

## Seniors Housing Market Outlook: Loan Demand Is Strong

**Atlanta, GA (September 20, 2017)** – The aging population of Baby Boomers helped propel the seniors housing sector to the best performing real estate asset class during the 2007-2012 financial crisis, and that trend continues today.

According to data released by the National Investment Center for Seniors Housing & Care (NIC), loan origination volume in the first quarter of 2017 was a robust \$4.7 billion and the strength of this sector is widespread, with independent living and assisted living properties seeing significant development. Currently, inventory growth in seniors housing is concentrated in and around high-growth cities such as Atlanta, Dallas, Houston and Miami, as well as others like Boston, Chicago and Minneapolis.

A 2016 report published by the Federal Reserve Bank of Atlanta implies that the seniors housing and healthcare sector is in its nascent stage with room for growth for all investors, including institutional and large national portfolio owners/operators to regional owners/operators and not-for-profit investors. Demographic outlooks show that investment growth and demand will remain high in this sector. Trends indicate that the development of facilities that provide flexible space designs and programs for residents' well-being will be able to meet the needs of seniors, especially those who may need memory care. A 2015 research report by AEW Senior Housing Investment Opportunity supports this point. The number of seniors (people age 75 and older) is expanding at roughly twice the pace of the general population. This will accelerate to three times through 2020 and even faster the following decade.

Increasingly, developers have turned to lenders who offer a full spectrum of financing options, from short-term bridge loans to permanent financing, as well as agency lending execution.

In part to meet this demand, SunTrust Bank acquired the assets of Pillar Financial, LLC in December 2016. The combination of SunTrust's Healthcare and Aging Services Commercial Industry Specialty Groups, along with Pillar's Seniors Housing and Post-Acute Care Platform offers a strategic, integrated approach to capitalizing seniors housing/post-acute care properties.

SunTrust, with its Pillar division, is already well established in this marketplace. For example, the combined team is working on a multiple asset transaction in the Southeast. SunTrust is working to provide the bridge financing and the Pillar division is working to secure long-term HUD refinancing loans shortly afterwards. Additionally, Pillar is working on securing HUD agency loans for memory care facilities in the Southeast and Northeast, as well as nursing home properties in the Midwest that are currently rolling off shorter-term SunTrust balance sheet loans. Long-term agency loans for these projects can provide clients access to efficient agency financing vehicles, while freeing up their balance sheets to develop, acquire, reposition or renovate existing or new projects in their portfolio.

Additionally, working as one team, SunTrust, with its Pillar division, can provide mid-term and long-term financing solutions for owners/operators with properties located in the Southeast, Mid-Atlantic and Northeast. The wide range of capital structures and competitive loan term offerings allow qualified clients to efficiently close financing for the development, renovation, acquisition and refinancing of various seniors housing properties through one entity.

Because of this unique partnership, the flow of seniors housing and post-acute care transactions between the Healthcare and Aging Services Commercial Industry Specialty Groups and the Seniors Housing and Post-Acute Care Platform is already delivering financing solutions and strategies well-received by clients, as well as expert loan origination, underwriting and asset management for the overall sector.

*For more information or to schedule a face-to-face meeting with the team during the NIC Fall Conference for Investing in Seniors Housing and Care Properties in Chicago from September 26-28, contact Pillar Seniors Housing & Healthcare Finance Managing Director Joshua Hausfeld at [Joshua.Hausfeld@PillarFinance.com](mailto:Joshua.Hausfeld@PillarFinance.com) or Director Don Husi at [Don.Husi@PillarFinance.com](mailto:Don.Husi@PillarFinance.com) or SunTrust Aging Services Senior Vice President Michael Waldron at [Michael.Waldron@SunTrust.com](mailto:Michael.Waldron@SunTrust.com).*

### **About Pillar**

As a division of SunTrust Bank, a subsidiary of SunTrust Banks, Inc. (NYSE: STI), Pillar is part of the SunTrust Commercial Real Estate (CRE) line of business, which is part of SunTrust's Wholesale Banking Segment. Pillar is a direct lender for multifamily, manufactured housing and healthcare properties, serving clients across the U.S. in 14 major markets. The company's lending platform consists of Fannie Mae, Freddie Mac and HUD products. Pillar provides a full array of financing solutions, covering affordable and market rate multifamily housing, student and senior housing, manufactured housing communities, as well as healthcare properties such as assisted living, memory care and skilled nursing facilities.

Through Cohen Financial, a national real estate capital services firm also a division of SunTrust Bank, Pillar provides access to capital markets debt placements and consulting services for financial institutions, commercial real estate developers and investors, as well as third-party rated, primary and special loan servicing, loan administration and advisory services. For more information, visit [www.pillarfinance.com](http://www.pillarfinance.com).

### **About SunTrust Banks, Inc.**

SunTrust Banks, Inc. is a purpose-driven company dedicated to Lighting the Way to Financial Well-Being for the people, businesses, and communities it serves. Headquartered in Atlanta, SunTrust operates an extensive branch and ATM network throughout the high-growth Southeast and Mid-Atlantic states, along with 24-hour digital access. Certain business lines serve consumer, commercial, corporate, and institutional clients nationally. As of June 30, 2017, SunTrust had total assets of \$207 billion and total deposits of \$160 billion. The Company provides deposit, credit, trust, investment, mortgage, asset management, securities brokerage, and capital market services. Member FDIC. SunTrust leads onUp, a national movement inspiring Americans to build financial confidence. Join the movement at [onUp.com](http://onUp.com).