



The State of Seniors Housing 2013

American Seniors Housing Association
Assisted Living Federation of America
LeadingAge
National Center for Assisted Living
National Investment Center for the Seniors Housing & Care Industry

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The State of Seniors Housing 2013

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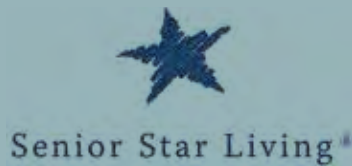
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Introduction

The American Seniors Housing Association (ASHA), Assisted Living Federation of America (ALFA), LeadingAge, National Investment Center for the Seniors Housing & Care Industry (NIC), and National Center for Assisted Living (NCAL), are pleased to announce that this year's *State of Seniors Housing* report reflects an extremely robust sample of market rate seniors housing properties.

FALL 2013

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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 easily submitted in formats they already use, and by upgrading our Excel-based survey design, the set of responses we have attained in 2013 brings us closer to attaining a statistically representative sample.

ASHA, LeadingAge, ALFA, 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 the 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.



Methodology and Data Analysis

ASHA, ALFA, LeadingAge, NCAL, and NIC contacted owners and managers of seniors housing residences throughout the United States and provided the *2013 State of Seniors Housing* survey in an Excel format.

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2013

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, LLC. Several large providers utilized the data-mapping services, while others completed their surveys in the Excel format. Completed questionnaires were carefully reviewed for accuracy and, when appropriate, follow-up with respondents was made to clarify apparent ambiguities or inconsistent responses.

Respondents were asked for operating results for the 12-month period ending nearest to December 31, 2012. The

metrics presented in this report that originated from *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 to sampling errors. Efforts were made, and are ongoing, to minimize the effects of these errors. Results in this report may differ from those in other surveys because of differences in survey timing, question wording, and different respondent samples. A statistical sampling protocol has been used to guide the selection of properties presented in the *State of Seniors Housing* report, so that entities submitting responses for disproportionate numbers of properties would be neither over-represented nor under-represented.



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Aubergine

Beth Von Drehle
Senior Star at Burgundy Place



Red Cliff Dwelling

Ann Delis

Friendship Village of Tempe

Terminology

The findings reported from our analysis 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 the numerical responses.

Means are arithmetic averages, sometimes (where noted) weighted by the number of units, the number of dollars, the number of FTEs, etc., involved — so that larger properties, with more units, more residents, more revenues, etc., can be made to count more heavily in the averages. For example, “average” number of FTEs per resident for a set of properties could be calculated either by (1) adding the total number of FTEs in the entire set, then dividing by the number of residents in the entire set, or by (2) averaging the FTEs per resident, property by property, with both large and small properties assigned equal weights. We endeavor to make clear which averaging method is used in the various tables.

Measures derived from percentile data are presented extensively throughout this report, including: the 10th and 90th percentiles (the lower and upper deciles); the 25th and 75th percentiles (the lower and upper quartiles); and the 50th percentile, referred to by some as the median. Medians are sometimes preferred over means or 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.

STATISTICAL TERMINOLOGY

Count Number of responses	Mean Arithmetic average of numerical responses.	Lower Decile The [weighted] average of the lowest 10% of responses	Upper Quartile The [weighted] average of the highest 25% of responses
Sum Aggregate value of numerical responses.	Median The [weighted] average of the 40th through the 60th percentile	Lower Quartile The [weighted] average of the lowest 25% of responses	Upper Decile The [weighted] average of the highest 10% of responses

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In this report (and in contrast to report years before 2012), the financial and operating 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 “cut-point” separating that decile or quartile from the next. This presentation 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 similar vein (and also in contrast to report years before 2012), the financial and operating metric presented as a “median” in this report is not (except where so identified) the particular middle property in a set arrayed in ascending or descending order, but rather the average of the properties in the middle two deciles (the 5th, and 6th decile, in other words from the 40th to the 60th percentile). By doing so, the “median” 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” of an entire set of data, and still without undue influence from extreme high or low values.

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

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

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



A Pair and A Pear

Joanne Just
Heritage of Green Hills

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Estelle Dudiak
Senior Star at Weber Place

Definitions and Nomenclature

Categorizing seniors housing remains a challenge because states use different nomenclature and regulatory systems. By utilizing very specific survey instructions and data sorting techniques, we believe that property types have been accurately and uniformly categorized for purposes of this report.

CATEGORIZATION OF UNIT TYPES

Respondents were asked to identify units and/or beds for 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 55 years of age or older. Although optional meal plans may be offered, the base monthly fee does *not* include meals in a common dining facility, and therefore, “senior apartments” are different from “independent living units.”

Independent Living Units: Designed for seniors who pay for some services (e.g., housekeeping, transportation, meals) as part of a monthly fee or rental rate, and who require little, if any, assistance with Activities of Daily Living. Typically, independent living units are not licensed for health care. Residents of independent living units may receive home health care services provided to them by either an outside agency or an affiliate of the property management. In order to qualify as an independent living property, the

community must contain a common dining facility that provides at least one daily meal as part of the monthly fee.

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

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

Skilled Nursing Beds: Licensed nursing beds.

CATEGORIZATION OF PROPERTY TYPES

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

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

The **independent living community** category is comprised of two distinct sub-categories: (1) includes properties

with independent living units only, and (2) properties with both independent living units and assisted living beds but in which the majority of the property's units are for independent living.¹

The **assisted living** category² is comprised of several distinct sub-categories: (1) "freestanding" assisted living residences, together with assisted living residences predominantly containing assisted living beds, but which may sometimes include a small number of independent living units — although the majority of the property's units/beds (and therefore revenues) are for assisted living. Separately identified, where applicable, are: (2) assisted living properties that also contain Alzheimer's/dementia care beds; (3) properties that may contain only Alzheimer's/dementia care beds, or Assisted living with skilled nursing and/or other specialty care beds.

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

Continuing care retirement communities (CCRCs) feature a combination of independent living units and skilled nursing beds, as well as properties that combine independent living units, assisted living (and/or Alzheimer's) beds, and skilled nursing beds. The *State of Seniors Housing* report categorizes CCRCs separately from independent living communities, in contrast to some other industry publications which consider CCRCs to be a sub-category of other property types, such as independent living communities.

¹ Note this is a change from *State of Seniors Housing* reports before 2012, in which Independent Living categories consisted of (1) those with independent living units only, and (2) those with both independent living units and (any) assisted living beds.

² Note this is a change from *State of Seniors Housing* reports before 2012, in which Assisted Living categories consisted of (1) freestanding assisted living residences containing assisted living beds only, and (2) assisted living properties that also contain skilled nursing, other specialty care beds, and/or Alzheimer's/dementia care beds (and which included even freestanding Alzheimer's care properties)

ENTRANCE FEE CONTRACT DEFINITIONS

The following choices were provided to survey respondents:

Life Care Contract (Type A): A resident typically pays an upfront fee and an ongoing monthly fee in exchange for the right to lifetime occupancy of an independent living unit and for certain services and amenities. Residents who require assisted living or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living. Type A contracts are almost always associated with not-for-profit CCRCs and are called “extensive care contracts” by some. Although fees may increase over time, they are not to do so because care needs have changed.

Modified Contract (Type B): A resident typically pays an upfront fee and an ongoing monthly service fee for the right to stay in an independent living unit and receive certain services and amenities. A modified contract obligates a CCRC to provide the appropriate level of assisted living or nursing care to residents who entered independent living units, as in an extensive care contract, but only for a specified period of time at a specified rate that may or may not be tied directly to the independent living rate.

Fee-For-Service Contract (Type C): Requires an entrance fee but does not include any discounted health care or assisted living services. Typically residents receive priority admission or guaranteed admission for these services, but residents who require assisted living or nursing care pay the regular per diem

rate paid by those admitted from outside the CCRC.

Rental CCRC: Residents pay no up-front entry fee³ at the time of occupancy of an independent living unit, and the resident pays the prevailing market rate for the level of care provided.

OTHER TERMS DEFINED

“Return on [Past] Investment” (Unleveraged): NOI divided by total project investment (debt and equity). For acquired properties, that total project investment is total historical cost: purchase price plus all capital costs incurred to date, including subsequent expansions/renovations after acquisition. For properties developed “from the ground up”, that total project investment is also total historical cost: development cost including land acquisition, pre-marketing, and subsequent expansions/renovations after initial development. Because the total project investment in the ROI denominator is in terms of historical cost — sometimes from many years ago — and is *not* adjusted for inflation or time-value-of-money, the “Return on investment” presented in this report is not necessarily equivalent to a current capitalization rate.

Net Operating Income (NOI): Total revenues minus total operating expenses; the latter defined as labor, marketing/advertising, repairs/maintenance, property taxes, insurance, raw food and/or outsourced dietary service expenses, utilities, management fees, property level operating expenses and corporate allocations. NOI is calculated before deductions for operating lease payments, ground lease payments, debt service, depreciation,

amortization, income taxes, partnership expenses, capital expenditures, and replacement reserves above normal repair and maintenance. NOI is analogous to the quantity represented by the commonly used acronym EBITDAR (Earnings Before Interest, Taxes, Depreciation, Amortization, and Rent).

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 non-routine repairs and maintenance.

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

Debt Coverage Ratio: NOI divided by total debt service.

Replacement Reserve: An allowance for the periodic replacement of building and Furniture, Fixtures & Equipment components. The replacement reserve is also known as “CapEx” (capital expenditures).

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

³ Although a deposit and/or community fee consisting of up to a nominal number of months’ rent may be paid up front, an entry fee of more than \$20,000 is not required.



Rocks and Stream

Elaine Fairchild

Friendship Village of Tempe

Chapter

1

COMMUNITY TYPE AND UNIT MIX

The State of Seniors Housing 2013 summarizes data collected from more than 1,600 seniors housing properties located throughout the U.S. Where required, a randomized selection from the data submitted by larger operators was employed in the financial reporting, in order to prevent those results from being disproportionately impacted by a few very large providers.

The survey data, collected in 2013, describe performance results for the 12 months ending nearest to December 31, 2012 unless otherwise noted.

Most properties (about 75% — or more, including some Continuing Care Retirement Communities) in the survey sample offer assisted living units. Properties consisting *predominantly* of assisted living and/or Alzheimer's care units comprise more than 55% of the total survey sample. Freestanding independent living communities represent 8.9% of the sample while almost 30% of the sample (not including CCRCs) predominantly contains independent living units; that goes up to almost 40% when CCRCs are included. CCRCs comprise only one in ten of the communities, but a greater proportion — almost 3 in every 10 — of the units, because individual CCRCs are typically of much larger size.

The response set totals more than 200,000 units — representing approximately one in every seven of the units in investment-grade independent living, assisted living, and CCRC properties in the U.S. in aggregate.⁴ The greatest proportion of units (35.2%) are found within independent living communities (including those with some assisted living and Alzheimer's care units), followed by units in CCRCs (29.9 %) and assisted living residences (27.1% including some Alzheimer's care beds, with another 2.1% of the units being located in free-standing Alzheimer's care residences).

We believe the response set includes one in every seven 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, neither of which were a focus in this study) and better than one in every seven of the U.S. investment-grade inventory of *units* in all professionally-managed seniors properties — again, excluding seniors apartments and skilled nursing beds.

As requested by readers of this report, the tables and charts have drilled deeper to show more configurations of levels of care offered to residents than simply breakouts by independent living, by assisted living, and by CCRC communities. However, because breakouts of various segments within the industry necessarily involve fewer properties and units, readers are cautioned that conclusions from those smaller statistical breakouts may merit a correspondingly lower degree of confidence.

⁴ www.nic.org/images/research/faq/faqs_supplyinvest2012.png

TABLE 1.1**SURVEY RESPONDENTS BY COMMUNITY TYPE**

<i>Community Type</i>	<i># of Respondents</i>	<i>Percentage</i>
Senior Apartment	98	6.0%
Independent Living	146	8.9%
Independent/Assisted Living	233	14.2%
Independent/Assisted Living/Alzheimer's Care	81	4.9%
Assisted Living	412	25.1%
Assisted Living/Alzheimer's Care	380	23.1%
Freestanding Alzheimer's Care	114	6.9%
Assisted Living/Skilled Nursing	12	0.7%
CCRC	166	10.1%
Nursing	2	0.1%
TOTAL	1,644	100%

TABLE 1.2**TOTAL UNITS / BEDS BY TYPE OF COMMUNITY**

<i>Community Type</i>	<i>Total Units / Beds</i>	<i>Percentage</i>
Senior Apartment	10,095	4.8%
Independent Living	22,087	10.4%
Independent/Assisted Living	37,635	17.7%
Independent/Assisted Living/Alzheimer's Care	14,841	7.0%
Assisted Living	24,136	11.4%
Assisted Living/Alzheimer's Care	33,383	15.7%
Freestanding Alzheimer's Care	4,352	2.1%
Assisted Living/Skilled Nursing	1,837	0.9%
CCRC	63,457	29.9%
Nursing	284	0.1%
TOTAL	212,107	100%

Chapter

2

GEOGRAPHIC DISTRIBUTION OF PROPERTIES AND OF UNITS

DISTRIBUTION OF COMMUNITIES BY STATE

Surveys were received from a diverse and widespread range of respondents, leading us to believe that the results reported here are reliably representative of the “*State of Seniors Housing*” across the U.S.

Surveys were received from:

- All 48 states in the contiguous United States;
- From every region (Northeast, Southeast, North Central, South Central, and West) of the continental United States;
- From properties in hundreds and hundreds of separate U.S. cities and towns; and,
- From properties ranging from quite small (i.e., a few dozens of units; fewer than a dozen employees) to quite large (thousands of units; hundreds of employees; tens of millions of dollars in annual revenue)

The top 10 states accounted for more than half the properties (57.8%) and more than half the total units/beds (55.7%) — see Table 2.1 — which provides further evidence that the response set is presumably geographically-representative of the U.S., where the 10 most-populous states comprise just-over-54% of the U.S. population.⁵

Considering all property types together, California accounts for the largest proportion of the property responses (13.7%) followed by Texas (10.0%) and Florida (8.8%).

California also ranks as the top state in the states’ rankings in *numbers of units/beds* in this year’s response set, with 13.6% of the national total, followed by Florida (9.8%) and Texas (9.4%).

Those same three states — California, Texas, and Florida — also figure in the top five rank for most community types, but many other states are also represented in the top five rankings — see Table 2.2:

- Michigan and New York for Independent Living;
- North Carolina and Oklahoma for Assisted Living;
- Pennsylvania and Arizona for CCRCs

REGIONAL DISTRIBUTION

The largest proportion of all units/beds in this year’s sample was from the West region (28.2%), followed closely by the Southeast (25.8%) and then by the Northeast (17.1%). As with individual states, the regional rankings indicate that this year’s response set was diverse geographically and representative of the U.S. as well; the proportions of units/beds by region matches very closely with the proportion of U.S. population in each of those regions.

⁵ <http://factfinder2.census.gov>

TABLE 2.1

DISTRIBUTION OF ALL COMMUNITIES BY STATE (TOP TEN STATES)

<i>Rank</i>	<i>State</i>	<i># of Prop's</i>	<i>% of Total</i>	<i># of Units</i>	<i>% of Total</i>
1	CA	226	13.7%	28,795	13.6%
2	TX	164	10.0%	19,917	9.4%
3	FL	144	8.8%	20,753	9.8%
4	NC	76	4.6%	6,709	3.2%
5	OH	68	4.1%	6,540	3.1%
6	MI	62	3.8%	7,482	3.5%
7	AZ	54	3.3%	9,652	4.6%
8	WA	54	3.3%	6,606	3.1%
9	NY	52	3.2%	5,312	2.5%
10	CO	50	3.0%	6,336	3.0%
TOTAL OF TOP 10		950	57.8%	118,102	55.7%
TOTAL OF ALL STATES		1,644	100.0%	212,107	100.0%

TABLE 2.2

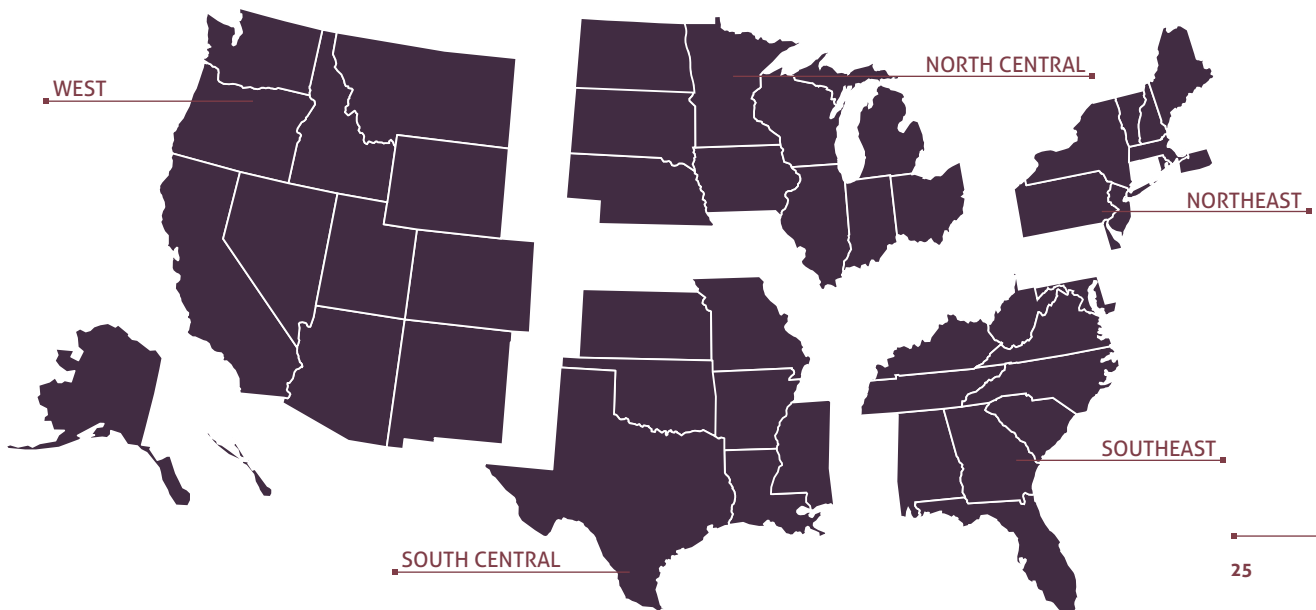
DISTRIBUTION OF COMMUNITIES BY STATE AND TYPE (TOP FIVE STATES)

<i>Rank</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
1	TX (23)	CA (36)	TX (44)	CA (55)	FL (16)
2	CA (19)	WA (28)	FL (40)	TX (44)	TX (15)
3	MI (16)	FL (26)	CA (38)	FL (26)	CA (14)
4	NY (9)	TX (19)	NC (28)	MA (24)	PA (12)
5	FL (7)	IL (18)	OK (24)	CT (22)	AZ (10)

TABLE 2.3

REGIONAL DISTRIBUTION OF TOTAL UNITS/BEDS BY COMMUNITY TYPE

Region	Northeast	Southeast	North Central	South Central	West	No Response	Total
IL	1,621	3,409	4,578	6,349	4,985	1,145	22,087
% of Those Responding	0.8%	1.6%	2.2%	3.0%	2.4%		10.6%
IL/AL	3,183	8,634	6,811	4,121	14,735	151	37,635
% of Those Responding	1.5%	4.1%	3.3%	2.0%	7.1%		18.0%
Assisted Living	3,021	5,759	3,823	4,024	7,238	271	24,136
% of Those Responding	1.4%	2.8%	1.8%	1.9%	3.5%		11.6%
AL/ALZ	8,130	7,462	3,901	4,287	8,816	787	33,383
% of Those Responding	3.9%	3.6%	1.9%	2.1%	4.2%		16.0%
CCRC	17,213	22,111	6,855	8,549	8,729	—	63,457
% of Those Responding	8.2%	10.6%	3.3%	4.1%	4.2%		30.4%
All Other	2,477	6,542	3,326	3,743	14,324	997	31,409
% of Those Responding	1.2%	3.1%	1.6%	1.8%	6.9%		15.0%
TOTAL UNITS / BEDS	35,645	53,917	29,294	31,073	58,827	3,351	212,107
% OF THOSE RESPONDING	17.1%	25.8%	14.0%	14.9%	28.2%		100.0%



Chapter

3

PROPERTY SIZE

CCRCs, with multiple levels of housing and care, result in the largest total building footprints and the highest number of units. Freestanding independent living communities are larger than freestanding assisted living residences, while combination properties (Independent with assisted living units; assisted living with Alzheimer's care; etc.) are built with more capacity than the respective freestanding buildings.

