



Source: Cureus GmbH

Client:
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Preliminary Note

>> Client and Task at Hand

Cureus GmbH is one of Germany's leading specialists for system care homes who develops and manages its own portfolio. To assess the status quo and the prospects of the German market for care homes, Cureus GmbH commissioned bulwiengesa AG to compile a market survey.

>> Survey Contents

The purpose of the market analysis is to take a differentiated look at the segment-specific demographics and the demographic outlook for Germany as a whole. In addition, it will profile the supply and demand situation specifically on the care home market, and assess its actual needs. A good way to derive the unique selling propositions of Cureus GmbH is to compare the company with property asset holders and fund companies holding of inpatient care places. The examination of the metrics and unique selling point of Cureus are verified through a number of expert interviews. The survey concludes by using the basis of in-house criteria and market variables to derive the orientation and validation of the market position of Cureus as property asset holder.

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The survey examines the **need for care home development in Germany**

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 - Cureus GmbH
 - Dehne, Kruse Brandschutzingenieure GmbH
 - Department for Business, Building and Public Order of the City of Schwerin
 - Ingenieurbüro Blank
 - MBN GmbH
 - plan- & bauwerk GmbH
 - WH Care Holding GmbH

Results and conclusions base on the experience and knowledge of bulwiengesa AG with broad competence in research and consulting services for German and European property market issues. The economic effects of the corona pandemic are fully taken into account in the present analysis by means of current research and economically based models, as is currently feasible. However, possible effects of the pandemic beyond this, which may still arise in the future, are not dealt with.

Management Summary

>> Key Survey Findings

- The market for care home real estate is currently characterised by auspicious parameters with respect to the construction and operation of inpatient care facilities, specifically by strong present and future demand, supply shortages and growing need.
- But the creation of new care places, given the current volume and pace of construction, will be unable to stay abreast of growing demand. In addition, the severe fragmentation of the market and the differences in legal requirements across Germany hampers new-build construction activities as well.
- New and creative solutions are therefore called for in order to match the country's ageing society with adequate care capacities by 2040.
- Standardisation and scalability the way they are implemented in the processes and products of Cureus GmbH when developing care places therefore offer a suitable and competitive approach in the effort to avert a looming supply gap.

>> Rationale and Derivation of Key Findings

Demographic Framework

- Between 2011 and 2040, the number of seniors (65+) will grow by 6 %
- The very old (85+) will claim a share in 2040 that is 4 % higher than it was in 2011, implying an absolute increase by around 1.87 million persons (+97 %)

- The share of the age cohorts of the very old in need of constant care will rise to 16 % by 2040

Demand versus Supply

- Out of Germany's 16 states, 10 already show above-average nursing care ratios (as of 2019), subject to an upward trend.
- Of currently 4,1 million care-dependants, 20 % receive full inpatient care
- At the same time, 80 % of all care dependants are over 65 years old, 34 % older than 85, while 93 % of all in-patient care dependants are aged 65+ and as many as 50 % are older than 85 years (2019)
- The number of care dependants is projected to rise to 5.59 million persons by 2040, of which 1.39 million will require inpatient care
- Derivation of the growing future need for care and assistance of German care levels 3 to 5 in institutional care facilities
- Compared to the status quo, the share of inpatient care will increase in proportion to the decrease in informal domestic care
- The high occupancy rate of available inpatient care places, currently at 92.3 % (permanent inpatient care: 90.6 %), already reflects a short supply situation (2019)
- Out of the total of dependants requiring assistance, 81.1 % receive inpatient care (2019), while 39 % of the care dependants in inpatient facilities receive benefits out of the long-term care allowance



The fast increase in seniors aged 85+ between now and 2040 implies the need to upgrade and expand the care home stock



The age of existing properties necessitates additional new-build replacements

- Legal regulations (16 different state-level minimum building standards and long-term care laws) hamper the build-up of care places (e. g. the prescribed single-room ratio) through elevated planning and cost requirements
- The refurbishment backlog and modernisation needs in the care home stock (29 % of the care homes are more than 40 years old) were already significant in 2020
- The average year in which care homes (of the top 10 operators) were completed is 1994, while the most recent modernisations date back to the mid-1990s

Demand forecasts for inpatient care

Additional demographics-driven demand for fully inpatient care places before 2040:

- Variant 1: about 511,800 places (about 6,400 care homes)
- Variant 2: about 372,000 places (about 4,650 care homes)
- Variant 3: about 232,000 places (about 2,900 care homes)
- From a surveyor's point of view, variant 2 represents a market situation in line with demand
- Driven by demographics and modernisation needs, demand could be as high as 472,000 care places between now and 2040 when including the need to replace those units that are rendered obsolete by revisions of state care home legislation or by the need to modernise
- Current demand planning is not covered by today's building activity

Development Activities of Cureus and Selected Other Care Home Real Estate Market Operators with an Asset Ownership Model

- Based on a property development universe of around 35,500 care places between 2018 through Q2 2021, Cureus GmbH is part of the lead group with more than 7,000 care places and a projected market share of about 20 %
- The analysis of selected property asset holder illustrates the low level of transparency among the data sources and the fragmented state of Germany's care home real estate market
- The market operators analysed own a combined total of about 8 % of Germany's in-patient care capacities

Unique Selling Proposition of Cureus

- The USP of Cureus GmbH is the standardisation, optimisation and scalability of the company's business model
- From a market perspective, the system care home of Cureus presents itself as a standardised, administratively lean and operator-friendly product
- Cureus develops and manages its proprietary portfolio as property asset holder
- Cureus brings a high level of expertise and competitive advantages to the German care home real estate market



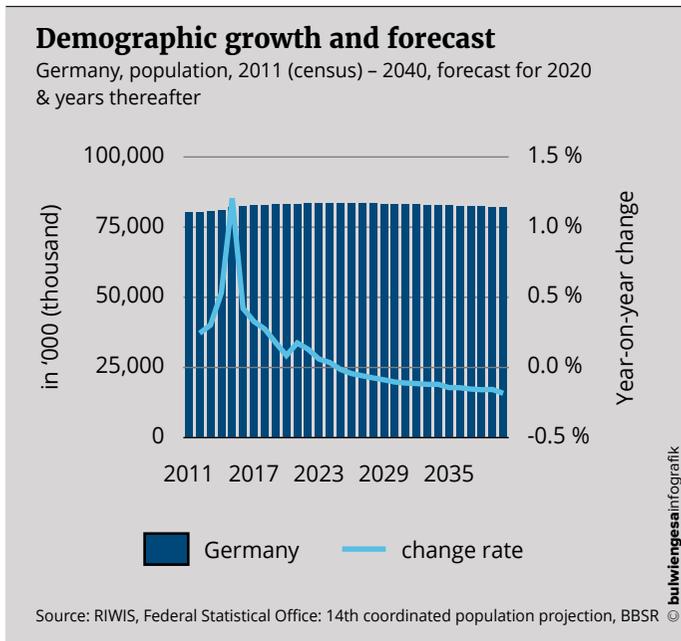
For demographic reasons, another 232,000 to 511,800 care home places will be needed before 2040



Cureus boasts competitive advantages on the care home real estate market

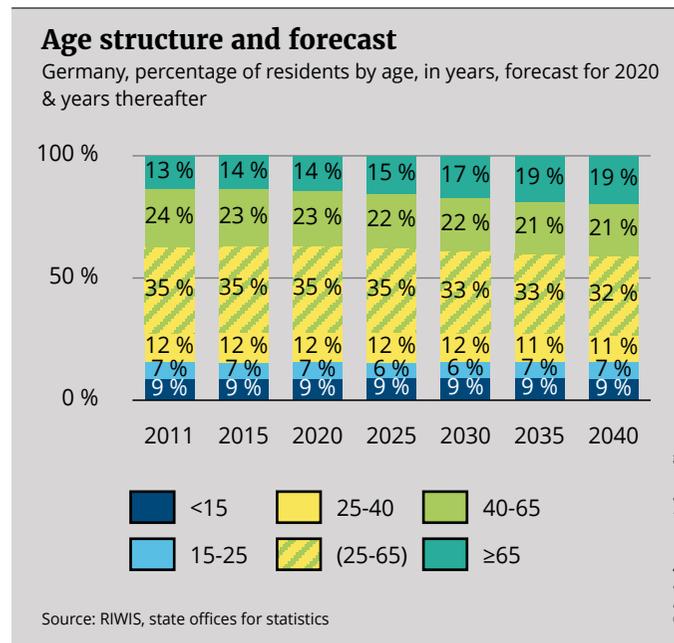
Demand Analysis

>> Socio-Demographic Parameters



By 2025, the demographic change will begin to have a serious impact on Germany's population growth. The population total will decline from about 83.6 million residents in 2025 to around 82.1 million (-1.8 %) by 2040. When looking at the period view of 2020 through 2060, the trend becomes dramatic. Population losses of -6.2 % will reduce the number of people living in Germany to around 78.1 million. The popula-

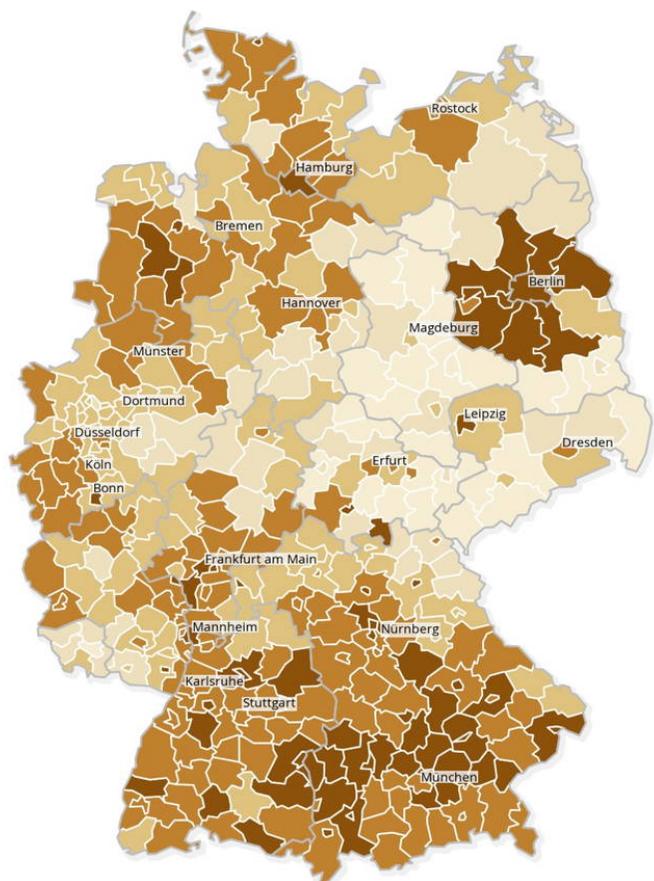
tion will contract much faster in East Germany (-18.6 %) than in West Germany (-4.0 %) between 2020 and 2040.



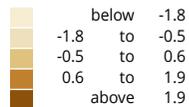
The generation aged 65+ keeps gaining in significance, quantitatively speaking. By 2040, nearly one in five German residents will belong in this age cohort. The fact that the age cohort 65+ increased from around 16.6 million in 2011 to around 18.3 million seniors in 2020 illustrates the trend. By 2040, the total is expected to have gone up by another 3.3 million up to around 21.6 million. This means that the share

Population loss of
-1.8%
by 2040 and

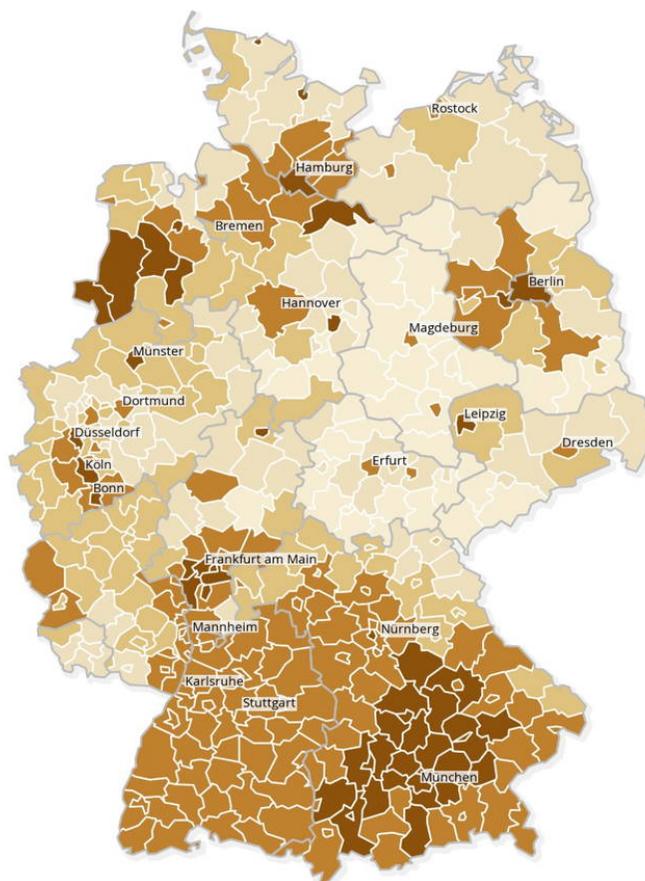
increase in the number
of seniors by
+6.0%
between 2011 and 2040



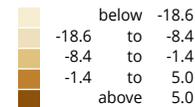
Demographic growth
Change 2016-2019, in %



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Population forecast 2040
Change 2019-2040, in %

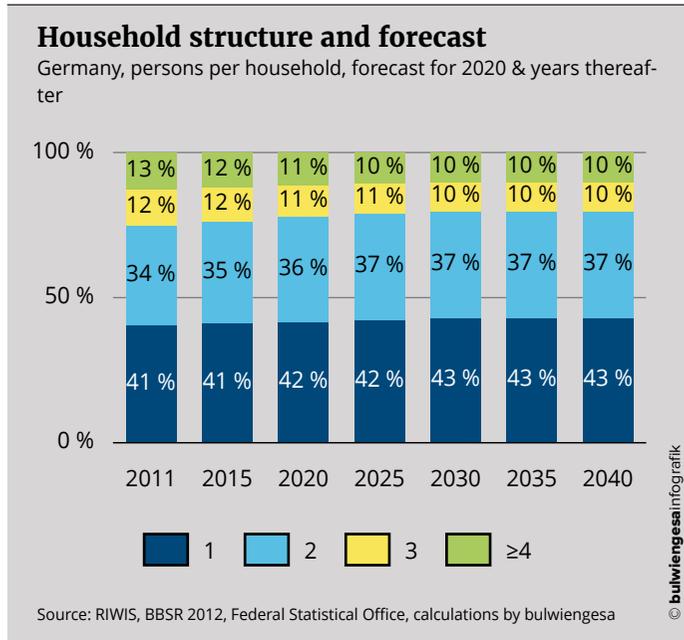


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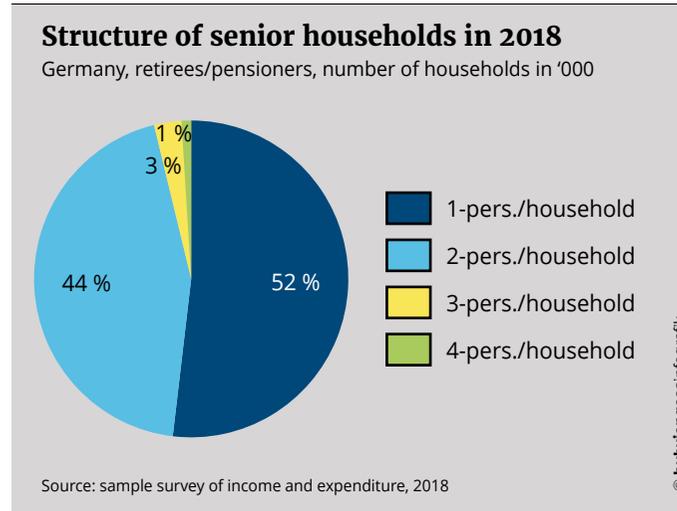
**Nationwide
population
decline** by
2040, except in
structurally
grown economic
areas

of Germany's residents aged 65 and over will have increased by +6.0 % since 2011. The incisive structural changes will seriously challenge the distribution of the caregiving burden, especially as the baby boomer generation enters retirement age.



In addition to shrinking and ageing, Germany is becoming a nation of singles. While German households averaged 2.01 persons as recently as the year 2011, that household average was down to 1.95 by 2020. It is expected to reach a ratio of

1.88 persons per household by 2040. Given the singularisation of society, the growing life expectancy and the increasing proportion of senior households, it is safe to say that demand for age-appropriate housing will rise sharply, particularly the need for care home real estate.



The majority of the 65+ generation (52 %) lived in single-person households in 2018. The next most prominent living arrangement at 44 % are couples, meaning two persons sharing a household either with a spouse or civil partner. Only a minor percentage of 4 % lived together with acquaintances or relatives in a multi-person household. Compared to the 2013 sample survey of income and expenditure, household structures have remained virtually unchanged (two-person house-

43%

of all German households will be single-person by 2040

Average of **1.88**

persons per household by 2040

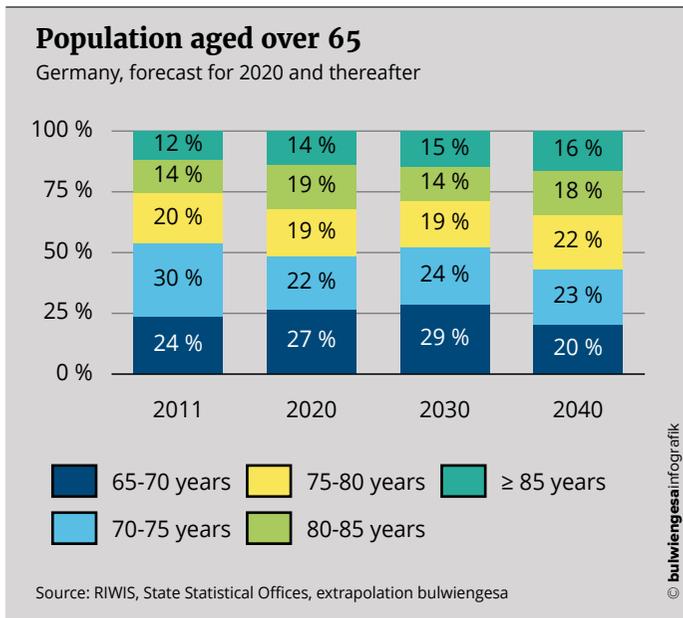
Single-person household share among the 65+ age cohort at

52%

in 2018

holds: 45 %). Not included in the survey are seniors living in shared accommodations, such as care homes.

increased need for care and assistance among the very elderly in this context.



