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Newsletter

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What Business Are You Really In? A Conversation with Author and CEO Ryan Frederick



Ryan Frederick

Ryan Frederick has a thought-provoking question for the industry: Are you in the senior housing business or in the business of housing for older adults? The answer suggests the industry might need to reconsider its value proposition as it adapts to changing consumer needs and preferences.

NIC Senior Principal, Healthcare Strategy, Ryan Brooks recently talked to Frederick, founder & CEO at SmartLiving 360. The company provides strategy consulting, real estate development services, and consumer content. They discussed Frederick's insightful new book and the importance of place in healthy aging. Here is a recap of their conversation.

Brooks: You've written a book, *Right Place, Right Time: The Ultimate Guide to Choosing a Home for the Second Half of Life*, which was just published in October. Can you tell us a bit about the book, and what your motivation was for writing it?

Frederick: The book is designed for consumers and their families to help them better understand why place matters in the context of a longer life. It covers the available housing options and how to evaluate those options. I've been in the industry over 15 years as an investor, operator, real estate developer, and strategy consultant. Along the way, I realized people did not have a thoughtful, objective resource to make more informed decisions about place.

At the same time, I saw firsthand how many people aren't aware of the importance of place and the underlying research about healthy aging. When we were in lease-up for *The Stories at Congressional Plaza*, an age-friendly multifamily community I co-developed in the Washington, D.C. area, we took great effort to help educate prospective residents on the tenet of healthy aging. I was shocked at how few people understood that longevity was largely linked to lifestyle, such as purpose, social connection, and physical exercise, and not genetics. I realized that we would have been more effective with a book like *Right Place, Right Time* to help prospective residents better understand why the decision of where to live matters so significantly.

Brooks: What's the big idea behind the book?

Frederick: If we care enough about our health and well-being to eat well, exercise and save for a longer life, we should at least think as much about the role of place. What do we mean by place? We often think of place as a physical dwelling and that's important. But that thinking is too narrow. Place is your neighborhood, your metro area, your region, and your country. The right place helps to give us purpose. The right place helps us to be more socially connected. The right place helps us to be more physically active. The right place helps keep us safe. The pandemic put a spotlight on the role of place. People in the right place fared pretty well, all considered. However, for people in the wrong place, the impact of pandemic was catastrophic in some cases. The big idea for the consumer is that we should think



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about place as a foundational part of the strategy for living a longer, healthier life. The big idea for the industry is to question whether we are in the seniors housing business or the business of housing for older adults.

Brooks: How will this book help the senior living sector, and how will senior living organizations benefit from this book?

Frederick: One purpose of the book is to help those in the senior living industry understand that the existing product represents a small fraction of the housing options available to older people in their 50s and above. Up until their early 80s, people can still plan and choose from different housing options. This is a less of a book for those with an urgent housing need. Senior living is a small piece of a larger pool of single-family homes, apartments, age-restricted housing, and other options. This book is helpful for stakeholders in the senior living industry because it asks them to consider their value proposition amidst this landscape. What do you offer in a compelling way so that an older adult would choose your housing option enthusiastically? Also, the book also educates consumers which can help pre-qualify prospects and accelerate the sales cycle, saving time and money. This can help marketing staff so they don't waste time on individuals where senior living is not a good fit.

Brooks: Your book discusses the push for more affordable senior living options, particularly those targeting middle-market consumers, and how this segment will be a key area of growth in the coming decades. What are some ways SmartLiving 360 is trying to control costs to meet the price point of these consumers?

Frederick: Affordable is a tricky word. It can be a technical term to qualify a project for certain types of financing. I'll define affordable as an option that is cost effective over a longer life course. In some cases, the answers are hiding in plain sight. There are budget-friendly apartments and rental single-family and manufactured homes. The answer may be housing that doesn't necessarily have all the bells and whistles of senior housing. That said, a key question is how to deliver affordable housing options for older people with greater healthcare needs. And how can we create better existing conventional housing that's appropriate for all ages? At SmartLiving 360, we've focused as an advisor and developer on how



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to create better conventional multi-family apartments that work for people of all ages. That business model doesn't have an expensive operating architecture that requires a big staff. We find ways to create social connections and provide services in a way that is more effective. A separate question is how do you make traditional senior living options more affordable? The answer may be similar. Can we decouple services from a heavily staffed senior living model and instead deliver services on an as-needed basis? I think technology will have a key role. Another emerging solution is to partner with insurance providers and payors, so there is a mechanism for reimbursement for services.

