



Data • Analytics • Connections



# Understanding the Structure and Growth Mindset of our For-Profit Counterparts

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# National Investment Center for Seniors Housing & Care (NIC)

- NIC is a 501(c)3 organization whose mission is to enable access and choice by providing data, analytics and connections that bring together investors and providers.
- NIC Analytics provides the most trusted and objective market insights and analyses leveraging timely market data from its own proprietary databases, its affiliation with NIC MAP Vision, and other third-party sources.

# Session Topics

**Framing the Conversation**

**Growth & Trends**

**Partnerships, Joint Ventures & Alternative  
Structure Opportunities**

# Framing The Conversation



# A Bit of History

## NIC Founding and Milestones

- Recognized need to grow available options for seniors
- Need capital to fund growth
- Greater awareness needed about Senior Housing
- Senior Housing not on radar of commercial real estate (CRE) investors
- Not going to get the capital partners until have data
- The development of NIC MAP followed

# Understanding Common Terminology

Typical FP Language	Typical NFP Language
Senior Housing & Care	Senior Living
Operator - Manager	Provider
Owner	Sponsor
Property	Community
Rent	Monthly Fee



# Understanding the Total Universe

## Supply of Investment-Grade\* Senior Housing and Care Properties in the U.S.

By Property and Unit Counts Across Community Types, Campus Types,  
and Care Segments  
Estimates as of 4Q23\*\*

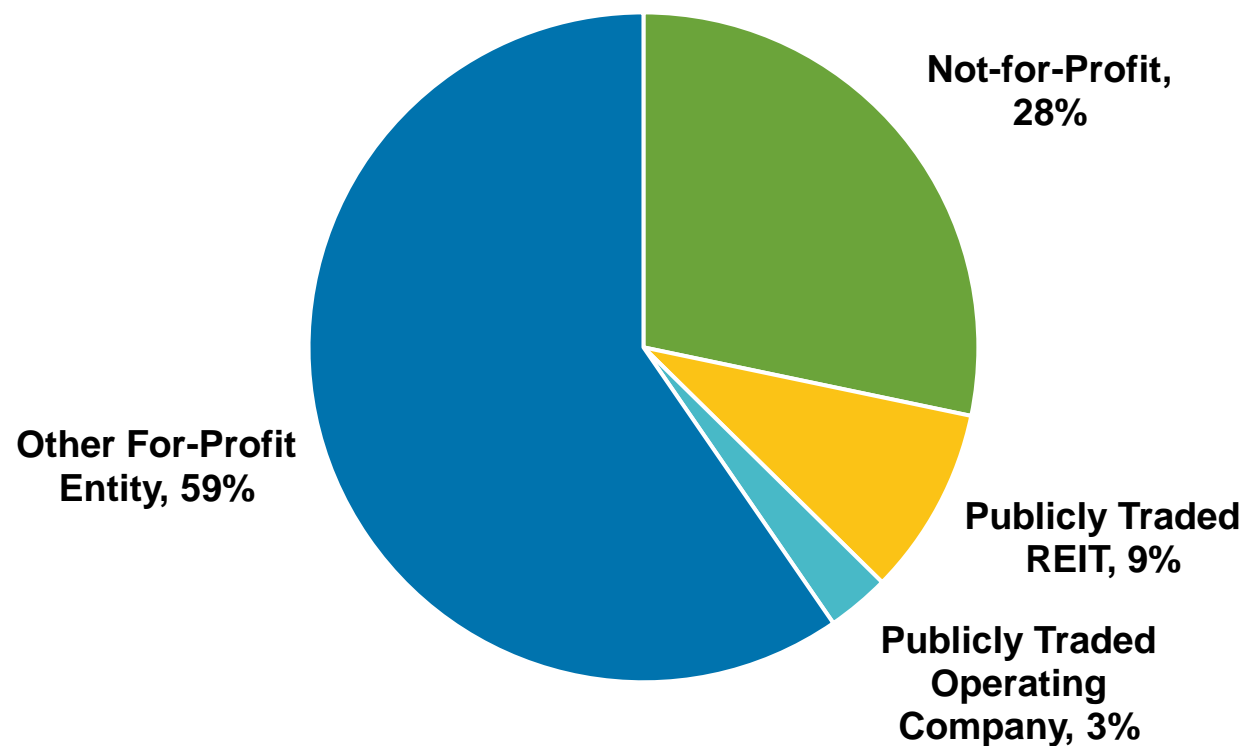
By Community Type	# Properties	# Units***
Independent Living (IL)	3,400	540,700
Assisted Living (AL)	8,100	714,300
Memory Care (MC)	1,600	86,000
Nursing Care (NC)	9,900	1,269,000
CCRC/Life Plan Community	1,900	623,100
<b>Total</b>	<b>24,900</b>	<b>3,233,100</b>

Source: NIC MAP Data; prepared by National Investment Center for Seniors Housing & Care