The senior age cohorts will increase significantly between now and 2040, especially among the high and very high age strata. Projections suggest that the age group of 75- to 80-year-olds in particular will make up a 22 % share of all seniors. During the same time slot, the group of 80- to 85-year-olds are projected to claim a share of 18 % among the total number of seniors. Nearly one in six seniors will belong in the highest age category of 85 years and older. It is safe to infer an

>> Ratios among Dependants

Nursing care ratio, by age and state

	Total 75-85 yrs.*	85-90 yrs.	≥90 yrs.	
Germany	4.96 %	40.10 %	49.44 %	76.33 %
1 Schleswig Holstein	4.45 %	32.39 %	41.43 %	69.04 %
2 Hamburg	4.19 %	36.99 %	43.34 %	68.39 %
3 Lower Saxony	5.62 %	45.49 %	55.49 %	82.83 %
4 Bremen	5.08 %	41.35 %	48.42 %	71.97 %
5 North Rhine-Westphalia	5.38 %	44.81 %	52.09 %	78.06 %
6 Hesse	4.94 %	42.48 %	51.45 %	80.31 %
7 Rhineland-Palatinate	5.59 %	46.87 %	58.34 %	88.28 %
8 Baden-Wuerttemberg	4.25 %	35.49 %	36.05 %	73.63 %
9 Bavaria	3.69 %	31.38 %	42.60 %	75.25 %
10 Saarland	5.61 %	42.63 %	50.33 %	76.00 %
11 Berlin	4.32 %	37.87 %	44.16 %	70.55 %
12 Brandenburg	6.11 %	44.26 %	54.30 %	82.01 %
13 Mecklenburg-West Pom.	6.40 %	46.16 %	57.08 %	84.88 %
14 Saxony	5.75 %	40.45 %	51.83 %	82.44 %
15 Saxony-Anhalt	5.91 %	39.80 %	49.77 %	79.67 %
16 Thuringia	3.03 %	12.35 %	32.58 %	56.00 %

Source: care statistics 2019 of the Federal Statistical Office; evaluation by bulwiengesa (using general nursing care ratio, not incl. in-patient)
* Nursing care ratio 75-80 and 80-85 added; red shading: relatively high level

1 in 6

seniors aged 65+ will belong among the very elderly of age 85+ by 2040

10 out of 16

German states reported above-average nursing care ratios in 2019

The nursing care ratio signifies the share of dependants among a given segment of the population. Out of the total of 16 states, ten already report a nursing care ratio that exceed Germany's nationwide average. Compared to the nursing care ratios of 2017, ratios in the western German states had increased by 2019, and the fact is reflected in the nursing care ratio for Germany as a whole (4.96 %, up from 4.1 % in 2017).

A breakdown of all nursing care ratio by age and federal state reveals that the share of care-dependent persons increases rapidly with advancing age. As it is, 50 % of the seniors residing in inpatient care facilities are already 85 years and older, getting permanent professional care due to their need for extremely intensive nursing care. In fact, every other person between the ages of 85 and 90 is care-dependent, while the nursing care ratio above the age of 90 averages around 76 %. Worth noting is that 10 of all 16 German states show above-average nursing care ratios, which implies both an already high share of seniors in those states and a continued rise in nursing care ratios in the years ahead. In 2019, no less than 11,300 out of the total of 15,400 care homes already provided permanent inpatient care. This means that 90 % of all care places require permanent care. The remaining homes offered short-term, daytime and/or night-time care.

From the already high and yet rising nursing care ratios among the elderly, it is reasonable to derive a fast-growing demand for eldercare and accommodation in institutional care facilities for the coming years.

76%

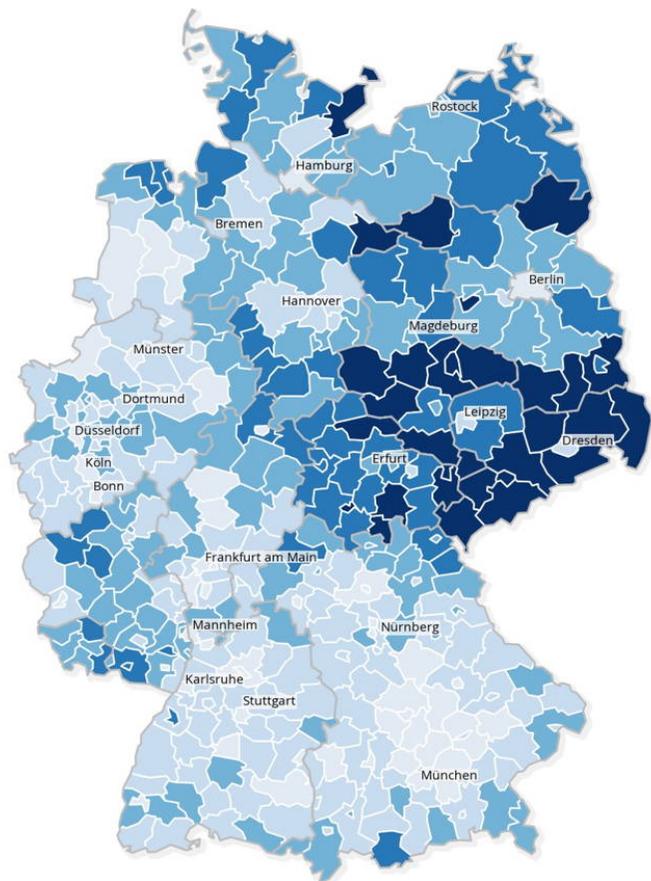
of **German seniors over 90** were **care-dependent** in 2019

50%

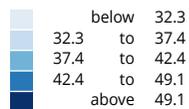
of the **dependants cared for at inpatient facilities** were **85 years or older** in 2019

90%

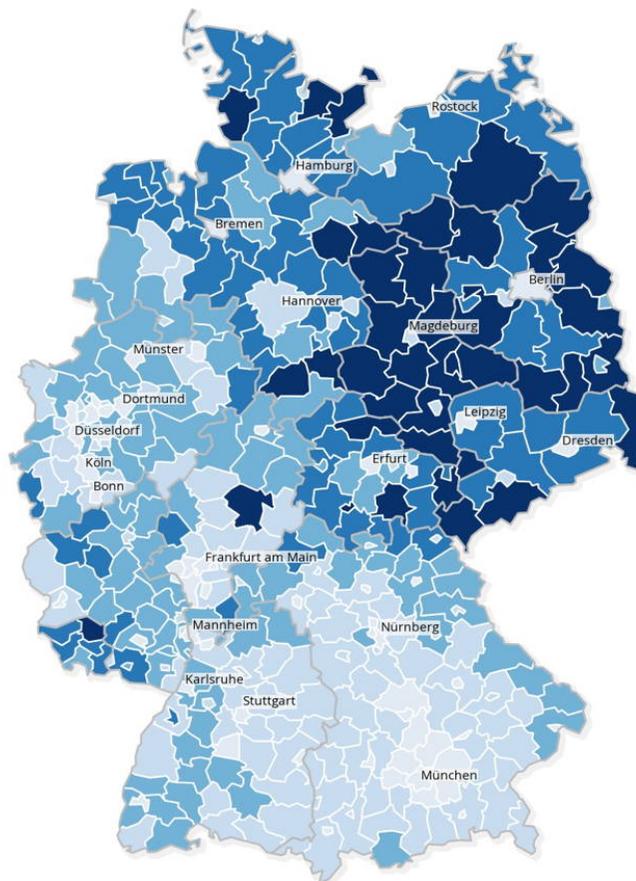
of **all care homes offered permanent inpatient care** in 2019



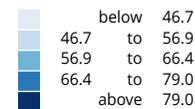
Residents aged 65+ relative to those aged 20-64
2019, in %



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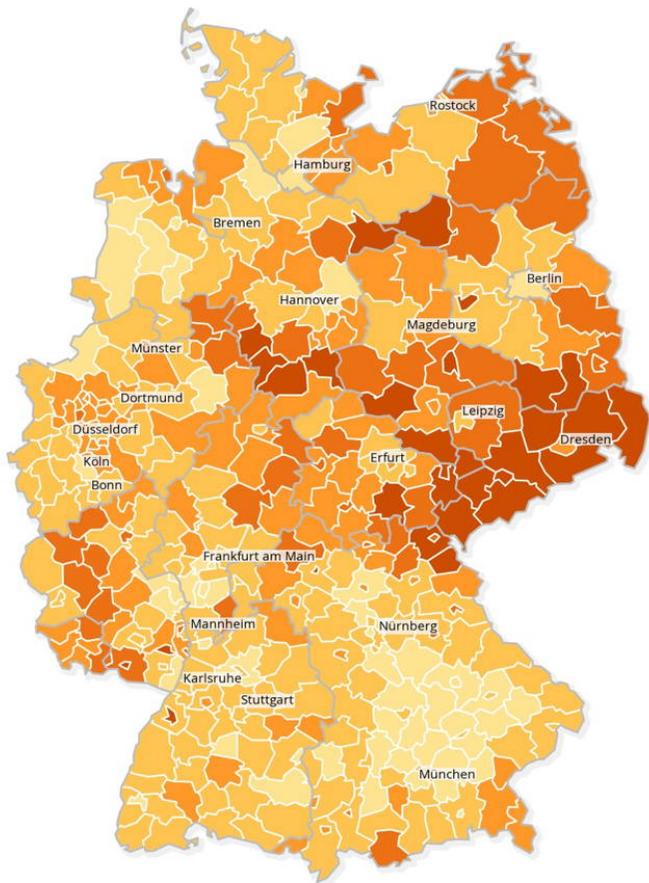
Predicted ratio of residents aged 65+ to those aged
20-64
2040, in %



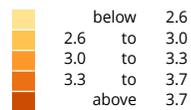
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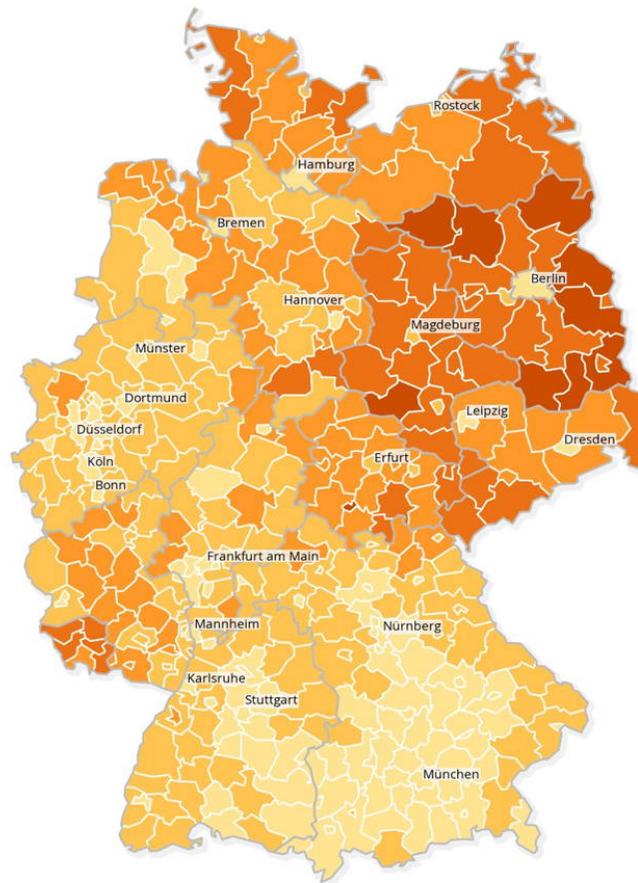
The geriatrication effects will be concentrated mainly in eastern German states between now and 2040



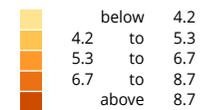
The very elderly (85+)
Share of the population in 2019, in %



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Forecast of the very elderly (85+)
Share of the population in 2040, in %



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Germany's population is ageing due to the **soaring number of the very elderly**

>> Definition of Care-Dependency

In Germany, the term “care dependants” (“Pflegebedürftige”) signifies registered persons who receive certain services pursuant to Book XI of the Social Security Code (SGB XI).¹ The assessment of dependency and the subsequent assignment to a care level (1 through 5) is done by the long-term care insurance funds or via a private insurance company, as the case may be.² Persons who are care-dependent within the meaning of Book XI of the Social Security Code whenever a health-related impairment necessitates assistance by others. The concept of dependency in this context is based on physical, mental, cognitive or health-related limitations that compromise the ability of a given person to take care of his or her day-to-day affairs. A person is recognised as care-dependent whenever the impairment is expected to persist for at least six months and manifests a pre-defined severity.

>> Inpatient Care: Care Provided in Nursing Homes

Persons in need of long-term care are assigned either to fully inpatient or to partial inpatient care. Fully inpatient care includes the long- and short-term care options, whereas partial inpatient care includes the daytime and night-time care options. Short-term care is provided via a fixed supply of care places or more widely distributed places. In interspersed

¹ The eleventh book of the German Social Security Code (SGB XI) specifies the benefits (services, benefits in kind, and cash benefits, e. g. for nursing care measures) provided by the long-term care insurance. Plan sponsors of the social long-term care insurance are the long-term care insurance funds.

² Insured persons with a care grade (assessed care dependency, rated in one of five levels that reflect the degree to which a person's autonomy and capabilities are impaired) receive allowances from their long-term care insurance fund in the form of cash payments or benefits in kind.

short-term care, dependants are flexibly assigned permanent inpatient care places for short periods of time. Worth noting is that dependants who are transferred to a care facility directly after a hospital stay, and who have not yet been assigned a care grade will statistically be grouped with long-term care dependants permanently living in a care home.

>> Key Facts of the 2019 Care Statistics

As of December 2019, the number of dependants totalled 4.1 million, which implies an increase by another 820,000 dependants (+20.9 %) since 2017.³ Out of this total, 80 % of the dependants were cared for in their private homes. Of these, in turn, 64 % were cared for by next of kin while 30 % received partial or full outpatient care from home care services (+18.4 % since 2017). Another 210,000 dependants of care level 1 were cared for at home without any help from ambulatory care services (relief contribution up to 125 euros that the respective long-term care insurance fund reimburses to the service recipient or directly settles with the service provider). About 20 % of the dependants were cared for in fully inpatient care facilities in 2019. The breakdown of care grades strongly gravitates toward dependants of grades 3 to 5, which account for 79 % of the total. Although the number of dependants has remained stable since 2017, the years ahead will see demand for inpatient care develop in sync with an ageing society and its multimorbidity issue. Out of the total number of care dependants, no less than 80 % were 65 years or older, an actually 34 % being 85 years or older.

³ The effects of the dependency term definition dated 01/01/2017 need to be factored in.

The number of care dependants increased by

20.9%

(+820.000) between 2017 and 2019*

80%

of the care dependants are 65 or older

79%

of the care dependants are rated as care grades 3 to 5

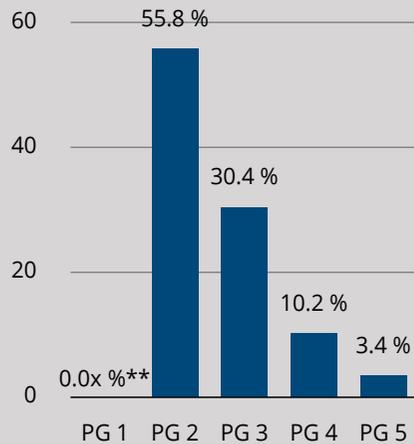
* The effects of the dependency term definition need to be factored in.

>> Breakdown of Dependants by Outpatient and Inpatient Care

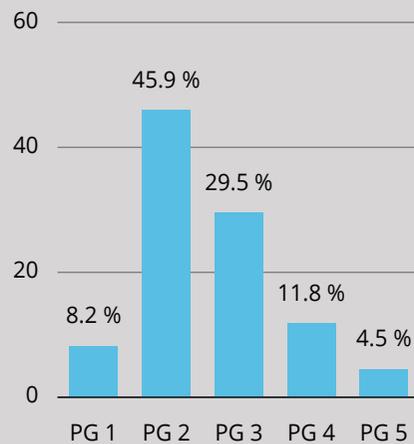
4.1 million dependants overall

cared for at home:
3.31 million (80 %) by ...

family members:
2.12 million dependants*



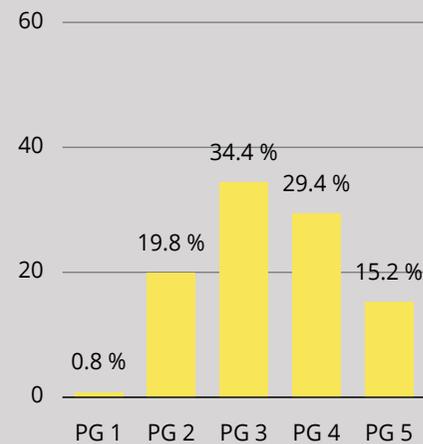
care services:
983,000 dependants



14,700 care services employing 421,600 staff (69 % part time, 41 % aged over 50)

fully cared for in care homes:
818,000 (20 %)

total inpatient care:
818,000 dependants



15,400 care services employing 796,500 staff (66 % part time, 43 % aged over 50)

Source: 2019 care statistics, Federal Statistical Office

* Identical to the recipients exclusively of a long-term care allowance pursuant to the Long-Term Care Insurance Act (PVG SGB XI).

