

CONFERENCE RECAP

The 18th Annual HJ Sims
Late Winter VIRTUAL Conference

Wednesday, February 24, 2021



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2021 Conference Recap

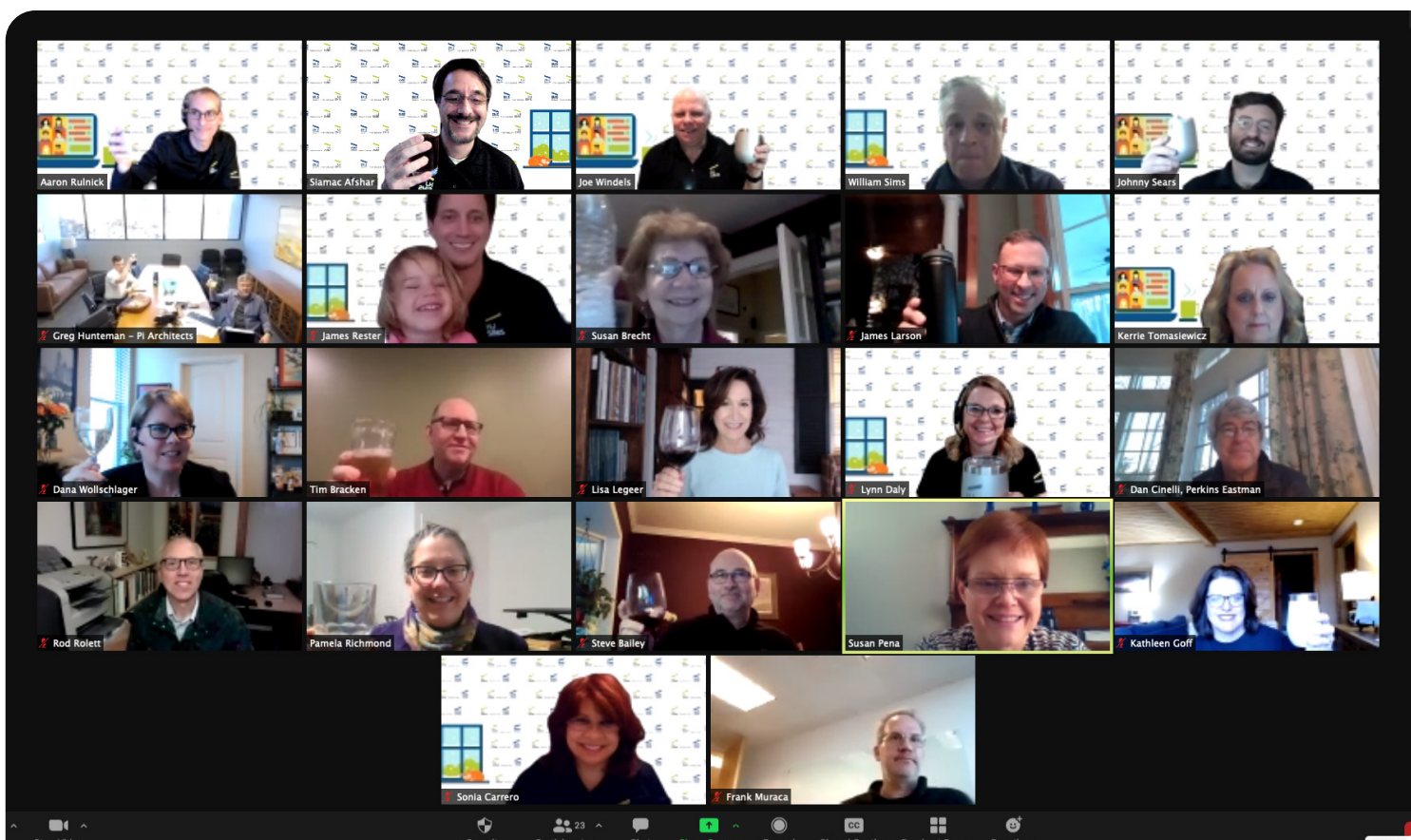
During the past eighteen years, HJ Sims has hosted our Annual Late Winter Conference as a forum to gather experts from across the senior living industry for sharing experiences, strategies and operations. **2021 looked a little different:** we created a virtual conference, condensed the schedule into a non-stop half-day event and executed sessions and activities from the safety of our own homes. We are pleased that the day went so well. We hosted about 500 senior living owners and operators and industry professionals. Throughout the conference, attendees explored recurring themes, such as embracing new strategies in a post-COVID environment centered around marketing, operations, technology, leadership and planning for tomorrow's senior housing client in today's longevity economy.

"I am pleased to offer a conference to colleagues and partners that provides attendees from the non-profit and for-profit sectors of the senior living industry with a forum to share and discuss their insight for success in a comfortable setting," said Bill Sims, Managing Principal. "We were unable to anticipate the volatility of this past year. However, despite general adversity, our industry has persevered, adapted and will ultimately overcome the unexpected. All told, our event participants are genuinely what make for a remarkable event."

