PLANTE MORAN LIVING *forward*™

Market Snapshot

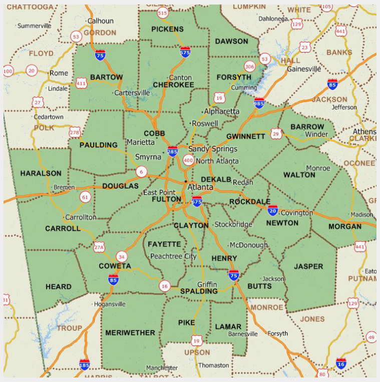
Q2 2017 | Atlanta, Georgia

Senior living trends can have a huge impact on your organization, especially as you plan for your future.

In this report, Plante Moran Living Forward™ offers an overview and analysis of a target market, benchmarked against comparable markets and its region.

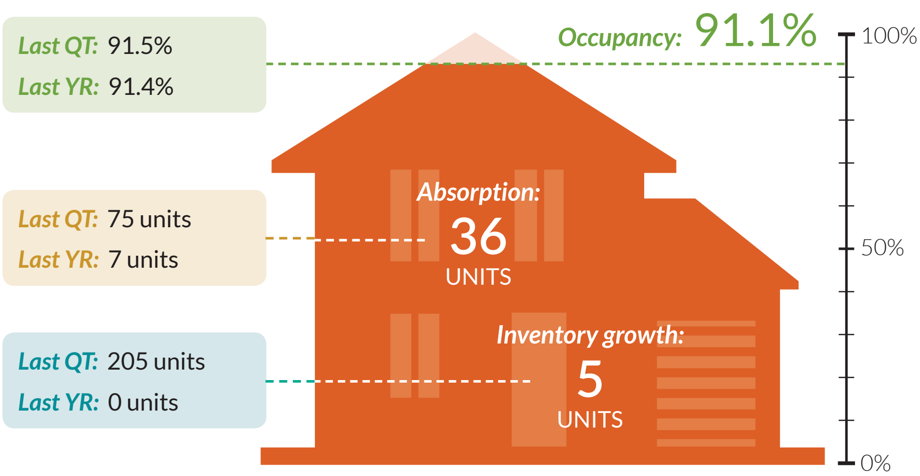
This quarter we are highlighting the **Atlanta Metropolitan Statistical Area (MSA).**

The Atlanta MSA is made up of 29 counties surrounding the city of Atlanta, Georgia.



- Barrow County, GA
- Bartow County, GA
- Butts County, GA
- Carroll County, GA
- Cherokee County, GA
- Clayton County, GA
- Cobb County, GA
- Coweta County, GA
- Dawson County, GA
- DeKalb County, GA
- Douglas County, GA
- Fayette County, GA
- Forsyth County, GA
- Fulton County, GA
- Gwinnett County, GA
- Haralson County, GA
- Heard County, GA
- Henry County, GA
- Jasper County, GA
- Lamar County, GA
- Meriwether County, GA
- Morgan County, GA
- Newton County, GA
- Paulding County, GA
- Pickens County, GA
- Pike County, GA
- Rockdale County, GA
- Spalding County, GA
- Walton County, GA

Absorption, occupancy, & inventory growth



Independent living

Absorption and inventory growth are down compared to last quarter, but higher than they were last year. Occupancy has remained steady.

Southeast: This quarter, the Atlanta MSA's IL occupancy matched the Southeast's average (**91.1%**). The Southeast region absorbed **519 units**.