** Figures below 0.5 %

Inpatient Care

1 in 5 care dependants receives inpatient care in Germany.

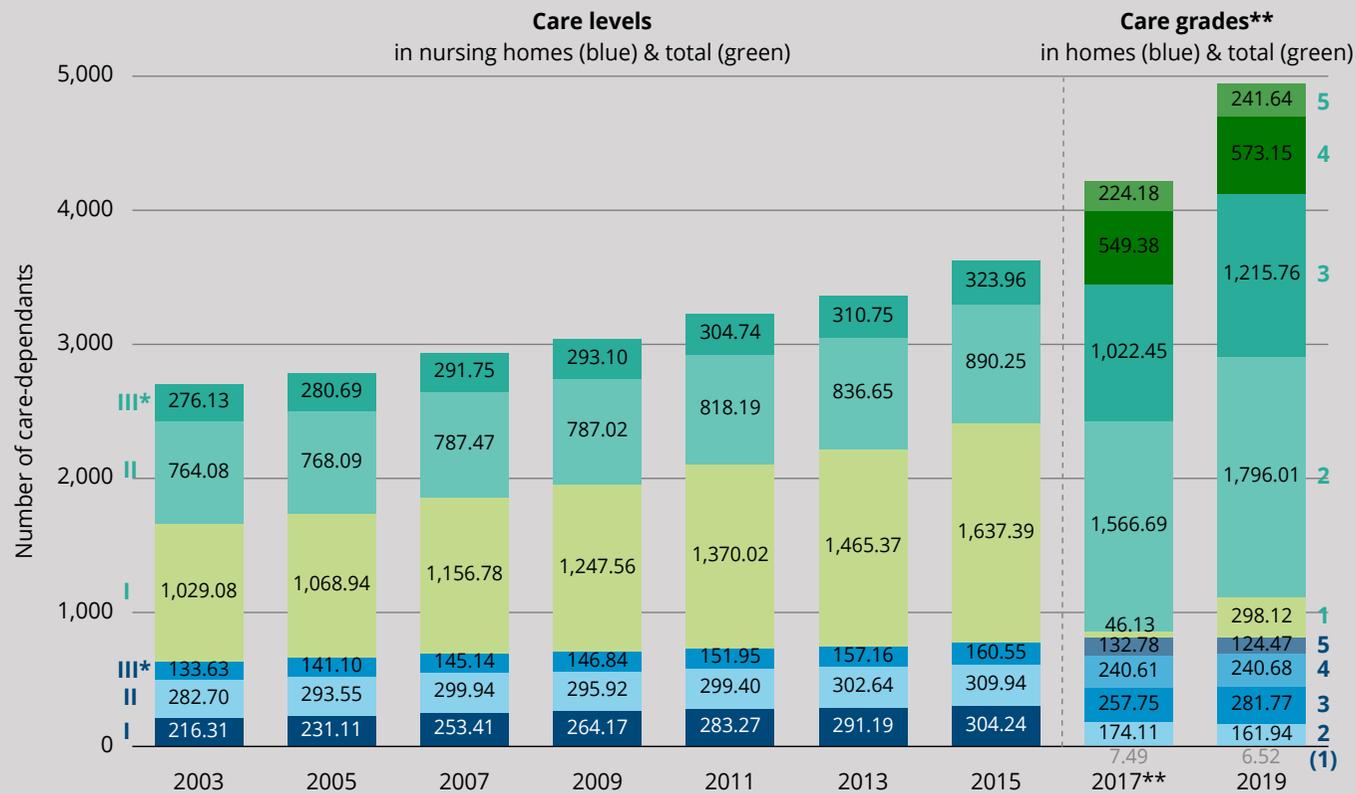
Care by family members will decline in the longer term

Although people prefer to be cared for at home by family members, **the option will be compromised by the declining availability of children and spouses as caregivers.**

The shifting care-giving potential and the trend toward singularisation will cause the number of dependants requiring inpatient care to remain stable or increase.

Care dependency by care levels and care grades

Germany, 2003-2019, in '000



Source: Care statistics 2003 through 2019 of the Federal Statistical Office; RIWIS, bulwiengesa

* Hardship cases included

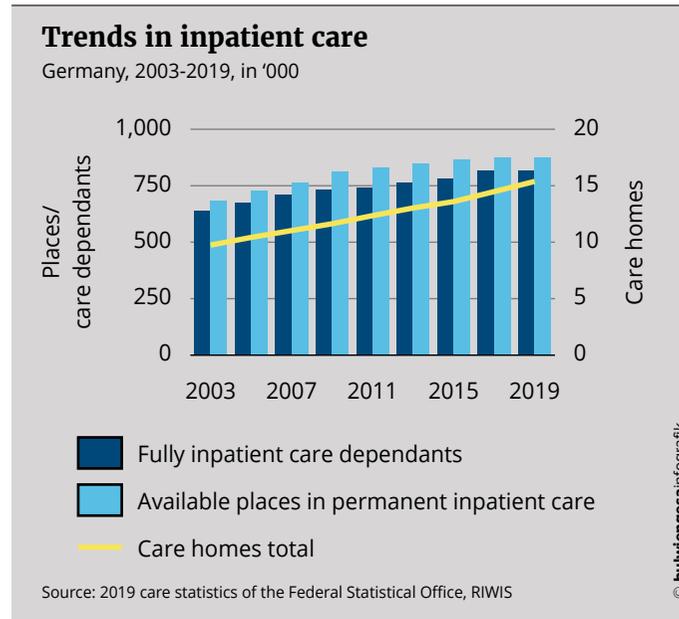
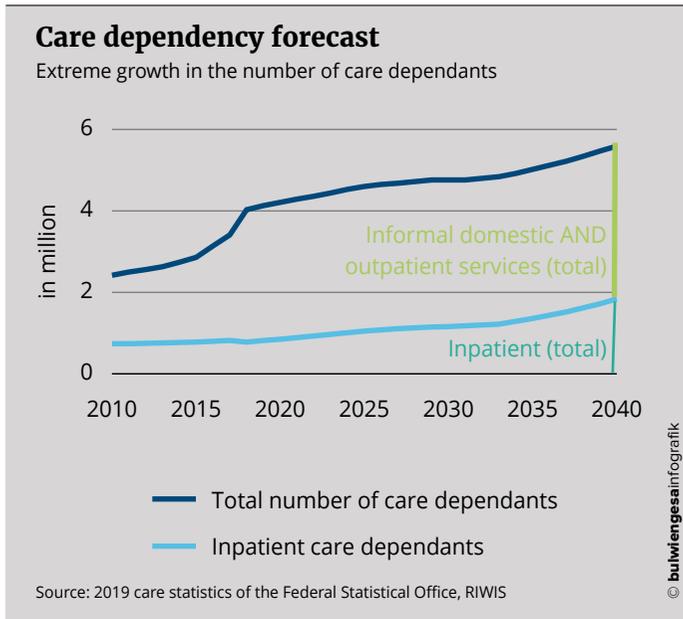
** Within the framework of the new Long-Term Care Strengthening Act (PSG) of 2017, the definition of care grade 1 through 5 was adjusted with respect to the need of long-term care.

Shifting weights of care grades:

Between **2003 and 2019**, the **number of care dependants increased rapidly**.* The care grades initiated since the long-term care insurance reform reveal that **the weight of the individual care grades has shifted for demographic reasons** between 2017 and 2019: **Decrease in the number of care dependants in the care grades PG 1 (-12.9 %), PG 2 (-7.0 %) and PG 5 (-6.3 %).** **Increase in the number of care dependants in the care grades PG 3 (+9.3 %) and PG 4 (+0.0x %).**** The **trend toward increased dependency will continue to shift the centre of gravity toward care levels 3 to 5.**

* Here, the effects of the statutory re-definition of care dependency need to be factored in.

** Figures below 0.5 %



40%

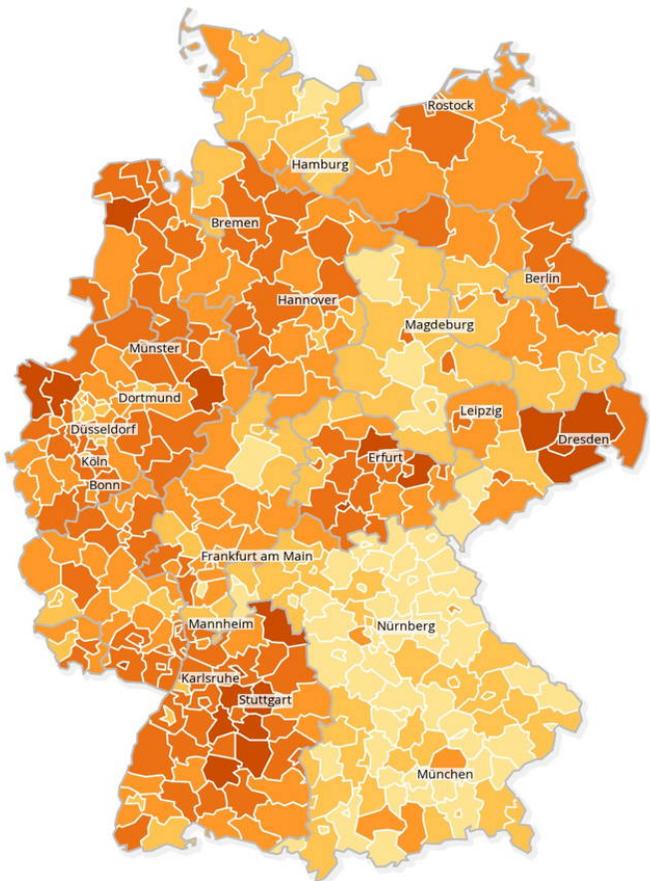
increase in the number of dependants between 2019 and 2040

92.3%

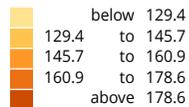
occupancy rate in permanent inpatient care facilities in 2019

By 2040, the number of dependants is predicted to have grown to 5.59 million persons. In this context, the institutionalisation rate could follow a moderate projection in sync with the pro-rata increase in inpatient care dependants. However, the future demand for inpatient nursing care places is subject to different scenarios that call for closer analysis. Until 2040, informal family caregivers and outpatient services will have to handle the care of 4.2 million care dependants (delta). The share of domestic care will shift in favour of outpatient services because the generation of family caregivers will contract rapidly for demographic reasons.

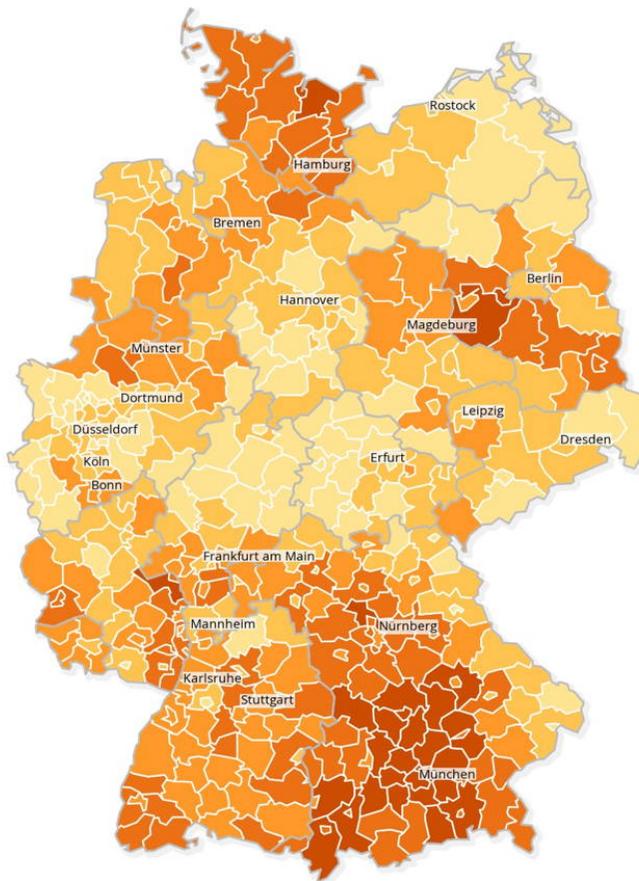
Germany's supply rate for inpatient nursing care places is about 20 % nationwide. In 2019, the occupancy rate of available places was 92.3 % in fully inpatient care, and 90.6 % in permanent inpatient care. Occupancy rates in this context vary from one state to the next. Similarly, the character of the care home market is subject to local and regional differences, so that supply shortages may exist here and there that are not reflected in the nationwide supply average. The number of care homes increased by 57.9 % between 2003 and 2019 while the number of care places grew by 35.9 % over the same period of time.



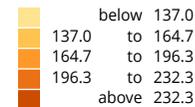
Total number of dependants
Change 2003-2017, in %



© bulwiengesainfografik



Predicted total number of care dependants
Change 2017-2040, in %



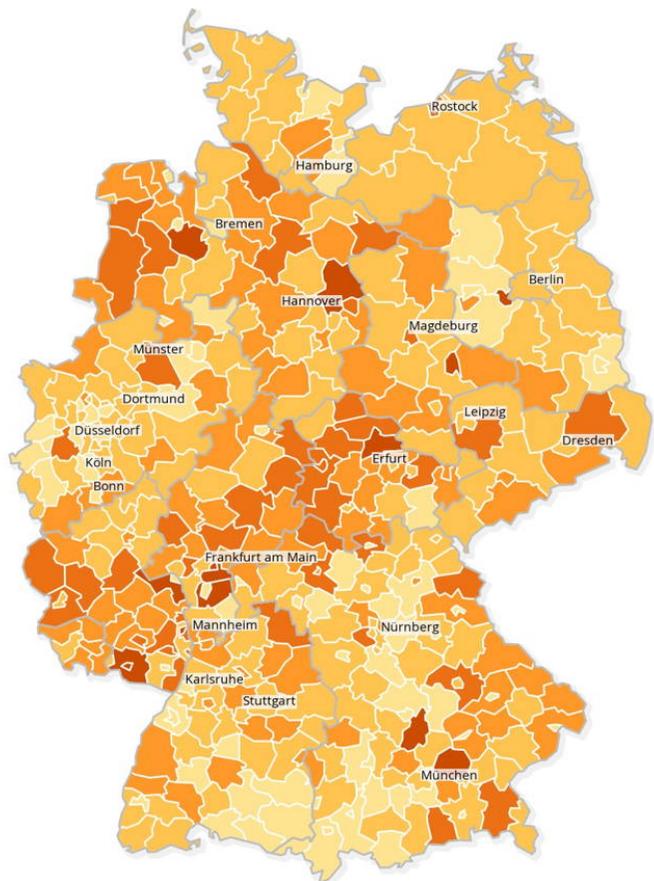
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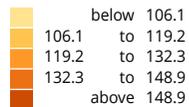
Care depend-
ency will surge
nationwide
between now
and 2040



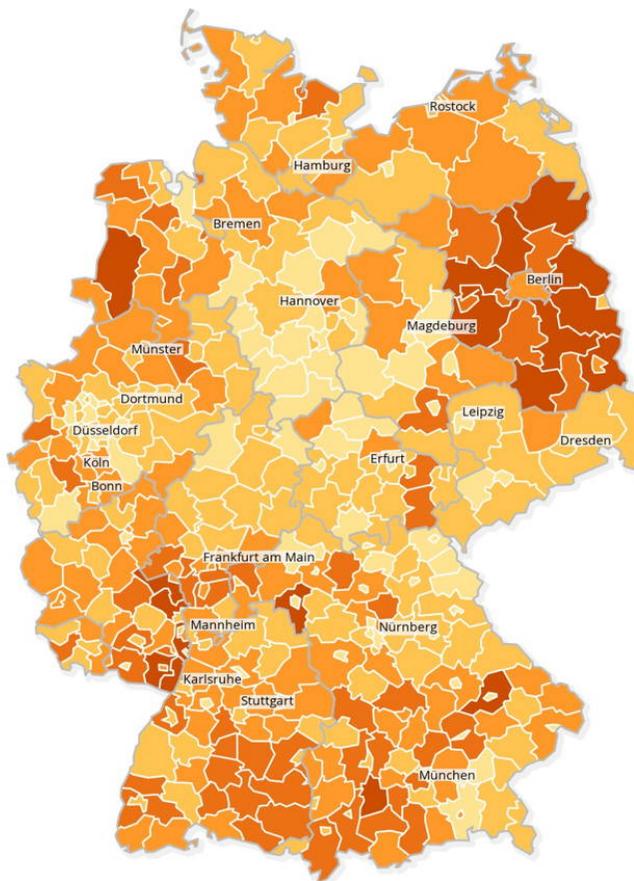
Care depend-
ency will grow
by up to **232 %**,
esp. in southern
Germany



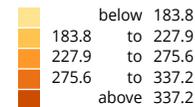
Inpatient dependants
Change 2013-2017, in %



© bulwiengesainfografik



Predicted number of inpatient dependants
Change 2017-2040, in %



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The **number of inpatient care dependants** will **grow by 337 %** between 2017 and 2040, esp. in eastern Germany

» Pension Plan Benefits & Income Levels of Seniors

The differences in pension plan benefits among the elderly are considerable, and are subject to marital status and gender. Indeed, gender specifics obviously account for differentiated income situations. Pension plan benefits of women are far lower than those of men. At the same time, women financially less well endowed constitute the largest demand group in care homes. The income of these women undercuts male income levels by up to 35 %. Inversely, men receive far higher pension plan benefits while also having additional sources of income. The gross disposable income of married couples averages

3,500 euros a month. In addition to personal wealth, senior household income levels are naturally of key significance for the affordability of assistance and care expenditures in this context. Despite a modest rise in income among seniors since 2013, the proportion of care recipients in inpatient facilities keeps growing, driven up by low income levels and gender-specific differences in income.



