

## **KEY FINANCIAL AND OPERATING INDICATORS SHOW CONTINUED STRENGTH OF SENIORS HOUSING AND CARE INDUSTRY**

ANNAPOLIS, Md. – The seniors housing and care industry remained strong in the second quarter of 2006, according to loan volume, loan performance, occupancy and capitalization rates tracked and released today by the National Investment Center for the Seniors Housing & Care Industry (NIC). Each quarter, the nation's leading senior living lenders, owners/operators and appraisal professionals report their key financial and performance data to NIC. These NIC Key Financial Indicators<sup>SM</sup> can be accessed free of charge at [www.NIC.org](http://www.NIC.org).

"Seniors housing and care has trended positive for several years now, emphasizing that the industry has indeed experienced a comeback from some difficult times in the late 1990s," said Robert G. Kramer, NIC president. "The strong performance is across all of the sectors that make up the industry's continuum of care."

Loan volume for the second quarter of 2006 – at \$1.593 billion – was the highest reported to NIC since the organization began tracking these indicators, starting in 1999. It was also up 130 percent from the same time last year. "Although impressive, this amount is not surprising," stated Kramer, "given the increased level of interest and evidence of activity we've been seeing in the industry."

The loan volume tracked by NIC represents the quarterly lending activity of major national lenders (non-REITs) that make permanent and short-term debt investments in seniors housing and care, including Fannie Mae, Freddie Mac, and several of the larger credit companies and banks.

Loan performance continued to be strong, with the percent of performing loans rising to the highest ever reported by NIC at 99.25 percent. That amount compared to 98.5 percent of performing loans for the same quarter last year.

Median occupancy rates, for properties open at least 24 months, remained relatively stable from the first to the second quarter of 2006 at 91.5 percent for independent living, 88 percent for assisted living, 86 percent for skilled nursing and 91 percent for continuing care retirement communities (CCRCs).

During the second quarter of 2006, average capitalization rates continued to remain near historic lows, with independent living at 8.3 percent, assisted living at 8.7 percent and skilled nursing at 12.7 percent.

The spread between the average capitalization rates for independent living and assisted living also narrowed– from 70 basis points in the first quarter of 2006 to 40 basis points this quarter.

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 next for Oct. 3-5, 2007, in Washington, D.C. – are used to fund research and data that

leads to informed investment decision-making to advance the seniors housing and care industry. For more information, visit [www.NIC.org](http://www.NIC.org) or call (410) 267-0504.  
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