Brooks: SmartLiving 360 has taken a visionary approach to senior living, anchored by three core principles: connection, access, and simplicity. Part of achieving that goal is bringing people of all ages to your communities and making it easy to have spontaneous interactions. How do you market your properties to such a wide audience?

Frederick: It requires a sophisticated marketing approach. A lot of these principles around successful aging, purpose, social connection, physical and financial well-being are independent of age. You can appeal to people interested in housing and educate them on why lifestyle matters, and also to those who know lifestyle matters but who are looking for housing. At a minimum, your sales and marketing teams need to be versed on the research on successful aging, so they can explain to the prospect why this housing option matters to them. The approach is about psychographics, how people think and behave, rather than just considering age and income. Part of the business value proposition of these properties is that tenants stay longer because they consider it a home. Real estate owners benefit from less turnover among the tenants, which is a key factor today.

Brooks: Can you tell our readers more about the "lifestyle ambassadors" that your communities offer?

Frederick: It's an important and difficult role. Lifestyle ambassadors are concierges, life coaches, and purpose makers for residents. Lifestyle ambassadors are an important part of the glue of the community since staffing is limited. The model is not necessarily to do things for residents, but to empower them to do things for themselves and help cultivate that community. The lifestyle ambassador knows everyone's name and their stories to make connections happen. For example, a lifestyle ambassador connected a retired French teacher with a family that was home schooling two kids to help them with French. There was intergenerational mentoring around specific content, but ultimately the connection became a surrogate grandparent-grandchild relationship. That kind of thing can only happen if you have mixing of the ages and a culture that makes those connections easier. The lifestyle ambassador can also help coordinate healthcare services, which can be a benefit to the resident and to the resident's family.

Brooks: The Stories at Congressional Plaza (located in Rockville, MD), have conference rooms that were built with the ability to support telehealth services in mind. Has that feature been a boon during the COVID-19 public health emergency?

Frederick: We were ahead of the curve, creating flexible spaces. That's another way to provide more cost-effective housing. We have used more telehealth during

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COVID to connect with healthcare providers. The takeaway now is to find a way to make it easier for health services to be used within any living environment.

Brooks: Has the COVID-19 public health emergency reshaped your thinking or strategy towards future developments?

Frederick: It has, but not materially. There were times with COVID-19 when we felt senior living would have to change dramatically. We thought we would need bigger units and different air filtration systems. While that's true in some cases, those are expensive changes. We are looking at what changes make sense. The pandemic has accelerated the adoption of technology. People are far more comfortable having services delivered when they want them. It's important for any development to think about that as an operating model. The pandemic has also highlighted the importance of place and social connections. Are you in a place where you are thriving? Social isolation is not good for anyone.

Brooks: A much-discussed topic in recent years is the growing integration between senior housing and healthcare. You have observed that closer coordination between hospitals and post-acute providers is critical to reducing costs, improving quality, and enhancing population health. How can these sectors collaborate to ensure mutual success?

Frederick: SmartLiving 360 is a real estate development firm but also a strategy consulting practice. We work nationwide with senior living providers, multi-family developers, institutional investment firms but also healthcare organizations including large healthcare systems. Having seen how healthcare systems view this in their plans, I think there is a lot of opportunity. A key is to make sure the business models are aligned. We are making gradual progress towards that end. Medicare Advantage has been helpful in creating more incentives for closer collaboration. However, the challenge for many healthcare systems is that they're bureaucratic and have a lot of competing initiatives. While in principle it makes sense to have closer collaboration, in practice it's often not a priority for the healthcare system. They talk in terms of patients instead of residents or people. Healthcare is modeled more around episodic care, or one-off needs, rather than chronic conditions. We talk about how the environment or place is part of the social determinants of health. Healthcare providers need to be educated about how the right place helps people adopt a lifestyle that makes a difference. As more healthcare can be delivered at home with technology, there are implications for skilled nursing facilities that provide post-acute and long-term care. Individuals may skip skilled care, or not even need it.

Brooks: You were recently a panelist at the NIC Fall Conference for the session "Rethinking Community: Places That Will Attract Future Older Adults." What was the key takeaway?

Frederick: A key takeaway from the session is a recognition that today's senior living providers will be addressing a smaller and smaller market. There are a range of attractive options ahead for investors and operators to target a growing demographic not addressed with the current model. That's the takeaway: Are you in the senior living business or are you in the housing business for older adults? Those are two different questions and understanding your answer can be really helpful to drive long-term growth.



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Brooks: You were part of the first class of the NIC Future Leaders Council (FLC) in 2012. How has that experience shaped your career?

