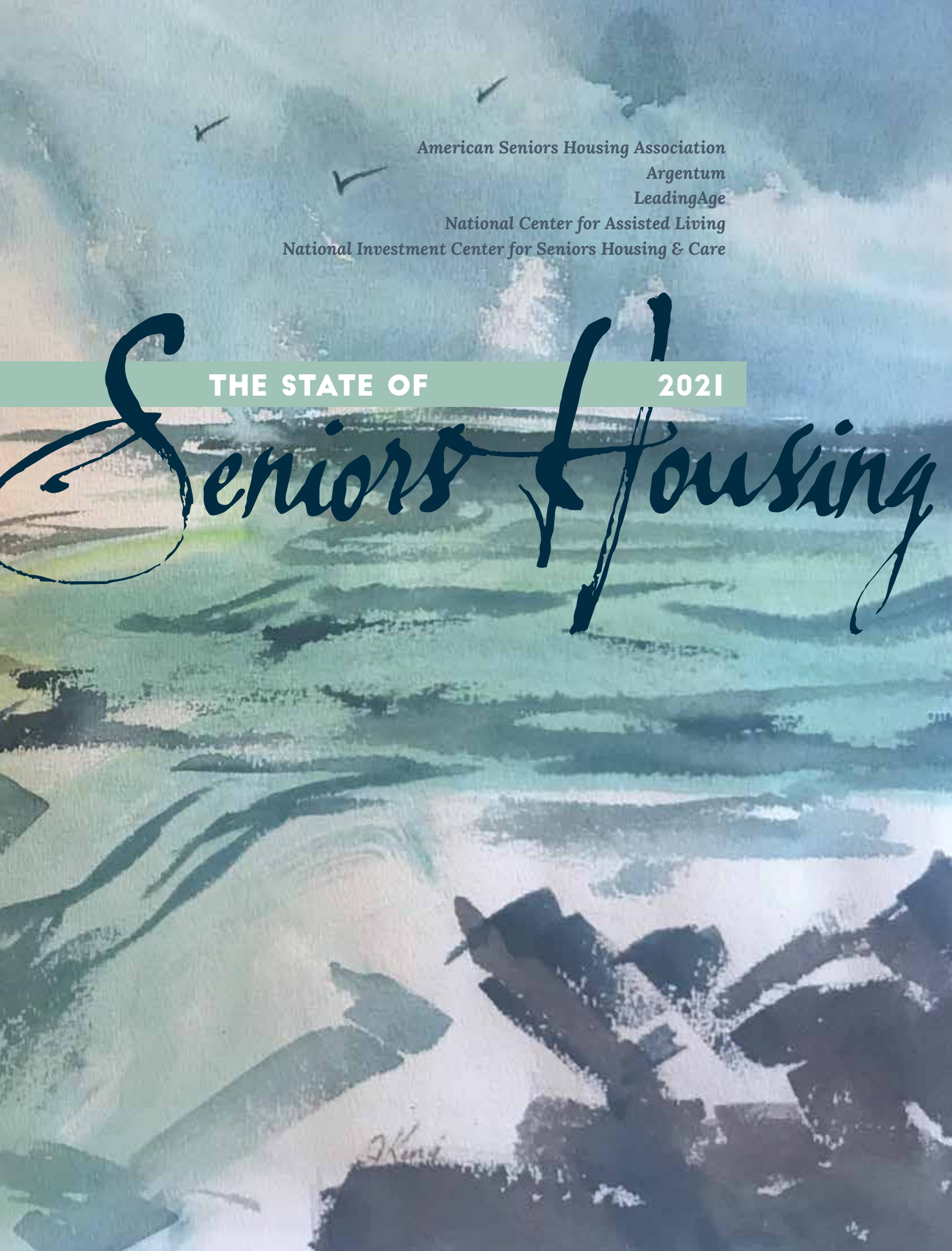


American Seniors Housing Association
Argentum
LeadingAge
National Center for Assisted Living
National Investment Center for Seniors Housing & Care

THE STATE OF Seniors Housing 2021

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THE STATE OF 2021 Seniors Housing

Artwork for **The State of Seniors Housing 2021** has been created by seniors housing residents.

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COVER ART:

Seascape

BY JOAN KING
BLUE BELL PLACE

SPONSORS



Beautiful Colors of the Sky

BY LEON NESIS

THE FOUNTAINS AT MILLBROOK

The American Seniors Housing Association, Argentum, LeadingAge, National Center for Assisted Living, and National Investment Center for Seniors Housing & Care gratefully acknowledge the generous support of the following companies who have helped underwrite the publication of ***The State of Seniors Housing 2021.***

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TABLE OF CONTENTS



Fruites

BY JEANNE MACDONALD
CYPRESS OF CHARLOTTE

Acknowledgments 6

8 Introduction

Executive Summary 10

22 Methodology and Data Analysis

Terminology 24

28 Definitions and Nomenclature

CHAPTERS

1 Community Types and Unit Mix 34

38 2 Where are the Units and Properties Located?

3 Property Size 44

51 4 Age of Communities

5 Ownership and Management 54

58 6 Payment Structures, Base Fees and Level of Care Fees

7 Occupancy Rates 62

66 8 Resident Turnover

9 Financial Results 68

90 10 "Same-Store" Results

11 Staffing and Labor Costs 96

101 12 Other Significant Cost Items

13 Key Financial Performance Indicators 109

112 14 Historical Performance of Key Operating and Financial Indicators

ACKNOWLEDGMENTS



Antiques and Curios

BY TERRY WRIGHT

THE FOUNTAINS AT CANTERBURY

The American Seniors Housing Association (ASHA), Argentum, LeadingAge, National Center for Assisted Living (NCAL), and National Investment Center for Seniors Housing & Care (NIC) wish to thank the numerous companies who submitted the data that comprise the 2021 edition of ***The State of Seniors Housing.***

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INTRODUCTION



Simple Flowers in a Bowl

BY KATHLEEN BYRNE
LEGACY AT ERIE STATION

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 – a tribute to industry owners and operators in the challenging time of COVID. Survey respondents were instructed to remove extraordinary **revenues** due to COVID-19 from reported results (as from State and Federal Provider Relief and from U.S. Small Business Administration's Paycheck Protection Program) to the extent possible, and to remove extraordinary **expenses** (as for personal protective equipment, other supplies, supplemental labor and insurance, etc.) but to document those separately to be analyzed in a forthcoming publication.

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.

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.

FALL 2021

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President
American Seniors Housing Association
Washington, DC

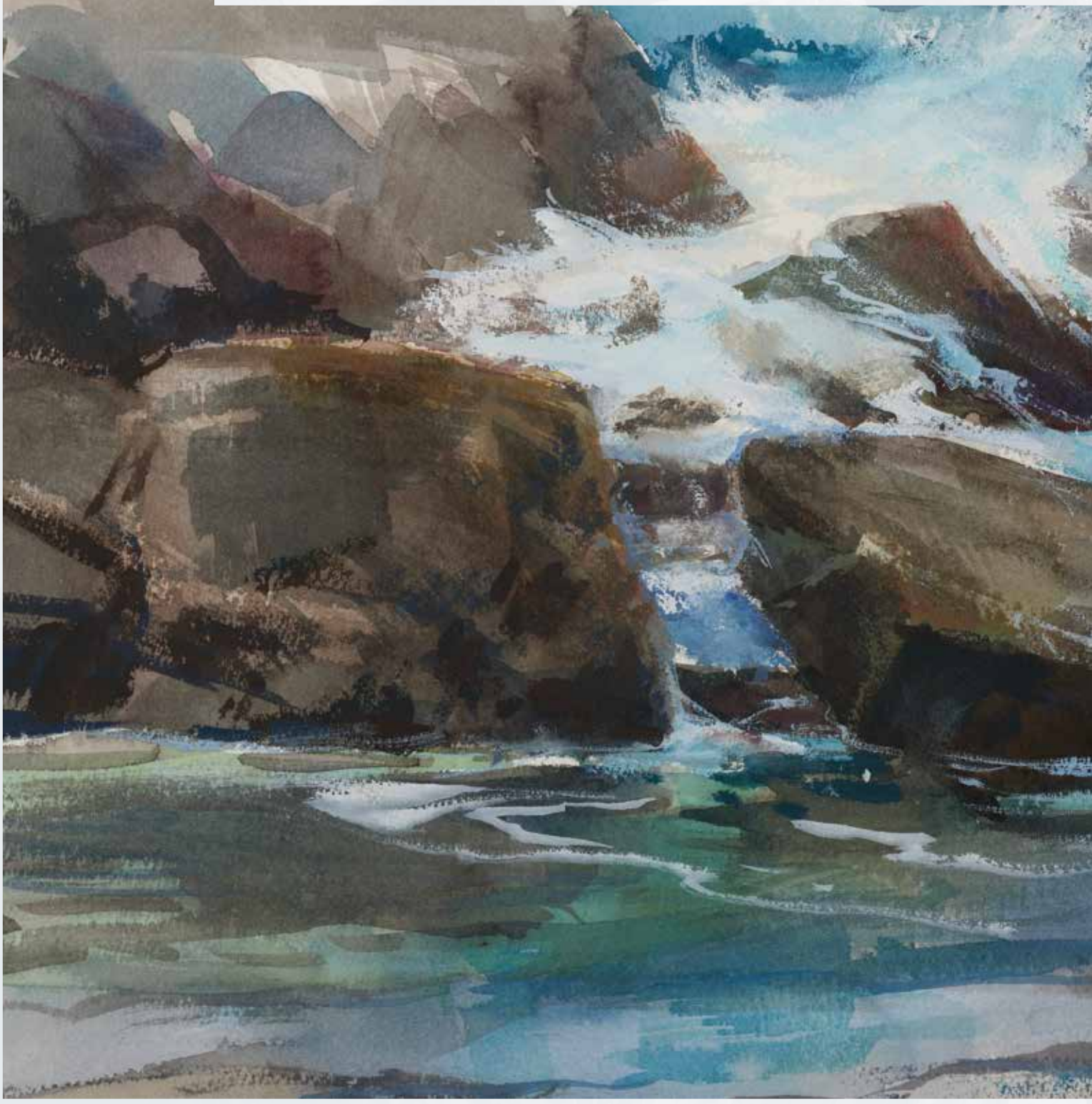
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EXECUTIVE SUMMARY



Point Lobos Seascape

BY LINDA MCHARRY

THE COTTAGES OF CARMEL

The State of Seniors Housing 2021 summarizes data collected from almost 1,800 seniors housing properties, together comprising over 225,000 units (or beds, in cases where a unit is occupied by more than one resident and the residents are unrelated). This represents one in every eight professionally-managed seniors housing and care **properties** in the U.S. and one or more in every eight professionally-managed seniors housing and care **units**. The survey data, collected in 2021, describe performance results for the year ending December 31, 2020.

Further, to minimize skewing due to the pandemic, survey respondents were instructed to remove extraordinary revenues due to COVID-19 from reported results (as from State and Federal Provider Relief and from U.S. Small Business Administration's Paycheck Protection Program) to the extent possible, and to remove extraordinary expenses (as for personal protective equipment, other supplies, supplemental labor and insurance, etc.) but to document those separately to be analyzed in a forthcoming publication.

Surveys were received from an extremely wide range of respondents and from states and regions in close proportion to the state and regional populations, to their numbers of seniors age 65+, and to their numbers of seniors age 85+. That, and the sheer volume of responses, leads us to believe that results are generally representative of "the state of seniors housing" across the **United States. Responses were received:**

- from 44 different states in the continental United States and Washington, DC. States not represented collectively contain barely 2.5% of the U.S. population, seniors age 65+, and of seniors age 85+.
- from properties in more than 1,000 different U.S. cities and towns.
- from properties ranging from quite small (25 units or so; fewer than a dozen employees and less than $500,000 annual revenue) to quite large (well over 1,000 units; many hundreds of employees and more than $100 million annual revenue).

WHAT TYPES OF PROPERTIES AND UNITS? WHERE FROM?

Of 1,799 **properties,** about one-third predominantly offer units for independent living:

- Freestanding independent living communities represent under 10% of the data set.
- Approximately 20% of the communities surveyed consist of predominantly independent living but with a smaller number of assisted living and/or memory care beds, with more providing all three levels of care than not.
- Nearly 8% of the sample are Continuing Care Retirement Communities (CCRCs), which by definition are comprised of both independent living and skilled nursing beds. Some of the CCRCs also contain assisted living and/or memory care beds.

Properties consisting predominantly of **assisted living** and/or **memory care** beds comprise over 60% of the properties surveyed:

- Freestanding assisted living communities represent almost 30%.
- Communities with **both** assisted living **and** memory care beds comprise nearly 25%.
- Freestanding memory care communities represent about 7% of the total response set.

Of 225,232 **units** (or beds) contained in the properties, more than half – almost two-thirds – are in predominantly independent living properties. Because assisted living properties and memory care properties typically contain fewer units or beds than do independent living properties, the total proportion of **units (beds)** in predominantly **assisted living** properties was just over one-third of the sample, despite assisted living and/or memory care properties accounting for closer to two-thirds of the properties. Units/beds were distributed as follows:

- Freestanding independent living properties represent just under 10%.
- Independent living properties with a smaller number of assisted living beds total just under that, approximately 9%.
- Independent living properties with a smaller number of **both** assisted living beds and memory care comprise almost twice that many – between 15% and 16% of the sample's aggregate number of units/beds.
- Freestanding assisted living properties comprise about 15% of the units (beds).
- Assisted living properties but which also contain memory care beds comprise between 15% and 20% of the total units (beds).
- Freestanding memory care properties accounted for a far smaller proportion of the total units (beds): just over 3% of the total sample.
- CCRCs comprised over 25% of the total sample.

California, then Texas, then Illinois account for the largest proportion of the property responses (about 9% each). Of the total units (beds), California ranks as the top state with more than 10% of the national total, followed by Texas with about 9%, and then Illinois (about 8%). 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 typical CCRC in the response set at 300+ to 400+ units/beds, between 350,000 and 400,000 square feet of gross building area, and more than 25 acres of building and grounds is two or three times the size of the typical independent living community (130 units, about 130,000 square feet, six acres). In turn, that typical independent living property is two or three times the size of the average assisted living property (about 50+ beds, 70,000 to 75,000 square feet, approximately four acres). Freestanding memory care properties were smaller yet: typically about 50 or 60 beds, but less than 35,000 square feet, on three or four acres.

Even the allocations of space **within** buildings reflect different uses: assisted living properties allocate more space proportionally to common areas (40%; closer to 45% 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 800+ square feet in independent living and CCRCs; considerably less than at 450 square feet for assisted living, and less still, 250 to 400 square feet, 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 assisted living; overwhelmingly studios in memory care).

More details about property and unit size, and unit mix are found in **Chapter 3.**

AGE OF PROPERTIES

Properties open less than two years by the end of 2020 were excluded from the sample, because most of those properties would not yet have reached operating or financial stabilization. That 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 – because we analyze the oldest, but not the newest.

For most of the community types responding, the "median" cluster of properties were approximately 20 years old. CCRCs, on average, skewed considerably older: one quarter averaged 55 years old; at the mid-range, the typical CCRC was 26 years old, built before the mid-1990s. [see Terminology for "median" as used in this report.]

On the other hand, there are many newer units and properties – even CCRCs – in the competitive set available to prospective residents: overall, almost a quarter of the 225,000+ units in our response set (although less than 10% of the CCRC units) were in properties that had opened since 2010.

Details are in **Chapter 4**.

PROPERTY OWNERSHIP AND MANAGEMENT

In this year's results, the majority of properties (almost 95%) and units (almost 80%) are owned by for-profit entities – except for CCRCs. About 60% of the CCRC properties and more than 75% of the CCRC units are owned by not-for-profits. Among the for-profits, private for-profit ownership is three times as prevalent as for-profit entities being publicly-held.

Of the for-profits, only about one-quarter of the units are in properties self-managed by the ownership entity. Of those who were not, most are managed by an unrelated third-party while the remainder indicate management by an affiliate of the owner. Among the units in not-for-profit properties (of which virtually all in this year's survey are found within CCRCs), over 60% are in properties that are third-party managed.

More than 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 11% or 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

All or virtually all units/beds are rental at over 90% of the properties; that is true for all property types except CCRCs. In CCRCs, it is only true for one in every four of those properties; another one in four CCRCs contain a blend of rentals as well as units that require an entry fee of $20,000 or more, and almost half of the CCRC properties required such entry fees with no or virtually no opportunity for rental plans instead.

Average monthly base fees per unit or per bed were almost always higher in the Northeast and West regions than in the other states, and often by considerable amounts – 10% or more higher. However monthly base fees for CCRCs in the Northeast were lower than in any other region.

Base fees for assisted living beds, typically about $4,600 monthly, are, as we would expect, higher than base fees at properties with predominantly independent living units (which average about $1,500 less than that). Base monthly fees for memory care beds are higher still –more than $6,200 on average. And level-of-care fees add significantly to base fee revenue – often by about 15%.

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

OCCUPANCY RATES

The year ending December 2020 presented challenges in maintaining occupancy at seniors housing and care properties. Important to note is that the survey tool asks for beginning-of-year and end-of-year statistics. To the extent that some regions of the country had surges in COVID cases at the end of 2020, the occupancy figures could be understated.

With that caveat in mind, CCRCs posted occupancy rates between 85% and 87%, as high or higher than just about every other type of community. Over all types of [stabilized] properties, the calculated "median" occupancy rates centered at 83% and the "weighted average" occupancy rates (meaning, larger properties counted more heavily) was about 100 basis points higher. Our results imply that many properties **are** maintaining occupancy above 83% to 84%, but that the under-performers are well below that, and so are dragging average occupancy rates down. Alternatively, about a quarter of all respondents reported average occupancy above 93%, underscoring the unevenness of the pandemic's impact on occupancy.

Overall, independent living units in all campus types were highest-occupied (almost 86%), and as acuity levels increased, occupancy rates tended to decrease.

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 typically approached or exceeded 50% (which implies that each bed turns once every two years) and was even higher for memory care properties (typical freestanding memory care turnover ratios were 63%; at one-quarter of memory care properties average tenure barely lasted one full year). And this is not surprising, given the frailty of those kinds of residents when they enter.

Turnover was lower for independent living properties with higher levels of care (closer to once every five years) and was lower still for CCRCs – excluding the CCRCs' nursing care beds, the units in CCRCs typically turned only once every nine years or so. For all property types except freestanding assisted living, turnover rates were lower than that reported in previous years' surveys, supporting the anecdotes that operators "are keeping residents healthy and extending their stays" when faced with restrictions on admissions. For assisted living, we suspect that the higher turnover reflected unintended consequences of social distancing as well as delayed move-ins, resulting in frailer residents at admission.

More details can be found in **Chapter 8**.

FINANCIAL PERFORMANCE RESULTS

Tables in this chapter provide "operating statements" for annual financial performance of properties for the calendar year ending December 2020 with line-item details for revenues, operating expenses, and net operating income after subtracting operating expenses and overheads from revenues, and for net cash flows after debt service (or lease payments) and replacement reserves are subtracted from NOI. This year, all COVID-related extraordinary revenues and expenses were excluded and captured elsewhere. Properties are broken out by property type (campus type) and by property size. Quantities for each line item are expressed in terms of "per occupied unit."

"Median" **total revenues per occupied unit** (including level of care fees, when charged) increased in general with acuity - lowest for freestanding independent living properties at approximately $35,000 annually; next lowest for independent living properties with some assisted living, and for freestanding assisted living, both at approximately $48,000 annually per occupied bed. Properties with all of independent and assisted living and memory care beds collected almost $60,000 per occupied unit or bed, and then properties with both assisted living and memory care at almost $65,000; next highest were CCRCs at almost $72,000 (with revenues from independent living and nursing care, and sometimes also from assisted living and/or memory care, but which also included thousands of dollars in total per occupied unit of net cash from entry fees, second occupancy base fees, and interest income). Freestanding memory care properties collected the highest revenues per occupied unit at $76,000.

After operating expenses (both labor and non-labor expenses, and corporate overheads) **net operating income** was highest at properties that included higher-acuity residents [most especially memory care residents], but this was not always the case. NOI per occupied unit at the middle-range of properties for each community type ranged from about $11,000 annually for CCRCs to almost $17,000 for independent living properties which also included assisted living residents and memory care residents both. That pattern among property types [that is, higher acuity results in both more total revenue dollars **as well as** more NOI dollars per occupied unit) is not so much in evidence – in fact, is almost reversed – when NOI **margins** [that is, not dollars but rather **percent** of Total Revenues relative to NOI], rather than total NOI **dollars**, are used as the measure of profitability. Within product types, larger properties generally had about the same revenues per occupied unit, but almost uniformly higher NOI per occupied unit, than smaller ones.

More details about revenue and expense line items, resulting net operating income, and net cash flows are found in **Chapter 9**. Revenues, expenses, and income are also broken out per resident per day.

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 in net operating income, without distorting (possibly masking, possibly exaggerating) real trends just because the two sets of results came from different samples.

This analysis from the substantial portion (almost half) of this year's sample who also contributed data last year shows that:

- Stabilized occupancy rates have decreased about 4-5%. Although some new product has come on line, that decrease is likely attributed to COVID-19 related factors.
- For most product types (except CCRCs), some **revenue** growth per occupied unit is evident, on the order of 2-4% as price increases mitigated occupancy loss.
- However, **operating expenses** per occupied unit typically increased at a higher pace.
- Consequently, NOI per occupied unit, and also operating margins, improved somewhat (3% to 5%) for the full year 2020 over 2019 **for the product categories using the least labor** (independent living, whether freestanding or majority independent with a minority of assisted living beds added) while NOI and operating margins eroded 1% to 5% for the more labor-intensive properties – those with a majority of assisted living and/or memory care beds. NOI and operating margins were both down the better part of 10% in CCRCs, although CCRC operating margins remained relatively solid at just under 25%, and with NOI of near $17,000 per occupied unit.
- With the exception of freestanding assisted living, the same-store sample uniformly show lower turnover, typically over 10% with majority independent living communities and CCRCs reporting about 35% to 65% less turnover.
- Annual compensation per FTE increased on average 3% to 4% year-over-year, and the largest such increases were in those property types where more care-intensive labor (for assisted living and/or memory care) were more prevalent.
- In aggregate, the number of FTEs per resident per day, at communities that responded to the survey both in 2020 and in 2019, was relatively stable year-over-year. However, properties with the highest proportion of independent living units (freestanding independent living and CCRCs) indicated declines of 3-4%, likely due to closed dining rooms and restrictions on activities. Properties with higher acuity residents indicated increases of 6-8% that could reflect higher acuity residents and their needs, and/or turnover, as new staff typically shadow experienced staff during training periods.

For the first time, ***The State of Seniors Housing*** presents 10-year same-store analysis comparing the performance of nearly 20% of this year's sample (year ending 2020) with the performance of those properties 10 years ago (year-ending 2011).

