

Welcome to season six of Bridge The Gap, a podcast dedicated to informing, educating, and influencing the future of housing and services for seniors. Powered by sponsors Accushield, Enquire, Connected Living, Hamilton CapTel, Refera, Service Master, Patriot Angels, The Bridge Group Construction and Solinity. The contributors are brought to you by Peak Senior Living and produced by Solinity Marketing.

Lucas 00:47

Welcome to Bridge The Gap podcast, the senior living podcast with Josh and Lucas here. Spring NIC in San Diego. Got a great guest on today, Kyle Gardner, COO of NIC MAP Vision. Welcome to the show.

Kyle 00:58

Thanks for having me guys. I love being here. I love what you do. Thank you.

Lucas 1:01

Yes, yes. And a fellow future leader council friend. Congratulations on that appointment for this year, right?

Kyle 1:07

Thank you. Yeah, first year. First year. So we're doing a lot. I was in bootcamp yesterday, had a great time with that. Nice. Looking forward to the few years ahead of me.

Lucas 1:14

Absolutely. Well, you're actually a well established leader. Not really a future leader. You're definitely an established leader. There's a big history, we were just kind of reminiscing about kind of all of our little origin stories of like cobbling together equipment and meetings and stuff like that. A lot has changed in your world. A lot of our listeners may not have any context to your company and your mission and the things that you're involved in. Can you give our listeners some context of the development of how that all came about?

Kyle 1:41

Yeah, absolutely. So I'm with NIC MAP Vision and we're the combination of Vision LTC and NIC MAP. And it goes back on the NIC MAP days back to 2004 when NIC created the data service and on from my side of the fence, I was on the Vision LTC piece. And we go back to about 2015. So I joined the company in 2017. I was the first full-time employee, two dudes and an intern is kind of what I walked into. And over the years we came to NIC conferences. We built a real estate investment platform, so helping people who wanted to invest or buy or develop or manage properties, communities, portfolios, just make decisions with data. And we had something that stuck. People had NIC MAP, they had the supply, the performance data, but they needed a tool to kind of help them dig a little faster, dig a little further.

Kyle 2:27

So we built that at Vision LTC and after a couple years we got tremendous growth. Like we said, we were talking before the show, Eric and I would come and do demos and we would just sit in the networking lounge here at conference meet with 60, 70 people speed dating and everyone's like, "Wow, I didn't know I need this, but now I see this, I must have it." And over a couple years that keeps going. NIC comes and talks to us and says, "Hey, let's find a way to partner." And they ended up acquiring us and merging us with NIC MAP. And now we're NIC MAP Vision working with over 500 firms across the organization.

We're doing everything from site selection, research, industry trends, healthcare data for healthcare providers, healthcare data for senior housing. And we just launched a listings marketplace. So you can buy or sell a senior housing asset on our platform for no cost to you. So nothing, no cost to the broker, no cost to the buyer, no cost of the seller. You just have to be a subscriber of the platform to see it.

Josh 3:20

Wow. I mean that is a mouthful. And what a success story. You know, congratulations. And you're exactly right Lucas, no way that level of success but Bridge The Gap started here at NIC, right?

Lucas 3:32

That's right.

Josh 3:33

Years ago. And now so thankful to be a media partner and to be able to share your success story. So we're here at NIC the 2023 event in San Diego. What is the popular data and what are you talking about here with developer, owner, operators, the capital markets?

Kyle 3:51

There's three things that immediately come to mind. Active adult is the big one. And I'm sure everyone that's been coming on the show has been bringing that up or talking about that. There's just an excitement about that product that I think hasn't been as widespread since like Independent living came into the scene and I've been in the industry for seven, eight years, so I'm still a new guy relative to a lot of the folks who come to conference. But it's just so apparent that whether you've been in the industry for one year or you see some of the grizzled vets who have been here for 40, 50 years, when they talk about active and and the potential for it, there's just huge smiles on their face. So they're trying to figure out, "Hey, how do I bring this into my portfolio? How do I do this right? And so that's one thing we're working towards. We've got some inventory data that we give to all our customers. We're collecting some performance data so we can help paint that picture, but we'll see where it goes and we'll continue to be a partner for them. The other thing is expenses and labor. Labor is probably the biggest expense that gets talked about, but debt's the other one. And in bootcamp there were so many questions about how do I get deals done? How do I tell the story of the cost of labor? How do I tell the story about the cost of debt so I can make this pencil so I can move forward in deals? And there's huge appetite to still transact, there's still deals being done, it's just, it's only the perfect deals that are getting penciled right now. And so we want to see how can we bring information, how can we bring some clarity to reduce the apprehension around doing a deal or a transaction. So those are the things that I'm hearing and I think we're probably gonna continue to hear about for the next six to 18 months. There was a poll yesterday about when do we think labor costs are gonna go back to normal? Everyone was saying second half of 2024. I'm a little bit of an optimist, so I'm like, fingers crossed for end of this year, let's go.