Frederick: I'm grateful that NIC created the FLC. It gave me an opportunity to step back from my day-to-day duties and get a better sense of the trajectory of the field around health and longevity and not just senior living. I might not have created this book without my involvement in the FLC. Also, the FLC helped foster a number of incredible relationships within the NIC community. The NIC Conference can feel as much as a reunion of friends as a business conference.

Brooks: Is there anything else you would like our readership to know about SmartLiving 360?

Frederick: Two things. First, the SmartLiving 360 [website](https://www.smartliving360.com) (SmartLiving360.com) will increasingly offer more consumer online tools to help them make good decisions around the role of place. For several years, I've been writing a monthly blog that has a strong subscriber readership in the senior living industry. There will be a greater frequency of communication and more varied content. I'm hopeful this will make a difference for more people and their families.

Second, this is a key time for investment groups and providers to rigorously assess their plans for the future. If your organization wants to better align itself with the opportunities and models of tomorrow, I'd be happy to connect.



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Thoughts from NIC's Chief Economist—Back from Houston

By Beth Burnham Mace



Beth Burnham Mace

The 2021 NIC Fall Conference in Houston was phenomenal. Honestly, no exaggeration. We had a new venue at the Marriott Marquis Houston, an original programming format, innovative food concepts and compelling content. And the best part of course was to see one another after the pandemic halted two NIC planned in-person events. Our last in-person event was in San Diego for the 2020 NIC Spring Conference in March 2020. In fact, that was the last time many conference attendees had been on an airplane.

The content of the ten sessions and the keynote presentation in Houston was timely, informative, and thought-provoking. Not surprisingly, as an economist, I was thrilled to hear Dr.

Lawrence H. Summers and Paul Krugman discuss some of the most vexing challenges of our post-pandemic recovery. Mr. Krugman is a Nobel Prize winning economist and professor emeritus of Princeton University's Woodrow Wilson School. Dr. Summers is the former Secretary of the U.S. Treasury and president of Harvard University, and many U.S. executive branch administrations.

Inflation Challenge

Foremost among these challenges of course is inflation and policy makers response to several months of flashing inflation warning signals. Through September, the consumer price index (CPI) has risen at a 5% year-over-year clip for five consecutive months, marking the largest increase in prices since 1991. The discussion by Dr. Summers and Mr. Krugman focused on whether this is a permanent state of affairs or a transitory situation related to pandemic-created supply chain disruptions. As these leading economists noted, its critically important to not allow inflation to creep into consumers and business permanent views on price growth because, once it does, it becomes intractable and difficult to reverse.

By coincidence, and while NIC was meeting in Houston, the Federal Reserve was conducting its Federal Open Market Committee meeting (FOMC) in Washington D.C. and discussing inflation as part of its regular policy gathering event. Weaved into its discussion as well as the discussion being led by Angela Mago of Key Bank with Summers and Krugman at NIC's conference were other topics related to the economy's short- and long-term potential growth such as supply chain disruptions, labor market shortages, and the appropriate U.S. monetary policy response to a continually changing post-pandemic recovering economic environment.

Soon after their meeting, the Fed announced that they are shifting gears and are pulling back on their aggressive pandemic stimulus policies. Specifically, they indicated that they would begin to slow their mortgage-backed and Treasury bond buying program, a necessary precursor to allow the Fed to increase interest rates more freely when and if they view inflation as too serious a threat to stable economic growth.

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Summers and Krugman debated as to the timing of a reduction in monetary stimulus and pointed out the necessity of the Fed to have agility to respond to inflation. Moving too fast on an interest rate increase could crush the path of economic growth, and moving too slowly could cause inflation to become embedded in the economy. Such a discussion has not been the focus of policy makers and pundits for more than 30 years.

For the senior housing and skilled nursing industry, inflation comes at an especially awkward time as worker demands have been emboldened since the pandemic as the Great Resignation plays out. Worker shortages are already putting pressure on wage growth, and concerns about rapid price increases and inflation could push wage growth even higher. The term Cost of Living Adjustment, or COLA, is even being battered around again as worker unions at John Deere have suggested the need to add a COLA into their labor contracts.

The prospect of higher inflation for the Fed could push them toward raising interest rates as soon as 2022 (possibly twice according to some pundits) which could potentially impact deal flow volumes and investment returns as the cost of financing shifts. The return of debt financing this many months since the pandemic has been fueled by the Fed's zero interest rate policies (ZIRP) and the prospect of rising rates could push forward some deals into late 2021 and early 2022.