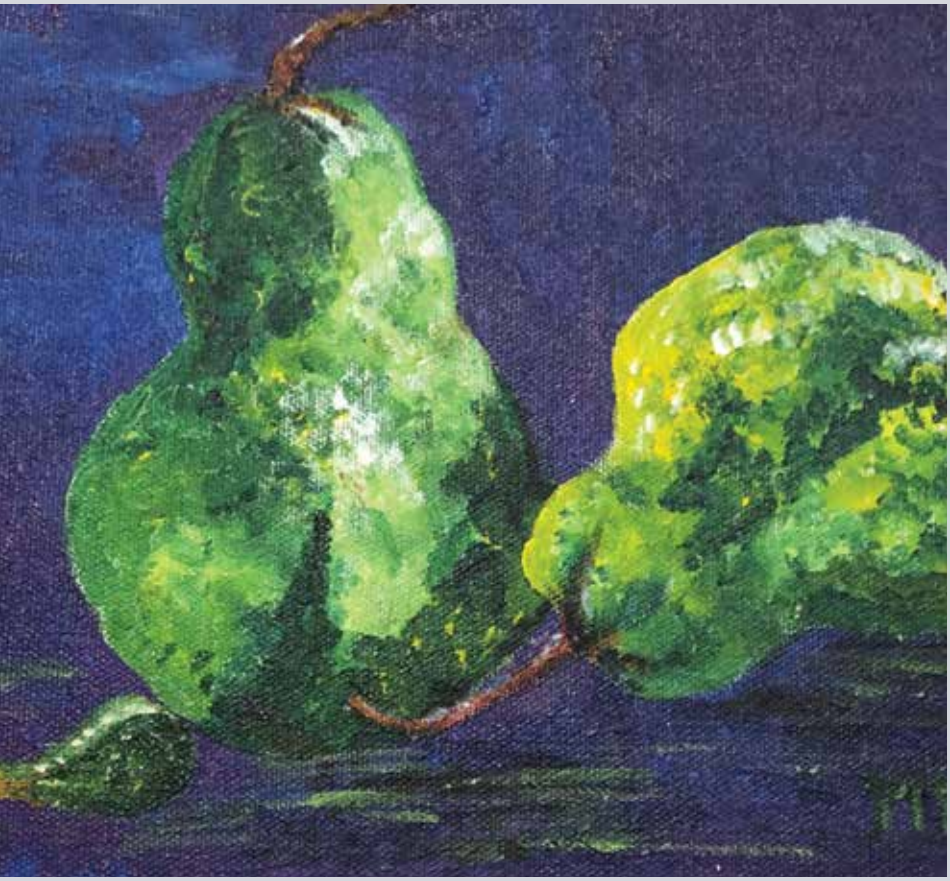
Notably, despite a 300-basis-point decline in occupancy, **revenues** and revenues per occupied unit have grown by about 2-3% compounded annually. While **expenses** and **labor** have increased at a slightly higher rate, operating **margins** and **NOI per occupied** unit remain relatively stable despite the growth in the industry over the last decade. This is all the more remarkable because this data set includes properties that were built by 2008, in order to have been included in the 2011 data set.

More details can be found in **Chapter 10.**

Pears

BY MARY ELLEN FOX

THE MARSHES OF SKIDAWAY ISLAND



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 become apparent: staff-to-resident ratios go up considerably as higher acuity residents are added. For example, adding higher-acuity residents to a freestanding property can double the staff count with few scale economies. And it takes more than twice the staffing intensity for freestanding assisted living as for freestanding independent living, and almost twice the staffing intensity for freestanding memory care than for freestanding assisted living.

Average staffing intensity ranges from:

- Around 0.20 FTEs per resident (that is, about two staff members for every 10 residents) in independent living,
- To more than 0.40 FTEs per resident (more than four staff per every 10 residents) in assisted living,
- To over 0.75 FTEs per resident (nearly eight staff per every 10 residents) in memory care.
- CCRCs employ, on average, more than one dedicated skilled nursing FTE for every skilled nursing resident and almost never, across our entire response set, report less than one nursing FTE for every two residents.

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:

- around $33,000 to $37,000 for dietary and housekeepers;
- from $35,000 to $55,000 for direct caregivers;
- mid-five-figures for maintenance and activities workers; and
- high-five-figures for administrators and marketers.

CCRCs (and often memory care properties) generally pay more than do other product types for direct care workers (assisted living and nursing care), making control of non-labor expenses even more critical.

More details can be found in **Chapter 11.**

OTHER SIGNIFICANT COST ITEMS

Chapter 12 examines, in more detail, cost items in categories shown to be significant in Chapter 9:

- **Raw food** averaging about $6.50 per resident per day, ranging from below $6.00 to almost $9.00.
- **Management fees** averaging about 5% of revenues; less for CCRCs and independent living and more for assisted living and memory care (above 5%); management fees at individual properties varied widely around those averages, from 1% to almost 11%.
- **Employee benefits costs** averaging around $4,300 per FTE, which is between 10% and 11% of the total cost of wages and salaries. CCRCs on average paid a somewhat higher percentage (over 13%), on a salary base already higher at CCRCs than at other property types.
- **Utilities costs** averaging about $2.00 or less per square foot; expressed differently, this equated to about $5.50 per resident per day; older properties were 35% less efficient.
- **Capital expenditures** to maintain the property's competitive position averaged $3,000 to $4,000 per unit, but less than that (more like $1,500 to $2,000) for the newest properties and substantially more (over $5,000 per unit) for properties 40 or more years old.
- **Amounts budgeted for capital reserves** fell consistently short of actual capital expenses, usually by $1,000 or more per unit – except for CCRCs, which budgeted $5,500 to $6,500 per unit for capital expenditures, near the amounts expended in 2020.

Chapter 12 examines in more detail cost items in these categories.

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:

- from 36% for freestanding independent living properties,
- to about 30% when assisted living beds and/or memory care beds were added,
- to below 30% for freestanding assisted living,
- to below 28% when memory care beds were added,
- and below 25% for freestanding memory care.

However, even the lowest quartile of communities in every one of those property types on average operated at a positive profit margin over the past year.

Debt service ratios were, at the median, at or above 2.0 for each of the various property types with sufficient response set sizes – which means that a large proportion of for-profit seniors housing properties were generating two or more times the income necessary to cover their debt service.

Return on total project investment typically ran at the median (about 6.0%). 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 of ROI as calculated here [namely, Net Operating Income] is from the year 2020 and is not current run-rate income nor is it 2021'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.

COMPARISON OF PERFORMANCE DURING THE COVID PANDEMIC WITH THE INDUSTRY'S HISTORICAL PERFORMANCE

Though 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 historical charts in response to industry requests, and to provide a multi-year summary using an annual "snapshot" from each year's ***State of Seniors Housing*** report.

Occupancy Rates – The occupancy rates we report each year should be understood as stabilized occupancy (rather than overall industry occupancy rates) because we do not incorporate survey responses from properties open two years or less or those that report occupancy levels significantly below the rest of the data set and national norms reported by other sources.

However, during a year with seniors delaying moves, marketing staff unable to offer tours, and admission restrictions and protocols that slowed the pace of move-ins, traditionally "stabilized" properties have seen challenges – even if the property had minimal cases of COVID in the building. Therefore, the concept of "stabilized" is different than in any year prior. Additionally important to note is that the survey tool asks for beginning-of-year and end-of-year statistics. To the extent that some regions of the country had surges in COVID-19 cases at the end of 2020, the occupancy figures could be understated.

This year's "median" occupancy rates at 84% for independent living, 82% for assisted living, and 85% for CCRCs are below those posted in the past.

Resident Turnover – annual resident turnover rates in 2020 centered around:

- 48% for freestanding assisted living
- 11% for CCRCs (excluding each CCRCs' skilled nursing beds)
- Presumptively less than 20% for independent living properties without assisted living beds.

As shown in Chapter 10, these turnover rates are much lower than experienced in 2019 and certainly contributed to properties' ability to sustain occupancy levels as high as they did. Therefore, turnover rates for 2020 fall well below what one would expect in a "normal" year.

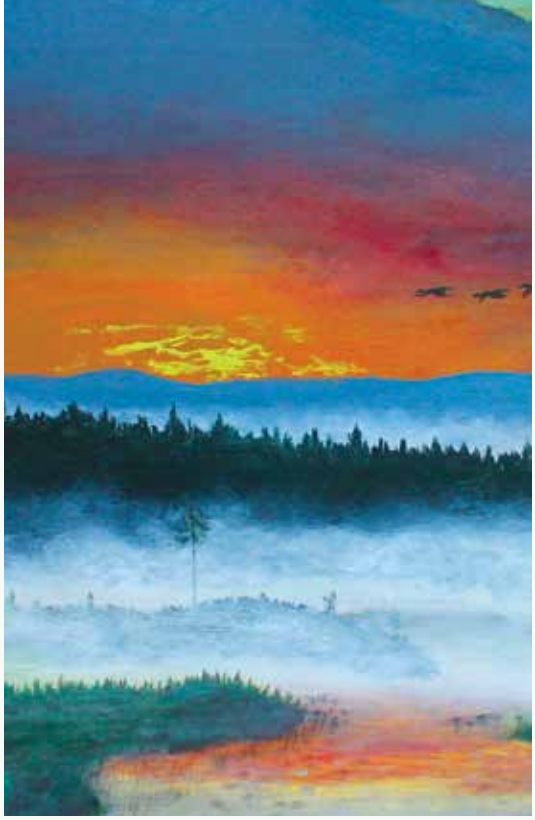
Operating Margins – We strove to be sure the financial results reported were not skewed by **extraordinary revenues** (as from State and Federal Provider Relief and from U.S. Small Business Administration's Paycheck Protection Program) or **extraordinary expenses** (as for personal protective equipment, other supplies, supplemental labor and insurance, etc.) due to COVID-19 from reported results, documenting those separately to be analyzed in a forthcoming publication – the effects of COVID-19 on **occupancy**, beginning roughly from the end of February or beginning of March 2020 through the end of the year, cannot be so easily

segregated and are obviously reflected in the posted figures for full-year 2020.

Nonetheless, the operating profit of for-profit operators typically resulted in performance at about:

- 36% for freestanding independent living.
- 29% for freestanding assisted living.

These results are very consistent with performance at the respective property types over the preceding three or four years.



Morning Mist
BY ERIK LINDQUIST
WESTMINSTER



Southern Glory
BY LILLIAN EVANS
CYPRESS GLEN

METHODOLOGY & DATA ANALYSIS



Lillies Pike Place

BY EVETTE NORTON
TIMBER RIDGE AT TALUS

ASHA, Argentum, LeadingAge, NCAL, and NIC contacted owners and managers of seniors housing residences throughout the United States and provided the 2021 *The 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 used 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, 2020. 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 reported for 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.

TERMINOLOGY



Beautiful Flowers

BY DOLORES SINGLER

THE PRESTON OF THE PARK CITIES

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."

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 calculation. 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 because the methods produce different results.

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 as more representative 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** the value demonstrated by 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. Using this calculation also allows adding quantities up (or subtracting quantities down) in a typical operating statement format, as presented in Chapter 9, whereas classic median values (because each line item may be from a different property) do not add up.

Exhibits in which these "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 (colleen.blumenthal@healthtrust.com) or Samantha Medred (samantha.medred@healthtrust.com) of HealthTrust.

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.

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. More commonly, the value of the midpoint of responses when arrayed from lowest to highest.

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

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

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

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

DEFINITIONS & NOMENCLATURE



Crane in the Wild

BY SANDRA CHEVERIE
JOSHUA SPRINGS SENIOR LIVING

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 after the responses are received, 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 (IL): 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 (bathing, eating, dressing, toilet, transfer in/out of bed, etc.). 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 senior apartments), the community must contain a common dining facility that provides at least one daily meal as part of the monthly fee.

Assisted Living Beds (AL): 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

Water Lilly
BY MOLLY MARTIN
HILLSIDE
VILLAGE KEENE



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 (MC): 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: Operational nursing beds (as opposed to licensed 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 because a meal plan is not included in the base monthly fee).

The **independent living community** category, where meal plans are required for a majority of residents, 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



Sunset
BY KASTEN
FRIENDSHIP VILLAGE

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, properties that contain only memory care beds
4) Separately identified, majority-assisted living with some skilled nursing and/or other specialty care beds

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

Continuing Care Retirement Communities / Life Plan Communities: CCRCs must include both independent living units and skilled nursing beds, and may in addition to the independent living and skilled nursing, 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 sources 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 required up-front, an entry fee of more than $20,000 is **not** required at a "rental" CCRC). At these rental CCRCs, the resident pays the prevailing market rate for the level of care provided.

OTHER TERMS DEFINED:

Total Revenues: Base fees, level-of-care fees assessed according to acuity, 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. Total operating 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 Investment (Unleveraged): NOI divided by total project investment (financed by either debt or equity or both). 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 then any 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.





Rose in the UK

BY PENNY LAING
CYPRESS GLEN



Tranquility
BY SHELLE LITTERER
TRILLIUM WOODS

Debt Service: Annual interest, principal repayment, 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.

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. The net cash flow available for required taxes and for distribution to equity investors or for additional investment in the business.

CHAPTER 1

Community Types and Unit Mix

***The State of Seniors Housing* 2021** report summarizes data collected from almost 1,800 seniors housing properties, which are comprised of over 225,000 units (or, in cases where those units are occupied by more than one person and the persons are unrelated, the numbers of beds are counted). This represents about one in every eight professionally-managed independent living, assisted living, memory care, and continuing care retirement **properties** in the U.S. and one or more in every eight professionally-managed independent living, assisted living, memory care, and nursing care **units/beds** in U.S. seniors housing and care properties.

The survey data, collected in the first two quarters of 2021, describe performance results for the 12 months ending nearest to December 31, 2020. Survey respondents were instructed to remove extraordinary revenues (as from State and Federal Provider Relief and from U.S. Small Business Administration's Paycheck Protection Program) and remove extraordinary expenses (as for personal protective equipment, other supplies, supplemental labor and insurance, etc.) due to COVID-19 from reported results, but to document those separately to be analyzed in a forthcoming publication.

WHAT TYPES OF SENIORS HOUSING & CARE COMMUNITIES?

Between one-quarter and one-third of the properties are those which predominantly offer units for **independent living** – in fact more than one-third of the properties, when including Continuing Care Retirement Communities in the total

(Continuing Care Retirement Communities – CCRCs – also offer units for independent living, and in most CCRCs independent living units are predominant). See Table 1.1:

- Freestanding independent living communities represent under 10% of the data set.
- Approximately 20% of the communities surveyed consist of predominantly independent living but with a smaller number of assisted living and/or memory care beds, with more providing all three levels of care than not.
- Nearly 8% of the sample are Continuing Care Retirement Communities (CCRCs), which by definition are comprised of both independent living and skilled nursing beds. Some of the CCRCs also contain assisted living and/or memory care beds.

Properties consisting predominantly of **assisted living** and/or **memory care** beds comprise over 60% of the properties surveyed:

- Freestanding assisted living communities represent almost 30% of the total response set.
- Communities with **both** assisted living **and** memory care beds comprise nearly 25%.
- Freestanding memory care communities represent about 7%.

WHAT KINDS OF UNITS ARE IN THOSE PROPERTIES?

The response set totals more than 225,000 units. Units found in predominantly **independent living** properties (not yet counting CCRCs) total just over one-third of the sample. When CCRCs (which also consist of properties in which independent living units predominate) are added, the total becomes over 60% of the units (see Table 1.2):

- Freestanding independent living properties represent just under 10%.
- Independent living properties with a smaller number of assisted living beds total just under that, approximately 9%.
- Independent living properties with a smaller number of **both** assisted living beds **and** memory care comprise almost twice that many – between 15% and 16% of the sample's aggregate number of units/beds.

Because assisted living properties and memory care properties typically contain fewer units or beds than do independent living properties, the total proportion of **units (beds)** in predominantly **assisted living** properties was just over one-third of the sample, despite assisted

living and/or memory care properties accounting for closer to two-thirds of the properties.

- Freestanding assisted living properties comprise about 15% of the units (beds).
- Assisted living properties but which also contain memory care beds comprise between 15% and 20% of the total units (beds).
- Freestanding memory care properties accounted for a far smaller proportion of the total units (beds): just over 3% of the total sample.

We believe the response set includes one in every eight (approximately 12%) 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 one in every eight 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)[1].

Though we cannot claim with certainty that the survey respondents are representative of the universe of professionally-managed seniors housing & care providers in the U.S. – it is unknown whether those who respond are systematically different from non-respondents in terms of size, composition, acuity, or performance; and, the response set is not drawn via probability sampling – the sheer volume of survey responses here gives some confidence, at least, that the results reported and the conclusions drawn are based on data from a significant proportion of the universe of providers that exists. Therefore we believe that the results in this report are reasonably **valid** for many of the provider universe. Comparing results over time (as will be done in later Chapter 10 of this report) also gives some confidence that results are reasonably consistent and therefore **reliable.**

[1] *Source of unit counts and properties in the U.S. is the NIC Investment Guide, 6th edition (14,200 properties with an estimated 1,819,600 units, excluding those properties and their units licensed primarily for skilled nursing care).*

TABLE 1.1

Survey Respondents by Community Type

COMMUNITY TYPE	# OF RESPONDENTS	PERCENTAGE
Senior Apartment	24	1.3%
Independent Living	161	8.9%
Independent/Assisted Living	130	7.2%
Independent/Assisted Living/Memory Care	218	12.1%
Assisted Living	515	28.6%
Assisted Living/Memory Care	426	23.7%
Freestanding Memory Care	133	7.4%
Assisted Living/Skilled Nursing	11	0.6%
CCRC	139	7.7%
Nursing	42	2.3%
TOTAL	**1,799**	**100.0%**

TABLE 1.2

Total Units / Beds by Type of Community

COMMUNITY TYPE	TOTAL UNITS / BEDS	PERCENTAGE
Senior Apartment	1,969	0.9%
Independent Living	22,360	9.9%
Independent/Assisted Living	20,366	9.0%
Independent/Assisted Living/Memory Care	35,111	15.6%
Assisted Living	33,577	14.9%
Assisted Living/Memory Care	38,846	17.2%
Freestanding Memory Care	7,473	3.3%
Assisted Living/Skilled Nursing	1,396	0.6%
CCRC	58,048	25.8%
Nursing	6,086	2.7%
TOTAL	**225,232**	**100.0%**

CHAPTER 2

Where are the Units and Properties Located?

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

- Most states in the continental United States (44 + Washington, DC); the only states without representation **together** totaled less than 2.5% percent of U.S. population, U.S. seniors age 65+, and U.S. seniors age 85.
- Every region of the United States.
- Properties in more than 1,000 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 (well over 1,000 units; many hundreds of employees; and more than $100 million annual revenue).

And so, the **breadth** of responses, not just the **volume** of responses, also lends confidence that the results shown in this report and the conclusions drawn are reasonably **valid** for many of the provider universe.

Considering all **property types** together, California (at between 9% and 10%) then Texas and then Illinois (almost 9% each) account for the largest proportion of properties, followed by Florida (less than 6%), Washington, and Pennsylvania (less than 5% each). See Table 2.1a.

California also ranks as the top state in numbers of **units (or beds)** in this year's response set, with between 10% and 11% of the national total, followed by Texas (about 9%) and then Illinois and Florida (less than 8% each). See Table 2.1b.

Note that the states of Indiana and Ohio place in the top 10 for numbers of **properties**, but not for numbers of **units** (or beds) – implying that the typical property in these two states is smaller than the national average. Conversely, Maryland and Virginia place in the top 10 states for numbers of units but not for numbers of properties – implying larger-than-average properties in these two states.

The same states in terms of **overall** national property counts also figured prominently when considering specific **types** of communities – see Table 2.2 – but several other states are also represented in the top state rankings by community type:

- South Carolina and Colorado ranked relatively highly for numbers of CCRCs but no other property types.
- Virginia ranked relatively highly for numbers of combined assisted living with memory care properties but not as high for other property types.
- Arizona ranked in the top five states for freestanding independent living and freestanding memory care properties but not for other property types.

REGIONAL DISTRIBUTION

The largest proportion of all units/beds in this year's sample was from the West region (over a quarter of our sample) followed by the Southeast region (just under one-quarter of the total) – see Table 2.3.

However, some community types did not reflect these overall proportions. Table 2.3 shows that the Southeast region's share of units in freestanding independent living, freestanding assisted living, and freestanding memory care was relatively low (but its share of the nation's CCRC units was relatively high). The South Central region, in contrast, had a relatively high concentration of the nation's freestanding independent living units; the North Central region had a relatively high concentration of the nation's freestanding assisted living beds.

DOES THE GEOGRAPHIC DISTRIBUTION OF OUR RESPONSES MATCH THAT OF U.S. SENIORS?

The proportion of properties and of units/beds in our response set closely corresponds, state by state, to that state's share of U.S. population and to the state's share of U.S. seniors. For example,

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

These **patterns** boost our confidence that the results reported here are representative of seniors housing in the U.S.