# Sector Ownership/Sponsorship

Excludes Majority Skilled Nursing

## Senior Housing Ownership



Source: NIC, 2024

Note: 77% of Nursing Care beds are operated by for-profit entities

# Senior Living & Care Sector: Fragmentation

## Not-for-Profits

Often more integrated models  
across the full continuum

## For-Profits

For-Profit  
Seniors  
Housing

For-Profit  
Nursing  
Homes

For-Profit  
HCBS

# Common Sources of Capital

## DEBT

Commercial Banks

HUD

Fannie Mae & Freddie Mac

Commercial Finance Companies

Life Insurance Companies

Tax-Exempt Bonds

## EQUITY

Private Equity

Public Operating Companies

Government Tax Credits

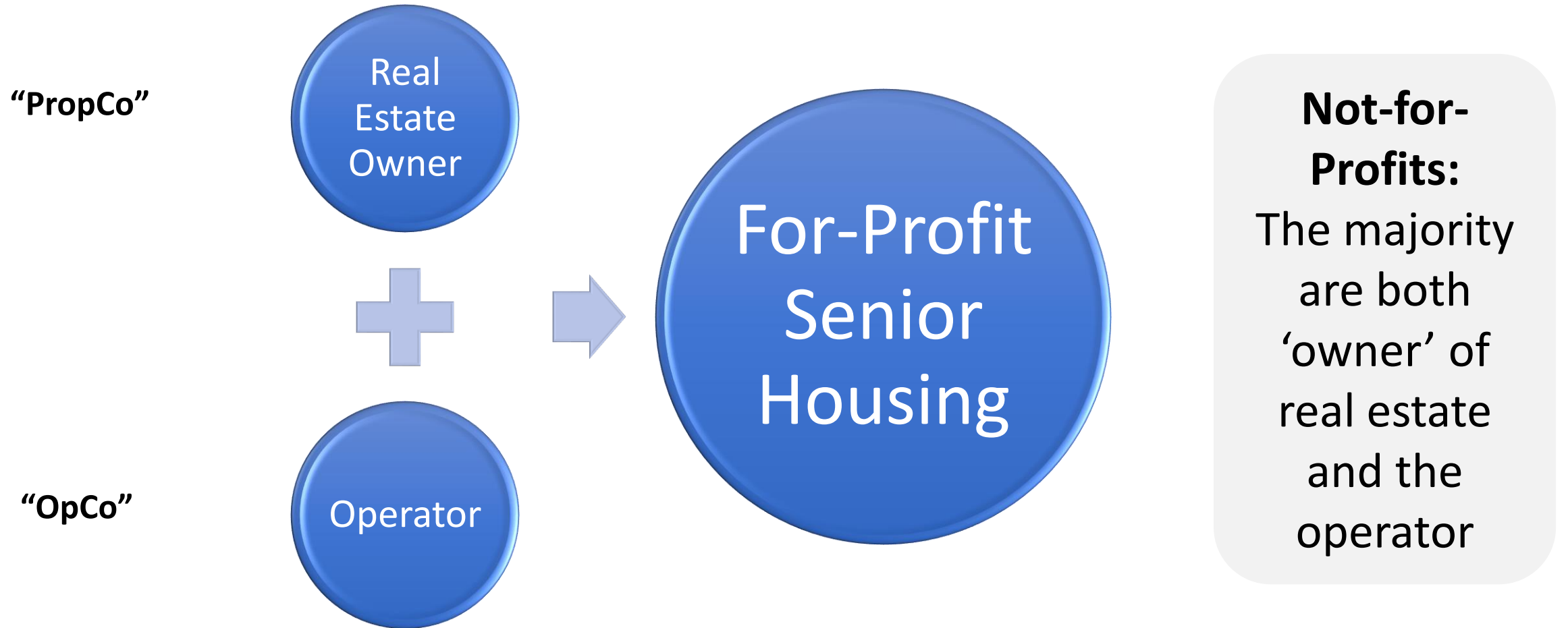
High Net Worth Families

## REITs

Public Healthcare REITs

Private Healthcare REITs

# Common Owner/Operator Structure



# Definitions to add Clarity



## MANAGER

Entity responsible for oversight and management of day-to-day business as outlined in a management agreement.



## OPERATOR

Entity (often called an OpCo) that assumes business risks and benefits.

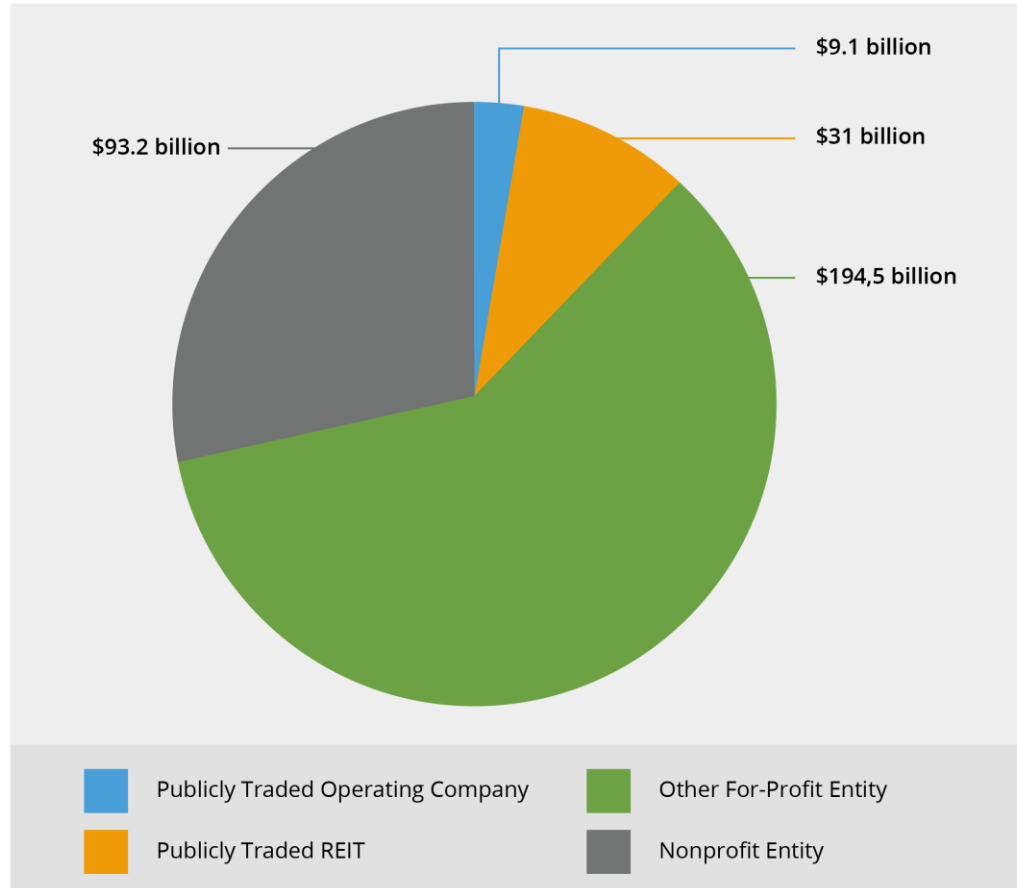


## REAL ESTATE OWNER

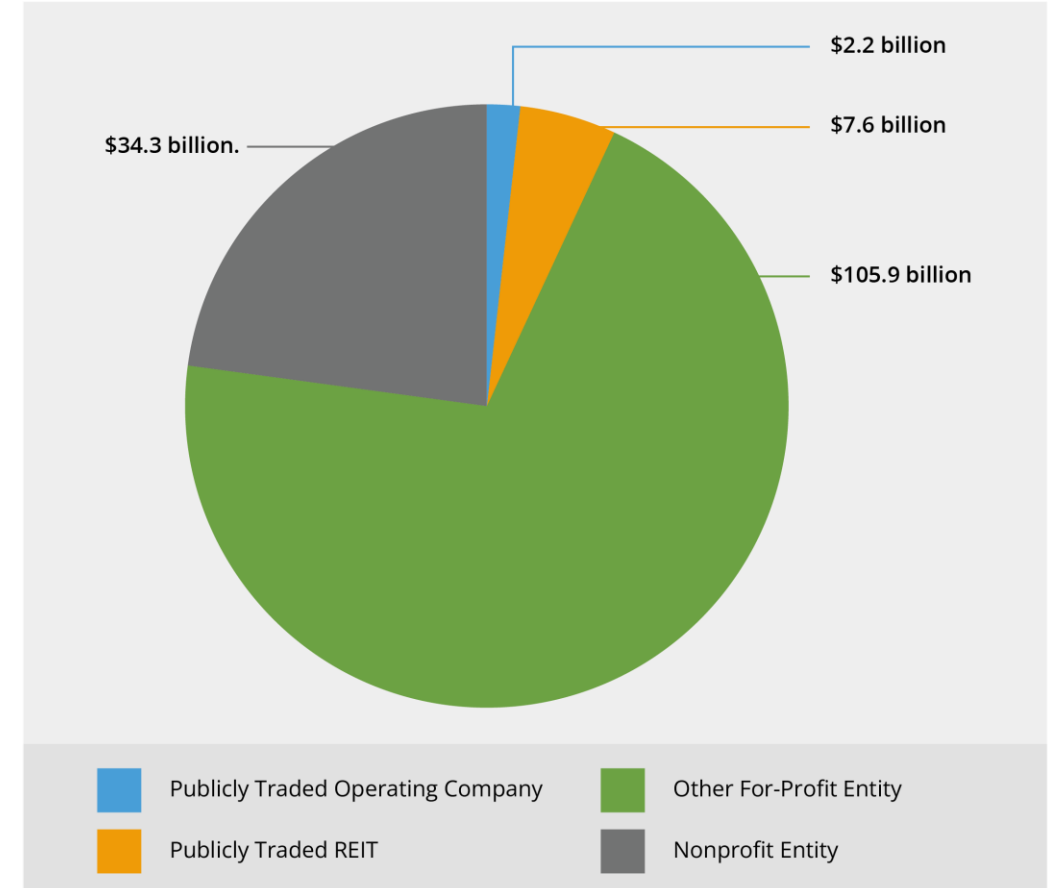
Entity (often called a PropCo) that owns the fee simple real estate.