The following pages provide comprehensive coverage of the sessions at the 2021 HJ Sims Late Winter Conference.

Be sure to [subscribe](#) to our HJ Sims marketing list for information on market updates and forthcoming events.

Happy Hour





HJ Sims CFO Brunch Synopsis

This year's CFO Brunch featured an experienced group of senior living finance executives focusing on COVID-19-related challenges and lessons learned during the COVID-19 Pandemic. The panel included **Nick Harshfield** from Lifespace Communities, **Dennis Murphy** from Benchmark Senior Living, **Toby Timmermeyer** from Voralto Senior Living, and **Alexia Pozar** from HJ Sims.

Key takeaways included:

COVID-19's Impact on Growth Plans

Each organization noted the challenges of acquiring or affiliating with organizations during the Pandemic. However,



all organizations believe there will be more acquisition opportunities in 2021, as the Pandemic begins to end. Benchmark Senior Living has seen limited acquisition opportunities throughout the Pandemic, acquiring only one CCRC in the last year. They

expect to acquire more properties in the near future, as struggling communities become available for purchase.

Lifespace Communities has focused on redeveloping and/or expanding communities during the COVID Pandemic. Due to the impact of the Pandemic, they had to frequently revisit



market studies and reconfigure expansions to meet the current market. Additionally, they have seen more opportunities for affiliations, especially with single-site communities that would like to be part of a strong non-profit system.

While Lifespace is not actively seeking affiliations, they typically bring in communities on a stand-alone basis. Once the community stabilizes, they then merge the community into the obligated group.

Despite the Pandemic, Voralto Senior Living is in growth mode and is actively seeking acquisitions. Voralto believes there are opportunities under all economic conditions. During the next quarter, they anticipate closing on three communities.



Where have you sought expense savings to offset the impacts of COVID-19?

To mitigate the Pandemic's impact on census levels, senior living providers have had to find various ways to reduce expenses. Voralto has sought to lower staffing and non-resident care expenses. While Voralto has not had to lay off employees, they have seen a reduction in staffing due to a decline in census levels. To lower staffing expenses, they have focused on hiring more part-time staff, conducting cross training and sharing employees between communities. Voralto has lowered non-resident care expenses by

negotiating with supply vendors and purchasing PPE in bulk.



Alexia Pozar of HJ Sims has also seen senior living providers lower expenses through reduced staffing. Additionally, she has seen cost savings in the following areas:

- **Advertising:** *Senior living communities have reduced spending on newspaper/mail advertising and often switched to managing their own social media.*
- **Dining:** *Reduced costs have been experienced through streamlining menus and managing food waste.*
- **Activity/Entertainment:** *Due to Pandemic restrictions, activity expenses have decreased.*
- **Deferring Capital Improvements:** *If possible, communities have delayed spending funds on repair and replacement.*



→ **Negotiating with lenders:** *Many communities have been able to negotiate with their banks on lower interest rates or loan forgiveness due to the Pandemic.*

Low Interest Rate Environment

One of the few silver linings during the past year has been historically low interest rates. These low rates have allowed senior living communities to refinance loans, resulting in significant debt service savings. Benchmark Senior Living has benefited as actual interest rates on debt associated with its \$1.8 billion portfolio recapitalization are below underwritten rates, allowing Benchmark to offset a large portion of lost revenues due to the Pandemic.

Lifespace Communities has seen its financing options increase due to low interest rates. As a non-profit senior living provider, Lifespace Communities has typically used fixed-rate, tax-exempt bonds to finance capital improvements. Rates have reached a threshold to where typically non-viable options, such as taxable bonds, have become available. In addition, Lifespace has utilized commercial bank loans to reduce debt service, taking advantage of ultra-low bank rates.

Lessons Learned during the Pandemic

The Pandemic forced senior living providers to face unprecedented challenges, which led organizations to learn valuable lessons for the future. All panelists indicated that valuable staff and team culture often allowed their organizations to overcome the challenges of the past year. Voralto Senior Living and Benchmark Senior Living found that rewarding employees, either through premium pay or other incentives, like providing meals to staff and their families, enhanced employee retention efforts.

Further, many of the panelists gained appreciation of the importance of technology and communication. HJ Sims' Alexia Pozar noted that the Pandemic required organizations to be transparent and communicate effectively with their staff, residents, residents' families and vendors/lenders in order to retain staff and residents, calm fears and negotiate new lending terms.

Lifespace Communities learned about the importance of a strong balance sheet and operational results in poor economic conditions. Lifespace had a strong balance sheet coming into 2020, which has allowed the organization to "weather the storm." Additionally, they noted the importance of strong operational results beyond entrance fees, which are often tied to economic conditions outside the control of the senior living provider.