Even the allocations of space within buildings reflect their different uses. Assisted living properties and those with Alzheimer's care allocate more space proportionally to common areas — as opposed to rentable space — possibly 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 median CCRC (297 units/beds) is more than twice the size of the median independent living community (128 units), which in turn is more than twice the size of the median assisted living community (46 beds) (see Table 3.1). The distribution of communities for each property type by number of units/beds is presented in Tables 3.2 through 3.6.

SIZE DISTRIBUTION BY SQUARE FOOTAGE

CCRCs contain the greatest building area, with median square footage totaling almost 350,000 square feet — about eight acres of floor space. The typical independent living building contains over 120,000 square feet. Assisted living building sizes vary with the type of care provided: those residences offering just assisted living contain less space — about 32,000 square feet — than properties where both assisted living as well as Alzheimer's care are offered, and where the typical size is over 55,000 square feet (see Table 3.7).

Because the predominant purposes and mix of services vary between property types, the allocation of building area between private (rentable) living space and common area also differs between the property

types. In this year's responses, the median proportion of common area to total building area is about 25% for CCRCs, about 30% for independent living communities, and about 35% for assisted living residences — and even more where Alzheimer's care is also provided (see Table 3.8).

SIZE DISTRIBUTION BY ACREAGE

Respondents were also asked to provide the total property size (in acres) of their communities. Because CCRCs are often comprised of more than one building, they are usually situated on *significantly* more land — of our responding CCRCs, half were situated on from five to 99 acres — than either independent living communities or assisted living communities (see Table 3.9).

UNIT SIZE AND MIX

Unit sizes [calculated as the total rentable square footage of a property, divided by the number of units available] clustered around 600 square feet per unit for independent living properties; 350 square feet for assisted living properties; and 750 square feet for CCRCs. (see Table 3.10).

We also collected unit mix data. Independent living units are typically (48%) one-bedroom units, but the proportion of two-bedroom units is higher than from last year's response set. Assisted living units, which in previous years were most typically studio units, this year were evenly split between studios (40%) and units with a separate bedroom from the living area (also 40%).

TABLE 3.1

NUMBER OF TOTAL UNITS/BEDS BY COMMUNITY TYPE — QUARTILE ANALYSIS

	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living	85	128	281
Independent/Assisted Living	89	150	261
Assisted Living	30	46	106
Assisted Living/Alzheimer's Care	51	83	135
CCRC	147	297	837
ALL COMMUNITIES	63	111	232

Note: Properties are ranked by number of units. Each quartile represents the weighted average of all properties falling in that rank, while the median reflects the average of the 5th and 6th deciles.

TABLE 3.2

SIZE DISTRIBUTION OF INDEPENDENT LIVING PROPERTIES BY NUMBER OF UNITS

<i>Units</i>	<i>Number</i>	<i>% of Total</i>
1 – 120	60	41.1%
121 – 160	33	22.6%
161 – 200	19	13.0%
201+	34	23.3%
TOTAL	146	100.0%

TABLE 3.3

SIZE DISTRIBUTION OF INDEPENDENT/ASSISTED LIVING PROPERTIES BY NUMBER OF UNITS

<i>Units</i>	<i>Number</i>	<i>% of Total</i>
1 – 120	68	29.2%
121 – 160	61	26.2%
161 – 200	42	18.0%
201+	62	26.6%
TOTAL	233	100.0%

TABLE 3.4

SIZE DISTRIBUTION OF ASSISTED LIVING RESIDENCES BY NUMBER OF BEDS

<i>Beds</i>	<i>Number</i>	<i>% of Total</i>
1 – 40	116	28.2%
41 – 80	201	48.8%
81 – 120	61	14.8%
121+	34	8.3%
TOTAL	412	100.0%

TABLE 3.5

SIZE DISTRIBUTION OF ASSISTED LIVING/ALZHEIMER'S CARE RESIDENCES BY NUMBER OF BEDS

<i>Units/Beds</i>	<i>Number</i>	<i>% of Total</i>
1 – 40	2	0.5%
41 – 80	137	36.1%
81 – 120	156	41.1%
121+	85	22.4%
TOTAL	380	100.0%

TABLE 3.6

SIZE DISTRIBUTION OF CCRCs BY NUMBER OF UNITS/BEDS

<i>Units/Beds</i>	<i>Number</i>	<i>% of Total</i>
1 – 200	34	20.5%
201 – 300	53	31.9%
301 – 400	32	19.3%
401+	47	28.3%
TOTAL	166	100.0%

TABLE 3.7

MEDIAN SQUARE FOOTAGE BY COMMUNITY TYPE

	<i>Median Total Area (SF)</i>	<i>Median Common Area (SF)</i>	<i>Median Net Rentable Area (SF)</i>
Independent Living	122,361	36,295	86,066
Independent/Assisted Living	130,976	41,825	89,151
Assisted Living	32,051	11,189	20,862
Assisted Living/Alzheimer's Care	55,406	26,304	29,102
CCRCs	349,761	85,852	263,909

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

TABLE 3.8

MEDIAN SQUARE FOOTAGE PERCENTAGE BY COMMUNITY TYPE

	<i>Median Common Area (SF)</i>	<i>Median Net Rentable Area (SF)</i>
Independent Living	29.7%	70.3%
Independent/Assisted Living	31.9%	68.1%
Assisted Living	34.9%	65.1%
Assisted Living/Alzheimer's Care	47.5%	52.5%
CCRCs	24.5%	75.5%

Note: Properties are ranked by total square feet.

TABLE 3.9

MEDIAN PROPERTY SIZE BY COMMUNITY TYPE (IN ACRES)

	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living	2.29	7.70	19.71
Independent/Assisted Living	2.06	5.81	15.84
Assisted Living	1.67	2.84	5.58
Freestanding Alzheimer's Care	2.19	3.80	6.24
Assisted Living/Alzheimer's Care	2.19	4.50	7.98
CCRC	5.10	33.00	99.47
ALL COMMUNITIES	2.07	4.50	10.00

Note: Properties are ranked by land area. Each quartile represents the weighted average of all properties falling in that rank, while the median reflects the average of the 5th and 6th deciles.

TABLE 3.10

AVERAGE UNIT SIZES

<i>Community Type</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living	500	614	907
Independent/Assisted Living	482	625	835
Assisted Living	261	349	598
Assisted Living/Alzheimer's Care	257	345	504
CCRCs	477	764	983
ALL	407	560	804

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

TABLE 3.11

UNIT MIX BY LEVEL OF CARE

	<i>Studio % of Total</i>	<i>One-Bedroom % of Total</i>	<i>Two-Bedroom % of Total</i>
Independent Living			
Weighted Average	12%	48%	40%
Assisted Living			
Weighted Average	40%	40%	20%
Alzheimer's Care			
Weighted Average	88%	8%	4%

Chapter

AGE OF COMMUNITIES

4

Table 4.1 shows that in this year's survey, freestanding independent living communities were typically two years newer than freestanding assisted living communities — the median ages were 14 years and 16 years, respectively. However, independent living properties "skewed" older: the oldest quartile of the independent living communities had been open about 30 years on average — that is, since the 1980s — whereas the oldest quartile of assisted living communities had only been open 20 years or so: built after 1990, on average.

For purposes of this report, properties that had been open less than two years by 12/31/12 were excluded from the sample, as these properties, in most cases, had not yet reached 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 all US properties.

Continuing care retirement communities (CCRCs), on average, were considerably older yet: one quarter averaged 42 years of age or more, and another one quarter averaged between 22 and 42 years of age. Only one quarter averaged *less than* nine years old.

The youngest properties, on average, were properties with both assisted living beds and Alzheimer's care beds.

Of responding CCRCs, more than one-quarter of the units were in properties that had opened before 1986. Of responding independent living residences, more than one quarter of the units were in properties that had opened within a few years of that — before 1990. In contrast, of responding assisted living communities, a much higher proportion of the units were in properties that opened in the latter half of the 1990s (see Table 4.2). And for assisted living communities with Alzheimer's care beds, the highest concentration of units were in properties that had opened in 2000 or after (see Table 4.2).

TABLE 4.1

PROPERTY TYPE BY YEARS OPEN (STABILIZED PROPERTIES ONLY)

<i>Community Type</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living	8	14	30
Independent/Assisted Living	7	16	29
Assisted Living	11	16	22
Assisted Living/Alzheimer's Care	6	14	20
CCRCs	9	22	42
TOTAL	8	15	25

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

TABLE 4.2

AGE OF TOTAL UNITS BY COMMUNITY TYPE

<i>Year Opened</i>	<i>IL</i>	<i>% of IL Respondents</i>	<i>IL/AL</i>	<i>% of IL/AL Respondents</i>	<i>AL</i>	<i>% of AL Respondents</i>	<i>AL/ALZ</i>	<i>% of AL/ALZ Respondents</i>
Before 1986	2,220	13.3%	4,249	12.1%	1,962	8.8%	1,012	3.7%
1986 thru 1989	3,287	19.7%	8,899	25.4%	1,160	5.2%	1,097	4.0%
1990 thru 1995	1,676	10.0%	3,821	10.9%	1,765	7.9%	1,277	4.6%
1996 thru 1999	2,826	16.9%	6,366	18.2%	12,685	56.8%	10,545	38.0%
2000 thru 2010	6,676	40.0%	11,668	33.3%	4,753	21.3%	13,787	49.7%
No Response	5,402		2,632		1,811		5,665	
TOTAL UNITS/BEDS	22,087	100.0%	37,635	100.0%	24,136	100.0%	33,383	100.0%

<i>Year Opened</i>	<i>CCRC</i>	<i>% of CCRC Respondents</i>	<i>Other</i>	<i>% of Other Respondents</i>	<i>All</i>	<i>% of All Respondents</i>
Before 1986	16,642	27.0%	2,587	8.9%	28,672	14.9%
1986 thru 1989	8,839	14.3%	2,285	7.9%	25,567	13.3%
1990 thru 1995	7,653	12.4%	2,000	6.9%	18,192	9.5%
1996 thru 1999	8,278	13.4%	7,371	25.4%	48,071	25.0%
2000 thru 2010	20,217	32.8%	14,742	50.9%	71,843	37.4%
No Response	1,828		2,424		19,762	
TOTAL UNITS/BEDS	63,457	100.0%	31,409	100.0%	212,107	100.0%

Chapter

5

OWNERSHIP STATUS

FOR-PROFIT VS. NOT-FOR-PROFIT OWNERSHIP

In this year's results, a dominant share of the independent living and assisted living properties are owned by for-profit entities. Of these, freestanding assisted living properties are much more frequently publicly-owned than are other campus configurations. For the other campus configurations (freestanding independent living; combination independent and assisted living; combination assisted living and Alzheimer's care, CCRCs, etc.), private-for-profit ownership is just about at parity with ownership being publicly-held.

Of the CCRCs, on the other hand, more than half the properties, and almost two-thirds of the units, are owned by not-for-profit entities (see Tables 5.1 and 5.2).

MANAGEMENT TYPE

Of the *for-profit* units in this year's results, free-standing assisted living and CCRCs are more likely to be self-managed [that is, by the same entity that owns the property] than are managed by an unrelated third party. Other campus configurations are more likely to be third-party managed. A minority of for-profit properties are managed by an affiliate of the owner rather than the ownership entity itself (see Table 5.3).

Among the units in *not-for-profit* properties [of which most in this year's survey are within CCRCs], a majority are managed by [unrelated] third-parties. If not managed by third-parties, those not-for-profits are much more likely to be self-managed [that is, directly by the property's ownership entity] than indirectly by an affiliate of the owner (see Table 5.4).

OPERATOR SIZE

Three-quarters of the survey respondents indicated that the property's manager operates more than 25 properties. Smaller multi-community operators (with 2–25 properties) together comprise about 20% of the responses while single-asset operators are less-frequent still. Though this result could indicate response-bias [that is, single-asset operators less likely to respond, no matter what their proportion nationally] the trend toward more multi-community operators in survey responses in recent years is more likely due to increasing industry consolidation over time.

TABLE 5.1

OWNERSHIP TYPE OF ALL COMMUNITIES

Type	IL	% of IL Respondents	IL/AL	% of IL/AL Respondents	AL	% of AL Respondents	AL/ALZ	% of AL/ALZ Respondents
Private For-profit	56	43.8%	120	52.9%	67	17.0%	155	45.1%
Publicly Held	69	53.9%	104	45.8%	327	82.8%	188	54.7%
Not-for-profit	3	2.3%	3	1.3%	1	0.3%	1	0.3%
No Response	18		6		17		36	
TOTAL	146	100.0%	233	100.0%	412	100.0%	380	100.0%

Type	CCRC	% of CCRC Respondents	Other	% of Other Respondents	All	% of All Respondents
Private For-profit	40	25.3%	161	53.7%	599	38.6%
Publicly Held	35	22.2%	136	45.3%	859	55.3%
Not-for-profit	83	52.5%	3	1.0%	94	6.1%
No Response	8		7		92	
TOTAL	166	100.0%	307	100.0%	1,644	100.0%

TABLE 5.2

OWNERSHIP TYPE OF ALL UNITS / BEDS

Type	IL	% of IL Respondents	IL/AL	% of IL/AL Respondents	AL	% of AL Respondents	AL/ALZ	% of AL/ALZ Respondents
Private For-profit	7,681	39.9%	17,843	48.6%	5,012	21.6%	15,220	49.7%
Publicly Held	11,278	58.5%	18,192	49.6%	18,190	78.3%	15,315	50.1%
Not-for-profit	310	1.6%	673	1.8%	37	0.2%	58	0.2%
No Response	2,818		927		897		2,790	
TOTAL	22,087	100.0%	37,635	100.0%	24,136	100.0%	33,383	100.0%

Type	CCRC	% of CCRC Respondents	Other	% of Other Respondents	All	% of All Respondents
Private For-profit	11,719	18.9%	19,469	64.5%	76,944	38.1%
Publicly Held	9,394	15.2%	10,248	34.0%	82,617	40.9%
Not-for-profit	40,892	65.9%	467	1.5%	42,437	21.0%
No Response	1,452		1,225		10,109	
TOTAL	63,457	100.0%	31,409	100.0%	212,107	100.0%

TABLE 5.3

FOR-PROFIT MANAGEMENT TYPE BY PROPERTY TYPE

	IL		IL/AL		AL		AL/ALZ	
Type	# of Units	% of IL Respondents	# of Units	% of IL/AL Respondents	# of Units / Beds	% of AL Respondents	# of Units / Beds	% of AL/ALZ Respondents
Self Managed	6,017	35.7%	12,015	34.5%	14,147	64.2%	11,516	42.0%
Third Party	8,338	49.5%	16,312	46.9%	6,406	29.1%	13,777	50.2%
Affiliate of Owner	2,485	14.8%	6,471	18.6%	1,496	6.8%	2,125	7.8%
No Response	2,119		1,237		1,153		3,117	
TOTAL	18,959	100.0%	36,035	100.0%	23,202	100.0%	30,535	100.0%

	CCRC		OTHER		TOTAL	
Type	# of Units / Beds	% of CCRC Respondents	# of Units / Beds	% of Other Respondents	# of Units / Beds	% of All Respondents
Self Managed	13,752	65.1%	7,370	26.0%	64,817	43.0%
Third Party	5,335	25.3%	15,856	55.8%	66,024	43.8%
Affiliate of Owner	2,026	9.6%	5,174	18.2%	19,777	13.1%
No Response	0		1,317		8,943	
TOTAL	21,113	100.0%	29,717	100.0%	159,561	100.0%

TABLE 5.4

NOT-FOR-PROFIT MANAGEMENT TYPE BY PROPERTY TYPE

	IL		IL/AL		CCRC	
Type	# of Units	% of IL Respondents	# of Units	% of IL/AL Respondents	# of Units / Beds	% of CCRC Respondents
Self Managed	236	76.1%	520	77.7%	10,817	27.5%
Third Party	0	0.0%	149	22.3%	28,299	72.0%
Affiliate of Owner	74	23.9%	0	0.0%	211	0.5%
No Response	0		0		1,628	
TOTAL	310	100.0%	669	100.0%	40,955	100.0%

	OTHER		ALL	
Type	# of Units / Beds	% of Other Respondents	# of Units / Beds	% of All Respondents
Self Managed	312	55.5%	11,885	29.1%
Third Party	250	44.5%	28,698	70.2%
Affiliate of Owner	0	0.0%	285	0.7%
No Response	0		1,628	
TOTAL	562	100.0%	42,496	100.0%

TABLE 5.5

COMMUNITY DISTRIBUTION BY SIZE OF OPERATOR

	<i>IL</i>		<i>IL/AL</i>		<i>AL</i>		<i>AL/ALZ</i>	
<i>Operator Size</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
1 (this property)	6	4.8%	2	0.9%	3	0.8%	8	2.5%
2 – 10	3	2.4%	4	1.8%	12	3.1%	5	1.6%
11 – 25	33	26.2%	21	9.5%	22	5.7%	35	11.0%
> 25	84	66.7%	195	87.8%	352	90.5%	270	84.9%
TOTAL	126	100.0%	222	100.0%	389	100.0%	318	100.0%

	<i>CCRC</i>		<i>OTHER</i>		<i>TOTAL</i>	
<i>Operator Size</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
1 (this property)	2	1.4%	18	6.1%	39	2.6%
2 – 10	14	9.7%	57	19.4%	95	6.4%
11 – 25	44	30.3%	50	17.0%	205	13.7%
> 25	85	58.6%	169	57.5%	1,155	77.3%
TOTAL	145	100.0%	294	100.0%	1,494	100.0%

Chapter

6

PRIMARY PAYMENT PLANS AND FEE STRUCTURES

RENTAL VS. ENTRY FEE

Rental payment plans are dominant among all communities responding with the exception of CCRCs where nearly 75% require entry fees of more than \$20,000 up-front (in addition to monthly fees in most cases) as the primary payment option (See Table 6.1).

