response set sizes to report — see Table 13.2.

Even the lowest quartile of responding properties had debt service ratios averaging at or above 1.0 — which means that a large fraction of for-profit seniors housing properties responding were generating more than sufficient cash flow to cover their debt service payments.

RETURN ON TOTAL INVESTMENT (UNLEVERAGED)

Return on total investment typically ran in the 7.0 – 7.5% range, for response sets large enough to make the calculation meaningful — see Table 13.3. Return on current investment was calculated as Net Operating Income divided by the total investment (that is, debt plus equity) incurred for the property's development cost plus, when known to us, costs of subsequent expansions/renovations after initial development. If the property was acquired, rather than developed from scratch, the divisor was, instead, total acquisition cost plus, when known, costs of subsequent expansions/renovations since acquisition. Considering the relatively low-interest costs in the year 2018 and that leverage can boost returns if low-interest debt is part of the capital structure, our results imply that typical returns on equity alone (in other words, leveraged returns) for seniors housing would, if calculated, run even higher.

However, we caution that the “Return on Investment” as presented in this report is not necessarily equivalent to a current capitalization rate (“cap rate”) because, among other things,

- *the numerator of ROI as calculated here — namely Net Operating Income — is from the year ending December 2018 and is not the current run-rate income nor is it 2019's full-year projected income*
- *the denominator of ROI as calculated here — namely total project investment — is in terms of the historical cost (sometimes from many years ago) and is not adjusted for inflation or time-value-of-money*

¹ For example, if 7% is the blended ROI for [100% of] the capital structure, and if the capital structure consists of 20% equity and 80% of debt at, say, 5% interest, then the return on equity alone would calculate to 15%.

TABLE 13.1**Operating Margins by Community Type (EBITDAR/Total Revenues)**

FOR-PROFIT COMMUNITIES ONLY	IL	IL / AL	IL / AL / MC	AL WITHOUT MC	AL WITH MC	MC	CCRC
Lower Quartile	23.0%	19.6%	14.3%	10.2%	11.6%	9.9%	8.1%
Median	34.1%	33.6%	31.0%	29.0%	28.6%	25.1%	24.1%
Upper Quartile	47.7%	45.4%	44.2%	42.8%	39.8%	40.3%	38.0%

Note: Ranking by Operating Margin.

Note: Communities are ranked by operating margin. Each decile and quartile represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles.

TABLE 13.2**Debt Service Coverage Ratios by Community Type**

FOR-PROFIT COMMUNITIES ONLY	IL	IL / AL	IL / AL / MC	AL WITHOUT MC	AL WITH MC	MC	CCRC
Lower Quartile	**	**	1.5	1.0	1.0	**	**
Median	**	**	2.3	2.0	2.1	**	**
Upper Quartile	**	**	9.7	3.2	4.4	**	**

Note: Communities are Ranked by Debt Service Coverage.

Each quartile measure represents the average of all communities falling in that rank, while the "median" reflects the average of the 5th and 6th deciles.

**Insufficient sample size.

TABLE 13.3**Current Return on Investment (Unleveraged)**

FOR-PROFIT COMMUNITIES ONLY	IL	IL / AL	IL / AL / MC	AL WITHOUT MC	AL WITH MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	3.6%	3.9%	2.3%	**	2.6%	**	**	2.4%
Median	6.9%	9.2%	7.0%	**	7.6%	**	**	7.3%
Upper Quartile	12.3%	15.7%	12.8%	**	13.3%	**	**	13.7%

Note: Communities are ranked by return on historical investment.

Each quartile measure represents the average of all communities falling in that rank, while the "median" reflects the average of the 5th and 6th deciles.

**Insufficient sample size.

CHAPTER FOURTEEN

Historical Performance of Key Operating and Financial Indicators

Key Operating and Financial Indicators

The tables in this chapter display the “medians” [more recently, we calculate these medians as the average of the 40th through 60th percentile, as a broader measure that better represents the middle, or “typical” values, rather than take the value for the one — possibly idiosyncratic — property in the middle] of three key operating and financial indicators over the 24 years from 1995’s performance through the year ended December 2018. Note that the **rows** in each of these tables represent the performance for **that year labeled**, even though **The State of Seniors Housing** publication that reported it was dated the **following** year. As an example, the bottom row displays 2018 performance even though it is this year’s 2019 **State of Seniors Housing** publication that first reports it.

OCCUPANCY RATES

Table 14.1 shows that occupancy rates in 2018 clustered around

- 89% for freestanding independent living communities
- 90% for freestanding assisted living communities
- 90% for CCRCs

These occupancy rates are largely in line with most of those posted for the last decade.

RESIDENT TURNOVER RATES

Table 14.2 shows that annual resident turnover rates in 2018 centered around

- 32% for freestanding independent living
- 54% for freestanding assisted living
- 17% for CCRCs (excluding each CCRCs' skilled nursing beds)

These turnover rates provide continuing evidence that residents in higher-acuity care, being more frail at entry, have a shorter average tenure.

OPERATING MARGINS

Table 14.3 shows that operating profit margins [that is, Net Operating Income as a percent of Total Revenues] of for-profit operators typically resulted in performance at about

- 34% for freestanding independent living
- 29% for freestanding assisted living
- 24% for CCRCs

These results are also consistent with performance at the respective property types over the last decade, although somewhat lower for independent living and for assisted living than in the most recent years.