Lastly, Voralto and Benchmark discovered that they needed the ability to adapt in the early stages of the Pandemic to ensure the operational success of their organizations. To meet new challenges, Benchmark often had management oversee processes that were outside their normal role. Voralto found that they had to quickly to new rules and regulations, ensuring that they could continue marketing efforts and visitations. Pozar found that organizations with strong internal policies and best practices were greatest equipped to effectively adapt and face unforeseen challenges.

For more information on this session, please contact **Brett Edwards** at bedwards@hjsims.com.



Let's Talk Brunch: Embracing New Strategies in a Post-COVID Environment

The COVID-19 Pandemic is challenging providers to quickly adapt to a new senior living landscape, reshaping how they market and operate their communities. To uncover how they should adapt to changing sentiments toward senior living, Plante Moran Living Forward and Retirement DYNAMICS solicited feedback from more than 23,000 residents, prospects on waiting lists, and staff of independent living communities. They received responses from more than 5,000 people about their experience living through this Pandemic and how that may have affected their decisions to live or work in communities.

While the survey results evidence that residents overwhelmingly feel safe during COVID-19 and confident their communities have taken appropriate precautions to keep them safe, the study also identified opportunities for improvement. Embracing New Strategies in a Post-COVID Environment brought together industry professionals and executive leadership of senior living providers to discuss the study's findings and application.

Findings

Dana Wollschlager, Partner & Practice Leader at Plante Moran Living Forward, began the session by sharing the motivation and methodology behind the survey, and describing participant information. With that foundation, she outlined the overall executive summary of results, some of which included:



- **Safety:** For residents, 61% feel safer in a community versus being in their previous home; 75% agreed that they were "glad to be living in a community during the Pandemic"; and 93% felt the community took all precautions to keep them safe. In addition, 85% of staff agreed that the residents "are safer in the community than in their previous home." For prospects, 68% indicated they felt safer at home than in a community; 58% were "not worried about living at home during the Pandemic" and 67% "felt peaceful."
- **State of mind:** Prospects felt better than residents across all feelings measured: worried, peaceful, anxious, scared, lonely, and concerned. 61% of prospects "felt socially isolated during shelter-in-place" compared to 60% of residents.
- **Lifestyle:** Residents gave high marks for community cleanliness and sanitation. Residents generally gave low marks for the alternative recreation and activities offered during shelter-in-place orders. 54% of residents felt the community created and communicated effective visitation policies that allowed them to safely connect with family and friends.
- **Dining experience:** Residents gave their communities low marks for variety, quality of food and meal options. 60% of prospects felt fearful of shopping. Many prospects were overwhelmed by additional menu planning, prep, cooking, and cleaning as they remained at home.
- **Technology:** Only 47% of residents felt the community used technology effectively, which allowed opportunities for greater engagement and connectivity with family and friends. 89% of prospects strongly felt they were "able to leverage technology to maintain connectivity with friends and family during the Pandemic." Additionally, 72% of staff want a platform to streamline communications to families and 54% of staff believe technology infrastructure should be improved.



→ **Communication:** *Most residents gave high marks for communications and updates from management about the coronavirus, with over 1,100 positive write-in comments on communication.*

To see the survey results in their entirety, please fill out the submission form to download the [complete report](#).

Leadership Perspective

With the survey findings as background, the conversation shifted to a question and answer format with the panelists. First, panelists discussed their decision to participate in the



survey. **Steve Fetyko**, President and CEO of United Methodist Retirement Communities, felt the survey presented an opportunity to hear and learn directly from their residents, in real time, what the organization was doing well and

what it was not. Aimee Riemke, Vice President of Marketing for Greencroft Communities, shared her initial concern with administering the survey, worrying that it was a time commitment they couldn't afford to make. Ultimately, however, she was thankful they participated in the easy process, noting that it followed their value of understanding residents' expectations.

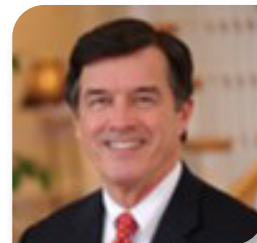
According to **Shona Schmall**, Director of Sales & Marketing, Cooperative Development, Ebenezer Management Services, one of the most significant findings was how 61% of resident members felt safer in the community than they previously had in their home. Ebenezer was also surprised that only 61% of individuals living in a single-family dwelling felt socially isolated, given various stay-at-home orders. Finally, they



were surprised, but encouraged, that 74% of prospects indicated that their timeframe for moving into a senior living community remained unchanged.

New Marketing Strategies

Not surprisingly, with visitation and outside guest restrictions initially in place, senior living organizations have needed to change their marketing approach. **Bobby Sumner**, President of Retirement Dynamics, noted that initially virtual meetings through platforms like Zoom were helpful for staying connected with prospects, but that after a few months there was more acceptance and comfort with face to face meetings that embraced social distancing guidelines.