Of interest, less than 10% of the CCRCs responding this year were “entry-fee” properties where residents had the option of choosing a **rental** payment plan [that is, many of the residents in those properties had not been required to post a fee of \$20,000 or more up-front, although many other residents in those same properties did post a \$20,000+ entry fee].

CARE FEES — ASSISTED LIVING AND ALZHEIMER’S CARE

Most properties use some form of fee-for-service (e.g., points, levels of care, a la carte fees) to charge for the delivery of assistance with ADLs; however, Alzheimer’s care is more likely to be part of an all-inclusive rate. Fee-for-service rate structures are offered for 93.9% of assisted living and 67.1% of Alzheimer’s care (see Table 6.2) in the survey.

TABLE 6.1

PRIMARY PAYMENT STRUCTURE BY COMMUNITY TYPE

	<i>IL</i>	<i>% of IL Respondents</i>	<i>IL/AL</i>	<i>% of IL/AL Respondents</i>	<i>AL</i>	<i>% of AL Respondents</i>	<i>AL/ALZ</i>	<i>% of AL/ALZ Respondents</i>
All or Virtually All Rental	90	94.7%	158	94.0%	117	97.5%	262	98.9%
All or Virtually All with Entry Fee (>\$20,000)	5	5.3%	9	5.4%	3	2.5%	2	0.8%
Blend of Rentals + Units with Entry Fee (>\$20,000)	0	0.0%	1	0.6%	0	0.0%	1	0.4%
No Response	51	—	65	—	292	—	115	—
TOTAL	146	100.0%	233	100.0%	412	100.0%	380	100.0%

	<i>CCRC</i>	<i>% of CCRC Respondents</i>	<i>Other</i>	<i>% of Other Respondents</i>	<i>All</i>	<i>% of All Respondents</i>
All or Virtually All Rental	25	20.2%	85	96.6%	737	85.7%
All or Virtually All with Entry Fee (>\$20,000)	90	72.6%	2	2.3%	111	12.9%
Blend of Rentals + Units with Entry Fee (>\$20,000)	9	7.3%	1	1.1%	12	1.4%
No Response	42	—	219	—	784	—
TOTAL	166	100.0%	307	100.0%	1,644	100.0%

TABLE 6.2

PRIMARY PAYMENT STRUCTURE FOR ASSISTED LIVING AND ALZHEIMER'S CARE

	<i>AL Services % of Total</i>	<i>ALZ Services % of Total</i>
All-inclusive rate	6.1%	32.9%
Care levels/other form of fee for service	93.9%	67.1%
TOTAL	100.0%	100.0%

Chapter

7

OCCUPANCY

In this year's results, no single type of community posted overall occupancy rates consistently higher than any other type; however, CCRC campuses consistently posted the lowest occupancy rates, centering at about 88% to 89% versus the other community types that centered from about 90% to 92% (see Table 7.1).

For most types of communities, what we are reporting as "median" occupancy [actually, the average of the 5th and 6th deciles when ranked by occupancy, which is a broader and more representative measure of the "middle of the pack" than the one "middle" property for the median] most often was *higher* than the "average" occupancy rate. Because the average taken across *all* properties in a given community type is more sensitive to both very high and very low values, our results imply that more properties are maintaining occupancy above 91% or 92% than are not, *but* that the underperformers are *well* below the average, and so are dragging average reported occupancy levels down somewhat.

Occupancy rates by "care segment" (for example, for assisted living beds no matter whether they are in independent living properties, or properties without independent living, or in CCRCs) and by ownership status are presented in Table 7.2, for the subset of Table 7.1's respondents who broke out their number of occupied and available units by care level, not just for the entire property. Table 7.2 shows that

Alzheimer's care beds tend to be best-occupied at nearly 94% for our "median" measurement, and that skilled nursing beds the least-highly occupied throughout the year, typically less than 90%.

Both Table 7.1 and 7.2 show that not-for-profit communities tend to have lower occupancy rates than either private for-profit communities or than publicly-owned for-profit communities – though this result may be confounded because most of the not-for-profit communities in our sample were CCRCs, which tend to have lower occupancy rates than other types, no matter what the ownership arrangement.

Table 7.3 shows those occupancy rates by level of care broken out by geographic region.

TABLE 7.1

OCCUPANCY BY COMMUNITY TYPE AND OWNERSHIP STATUS

<i>All Communities</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>	<i>All Community Types</i>
Lower Quartile	79.7%	79.7%	80.1%	79.1%	77.5%	79.8%
Median	91.8%	90.9%	90.7%	91.9%	89.2%	92.5%
Average	90.3%	89.7%	91.6%	90.4%	87.9%	90.8%
Upper Quartile	98.1%	97.4%	99.7%	98.8%	96.1%	99.0%

<i>Private For-Profit Communities</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>	<i>All Community Types</i>
Lower Quartile	78.5%	79.8%	78.0%	77.7%	**	78.9%
Median	**	91.0%	89.3%	91.5%	**	92.5%
Average	89.9%	89.7%	88.7%	89.8%	84.8%	90.6%
Upper Quartile	98.2%	97.4%	98.5%	98.8%	**	98.8%

<i>Publicly Held Communities</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>	<i>All Community Types</i>
Lower Quartile	82.3%	79.7%	80.7%	80.1%	**	80.3%
Median	92.0%	89.8%	93.9%	92.1%	**	92.7%
Average	91.0%	89.7%	92.0%	90.8%	87.5%	91.2%
Upper Quartile	98.2%	97.5%	99.9%	98.7%	**	100.0%

<i>Not-for-Profit Communities</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>	<i>All Community Types</i>
Lower Quartile	**	**	**	**	81.4%	81.1%
Median	**	**	**	**	90.8%	90.7%
Average	**	**	**	**	89.6%	89.5%
Upper Quartile	**	**	**	**	96.1%	96.4%

** Insufficient sample size.

Note: Properties are ranked by percent occupied. Each quartile represents the weighted average of all properties falling in that rank while the median reflects the average of the 5th and 6th deciles. The row designated "Average" represents all properties of that type in the dataset, including very high and very low occupancies.

Note: Occupancy figures refer solely to the properties responding to this year's survey and are therefore different from occupancy data in previous State of Seniors Housing reports.

TABLE 7.2

OCCUPANCY BY LEVEL OF CARE AND OWNERSHIP STATUS

<i>All Communities</i>	<i>IL Units</i>	<i>AL Beds</i>	<i>ALZ Beds</i>	<i>SN Beds</i>	<i>All Levels of Care</i>
Lower Quartile	78.0%	80.1%	78.9%	72.1%	79.8%
Median	91.3%	92.5%	93.7%	89.0%	92.0%
Upper Quartile	98.3%	99.0%	100.0%	95.8%	99.4%
<i>Private For-Profit Communities</i>					
Lower Quartile	75.6%	79.2%	76.0%	**	78.0%
Median	91.4%	91.8%	93.9%	**	91.2%
Upper Quartile	98.6%	98.7%	100.0%	**	98.1%
<i>Publicly Held Communities</i>					
Lower Quartile	79.8%	81.0%	80.8%	**	81.1%
Median	91.3%	92.9%	93.4%	**	92.6%
Upper Quartile	98.6%	99.1%	99.8%	**	99.1%
<i>Not-for-Profit Communities</i>					
Lower Quartile	79.6%	80.1%	**	76.8%	81.4%
Median	91.0%	92.7%	**	90.6%	91.1%
Upper Quartile	97.2%	98.6%	**	96.9%	96.5%

** Insufficient sample size.

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

TABLE 7.3

OCCUPANCY BY LEVEL OF CARE AND REGION

<i>Region</i>	<i>IL Units</i>	<i>AL Beds</i>	<i>ALZ Beds</i>	<i>SN Beds</i>	<i>All Levels of Care</i>
Northeast	91.0%	92.6%	94.2%	**	92.2%
Southeast	92.3%	92.8%	94.1%	**	92.6%
North Central	90.8%	93.8%	95.5%	**	92.6%
South Central	90.9%	93.1%	94.2%	**	91.6%
West	91.5%	91.0%	91.2%	**	91.1%
TOTAL	91.3%	92.5%	93.7%	89.0%	92.0%

** Insufficient sample size.

Note: Occupancy figures refer solely to the properties responding to this year's survey and are therefore different from occupancy data in previous *State of Seniors Housing* reports.

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

Chapter

8

RESIDENT TURNOVER

Of the survey respondents, annual resident turnover [calculated as the number of move-outs during the year, divided by the average number of units or beds occupied throughout the year] was highest for assisted living residences – turnover rates were running more than 54%, which implies each bed “turns” more than one-half time each year (in other words, more often than one time 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 — even independent living properties that included assisted living beds. Turnover was lower still for CCRCs (excluding the skilled nursing beds). Table 8.1 shows that entry-fee CCRCs have exceptionally low turnover rates.

LENGTH OF STAY

Using data for resident turnover from responding properties, we have calculated the average length of stay by property type [as the reciprocal of annual

turnover rates, then converted to number of months. For example, if one-half of the units turn over in one year, that would imply a two-year, meaning 24-month, typical stay]. Residents in CCRCs have the longest typical tenure – approaching six years (see Table 8.2).

TABLE 8.1

ANNUAL RESIDENT TURNOVER

	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living Properties	21.5%	31.6%	53.7%
IL/AL Properties	27.0%	39.3%	56.2%
Assisted Living Residences	33.1%	54.4%	76.9%
AL/ALZ Residences	31.2%	50.3%	71.7%
All CCRCs (excluding skilled nursing beds)	8.7%	16.8%	40.0%
ENTRANCE FEE CCRCs			
Independent Living Units	7.8%	12.2%	18.8%
Assisted Living Beds	19.6%	40.2%	62.1%

Note: Properties are ranked by turnover ratio. Each quartile represents the weighted average of all properties 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)

	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>
Independent Living Properties	22.3	37.9	55.8
IL/AL Properties	21.3	30.5	44.5
Assisted Living Residences	15.6	22.0	36.3
AL/ALZ Residences	16.7	23.9	38.5
All CCRCs (excluding skilled nursing beds)	30.0	71.5	138.2
ENTRANCE FEE CCRCs			
Independent Living Units	64.0	98.5	153.6
Assisted Living Beds	19.3	29.8	61.3

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

Chapter

9

FINANCIAL RESULTS

The *State of Seniors Housing* survey results are dependent on the underlying properties for which data are supplied. Consequently, year-to-year comparisons are not as meaningful, because the sample composition is different each year. Nonetheless, we have found year-to-year comparisons to be generally consistent due to the size and number of submissions and our efforts to secure a representative sample of both lower-performing and higher-performing assets. That appears to be true for the current year's *State of Seniors Housing* as well. [In order to make even more-valid and more-reliable year-over-year comparisons, Chapter 11 presents data from "same-store" properties that **do** contribute data in successive years].

Tables 9.1 through 9.5 provide annual operating results for calendar year 2012. Again this year, the deciles, quartiles, and medians are derived ranking the contributors on the basis of Total Revenues per Occupied Unit/Bed and using the average of all properties falling in that quartile or decile for each line item so that total revenues, total operating expenses, net operating income, and net cash flow will add up, or subtract down the page.

REVENUES

Among the five principal property types (independent living properties; independent living properties with assisted living units; assisted living properties; assisted living properties with Alzheimer's care; and, CCRCs), median total revenues per *occupied* unit (or bed) are highest for CCRCs (approaching \$5,000 per month) and assisted living residences with Alzheimer's care, at over \$4,500 per month. Independent living properties without assisted living units typically reported the lowest revenues per occupied unit with a median below \$2,500 per month. (See Tables 9.1 through 9.5).

EXPENSES

Labor-related expenses, including benefits and payroll taxes, are generally the largest major expense category for seniors housing communities and rise as the needs of the residents increase.

Total labor costs at independent living communities are 35 – 40% of total expenses while those communities with IL and AL units have labor cost of 50 – 55% of total expenses. All other property types indicate that total labor costs represent 55 – 60% of total expenses.

Raw food and utilities are among the highest non-labor-related expenses for seniors housing communities. Property and liability insurance data per occupied unit are also broken out in Tables 9.1 through 9.5 and beyond.

NET OPERATING INCOME

Median NOI per *occupied* unit or bed is highest at CCRCs, at more than \$18,000 annually followed by assisted living residences with Alzheimer's care at more than \$17,000 annually.

ADDITIONAL ANALYSIS — BY PROPERTY TYPE, BY PROPERTY SIZE, BY PROPERTY AGE, BY EXPENSE CATEGORY

Tables 9.6 through 9.15 provide revenue and expense results categorized by property size (small vs. large) within property type. Tables 9.16 through 9.20 provide select operating results by the number of years the property has been open, for each property type.

TABLE 9.1

INDEPENDENT LIVING PROPERTIES (IL ONLY) — PER OCCUPIED UNIT/BED

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$17,937	\$21,534	\$29,023	\$46,894	\$58,199
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$16,669	\$19,828	\$26,600	\$37,024	\$40,421
2nd Occupant Base Fees	\$216	\$342	\$897	\$1,006	\$1,336
OTHER REVENUES					
Community Fees	\$265	\$365	\$410	\$384	\$511
Net Cash From Entrance Fees	\$0	\$0	\$0	\$2,140	\$3,271
Interest Income	\$1	\$0	\$1	\$42	\$87
All Other Operating Income	\$785	\$998	\$1,115	\$6,299	\$12,572
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$13,131	\$14,307	\$17,365	\$27,856	\$35,380
LABOR RELATED					
Administrative	\$1,220	\$1,136	\$1,003	\$2,016	\$2,702
Dietary	\$1,405	\$1,503	\$1,857	\$3,242	\$4,079
Housekeeping	\$519	\$520	\$550	\$927	\$1,166
Maintenance	\$403	\$398	\$428	\$852	\$1,092
Assisted Living Labor	\$4	\$3	\$65	\$309	\$726
Nursing Labor	\$1	\$1	\$0	\$2	\$0
Marketing	\$461	\$446	\$534	\$884	\$950
Activities	\$272	\$265	\$285	\$524	\$647
All Labor in Other Departments	\$195	\$807	\$433	\$738	\$407
Payroll Taxes	\$432	\$476	\$532	\$941	\$1,046
Employee Benefits	\$386	\$460	\$495	\$881	\$1,123
LABOR RELATED TOTAL	\$5,298	\$6,015	\$6,182	\$11,315	\$13,937
NON-LABOR RELATED					
Property Taxes	\$974	\$1,203	\$1,255	\$2,299	\$3,486
Property Insurance	\$162	\$195	\$198	\$522	\$739
Liability Insurance	\$82	\$113	\$62	\$144	\$234
Workers Comp	\$55	\$109	\$134	\$333	\$520
Raw Food	\$1,049	\$1,323	\$2,034	\$2,357	\$3,030
Non-Labor Other Dietary	\$381	\$259	\$192	\$266	\$326
Utilities	\$1,345	\$1,428	\$1,458	\$2,462	\$3,080
Marketing / Advertising	\$615	\$531	\$422	\$871	\$975
Repairs & Maintenance	\$872	\$740	\$701	\$1,265	\$1,414
Housekeeping	\$53	\$55	\$58	\$191	\$320
Resident Care Supplies	\$28	\$25	\$29	\$7	\$17
Activities	\$108	\$111	\$127	\$314	\$424
Total Management Fees	\$864	\$902	\$929	\$1,851	\$2,474
All Other Operating Expenses	\$1,169	\$1,050	\$3,533	\$3,638	\$4,384
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$76	\$244	\$54	\$20	\$21
NET OPERATING INCOME	\$4,806	\$7,227	\$11,658	\$19,038	\$22,819
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$2,336	\$2,406	\$2,016	\$5,205	\$9,264
REPLACEMENT RESERVE	\$1,096	\$1,354	\$1,778	\$2,097	\$2,649
NET CASH FLOW	\$1,374	\$3,467	\$7,863	\$11,736	\$10,906

