

2018 Senior Housing Outlook Report

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Executive Summary

The 2018 Senior Housing News Outlook Survey and Report results the views of 634 individuals polled about their thoughts about the senior living industry for 2018. The survey, conducted in December 2017, asked about how companies are:

- Planning to invest this year
- Identifying the most attractive senior housing property types for investment purposes
- Looking at how budgets may shift
- Looking at the most attractive opportunities and challenges they see for the year ahead

The results show senior housing owners and operators are more optimistic about their approach to the market versus last year, but some sentiments are shifting on some topics from prior quarters in 2017.



Key Takeaways



Independent living, memory care remain attractive

Memory care is the second-most attractive category of senior living to invest in, behind independent living, continuing optimism from 2017.



Staff retention a top priority

It's not surprising that staffing concerns are the top worry for 2018. Interestingly, it seems more money will flow toward retention than recruitment.



The shift to a seller's market

During Q2 2017, 10% of respondents planned to sell senior housing assets. This year, 37% plan to do so. And it appears the biggest buyers in 2018 will be private equity and private REITs.

In 2018, my company plans to _____ senior housing assets.

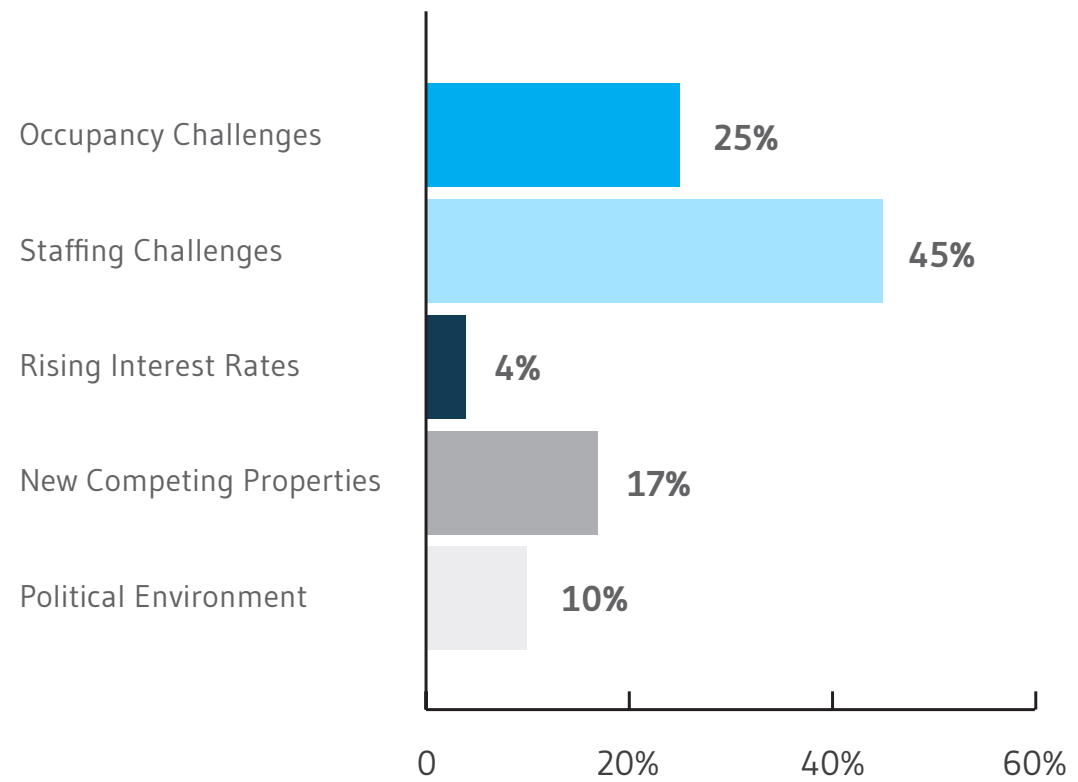


RESPONDENTS PLAN TO BUY

In 2018, respondents are clear about their intentions to buy or sell: They plan to buy. About 53% said they will buy senior housing assets, with 37% indicating they’re looking to sell.