TABLE 2.1A

Distribution of All Communities by State (Top Ten States)

RANK	STATE	NUMBER OF PROPERTIES	PERCENT OF TOTAL
1	CA	170	9.4%
2	TX	161	8.9%
3	IL	156	8.7%
4	FL	100	5.6%
5	WA	81	4.5%
6	PA	75	4.2%
7	IN	64	3.6%
8	AZ	55	3.1%
9	NY	52	2.9%
10	OH	50	2.8%
TOTAL OF TOP 10		964	**53.6%**
TOTAL OF ALL STATES		1,799	**100.0%**

TABLE 2.1B

Distribution of All Units by State (Top Ten States)

RANK	STATE	NUMBER OF UNITS	PERCENT OF TOTAL
1	CA	23,749	10.5%
2	TX	20,498	9.1%
3	IL	17,453	7.7%
4	FL	17,193	7.6%
5	PA	9,955	4.4%
6	WA	7,764	3.4%
7	AZ	7,650	3.4%
8	MD	7,624	3.4%
9	VA	6,830	3.0%
10	NY	6,544	2.9%
TOTAL OF TOP 10		125,260	**55.6%**
TOTAL OF ALL STATES		225,232	**100.0%**

TABLE 2.2

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

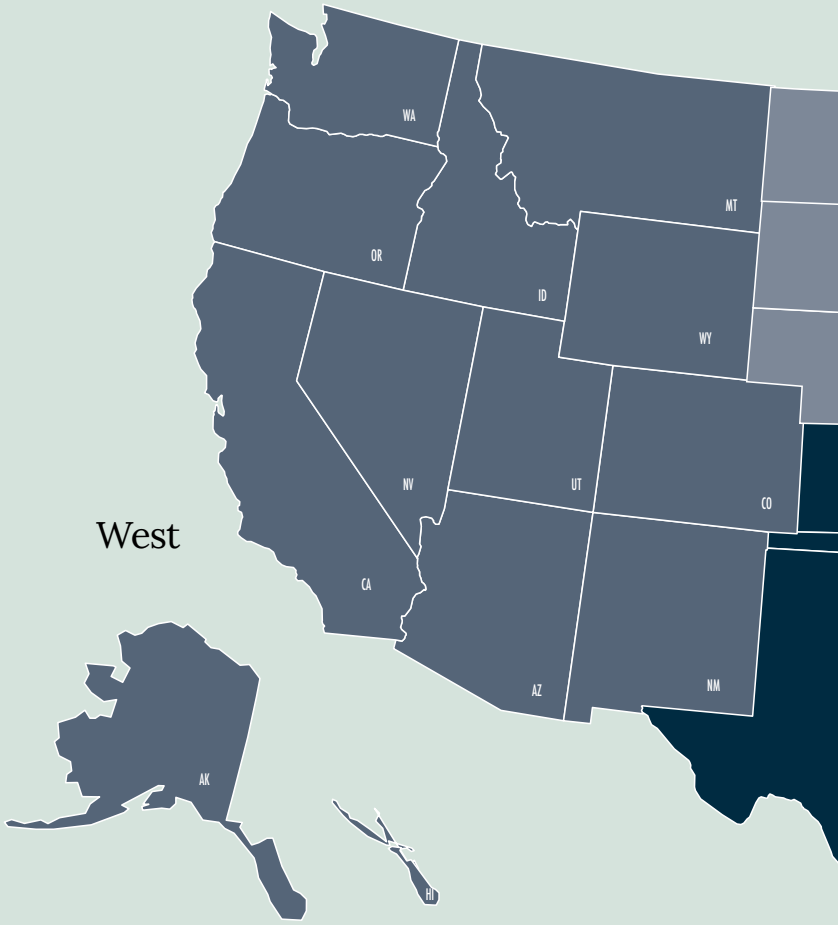
RANK	IL	IL / AL	AL	AL / MC	MC	CCRC
1	TX (28)	TX (13)	IL (61)	CA (47)	CA (22)	CA (21)
2	CA (16)	CA (12)	IN (45)	TX (40)	TX (13)	TX (13)
3	NY (14)	FL (10)	TX (40)	FL (24)	IL (12)	FL (9)
4	WA (12)	WA (9) & IL (9)	PA (34)	VA (23)	WA (10)	SC (8)
5	AZ (8)	NY (7)	OH (28)	PA (22)	AZ (6)	CO (5)

TABLE 2.3

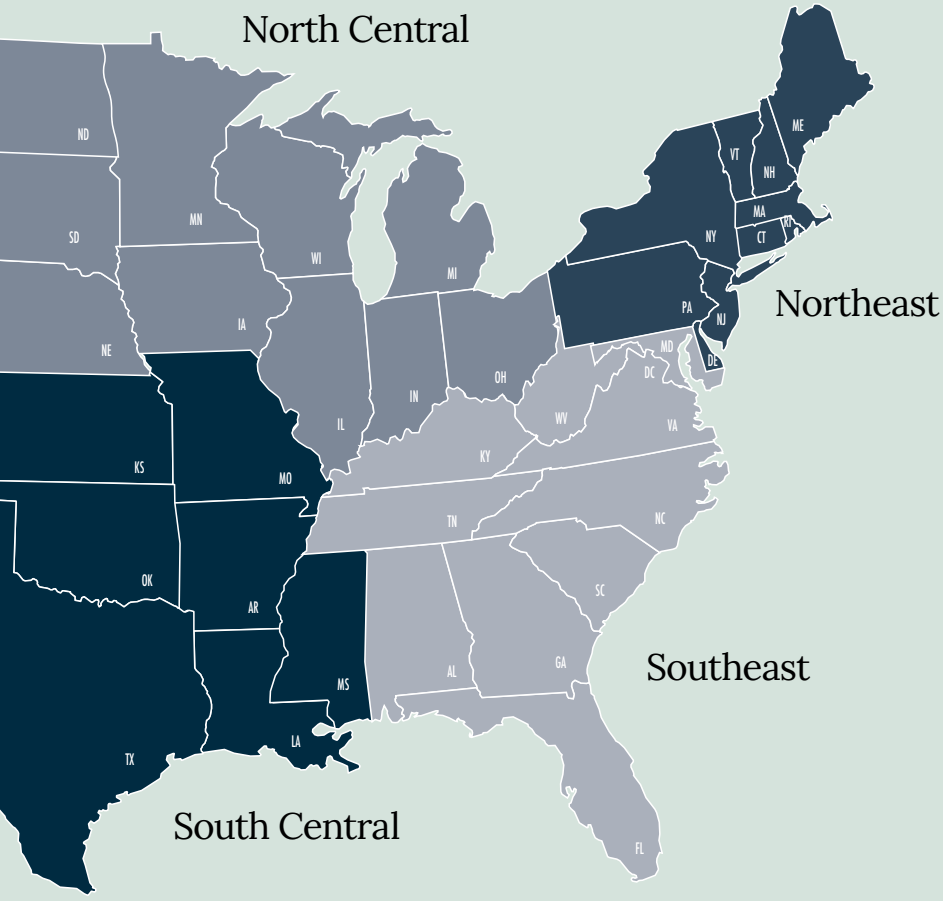
Regional Distribution of Total Units / Beds by Community Type

REGION	NORTHEAST	SOUTHEAST	NORTH CENTRAL	SOUTH CENTRAL	WEST	TOTAL
IL	2,662	2,136	1,936	6,805	6,785	20,324
% of Those Responding	**13.1%**	**10.5%**	**9.5%**	**33.5%**	**33.4%**	**100.0%**
IL/AL	1,745	4,274	2,482	3,402	4,287	16,190
% of Those Responding	**10.8%**	**26.4%**	**15.3%**	**21.0%**	**26.5%**	**100.0%**
IL/AL/MC	6,225	9,939	2,010	2,775	10,485	31,434
% of Those Responding	**19.8%**	**31.6%**	**6.4%**	**8.8%**	**33.4%**	**100.0%**
AL	3,873	4,705	11,685	3,998	5,501	29,762
% of Those Responding	**13.0%**	**15.8%**	**39.3%**	**13.4%**	**18.5%**	**100.0%**
AL/MC	4,503	7,772	4,279	6,206	10,226	32,986
% of Those Responding	**13.7%**	**23.6%**	**13.0%**	**18.8%**	**31.0%**	**100.0%**

Note: Totals exclude units/beds for which locations were not provided, total units with 225,232 less 29,989 = 195,243 units/beds responding about locations.



REGION	NORTHEAST	SOUTHEAST	NORTH CENTRAL	SOUTH CENTRAL	WEST	TOTAL
MC	442	976	1,250	1,068	3,073	6,809
% of Those Responding	**6.5%**	**14.3%**	**18.4%**	**15.7%**	**45.1%**	**100.0%**
CCRC	11,636	16,622	4,135	6,141	11,548	50,082
% of Those Responding	**23.2%**	**33.2%**	**8.3%**	**12.3%**	**23.1%**	**100.0%**
Nursing	–	168	4,887	76	–	5,131
% of Units/Beds	**0.0%**	**0.3%**	**9.3%**	**0.1%**	**0.0%**	**9.8%**
All Other	333	48	1,138	288	718	2,525
% of Those Responding	**13.2%**	**1.9%**	**45.1%**	**11.4%**	**28.4%**	**100.0%**
TOTAL UNITS / BEDS	**31,419**	**46,640**	**33,802**	**30,759**	**52,623**	**195,243**
% OF THOSE RESPONDING	**16.1%**	**23.9%**	**17.3%**	**15.8%**	**27.0%**	**100.0%**



CHAPTER 3

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 most often 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 – and so have proportionally less 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 approximately 300 units/beds, has two or three times the resident capacity of the typical independent living community (at about 130 to 140 units) which in turn has more than twice the capacity of the typical assisted living property (50 to 55 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

Building sizes also vary with how many types of care are provided: residences offering just one type of care often contain less floor space than properties where combinations of care levels are offered. CCRCs contain the largest building area, with median enclosed space

between 350,000 and 400,000 square feet – more than eight acres of interior floor space. In contrast, the typical independent living building contains barely one-third of that, at about 130,000 square feet. Assisted living building sizes are typically not much more than half of that, and memory care buildings about half of assisted living – 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 is about 30% of the total building area for freestanding independent living communities; rises to about 35% when assisted living beds and/or memory care units are introduced into predominantly independent living properties; is 40% for freestanding assisted living residences; is closer to 45% when memory care is introduced into assisted living properties; and is 55% for freestanding memory care. For CCRCs, with a mix of independent living units and nursing care beds, between 35% and 40% of the total space was allocated to common area – see Table 3.10.

LOT SIZES

Respondents were also asked to provide the total property size (in acres) of their communities. Because CCRCs often consist of more than one building, they are usually situated on **significantly** larger parcels of land – the middle range of our responding CCRCs occupied 26 acres – compared to either independent living communities (the middle portion of which fell within about a six-acre range) or assisted living and/or memory care communities (middle portion in the four-acre range). For detail, see Table 3.11.

UNIT SIZE AND MIX

Per-unit **sizes** (calculated as the total rentable square footage of properties, divided by the number of units available) clustered, at the mid-range, around 635 square feet per unit for independent living properties (but below 600 square feet per unit overall, when assisted living beds are introduced into the independent living property); at just 460 square feet for assisted living properties (but smaller, just under 400 square feet overall, when memory care is introduced at the assisted living property); at about 250 square feet per unit for freestanding memory care; and larger for CCRCs, at about 825 square feet per unit overall for the typical mix of independent living and a

smaller number of nursing care beds. See Table 3.12 for detail.

We also collected unit **mix** data: for independent living units (this means independent living units regardless of campus type, and so includes CCRCs) there are almost as many two-bedroom units as one-bedroom units (about 45% each), with only 10% being studio apartments. Assisted living units, which years ago were typically studio apartments, are almost evenly divided between studios and configurations with a bedroom (rarely more than one) **separate** from the living area. Memory care apartments are predominantly studios, sharing sleeping and living quarters – but almost one-quarter have one or more separate bedrooms. See Table 3.13.

TABLE 3.1

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

COMMUNITY TYPE	MEDIAN	AVERAGE
Independent Living	132	139
Independent/Assisted Living	145	157
Independent/Assisted Living/Memory Care	137	161
Assisted Living	52	65
Assisted Living/Memory Care	85	91
Memory Care	54	56
CCRC	290	418
Nursing	108	145
ALL COMMUNITIES	**105**	**125**

TABLE 3.2

Size Distribution of Independent Living Communities by Number of Units

NUMBER OF UNITS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 – 120	63	39.1%
121 – 160	54	33.5%
161 – 200	27	16.8%
201+	17	10.6%
TOTALS	161	**100.0%**

TABLE 3.3

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

NUMBER OF UNITS/BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 – 120	40	30.8%
121 – 160	37	28.5%
161 – 200	27	20.8%
201+	26	20.0%
TOTALS	130	**100.0%**

TABLE 3.4

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

NUMBER OF UNITS/BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 – 120	86	39.4%
121 – 160	49	22.5%
161 – 200	31	14.2%
201+	52	23.9%
TOTALS	218	**100.0%**

TABLE 3.5

Size Distribution of Assisted Living Residences by Number of Beds

NUMBER OF BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 - 40	159	30.9%
41- 80	226	43.9%
81 - 120	92	17.9%
121+	38	7.4%
TOTALS	515	**100.0%**

TABLE 3.6

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

NUMBER OF BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 - 40	11	2.6%
41 - 80	162	38.0%
81 - 120	193	45.3%
121+	60	14.1%
TOTALS	426	**100.0%**

TABLE 3.7

Size Distribution of Memory Care Residences by Number of Beds

NUMBER OF BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 - 40	40	30.1%
41 - 80	78	58.6%
81 - 120	13	9.8%
121+	2	1.5%
TOTALS	133	**100.0%**

TABLE 3.8

Size Distribution of CCRCs by Number of Units/Beds

NUMBER OF UNITS/BEDS AT COMMUNITY	NUMBER OF PROPERTIES IN SIZE CLASS	% OF TOTAL
1 – 200	21	15.1%
201 – 300	54	38.8%
301 – 400	30	21.6%
401+	34	24.5%
TOTALS	139	**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	127,430	39,425	88,005
Independent/Assisted Living	117,718	42,811	74,908
Independent/Assisted Living/Memory Care	145,896	52,137	93,759
Assisted Living	72,175	29,053	43,123
Assisted Living/Memory Care	75,450	32,340	43,110
Memory Care	33,200	18,243	14,958
CCRCs	368,955	135,523	233,432

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	31%	69%
Independent/Assisted Living	36%	64%
Independent/Assisted Living/Memory Care	36%	64%
Assisted Living	40%	60%
Assisted Living/Memory Care	43%	57%
Memory Care	55%	45%
CCRCs	37%	63%

Note: Communities are ranked by total square feet.

TABLE 3.11

Median Property Size by Community Type (in Acres)

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	2.9	5.9	13.5
Independent/Assisted Living	1.5	5.5	10.6
Independent/Assisted Living/Memory Care	2.0	6.3	18.0
Assisted Living	2.1	3.5	10.0
Assisted Living/Memory Care	2.0	4.4	10.0
Memory Care	2.0	3.5	9.0
CCRC	4.3	26.1	98.0
Nursing	1.0	3.4	10.8
ALL COMMUNITIES	**2.1**	**4.7**	**10.1**

Note: Communities are ranked by land area. 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	554	636	859
Independent/Assisted Living	346	580	804
Independent/Assisted Living/Memory Care	407	581	721
Assisted Living	368	460	644
Assisted Living/Memory Care	260	398	597
Memory Care	214	252	778
CCRCs	488	822	1,205
Nursing	---	---	---
ALL	**359**	**530**	**738**

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	10%	47%	43%
Assisted Living	49%	46%	6%
Memory Care	77%	18%	6%

Note: All figures represent weighted averages.

CHAPTER 4

Age of Communities

Table 4.1 shows that in this year's responses, freestanding independent living communities were at the "median" about 19 years old and were newer than free-standing assisted living communities, which reported being 23 years old, typically. However, the oldest independent living properties "skewed" somewhat older than assisted living: the oldest quarter of the independent living properties had been open about 36 years on average – that is, since about 1985 – whereas the oldest quarter of assisted living communities had been open 29 years: built in 1990 or newer, on average.

(For purposes of this report, properties that had been open **less than two years** by December 31, 2020 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).

The properties in the response set offering memory care tended to be the newest: freestanding memory care communities were typically only about 10 years old; assisted living properties with memory care typically 19 years old, while independent living properties with assisted living and memory care were typically built around 18 years ago (though they may not necessarily have offered memory care when built). Fully one-quarter of all these properties with memory care averaged a few years old.

Continuing care retirement communities (CCRCs), on average, skewed considerably older: one-quarter of the CCRCs averaged 55 years old and therefore were built before the mid-1960s. At the

mid-range, the typical CCRC was 26 years old – see Table 4.1.

Skilled nursing facilities were not a primary focus of *The State of Seniors Housing* study (although 42 licensed nursing homes with 6,000+ skilled beds did respond) but they were among the oldest of the 1,799 properties responding, the middle cluster averaging 33 years old.

On the other hand, survey results among all property types suggest that there **are** many **newer** alternatives in the competitive set available to prospective residents: overall, almost one-quarter of the units/beds found in the marketplace were in properties that had opened since 2010 (see Table 4.2). For **many** of the product types – notably freestanding independent living, independent living properties with both assisted and memory care beds, and assisted living with some memory care beds – **more than** half the units/beds, as Table 4.2 shows, were in properties that had opened since 2000[2]. In freestanding memory care, more than half the beds were even newer – in properties that had opened since 2010.

TABLE 4.1

Community Type by Years Open (Stabilized Properties Only)

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living	4	19	36
Independent/Assisted Living	8	22	40
Independent/Assisted Living/Memory Care	4	18	36
Assisted Living	5	23	29
Assisted Living/Memory Care	3	19	30
Memory Care	3	10	24
CCRCs	10	26	55
Skilled Nursing	11	33	53
TOTAL	**5**	**21**	**34**

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.

[2] Tables in this this chapter, absent better information, consider **all** of a property's units and beds (that is, all levels of care in a given property –- for example, a CCRC's independent living units, nursing care beds, assisted living beds if any, etc.) as constructed in the year that community opened.

TABLE 4.2

Age of Total Units/Beds by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL		AL / MC	
YEAR OPENED	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Before 1980	325	2.0%	941	7.3%	1,611	7.0%	468	1.8%	625	2.5%
1980 through 1989	2,999	18.6%	4,023	31.2%	3,388	14.7%	1,475	5.8%	1,842	7.5%
1990 through 1999	3,223	20.0%	2,474	19.2%	5,261	22.8%	10,942	42.7%	7,635	31.0%
2000 through 2009	5,646	35.1%	3,613	28.1%	5,245	22.8%	5,777	22.6%	5,640	22.9%
2010 and later	3,892	24.2%	1,827	14.2%	7,521	32.7%	6,951	27.1%	8,909	36.1%
No Response	6,275	---	7,488	---	12,085	---	7,964	---	14,195	---
TOTAL UNITS / BEDS	22,360	100.0%	20,366	100.0%	35,111	100.0%	33,577	100.0%	38,846	100.0%

TYPE	MC		CCRC		NURSING		ALL OTHER		ALL	
YEAR OPENED	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Before 1980	0	0.0%	6,407	13.0%	2,259	48.4%	171	7.8%	12,807	7.9%
1980 through 1989	36	0.9%	8,283	16.8%	667	14.3%	128	5.8%	22,841	14.1%
1990 through 1999	1,226	30.4%	10,721	21.8%	1,064	22.8%	185	8.5%	42,731	26.3%
2000 through 2009	465	11.5%	20,018	40.6%	271	5.8%	575	26.3%	47,250	29.1%
2010 and later	2,303	57.1%	3,855	7.8%	408	8.7%	1,130	51.6%	36,796	22.7%
No Response	3,443	---	8,764	---	1,417	---	1,176	---	62,807	---
TOTAL UNITS / BEDS	7,473	100.0%	58,048	100.0%	4,669	100.0%	3,365	100.0%	225,232	100.0%

Note: Total units/beds columns include those with no response about year built, to total 225,232; in contrast, total % columns *exclude* those with no response about year built, to total communities with 227,642 less 62,807 = 162,425 units/beds responding about year built.

CHAPTER

5 Ownership and Management

FOR-PROFIT OWNERSHIP VS. NOT-FOR-PROFIT

In this year's results, almost 95% of the properties responding were for-profit entities. Of those for-profit properties, private for-profit ownership is three times as prevalent as being publicly-held. Of the for-profit properties, combination campuses (independent living with some assisted living and/or memory care beds; assisted living with some memory care beds) showed a higher propensity to be publicly-held than did freestanding properties (standalone independent living; standalone assisted living; standalone memory care)– see Table 5.1.

CCRCs were different: half or more of the CCRC **properties** shown in Table 5.1 and two-thirds or more of the CCRC **units**, shown in Table 5.2, are owned by **not-for-profit** entities. The finding that a higher proportion of CCRC **units** are owned by not-for-profits than the proportion of CCRC **properties** owned by for-profits, implies that it is the **larger** CCRC properties, not the smaller, that are owned by these not-for-profit entities.

TYPE OF MANAGEMENT

Of the units owned by **for-profit** entities in this year's results, those in freestanding memory care properties and in for-profit CCRCs have the highest likelihood of being in properties that are self-managed (that is, by the same entity which owns the property). Most other campus configurations are as or more likely to be managed by an unrelated third-party or indirectly by an **affiliate** of the owner – see Table 5.3. Beds in licensed nursing homes were overwhelmingly (almost 90%) in properties managed by an affiliate of the owner – not self-managed or unrelated third-party managed.

Among the units in **not-for-profit** properties (and all but about 1,400 of the not-for-profit units in this year's survey are found within CCRCs), a majority –almost 60% – are managed by unrelated third-parties. About 40% are in properties that are self-managed. None of the not-for-profit units or beds in our sample was reported as being managed by an affiliate of the owner – see Table 5.4.

OPERATOR SIZE

Almost 85% of the survey respondents indicated that their property's manager operates more than 25 properties – see Table 5.5. 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.

Though 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), the finding of increasingly-more multi-community operators in survey response sets over the years could also reflect increasing industry consolidation.

CCRC properties (which we saw in Chapter 3 generally have much larger per-property resident capacities than any other campus configuration) showed the **lowest** proportion of large-chain operations in Table 5.5. This might indicate increased difficulty in managing chains when the properties themselves are large, or it may well indicate other diseconomies of scale for multiple project chains when the individual projects themselves are very large.

TABLE 5.1

Property Ownership by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL		AL / MC	
	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING
Private-for-profit	101	78.3%	61	59.8%	124	63.6%	359	89.5%	225	69.0%
Publicly Held	27	20.9%	37	36.3%	70	35.9%	41	10.2%	100	30.7%
Not-for-profit	1	0.8%	4	3.9%	1	0.5%	1	0.2%	1	0.3%
No Response	32	–	28	–	23	–	114	–	100	–
TOTAL	161	100.0%	130	100.0%	218	100.0%	515	100.0%	426	100.0%

TYPE	MC		CCRC		NURSING		ALL OTHER		ALL	
	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING	NUMBER PROPERTIES	PERCENT RESPONDING
Private-for-profit	91	93.8%	33	30.8%	33	78.6%	18	66.7%	1,045	73.7%
Publicly Held	6	6.2%	10	9.3%	0	0.0%	8	29.6%	299	21.1%
Not-for-profit	0	0.0%	64	59.8%	0	0.0%	1	3.7%	73	5.2%
No Response	36		32		9	21.4%	8		382	
TOTAL	133	100.0%	139	100.0%	42	100.0%	35	100.0%	1,799	100.0%

Note: Total properties columns include those with no response about ownership, to total 1,799; in contrast, total % columns *exclude* those with no response about ownership, to total properties with 1,799 less 382 = 1,417 properties responding about ownership.

TABLE 5.2

Ownership of All Units / Beds by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL		AL / MC	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Private-for-profit	14,655	76.1%	9,485	63.0%	20,009	64.4%	23,644	87.4%	21,234	69.8%
Publicly Held	4,522	23.5%	4,699	31.2%	10,895	35.1%	3,372	12.5%	9,135	30.0%
Not-for-profit	91	0.5%	882	5.9%	147	0.5%	37	0.1%	58	0.2%
No Response	3,092	–	5,300	–	4,060	–	6,524	–	8,419	–
TOTAL	22,360	100.0%	20,366	100.0%	35,111	100.0%	33,577	100.0%	38,846	100.0%

TYPE	MC		CCRC		NURSING		ALL OTHER		ALL	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Private-for-profit	5,555	94.3%	9,222	18.8%	5,131	100.0%	1,376	58.4%	110,311	59.5%
Publicly Held	337	5.7%	2,410	4.9%	0	0.0%	810	34.4%	36,180	19.5%
Not-for-profit	0	0.0%	37,474	76.3%	0	0.0%	171	7.3%	38,860	21.0%
No Response	1,581		8,942		955		1,963		39,881	
TOTAL	7,473	100.0%	58,048	100.0%	6,086	100.0%	4,320	100.0%	225,232	100.0%

Note: Total units/beds columns include those with no response about ownership, to total 225,232; in contrast, total % columns exclude those with no response about ownership, to total units with 225,232 less 39,881 = 185,351 units/beds responding about ownership.

TABLE 5.3

For-Profit Management of Units/Beds by Community Type

TYPE	IL		IL / AL		IL / AL / MC		AL		AL / MC	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Self Managed	1,179	7.9%	817	6.9%	1,823	8.6%	11,311	45.2%	4,722	18.0%
Third Party	7,495	50.1%	7,667	64.8%	10,988	52.0%	10,022	40.0%	12,699	48.4%
Affiliate of Owner	6,292	42.0%	3,342	28.3%	8,332	39.4%	3,713	14.8%	8,816	33.6%
No Response	4,211		2,358		9,761		1,970		4,132	
TOTAL	19,177	100.0%	14,184	100.0%	30,904	100.0%	27,016	100.0%	30,369	100.0%

TYPE	MC		CCRC		NURSING		ALL OTHER		TOTAL	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Self Managed	3,980	69.6%	4,734	52.7%	0	0.0%	0	0.0%	28,566	23.7%
Third Party	1,184	20.7%	1,129	12.6%	474	9.2%	1,689	97.2%	53,347	44.2%
Affiliate of Owner	554	9.7%	3,123	34.8%	4,581	89.3%	48	2.8%	38,801	32.1%
No Response	174		2,646		76		449		25,777	
TOTAL	5,892	100.0%	11,632	100.0%	5,131	100.0%	2,186	100.0%	146,491	100.0%

Note: Total units/beds columns include those with no response about management type, to total 146,491; in contrast, total % columns exclude those with no response about management type, to total units with 146,491 less 25,777 = 120,714 units/beds responding about management type.

