

Market Snapshot

Q4 2018 | Madison, Wisconsin

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 **Madison Metropolitan Statistical Area (MSA)**.



The Madison MSA is made up of 4 counties surrounding the city of Madison, Wisconsin.

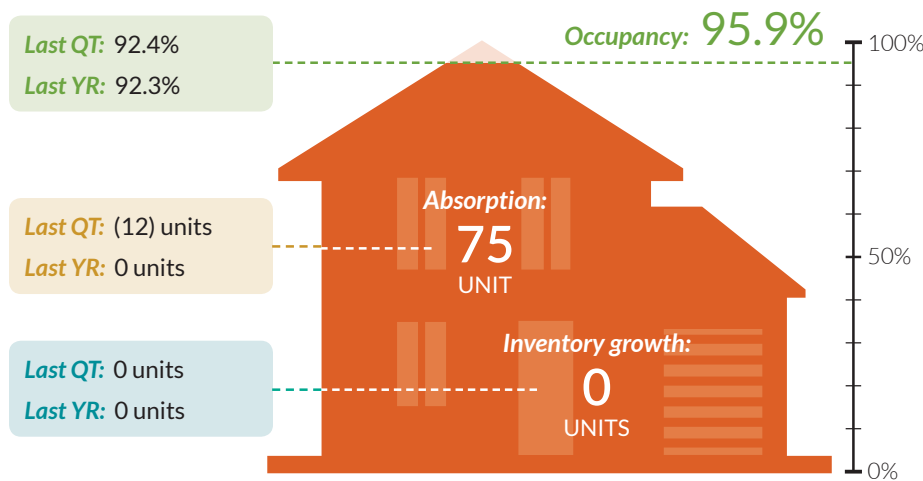
Columbia County, WI

Dane County, WI

Green County, WI

Iowa County, WI

Absorption, occupancy, & inventory growth



Independent living

Compared to last quarter and this same time last year, IL occupancy and absorption figures are both higher. Inventory growth remains at 0, where it stood last quarter and last year.

Midwest: This quarter, the Madison MSA's occupancy is above the Midwest's average (**89.9%**). The Midwest region absorbed **220 units**.

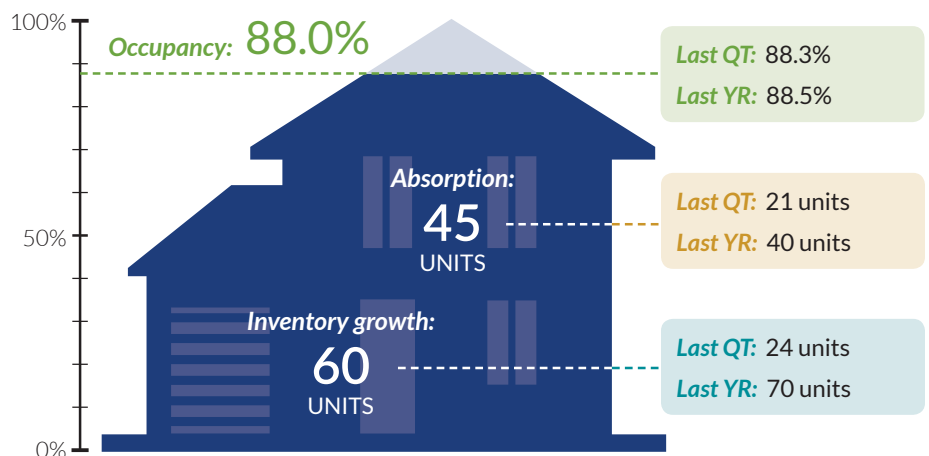
Secondary markets: This quarter, the Madison MSA has higher occupancy than the secondary markets' average (**90.2%**). The secondary markets absorbed **833 units**.

Assisted living

AL occupancy is slightly lower than it was last quarter and this same quarter last year. Inventory growth and absorption are higher this quarter than the last, but the figures are fairly similar to last years'.

Midwest: This quarter, the Madison MSA's occupancy is higher than the Midwest's average (**84.4%**). The Midwest absorbed **1,314 units**.

Secondary markets: The Madison MSA has higher occupancy than the Secondary markets' average (**85.4%**). The Secondary markets absorbed **1,712 units**.





Construction

Units under construction

	IL	AL	NC
Current quarter	131	136	0
Last quarter	131	196	0
Last year	131	120	0

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

The Madison MSA shows no inventory growth for IL and a growth of 60 AL units this quarter; 131 IL units and 136 AL units are still under construction. No nursing care (NC) beds are under construction this quarter.

