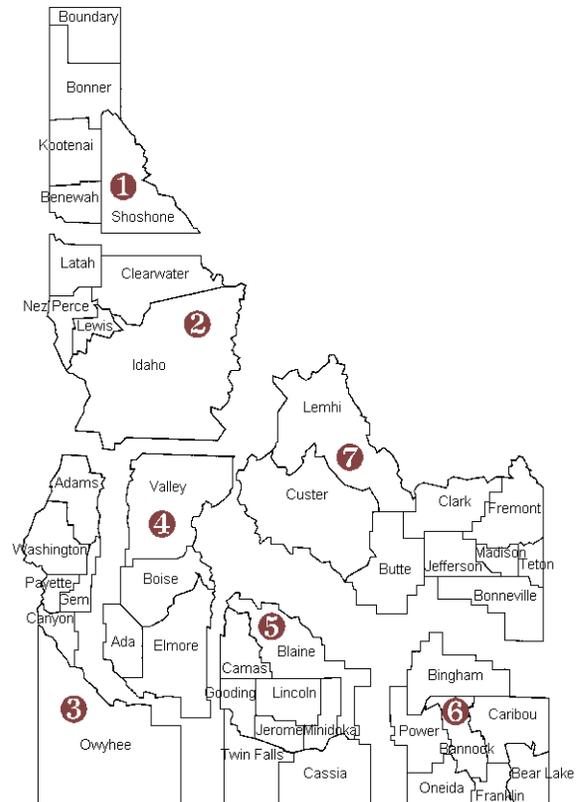


2003 Idaho Assisted Living Survey

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Welcome to the second annual Idaho Assisted Living Survey, conducted by Jorgensen Appraisal. The survey is intended to be a service to assisted living owners and managers, as well as developers, lenders, appraisers, government agencies and other interested parties. The survey was conducted in spring 2003. It addresses unit types and sizes, levels of care, average rates and occupancy. It is broken down by geographic area, corresponding to the Idaho Health and Welfare regions.

Survey responses represent 4,405 licensed units, nearly 85% of the state total. Complimentary copies of the survey are provided to all *participating* facilities and managers.

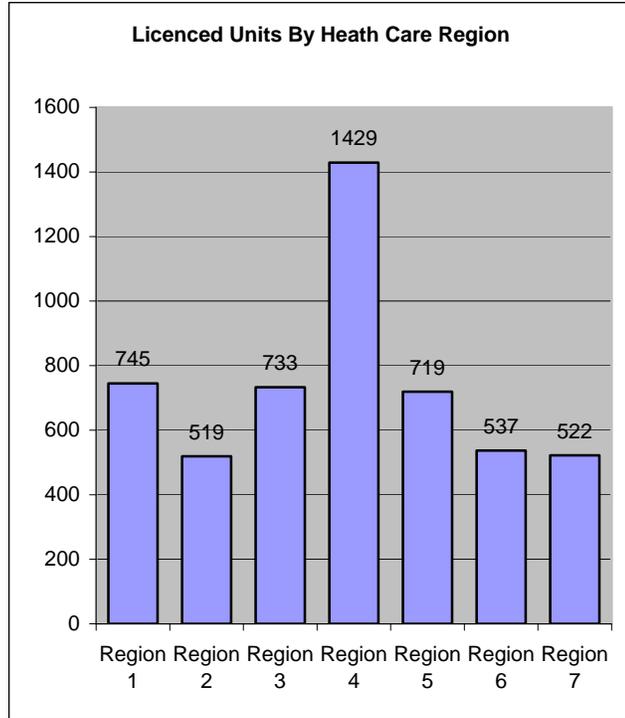


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Supply

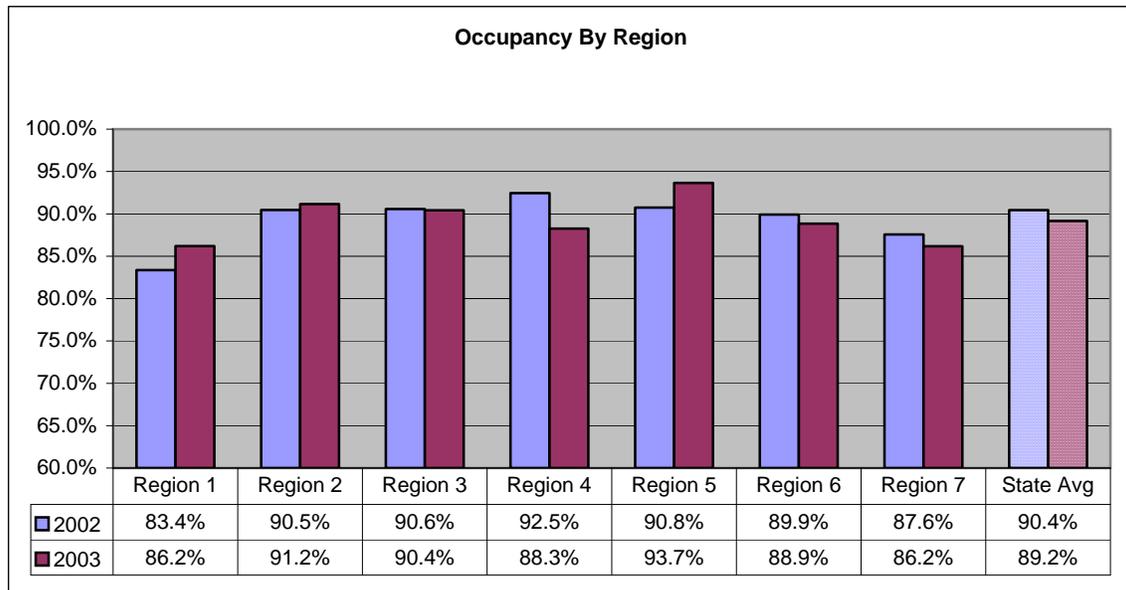
The supply of licensed assisted living beds in Idaho grew to just over 5,200 by spring 2003 (excluding facilities specializing in developmental disabilities, mentally ill, physically disabled and traumatic brain injury). That represents a 3.9% increase from 2002. Construction was spread fairly evenly across the state.