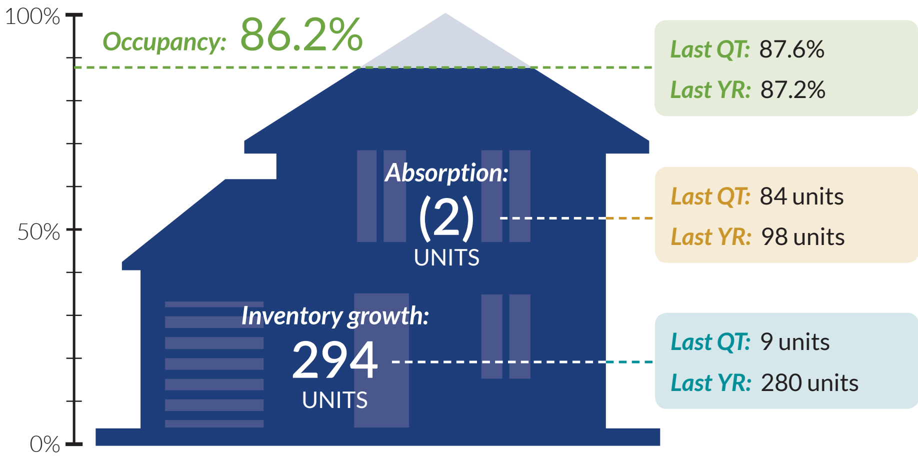
Primary markets: The primary markets' average IL occupancy (**91.4%**) was on par with the Atlanta MSA's this quarter. The primary markets absorbed **280 units**.

Assisted living

Compared to last quarter, AL absorption and occupancy are down. Inventory growth was significantly higher. Compared to last year, only absorption has shown significant change.

Southeast: The Southeast showed more favorable in occupancy (**87.4%**) than the Atlanta MSA and absorbed **1,379 units** this quarter.

Primary markets: The Atlanta MSA was behind the primary markets in occupancy (**88.9%**), but the primary markets absorbed **2,697 units**.



Inventory growth | Net total number of units that came online (and offline) since last quarter. **Occupancy** | This number reflects stabilized occupancy, which accounts for occupied units at facilties ≥2 years old or, if <2 years old, at ≥95% occupancy. **Absorption** | Net total number of units that became occupied (or vacated) since last quarter.

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Construction

Units under construction

	IL	AL
Current quarter	1,067	1,381
Last quarter	1,067	1,401
Last year	1,610	1,235

Units under construction | Number of units that have broken ground, but are not online, as measured at the end of the quarter.

The Atlanta MSA showed an inventory growth of 5 IL and 294 AL units this quarter; 1,067 IL units and 1,381 AL units are still under construction. Much of this construction is a continuation of project that began in 2016.

AL saw some of these units come to fruition, but IL's units are still in progress. We can expect, as these IL and AL units hit the market over the next couple of cycles, to see a decrease inw occupancy over the short term while the new units attempt to stablize.

For IL, the top three Southeast MSAs under construction are **Atlanta, GA**; **Orlando, FL**; and **Fort Myers, FL**.

For AL, the top three Southeast MSAs under construction are **Atlanta, GA**; **Tampa, FL**; and **Miami, FL**.

Top construction projects

The five largest construction projects in the Atlanta MSA include:

