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KEY FINANCIAL AND OPERATING INDICATORS HOLDING STABLE FOR SENIORS HOUSING AND CARE INDUSTRY

ANNAPOLIS, Md. – The seniors housing and care industry continues to show strength in terms of loan performance, occupancy rates and capitalization rates, according to first quarter 2006 key financial and operating indicators released today by the National Investment Center for the Seniors Housing & Care Industry (NIC).

“This news bodes well for our industry,” said Robert G. Kramer, NIC president, “as it maintains the very positive direction that the industry has been trending now for a number of quarters – especially since the fourth quarter of 2005. It also parallels the market’s activity in terms of the high level of interest shown by the financial community.”

During the first quarter of 2006, \$838.4 million in permanent debt financing was placed in the industry. “Although this amount was down from what was placed in the fourth quarter – when we witnessed the highest amount ever tracked by NIC at \$1.46 billion – the decrease is not surprising, as we always see a rush of deals placed at the end of the year,” explained Kramer. “The volume is still up 25 percent year over year for the first quarter.”

Loan performance also remained very strong at more than 99 percent. That compared to 97.8 percent of loans reported performing in the first quarter of 2005. In addition, the percentage of delinquent loans fell year over year from 2.2 percent in 2005 down to 0.95 percent in 2006.

Median occupancy rates, for properties open at least 24 months, also stayed steady from the last quarter of 2005. These rates improved compared to the first quarter of 2005 for independent living, assisted living and continuing care retirement communities (CCRCs), although they dropped slightly (by one percent) for nursing homes.

Median occupancy rates for all property types have tended to be significantly higher in the nation’s most populated areas. According to the NIC Market Area ProfilesSM (NIC MAP), a subscription-based service that tracks financial and performance indicators in the top 30 metro markets, occupancies during the first quarter of 2006 ran about 400 basis points higher than in the country at large.

Capitalization rates also remained mostly steady from the last quarter of 2005 to the first quarter of 2006.

Each quarter, the nation’s leading senior living lenders, owners/operators and appraisal professionals report their key financial and performance data to NIC. The loan volume data represents the quarterly lending activity of the top national lenders (non-REITs) that make permanent or short-term debt investments in seniors housing and care, including investments made by Fannie Mae, Freddie Mac, and several of the larger credit

companies and banks. The information is then posted as the NIC Key Financial Indicatorsä on www.NIC.org and accessed free of charge.

Founded in 1991, the National Investment Center for the Seniors Housing & Care Industry is a nonprofit organization providing information about business strategy and capital formation for the senior living industry. Proceeds from its annual conference – scheduled for Sept. 27-29, 2006 in Chicago, Ill. – are used to fund research on issues of importance to the industry. For more information, visit www.NIC.org or call (410) 267-0504.

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