Aimee Riemke agreed, adding that COVID forced prospects to adopt technology in a way that now allows Greencroft to hold virtual meetings and tours as an introduction and follow up with a smaller, socially distanced in-person tours. She also noted that Greencroft, as an organization, has been forced to adopt to new marketing technologies, which Steve confirmed has been the case for UMRC as well.



Aimee also described how Greencroft setup contactless tours that allowed prospects to tour model units on their own time. Tour slots booked up quickly, even in the cold of winter, and were an overwhelming success in converting waitlist depositors. Shona emphasized how Ebenezer now views their website as their front door and has engaged a number of service providers to enhance the website experience and provide tools such as a 24/7 virtual assistant, a virtual tour platform, and a 3D imaging of planned units.



New Amenity Strategies

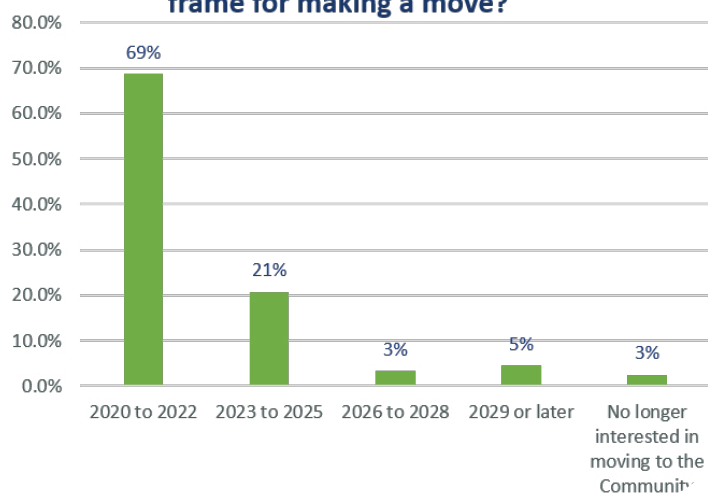
Perhaps the greatest change for independent living residents came with the halt of communal dining. With dining being one of the most significant elements of resident experience, the survey results captured a host of issues including environmental concerns over the use of plastic and Styrofoam, tray placement outside of resident apartments, and a lack of menu variety. Aimee noted that Greencroft Communities redeployed their transportation team to help residents order groceries, and then go pick them up. They also deployed the team to deliver meals that had been prepared in house. Steve added that changes to dining required thorough communication from the UMRC team with residents around why the changes had to be made to meet healthcare regulations, but that it also presented an opportunity to give residents more choices at a time when so many had been taken away.

In addition to dining, robust technology capabilities have also now become a necessity for resident experience. Dana suggested communities do a technology assessment that gauges critical and long-term needs, with Bobby emphasizing that the marketing staff and operations teams need to spend time with residents to ensure they can utilize it in order to stay in communication with their families.

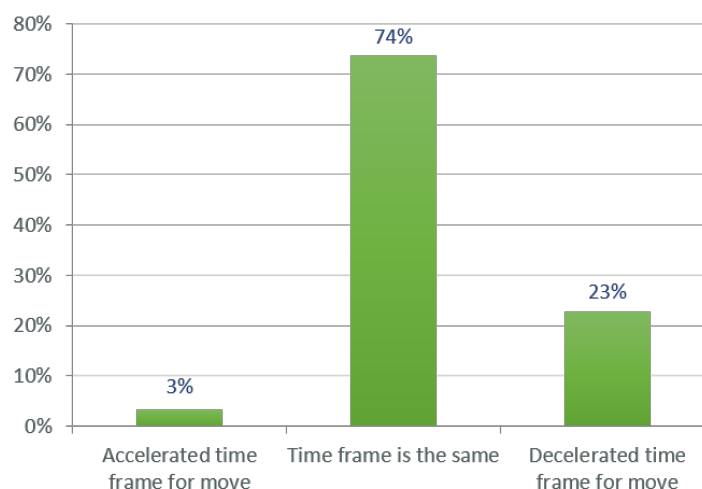
Without question, when we come out the other side of this Pandemic, there will be a **new senior living landscape** and an entirely new paradigm within which to work. The past year has required immense effort, nimbleness, and quick action. We at Sims commend all the Senior Living Providers across the country for, as Steve noted, “flying the plane as they build it.”

For more information on this session, please contact **Lynn Daly** at ldaly@hjsims.com.

If you are interested in moving to the Community, what might be your time frame for making a move?



Has your time frame for a move changed since COVID-19?