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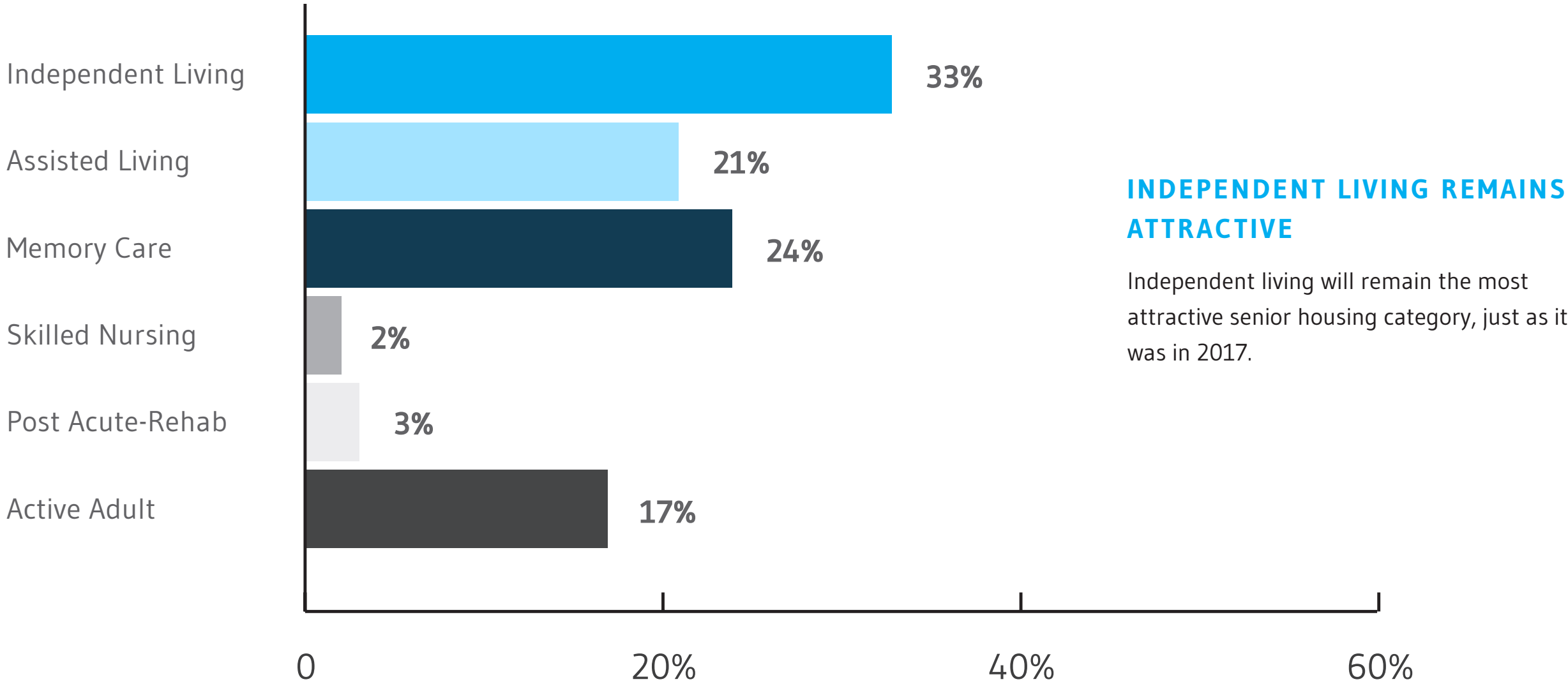
Which of the following is the greatest challenge to senior living in 2018?