TABLE 5.4

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

TYPE	IL		IL/AL		IL/AL/MC		AL/MC	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Self Managed	91	100.0%	882	100.0%	147	100.0%	0	0.0%
Third Party	0	0.0%	0	0.0%	0	0.0%	58	100.0%
No Response	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	91	100.0%	882	100.0%	147	100.0%	58	100.0%

TYPE	CCRC		ALL OTHER		TOTAL	
	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING	NUMBER UNITS/BEDS	PERCENT RESPONDING
Self Managed	14,332	38.5%	171	82.2%	15,623	40.5%
Third Party	22,846	61.5%	37	17.8%	22,941	59.5%
No Response	296	0.8%	0	0.0%	296	0.8%
TOTAL	37,474	100.0%	208	100.0%	38,860	100.0%

TABLE 5.5

Number of Communities Managed

OPERATOR SIZE	IL		IL / AL		IL / AL / MC		AL		AL / MC	
	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING
1 (this property)	0	0.0%	2	2.0%	1	0.6%	0	0.0%	0	0.0%
2 – 10	1	1.0%	7	7.0%	1	0.6%	21	5.3%	0	0.0%
11 – 25	9	9.2%	14	14.0%	19	11.0%	8	2.0%	11	3.8%
> 25	88	89.8%	77	77.0%	151	87.8%	366	92.7%	275	96.2%
TOTAL	98	100.0%	100	100.0%	172	100.0%	395	100.0%	286	100.0%

OPERATOR SIZE	MC		CCRC		NURSING		ALL OTHER		ALL	
	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING	NUMBER COMMUNITIES	PERCENT RESPONDING
1 (this property)	0	0.0%	8	9.3%	0	0.0%	1	1.7%	12	0.9%
2 – 10	3	3.2%	14	16.3%	0	0.0%	0	0.0%	47	3.6%
11 – 25	21	22.3%	56	65.1%	0	0.0%	12	20.0%	150	11.6%
> 25	70	74.5%	8	9.3%	33	100.0%	47	78.3%	1,082	83.8%
TOTAL	94	100.0%	86	100.0%	33	100.0%	60	100.0%	1,291	100.0%

CHAPTER 6

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 $20,000 up-front (in addition to monthly fees, in most cases) as the primary payment option.

In addition, almost 30% **more** of the CCRCs in the survey sample 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 up-front, although other residents in that same property **were** required to post a $20,000+ entry fee.

Years ago, CCRCs were most commonly thought of as entry-fee properties. Note that in this year's results:

- Almost one in three described their CCRC as having a blend of entry fee units as well as rental units; and
- Over 25% of the respondents described their CCRC as having all or virtually all their units in rental programs rather than entry-fee.

BASE FEES AND LEVEL OF CARE FEES

By region, 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) 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 states, with the Northeast region more than 20% above the national average and the West region often more than 10% above national average – except for CCRCs, where the Northeast region base fees were 10% below national average, but the West region was still 10% above.

[4] Survey 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.

- Looking across the columns: CCRC base monthly fees (even excluding nursing care beds and resulting revenue) are as high or higher on average in all regions than all other property types **until** the other property types also added memory care units. As seen on Table 6.1, CCRC monthly base fees are higher despite the entry fees collected at so many.

Tables 6.3 and 6.4 demonstrate much the same pattern across regions (that is, reading down rows) that are evident in Table 6.2 – namely, that significant premiums of 20% or more for base fees exist in the Northeast region. In the Northeast, however, Level of Care fees tend to be less than those in other 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 on top of base fee revenue – adding 10% to 15% to the total paid by residents.

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 monthly costs to live in properties that have predominantly independent living units (that is, freestanding independent living and CCRC campus types) and which therefore have fewer or no care fees, either bundled or unbundled – are often below, and sometimes well below $4,000/month whereas the overall monthly cost (base + LOC) to live in an assisted living bed is more than $5,000/month and the overall cost to live in a memory care bed is more than $7,000/month once care fees are taken into account.

[Readers of Tables 6.2, 6.3, and 6.4 should note that some of the properties that provide revenues for "base monthly fees" are those that bundle services into an all-inclusive monthly rate and do not charge separate Level of Care fees, while others providing "base monthly fees" data are those that charge separately and therefore break out the revenues reported into those two separate categories. The analysis on which the tables are based does not make the distinction between those two types of properties.]

TABLE 6.1

Primary Payment Structure by Community Type

	ALL OR VIRTUALLY ALL RENTAL	ALL OR VIRTUALLY ALL W/ENTRY FEE (>$20,000)	BLEND OF RENTALS + UNITS WITH ENTRY FEE (>$20,000)	NO RESPONSE	TOTAL
INDEPENDENT LIVING					
Number Properties	99	1	1	60	161
Percent Responding	98.0%	1.0%	1.0%	--	100.0%
INDEPENDENT LIVING/ASSISTED LIVING					
Number Properties	94	3	0	33	130
Percent Responding	96.9%	3.1%	0.0%	--	100.0%
INDEPENDENT LIVING/ASSISTED LIVING/MEMORY CARE					
Number Properties	162	1	4	51	218
Percent Responding	97.0%	0.6%	2.4%	--	100.0%
ASSISTED LIVING					
Number Properties	434	1	0	80	515
Percent Responding	99.8%	0.2%	0.0%	--	100.0%
ASSISTED LIVING/MEMORY CARE					
Number Properties	333	1	0	92	426
Percent Responding	99.7%	0.3%	0.0%	--	100.0%
MEMORY CARE					
Number Properties	119	0	0	14	133
Percent Responding	100.0%	0.0%	0.0%	--	100.0%
CCRC					
Number Properties	29	49	32	29	139
Percent Responding	26.4%	44.5%	29.1%	--	100.0%
ALL OTHER					
Number Properties	24	0	0	53	77
Percent Responding	100.0%	0.0%	0.0%	--	100.0%
TOTAL					
Number Properties	1,294	56	37	412	1,799
Percent Responding	93.3%	4.0%	2.7%	--	100.0%

'Note: Total properties columns include those with no response about fee structure, to total 1,799; in contrast, total % columns exclude those with no response about fee structure, to total properties with 1,799 less 412 = 1,387 properties responding about fee structure

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	$3,828	**	$6,182	$5,357	$5,543	**	$3,827
Southeast	**	$3,812	$4,056	$4,077	$4,580	$5,522	$4,218
North Central	**	$3,822	$4,929	$3,554	$4,867	**	$4,360
South Central	$2,762	$2,791	$3,799	$3,820	$4,425	**	$4,045
West	$2,990	$3,972	$4,694	$4,220	$5,511	$5,434	$4,652
ALL COMMUNITIES	**$3,194**	**$3,599**	**$4,732**	**$4,205**	**$4,985**	**$5,478**	**$4,220**

Note: Only IL communities are solely comprised of units; other property 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	$6,537	$413	$6,950
Southeast	$4,757	$646	$5,403
North Central	$3,938	$420	$4,358
South Central	$4,244	$587	$4,831
West	$5,177	$1,082	$6,259
ALL COMMUNITIES	**$4,642**	**$628**	**$5,270**

Note: Both the base monthly and LOC fees represent the unweighted average for assisted living across all community types. Further, 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	$7,285	$347	$7,632
Southeast	$5,464	$562	$6,026
North Central	$6,020	$258	$6,278
South Central	$5,645	$334	$5,979
West	$6,054	$1,856	$7,910
ALL COMMUNITIES	**$6,160**	**$903**	**$7,063**

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

CHAPTER 7

Occupancy Rates

OCCUPANCY BY TYPE OF COMMUNITY

Industry veterans and newcomers alike have observed that the year ending December 2020 presented challenges – unique challenges even – in maintaining occupancy at seniors housing and care properties. In the year's results, CCRCs posted overall occupancy rates as high or higher than every other type of community, and by up to several hundred basis points – see Table 7.1 and compare columns with each other.

The occupancy rates we report should be understood as stabilized occupancy (rather than overall industry occupancy rates) because we do not incorporate survey responses from properties open two years or less by December 31, 2020 – as most often such properties have not reached financial or operational stabilization. After consulting with industry veterans, it was also decided to exclude from the calculations those properties whose occupancy at the beginning of the year 2020 fell below 65%, as those properties' financial and operational stability would also be especially challenged in the COVID environment that developed before the end of 2020's first quarter. Additionally important to note is that the survey tool asks for beginning-of-year and end-of-year statistics. To the extent that some regions of the country saw surges of COVID cases at the end of 2020, the occupancy figures could be understated.

For all properties, the calculated "median" occupancy rates centered at about 83% and the "weighted average" occupancy rates (meaning, large properties count more heavily) calculated at somewhat higher (84%). But drilling down to view the performance for each property type, size heavily influenced only one property type (CCRCs) where the weighted average occupancy rate at 87.4% was **substantially** higher than the calculated "median" occupancy rate of 84.7%.

And because the average occupancy rates reported in Table 7.1 are **weighted** [that is, 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 for CCRC falls well above the "median" calculated occupancy also implies that larger CCRC properties were comparatively **better occupied** (percentage-wise) than smaller properties.

What we are reporting as "median" occupancy is actually the average of the fifth and sixth deciles – meaning, when ranked by occupancy rate, the average for 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.

The highest quartile for each property type averaged well into the 90%+ occupancy range – see the 4th row in each of the four sections of Table 7.1. Viewing the "Lower Quartile" rows in Table 7.1 shows that the [weighted] average of the bottom 25% of performers (ranked by occupancy) was consistently in the lower 70s, rarely reaching 80%.

In addition, Table 7.1 may imply that not-for-profit communities are considerably better-occupied than for-profit communities – although this could be confounded with the reality that the not-for-profits were almost entirely comprised of CCRCs (as seen in Chapter 5, where tables demonstrate that CCRCs comprised 64 of the 73 not-for-profits, with 37,474 of the 38,860 not-for-profit units surveyed) and for which the top rows of Table 7.1 show CCRCs as having among the highest occupancy rates anyway.

A final insight from Table 7.1 is that this year's results suggest that properties primarily comprised of the more need-driven care levels (assisted living, memory care) generally reported lower occupancy levels than those predominantly comprised of independent living units.

OCCUPANCY BY LEVEL OF CARE

Occupancy rates by 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 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 independent living properties, or in combination campuses, or in CCRCs – tended to be the best-occupied level of care at between 85% and 86%. Reading across columns of Table 7.2 from left to right also demonstrates that as acuity levels **increase**, occupancy rates generally **decrease**, with the "median" occupancy rate for skilled nursing beds in the sample – whether in nursing homes, or in CCRCs, or in other property types – at 76%.

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	72.8%	72.4%	83.5%	69.6%	70.7%	81.0%	73.6%	71.0%
Median	84.2%	84.5%	84.1%	82.4%	81.9%	83.0%	84.7%	82.9%
Weighted Average	83.4%	83.1%	83.5%	81.9%	81.1%	81.0%	87.4%	84.0%
Upper Quartile	93.4%	93.8%	92.0%	93.4%	91.3%	95.2%	93.9%	93.1%

PRIVATE FOR-PROFIT COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	70.7%	73.2%	72.2%	69.6%	70.9%	68.6%	**	70.0%
Median	82.1%	**	83.8%	82.2%	82.6%	79.6%	**	82.6%
Weighted Average	82.2%	84.5%	83.5%	81.9%	81.1%	79.6%	84.6%	82.5%
Upper Quartile	92.7%	95.6%	92.9%	94.1%	90.7%	93.9%	**	93.0%

** Insufficient sample size.

PUBLICLY HELD COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	**	**	76.4%	**	72.9%	**	**	74.5%
Median	**	**	84.3%	**	82.3%	**	**	83.3%
Weighted Average	85.6%	81.9%	84.2%	83.5%	81.9%	**	**	83.2%
Upper Quartile	**	**	91.4%	**	90.9%	**	**	91.6%

** Insufficient sample size.

NOT-FOR-PROFIT COMMUNITIES	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC	ALL COMMUNITIES
Lower Quartile	**	**	**	**	**	**	79.2%	78.6%
Median	**	**	**	**	**	**	89.3%	88.2%
Weighted Average	**	**	**	**	**	**	90.3%	90.1%
Upper Quartile	**	**	**	**	**	**	94.5%	94.5%

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.

TABLE 7.2

Occupancy by Level Of Care and Ownership Status

ALL COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	NURSING BEDS	ALL LEVELS OF CARE
Lower Quartile	72.3%	69.7%	63.8%	51.4%	71.0%
Median	85.6%	84.1%	85.0%	76.1%	82.9%
Upper Quartile	94.7%	94.6%	96.3%	88.0%	93.1%

PRIVATE FOR-PROFIT COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	NURSING BEDS	ALL LEVELS OF CARE
Lower Quartile	69.3%	69.7%	61.8%	52.5%	70.0%
Median	83.7%	84.2%	83.1%	**	82.6%
Upper Quartile	94.1%	94.6%	96.0%	94.8%	92.9%

** Insufficient sample size.

PUBLICLY HELD COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	NURSING BEDS	ALL LEVELS OF CARE
Lower Quartile	74.8%	78.2%	68.4%	**	74.5%
Median	83.9%	83.3%	85.5%	**	83.3%
Upper Quartile	92.3%	92.0%	95.8%	**	91.6%

** Insufficient sample size.

NOT-FOR-PROFIT COMMUNITIES	IL UNITS	AL BEDS	MC BEDS	NURSING BEDS	ALL LEVELS OF CARE
Lower Quartile	77.9%	76.8%	67.4%	69.3%	78.6%
Median	89.8%	91.5%	88.5%	80.3%	88.2%
Upper Quartile	96.1%	97.5%	98.3%	91.1%	94.5%

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.

CHAPTER 8

Resident Turnover

Annual resident turnover is calculated as the number of move-outs at properties during the year, divided by the average number of units or beds occupied at those properties during that same year. For example, a property starting the year with 101 occupied units, with 20 move-outs (no matter what their tenure) but 18 off-setting move-ins, to end the year with 99 occupied units, would be rated as having 20 in 100, or 20% turnover.

In Table 8.1, the survey results indicate that "median" annual resident turnover is highest for memory care properties (at 63%), somewhat less for assisted living properties (at between 45% and 55%, closer to 55% if the assisted living property also includes memory care beds). A 50% or higher annual turnover rate means that one-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.

Turnover was lower for independent living properties with higher levels of care (about 20% to 30%). Turnover was lower still for CCRCs (excluding the skilled nursing beds in CCRCs) at barely over 10% in the middle range.

LENGTH OF STAY

Using that data for resident turnover from responding properties, we show in Table 8.2 the average length of stay by community type. This is calculated by taking the reciprocal of annual turnover rates from Table 8.1, then converting the annual result to number of months. For example, if about one-third of the units turn over in one year, that would imply an approximate three-year typical stay (close to 36 months).

Residents of freestanding memory care residences have the shortest tenure, typically less than two years. At one-quarter of freestanding memory care properties, the average tenure barely attained one full year – less than 13 months.

Residents in CCRCs have the longest typical tenure, as Table 8.2 shows – over nine years, based on the turnover data. As will be discussed in more detail in Chapter 10, anecdotally, operators commented that they were successful in "keeping residents healthy and extending their stays" during the pandemic.

We surmise that CCRCs were better set-up to isolate residents, and so impacts from the COVID-19 pandemic were less than other property types. Therefore at the extreme, turnover falls well below what one would expect in a "normal" year – in fact, of the CCRC respondents in the response set who tracked turnover, over 20% reported fewer than 10 move-outs for the year.

TABLE 8.1

Annual Resident Turnover

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living Communities	N/A	N/A	N/A
Independent/Assisted Living Communities	9.0%	20.0%	39.3%
Independent/Assisted Living/Memory Care Communities	15.1%	31.5%	46.7%
Assisted Living Residences	32.4%	47.6%	72.0%
Assisted Living/Memory Care Residences	31.1%	53.8%	76.2%
Memory Care Residences	41.0%	63.0%	93.6%
All CCRCs (excluding skilled nursing beds)	0.5%	10.9%	25.4%

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.

TABLE 8.2

Implied Length of Stay (in months)

COMMUNITY TYPE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
Independent Living Communities	**	**	**
Independent/Assisted Living Communities	30.5	60.1	132.9
Independent/Assisted Living/Memory Care Communities	25.7	38.1	79.3
Assisted Living Residences	16.7	25.2	37.1
Assisted Living/Memory Care Residences	15.7	22.3	38.6
Memory Care Residences	12.8	19.1	29.3
All CCRCs (excluding skilled nursing beds)*	47.2	110.5	N/A

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.

* Lower Quartile turnover was close to zero, and therefore no reasonable length of stay could be extrapolated for the upper quartile implied length of stay.

** Insufficient sample size.

CHAPTER 9

Financial Results

Tables 9.1 through 9.7 provide a virtual "operating statement" for annual financial performance of responding properties for the calendar year ending December 31, 2020 (or the organization's fiscal year nearest to that) – excluding COVID relief funds and associated expenses. Properties are ranked by Revenues per Occupied Unit, and values in the Tables are reported as dollars per occupied unit (or bed)[3]. The columns reading left to right when ranked by Total Revenue per Occupied Unit in these Tables are a fair proxy for progressions from the most moderately-priced, to mid-priced, to the highest-priced properties – just as, for example, a set of hospitality properties would progress if ranked by Average Daily Rates. [This would not necessarily be true if the unit occupancies (and product mix) among the properties varied widely between the five column groupings, but they are pretty homogeneous in that respect].

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 under $35,000 per year. Next lowest was for freestanding assisted living properties and independent living properties with some assisted living, both in the $47,000 or $48,000 per year range – both more than $1,000 per month higher than for freestanding independent living. Continuing upwards, next came properties with independent and assisted living

[3] 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). The reason we rank all properties by Revenue per Occupied Unit and do **not** prepare a separate ranking for **each** line item is so that total revenues, total operating expenses, net operating income and net cash flow will add up (really, subtract down) the page representing the "income statement." It would **not** add up if the properties are ordered separately, from lowest to highest for **each** line item.

Then, for each line item in the Tables, we report "medians," quartile values, and decile values for those properties which fall within that rank when the properties are ordered by Total Revenue per Occupied Unit. The "median" that we employ is really the average [weighted, so that larger properties, the ones with more units and revenues, etc. count more heavily] 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 property at the middle – possibly idiosyncratic –would be. And the major reason we report this "median" and not the mean of the given line item value for all the properties is that a simple mean is often unduly influenced by extreme high or low values.

Similarly, the "quartile" and "decile" values we report are not that line item's value at the **one** property – again, possibly idiosyncratic – that falls **at** that cutpoint (10th, 25th, 75th, 90th percentile) of the properties ranked on the basis of Revenues per Occupied Unit, 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.

and memory care, at just under $60,000 per year per occupied unit or bed (another $1,000 per month higher) and then properties with assisted living and memory care at about $65,000 (another $500 per month higher). CCRCs (whose revenues were largely from independent living but **also** include net cash from entry fees collected less entry fees refunded, and also some nursing care revenues averaged into the mix) typically generated about $72,000 per year revenue per occupied unit – another $500 per month higher. The highest median revenues were for freestanding memory care, at more than $76,000 per year. So, results confirmed the general pattern of higher per-occupied-unit revenues as resident acuity increases throughout the spectrum of seniors housing and care, as one would expect – because those revenues are charged to pay for higher service costs incurred.

EXPENSES

Labor-related expenses, including benefits and payroll taxes, are the largest major expense categories for seniors housing communities. Labor expenses per occupied unit, in terms of dollars, increase as resident acuity increases as one would expect. But, even as a percentage of revenue, labor expenses increase as the needs (the acuity) of the residents increase. Analyzing Tables 9.1 through 9.7 reveals that:

- Total labor costs at freestanding independent living communities (those without assisted living, memory care, or nursing beds) are generally about 25% to 30% of total revenues.
- Communities with independent and assisted living units in the mix have labor costs that are closer to 40% of total revenues.
- Assisted living properties with memory care generally have labor costs closer to 45% of total revenues.
- CCRCs (which serve nursing care residents as well as independent living) exhibit labor costs ranging from about 40% to almost 50% of total revenues.
- Freestanding memory care properties can have labor costs consisting of 50% or more of revenues.

NET OPERATING INCOME

Tables 9.1 through 9.7 demonstrate that "median" NOI (in terms of **dollars** per occupied unit or occupied bed) in very rough terms was highest at properties that included higher-acuity residents [most especially memory care residents], but this was not always the case. NOI per occupied unit at the middle-range of properties ranged from about $11,000 annually for CCRCs to almost $17,000 for independent living properties which also included assisted living residents and memory care residents both.

We observe that this ranking among property types in terms of **dollars** of NOI per occupied unit (that is, more acuity often means higher profitability **in terms of NOI dollars**) is however by no means exhibited when profitability is measured by **Operating Margins** [that is,

not dollars **but rather percent** of Total Revenues brought down to NOI] – as shown in Tables 9.18 through 9.23, for **that** profitability metric it is more often true that higher acuity means somewhat **lower** profitability.

ADDITIONAL ANALYSIS – BY PROPERTY TYPE AND PROPERTY SIZE

Tables 9.8 through 9.17 provide revenue and expense results per occupied unit (or bed) by property size (smaller vs. larger) for property types in which there was sufficient survey response to make results meaningful. 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 but that the larger properties generated substantially higher **NOI** per Occupied Unit (approximately $12,500 for the larger properties versus approximately $11,000 for the smaller). For other property types, that pattern is generally repeated: while the smaller properties often have much the same Revenue per Occupied Unit as the larger properties, the larger properties often produce **substantially** higher NOI dollars per Occupied Unit (or bed). To see this, compare Table 9.12 vs. 9.13; Table 9.14 vs. Table 9.15; and Table 9.16 vs. Table 9.17. Though the general pattern (larger properties generate higher profits) is not true for independent living properties with some assisted living beds, that may well be because the per-unit revenues for the larger properties of this type do not reach the levels that they do in smaller such properties (compare Table 9.10 vs. 9.11).

Tables 9.18 through 9.23 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 9.18 through 9.23 are also useful as they show that as price **increases** – that is, as you move across these tables, from left to right – that occupancy rates do **not** uniformly **fall**. In other words, higher prices do **not** necessarily empty the building out.

Note: Readers might wonder why occupancy rates from Tables 9.18 through 9.23 are not identical to those shown in Chapter 7, and why NOI margins from Tables 9.18 through 9.23 are not identical to those shown in Chapter 13 upcoming. The reasons are: occupancy rates in Chapter 7 are for groupings of properties **ranked in order of occupancy**; occupancy rates calculated here in Chapter 9 are for groupings of properties ranked (ordered) quite **differently – ranked by Revenue per resident per 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].