Modest rise in income levels among seniors since 2013



Women financially less well endowed constitute largest demand group in care homes

Pension plan benefits and additional income

	Pension plan benefits	Additional income	Pension plan benefits	Additional income	Gross income	Net income
	Share of recipients, in %		Contribution per recipient, in euro			
Married couples						
Total	98	59	2,711	1,463	3,507	2,907
Tenants	97	51	2,335	1,155	2,852	2,425
Owners	98	64	2,936	1,611	3,895	3,192
Persons						
Men (75-80 yrs.)	99	48	2,012	664	2,317	1,950
Men (85 yrs. + up)	99	46	2,176	372	2,328	1,978
Widowed men	99	43	2,153	682	2,420	2,012
Women (75-80 yrs.)	97	40	1,292	548	1,494	1,283
Women (85 yrs. + up)	99	43	1,583	336	1,716	1,488
Widowed women	99	38	1,758	554	1,951	1,674

Source: Alterssicherungsbericht 2020 der Bundesregierung, Table C.4.1

» Long-Term Care Insurance Benefits

Eligibility for long-term care benefits arises with a need for care that has persisted, or is estimated to persist, for at least six months, and which falls into one of five care grades, the most comprehensive level of care being grade 5.

Once the care dependency has been established, the claim to care benefits can be provided in kind, meaning through outpatient services, or through cash benefits depending on the care grade and disbursed by the long-term care insurance fund to cover some of the inpatient care costs. In cases of full inpatient care, the long-term care insurance covers a portion of the flat rate care services, including services administrating medical treatments in care homes.

Catalogue of services, care allowance

Max. benefits per month, by care dependency grade ("PG")

Monthly benefits in outpatient care (euro)

	PG 1	PG 2	PG 3	PG 4	PG 5
Cash benefit, outpatient		316	545	728	901
Benefit in kind, outpatient	*	689	1,298	1,612	1,995

Monthly benefits in (partial) inpatient care (euro)

	PG 1	PG 2	PG 3	PG 4	PG 5
Benefit amount, partial inpatient		689	1,298		1,995
Benefit amount, inpatient	125	770	1,262	1,775	2,005

Source: Federal Ministry of Health (BMG)

* relief amount of up to 125 euros

» Costs Faced by Care Home Residents

The total costs charged to care home residents break down into the components care home fees, accommodation and board, and capital expenditures. The nursing care costs include an out-of-pocket contribution by the beneficiary that exceeds the care benefits paid for by the long-term care insurance. According to the care statistics for 2019, this contribution amounts to c. 799 euros a month. Accommodation and board in permanent inpatient care can be expected to average 757 euros before additional expenses for add-on services and capital expenditures. The item "capital expenditures" represents the expenses incurred by the care home's sponsor to plan, develop and maintain the institution along with its facilities. Based on arm's-length capital expenditures of c. 17 euros/day and an average of 30.42 days/month, the monthly capital expenditures amount to c. 517 euros. This cost item may vary, depending on the subsidies paid by the respective state.

Depending on room layout, location and state, the total cost contribution per care place is c. 2,070 euros per month. The per-diem costs for a care home residents amount to c. 68 euros.



Stays in inpatient care are paid for by long-term care insurance and out-of-pocket contribution by the beneficiary



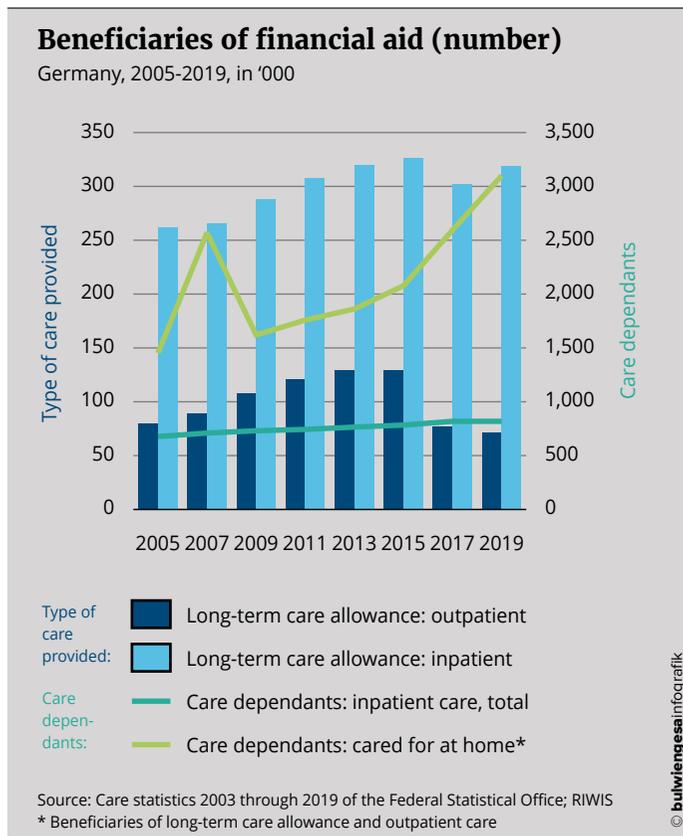
Capital expenditures make up 24.9 % of the total costs of residents in inpatient care

>> **Financial Aid toward Long-Term Care Costs (Ch. 5-9, SGB XII)**

For people in low-income situations, the long-term care allowance provides support to care dependants whenever the benefits from the long-term care insurance and the personal wealth are inadequate to cover the costs of long-term care. In inpatient facilities, the social welfare agency pays for care provision by assuming the costs of the care dependant if care costs are not covered by the long-term care insurance fund.

81.8%

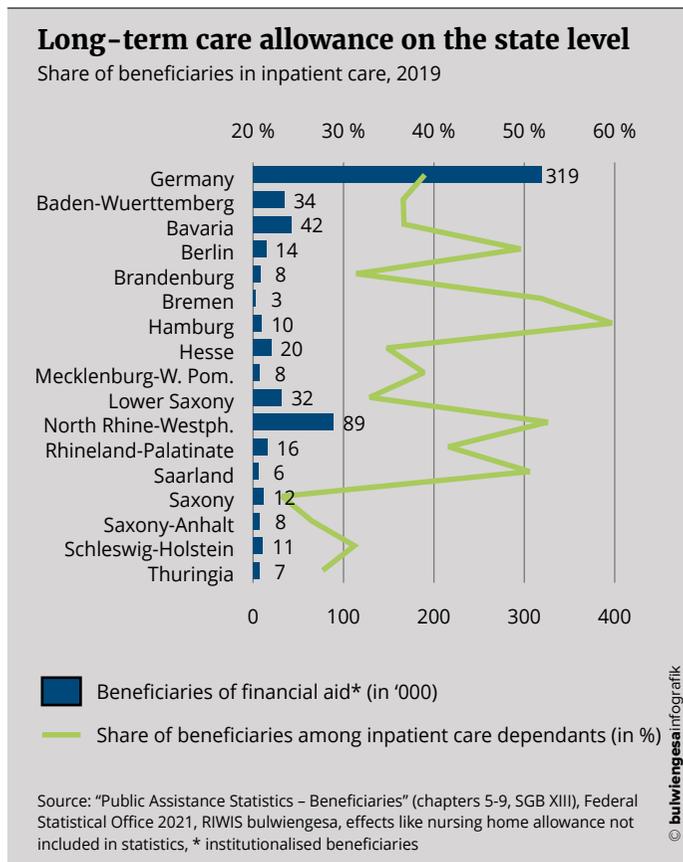
of the recipients of the long-term care allowance live in inpatient facilities



39%

of the care dependants in inpatient facilities receive benefits out of the long-term care allowance. From an operator's point of view, this means that the nursing care costs are covered regardless of the care home residents' financial wherewithal.

>> Regional Differentiation in Benefits Distributed from Long-Term Care Allowance



At 81.8 %, the majority of care-dependent beneficiaries live in inpatient care facilities. Inversely speaking, 39 % of the residents of inpatient facilities received benefits from the long-term care allowance.

Within the framework of the long-term care allowance in care facilities, the number of aid recipients increased by 21.9 % between 2005 and 2019, more or less matching the 20.9 % increase in inpatient care dependants during that time. In the same observation period, grants of long-term care allowance outside care facilities declined by 10.8 % although the number of care dependants increased by 93.3 % between 2003 and 2019. Even if the majority of the current generation of pensioners are financially secure, seniors will be increasingly affected by old-age poverty in future.

Regional differences in the distribution of aid benefits to inpatient care dependants are attributable, inter alia, to differences in the income disparities in combination with the respective nursing care ratios. It should also be noted that the Federal Statistical Office does not take add-on benefits, such as the care housing allowance in North Rhine-Westphalia, into account in its evaluation of state-level benefits. As a result of such statistically ignored effects of additional benefit grants, states like North Rhine-Westphalia appear to outperform other federal states.

It is safe to assume that the number of aid beneficiaries will increase in the years ahead. The reason for this is that rising care home costs will coincide with declining pension levels. In particular, the frequency of low pensions will accumulate in



Increase in inpatient aid beneficiaries by 21.9 % between 2005 and 2019



Decline in aid beneficiaries outside care facilities

the future, which will cause many long-term care dependants to lack the financial means to cover their out-of-pocket contribution and instead to rely on public benefits.

Not all service structures of residential formats with outpatient care are necessarily supported by the social welfare agency or by municipalities. Only care homes provide care services to residents of any income level because they are guaranteed by the social welfare agency.

Demand Analysis: Germany is Getting Old!

<p>“Boomers”* at the Doorstep:</p> <p>23.5 million</p> <p>Germans aged 65+ by 2040</p>	<p>Ageing “boomers”:</p> <p>34 %</p> <p>of the seniors will be above 80 by 2040</p>
<p>10 out of 16</p> <p>German states have above-average nursing care ratio as it is</p>	<p>1 in 5</p> <p>care dependants in Germany is receiving inpatient care today</p>
<p>“Boomers” increasingly care-dependent:</p> <p>about 5.59 million</p> <p>care-dependants predicted for 2040</p>	<p>“Boomers” requiring inpatient care:</p> <p>up to 1.398 million</p> <p>inpatient care dependants by 2040</p>



Germany is ageing in three different ways: **in absolute terms, in relative terms,** and through the **fast increase of the very elderly**

* “Boomers,” short for baby boomers, refers to the large generational cohorts born between 1955 and 1965

Supply Analysis

Residential:



93 % of all seniors live in their private homes

- the average number of persons in senior households is 1.5
- the average dwelling floor area in senior households is 92 sqm
- among senior households, 51 % rent their homes while 49 % owner-occupy theirs
- the homes of 82 % of all 65+ households have no level-access

Service concepts:



a steadily growing submarket, subject to no binding definition or regulation

- DIN 18040-2 / DIN 77800 standards for assisted living are recommended
- care dependency not a prerequisite, costs not shared by long-term care insurance funds
- options range from basic service to premium service packages
- growth market → outpatient care / an alternative to care homes
- increasingly established and accepted

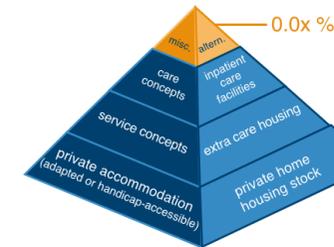
Inpatient care:



defined and regulated by state-level nursing home acts

- around 15,400 facilities totalling 969,500 places
- thereof 886,600 fully inpatient care places
- 818,000 care dependants
- average occupancy rate about 92 %
- care dependency required
- costs shared by long-term care insurance funds

Other alternatives:



niche products for a very limited clientele

- co-housing concepts
- independently organised housing, assistance and care, e. g. through neighbourhood help and societies
- a testing ground, in parts sponsored and publicly supported
- investors/banks remain generally wary of the concept

* values account for less than 0.5 %

>> Senior Living Options

Senior living options range from independent living, to assisted living, and all the way to partly or fully inpatient care facilities. In addition, multi-model facilities have been developed and established. They are based on diverse options, including single-living, outpatient care and inpatient care units, as well as communal forms of living embedded in so-called “quarters,” which can be an urban neighbourhood or a village, for example.

Today, 93 % of all German seniors still live in their private homes. Whenever adult support services become necessary, these are provided by family caregivers (sometimes in their own homes, with the help of third-party caregivers) and/or by outpatient services.

Trends in outpatient services			
	2003	2011	2019
Home care services, total (outpatient)	10,619	12,349	14,688
Care dependants per home care service	42	47	67
Total staff (outpatient)	200,897	290,714	421,550

Source: Federal Statistical Office, care statistics

It is safe to expect demand for outpatient services to keep increasing at the brisk present rate. This trend is explained

not least by the decline in informal care-giving potential within families.

In a parallel development, a steady differentiation of supply-side options has evolved over the past years. Aside from the growing demand for care homes in general, elderly care dependants increasingly desire to live more independently and to have more privacy, and the trend is reflected in the development of care facilities. A supply-side differentiation of short- and long-term inpatient care is emerging that points to the increasing implementation of multi-model facilities. The trend is illustrated by the growing demand for complex facilities that include inpatient care and assisted living options.

For the time being, the dominance of the “big players” in senior living, these being the submarkets of assisted living and inpatient care, remains uncontested. But there is one thing that all residential formats have in common regardless of their orientation: The market is very small-scale and subject to varying degrees of statutory regulation.

The survey’s analytic focus is on the care home real estate market in Germany. In order to profile the market, the section below summarises selected residential formats for seniors both in narrative and tabular form.



Growth in home care services by 38.3 % between 2003 and 2019



Increase in the number of care dependants by 59.5 % between 2003 and 2019

>> Defining the Term “Extra Care Housing”

Unlike with inpatient care, there is no binding general definition of the “extra care housing” product.

A team of experts at the “gif” real estate research society that is assigned to the subject of “amenity properties” defines amenity housing or extra care housing as “a special form of residential accommodation in rental or owner-occupied complexes or buildings that provides, in addition to the structural or property-specific prerequisites (adequate housing), a differentiated offer of amenities”¹.

The segment is not governed by structural and quality-related requirements anchored in applicable laws. The DIN 77800 standard (“Assisted living for the elderly”) provides outline guidance with its recommendations toward a uniform quality standard for the services to be provided (basic and optional services), as does the DIN 18040-2 standard (construction of accessible buildings) with its concrete recommendations on structural aspects of handicap accessibility in extra care housing developments and inside each residential unit.

>> Differentiation of Extra Care Housing Products

Due to the heterogeneous product differentiation in the extra care housing segment, a number of different residential formats have established themselves in recent years whose choice is rarely transparent because providers are at liberty to interpret them.

The interior design concepts are strongly differentiated, not least because user needs and requirements often necessitate such differentiation. The offer ranges from the provision of adapted housing without guaranteed basic services all the way luxury apartments with full-service guarantees familiar from the hospitality sector.

In order to introduce a plausible structure and transparency to the product diversity, the “gif” research society developed a “classification system for the assessment of amenity housing offers for seniors” in 2018. In analogy to the hotel classification of the German Hotel and Restaurant Association (DEHOGA), it groups retirement homes into five grades or starred categories.

To this end, a predefined method and clearly defined checklist is available that covers the areas location, building and range of amenities. The actual rating of a given property by applying the checklist criteria is up to its provider.



Extra care housing represents a **combination** of adequate **senior-living accommodation** and a **mandatory range of amenities**

¹ gif e. V., Klassifizierungssystem zur Beurteilung von Angeboten des Servicewohnens für Senioren, Wiesbaden 2018

Classification system for the assessment of amenity housing offers for seniors

Criteria (selected)	*	**	***	****	*****	
Micro-Environment	Residential quality	Basic	Basic – medium	Average	Good	Good – excellent
	Transport links, private/public	In town	In town	Within walking distance	Within project vicinity	Within project vicinity
	Amenities	Few amenities in town	Various amenities in town	Some amenities within walking distance	Various amenities within walking distance	Town/district centre within walking distance
Building fit-out	Overall impression of building	Basic standard	Medium standard	Superior standard	High standard	Top standard
	Car parking spots	Planning-law requirements and DIN 18040-2 standard	10 % of the parking spots meet DIN 18040-2 R standard w/o restrictions	1 parking sport per 3 flats	0.8 parking spot per flat	0.8 spot/RU + underground car park with lift directly to the apartments
	Community areas	None	Some special purpose rooms	Diverse rooms with high quality of stay	Expanded room options and lavatory	High-end amenities, incl. café, wellness area, indoor pool
Apartments	Fit-out standards	Basic	Basic	Superior	Good	Excellent
	Balcony	None	None	Small level-access balcony	Balcony > 4 sqm and superior fit-out	Balcony > 8 sqm and superior fit-out
	Bathroom	Minimum size 1.90 + 2.05 m	DIN 18040-2 standard	Bathroom with natural light	Extra separate WC	Excellent fit-out and additional bathroom
Services	Staff	< 0.3 FTE/100 res.	< 0.3 FTE/100 res.	0.3 FTE/100 res.	1.0 FTE/100 res.	2.0 FTE/100 res.
	Care offers	No third-party collaboration	No third-party collaboration	Care home/day care < 1 km away	Outpatient care service, 15-minute response time	Outpatient care service, 15-minute response time
	Services	None available	Few available	Diverse care service offers	In-house kiosk and restaurant	Periodic in-house day-trip/travel offers

Source: chart by bulwiengesa based on data provided by the "gif" research society

Extra care housing

Parameters

Concepts

Statutory basis	Not a protected term; market (still) not transparent everywhere
Residential formats	Extra care housing with care services, subordinated in inpatient care ward, sheltered housing (with extras); sometimes no service options at all
Service options	Basic and add-on services, up to amenities comparable to a 5-star hotel, mandatory basic services: emergency in-house hotline, social counselling, events; diverse optional add-on services
Structural amenities	Target-group specific apartment sizes and layouts with fitted kitchens, handicap-accessible acc. to the DIN 77800 or DIN 18040-2 standard, the reality being major differences in quality, sometime only disability-friendly, no legally binding planning- and construction-law requirements
Production costs (sqm/GFA) cost categories 300 and 400 acc. to the DIN 276 standard	1,130-1,830 euros/sqm (gross); avg. 1,530 euros/sqm (high-end retirement flat)
Facility size	Avg. 44 residential units, optimal facility size: 50-150 residential units
Apartment size	1-room (25-40 sqm), 2-room (35-70 sqm); avg. 45 sqm per residential unit
Rent (basic, net of heating)	Local market rent, plus mark-ups for fit-out and structural features (10-30 %) + service charges and basic service; service flat rate depending on specific concept
Yield (Q1 2021)	Global: 3.5 to 4.2 %; in partial ownership: 2.8 to 3.5 %
Target group	Primarily seniors aged 70+ with adequate income or wealth
Current stock	7,100 extra care housing developments with 360,000 residential units, thereof 20 % of the housing stock annexed to an inpatient care home and not independently operated; 3 % of the extra care housing developments or 10 % of the residential units belong in the premium segment

Source: HypZert Bewertung von Objekten des Betreuten Wohnens sowie Bewertung von Pflegeheimen, 2018; Pflegemarkt 2021; Terragon AG 2021; bulwiengesa; BKI Baukosten Gebäude Neubau 2021 (as of Q1 2021)



Extra care housing picks up on **trend toward out-patientisation**



2 % market share of the 65+ households

>> Partial Inpatient Care

Partial inpatient care is intended to supplement and bolster domestic care so as to permit care dependants to keep living at home as independently as possible even if they require—possibly temporary—assistance.