# Defining the Senior Living Sector Ownership/Sponsorship

Implied Market Value of Senior Housing Properties



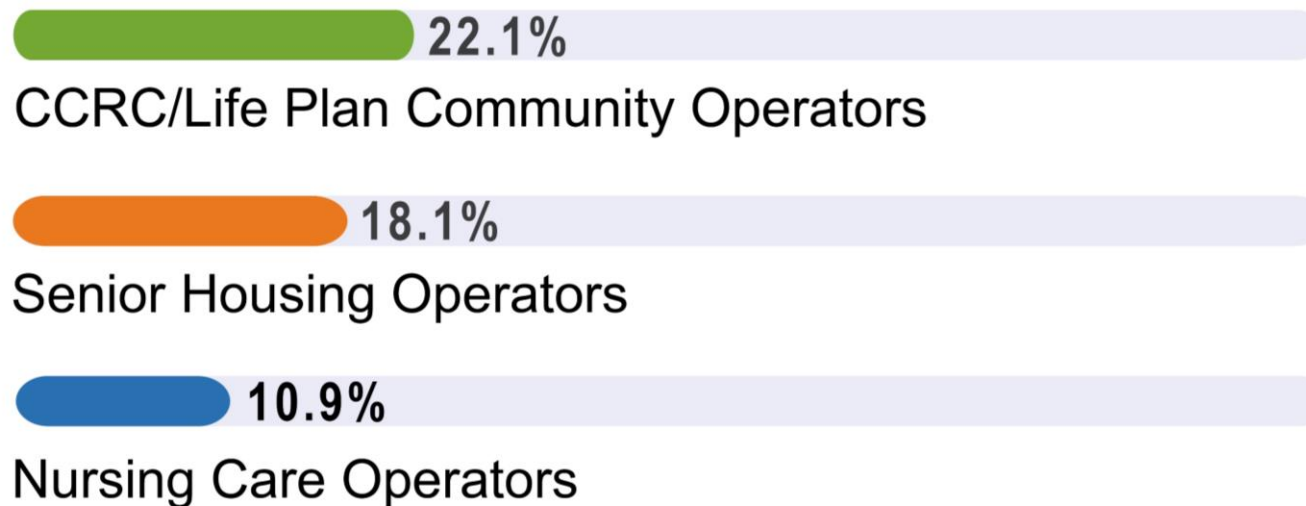
Implied Market Value of Majority Nursing Care Properties



Source: NIC, YE 2022

# Operator Fragmentation

## Share of Total Units/Beds among the 10 Largest Operators\* | By Community Type



Source: National Investment Center for Seniors Housing & Care, NIC MAP 99 markets;

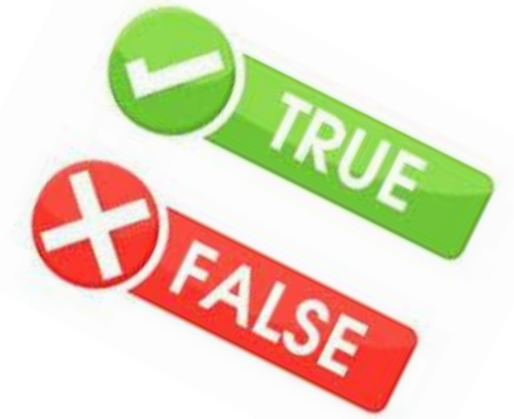
\*May include IL, AL or MC units in addition to nursing beds



# Growth Trends

# For-Profit Growth: True or False?

1. The For-Profit Senior Living owners and operators grow faster than the not-for-profit providers.
2. The For-Profit Senior Living sector has greater access to capital than Not-for-Profits do.
3. The Not-for-Profits are more risk averse than their For-Profit counterparts.



# For-Profit Operator Story & Growth Mindset



*"We have been in this for over 25 years. We got into the business because my grandma had Alzheimer's and we, as a family couldn't find a place."*

*"Several years ago, we set a goal of getting to 10,000 seniors living life on purpose and we're just about halfway there."*

*"If the company's not busy growing, it's busy dying. And if you want the best people, you need to be growing because they want to grow their careers."*