As these units are delivered into the market over the next couple of cycles, we could see a decrease in occupancy over the short term while the new units attempt to stabilize.

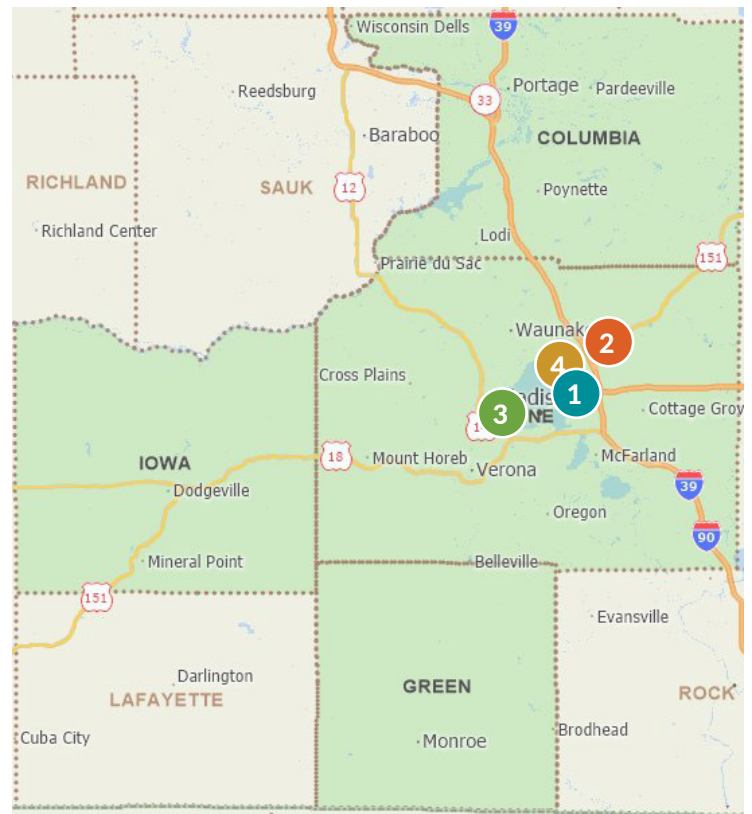
For IL, the top three Midwest cities under construction are **Chicago, IL; Columbus, Ohio; and Milwaukee, WI.**

For AL, the top three Midwest cities under construction are **Chicago, IL; Detroit, MI; and Milwaukee, WI.**

Top construction projects

The 4 largest construction projects in the Madison MSA are:

4 Tennyson Senior Living FREESTANDING - 36 UNITS	IL	0
	AL	36
	NC	0
3 The Gardens & Segoe Gardens AL/IL COMBINED - 60 UNITS	IL	0
	AL	60
	NC	0
2 Oakwood Village Prairie Ridge CCRC - 71 UNITS	IL	71
	AL	0
	NC	0
1 Kettle Park Senior Living AL/IL COMBINED - 100 UNITS	IL	49
	AL	51
	NC	0

