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## Sunrise Senior Living Investors Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, Mr. Klaassen. (Operator Instructions). We will go to Doug Rothschild of [Garden]. Please go ahead, sir.

#### Doug Rothschild

Hi, guys. I don't know it became the first question but -- the occupancy for the joint ventures, you mentioned eight facilities that had specific problems. Can you expand a little bit on what the problems are and were and how you intend on fixing them?

#### Tiffany Tomasso

Okay. Hi, it's Tiffany. I would say some are market specific, but obviously given the labor intensive nature of what we do, there is always a people component to it as well. So, it could be turnover in our Executive Director Positions or [GCRs], but we're focused on it, we're watching it and expect to see that that will improve in those communities over the course of this year.

#### Doug Rothschild

Okay, great. Thanks.

#### Operator

(Operator Instructions). We will go to Derrick Dagnan of Avondale Partners. Please go ahead, sir.

#### Derrick Dagnan - Avondale Partners

Good afternoon. Some of your peers have talked about general economic weakness hitting the business and causing a higher level of move outs, and in your prepared remarks you mentioned that you feel good about the housing market, but could you talk a little bit to maybe just general economic weakness, things like job losses or maybe seniors who look at their portfolios and watch their investment balances dwindle or things like that? Is that having an impact at all, do you think, on move out rates?

#### Tiffany Tomasso

Well, just to clarify what I said specifically was -- we are asked regularly if we are seeing an impact of the housing market on our occupancy. I can't say definitively that we are or we aren't. The trends

would not indicate that, so we are still seeing good leads year over year. We are still seeing good closing ratios year over year. Primarily our business is need driven. The bulk of our units are assisted living, memory care versus independent living and we didn't see a big decline in that portfolio. We continue to see good rate growth. We did see a spiking move out primarily attributable to Jeff, I think there is this typical seasonality that we experienced.

**Paul Klaassen**

Derrick, your question was very specifically but also with early move outs related to the economy, and I cannot, I've not heard anecdotally much less in any other evidence that we are having move outs because of the economy. I also have been around here long enough to remember the last recession and I can't remember then seeing any of that. So whether or not it's making people cautious, we'll see that 30 basis points in the past year reduction while we have achieved good revenue and ADR growth, I think, and we are monitoring it very closely. But at this stage I would be more concerned if I were not seeing good pricing power because we are seeing good revenue growth. We are monitoring it. We have indicated earlier one of our portfolios we saw an increase in our consolidated portfolio that did see a decrease in our same community and that was somewhat isolated to a group of properties. And we are seeing a little bit more down, a little bit more evidence of softness in Florida, for example. That might be housing related.

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