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

TABLE 9.2

INDEPENDENT LIVING PROPERTIES (ONLY THOSE WITH IL AND AL) — PER OCCUPIED UNIT/BED

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$26,641	\$29,617	\$41,035	\$60,461	\$71,733
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$14,830	\$17,115	\$26,380	\$30,405	\$36,605
2nd Occupant Base Fees	\$180	\$271	\$604	\$644	\$893
Assisted					
Base Fees (for all levels of care)	\$7,482	\$8,531	\$7,791	\$18,308	\$18,588
2nd Occupant Base Fees	\$57	\$109	\$82	\$174	\$210
Acuity-based Care Fees	\$1,015	\$1,487	\$2,895	\$1,509	\$1,294
Alzheimer's Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$0	\$0	\$0	\$1,239
OTHER REVENUES					
Community Fees	\$275	\$322	\$589	\$654	\$743
Net Cash From Entrance Fees	\$0	\$0	\$329	\$1,589	\$3,940
Interest Income	\$6	\$3	\$4	\$6	\$15
All Other Operating Income	\$2,797	\$1,778	\$2,361	\$7,173	\$8,206
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$20,052	\$21,366	\$24,894	\$36,883	\$45,621
LABOR RELATED					
Administrative	\$1,149	\$1,359	\$1,518	\$2,201	\$3,101
Dietary	\$1,551	\$1,825	\$2,662	\$3,620	\$4,253
Housekeeping	\$421	\$495	\$626	\$1,083	\$1,338
Maintenance	\$518	\$518	\$583	\$807	\$857
Assisted Living Labor	\$1,717	\$1,878	\$2,652	\$2,974	\$3,455
Nursing Labor	\$61	\$27	\$0	\$686	\$1,240
Marketing	\$556	\$565	\$692	\$839	\$939
Activities	\$262	\$320	\$381	\$618	\$780
All Labor in Other Departments	\$1,892	\$1,815	\$1,637	\$2,571	\$2,944
Payroll Taxes	\$568	\$653	\$943	\$1,360	\$1,616
Employee Benefits	\$630	\$778	\$883	\$1,159	\$1,438
LABOR RELATED TOTAL	\$9,325	\$10,233	\$12,577	\$17,917	\$21,958
NON-LABOR RELATED					
Property Taxes	\$1,059	\$1,146	\$1,440	\$2,768	\$4,302
Property Insurance	\$350	\$410	\$424	\$539	\$622
Liability Insurance	\$104	\$92	\$85	\$116	\$83
Workers Comp	\$142	\$239	\$376	\$374	\$429
Raw Food	\$1,261	\$1,497	\$1,952	\$2,488	\$2,926
Non-Labor Other Dietary	\$616	\$639	\$383	\$582	\$797
Utilities	\$1,586	\$1,658	\$2,038	\$2,688	\$3,224
Marketing / Advertising	\$379	\$449	\$519	\$725	\$937
Repairs & Maintenance	\$960	\$986	\$926	\$1,399	\$1,892
Housekeeping	\$109	\$107	\$98	\$200	\$226
Resident Care Supplies	\$76	\$82	\$48	\$114	\$179
Activities	\$103	\$125	\$165	\$354	\$452
Total Management Fees	\$746	\$1,154	\$1,399	\$1,739	\$2,723
All Other Operating Expenses	\$2,501	\$1,864	\$2,015	\$4,070	\$3,718
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$734	\$686	\$448	\$810	\$1,153
NET OPERATING INCOME	\$6,589	\$8,251	\$16,141	\$23,579	\$26,112
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$565	\$2,447	\$3,636	\$4,518	\$6,690
REPLACEMENT RESERVE	\$1,310	\$1,158	\$1,808	\$1,660	\$788
NET CASH FLOW	\$4,715	\$4,645	\$10,697	\$17,401	\$18,634

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

TABLE 9.3

ASSISTED LIVING RESIDENCES WITHOUT ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$27,544	\$32,977	\$47,207	\$64,272	\$74,161
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$1,165	\$869	\$3,553	\$3,260	\$2,780
2nd Occupant Base Fees	\$15	\$13	\$11	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$21,811	\$26,270	\$34,959	\$45,268	\$54,651
2nd Occupant Base Fees	\$448	\$650	\$597	\$473	\$452
Acuity-based Care Fees	\$2,994	\$3,494	\$4,827	\$7,309	\$7,602
Alzheimer's 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	\$93	\$102	\$19	\$44	\$87
OTHER REVENUES					
Community Fees	\$379	\$455	\$669	\$974	\$1,192
Net Cash From Entrance Fees	\$0	\$0	\$0	\$267	\$0
Interest Income	\$2	\$1	\$13	\$1	\$1
All Other Operating Income	\$636	\$1,122	\$2,559	\$6,677	\$7,395
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$22,204	\$24,499	\$32,814	\$41,663	\$49,489
LABOR RELATED					
Administrative	\$1,577	\$1,798	\$2,673	\$3,381	\$3,963
Dietary	\$1,652	\$1,972	\$2,405	\$3,161	\$4,001
Housekeeping	\$344	\$434	\$531	\$854	\$1,058
Maintenance	\$380	\$471	\$569	\$774	\$928
Assisted Living Labor	\$3,746	\$4,700	\$6,938	\$7,600	\$8,543
Nursing Labor	\$1,026	\$718	\$146	\$359	\$902
Marketing	\$474	\$623	\$786	\$983	\$1,104
Activities	\$360	\$448	\$612	\$879	\$1,029
All Labor in Other Departments	\$66	\$97	\$229	\$335	\$155
Payroll Taxes	\$1,221	\$1,293	\$1,417	\$1,636	\$1,776
Employee Benefits	\$679	\$822	\$1,269	\$1,425	\$1,553
LABOR RELATED TOTAL	\$11,526	\$13,375	\$17,575	\$21,386	\$25,011
NON-LABOR RELATED					
Property Taxes	\$944	\$1,037	\$1,391	\$2,252	\$2,794
Property Insurance	\$261	\$308	\$244	\$355	\$428
Liability Insurance	\$118	\$134	\$233	\$251	\$203
Workers Comp	\$191	\$304	\$599	\$598	\$612
Raw Food	\$1,353	\$1,554	\$2,237	\$2,442	\$2,599
Non-Labor Other Dietary	\$932	\$698	\$167	\$444	\$717
Utilities	\$1,558	\$1,573	\$1,652	\$1,986	\$2,315
Marketing / Advertising	\$626	\$596	\$615	\$794	\$978
Repairs & Maintenance	\$1,004	\$1,055	\$894	\$1,198	\$1,531
Housekeeping	\$262	\$272	\$259	\$312	\$346
Resident Care Supplies	\$103	\$106	\$113	\$179	\$260
Activities	\$227	\$202	\$194	\$336	\$446
Total Management Fees	\$802	\$798	\$976	\$1,591	\$2,269
All Other Operating Expenses	\$2,118	\$2,235	\$5,190	\$7,444	\$8,911
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$179	\$253	\$474	\$94	\$68
NET OPERATING INCOME	\$5,339	\$8,478	\$14,392	\$22,610	\$24,672
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$739	\$1,691	\$2,924	\$5,911	\$4,678
REPLACEMENT RESERVE	\$728	\$958	\$1,437	\$1,858	\$1,400
NET CASH FLOW	\$3,872	\$5,829	\$10,031	\$14,840	\$18,594

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

TABLE 9.4

ASSISTED LIVING RESIDENCES WITH ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$32,967	\$38,795	\$55,819	\$76,828	\$85,331
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$2,984	\$1,236	\$111	\$896	\$828
2nd Occupant Base Fees	\$64	\$26	\$7	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$16,600	\$22,060	\$32,155	\$44,443	\$48,633
2nd Occupant Base Fees	\$355	\$437	\$456	\$439	\$193
Acuity-based Care Fees	\$2,650	\$2,680	\$4,028	\$6,065	\$7,277
Alzheimer's Care					
Base Fees (for all levels of care)	\$7,228	\$8,485	\$12,193	\$17,925	\$20,174
2nd Occupant Base Fees	\$641	\$376	\$218	\$267	\$27
Acuity-based Care Fees	\$1,488	\$2,217	\$1,881	\$3,156	\$4,442
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$81	\$63	\$1,250	\$158	\$46
OTHER REVENUES					
Community Fees	\$447	\$510	\$827	\$1,445	\$1,774
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$0	\$0	\$0
All Other Operating Income	\$431	\$704	\$2,692	\$2,034	\$1,936
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$26,783	\$29,691	\$38,598	\$50,468	\$54,667
LABOR RELATED					
Administrative	\$1,135	\$1,916	\$3,921	\$5,005	\$4,861
Dietary	\$1,341	\$1,650	\$2,665	\$3,784	\$4,170
Housekeeping	\$364	\$454	\$800	\$985	\$1,098
Maintenance	\$259	\$398	\$724	\$812	\$915
Assisted Living Labor	\$3,210	\$4,171	\$6,911	\$11,326	\$13,115
Nursing Labor	\$3,475	\$3,008	\$1,572	\$800	\$296
Marketing	\$348	\$495	\$894	\$1,026	\$1,159
Activities	\$301	\$433	\$765	\$959	\$1,153
All Labor in Other Departments	\$282	\$357	\$748	\$290	\$440
Payroll Taxes	\$2,326	\$2,323	\$1,781	\$2,371	\$2,684
Employee Benefits	\$482	\$670	\$1,468	\$2,537	\$2,953
LABOR RELATED TOTAL	\$13,525	\$15,875	\$22,249	\$29,895	\$32,844
NON-LABOR RELATED					
Property Taxes	\$1,351	\$1,344	\$1,619	\$2,211	\$2,202
Property Insurance	\$378	\$374	\$387	\$546	\$559
Liability Insurance	\$87	\$107	\$238	\$203	\$123
Workers Comp	\$189	\$280	\$746	\$1,028	\$1,091
Raw Food	\$1,393	\$1,525	\$2,239	\$2,738	\$2,776
Non-Labor Other Dietary	\$1,559	\$1,322	\$347	\$430	\$478
Utilities	\$1,603	\$1,658	\$1,923	\$2,456	\$2,593
Marketing / Advertising	\$858	\$957	\$837	\$1,057	\$924
Repairs & Maintenance	\$883	\$1,027	\$1,199	\$1,473	\$1,581
Housekeeping	\$373	\$403	\$303	\$238	\$150
Resident Care Supplies	\$112	\$124	\$306	\$594	\$850
Activities	\$326	\$328	\$247	\$418	\$443
Total Management Fees	\$846	\$1,197	\$2,105	\$3,530	\$4,055
All Other Operating Expenses	\$3,180	\$2,904	\$3,566	\$3,283	\$3,475
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$121	\$263	\$287	\$370	\$525
NET OPERATING INCOME	\$6,184	\$9,104	\$17,221	\$26,360	\$30,664
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$592	\$897	\$4,500	\$7,871	\$11,392
REPLACEMENT RESERVE	\$376	\$419	\$1,039	\$1,431	\$1,881
NET CASH FLOW	\$5,217	\$7,789	\$11,682	\$17,059	\$17,391

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

TABLE 9.5

CCRCs — PER OCCUPIED UNIT/BED

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$36,882	\$43,598	\$59,317	\$88,315	\$101,921
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$15,167	\$19,050	\$21,126	\$27,667	\$29,707
2nd Occupant Base Fees	\$1,188	\$1,807	\$1,857	\$2,299	\$2,788
Assisted					
Base Fees (for all levels of care)	\$3,635	\$2,550	\$2,418	\$5,380	\$5,261
2nd Occupant Base Fees	\$27	\$23	\$19	\$49	\$47
Acuity-based Care Fees	\$1,165	\$1,486	\$2,226	\$489	\$277
Alzheimer's Care					
Base Fees (for all levels of care)	\$998	\$541	\$645	\$1,490	\$1,540
2nd Occupant Base Fees	\$1	\$0	\$0	\$5	\$14
Acuity-based Care Fees	\$53	\$27	\$53	\$13	\$24
Nursing					
Base Fees	\$7,318	\$8,859	\$13,265	\$19,252	\$18,348
Ancillary Revenues	\$577	\$1,129	\$1,252	\$5,493	\$5,213
OTHER REVENUES					
Community Fees	\$377	\$160	\$75	\$148	\$153
Net Cash From Entrance Fees	\$2,726	\$4,487	\$10,416	\$20,735	\$31,860
Interest Income	\$198	\$232	\$1,423	\$358	\$425
All Other Operating Income	\$3,451	\$3,246	\$4,542	\$4,936	\$6,264
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$30,253	\$34,436	\$41,304	\$58,843	\$63,176
LABOR RELATED					
Administrative	\$1,125	\$1,066	\$1,577	\$2,563	\$2,925
Dietary	\$2,653	\$3,211	\$3,543	\$4,097	\$4,792
Housekeeping	\$839	\$1,010	\$1,096	\$1,774	\$1,888
Maintenance	\$673	\$857	\$789	\$1,400	\$1,189
Assisted Living Labor	\$1,381	\$1,325	\$1,490	\$1,854	\$2,011
Nursing Labor	\$4,083	\$4,509	\$5,205	\$7,064	\$6,978
Marketing	\$424	\$389	\$739	\$1,232	\$1,411
Activities	\$175	\$180	\$335	\$631	\$752
All Labor in Other Departments	\$2,850	\$2,958	\$4,274	\$4,295	\$4,933
Payroll Taxes	\$1,117	\$1,224	\$1,523	\$1,877	\$2,127
Employee Benefits	\$1,772	\$1,963	\$2,078	\$2,481	\$2,461
LABOR RELATED TOTAL	\$17,093	\$18,692	\$22,650	\$29,268	\$31,468
NON-LABOR RELATED					
Property Taxes	\$963	\$1,475	\$1,260	\$2,975	\$3,798
Property Insurance	\$298	\$310	\$323	\$763	\$879
Liability Insurance	\$220	\$310	\$213	\$305	\$360
Workers Comp	\$304	\$411	\$440	\$534	\$754
Raw Food	\$2,139	\$2,429	\$2,659	\$2,949	\$3,350
Non-Labor Other Dietary	\$179	\$290	\$274	\$1,229	\$555
Utilities	\$1,650	\$1,982	\$2,217	\$3,295	\$3,419
Marketing / Advertising	\$663	\$665	\$1,156	\$1,037	\$946
Repairs & Maintenance	\$785	\$984	\$1,018	\$1,699	\$1,270
Housekeeping	\$132	\$163	\$158	\$372	\$411
Resident Care Supplies	\$225	\$329	\$527	\$1,422	\$1,810
Activities	\$82	\$77	\$130	\$370	\$478
Total Management Fees	\$1,016	\$1,340	\$1,691	\$2,388	\$2,523
All Other Operating Expenses	\$3,550	\$4,141	\$5,092	\$10,046	\$10,872
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$952	\$838	\$1,496	\$191	\$284
NET OPERATING INCOME	\$6,628	\$9,162	\$18,013	\$29,471	\$38,745
DEBT SERVICE AND/OR LEASE PAYMENTS¹	**	\$2,530	\$3,634	\$4,677	**
REPLACEMENT RESERVE	**	\$3,096	\$3,647	\$5,047	**
NET CASH FLOW	**	\$3,535	\$10,732	\$19,747	**

** Insufficient sample size.

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

TABLE 9.6

INDEPENDENT LIVING PROPERTIES (IL ONLY) — PER OCCUPIED UNIT/BED — PROPERTY SIZE < 121 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$23,213	\$24,366	\$28,294	\$42,619	\$47,799
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$21,405	\$23,091	\$27,272	\$38,581	\$42,620
2nd Occupant Base Fees	\$514	\$369	\$350	\$730	\$935
Assisted					
Base Fees (for all levels of care)	\$6	\$2	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$700	\$1,342
Alzheimer's Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$0	\$0	\$0	\$0
OTHER REVENUES					
Community Fees	\$374	\$318	\$215	\$261	\$249
Net Cash From Entrance Fees	\$0	\$0	\$0	\$806	\$1,048
Interest Income	\$0	\$0	\$0	\$122	\$231
All Other Operating Income	\$915	\$586	\$457	\$1,418	\$1,376
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$18,607	\$17,701	\$16,400	\$27,111	\$30,923
LABOR RELATED					
Administrative	\$1,938	\$1,628	\$906	\$1,797	\$1,982
Dietary	\$2,981	\$2,434	\$1,442	\$2,919	\$3,078
Housekeeping	\$625	\$531	\$364	\$853	\$1,113
Maintenance	\$504	\$452	\$241	\$823	\$1,049
Assisted Living Labor	\$3	\$1	\$0	\$5	\$0
Nursing Labor	\$0	\$0	\$0	\$0	\$0
Marketing	\$497	\$449	\$322	\$813	\$1,036
Activities	\$444	\$429	\$245	\$542	\$518
All Labor in Other Departments	\$486	\$308	\$296	\$329	\$127
Payroll Taxes	\$666	\$558	\$347	\$743	\$737
Employee Benefits	\$545	\$722	\$477	\$872	\$961
LABOR RELATED TOTAL	\$8,689	\$7,512	\$4,641	\$9,695	\$10,601
NON-LABOR RELATED					
Property Taxes	\$961	\$934	\$695	\$1,252	\$1,236
Property Insurance	\$199	\$159	\$93	\$416	\$446
Liability Insurance	\$131	\$124	\$79	\$145	\$247
Workers Comp	\$333	\$186	\$61	\$206	\$243
Raw Food	\$2,177	\$2,187	\$2,761	\$2,449	\$2,426
Non-Labor Other Dietary	\$212	\$221	\$160	\$322	\$377
Utilities	\$1,895	\$1,678	\$1,071	\$1,958	\$2,218
Marketing / Advertising	\$529	\$440	\$306	\$935	\$1,083
Repairs & Maintenance	\$822	\$617	\$358	\$1,241	\$1,509
Housekeeping	\$108	\$74	\$44	\$129	\$177
Resident Care Supplies	\$39	\$58	\$59	\$1	\$0
Activities	\$155	\$140	\$69	\$249	\$311
Total Management Fees	\$503	\$629	\$710	\$1,453	\$1,856
All Other Operating Expenses	\$1,752	\$2,580	\$5,163	\$6,661	\$8,194
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$100	\$160	\$129	\$0	\$0
NET OPERATING INCOME	\$4,607	\$6,666	\$11,894	\$15,508	\$16,876
DEBT SERVICE AND/OR LEASE PAYMENTS¹	**	\$6,487	\$4,137	\$2,698	\$7,264
REPLACEMENT RESERVE	**	\$1,190	\$1,033	\$1,098	\$805
NET CASH FLOW	**	-\$1,011	\$6,725	\$11,712	\$8,807