Labor Shortages

Labor shortages were top of mind for virtually all NIC conference attendees. While higher wages are favored by many operators, as evidenced by a recent [ESI survey](#) that indicated 67% of survey respondents supported higher wages to address staff shortages, many viewed this as a bit of a band-aid approach and that longer-term staffing solutions are required. Among these are creating solid and well-thought-out career paths for staff, educational stipends for earning degrees, and regular and consistent training and educational programs. Some believe that a universal worker with regular access and interaction to and with residents was an approach.

Others suggest that the industry collectively needs to create a marketing program geared toward workers that primarily focuses on our industry's "mission of the heart," where heart is measured by care, passion, compassion, and empathy. Workers in senior housing have personal interactions daily with wise women and men from which life stories and experiences can be shared and learned. Comparisons of this work environment could be made with those in leisure and hospitality and other service industries where experiences of customer interaction are often short, sharp, and repetitive.

Recognizing and utilizing the contributions residents can make to staff – tutoring, mentoring, and listening—as well as the value of their wisdom as life coaches to younger workers was an idea also discussed. The utilization of residents as volunteers to save on expenses as well as to enhance purpose and meaning to the lives of residents was also a concept shared.

Some discussions at the conference focused on the use of technology as a labor-saving mechanism to maximize staff members interactions with residents. Flexible



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scheduling, bonus payments and financial incentives for entire properties as well as for individual staff members were also suggestions heard at the conference.

“Burn out” was spoken about for both front line and managerial staff. Careful and considered conversations on a one-on-one basis with specific team members to see what changes were needed to recharge and re-energize them individually are being used by some operators. Some employees needed a month off to recover from 20 months of pandemic-related stress, some needed shorter hours, some needed flexibility in their schedules and some needed a clearly defined path for career growth. Times have changed, and we are clearly in the “time of the worker.”

All agreed that retention is key since on boarding and training a new worker is not only costly, but also contradicts the importance of steady, consistent, and familiar staff for residents. All agreed that the use of agency help was expensive and difficult in creating workplace culture.

Other Hot Topics

Beyond the economic and labor force discussions at the conference, I also learned that lenders are lending again and that very large amounts of private equity sit on the sidelines waiting to come into the senior housing and care market. The Fall Conference also featured sessions on re-thinking today's residents as well as tomorrow's consumers of senior care services. Active adult as a property type and the large potential demand pool offered by younger and low acuity baby boomers was a topic heard in both sessions and hallways. Valuations, policy discussions among industry leaders, and the Forgotten Middle rounded off the session topics. All in all, the conference provided a rich and robust opportunity to hear and discuss the hottest topics in our industry today.

Outside of NIC's Fall Conference, other noteworthy recent NIC activity included the release of third quarter senior housing market fundamentals data from NIC MAP Vision. Demand, as measured by the change in occupied stock, or net absorption, increased by more than 12,000 units for the NIC MAP Primary Markets, the strongest unit increase in demand since NIC MAP began tracking the data in 2005. As a result of greater net absorption, the total number of occupied units were close to their year-earlier level in the third quarter of 2020 (540,000). Occupancy turned the corner and increased by 1.4 percentage points to 80.1%, although it was still 7.3 percentage points below its pre-pandemic occupancy rate. Inventory growth slowed to its historic quarterly pace, and the number of units under construction fell to its lowest level since 2015 for senior housing. All in all, cautiously optimistic trends for the sector. Now, the question remains on what will happen in the fourth quarter. Will demand continue to be strong, or will typical seasonal patterns limit an ongoing recovery?

In wrapping up and as always, I appreciate and welcome your comments, thoughts, and feedback.

Beth



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The 2021 NIC Fall Conference Was a Home Run in Houston

With over 2,400 registrations, the year's most important senior housing and care conference proved yet again to be a 'can't-miss' event for industry leaders. Despite a lingering pandemic, and strictly observed safety protocols, including required proof of vaccination, as well as hundreds of canceled flights nationwide, 'the NIC' made a triumphant return to in-person networking and thought leadership. Attendees, nearly 70% of whom are in senior executive roles, were, for the first time in 20 months, able to convene to build relationships, make deals, and share the latest data and insights, in person and face-to-face.

Changes to the structure of the event, including the replacement of sit-down table service dining with more flexible, convenient, and safe 'NIC Market Café' offerings proved to be popular. Networking was facilitated not only with events, but with large, comfortable dedicated networking areas, featuring passed food and cocktails. Every day, smaller groups could be seen gathering throughout the beautiful Marriott Marquis Houston, where NIC had placed a multitude of convenient seating and working areas suitable for more intimate discussions.