Lucas 5:40

That'd be amazing. What a huge driver in cost.

Kyle 5:44

Well, a lot of folks, just one more thing on that. A lot of operators have just anecdotally shared like my agency costs are down from the peak. And some of them have said like down by half, small numbers, right? That's like a couple people who I got coffee with just said this and that. But we're seeing at least in

small doses, like a true rebound down and labor's the the biggest part of P&L. So if you can solve that, a margin comes back, everybody gets to be happy little song and dance.

Josh 6:12

Well those are all really, really good points of discussion. We have heard a lot of those mentioned here on the podcast this week. I would love to get a little bit more information on the active adult sector because no matter who we've spoken to here, they've had some spin on the discussion on active adult. Everyone seems to be pretty excited about it. Several years back everybody was talking about it, nobody was really doing it. Now there's people doing it, but it seems like everyone is syncing data on it because it's kind of like, "Oh my gosh, we're a little bit guessing here." How much data is gonna be available to inform decisions and how much data is already available?

Kyle 6:52

So right now we have data on a little over 500 properties across the country. Those 500 properties are representative of about 130 to 140 metros in 40 or so states. So from a geographic footprint, we have something everywhere, but not a lot. From a depth standpoint we know who the major operators are and the inventory of those locations. And so we can tell you like physical plant stuff, like how many units, what's the square footage, campus size, acreage, things of that nature. And because of the definition that NIC put together, we have a very refined cohort. So you know, there's gonna be variability for building to building, but you're not going to see, we're not comparing like an IL to a SNF and calling them all senior housing. You're gonna have a apples to apples comparison in that data set. And then as more things open up, we'll see like, "Hey, should we include this new prototype or not?" Things that are coming down the road would be great and occupancy, those are the big ones. Everybody needs it to underwrite. Everybody's hungry for it. But it takes a little bit of time to collect. So if you're an operator listening and you're in this space, I'll just unhumly ask, please participate, help us help you. Getting data just helps everybody involved. It'll lower your cost to capital, makes your returns better. So there's a lot we can do there.

Josh 8:09

And if I understood you correctly, this is a subscription, right? So you subscribe?

Kyle 8:14

Yes.

Josh 8:14

And is that an annual subscription?

Kyle 8:16

Yes. The product suite that we have is encompassing nine or 10 different solutions. We have a little bit for everybody. So if you're an investor, if you're in growth mode, if you're developing, we have tools for sales and marketing teams, tools for clinical teams, come and talk to us, help us understand your business, help us understand your needs, and then we'll put together a package that works for you. We work with small operators who've got five buildings. We work with the publicly traded reits and kind of everybody in between. So you see us here at conference, we have a big presence. Like don't take that as intimidating that you can't afford us because we have something for everyone and we want to work with you.

Josh 8:53

That's great.

Josh 8:53

Great solution. So one more thing. This might be a little bit of an opinion, I'm not sure, or you may have like hard data to support this on that active adult side. Just from my small bit of conversations with people, it seems like a lot of developers, even within what they're referring to as active adult, there's a lot of flavors within active adult, like a lot of different styles of active adult communities.

Kyle 9:17

Absolutely.

Josh 9:17

And a lot of different services or amenities that they're offering with that. Is that what you guys are consistently seeing or is this a pretty well defined product already?

Kyle 9:28

There was a speaker in the innovation lab yesterday who I think said it best. I'm just gonna quote him. If you think about the traditional senior housing, IL, AL, memory care, it's very vertical. Active adult is very horizontal. It's age restricted housing with a lifestyle component, no commercial kitchen and a few other characteristics tied to it. In that conversation we were hearing from developers, general contractors, operators and investors who have done a couple projects or are actively doing projects now. And the big thing that stood out, every prototype has amenities and the lifestyle focus, but how they approach that is very different. So you might have, I heard ratios being thrown out of like 60 to 40% of like rental capacity to common area, which is much more balanced than traditional seniors or much more balanced than traditional multi-family. And the amenities they're bringing in might be dog parks, might be pickleball courts, might be game rooms, might be just kind of open universal rooms that can get repurposed, whether you're gonna have salon amenities in sight or some type of activity room that you could bring vendors in. But it didn't seem like everyone had this thing.