** Insufficient sample size.

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

TABLE 9.7

INDEPENDENT LIVING PROPERTIES (IL ONLY) — PER OCCUPIED UNIT/BED — PROPERTY SIZE > 120 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$15,604	\$20,342	\$29,127	\$47,760	\$60,413
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$14,842	\$18,671	\$26,432	\$37,828	\$42,250
2nd Occupant Base Fees	\$232	\$312	\$459	\$1,060	\$1,377
Assisted					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Alzheimer's 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	\$50	\$338	\$0	\$0
Ancillary Revenues	\$3	\$2	\$0	\$1	\$2
OTHER REVENUES					
Community Fees	\$270	\$331	\$322	\$422	\$584
Net Cash From Entrance Fees	\$0	\$0	\$0	\$2,284	\$3,853
Interest Income	\$1	\$1	\$2	\$15	\$2
All Other Operating Income	\$256	\$975	\$1,574	\$6,150	\$12,346
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$11,187	\$13,643	\$18,490	\$27,820	\$34,997
LABOR RELATED					
Administrative	\$1,144	\$1,032	\$1,157	\$2,091	\$2,794
Dietary	\$1,230	\$1,282	\$2,467	\$3,403	\$4,331
Housekeeping	\$436	\$505	\$691	\$940	\$1,234
Maintenance	\$309	\$375	\$606	\$867	\$1,073
Assisted Living Labor	\$7	\$2	\$71	\$305	\$726
Nursing Labor	\$2	\$1	\$0	\$2	\$0
Marketing	\$336	\$427	\$699	\$873	\$899
Activities	\$219	\$231	\$316	\$520	\$630
All Labor in Other Departments	\$216	\$899	\$655	\$763	\$379
Payroll Taxes	\$440	\$457	\$532	\$987	\$1,128
Employee Benefits	\$375	\$410	\$493	\$892	\$1,176
LABOR RELATED TOTAL	\$4,712	\$5,621	\$7,687	\$11,643	\$14,371
NON-LABOR RELATED					
Property Taxes	\$906	\$1,151	\$1,712	\$2,658	\$4,148
Property Insurance	\$97	\$195	\$318	\$559	\$793
Liability Insurance	\$111	\$98	\$72	\$147	\$194
Workers Comp	\$41	\$96	\$136	\$333	\$480
Raw Food	\$1,193	\$1,182	\$1,402	\$2,355	\$3,030
Non-Labor Other Dietary	\$212	\$278	\$656	\$255	\$275
Utilities	\$1,254	\$1,361	\$1,616	\$2,574	\$3,164
Marketing / Advertising	\$577	\$517	\$619	\$841	\$901
Repairs & Maintenance	\$629	\$742	\$1,074	\$1,262	\$1,294
Housekeeping	\$50	\$50	\$84	\$207	\$357
Resident Care Supplies	\$24	\$19	\$31	\$5	\$12
Activities	\$113	\$101	\$143	\$336	\$473
Total Management Fees	\$768	\$936	\$1,269	\$1,981	\$2,658
All Other Operating Expenses	\$409	\$995	\$1,657	\$2,653	\$2,820
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$93	\$300	\$15	\$12	\$28
NET OPERATING INCOME	\$4,417	\$6,699	\$10,637	\$19,939	\$25,417
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$2,336	\$1,650	\$382	\$6,205	\$10,397
REPLACEMENT RESERVE	\$1,096	\$1,385	\$2,185	\$2,384	\$3,244
NET CASH FLOW	\$985	\$3,664	\$8,069	\$11,350	\$11,776

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

TABLE 9.8

INDEPENDENT LIVING PROPERTIES (ONLY THOSE WITH IL AND AL) — PER OCCUPIED UNIT/BED — PROPERTY SIZE < 121 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$29,625	\$33,723	\$40,807	\$63,564	\$79,564
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$15,696	\$22,836	\$28,617	\$44,376	\$50,034
2nd Occupant Base Fees	\$247	\$388	\$458	\$971	\$1,094
Assisted					
Base Fees (for all levels of care)	\$10,348	\$5,685	\$3,861	\$11,705	\$21,543
2nd Occupant Base Fees	\$57	\$25	\$59	\$63	\$149
Acuity-based Care Fees	\$2,395	\$3,694	\$5,373	\$2,019	\$2,017
Alzheimer's 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	\$3	\$9	\$1	\$168	\$401
OTHER REVENUES					
Community Fees	\$335	\$658	\$958	\$734	\$464
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$3
Interest Income	\$0	\$0	\$0	\$0	\$0
All Other Operating Income	\$544	\$428	\$1,481	\$3,527	\$3,859
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$22,632	\$24,623	\$26,791	\$40,790	\$52,410
LABOR RELATED					
Administrative	\$1,967	\$2,214	\$2,310	\$2,007	\$2,246
Dietary	\$1,513	\$2,599	\$3,270	\$3,022	\$2,961
Housekeeping	\$488	\$486	\$520	\$717	\$823
Maintenance	\$394	\$515	\$567	\$556	\$512
Assisted Living Labor	\$2,324	\$2,688	\$3,930	\$4,536	\$5,038
Nursing Labor	\$0	\$0	\$0	\$30	\$0
Marketing	\$490	\$718	\$796	\$548	\$536
Activities	\$367	\$476	\$566	\$600	\$668
All Labor in Other Departments	\$2,581	\$1,040	\$284	\$6,397	\$10,976
Payroll Taxes	\$930	\$987	\$1,118	\$1,687	\$2,164
Employee Benefits	\$1,150	\$1,214	\$1,285	\$1,872	\$2,448
LABOR RELATED TOTAL	\$12,203	\$12,937	\$14,645	\$21,971	\$28,372
NON-LABOR RELATED					
Property Taxes	\$1,190	\$1,354	\$1,212	\$1,742	\$1,713
Property Insurance	\$288	\$397	\$436	\$716	\$737
Liability Insurance	\$39	\$25	\$51	\$36	\$61
Workers Comp	\$342	\$432	\$427	\$666	\$853
Raw Food	\$1,677	\$1,945	\$2,137	\$3,128	\$3,942
Non-Labor Other Dietary	\$168	\$318	\$421	\$271	\$231
Utilities	\$1,907	\$2,070	\$2,067	\$2,705	\$3,166
Marketing / Advertising	\$441	\$742	\$601	\$679	\$603
Repairs & Maintenance	\$890	\$1,011	\$957	\$1,273	\$1,529
Housekeeping	\$150	\$119	\$124	\$157	\$159
Resident Care Supplies	\$50	\$51	\$87	\$98	\$91
Activities	\$122	\$165	\$188	\$290	\$289
Total Management Fees	\$1,107	\$1,583	\$1,642	\$2,762	\$4,493
All Other Operating Expenses	\$1,220	\$1,142	\$1,795	\$1,501	\$1,561
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$838	\$331	\$0	\$2,793	\$4,609
NET OPERATING INCOME	\$6,993	\$9,100	\$14,016	\$22,774	\$27,154
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$693	\$1,441	\$4,717	\$5,991	\$7,631
REPLACEMENT RESERVE	\$584	\$1,279	\$1,685	\$770	\$740
NET CASH FLOW	\$5,716	\$6,381	\$7,614	\$16,013	\$18,783

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

TABLE 9.9

INDEPENDENT LIVING PROPERTIES (ONLY THOSE WITH IL AND AL) — PER OCCUPIED UNIT/BED — PROPERTY SIZE > 120 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$26,523	\$29,066	\$40,838	\$60,557	\$70,323
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$15,149	\$16,752	\$24,921	\$29,070	\$34,559
2nd Occupant Base Fees	\$185	\$246	\$564	\$608	\$848
Assisted					
Base Fees (for all levels of care)	\$7,075	\$8,481	\$10,227	\$18,367	\$17,700
2nd Occupant Base Fees	\$67	\$97	\$123	\$188	\$224
Acuity-based Care Fees	\$744	\$1,212	\$1,859	\$1,657	\$963
Alzheimer's 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	\$64	\$91	\$73	\$2,962	\$5,869
OTHER REVENUES					
Community Fees	\$273	\$330	\$477	\$667	\$731
Net Cash From Entrance Fees	\$0	\$0	\$399	\$2,017	\$4,744
Interest Income	\$8	\$4	\$5	\$7	\$18
All Other Operating Income	\$2,958	\$1,852	\$2,190	\$5,014	\$4,667
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$19,866	\$21,139	\$24,196	\$36,500	\$44,513
LABOR RELATED					
Administrative	\$928	\$1,332	\$1,349	\$2,347	\$3,268
Dietary	\$1,418	\$1,906	\$2,567	\$3,915	\$4,584
Housekeeping	\$385	\$504	\$639	\$1,188	\$1,500
Maintenance	\$491	\$548	\$566	\$861	\$947
Assisted Living Labor	\$1,543	\$1,763	\$2,340	\$2,699	\$3,026
Nursing Labor	\$76	\$35	\$0	\$849	\$1,472
Marketing	\$531	\$592	\$629	\$922	\$1,018
Activities	\$221	\$311	\$349	\$632	\$821
All Labor in Other Departments	\$2,294	\$1,623	\$1,962	\$1,601	\$1,403
Payroll Taxes	\$536	\$610	\$892	\$1,304	\$1,512
Employee Benefits	\$621	\$766	\$846	\$1,050	\$1,267
LABOR RELATED TOTAL	\$9,043	\$9,990	\$12,139	\$17,366	\$20,818
NON-LABOR RELATED					
Property Taxes	\$1,121	\$1,153	\$1,446	\$3,073	\$4,867
Property Insurance	\$364	\$404	\$401	\$505	\$581
Liability Insurance	\$120	\$108	\$89	\$128	\$97
Workers Comp	\$119	\$198	\$381	\$317	\$324
Raw Food	\$1,280	\$1,516	\$1,950	\$2,371	\$2,744
Non-Labor Other Dietary	\$613	\$618	\$357	\$689	\$911
Utilities	\$1,547	\$1,639	\$1,877	\$2,720	\$3,322
Marketing / Advertising	\$344	\$461	\$487	\$763	\$979
Repairs & Maintenance	\$910	\$1,010	\$889	\$1,475	\$1,989
Housekeeping	\$77	\$100	\$109	\$211	\$239
Resident Care Supplies	\$59	\$81	\$43	\$126	\$200
Activities	\$100	\$133	\$162	\$385	\$482
Total Management Fees	\$746	\$1,105	\$1,415	\$1,646	\$2,451
All Other Operating Expenses	\$2,505	\$2,006	\$1,899	\$4,430	\$4,137
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$919	\$618	\$553	\$295	\$374
NET OPERATING INCOME	\$6,657	\$7,927	\$16,642	\$24,057	\$25,810
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$603	\$2,589	\$3,124	\$4,472	\$6,641
REPLACEMENT RESERVE	\$1,108	\$1,031	\$1,177	\$1,832	\$817
NET CASH FLOW	\$4,946	\$4,308	\$12,341	\$17,753	\$18,352

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

TABLE 9.10

ASSISTED LIVING RESIDENCES WITHOUT ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED — PROPERTY SIZE < 41 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$29,195	\$33,354	\$47,540	\$70,871	\$83,546
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)	\$22,828	\$27,789	\$36,838	\$39,845	\$40,530
2nd Occupant Base Fees	\$230	\$151	\$261	\$418	\$316
Acuity-based Care Fees	\$5,461	\$4,484	\$6,041	\$12,963	\$14,728
Alzheimer's Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$0	\$0
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$0	\$4	\$0	\$0	\$0
OTHER REVENUES					
Community Fees	\$345	\$453	\$757	\$1,135	\$1,617
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$17	\$11	\$48	\$0	\$0
All Other Operating Income	\$313	\$462	\$3,594	\$16,510	\$26,355
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$23,544	\$24,448	\$34,080	\$46,590	\$56,183
LABOR RELATED					
Administrative	\$1,983	\$2,164	\$2,368	\$3,157	\$3,515
Dietary	\$1,279	\$1,534	\$1,638	\$1,910	\$2,069
Housekeeping	\$45	\$70	\$168	\$179	\$121
Maintenance	\$437	\$389	\$430	\$745	\$982
Assisted Living Labor	\$7,427	\$7,565	\$9,207	\$12,756	\$15,233
Nursing Labor	\$0	\$0	\$618	\$132	\$2
Marketing	\$617	\$718	\$955	\$1,281	\$1,720
Activities	\$457	\$519	\$718	\$973	\$1,204
All Labor in Other Departments	\$0	\$0	\$730	\$220	\$17
Payroll Taxes	\$1,141	\$1,181	\$1,656	\$2,114	\$2,502
Employee Benefits	\$1,060	\$970	\$1,226	\$1,368	\$1,441
LABOR RELATED TOTAL	\$14,446	\$15,110	\$19,713	\$24,835	\$28,805
NON-LABOR RELATED					
Property Taxes	\$417	\$661	\$1,290	\$1,234	\$1,343
Property Insurance	\$152	\$159	\$181	\$312	\$351
Liability Insurance	\$220	\$240	\$267	\$460	\$546
Workers Comp	\$122	\$129	\$817	\$572	\$635
Raw Food	\$1,781	\$1,706	\$1,838	\$2,342	\$2,563
Non-Labor Other Dietary	\$103	\$107	\$94	\$226	\$244
Utilities	\$1,533	\$1,502	\$1,719	\$1,801	\$2,158
Marketing / Advertising	\$514	\$493	\$502	\$631	\$692
Repairs & Maintenance	\$1,570	\$1,462	\$884	\$1,127	\$1,149
Housekeeping	\$185	\$169	\$194	\$283	\$317
Resident Care Supplies	\$68	\$62	\$119	\$144	\$146
Activities	\$106	\$115	\$191	\$278	\$290
Total Management Fees	\$789	\$759	\$0	\$0	\$0
All Other Operating Expenses	\$1,123	\$1,362	\$4,628	\$11,970	\$16,945
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$414	\$412	\$1,644	\$375	\$0
NET OPERATING INCOME	\$5,652	\$8,906	\$13,459	\$24,281	\$27,362
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$642	\$622	\$692	\$1,231	\$1,362
REPLACEMENT RESERVE	\$1,506	\$1,279	\$1,442	\$3,355	\$5,223
NET CASH FLOW	\$3,504	\$7,005	\$11,325	\$19,695	\$20,777

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

TABLE 9.11

ASSISTED LIVING RESIDENCES WITHOUT ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED — PROPERTY SIZE > 40 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$26,743	\$32,805	\$45,639	\$62,493	\$71,594
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$1,006	\$500	\$3,659	\$2,871	\$4,138
2nd Occupant Base Fees	\$23	\$9	\$15	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$21,338	\$26,226	\$32,955	\$47,441	\$56,874
2nd Occupant Base Fees	\$575	\$809	\$484	\$550	\$636
Acuity-based Care Fees	\$2,542	\$3,418	\$5,242	\$5,969	\$5,325
Alzheimer's 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	\$85	\$81	\$6	\$14	\$0
OTHER REVENUES					
Community Fees	\$439	\$497	\$590	\$1,035	\$1,241
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$1	\$0	\$1
All Other Operating Income	\$734	\$1,266	\$2,686	\$4,613	\$3,379
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$21,557	\$24,593	\$32,587	\$41,022	\$48,716
LABOR RELATED					
Administrative	\$1,371	\$1,726	\$2,436	\$3,484	\$4,200
Dietary	\$1,653	\$1,979	\$2,695	\$3,357	\$4,432
Housekeeping	\$351	\$437	\$598	\$929	\$1,230
Maintenance	\$364	\$459	\$580	\$745	\$894
Assisted Living Labor	\$3,015	\$4,298	\$5,758	\$6,942	\$6,774
Nursing Labor	\$1,318	\$888	\$0	\$207	\$440
Marketing	\$459	\$598	\$747	\$868	\$946
Activities	\$319	\$414	\$574	\$814	\$895
All Labor in Other Departments	\$94	\$99	\$114	\$216	\$175
Payroll Taxes	\$1,364	\$1,414	\$1,305	\$1,649	\$1,858
Employee Benefits	\$730	\$840	\$1,184	\$1,521	\$1,731
LABOR RELATED TOTAL	\$11,039	\$13,152	\$15,991	\$20,733	\$23,575
NON-LABOR RELATED					
Property Taxes	\$862	\$1,065	\$1,464	\$2,500	\$3,537
Property Insurance	\$249	\$328	\$264	\$305	\$343
Liability Insurance	\$101	\$131	\$290	\$243	\$197
Workers Comp	\$223	\$319	\$502	\$675	\$717
Raw Food	\$1,339	\$1,633	\$2,436	\$2,587	\$3,076
Non-Labor Other Dietary	\$995	\$709	\$145	\$197	\$271
Utilities	\$1,357	\$1,536	\$1,512	\$2,027	\$2,400
Marketing / Advertising	\$629	\$617	\$584	\$761	\$1,016
Repairs & Maintenance	\$901	\$1,017	\$759	\$1,130	\$1,430
Housekeeping	\$289	\$307	\$239	\$341	\$410
Resident Care Supplies	\$84	\$93	\$89	\$124	\$134
Activities	\$251	\$225	\$207	\$322	\$477
Total Management Fees	\$663	\$722	\$1,174	\$1,451	\$2,277
All Other Operating Expenses	\$2,397	\$2,476	\$6,812	\$7,450	\$8,855
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$177	\$262	\$119	\$175	\$0
NET OPERATING INCOME	\$5,186	\$8,212	\$13,052	\$21,471	\$22,879
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$381	\$1,837	\$3,805	\$6,241	\$4,817
REPLACEMENT RESERVE	\$695	\$1,003	\$1,451	\$1,682	\$933
NET CASH FLOW	\$4,109	\$5,373	\$7,796	\$13,548	\$17,129