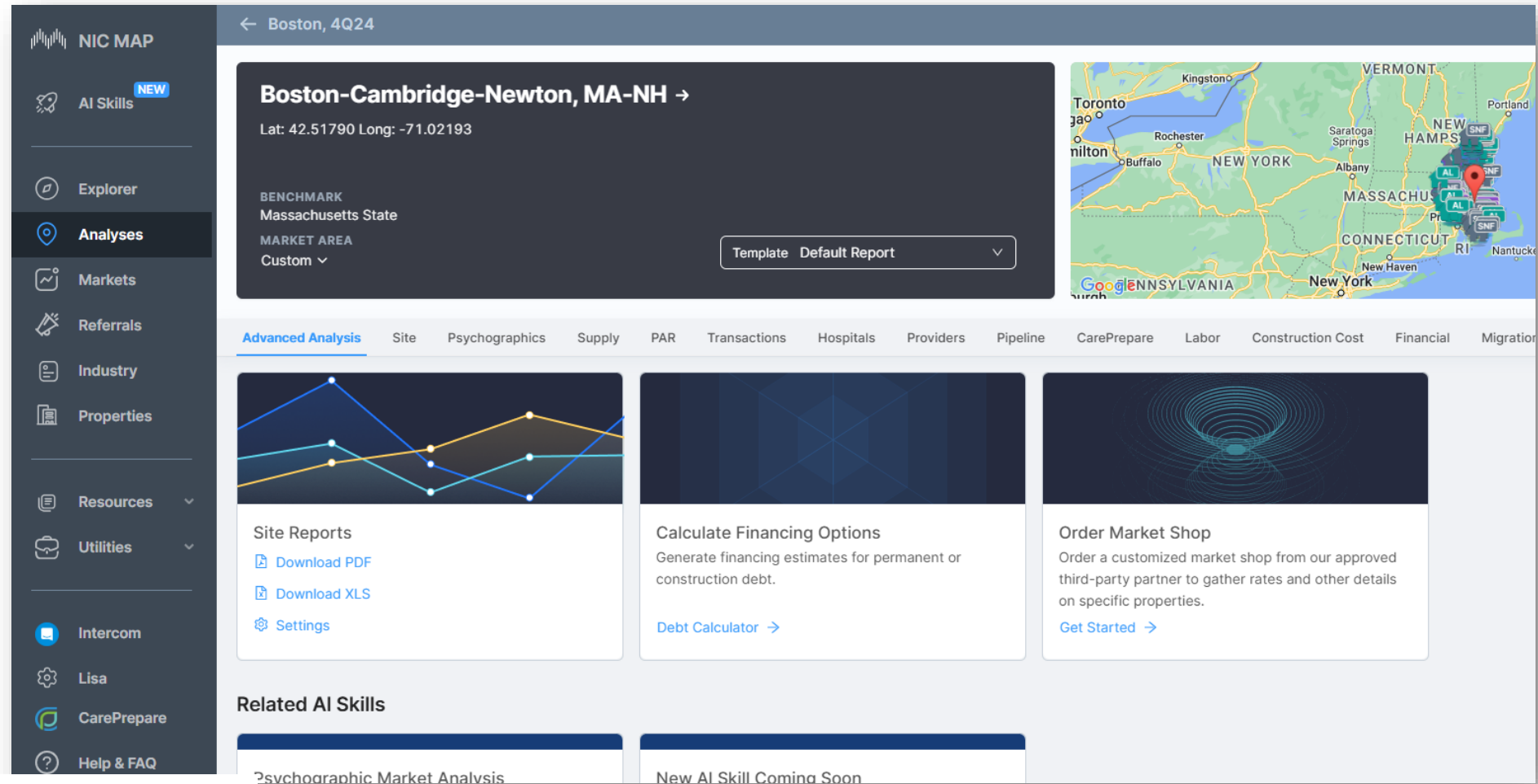


*New Perspective*  
SENIOR LIVING  
LIVING LIFE ON PURPOSE®

# For-Profit Drivers of Growth

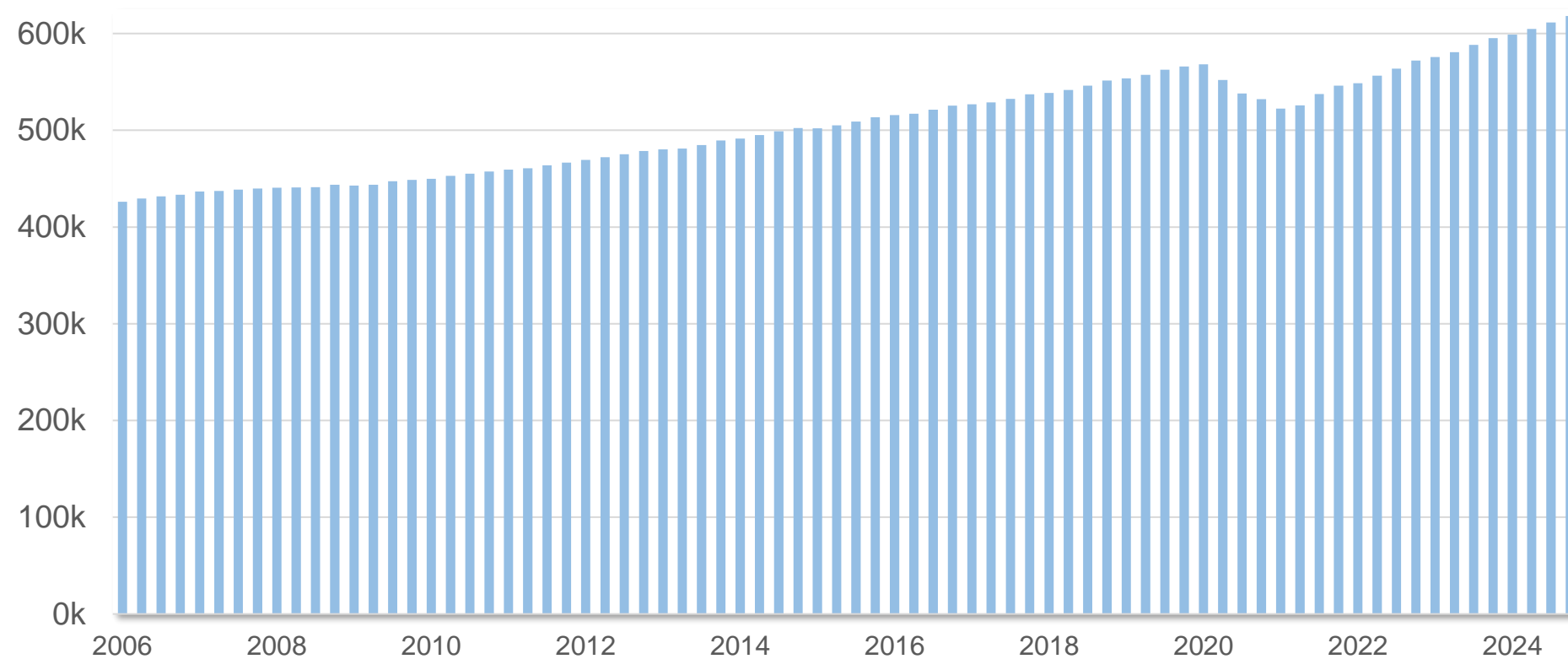
- Understanding of benefits of scale
- Reward for growth – ownership, compensation
- Part of the mindset
- Sometimes pace of growth impacts strategic growth
- Increasing focus on concentrated scale
  - But might limit pace of growth and opportunities
- Willingness to explore new markets
- Capital and operator relationship – one can pull another into growth opportunities
- Significant focus on market analytics and data

# Strong Commitment to Data & Market Analytics



# SH Occupied Units Climb to Record Highs

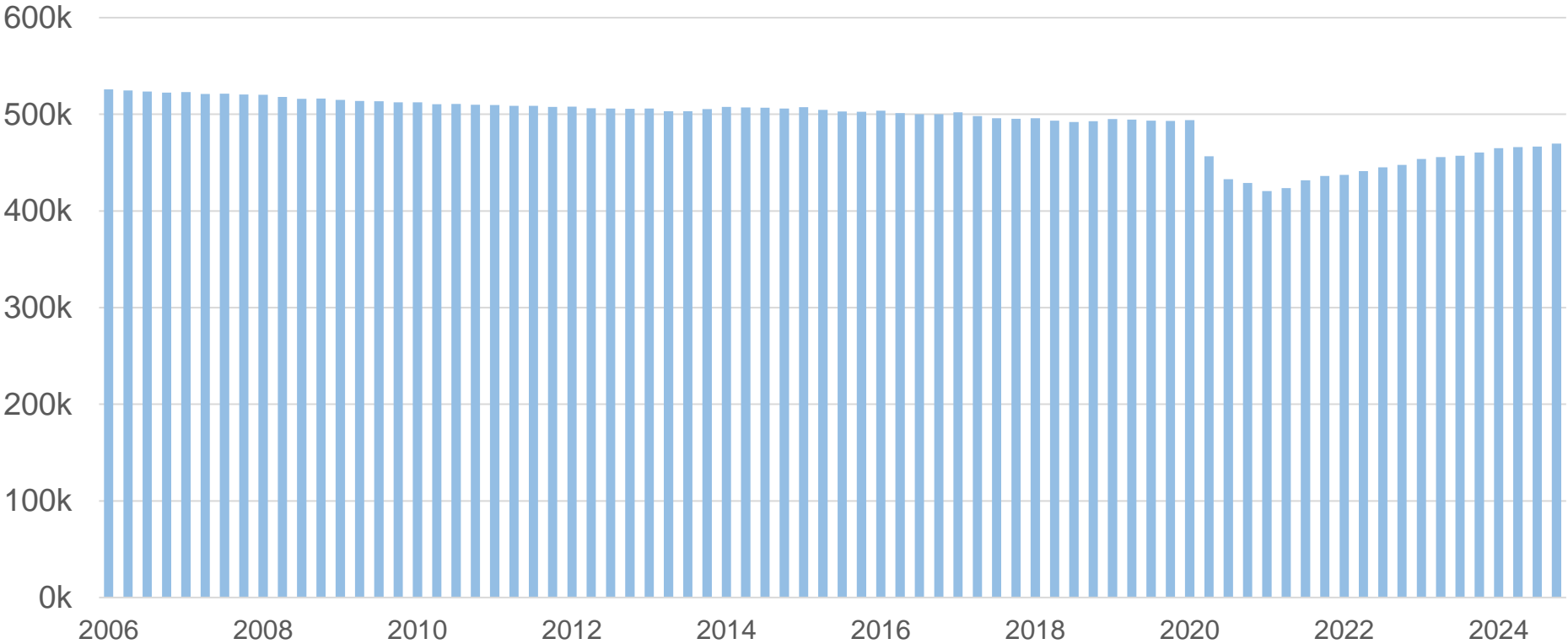
**Occupied Units (Estimated)** | Senior Housing | Primary Markets | 1Q06 – 4Q24



