• Seniors Housing Acuity
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Seniors Housing Acuity Mix

Acuity Level

Age-restricted apartments
- IL Only
- IL / AL
- AL Only
- AL / ALZ
- ALZ Only

Rents and Risk Profile
- CCRCs
- SNF

IL = Independent Living
AL = Assisted Living
ALZ = Alzheimer’s Care
SNF = Skilled Nursing Facilities
CCRC = Continuing Care Retirement Community
Seniors Housing... What is this Asset Class?

Senior Apartments: Market-rate units in age restricted communities where at least 80% of the residents are age 55 or older. Meal plans may be offered but the monthly does not include meals.

Independent Living Units: Designed for seniors who pay for some services (e.g. meals, housekeeping, transportation) as part of a monthly fee or rental rate and who require little or any assistance with Activities of Daily Living. Some residents receive services from home health care services by an outside agency or affiliate of the property management. In order to qualify for Independent Living Units (rather than seniors apartments), the community must contain a common dining facility that provides at least one daily meal as part of the monthly fee.

Assisted Living: Designed for frail seniors who need assistance with ADL’s (bathing, eating, dressing, toilet, transfers from bed) but do not require continuous skilled nursing care.

Memory Care: Residents with significant cognitive impairment as a result of Alzheimer’s disease or related dementia. Not licensed nursing beds but may have state licenses requirements.

Skilled Nursing Beds: Licensed Nursing beds. Highest acuity levels.
Major Risk Factors in Seniors Housing

- Inexperienced operator, manager, and/or Sponsor
- Oversupply in the market – property age & purpose-built
- Lack of compliance with licensing for AL, ALZ/MC, and Skilled Nursing properties
- High dependency on Medicaid
- High expenses
- Occupancy fluctuations due to seasonality
- Stand-alone ALZ/MC properties Challenges
- Labor shortages
Sponsor / Operator Highlights

- Well experienced and financially stable property owners and operators are critical for long term property performance.
- Must have successfully owned or operated other Seniors Housing Properties of commensurate type, size, and service level as the Seniors Housing Property that will secure the Mortgage Loan.
- REO Analysis – Performance of currently owned assets; exposure to maturing debt on non-performing or highly leveraged assets.
- Management Agreement / Operating Lease.