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MIDDLE MARKET
Success Stories

LEARN FROM THE LEADERS

We ran out of time. But we didn't run out of answers…

During our recent Middle Market Success Stories webinar, our time was up before we could answer all of your great questions. Our presenters, Bill Pettit and Matt Rule, would like to ensure we address ALL the important issues that were brought up during our presentation, so…please read on:

Have you had any experience/success merging two products within a single market? For example, a CCRC full service product supporting a satellite á la carte rental product?

We have developed a number of full service retirement communities adjacent to age restricted and non-age-restricted multifamily buildings with great success and a lot of crossover interaction. We will do more in the future where the sites can support the two buildings.

What are your expectations on the size of the market that surrounds a limited services community? Same as assisted living? Larger? Smaller?

We believe it is less a question of absolute size than a demographic question of levels of income and age qualification. These buildings will do very well in 5 to 10-mile radius locations with a concentration of middle income seniors. We also find they have very little competition in most markets.

What kind of fitness programs do residents expect to receive in this operating model?

The same as we deliver in our full service buildings. We believe enhanced fitness options are an integral part of maintaining a high quality of life as seniors age. They are easy to program and inexpensive to offer with a lot of interest from the Boomer generation.

Can you talk about the amount of equity that you put in to each project?

This really depends on the region of the country and location of the building. Speaking generically, a new build that is licensed requires almost the same amount of capital unless tax credit or other affordable credits are used in the capitalization. If you offer services in a new build/unlicensed environment, the equity is about 30% less than a licensed building. On the acquisition side, repurposing buildings can yield a more economical solution (sometimes 50% less equity for an unlicensed building), particularly if you choose to offer an unlicensed middle income product.

What do you think are the top two to three most used amenities?

Depends on whether you intend to offer a licensed building or an unlicensed building with convenient home care. Apart from care, socialization with quality programing, fitness and dietary locations are important. Basically a private apartment with amenities for exercise, activities then dietary options are most desirable.