



## Chancery Monthly

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### INDUSTRY TREND

## Bain to Target Assisted Living, Memory Care in New \$1.5B Fund

By Tim Regan

The senior housing portion of private investment firm Bain Capital's new \$1.5 billion, Harvard University-backed real estate fund will likely include new investments in assisted living, memory care and active adult developments with help from existing partner Capitol Seniors Housing.

The fund, which recently surpassed its original billion-dollar goal, will focus on real estate classes such as senior housing, self-storage, life science and labs. Co-founded by Mitt Romney in 1984, Boston-based Bain Capital has about \$105 billion in total assets under management today.

On the senior housing side, the new fund is expected to include new assisted living and memory care development as well as "active living" properties, according to Scott Stewart, founder and managing partner of Washington, D.C.-based Capitol Seniors Housing, which serves as an investment partner with the fund.

The two companies will work collaboratively to identify senior housing opportunities under the new fund. It's not yet clear how much of the fund will go toward senior housing, and Bain didn't immediately respond to a request for comment from SHN.

"The beauty of the relationship is that they've got some smart real estate professionals over there," Stewart said. "It's not a situation where we just slide them a pro forma or an investment draft and say, this is the deal we want to do."



Capitol Seniors Housing's relationship with the private equity firm is not new. Bain inherited the relationship in 2017 when Harvard Management Company agreed to spin out its 22-member real estate team to the private equity firm.

Capitol first began working with the Harvard Management Company in 2010 and completed numerous projects with it over the years. The company opened six communities this summer, all of which started with Harvard Management Company and finished with Bain.

Capitol has grown steadily during that time, with 38 operational communities today, four under construction and four more in pre-construction throughout the U.S.

Bain Capital isn't Capitol Seniors Housing's only capital partner, as the company also works with The Carlyle Group, a private equity firm that's also based in D.C. Along with Bain and Carlyle, Capitol has acquired or developed more than 100 senior housing communities, representing the deployment of \$2.5 billion in investment capital over 15 years.

*Source:*

*<https://seniorhousingnews.com/2019/07/12/bain-to-target-assisted-living-memory-care-in-new-1-5b-fund/>*

## PROJECT UPDATE

### Stony Plain Project Update

*Stony Plain Active Adult Lifestyle Community is located just west of Edmonton, Alberta. When complete, the residence will be a 6-storey apartment building with 83 Active Adult Lifestyle Community suites. It will offer In-suite 24-hour emergency call systems, a recreation facility, housekeeping, laundry services, on-site management and maintenance. A main floor of commercial and retail space will provide residents with easy access to amenities such as a doctor's office, pharmacy, bistro or coffee shop.*



1. The columns and walls are up and ready on the second floor, and the workers are continuing with the shoring on the third floor as we speak.
2. A significant amount of work has been done on the pre-built wall sections, which will be installed starting mid-July 2019.
3. We have cleared all conditions precedent for the draw of the senior and mezzanine loan, and the mezzanine lender provided their funding to our project on July 10, 2019!
4. 58 deposits for the suites have been received to date and the developer will continue with the open houses in the coming season.





## Surprise Project Update

*Chancery is partnered with long time Suske Capital partner, Avenir Senior Living, in the development of this 32-bed geriatric behavioral hospital in Surprise, Arizona.*

*The Surprise Behavioral Hospital will benefit from its proximity to Surprise Memory Care, which is located on the adjacent land. The Surprise Memory Care community will provide referrals to the hospital, and the hospital will allow for higher level of care for the existing residents of Surprise Memory Care.*

We would like to share with you the exciting news that the hospital received its license on April 23, 2019 and has been open for patients since May 6, 2019!

From the grand opening to the end of May 2019, the hospital has recorded an average daily occupancy of 3.7 beds which led to a total revenue of US\$93,588 and a total expense of US\$164,616.30, resulting in a net operating income ("NOI") of -US\$71,058.39.

We are extremely happy with the progress as the hospital continues to exceed our expectations with respect to occupancy, revenue and profit margin. The management team and staff at the hospital are working hard towards stabilizing the facility and we have every confidence in their ability to achieve it.

## UPCOMING PROJECT

### Grandview Retirement Residence

#### Project Summary

- Located in downtown Hamilton, Ontario, adjacent to the affluent Stoney Creek neighborhood. Central location with access to retail, restaurants, parks and health care providers.
- Designed to provide seniors with accommodation in a beautiful neighborhood with a host of services and amenities



- 1.85 acres of development land, a 159-suite building including 132 independent supportive living units, and 27 assisted living units.
- Construction expected to start in Q3 2019 and opening in Q4 2020.



*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](http://www.chanceryseniors.com)*