Short-term inpatient care represents a provisional and temporally limited fully inpatient offer for care dependants that are normally cared for in their private homes. Following an inpatient hospitalisation, care dependants with a care grade between 2 and 5 who are yet unable to resume normal routines within their private homes or whose domestic caregivers require assistance to bridge crisis situations, may request short-term care for up to eight weeks each calendar year. To this end, they collect benefits from the statutory long-term care insurance.

Short-term care places are subject to differentiated structuring. They are normally embedded in inpatient nursing care facilities and are temporarily available only if the places are not occupied by people in permanent care. Stand-alone short-term care facilities, by contrast, provide an autonomous product, offering a fixed number of places dedicated exclusively to short-term and preventive care. They operate either as autonomous ward of a care facility or else entirely segregated from it.

This differs from day care, which is temporary care provided to dependants during the daytime who are basically cared for in their private homes. Its purpose is, for example, to enable

family caregivers to keep going to work, with their dependants taken care of and provided for during the daytime. Such benefits are at least partially covered by the long-term care insurance pursuant to Book XI of the Social Security Code.

Similar to the short-term care arrangements, day care places can be embedded with inpatient nursing care facilities and made flexibly available, depending on their capacity utilisation, or else are available permanently in stand-alone day care facilities or separate wards.

The care statistics for 2019 quotes the figure of around 139,000 care dependants in partial inpatient care, which includes 82,600 day care places, among other options. The capacity utilisation of the day care places was quoted with 168 %. Since 2003, the number of day care places has almost quintupled.

>> Combined Inpatient/Outpatient Care

The degree of self-determination, participation and bespoke structuring options is to be raised while health and care conditions are to be enhanced via new combined inpatient/outpatient living and care options without losing sight of affordability and reliability aspects. The offered residential accommodations tend to be small-scale apartments where care dependants live independently within generously sized day care facilities, either taking advantage of care options on demand or receiving part time care.



Partial inpatient care as supplementary service module in domestic care



Combined inpatient/outpatient products under development

At this time, the widespread implementation in Germany is still beset by a number of issues. This is attributable primarily to the following aspects:

- There is as yet no legal basis
- The available options “fully inpatient,” “partly inpatient” and “outpatient” are strictly separated
- The rigid structure ought to be softened to admit combined options
- This is hampered, however, by the tightening state and federal regulations

>> Shared Home Care as Another Alternative

Under the shared home care model, several people, some of whom may be care dependent, cohabit in a flatshare. All residents have a room of their own that they are free to decorate any way they want to. In addition, there are shared rooms, such as a kitchen and a living room that all residents are welcome to use.

The idea is to keep care dependants and elderly people from living on their own and to make it easier for them to cope with day-to-day reality by sharing in the use of assistance and support offers. To this end, they jointly delegate organisational, administrative and care tasks to a person who also assists the household in other ways.

Distinction between:

Provider-organised residential care communities

- The sponsor of residential care community autonomously handles decisions and actions in a variety of areas
- Application of the German Civil Code and the special provisions of each German state (e. g. the requirements concerning staff skills and housing quality but also the residents’ rights of participation and co-determination)
- Care home supervision monitors and checks

Self-organised residential care communities

- Residents and their next of kin control all decisions concerning the residential community
- Application of the German Civil Code
- The regulatory body for care homes has no competence here

At present, there are 3,070 sites registered as outpatient residential care communities in Germany, adding up to 33,400 residential units. The percentage of places available in outpatient residential care communities for every 1,000 care dependants across Germany is 8.1 %. Co-housing groups, while expanding the range of options in the care home sector, cannot cover the demand generated by care dependants.



Shared home care as niche market, subject to growing demand



Differentiated and in parts opaque offer in the shared home care segment

Residential care communities

Parameters	Concepts
Statutory basis	Art. 2, Sec. 3, Sent. 3, Nursing and Living Quality Act (PfleWoqG)
Residential format	Shared home living, with care and services externally provided to people with dementia, disabilities and/or extra care requirements; provider-operated versus self-organised residential care communities
Accommodation types	Outpatient shared accommodation, outpatient extra care accommodation, outpatient nursing accommodation, outpatient integrated accommodation
Nursing and extra care service	Type and scope of the outpatient services can be freely selected
Focus on autonomy	Precondition is the structural, organisational and financial autonomy of the outpatient shared housing communities (community agreements, lease, service agreements, incl. extra care and assistance contracts)
Structural amenities	Single rooms plus community areas
Financial subsidies	Shared-home premium charged by long-term care insurance (214 euros/person/month) to fund a live-in care professional; seed investment by the LTCI fund available for new home shares (10,000 euros max.); allowance from the LRCI fund for converting a given apartment (16,000 euros max.)
Size of a shared housing community	Maximum occupancy of 12 residents
Target group	Care dependants, usually with special needs (e. g. dementia or vegetative state)
Current stock	95 % of the shared housing communities are privately operated, around 75 % specialised in intensive care and dementia care; 33,400 residential units in 3,070 locations

Source: Federal Ministry of Health, 2017 and 2021, Bavarian State Ministry of Health and Care, Barmer-Pflegereport 2019; Pflegemarkt 2020/2021 Rothgang et al., 2017



Accommodations for a **maximum of 12 people/shared home care**



Shared home care is to **95 % privately operated**

>> Full Inpatient Care

Fully inpatient care facilities become the permanent home for care dependent seniors over an unlimited period of time, and provide the care and assistance by trained nursing specialists and assistants according to their individual care and support needs.

About 15,400* care homes, providing about 969,500 places

Private sponsors: 6,570 homes	Charitable sponsors: 8,115 homes	Public sector sponsors: 695 homes
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Permanent inpatient care: 886,600 places	Short-term/day-/night care: 92,400 places
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Biggest inpatient care operators 2021	Number of facilities	Inpatient spaces
Korian Deutschland (e. g. Curanum, Casa Reha)	259	27,032
Alloheim Senioren-Residenzen SE	225	24,600
Orpea Deutschland GmbH (e. g. Silver Care, Bremer Residenzgr.)	187**	19,750
Johanniter Seniorenhäuser	97	7,787
Domicil Senioren-Residenzen Hamburg	43	7,656

Source: care statistics 2019 of the Federal Statistical Office; Care Invest 2021
* including 11,300 homes with permanent inpatient care, ** incl. physical therapy

The deliverables by the care facilities are provided as paid services, with the long-term care insurance covering a portion of them pursuant to SGB XI.

At the moment, there are around 15,400 fully or partly inpatient care homes. The operator line-up in adult care is currently defined by consolidation and growth. Germany's care homes provide a combined total of around 969,500 places, thereof around 886,600 full inpatient care places.

Nursing care market insiders assume that operators will expand their long-term care capacities through building activities in addition to further consolidations. Going forward, the internal growth in this context will definitively depend on the larger operators who are capable, due to their investment potential to pursue most of the current construction and planning activities involving new-build assets.

The care statistics 2019 suggest that the majority of nursing care facilities are sponsored by non-profit organisations (53 %). Private sponsors, who will rapidly expand in the years ahead, claim a share of 43 %. Public sector sponsors only account for a share of 5 %. Nearly 1 in 6 homes (17 %) represents a multi-model facility (offers that include both outpatient and partly and/or full inpatient care). Over time, the figure has remained relatively stable. On average, care homes in Germany are occupied by 62 residents. Charitable operators accommodate an average of 68 care dependants, public facilities 76 care dependants.

Around
15,400
care homes provided
886,600
full inpatient care places
in 2019



Accelerated growth of major operators through consolidations and building activities

The number of care homes has increased by 5,637 (+57.9 %) since 2003. This translates into an average annual increase by about 332 care homes (over a 17-year period). Relative to available places in permanent inpatient care, this translates into an annual increase of around 12,000 places. Due to the statutory minimum building standards and state long-term care legislations, the average number of available places declined drastically, from about 73.2 care places in 2003 down to about 63 care places per care home by 2019 (-13.9 %). During the period of time, the pro-rata share of permanent inpatient care among the total number of available care places

declined from 95.9 % to 91.45 %, which is attributable to the outpatientisation trend (expanding the availability of day care, assisted living, shared home care, as well as the strengthening of outpatient care in private homes). In the meantime, private sponsors expanded their market footprint by around 82 % (+ 2,960 care homes), whereas the growth rate of charitable sponsors equalled merely 50 % (+2,710 care homes). The number of care homes operated by public sponsors actually declined by 4.5 % (-33 care homes). The rise in the number of care dependants given fully inpatient care in nursing homes by 27.8 % (+178,028 care dependants) since 2003 coincides



The urgently required expansion of care homes is in the hands of private and charitable sponsors

Trends in the full inpatient care market segment

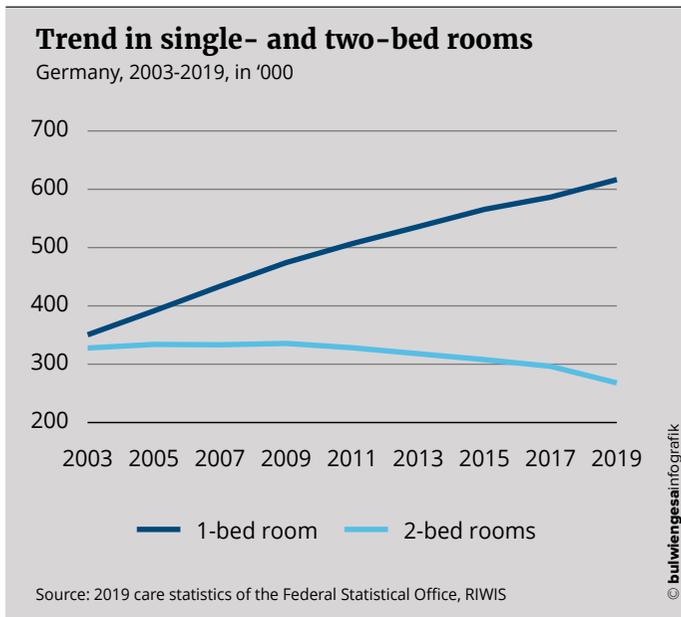
Evaluations of the care statistics, 2003 through 2019

Care statistics	2003	2005	2007	2009	2011	2013	2015	2017	2019
Total number of care homes	9,743	10,424	11,029	11,634	12,354	13,030	13,596	14,480	15,380
Total number of available places	713,195	757,186	799,059	845,007	875,549	902,882	928,939	952,367	969,553
Available places in perm. inpatient care	683,941	726,448	777,015	818,608	841,575	858,756	877,116	885,488	886,654
Private sponsor care homes	3,610	3,974	4,322	4,637	4,998	5,349	5,737	6,167	6,570
Charitable sponsor care homes	5,405	5,748	6,072	6,373	6,721	7,063	7,200	7,631	8,115
Public sponsor care homes	728	702	635	624	635	618	659	682	695
Total number of care dependants	2,076,935	2,128,550	2,246,829	2,338,252	2,501,441	2,626,206	2,860,293	3,414,378	4,127,605
Total no. of care dependants in homes (inpatient)	640,289	676,582	709,311	717,490	743,120	764,431	783,416	818,289	818,317
Calculated institutionalisation rate (share of inpatient care dependants)	31 %	0 %	32 %	31 %	30 %	29 %	27 %	24 %	20 %
Capacity util. in inpatient care, in %	89.5	88.7	87.6	86.6	88.3	90.4	89.3	92.4	92.3
Total staff Care homes	510,857	546,397	573,545	621,392	661,179	685,447	730,145	764,648	798,489
Calculated staff per care home	52	52	52	53	54	53	54	53	52
Calculated staff per inpatient care dependant	1.25	1.24	1.24	1.15	1.12	1.12	1.07	1.07	1.02

Source: care statistics of the Federal Statistical Office, calculation by bulwiengesa

with a contracting supply in care places, and the fact is reflected in an occupancy rate of 92.3 %.

Nonetheless, the figures show a regressive institutionalisation rate, declining from 31 % in 2003 down to 20 % by 2019. The trend is attributable to the intensified outpatientisation of long-term care. It will mainly see the number of care dependants of care grades 3 to 5 increase who require specialist care and adequate facilities to meet their needs even as the number of care workers per care dependant has declined by -18.4 % since 2003.



State-level regulations prohibit shared rooms in care facilities in some German states. The different minimum building standard regulations for care homes and the state-level long-term care acts largely assume that the supply side is dominated by single-bed rooms, especially in new-build schemes. Between 2003 and 2019, the number of single-bed rooms increased by about 76 %, whereas two-bed rooms declined by 18.2 % in number. Especially many standing schemes of the second and third generation have ceased to be profitable, given the structural changes defining new-build homes, and inevitably face obsolescence.

Facilities developed lately are subject to a legally mandated focus on single-bed rooms. Their share of care places in single-bed rooms should therefore not undercut 50 % (single-room share of 70 to 100 %). In fact, several German states—among them Baden-Württemberg, Bavaria and North Rhine-Westphalia—demand a single-room share between 85 and 100 % for new-build units. However, some care home residents actually prefer two-bed rooms. On top of that, the choice between single- and two-bed room is also a cost issue. Then again, rooms with more than two beds are no longer marketable. Consistent with demand are care homes structurally configured to permit both single and double rooms through the option to merge units. Accordingly, the German real estate industry as well as the healthcare industry increasingly seek to ensure flexibility of floor plans and use options when developing new-build care homes.



Statutory regulations on two- and multi-bed rooms influence the development of care places

Average age of care home properties, 2017

Rank	Care home operator	Type of sponsor	Median	Avg.
1	Korian Group	private	2001	1999
2	Alloheim Senioren-Residenzen GmbH	private	2003	1992
3	Pro Seniore	private	1997	1994
4	Orpea Deutschland GmbH	private	2005	2004
5	Kursana Residenzen GmbH	private	2004	1999
6	Vitanas GmbH & Co.KGaA	private	2000	1990
7	Johanniter Seniorenhäuser GmbH	charitable	1999	1993
8	Arbeiterwohlfahrt Bezirksverband Westliches Westfalen e.V.	charitable	1982	1983
9	Azurit-Hansa-Gruppe	private	1997	1991
10	Evangelische Heimstiftung GmbH	charitable	2001	1990

Source: Pflegemarkt.com 2017; with modernisations taken into account

An analysis conducted by Pflegemarkt.com, a long-term care research platform, found that Germany's stock of care homes is ageing rapidly without being replaced by newly developed care homes on an adequate scale (as of 2017). The mean year of construction or modernisation, meaning that completed upgrades are already taken into account, is 1999. In fact, the mean year of construction of care homes belonging to the top ten operators (2017) is 1994. For eight of the ten competitors, the decisions to build new, or upgrade existing, care home real estate dates back to the mid-1990s, on average.

Trend in beds on the state level, 2019



There are very strong regional disparities in the trend of long-term care beds on the level of the German states. The trend in the number of beds in German care homes is paced by the parameters of beds added or withdrawn in existing facilities, beds added through newly established facilities and beds taken off the market as facilities go out of business. Also relevant in this context are the effects of measures taken to comply with the single-room ratio, which has caused beds or indeed entire care homes to be taken off the market. The market analysts of Pflegemarkt.com tracked more than 100 closures in 2019 which are attributable mainly to the small-scale, and thus economically less-than-optimal, facility size of 46 beds on average.

