

CLARION CALLS:

Senior housing positioned for long-term growth

March 2026

The long-anticipated “Silver Tsunami” makes landfall

What you need to know

- ✓ The U.S. population is aging rapidly due to the very large Baby Boomer cohort, combined with increased life expectancies
- ✓ A substantial rise in healthcare spending has led to innovations in medicine and care
- ✓ These favorable macro trends, combined with continued post-pandemic recovery, support expectations for the sector’s continued outperformance

Demand Drivers

Healthy and wealthy senior demographic

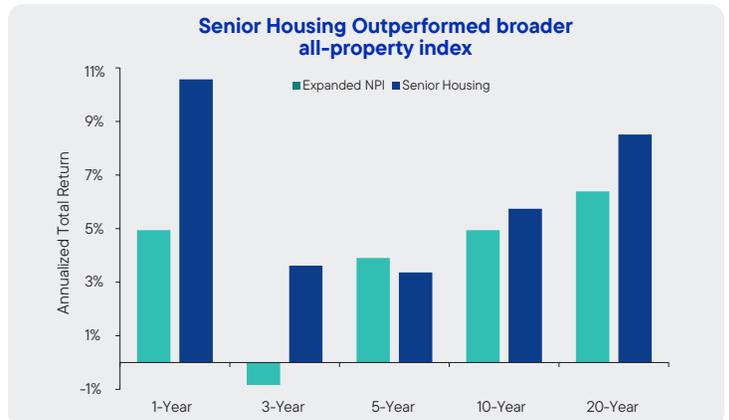
- The 80+ population is expected to nearly double by 2040.
- Household wealth for those 70+ YO accounts for roughly one-third of household wealth nationally.¹

Increased healthcare spending has led to innovation

- Elevated public and private funding, as well as continued growth in R&D spending, have led to breakthroughs in medical technology.
- These advancements have improved health outcomes and should contribute to a continued rise in average life expectancy.

Pent-up demand has led to firmer market conditions

- Older adults, who may have delayed the transition to senior living facilities because of COVID, are now moving.
- The rise in operational costs from upward pressure on wages and the limited post-pandemic healthcare labor pool has begun to subside.



Supply Dynamics

Muted near-term new supply

- Inventory growth is at its lowest in more than a decade due to elevated construction costs and limited development capital.
- New deliveries are projected to fall well short of demand, which should contribute to a continued improvement in senior housing market fundamentals.²

High barriers to entry for new construction benefits existing building owners

- There is a scarcity of available land that is both zoned appropriately and located within strong micro markets.
- Since these assets are operationally heavy, they require experienced developers and operators to manage effectively.

Scale and age are critical to operational efficiency

- Continuum-of-care campuses allow for aging in place and provide greater value for prospective residents.
- Clarion believes purpose-built products less than 20 years old will be best positioned to outperform.

¹ Federal Reserve, Distributional Financial Accounts - Distribution of Household Wealth in the U.S. since 1989, as of 2Q 2025.

² NIC MAP, Construction Monitor (Primary & Secondary markets), as of 3Q 2025.

Source: NCREIF - Expanded NPI, Clarion Partners Global Research, as of 4Q 2025.

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