There was no shortage of food, drink, and pampering throughout the event, which took full advantage of the entirety of the beautiful 5-year-old hotel located downtown, just a block from the Houston Astros' baseball stadium, Minute Maid Park. Some attendees managed to find tickets for Game Six of the 2021 World Series, a coincidental, but, for baseball fans, exciting and memorable treat. Others found time to conduct business poolside, taking advantage of 80-degree sunny days, and a giant Texas-shaped lazy river, as well as an infinity pool with views of the Houston skyline.



A more streamlined program of educational sessions provided attendees both with more time to network, and a more focused program, defined by the most relevant and timely issues facing senior housing leaders today. Sessions were very well attended in a hall featuring a wide variety of comfortable seating options, as well as more productivity-oriented tables set up with ac power outlets and chargers. Many attendees enjoyed sitting in living room-style comfy chairs and couches. Live streaming areas provided additional

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options to take in the ten-session program. Below are a few highlights and quotes from the sessions, all of which were made available to attendees in high quality video.

As Monday's first session, "[The Investment Market for Active Adult](#)," kicked off the program, NIC President & CEO Brian Jurutka made a few remarks, saying, "Welcome back!" to a standing room only (but socially distanced) room. The highly anticipated discussion focused on an emerging property type gaining increased interest among investors and developers.

[Jeff Patterson](#), Co-Founder & CEO of Sparrow Partners, said, "What we're doing is very meaningful. It's not just a housing option, it's providing community and engagement, and we think its adding years to our residents' lives." The Carlyle Group's [Zachary Crowe](#) got to the heart of active adult's appeal, saying, "We always hear that residents want to be with peers, so the number one marketing trigger for potential residents is seeing '55 and older.' They want to be in a community catered to their interests." Crowe acknowledged that the segment is still evolving, while referencing the World Series playing out next door, saying, "We're still in the second inning of this asset class."

In "[Capital for Operations: Aligning Incentives](#)," a panel of seasoned industry veterans discussed the importance of aligning incentives to manage increased costs, fund growth, and improve operating efficiencies, as well as the value of building relationships with quality operations teams. "The one thing investors know: the quality of services delivered in the facility is directly correlated to the financial performance," said [Brian Beckwith](#), CEO, Arcus Healthcare Partners. The importance of transparency was also highlighted. "Transparency as an industry is going to be important so we can create metrics and best practices that you can view related to the whole industry, rather than based on your own objectives," said [Mercedes Kerr](#), President, Belmont Village Senior Living.

Two of America's most accomplished and respected economists discussed macroeconomics even as the Federal Open Market Committee (FOMC) was meeting in Washington, DC. In "[Macroeconomic and Capital Market Trends: A Conversation with Paul Krugman and Dr. Lawrence H. Summers](#)" Nobel prize-winning economist [Paul Krugman](#) and Former Secretary of the U.S. Treasury [Dr. Lawrence H. Summers](#) delivered a master class, and a few opposing, but enlightening, views, on the state of the U.S. economy to kick off another day of relevant, actionable insights at 'the NIC.'

Both economists appeared concerned about the prospect of high inflation rates as they debated the impact of likely Federal Reserve Board responses. "I think it's madness that with their taper, and with the housing market on fire, they're going to buy another \$150 billion of mortgage-backed securities," said Summers. Krugman, though more optimistic regarding the Fed's ability to control inflation, acknowledged the risk concerning Summers, but said that, "Things could look very, very different in lots of ways, by next spring." NIC has released a more complete video of that exchange on its [LinkedIn](#) and [Youtube](#) accounts, and every registrant is being provided with access to every session's complete video recording.

The "[Policy Impact and Outlook: A Conversation with Industry Leaders](#)" session focused on policy with leaders of the industry's key associations. The conversation offered some good news, considering the challenges of the past year and a half, but also indicated there's much more work to be done to educate policy makers. "Overwhelmingly, COVID has not had an impact on the consumer's likelihood to move into one of these



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communities. I think it is a testament to [our] ability to get out there and change the perception of what was really happening in these buildings,” noted the President of the American Senior Housing Association, [David Schless](#).

[Mark Parkinson](#), President & CEO, AHCA/NCAL, agreed, but pointed out there’s much more work to be done, not only by lobbyists, but by providers themselves: “Congress sees the ads of people coming off the golf course. Those are not the people who live in our buildings. The best thing providers can do is get legislators into their buildings to see our spectacular product and see who we really care for.”