In similar fashion, 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 per day**, and which also therefore result in **different** property groupings. [As well, Chapter 13 only includes for-profit properties whereas this 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/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**$21,500**	**$25,794**	**$34,278**	**$52,130**	**$66,986**
RENT/ FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$17,286	$23,079	$32,129	$47,265	$59,024
2nd Occupant Base Fees	$236	$232	$331	$1,270	$916
OTHER REVENUES					
Community Fees	$405	$424	$467	$683	$964
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$1	$0	$0	$18	$0
All Other Operating Income	$3,572	$2,058	$1,351	$2,894	$6,082
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$15,413**	**$18,619**	**$21,908**	**$32,560**	**$39,048**
LABOR RELATED					
Administrative	$1,236	$1,538	$1,996	$2,615	$3,146
Dietary	$1,275	$2,173	$2,640	$4,209	$5,448
Housekeeping	$433	$596	$647	$1,004	$1,339
Maintenance	$447	$536	$608	$956	$1,180
Assisted Living Labor	$0	$5	$283	$3	$7
Nursing Labor	$982	$420	$0	$134	$374
Marketing	$289	$450	$449	$807	$817
Activities	$361	$379	$441	$607	$856
All Labor in Other Departments	$149	$215	$250	$1,227	$1,175
Payroll Taxes	$491	$655	$961	$1,007	$1,246
Employee Benefits	$432	$524	$611	$1,008	$1,220
LABOR RELATED TOTAL	**$6,095**	**$7,491**	**$8,885**	**$13,577**	**$16,810**
NON-LABOR RELATED					
Property Taxes	$1,785	$1,856	$2,677	$3,656	$5,273
Property Insurance	$392	$412	$476	$491	$481
Liability Insurance	$34	$61	$113	$103	$82
Workers Comp	$86	$106	$69	$154	$176
Raw Food	$1,221	$1,651	$1,907	$2,631	$3,067
Non-Labor Other Dietary	$203	$280	$170	$160	$211
Utilities	$1,365	$1,629	$1,813	$2,431	$3,029
Marketing / Advertising	$518	$785	$868	$1,462	$1,283
Repairs & Maintenance	$1,005	$1,341	$1,066	$1,425	$1,393
Housekeeping	$117	$140	$162	$190	$212
Resident Care Supplies	$59	$40	$18	$52	$101
Activities	$188	$141	$134	$178	$268
Total Management Fees	$1,080	$1,265	$1,631	$2,289	$2,917
All Other Operating Expenses	$1,140	$1,319	$1,753	$2,915	$3,341
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$126**	**$102**	**$167**	**$846**	**$405**
NET OPERATING INCOME	**$6,087**	**$7,175**	**$12,369**	**$19,570**	**$27,937**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$789**	**$398**	**$211**	**$3,381**	**$3,289**
REPLACEMENT RESERVE	**$0**	**$40**	**$990**	**$3,827**	**$3,966**
NET CASH FLOW	**$5,298**	**$6,737**	**$11,168**	**$12,362**	**$20,682**

[1]Includes 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	**$25,609**	**$31,477**	**$47,996**	**$71,784**	**$80,907**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$13,430	$14,192	$21,798	$31,148	$32,430
2nd Occupant Base Fees	$74	$105	$134	$508	$418
Assisted					
Base Fees (for all levels of care)	$9,607	$14,413	$20,705	$31,690	$37,906
2nd Occupant Base Fees	$203	$151	$225	$269	$165
Acuity-based Care Fees	$1,563	$1,585	$3,208	$3,493	$3,607
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	$157	$471	$736	$170	$30
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	-$15	-$9	$111	$18	$11
OTHER REVENUES					
Community Fees	$310	$384	$618	$984	$1,056
Net Cash From Entrance Fees	$0	$0	$0	$258	$0
Interest Income	$0	$0	$0	$257	$0
All Other Operating Income	$278	$184	$461	$2,989	$5,284
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$24,668**	**$27,515**	**$36,180**	**$45,815**	**$52,941**
LABOR RELATED					
Administrative	$1,878	$2,346	$2,752	$3,092	$3,255
Dietary	$2,399	$2,882	$4,906	$5,493	$6,215
Housekeeping	$572	$687	$1,163	$1,433	$1,669
Maintenance	$622	$718	$1,015	$1,113	$1,114
Assisted Living Labor	$1,919	$3,105	$5,083	$5,128	$5,270
Nursing Labor	$1,017	$468	$33	$979	$1,764
Marketing	$507	$426	$648	$939	$978
Activities	$579	$540	$740	$972	$1,023
All Labor in Other Departments	-$1	$86	$465	$1,179	$1,532
Payroll Taxes	$915	$1,003	$1,357	$1,628	$1,822
Employee Benefits	$761	$927	$1,544	$1,884	$1,841
LABOR RELATED TOTAL	**$11,169**	**$13,188**	**$19,705**	**$23,841**	**$26,483**
NON-LABOR RELATED					
Property Taxes	$1,738	$1,854	$1,829	$3,214	$4,038
Property Insurance	$562	$576	$946	$775	$880
Liability Insurance	$152	$120	$83	$107	$135
Workers Comp	$176	$200	$257	$429	$535
Raw Food	$2,104	$2,249	$2,818	$2,918	$3,220
Non-Labor Other Dietary	$439	$389	$448	$708	$485
Utilities	$1,893	$2,027	$2,242	$2,503	$2,707
Marketing / Advertising	$602	$715	$795	$932	$974
Repairs & Maintenance	$1,247	$1,435	$1,394	$1,573	$1,756
Housekeeping	$192	$215	$293	$307	$374
Resident Care Supplies	$121	$144	$145	$145	$188
Activities	$234	$201	$148	$298	$313
Total Management Fees	$1,547	$1,592	$2,150	$3,226	$3,642
All Other Operating Expenses	$2,327	$2,354	$2,240	$3,494	$4,717
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$163**	**$256**	**$690**	**$1,347**	**$2,494**
NET OPERATING INCOME	**$941**	**$3,961**	**$11,816**	**$25,969**	**$27,966**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$1,241**	**$528**	**$776**	**$3,939**	**$5,490**
REPLACEMENT RESERVE	**$0**	**$765**	**$3,134**	**$2,991**	**$3,251**
NET CASH FLOW	**-$300**	**$2,668**	**$7,907**	**$19,039**	**$19,226**

[1]Includes 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	**$37,057**	**$42,204**	**$58,850**	**$87,239**	**$100,700**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$18,086	$17,972	$17,988	$19,029	$26,576
2nd Occupant Base Fees	$333	$356	$389	$318	$353
Assisted					
Base Fees (for all levels of care)	$9,303	$14,544	$22,647	$41,484	$41,312
2nd Occupant Base Fees	$229	$168	$334	$352	$649
Acuity-based Care Fees	$1,947	$1,873	$3,093	$3,048	$4,484
Memory Care					
Base Fees (for all levels of care)	$4,634	$5,323	$10,475	$18,534	$20,999
2nd Occupant Base Fees	$0	$1	$14	$16	$30
Acuity-based Care Fees	$1,067	$702	$2,231	$1,548	$1,924
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	$39	$26	$2	$23	$68
OTHER REVENUES					
Community Fees	$484	$540	$720	$1,289	$1,144
Net Cash From Entrance Fees	$0	$0	$0	$779	$2,246
Interest Income	$0	$0	$0	$79	$161
All Other Operating Income	$936	$698	$958	$739	$754
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$29,517**	**$33,007**	**$41,851**	**$58,404**	**$69,309**
LABOR RELATED					
Administrative	$2,020	$2,314	$2,526	$3,289	$3,887
Dietary	$3,144	$3,453	$4,356	$6,184	$7,411
Housekeeping	$888	$980	$1,073	$1,398	$1,558
Maintenance	$734	$790	$977	$1,189	$1,409
Assisted Living Labor	$3,630	$4,162	$7,230	$7,553	$7,760
Nursing Labor	$1,041	$1,184	$924	$2,331	$5,198
Marketing	$512	$496	$832	$1,355	$1,903
Activities	$674	$708	$955	$1,383	$1,841
All Labor in Other Departments	$210	$615	$986	$2,903	$1,277
Payroll Taxes	$1,095	$1,222	$1,820	$2,381	$2,803
Employee Benefits	$1,122	$1,198	$1,776	$2,205	$2,586
LABOR RELATED TOTAL	**$15,071**	**$17,122**	**$23,454**	**$32,171**	**$37,633**
NON-LABOR RELATED					
Property Taxes	$1,547	$1,733	$2,288	$4,080	$5,117
Property Insurance	$793	$841	$1,112	$925	$1,297
Liability Insurance	$124	$144	$115	$42	$57
Workers Comp	$252	$270	$470	$777	$880
Raw Food	$2,500	$2,597	$2,819	$3,469	$3,991
Non-Labor Other Dietary	$352	$299	$337	$186	$308
Utilities	$2,470	$2,483	$2,426	$3,152	$3,724
Marketing / Advertising	$694	$793	$936	$1,292	$1,740
Repairs & Maintenance	$1,319	$1,539	$1,170	$1,745	$2,131
Housekeeping	$233	$273	$221	$442	$573
Resident Care Supplies	$106	$131	$191	$144	$168
Activities	$90	$123	$235	$306	$465
Total Management Fees	$1,822	$2,038	$2,735	$4,411	$5,115
All Other Operating Expenses	$1,793	$2,256	$2,886	$5,130	$5,987
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$351**	**$363**	**$456**	**$131**	**$123**
NET OPERATING INCOME	**$7,540**	**$9,197**	**$16,999**	**$28,835**	**$31,391**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$1,036**	**$736**	**$3,588**	**$7,361**	**$14,106**
REPLACEMENT RESERVE	**$33**	**$797**	**$1,839**	**$3,565**	**$1,955**
NET CASH FLOW	**$6,471**	**$7,664**	**$11,572**	**$17,909**	**$15,330**

[1]Includes 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	**$33,735**	**$38,155**	**$46,802**	**$75,730**	**$91,808**
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	$23	$9	$0	$3,833	$7,603
2nd Occupant Base Fees	$0	$15	$0	$16	$33
Assisted					
Base Fees (for all levels of care)	$29,053	$34,265	$43,543	$61,564	$73,153
2nd Occupant Base Fees	$232	$209	$142	$545	$492
Acuity-based Care Fees	$3,309	$2,425	$1,388	$6,486	$5,663
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	$5	$147	$3	$29	$57
OTHER REVENUES					
Community Fees	$301	$220	$198	$1,049	$1,416
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$10	$18	$90	$0	$0
All Other Operating Income	$800	$847	$1,438	$2,207	$3,391
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$35,353**	**$34,068**	**$34,535**	**$50,704**	**$58,664**
LABOR RELATED					
Administrative	$2,987	$3,055	$2,929	$4,101	$4,203
Dietary	$3,080	$3,145	$3,337	$5,075	$6,555
Housekeeping	$728	$704	$767	$1,420	$1,884
Maintenance	$660	$717	$802	$1,210	$1,446
Assisted Living Labor	$5,525	$5,131	$3,826	$8,364	$7,554
Nursing Labor	$2,444	$2,639	$3,617	$1,255	$2,469
Marketing	$387	$385	$588	$1,010	$1,137
Activities	$632	$640	$609	$1,095	$1,253
All Labor in Other Departments	-$63	$0	$13	$515	$939
Payroll Taxes	$1,388	$1,378	$1,365	$2,043	$2,310
Employee Benefits	$1,365	$1,450	$1,566	$1,969	$2,239
LABOR RELATED TOTAL	**$19,134**	**$19,244**	**$19,418**	**$28,057**	**$31,990**
NON-LABOR RELATED					
Property Taxes	$850	$995	$1,354	$3,343	$4,613
Property Insurance	$821	$847	$812	$741	$821
Liability Insurance	$312	$178	$169	$310	$251
Workers Comp	$319	$317	$399	$715	$911
Raw Food	$2,278	$2,248	$2,174	$2,963	$3,440
Non-Labor Other Dietary	$415	$352	$282	$359	$295
Utilities	$2,050	$1,859	$1,604	$2,589	$3,037
Marketing/Advertising	$646	$673	$676	$1,221	$1,294
Repairs & Maintenance	$1,350	$1,270	$1,413	$1,624	$1,777
Housekeeping	$340	$261	$221	$305	$298
Resident Care Supplies	$189	$183	$137	$221	$172
Activities	$203	$123	$76	$261	$257
Total Management Fees	$2,016	$1,999	$2,446	$3,475	$4,582
All Other Operating Expenses	$3,168	$2,867	$3,155	$4,267	$4,757
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**$1,262**	**$652**	**$199**	**$251**	**$168**
NET OPERATING INCOME	**-$1,618**	**$4,087**	**$12,266**	**$25,026**	**$33,144**
DEBT SERVICE AND/OR LEASE PAYMENTS[1]	**$2,116**	**$3,448**	**$4,938**	**$2,780**	**$3,540**
REPLACEMENT RESERVE	**$1,767**	**$682**	**$474**	**$2,712**	**$3,463**
NET CASH FLOW	**-$5,501**	**-$44**	**$6,855**	**$19,534**	**$26,140**

[1]Includes 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	**$41,670**	**$47,416**	**$64,889**	**$98,758**	**$118,155**
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	$0	$0	$0	$0	$0
2nd Occupant Base Fees	$0	$37	$8	$29	$29
Assisted					
Base Fees (for all levels of care)	$22,026	$27,484	$35,073	$50,109	$54,414
2nd Occupant Base Fees	$227	$271	$432	$264	$83
Acuity-based Care Fees	$3,374	$3,370	$5,168	$11,491	$18,683
Memory Care					
Base Fees (for all levels of care)	$9,549	$12,254	$20,661	$25,025	$24,944
2nd Occupant Base Fees	$1	$14	$34	$14	$11
Acuity-based Care Fees	$1,317	$1,568	$2,079	$7,668	$15,037
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	$153	$82	-$2	$8	$0
OTHER REVENUES					
Community Fees	$417	$546	$803	$1,947	$2,790
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$0	$3	$0	$0	$0
All Other Operating Income	$4,606	$1,787	$633	$2,202	$2,163
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$37,779**	**$40,263**	**$48,785**	**$66,509**	**$77,588**
LABOR RELATED					
Administrative	$3,323	$3,371	$3,517	$4,423	$5,134
Dietary	$2,699	$2,889	$3,803	$5,445	$6,235
Housekeeping	$786	$838	$1,050	$1,498	$1,695
Maintenance	$754	$777	$944	$1,347	$1,527
Assisted Living Labor	$7,499	$8,472	$12,847	$16,261	$21,053
Nursing Labor	$754	$1,055	$353	$994	$435
Marketing	$189	$403	$1,122	$1,366	$1,665
Activities	$1,277	$1,165	$1,313	$1,990	$2,524
All Labor in Other Departments	$362	$450	$698	$1,914	$999
Payroll Taxes	$1,535	$1,756	$2,293	$3,070	$3,436
Employee Benefits	$1,431	$1,512	$1,774	$2,615	$3,083
LABOR RELATED TOTAL	**$20,609**	**$22,686**	**$29,716**	**$40,923**	**$47,786**
NON-LABOR RELATED					
Property Taxes	$1,448	$1,553	$2,022	$3,256	$3,632
Property Insurance	$1,090	$935	$740	$1,007	$1,262
Liability Insurance	$135	$231	$473	$161	$104
Workers Comp	$452	$492	$505	$1,122	$1,721
Raw Food	$2,397	$2,399	$2,534	$3,135	$3,469
Non-Labor Other Dietary	$513	$464	$299	$429	$683
Utilities	$2,182	$2,090	$1,950	$2,806	$3,025
Marketing/Advertising	$824	$986	$1,578	$1,488	$1,166
Repairs & Maintenance	$1,817	$1,628	$1,425	$1,578	$1,728
Housekeeping	$478	$425	$394	$375	$411
Resident Care Supplies	$358	$314	$270	$751	$1,346
Activities	$219	$208	$197	$285	$419
Total Management Fees	$2,091	$2,209	$3,285	$4,984	$6,508
All Other Operating Expenses	$3,167	$3,643	$3,395	$4,209	$4,328
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**$0**	**$0**	**$0**	**$0**	**$0**
NET OPERATING INCOME	**$3,890**	**$7,153**	**$16,104**	**$32,248**	**$40,567**
DEBT SERVICE AND/OR LEASE PAYMENTS[1]	**	**$1,123**	**$1,242**	**$1,259**	**
REPLACEMENT RESERVE	**$235**	**$855**	**$5,340**	**$2,535**	**$2,518**
NET CASH FLOW	**	**$5,175**	**$9,522**	**$28,455**	**

[1]Includes 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 9.6

Freestanding Memory Care / Per Occupied Unit/Bed

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**$49,863**	**$56,584**	**$76,012**	**$119,213**	**$132,746**
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	$90	$35	$0	$0	$0
Acuity-based Care Fees	$0	$0	$0	$0	$0
Memory Care					
Base Fees (for all levels of care)	$38,889	$47,610	$68,207	$106,710	$117,223
2nd Occupant Base Fees	$70	$62	$62	$76	$0
Acuity-based Care Fees	$8,200	$6,862	$5,137	$9,755	$12,971
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	-$8	$58	$298	$36	$0
OTHER REVENUES					
Community Fees	$716	$776	$815	$1,986	$2,382
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$0	$0	$1	$29	$0
All Other Operating Income	$1,906	$1,181	$1,491	$620	$169
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$46,683**	**$49,022**	**$60,192**	**$78,575**	**$84,284**
LABOR RELATED					
Administrative	$4,521	$4,345	$4,941	$2,656	$1,748
Dietary	$2,314	$2,353	$3,541	$3,018	$2,691
Housekeeping	$665	$831	$1,287	$3,339	$4,222
Maintenance	$1,095	$877	$1,194	$2,695	$3,330
Assisted Living Labor	$14,345	$15,716	$18,133	$16,208	$17,516
Nursing Labor	$74	$29	$1,152	$7,781	$7,563
Marketing	$805	$1,019	$1,508	$1,763	$1,871
Activities	$1,929	$1,588	$3,437	$2,627	$2,789
All Labor in Other Departments	-$31	-$382	-$246	$3,528	$4,987
Payroll Taxes	$2,031	$2,275	$2,929	$3,918	$4,423
Employee Benefits	$2,096	$1,766	$2,186	$4,919	$6,083
LABOR RELATED TOTAL	**$29,844**	**$30,416**	**$40,060**	**$52,453**	**$57,224**
NON-LABOR RELATED					
Property Taxes	$1,517	$1,684	$2,031	$2,777	$2,874
Property Insurance	$1,567	$1,017	$1,154	$1,673	$1,770
Liability Insurance	$411	$543	$597	$132	$0
Workers Comp	$513	$710	$855	$1,231	$1,118
Raw Food	$1,828	$1,973	$2,192	$2,738	$2,878
Non-Labor Other Dietary	$337	$441	$320	$226	$177
Utilities	$1,985	$1,888	$2,023	$2,427	$2,592
Marketing/Advertising	$1,394	$1,533	$1,932	$867	$602
Repairs & Maintenance	$1,564	$1,536	$1,337	$1,566	$1,593
Housekeeping	$345	$437	$375	$794	$837
Resident Care Supplies	$409	$341	$458	$1,247	$1,735
Activities	$128	$283	$196	$258	$272
Total Management Fees	$1,629	$1,672	$3,362	$5,757	$6,991
All Other Operating Expenses	$2,806	$3,968	$3,145	$3,647	$3,103
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**$407**	**$580**	**$155**	**$782**	**$519**
NET OPERATING INCOME	**$3,181**	**$7,562**	**$15,819**	**$40,637**	**$48,461**
DEBT SERVICE AND/OR LEASE PAYMENTS[1]	**	**	**$3,737**	**	**
REPLACEMENT RESERVE	**$747**	**$759**	**$518**	**$740**	**$991**
NET CASH FLOW	**	**	**$11,564**	**	**

[1]Includes 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

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**$49,806**	**$55,263**	**$71,505**	**$101,592**	**$119,407**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$24,728	$27,217	$34,121	$40,608	$48,557
2nd Occupant Base Fees	$1,462	$2,041	$1,876	$2,881	$3,870
Assisted					
Base Fees (for all levels of care)	$3,003	$1,893	$8,273	$7,476	$5,997
2nd Occupant Base Fees	$36	$21	$129	$42	$68
Acuity-based Care Fees	$2,394	$4,226	$846	$2,191	$1,574
Memory Care					
Base Fees (for all levels of care)	$1,119	$615	$3,322	$3,211	$2,203
2nd Occupant Base Fees	$1	$0	$3	$8	$0
Acuity-based Care Fees	$1,838	$1,919	$335	$752	$214
Nursing					
Base Fees	$10,064	$10,022	$16,519	$19,449	$19,473
Ancillary Revenues	$926	$741	$1,555	$2,350	$2,737
OTHER REVENUES					
Community Fees	$149	$73	$335	$100	$60
Net Cash From Entrance Fees	$125	$1,811	$1,372	$16,253	$25,840
Interest Income	$50	$110	$1,203	$2,085	$2,970
All Other Operating Income	$3,911	$4,572	$1,616	$4,185	$5,844
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$41,657**	**$43,982**	**$60,443**	**$75,664**	**$89,412**
LABOR RELATED					
Administrative	$2,430	$2,052	$2,915	$3,069	$4,142
Dietary	$3,737	$4,009	$4,624	$5,361	$4,945
Housekeeping	$1,243	$1,249	$2,022	$2,480	$3,213
Maintenance	$922	$949	$1,704	$1,891	$2,327
Assisted Living Labor	$1,923	$1,865	$4,214	$3,853	$3,893
Nursing Labor	$4,616	$4,746	$7,617	$10,035	$10,926
Marketing	$503	$631	$936	$1,370	$1,355
Activities	$494	$382	$1,392	$1,393	$1,726
All Labor in Other Departments	$3,970	$4,778	$3,147	$4,577	$6,975
Payroll Taxes	$1,464	$1,622	$2,144	$2,570	$2,875
Employee Benefits	$2,361	$2,519	$3,941	$5,093	$6,232
LABOR RELATED TOTAL	**$23,665**	**$24,803**	**$34,657**	**$41,691**	**$48,609**
NON-LABOR RELATED					
Property Taxes	$1,972	$2,232	$1,657	$2,824	$3,966
Property Insurance	$584	$489	$1,089	$1,484	$2,066
Liability Insurance	$147	$182	$193	$166	$242
Workers Comp	$421	$475	$432	$596	$772
Raw Food	$2,503	$2,285	$2,986	$3,305	$3,707
Non-Labor Other Dietary	$300	$218	$1,886	$2,151	$2,841
Utilities	$2,187	$2,179	$3,135	$3,180	$3,670
Marketing / Advertising	$910	$1,043	$1,080	$1,440	$1,166
Repairs & Maintenance	$1,408	$1,224	$2,137	$2,197	$3,145
Housekeeping	$165	$116	$412	$511	$593
Resident Care Supplies	$712	$321	$1,208	$985	$1,440
Activities	$65	$69	$273	$652	$883
Total Management Fees	$2,134	$2,227	$3,541	$3,747	$4,092
All Other Operating Expenses	$4,483	$6,119	$5,756	$10,734	$12,218
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$0**	**$0**	**$0**	**$0**	**$0**
NET OPERATING INCOME	**$8,149**	**$11,281**	**$11,062**	**$25,928**	**$29,995**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$4,995**	**$6,041**	**$5,278**	**$5,988**	**$6,600**
REPLACEMENT RESERVE	**$1,690**	**$5,802**	**$10,952**	**$5,769**	**$6,518**
NET CASH FLOW	**$1,464**	**-$563**	**-$5,168**	**$14,171**	**$16,877**

