IPA | INSTITUTIONAL PROPERTY ADVISORS

2021 INVESTMENT OUTLOOK

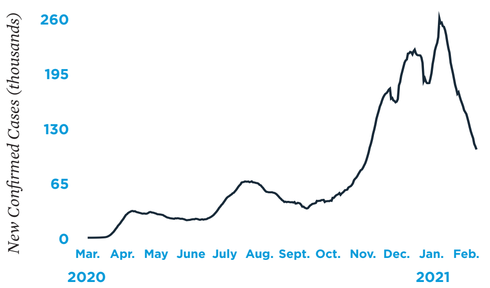
SENIORS HOUSING

Health Crisis Upends Commercial Real Estate; Uncertainty Will Carry Well Into 2021

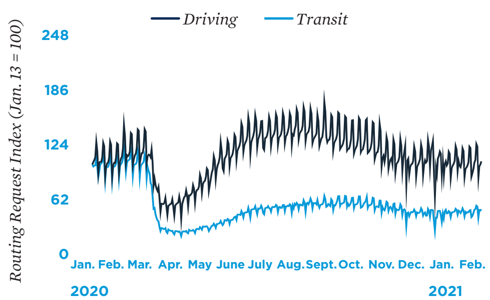
Pandemic transforms commercial real estate. COVID-19 changed the world in early 2020 as efforts to curb the spread of the pandemic had a dramatic impact. Stay-at-home orders, the need to physically distance, and having to abide by health and safety protocols had harsh effects on many real estate sectors. Hospitality, seniors housing and brick-and-mortar retail were hit hard while others including necessity-based retailers, medical offices, e-commerce retailers, life science and pharmaceutical firms, and many industrial segments thrived. As of February 2021, more than 486,000 Americans have died from the coronavirus and after reaching a peak in mid-January that strained healthcare systems across a wide swath of the U.S., cases, hospitalizations and deaths have begun to taper.

Health crisis exacerbated demographic shifts. Employers laying off workers and sending staff home to work remotely contributed to an acceleration of demographic changes that were already underway. Economic uncertainty led many households to search for lower-cost housing, while the need to work from home and attend school online generated demand for larger spaces. Commute times became less of a factor in housing decisions, pushing residential and apartment demand away from dense urban cores that are more reliant on mass transit to the benefit of suburbs as well as secondary and tertiary markets. Although driving returned during the summer months, public transit usage remains well below the pre-coronavirus level as fewer people are commuting to offices and physical distancing protocols limit ridership. Higher unemployment is also leading to more people spending time at home, which consequently may have boosted new business applications to the highest rate since the Great Recession. This surge in entrepreneurship could have positive results in the years ahead.

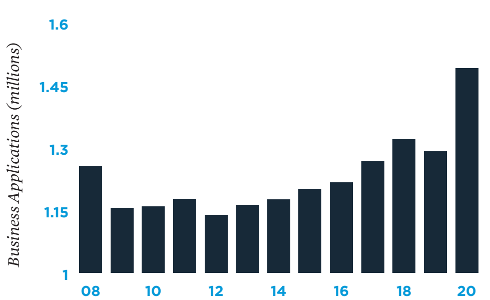
Daily U.S. COVID-19 Cases Ease From Spike



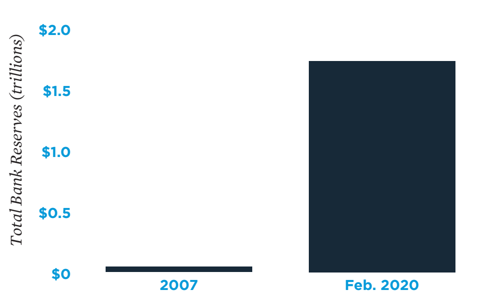
Aversion to Public Transit



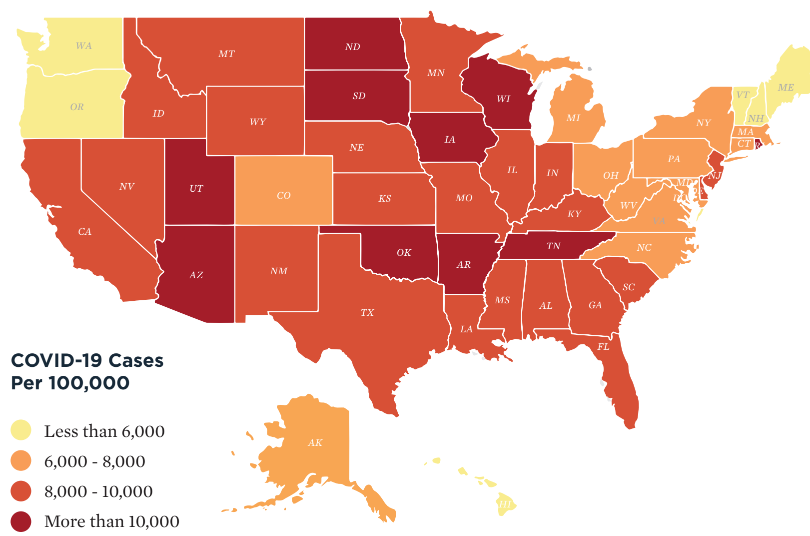
New Business Applications Surge



Banks in Stronger Position Than in 2007



Coronavirus Cases Continue to Spread*



* *As of Feb. 11, 2021*

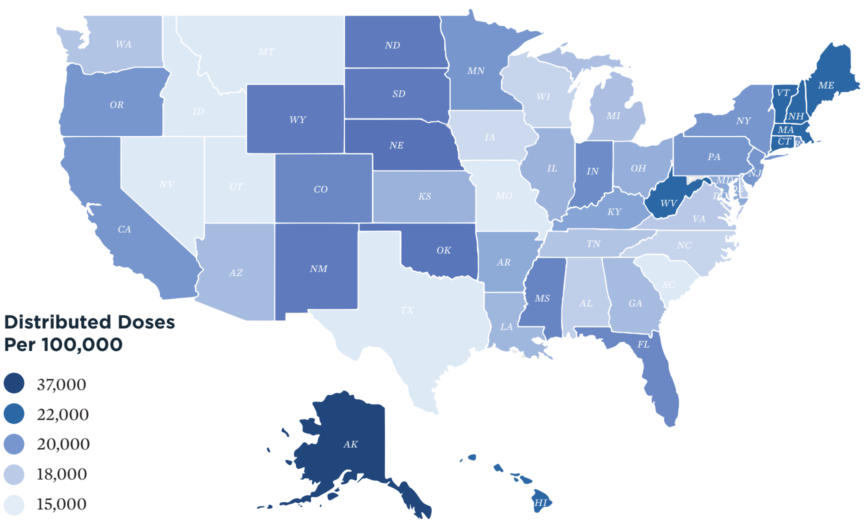
Sources: Apple; Federal Reserve; New York Times; U.S. Census Bureau

Government Response, Market Liquidity, Fast-Tracked Vaccine Development Provide Optimistic Outlook

Economy jolted as coronavirus spread. The economy was on relatively solid footing heading into the pandemic. Company profits were hovering near the 20-year peak and corporate cash on hand had set a new high, supplying many firms with cushions to weather a downturn. Bank reserves were also significantly above those registered in 2007, providing a much healthier comparison to the start of the Great Recession. Through the health crisis, the money supply has remained liquid as the federal government quickly infused cash into the market and funded stimulus measures via the CARES Act and other legislation. The Paycheck Protection Program (PPP) was one of several systems that assisted in keeping people employed and allowed businesses and households to make rent payments. Additional infusions in 2021 will provide further economic stimulus.

Immunizations provide a path forward. In response to the coronavirus, the government initiative Operation Warp Speed was established to fast track the development and approval of vaccines to combat COVID-19. By the end of 2020, two vaccines had been approved and others were in trial phases. Inoculations were underway by mid-December, providing some hope, especially to real estate segments hit hard by the pandemic. Immunization efforts, however, were slow to ramp up, extending the time needed before enough people are vaccinated to a level that would provide herd immunity and allow a freer movement of people. Although clarity is in sight, these delays will prolong uncertainty for investors well into 2021.

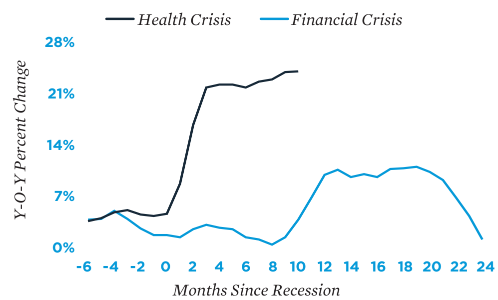
Immunizations Ramping Up Across the Nation*



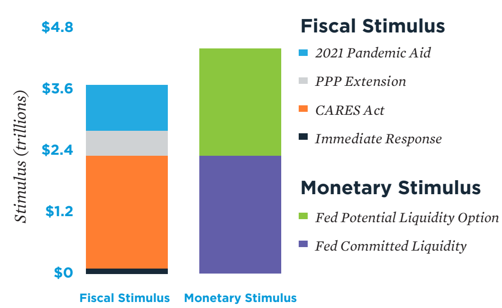
Pre-Crisis Profits Near Record

Corporate Cash on Hand Historically High

Money Supply Gets Big Boost

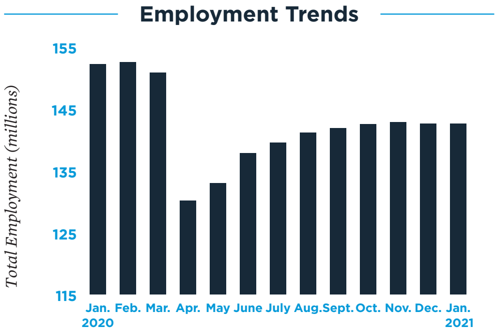


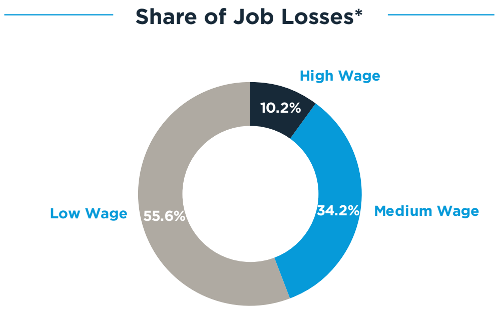
Government Stimulus Response

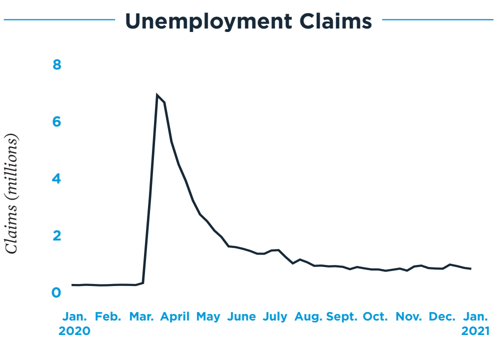


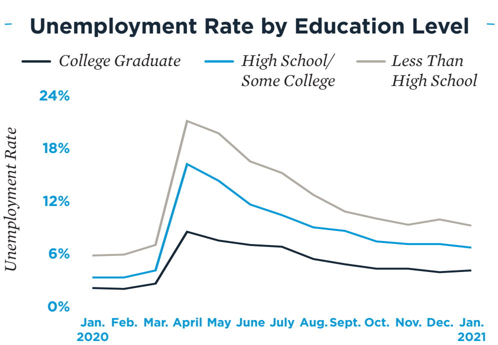
* As of Feb. 11, 2021

Sources: BEA; Federal Reserve; U.S. Census Bureau









** February to December 2020*

Sources: BLS; ETA

Possibilities for Second Growth Surge or Double Dip in 2021 Hinge on Vaccine Rollout and Labor Recovery

