Impact of COVID-19 on the Seniors Housing Industry

A Study of Consumers: **Round 2**

Executive Summary

- On behalf of the American Seniors Housing Association, ProMatura has collected data from two points in time over the course of the COVID-19 pandemic to gauge consumers' sentiment about the seniors housing industry and their propensity to move to a retirement community.

- During Round 1 of the survey, prospective residents and/or the adult children of prospective residents of 131 participating ASHA member communities (Lead List) and households 75+ years of age with incomes $35,000+ living in one of the 15 MSAs of the participating ASHA Member Communities (Purchased List) participated in an internet survey about their awareness and opinions of retirement communities. This data was collected during June and July 2020 and was published in a report from ASHA in August 2020: "*Impact of COVID-19 on the Seniors Housing Industry.*"

- Round 2 of the survey included prospective residents and/or the adult children of prospective residents of 208 ASHA member communities (Lead List) as well as households 75+ years of age with incomes $35,000+ (Prospects) and households 45 to 64 with incomes $100,000 (Adult Children) living in one of the 21 MSAs of the participating ASHA member communities. This report is the first presentation of Round 2 data, which was collected during December 2020.

- Eighty percent of households from the ASHA member community Lead List have been actively shopping for a retirement community in the past. One-fourth of households from the 75+ Purchased List and 38% of age 45 to 64 Purchased List have been actively shopping within the past year. Any survey respondent who was not actively shopping within the past year skipped the bulk of the survey and only answered questions relative to the appeal of communities, their current stage of moving, and their personal demographics.

- The majority of prospects who responded to the survey were shopping for an independent living community while the majority of adult children responding for a parent or loved one were shopping for an assisted living or memory care community. A greater proportion of adult child households from the Purchased Lists responding for a parent or loved one were shopping for independent living for their loved one as compared to adult children from the Lead Lists.

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- Nearly all households on the Lead List, 82% of prospects, and 78% of adult children on the Purchased List, were aware of retirement communities in their area. The pattern of results for awareness of 55+ active adult communities was similar, albeit slightly lower, with 84% of households on the Lead List aware of an active adult community in their area.

- Two-thirds or more of all survey respondents find active adult communities either appealing or very appealing.

- Appeal of independent living has significantly increased: In Round 2, **72%** or more of all survey respondents find independent living communities either appealing or very appealing vs. **63%** in Round 1.

- Appeal of assisted living and memory care has decreased since Round 1. In Round 2, **45%** or more of all survey respondents find assisted living communities either appealing or very appealing vs. **57%** in Round 1. Likewise, in Round 2, **29%** or more of all survey respondents find memory care communities either appealing or very appealing vs. **42%** in Round 1. Prospects, rather than adult children of prospects, had the lowest proportions who rated assisted living or memory care as appealing or very appealing. This is likely a reflection of their opinion of the need for care that is associated with assisted living and memory care communities.

- Mirroring the results from Round 1, when asked if the COVID-19 pandemic has changed their opinions of retirement communities, the majority of prospects and adult children indicated that COVID-19 has *not* changed their opinion of communities. In fact, among the general market, that is—those on the Purchased List—the proportion who reported that since COVID-19, they have changed their opinion of independent living or memory care *to the negative* in Round 2 is less than one-half of that observed in Round 1. This is great news for the industry!

- Across all four levels of care, those who now have a more positive opinion explain that retirement communities are practicing new policies and procedures and provide greater levels of protection for their residents against COVID-19. Communities also offer safe options for socialization and companionship. Those who now have a more negative opinion (across all four levels of care) still believe that communities have too many cases and deaths due to the virus, and frequently mentioned that residents of communities are too isolated from their friends and loved ones.

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- Survey respondents were asked the following question: "Since the onset of COVID-19, are communities contacting you more frequently, less frequently, or about the same frequency?" Households on the Lead List were significantly more likely than Purchased List respondents to indicate that they have noticed an increase in frequency of contact from communities since COVID-19.