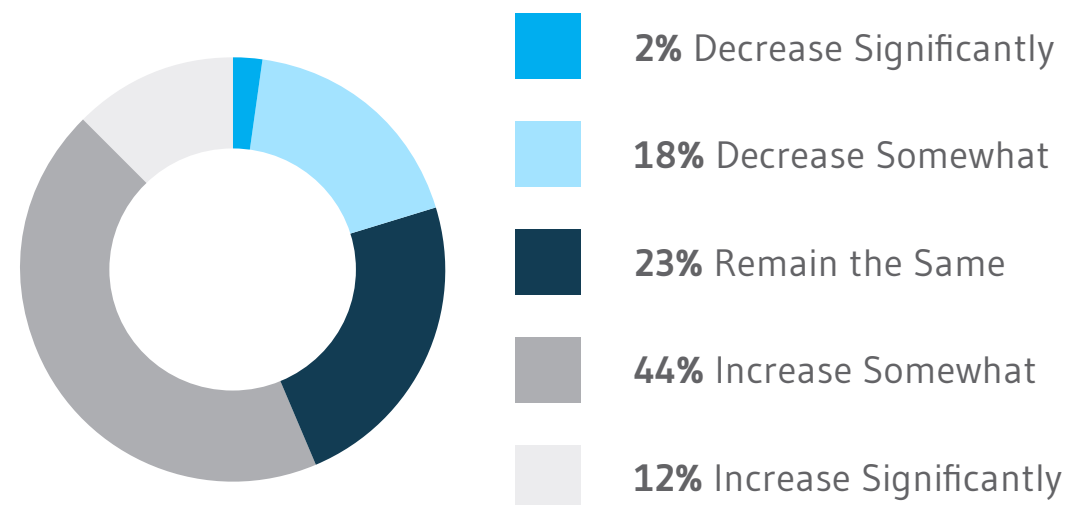
45% ANTICIPATE STAFFING CHALLENGES

Even with new recruiting initiatives, survey participants anticipate staffing to be the greatest challenge the industry will face this year. A quarter of respondents believe occupancy will be 2018’s biggest challenge.

What will be the most attractive category of senior housing in which to invest in 2018?



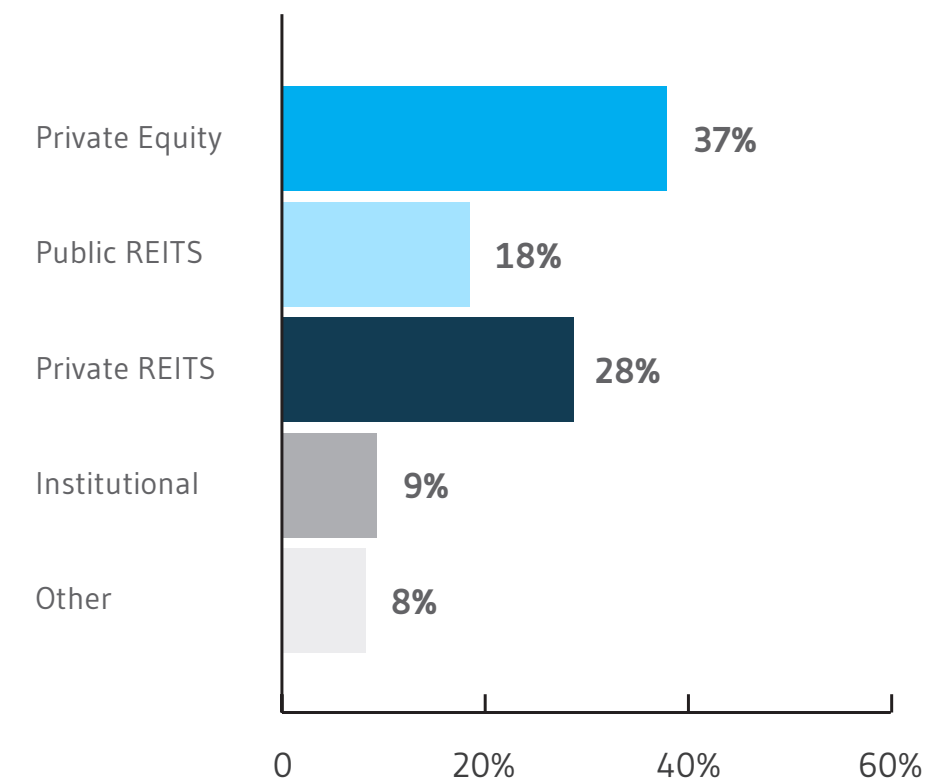
What is your outlook for new senior housing construction starts in 2018?



DIVIDED ON NEW DEVELOPMENT

The industry was divided on new development in 2017. But this year, a majority of respondents expect senior housing construction starts to increase, either somewhat (44%) or significantly (12%).

Who will be the biggest buyer of senior housing assets in 2018?