Source: Survey results from the COVID-19 Sentiment Report by Plante Moran and Retirement Dynamics | June 2020



HJ Sims Let's Talk Brunch on Technology Session

One of the Brunch sessions this year focused on the challenges and opportunities posed by technology in the age-qualified industry. The panel included **Nick Patel** from The Asbury Group, **Shaun Smith** of Albright Care Services, and **AJ Peterson** of Netsmart Technologies. The session focused on the role of technological infrastructure, and integration in the flexibility and strength of an organization – important themes for fighting the COVID-19 Pandemic and the future.

Tech Use among Seniors

The session opened with a general overview of technology usage research conducted by Pew Research Center. Included in this research were several standout statistics. As of 2016, Pew reported that smartphone adoption among surveyed seniors (people aged 65+) had nearly quadrupled from 11% to 42%; the panel echoed that the technology-adoption trend has only continued. Pew also notes affluent and better educated seniors are more likely to report smartphone ownership. However, despite the trends towards technology use amongst seniors, the Pew research points out that technology use was significantly lower amongst seniors aged 75+ compared to their younger counterparts. Transitioning from the use of technology among prospective senior living residents, the panel moved to discussions of the role of technology within senior living organizations.

Organizational Technological Infrastructure

To frame the discussion of organizational technology adoption, Nick Patel used a “Technology Maturity Model” pyramid to represent organizations’ level of technological maturity and adoption



(shown below). His analysis showed that the fundamental aspect of technology adoption is a solid foundational network and data infrastructure. He defined this as the internet and data sharing networks that allow for layering of more complex data collection and distribution. For example, without reliable and accessible internet, investment in complex resident tracking software is ineffective. For most organizations, the climb to the top of this pyramid can take three to five years.



Shaun Smith noted that the pyramid prototype is the useful to his organization. In relation to Asbury, the organization was able to head off some of the technology stress of the Pandemic to buttress Albright’s technology infrastructure. Nick echoed this sentiment. Organizations which had already begun scaling the pyramid were more prepared to pivot at the onset of the Pandemic.



However, sometimes there are still unforeseen technological challenges. When Asbury staff needed to reach its LIFE Center participants (Pennsylvania’s PACE program) at the onset of the Pandemic, they quickly realized those seniors were largely without access to broadband internet or smart technology. Pivoting, the team at Asbury canvassed door-to-door with iPads. Though it was originally a challenge, the processes they developed are now used to more quickly onboard new residents.



Integration of Technology

An important theme that emerged during the discussion was the human component of technology. AJ Peterson, as a technology solution provider, discussed how their goal is to craft platforms integrating all of the technology tools into



the workflow. He highlighted the importance of obtaining feedback from the end user throughout the process of developing a tool. If tools are easier to navigate, and fit the working needs of those using them, they are more likely

to be adopted widely. Shaun echoed these sentiments, saying they have found that technology must be human-oriented. Adoption and integration are easier if there is a human connection element on the front-end. Residents and caregivers increasingly adopt the technology if they have human-centered training at the start. AJ also noted the ways in which these tools will continue to shift. Particularly, he discussed the role virtual care would play as part of the larger care strategy. He positioned the question: How does the entire care team engage with residents and family members? They are anticipating growth in the remote patient monitoring space and seeing a shift that emphasizes a wellness-focused model, where risk is identified sooner and mitigated.

Emerging Technologies

The session concluded with discussion related to the emerging technologies impacting the senior space. Whereas some tools, used to reward employees, may somewhat alleviate staffing and expense concerns, other tools, like VitalTech, Trueloo, Apple Watches, and Amazon Alexa, may allow more seniors to stay at home longer. Likewise, Mynd VR, Zoom, Mirror, and other technologies allow seniors new outlets to improve mental and physical health. The panelists all shared interest in how these new technologies would impact the aging space, but they unanimously voiced the need for careful adoption of the right tools versus chasing whatever the newest.

For more information on this session, please contact

Melissa Messina at mmessina@hjsims.com



Opening General Session

Each year, we begin the HJ Sims Conference with an overview of the senior living industry and capital market trends, as well as an update on the latest from HJ Sims. Though much of 2020 was spent apart from one another, HJ Sims remained active, with nearly \$1.6B of financings in 35 transactions across the country, in addition to adding four new members to the investment banking team and six financial professionals.

Bill Sims, HJ Sims Managing Principal, highlighted current capital markets trends and the effect on the senior living



industry and providers. Though the onset of the Pandemic in March 2020 brought substantial volatility and large outflows from bond funds, markets generally stabilized by early summer, with substantial trading activity throughout the year from

HJ Sims institutional accounts. During the year, taxable municipal financing projects expanded to lower rated entities, as did other creative refinancing structures, as HJ Sims was able to assist borrowers in achieving real savings and liquidity in uncertain times while taking advantage of a low interest rate environment. Resulting from increased borrowing by the federal government and an improving economy, interest rates are already on the rise, though the senior living industry interest rate premium may dissipate. As vaccine distribution increases, Bill believes that pent-up demand for senior living services may emerge, though he notes that returning to a pre-COVID lifestyle, to the extent possible, will be critical to a strong recovery for the sector.