Source: NIC MAP® Data, powered by NIC MAP

# Nursing Care Occupied Units Slower to Recover

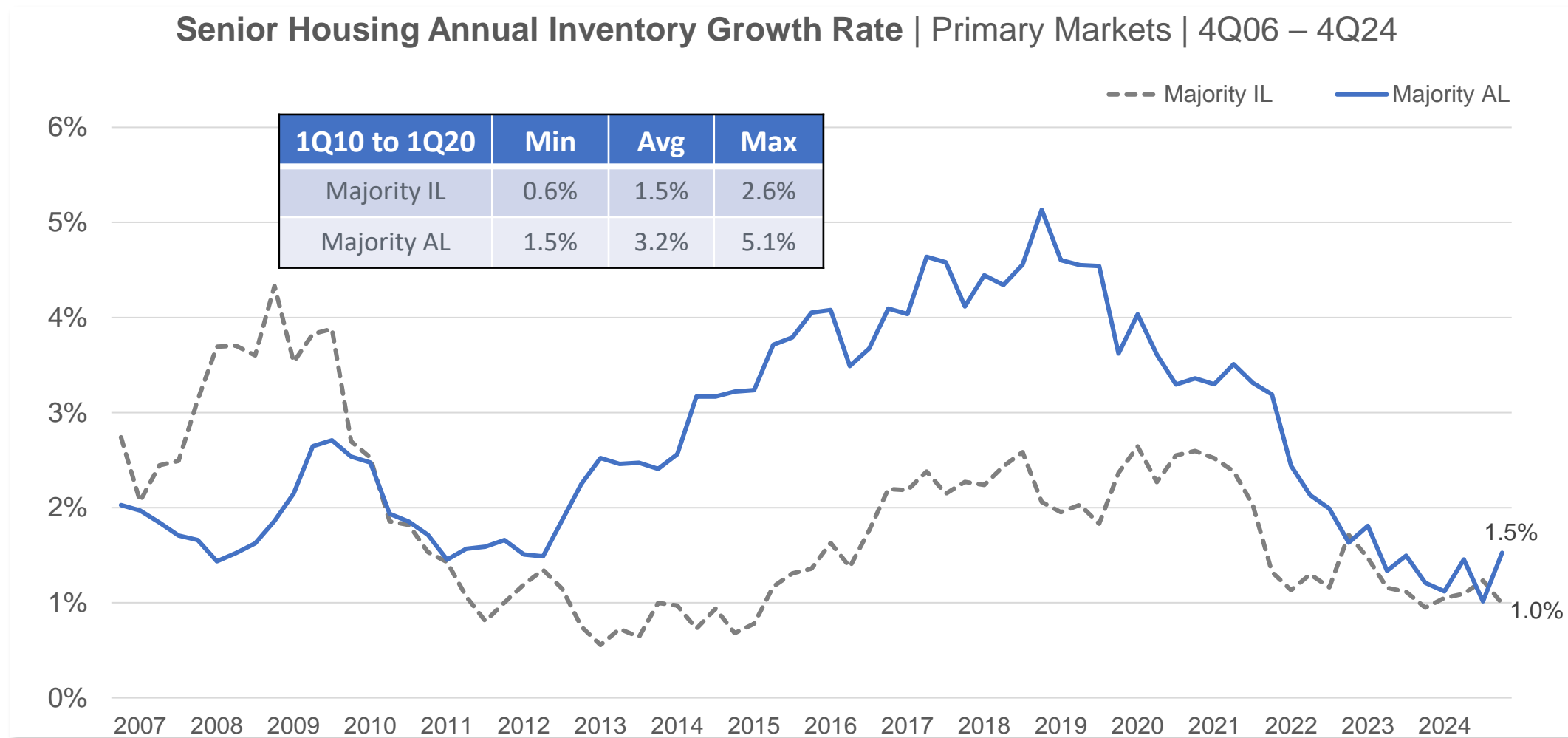
Occupied Units (Estimated) | Nursing Care | Primary Markets | 1Q06 – 4Q24