Vaccine distribution to play a critical role in economic outlook. The nation's economic situation has regained much of the momentum lost last spring as it continues along an upward path in 2021. Ongoing health challenges and other potential hurdles may suspend or abate that progress, however. If the current set of COVID-19 vaccines are distributed as efficiently as predicted, then enough people may be inoculated by midyear to safely allow most businesses to fully reopen. Employed consumers with idle cash on hand from months in sequestration will be able to more freely travel and patronize bars, restaurants, entertainment venues, and brick-and-mortar retailers, potentially boosting the economy. If, however, the pace of the vaccine rollout is slowed or the nature of the virus changes, these exogenous encumbrances to the economy will remain in place longer. Employers who are challenged by physical distancing requirements and areas of the country where infection risk is higher will fall further behind other segments of the economy. This disparity, if severe enough, could lead to another quarterly economic contraction. The fortitude displayed during the second half of 2020 makes this scenario improbable, however, especially with continued government support.

Economy has been resilient so far, aided by robust federal aid. The forced closure of many businesses last year led to the sharpest decline in Gross Domestic Product in the post-World War II era. After sliding 5 percent in the first quarter, U.S. GDP fell an annualized 31.4 percent in the April-to-June period as 22 million jobs were shed and the unemployment rate soared to 14.8 percent. This unprecedented shock was met with an equally unprecedented government response. Applying lessons learned during the last downturn, the Federal Reserve and Congress collectively delivered roughly $5 trillion in aid within a matter of weeks, divided between direct fiscal stimulus and added financial market liquidity. These actions, followed by the implementation of other lending programs and federal legislation in subsequent months, helped GDP leap 33.4 percent in the third quarter and a more modest 4 percent in the fourth quarter. The strong gains made in the second half of the year mostly offset the earlier losses, translating to an overall economic contraction of 3.5 percent in 2020.

Labor market recovering but some sectors are falling behind. Over half of the jobs lost in March and April last year were restored or replaced by December, but as 2021 progresses certain industries face a longer road to total recovery than others. Physical distancing requirements and travel restrictions had a disproportionate impact on the leisure and hospitality sector, which encompasses hotels, bars, restaurants and other entertainment venues. While the overall employment base remained 6.5 percent below its pre-pandemic level at the start of 2021, the leisure and hospitality sector was still down 23.2 percent. Conversely, staff working in essential services or in positions more easily shifted to a remote setting were better protected. The number of jobs in financial activities, construction and in the trade, transportation and warehousing sector were all at or within 3 percent of their February 2020 mark by the start of the new year. How the labor market improves going forward will depend on how well vaccines are administered. If infection rates drop enough to permit widespread reopening and social patterns normalize, many of the jobs most impaired by the health crisis could quickly return, although not all roles are likely to be restored this year as some employers have permanently closed.

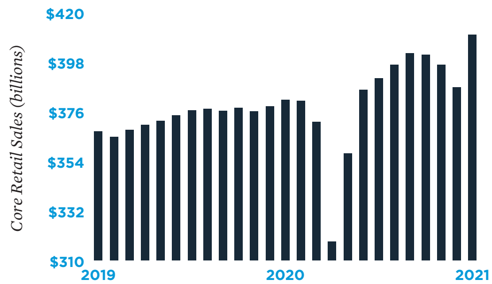
Administration Weighs Policy Goals Against Stimulus Needs While the Federal Reserve Guides Inflation

Biden administration must balance policy objectives and health crisis management. President Biden campaigned on a platform of widespread legislative reform, including taxation, healthcare and public spending on infrastructure. Achieving these goals must be managed in relation to the immediate needs of the health crisis. Some intended policy reforms, such as increasing taxes on businesses and investors, could weigh on economic growth in the short term. Even if political division in Congress does not preclude the passage of wide-sweeping changes, the focus of the legislative and executive branches will likely to be dominated by the health crisis through at least the middle of the year. Making more substantial alterations to laws and regulations could create uncertainty among consumers and investors, dampening the intended effects of stimulus measures that the Biden administration is currently pursuing.

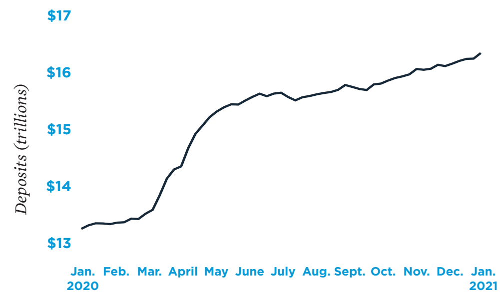
Additional federal aid likely incoming; holds significant implications on growth. The $900 billion stimulus package passed at the end of last year is serving as a vital economic stopgap as the country deals with the difficult health challenges. Many of the legislation's key benefits, such as renewed federal unemployment insurance, will nevertheless fade by the spring. The Biden administration is therefore pursuing a $1.9 trillion stimulus package to further buttress the economy. The legislation would include a third round of larger direct payments to taxpayers as well as expanded unemployment benefits, rental assistance, and funding for state and local governments. While the final stipulations of the bill are almost certain to change, the incoming aid will uplift the economy in the near term, but at the cost of introducing some potential longer-term risks. The extensive deficit spending necessitated by the health crisis will likely result in an overall higher tax burden down the line, whether at the local or federal level or both. The ample amount of liquidity injected into the market also raises inflation risk.

The Federal Reserve continues to carefully monitor inflation. As this year progresses, the Fed will have to walk a tightrope balancing economic growth and the potential for accelerated inflation. The Federal Open Market Committee has already signaled that it is willing to allow inflation to rise above a 2 percent annual growth rate following multiple years of below-target increases. To what extent above that threshold the FOMC will permit is as of yet unclear. Even so, the Fed may still be forced to raise interest rates and tighten monetary policy later this year if the risk of spiraling inflation becomes likely. This shift in policy could elicit an unintended reaction from the market, derailing economic growth in unexpected ways. If the central bank acts too early it could also prematurely temper economic growth. Even if the FOMC executes its strategy flawlessly, high inflation could still occur. Recent government actions have injected ample liquidity into the market. At the same time, many consumers have added to their savings while staying at home, expanding their potential spending power. The financial standings of many households have also improved via rising home equity values, a byproduct of a competitive single-family housing market fueled by low interest rates and recent lifestyle changes. All of these factors together create a scenario in which, once the health crisis is mitigated, consumer spending substantially jumps ahead of the available supply of goods and services, raising prices. Depending on the timing, however, this wave of spending could also act as its own form of stimulus.

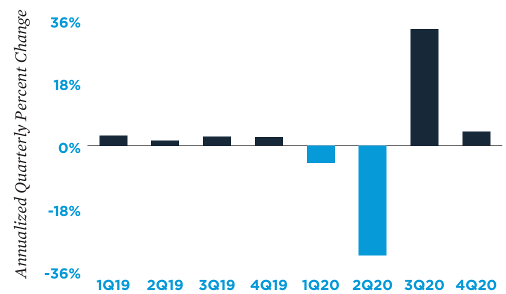
Core Retail Sales Bounce Back



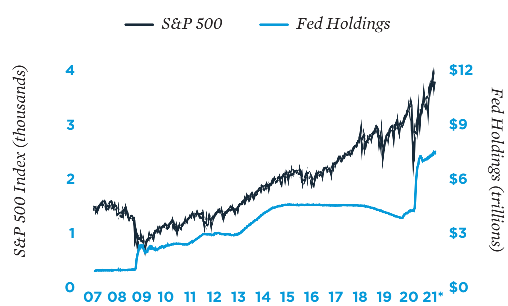
Savings Deposits Steadily Climbing



GDP Growth Trends



Fed-Injected Liquidity Lifting Equity Prices



** Through January*

Sources: BEA; Federal Reserve; Standard & Poor's; U.S. Census Bureau

SENIORS HOUSING

Tailwinds for Seniors Housing Growth

- The 65 and older population will increase by 16.2 million over the next 10 years, driving demand for senior living communities.
- By 2030, the senior cohort will comprise 21 percent of the total population, up from 17 percent in 2020.
- The daily care needs of the older generation increase with age, pressuring demand for assisted living and skilled nursing facilities.
- Roughly 8.4 million Americans will have Alzheimer's by 2030, up from 4.7 million in 2020, placing greater focus on memory care options.
- Sunbelt markets are anticipated to register outsized growth of the senior cohort as retirees seek warmer climates, driving demand for modern and upgraded communities.
- New technologies will increase the care capabilities of the seniors housing industry, giving aging adults greater independence and improving patient outcomes.
- The pandemic emphasized the senior housing sector's position in the healthcare continuum, cementing its role as a needs-based product with few comparable alternatives.
- Strong federal support through the pandemic has helped to bolster operations and sustain investor confidence, paving the way for a strong rebound this year.
- The seniors housing sector supports the varying demands of the aging population with a social and community-based environment, hospitality and healthcare capabilities, and minimal responsibilities, ensuring strong penetration rates in the years ahead.