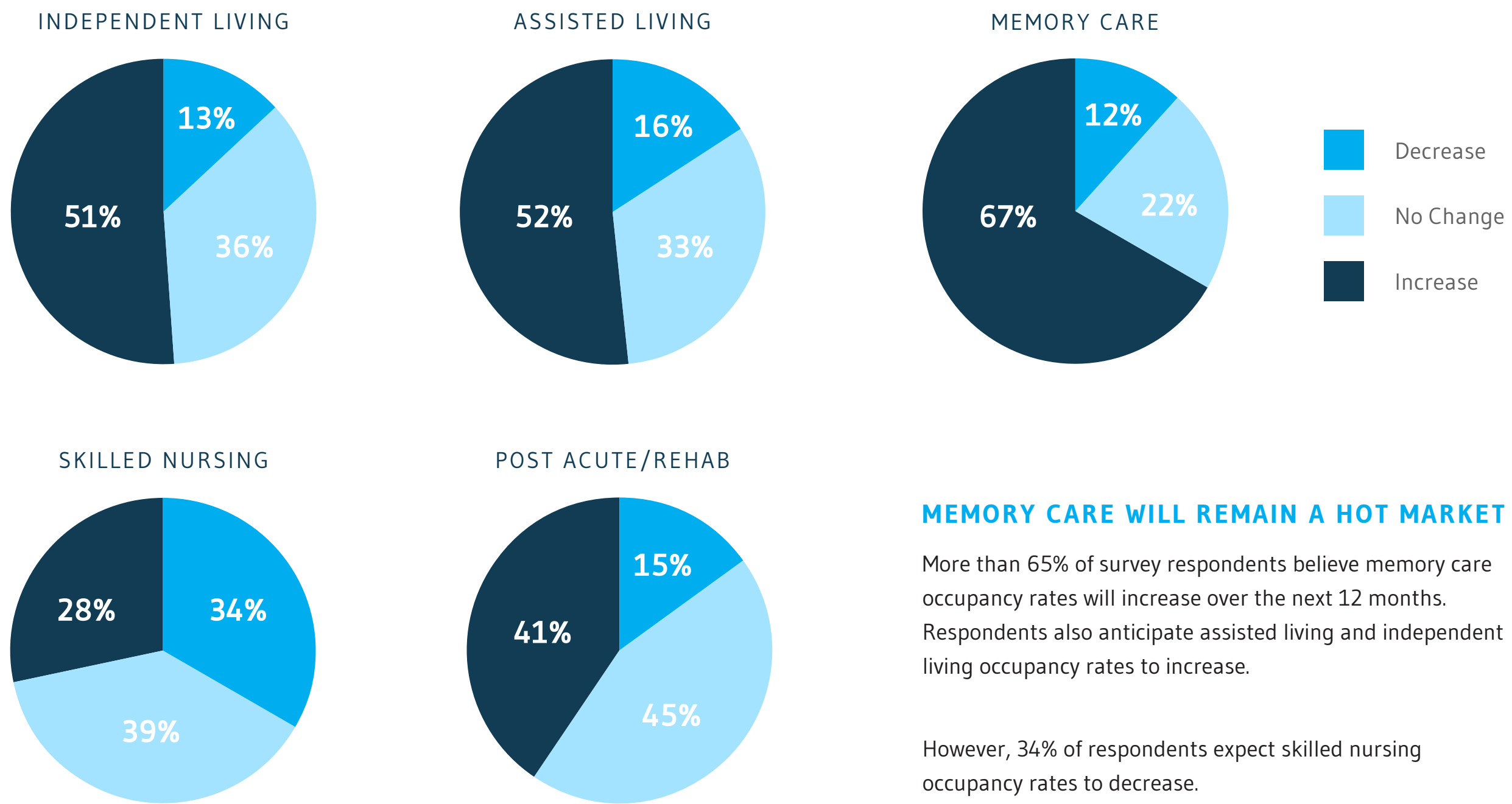


PRIVATE EQUITY TO REMAIN NO.1

Expect private equity to remain the No. 1 buyer of senior housing assets in 2018, as 37% of respondents believe.

But don't count out private REITS. 28% of participants expect private REITS to remain active buyers.

What is your outlook over the next 12 months for national occupancy rates for the following?

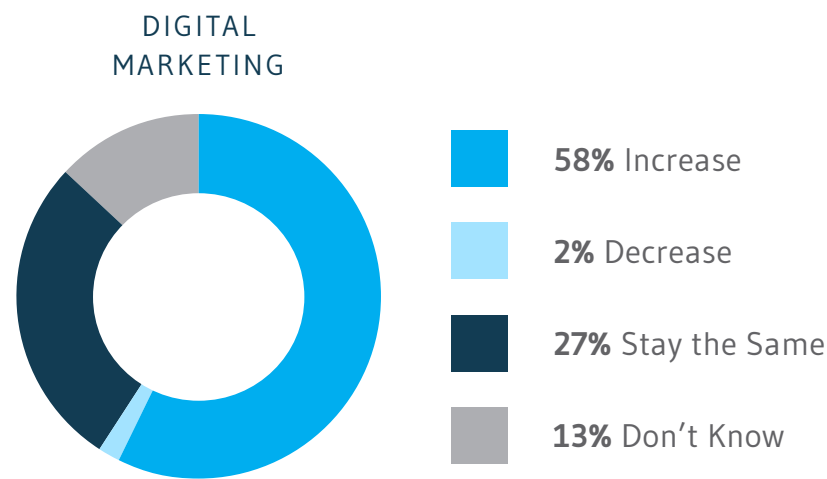


MEMORY CARE WILL REMAIN A HOT MARKET

More than 65% of survey respondents believe memory care occupancy rates will increase over the next 12 months. Respondents also anticipate assisted living and independent living occupancy rates to increase.