Source: NIC MAP® Data, powered by NIC MAP



# Annual Inventory Growth Remains Low

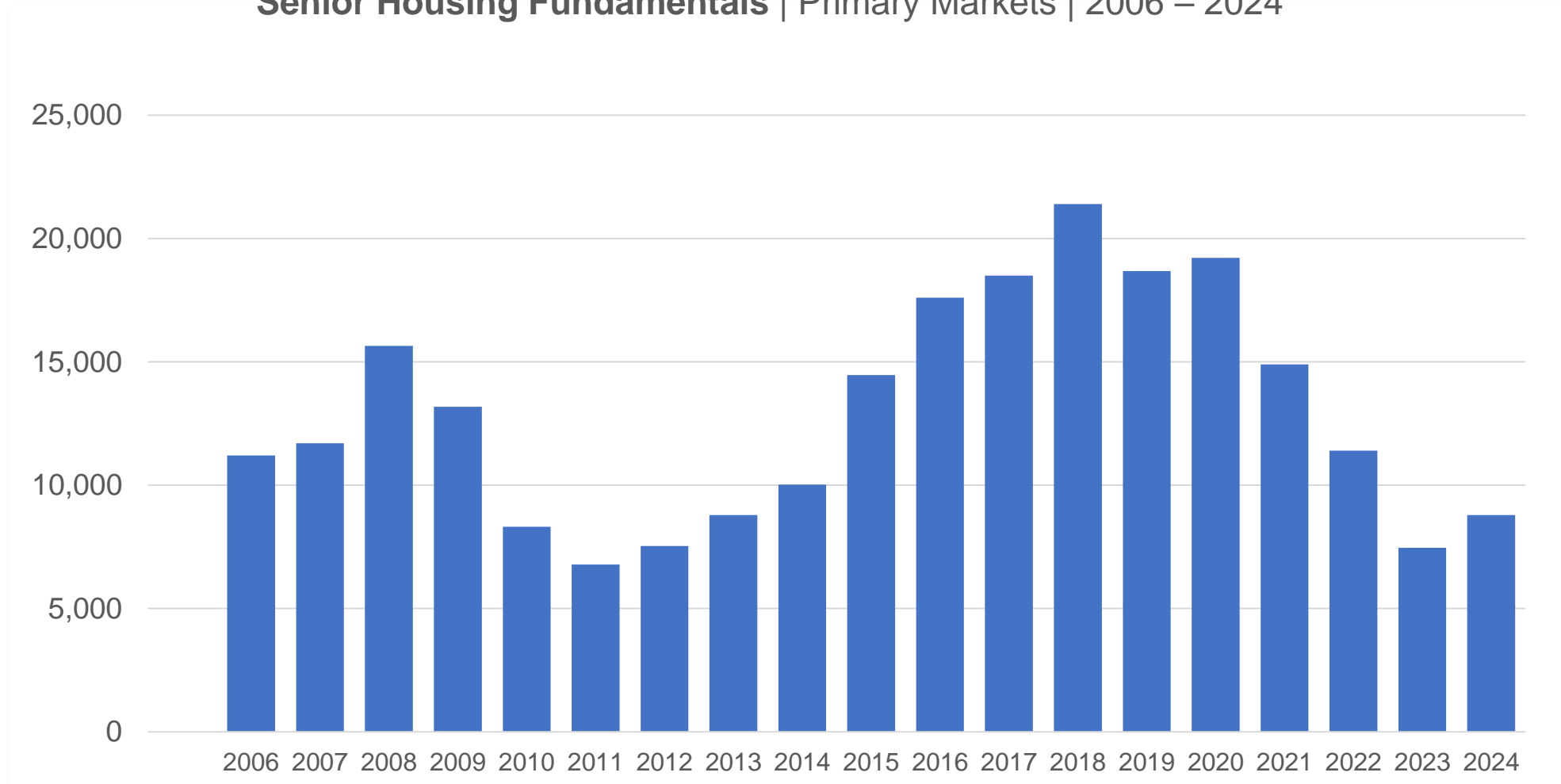


Source: NIC MAP® Data, powered by NIC MAP



# 2024 Inventory Growth Slightly Above 2023

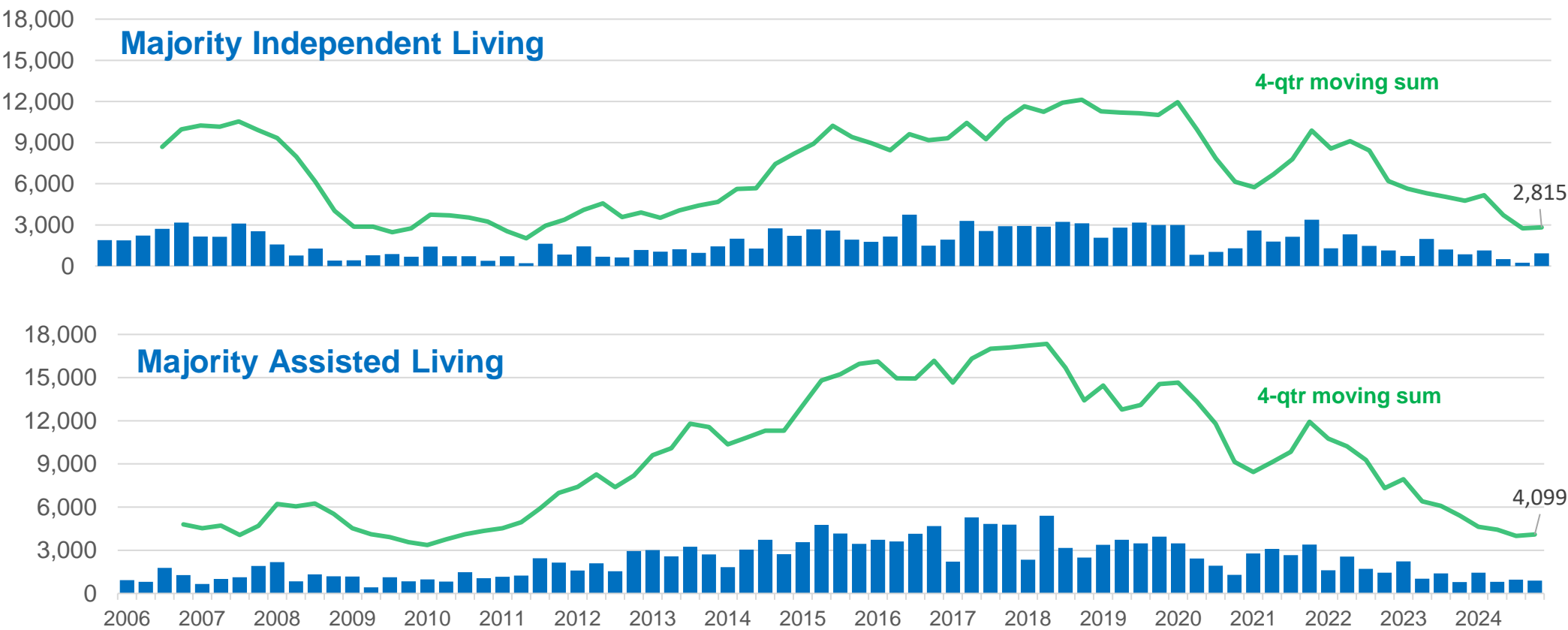
Senior Housing Fundamentals | Primary Markets | 2006 – 2024



Source: NIC MAP® Data, powered by NIC MAP

# Construction Starts Decline 3rd Consecutive Year

Senior Housing Construction Starts (Units)\* | Primary Markets | 1Q06 – 4Q24

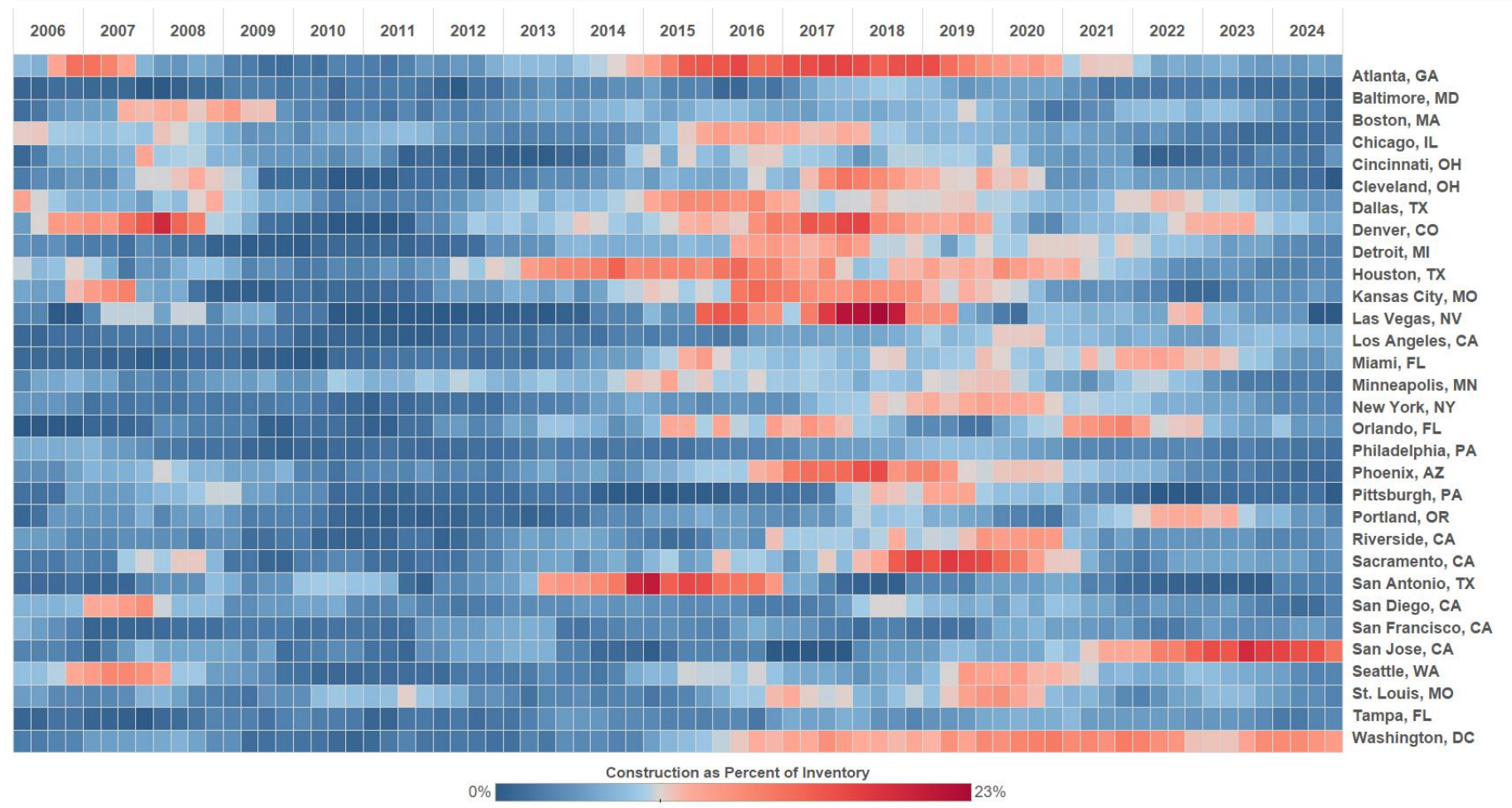


Source: NIC MAP® Data, powered by NIC MAP

\*The most recent quarterly release is subject to revision with further data collection and should be considered preliminary.