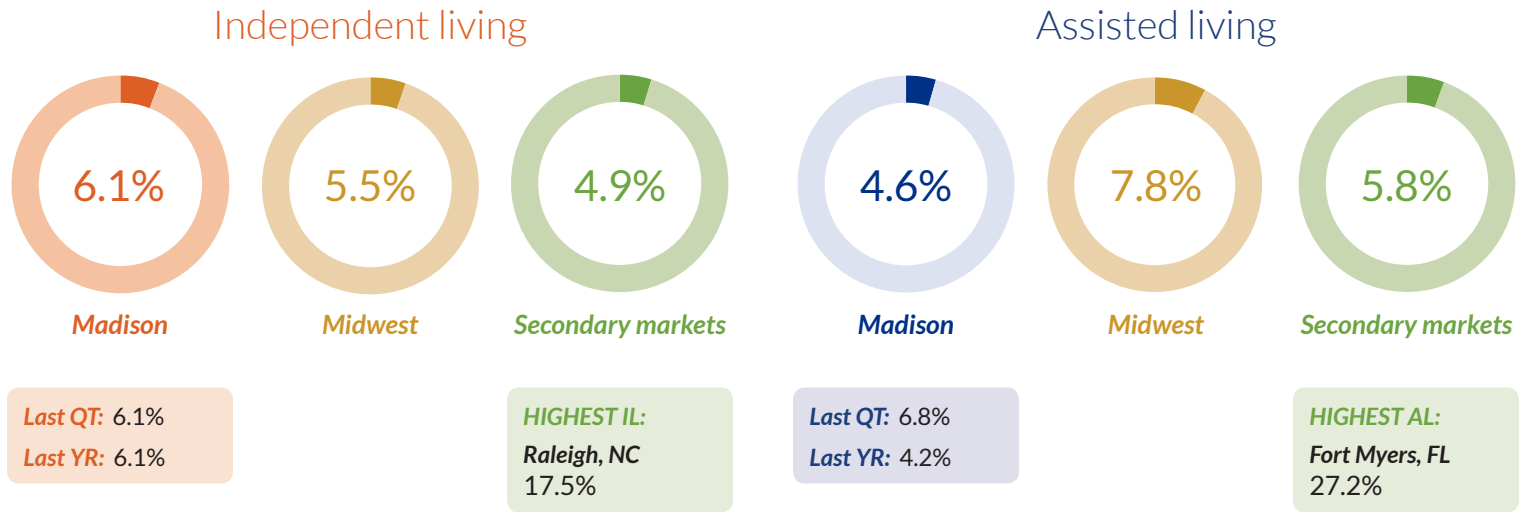




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Construction as a percent of inventory

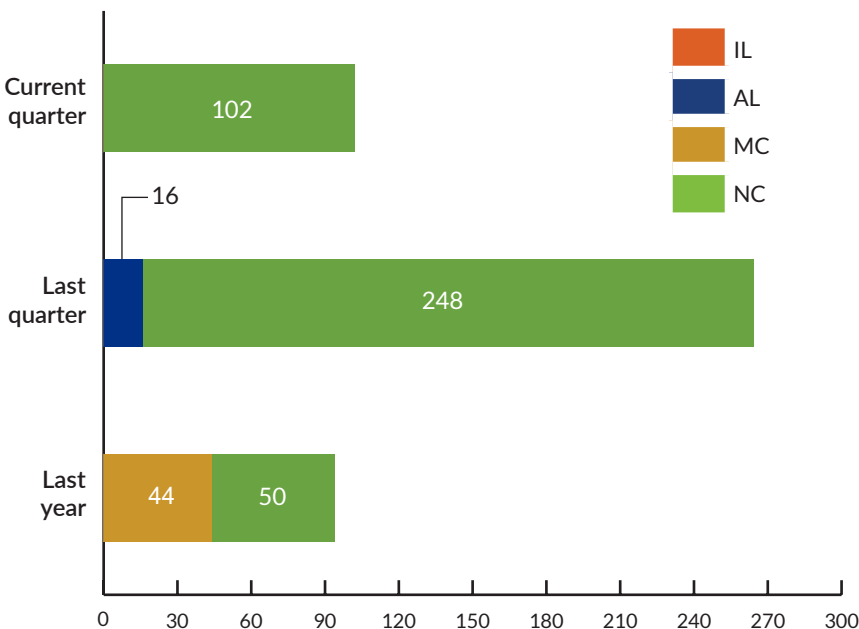
The Madison MSA's IL construction as a percent of inventory figure is higher than the averages for the Midwest and secondary markets this quarter, but its AL figure is lower. The Madison MSA's construction as a percent of inventory figures are significantly below that of the cities in the secondary markets with the highest figures, which rest at **17.5%** and **27.2%**, respectively.



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

Sales transactions

Madison MSA transactions by unit/bed type



This quarter's single transaction consisted of 102 NC beds. Fewer units were sold this quarter compared to last quarter, which sold 264 units in 3 transactions.

More units were sold this quarter than the same quarter last year, whose 3 transactions accounted for 94 units.

	TOTAL # OF UNITS SOLD	# OF TRANSACTIONS
Current quarter	102	1
Last quarter	264	3
Last year	94	3



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Labor & employment

The average hourly wage for Nursing and Residential Care Facilities in the Madison MSA is \$12.86. This is significantly below the average of the Education and Health Services industry, which was reported at \$22.46 for the Madison MSA.

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

Most recent data for unemployment rates:

Madison MSA:

2.1%



Wisconsin:

2.6%



United States:

3.7%



	Education & Health Services		Nursing & Residential Care Facilities*	
	HOURLY WAGES	YEARLY WAGES	HOURLY WAGES	YEARLY WAGES
Madison MSA	\$22.46	\$46,722.00	\$12.86	\$26,754.00
Wisconsin	\$23.08	\$47,996.00	\$12.83	\$26,676.00
United States	\$23.78	\$49,452.00	\$15.33	\$31,876.00

*included in Education & Health Services

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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

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