As the sector is beginning to experience anticipated occupancy growth, NIC brought a panel of experts together to discuss recovery. “[Demand at your Doorstep: Who is Recovering Faster and Why?](#)” featured a presentation of the very latest data and analysis from NIC Senior Principal, [Lana Peck](#), revealing that, while a recovery does appear to be on the horizon, not everyone will necessarily get there at the same time. Limiting factors, according to Peck, are public perceptions driven by a flood of negative press, levels of confidence in the industry, and broader economic realities. The discussion also included the labor shortage as a major factor.

[Beth Mace](#), Chief Economist and Director of Outreach for NIC, led a highly anticipated discussion on “[The Thesis for Investing in Senior Housing](#),” featuring [Brian Sunday](#), Managing Director, AEW, [John Moore](#), CEO, Atria Senior Living, and [Steven Schmidt](#), National Director and Production Manager for Seniors Housing, Freddie Mac. Mace kicked off the discussion with the latest economic data. She pointed out a few potentially startling facts, including that, “In 2027, we’ll have a million new people turning 80.” The market will face some challenges in the near future as well. Mace observed that, “The labor force participation rate for women is the lowest since the 1970s,” and suggested that, given the labor shortage, “You have to market not only for residents but for staff as well.”

But despite acknowledging these and other challenges, the panel provided plenty of reason to view the sector positively. “If you look at this industry, it was created for a need to take care of the elder population. That’s not going to change. There is a need for this



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product,” Sunday said, adding, “This industry has proven that it comes out stronger after disruptions.” Moore reflected on today’s market environment, saying, “This is a very interesting moment in time. Coming into the pandemic, we had overbuilding, supply was greater than demand. That’s about to flip.” Schmidt was also optimistic about the industry’s fundamentals: “When you compare senior housing to other commercial real estate classes, we have a great underpinning through Fannie Mae, HUD, and Freddie Mac, and the demographics are compelling.”

NIC’s middle day of sessions concluded with “[Debt Market Trends and The Pace for Deal Making](#).” [Lee Delaveris](#), Vice President, KeyBank Real Estate Capital; [Imran Javaid](#), Managing Director, BMO Harris Bank; [Kelly Sheehy](#), Principal and Managing Director, Artemis Real Estate; and moderator [Aaron Becker](#), Senior Managing Director, Lument; discussed their expectations for inflation and interest rates, the pace of deal making in today’s market, how to look at performance, and the increased demand for bridge products.



The industry will continue to attract investment, according to Sheehy, who said, “Investors will continue to come into the industry. Office, retail and industrial are getting squeezed. There is still yield in skilled nursing and senior housing, so you will see money coming in.” But, according to Delavaris, “The biggest factor will be property performance more than interest rates to reach the end goal of permanent financing.” On the current state of the market, Javaid observed that, “The barriers-to-entry market is where the construction is getting done.”

The third and final day continued to draw attendees into three final sessions. [Robert Kramer](#), Co-Founder & Strategic Advisor, NIC, and Founder & Fellow, Nexus Insights, began the “[Rethinking Community: Places That Will Attract Future Older Adults](#)” session with his observations on how and why the industry must adapt to meet the needs and expectations of a new generations of older adults. On the emerging active adult segment, he said, “Senior housing is care driven...a push market...you’re pushed into

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it because of your health. Active adult is a pull market.” He pointed out that many baby boomers will be motivated more by lifestyle choices than by the need for care, saying, “Understanding your customer and their psychographics and willingness to pay will be essential.”

Panelist [Ryan Frederick](#), Founder & CEO, SmartLiving 360, asked, “Are you in the senior housing business, or are you in the business of creating places and services to help people thrive?” [Jake Rothstein](#), Founder & CEO, UpsideHöM, said, “We are aware and conscious of the way we group people [by age], but there is no one size fits all ... We have to think about how we will be flexible and offer customized services and supports to older adults as they age.” According to [Sarah Zeff Geber](#), “Solo agers are prominent and will need senior housing that appeals to their lives and how they live today.”

Following NIC Senior Principal [Ryan Brooks](#)’ presentation of the latest data on the ‘forgotten middle,’ innovators in the space discussed how they are developing solutions, in “[Solving for the ‘Forgotten Middle’ Market](#).” Co-Moderator [Joseph P. Kiernan](#), Chief Strategy Officer/SVP, Network Development, Ocean Healthcare, helped set the stage by pointing to the many new opportunities presented by a changing market, particularly in the potential for repurposing and redeveloping existing buildings.”

[Tana Gall](#), President, Merrill Gardens and Truewood by Merrill, and [Pilar Carvajal](#), CEO & Founder, Innovation Senior Living, shared how they are delivering care at reduced cost, renovating or repurposing existing buildings, achieving economies of scale, and more. Gall, responding to a question about setting expectations for a product that offers fewer luxuries, said, “We are not going after the person in the traditional retirement community. Maybe a widow, alone, looking for socialization. This is a different market. They are thrilled about what we are giving them.”