# Increasing Number of Markets With No Projects Under Construction

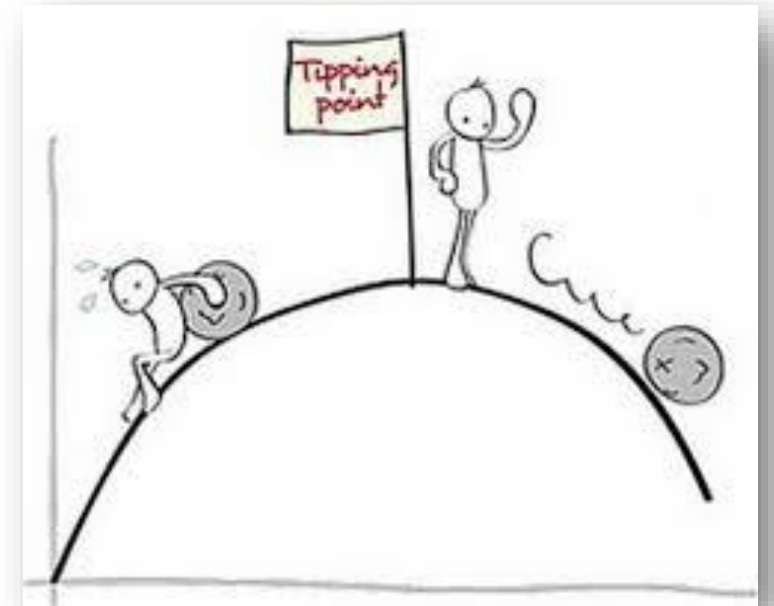
Senior Housing Construction as Percent of Inventory | Primary Markets | 1Q06 – 4Q24



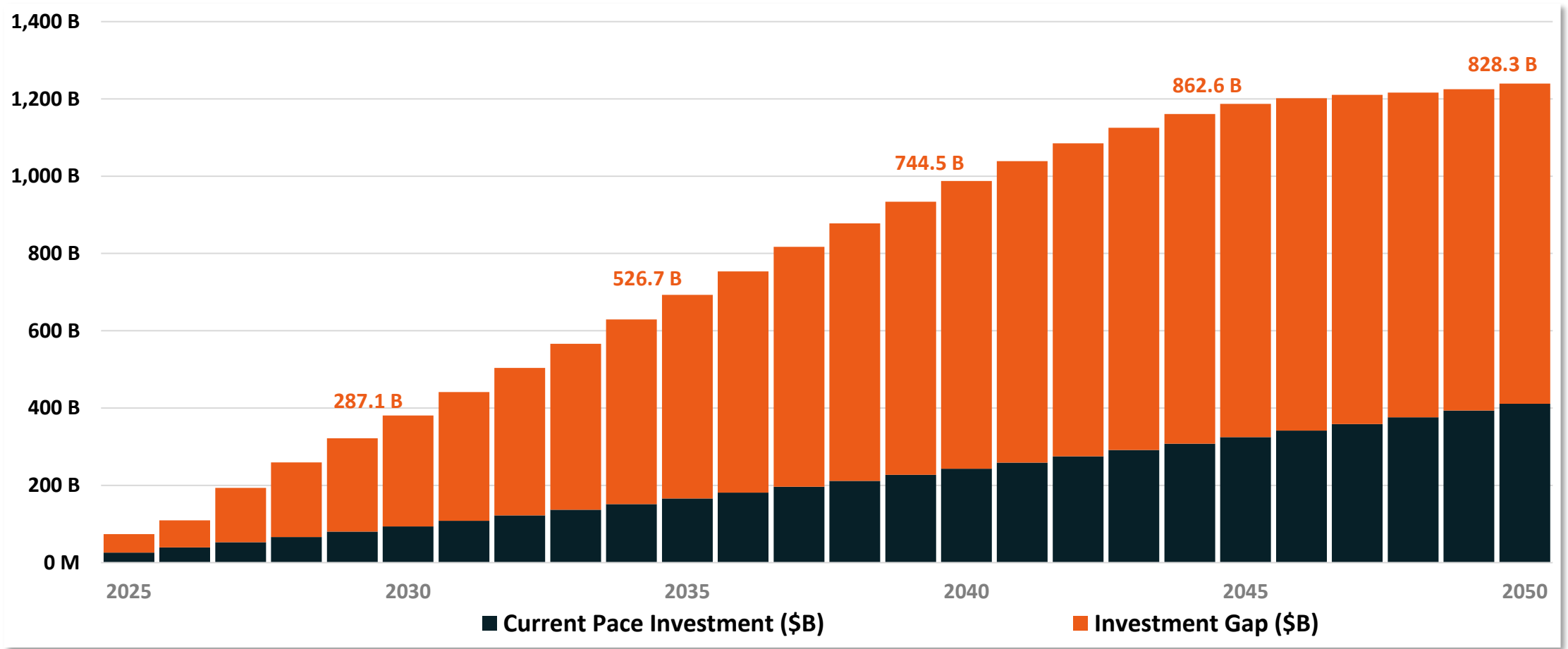
Source: NIC MAP® Data, powered by NIC MAP

# Activity On the Sidelines

- Sufficient capital to support growth
- Desire for new developments
- Need development projects to 'pencil out'
- Once hit the tipping point, movement will likely be quick

