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Aegis Living doubles pace of assisted-living projects to meet demographic demand

Elderly housing boom

Premium content from Puget Sound Business Journal - by Jeanne Lang Jones, Staff Writer

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With a growing population of senior citizens who need daily assistance with dressing and meals, Redmond-based Aegis Living is on a growth spurt.

The assisted-living provider, which typically adds two retirement homes a year, has doubled its pace with four local projects in the pipeline.

One 100-unit facility planned for Bellevue will be patterned after an Aegis facility in the San Francisco Bay Area that caters to elderly Chinese Americans and has a staff that speaks Mandarin and cultural activities that include tai chi and mah-jongg.

Behind the growth spurt: an aging population, strong investor interest in assisted living housing, depressed land prices and lowered construction costs. Additionally, many of the competing public companies in the sector eliminated their development arms during the recession.

"All those things line up to make a perfect universe," said Aegis founder and CEO **Dwayne Clark**.

Assisted living facilities haven't been as affected as other retirement sectors by the housing downturn, which has made it difficult for seniors to sell their houses to move into retirement homes. Those who need assistance with daily activities can't wait for the housing market to improve, said Clark, adding, "assisted living is not a want, but a have-to."

The 98-unit Aegis on Madison will be the first project to be completed. Clark said Aegis has long been interested in building a retirement community in Seattle's densely populated Madison Valley neighborhood. The property will be located at the intersection of Madison Street and 23rd Avenue.

Clark and the company typically pony up between 10 percent and 15 percent of the equity needed to construct a project, with senior-level staffers providing another 10 percent and private investors the remainder, Clark said.

Aegis has a second property under contract for purchase in Seattle's Queen Anne neighborhood. Since the purchase hasn't closed, Clark declined to provide its location. The company is also in negotiations for two locations on the Eastside, one of which will be in Bellevue, Clark said.

All four proposed projects will provide a mix of assisted living services and Alzheimer's care units. The Queen Anne project will have 63 units; each of the Eastside facilities will be roughly 100 units.

Seattle is one of the nation's more active markets for assisted living projects, according to a report on senior housing by Marcus & Millichap Real Estate Services Inc. in Encino, Calif. The city ranked ninth in the nation last year in terms of units in the development pipeline.

Founded in 1997, Aegis Living operates 35 senior living facilities in Washington, California and Nevada. The Aegis on Madison will be its 13th in the Puget Sound area.

Occupancy in the chain is about 91 percent, Clark said. That compares to a rate of 89 percent for assisted living facilities nationwide, according to the Marcus & Millichap report.

The company has about 2,300 employees.

JLJ@BIZJOURNALS.COM | 206.876.5426