Seniors Housing Entering a Transformational Period, Reshaped by the Health Crisis

Seniors housing changed forever. After a challenging year that stretched staffing, impacted finances, and will forever reshape the seniors housing industry, the rollout of the COVID-19 vaccine is a light at the end of the tunnel for operators. Care providers face a long path to full recovery in 2021, characterized by new operational initiatives and an increased focus on clinical care, utilizing lessons learned through the health crisis to restore consumer confidence. Seniors housing will play a more significant role in the healthcare continuum, as it has during the pandemic, developing and implementing evidence based outcomes to improve the quality of life and safety of residents and staff. Assisted living, in particular, has cemented its position in the healthcare marketplace, and moving forward, the care segment's role in the healthcare industry will continue to grow.

Sector recovery closely tied to vaccine distribution. The pandemic's unprecedented financial and operational challenges weighed on property performance and brought occupancy to record lows for all care segments. The return to pre-pandemic property metrics will be long and uneven across markets and care segments and will hang on the successful procurement of the COVID-19 vaccine. The race to vaccinate the nation began last December when regulatory bodies approved two vaccines, though a decentralized distribution model and varying guidance at the federal, state, and local levels have created challenges and bottlenecks. Care providers that have been quick to adapt during the crisis and leverage their healthcare relationships will be on a faster path to recovery, while some smaller operators and unlicensed facilities could be more challenged.

Advancing technological capabilities a top priority. The senior housing sector has been forced to evolve in a new environment that has placed closer scrutiny on operations, design, amenities and infectious disease control. Advancements in technology will play a key role in a post-pandemic world, connecting residents virtually to families, staff and physicians. Eased regulations accelerated the use of telehealth and it will remain essential to provide high acuity care at lower costs, driving care providers to invest in new technologies moving forward.

Greater oversight likely for senior living providers. Through the recovery, staffing and maintaining appropriate levels of care will be a top priority. The health crisis highlighted areas in need of improvements, including staffing, and has drawn the attention of regulators. Some states have already taken steps to enforce stricter minimum staffing levels and lower resident-to-nursing assistant ratios for the skilled nursing sector, and more regulations could be on the horizon with a change of leadership at the Centers for Medicare & Medicaid Services.

Demographic Tailwinds

Dallas/Fort Worth
Greenville
Jacksonville
Las Vegas
Minneapolis-St. Paul
Orlando
San Francisco
San Jose
Tampa-St. Petersburg
Tucson

- The outsized projected growth of the 65 and older cohort over the next five years and more stable property metrics provide a strong tailwind to a range of markets. Orlando leads the nation, increasing its 65-plus population by 25.1 percent by the end of 2025.
- Development challenges and a steady growth of the baby boomer generation provide a stout tailwind to existing communities in San Francisco and San Jose.

In-Migration Momentum

Austin
Charleston
Cincinnati
Denver
Houston
Miami-Dade
Milwaukee
Phoenix
San Diego
Seattle-Tacoma

- Sunbelt markets are attracting more retirees as they seek out warmer climates, a lower cost of living and a favorable tax environment, creating a positive outlook for other Florida markets as well as Southwestern metros. Austin, Miami-Dade and Phoenix will all record strong growth of the older cohort, helping to align future supply trends.
- Favorable economic and migration trends will support seniors housing recovery in Charleston, Denver and Seattle-Tacoma. These markets also face minimal threats from new construction, keeping supply and demand better aligned over the coming quarters.

Short-Term Setback

Birmingham
Boston
Charlotte
Columbia
Oklahoma City
Portland
Raleigh
Richmond
Sacramento
San Antonio

- A mix of secondary and tertiary markets including Portland, Raleigh, and Sacramento have been able to sustain relatively stable property operations and will record steady expansion of the 65 and older population, supporting a positive outlook.
- A preference to live outside of dense metros and instead in smaller markets as Americans age is a bright spot for Richmond and San Antonio over the coming years.

Pressured Fundamentals

Atlanta
Cleveland
Columbus
Greensboro
Hartford
Indianapolis
New Haven-Fairfield County
New York City
Riverside-San Bernardino
Salt Lake City
Tulsa
Virginia Beach
Washington, D.C.

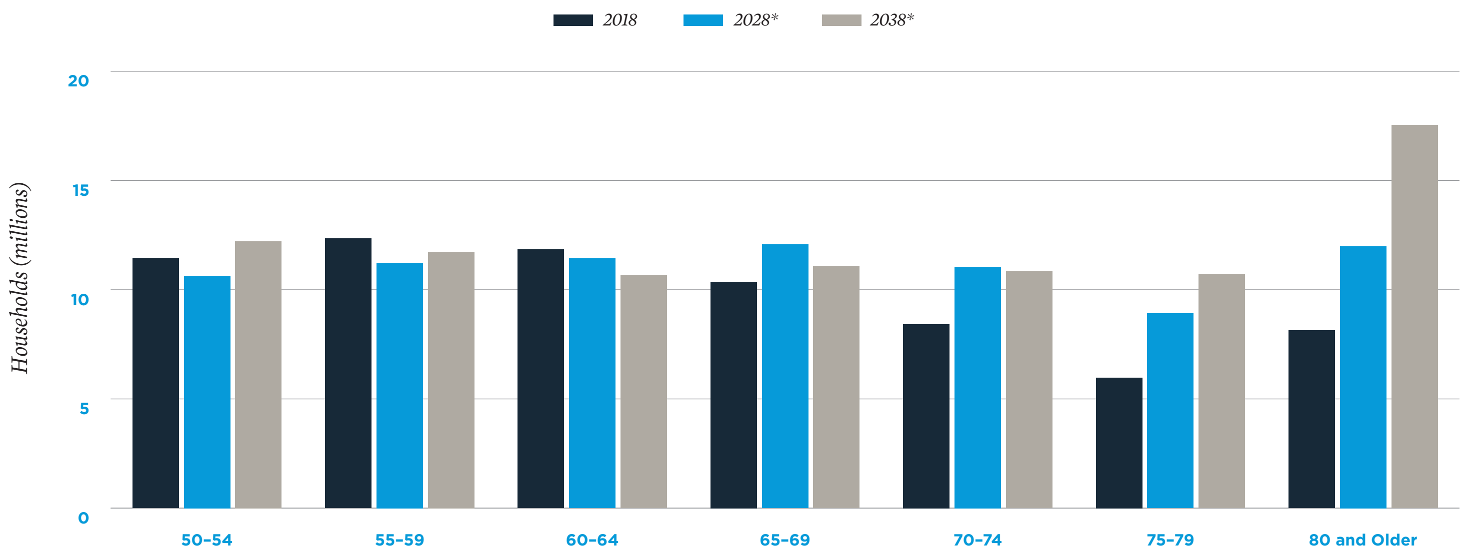
- A greater impact on property metrics coupled with a wave of new supply will weigh on the recovery for Indianapolis, Riverside-San Bernardino and Salt Lake City.
- A stout development pipeline could create challenges for a handful of markets as they work to bring property operations back to pre-pandemic levels, which could lead to an elongated recovery for Atlanta, New York City and Washington, D.C.

Protracted Recovery

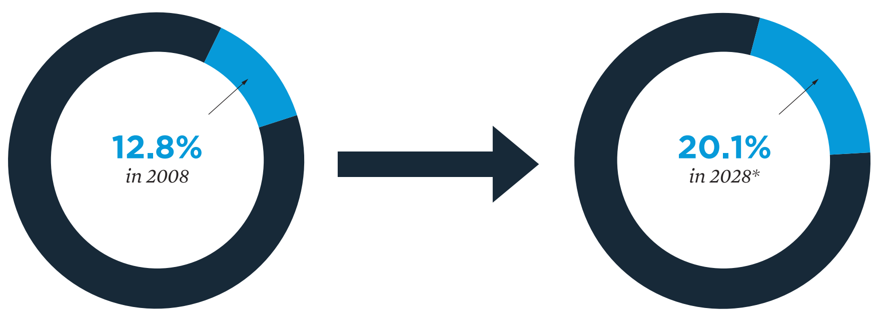
Baltimore
Chicago
Detroit
Los Angeles
Louisville
Nashville
Philadelphia
Pittsburgh
St. Louis

- Markets that will register weaker expansion of the senior cohort over the next five years in contrast with the rest of the nation could create challenges in filling available units, placing Baltimore, Chicago and Detroit on the lower end of the spectrum.
- Some metros have posted steep declines in occupancy for an array of reasons in 2020, creating more ground to cover over the coming quarters for Louisville, Philadelphia, and St. Louis. These markets are also anticipated to record weaker growth of the older population, leading to a bumpy recovery.

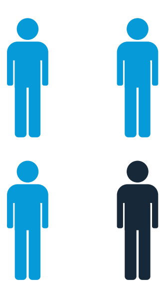
Older Households' Growth Accelerates Over the Next Two Decades



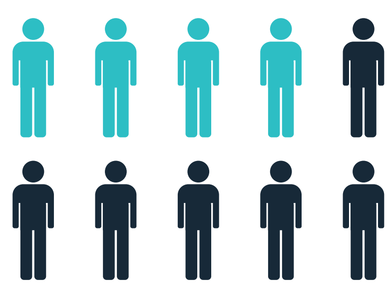
65+ Population Grows as a Percentage of Total Population



Daily Care Needs Increase With Age



Almost **75%** *of Americans older than 65 will require some form of long-term care in their lives.*