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

TABLE 9.12

ASSISTED LIVING RESIDENCES WITH ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED — PROPERTY SIZE < 81 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$30,559	\$35,181	\$50,452	\$69,649	\$83,876
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$1,505	\$658	\$0	\$0	\$0
2nd Occupant Base Fees	\$84	\$37	\$0	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$16,631	\$19,132	\$32,522	\$38,214	\$46,712
2nd Occupant Base Fees	\$136	\$422	\$611	\$1,373	\$2,531
Acuity-based Care Fees	\$2,088	\$1,828	\$4,356	\$4,787	\$7,055
Alzheimer's Care					
Base Fees (for all levels of care)	\$6,096	\$9,447	\$8,123	\$15,445	\$16,217
2nd Occupant Base Fees	\$1,172	\$681	\$321	\$644	\$1,849
Acuity-based Care Fees	\$1,923	\$1,972	\$2,964	\$3,038	\$4,919
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$169	\$91	\$121	\$33	\$55
OTHER REVENUES					
Community Fees	\$316	\$409	\$795	\$1,071	\$1,680
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$0	\$43	\$0
All Other Operating Income	\$441	\$504	\$640	\$5,000	\$2,857
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$24,574	\$27,725	\$32,532	\$44,555	\$48,533
LABOR RELATED					
Administrative	\$1,214	\$1,019	\$2,773	\$4,027	\$5,118
Dietary	\$1,127	\$991	\$2,126	\$2,796	\$3,940
Housekeeping	\$280	\$235	\$549	\$598	\$759
Maintenance	\$262	\$226	\$547	\$695	\$839
Assisted Living Labor	\$2,657	\$2,948	\$7,142	\$10,888	\$9,004
Nursing Labor	\$3,929	\$5,067	\$509	\$652	\$926
Marketing	\$234	\$278	\$784	\$998	\$1,107
Activities	\$249	\$256	\$657	\$991	\$1,215
All Labor in Other Departments	\$52	\$23	\$1,037	\$757	\$1,432
Payroll Taxes	\$2,203	\$2,777	\$2,000	\$2,336	\$3,179
Employee Benefits	\$398	\$394	\$1,190	\$1,877	\$2,217
LABOR RELATED TOTAL	\$12,604	\$14,214	\$19,314	\$26,617	\$29,737
NON-LABOR RELATED					
Property Taxes	\$924	\$1,113	\$1,203	\$1,589	\$1,582
Property Insurance	\$376	\$363	\$333	\$310	\$518
Liability Insurance	\$70	\$80	\$188	\$258	\$126
Workers Comp	\$186	\$194	\$559	\$951	\$683
Raw Food	\$1,217	\$1,075	\$2,195	\$2,380	\$2,437
Non-Labor Other Dietary	\$1,630	\$2,078	\$225	\$261	\$314
Utilities	\$1,556	\$1,662	\$1,860	\$2,035	\$2,626
Marketing / Advertising	\$720	\$1,001	\$654	\$745	\$931
Repairs & Maintenance	\$948	\$1,131	\$909	\$1,112	\$1,513
Housekeeping	\$374	\$485	\$220	\$299	\$381
Resident Care Supplies	\$100	\$97	\$175	\$215	\$266
Activities	\$363	\$446	\$179	\$302	\$429
Total Management Fees	\$899	\$695	\$1,991	\$975	\$2,472
All Other Operating Expenses	\$2,489	\$2,830	\$1,520	\$5,203	\$3,897
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$119	\$261	\$1,007	\$1,305	\$620
NET OPERATING INCOME	\$5,985	\$7,456	\$17,920	\$25,094	\$35,343
DEBT SERVICE AND/OR LEASE PAYMENTS¹	\$1,093	\$1,162	\$3,856	\$4,397	**
REPLACEMENT RESERVE	\$512	\$437	\$1,647	\$751	**
NET CASH FLOW	\$4,380	\$5,856	\$12,417	\$19,946	**

** Insufficient sample size.

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

TABLE 9.13

ASSISTED LIVING RESIDENCES WITH ALZHEIMER'S CARE — PER OCCUPIED UNIT/BED — PROPERTY SIZE > 80 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$37,119	\$43,479	\$58,113	\$75,730	\$84,974
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$1,271	\$541	\$0	\$1,080	\$0
2nd Occupant Base Fees	\$19	\$8	\$0	\$0	\$0
Assisted					
Base Fees (for all levels of care)	\$21,377	\$25,830	\$34,646	\$46,493	\$57,378
2nd Occupant Base Fees	\$410	\$730	\$688	\$489	\$855
Acuity-based Care Fees	\$2,492	\$3,412	\$3,005	\$5,894	\$4,220
Alzheimer's Care					
Base Fees (for all levels of care)	\$6,829	\$8,167	\$12,840	\$15,996	\$14,949
2nd Occupant Base Fees	\$108	\$450	\$158	\$435	\$143
Acuity-based Care Fees	\$3,205	\$2,041	\$836	\$2,086	\$1,760
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$12	\$32	\$2,153	\$123	\$0
OTHER REVENUES					
Community Fees	\$692	\$747	\$1,000	\$1,351	\$1,923
Net Cash From Entrance Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$0	\$0	\$0
All Other Operating Income	\$703	\$1,520	\$2,788	\$1,782	\$3,746
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$29,730	\$32,365	\$40,928	\$48,108	\$48,766
LABOR RELATED					
Administrative	\$2,005	\$2,796	\$5,041	\$6,283	\$6,725
Dietary	\$1,881	\$2,259	\$2,996	\$3,488	\$4,423
Housekeeping	\$626	\$656	\$880	\$808	\$1,272
Maintenance	\$414	\$561	\$801	\$593	\$803
Assisted Living Labor	\$4,474	\$5,962	\$6,130	\$9,584	\$7,364
Nursing Labor	\$2,149	\$1,174	\$1,874	\$1,323	\$0
Marketing	\$527	\$724	\$881	\$707	\$1,078
Activities	\$502	\$598	\$760	\$592	\$834
All Labor in Other Departments	\$711	\$568	\$648	\$545	\$1,184
Payroll Taxes	\$2,333	\$1,979	\$1,980	\$2,189	\$2,158
Employee Benefits	\$764	\$1,026	\$1,677	\$2,496	\$2,198
LABOR RELATED TOTAL	\$16,385	\$18,304	\$23,668	\$28,607	\$28,038
NON-LABOR RELATED					
Property Taxes	\$1,813	\$1,562	\$1,901	\$2,067	\$2,412
Property Insurance	\$393	\$412	\$336	\$439	\$319
Liability Insurance	\$109	\$175	\$248	\$378	\$194
Workers Comp	\$265	\$458	\$856	\$1,208	\$1,171
Raw Food	\$1,696	\$2,082	\$2,313	\$3,150	\$3,150
Non-Labor Other Dietary	\$1,097	\$593	\$143	\$145	\$218
Utilities	\$1,703	\$1,821	\$1,943	\$2,381	\$2,797
Marketing / Advertising	\$1,058	\$869	\$874	\$1,306	\$1,112
Repairs & Maintenance	\$833	\$901	\$1,309	\$1,093	\$1,046
Housekeeping	\$407	\$326	\$355	\$390	\$436
Resident Care Supplies	\$128	\$149	\$301	\$242	\$113
Activities	\$280	\$228	\$244	\$398	\$280
Total Management Fees	\$1,403	\$1,590	\$2,432	\$3,540	\$2,946
All Other Operating Expenses	\$2,106	\$2,619	\$3,962	\$2,705	\$4,532
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$55	\$277	\$42	\$59	\$0
NET OPERATING INCOME	\$7,390	\$11,114	\$17,184	\$27,622	\$36,208
DEBT SERVICE AND/OR LEASE PAYMENTS¹	**	\$719	\$4,930	\$5,556	\$9,254
REPLACEMENT RESERVE	\$256	\$417	\$881	\$1,029	\$828
NET CASH FLOW	**	\$9,978	\$11,373	\$21,037	\$26,126

** Insufficient sample size.

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

TABLE 9.14

CCRCs — PER OCCUPIED UNIT/BED — PROPERTY SIZE < 301 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$31,427	\$39,000	\$57,655	\$89,184	\$84,975
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$12,725	\$15,616	\$21,764	\$23,495	\$22,444
2nd Occupant Base Fees	\$586	\$662	\$942	\$1,750	\$1,851
Assisted					
Base Fees (for all levels of care)	\$4,370	\$4,516	\$5,788	\$5,738	\$6,692
2nd Occupant Base Fees	\$38	\$31	\$35	\$55	\$53
Acuity-based Care Fees	\$71	\$36	\$611	\$308	\$294
Alzheimer's Care					
Base Fees (for all levels of care)	\$1,454	\$2,556	\$1,199	\$0	\$0
2nd Occupant Base Fees	\$7	\$4	\$0	\$3	\$9
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$663	\$0	\$0	\$0	\$7,597
OTHER REVENUES					
Community Fees	\$1,611	\$964	\$203	\$275	\$194
Net Cash From Entrance Fees	\$443	\$227	\$3,588	\$16,460	\$27,859
Interest Income	\$82	\$42	\$179	\$366	\$730
All Other Operating Income	\$9,378	\$14,348	\$23,346	\$40,734	\$17,251
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$24,962	\$30,428	\$45,620	\$60,536	\$72,002
LABOR RELATED					
Administrative	\$1,046	\$1,647	\$1,890	\$2,561	\$3,040
Dietary	\$2,284	\$2,593	\$3,476	\$3,865	\$4,397
Housekeeping	\$902	\$953	\$1,322	\$1,772	\$1,873
Maintenance	\$991	\$882	\$1,288	\$1,648	\$1,137
Assisted Living Labor	\$1,360	\$1,365	\$1,733	\$1,249	\$1,401
Nursing Labor	\$2,685	\$3,664	\$6,854	\$9,736	\$9,742
Marketing	\$403	\$592	\$827	\$1,251	\$2,143
Activities	\$124	\$378	\$534	\$546	\$768
All Labor in Other Departments	\$1,598	\$1,685	\$2,871	\$4,503	\$4,803
Payroll Taxes	\$964	\$1,131	\$1,667	\$2,150	\$2,277
Employee Benefits	\$956	\$1,384	\$2,060	\$2,365	\$2,323
LABOR RELATED TOTAL	\$13,314	\$16,274	\$24,521	\$31,647	\$33,905
NON-LABOR RELATED					
Property Taxes	\$258	\$395	\$731	\$1,822	\$2,996
Property Insurance	\$234	\$371	\$516	\$669	\$964
Liability Insurance	\$369	\$250	\$249	\$368	\$280
Workers Comp	\$425	\$359	\$665	\$578	\$774
Raw Food	\$1,801	\$2,150	\$2,661	\$2,566	\$3,041
Non-Labor Other Dietary	\$377	\$425	\$922	\$1,685	\$806
Utilities	\$1,065	\$1,604	\$2,451	\$2,946	\$3,223
Marketing / Advertising	\$857	\$747	\$1,370	\$988	\$1,330
Repairs & Maintenance	\$1,056	\$1,584	\$1,353	\$1,451	\$1,332
Housekeeping	\$172	\$278	\$301	\$380	\$493
Resident Care Supplies	\$199	\$773	\$943	\$1,436	\$2,228
Activities	\$201	\$202	\$263	\$400	\$410
Total Management Fees	\$1,319	\$996	\$1,785	\$2,086	\$2,378
All Other Operating Expenses	\$3,339	\$3,693	\$6,728	\$11,515	\$17,843
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	-\$25	\$327	\$159	\$0	\$0
NET OPERATING INCOME	\$6,465	\$8,572	\$12,036	\$28,648	\$12,972
DEBT SERVICE AND/OR LEASE PAYMENTS¹	**	**	\$3,486	**	**
REPLACEMENT RESERVE	**	**	\$4,066	**	**
NET CASH FLOW	**	**	\$4,483	**	**

** Insufficient sample size.

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

TABLE 9.15

CCRCs — PER OCCUPIED UNIT/BED — PROPERTY SIZE > 300 UNITS

	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
REVENUE CATEGORIES:					
TOTAL	\$40,192	\$46,295	\$59,750	\$87,945	\$101,998
RENT/FEE REVENUE BY CARE LEVEL (BY ALL OCCUPIED UNITS/BEDS)					
Independent					
Base Fees	\$17,579	\$20,517	\$21,070	\$29,500	\$31,314
2nd Occupant Base Fees	\$1,764	\$2,098	\$1,972	\$2,858	\$3,589
Assisted					
Base Fees (for all levels of care)	\$2,201	\$1,036	\$1,466	\$4,526	\$3,743
2nd Occupant Base Fees	\$20	\$6	\$15	\$45	\$51
Acuity-based Care Fees	\$946	\$2,812	\$3,073	\$203	\$0
Alzheimer's Care					
Base Fees (for all levels of care)	\$0	\$0	\$0	\$0	\$0
2nd Occupant Base Fees	\$0	\$0	\$0	\$8	\$20
Acuity-based Care Fees	\$0	\$0	\$0	\$0	\$0
Nursing					
Base Fees	\$0	\$0	\$0	\$0	\$0
Ancillary Revenues	\$8,431	\$8,888	\$13,308	\$17,325	\$15,371
OTHER REVENUES					
Community Fees	\$58	\$16	\$2	\$36	\$13
Net Cash From Entrance Fees	\$5,008	\$5,867	\$11,376	\$26,424	\$40,195
Interest Income	\$272	\$286	\$2,108	\$445	\$472
All Other Operating Income	\$3,912	\$4,768	\$5,360	\$6,574	\$7,230
OPERATING EXPENSE CATEGORIES:					
TOTAL OPERATING EXPENSES	\$32,163	\$36,400	\$41,562	\$58,013	\$58,798
LABOR RELATED					
Administrative	\$956	\$961	\$1,506	\$2,521	\$2,569
Dietary	\$3,039	\$3,412	\$3,645	\$4,204	\$4,841
Housekeeping	\$940	\$1,033	\$1,197	\$1,844	\$1,948
Maintenance	\$720	\$766	\$818	\$1,353	\$1,244
Assisted Living Labor	\$944	\$1,257	\$1,583	\$1,901	\$2,064
Nursing Labor	\$5,236	\$4,388	\$5,050	\$5,109	\$4,888
Marketing	\$339	\$398	\$658	\$1,215	\$1,274
Activities	\$88	\$133	\$303	\$613	\$729
All Labor in Other Departments	\$2,968	\$3,902	\$4,650	\$4,846	\$4,452
Payroll Taxes	\$1,168	\$1,256	\$1,543	\$1,902	\$1,915
Employee Benefits	\$1,983	\$2,049	\$2,326	\$2,824	\$2,466
LABOR RELATED TOTAL	\$18,381	\$19,553	\$23,278	\$28,332	\$28,391
NON-LABOR RELATED					
Property Taxes	\$1,318	\$1,920	\$1,491	\$3,583	\$4,395
Property Insurance	\$377	\$263	\$311	\$813	\$911
Liability Insurance	\$237	\$297	\$221	\$326	\$400
Workers Comp	\$372	\$420	\$433	\$532	\$782
Raw Food	\$2,304	\$2,510	\$2,725	\$3,214	\$3,498
Non-Labor Other Dietary	\$267	\$206	\$191	\$1,018	\$562
Utilities	\$1,889	\$2,207	\$2,127	\$3,471	\$3,527
Marketing / Advertising	\$538	\$798	\$936	\$1,084	\$818
Repairs & Maintenance	\$731	\$886	\$925	\$1,525	\$1,175
Housekeeping	\$119	\$120	\$147	\$406	\$446
Resident Care Supplies	\$338	\$253	\$277	\$1,191	\$1,244
Activities	\$43	\$34	\$133	\$352	\$449
Total Management Fees	\$847	\$1,416	\$1,823	\$2,396	\$2,798
All Other Operating Expenses	\$3,461	\$4,246	\$4,911	\$9,443	\$8,936
ALL CORPORATE AND/OR OTHER OVERHEAD EXPENSES	\$943	\$1,271	\$1,632	\$326	\$466
NET OPERATING INCOME	\$8,029	\$9,895	\$18,188	\$29,932	\$43,200
DEBT SERVICE AND/OR LEASE PAYMENTS¹	**	\$2,450	\$4,025	\$5,298	**
REPLACEMENT RESERVE	**	\$2,818	\$3,660	\$6,158	**
NET CASH FLOW	**	\$4,626	\$10,504	\$18,477	**

** Insufficient sample size.

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

TABLE 9.16

**INDEPENDENT LIVING COMMUNITIES — PER RESIDENT PER DAY —
SELECTED RESULTS SORTED BY NUMBER OF YEARS OPEN**

	<i>Lower Decile</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>	<i>Upper Decile</i>
PROPERTIES OPEN 2 < 10 YEARS					
Total Revenues	\$56.50	\$59.74	\$85.05	\$185.09	\$194.90
Total Operating Expenses	\$41.51	\$42.85	\$62.90	\$105.94	\$113.42
Net Operating Income	\$14.99	\$16.90	\$22.15	\$79.15	\$81.49
Operating Margin	26.5%	28.3%	26.0%	42.8%	41.8%
Average Annual Occupancy	88.7%	90.6%	95.8%	88.8%	88.0%
PROPERTIES OPEN 10 < 25 YEARS					
Total Revenues	\$36.50	\$50.11	\$72.07	\$105.37	\$127.80
Total Operating Expenses	\$23.74	\$32.12	\$44.39	\$62.56	\$85.51
Net Operating Income	\$12.76	\$17.99	\$27.68	\$42.81	\$42.29
Operating Margin	35.0%	35.9%	38.4%	40.6%	33.1%
Average Annual Occupancy	90.4%	85.7%	89.6%	92.0%	88.7%
PROPERTIES OPEN 25+ YEARS					
Total Revenues	**	\$42.75	\$62.92	\$108.91	**
Total Operating Expenses	**	\$30.65	\$36.19	\$68.08	**
Net Operating Income	**	\$12.10	\$26.74	\$40.82	**
Operating Margin	**	28.3%	42.5%	37.5%	**
Average Annual Occupancy	**	86.5%	94.0%	84.2%	**

** Insufficient sample size.

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

TABLE 9.17

**INDEPENDENT LIVING COMMUNITIES WITH ASSISTED LIVING — PER RESIDENT PER DAY —
SELECTED RESULTS SORTED BY NUMBER OF YEARS OPEN**

	<i>Lower Decile</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>	<i>Upper Decile</i>
PROPERTIES OPEN 2<10 Years					
Total Revenues	\$49.54	\$73.63	\$103.40	\$145.81	\$159.67
Total Operating Expenses	\$39.86	\$53.26	\$65.19	\$83.46	\$85.36
Net Operating Income	\$9.68	\$20.37	\$38.21	\$62.35	\$74.31
Operating Margin	19.5%	27.7%	37.0%	42.8%	46.5%
Average Annual Occupancy	85.3%	92.6%	86.6%	90.0%	93.3%
PROPERTIES OPEN 10<25 Years					
Total Revenues	\$70.63	\$77.15	\$101.64	\$158.48	\$203.20
Total Operating Expenses	\$46.86	\$52.72	\$62.24	\$96.96	\$136.03
Net Operating Income	\$23.77	\$24.43	\$39.40	\$61.52	\$67.17
Operating Margin	33.7%	31.7%	38.8%	38.8%	33.1%
Average Annual Occupancy	90.5%	90.0%	91.1%	90.6%	87.9%
PROPERTIES OPEN 25+ Years					
Total Revenues	\$44.72	\$49.78	\$91.17	\$126.30	\$143.55
Total Operating Expenses	\$29.49	\$32.97	\$59.17	\$80.08	\$95.95
Net Operating Income	\$15.23	\$16.81	\$32.00	\$46.22	\$47.60
Operating Margin	34.1%	33.8%	35.1%	36.6%	33.2%
Average Annual Occupancy	83.9%	86.3%	94.4%	85.9%	85.0%

