

# NIC Launches Seniors Housing Data And Analysis Service

## NIC Market Area Profiles™ Provide Key Statistics on the Top 30 MSAs

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Contact: Dacrie Brooks or Renee Tilton, (410) 626-0805

Annapolis, Md. - The National Investment Center for the Seniors Housing & Care Industries (NIC) today announced the official launch of its NIC Market Area Profiles (MAP) data and analysis service. Now available to subscribers, the online database provides quarterly seniors housing data for the top 30 metropolitan statistical areas (MSAs); representing about 45% of the total U.S. population. Using the new service, subscribers can access reports that feature local market information on occupancy rates, pricing, supply, demographics, market share analysis, and time series data to evaluate trends.

NIC also released its inaugural issue of the MAP Monitor™, a quarterly summary that analyzes the key trends and findings across all 30 MSAs.

One preliminary finding suggests that markets with higher total unit penetration rates have lower occupancies. Penetration rates were calculated using the number of units per 75+ population living within the various property types. When looking at all property types combined, six of the bottom 10 MSAs as ranked by occupancy are in the top 10 MSAs for penetration. For example, Kansas City, Mo. had the highest overall penetration rate (20.3 percent) among the top 30 MSAs, but ranked third lowest in occupancy at 91.6 percent.

The second finding was that supply growth has slowed, but not proportionately, across the various seniors housing property types. From 1978 to 1993, the overall industry grew at an annual compound rate of 7.3 percent. Then, from 1994 to 2001, industry growth slowed to approximately 2.8 percent per year. Overall industry growth slowed even further in 2002 and 2003 to about 1.5 percent each year, although it is still slightly higher than the yearly growth rate of 75+ households (1.3 percent per year). This could explain why there have not been significant jumps in occupancy over the last several years.

On the other hand, findings showed that significant demand growth and increased utilization can increase occupancies if supply growth remains balanced. While demographic growth in the 75+ household group will average a 1.3 percent compound yearly growth rate over the next five years, the larger opportunity is in attracting more of the 75+ households or the 75+ population who choose to live in the various property types. This is evidenced by the difference in occupancy in the top quartile and bottom quartile of penetration rates amongst the markets.

Also cited in the MAP Monitor was the observation that the seniors housing industry is no longer young. In fact, the median age of all properties in the top 30 MSAs is 19 years, freestanding nursing properties is 29 years, CCRCs is 24 years, freestanding independent living is 16 years, independent living combined with assisted living and/or dementia is 14 years, and freestanding assisted living is 11 years. Only assisted living with dementia and/or nursing care (7 years) and freestanding dementia care (6 years) have median ages less than 10 years.

The MAP Monitorä also presented several key insights for each of the various property types:

- Studios still represent a large percentage (25 percent) of all independent units.
- The stabilized median occupancy for assisted living was 92.3 percent in the first quarter. The lower quartile was 80.5 percent, while the upper quartile was 100 percent. There is about a \$700 per month difference in the 30 MSAs between monthly revenue for assisted living (\$2,670) versus independent living (\$1,984).
- The number of dedicated dementia units is 17 percent of the number of assisted living units or 15 percent of the total of assisted living and dementia combined.
- There is a striking difference of more than \$2,400 per month between the median private-pay nursing rate (\$5,092) and the median rate for assisted living (\$2,670). Medicare is the primary payor for 15 percent of all residents in freestanding nursing homes in the first quarter. And, nursing facilities still dominate the seniors living industry, representing 60 percent of all units in the top 30 MSAs.
- Non-profits represent 30 percent of all seniors housing and care units, but they control 41 percent of all independent living units, 23 percent of all assisted living units, 16 percent of all dementia units, and 29 percent of all nursing units.

Details about the MAP™ data and analysis service for interested subscribers are available by contacting Anthony J. Mullen, NIC Research Director at 610-853-9801 or [tmullen@nic.org](mailto:tmullen@nic.org).

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\*\*\*Attention seniors housing and care, business and financial editors: To register for conference media credentials, visit [www.NIC.org/pressreg](http://www.NIC.org/pressreg) <<http://www.NIC.org/pressreg>> or contact Renee Tilton at [rtilton@crosbymarketing.com](mailto:rtilton@crosbymarketing.com). \*\*\*

**NIC Press Contact:**

Renee Tilton

(410) 626-0805 Phone

(410) 268-4620 Fax

[rtilton@crosbymarketing.com](mailto:rtilton@crosbymarketing.com)

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