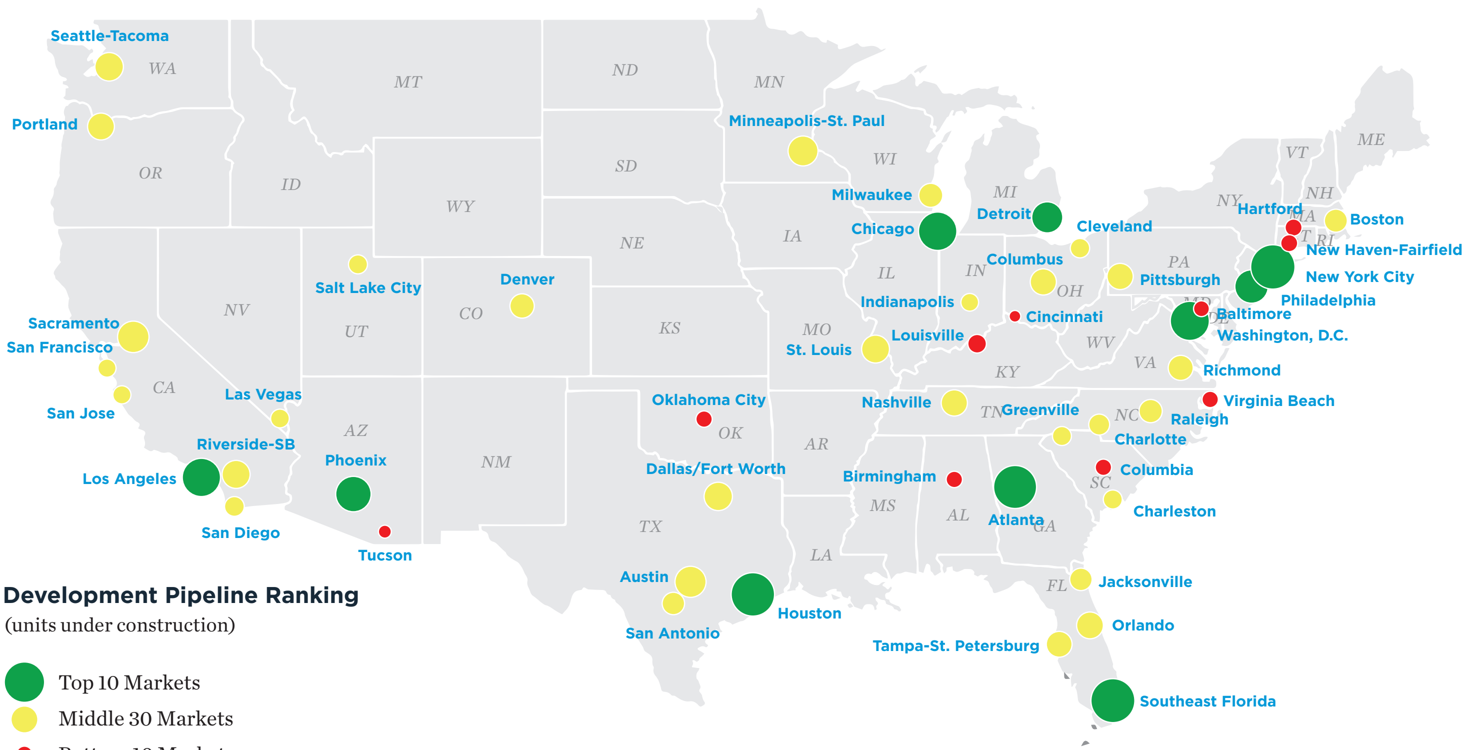
More than **40%** *of individuals will require long-term care in a nursing home.*

** Forecast*

Sources: Harvard Joint Center for Housing Studies; National Center for Assisted Living

Sunbelt Markets Grow Seniors Housing Supply, Anticipating Strong Migration Trends

2020 Seniors Housing Construction and 5-Year Growth of the 65 and Older Cohort



Development Pipeline Ranking
(units under construction)

- Top 10 Markets
- Middle 30 Markets
- Bottom 10 Markets

2020 Development Pipeline

Highest Growth

Metro	Units
New York City	2,933
Atlanta	2,666
South Florida	2,657
Houston	2,529
Washington, D.C.	2,042
Chicago	1,831
Los Angeles	1,794
Phoenix	1,528
Philadelphia	1,238
Detroit	1,136

2020-2025* Population Growth (65+)

Biggest Gainers

Metro	5-Year Percent Change
Orlando	25.1%
Austin	24.2%
Phoenix	23.3%
Las Vegas	22.6%
Jacksonville	21.3%
South Florida	20.9%
Dallas/Fort Worth	20.6%
Houston	20.3%
Tampa-St. Petersburg	19.9%
Charleston	19.7%

2020 Development Pipeline

Lowest Growth

Metro	Units
Cincinnati	40
Tucson	60
Birmingham	73
Columbia	128
Virginia Beach	132
Baltimore	139
Hartford	140
New Haven-Fairfield County	166
Oklahoma City	188
Louisville	195

2020-2025* Population Growth (65+)

Smaller Expansion

Metro	5-Year Percent Change
Cleveland	10.6%
Chicago	10.8%
Detroit	11.4%
Baltimore	11.6%
Pittsburgh	11.7%
St. Louis	12.1%
Hartford	12.9%
New Haven-Fairfield County	13.0%
New York City	13.3%
Louisville	13.3%

** Forecast*

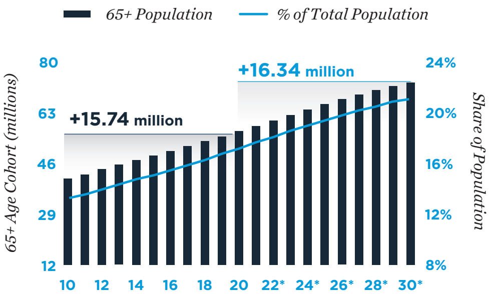
Source: NIC Map® Data and Analysis Service (www.nicmap.org)

Market Name	Net Inventory Change -Independent Living (units)				Net Inventory Change - Assisted Living (units)				Net Inventory Change -	
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018
Atlanta	617	783	1,426	564	533	731	214	434	6	-21
Austin	487	205	416	258	-17	396	137	443	114	-140
Baltimore	62	407	255	-231	-28	-143	116	258	4	-57
Boston	121	113	389	202	442	253	95	687	-26	-574
Charlotte	141	314	2	113	116	-21	146	102	31	-11
Chicago	564	309	669	-347	1,106	1,150	607	955	-377	-125
Cincinnati	63	0	135	-8	235	220	501	248	409	-527
Cleveland	1	60	294	683	354	694	503	296	-250	-11
Columbus	565	245	96	-19	215	183	482	101	-180	-106
Dallas/Fort Worth	1,243	138	372	1,133	200	1,063	442	30	425	88
Denver	228	31	310	115	434	599	30	798	202	-134
Detroit	571	408	452	39	400	454	975	361	-9	-241
Houston	563	663	609	549	186	401	94	179	-283	-16
Indianapolis	270	247	0	192	198	269	252	328	-106	-1
Las Vegas	11	151	130	0	61	222	1	44	0	35
Los Angeles	-269	-1,159	-451	222	340	1,095	514	312	4	230
Louisville	-99	129	91	137	124	102	195	-3	24	-76
Milwaukee	351	121	127	665	141	199	664	93	-171	-226
Minneapolis-St. Paul	-152	18	-269	613	967	1,011	1,502	724	287	-285
Nashville	266	87	376	333	92	409	180	-13	67	-37
New Haven-Fairfield County	119	-115	0	0	-114	115	293	3	-54	-106
New York Metro Area	-152	3	315	452	471	836	576	767	-91	-755
Orlando	184	397	32	0	223	330	137	215	-9	-17
Philadelphia	155	-4	348	657	34	134	175	478	49	215
Phoenix	357	794	324	582	861	448	1,366	309	-88	261
Pittsburgh	132	1	190	127	-56	166	225	51	30	-60
Portland	427	389	349	138	-317	130	281	296	30	-67
Raleigh	-189	120	386	192	-1	-26	1	13	110	-12
Riverside-San Bernardino	-73	273	-160	66	193	135	192	-22	44	-3
Sacramento	148	-14	244	-165	202	101	182	836	-131	29
Salt Lake City	273	96	113	9	123	207	-111	-266	42	-70
San Antonio	845	5	3	1	46	-3	27	-37	166	-233
San Diego	11	-261	82	377	518	666	10	-275	2	0
San Francisco	144	-465	287	0	205	460	-256	-42	104	-12
San Jose	3	1	-1	-1	-28	-92	53	-52	-9	0
Seattle-Tacoma	-83	16	28	101	178	470	336	56	-155	-254
South Florida	-143	664	19	34	-86	40	149	810	-79	-236
St. Louis	29	190	62	231	372	543	145	215	9	-139
Tampa-St. Petersburg	122	434	-99	102	-85	346	329	127	27	25
Washington, D.C.	314	96	329	141	517	542	511	273	12	197
United States	11,297	6,868	11,747	11,265	13,879	18,579	14,711	11,361	-1,134	-5,032

