



NIC MAP Market Signals

4Q09 Market Signal: Have Seniors Housing Occupancy Rates Hit Bottom?

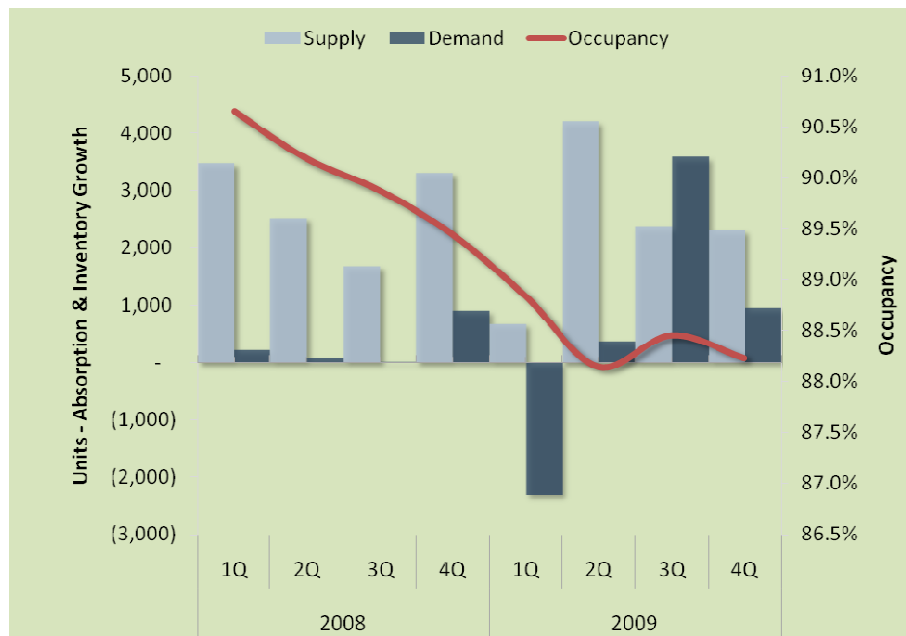
Recently released 4Q09 NIC MAP data shows that the seniors housing occupancy rate in MAP 31 was 88.9%, which is down 40 basis points (bps) from 3Q09 and 120 bps from 90.1% in 4Q08. This marks the 10th time in the past 12 quarters the occupancy rate has fallen. But despite the quarterly decline there are signs that seniors housing occupancy rates may be bottoming.

One such sign is that absorption (the change in occupied units) has been positive for the past 3 quarters. Absorption from 2Q09 to 4Q09 has been 4,901 units, or 1,634 units per quarter. This is higher than the -1,091 units (or -218 units per quarter) absorbed during the five quarters preceding 2Q09.

During the past 3 quarters, inventory has grown by 8,872 units or 2,957 units per quarter. For the 5 quarter period before 2Q09 (1Q08 to 1Q09), inventory grew by 11,651 units or 2,330 per quarter.

While absorption is not rising to the level of inventory growth, it is rising. This is an important step if occupancy is indeed bottoming and could represent a turnaround of demand side fundamentals. Future market insights will further explore this topic.

Seniors Housing Occupancy Trends



Source: NIC MAP Data & Analysis Service; 4Q09

To update your analysis of seniors housing properties in your market(s), please visit www.nicmap.org.