Carvajal shared a number of innovations she’s finding helpful, including a universal worker model, saying, “We’re looking to economize with universal workers. I have one employee that does everything for that resident. This is actually a very effective way to operate that middle income product.” She also discussed how new middle market models are appealing to investors: “It’s a diversification play for people who are looking for a profitable business that has social impact as well.”

NIC concluded the final day of sessions with an entertaining, yet highly informative, take on the popular ‘Weekend Update’ segment of Saturday Night Live. “[Property Valuations for Seniors Housing and Skilled Nursing](#),” featured co-hosts [Ben Firestone](#), Executive Managing Director & Co-Founder, Blueprint, and [Zach Bowyer](#), Managing Director, JLL, and a number of experts, all of whom came up to the stage one by one for ‘interviews’ on their particular perspectives.

[Stephen M. Monroe](#), Managing Director, Levin Associates, said, “The industry has to become a leader in labor and wages and overcome the stigma of being a low wage industry.” In his segment, [Bryan Schachter](#), Chief Investment Officer, Watermark Retirement Communities, focused on independent living, saying, “We believe independent living drives the success of the community. Our new projects are 50 to 60 percent independent living. They have higher margins and lower cap rates.”

[Blake Peeper](#), Partner and Co-Chief Investment Officer, Bridge Seniors Housing Fund Manager LLC, like many other experts, expressed concern over labor. He said, “[Facilities]



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have to be staffed optimally, but the overall ability to attract and retain talent is key. Retention is tough in a market where people are being recruited to different industries or to higher wage rate. Creating a culture...is important." Despite concerns, Bowyer reflected a general sense of optimism, which could be felt through the entire program of educational sessions, and many discussions in hallways and meeting rooms. He said, "From an operational standpoint, the industry has transitioned from emergency response to recovery. Stabilized occupancy is rebounding. We're seeing resurgence of demand, strong economic growth, and strong home sales." Predicting occupancy rate re-stabilization within the next couple of years, he said, "that's light at the end of the tunnel."

Even as some attendees return home, NIC is planning its next major event, the 2022 NIC Spring Conference, to be held March 23–25, 2022, in Dallas, TX. Those interested in being notified by NIC of early registration details can [sign up](#) for an informational email. Subscribers to the *NIC Insider* and the [NIC Notes blog](#) will be able to read more in-depth articles and posts on key themes and discussions which occurred at the 2021 NIC Fall Conference. Subscribe today!



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Innovations That Work

COVID-19 has increased the scrutiny of the senior housing and care industry. As consumers' demand and expectations evolve, senior housing and care professionals are developing innovative ways to add value by improving resident experiences and quality of life. To ensure these cutting-edge solutions are recognized, NIC developed Innovations That Work. This series highlights innovative solutions that can change the way operators care for residents and investors evaluate properties. Hear these inspiring presenters share real-world examples and be inspired as we learn how fellow senior living and post-acute providers are innovating to improve care coordination and delivery.

The Innovations That Work Series share real stories of innovative approaches and technological solutions that addressed and solved challenges faced by industry peers. These real-life experiences highlight what worked in partnering with technology providers to bring solutions to problems. The rapid-fire, seven-minute presentations feature examples of innovative solutions to some of the most pressing challenges in the industry today.



The featured innovations are being recognized because they:

- Have been deployed (i.e., are not hypothetical)
- Provided data showing the benefit associated with the solution
- Are told from an operator's perspective and not a vendor's
- The approaches, systems, or solutions are novel to many in the industry

Through a call for submissions process, volunteer leaders narrowed down proposals to the most innovative and noteworthy. With over 50 submissions received, this year was no exception, particularly considering the challenging time in which these creative solutions were implemented. A committee of subject matter experts selected four of the most innovative submissions. They are:

- [Patient Pattern Care Coach](#) – Addressing Clinical Frailty
- [SOLO AI Well Being](#) with [Trinity Woods](#) – Ensuring Emotional Wellbeing
- [Presbyterian Living](#) – A Wholistic Approach to Combating Social Isolation
- [Glennis Solutions](#) and [Atria Senior Living](#) – Infectious Disease Control Management

Check out the [video series](#) on demand.