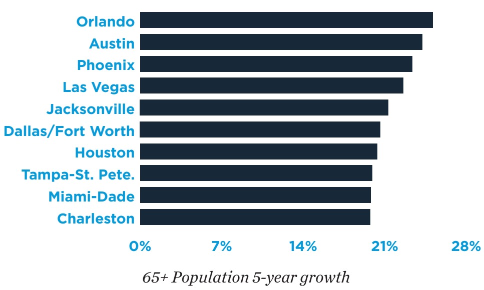
- Skilled Nursing (beds)		Occupancy Rate - Independent Living				Occupancy Rate - Assisted Living				Market Name
2019	2020	2017	2018	2019	2020	2017	2018	2019	2020	
-60	-3	86.6%	85.5%	84.9%	76.9%	90.4%	90.4%	90.3%	77.0%	Atlanta
-14	-335	87.5%	81.4%	82.9%	71.1%	79.7%	77.6%	78.1%	69.0%	Austin
65	-4	88.7%	88.4%	89.9%	76.4%	89.4%	88.8%	87.4%	75.9%	Baltimore
-399	-283	91.3%	90.3%	89.4%	80.4%	88.2%	88.7%	89.2%	73.1%	Boston
15	-94	85.8%	84.8%	82.8%	75.4%	81.6%	84.4%	85.1%	75.0%	Charlotte
-109	60	89.0%	88.6%	89.5%	81.1%	81.4%	81.1%	82.0%	74.6%	Chicago
168	56	85.8%	86.3%	87.0%	76.4%	87.0%	87.4%	86.6%	79.1%	Cincinnati
-200	-199	89.6%	86.0%	86.4%	77.7%	83.7%	82.5%	81.6%	74.7%	Cleveland
133	4	90.1%	89.9%	88.0%	78.2%	87.4%	86.4%	85.0%	74.4%	Columbus
106	146	85.4%	84.1%	85.9%	77.9%	72.9%	72.4%	72.0%	63.0%	Dallas/Fort Worth
67	-23	88.1%	89.2%	88.7%	78.7%	84.8%	84.6%	84.3%	76.6%	Denver
-57	54	88.8%	86.2%	83.8%	76.0%	83.7%	85.6%	85.9%	71.6%	Detroit
-149	-67	86.8%	82.2%	82.0%	75.0%	75.2%	73.1%	72.3%	59.6%	Houston
68	-102	89.6%	86.6%	85.8%	77.0%	77.4%	79.3%	80.6%	71.7%	Indianapolis
281	0	79.5%	83.6%	85.0%	75.8%	89.4%	90.0%	90.8%	82.3%	Las Vegas
-62	-51	90.6%	89.5%	88.6%	80.3%	90.2%	90.9%	91.5%	76.6%	Los Angeles
-243	1	88.4%	85.2%	85.2%	76.3%	86.2%	85.8%	87.3%	76.6%	Louisville
-410	-91	89.3%	89.6%	90.4%	83.9%	82.3%	80.8%	79.6%	72.2%	Milwaukee
-107	-328	91.3%	91.1%	91.5%	83.9%	86.3%	87.4%	87.2%	76.1%	Minneapolis-St. Paul
-19	45	87.4%	83.2%	85.6%	78.0%	78.1%	80.8%	82.4%	72.7%	Nashville
-154	67	89.8%	92.4%	90.3%	81.0%	90.0%	89.4%	90.0%	79.5%	New Haven
-530	420	92.5%	92.5%	92.7%	85.6%	91.8%	92.2%	92.1%	79.2%	New York Metro Area
184	-63	89.7%	87.4%	86.2%	79.3%	92.1%	91.5%	92.7%	82.4%	Orlando
19	2	88.3%	88.1%	88.1%	77.8%	87.9%	88.1%	86.8%	72.9%	Philadelphia
6	42	87.0%	87.6%	85.9%	74.5%	85.9%	83.9%	85.8%	75.1%	Phoenix
-143	41	88.9%	90.7%	89.3%	80.3%	86.4%	87.9%	88.2%	76.0%	Pittsburgh
-51	-73	91.3%	92.1%	91.5%	84.1%	77.6%	79.7%	81.7%	72.7%	Portland
-7	-5	89.0%	90.2%	90.6%	81.4%	84.9%	84.6%	87.1%	73.2%	Raleigh
195	-2	90.3%	89.2%	87.7%	76.6%	90.8%	92.5%	93.5%	79.9%	Riverside-San Bernardino
32	-5	93.2%	91.6%	91.2%	82.1%	90.1%	90.6%	90.7%	81.0%	Sacramento
20	-14	84.1%	85.8%	88.7%	77.5%	82.0%	80.8%	80.9%	72.4%	Salt Lake City
-127	-46	78.7%	73.9%	78.2%	72.4%	76.4%	73.8%	74.6%	63.1%	San Antonio
-8	1	89.4%	91.3%	90.3%	82.1%	92.7%	93.0%	92.9%	84.3%	San Diego
-86	187	90.8%	89.2%	89.9%	84.5%	90.1%	89.9%	90.9%	87.4%	San Francisco
0	226	92.3%	92.2%	94.1%	83.6%	92.6%	93.3%	92.8%	80.2%	San Jose
-80	-182	91.7%	89.0%	89.3%	83.9%	84.9%	85.3%	83.7%	72.6%	Seattle-Tacoma
198	-86	87.9%	88.6%	88.2%	78.0%	90.5%	91.7%	90.5%	79.2%	South Florida
-548	22	88.3%	88.6%	88.5%	77.8%	77.6%	75.9%	76.9%	65.8%	St. Louis
6	77	88.0%	87.3%	89.0%	83.1%	90.8%	91.5%	91.3%	79.5%	Tampa-St. Petersburg
-16	-16	90.9%	89.0%	88.2%	81.0%	89.4%	89.3%	89.7%	79.0%	Washington, D.C.
-3,662	-1,655	89.2%	88.3%	88.3%	80.3%	86.0%	86.1%	86.3%	75.2%	United States

Source: NIC Map® Data and Analysis Service (www.nicmap.org)

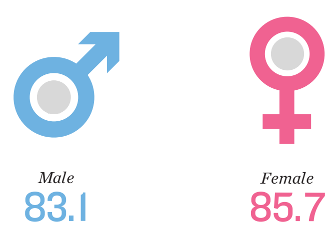
Growth of U.S. Population Over Age 65



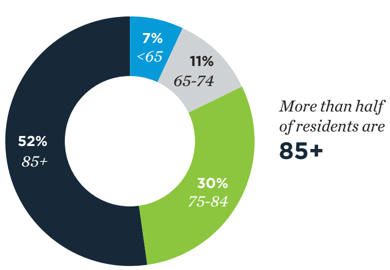
Strongest Growth of 65+ Cohort



Life Expectancy at Age 65 as of 2019



Age Breakdown of Assisted Living Residents



** Forecast*

Sources: Centers for Disease Control and Prevention; Centers for Medicare & Medicaid Services

Increased Care Needs of an Aging Population To Drive Seniors Housing Demand

Substantial expansion of older households on the horizon. The seniors housing sector faces numerous near-term challenges as the health crisis pressures the industry and places an unprecedented financial and operational strain on communities. Long-term demand drivers remain in place, though, with a wave of baby boomers entering retirement over the next decade, a bright spot for the sector. The leading edge of the baby boomer generation is quickly approaching 75, which will substantially grow the number of older households across the nation. Over the next two decades, the number of households between the ages of 75 and 79 will expand by approximately 4.7 million, a nearly 80 percent increase. With advancements in modern medicine and greater levels of care, the number of heads of households 80 and older will grow at an even faster pace. Roughly 17.5 million heads of household will be 80 and older by 2038, more than doubling the 2018 level and placing greater pressure on the industry to add more supply to meet the coming wave of demand.

Health needs of aging population met with continuum of care. From 2010 through 2018, more Americans have been placed on government health insurance plans, supporting demand for seniors housing and skilled nursing facilities. The number of individuals on Medicaid increased by 9.5 million over that time frame and will continue to rise as the aging population grows. The number of retirees on Medicare expanded by 13.9 million during the same period, which helps to bolster demand for assisted living facilities and to a lesser extent the skilled nursing segment. Senior living providers have become more integrated in the healthcare continuum in recent years, particularly with more patients recovering post-surgery at a retirement community or skilled nursing facility than in a hospital setting. The pandemic has highlighted the vital position the seniors housing sector serves to keep an expanding population of retirees healthy while also limiting costs. Care providers have launched their own Medicare Advantage plans or have partnered with Medicare Advantage insurers to be able to provide coordinated care to residents, a trend that could accelerate through the recovery. With more adults anticipated to need support with daily living activities, the needs-based segment of assisted living will experience strong demand, particularly as in-home services are cost prohibitive for many families. Investor sentiment remains rigorous as the long-term care needs of older adults are better matched at senior living facilities than in home health settings, providing for a positive long-term outlook.

Seniors moving to warmer climates in large numbers. Markets in the Sunbelt will attract a greater share of the 65 and older cohort over the next five years, contributing to stable seniors housing demand. Florida, Arizona and Nevada will lead the way as more retirees decide to relocate to find warmer climates and a lower cost of living, helping to lift occupancy and fill new supply over the coming years. Orlando is anticipated to grow the retiree cohort by nearly 34 percent from 2020 through 2025, the largest increase in the nation, followed by a roughly 30 percent gain in West Palm Beach and Las Vegas. Developers have been active across the Sunbelt in anticipation of future population growth, which has caused supply to overshoot current demand, weighing on property metrics, particularly for the independent living segment. The rise in population will help to absorb new units and better align supply and demand characteristics.

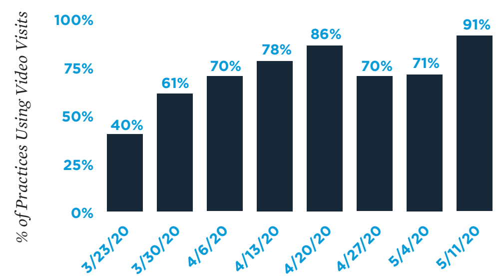
Senior Living Providers Undergo a Digital Transformation, Improving Health Outcomes

Telehealth grows in popularity as restrictions are eased. The health crisis accelerated the adoption of innovative technologies and continues to highlight the importance of a fully integrated technology infrastructure. Senior living communities had been reluctant to adopt new technologies in the past, viewing platforms for workforces and residents as costly luxuries. Today though, care providers are racing to improve their technological capabilities including virtual care, telehealth, and resident engagement/communication tools that will improve care coordination and health outcomes in the acute-care space. The use of telehealth surged last year as the pandemic shuttered doctors' offices and hospitals moved to free up resources. After the Centers for Medicare & Medicaid Services rolled back regulations, 43.5 percent of primary care visits for Medicare beneficiaries were via telehealth services in April, up from nearly zero in February. Successful implementation of telemedicine can reduce unnecessary transport and time-consuming visits to a physician's office, and it can connect residents with medical assistance outside of normal clinic hours, improving the quality of care of older adults. With a demographic shift on the horizon and a looming physician shortage, telehealth serves as a strong alternative to increase throughput of patients for minor care needs, driving care providers to offer these solutions.

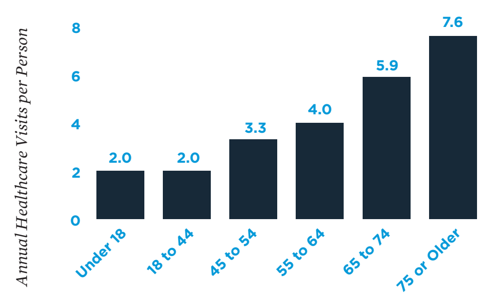
New technologies to monitor patients' health in high demand. COVID-19 has placed greater focus on the health and safety of residents, leading the industry to adopt virtual care platforms that can monitor, analyze and communicate with residents. Families have become increasingly tech savvy and are demanding that communities provide online platforms that are capable of monitoring their loved ones and continuously update vital signs such as temperature, blood oxygen level and heart rate. As more communities boost investments in these technologies, they are better able to care for residents and improve patient outcomes, helping care providers to differentiate themselves as they add on more targeted levels of medical service. New technologies are also making it easier for seniors to age in place with health monitors, wearables, smart speakers and virtual visits, which could delay entry into senior living communities for some potential residents. Remote monitoring and other types of virtual care will play a more integral role in the seniors housing sector going forward and will work to better manage chronic illnesses, reduce hospitalizations and empower residents to take a more active role in their health.