However, 34% of respondents expect skilled nursing occupancy rates to decrease.

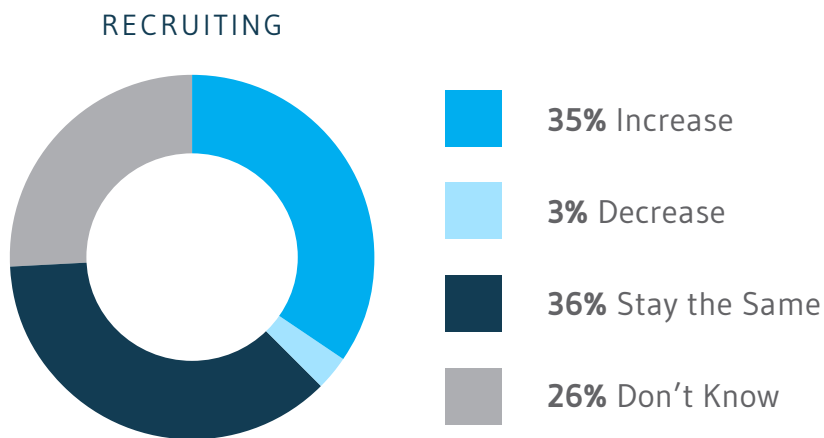
In 2018, how is your company budget going to change for digital marketing?



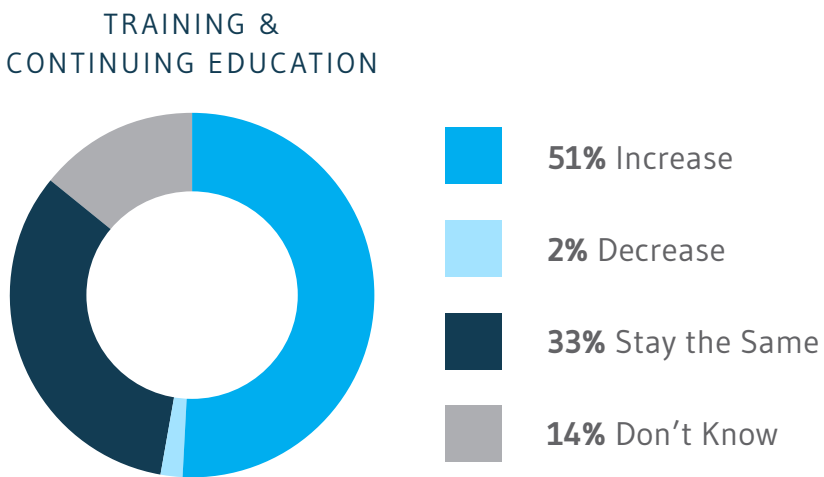
IN 2018, IT'S ALL ABOUT DIGITAL.

58% of participants expect their digital marketing budgets to increase this year. A greater digital presence will help senior living companies reach tech savvy seniors and their adult children.

In 2018, how is your company budget going to change for recruiting and training?

