

## Florida Seniors Housing Market Report (4Q 2022)

The following presentation and analyses detail the annual change of the Florida seniors housing market through 4Q 2022. Notably, this information was obtained through NIC MAP Vision, a primary source for market participants within the seniors housing space. Population statistics were obtained from the U.S. Census Bureau.

### MIGRATION

Florida Population Growth			
July 1, 2021	July 1, 2022	Numeric Growth	Percent Growth
21,828,069	22,244,823	416,754	1.9%

Source: U.S. Census Bureau

Florida Population by Age Group		
Age Group	Total Population	% of State
Population 45+	10,280,667	47%
Population 65+	4,598,386	21%
Population 85+	536,321	2%

Source: U.S. Census Bureau (2021 Figures)

As noted above, post-pandemic in-migration continues to aid in Florida’s expanding seniors housing market. From 2Q 2021 to 2Q 2022, Florida saw 1.9% increase in population, which amounts to roughly 400,000 new residents.

### OCCUPANCY

Prior to the COVID-19 pandemic, seniors housing saw consistent and healthy occupancy levels. With the exception of skilled nursing, strong demand was able to offset the inventory boom that began in 2015. With the onset of the COVID-19 pandemic, occupancies quickly fell, as decreased demand and increased regulations limited absorption. Following the initial pause in admissions due to government regulations and hesitancy from seniors to move into high-density living, occupancy began a moderate climb. As regulations across the country, particularly the northeast, remained restricting, a large in-migration occurred which drove demand in the state of Florida.

4Q 2022 Stats At-A-Glance			
Community Type	Stabilized Occupancy	Annual Change (bps)	Average Occupancy
IL	84.5%	315	82.6%
AL	83.5%	273	82.8%
MC	81.9%	253	81.2%
<b>IL-AL-MC Combined</b>	<b>83.8%</b>	<b>287</b>	<b>82.7%</b>
NC	84.4%	331	84.3%

Source: NIC MAP Vision, 4Q 2022. FL Markets.

Based on the above table, seniors housing has experienced a 2.87% increase in occupancies over the past 12 months, following a similar trend from the preceding 12 months. Skilled nursing occupancy growth was even more robust with a 3.31% increase. Florida continues to benefit from strong demand growth driven by a growing 75+ population and immigration.

### AVERAGE MONTHLY RENT GROWTH

While occupancy has experienced downward pressure cause by the COVID-19 pandemic, rental rates have continued to demonstrate a positive trend. Notably, while rental rate growth slowed during the later parts of 2020 and early 2021, the market did not experience rental rate decline. The positive trend was observed across all care levels.

4Q 2022 Stats At-A-Glance			
Community Type	Average Rent	Annual Rent Growth	Rent Period Type
IL	\$3,814	4.9%	Monthly
AL	\$4,716	3.4%	Monthly
MC	\$6,103	4.4%	Monthly
<b>IL-AL-MC Combined</b>	<b>\$4,496</b>	<b>4.0%</b>	<b>Monthly</b>
NC	\$344	2.8%	Daily

Source: NIC MAP Vision, 4Q 2022. FL Markets.

Combined, independent living, assisted living, and memory care saw 4% increase in rental rates over the past 12 months. Skilled nursing saw the least robust increase of all care levels with a 2.8% increase in daily rental rates. Notably, while the past three years of rental rates have been polarizing due to the COVID-19 pandemic, overall rental growth over the past five years has been generally consistent.

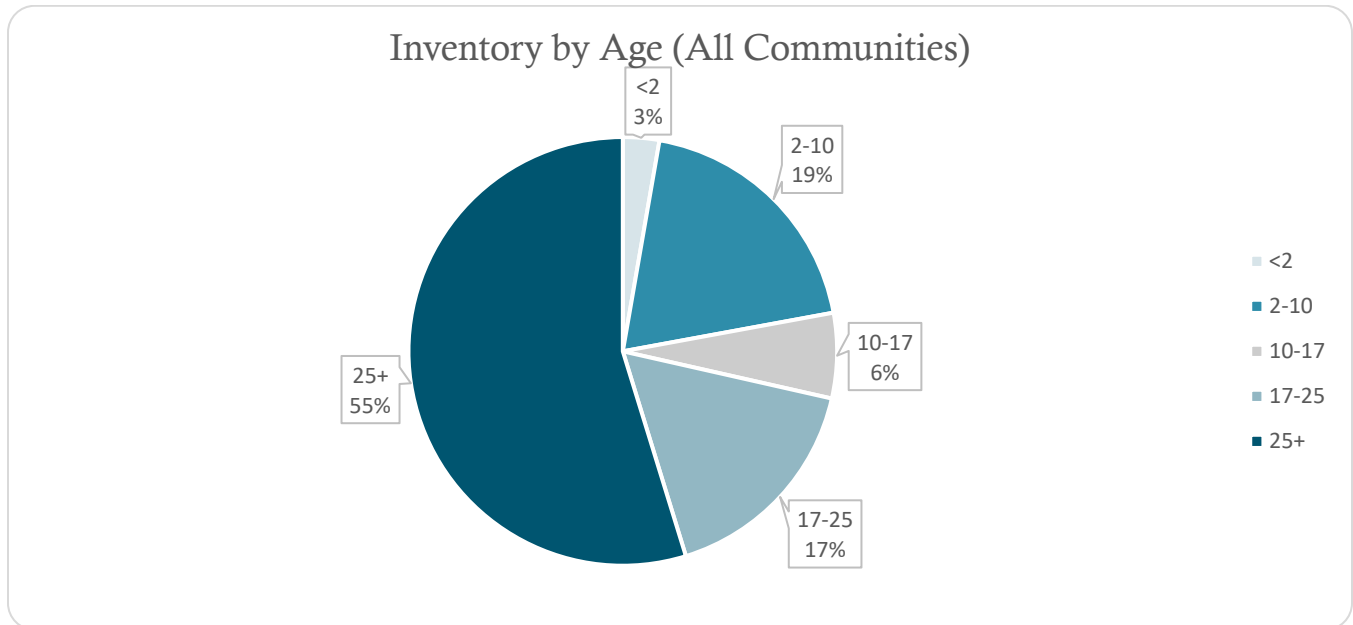
### CONSTRUCTION ACTIVITY

Despite lingering effects of COVID-19, the stabilization of construction costs and robust forecasting given healthy growth in occupancies and rental rates provided a sufficient environment for inventory growth in the Florida market.

4Q 2022 Stats At-A-Glance			
Community Type	Annual Inventory Growth	Construction vs. Inventory	Annual Absorption
IL	4.6%	8.8%	8.9%
AL	0.1%	11.7%	5.7%
MC	0.8%	1.3%	6.4%
<b>IL-AL-MC Combined</b>	<b>1.8%</b>	<b>10.0%</b>	<b>6.9%</b>
NC	0.0%	0.2%	4.7%

Source: NIC MAP Vision, 4Q 2022. FL Markets.

More than half of the Florida inventory is older than 25 years and just under a quarter of the inventory was built within the past 10 years. Notably 3% of the inventory has been built over the past two years, in a post-pandemic environment.



Source: NIC MAP Vision, 2Q 2023. CA Markets.

Similar to historical periods, skilled nursing saw fractional development. While not as robust as the pre-pandemic environment, seniors housing saw an increase in inventory over the past 12 months. Notably, inventory growth slowed in the second part of 2022 as increases in interest rates led to challenges with obtaining financing for development.

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**FOR MORE INFORMATION, PLEASE CONTACT**

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