Digital transformation touches all aspects of the industry. Harnessing technology in new ways will be a major focus of senior living providers this year, requiring substantial investments and upgrades for some communities. Resident engagement will be overhauled with private TV channels and smart devices that can connect residents and family members. Maintaining the social aspect of seniors housing has been especially difficult during the pandemic, leading providers to imagine new ways to connect residents and avoid isolation by embracing technology. Communities are also rethinking how they connect with prospective residents by revamping their traditional marketing channels. More communities are pivoting to virtual tours and social media platforms to drive lead generation as care providers restricted access to visitors. Social media channels and an online presence have become an essential sales and marketing tool, encouraging providers to increase spending and redefine digital marketing strategies.

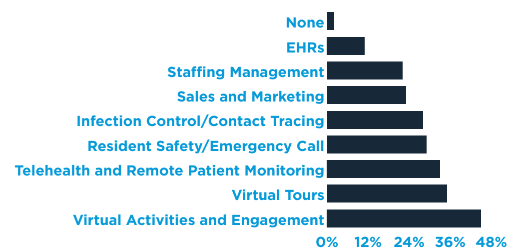
Primary Care Offices Rapidly Go Virtual



Office Visits Increase With Age

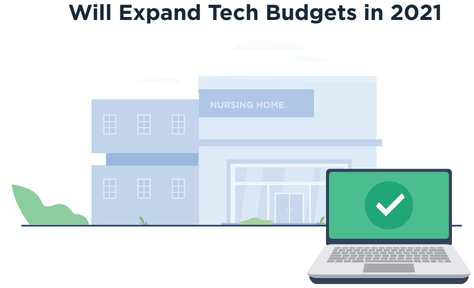


Organizations Increase Tech Investments



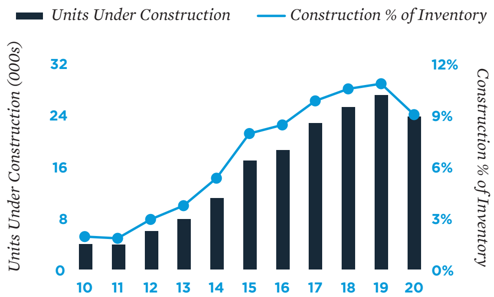
Percentage of Organizations to Increase Spending in Category

87% of Senior Living Providers Will Expand Tech Budgets in 2021

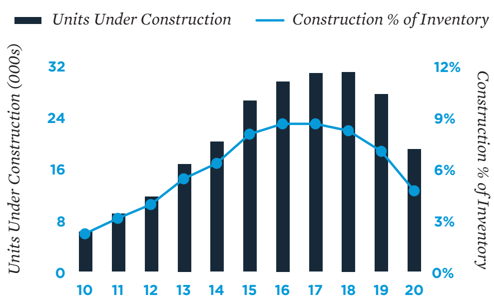


Sources: Philips; Primary Care Collaborative; Senior Housing News; The Larry A. Green Center

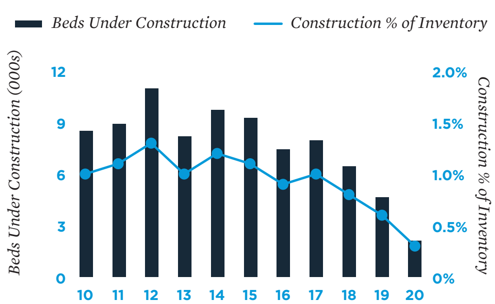
Independent Living Construction Trends



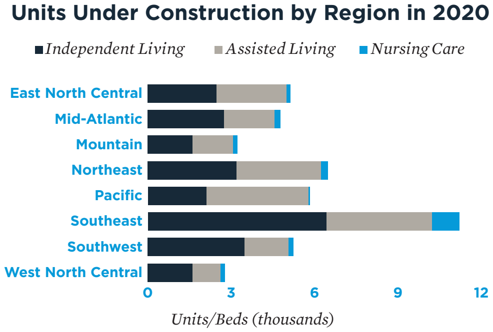
Assisted Living Construction Trends



Skilled Nursing Construction Trends



Units Under Construction by Region in 2020



Source: NIC Map® Data and Analysis Service (www.nicmap.org)

Pandemic Pressures Impact Construction Timeline; New Design Strategies Emerge

Slowdown in construction allows operators to catch up. Development activity had started to wane entering 2020, falling from a cyclical peak reached in 2018 when seniors housing construction totaled 9.3 percent of current inventory. Construction continued to fall in the fourth quarter of last year with more developers delaying or canceling projects, which will help markets to rebalance supply and demand more rapidly during the recovery. Metros were starting to achieve parity prior to the pandemic as overbuilding had hit some segments in anticipation of a demographic wave, particularly independent living, which had weighed on property performance. In the fourth quarter of last year, 23,600 independent living units were underway across the country, representing 9 percent of current inventory. Construction is headlined by the Southeast region where more than 6,400 units are working through the pipeline as more retirees are moving to Florida and other Sunbelt states. Supply growth is more balanced in the assisted living segment, where construction accounts for 4.7 percent of inventory and more than 18,900 units were underway at the end of last year. Development of skilled nursing facilities has been minimal with 2,100 beds underway, representing 0.3 percent of inventory. Many projects under construction have extended their timelines amid numerous pandemic pressures, which will help the market absorb existing units.

Challenges to construction financing disrupt new projects. The health crisis has halted developments and placed plans on the shelves as developers face an uncertain investment climate and are challenged with obtaining financing for new projects. Many banks are focusing on servicing existing clients and are resistant to assess new projects, which has led to substantial delays of up to 120 days for some developers. Projects that secured financing prior to the pandemic are underway, though many have contended with labor and materials shortages that have caused construction costs to surge. As more people receive the vaccine and the occupancy rates begin to recover, construction financing should return and delayed projects will resume.

Property design shifting to increased infection control. Senior living providers and developers are rethinking community design, placing greater focus on pandemic-resilient design and how to prevent the spread of infections. Improved HVAC systems, fewer touch points, larger floor plans and enhanced outdoor spaces for residents will be top considerations in a post-pandemic environment. Some operators are also focused on increasing the healthcare capabilities of their communities with on-site clinics and dedicated spaces for telehealth appointments as they work to ensure the health and safety of residents. Other features that care providers are touting include larger apartment layouts with cooktops and a full-size refrigerator as opposed to smaller kitchens, improving the quarantine experience for residents. A large inventory of older and outdated communities will require greater capital expenditures to modernize their properties and provide the amenities that residents will demand, which will be a challenge for struggling operators. Many of these types of protocols will be key in regaining confidence among prospective residents.

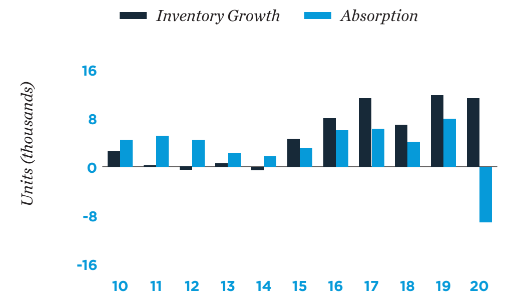
Independent Living Less Impacted by Health Crisis; Operations Have Room for Improvement

Care segment faces fewer vulnerabilities. Independent living has proved to be more resilient, facing fewer threats from COVID-19 as a less needs-based care segment. Sentiment among consumers has remained durable as most communities took necessary precautions and the better health, mobility, and greater independence of residents allow for fewer infections. The penetration rate of the virus for independent living has been well below that of assisted living and memory care communities, averaging 0.4 percent for confirmed or suspected positive cases at midyear 2020. Restrictions on visitation at many communities and slowdowns in lead conversion lowered stabilized occupancy substantially last year, though, falling to a record low of 83.3 percent in the fourth quarter. Occupancy has been less impacted than at assisted living and skilled nursing facilities, however, falling 690 basis points on an annual basis in contrast with an 800-basis-point decline for assisted living. More stable property metrics will result in quicker recovery as more residents begin to receive the vaccine and restrictions are eased, driving investor activity in the sector.

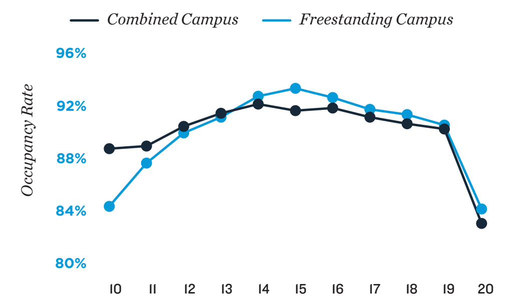
Health crisis highlights areas in need of improvement. While independent living has been less vulnerable, the pandemic has exposed pain points that providers will need to address moving forward. Technology has proved to be a vital line of connection between residents, staff, and families, though investments in infrastructure prior to the pandemic often fell short in some communities. Care providers that have not made the necessary investments will focus on streamlining communications by leveraging new tech platforms and tools, bringing their facilities up to speed with competitors over the coming quarters. More effective use of technology will also help to alleviate isolation challenges that many residents have dealt with during lockdowns, particularly as many older adults are drawn to senior living for the sense of community and socializing opportunities that it can provide.

Inconsistent impact across markets though strong sentiment to support recovery. The impact COVID-19 has had on property metrics has been uneven across markets and communities. While nearly all metros registered a decline in stabilized occupancy, some markets recorded smaller fluctuations and have sustained higher occupancy levels, including Oklahoma City, San Jose and Minneapolis-St. Paul. Several other markets have not fared as well, posting a more than 800-basis-point reduction year over year to stabilized occupancy in Indianapolis, Orlando, and Phoenix. Occupancy was under pressure before the outbreak since construction has been near all-time highs with more than 23,000 units underway nationally at the end of 2020. Southeastern and Mid-Atlantic markets could experience a slower turnaround in operations with construction representing a greater share of overall inventory than other regions at 13.3 percent and 16.6 percent, respectively. Lead generation continues to be strong though with many adults 55 and older ready to make the move to seniors housing, providing a positive outlook for the recovery. An exceptionally strong housing market will create a tailwind to the sector as well, aiding in the recovery as many seniors use home sale proceeds to finance the move to a community.