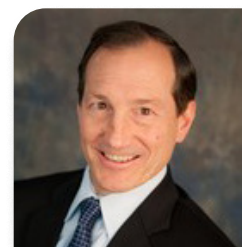
Aaron Rulnick, Managing Principal and Co-Head of Investment Banking, discussed the Financed Right® approach of HJ Sims – of paramount importance in a year marked



by uncertainty and challenge across the global landscape. Flexibility proved to be critical to the success of many transactions, with a variety of circumstances necessitating wholesale changes to the plan of finance in the midst of the financing process. For example, for a single-site provider's expansion financing in the southeast, HJ Sims started with a tax-exempt hybrid structure including fixed-rate bonds and bank debt and pivoted to an all taxable bank debt transaction by closing in April. In addition, HJ Sims continued to provide tailored solutions to effectively help advance client goals. For a large multi-site provider in Florida, HJ Sims executed a taxable advance refunding to integrate a prior acquisition into its organization structure at a reduced cost of capital, including call provisions that retained future flexibility for additional growth.

Jeff Sands, Managing Principal and Co-Head of Investment Banking, highlighted the continued growth of the HJ Sims Investments ("HJSI")

platform. HJSI holds more than \$275 million of direct investment across both the spectrum of senior housing and the capital stack. HJSI's high-net worth investor base re-entered the market during the second half of 2020 in an active manner, with financings closed for long-established clients, as well as new clients. As the industry embarks on its recovery, there may be challenges along the way as providers seek to increase occupancy back to pre-Pandemic levels in short order, as well as managing the lasting effects from the Pandemic, such as increased expense pressures resulting from wages and PPE. Jeff also recognizes opportunity going forward, with a generally low interest rate environment, an active market for HUD and agency financings, and for sponsors in strong financial positions, a reduced supply of new construction and acquisition opportunities for discerning buyers.





Anthony Luzzi, President of Sims Mortgage Funding, a wholly owned subsidiary of HJ Sims ("SMF"), provided insight into the impact of COVID-19 on HUD financings. Many borrowers took advantage of relief provided via CARES Act and other legislation, primarily focused on forbearance options and allowable uses of certain reserves. Refinancing activity for loans already in HUD's portfolio significantly increased from 2019 for both multifamily and healthcare, with bridge to HUD loans comprising over 80% of the healthcare sector's lending activity. Looking forward, as HUD's mortgage insurance programs generally enjoy bi-partisan support and are financially accretive to the government, Anthony does not expect significant changes from the prior administration, with an active environment benefiting from low interest rates during 2021.



Gayl Mileszko, Director, Capital Markets Analysis & Commentary, shared a wealth of information regarding current global, domestic, and industry-specific trends in an effort to assess future risks and exposures. The Pandemic upended every aspect of our lives in 2020, and life as we know it is unlikely to be a "return to normal", with far-reaching consequences related to senior care, technological innovation, and workforce issues likely to continue driving change post-Pandemic. Gayl shared the importance of telling your story, as there are a growing number of positive indicators that the senior living sector will both recover and thrive in due time, including successful vaccine roll-out, favorable home price trends, and a low interest rate environment. Finally, the emergence of the social bond designation, an effort to emphasize those securities that combine social and financial returns, is growing in popularity with the rise of Environmental, social and governance focused investment ("ESG") and may be an opportunity within the senior living sector for differentiation.



The session concluded with a video celebrating the life of Genevieve Freda, who passed away in 2020. Gen, as she was known, began at HJ Sims in 1948 until her retirement in 2019. We miss her greatly. See Gen's [memoriam video](#).

For more information on this session, please contact **Nick Roberts** at nroberts@hjsims.com

Planning for Tomorrow's Senior Housing Client in Today's Longevity Economy

For the 18th Annual HJ Sims Late Winter Conference, **Dr. Joseph Coughlin** assumed center stage, as keynote speaker, to discuss the trends of aging, longevity and the prospects for senior living providers. He drew upon his extensive and varied experience in academia and advising global firms. Dr. Coughlin is the Director of the MIT AgeLab and teaches in MIT's Department of Urban Studies and Planning and Sloan School's Advanced Management Program. He is the author of *The Longevity Economy: Inside the World's Fastest Growing, Most Misunderstood Market*.