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NIC Announces Certification of Two More Senior Housing Actual Rates Software Partners

NIC announced the certification of two new Actual Rates Software Partners at the kick-off of the 2021 NIC Fall Conference just held in Houston, Texas. [Glennis Solutions](#), based in Louisville, Kentucky, and Minnetonka, Minnesota-based [Eldermark](#) can now offer their operator customers an easier and more efficient means to regularly share their actual rates data - the most accurate data on the monthly rates that residents pay when living in a senior housing property.

To gain the NIC certification, software providers work with NIC affiliate, [NIC MAP Vision](#), the leading provider of comprehensive market data for senior housing and skilled nursing properties, to develop reports that meet the NIC Actual Rates standard format. They are then required to provide six months' worth of actual rates data for two or more operators, using those reports.

Actual Rates data are aggregated across operators and reported out to help investors and operators understand the relationship between "asking rate" or "rate card" pricing and the actual rate being paid by residents. The data are comparable to data available in other real estate property types. NIC's mission, to enable access and choice for older Americans, is furthered by making these data available in senior housing, which improves transparency and enables senior housing stakeholders to make more informed decisions.

Operators contributing data to the NIC Actual Rates report receive a complimentary report which allows them to compare their own data against national, and metropolitan market benchmarks. By doing so, they not only contribute to the advancement of the industry in general, but also help improve their own access to capital, all while reducing the effort involved in reporting their data on NIC-certified software partner platforms.

"This is a NIC and NIC MAP Vision initiative, but a passion-project of mine as well. Providing consistent, accurate data on this industry can transform its access to capital," said Brad Frasher, CEO of Glennis Solutions, and, earlier in his career, a member of the inaugural class of NIC's Future Leaders Council. "Some companies don't have a lot of resources to provide rent roll data. Now it will be seamless." He also noted that working with NIC MAP Vision went smoothly: "The process was painless. Our developers had five or six meetings with theirs, matching up to their requirements. It was that simple."

Frasher, who remembers when NIC had to reach operators by phone, is already looking ahead to more improvements in transparency: "There's no reason why we can't provide this data on a weekly or daily basis. Glennis can do that. If they can do it in the hospitality industry, why not in senior housing?"

Jaime Ojeda, CEO of Eldermark, focused on the need both for transparency, and efficiency: "We firmly believe data and transparency is the future of senior living. This certification will help our customers more easily upload their data. The more you can do with fewer people, the better. That's our big driver right now."

"NIC Actual Rates Software Partner certification indicates to customers that their vendor



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has made the investment both to improve this industry's transparency, which improves their access to capital, and to greatly improve the ease and efficiency of providing this important data, which is now a standard feature on their platform," said Brian Jurutka, President & CEO of NIC.

[NIC Actual Rates Software Partners](#) now include:



Software providers and operators can learn more about NIC's Actual Rates Initiative, including how to become a NIC-Certified Software Partner, [here](#).

About Glennis Solutions

Based in Louisville, Kentucky, [Glennis Solutions](#) offers the only fully integrated cloud-based software suite specifically designed to serve the unique needs of the senior housing industry. More than 730 senior living communities in the United States, Canada and the United Kingdom rely on Glennis to improve every aspect of living and care for residents and families across more than 62,000 apartments. The Glennis Solution Suite includes sales and marketing, leasing and billing, resident care, medication management, quality management and family engagement. Glennis develops innovative solutions with its customers and partners with a mission to promote the health and wellness of seniors and to deliver better outcomes for our customers. For more information, please visit our [website](#) or follow us on [LinkedIn](#).

About Eldermark

[Eldermark](#) provides a comprehensive technology platform that empowers your entire community – clinical, sales and operations. It's the first solution in senior living that allows you to leverage the data from across your entire operation to get automated, actionable and analytics-driven insights so you'll know how to better run your business. As a market leader serving over 2,500 communities in the U.S., Eldermark is dedicated to innovating its platform to meet the ever-changing needs of senior living communities. To learn more, visit our [website](#).



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Senior Housing & Care Industry Calendar 2021

11/9 - 11/12	AHCA/NCAL Fall CEO Multifacility Conference (Colorado Springs, CO)
11/14 - 11/17	California Association of Health Facilities (CAHF) Annual Convention & Expo (Palm Springs, CA)
11/14 - 11/17	AHCA/NCAL Annual Convention (Palm Springs, CA)
11/16 - 11/17	Rise Population Health Summit (Virtual)
11/17 - 11/18	Senior Housing News BUILD Conference (Chicago, IL)
11/18 - 11/20	ASHA 2021 Rising United Convention (Washington, D.C.)
12/5 - 12/8	Argentum Senior Living Leadership Summit (Amelia Island, FL)
12/9	Home Health Care News Home Care Conference (Chicago, IL)

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