- Just over one-half of households on the Lead List indicated they have noticed a change in the message being delivered by communities. When asked to describe the change in messaging that they have noticed, respondents mentioned that they've heard communities describe how they are keeping their residents safe, that visitors aren't allowed at communities, and that new safety/cleaning protocols are being put in place.

- As in Round 1, in Round 2, the COVID-19 pandemic has had a measurable, negative impact on propensity to move to a seniors' housing community, but—to the benefit of the industry—that negative impact that was relatively small in Round 1 is even smaller in Round 2.
  - Among prospects considering a move to active adult, the largest decrease in the proportion of those very likely to move was only 4 percentage points among those on the Lead List. In fact, COVID-19 slightly increased the proportion of active adult prospects from the Purchased List who are very likely to move. The proportions who were very likely, among adult children responding for a parent or loved one from the Lead List, were the same pre- and post-onset of COVID-19, while COVID-19 slightly decreased the proportion of those who indicated a parent was very likely or likely on the Purchased List.
  - Among IL prospects in Round 2, the proportion very likely to move only decreased by 2 percentage points among households on the Lead List and actually increased by a percentage point among prospects on the Purchased List. The pattern of results was similar among adult children responding for a parent or loved one.
  - Propensity to move among AL prospects from the Lead List, as well as adult children from both the Lead List and the Purchased List, has declined fairly significantly from pre-COVID-19 to today, but has increased among prospects from the Purchased List.
  - The pandemic seems to have had a positive impact on the propensity to move to memory care among households on the Lead List, as well as prospects from the Purchased List. The sample sizes among these survey groups are very small, and caution should be taken when interpreting results, however.

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- Among those households who have considered moving to a retirement community within the past year, the majority of both prospects and adult children from the Lead List as well as prospects from the Purchased List have not changed their time frame for moving. A significantly higher proportion of adult children from the Purchased List, however, have delayed the move for their loved one.

- Half of the prospects from the Purchased List and 42% of prospects from the Lead List said being prioritized for the COVID-19 vaccine would influence them to move to a community sooner. Early access to the vaccine had considerably less influence on adult children's decision to move a loved one to seniors' housing.

- Households on the Lead List were significantly more likely to be influenced by incentives to move, as compared to the Purchased List respondents. Notably, greater proportions of Lead List respondents said a guarantee that rates would not increase for 3 years would incentivize them to move sooner. Higher proportions also would be incentivized by a waived payment of move-in or community fees.

- When survey respondents in Round 2 were asked what must occur before moving to a retirement community, the greatest proportion across all four levels of care indicated that identifiable cleaning and disinfecting programs at communities must be in place before they will feel safe moving there. Where respondents in Round 1 were concerned about testing, respondents in Round 2 want to be reassured that all residents and staff have been vaccinated and there are no cases of COVID-19 at the community before they will feel safe moving.

- Prospects aren't quite ready to accept telehealth over seeing their physician in person. Just over half of prospects and approximately two-thirds of adult children responding for a loved one indicated that they (or their loved one) have seen a primary care physician via telehealth. Overall, adult children were more satisfied with the telehealth experience than were prospects. When given the choice between seeing their primary care physician in person or via telehealth, the majority of respondents across all survey groups prefer to see the physician in person.

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- After the Round 1 report, we were cautiously optimistic about the road ahead for the seniors housing industry. The results of the Round 2 survey reassure that sense of optimism for a positive future for the industry. The steps that consumers are asking communities to take before they feel safe moving in are already in progress across all parts of the country. Though it still remains clear that COVID-19 has made its mark, there is still ample opportunity for progress and continued move-ins across all levels of care.

- Regional analyses, found in the Appendix of this report, display results for all survey questions by census region of the country and list source, when appropriate. By and large, the results from the regional analyses suggest that the impact of COVID-19 was felt across the country. Though certain regions had far more cases of COVID-19 than others, even 9 months into the pandemic and the U.S. recording alarming numbers of cases and deaths, the appeal of and the likelihood of moving to a retirement community was again not significantly different by region of the country.