Among the winners of the trend in accommodation capacity is, in addition to Rhineland-Palatinate, the state of Baden-Württemberg, which has had to implement the ratio even for

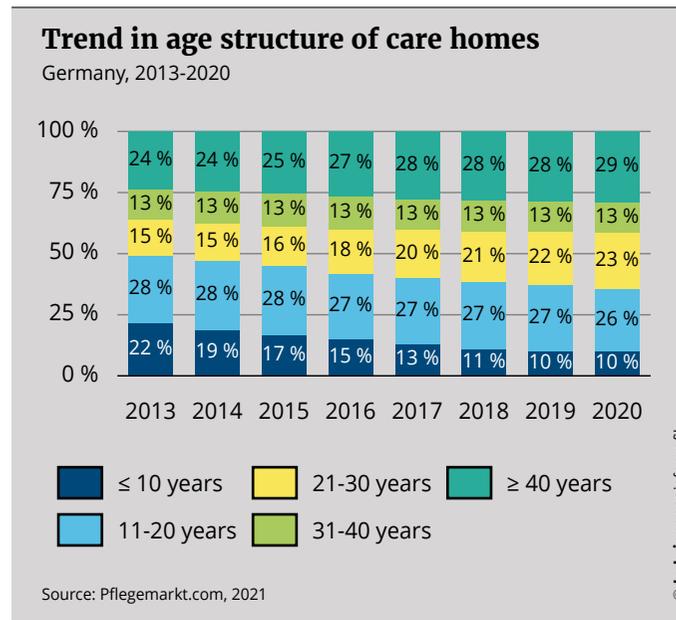


On average, the care homes owned by the top ten operators were built around 1994



Germany's nursing care market is dependent on the construction of new care homes

existing buildings as a result of the binding single room ratio of the Minimum Building Standards for Care Homes and state nursing care laws (single room ratio of 100 % for new buildings; the same regulation has applied to existing buildings since 2019). But the Minimum Building Standards for Care Homes can also have adverse consequences, as the building stock is being restructured to meet the single-room ratio: 1,000 beds in fully inpatient care were lost in North Rhine-Westphalia alone between Q1 and Q3 2018. The outperformer is Bavaria, the state that developed by far the highest number of beds in Germany (expanding its stock by more than +1,700 beds). At the same time, Bavaria is the state with the highest number of care facilities shut down (-1,100 beds).



29%

of all care homes were more than 40 years old in 2020

36%

of all care homes were between 21 and 40 years old in 2020

Only **1** in **10**

care homes was less than 10 years old in 2020

The period view of the years 2013 through 2020 shows a clearly deteriorating age structure for care homes. By 2020, 29 % percent of Germany's inpatient facilities were already more than 40 years old (compared to 24 % in 2013). Assuming a total useful life of 40 years for inpatient facilities, this implies a massive modernisation backlog for a large number of properties. Moreover, there is reason to assume that the declining profitability of many facilities will result in a wave of facility closures in the medium and long term.

Only one in ten care homes is less than ten years old (compared to 22 % in 2013), whereas properties of the medium age

cohorts between 21 and 30 years claimed a share of 23 % in 2020 (compared to 15 % in 2013). A breakdown by states returns a predictable picture: Germany's eastern states have a stock of relatively young inpatient care facilities when compared to the western states. Relatively young care homes are found specifically in Brandenburg (11 to 20 years old: 37 %, 21 to 30 years old: 34 %), Mecklenburg-West Pomerania (11 to 20 years old: 27 %, 21 to 30 years old: 52 %) and Saxony (11 to 20 years old: 35 %, 21 to 30 years old: 31 %).

Berlin brings up the rear among the German states with a 40 % share of care homes more than 40 years old. The situation in Berlin is aggravated by a very low construction volume in the segment of inpatient nursing care facilities. By far the youngest age cohorts in the care home sector are reported from the states of Hesse (≤ 10 years: 15 %) and Baden-Württemberg (≤ 10 years old: 12 %; legally mandated single-room ratio).

>> Full Inpatient Care Defined by Care Home Legislation

Inpatient care in Germany is defined in depth by nursing home acts on the federal and state levels (see Annex). Some of these include strict requirements for the interior fit-out, the construction execution, the quality management and staffing. In these regards, inpatient nursing care facilities are monitored by the regulatory bodies for care homes.

The federalist reform of 2006 delegated the right to regulate care homes, which previously have been governed by federal

laws and regulations, to the state legislatures of the 16 German states. As a result, any property development and investment decision associated with it must observe the state-level nursing home act of the respective state along with that state's minimum building standard regulations for care homes. The legal parameters of a given federal state are either based on the respective nursing home act and regulations, which are in turn based on the original federal regulations, or else specify entirely new conditions.

Some states limit the degree to which existing schemes can take advantage of grandfather clauses, whereas other states grant generous transitional periods and waivers. In fact, certain states grant grandfather clauses to any facility that was already completed, under construction or in planning at the time the respective state minimum building standards for care homes were passed.

In North Rhine-Westphalia and Baden-Württemberg, for instance, the measures caused the number of available care places to decline, a loss that will have to be offset through new-build construction in the medium term. In Bavaria, the handicap accessibility requirements under the DIN 18040-2 standard forced virtually all of the older facilities to apply for waivers in 2016. It illustrates how legislative measures can directly impact the profitability and value stability of existing schemes. At the same time, the tightened requirements expose such properties to major capex requirements. In most cases, the state law requirements result in a high planning effort and budget increases for property developments and investments. It puts a damper on new-build con-



Rising demand coincides with limited product supply



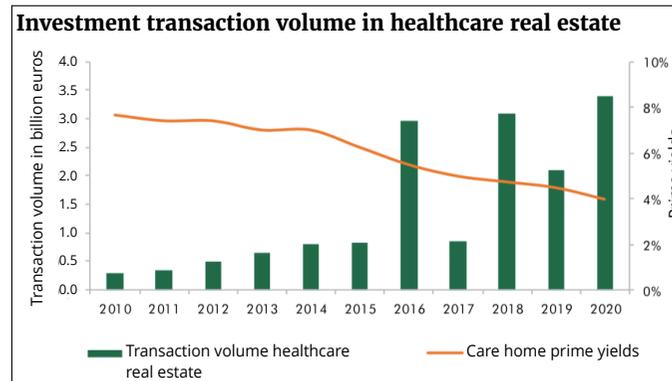
Compliance with 16 state nursing home acts and minimum building standard regulations for care homes

struction activities at a time when they are urgently needed due to the rising number of care dependants. A synopsis of the individual requirements criteria shows just how complex the system of minimum building standard regulations for care homes is on the state level (see Annex).

>> Investor-Side Demand for Extra Care Properties

In 2020, the German market for healthcare properties reported a banner year with an investment total of 3.38 billion euros. Once again, care homes expanded their market share significantly, up to 72 % by year-end. International investors claimed a disproportionately large share of 69 %, among them investors from the Benelux countries with a 38 % and from France with a 13 % market share.

Growing investor demand, a short supply of product, and cash flows that are extremely reliably both short- and long-term and even during the pandemic and economic crisis – these are factors that have caused the prime yields of care homes to keep hardening. By the end of 2020, prime yields of care homes were down to 4 %. Compared to year-end 2019, this implies a yield compression by 50 basis points. The rapidly evolving professionalisation of the operator landscape in recent years has also encouraged investment decisions. The advantages of care home investments include, on the one hand, non-cyclical returns and, on the other hand, keen demand in combination with short supply.



Source: CBRE, 2021



Care home prime yields of up to 4 %



At present, 66 % of all care staff work part-time

>> Care Homes Understaffed with Skilled Care Workers

The care statistics for 2019 quote a human resource pool of 796,000 care home employees. About 232,000 of these work full-time. This means that a share of more than 66 % work part-time. About 43 % of the care workers are over the age of 50. These figures alone highlight the existing and growing dilemma concerning the availability of a well-trained care workforce. Add to this that the framework requirements for the staffing ratio (number of care dependants per FTE nurse) vary significantly from one German state to the next. The ratio ranges from 3.1 (in Mecklenburg-West Pomerania) to 1.8 (in Bremen).

Predictions of the future human resource needs in long-term care move in sync with forecast of the number of care dependants or inpatient care dependants. Assuming that the number of inpatient care dependants will approximate 1.118 million persons by 2040 (sample calculation using an unchanging care ratio, variant 2), the calculated demand would equal around 560,000 full-time positions in inpatient care, according to a long-term care report released by the AOK public health insurance (2019). The already existing deficit in the availability of care workers will deepen into a serious predicament in future if care places cannot be occupied due to staff shortages.



State-level differences in staffing ratio requirements for inpatient care



560,000 full-time care workers needed by 2040

Inpatient care

Parameters

Concepts

Statutory basis	Definition and high regulatory density via 16 different state-level care home acts, specifying e. g. structural requirements and single-room quotas
Types of care	Short-term care, preventive care, day- and night care
Structural amenities	New-build schemes subject to mandatory single-room share of 75-100 % (some states)
Construction costs, euros/sqm GFA, cost categories 300 + 400 acc. to DIN 276	Period buildings, basic standard: 800-1,200 euros/sqm, VAT included, new-build units and younger existing buildings: 1,100-1,800 euros/sqm, VAT included; incidental building costs 15-25 %
Construction costs CC 300/400, per sqm/GFA	1,470-2,500 euros/sqm (gross); avg. 1,800 euros/sqm
Total useful life	40 years
Facility size	Depends on demand and concept, state-level legislation to be observed, cost effectiveness with a minimum of 60-80 places; nursing care accommodation 25 places maximum, small-group home share concepts of 10 to maximally 15 residents
Room size	Pursuant to the Minimum Building Standards for Care Homes, 12 sqm for single rooms, 18 sqm for double rooms; new-build units: ≥ 14 sqm for single rooms, ≥ 22 sqm for double rooms
Costs	5-15 euros/sqm NIA; out-of-pocket contribution of residents pursuant to SGB XII social security code without subsidies, 10-25 euros/bed/day
Yield	Global: 4.35-4.5 %; prime yield of 4.0 %; partial ownership: 3.2 to 4 %
Target group	Care-dependent senior, esp. of ages 85+, average length of stay 270 days
Current stock	Price-controlled market; permanent inpatient care places 886,600

Source: HypZert Bewertung von Objekten des Betreuten Wohnens sowie Bewertung von Pflegeheimen, 2018; bulwiengesa; CBRE 2021, BKI Baukosten Gebäude Neubau 2021 (as of Q1 2021)



About 886,600 permanent inpatient care places in 2019



Different regulations and minimum building standards for each of the 16 German states

Supply Analysis: Seniors Living at Home

<p>93 %</p> <p>of all seniors live in their private homes</p>	<p>82 %</p> <p>of all seniors live in homes without level access</p>
<p>2 %</p> <p>of all seniors live in extra care housing</p>	<p>Around 360,000</p> <p>extra care housing units in Germany</p>
<p>5 %</p> <p>of all seniors live in nursing care homes</p>	<p>Around 886,600</p> <p>permanent inpatient care places in Germany</p>



Accommodation needs of seniors (65+) are subject to change over time, necessitating differentiated options

Demand Forecasts

Taking Germany's demographics, the changes in each age cohort, the definitions of care dependency and the latest care statistics breakdown into account, this chapter sets forth certain assumptions regarding the demand for full inpatient care, for extra care housing and for day care.

>> Inpatient Care

The following assumptions have entered into the inpatient care calculations:

- Ratios of the care statistics 2019 taken into account
- Forecast year 2040
- Variant 1: rising share of inpatient care dependants, prompted by a massive drop in informal care-giving potential and increase in the number of the very elderly with higher care needs (25 %)
- Variant 2: slowly rising share of 22.5 %
- Variant 3: stable share of inpatient care dependants on 2019 level (20 %)
- The new-build construction of a care home with 80 places is assumed (following the guidance of state-level care home legislation); the average care home size being 62 places (an occupancy rate of 92 % implying 57 residents)
- The calculations disregard replaced or decommissioned care places

From a surveyor's point of view, the projected increase in the number of care dependants by 2040, and the structural changes of the nursing care environment lend themselves to

the derivation of the future number of inpatient care dependants and the resulting number of care home places in three variants.

Demographics-driven demand forecast for care places and care homes 2040

	Variant 1 (max.)	Variant 2 (avg.)	Variant 3 (min.)
Total care depend.	5,594,000	5,594,000	5,594,000
Inpatient rate	25 %	22.5 %	20 %
Inpatient care dep.	1,398,500	1,258,650	1,118,800
Delta to fully inpatient care dependants, 2019	580,183	440,333	300,483
Delta of fully inpatient places 2019 vs. care dependants by 2040 = additional DEMAND	511,846	371,996	232,146
Calculated care places to be built annually through 2040	26,939	19,579	12,218
Calculated number of care homes (care dep./80 places*) = additional DEMAND	6,398	4,650	2,902
Calculated care homes to be built annually through 2040	337	245	153

Source: calculation by bulwiengesa; * Guidance provided by state care home legislation for new-build construction of facilities

Up to
1.398 million
inpatient care dependants by 2040

Demographics-driven demand for an additional
232,000
to
511,800
places in full inpatient care by 2040

Demand derived for the inpatient sector:

- Variant 1 shows a significant rise in the number of care dependants (c. +71 %) between now and 2040. The additional demand that would have to be met by 2040 is calculated as roughly 511,800 care places. Assuming that the new-build construction of care facilities delivers at least 80 care places per asset, this would imply the need for about 6,400 new care homes.
- Variant 2, which is considered the one most in line with demand from a surveyor's point of view, points to a need for around 372,000 additional care places (or 4,650 care homes).
- Variant 3 returns a need of 232,000 care places (2,900 care homes).

Efforts to strengthen outpatient care, to expedite the construction of handicap-accessible housing, to expand the spectrum of alternative residential formats, and to upgrade domestic environments technologically via assistance systems, make it reasonable to believe that the inpatient care ratio will not keep growing at the same fast pace, so that the future need for care home places will range somewhere between variants 1 and 3.

The current rate of construction is around 200 care homes with around 16,000 places per year. Variant 2, the one favoured by the surveyor, illustrates that the current rate of construction is insufficient to meet even today's demand. The

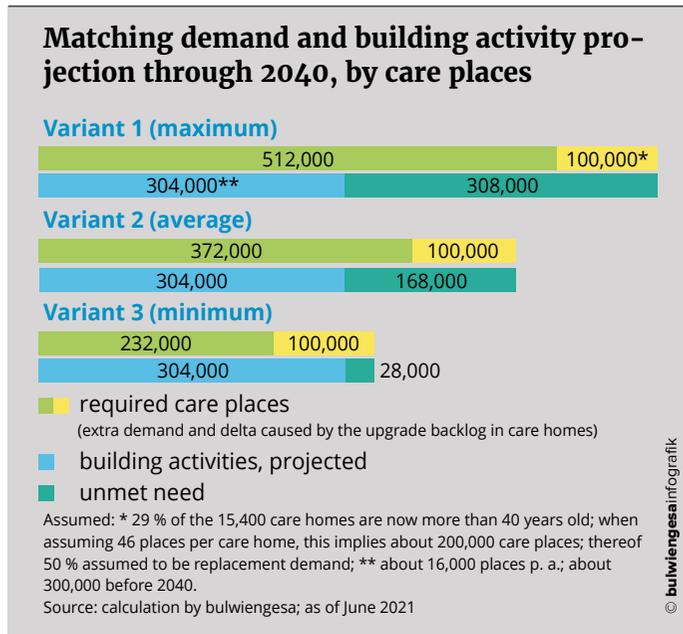
calculations do not yet include the replacement demand generated by the obsolescence of care places that do not qualify for upgrades to meet state care home legislation (e. g. the single-room ratio) or for modernisation.

The analysed development of the age cohorts in inpatient facilities implies in either case that Germany's care home real estate market is ageing rapidly despite the building activities. The backlog of upgrade measures and sluggish building activity have caused the centre of gravity among the age cohorts to shift to care homes aged 21 to 30 years and those more than 40 years old. From a real estate economic aspect, the situation presents not only an inefficient market position, but also an inadequate degree of liveability for residents of such outdated care homes. The calculated need for additional care homes to accommodate the demographically driven changes in long-term care will therefore coincide with a significant replacement demand caused by the failure to start modernising in good time. Assuming that 29 % of the 15,400 existing care homes are more than 40 years old, and that these have an average capacity of about 46 places, you get a total capacity of 200,000 places (roughly equivalent to 22 % of the current stock). It is safe to assume that these care places will either need to be replaced or upgraded in future.

Considering the demographically driven demand trend and needs arising from the necessary upgrades of the legacy stock, the total demand for care places in 2040 will present itself as follows:



About 100,000 additional places in ageing care homes by 2040 that are necessitated by the modernisation backlog



It should be remembered that these projections are seriously compromised by the fact that some of their main determining factors were largely simplified by assuming stable trends. Legislative revisions of certain definitions alone could alter the number of care dependants, as was the case when the Second Long-Term Care Strengthening Act (PSG) became effective. Analogously, rising life expectancies or other medical advances could affect the nursing care ratios. Shifts in income levels, career backgrounds or domestic arrangements could also impact the nursing care ratio.

Not least, the calculations generally ignore the issue of care staff resources that, of course, will be needed to run all of these facilities.

>> Extra Care Housing

Extra care housing is the go-to option for people aged 65+ who, while not yet in need of nursing care and still capable to manage their day-to-day affairs unassisted, appreciate a handicap-accessible flat as well as the option to request quick and competent assistance when needed.

The demand for extra care apartments in Germany equals an optimal supply ratio of 3 to 5 % of the age cohort 65+. Verified supply rates like those in the care statistics are not available for this segment, not least because they would have to be differentiated by region. In cities, the optimal supply rate should generally be higher than in rural areas, where functional family structures tend to be the rule, and where care tends to be provided in the recipient's private home. On top of that, there is a degree of rivalry between extra care housing and domestic care provided by professional care workers who could actually be staying at care dependants' homes, especially if they are large homes, to ensure a 24-hour presence.

Assuming a nationwide demand rate for extra care housing of 3 to 5 % among those aged 65+ permits the derivation of imputed demand figures for such care. By 2040, Germany will have 23.5 million residents older than 65.



Additional demand of 400,000 extra care housing units by 2040



Demand of 32,000 day care places by 2040

Assuming a supply rate of 3 % translates into a calculated demand for 700,000 extra care housing units. Under the Long-Term Care Strengthening Act (PSG), the outpatientisation trend toward the provision of care within the accustomed home environment is prioritised over extra care housing.

Latest estimates quantify the extra care housing units in Germany as around 360,000 apartments. This figure would have to double at the very least in order to approximate the imputed demand. An assumed facility size of 44 apartments, and an assumed additional need of 400,000 residential units would imply a demand of about 9,000 extra care housing developments.

