Boot Camp: A Day to Remember

The 2019 NIC Seniors Housing Boot Camp sold out within a few days, generating a wait-list that would fill the event twice over. Developed in large part by NIC’s Future Leaders Council (FLC), and held in Charlotte, North Carolina, the day-long event, titled “An Interactive Workshop on Assessing the Art of a Deal” was packed with practical, no-nonsense insights, and discussion on assessing seniors housing investment opportunities.

Real-world, detail-oriented presentations were given by a range of industry players, each bringing their perspective on the sector while sharing the best practices and professional insights earned over years of working experience. Attendees, most of whom have been in the industry, or in a new role, for one to three years, were rewarded with a holistic view of the sector, expert analysis of its trends, a deeper understanding of the market, and a straight-to-the-point approach to understanding what drives the industry today—and what will be impacting it tomorrow.

Developers, investors, equity providers, lenders, debt providers, transactional service providers, and financial intermediaries were distributed across a handful of small working groups. NIC planners seated each group, ensuring that a broad array of experience and knowledge was accessible to each group. FLC members Elyse Hanson (Blue Moon), Andrew Lavinder (MidCap Financial), Sarah Veit (Omega Healthcare), Brandi Healey (Sabra Health Care REIT), and Dana Scheppmann (Capital One) acted as table captains for their respective groups. The day was emcee’d by FLC member Fritz Kieckhefer (CIBC).

Anchored by a lunchtime keynote presentation given by John Moore, chairman and CEO of Atria Senior Living, the day yielded many deep dives into a wide range of issues facing anyone in the business of assessing seniors housing investment opportunities. The schedule moved briskly through nine presentations in all, each with a question and answer component, as well as table discussions, and a valuation review and group discussion to end the day’s program.

Starting with an industry overview, featuring the latest NIC MAP® data, presented by NIC senior principal, Lana Peck, the day’s sessions included:

- Case Highlights & Investment Guidance, presented by Ryan Chase, managing director, Blueprint Healthcare Real Estate Advisors
- Investment Assessment, presented by Jerry Taylor, executive vice president, Strategy and Operations, Solera Senior Living
- Market Assessment: Assessing Supply & Demand, presented by Susannah Myerson, vice president, Wells Fargo
- Sales & Marketing, presented by Melissa Owens, vice president of Marketing, Eclipse Senior Living
- Operational Strategy, Care & Staffing, presented by Jay Leo, president, The Springs Living®
- Capitalizing the Deal, a panel discussion featuring Kate Nicholls, director of investments, Ventas, Peter Trazzera, vice president, Key Bank Real Estate Capital, and Dustin Warner, director, Harrison Street
- Valuation Model & Interactive Discussion, presented by Richard Wang, vice president, Investments & Strategy, Belmont Village Senior Living
Moore’s presentation featured his analysis of demographic trends, looking back to the 1980s and ahead to the impact of aging baby boomers, all the way to 2050. By looking back at important demographic and market shifts, Moore was able to illustrate the potential impact of the coming “age wave” of baby boomers, who will begin to enter the sector “in large numbers in the early–to mid–2020s.”

He also discussed opportunities in gateway cities, a potential resurgence of adult day services, and the market for more affordable senior housing, before delving into a detailed analysis of supply and demand, both of which he expects to grow over time. He concluded with short- and long-term factors for attendees to consider as they think about business decisions going forward. There was time after his presentation for Moore to answer a number of questions from Boot Camp attendees.

Setting the stage for the afternoon’s highly interactive case study exercise, Richard Wang presented the valuation model each group would be asked to use while calculating their offer on a senior living property located in nearby Raleigh, North Carolina. The case study, which was handed to every attendee, included many of the pertinent details they must look at when considering a potential investment—and preparing to make a bid on a property. The model provided a framework for calculating many of the valuation and investment factors that should be weighed before arriving at a strategy and an offer.

The case study offered the “Emerald Vista” senior living community, with three clearly defined investment initiatives: 1. increase low assisted living utilization by completing a renovation; 2. convert vacant two-bedroom units to studio and one-bedroom units; 3. convert a portion of the community to memory care. An executive summary provided each group with an investment overview, paths to upside (for each option), a property description, and a market overview, as well as questions to consider after reviewing the case.

After having some time to discuss the case study and develop an investment strategy, each group arrived at an offer. Kieckhefer then asked a representative from each group to walk through the group’s thought process and present their offer. Groups diverged considerably in their strategies, yielding a range of offers on the community, and a variety of justifications. In a collegial atmosphere, there was a discussion of each group’s views and calculations, providing for some useful insights on how different organizations—and individuals—view the same opportunity in different ways.

Finally, it was revealed that the case study was pulled directly from a real transaction that occurred a few years earlier. Boot Camp attendees learned about the real-world deal and how it was executed, and how it is performing today. In the context of the case study exercise, the revelation of the transaction’s facts provided another level of insight into how to assess an investment opportunity in seniors housing and care.

With the case study completed, attendees enjoyed a roof-top reception hour, where they had an opportunity to network with each other, the FLC, and representatives from NIC. While it was a long day, it seemed to be over too soon. As one attendee, overheard at the reception, exclaimed, “This was so good, I hope I can come again next year!”
Seniors Housing & Care Industry Calendar

May 2019

5/1-3  AHCA/NCAL Spring Conference for Multifacility CEOs and Senior Executive Leaders  Bluffton, SC

5/3  6th Annual Brain Ball – Alzheimer’s Association  Washington, DC

5/5-8  LTC 100 Leadership Conference  Naples, FL

5/8-9  Real Estate Research Institute (RERI) Conference  Chicago, IL

5/8  Build – the Future of Senior Living Development  Chicago, IL

NIC Partners

We gratefully acknowledge our following partners:

Premier Partners

Official Partners