

HEALTH CARE REAL ESTATE BRIEFING: SENIOR HOUSING MARKET DATA RELEASED | SKILLED NURSING FACILITY PORTFOLIOS TRADE HANDS

Our Health Care Real Estate Briefing is your comprehensive summary of weekly health care real estate highlights currently happening across the nation.

News about the senior housing industry continues to dominate headlines. In fact, there were very few articles on anything but the senior housing industry. From a legislative perspective, state and federal legislators seem to be focused on minimum staffing requirements for senior housing facilities, along with for-profit ownership groups that siphon money out of senior housing facilities at the expense of the residents. Last week, several organizations released new data on the senior housing market data, including financing and sale data. Finally, a number of skilled nursing facility ("SNF") portfolios traded hands. One report noted that a larger number of SNFs are being sold by non-profit operators to for-profit operators than in previous years.

1. The pandemic resulted in major population shifts in the U.S. according to new information from the Census Bureau - Chicago, LA, New York City and San Francisco lost more than 700K residents from 2020 through 2021, while Atlanta, Austin, Dallas, Houston and Phoenix gained 300K residents per **Morning Brew**.
2. CMS announced plans to study SNF staffing trends over the next year to determine the level and amount of staffing needed for SNFs. CMS is in the process of creating a rule establishing minimum staffing requirements for SNFs per **Skilled Nursing News**.
3. **AHCA/NCAL** responded to recent legislative initiatives to establish minimum staffing standards for SNFs. The report shows that care in SNFs has improved during the 10 years prior to the pandemic, including that 2/3rds of SNF patients were able to return home, fewer SNF patients were sent to the hospital for care, 1 out of 3 SNFs received high marks from CMS for staffing and SNFs improved on 19 of 22 CMS quality metrics.
4. Medi-Cal is adding 7K additional slots to its assisted living facility ("AL") waiver program. The program allows certain Medi-Cal beneficiaries the choice of residing in an AL as opposed to a SNF per **McKnight's Senior Living**.
5. Hall Render's webinar on housing strategies for health care providers is now available on our **podcast channel**.
6. Ziegler and NIC published loan to value ("LTV") trends for senior housing facilities. The average LTV for existing independent living projects is 71-75%, AL is 71-80% and SNFs are 76-80%. The LTV for new construction projects is 60-65% per **Skilled Nursing News**.
7. According to NIC data, new construction starts for AL and IL projects are up considerably. New construction starts in Dallas, Washington, D.C., Miami, Orlando and Portland have exceeded pre-pandemic levels per **Senior Housing News**.
8. **Marcus & Millichap** published a new Senior Housing Report, including: SNF occupancy is at 77% (below pre-pandemic levels), senior housing inventory grew only 3.4% last year (the slowest expansion since 2014), development will continue to be sluggish due to high material costs and supply chain issues, and inflation has offset rent growth.
9. **The New Yorker** published an extensive article about life in Margaritaville retirement communities. The demand is way up and retirees camp out for new lots/units. More than 20M people pass through the doors of Margaritaville establishments (restaurants, hotels, retirement communities, etc.) each year.
10. Hackensack Meridian Health, a NJ-based nonprofit health care provider, plans to sell 11 of its SNFs to Complete Care Management, a for-profit provider for an undisclosed price per **app**.
11. A federal bankruptcy court approved the sale of 8 SNFs and 2 ALs previously owned by QHC in Iowa to Cedar Health Group per **Iowa Capital Dispatch**.

Hall Render blog posts and articles are intended for informational purposes only. For ethical reasons, Hall Render attorneys cannot—outside

of an attorney-client relationship—answer specific questions that would be legal advice.