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

TABLE 9.18

**ASSISTED LIVING RESIDENCES (EXCLUDING THOSE WITH ALZHEIMER'S CARE) — PER RESIDENT PER DAY —
SELECTED RESULTS SORTED BY NUMBER OF YEARS OPEN**

	<i>Lower Decile</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>	<i>Upper Decile</i>
PROPERTIES OPEN 2 < 10 YEARS					
Total Revenues	\$98.79	\$106.06	\$128.06	\$172.89	\$184.99
Total Operating Expenses	\$78.09	\$78.33	\$80.65	\$112.45	\$127.78
Net Operating Income	\$20.70	\$27.74	\$47.42	\$60.44	\$57.21
Operating Margin	21.0%	26.2%	37.0%	35.0%	30.9%
Average Annual Occupancy	94.0%	91.9%	93.6%	93.3%	89.8%
PROPERTIES OPEN 10 < 25 YEARS					
Total Revenues	\$76.36	\$88.14	\$125.21	\$174.38	\$202.41
Total Operating Expenses	\$57.34	\$64.47	\$86.71	\$115.27	\$136.26
Net Operating Income	\$19.02	\$23.67	\$38.50	\$59.11	\$66.15
Operating Margin	24.9%	26.9%	30.7%	33.9%	32.7%
Average Annual Occupancy	89.9%	89.2%	92.5%	89.2%	88.8%
PROPERTIES OPEN 25+ YEARS					
Total Revenues	**	\$80.58	\$107.75	\$144.32	\$152.95
Total Operating Expenses	**	\$57.28	\$83.19	\$95.40	\$98.10
Net Operating Income	**	\$23.29	\$24.55	\$48.92	\$54.85
Operating Margin	**	28.9%	22.8%	33.9%	35.9%
Average Annual Occupancy	**	92.4%	88.0%	91.9%	94.7%

** Insufficient sample size.

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

TABLE 9.19

**ASSISTED LIVING RESIDENCES (INCLUDING THOSE WITH ALZHEIMER'S CARE) — PER RESIDENT PER DAY —
SELECTED RESULTS SORTED BY NUMBER OF YEARS OPEN**

	<i>Lower Decile</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>	<i>Upper Decile</i>
PROPERTIES OPEN 2 < 10 YEARS					
Total Revenues	\$85.21	\$106.88	\$143.55	\$194.68	\$210.70
Total Operating Expenses	\$54.70	\$71.34	\$94.40	\$128.75	\$137.65
Net Operating Income	\$30.51	\$35.54	\$49.16	\$65.94	\$73.06
Operating Margin	35.8%	33.3%	34.2%	33.9%	34.7%
Average Annual Occupancy	91.9%	92.7%	88.6%	89.1%	87.7%
PROPERTIES OPEN 10 < 25 YEARS					
Total Revenues	\$79.16	\$91.79	\$151.55	\$217.72	\$237.86
Total Operating Expenses	\$57.34	\$67.47	\$104.67	\$143.86	\$158.23
Net Operating Income	\$21.83	\$24.32	\$46.88	\$73.86	\$79.63
Operating Margin	27.6%	26.5%	30.9%	33.9%	33.5%
Average Annual Occupancy	88.0%	88.9%	91.0%	91.4%	91.5%
PROPERTIES OPEN 25+ YEARS					
Total Revenues	\$58.21	\$69.82	\$140.11	\$179.61	\$192.56
Total Operating Expenses	\$53.95	\$60.78	\$107.45	\$111.66	\$127.61
Net Operating Income	\$4.26	\$9.04	\$32.67	\$67.95	\$64.95
Operating Margin	7.3%	12.9%	23.3%	37.8%	33.7%
Average Annual Occupancy	86.2%	82.6%	89.5%	95.3%	99.0%

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

TABLE 9.20

CCRCs — PER RESIDENT PER DAY — SELECTED RESULTS SORTED BY NUMBER OF YEARS OPEN

	<i>Lower Decile</i>	<i>Lower Quartile</i>	<i>Median</i>	<i>Upper Quartile</i>	<i>Upper Decile</i>
PROPERTIES OPEN 2 < 10 YEARS					
Total Revenues	**	\$94.59	\$125.64	\$189.64	**
Total Operating Expenses	**	\$73.15	\$93.16	\$103.11	**
Net Operating Income	**	\$21.44	\$32.48	\$86.52	**
Operating Margin	**	22.7%	25.9%	45.6%	**
Average Annual Occupancy	**	92.4%	88.8%	91.8%	**
PROPERTIES OPEN 10 < 25 YEARS					
Total Revenues	\$91.13	\$107.56	\$137.12	\$230.69	\$377.62
Total Operating Expenses	\$63.39	\$84.40	\$95.51	\$154.61	\$255.34
Net Operating Income	\$27.74	\$23.16	\$41.61	\$76.08	\$122.28
Operating Margin	30.4%	21.5%	30.3%	33.0%	32.4%
Average Annual Occupancy	88.9%	93.2%	93.1%	88.1%	87.3%
PROPERTIES OPEN 25+ YEARS					
Total Revenues	\$84.23	\$99.60	\$138.12	\$215.14	\$271.08
Total Operating Expenses	\$66.42	\$75.34	\$106.81	\$167.42	\$218.08
Net Operating Income	\$17.81	\$24.26	\$31.32	\$47.72	\$53.00
Operating Margin	21.1%	24.4%	22.7%	22.2%	19.6%
Average Annual Occupancy	91.0%	89.5%	90.6%	86.2%	86.8%

** Insufficient sample size.

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

Chapter

10

FACTORS INFLUENCING REVENUES

Table 10.1 shows that the average *base* fee revenue per unit (or per bed) varies widely (at least for some seniors housing types) by geography: independent living properties in the West region cost almost 25% more for residents than those in the South Central states. Geographic variation is also considerable for assisted living properties: resident costs in some regions run up to 45% more than others.

INFLUENCE OF VACANT UNITS AND CONCESSIONS TO BOOST OCCUPANCY

Tables 10.2 and 10.3 show the percentage losses due to concessions (due to price incentives) and due to vacancy (compared with full-occupancy revenues) and by region in those regions where sufficient numbers of respondents reported this information to make regional groupings meaningful.

Concessions frequently take the form of entry fee discounts (in about half of cases where any concession was reported at entry fee properties); discounted (or a limited number of “free”) monthly fees, in more than one-half of the cases where any discount was reported; and paying all or some of the resident’s move-in costs (in more than two-thirds of the cases), and/or offering upgraded floor plans, in terms of size or amenities (in more than one-third of the cases).

Table 10.4 shows, for the several-hundred properties whose income statements were set up to capture this information, the average loss of revenue (in terms of proportion of potential full-occupancy and proportion of potential full-price) due to vacancy and due to concessions – incentives given to prospects (or even current residents) in order to reach leasing “sales” agreements.

TABLE 10.1

AVERAGE MONTHLY BASE FEE REVENUE PER OCCUPIED UNIT/BED PER MONTH BY REGION

<i>Region</i>	<i>IL</i>	<i>AL</i>	<i>CCRC</i>
Northeast	**	\$3,893	\$3,945
Southeast	\$2,380	\$3,087	\$3,497
North Central	\$2,383	\$3,109	\$3,733
South Central	\$2,120	\$2,712	\$3,522
West	\$2,618	\$3,136	\$4,368
ALL COMMUNITIES	\$2,512	\$3,127	\$3,785

** Insufficient sample size.

TABLE 10.2

AVERAGE LOSS TO FEE CONCESSIONS BY COMMUNITY TYPE BY REGION

<i>Region</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Northeast	**	**	5.4%	7.3%	**
Southeast	**	**	**	2.8%	**
North Central	**	**	**	**	**
South Central	**	**	**	**	**
West	**	**	6.4%	6.6%	**

** Insufficient sample size.

TABLE 10.3

AVERAGE LOSS TO VACANCY BY COMMUNITY TYPE BY REGION

<i>Region</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Northeast	**	**	10.8%	8.3%	**
Southeast	**	**	**	9.1%	**
North Central	**	**	**	**	**
South Central	**	**	**	**	**
West	**	**	12.8%	13.1%	**

** Insufficient sample size.

TABLE 10.4

NATIONAL AVERAGE LOSS TO VACANCY AND FEE CONCESSIONS BY COMMUNITY TYPE

	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Loss to Concessions	9.5%	7.8%	5.9%	6.1%	**
Loss to Vacancy	11.5%	8.6%	11.4%	10.0%	**

** Insufficient sample size.

Chapter

"SAME-STORE" ANALYSIS

11

We've said that the *State of Seniors Housing* survey results are dependent on the underlying properties for which data are supplied and that, consequently, year-to-year comparisons are difficult to make with confidence, because the sample composition is different each year.

In order to make more-valid and more-reliable year-over-year comparisons, this chapter presents only data from "same-store" properties — that is, properties that *do* contribute data in successive years. Same-store analysis for any two years provides more assurance that the year-over-year differences identified and reported are the result of changes resulting from each given property's performance, and so represent real trends over time — rather than the differences we report having occurred simply as a result of examining performance from a different set of properties each year.

With over 800 properties throughout the U.S. in this year's response set also contributing their financial data the year before, some important comparisons of

year-to-year changes can be made, in measures such as occupancy, revenues, operating expenses, and net operating income (see Table 11.1).

Analyzing trends over the last three years (i.e., comparing 2012 with the performance two years prior, or 2010) of nearly 750 properties, Table 11.2 uses the same methodology and measures described above.

TABLE 11.1

SAME STORE — NATIONAL PROFILE SORT, TWO-YEAR COMPARISON

DESCRIPTION	IL			IL/AL		
Property Profile	2012	2011	Annual Rate of Change	2012	2011	Annual Rate of Change
Total Properties	86	86		187	187	
Occupancy	90%	90%	1%	90%	88%	2%
Total Revenues	\$4,590,178	\$4,461,073	3%	\$6,250,035	\$6,041,556	3%
Revenues per Occupied Unit	\$31,763	\$31,422	1%	\$43,464	\$42,935	1%
Total Operating Expense	\$2,836,066	\$2,762,381	3%	\$3,956,005	\$3,795,887	4%
Operating Expenses per Occupied Unit	\$19,625	\$19,457	1%	\$27,511	\$26,976	2%
Labor Expenses <i>(included in total above)</i>	\$1,260,813	\$1,123,103	12%	\$1,964,675	\$1,862,444	5%
Net Operating Income	\$1,754,113	\$1,698,691	3%	\$2,294,030	\$2,245,669	2%
NOI per Occupied Unit	\$12,138	\$11,965	1%	\$15,953	\$15,959	0%
Operating Margin	38%	38%	0%	37%	37%	-1%

Please note that all metrics are the weighted averages for the entire response set.

TABLE 11.2

SAME STORE — NATIONAL PROFILE SORT, THREE-YEAR TREND

DESCRIPTION	IL			IL/AL		
Property Profile	2012	2010	Annual Rate of Change	2012	2010	Annual Rate of Change
Total Properties	73	73		168	168	
Occupancy	91%	86%	3%	90%	84%	4%
Total Revenues	\$4,696,556	\$4,350,223	4%	\$6,050,113	\$5,348,484	6%
Revenues per Occupied Unit	\$32,347	\$31,233	2%	\$42,983	\$39,463	4%
Total Operating Expense	\$2,894,519	\$2,898,390	0%	\$3,836,839	\$3,960,998	-2%
Operating Expenses per Occupied Unit	\$19,936	\$20,810	-2%	\$27,259	\$29,225	-3%
Labor Expenses <i>(included in total above)</i>	\$1,279,666	\$1,117,497	7%	\$1,907,119	\$1,694,435	6%
Net Operating Income	\$1,802,037	\$1,451,833	11%	\$2,213,274	\$1,387,486	26%
NOI per Occupied Unit	\$12,411	\$10,424	9%	\$15,724	\$10,237	24%
Operating Margin	38%	33%	7%	37%	26%	19%

Please note that all metrics are the weighted averages for the entire response set.

AL			AL/ALZ			CCRC		
2012	2011	Annual Rate of Change	2012	2011	Annual Rate of Change	2012	2011	Annual Rate of Change
230	230		230	230		112	112	
91%	91%	1%	90%	89%	2%	90%	89%	0%
\$2,797,879	\$2,723,054	3%	\$4,790,171	\$4,546,752	5%	\$23,043,978	\$21,613,417	7%
\$47,735	\$47,328	1%	\$57,493	\$55,645	3%	\$58,704	\$56,773	3%
\$1,913,572	\$1,848,378	4%	\$3,228,757	\$3,084,278	5%	\$16,918,743	\$16,359,230	3%
\$32,648	\$32,126	2%	\$38,752	\$37,747	3%	\$43,100	\$42,972	0%
\$1,052,351	\$1,032,644	2%	\$1,887,570	\$1,793,687	5%	\$9,013,857	\$8,664,447	4%
\$884,306	\$874,676	1%	\$1,561,414	\$1,462,474	7%	\$6,125,234	\$5,254,186	17%
\$15,087	\$15,202	-1%	\$18,741	\$17,898	5%	\$15,604	\$13,801	13%
32%	32%	-2%	33%	32%	1%	27%	24%	9%

AL			AL /ALZ			CCRC		
2012	2010	Annual Rate of Change	2012	2010	Annual Rate of Change	2012	2010	Annual Rate of Change
222	222		185	185		98	98	
91%	87%	2%	91%	86%	3%	90%	88%	1%
\$2,811,204	\$2,643,831	3%	\$5,002,296	\$4,588,222	4%	\$24,522,516	\$23,900,415	1%
\$47,915	\$47,028	1%	\$58,765	\$56,515	2%	\$58,785	\$58,858	0%
\$1,927,455	\$1,804,282	3%	\$3,369,860	\$3,079,918	5%	\$17,923,910	\$16,516,945	4%
\$32,852	\$32,094	1%	\$39,588	\$37,936	2%	\$42,967	\$40,675	3%
\$1,061,385	\$1,012,939	2%	\$1,969,510	\$1,832,817	4%	\$9,604,656	\$8,762,920	5%
\$883,749	\$839,549	3%	\$1,632,436	\$1,508,304	4%	\$6,598,605	\$7,383,470	-5%
\$15,063	\$14,934	0%	\$19,177	\$18,578	2%	\$15,818	\$18,183	-7%
31%	32%	-2%	33%	33%	0%	27%	31%	-7%

Chapter

STAFFING RATIOS AND LABOR COSTS 12

Findings describing the number of Full Time Equivalent (FTE) employees, by payroll department and in total, are presented in this chapter. A *Full Time Equivalent* is defined 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 are equal to one FTE. 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 department managers.

The average number of FTEs *per property* is highest in CCRCs, followed by independent living communities with assisted living, shown in Table 12.1. Although that table illustrates some of the differences among property types, it does not, on its surface, take into account the typical size differences of communities in the respective property types — as shown in Chapter 1, CCRCs have many, many more residents. Table 12.2 addresses this, reporting staff-to-resident ratios (expressed as the number of FTEs in each labor category and in total, then divided by the number of residents).

Table 12.3 specifically breaks out assisted living staffing data on a per-resident basis for assisted living, as well as for assisted living residents within independent living communities and in CCRCs. It also breaks out skilled nursing staffing (per skilled nursing resident) within seniors housing properties. Whereas Table 12.2 shows assisted living labor on a

per-resident basis without regard to the resident’s acuity level, Table 12.3 in contrast shows assisted living labor per assisted living/Alzheimer’s care resident, and skilled nursing labor per skilled nursing resident, at the various property types.

Average annual wages (excluding payroll taxes and benefits) are presented per department in Table 12.4. CCRCs reported the highest annual wages at \$36,424 per FTE while all other property types reported wages below \$32,000 per FTE. Please note that these annual wages should not be divided by 2,080 hours to obtain an ‘average hourly wage,’ as the dollar totals include an unknown amount of overtime wages.