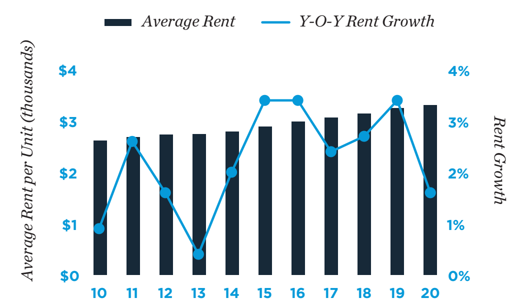
Independent Living Inventory and Absorption



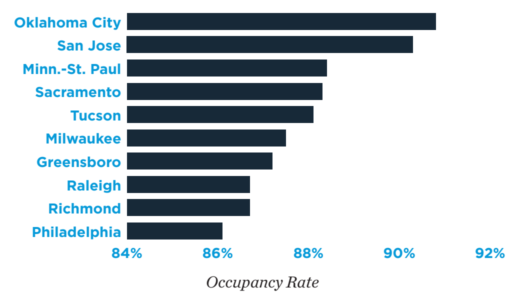
Independent Living Occupancy Trends



Independent Living Rent Growth



Highest Occupancy Metros - 4Q 2020



Source: NIC Map® Data and Analysis Service (www.nicmap.org)

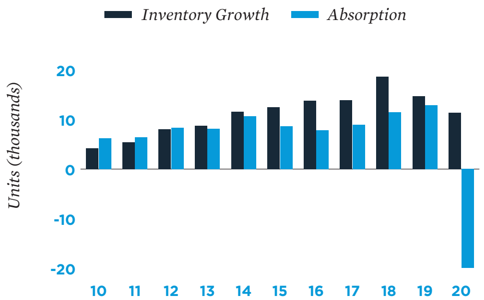
Assisted Living Undergoing a Rapid Transformation; Care Segment Poised for Robust Long-Term Demand

Senior living providers adapting for a post-pandemic environment. As the vaccine becomes available to assisted living communities across the country and substantial herd immunity is reached, the sector will be poised for a strong turnaround this year. The care segment will be permanently reshaped by the pandemic with operators placing a greater focus on health and wellness, while also harnessing technology to meet resident needs more appropriately. Staffing will be a top theme this year as care providers work to address fatigue and workforce shortages to improve the personalized care that many residents will need. Favorable pre-leasing activity sustains a positive outlook for the industry, though some operators will fare better as communities and markets have been unevenly impacted. Stronger operators that are able to provide more clinical levels of care and are able to leverage partnerships along the healthcare continuum will emerge in a better position as prospective residents place a greater focus on health. Smaller operators could be more challenged as many face greater financial hurdles and lesser reserves, which will be compounded if cash flows remain pinched.

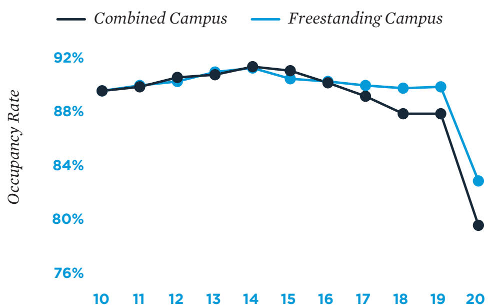
Pent-up demand to restore property performance over coming months. Occupancy deteriorated considerably last year as restrictions were placed on move-ins and many prospective residents chose to delay a transition to a community. The national average for stabilized occupancy was 82 percent in October, down 600 basis points from a year earlier. Some markets registered an even sharper drop-off in census, headlined by Phoenix where the average stabilized occupancy fell by more than 1,000 basis points to 75.3 percent in the third quarter. Other markets have recorded narrower fluctuations in property metrics, including Seattle-Tacoma, San Antonio and Milwaukee, which posted a less than 400-basis-point year-over-year reduction to occupancy. While near-term challenges to property performance remain as the industry adjusts to pandemic-generated financial and operational pressures, long-term demand for assisted living will lead to a solid recovery for most markets. The recovery could pick up its pace by midyear with pent-up demand entering the market and building back occupancy levels that were eroded during the pandemic. The daily care needs of the aging population and the elevated expense of home health aides will ensure momentum for the industry over the coming quarters.

Healthcare capabilities and care coordination of greatest importance in 2021. The health crisis has motivated operators to better integrate personalized healthcare and add more services that will help to reassure consumers after a year of unfavorable headlines and media coverage. On-site clinics staffed with healthcare professionals could be a new amenity that several larger operators have been considering, bringing increased levels of care and attention directly to residents. As the pandemic subsides, senior living providers that are able to pivot to a mix of healthcare and hospitality and shift their focus to the care and safety of residents will rebound quicker than others. Medicare Advantage will also come under the microscope this year as more providers consider adding the additional revenue stream to operations, while also enhancing a community's position on the healthcare continuum.

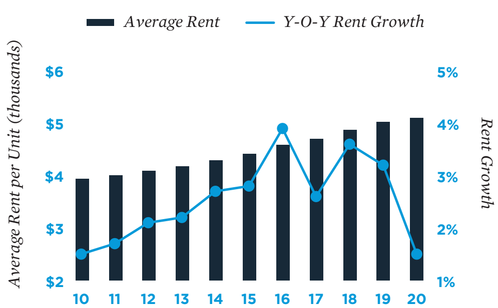
Assisted Living Inventory and Absorption



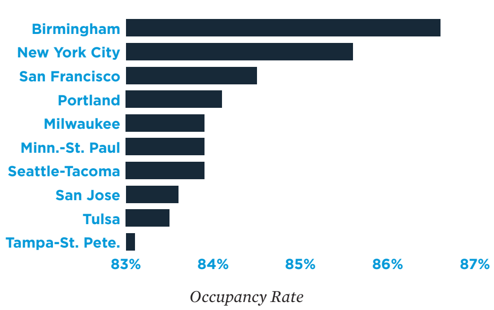
Assisted Living Occupancy Trends



Assisted Living Rent Growth Trends



Highest Occupancy Metros - 4Q 2020



Source: NIC Map® Data and Analysis Service (www.nicmap.org)

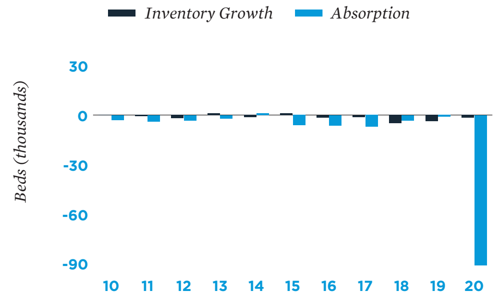
Strong Position Along Healthcare Continuum To Power Skilled Nursing Recovery

Nursing care entering a new era, taking the lessons learned from the health crisis. The economic and emotional toll of COVID-19 placed the skilled nursing segment under exceptional pressure last year and will leave a lasting impact on the industry. The pandemic exposed numerous pain points and areas for operators to improve post-acute and long-term healthcare, while taking notes from the shift in consumer preferences and expectations. A move to add more amenities and private rooms to create a better sense of home was well underway prior to the pandemic, a trend that will accelerate as skilled nursing facilities are forced to adapt. To restore faith in the care segment, providers will need to remain overly transparent, as many have during the pandemic. Healthcare consumers have become increasingly savvy, and more families will demand that facilities have a technology infrastructure in place that can provide timely and accurate reporting of patient health and care metrics. In a post-pandemic environment, loved ones and consumers are demanding a better patient experience, which will be a differentiator for operators moving forward.

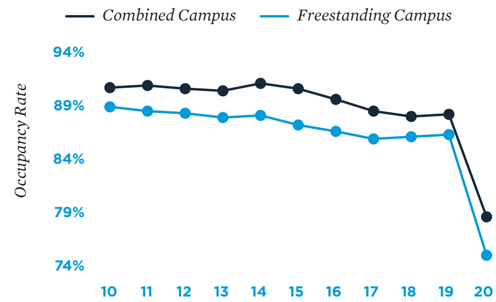
Skilled nursing positioned for strong bounce back as a needs-driven care segment. Restrictions on elective surgeries across the nation contributed to a sharp decline in occupancy last year, which was compounded by the increased move-outs as residents fell ill. Entering 2020, stabilized occupancy was 86.3 percent but fell to 75.2 percent by year end, a record low as facilities worked to combat the spread of the virus. As the vaccine is distributed and pent-up demand for elective surgeries enters the market, the need for nursing care will return rapidly to restore occupancy erosion. The pandemic could lead more older adults to opt for in-home services that can deliver skilled levels of care, though home care costs can be prohibitive for many on a fixed income. Skilled nursing facilities could recover quicker than other sub-sectors due to their strong standing in the continuum of care. Complex post-acute care and other need-driven health services are best carried out in the skilled nursing space, supporting a more rapid restoration of operating fundamentals following greater containment of COVID-19.

Strong government support bolsters skilled nursing and sustains investor sentiment. The federal government has offered billions in aid to skilled nursing facilities during the pandemic and is anticipated to remain supportive through the recovery, providing liquidity to operators and creating a positive outlook for the sector. Leases are most often the largest expense for operators, and as cash flows fell during the crisis and other operating expenses surged, the array of government programs will minimize future deferrals for skilled nursing tenants. Staffing has also been a top expense in response to the health crisis as facilities bring on more nursing assistants and provide additional pay, compressing operating margins below 3 percent for many properties. Those that struggle with restoring occupancy to pre-pandemic levels will be at greater risk of needing additional support or rent relief, which could come from REITs if government aid dries up. Government support to fund operations has been a bright spot for investors as the subsidies have helped the sector to perform moderately well during an exceptionally challenging period. Operators also received relief from the CMS, which chose not to revise downward the Patient-Driven Payment Model and eliminated an effort to closely scrutinize and reform supplemental payments.

