

Retirement homes

Longer Term Investments (LTI)

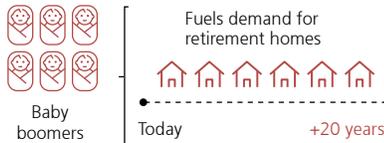
Demand for retirement homes is expected to grow rapidly in the coming decades as societies age. Despite the trend towards aging healthily, higher life expectancies will drive the need for increased care. Retirement and nursing homes feature lower cyclical sensitivity and tend to offer higher returns than residential properties.



Projections and opportunities

Baby boomers

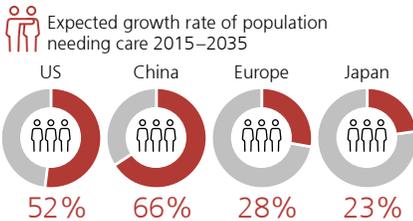
The mid-20th century baby boom will continue to drive demand for retirement homes in the US for the next 20 years.



Source: UBS

Growth outlook

US and China appear to have the most favorable growth outlook for retirement homes.



Source: World Bank, OECD

Industry

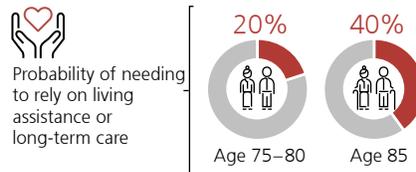
Home healthcare services should also grow rapidly as a cost-effective alternative to retirement homes.



Source: UBS, 2018

As we age, we need care

The probability of needing to rely on living assistance or even long-term full care rises sharply as people age – from 20% between 75–80 towards 40% at the age of 85.



Source: OECD

Balanced risk return

Favorable mix of service and real estate: operators are likely to profit faster from the secular growth story. Pure real estate investments exhibit lower risk, but also lower exposure to demand growth.



Source: UBS, 2018

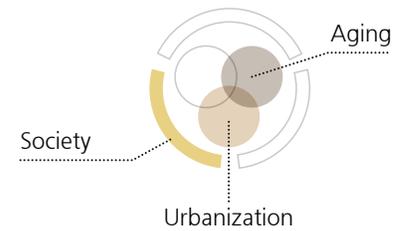
Services for all needs

The retirement homes and care industry provides both housing and care services to seniors depending on age and needs.



Source: UBS, 2018

Retirement homes investment properties



○ Influencer ⊗ Key drivers

Near-term drivers

- Lower interest rates
- Accelerating demographic demand growth
- Wealth creation in stock and housing markets
- Supply growth

Sustainable investing impact

- Well-being of elders
- Quality of life
- Ease demographic change

Impact investing (UN SDGs)

- SDG 3: Good health and wellbeing
- SDG 11: Sustainable cities and communities

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