

FOR IMMEDIATE RELEASE: March 28, 2006

ABSORPTION OF SENIORS HOUSING UNITS JUMPS SIGNIFICANTLY IN 2005

ANNAPOLIS, Md. - Absorption rates in seniors housing properties showed strong performance in 2005 in the nation's top 30 metropolitan areas, according to the NIC Market Area Profiles™ (NIC MAP), a data and analysis service produced by the National Investment Center for the Seniors Housing & Care Industry (NIC).

Each quarter, NIC MAP tracks pricing, occupancy, property and demographic information that is collected on more than 7,300 seniors housing properties representing over 1 million units/beds. The subscription-based service covers market-rate (25+ units/beds) independent living, assisted living, continuing care retirement communities (CCRC), dementia care and nursing care properties.

The NIC MAP data showed that for the year 2005, absorption (that is, the change in occupied units within communities) in the seniors housing and care industry increased significantly. Most of this increase occurred in the third and fourth quarters of 2005. In doing so, it raised the average occupancy rate for every category of seniors housing and care in the top 30 metropolitan markets.

During the past year, the average occupancy rate in the top 30 metropolitan areas jumped 300 basis points in assisted living and dementia care, more than 200 basis points in independent living, and 100 basis points in nursing care. The average stabilized occupancy increased from 90.6% to 92.7% in independent living, 88.7% to 91.7% in assisted living, 88.2% to 91.2% in dementia and 89.4% to 90.4% in nursing care from the fourth quarter of 2004 to the fourth quarter of 2005.

The increase in occupied units was more than completions (new units opened) in every quarter of 2005, except the first quarter. (For skilled nursing, this was true for the last two quarters of 2005.)

"If this trend continues, we will see very healthy occupancy rates across all sectors of seniors housing in 2006," said Tony Mullen, NIC director of research. "In addition, the number of units under construction was up only slightly in the fourth quarter of 2005, as compared to the first quarter of that year, further improving the odds of better absorption in existing units." He added that the growth rate of 75+ households is well above the units under construction (expressed as a percentage of current inventories) in many of the metro markets that NIC MAP covers.

For more information about NIC MAP, visit www.NICMAP.org. Or contact Michael Hargrave, NIC MAP sales and marketing manager, at (410) 267-0504 or mhargrave@nic.org.

About NIC

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.

#

Close This window