[1]Includes 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	**	**$26,923**	**$34,022**	**$49,681**	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	$25,970	$32,328	$42,578	**
2nd Occupant Base Fees	**	$88	$333	$382	**
OTHER REVENUES					
Community Fees	**	$360	$409	$613	**
Net Cash From Entrance Fees	**	$0	$0	$0	**
Interest Income	**	$2	$0	$0	**
All Other Operating Income	**	$461	$749	$802	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$20,330**	**$23,207**	**$28,167**	**
LABOR RELATED					
Administrative	**	$1,918	$2,730	$2,749	**
Dietary	**	$2,604	$3,357	$3,964	**
Housekeeping	**	$597	$758	$913	**
Maintenance	**	$526	$702	$948	**
Assisted Living Labor	**	$17	$556	$15	**
Nursing Labor	**	$0	$0	$0	**
Marketing	**	$308	$537	$834	**
Activities	**	$398	$559	$800	**
All Labor in Other Departments	**	$424	$350	$1,161	**
Payroll Taxes	**	$841	$1,091	$1,082	**
Employee Benefits	**	$602	$796	$1,006	**
LABOR RELATED TOTAL	**	**$8,235**	**$11,436**	**$13,472**	**
NON-LABOR RELATED					
Property Taxes	**	$1,599	$1,620	$2,249	**
Property Insurance	**	$378	$517	$480	**
Liability Insurance	**	$72	$27	$124	**
Workers Comp	**	$80	$61	$132	**
Raw Food	**	$1,941	$2,035	$2,321	**
Non-Labor Other Dietary	**	$335	$147	$329	**
Utilities	**	$1,978	$2,024	$2,575	**
Marketing / Advertising	**	$789	$901	$1,072	**
Repairs & Maintenance	**	$1,440	$791	$1,089	**
Housekeeping	**	$161	$87	$152	**
Resident Care Supplies	**	$68	$26	$106	**
Activities	**	$142	$82	$181	**
Total Management Fees	**	$1,326	$1,387	$1,711	**
All Other Operating Expenses	**	$1,595	$1,657	$1,720	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	**$191**	**$409**	**$455**	**
NET OPERATING INCOME	**	**$6,593**	**$10,814**	**$21,515**	**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$253**	**$553**	**$1,925**	**
REPLACEMENT RESERVE	**	**$142**	**$1,139**	**$2,174**	**
NET CASH FLOW	**	**$6,198**	**$9,122**	**$17,416**	**

[1]Includes 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	**	**$24,199**	**$34,585**	**$54,212**	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	$20,575	$32,355	$50,285	**
2nd Occupant Base Fees	**	$297	$408	$1,694	**
OTHER REVENUES					
Community Fees	**	$466	$497	$684	**
Net Cash From Entrance Fees	**	$0	$0	$0	**
Interest Income	**	$0	$0	$28	**
All Other Operating Income	**	$2,861	$193	$1,520	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$17,163**	**$22,159**	**$35,267**	**
LABOR RELATED					
Administrative	**	$1,276	$1,567	$2,717	**
Dietary	**	$1,794	$2,265	$4,646	**
Housekeeping	**	$503	$628	$1,089	**
Maintenance	**	$533	$565	$1,007	**
Assisted Living Labor	**	$0	$98	$4	**
Nursing Labor	**	$715	$0	$214	**
Marketing	**	$461	$384	$864	**
Activities	**	$412	$346	$562	**
All Labor in Other Departments	**	$148	$312	$1,318	**
Payroll Taxes	**	$578	$832	$1,034	**
Employee Benefits	**	$484	$533	$1,072	**
LABOR RELATED TOTAL	**	**$6,903**	**$7,529**	**$14,526**	**
NON-LABOR RELATED					
Property Taxes	**	$2,034	$2,920	$4,160	**
Property Insurance	**	$422	$463	$518	**
Liability Insurance	**	$33	$218	$81	**
Workers Comp	**	$111	$89	$176	**
Raw Food	**	$1,414	$2,039	$2,763	**
Non-Labor Other Dietary	**	$221	$262	$81	**
Utilities	**	$1,438	$1,817	$2,467	**
Marketing / Advertising	**	$746	$810	$1,724	**
Repairs & Maintenance	**	$1,025	$1,286	$1,492	**
Housekeeping	**	$127	$294	$164	**
Resident Care Supplies	**	$34	$29	$24	**
Activities	**	$156	$226	$129	**
Total Management Fees	**	$1,243	$1,781	$2,620	**
All Other Operating Expenses	**	$1,193	$2,214	$3,354	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	**$61**	**$182**	**$988**	**
NET OPERATING INCOME	**	**$7,036**	**$12,426**	**$18,945**	**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$783**	**	**$4,625**	**
REPLACEMENT RESERVE	**	**$0**	**$941**	**$4,630**	**
NET CASH FLOW	**	**$6,254**	**	**$9,691**	**

[1]Includes 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 with MC) –Per Occupied Unit/Bed – Property Size < 161 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	**$30,101**	**$48,597**	**$73,512**	**
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	**	$11,130	$14,112	$19,838	**
2nd Occupant Base Fees	**	$114	$196	$328	**
Assisted					
Base Fees (for all levels of care)	**	$16,035	$28,804	$46,712	**
2nd Occupant Base Fees	**	$105	$303	$278	**
Acuity-based Care Fees	**	$1,617	$3,881	$3,057	**
Memory Care					
Base Fees (for all levels of care)	**	$0	$0	$13	**
2nd Occupant Base Fees	**	$0	$0	$0	**
Acuity-based Care Fees	**	$404	$0	$214	**
Nursing					
Base Fees	**	$0	$0	$0	**
Ancillary Revenues	**	-$19	$93	$27	**
OTHER REVENUES					
Community Fees	**	$376	$702	$1,309	**
Net Cash From Entrance Fees	**	$0	$0	$0	**
Interest Income	**	$0	$0	$544	**
All Other Operating Income	**	$340	$506	$1,192	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$27,244**	**$35,434**	**$49,525**	**
LABOR RELATED					
Administrative	**	$2,601	$2,561	$3,403	**
Dietary	**	$2,922	$3,542	$5,843	**
Housekeeping	**	$534	$999	$1,544	**
Maintenance	**	$631	$983	$1,175	**
Assisted Living Labor	**	$3,949	$6,002	$6,021	**
Nursing Labor	**	$467	$0	$987	**
Marketing	**	$453	$853	$907	**
Activities	**	$588	$887	$1,126	**
All Labor in Other Departments	**	-$40	$444	$866	**
Payroll Taxes	**	$1,090	$1,392	$1,766	**
Employee Benefits	**	$896	$1,414	$2,088	**
LABOR RELATED TOTAL	**	**$14,091**	**$19,077**	**$25,727**	**
NON-LABOR RELATED					
Property Taxes	**	$1,733	$1,817	$3,157	**
Property Insurance	**	$525	$663	$831	**
Liability Insurance	**	$120	$219	-$35	**
Workers Comp	**	$162	$284	$411	**
Raw Food	**	$2,052	$2,365	$2,770	**
Non-Labor Other Dietary	**	$346	$557	$919	**
Utilities	**	$1,918	$2,162	$2,612	**
Marketing/Advertising	**	$614	$971	$1,167	**
Repairs & Maintenance	*	$1,306	$1,193	$1,361	*
Housekeeping	**	$182	$233	$326	**
Resident Care Supplies	**	$143	$65	$154	**
Activities	**	$150	$162	$327	**
Total Management Fees	**	$1,565	$2,435	$3,757	**
All Other Operating Expenses	**	$2,105	$3,127	$3,639	**
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**	**$231**	**$103**	**$2,402**	**
NET OPERATING INCOME	**	**$2,857**	**$13,163**	**$23,987**	**
DEBT SERVICE AND/OR LEASE PAYMENTS[1]	**	**$566**	**$1,224**	**$4,855**	**
REPLACEMENT RESERVE	**	**$676**	**$4,261**	**$4,356**	**
NET CASH FLOW	**	**$1,615**	**$7,678**	**$14,777**	**

[1]Includes 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 with MC) – Per Occupied Unit/Bed –Property Size > 160 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	**$33,583**	**$46,368**	**	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	$18,882	$23,175	**	**
2nd Occupant Base Fees	**	$93	$183	**	**
Assisted					
Base Fees (for all levels of care)	**	$11,930	$18,255	**	**
2nd Occupant Base Fees	**	$220	$163	**	**
Acuity-based Care Fees	**	$1,538	$2,263	**	**
Memory Care					
Base Fees (for all levels of care)	**	$220	$0	**	**
2nd Occupant Base Fees	**	$0	$0	**	**
Acuity-based Care Fees	**	$191	$552	**	**
Nursing					
Base Fees	**	$0	$0	**	**
Ancillary Revenues	**	$7	$180	**	**
OTHER REVENUES					
Community Fees	**	$395	$494	**	**
Net Cash From Entrance Fees	**	$0	$0	**	**
Interest Income	**	$57	$0	**	**
All Other Operating Income	**	$51	$1,103	**	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$35,427**	**$35,944**	**	**
LABOR RELATED					
Administrative	**	$2,532	$2,603	**	**
Dietary	**	$4,681	$5,375	**	**
Housekeeping	**	$1,243	$1,282	**	**
Maintenance	**	$1,027	$1,082	**	**
Assisted Living Labor	**	$4,250	$4,554	**	**
Nursing Labor	**	$39	$53	**	**
Marketing	**	$662	$455	**	**
Activities	**	$732	$656	**	**
All Labor in Other Departments	**	$751	$406	**	**
Payroll Taxes	**	$1,318	$1,244	**	**
Employee Benefits	**	$1,459	$1,485	**	**
LABOR RELATED TOTAL	**	**$18,694**	**$19,195**	**	**
NON-LABOR RELATED					
Property Taxes	**	$2,044	$1,740	**	**
Property Insurance	**	$869	$1,064	**	**
Liability Insurance	**	$130	$42	**	**
Workers Comp	**	$284	$267	**	**
Raw Food	**	$2,813	$2,943	**	**
Non-Labor Other Dietary	**	$451	$585	**	**
Utilities	**	$2,526	$2,403	**	**
Marketing / Advertising	**	$767	$619	**	**
Repairs & Maintenance	*	$1,816	$1,693	*	*
Housekeeping	**	$242	$335	**	**
Resident Care Supplies	**	$144	$223	**	**
Activities	**	$168	$150	**	**
Total Management Fees	**	$2,117	$1,961	**	**
All Other Operating Expenses	**	$1,784	$1,668	**	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	**$575**	**$1,057**	**	**
NET OPERATING INCOME	**	**-$1,844**	**$10,424**	**	**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$469**	**$3,377**	**	**
REPLACEMENT RESERVE	**	**$902**	**$2,521**	**	**
NET CASH FLOW	**	**-$3,215**	**$4,526**	**	**

[1]Includes 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

Assisted Living Residences w/o Memory Care / Per Occupied Unit/Bed – Property Size < 81 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**$35,100**	**$38,724**	**$46,749**	**$64,519**	**$72,749**
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	$60	$23	$0	$0	-$1
2nd Occupant Base Fees	$0	$0	$0	$0	$0
Assisted					
Base Fees (for all levels of care)	$31,700	$35,948	$42,445	$53,841	$61,259
2nd Occupant Base Fees	$243	$319	$243	$558	$378
Acuity-based Care Fees	$947	$626	$608	$575	$612
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	$6	-$4	$3	$1	$1
OTHER REVENUES					
Community Fees	$280	$199	$355	$726	$995
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$0	$15	$52	$0	$0
All Other Operating Income	$1,864	$1,598	$3,043	$8,818	$9,505
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$37,036**	**$34,370**	**$36,780**	**$46,336**	**$51,154**
LABOR RELATED					
Administrative	$4,054	$3,751	$3,563	$4,620	$4,567
Dietary	$3,036	$3,147	$3,216	$3,695	$4,272
Housekeeping	$485	$553	$736	$909	$1,086
Maintenance	$786	$779	$903	$1,102	$1,163
Assisted Living Labor	$8,574	$7,052	$6,172	$11,123	$11,434
Nursing Labor	$903	$1,049	$2,232	$626	$1,342
Marketing	$154	$147	$552	$1,059	$1,327
Activities	$900	$776	$848	$994	$1,160
All Labor in Other Departments	-$153	-$143	-$164	-$15	$52
Payroll Taxes	$1,446	$1,349	$1,460	$1,945	$2,156
Employee Benefits	$1,711	$1,473	$1,854	$2,053	$2,236
LABOR RELATED TOTAL	**$21,895**	**$19,932**	**$21,371**	**$28,112**	**$30,794**
NON-LABOR RELATED					
Property Taxes	$1,426	$1,200	$1,216	$1,981	$2,449
Property Insurance	$816	$734	$893	$920	$912
Liability Insurance	$97	$147	$202	$486	$593
Workers Comp	$348	$299	$405	$538	$665
Raw Food	$2,259	$2,297	$2,260	$2,490	$2,645
Non-Labor Other Dietary	$494	$445	$327	$372	$312
Utilities	$2,005	$1,882	$1,780	$1,988	$2,102
Marketing/Advertising	$588	$576	$786	$1,411	$1,837
Repairs & Maintenance	$1,522	$1,502	$1,557	$1,430	$1,468
Housekeeping	$316	$288	$247	$268	$237
Resident Care Supplies	$259	$227	$183	$315	$293
Activities	$62	$63	$86	$166	$205
Total Management Fees	$2,276	$2,220	$2,397	$2,455	$2,782
All Other Operating Expenses	$2,138	$2,080	$2,688	$3,123	$3,719
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	**$536**	**$476**	**$383**	**$282**	**$140**
NET OPERATING INCOME	**-$1,936**	**$4,354**	**$9,968**	**$18,183**	**$21,595**
DEBT SERVICE AND/OR LEASE PAYMENTS[1]	**$420**	**$271**	**$3,941**	**$1,669**	**$799**
REPLACEMENT RESERVE	**$1,796**	**$189**	**$490**	**$1,053**	**$1,588**
NET CASH FLOW	**-$4,152**	**$3,895**	**$5,537**	**$15,460**	**$19,208**

[1]Includes 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

Assisted Living Residences w/o Memory Care / Per Occupied Unit/Bed – Property Size > 80 Units

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**$32,875**	**$37,657**	**$46,735**	**$82,610**	**$105,194**
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	$61	$0
Assisted					
Base Fees (for all levels of care)	$27,387	$37,773	$44,519	$66,771	$88,493
2nd Occupant Base Fees	$226	$36	$39	$806	$587
Acuity-based Care Fees	$4,227	$1,078	$264	$5,901	$5,094
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	$5	$5	$0	$68	$34
OTHER REVENUES					
Community Fees	$314	$109	$96	$1,362	$1,821
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$17	$21	$102	$0	$0
All Other Operating Income	$700	-$1,366	$1,715	$7,641	$9,165
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$34,292**	**$30,287**	**$34,155**	**$60,480**	**$63,829**
LABOR RELATED					
Administrative	$2,315	$2,240	$2,590	$4,173	$4,281
Dietary	$3,108	$2,849	$3,412	$7,165	$7,816
Housekeeping	$882	$610	$794	$2,134	$2,435
Maintenance	$581	$543	$757	$1,572	$1,513
Assisted Living Labor	$3,605	$1,176	$2,240	$6,372	$6,756
Nursing Labor	$3,415	$6,453	$4,859	$2,038	$1,669
Marketing	$533	$401	$582	$1,079	$965
Activities	$463	$431	$496	$1,278	$1,265
All Labor in Other Departments	-$6	$7	$58	$915	$1,226
Payroll Taxes	$1,351	$1,225	$1,353	$2,248	$2,334
Employee Benefits	$1,147	$1,553	$1,499	$2,255	$2,165
LABOR RELATED TOTAL	$17,395	$17,489	$18,640	$31,228	$32,425
NON-LABOR RELATED					
Property Taxes	$488	$513	$1,539	$5,139	$6,342
Property Insurance	$824	$1,204	$797	$785	$645
Liability Insurance	$448	$0	$115	$186	$108
Workers Comp	$301	$272	$408	$970	$961
Raw Food	$2,290	$2,108	$2,106	$3,789	$4,055
Non-Labor Other Dietary	$365	$277	$266	$371	$309
Utilities	$2,078	$1,840	$1,559	$3,545	$3,593
Marketing / Advertising	$682	$587	$595	$1,112	$1,210
Repairs & Maintenance	$1,242	$1,035	$1,399	$2,344	$2,138
Housekeeping	$355	$204	$238	$287	$329
Resident Care Supplies	$144	$132	$112	$160	$128
Activities	$292	$69	$70	$373	$311
Total Management Fees	$1,852	$1,932	$2,587	$4,682	$5,347
All Other Operating Expenses	$3,816	$2,501	$3,605	$5,289	$5,721
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$1,720**	**$124**	**$119**	**$219**	**$209**
NET OPERATING INCOME	**-$1,418**	**$7,371**	**$12,580**	**$22,130**	**$41,364**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$5,371**	**$5,628**	**$5,409**	**$3,588**	**$3,811**
REPLACEMENT RESERVE	**$1,183**	**$1,024**	**$445**	**$3,538**	**$4,773**
NET CASH FLOW	**-$7,972**	**$719**	**$6,726**	**$15,005**	**$32,780**

[1]Includes 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 9.14

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	**$38,775**	**$43,708**	**$62,756**	**$100,303**	**$119,144**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$0	$0	$0	$0	$0
2nd Occupant Base Fees	$0	$15	$4	$53	$0
Assisted					
Base Fees (for all levels of care)	$22,715	$26,277	$34,667	$46,461	$48,428
2nd Occupant Base Fees	$253	$267	$423	$209	$0
Acuity-based Care Fees	$4,243	$3,536	$5,265	$15,058	$24,652
Memory Care					
Base Fees (for all levels of care)	$10,540	$11,936	$19,006	$23,897	$22,137
2nd Occupant Base Fees	$0	$24	$28	$4	$0
Acuity-based Care Fees	$1,094	$1,185	$1,833	$11,400	$20,352
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	$43	$70	$4	$4	$0
OTHER REVENUES					
Community Fees	$305	$464	$915	$1,837	$2,495
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$0	$0	$0	$0	$0
All Other Operating Income	-$418	-$66	$613	$1,380	$1,078
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$40,945**	**$42,047**	**$48,076**	**$69,476**	**$83,325**
LABOR RELATED					
Administrative	$4,287	$4,027	$4,023	$5,223	$5,708
Dietary	$2,638	$2,803	$3,343	$5,049	$5,563
Housekeeping	$640	$679	$996	$1,339	$1,476
Maintenance	$871	$848	$1,004	$1,366	$1,565
Assisted Living Labor	$10,650	$10,631	$12,965	$18,718	$24,253
Nursing Labor	$655	$275	$8	$551	$0
Marketing	$46	$354	$1,125	$1,484	$1,877
Activities	$1,257	$1,256	$1,362	$2,178	$2,781
All Labor in Other Departments	-$108	$385	$942	$857	$711
Payroll Taxes	$1,603	$1,757	$2,181	$2,872	$3,142
Employee Benefits	$1,552	$1,580	$1,931	$2,853	$3,309
LABOR RELATED TOTAL	**$24,092**	**$24,597**	**$29,881**	**$42,489**	**$50,386**
NON-LABOR RELATED					
Property Taxes	$1,101	$1,251	$2,138	$2,594	$2,870
Property Insurance	$1,907	$1,288	$657	$989	$1,255
Liability Insurance	$132	$192	$401	$169	-$1
Workers Comp	$510	$374	$497	$1,419	$2,276
Raw Food	$2,311	$2,350	$2,400	$2,950	$3,054
Non-Labor Other Dietary	$439	$421	$248	$524	$839
Utilities	$2,091	$2,038	$1,827	$2,672	$2,754
Marketing / Advertising	$831	$1,054	$1,387	$1,275	$981
Repairs & Maintenance	$2,223	$1,828	$1,352	$1,643	$1,615
Housekeeping	$352	$360	$363	$356	$419
Resident Care Supplies	$409	$304	$307	$1,279	$2,570
Activities	$55	$127	$171	$315	$453
Total Management Fees	$1,859	$2,055	$3,077	$5,353	$7,113
All Other Operating Expenses	$1,951	$3,241	$3,134	$3,927	$4,120
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$681**	**$567**	**$236**	**$1,522**	**$2,621**
NET OPERATING INCOME	**-$2,170**	**$1,661**	**$14,681**	**$30,827**	**$35,818**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$302**	**$929**	**$2,065**	**
REPLACEMENT RESERVE	**	**$773**	**$1,743**	**$2,959**	**
NET CASH FLOW	**	**$586**	**$12,008**	**$25,804**	**

[1]Includes 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 9.15

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	**$44,384**	**$49,726**	**$66,556**	**$98,309**	**$115,334**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	$0	$0	$0	$5	$0
2nd Occupant Base Fees	$81	$84	$0	$18	$0
Assisted					
Base Fees (for all levels of care)	$24,354	$27,691	$36,489	$51,940	$57,624
2nd Occupant Base Fees	$0	$5	$55	$19	$15
Acuity-based Care Fees	$2,940	$3,151	$4,973	$9,868	$15,983
Memory Care					
Base Fees (for all levels of care)	$9,222	$12,342	$21,346	$25,671	$25,655
2nd Occupant Base Fees	$0	$5	$55	$19	$15
Acuity-based Care Fees	$1,334	$1,553	$1,967	$5,922	$11,146
Nursing					
Base Fees	$0	$0	$0	$0	$0
Ancillary Revenues	$59	$41	-$4	$21	$0
OTHER REVENUES					
Community Fees	$488	$635	$837	$1,997	$2,869
Net Cash From Entrance Fees	$0	$0	$0	$0	$0
Interest Income	$0	$4	$0	$0	$0
All Other Operating Income	$5,906	$4,215	$839	$2,829	$2,026
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**$38,079**	**$40,577**	**$51,409**	**$67,566**	**$76,610**
LABOR RELATED					
Administrative	$2,849	$2,943	$3,349	$4,111	$4,552
Dietary	$2,882	$2,964	$4,204	$5,674	$6,435
Housekeeping	$863	$945	$1,148	$1,589	$1,949
Maintenance	$713	$793	$1,001	$1,345	$1,423
Assisted Living Labor	$6,929	$6,770	$13,729	$15,241	$18,898
Nursing Labor	$643	$1,455	$56	$1,217	$683
Marketing	$421	$400	$1,056	$1,316	$1,504
Activities	$1,220	$1,070	$1,382	$1,921	$2,353
All Labor in Other Departments	$534	$838	$1,302	$2,529	$1,661
Payroll Taxes	$1,545	$1,759	$2,344	$3,169	$3,502
Employee Benefits	$1,359	$1,433	$1,732	$2,533	$2,900
LABOR RELATED TOTAL	**$19,958**	**$21,370**	**$31,302**	**$40,643**	**$45,859**
NON-LABOR RELATED					
Property Taxes	$1,609	$1,665	$1,783	$3,485	$3,870
Property Insurance	$819	$838	$741	$913	$1,167
Liability Insurance	$187	$234	$494	$164	$137
Workers Comp	$510	$548	$560	$999	$1,280
Raw Food	$2,478	$2,448	$2,593	$3,229	$3,588
Non-Labor Other Dietary	$444	$510	$377	$388	$621
Utilities	$2,193	$2,259	$2,120	$2,885	$3,059
Marketing / Advertising	$918	$951	$1,706	$1,580	$1,300
Repairs & Maintenance	$1,644	$1,599	$1,567	$1,556	$1,692
Housekeeping	$469	$461	$377	$396	$404
Resident Care Supplies	$333	$343	$307	$508	$893
Activities	$251	$258	$176	$272	$403
Total Management Fees	$2,116	$2,453	$3,439	$4,802	$6,107
All Other Operating Expenses	$3,490	$4,036	$3,631	$4,497	$4,466
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**$660**	**$604**	**$237**	**$1,251**	**$1,763**
NET OPERATING INCOME	**$6,305**	**$9,149**	**$15,147**	**$30,743**	**$38,724**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**$1,165**	**$1,071**	**$635**	**$899**	**$2**
REPLACEMENT RESERVE	**$856**	**$993**	**$7,338**	**$2,458**	**$1,944**
NET CASH FLOW	**$4,284**	**$7,085**	**$7,175**	**$27,386**	**$36,779**

