

Property Types Seniors Housing

Seniors Housing Isn't About the Real Estate: An Interview with Lisa Brush

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In her more than 15 years in the seniors housing sector, Lisa Brush has gained experience at the large and small ends of the industry, with the privately owned and the publicly traded sides, and with properties across the United States and her native Canada. Now, Brush she has left Ventas Inc., where she was senior vice president of seniors housing operations and development, and is starting her own firm, Symphony Senior Living. In an exclusive interview with *CPN*, she explains, among other things, why real estate people often seriously misunderstand senior housing.



In 1992, fresh out of an MBA program, Brush (pictured) became head of operations at Steeves & Rozema, a smallish, privately held company based in Sarnia, Ontario, where Brush has lived for years. The company's assets were roughly half seniors housing and half multi-family, she says, with some office and retail in addition. After five years, Brush moved into the CEO's office, where she stayed for seven years while expanding S&R significantly, especially in the area of skilled nursing facilities. She also enjoyed a wide range of responsibilities, from arranging financing, to negotiating with labor unions, to helping choose which type of vacuum cleaner to buy.

In 2004, Brush moved over to industry powerhouse Sunrise Senior Living Inc. as area vice president for the Chicago region, where she oversaw about 20 properties. "I really wanted to join Sunrise," she says. "I really believed in their mission." Within six months, she was made vice president of operations-West Coast and put in charge of about 60 properties in California and Washington, though as before, she continued to live in Sarnia. "I'm one of those extreme commuters," she says with a laugh.

About 18 months later, in January 2006, Brush became the executive vice president & COO of Sunrise Senior Living REIT, which was initially sponsored by Sunrise Senior Living Inc., but was otherwise a separate entity. In April 2007, Ventas Inc. acquired the REIT, and just last week Brush left Ventas to pursue her own vision of senior care.

Her strategy for Symphony, Brush told *CPN*, is to acquire North American seniors housing operators and/or assets that are facing major operating challenges, though her company will also have a development arm. And the acquisitions she'll be focusing on, she said, won't be too small; she's looking for a threshold of about 30 properties.

The care levels will focus on assisted living and Alzheimer's/dementia care, but not necessarily skilled nursing care. Brush estimates that the credit crunch has hit independent-living and continuity-of-care communities hardest, but that the more need-driven side of the business, assisted living and dementia care, is much less affected.

One of her guiding principles in moving forward, Brush explained, is that the people on the operating side of the business make up about 75 percent of a seniors housing company's value, and the real estate itself makes up only the remaining 25 percent. "It really is about the operating model," she emphasized, "more than having a pretty building in the right market," something that investors coming from a real estate background very often don't appreciate, she said.

Sunrise had difficulty assimilating Marriott's senior housing business, Brush said, in part because Sunrise has just one operating model, though that isn't really a criticism. Many companies in the industry, in her judgment, don't really have an operating model at all.

It's a matter of leadership from the top, Brush said. "Field people in this industry work best if you give them an operating model," yet it's common to just hire an experienced field manager from another company and expect him or her to jump in, start running things and be a success.

The core of Symphony's strategy will be three distinct operating models, as yet unnamed: one for very affluent, densely populated markets; one for mid-market urban communities serving a mix of white- and blue-collar residents; and one for rural markets. Each will have appropriate pricing, staffing and amenities. "In a rural market," Brush explained, "I want to make sure they have the best meatloaf and the best lemon meringue pie."

Although varying state and provincial regulations will govern the exact scope of care at Symphony's properties, Brush wants to create as large a tent as possible. Noting that research has shown that elderly people who have to move often deteriorate rapidly afterward, she said, "People should be able to age in place ... People should be able to live and die with you."

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