TABLE 12.1

AVERAGE FTEs BY LABOR DEPARTMENT AND PROPERTY TYPE

	IL			IL/AL			AL			AL/ALZ			CCRC		
Department	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max
Administrative	1	4.3	12	1	4.4	16	1	2.5	13	1	3.8	10	1	8.1	N/A
Dietary	3	15.3	46	1	18.3	52	1	6.0	24	1	9.3	32	2	53.2	N/A
Housekeeping	1	5.0	14	1	5.0	16	1	2.7	12	1	3.0	14	1	19.7	N/A
Maintenance	1	2.5	15	1	2.6	13	1	1.3	4	1	1.5	5	1	10.1	N/A
Marketing	1	1.6	4	1	1.8	9	1	1.1	3	1	1.3	3	1	4.0	N/A
Assisted Living	**	**	**	1	14.3	45	1	15.1	55	6	27.2	76	2	21.6	N/A
Skilled Nursing	**	**	**	1	9.6	48	1	1.7	5	1	5.7	30	1	53.2	N/A
Activities	1	1.5	6	1	1.8	7	1	1.3	5	1	2.1	7	1	5.1	N/A
Other	1	7.9	58	1	13.4	94	1	9.0	63	1	7.1	25	1	41.9	N/A
TOTAL	10	35.3	142	16	52.8	185	5	27.5	99	12	49.7	134	20	200.0	N/A

** Insufficient sample size.

N/A - Not reported to preserve data confidentiality for a large community provider

Note: Average reported for those properties with staffed departments; the sum of the parts may not equal the whole

TABLE 12.2

AVERAGE FTEs PER RESIDENT BY LABOR DEPARTMENT AND PROPERTY TYPE

	IL			IL/AL			AL			AL/ALZ			CCRC		
Department	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max
Administrative	0.01	0.03	0.13	0.00	0.03	0.10	0.01	0.04	0.15	0.01	0.04	0.17	0.01	0.02	0.07
Dietary	0.03	0.10	0.21	0.02	0.11	0.23	0.02	0.08	0.21	0.01	0.10	0.63	0.04	0.12	0.42
Housekeeping	0.01	0.03	0.08	0.01	0.03	0.09	0.01	0.03	0.10	0.01	0.03	0.21	0.01	0.05	0.09
Maintenance	0.01	0.01	0.08	0.00	0.02	0.04	0.00	0.02	0.04	0.00	0.02	0.11	0.01	0.03	0.13
Marketing	0.01	0.01	0.03	0.00	0.01	0.02	0.00	0.02	0.06	0.00	0.01	0.21	0.01	0.01	0.03
Assisted Living	**	**	**	0.01	0.10	0.30	0.07	0.28	0.71	0.07	0.32	0.71	0.01	0.08	0.43
Skilled Nursing	**	**	**	0.01	0.08	0.45	0.01	0.03	0.07	0.01	0.06	0.43	0.02	0.14	0.59
Activities	0.01	0.01	0.06	0.00	0.01	0.04	0.01	0.02	0.06	0.00	0.03	0.21	0.01	0.02	0.10
Other	0.01	0.05	0.40	0.01	0.07	0.46	0.01	0.12	0.94	0.01	0.08	0.27	0.01	0.08	0.60
TOTAL	0.08	0.22	0.58	0.13	0.34	0.92	0.20	0.45	0.94	0.13	0.56	0.98	0.20	0.48	0.83

** Insufficient sample size.

Note: Average reported for those properties with staffed departments; the sum of the parts may not equal the whole

TABLE 12.3

FTEs PER ASSISTED LIVING OR SKILLED NURSING RESIDENT BY PROPERTY TYPE

	IL/AL			AL			AL/ALZ			CCRC		
	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max	Min	Avg	Max
Assisted Living/Alzheimer's Care	0.06	0.28	0.67	0.09	0.30	0.71	0.07	0.34	0.71	0.08	0.42	0.95
Skilled Nursing	Not Applicable			Not Applicable			Not Applicable			0.28	0.90	1.77

TABLE 12.4

ANNUAL WEIGHTED AVERAGE WAGES PER FTE BY DEPARTMENT

Department	IL	IL/AL	AL	AL/ALZ	CCRC
Administrative	\$51,571	\$63,263	\$67,686	\$88,663	\$75,433
Dietary	\$23,714	\$25,159	\$26,934	\$26,467	\$26,239
Housekeeping	\$22,159	\$24,936	\$25,331	\$24,917	\$25,588
Maintenance	\$39,121	\$42,659	\$46,492	\$43,264	\$38,144
Marketing	\$68,074	\$76,124	\$64,660	\$66,964	\$80,518
Assisted Living	**	\$30,525	\$26,381	\$25,767	\$36,142
Skilled Nursing	**	\$37,888	\$45,373	\$37,049	\$42,263
Activities	\$39,817	\$41,337	\$38,934	\$35,089	\$31,852
Other	\$18,244	\$16,518	\$14,233	\$26,579	\$38,556
TOTAL	\$29,484	\$31,113	\$30,668	\$31,541	\$36,424

** Insufficient sample size.

Note: Average reported for those properties with staffed departments; the sum of the parts may not equal the whole

Chapter

13

OTHER KEY COST ITEMS

Earlier, tables in Chapter 9 demonstrated that raw food costs represent the largest operating expense category (after labor costs) for most seniors housing property types. Table 13.1 in this chapter drills down to present daily food costs by property type and by region.

Management fees for all property types average about 4–5%. But fees exhibited significant variation with an overall range from near 1% to almost 12% (see Table 13.2).

Tables 13.3a and 13.3b examine employee benefits costs in more detail. CCRCs had higher employee benefits costs per FTE than other property types; further, as a ratio of total salaries and wages, CCRCs paid an average of 11.7%, which is more than all other community types that varied between 8.5% and 9.5% of total salaries and wages on average.

The various parts of Table 13.4 show cost ranges for general property and liability insurance, professional liability insurance, and workers compensation insurance broken out by property type.

Utility costs (which Chapter 9 tables showed to be the next-largest operating expense category, after

labor and raw food costs) are analyzed in Tables 13.5 and 13.6, both on the basis of cost per square foot of building area and also by cost per resident day:

Responding to concerns that insufficient amounts were being set aside as replacement reserves to maintain seniors housing properties' competitive position, the *State of Seniors Housing* survey asked about actual amounts of capital expenditure in contrast to budgeted amounts and have shown the variances that exist by property type and property age. Those results are shown in Table 13.7a and 13.7b.

Note: Because breakouts of various segments within the total response set necessarily involve fewer properties and units, readers are cautioned that conclusions from those smaller samples may not be as statistically significant.

TABLE 13.1

WEIGHTED AVERAGE RAW FOOD COSTS PER RESIDENT DAY BY REGION

	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>	<i>All</i>
Northeast	\$7.41	\$7.02	\$6.59	\$7.15	\$5.98	\$6.51
Southeast	\$5.17	\$4.34	\$5.10	\$6.06	\$5.92	\$5.55
North Central	\$4.40	\$4.53	\$4.93	\$6.01	\$6.72	\$5.68
South Central	\$3.24	\$5.50	\$5.08	\$4.80	\$6.72	\$5.07
West	\$4.90	\$5.49	\$6.23	\$6.65	\$6.26	\$6.04
ENTIRE UNITED STATES	\$4.45	\$5.14	\$5.62	\$6.27	\$6.14	\$5.80

Please note that all metrics are the weighted averages for the entire response set.

TABLE 13.2

MANAGEMENT FEES AS A PERCENTAGE OF TOTAL REVENUES BY COMMUNITY TYPE

	<i>Minimum</i>	<i>Average</i>	<i>Maximum</i>
Independent Living	2.7%	4.8%	7.4%
Independent/Assisted Living	3.4%	5.1%	8.8%
Assisted Living	3.0%	5.1%	8.1%
Assisted Living/Alzheimer's Care	3.0%	5.3%	9.7%
CCRC	1.4%	3.7%	11.5%
ALL COMMUNITIES	1.4%	4.6%	11.5%

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

TABLE 13.3

A — TOTAL COST OF EMPLOYEE BENEFITS PER FTE BY COMMUNITY TYPE

	<i>Minimum</i>	<i>Average</i>	<i>Maximum</i>
Independent Living	\$828	\$2,850	\$8,262
Independent/Assisted Living	\$762	\$2,813	\$8,147
Assisted Living	\$516	\$2,793	\$6,645
Assisted Living/Alzheimer's Care	\$114	\$2,979	\$6,398
CCRC	\$1,453	\$4,283	\$11,010
ALL COMMUNITIES	\$114	\$3,402	\$12,710

Note: Weighted average reflects total benefits divided by total FTEs.

B — BENEFITS AS A PERCENTAGE OF TOTAL WAGES AND SALARIES BY COMMUNITY TYPE

Independent Living	2.1%	9.5%	21.1%
Independent/Assisted Living	2.8%	9.0%	30.0%
Assisted Living	2.1%	8.5%	18.3%
Assisted Living/Alzheimer's Care	0.5%	9.1%	19.0%
CCRC	3.9%	11.7%	29.1%
ALL COMMUNITIES	0.5%	10.1%	30.0%

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

TABLE 13.4

A — ANNUAL COST OF GENERAL PROPERTY AND LIABILITY INSURANCE PER AVAILABLE UNIT BY COMMUNITY TYPE

<i>Department</i>	<i>Minimum</i>	<i>Average</i>	<i>Maximum</i>
Independent Living	\$15	\$308	\$1,361
Independent/Assisted Living	\$3	\$445	\$1,445
Assisted Living	\$62	\$310	\$1,567
Assisted Living/Alzheimer's Care	\$9	\$401	\$1,602
CCRC	\$34	\$434	\$3,246
ALL COMMUNITIES	\$3	\$411	\$3,246

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

B — ANNUAL COST OF PROFESSIONAL LIABILITY INSURANCE PER AVAILABLE UNIT BY COMMUNITY TYPE

Independent Living	\$10	\$129	\$894
Independent/Assisted Living	\$2	\$165	\$531
Assisted Living	\$22	\$278	\$1,398
Assisted Living/Alzheimer's Care	\$10	\$288	\$1,054
CCRC	\$38	\$307	\$2,472
ALL COMMUNITIES	\$2	\$263	\$2,472

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

C — ANNUAL COST OF WORKERS COMP PER AVAILABLE UNIT BY COMMUNITY TYPE

Independent Living	\$17	\$199	\$1,573
Independent/Assisted Living	\$37	\$353	\$1,499
Assisted Living	\$11	\$548	\$2,909
Assisted Living/Alzheimer's Care	\$32	\$802	\$2,513
CCRC	\$28	\$432	\$1,925
ALL COMMUNITIES	\$11	\$480	\$3,044

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

D — ANNUAL COST OF WORKERS COMP AS A PERCENTAGE OF TOTAL WAGES AND SALARIES BY COMMUNITY TYPE

Independent Living	0.4%	3.0%	11.9%
Independent/Assisted Living	0.3%	3.2%	11.1%
Assisted Living	0.1%	3.7%	17.9%
Assisted Living/Alzheimer's Care	0.4%	4.2%	14.3%
CCRC	0.2%	2.4%	11.4%
ALL COMMUNITIES	0.1%	3.1%	17.9%

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

TABLE 13.5

TOTAL UTILITIES BY PROPERTY AGE

	<i>Minimum</i>	<i>Weighted Average</i>	<i>Maximum</i>
PROPERTIES OPEN 2000–2009			
By Square Foot	\$0.54	\$1.81	\$5.68
By Resident Day	\$1.75	\$5.25	\$13.47
PROPERTIES OPEN 1986–1999			
By Square Foot	\$0.70	\$1.94	\$8.14
By Resident Day	\$1.48	\$5.09	\$12.69
PROPERTIES OPEN 25+ YEARS			
By Square Foot	\$0.75	\$1.85	\$3.81
By Resident Day	\$1.70	\$5.23	\$26.48

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

TABLE 13.6

A — TOTAL UTILITIES BY SQUARE FOOT BY COMMUNITY TYPE

	<i>Minimum</i>	<i>Weighted Average</i>	<i>Maximum</i>
Independent Living	\$0.70	\$1.71	\$3.59
Independent/Assisted Living	\$0.54	\$1.93	\$6.47
Assisted Living	\$0.88	\$2.30	\$8.14
Assisted Living/Alzheimer's Care	\$1.40	\$2.51	\$4.52
CCRC	\$0.98	\$1.75	\$4.87
ALL COMMUNITIES	\$0.54	\$1.88	\$13.30

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

B — TOTAL UTILITIES BY RESIDENT DAY BY COMMUNITY TYPE

Independent Living	\$1.48	\$4.79	\$12.69
Independent/Assisted Living	\$1.99	\$5.21	\$12.62
Assisted Living	\$1.97	\$4.54	\$10.63
Assisted Living/Alzheimer's Care	\$1.75	\$5.10	\$10.32
CCRC	\$1.91	\$5.37	\$26.48
ALL COMMUNITIES	\$0.85	\$5.14	\$16.02

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

TABLE 13.7

A — ACTUAL VS. BUDGETED CAPITAL EXPENDITURES PER AVAILABLE UNIT BY PROPERTY TYPE

	<i>Minimum</i>		<i>Weighted Average</i>		<i>Maximum</i>	
	<i>Actual 2012</i>	<i>Budgeted 2013</i>	<i>Actual 2012</i>	<i>Budgeted 2013</i>	<i>Actual 2012</i>	<i>Budgeted 2013</i>
Independent Living	\$95	\$125	\$2,322	\$2,190	\$44,037	\$21,305
Independent/Assisted Living	\$71	\$147	\$2,048	\$1,681	\$10,249	\$11,709
Assisted Living	\$100	\$250	\$1,713	\$1,465	\$16,254	\$27,475
Assisted Living/Alzheimer's Care	\$72	\$64	\$1,408	\$1,444	\$13,019	\$12,512
CCRC	\$158	\$477	\$4,895	\$4,743	\$27,535	\$48,605
ALL COMMUNITIES	\$55	\$64	\$2,575	\$2,448	\$44,037	\$48,605

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

B — ACTUAL VS. BUDGETED CAPITAL EXPENDITURES PER AVAILABLE UNIT BY AGE OF PROPERTY

<i>Year Opened</i>						
Before 1986	\$99	\$259	\$3,350	\$3,337	\$44,037	\$18,182
1986 thru 1989	\$359	\$325	\$3,494	\$3,218	\$27,535	\$48,605
1990 thru 1995	\$313	\$421	\$3,046	\$3,511	\$14,097	\$30,465
1996 thru 1999	\$157	\$195	\$1,790	\$1,727	\$16,254	\$27,475
2000 thru 2010	\$71	\$64	\$1,942	\$1,722	\$14,963	\$11,447

Note: Weighted average reflects total actual and budgeted capital expenditures divided by total units for each age bracket.

Chapter

KEY FINANCIAL PERFORMANCE INDICATORS

14

Tables 14.1 through 14.3 present key financial performance indicators *for communities operated on a for-profit basis* and that have been open for at least two full years.

While we believe that these results accurately portray the performance of the set of responses to the *State of Seniors Housing* survey, results may not necessarily be indicative of overall industry performance. More importantly, direct comparisons with prior year survey results (because they were taken from different samples each year) will not be appropriate. And results shown in this chapter may not be directly comparable to calculations made from the Tables in Chapter 9 of this report, because Chapter 9 was calculated from medians, quartiles, etc. based on properties being ranked by Revenues per Occupied Unit, while the calculations for this chapter, as detailed in the footnotes, were made using rankings more appropriate here.

Operating margins, calculated as Net Operating Income (that is, EBITDAR) divided by Total Revenues, were highest for free-standing independent living communities (median of 37.3%), followed by independent with assisted living (median of 34.6%) followed closely by assisted living communities, with and without Alzheimer's care (median of approximately 32%) (see Table 14.1).

Median debt service ratios were 1.7 and above for the various property types with sufficient response set sizes (see Table 14.2), and even the lower

quartiles of property types were averaging 1.0 or above — which means that a sizeable majority of for-profit seniors housing properties were generating more-than-sufficient cash flow to cover their debt service.

Current (unleveraged) return on total investment typically ran between 8% and 9% (see Table 14.3). That was calculated as current NOI, divided by the total investment (debt plus equity) incurred for the property's development cost, or purchase cost, plus, when known to us, subsequent expansions/renovations after initial development or acquisition. Coupled with continued low interest rate costs (not surveyed by *State of Seniors Housing*) and considering the effects of leverage, that implies the typical returns on equity alone for seniors housing would generally run much higher.

However, we repeat the warning that was given earlier in this report: 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, the **"Return on Investment" presented in this report is *not necessarily equivalent* to a current capitalization rate.**

TABLE 14.1

OPERATING MARGINS BY COMMUNITY TYPE (EBITDAR/TOTAL REVENUES)

<i>For-Profit Communities Only</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Lower Quartile	20.3%	21.4%	16.4%	17.7%	6.7%
Median	37.3%	34.6%	31.2%	32.6%	27.5%
Upper Quartile	49.9%	46.0%	43.5%	42.2%	37.7%

Note: Ranking by Operating Margin.

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

TABLE 14.2

DEBT SERVICE COVERAGE RATIOS BY COMMUNITY TYPE

<i>For-Profit Communities Only</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Lower Quartile	**	1.1	1.0	1.1	**
Median	**	1.7	2.0	2.1	**
Upper Quartile	**	3.8*	5.0*	4.7*	**

* Upper Quartile averages calculated after deleting extremely high DSC ratios (>20) resulting from dividing by miniscule debt service .

** Insufficient sample size.

Note: Properties are Ranked by Debt Service Coverage. Each quartile measure represents the average of all properties falling in that rank, while the "median" reflects the average of the 5th and 6th deciles.

TABLE 14.3

CURRENT RETURN ON INVESTMENT (UNLEVERAGED)

<i>For-Profit Communities Only</i>	<i>IL</i>	<i>IL/AL</i>	<i>AL</i>	<i>AL/ALZ</i>	<i>CCRC</i>
Lower Quartile	**	4.8%	2.6%	4.7%	**
Median	**	8.6%	8.0%	8.6%	**
Upper Quartile	**	22.1%*	19.9%*	16.5%*	**

* Upper Quartile average calculated after deleting extremely high ROI ratios (> 100%) resulting from dividing by very small historical investment supplied.

** Insufficient sample size.

Note: Properties are Ranked by Return on historical investment. Each quartile measure represents the average of all properties falling in that rank, while the "median" reflects the average of the 5th and 6th deciles.

Chapter

HISTORICAL PERFORMANCE OF KEY FINANCIAL INDICATORS

15

The tables in this chapter chart the medians of three key indicators over 19 years from 1994's performance through 2012's performance:

- Occupancy (Table 15.1)
- Resident Turnover (Table 15.2), and
- Operating Margins (Table 15.3)

It is important to note that the data in these charts were generated from different sets of responding properties each year – so that each yearly “sample” consists of communities, some of which are the same year-to-year and some of which are different. Therefore, caution should be used when making year-to-year comparisons, or making inferences about underlying “trends” [a year-to-year difference could be due to the non-similar properties affecting each year's results.]

Nevertheless, the historical charts are presented for purposes of providing a multi-year summary using an annual “snapshot” from each year's *State of Seniors Housing* report.

TABLE 15.1

MEDIAN OCCUPANCY BY COMMUNITY TYPE

	<i>IL</i>	<i>AL</i>	<i>CCRC</i>
1994	93%	91%	94%
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%

Note: 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 ALZ and AL/ALZ, now comprises AL only, or predominantly AL. Moreover, the 2011 and 2012 indications represent the weighted average of the 5th and 6th deciles (40th–60th percentile) while prior years report the simple median.

TABLE 15.2

RESIDENT TURNOVER RATES BY COMMUNITY TYPE

	IL	AL	CCRC
1994	23%	44%	38%
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%

Note: 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 ALZ and AL/ALZ, now comprises AL only, or predominantly AL. Moreover, the 2011 and 2012 indications represent the weighted average of the 5th and 6th deciles (40th–60th percentile) while prior years report the simple median.

TABLE 15.3

OPERATING MARGIN BY COMMUNITY TYPE

	IL	AL	CCRC
1994	32%	25%	25%
1995	38%	28%	29%
1996	39%	29%	23%
1997	38%	30%	36%
1998	39%	29%	27%
1999	36%	20%	27%
2000	36%	26%	29%
2001	40%	24%	23%
2002	34%	31%	22%
2003	33%	28%	30%
2004	33%	27%	27.%
2005	32%	29%	24.%
2006	38%	37%	23.%
2007	36%	30%	20%
2008	32%	34%	17.%
2009	34%	32%	23%
2010	38%	32%	28%
2011	41%	33%	24%
2012	37%	31%	28%

Note: 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 ALZ and AL/ALZ, now comprises AL only, or predominantly AL. Moreover, the 2011 and 2012 indications represent the weighted average of the 5th and 6th deciles (40th–60th percentile) while prior years report the simple median.

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