[1]Includes 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

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

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	**$55,471**	**$71,377**	**$93,909**	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	$24,181	$31,357	$40,515	**
2nd Occupant Base Fees	**	$442	$952	$1,691	**
Assisted					
Base Fees (for all levels of care)	**	$9,056	$10,731	$9,753	**
2nd Occupant Base Fees	**	$169	$106	$46	**
Acuity-based Care Fees	**	$1,209	$893	$1,516	**
Memory Care					
Base Fees (for all levels of care)	**	$2,789	$2,992	$4,599	**
2nd Occupant Base Fees	**	$0	$7	$0	**
Acuity-based Care Fees	**	$385	$299	$576	**
Nursing					
Base Fees	**	$16,330	$20,816	$24,648	**
Ancillary Revenues	**	$460	$1,663	$2,157	**
OTHER REVENUES					**
Community Fees	**	$212	$550	$168	**
Net Cash From Entrance Fees	**	$0	-$129	$4,861	**
Interest Income	**	$3	$246	$1,862	**
All Other Operating Income	**	$235	$895	$1,517	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$52,443**	**$64,927**	**$78,520**	**
LABOR RELATED					
Administrative	**	$3,650	$3,376	$3,232	**
Dietary	**	$4,744	$5,299	$5,925	**
Housekeeping	**	$1,705	$1,844	$2,858	**
Maintenance	**	$1,111	$1,639	$1,993	**
Assisted Living Labor	**	$4,170	$4,902	$4,273	**
Nursing Labor	**	$7,345	$9,153	$12,383	**
Marketing	**	$398	$989	$1,503	**
Activities	**	$789	$1,522	$1,559	**
All Labor in Other Departments	**	$2,444	$2,302	$2,134	**
Payroll Taxes	**	$1,786	$2,355	$2,753	**
Employee Benefits	**	$2,584	$3,834	$5,364	**
LABOR RELATED TOTAL	**	**$30,727**	**$37,215**	**$43,976**	**
NON-LABOR RELATED					
Property Taxes	**	$1,676	$1,400	$1,642	**
Property Insurance	**	$1,436	$1,123	$1,086	**
Liability Insurance	**	$155	$245	$140	**
Workers Comp	**	$403	$614	$669	**
Raw Food	**	$3,046	$3,266	$3,383	**
Non-Labor Other Dietary	**	$731	$1,175	$3,341	**
Utilities	**	$2,843	$3,208	$3,769	**
Marketing / Advertising	**	$740	$1,003	$1,206	**
Repairs & Maintenance	**	$2,360	$2,735	$2,112	**
Housekeeping	**	$353	$465	$592	**
Resident Care Supplies	**	$1,446	$1,405	$873	**
Activities	**	$267	$279	$919	**
Total Management Fees	**	$2,778	$4,103	$3,938	**
All Other Operating Expenses	**	$2,573	$6,072	$9,161	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	**$910**	**$619**	**$1,712**	**
NET OPERATING INCOME	**	**$3,029**	**$6,451**	**$15,388**	**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$2,875**	**$1,912**	**$6,686**	**
REPLACEMENT RESERVE	**	**$105**	**$2,031**	**$5,697**	**
NET CASH FLOW	**	**$48**	**$2,508**	**$3,006**	**

[1]Includes 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

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

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
REVENUE CATEGORIES:					
TOTAL	**	**$55,226**	**$71,504**	**$104,937**	**
RENT / FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS / BEDS)					
Independent					
Base Fees	**	$27,457	$36,211	$41,263	**
2nd Occupant Base Fees	**	$2,248	$2,476	$3,542	**
Assisted					
Base Fees (for all levels of care)	**	$854	$7,464	$5,219	**
2nd Occupant Base Fees	**	$9	$153	$36	**
Acuity-based Care Fees	**	$4,731	$853	$2,430	**
Memory Care					
Base Fees (for all levels of care)	**	$324	$3,748	$1,865	**
2nd Occupant Base Fees	**	$0	$0	$13	**
Acuity-based Care Fees	**	$2,158	$379	$764	**
Nursing					
Base Fees	**	$9,091	$12,829	$16,047	**
Ancillary Revenues	**	$765	$1,594	$2,377	**
OTHER REVENUES					
Community Fees	**	$56	$184	$40	**
Net Cash From Entrance Fees	**	$2,139	$2,188	$23,482	**
Interest Income	**	$125	$1,699	$2,143	**
All Other Operating Income	**	$5,268	$1,726	$5,717	**
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	**	**$45,504**	**$61,006**	**$75,459**	**
LABOR RELATED					
Administrative	**	$1,819	$2,635	$2,805	**
Dietary	**	$3,903	$4,341	$4,871	**
Housekeeping	**	$1,174	$2,111	$2,255	**
Maintenance	**	$916	$1,728	$1,822	**
Assisted Living Labor	**	$1,547	$4,167	$3,117	**
Nursing Labor	**	$4,335	$6,302	$8,138	**
Marketing	**	$658	$914	$1,414	**
Activities	**	$320	$1,379	$1,255	**
All Labor in Other Departments	**	$5,138	$3,873	$5,974	**
Payroll Taxes	**	$1,599	$2,026	$2,360	**
Employee Benefits	**	$2,498	$4,287	$4,759	**
LABOR RELATED TOTAL	**	**$23,907**	**$33,764**	**$38,770**	**
NON-LABOR RELATED					
Property Taxes	**	$2,288	$1,786	$3,478	**
Property Insurance	**	$347	$884	$1,662	**
Liability Insurance	**	$193	$162	$170	**
Workers Comp	**	$489	$242	$529	**
Raw Food	**	$2,201	$3,056	$3,045	**
Non-Labor Other Dietary	**	$66	$1,983	$1,660	**
Utilities	**	$2,077	$3,180	$2,780	**
Marketing / Advertising	**	$1,074	$1,124	$1,633	**
Repairs & Maintenance	**	$1,051	$1,793	$2,235	**
Housekeeping	**	$81	$394	$447	**
Resident Care Supplies	**	$159	$1,154	$918	**
Activities	**	$37	$289	$460	**
Total Management Fees	**	$2,133	$2,895	$3,615	**
All Other Operating Expenses	**	$6,609	$5,295	$11,751	**
ALL CORPORATE AND / OR OTHER OVERHEAD EXPENSES	**	**$2,792**	**$3,005**	**$2,304**	**
NET OPERATING INCOME	**	**$9,722**	**$10,497**	**$29,479**	**
DEBT SERVICE AND / OR LEASE PAYMENTS[1]	**	**$6,382**	**$7,612**	**$5,866**	**
REPLACEMENT RESERVE	**	**$6,642**	**$17,549**	**$5,923**	**
NET CASH FLOW	**	**-$3,302**	**-$14,663**	**$17,690**	**

[1]Includes 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 9.18

Independent Living Communities / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	$65.58	$73.23	$88.00	$137.15	$168.66
Total Operating Expenses	$45.99	$55.34	$55.26	$82.41	$98.81
Net Operating Income	$19.59	$17.90	$32.74	$54.74	$69.85
Operating Margin	29.9%	24.4%	37.2%	39.9%	41.4%
Average Annual Occupancy	77.8%	80.8%	82.2%	81.8%	82.5%

Note: Communities are ranked by Revenues per Resident Day. 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 9.19

Independent and Assisted Living Communities / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	$66.76	$82.90	$124.16	$200.26	$232.19
Total Operating Expenses	$66.55	$70.97	$92.28	$139.32	$165.91
Net Operating Income	$0.21	$11.93	$31.89	$60.95	$66.28
Operating Margin	0.3%	14.4%	25.7%	30.4%	28.5%
Average Annual Occupancy	84.5%	83.6%	81.9%	83.5%	81.9%

Note: Communities are ranked by Revenues per Resident Day. 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 and Assisted Living with Memory Care Communities / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	$94.15	$109.29	$150.44	$214.91	$233.27
Total Operating Expenses	$78.03	$84.71	$112.33	$141.43	$157.45
Net Operating Income	$16.12	$24.59	$38.11	$73.49	$75.83
Operating Margin	17.1%	22.5%	25.3%	34.2%	32.5%
Average Annual Occupancy	87.7%	85.0%	81.4%	86.9%	86.2%

Note: Communities are ranked by Revenues per Resident Day. 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 9.21

Assisted Living Residences (excluding those with Memory Care) / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	$82.61	$102.59	$125.92	$199.93	$246.75
Total Operating Expenses	$98.88	$88.35	$87.99	$124.16	$150.50
Net Operating Income	-$16.26	$14.24	$37.93	$75.77	$96.25
Operating Margin	-19.7%	13.9%	30.1%	37.9%	39.0%
Average Annual Occupancy	87.2%	86.3%	84.9%	86.5%	84.1%

Note: Communities are ranked by Revenues per Resident Day. 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 9.22

Assisted Living Residences (including those with Memory Care) / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	$121.36	$134.31	$168.87	$223.16	$247.20
Total Operating Expenses	$108.21	$112.32	$127.06	$151.62	$174.85
Net Operating Income	$13.15	$21.99	$41.81	$71.54	$72.35
Operating Margin	10.8%	16.4%	24.8%	32.1%	29.3%
Average Annual Occupancy	81.0%	82.9%	78.9%	83.5%	84.2%

Note: Communities are ranked by Revenues per Resident Day. 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

CCRCs / Per Resident Per Day

	LOWER DECILE	LOWER QUARTILE	MEDIAN	UPPER QUARTILE	UPPER DECILE
Total Revenues	**	$128.00	$171.59	$268.15	**
Total Operating Expenses	**	$104.00	$130.13	$225.00	**
Net Operating Income	**	$24.01	$41.47	$43.16	**
Operating Margin	**	18.8%	24.2%	16.1%	**
Average Annual Occupancy	**	92.8%	88.2%	84.8%	**

Note: Communities are ranked by Revenues per Resident Day. 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.

CHAPTER 10

"Same-Store" Results

The results from *the State of Seniors Housing* surveys we report are dependent on the underlying properties from 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. So, 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 year-over-year comparisons more valid and more reliable, this chapter presents **only** data from "same-store" properties – meaning, only properties that **do** contribute data in both years are compared. 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 differences in 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.

Further, because survey respondents were instructed to remove extraordinary revenues and expenses due to COVID-19, the results reflect "stabilized" performance, noting that so many in the industry saw occupancy declines resulting from the pandemic. We note that the majority, but not all, did identify COVID-specific expenses. Those that did not were typically majority IL communities – except for CCRCs whose nursing units received Provider Relief Funds early in the pandemic and who were very focused on accounting how those monies were spent.

We run the same-store analysis with some confidence because almost half of this year's sample who reported 2020's performance **also** contributed data **last** year (reporting 2019'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

Table 10.1 shows that, since the previous year, stabilized occupancy rates have decreased 4-5%. Although some new product has come on line, some of the decrease can be attributed to COVID-19 admission holds, new admission protocols and limited visitation for families and prospective residents.

For most product types (CCRCs are a notable exception), some **revenue** growth per occupied unit is evident, on the order of 2-4% as price increases mitigated occupancy loss. However, **operating expenses** per occupied unit typically increased at a higher pace. Labor costs as a share of overall operating expenses have actually gone down for some product types (including CCRCs) although labor costs as a share of total revenues have inched up for most product types and overall. Consequently, NOI per occupied unit, and also operating margins, improved somewhat (3% to 5%) for the full year 2020 over 2019 **for the product categories using the least labor** (independent living, whether freestanding or majority independent with a minority of assisted living beds added) while NOI and operating margins eroded 1% to 5% for the more labor-intensive properties – those with a majority of assisted living and/or memory care beds. NOI and operating margins were both down the better part of 10% in CCRCs, although CCRC operating margins remained relatively solid at just under 25%, and with NOI of near $17,000 per occupied unit.

Table 10.2 supports the anecdotes that operators "extended length of stay" and saw fewer move-outs during 2020. Resident **turnover** rates (excluding nursing beds) declined by substantial rates for most product types for which sufficient numbers of properties reported both in 2020 and 2019 – especially for those product categories in which independent living units were in the majority. As noted in Chapter 8, it may well be that residents of these majority independent living properties – who by and large were not **required** medically or functionally to move out to other properties – stayed in their communities, benefitting from larger units, more space to maintain social distances, less exposure to influenza and, a continuum of care in the property.

Where turnover rates declined, the **weighted** averages in each product type declined more (in other words, relatively fewer residents moved out, as a proportion of all residents at the property) than the **unweighted** averages – which indicates that the larger properties experienced relatively fewer move-outs proportionally than at the smaller properties.

Table 10.3 shows that at same-store properties, annual compensation per FTE increased on average 3% to 4% year-over-year, and that the largest such increases were in those property types where more care-intensive labor (for assisted living and/or memory care) were more prevalent.

Table 10.4 shows that the number of FTEs per resident per day, at communities that responded to the survey both in 2020 and in 2019, was relatively stable year-over-year (declining, but only by one-third a percent) **but** that the largest declines were at those property types (freestanding independent living and CCRCs) that had the highest proportion of their residents in independent living, and so who did **not** require assisted living care or memory care, or "essential" services. With dining rooms closed, labor did decline in many dietary departments. Assisted living communities, with or without memory care, employed about 6% to 8% more FTEs per resident day in 2020 than they did in 2019. This increase could reflect higher acuity residents and their needs, and/or turnover, as new staff typically shadow experienced staff during training periods.

Table 10.5 compares the same-store performance of nearly 20% of this year's sample (year ending 2020) with the performance of those properties 10 years ago (year-ending 2011). While not as robust as the year-over-year data set (resulting in majority independent living and majority assisted living classifications), it presents some indication of the industry's long-term performance. Notably, despite a decline in occupancy, **revenues** and revenues per occupied unit have grown by about 2-3% compounded annually. While **expenses** and **labor** have increased at a slightly higher rate, operating **margins** and **NOI per occupied** unit remain relatively stable despite the growth in the industry over the last decade. This is all the more remarkable because this data set includes properties that were built by 2008, in order to have been included in the 2011 data set.

Readers of this chapter should also note that:

- The financial 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 decrease from 29.6% operating margin one year to 28.2% the next is reported as almost negative 5% annual rate of change [that is, a decline of 1.4 in 29.6], and **not** as negative 1.4 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 EXPENSES
INDEPENDENT LIVING					
YE 12/31/20	84	82%	$389,369,201	$39,630	$246,981,834
YE 12/31/19	84	86%	$396,121,953	$38,565	$252,237,431
Annual Change		-4.7%	-1.7%	2.8%	-2.1%
INDEPENDENT AND ASSISTED LIVING					
YE 12/31/20	58	83%	385,217,430	54,471	255,163,066
YE 12/31/19	58	88%	391,714,786	52,495	262,063,922
Annual Change		-5.3%	-1.7%	3.8%	-2.6%
INDEPENDENT AND ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/20	106	84%	$910,168,145	$61,089	$635,116,726
YE 12/31/19	106	88%	$923,579,425	$58,763	$643,066,376
Annual Change		-5.3%	-1.5%	4.0%	-1.2%
ASSISTED LIVING					
YE 12/31/20	163	84%	$553,906,226	$54,082	$397,832,246
YE 12/31/19	163	89%	$564,122,826	$51,795	$397,060,335
Annual Change		-5.6%	-1.8%	4.4%	0.2%
ASSISTED LIVING WITH MEMORY CARE					
YE 12/31/20	187	81%	$898,804,431	$67,526	$665,210,597
YE 12/31/19	187	86%	$930,131,393	$66,258	$680,775,636
Annual Change		-5.3%	-3.4%	1.9%	-2.3%
CCRC					
YE 12/31/20	93	88%	$2,773,255,436	$71,366	$2,117,085,308
YE 12/31/19	48	92%	$2,893,189,908	$72,221	$2,144,342,384
Annual Change		-4.0%	-4.1%	-1.2%	-1.3%
ALL					
YE 12/31/20	749	85%	$6,139,986,415	$63,203	$4,512,813,253
YE 12/31/19	749	89%	$6,351,144,494	$62,588	$4,584,640,802
Annual Change		-4.4%	-3.3%	1.0%	-1.6%

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
$25,138	$98,087,531	25.2%	$142,387,367	$14,492	36.6%
$24,557	$104,594,253	26.4%	$143,884,522	$14,008	36.3%
2.4%	-6.2%	-4.6%	-1.0%	3.5%	0.7%
36,081	137,851,020	36%	130,054,364	18,390	34%
35,120	137,851,020	35%	129,650,864	17,375	33%
2.7%	0.0%	1.7%	0.3%	5.8%	2.0%
$42,628	$342,377,033	37.6%	$275,051,419	$18,461	30.2%
$40,915	$350,934,385	38.0%	$280,513,049	$17,848	30.4%
4.2%	-2.4%	-1.0%	-1.9%	3.4%	-0.5%
$38,843	$224,396,489	40.5%	$156,073,980	$15,239	28.2%
$36,456	$223,269,856	39.6%	$167,062,491	$15,339	29.6%
6.5%	0.5%	2.4%	-6.6%	-0.7%	-4.9%
$49,976	$389,347,240	43.3%	$233,593,834	$17,550	26.0%
$48,495	$402,897,448	43.3%	$249,355,757	$17,763	26.8%
3.1%	-3.4%	0.0%	-6.3%	-1.2%	-3.1%
$54,481	$1,141,441,585	41.2%	$656,170,129	$16,886	23.7%
$53,528	$1,175,086,169	40.6%	$748,847,524	$18,693	25.9%
1.8%	-2.9%	1.3%	-12.4%	-9.7%	-8.6%
$46,454	$2,454,864,535	40.0%	$1,627,173,162	$16,750	26.5%
$45,180	$2,525,991,009	39.8%	$1,766,503,692	$17,408	27.8%
2.8%	-2.8%	0.5%	-7.9%	-3.8%	-4.7%

TABLE 10.2

Same Store (2020 vs. 2019) - Annual Resident Turnover

COMMUNITY TYPE	WEIGHTED AVERAGE	AVERAGE	MEDIAN
Independent Living Communities	N/A	N/A	N/A
Independent/Assisted Living Communities	-45.6%	-36.1%	-46.5%
Independent/Assisted Living/Memory Care Communities	-39.4%	-33.9%	-33.0%
Assisted Living Residences	0.7%	9.3%	5.8%
Assisted Living/Memory Care Residences	-14.0%	-7.7%	-13.7%
Memory Care Residences	-6.6%	-2.8%	-10.8%
All CCRCs (excluding skilled nursing beds)	-69.3%	-65.1%	-67.1%

Note: Communities are ranked by turnover ratio. Each represents the weighted average of all communities falling in that rank while the median reflects the average of the 5th and 6th deciles. Also, due to an insufficient sample size for IL communities in 2020, no changes could be reported.

TABLE 10.3

Same Store - Average Compensation/FTE

COMMUNITY TYPE	YE 12/31/20	YE 12/31/19	ANNUAL CHANGE
Independent Living Communities	$48,004	$47,528	1.0%
Independent/Assisted Living Communities	$47,454	$46,704	1.6%
Independent/Assisted Living/Memory Care Communities	$47,583	$45,161	5.4%
Assisted Living Residences	$48,964	$45,802	6.9%
Assisted Living/Memory Care Residences	$45,879	$44,250	3.7%
Memory Care Residences	$49,808	$45,812	8.7%
CCRCs	$55,537	$54,329	2.2%
ALL COMMUNITIES	$50,716	$49,043	3.4%

TABLE 10.4

Same Store - FTEs/Resident Day

COMMUNITY TYPE	YE 12/31/20	YE 12/31/19	ANNUAL CHANGE
Independent Living Communities	0.21	0.22	-3.7%
Independent/Assisted Living Communities	0.39	0.39	0.3%
Independent/Assisted Living/Memory Care Communities	0.49	0.48	1.8%
Assisted Living Residences	0.46	0.43	7.7%
Assisted Living/Memory Care Residences	0.67	0.62	6.5%
Memory Care Residences	0.72	0.73	-1.9%
CCRCs	0.36	0.38	-3.3%
ALL COMMUNITIES	0.43	0.43	-0.3%

TABLE 10.5

Same Store – 10-Year Sample

MAJORITY INDEPENDENT LIVING			
COMMUNITY PROFILE	**YE 12/31/20**	**YE 12/31/11**	**ANNUAL CHANGE**
TOTAL PROPERTIES	185	185	
Occupancy	88%	90%	-0.2%
Total Revenues	$2,878,306,566	$2,189,403,710	2.8%
Revenues per Occupied Unit	$61,785	$52,528	1.6%
Total Operating Expense	$2,153,152,110	$1,632,308,752	2.8%
Operating Expenses per Occupied Unit	$46,219	$39,162	1.7%
Labor Expenses (included in total above)	$1,127,175,467	$848,140,887	2.9%
Labor as a Ratio of Revenues	39.2%	38.7%	0.1%
Net Operating Income	$725,154,455	$557,094,957	2.7%
NOI per Occupied Unit	$15,566	$13,366	1.5%
Operating Margin	25.2%	25.4%	-0.1%
MAJORITY ASSISTED LIVING			
COMMUNITY PROFILE	**YE 12/31/20**	**YE 12/31/11**	**ANNUAL CHANGE**
TOTAL PROPERTIES	136	136	
Occupancy	83%	91%	-0.9%
Total Revenues	$643,771,477	$564,526,330	1.3%
Revenues per Occupied Unit	$66,567	$53,956	2.1%
Total Operating Expense	$448,982,401	$390,866,113	1.4%
Operating Expenses per Occupied Unit	$46,426	$37,358	2.2%
Labor Expenses (included in total above)	$257,843,942	$219,622,518	1.6%
Labor as a Ratio of Revenues	40.1%	38.9%	0.3%
Net Operating Income	$194,789,076	$173,660,216	1.2%
NOI per Occupied Unit	$20,142	$16,598	2.0%
Operating Margin	30.3%	30.8%	-0.2%
ALL			
COMMUNITY PROFILE	**YE 12/31/20**	**YE 12/31/11**	**ANNUAL CHANGE**
TOTAL PROPERTIES	321	321	
Occupancy	87%	90%	-0.3%
Total Revenues	$3,522,078,043	$2,753,930,039	2.5%
Revenues per Occupied Unit	$62,607	$52,815	1.7%
Total Operating Expense	$2,602,134,511	$2,023,174,866	2.5%
Operating Expenses per Occupied Unit	$46,255	$38,800	1.8%
Labor Expenses (included in total above)	$1,385,019,409	$1,067,763,404	2.6%
Labor as a Ratio of Revenues	39.3%	38.8%	0.1%
Net Operating Income	$919,943,532	$730,755,174	2.3%
NOI per Occupied Unit	$16,353	$16,598	-0.1%
Operating Margin	26.1%	26.5%	-0.2%

CHAPTER 11

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.[4] 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 are shown in Table 11.1.

STAFFING RATIOS

Table 11.1 illustrates **some** of the differences in staffing between property types (for example, that adding higher-acuity residents to a freestanding property, such as adding assisted living residents and/or memory care residents to a predominantly-independent living property, or such as adding memory care residents to an assisted living property, normally adds to staff count by 100% or more, with few, if any economies of scale). However Table 11.1 alone 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 so 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

[4] 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.

of the 0.20 average staff-to-resident ratio for freestanding independent living over all departments, and calculate as: one divided by 0.20 (or in other words 5) average number of residents for **each** FTE staff.

