

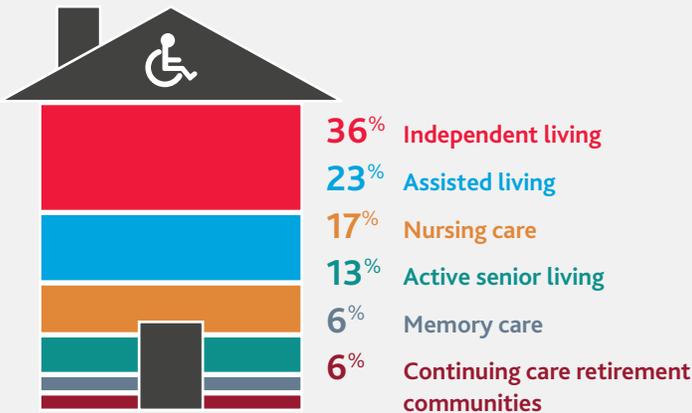
PERSPECTIVE IN HEALTHCARE

INSTITUTIONAL INVESTORS EYEING SENIOR LIVING AND ASSISTED LIVING FACILITIES



THERE'S PLENTY OF INVESTOR INTEREST IN OVERALL SENIOR LIVING SECTOR

In a recent [CBRE survey](#), 60 percent of respondents expected to increase the size of their senior housing portfolios this year. The most attractive sectors, the survey found, are:



In its survey, CBRE also noted that **investments in senior housing and care assets totaled \$13 billion** between January and October 2017, up almost 9 percent from the same period in 2016. Institutional investors accounted for 31 percent those investments, up from 29 percent; and real estate investment trusts (REITs) accounted for 29 percent of all investments, up from 26 percent the previous year.

As demand for elder care services increases in line with population growth, the biggest investments needed—particularly within home health—center around people. **Healthcare is projected to be the largest U.S. employer by 2024, according to Bureau of Labor Statistics projections, with home health leading the charge.**

PUBLICLY ANNOUNCED SENIORS HOUSING AND CARE ACQUISITIONS HOLDING STEADY SO FAR



FRAGMENTATION LEADS TO CONSOLIDATION

The assisted living, elderly care, home health and hospice care segments are very fragmented, with many independent operators in the market, and consolidation has been a big driver of deal activity, with just a few buyers responsible for over a third of deals seen in 2017. Acquirers are seeking to diversify geographically and gain scale, especially as it becomes more difficult for independent operators to compete against large conglomerates.



SOME OF THE MOST NOTABLE RECENT DEALS IN THE SPACE

 Tennessee-based real estate investment trust **National Health Investors Inc.** acquired five assisted living/memory care communities in Ohio and Pennsylvania, for \$69.75 million. Later, NHI acquired two skilled nursing facilities in Texas for \$29 million.

 Digital marketing company **Red Ventures** sold Caring.com.—which connects assisted living communities, independent living communities, and in-home care service providers with customers—to a consortium of family offices, private equity investors and digital marketing experts. Deal terms were not disclosed.

 **Simplura Health Group**, backed by private equity firm One Equity Partners, completed its acquisition of Keystone In-Home Care. Keystone, based in Pennsylvania, is an independent provider of in-residence care services for seniors and the disabled. Financial terms were not disclosed.

 Private equity firm **Kayne Anderson Real Estate** acquired MorningStar Assisted Living and Memory Care in Colorado for an undisclosed amount. The 69,000-square-foot development includes 79 assisted living and memory care suites.



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For more insights into investments in elder care, please read BDO's [Candid Conversations on Elder Care](#), a study on elder care trends that highlights growing investment by healthcare organizations into home health and palliative care.

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