5 Symphony at Eagle's Landing
AL/IL COMBINED – **195 UNITS**

IL	144
AL	51
NC	0

4 The Holbrook of Decatur
AL/IL COMBINED – **200 UNITS**

IL	71
AL	129
NC	0

3 Arbor Terrace of Bridge Mill
AL/IL COMBINED – **206 UNITS**

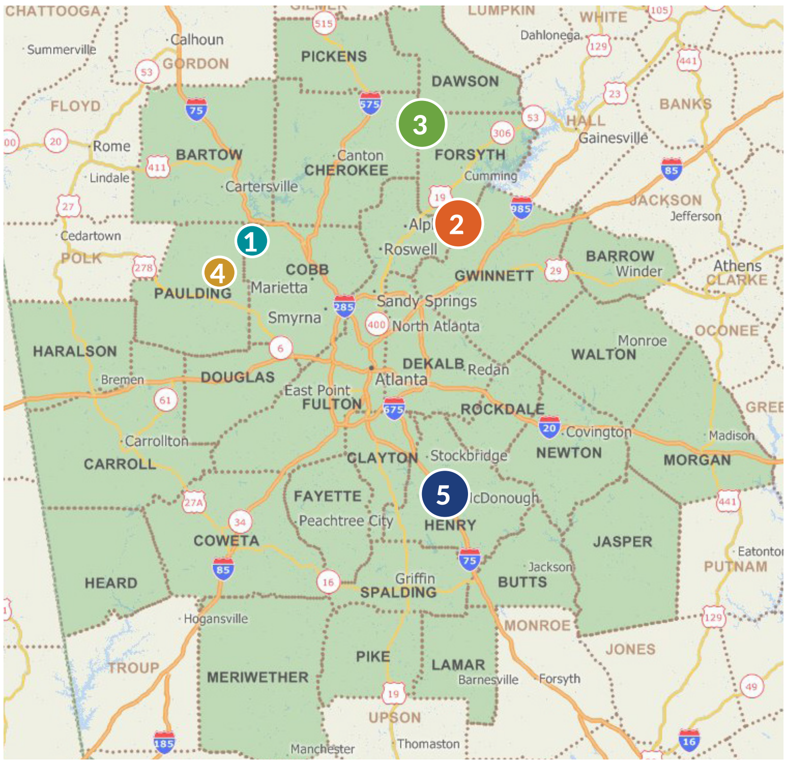
IL	130
AL	84
NC	0

2 Celebration Village Forsyth
AL/IL COMBINED – **250 UNITS**

IL	136
AL	70
NC	0

1 Devi Manor Skilled Nursing Community
FREESTANDING – **252 UNITS**

IL	0
AL	0
NC	252



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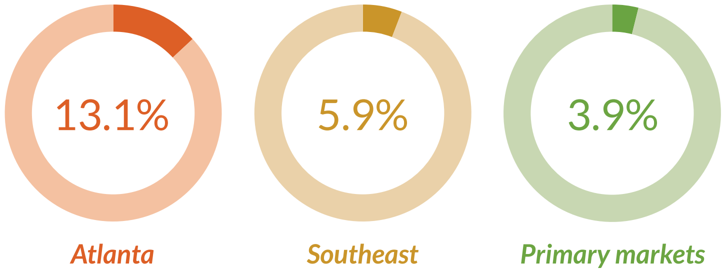
Construction as a percent of inventory

The Atlanta MSA's IL and AL construction as a percent of inventory are much higher than the averages for the Southeast and primary markets this quarter. Hovering around 13%, these figures have remained steady since last quarter. The Atlanta MSA is somewhat below the highest IL MSA and significantly below the highest AL MSA in the primary markets, whose numbers rest at **15.0%** and **25.5%**, respectively.