The 2000 census showed the elderly population in Idaho grew an average of 3.3% per year. Therefore, a 3.9% increase in supply is roughly in line with the rate of growth in elderly persons, and should not result in overbuilding.



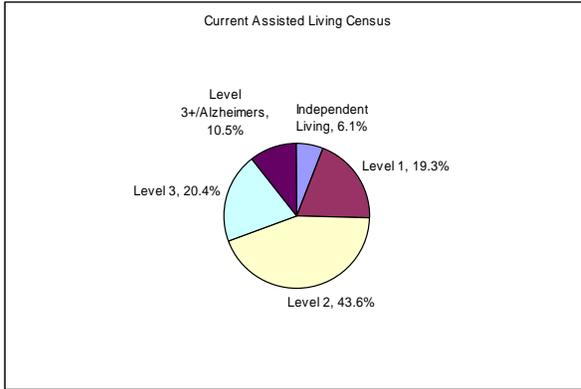
Occupancy

Statewide occupancy fell slightly in 2003, to an average of 89.2%. The decline may be partly due to the rate of new construction. However, it is more likely the regional recession has impacted the market. Region 4, including Ada County, saw the largest decline. Regions 1 and 5 actually saw significant improvement in occupancy rates.



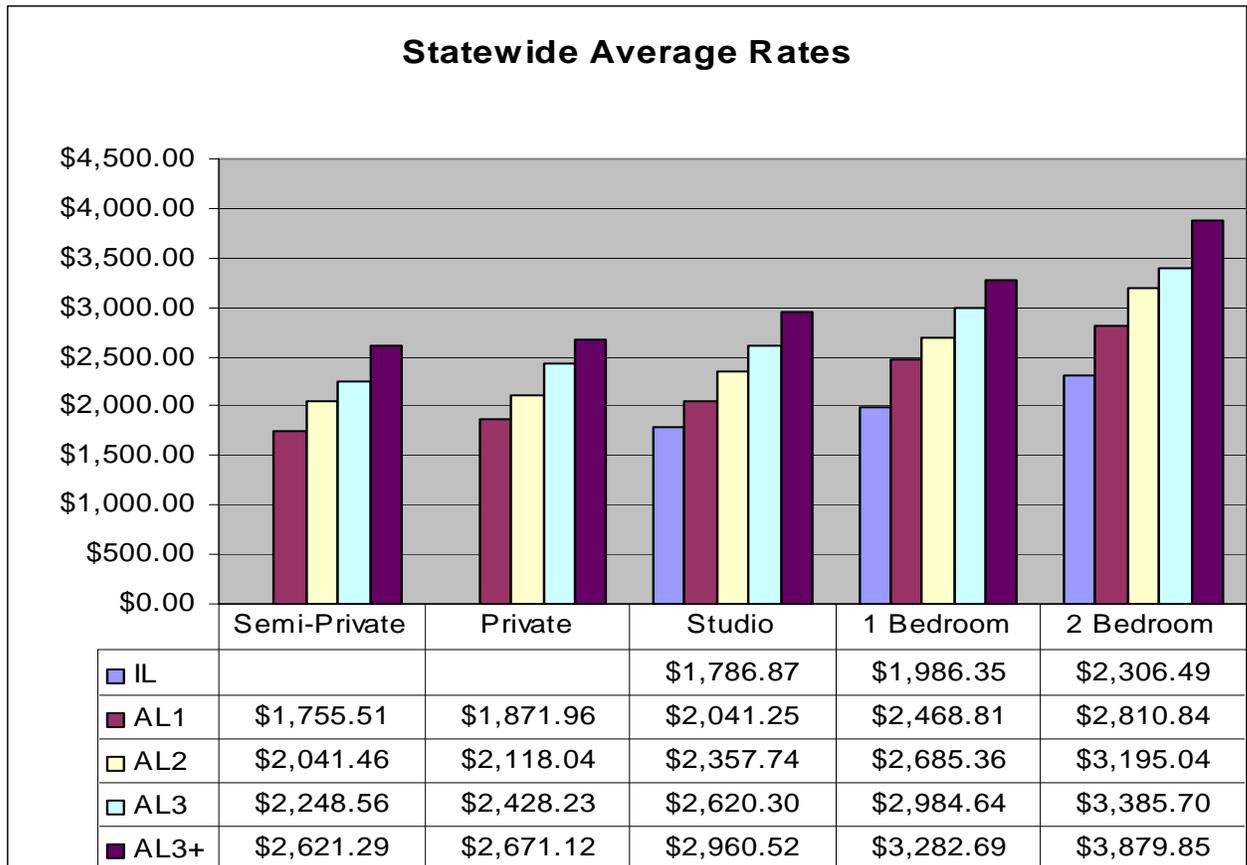
As of Spring 2002, average occupancy statewide is 90.4%. Regional occupancy rates ranged from 83.36% to 92.46%. In general, occupancy is highest in the more urban areas of the state, in the south