It is even more evident from Table 11.2 that staff-to-resident ratios go up considerably 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). 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** and shows skilled nursing labor **per skilled nursing resident.** Note from Table 11.3 that, on average there is more than one skilled nursing FTE for every nursing resident in CCRCs, and **never**, in our response set, **less than** 0.49 skilled nursing FTE for every nursing resident (that is, never more than about 2 residents per nursing care FTE) – this finding might well be used in CCRC marketing messages.

LABOR COSTS

Average annual wages (excluding payroll taxes and employee benefit costs) are presented for eight or more different labor categories (that is, per department) in Table 11.4. Please note that these annual wages should **not** be divided by 2080 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 CCRCs spend more per assisted living and skilled nursing worker than other property types do. Overall, freestanding memory care communities and CCRCs pay more per FTE at $46,000 to $47,000 while all other property types are closer to $42,000 per 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	4.3	15.0	1.0	5.8	15.0	1.0	6.1	19.0
Dietary	5.0	11.3	42.0	3.0	17.3	48.0	2.0	17.7	53.0
Housekeeping	1.0	2.9	14.0	1.0	4.4	14.0	1.0	4.7	18.0
Maintenance	1.0	2.0	5.0	1.0	2.4	10.0	1.0	2.6	11.0
Marketing	1.0	1.5	6.0	1.0	1.7	6.0	1.0	1.6	5.0
Assisted Living	4.0	24.9	43.0	5.0	16.2	42.0	9.0	28.6	63.0
Nursing	**	**	**	13.0	21.8	40.0	1.0	19.2	49.0
Activities	1.0	1.5	8.0	1.0	2.1	7.0	1.0	3.2	13.0
Other	1.0	4.0	29.0	1.0	7.9	51.0	1.0	2.4	8.0
TOTAL	7.0	25.5	103.0	14.0	51.9	186.0	22.0	67.1	184.0

Note: Average reported for those communities with staffed departments; the sum of the parts may not equal the whole.
N/A=Not reported to preserve data confidentiality for a large community provider.
**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	0.06	0.01	0.04	0.10	0.01	0.04	0.08
Dietary	0.04	0.09	0.21	0.04	0.13	0.25	0.02	0.12	0.24
Housekeeping	0.01	0.02	0.08	0.01	0.03	0.07	0.01	0.03	0.08
Maintenance	0.01	0.01	0.03	0.01	0.02	0.35	0.01	0.02	0.06
Marketing	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.03
Assisted Living	0.06	0.02	0.20	0.05	0.13	0.35	0.06	0.22	0.52
Nursing	**	**	**	0.13	0.01	0.18	0.08	0.01	0.33
Activities	0.01	0.01	0.03	0.01	0.02	0.05	0.01	0.02	0.06
Other	0.01	0.01	0.20	0.01	0.02	0.14	0.01	0.01	0.05
TOTAL	0.12	0.20	0.44	0.23	0.40	0.65	0.15	0.46	0.82

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	2.8	12.0	1.0	4.3	12.0	1.0	2.4	7.0	2.0	12.3	N/A
1.0	4.7	37.0	1.0	9.3	34.0	1.0	3.8	11.0	12.0	54.3	N/A
1.0	2.0	14.0	1.0	3.1	21.0	1.0	3.1	12.0	4.0	19.5	N/A
1.0	1.2	6.0	1.0	1.5	7.0	1.0	1.0	2.0	2.0	9.2	N/A
1.0	1.1	2.0	1.0	1.2	4.0	1.0	1.4	3.0	1.0	4.5	N/A
5.0	13.5	37.0	6.0	30.1	78.0	1.0	21.1	51.0	2.0	28.2	N/A
1.0	11.5	82.0	1.0	19.2	45.0	1.0	2.4	7.0	11.0	48.4	N/A
1.0	1.3	4.0	1.0	3.0	20.0	1.0	3.3	31.0	1.0	6.1	N/A
1.0	1.3	4.0	1.0	1.9	17.0	1.0	3.2	7.0	1.0	52.6	N/A
8.0	**24.2**	**110.0**	**15.0**	**51.5**	**127.0**	**12.0**	**35.7**	**88.0**	**66.0**	**211.1**	**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	0.11	0.01	0.05	0.14	0.01	0.04	0.13	0.01	0.03	0.15
0.03	0.11	0.23	0.02	0.13	0.29	0.03	0.09	0.21	0.07	0.13	0.21
0.01	0.02	0.09	0.01	0.04	0.30	0.02	0.06	0.20	0.02	0.05	0.17
0.01	0.01	0.05	0.01	0.02	0.05	0.01	0.01	0.04	0.01	0.02	0.14
0.01	0.01	0.04	0.01	0.01	0.05	0.01	0.01	0.05	0.01	0.01	0.02
0.07	0.14	0.51	0.16	0.43	0.86	0.26	0.35	0.93	0.01	0.06	0.37
0.13	0.08	0.31	0.15	0.01	0.34	0.10	0.15	0.59	0.04	0.11	0.28
0.01	0.01	0.07	0.01	0.03	0.07	0.02	0.05	0.09	0.01	0.01	0.09
0.01	0.02	0.05	0.01	0.02	0.18	0.02	0.02	0.08	0.01	0.11	0.20
0.26	**0.42**	**0.86**	**0.33**	**0.73**	**1.30**	**0.50**	**0.78**	**1.56**	**0.27**	**0.53**	**0.83**

TABLE 11.3

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

DEPARTMENT	IL / AL			IL / AL / MC			AL		
	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX
Assisted Living/Memory Care	0.11	0.29	0.62	0.10	0.36	0.65	0.13	0.23	0.51
Skilled Nursing		Not Applicable			Not Applicable			Not Applicable	

DEPARTMENT	AL / MC			MC			CCRC		
	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX	MIN	WEIGHTED AVERAGE	MAX
Assisted Living/Memory Care	0.22	0.46	1.15	0.35	0.50	0.93	0.18	0.48	0.84
Skilled Nursing		Not Applicable			Not Applicable		0.49	1.12	1.96

TABLE 11.4

Annual Weighted Average Wages per FTE by Department

DEPARTMENT	IL	IL / AL	IL / AL / MC	AL	AL / MC	MC	CCRC
Administrative	$58,054	$61,744	$61,630	$67,399	$66,487	$84,297	$71,464
Dietary	$32,946	$33,422	$35,059	$33,991	$34,685	$37,332	$34,450
Housekeeping	$33,164	$33,562	$34,030	$35,683	$33,467	$37,376	$32,574
Maintenance	$53,506	$54,866	$55,532	$56,478	$59,391	$54,559	$53,101
Marketing	$88,676	$83,668	$88,976	$81,410	$94,085	$71,458	$98,516
Assisted Living	**	$38,797	$34,165	$34,437	$34,465	$38,472	$43,824
Nursing	**	$39,958	$38,852	$40,277	$44,812	$53,383	$54,835
Activities	$46,780	$48,236	$44,271	$44,192	$40,331	$37,972	$45,452
Other	$41,054	$32,148	$51,677	$65,901	$52,842	**	$48,363
TOTAL	$41,598	$41,089	$41,585	$42,152	$40,750	$45,953	$46,550

Note: Payroll divided by total FTEs per department.

** Insufficient sample size.

CHAPTER 12

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 $5.00 per resident per day to almost $9.00 per resident per day – and these are averages, so the range among individual properties would logically be even wider. Overall, food costs averaged about $6.50 per resident per day. The South Central region's food costs were lowest, averaging less than $6.00 but with the Northeast (surprisingly) almost as low, also under $6.00; West region food costs were highest, averaging nearly $7.25 per resident per day. Food costs in freestanding independent living were lowest nationwide, averaging less than $5.50; they were highest in freestanding properties that included both assisted living and memory care beds, averaging over $7.00. In very general terms (though the pattern was not perfect) food costs per resident per day increased as resident acuity increased.

MANAGEMENT FEES

Management fees average close to 5% of revenue for most property types; less than that for independent living properties (both freestanding and combination) and 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 assisted living and for 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.

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.

In any case, management fees exhibited significant variation property-to-property, with an overall range from 1% of revenue, up to almost 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 proportion of total wages and salaries, at seniors housing properties. Once again, there is a substantial range between minimum and maximum, around an average of more than $4,300 per FTE.

Table 12.3a shows that CCRCs (many of which in our response set are mostly not-for-profits, as we showed in Chapter 5) on average pay substantially higher employee benefits – on average more than $6,000 per FTE, which is 13.3% of total 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 most 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, averaging $725 per available unit
- Professional liability insurance, averaging $367 per available unit, and
- Workers Compensation insurance – with Workers Comp broken out by calculations of both cost per unit ($476 on average) and also as a percentage of total wages and salaries (2.5% on average).

UTILITY COSTS

Tables in Chapter 9 also showed utility costs to be one of largest operating expense categories, along with labor and raw food costs. Utility costs are analyzed in more detail here. Breakouts by age of community, shown as cost per square foot of building area ($2.00 or less for most properties), and by cost per resident per day (about $5.50 to $6.00 for most properties), are provided in Table 12.5. Then, Table 12.6a and Table 12.6b break out these utility costs by property type, again shown both as cost per square foot and per resident day.

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 less than $1,000 per unit for the newest properties up to more like $1,300 or $1,400 per unit on average for older ones [and, significantly, more than $5,500 per unit for CCRCs which on average tend to be among the oldest of property types]. When larger properties get more weight (that is, are weighted in proportion to their numbers of units), capital budgets on average range from about $1,300 per unit for the newest properties up to more than $3,000 per unit for older ones – and more than double that for CCRCs.

In the year just concluded, the survey found that budgeted capital expenditures appear lower than the actual 2020 expenses, on average: budgeted amounts for the succeeding year (2021) at about $1,200 per unit on average (unweighted) appear to run consistently **less than half the amount of actual capital expenditures** (more than $2,800 per unit on average unweighted, for the year ending December 2020). On a weighted basis, counting the largest communities more heavily, the same can be concluded: budgeted amounts (about $2,900 for properties weighted by size) run considerably less than the amount of actual capital expenditures (at almost $4,300 per unit) as can be seen at the bottom line of Table 12.7a. Table 12.7b shows that this disparity gets even wider for the older properties.

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	$6.50	**	$7.97	$8.07	$7.13	**	$5.12	$5.96
Southeast	$5.02	$6.23	$6.97	$5.72	$7.01	$5.63	**	$6.19
North Central	**	$6.54	$7.32	$6.52	$6.67	$6.05	$5.84	$6.32
South Central	$5.43	$6.47	$6.26	$6.43	$6.89	$6.29	$5.43	$5.94
West	$5.01	$6.95	$6.68	$6.78	$6.91	$6.38	$8.73	$7.24
ENTIRE U.S.	**$5.39**	**$6.68**	**$7.03**	**$6.28**	**$6.89**	**$6.19**	**$6.33**	**$6.49**

Note: Total food costs divided by total residents for the year.
**Insufficient sample size.

TABLE 12.2

Management Fees as a Percentage of Total Revenues by Community Type

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	2.0%	4.5%	6.4%
Independent/Assisted Living	2.7%	4.3%	9.9%
Independent/Assisted Living with Memory Care	1.8%	4.7%	6.8%
Assisted Living	2.7%	5.2%	6.9%
Assisted Living/Memory Care	1.0%	5.1%	9.8%
Memory Care	1.2%	5.1%	8.2%
CCRC	2.6%	4.7%	10.8%
ALL COMMUNITIES	**1.0%**	**4.8%**	**10.8%**

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	$225	$2,584	$12,472
Independent/Assisted Living	$982	$3,611	$7,893
Independent/Assisted Living with Memory Care	$229	$3,432	$11,714
Assisted Living	$362	$3,638	$7,754
Assisted Living/Memory Care	$541	$2,760	$6,898
Memory Care	$840	$3,700	$11,651
CCRC	$388	$6,157	$12,135
ALL COMMUNITIES	**$225**	**$4,326**	**$12,472**

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

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	2.7%	8.9%	21.7%
Independent/Assisted Living	2.8%	8.9%	20.2%
Independent/Assisted Living with Memory Care	0.5%	8.7%	20.1%
Assisted Living	0.9%	8.7%	21.1%
Assisted Living/Memory Care	1.3%	7.5%	16.7%
Memory Care	1.9%	8.3%	20.0%
CCRC	0.8%	13.3%	24.9%
ALL COMMUNITIES	**0.5%**	**10.4%**	**24.9%**

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

Annual Cost by Community Type

A – GENERAL PROPERTY AND LIABILITY INSURANCE PER AVAILABLE UNIT

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	$20	$409	$1,434
Independent/Assisted Living	$19	$595	$3,075
Independent/Assisted Living with Memory Care	$30	$810	$2,618
Assisted Living	$33	$658	$2,760
Assisted Living/Memory Care	$30	$704	$3,151
Memory Care	$31	$1,047	$2,233
CCRC	$49	$756	$2,912
ALL COMMUNITIES	$19	$725	$3,151

B – PROFESSIONAL LIABILITY INSURANCE PER AVAILABLE UNIT

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	$101	$234	$968
Independent/Assisted Living	$117	$328	$937
Independent/Assisted Living with Memory Care	$32	$437	$1,162
Assisted Living	$197	$524	$1,486
Assisted Living/Memory Care	$68	$642	$1,577
Memory Care	$366	$852	$1,425
CCRC	$42	$250	$1,078
ALL COMMUNITIES	$32	$367	$1,577

C – WORKERS COMP PER AVAILABLE UNIT

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	$31	$145	$415
Independent/Assisted Living	$38	$331	$1,720
Independent/Assisted Living with Memory Care	$42	$475	$1,742
Assisted Living	$20	$419	$2,610
Assisted Living/Memory Care	$32	$663	$3,698
Memory Care	$93	$825	$3,440
CCRC	$35	$456	$2,982
ALL COMMUNITIES	$20	$476	$3,698

D – WORKERS COMP AS A PERCENTAGE OF TOTAL WAGES AND SALARIES

COMMUNITY TYPE	MINIMUM	AVERAGE	MAXIMUM
Independent Living	0.4%	1.8%	4.1%
Independent/Assisted Living	0.4%	2.5%	8.7%
Independent/Assisted Living with Memory Care	0.4%	2.8%	7.4%
Assisted Living	0.4%	2.7%	10.1%
Assisted Living/Memory Care	0.4%	3.1%	10.0%
Memory Care	0.4%	2.8%	9.2%
CCRC	0.4%	2.2%	11.4%
ALL COMMUNITIES	0.4%	2.5%	11.4%

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
PROPERTIES OPEN IN OR AFTER 2010			
By Square Foot	$0.62	$1.76	$4.13
By Resident Day	$1.26	$5.60	$13.63
PROPERTIES OPEN 2000–2009			
By Square Foot	$0.62	$1.78	$5.61
By Resident Day	$1.26	$5.46	$11.28
PROPERTIES OPEN 1980–1999			
By Square Foot	$0.55	$2.01	$4.13
By Resident Day	$2.11	$5.56	$13.63
PROPERTIES OPEN BEFORE–1980			
By Square Foot	**	**	**
By Resident Day	$3.31	$7.56	$13.14

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

TABLE 12.6

Utilities Cost by Community Type

A – BY SQUARE FOOT

COMMUNITY TYPE	MINIMUM	WEIGHTED AVERAGE	MAXIMUM
Independent Living	$0.62	$1.66	$3.37
Independent/Assisted Living	$1.09	$1.97	$2.92
Independent/Assisted Living with Memory Care	$0.91	$2.04	$3.51
Assisted Living	$1.06	$1.68	$3.21
Assisted Living/Memory Care	$1.39	$2.52	$6.58
Memory Care	$1.59	$2.82	$4.83
CCRC	$1.12	$2.16	$6.84
ALL COMMUNITIES	**$0.62**	**$2.02**	**$6.84**

B – BY RESIDENT DAY

COMMUNITY TYPE	MINIMUM	WEIGHTED AVERAGE	MAXIMUM
Independent Living	$2.93	$5.07	$9.59
Independent/Assisted Living	$2.97	$5.65	$11.40
Independent/Assisted Living with Memory Care	$2.71	$6.51	$12.14
Assisted Living	$2.42	$4.47	$9.21
Assisted Living/Memory Care	$2.96	$5.37	$9.48
Memory Care	$3.20	$5.43	$8.71
CCRC	$3.27	$5.88	$13.41
ALL COMMUNITIES	**$2.42**	**$5.72**	**$13.41**

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.

TABLE 12.7

Per Available Unit

A – ACTUAL VS. BUDGETED CAPITAL EXPENDITURES BY COMMUNITY TYPE

	MINIMUM		UNWEIGHTED AVERAGE		WEIGHTED AVERAGE		MAXIMUM	
COMMUNITY TYPE	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021
Independent Living	$455	$455	$3,097	$1,206	$3,257	$1,535	$6,000	$3,429
Independent/Assisted Living	$249	$300	$4,528	$1,205	$4,424	$1,740	$12,436	$9,494
Independent/Assisted Living with Memory Care	$199	$300	$5,101	$741	$4,851	$759	$6,197	$6,663
Assisted Living	$150	$297	$1,850	$1,002	$2,105	$1,012	$11,437	$4,857
Assisted Living/Memory Care	$152	$389	$3,390	$1,022	$3,524	$1,168	$15,418	$6,359
Memory Care	$119	$328	$1,298	$1,274	$948	$1,027	$15,639	$13,617
CCRC	$656	$722	$5,427	$5,579	$6,243	$6,333	$14,025	$14,354
ALL COMMUNITIES	**$119**	**$297**	**$2,829**	**$1,214**	**$4,286**	**$2,917**	**$15,639**	**$14,354**

B – ACTUAL VS. BUDGETED CAPITAL EXPENDITURES BY AGE OF COMMUNITY

	MINIMUM		UNWEIGHTED AVERAGE		WEIGHTED AVERAGE		MAXIMUM	
YEAR OPENED	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021	ACTUAL 2020	BUDGETED 2021
Before 1980	$249	$500	$5,089	$1,361	$5,334	$2,234	$11,223	$11,223
1980 thru 1999	$165	$297	$3,015	$1,287	$4,977	$3,248	$15,639	$14,354
2000 thru 2009	$274	$266	$3,726	$1,394	$4,277	$3,307	$9,494	$9,494
2010 and later	$119	$300	$1,363	$881	$1,968	$1,282	$12,457	$12,771

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

CHAPTER

13 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 somewhat 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 for this chapter], 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 (36% for the "median" group) for freestanding independent living communities and ranged downward from there: to around 30% when assisted living beds were in the mix; to between 25% and 30% when memory care beds were in the mix; to just below 25% when only memory care beds were at the property. In effect, operating margins decreased almost 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 for-profit properties in each product type reported operated on average at a positive (above zero) gross profit margin over the past year, despite the occupancy pressures from the pandemic and new supply.

DEBT SERVICE COVERAGE RATIOS

Fewer properties report debt service coverage (NOI/debt service), but "median" debt service coverage ratios were at or 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 median debt service ratios reaching near to or above 1.0 – which means that a large fraction [the entire top three-quarters of, and many even in the lowest quartile] of for-profit seniors housing properties responding **were** generating more than sufficient cash flow from operations to cover their debt service payments throughout the year.

RETURN ON TOTAL INVESTMENT (UNLEVERAGED)

Return on total investment typically ran in the 6.0% 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, the divisor included 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 2020 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 for-profit seniors housing would, if calculated, run even higher[5].

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 2020 and is not the current run-rate income nor is it 2021'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.

[5] For example, if 6% 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 10%. If the debt averaged 4% interest instead, or if the property were financed 90% with debt, the [leveraged] return on equity would calculate to 14% or 15%.

TABLE 13.1

Operating Margins by Community Type (EBITDAR/Total Revenues)

FOR-PROFIT COMMUNITIES ONLY	IL	IL WITH AL	IL WITH AL/MC	AL WITHOUT MC	AL WITH MC	MC	CCRC
Lower Quartile	19.1%	11.3%	11.2%	13.6%	9.0%	10.8%	**
Median	36.0%	31.0%	27.7%	29.3%	27.7%	24.7%	**
Upper Quartile	48.9%	42.7%	40.0%	42.0%	39.3%	39.0%	**

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.

**Insufficient sample size.

TABLE 13.2

Debt Service Coverage Ratios by Community Type

FOR-PROFIT COMMUNITIES ONLY	IL	IL WITH AL	IL WITH AL/MC	AL WITHOUT MC	AL WITH MC	MC	CCRC
Lower Quartile	**	**	1.2	0.9	**	**	**
Median	**	**	2.1	2.0	**	**	**
Upper Quartile	**	**	5.6	6.7	**	**	**

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	2.8%	2.7%	2.0%	**	1.6%	**	**	2.1%
Median	**	6.5%	5.9%	**	5.2%	**	**	5.9%
Upper Quartile	11.5%	12.6%	13.2%	**	13.4%	**	**	12.9%

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 11

Historical Performance of Key Operating and Financial Indicators

The tables in this chapter display the "medians" of three key operating and financial indicators over more than 25 years, from 1995's performance through the year ended December 2020 [readers are cautioned to remember that we calculate these medians as the average of the 5th and 6th decile, in other words 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]. 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 2020 performance even though it is this year's 2021 *State of Seniors Housing* publication that first reports it.

In general, 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 care 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. 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. The potential extraordinary influence of COVID-19 on the performance measures presented in this chapter are noted in the text that follows.

OCCUPANCY RATES

Table 14.1 shows that occupancy rates in 2020 clustered around:

- 84% for freestanding independent living communities
- 82% for freestanding assisted living communities
- 85% for CCRCs.

Even though these occupancy rates are somewhat below those posted in the recent past, they may be considered respectable achievements as the pandemic constrained move-ins. Even though survey respondents were instructed to remove extraordinary **revenues** and **expenses** due to COVID-19 from reported results, documenting those separately to be analyzed in a forthcoming publication – the effects of COVID-19 on **occupancy**, beginning roughly from the end of February or beginning of March 2020 through the end of the year, cannot be so easily segregated and are obviously reflected in the posted figures for full-year 2020.

RESIDENT TURNOVER RATES

Table 14.2 shows that annual resident turnover rates in 2020 centered around:

- 48% for freestanding assisted living
- 11% for CCRCs (excluding each CCRCs' skilled nursing beds)

Size of the response set for freestanding independent living was insufficient to make our calculation of "median" meaningful, but the median turnover rate for independent living properties with some assisted living beds (and which therefore can be assumed to be **higher than** the independent living units alone) was 20%.

As shown in Chapter 10, these turnover rates are much lower than experienced in 2019 and certainly contributed to properties' ability to sustain occupancy levels as high as they did.

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:

- 36% for freestanding independent living
- 29% for freestanding assisted living

These results are very consistent with performance at the respective property types over the preceding three or four years. Size of the response set for CCRCs was insufficient to make our calculation of "median" meaningful, given that the operating margins shown on Table 14.3 are based on for-profit properties only, and Chapter 5 confirmed that almost two-thirds of the CCRCs in the response set were not-for-profit entities.

TABLE 14.1

Median Stabilized Occupancy by Community Type

YEAR	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%
2019	87%	88%	89%
2020	84%	82%	85%

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

YEAR	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%
2019	35%	49%	21%
2020	N/A	48%	11%

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, since 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

YEAR	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%
2019	34.8%	27.4%	18.8%
2020	36.0%	29.3%	**

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, since 2011, the indications represent the weighted averaged of the 5th and 6th deciles (40th-60th percentile) while prior years report the simple median.

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