The world is preparing to welcome a new generational powerhouse in that of "seniors" and those considered of "retirement age." A transition is occurring, establishing the largest projected population of retirees and senior citizens in human history. This trend can be attributed to various factors, including the reduced physical demands of many jobs today, advancements in healthcare, a greater focus on healthy living, and technological advances, which are expanding global lifespans and the median age of adults. Dr. Coughlin cited the leading indicators of this pattern and implications for product and service providers in countries throughout the world:



- *In Germany, the country is recognizing the trending population of older adults and creating an anti-aging beer;*
- *In Japan, the sale of adult diapers has surpassed those sold for infants;*
- *In the U.S., where an adult turns the age of 75 every seven seconds, 13% of all online dating services are being utilized by persons aged 65+ and older.*

With the population aging as whole, in the U.S., the baby boomers will redefine the standards of retirement. These standards are being driven by educated consumers and corporations recognizing the demand of this growing population with expectations and wants that differ markedly from prior generations. If combined into an aggregate economy, the “aging population” would create the world’s third largest driver of global spending. Furthermore, adults above the age of sixty have the highest concentration of wealth in the world, and are living longer now than ever before.

Not only are adults living longer, they are staying active for longer. Recall that a growing majority of these aging adults are the baby boomers who grew up in a counter-culture era soaked in rebellion and quasi-revolution. Dr. Coughlin amusingly quoted the musician Jimmy Buffet describing the baby boomers as, “the people our parents warned us about.” This “warning” is being increasingly heeded by consumers and producers. The stereotypical parent of a baby boomer was polite, hardworking, patient and easily appeased, explained Dr. Coughlin. These generational qualities helped shape many of the current products and services for seniors, including senior living. While evolving in recent years, many CCRCs, LPCs, and senior housing facilities were designed and programmed to meet the more modest requirements of the pre-World War II generation. These offerings will need to continue to evolve to meet the requirements of the baby boomers.

For context, Dr. Coughlin drew a parallel to product offerings, between the two age groups, using coffee, as an example. The current population in their mid-70’s and older most likely had two options for coffee growing-up: decaffeinated and caffeinated. The younger generation has experienced a multitude of options from which to choose: frappuccinos, lattes, espressos and even white chocolate caramel macchiatos (a favorite at the HJ Sims Rockville office) served hot, warm, chilled and iced. “They [baby boomers] are creating a new generational gap, a gap of expectations,” exclaimed Dr. Coughlin. That gap is what will drive innovation in the senior living space and pave the way for what Coughlin defines as the Longevity Economy.

Taking a step back for reflection, Dr. Coughlin noted that, in fact, even the word “retirement” has changed meaning throughout time. Originated as a word to describe the stage when a person ran out of “vital life” and ability to perform physical labor, retirement meant one could no longer function as a member of the working economy and likely would result in a person falling victim to poverty. The modern definition of retirement could not be further from its root of origin. Today, people will live almost one third of their adult lives as retirees. With this extended period of time, Dr. Coughlin characterizes retirement as having four phases:

- **Ambiguity:** *Should one keep working or not?*
- **Big Decisions:** *Does one downsize, move or travel?*
- **Complexity:** *Should decisions like housing, healthcare, etc. be managed by a third party?*
- **End of life:** *When does one begin preparing for the final chapter of life?*

As it relates to the first three phases, observed trends indicate that when aging baby boomers move-out of their current homes, they are not immediately transitioning into senior living facilities. Instead, retirees are often down-sizing into smaller townhomes or apartments in the community-at-large or in “active adult” communities. A meaningful component is also relocating, whether to warmer/more



hospitable climates, locales that offer amenities of interest and to be closer to children/grandchildren, which may include smaller communal towns throughout the country. A key desire among retirees is for a sense of community, but not necessarily within a senior living setting. This latter observation is coupled with the fact that advancing technology enables aging adults to remain in their homes longer. Dr. Coughlin cites numerous technologies that have the potential to delay senior living candidates from entering a life plan community. For example, utensils that indicate nutritional value of the food they consume, mirrors that can measure blood pressure, and, even a toilet that can gauge nutrient deficiencies. These items also have the capability to upload the information to a healthcare database for use by a product/services provider, whether senior living provider or otherwise. Brands like Amazon, Walgreens, Best Buy and Walmart are all developing in-home platforms for aging seniors that will likely enable adults to remain in their current homes for a longer period of time.

While these technological trends may represent headwinds, the senior housing industry is also well-positioned to embrace them, both on-campus and in the external community. The emerging population of retirees will have a market appetite for in-home senior services larger than ever before...which senior living providers are well-positioned to provide or serve as an interface. Dr. Coughlin advises senior living providers to consider how they may connect their identities/ "brands" and offerings with in-home technology. Following this approach, providers can leverage a platform to create a relationship with potential residents before they are ready to transition into senior housing. To this end, senior living providers have the capability to partner with healthcare brands from the world's most renowned institutions. Imagine a senior living provider ("brand") entering the homes of aging adults via telehealth sponsored by Johns Hopkins or the Mayo Clinic, among other leading

health and geriatric services providers. In addition to outreach for the current senior population, senior living providers must plan for the next generation of clientele. Senior housing organizations will increasingly need to focus on the provision of senior "living" offerings with a focus on the provision of "experiences" and services; this includes a continuing sense of community, for residents as well as the broader community-at-large. From the perspective of physical "community," this may entail immediately adjacent retail, restaurants and entertainment venues, whether built by the senior living provider or in settings in which it is one of multiple tenants/components. Instead of offerings centered on-campus/inside of the facility, senior living developments may increasingly evolve into public places that are "transparent and open, like the homes we live in," suggested Dr. Coughlin.