and southwest. The more rural areas in the east and north currently have lower average occupancy rates. Again, comparison with 2001 is not possible.



Nationwide, the assisted living industry is shifting toward higher and higher average acuity. The same appears to be true of Idaho. Currently, almost half of assisted living residents in Idaho are rated at Level III. Another third are Level II. Only 21% are Level I. An increasing number of facilities are offering specialized Alzheimer's care or other "Level III+" services.

Rates



Most administrators do report rate increases. Detailed studies in limited market areas imply the average rate of increase is slightly above the underlying rate of inflation. Labor costs are often cited as the major cause of increasing rates.

Average Rates by Health Care Region					
		Level I	Level II	Level III	Level III+
Region 1	Semi-private	\$2,050	\$2,290	\$2,540	\$2,650
	Private	\$1,919	\$2,074	\$2,341	\$2,387
	Studio w Kitchenette	\$1,800	\$2,664	\$2,664	\$2,903
	One Bedroom	\$2,349	\$2,877	\$3,251	\$3,588
	Two Bedroom	\$2,422	\$3,017	\$3,424	\$3,810
Region 2	Semi-private	\$2,500	\$2,900	\$2,100	*
	Private	\$2,325	\$2,523	\$3,074	X
	Studio w Kitchenette	\$2,052	\$2,314	\$2,502	\$2,826
	One Bedroom	\$2,195	\$2,421	\$2,626	\$2,884
	Two Bedroom	\$2,848	\$3,110	\$3,379	X
Region 3	Semi-private	\$1,565	\$1,838	\$2,034	\$2,665
	Private	\$1,891	\$2,049	\$2,366	\$2,750
	Studio w Kitchenette	\$2,184	\$2,570	\$2,844	\$2,842
	One Bedroom	\$2,519	\$2,848	\$3,134	\$3,395
	Two Bedroom	*	*	*	*
Region 4	Semi-Private	\$1,857	\$2,221	\$2,443	\$2,567
	Private	\$1,741	\$2,238	\$2,513	\$2,838
	Studio w Kitchenette	\$2,076	\$2,682	\$3,056	X
	One Bedroom	\$2,850	\$2,682	\$3,056	X
	Two Bedroom	\$3,062	\$3,501	\$3,844	*
Region 5	Semi-private	\$1,973	\$1,943	\$2,108	\$2,956
	Private	\$1,805	\$1,948	\$2,283	\$2,393
	Studio w Kitchenette	\$2,043	\$2,212	\$2,533	\$2,855
	One Bedroom	\$2,112	\$2,313	\$2,723	\$2,695
	Two Bedroom	\$3,025	\$3,320	\$3,320	X
Region 6	Semi-private	\$1,744	\$1,919	\$2,422	\$2,600
	Private	\$1,827	\$2,242	\$2,492	\$2,554
	Studio w Kitchenette	\$2,097	\$2,285	\$2,517	\$2,900
	One Bedroom	\$2,547	\$2,773	\$3,046	\$3,200
	Two Bedroom	\$2,650	\$2,980	\$3,300	*
Region 7	Semi-private	\$1,400	\$1,667	\$1,933	\$2,375
	Private	\$1,912	\$2,229	\$2,519	\$2,572
	Studio w Kitchenette	\$1,863	\$2,107	\$2,283	\$2,600
	One Bedroom	\$2,170	\$2,325	\$2,407	X
	Two Bedroom	X	X	\$2,730	*

* To maintain confidentiality, averages within fewer than three responses are not shown
 X No data is available

About Jorgensen Appraisal

Jorgensen Appraisal is a full service appraisal and consulting firm. Kerry M. Jorgensen, MAI has specialized in healthcare property consulting since 1979, including nursing homes, assisted living and other elderly housing. Services include appraisals, market analysis, feasibility studies and general consulting. For information, contact Kerry Jorgensen at (801) 523-1616.
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