



## Chancery Monthly

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### INDUSTRY TREND

#### New Ventas Partner Le Groupe Maurice Plans Expansion, Eyes Fresh Markets

By Tim Regan

Fresh off a new equity partnership with Ventas (NYSE: VTR), Quebec senior living developer and manager Le Groupe Maurice (LGM) is planning to ramp up its operations in the Canadian province of Quebec and may venture further afield.

On June 3, the Chicago-based real estate investment trust (REIT) agreed to acquire LGM's portfolio of 31 existing properties and four in development through an 85%/15% equity partnership. The total portfolio, which includes the in-progress developments, is valued at \$1.8 billion.

With Ventas on board, Quebec-based LGM will continue to focus on its core business of developing and operating senior living communities in urban locations throughout Quebec. The company is planning to add two to four new projects to its portfolio each year, including potentially on top of the four it's already working on in 2019.

As is the case in the U.S., the number of older adults in Canada is increasing every year. The province of Quebec will have to add at least 6,000 units of senior housing per year to keep up with demand, Luc Maurice, the company's founder and president, told Senior Housing News. LGM's operations could also soon extend beyond Quebec. The company has identified 20 possible locations other than Quebec for future development, and is starting to take a closer look at Ontario in particular.



"[With Ventas,] we'll be better equipped together to expand within Canada," Maurice said. "In my view, the future looks very bright."

For Ventas, the deal represented an opportunity to work with a quality operator and provided another foothold in Canada, according to CEO Debra Cafaro. "Partnering with Le Groupe Maurice, we think, will give us consistent growing cash flow coupled with a new platform for growth within the Quebec market," Cafaro said at the National Association of Real Estate Investment Trusts (NAREIT) REIT Week investor conference.

In particular, the project's cap rate of 5.5% was attractive to Ventas. "We are buying below replacement cost, 5.5% is a good cap rate and the per-unit valuation is very good for the quality of product," Cafaro said.

LGM's communities are aimed at attracting older adults who crave a social environment, enjoy the finer things in life and belong to an upper-middle-class demographic. The company is grounded in a belief that older adults should be treated as anyone else in society, with a person-first approach centered on mutual cooperation and resident engagement. "We tend to attract a well-educated clientele and a more epicurean clientele, as well," Maurice said. "One that truly believes they can improve their lifestyle by moving into our communities."

The company's properties are all built to serve the markets in which they are located. Most have between 250 and 400 units, with the majority of those being independent living condos or condo-like apartments. LGM's communities also usually have a small assisted living component — no more than 20 to 25 units — for residents who need those services. Apartments range from studios to three-bedroom units, and rents usually span about \$1,500 to \$5,000, Canadian, which is equivalent to about \$1,120 and \$3,730, USD.

Residents of LGM's communities also have access to a range of upscale amenities, such as large swimming pools, real sand beaches at waterfront communities, exercise centers, golf simulators and bowling alleys. The properties are also situated in dense cities such as Montreal, where shopping, dining and health care services are always nearby.



For LGM, it appears as though that strategy has paid off. The company's average length of stay is 7.3 years, with an average occupancy over the past decade ranging from 97% to 99% and an average move-in age of 78, Maurice said.

Looking ahead, hiring and retaining good employees represents the biggest challenge to LGM's growth plans. But even then, the company hopes to lean on its established presence in Quebec to find top talent. "Our brand recognition has helped a lot," Maurice said. "People want to work for an organization that has a good reputation."

*Source:*

*<https://seniorhousingnews.com/2019/06/04/new-ventas-partner-le-groupe-maurice-plans-expansion-eyes-fresh-markets/>*

## CORPORATE NEWS

### The Middleton Celebrates Ground-breaking

June 21, Chancery and its strategic partners, Hillspoint Developments and Tyche Global Financial, celebrated the ground-breaking of The Middleton Seniors Apartment building.

The Middleton will be a 122-suite apartment building located in the center of Bradford, featuring condo style well appointed apartments with 24-hour concierge, fitness room, salon and spa as well as a Bistro for all day casual dining. Residents will have access to a specialized Seniors Urgent Care clinic on site with a wide range of supportive services available, including a retail pharmacy and home care.



The ground-breaking ceremony was also attended by His Worship, Rob Keffer, Mayor of Bradford West Gwillimbury; Ward 5 Councillor Peter Ferragine; Ward 3 Councillor Gary Lamb, Ward 2 Councillor Gary Baynes; Ward 6 Councillor Mark Contois; Ward 4 Councillor Ron Orr; and Deputy Mayor James Leduc.

The team estimates that by Spring 2021, the building will be ready to welcome its first resident!



Left: Rendering of The Middleton. Right: Shovels ready ahead of the ground-breaking



Left: Breaking ground Right: Mayor Rob Keffer speaking to all guests



Left: Steve Suske speaking to the audience Right: Josh, Sarah, and Jessica with investors



## UPCOMING PROJECT

### Grandview Retirement Residence

#### Project Summary

- Located in downtown Hamilton, Ontario, adjacent to the affluent Stoney Creek neighborhood. Central location with access to retail, restaurants, parks and health care providers.
- Designed to provide seniors with accommodation in a beautiful neighborhood with a host of services and amenities
- 1.85 acres of development land, a 158-suite building including 131 independent supportive living units, and 27 assisted living units.
- Construction expected to start in Q2 2019 and opening in Q4 2020.



*Chancery Seniors Housing Investments Inc. is a private real-estate investment firm with a focus on seniors housing. Powered by its two strong founding partners, Suske Capital Inc. and LD Capital Corp., Chancery creates a team with the expertise and experience of over 55 years in real estate and seniors housing developments with an estimated completion value of over \$5 billion.*

*For more information about our company and projects, please visit [www.chanceryseniors.com](http://www.chanceryseniors.com)*