In short, a large aging population is approaching and senior living providers, among all product and service providers, are well-advised to be ready. The experience of retirement, like the approaching baby boomers, will not conform to the past and has taken on a new definition with today's more active and demanding adult consumer. Senior living providers have the opportunity to tap into the largest aging population in U.S. history—whether its traditional campus-based community product offerings or creating a platform with a range of services for individuals opting to stay at home. A varied approach, including evolution in campus/facility concept and design, expanding presence beyond the traditional campus setting, service/amenity package, with a focus on "customer experience" along with embracing technology should position the senior housing providers for success in serving the baby boomers and subsequent generations of seniors.

For more information on this session, please contact **Jim Bodine** at jbodine@hjsims.com.



Let's Hear from the Leaders

We were honored to welcome four industry leaders to a perennially favorite session at the conference. **Suzanne Pugh**, President and CEO, Aldersgate; **Tom Grape**, Chairman and CEO, Benchmark; **David Freshwater**, Chairman, Watermark Retirement Communities; and **John Cochrane**, President and CEO, HumanGood, participated in a lively discussion, which spanned a number of topics.

Resilience in Crisis /Lessons Learned

The COVID-19 Pandemic has created challenges previously unseen. Suzanne highlighted the importance of adaptability, and maintaining the ability to pivot quickly to rapidly changing circumstances and state guidance. Tom shared that most communities had disaster recovery plans in place, including Pandemic plans, however had focused largely for events such as hurricanes and earthquakes, with less active preparation for a Pandemic event.



Speaking to recovery, David said that while slow, recovery has started. Beyond the vaccines, there are positive signs. For instance, leads, tours and inquiries are increasing. Both Watermark Retirement Communities and HumanGood communities have seen a significant uptick in web traffic. David acknowledged that recovery has been uneven across regions, in part because of differing local rules regarding the closing of campuses due to positive tests among residents or staff.



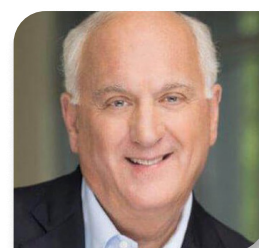
Staffing Changes During and After COVID

John stated that COVID exacerbated, rather than created, staffing challenges faced by senior living communities. The question facing organizations is how much of the increase in staff expenses is permanent and which will abate as the Pandemic eases. Tom added he does not expect a return to pre-COVID levels, due to the lessons around infection control, greater customer expectations and the need to increase wages to attract and retain staff. John pointed out better wages for front-line health care staff are necessary on an industry-wide basis, otherwise recruitment will become increasingly difficult. Suzanne added increased fees were previously met with strong resistance from residents. During the past budget cycle however, as the majority of fee increases were funding higher staff wages, Aldersgate encountered little to no resistance. Others also indicated their staff appreciation fundraising efforts yielded record results.



Marketing/Communications

Tom discussed Benchmark's efforts to maintain an open line of communication with their communities, residents and families. In fact, throughout the Pandemic each community has been sending daily communications regarding the status of COVID-19 on campus. John discussed his organization's efforts to leverage technology, such as tablets, to advance efficiency while improving resident and team member experience.





Social Awareness

Suzanne shared that socially distanced marches were organized at Aldersgate, with leadership from staff, following the death of George Floyd. These occurred on and off-campus, were attended by staff and residents, and even those in the skilled nursing facility. John offered that their internal conversations with staff showed that while good intentions were recognized, they are not enough, that people of color and LGBTQIA+ staff are looking for actions and outcomes. Further, it was understood that this is a journey, and these efforts cannot be viewed as short-term programs. Suzanne added they should not be called programs, as programs eventually terminate, and these should be permanent changes. John added that piecemeal or one-off approaches often do more harm than good. David pointed out that Watermark was able to leverage experienced gained through an art/training reach-out effort to the LGBTQIA+ community, called "Not Another Second," to implement training around race relations.

For more information about this session, please contact **Andrew Nesi** at anesi@hjsims.com or **Curtis King** at cking@hjsims.com

Virtual Fun-Tivities

We invite you to view photos from the 2021 Late Winter Conference.

Shown below are highlights from our virtual fun-tivities:

- **Golf clinic** with PGA pro, Mike Messina
- **Pasta Making** with Marc Vetri of Vetri Cucina
- **Book Club** with NY Times best-selling author, Barbara Shapiro
- **Happy Hour!**

For a full look at all the conference photos, recordings of sessions, presentations and other conference materials, please [click here](#)





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