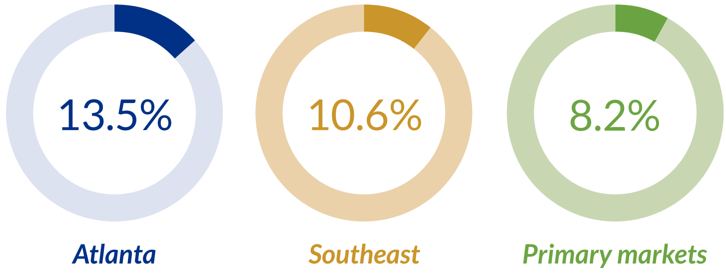
Independent living



Last QT: 13.1%
Last YR: 22.2%

HIGHEST IL:
Las Vegas, NV
15.0%

Assisted living



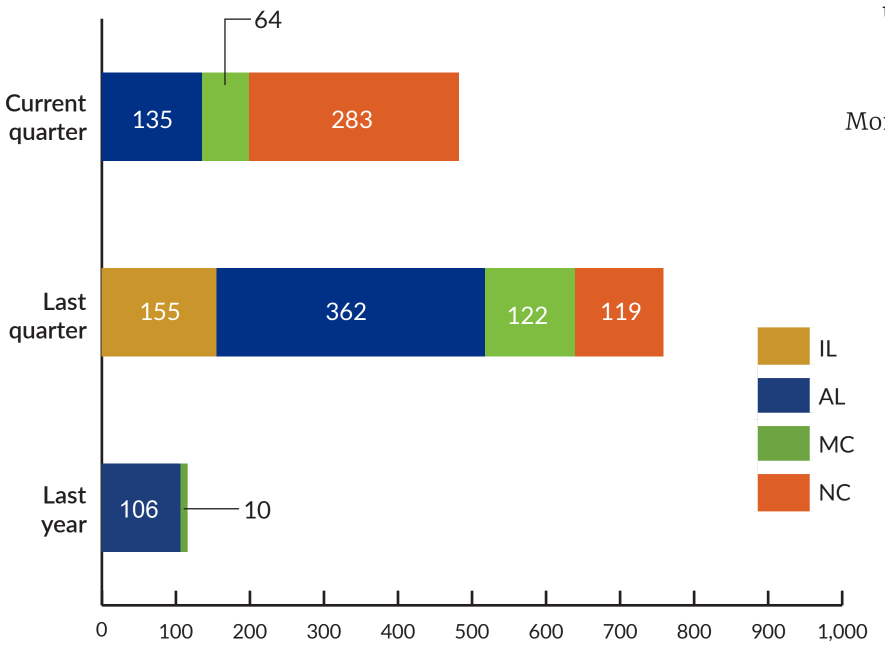
Last QT: 14.1%
Last YR: 12.9%

HIGHEST AL:
Detroit, MI
25.5%

Construction as a percent of inventory | Percentage of the total inventory of units that are still under construction.

Sales transactions

Atlanta MSA transactions by unit/bed type



This quarter's 6 transactions included 482 units: 135 AL, 64 memory care (MC), and 283 nursing care (NC). Fewer units were sold this quarter compared to last quarter, which boasted 758 units sold in 8 transactions.

More unit were sold this quarter than the same time last year, whose 3 transactions accounted for 116 units.

	TOTAL # OF UNITS SOLD	# OF TRANSACTIONS
Current quarter	482	6
Last quarter	758	8
Last year	116	3

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Labor & employment

The average hourly wage for Nursing and Residential Care Facilities in the Atlanta MSA is $13.75. This is significantly below the average of the Education and Health Services industry, which was reported at $21.86 for the Atlanta MSA.

Low unemployment rates combined with low wage rates in the Atlanta MSA's senior living sector may make it challenging to attract future employees for a new project.

	Education & Health Services		Nursing & Residential Care Facilities*	
	HOURLY WAGES	YEARLY WAGES	HOURLY WAGES	YEARLY WAGES
Atlanta MSA	$21.86	$45,462.86	$13.75	$28,600.00
Georgia	$25.18	$52,364.00	$13.58	$28,236.00
United States	$24.33	$50,596.00	$14.90	$30,992.00

*included in Education & Health Services; figures are approximated from BLS reported data

Most recent data for
unemployment rates:

Atlanta MSA:
4.7%

Georgia:
4.9%

United States:
4.4%

About Plante Moran Living Forward™

Feasibility

Our full range of market and feasibility services gives you a clearer view of your options, and the risks vs. rewards of those options.

Site selection

Completely unbiased, independent analysis and counsel that will identify the perfect space for your senior living facility and ensure your long-term success.

Development

Decades of experience acting as owner's representatives will safeguard your projects and keep them managed efficiently and effectively.

Unbiased, value-driven senior living consulting

From concept to completion to operation, we provide strategic vision that helps you see the big picture more clearly. Learn more at pmlivingforward.com.

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Midwest senior living data refers to an aggregate of the following MSAs: Atlanta, GA, Augusta, GA, Birmingham, AL, Chattanooga, TN, Daytona Beach, FL, Fort Myers, FL, Jackson, MS, Jacksonville, FL, Knoxville, TN, Lakeland, FL, Melbourne, FL, Memphis, TN, Miami, FL, Nashville, TN, Orlando, FL, Sarasota, FL, Tampa, FL, Akron, OH, Chicago, IL, Cincinnati, OH, Cleveland, OH, Columbus, OH, Dayton, OH, Detroit, MI, Grand Rapids, MI, Indianapolis, IN, Madison, WI, Milwaukee, WI, Toledo, OH, and Youngstown, OH. The data contained in this report is obtained from the most recent data stores of NIC MAP® Data and Analysis Service (www.nicmap.org) and the Bureau of Labor Statistics (www.bls.gov). Although the information was obtained from sources deemed reliable, no warranty or representation, expressed or implied, is made as to the accuracy of the information herein.