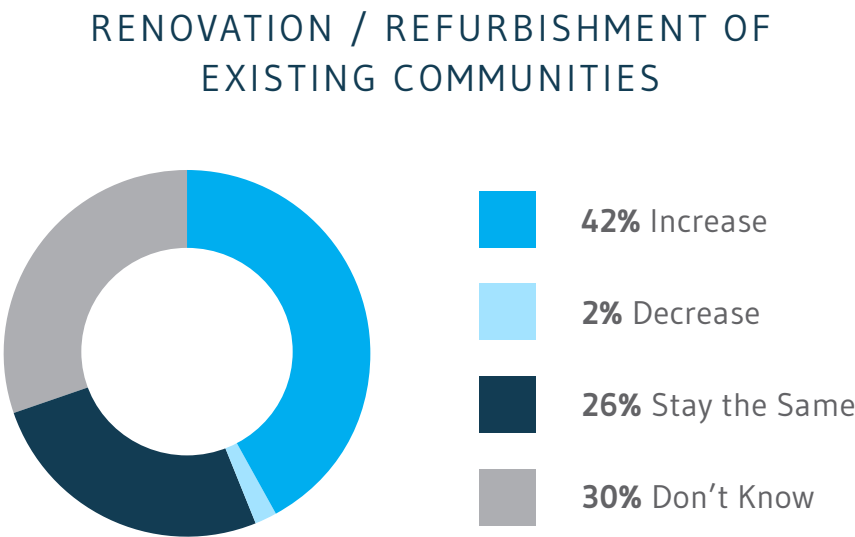


To help combat staffing challenges, companies will maintain their recruiting budgets to fill key positions. 35% of respondents even expect an increase in recruiting budgets.



Survey findings indicate over 50% of companies will increase training and continuing education budgets, demonstrating long-term commitments to employees.

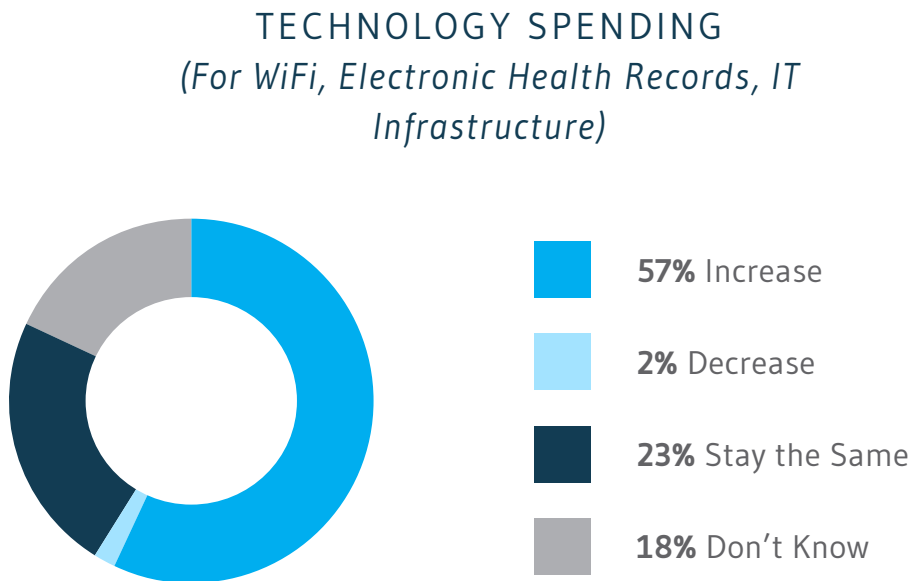
In 2018, how is your company budget going to change for renovation and refurbishment?



RENOVATION / REFURBISHMENT ON THE RISE

42% of respondents expect their budgets for community renovation or refurbishment to increase, indicating existing communities plan to strongly compete with new developments.

In 2018, how is your company budget going to change for technology?



SENIOR LIVING COMMUNITIES ARE BECOMING MORE HIGH-TECH

Our survey found 57% of respondents expect technology spending to increase so they can install WiFi, implement EHR systems or enhance existing IT infrastructure.

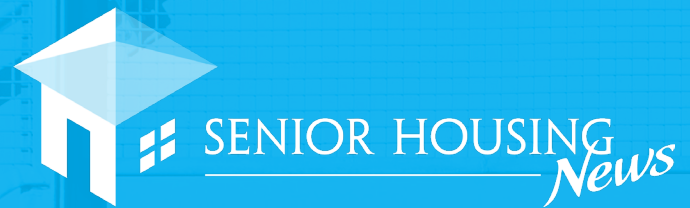
Methodology

In December 2017, Senior Housing News surveyed its subscriber base via email to gauge the industry’s pulse on important factors and issues senior housing will face in 2018 and had 634 respondents.

The majority of respondents (71%) identified themselves as high-level executives in their companies, ranging from senior level and C-level executives to owners. Of these respondents, 36% identified as Senior Vice President or Vice President. 35% of participants identified as an owner, executive or C-level executive. 29% percent identified as Other. Percentages within this report were rounded to the nearest full percentage.

The 2018 Outlook Report is compiled and produced by Senior Housing News. Readers are advised that Senior Housing News does not represent the data contained herein to be definitive. The contents of this publication should also not be construed as a recommendation of policies or actions.





Contact Us

We're happy to hear from readers with questions, comments, concerns and story ideas.

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