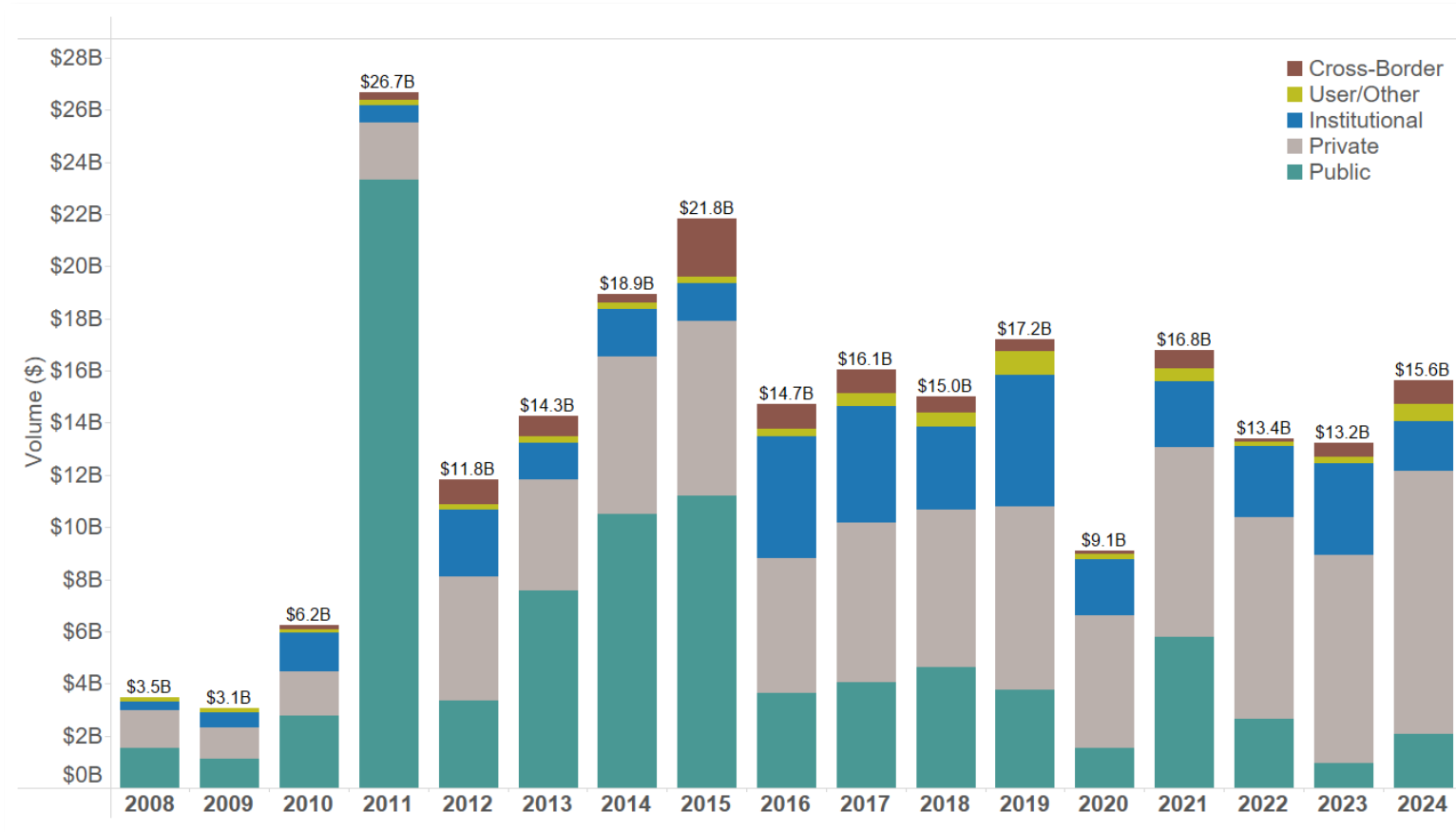


# Future Capital Investment Needed



# Strong Transaction Activity Forecasted for 2025

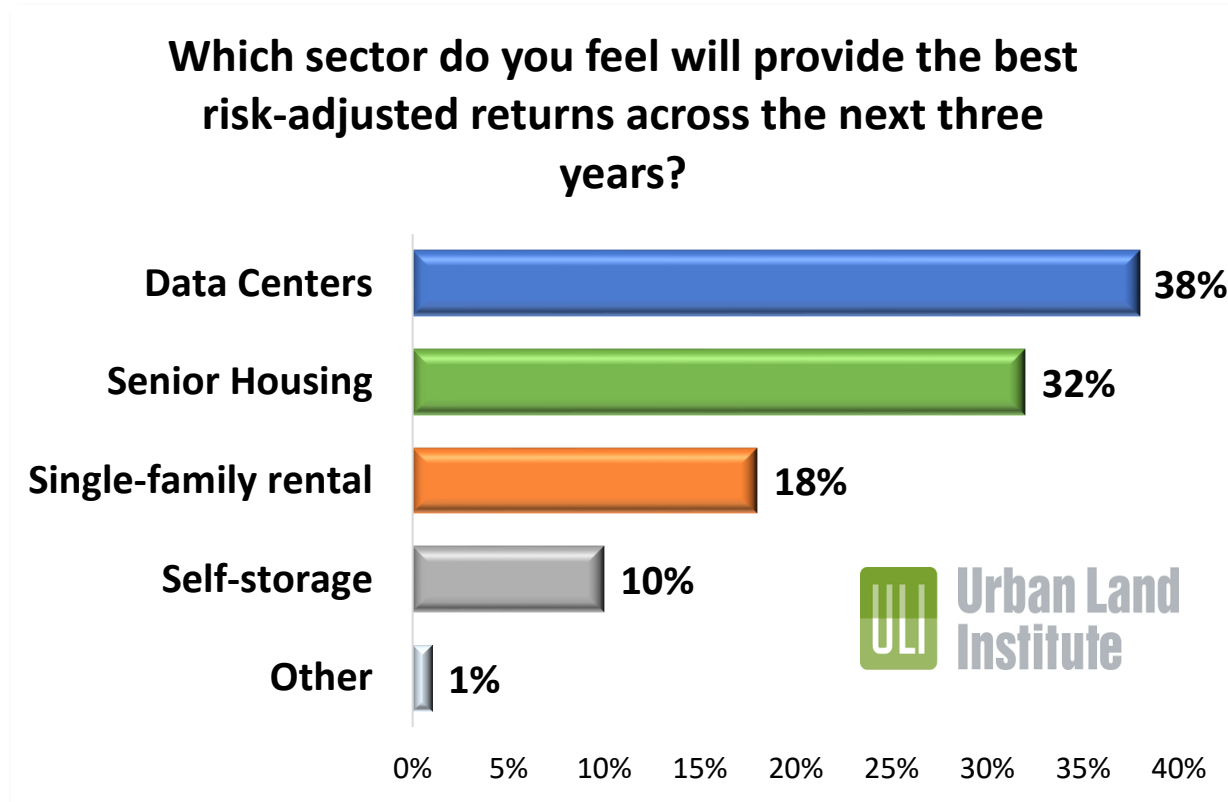
Closed Transactions Senior Housing & Care Volume by Buyer Type<sup>1</sup> | U.S. | 1Q08 – 4Q24



Source: NIC MAP<sup>®</sup> Data, powered by NIC MAP

1. Preliminary Data as of 01/07/2024

# Increased Attention on Senior Housing



**NCREIF**  
Property  
Index

Source: Poll results, ULI Economic Forecast Webinar, October 2024

# Partnerships, Joint Ventures & Alternative Structure Opportunities



# Not-for-Profits with For-Profit Structures

- Ancillary business lines
- Joint venture partnerships with for-profit entities
- Investment/Ownership opportunities

Examples
HCBS Service Lines
Development Companies
Management Companies
Technology Solutions/Companies
Managed Care Partnerships

# Opportunities to Collaborate

- Regional partnerships
- Management agreements
- Partnering around value-based care arrangements
- Expansion of HCBS offerings through joint ventures
- Affordable and middle-market housing for seniors
- Partner to invest and solve an industry problem

# Examples



# Breaking Down Silos & Building Bridges



# The Bottom Line



# Questions?





# NIC Academy

**For More Information,  
Visit [Academy.NIC.org](https://Academy.NIC.org)**

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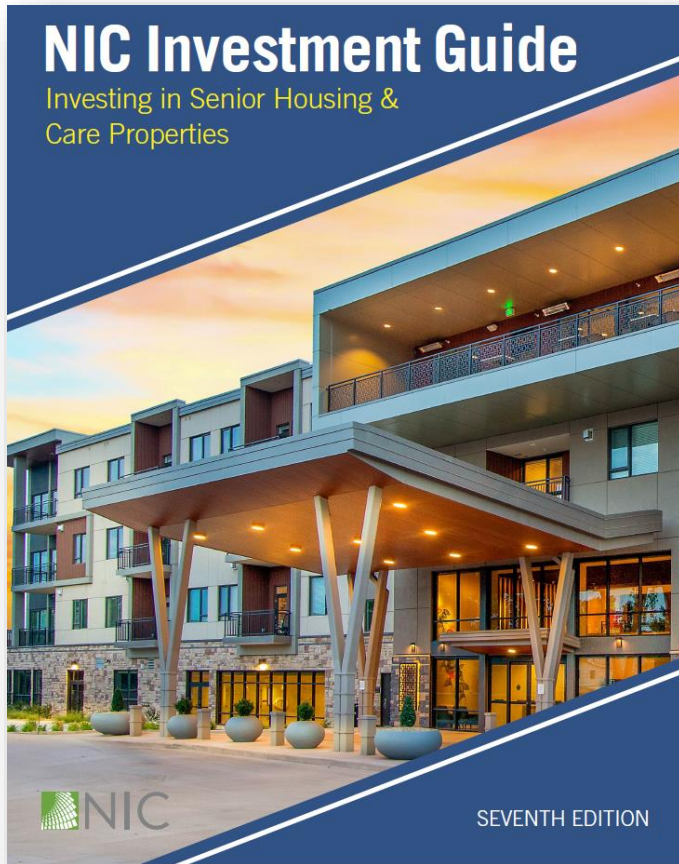
**NIC**  
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conference  
Accelerating Senior Housing

# Unlock Growth for Your Operations

May 7-8, 2025, Indianapolis, IN



# New! Updated NIC Investment Guide



Thank you!

[www.nic.org](http://www.nic.org)