

CHANCERY MONTHLY NEWSLETTER

This article uses lots of data to indicate how investors remain optimistic about senior housing, with 70% of survey participants saying that now is the time to buy senior housing assets.

48% of Investors Say Now is the Time to Buy Senior Housing Assets

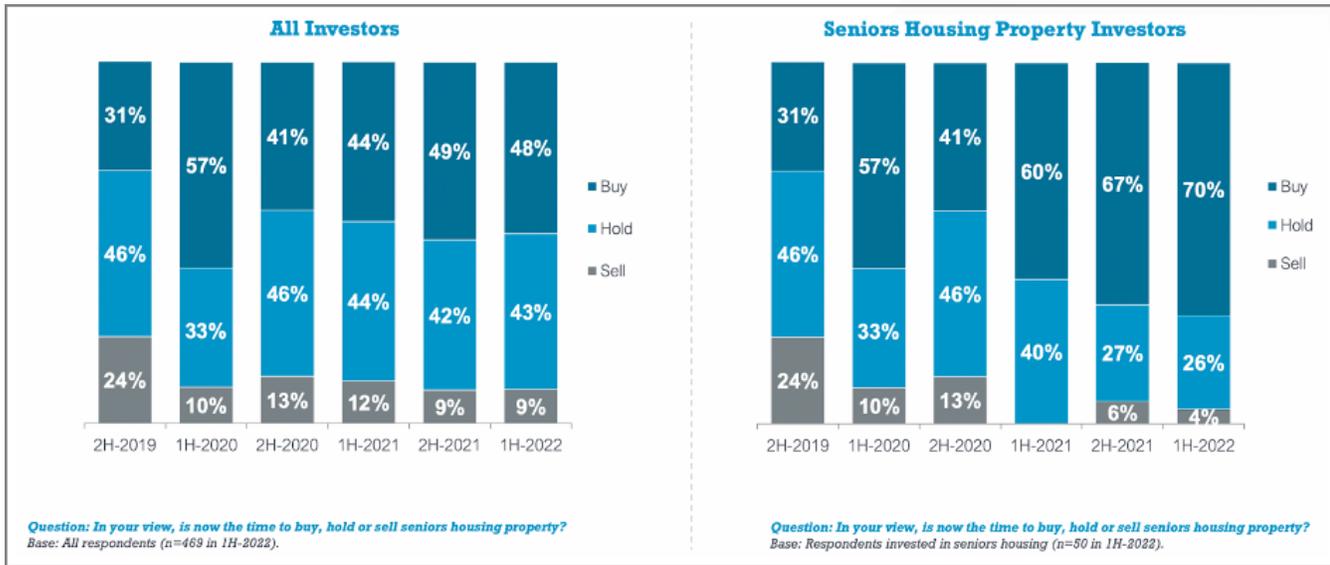
Nearly half of all investors polled by a recent survey believe now is the time to invest in senior housing communities, and that property values are due to rise this year.

Forty-eight percent of investors who responded to the survey from Wealth Management Real Estate and Marcus & Millichap said that now is “the time to buy senior housing,” beating out the level of interest in other property types such as self-storage, industrial and apartments. Another 43% said now is the time to hold, and 9% said now is the time to sell when it comes to senior housing properties.

Among respondents who already invest in the senior housing industry, nearly three-quarters (70%) said now is the time to buy, with 26% saying it is time to hold and 4% saying it is time to sell.

Slightly more than three out of four respondents (76%) believe senior housing community values will increase in a year from now while 20% said values in senior living will remain the same and 4% said they will decrease. On average, respondents said they anticipate senior housing property values to increase by 9% in the coming year.

The survey, focused on the first half of 2022, included 544 survey responses collected between February 16 and 24.



The report is yet another indication that investor interest in senior housing is swelling as the industry continues to recover from the pandemic. Indeed, senior housing was among the five most-popular property types, with 19% investors indicating they are “likely moving into” the space with repositioning commercial assets. Apartments (38%), industrial (30%), mixed-use (26%) and self-storage (22%) make up the other leading categories of potential investment for repositionings.

A total of 42% of respondents said they expect no change in senior housing property cap rates while 33% said cap rates could get “somewhat better” and 25% said cap rates within senior housing property holdings could get “somewhat worse” in the coming year.

Half of the investors who responded to the survey said they believe economic and employment conditions will have a positive impact on occupancy rates in the coming year. Another 38% believe there will be no change, and 12% believe occupancy rates will be “somewhat” or “significantly” worse as a result of economic and employment conditions.

Additionally, nearly half of all respondents said they did not think that the worst of the economic downturn is already behind us, with just 30% agreeing or slightly agreeing to that statement. Investors' top concerns for the coming year included rising interest rates (65%), inflation, (65%), rising operating expenses (49%) and changes to taxes (47%).

Stoney Creek Project Update

The Grandview Retirement Residence is a 159-suite building, designed to provide seniors with accommodation in a beautiful neighbourhood with a host of services and amenities. It is located in downtown Hamilton, Ontario, adjacent to the affluent Stoney Creek neighbourhood, and is at the central location with access to retail, restaurants, parks and health care providers.

- The construction of Grandview Retirement Living was completed during the first quarter of 2022. We received the occupancy permit in March and the first seven residents moved in on April 1.
- The opening of Grandview was well received throughout the community, with press on site to celebrate the arrival of the first few residents, publication of an article in the Hamilton Spectator and Toronto Star, and a turnout of close to 200 people at the two-day Open House event during the last weekend in April.
- During the first quarter of 2022 the balance of the management team was onboarded and trained and were busy recruiting team members for their respective departments. After an extensive orientation and training program, all of the new team members assisted with preparing the building to welcome the first residents.

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PROJECT UPDATE



Chancery Seniors Housing Investments Inc. is a private real-estate investment firm with a focus on seniors housing. Powered by its two strong founding partners, Suske Capital Inc. and LD Capital Corp., Chancery creates a team with the expertise and experience of over 55 years in real estate and seniors housing developments with an estimated completion value of over \$5 billion.

For more information about our company and projects, please visit www.chanceryseniors.com