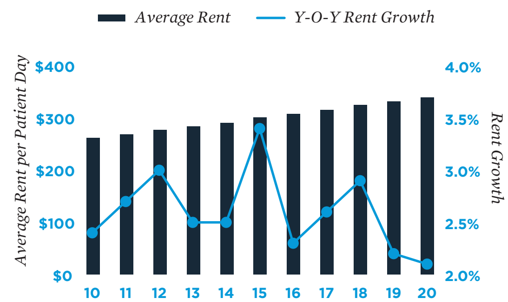
Skilled Nursing Inventory and Absorption



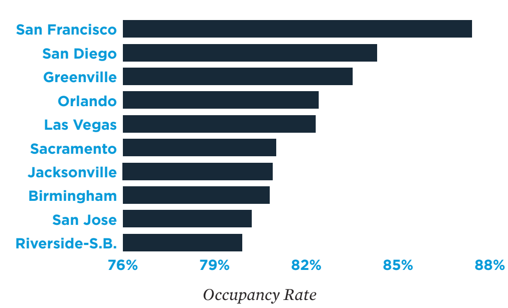
Skilled Nursing Occupancy Trends



Skilled Nursing Rent Trends

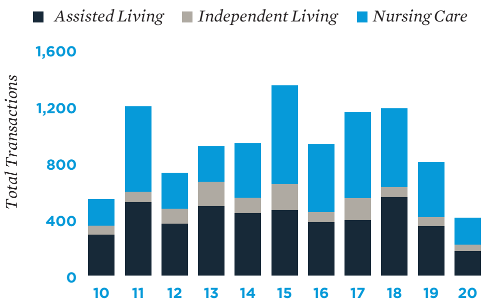


Highest Occupancy Metros - 4Q 2020

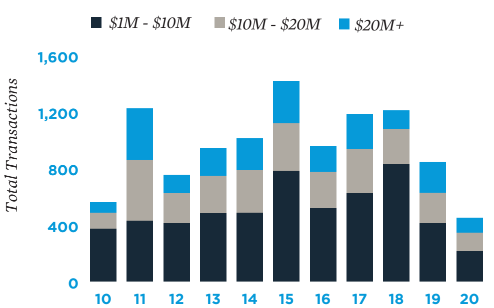


Sources: American Health Care Association; NIC Map® Data and Analysis Service (www.nicmap.org)

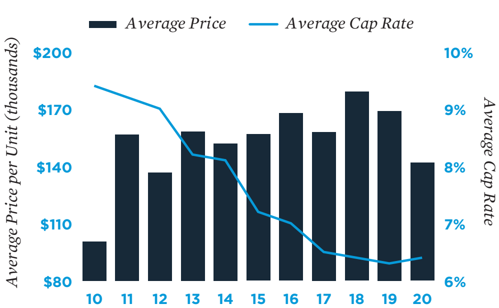
Transaction Activity by Community Type



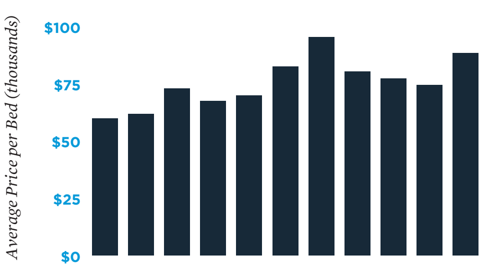
Transaction Activity by Price Tranche



Seniors Housing Pricing Trends



Skilled Nursing Pricing Trends



Source: NIC Map® Data and Analysis Service (www.nicmap.org)

Liquidity and Investor Demand Strong Despite Operational and Health Challenges

Long-term demand trends sustain investor sentiment. Investment activity slowed considerably last year in alignment with other asset classes. The array of hurdles in getting deals across the finish line and an abundance of uncertainty surrounding future operations stalled closings and led some investors to put acquisitions on hold. Restrictions on visitations, falling occupancy and surging expenses led to new challenges when underwriting and valuing potential acquisitions, pushing many investors to await greater clarity on pricing. A widening disconnect has formed with more buyers anticipating steep discounts, though distressed properties entering the market have yet to materialize with strong support from lenders and extended forbearance periods. While operational difficulties have weighed on transaction activity, the sector is poised for a stable recovery this year as the vaccine is rolled out and risks to the senior population fall. Despite the near-term uncertainty, investor sentiment and liquidity for seniors housing remains strong as many recognize the unique resiliency of the industry as there is a growing demand for the housing, hospitality and needs-driven services provided at communities. With an abundance of capital in the market, an exceptionally low interest rate environment, and robust long-term demand characteristics for seniors housing, more investors and lenders will return this year as the market stabilizes.

Capital markets beginning to loosen up for seniors housing. Balance is returning to the capital markets with more active lenders than in the early months of the pandemic, though loan underwriting will likely remain tight as the sector recovers. Occupancy trends and operators' ability to cover debt service will be closely scrutinized with lenders requiring up to a year of cash reserves and shifting to a forward-looking net operating income, which is generally 25 percent lower than the current trailing-12 month look back. Loan-to-value ratios are likely to remain tight through the recovery as well, falling between 50 to 70 percent, largely dependent on the strength of the operator, asset and location. Bridge debt remains more challenging to obtain, with limited lenders willing to take on the additional risk, and is not likely to relax with the agencies requiring lower leverage and significant reserves for operations and interest. The agencies and life insurance companies are penciling debt in the 3.0 percent to 3.6 percent band, which will help to drive investors this year to capitalize on the low interest rate climate. Local and regional banks will remain a substantial capital source until the national banks return to the market, and will continue to fill the gap for development financing.

Widening gap between care providers impacting valuations. The health crisis has exposed the wide bifurcation between strong, well-capitalized providers and smaller operators that will struggle to recover. Pricing will be closely tied to the quality of the operator as buyers will target those that have successfully kept residents safe and efficiently managed operational expenses over the past year. Communities that have not been able to do so and have challenges with restoring occupancy will be eyed by private equity investors that are in search of deep value add deals. Less-seasoned owners with fewer properties may be motivated to sell, though a large exodus is not anticipated. Those that have the ability to provide top levels of care and commit to seniors housing as a healthcare model will gain in credibility and be more attractive to investors.

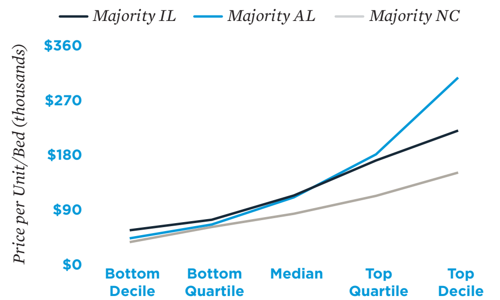
Seasoned Owners Well-Positioned to Consolidate Portfolios in Evolving Climate

Skilled nursing facilities lead transactions with bright outlook. Investors will become more accustomed to the new challenges that need to be navigated to close transactions this year, in some cases turning to virtual tours to conduct due diligence. While sales have been suppressed, acquisition activity is picking up in anticipation of a strong second half of the year, illustrating investor confidence and the general strength of the senior living sector. Pricing dipped modestly for assisted living assets through the remainder of last year amid limited rent growth assumptions and increases in operational costs, to approximately $171,800 per unit. The independent living segment exhibited resiliency with less movement, averaging $197,200 per unit. The average price per unit for skilled nursing facilities on a trailing-12-month basis at year end was more stable as well at roughly $89,200 per bed. Nursing home transactions accounted for the majority of sales activity in the fourth quarter, showcasing elevated sentiment for the care segment amid unique operational and reputation challenges. Looking ahead through the remainder of the year, as more investors return to the market and property fundamentals improve, the sector should have limited risk of pricing deterioration, particularly with large demographic tailwinds. It is likely though that the gap between healthy and struggling operators will widen, which will have a large impact on valuations moving forward.

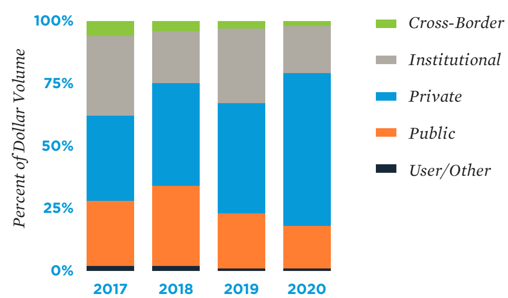
Cap rates hold steady through the health crisis. While uncertainty remains surrounding cap rates and risk premiums as a wave of new infections took hold in the winter, greater clarity will emerge possibly by midyear as the vaccine is successfully distributed. Skilled nursing and assisted living facilities, coupled with those older than 75, have been prioritized to receive the vaccine, helping to largely immunize the senior cohort by the spring. Looking ahead, expenses are likely to remain elevated as communities add more staff and take additional measures to maintain a healthy and safe environment, which will erode net operating income. Underwriting assumptions are also being adjusted surrounding lower first-year income with occupancy levels down across many properties. The sector is still characterized as having an attractive yield profile and minimal cap rate compression through the pandemic, noted by an average first-year return of 9 percent for nursing care facilities in 2020. Assisted living properties were able to record an average cap rate of 7.3 percent over the past year, while independent living communities changed hands with an initial yield in the low-5 percent band.

Financial hurdles open the door to mergers and acquisitions. Smaller and struggling operators that continue to face pressure from low occupancy and rising capital expenditure are prone to consolidation this year. While government and local support through the CARES Act has helped to keep communities afloat, financial challenges and thin margins will bring more underperforming properties to the market. Larger care providers with strong balance sheets and REITs will help to drive acquisitions of these communities as the turnaround process can be capital intensive to many investors. Still, many opportunities are on the horizon for seasoned private investors who can successfully navigate the nuances of senior living and its role in the healthcare continuum, particularly with an exceptionally low cost of capital. Robust government support and a strong position in the healthcare industry have lifted optimism for skilled nursing facilities and will help to attract investors this year.

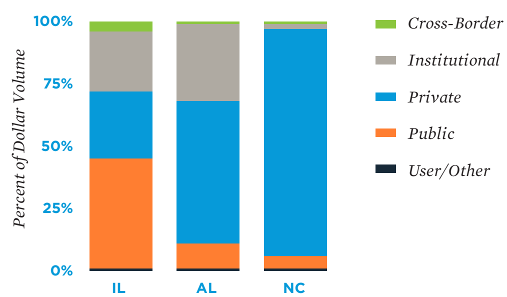
2020 Pricing Distribution



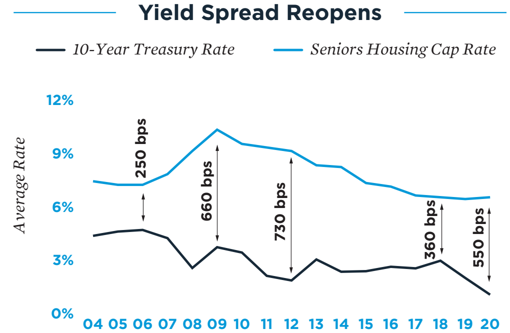
Seniors Housing Buyer Composition



Buyer Composition by Majority Subtype - 2020



Yield Spread Reopens



Source: NIC Map® Data and Analysis Service (www.nicmap.org)

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