>> Day Care

Day care represents a supplementary form of care or assistance provided to care dependants in their own home, regardless of whether they are cared for by an outpatient care service or by family members. The demand for day care rises sharply among people aged 75 or older, arguably making the population cohort of ages 75 and older the main demand group.

Since the long-term care insurance reform of 2017, political subsidy programs and the support of care dependants within the framework of long-term care insurance services have triggered a massive increase both in the demand for day care and in the expansion of day care capacities. Nonetheless, day care continues to represent a niche product so that the care rate across Germany averages only 0.85 % among those aged

over 75.¹ With a view to the demographic shifts alone, it is reasonable to expect a growing demand for day care places between now and 2040. It is calculated as around 114,000 places, assuming unchanged supply rates. This implies an increase by 32,000 places through 2040. It is safe to assume that demand will keep going up because of political measures whose maxim is “outpatient over inpatient care.”

¹ www.pflegemarkt.com, Pflegebedarfsstatistik 2018

Demand Forecast: Demand-Driven Growth Rates

<p>About 886,600 fully inpatient places in care homes in 2019</p>	<p>232,000 to 511,800 additional fully inpatient care place by 2040 due to demographic reasons*</p>
<p>360,000 extra care housing apartments in 2019/2020</p>	<p>Additional demand of ≈ 400,000 extra care housing units by 2040</p>
<p>82,000 day care places in 2019</p>	<p>32,000 additional day care places by 2040</p>

* not including structural replacement demand



Expansion of residential and care offers necessitated by increasing demand



Up to 511,800 additional care home places required for demographic reasons by 2040

Property Developments by Cureus and Selected Market Operators with an Asset Ownership Model

>> Disclaimer

Worth noting from a surveyor's point of view is that the available data basis is inadequate in terms of both quantity and quality to provide a comprehensive picture of care home real estate developments across Germany. For the purposes of this survey, a selected number of market operators with a nationwide market presence were scrutinised. The research findings revealed, however, that the researched data can only be represented in anonymised form, and that they are not properly verifiable in every instance. For this reason, the evaluation includes no representation of the competitors' microdata, instead matching the property development data of Cureus with an assumed data universe.

>> Analysing the Property Development Activity of Cureus

The analysis of the property development activities pursued by Cureus GmbH differentiates between the planning (plot acquired), construction (planning consent obtained) and completion of care homes. In order to put the building activities of Cureus into a comparable relation to those of other operators for the purpose of this survey, the monthly Bauradar stats on care home developments, which are compiled by Pflegemarkt.com and which are a publicly accessible source, were used as an assumed data universe.

For the observation period starting in November 2017 and ending in March 2021, the stats of Bauradar by Pflegemarkt.com counted 203 care homes under construction (around 16,200 places) and 241 care homes in planning (around 19,300 places). This adds up to around 35,500 care places either in planning or under construction, some of which may have been completed before the end of the stated observation period. The Bauradar figures were combined with information available to bulwiengesa AG and with the company's proprietary databases, the necessary adjustments having been made to accommodate overlapping time lines.

The observation period of the project analysis in regard to the planning, construction and completion of places in inpatient nursing care facilities extended from 2018 up to and including Q2 2021.

Based on a property development universe of around 35,500 care places between 2018 through Q2 2021, Cureus GmbH is part of the lead group with more than 7,000 care places and a projected market share of about 20 %.

In the years ahead, the property development pipeline of Cureus GmbH will help to consolidate the company's position as market-relevant property asset holder for care home real estate.



The track record of over 7,000 care places planned, built and completed since 2018 translates into a calculated share of about 20 % in all relevant development activities in Germany during the observation period

>> Selection of Property Asset Holders and Investment Fund Companies

To position Cureus GmbH on the market in terms of its inpatient nursing care places, the data of selected asset holders and investment fund companies were aggregated. For the purposes of this survey, property asset holders are owners of inpatient care home properties held as non-current investments that produce income from letting and leasing. Investment fund companies in this context invest the funds raised in the care home real estate asset class, and manage these assets.

The analysis is based on the selection and comparison of seven companies active in property asset ownership and five fund companies. Although we approached more companies than these, they preferred not to share their data. These were not anonymised in the analysis because the researched data basis is too indifferent.

>> Note on the Data Research

The data on existing care places (evaluation of press releases, statements of account, etc.) that bulwiengesa AG gathered and matched up were verified by the companies.

>> Analysis of Selected Property Asset Holders and Fund Initiators

Among the selected property asset holders, Deutsche Wohnen SA and Aedifica SA have the highest number of inpatient care capacities in Germany. The biggest fund companies are Immac Holding AG and Aviarent Capital Management S.à r.l.

However, looking at the various property asset holders and fund companies also reveals a wide spread among the held care home capacities. Set in relation to the total of 886,600 fully inpatient care places in Germany, the examined asset holders and fund companies with their roughly 69,300 places account for a share of 7.8 %. This selective discussion of property asset holders and fund companies demonstrates that investment potential of a major scale is available only to a limited extent in this market.

>> As Asset Holder, Cureus Stands to Gain Significantly from its Organic Growth

With more than 7,000 care places under development, Cureus GmbH will bring its proprietary portfolio up to around 11,000 places in the medium term through organic growth. This will put Cureus in the top group of property asset holders in future.



A selection of the largest asset holders and fund companies own a combined total of about 8 % of Germany's inpatient care capacities

Cureus will increase its proprietary portfolio to 11,000 care places in the medium term

Property asset holders of inpatient care places (evaluated in Q3 2021)

Companies	Number of care places	Institutional investors / asset holders	Source information / verified corporate information
Aedifica SA	8,300	Asset holder	2019/2020 annual report (2021), semi-annual report (2021); verified corporate information (08/2021)
Cofinimmo SA	4,500	Asset holder	Cofinimmo homepage (2021); verified corporate information (08/2021); Place count includes care and treatment places
Cureus GmbH	3,800	Asset holder	Cofinimmo homepage (2021); verified corporate information (07/2021)
Deutsche Wohnen SE	9,270	Asset holder	Quarterly report (Q2/2021), Deutsche Wohnen homepage (2021)
Hanseatische Betreuungs- und Beteiligungsgesellschaft mbH	5,610	Asset holder	HBB Homepage (2021); verified corporate information (08/2021), portfolio reconciled with current property developments
Hemsö GmbH	6,500	Asset holder	Annual report 2020 (2021); verified corporate information: number of places as of 31/12/2021; the portfolio acquired late last year is not included in the 2020 annual report
Icade SA	3,179	Asset holder	verified corporate information (08/2021)

Source: research by bulwiengesa, and data disclosed by participating companies (August 2021)



Wide spread in the care place capacities owned by the market operators selected

Fund companies holding inpatient care places (evaluated in Q3 2021)

Companies	Number of care places	Institutional investors / asset holders	Source information / verified corporate information
Aachener Grundvermögen Kapitalverwaltungsgesellschaft mbH	1,163	Property fund	Caretrialog.de homepage (2021); verified corporate information (08/2021); Pflegeheimfonds A.B Saniga-Fonds, WohnenPlus-Fonds
Aviarent Capital Management S.à r.l	6,180	Property fund	Aviarent homepage (2021); 2019/2020 annual report (2021), verified corporate information (08/2021)
Immac Holding AG	10,218	Property fund	Immac homepage (2021); verified corporate information (08/2021)
INP Holding AG	5,952	Property fund	INP homepage (2021): real estate portfolio – overview of sites; verified corporate information (08/2021)
Patrizia AG	4,679	Property fund	verified corporate information (08/2021): The place count integrates some short-term care places because places of this type are occasionally interspersed with the standard permanent care.

Source: research by bulwiengesa, and data disclosed by participating companies (August 2021)



Differences in scope among the institutional market players

Market operators: Cureus bolsters its market position

<p>Around 7,000 care places in planning, under construction or completed since 2018 (as of July 2021)</p>	<p>A calculated market share of about 20 % out of the analysed developer total</p>
<p>Around 7 care homes under construction p. a. since 2018; fast expansion in future</p>	<p>20 to 25 new care homes p. a. in the pipeline by 2022 and thereafter</p>
<p>Stock of 3,800 care places (as of July 2021)</p>	<p>Portfolio to be increased to around 11,000 care places in the medium term</p>



Organic growth from property developer to property asset holder making good progress

Positioning Cureus – Internal View

With its clear competitive advantage in the real estate industry, Cureus positions itself as strong company that specialises in inpatient real estate as property asset holder and that manages its own portfolio. For more than 15 years, the team of what is now Cureus has employed its know-how in system care homes in order to address the growing need for inpatient nursing care places by predicting timing, economic and quality parameters. The well-rehearsed Cureus team, based in Hamburg, Marl and Winsen (Aller) plans to complete at least 20 developments annually in future. The growing portfolio of Cureus will therefore imply an immense societal and economic value-added.

>> Key Facts on Cureus

- Around 115 staff deployed in 3 branch offices across Germany (as of June 2021)
- Lead consulting services largely provided by Cureus itself
- Turnkey construction executed by a professional and broad-based team of architects, architectural drafters, civil engineers, site managers and well as accounting, administrative and human resources staff.
- 2015 through 2020: 28 developments completed, delivering about 3,300 units
- A portfolio of 38 leased properties, providing 3,821 care places and 240 sheltered housing units, value: 680 million euros (as of June 2021)
- At the moment, 28 developments are under construction that will deliver 2,312 care places and 414 sheltered housing units (as of June 2021)

- Another 70 developments already notarised will be completed by 2025, providing around 5,150 care places and around 1,920 sheltered housing units (as of June 2021)
- Organic growth opportunities in the existing portfolio
- The majority of the portfolio properties were built by Cureus according to its systemic approach
- Assets under construction and in planning have a projected value upon completion of 1.5 billion euros (as of June 2021)
- A large share of the standing properties meets the KfW Efficiency House 40 standard
- Member of the ZIA German Property Federation

>> Competitive Advantages of the System Care Home

- Standardisation processes: from the site appraisal all the way to the handover to the operator, administration included
- Acquisition and implementation of tested and standardised products and care housing types (enormous cost savings and quality assurance)
- Synergy effects through product standardisation: structural standardisation that cuts planning, coordination and trade work costs, and uniform handling minimises error rates in construction and operation
- Strict focus on quality management and swiftness
- Deviation analyses on regionally different provisions in regard to workplace guidelines, regulations, fire prevention and protection, hygiene measures, minimum building standards for care homes that Cureus conducts in-house – all of these expedite and simplify approval procedures and



Cureus developments standardised, administratively lean and operator-friendly care homes for the proprietary portfolio



Transparency, efficiency and cost savings in construction and operation

processes; the standardisation benefits of system care homes ensure carefree acceptance inspections

- Administratively lean and systematic development, construction and maintenance processes combined with the simultaneous execution of bespoke architectural requirements
- Index standardisation, exact specification of the servicing and maintenance costs interface between Cureus and operator

>> Competitive Advantages for Operators

- Cureus conducts in-house research in the form of demand and site analyses nationwide
- Stable network of permanently partnering operators to ensure the conformity of products and processes
- Standardisation of costs for the operator
- Operator-friendly servicing process: Optimisation and reduction of service charges (e. g. through construction in compliance with the KfW 40 sustainability standard, combined heat and power plant, service charges for fixtures negotiated by Cureus)
- Modular construction using regionally produced fit-out elements
- Minimum quality-of-living standards focused on the residents, such as exclusively single-occupancy rooms, large lounge areas, floor-length windows
- Consultancy and analysis in regard to the advantages of system care homes provided to operators, who will have to

compromise their personal preferences in favour of the standardised system care home specifications

>> Time and Cost Effectiveness

- Accelerated time to completion during the construction phase due to turnkey and standardised construction: The processes of demand analysis, architectural planning and property acquisition are completed in a matter of weeks
- Construction costs and investment cost savings for the operator through cost reductions of ancillary spaces (hallways, staircases, plant rooms, administrative offices)

>> Systematic Work

- Every year, Cureus appraises about 1,000 available plots with a view to purchasing them, eventually selecting 30 to 40 of these plots for development
- No plots subjected to pre-planning by third parties, no standing properties under heritage protection
- Development and implementation of system care homes including outdoor areas that are part of the design concept are adapted to the shape of a given plot of land



Systematic work, modular construction, synergy effects through cost and time savings while duly considering the livability of the residential accommodation for seniors

>> Financial Strength

- Cureus is of sound financial strength: Land acquisitions are paid for with equity capital
- Debt financing does not come into play until the construction agreement, operating agreement and development rights are in place
- Impeccable credit worthiness among banks because of the track record of the business model and the ratings of the respective operator
- Cureus knows how to convince banking partners, both on the local and on the interregional level (savings banks, state banks)
- Continuous optimisation: lower property development costs, architecture, building volume and material costs than those of competitors

Cureus: Pioneering Efficient Value Creation

Stable network partners for efficient processes	Time and planning efficiency for all partners in planning and construction
Great financial strength of Cureus	Standardisation of the operating costs for the operator
In-house research for demand and site analyses	High liveability through a concept sensitive to residents' needs



Cureus – a property asset holder developing and managing its own portfolio



Steady growth of the Cureus portfolio in the past, present and future

Positioning Cureus – Outside View

To find out how Cureus GmbH is perceived from the outside, a number of interviews with market experts were conducted. Based on a guideline interview, experts were asked to answer six questions concerning their experiences when working with Cureus, the marketing appearance of Cureus, product and development recommendations, as well as the competitive advantage of Cureus over other market players. The observations made by the experts represents the views of various partners in the planning, execution and operation of care homes. The evaluation of the conducted interviews was anonymised for this discussion except for quotes the interview partners released for publication, which are identified as such.

In most cases, the expert interviews were preceded by a long-term collaboration and partnership with Cureus GmbH that originated in the desire to make a meaningful effort toward the optimisation of the nursing care market in Germany. As a result of its highly professional approach in planning and implementing inpatient facilities, Cureus is held in very high esteem as collaboration partner by the interviewed groups of actors.

>> Outside Perception of Cureus and its System Care Homes

At first glance, Cureus is (still) credited mainly for its expertise as property developer. However, some voices see the company as a future property asset holder or indeed a multi-talented in any area of the real estate industry. From the experts' point of view, Cureus relies on a broad-based platform of

many competencies that are not necessarily limited to the activity of a property developer. Worth mentioning in this context is the broad spectrum of deliverables that Cureus covers, from land acquisitions, to planning, financing, property development and construction, and from affiliated operating companies to the company's own investments. The interviews highlight the site analyses for potential development concepts that Cureus conducts on its own, which provide a significant value-added for many partners of Cureus, serving as bases for decisions and bolstering the collaboration. In this context, Cureus is rated as independently operating company that is seen, at least in one case, as an "owner operator" of the sort known from the hospitality sector (Lothar Lohr, financing account manager, BayernLB state bank).

Some observations suggested that the collaboration with Cureus is still associated with the Lindhorst Group, because the rebranding as Cureus is rather recent. The Lindhorst Group itself is considered one of the largest real estate companies in the areas of investment, property development, planning and construction in this context (Michael Müller, Managing Director of Convivo Life, Convivo Parks). The responses from operators suggest that they see Cureus as a future property asset holder.



Expert interviews include the angles of architects, operators, (fire safety) engineers, financiers, administrators and outside general contractors

» Optimisation, Standardisation, Scalability and Uniqueness at Cureus'

Optimisation

- Cureus is known for its continuous optimisation processes: The idea is to ensure that resident and operator requirements are met
- Professional handling of the construction and operating costs of completed care homes
- Planning as a self-learning system, with services optimised from one property to the next
- Continuous fine-tuning and adapting of processes
- Robust effort to ensure optimal living formats are identified for care dependants (occupancy rate about 95 %)

Standardisation

- Standardised approaches to property development
- Standardisation in the resubmission and coordination of documents when working with financial institutions
- Standardised approaches in planning and construction ease the strain on operators
- System care homes are characterised by a nationwide standard of always identical building components and suppliers; an optimal scenario for contractors when evaluating construction projects and resource planning
- Planning certainty for Cureus and general contractors
- Despite the standardisation, the approach permits customisation to the specific needs of a given operator

Scalability

- Product defined by a high percentage of prefabricated parts (e. g. fully assembled window systems delivered to the construction site)
- Development of a "mass product"
- Operator's point of view: Larger care homes imply an improved cost effectiveness (value creation), higher efficiency of staff working in care homes
- Economies of scale for project partners in construction projects

Uniqueness

- Professional coordination and processes
- The product is developed and optimised from the perspective of the operator and of the housekeeping and nursing care staff; the planning standard is updated to include planning aspects and insights from other facilities
- Cureus commits its know-how in the construction execution

» Time and Cost Effectiveness

- Fast-track analysis, planning and construction through optimised interfaces
- Planning process is optimised for working efficiency and swift coordination
- Acceleration and simplification of processes in combination with fire safety requirements
- Significant synergy effects and time savings through precise workflows



“There is no need to re-invent the wheel every time a care home is developed and constructed.”

Michael Burmester,
Managing Partner of
Belia Seniorenresidenzen

- But operators fail to see the optimised cost effectiveness
- The professionalism of Cureus in regard to tasks and responsibility in political bodies is very much appreciated
- System market: Pre-fabrication and standardisation of nursing care rooms and bathrooms translate into construction cost savings
- The pinpoint use of building materials also saves time and staff costs

» Product and Process of the System Care Home

Defining the Term “System Care Home”

- In the construction context, system care refers to a standardised floor plan design that leaves room for custom planning to exploit savings potential
- Many of the respondents advocate a pinpoint marketing of the term; they believe the product focus should be combined with a focus on the residents because scalability in and of itself is associated with mass production whereas care is an emotionally charged segment
- The term has a great marketing effect: Seen from the outside, it associates improved predictability and the avoidance of mistakes by relying on experience
- System care homes represent care home real estate optimised to satisfy all relevant needs (practical floor plans, coherent concepts, in-depth experience)
- The system care home takes a modular approach to all-in nursing care (in addition to the care, living and wellness packages for residents, it includes service packages for operators and investors, too)

- System care homes take the different state legislations (minimum building standard regulations for care homes) into account

Product and Process

- Development projects and care home real estate have analogies – when assuming comparable parameters
- From an operator’s point of view, a care home represents a property optimised to serve its special kind of residents and use
- With their modular approach, system care homes address the issue of material shortages
- A classic middle-class product, not a high-end product (reconciling the need for comfortable senior accommodation with structural standards)
- Coordination of product and processes in the various locations with the stakeholders is “excellent” (Marcus Mollik, Managing Director, WH Care)

» Cureus Compared to its Competitors in the Market

- Cureus uses its broad-based experience background to cope with its workload swifter than its competitors
- The property serves as basis and prerequisite for a given operator’s successful business model
- Cureus evolves and grows in a more consistent manner than its competitors
- Well-organised companies with short lines of communication; the standardisation and efficiency eliminate the need for coordination in many instances



“Everything is dovetailed like a jigsaw puzzle.”

