SENIORES HOUSING MARKET OVERVIEW

Presented by: John Blumer, National Sales Director
National Investment Center for the Seniors Housing & Care Industry (NIC)

August 28, 2013
AGENDA

I. NIC and NIC MAP Overview

II. Demand Drivers for Seniors Housing

III. Seniors Housing Continuum & Definitions

IV. Seniors Housing Top 100 Metropolitan Market Performance

V. Summary
NIC & NIC MAP Overview
About NIC & NIC MAP

- Not-for-profit data and research organization – founded in 1991
- **Mission** – to facilitate informed investment in the seniors housing and care industry

**Research, Data & Analytics**
- NIC MAP® Data and Research Solutions
  - Leading resource for data on independent living, assisted living, memory care, nursing care property performance
  - Actionable market data for operators, developers, analysts, investors, appraisers, brokers, lenders, consultants

**Conferences & Dealmaking Events**
- NIC hosts two signature deal-making conferences annually connecting operators with capital providers

NIC NATIONAL CONFERENCE | OCTOBER 9-11 | SHERATON CHICAGO, HOTEL & TOWERS
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<th>NIC MAP® Research by the Numbers</th>
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Seniors Housing Continuum & Definitions
Seniors Housing Continuum

- Multifamily or SF Home
- Seniors Apartments
- Independent Living
- Assisted Living
- Nursing Care

Increasing Services

Real Estate + Services = Seniors Housing and Care
Segment Types & Levels of Care

Independent Living (IL)
- Housing, Laundry, Meals, Socialization

Assisted Living (AL)
- Housing, Laundry, Meals, Socialization, Personal Care

Memory Care (MC)
- Housing, Laundry, Meals, Socialization, Personal Care, Memory Support

Nursing Care (NC)
- Housing, Laundry, Meals, Socialization, Personal Care, Skilled Nursing Care

Average Monthly Asking Rent

Source: NIC MAP® Data & Analysis Service
Property Types & Campus Types

**PROPERTY TYPES**
- Majority Independent Living (IL)
- Majority Assisted Living (AL)
- Majority Nursing Care (NC)

**CAMPUS TYPES**
- Continuing Care Retirement Community (CCRC)
- Freestanding
- Combined

**Majority IL & Majority AL = SENIORS HOUSING**
Demand Drivers for Seniors Housing
Strong Demographic Growth

Population Growth (%), 2013-2020

2013-2020 CAGR (%):

- **75+ Cohort:** 2.2
- **25-34 Cohort:** 0.6
- **U.S. Population:** 0.8

Source: U.S. Census Bureau
Demand Drivers for Seniors Housing

- Strengthening demographics
- Rising penetration rates and product acceptance
- Longer life expectancy
- Fewer informal family care givers available
- Potentially more Activities of Daily Life (ADL) needs
Institutional Interest in Seniors Housing High

Relative Attractiveness of Property Types for New Investments by Year 2010 – 2013 (Ratings: 1 = least attractive, 5 = most attractive)

Source: 2013 Plan Sponsor Survey; Kingsley Associates; Institutional Real Estate, Inc.
Seniors Housing Top 100
Metropolitan Market Performance
Unit Inventory

Inventory By Care Segment; Top 100 Metropolitan Markets
As of 2Q13

Source: NIC MAP® Data & Analysis Service
Occupancy & Annual Rent Growth

Seniors Housing - Top 100 Metro Markets

Source: NIC MAP® Data & Analysis Service
Construction Activity & Inventory Growth

Seniors Housing - Construction(#) vs. Inventory(%) By Units; Top 100 Metropolitan Markets

Construction & Inventory Growth - Top 100 Metro Markets

Source: NIC MAP® Data & Analysis Service
Summary

- Seniors Housing is a Desirable Investment for Institutional Capital
- Compelling Demographic Drivers
- Trends and Analysis are Specific to Market, Property & Segment Type
- Real Estate + Services = SENIORS HOUSING & CARE