However, it is important to note that the data in this chapter's tables were generated from

different sets of responding properties each year — so that each yearly sample consists of a mix of properties, some of which are the same properties year-to-year but some of which are different. Therefore, caution should be used when making year-to-year comparisons or when making inferences about underlying “trends” — because any year-to-year variation could be due to the particular properties affecting each year's results; the performance of those properties which are **non-identical** and which were **not** included in the calculation of the other year's results may well be **confounding** the effect of any underlying trend — possibly masking it, possibly magnifying it.

We present these historical charts, though, in response to industry requests and for purposes of providing a multi-year summary using an annual “snapshot” from each year's **State of Seniors Housing** report — but with the above cautions. And, as demonstrated in Chapter 10, the sizable component of same-store overlap between year-to-year response sets provides at least some confidence that such a multi-year comparison does have some merit.

TABLE 14.1**Median Stabilized Occupancy by Community Type**

	IL	AL	CCRC
1995	95%	97%	95%
1996	98%	95%	95%
1997	96%	95%	94%
1998	98%	92%	95%
1999	95%	94%	93%
2000	95%	90%	93%
2001	94%	94%	93%
2002	93%	94%	94%
2003	92%	91%	92%
2004	92%	90%	93%
2005	94%	91%	94%
2006	95%	94%	91%
2007	93%	92%	96%
2008	91%	91%	92%
2009	88%	91%	90%
2010	86%	92%	88%
2011	88%	94%	88%
2012	92%	91%	89%
2013	91%	91%	90%
2014	92%	91%	90%
2015	94%	90%	91%
2016	93%	89%	90%
2017	90%	90%	90%
2018	89%	90%	90%

Note: Starting in 2011, community type descriptions changed. "Independent Living", formerly comprising IL only and IL/AL both, now comprises IL only. "Assisted Living", formerly comprising AL only as well as MC and AL/MC, now comprises AL only, or predominantly AL. Moreover, beginning with 2011, the indications represent the weighted averaged of the 5th and 6th deciles (40th – 60th percentile) while prior years report the simple median.

TABLE 14.2**Resident Turnover Rates by Community Type**

	IL	AL	CCRC
1995	27%	55%	26%
1996	26%	51%	14%
1997	27%	49%	24%
1998	30%	54%	21%
1999	32%	50%	22%
2000	33%	57%	23%
2001	39%	60%	18%
2002	38%	52%	22%
2003	35%	56%	28%
2004	35%	56%	28%
2005	34%	56%	16%
2006	31%	54%	18%
2007	32%	55%	16%
2008	36%	40%	16%
2009	33%	41%	19%
2010	39%	47%	19%
2011	41%	55%	19%
2012	32%	54%	17%
2013	39%	56%	15%
2014	38%	51%	17%
2015	39%	58%	20%
2016	37%	54%	21%
2017	33%	45%	19%
2018	32%	54%	17%

Note: Starting in 2011, community type descriptions changed. "Independent Living", formerly comprising IL only and IL/AL both, now comprises IL only. "Assisted Living", formerly comprising AL only as well as MC and AL/MC, now comprises AL only, or predominantly AL. Moreover, beginning with 2011, the indications represent the weighted averaged of the 5th and 6th deciles (40th – 60th percentile) while prior years report the simple median.

TABLE 14.3**Operating Margin by Community Type**

	IL	AL	CCRC
1995	38.0%	28.0%	29.0%
1996	38.5%	28.5%	22.7%
1997	38.7%	30.3%	35.9%
1998	39.0%	29.0%	26.6%
1999	36.0%	20.0%	27.0%
2000	36.0%	26.0%	29.0%
2001	40.0%	24.0%	23.0%
2002	34.2%	30.8%	22.4%
2003	33.0%	28.3%	29.7%
2004	33.0%	27.0%	27.0%
2005	32.4%	28.8%	24.2%
2006	37.8%	37.3%	23.0%
2007	36.1%	29.7%	19.8%
2008	31.7%	33.7%	17.0%
2009	34.1%	31.9%	23.2%
2010	38.3%	32.3%	28.4%
2011	41.4%	32.9%	24.4%
2012	37.3%	31.2%	27.5%
2013	44.0%	31.1%	29.4%
2014	46.2%	32.1%	23.6%
2015	46.8%	32.2%	21.3%
2016	47.0%	31.8%	24.9%
2017	39.1%	29.3%	24.7%
2018	34.1%	29.0%	24.1%

Note: Starting in 2011, community type descriptions changed. "Independent Living", formerly comprising IL only and IL/AL both, now comprises IL only. "Assisted Living", formerly comprising AL only as well as MC and AL/MC, now comprises AL only, or predominantly AL. Moreover, beginning with 2011, the indications represent the weighted averaged of the 5th and 6th deciles (40th – 60th percentile) while prior years report the simple median.

American Seniors Housing Association

www.seniorshousing.org
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Argentum

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1650 King Street, Suite 602
Alexandria, VA 22314

LeadingAge

www.leadingage.org
2519 Connecticut Avenue, NW
Washington, DC 20008

National Center for Assisted Living

www.ahcancal.org
1201 L Street, NW
Washington, DC 20005

National Investment Center for Seniors Housing & Care

www.nic.org
One Park Place, Suite 450
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