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**ASSISTED LIVING AND INDEPENDENT LIVING FACILITY PRICES
SOARED TO RECORD LEVELS IN 2005
ACCORDING TO NEW REPORT FROM IRVING LEVIN ASSOCIATES, INC.**

NORWALK, CT – March 7, 2006 – With strong demand from a variety of investors and operators coupled with an unprecedented supply of high-quality properties on the market, the average price per unit paid for both assisted living facilities and independent living retirement communities soared to new highs in 2005, according to a report to be published by Irving Levin Associates, Inc., a research and publishing firm that tracks mergers and acquisitions in the seniors housing and health care markets.

The average sales price for assisted living facilities in 2005 reached an all-time high of \$140,300 per unit, according to Levin's report, *The Senior Care Acquisition Report*, Eleventh Edition.

This represents an increase of nearly 50% compared with 2004, when the average price per unit increased by 31%, which had been a new record as well. The median price per unit increased by 54% to \$115,600 per unit in 2005.

“The sharp jump in the average price per unit was the result of an increase in higher quality, more profitable assisted living facilities coming on to the market in the past year, particularly high-end portfolios that attracted a variety of traditional real estate buyers as well as foreign investors,” stated Stephen M. Monroe, editor of the Report. “Even though there are still some

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remnants of the troubled properties on the market from the overbuilding of the late 1990s, these have been overwhelmed by the portfolios and higher quality facilities in general,” continued Mr. Monroe.

In the independent living market, the average price paid per unit more than doubled in 2005 to just over \$150,000 per unit, while the median also doubled to \$129,800 per unit. The increase in the average price comes on top of a 20% decrease in 2004, a year with many underperforming properties on the market. “Just like the assisted living side of the business, higher quality, newer and stabilized retirement communities and portfolios came on the market in 2005, driving up demand and prices,” commented Mr. Monroe. “Average caps rates for both independent living and assisted living facilities dropped by more than 100 basis points in 2005, adding fuel to the buying frenzy.”

In the skilled nursing facility market, the average price per bed declined slightly to \$43,250 per bed in 2005 after the record-setting average price paid in the previous year. “After the unusual year in 2004, when the average price paid jumped by 41%, we were expecting the average price per bed to drop by up to 10%, so the 3% decrease was not a surprise at all, and actually indicates that the nursing facility market remains reasonably strong,” stated Mr. Monroe.

The Senior Care Acquisition Report, Eleventh Edition, contains statistics on the nursing home, assisted living and retirement housing merger and acquisition market, including prices per bed or unit, capitalization rates and income multiples, in more than 150 pages. The statistics are based

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on more than \$4.2 billion of seniors housing and care asset sales in 2005, or three times the dollar volume in 2004. It also includes transaction information on each of the publicly announced senior care, home health care and hospice acquisitions in 2005. *The Senior Care Acquisition Report*, Eleventh Edition, costs \$595. For more information, or to order the report, call 800-248-1668. Irving Levin Associates, Inc. was established in 1948 and has headquarters in Norwalk, Connecticut. The company publishes research reports and newsletters, and maintains databases on the health care and senior housing markets.

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