Josh 10:42

Well, that's it really exciting. And I think getting this information straight from NIC, straight from NIC MAP Vision is a wealth of opportunity. There's so many people that can't get to San Diego and hear these great speakers, Lucas, this is why we're here, man, this is why we started the podcast, to get this data and this information straight to all the listeners ungated.

Lucas 11:02

Totally, totally. As we round out the conversation, how have you seen the level of transparency kind of over this eight year journey that you've been on? I've just heard from other operators and just being on the podcast that all this information is kept so close to the vest, no one knows what the prices are and the rinse and everything is so secretive. What has been your perspective on the change in transparency over the past eight years? And where is it going?

Kyle 11:28

The appetite has certainly grown materially in the last eight years. And I would say part of that is people are opening their eyes to like, if you give a little transparency, the value return you get back is multiplied. And so it's worth pursuing. You might give up a perceived advantage, but what you gained back in operational value and knowledge is immense. And so what I'm noticing is as maybe our generation of industry leaders comes up the ranks and we've been hearing we need more transparency, we need more transparency, and we're seeing new operators come to market, we're seeing new investors come to market, those leaders have been spending a decade hearing this need. And so they're willing to have that conversation. It doesn't mean that everyone's willing to just open the books a hundred percent. We're not there yet. I don't think we'll ever really be there, in terms of everyone giving specific line items or buildings. But I think if we're thinking in the next five years, where are we going? I think there is a tremendous willingness to give data to the neutral party like at NIC, like at NIC MAP Vision for them to aggregate and come back to everyone and say like, "Hey, here's some benchmarks. You've asked for this. Let us help you facilitate it, keep it neutral, keep it friendly, and here's insights everyone can benefit from." And so I've had conversations today with REITs and banks and investors and operators literally cornering me saying, when are you going to create a standard chart of accounts? When are you going to start reporting on these data points? I am willing to make changes to my process, to my business if you can do this for me. It's a need. It's a need. And so that ties back to the transparency piece. So we'll see how it goes. It is more than just an idea now, that's for sure.

Josh 13:14

Great way to kind of round out our conversation. Josh, any final thoughts?

Josh 13:18

That excites me! The transparency conversation, because I think that helps to change the perception even to the consumer. And honestly, I think the trickle down effect of that is consistency and quality. Because the industry, because it is private pay, because much of our industry is state regulated, which is not necessarily a bad thing, but there's so much variability between every state. And so now you've got consumers, the loved one, that may be the decision maker for another loved one in another state, they understand what the care transition environment is in their state, but it's totally different in another state or another market. So I think the more our industry can share and the more consistent that we can make the healthcare continuum for the consumer, the better we're all going to be and the ultimately the better consumer's going to be. And that's what we're all here for.

Lucas 14:10

Overall theme of kind of lumping out all of these steals, the capital markets, the brokers, the real estate - positive, negative or neutral?

Kyle 14:22

Cautiously optimistic.

Lucas 14:23

Okay, that wasn't one of the options.

Josh 14:25

He just created a new category of day point.

Kyle 14:28

So I would say people are - it's hard - because people are hesitant, but they know really good times are right there to be had. 6 million people turn 80 in 2025, that's not far off from the average move in age for assisted living. That's right in the sweet spot for independent living. There's tons of people ready to move into active adult right now. If interest rates weren't pressuring costs so much, even if labor was still where it is. But if interest rates weren't tightening the debt market, we would be hearing about insane amounts of construction because people would be chasing down the demographic trend that's right there to be had. Everyone's optimistic about that. And then they're just like, "Man, how do I pencil a deal? How do I make this work?" So I will stand with my made up category.

Lucas 15:18

We'll give it to you. We'll give it to you. Well, what a great show. What a great conversation. Kyle, really appreciate you taking time. Very busy schedule. How many meetings did y'all have?

Kyle 15:28

Across the team we bring the whole group in close to a hundred.

Lucas 15:31

Oh, that's it. Just a hundred. Okay.

Kyle 15:32

No big deal.

Lucas 15:34

Think of all the wealth of knowledge of those hundred conversations and then the other hundreds of conversations that are here in San Diego. And we appreciate you lending your knowledge and expertise for something so many people pay a lot of money to get. So our audience appreciates that. If we want to connect with Kyle and NIC MAP Vision, you can check the show notes right there. You got a link, go to btgvoice.com. You can download this episode and many more. Check out Kyle on LinkedIn. I'm sure he'd be happy to connect with you there. And thanks for listening to another great episode of Bridge The Gap.

16:05

Thanks for listening to Bridge The Gap podcast with Josh and Lucas. Connect with the BTG network team and use your voice to influence the industry by connecting with us at btgvoice.com.