

NIC Research Update Shows Senior Living Market Capitalization Up 15 Percent Over The Past Six Years

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Annapolis, Md. – The senior living industry has seen an approximate 15 percent increase in market capitalization – that is, net profit returns converted to a capitalized investment value – over the last six years, according to a recent report update just released by the National Investment Center for the Seniors Housing & Care Industries (NIC). It also shows that during the same period, the lodging market capitalization decreased 4 percent, while the multifamily housing capitalization increased 89 percent.

The addendum updates major findings from NIC's 1999 publication, "Size, Scope, and Performance of the Seniors Housing and Care Industry: A Comparative Study with the Multifamily and Lodging Sectors."

"Our initial study was the first to do an apples-to-apples comparison of the senior living industry with the more established, commercial real estate asset classes of multifamily and lodging," said Robert G. Kramer, president of NIC. "Our addendum of key statistics brings that information up to date, helping lenders and investors to better understand the growth of the seniors housing industry and make a case for increased allocations to the sector."

Other findings in the addendum show that the 15 percent increase since 1999 in market capitalization of seniors housing has been achieved despite decreasing operating margins and occupancy rates. This appears to be the result of increases in revenues per unit occupied.

"With the growth of the seniors housing and care industry approaching the size of the lodging industry, it is becoming increasingly clear that this is a real estate class that should not be overlooked by institutional investors," Kramer added.

Key metrics that are updated in the 2004 addendum include revenue per unit occupied, unit supply added, total size of the industry, revenue and total market capitalization. It is available at a combination price of \$75, which includes the landmark 1999 research publication. For information, visit www.NIC.org or call (410) 267-0504.

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***Attention seniors housing and care, business and financial editors: To register for conference media credentials, visit www.NIC.org/pressreg <<http://www.NIC.org/pressreg>> or contact Renee Tilton at rtilton@crosbymarketing.com. ***

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