Dr. Michael Dehne,
Managing Director, DK
Brandschutzingenieure



“Cureus has automated everything, from the land acquisition all the way to the construction execution.”

Bernward Blank,
Managing Director of
Ingenieurbüro Blank

- Planning is done on the basis of precise traffic light systems and checklists
- Lean structures and swift processes; time savings
- Financial strength of Cureus
- Planning certainty
- Sound strategy templates
- Positive feedback for the work done by Cureus in the form of a smooth planning application process, facilitated e. g. by the optimised fire safety concept
- Enormous know-how

>> Soft Facts Concerning Cureus

- Perseverance and continuity
- Sound and transparent communication
- Excellent teamwork, even among the partners
- Cureus as a one-stop shop; established groups and responsibilities
- Backed by competent legal staff
- Competent and time-tested enterprise
- The very name "Cureus" suggests integrity
- Performance-focused and well-rehearsed narrative
- Innovation-driven organisation
- In-house coordination of small circles delivers time savings

>> Praise

- Aside from the construction activities, professionalism also sets the scene at the head office

- Quick decision-making, preparation and delivery of documents, professional demand analyses
- The documents submitted to underwriting banks are self-explanatory
- When participating in broad-based tender processes, Cureus is always awarded the contract, not least because of its robust operator concept
- Enhanced property quality
- Experienced professionals; a straight-forward, honest company
- Cureus as active market operator with expertise in care home construction
- Third parties are thrilled by the planning and execution; plenty of synergy effects with other companies, and an extensive network
- Automated process of Cureus, with everything from land acquisition to the construction execution leanly structured
- The outside facilities and exterior facades chosen by Cureus will upgrade a given location; the final products showcase the Cureus brand

>> Development Potential

- Visual impact and marketing of the modular design system, comparable to food service industry: A care home cannot be mass-produced because it is an emotion-packed product
- Certain conflicts of interest are manifest on the operator side; there is a need to improve synergy and interfaces, to standardise the basics (functionally organised output specification) and to implement an innovation cycle



“Even strong competitors are marked down by the uniqueness of Cureus.”

Jan von Hörsten, authorised senior representative, plan & bauwerk



“The spirit of partnership with Cureus.”

David Meyer, Head of Marketing, MBN

- Construction sites could be optimised into a visual calling card (brand, banner, etc.): So far, there has been no stated etiquette; the construction quality should be improved; the elimination of defects and feedback should be expedited; an in-house troubleshooting department should be set up to optimise the empathy angle
- Cost savings for operators should be mapped in more detail
- Contracts and construction standards on the operator side should be more flexible
- Rating in the balance sheet structure (incl. goodwill) must be taken into account in the funding context
- Additional interim meetings should be convened during planning processes
- It would be helpful to gather all operators in an evaluation/think tank process to improve concepts, not least by integrating feedback from residents
- The growth in the number of staff and projects calls for an organisational chart of contacts and competencies
- There is a manifest need for more detailed planning optimisation of the technical building systems (budgeting optimisation)
- Quality and corporate culture (the sense of community) should not fall victim to the fast-track expansion (e. g. to the pace of the expansion)
- In-house data rooms should be used more consistently beyond the end of a given project so as to make it easier for key account managers to answer questions

>> Conclusion

The way the company is viewed from the outside largely matches the way Cureus sees itself as an entity. What market players find most appealing is the company's distinct approach to the optimisation and standardisation of lean administrative processes and work flows. In addition, the company is credited with a large number of fortes that include the areas of investment, property development, planning, construction and even facility operation.

The internal and external views of Cureus match closely in regard to predictability, scalability, speed and professionalism. These facts and circumstances can be verified on the basis of the company's growing portfolios and its large number of property developments.

From bulwiengesa's expert point of view, the differentiated views of the various market operators from the real estate industry therefore confirms the competitive advantage that Cureus has on the German nursing care market. Worth noting in the context of the examined socio-demographic and macro-economic conditions is that Cureus is credited with an important role in the effort to meet the demand for care places through the construction of new-build facilities.

As far as the future market positioning of Cureus goes, it is recommended to adapt the marketing strategy for the system care home product consistently to suit the market operators. Moreover, Cureus should intensify its branding efforts because the company's activities continue to be associated by



Within the real estate industry, Cureus is a highly esteemed company and considered a reliable partner



Predictability, scalability, speed and professionalism make up the USP of Cureus

some respondents with the corporate umbrella of the Lindhorst Group.

The gist of the survey is that Cureus currently has a truly unique selling proposition with its system care home concept because it offers a standardised, scalable and optimised process and product that covers the aspects of construction and development as well as that of property asset ownership.

High Requirements Profile of Cureus

<p>Stable network of partners for efficient processes</p>	<p>Continuous optimisation process</p>
<p>Standardised processes, from acquisition all the way to administration</p>	<p>High-quality construction at reduced costs</p>
<p>Scalability in construction through pre-fabrication and optimised purchasing</p>	<p>Significant time savings through compressed work steps</p>



“Expertise in care home construction and an understanding of care homes from the perspectives of residents and the capital market.”

Michael Müller, Managing Director of Convivo Life, Convivo Parks

“Great synergy effects and plenty of win-win potential.”

David Meyer, Head of Marketing, MBN

Quotes from Expert Interviews

<p>“The corporate culture betrays a strong family DNA and simultaneously professionalism in nursing care with an end-to-end approach.”</p> <p>Michael Burmester, Managing Partner of Belia Seniorenresidenzen</p>	<p>“Cureus offers a care-free package.”</p> <p>Michael Müller, Managing Director of Convivo Life, Convivo Parks</p>
<p>“One of the few if not the only company, that does everything: a family business acting as operator and property developer or property asset holder, supplemented by a contractor within the group of companies. Cureus brings know-how in all areas to the job.”</p> <p>Lothar Lohr, key account manager, BayernLB state bank</p>	<p>“Everyone is on the same page.”</p> <p>Bernward Blank, Managing Director of Ingenieurbüro Blank, consulting engineers</p>
<p>“The Cureus care homes have a 4-star-plus or 5-star standard.”</p> <p>Marcus Mollik, Managing Director, WH Care</p>	<p>“The system care home is a mechanism that works in every environment.”</p> <p>David Meyer, Head of Marketing, MBN</p>



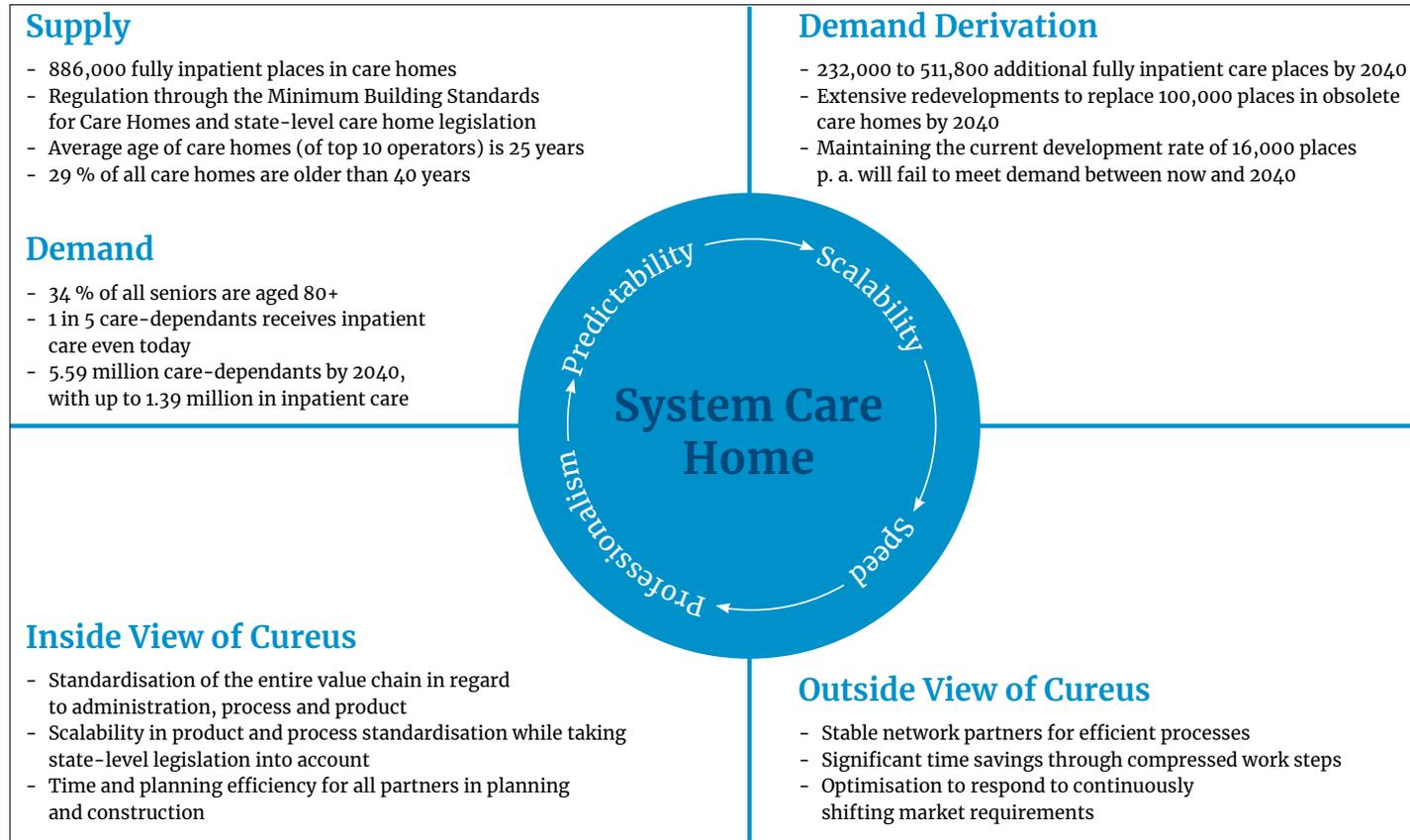
“Our municipal staff **love working with the Cureus Group.**”

Bernd Nottebaum, Deputy Chief Mayor and Building Commissioner of Schwerin, Department for Business, Building and Public Order

“**Acceleration and simplification** of processes.”

Dr. Michael Dehne, Managing Director, DK Brandschutzingenieure

System Care Home Matching



Long-term benefits for operators and investors: **“It’s a one-stop shop.”**

Bernward Blank, Managing Director of Ingenieurbüro Blank, consulting engineers



Matching inside and outside view of Cureus and its system care homes

Appendix

State-Level Regulations for Long-Term Care

Care home								
	Home places max.	Single rooms	Room size	Sanitary area	Community area per place	Nursing bath	Communication systems	Lifts
BW	100	100 %	min. 14 sqm, w/o ante-room	every room new-build	home size up to 15 pers., at least 5 sqm/pers.	easily accessible bathroom, alternatively 4 pers./WC, max. 15 pers./shared bathroom	-	-
BY	-	adequate share	min. 14 sqm SR, 20 sqm DR	per room, direct access or via anteroom	20 sqm/home share group or 1.5 sqm/pers.	at least 1 nursing bath/40 pers.	nurse call system/bed, plus in bathrooms/therapy rooms, common areas; phone/accommodation	-
BE	-	min. 60 %	14 sqm SR, 22 sqm DR	2 pers. max. per bathroom	min. 5 sqm/pers.	min. 1 nursing bathroom/30 pers. or residential floor, incl. shower, washbasin, WC	radio, phone, internet/pers., possibly operable from bedside	-
BB	-	principally SR, max. DR	min. 14 sqm SR, 24 sqm DR	proximity to residential environment	min. 5 sqm/pers.	bathtub within the facility	techn. prerequisites for outlets and reception must be installed	sufficient number of lifts in multi-storey facilities, at least 2 lifts/100 beds plus bed lift
HB	-	-	12 sqm SR, 18 sqm DR	privacy blinds for sanitary systems on shared home facilities, grab handles in the bathroom, bathtub with secure access, equipped for wheelchair users	at least 1 room of 20 sqm, or 0.75 sqm/pers. in facilities of 20 pers. or more	flush toilet and washbasin shared by max. 8 people on the same floor, a bathroom with bathtub shared by max. 20 pers	nurse call system, operable in bed, phone/unit	at least 1 lift if residential area are accessible via stairs
HH	-	100 %, merger of 2 SR to form DR possible	14 sqm SR	bathroom with washstand, shower, WC shared by 2 pers. max.	at least kitchen, living room, utility rooms, storage areas for each home share group	private bathroom, or shared by max. 40 persons; bathrooms with washstand, WC, tub, guest WC	nurse call system for private and community areas	-
HE	-	100 %, DR eligible for approval	min. 14 sqm SR, 24 sqm DR	washstand, shower or bathtub, WC and grab handles, anti-scald protection	common area/home share group or living area nearby; 2.5 sqm/pers. and a min. of 20 sqm/area for resid.	nursing bathroom with privacy blinds, accessible for wheelchair users	telecommunication outlet/place, nurse call system in living rooms/bedrooms, sanitary facilities, therapy rooms, community areas	-

Care home

	Home places max.	Single rooms	Room size	Sanitary area	Community area per place	Nursing bath	Communication systems	Lifts
MV	-	principally SR, and DR if needed	min. 12 sqm SR, 18 sqm DR	each bathroom with shower, WC, washstand incl. grab handles, 2 res. max.	kitchen, laundry and clothes-drying room, dirty-work and service areas near the home share group	a bath/home place, for every 32 res./nursing bathroom incl. bathtub, washstand, WC; if no private bathroom, 1 nursing bathroom for every 4 res.	personal access to diverse outlets, nurse call systems in sanitary areas and at bedside	min. 1 lift if building has ≥ 2 floors
NI	-	principally SR	min. 12 sqm SR, 18 sqm DR	privacy blinds for showers, bathtubs in communal facilities, grab handles in the bathroom, bathtub with secure access, equipped for wheelchair users	at least 1 room of 20 sqm, or 0.75 sqm/pers. in facilities of 20 pers. or more	flush toilet and washbasin shared by max. 8 people on the same floor, 1 bathroom with bathtub shared by max. 20 pers.	nurse call system, operable from bedside, phone/unit	at least 1 lift if residential area is accessed via stairs
NW	80	min. 80 % existing stock, 100 % new facilities	min. 14 sqm SR, 24 sqm DR	each room directly accessible; 1 WC per living area, 1 wheelchair-accessible WC per 40 pers.	min. 5 sqm/pers., min. 3 sqm/pers. in home share groups	personal sanitary systems, otherwise at least 1 nursing bathroom for 20 pers. max.	diverse telecom./media outlets, nurse call system	-
RP	-	-	min. 14 sqm SR, 20 sqm DR	handicap-accessible and lockable sanitary area incl. WC, washstand, bathtub or shower for every room, occupied by 2 pers. max.	min. 3 sqm/pers.	relative to the number of residents	techn. prerequisites for using various installations	-
SL	-	-	min. 12 sqm SR, 18 sqm DR	privacy blinds for showers, bathtubs in communal facilities, grab handles in the bathroom, bathtub with secure access, equipped for wheelchair users	at least 1 room of 20 sqm, or 0.75 sqm/pers. in facilities of 20 pers. or more	flush toilet and washbasin shared by max. 8 people on the same floor, 1 bathroom with bathtub shared by max. 20 pers.	nurse call system, operable from bedside, 1 phone/unit	at least 1 lift if residential area is accessed via stairs

Care home

	Home places max.	Single rooms	Room size	Sanitary area	Community area per place	Nursing bath	Communication systems	Lifts
SN	-	-	min. 12 sqm SR, 18 sqm DR	access to sanitary area either direct or via ante-room, feat. shower, WC, washstand, incl. grab handle, for 2 pers. max.	at least 1 room of 20 sqm, or 0.75 sqm/pers.	at least 1 nursing bathroom for every 40 res.	nurse call system/bed, plus in bathrooms/therapy rooms, common areas; phone/accommodation	-
ST	-	-	min. 12 sqm SR, 18 sqm DR	privacy blinds for showers, bathtubs in communal facilities, grab handles in the bathroom, bathtub with secure access, equipped for wheelchair users	at least 1 room of 20 sqm, or 0.75 sqm/pers. in facilities of 20 pers. or more	flush toilet and washbasin shared by max. 8 people on the same floor, a bathroom with bathtub shared by 20 pers. max.	nurse call system, operable from bedside, phone/unit	at least 1 lift if residential area is accessed via stairs
SH	-	min. 75 %, no room occupied by more than 3	min. 14 sqm SR, 20 sqm DR	private handicap-accessible bathroom/bedroom feat. washbasin, shower or tub, WC; shared bathroom for 2 rooms/2 pers. max.	number and size depending on concept	each building with nursing bathroom incl. tub nearby	techn. prerequisites for hooking up diverse installations	-
TH	-	-	min. 12 sqm SR, 18 sqm DR	privacy blinds for showers, bathtubs in communal facilities, grab handles in the bathroom, bathtub with secure access, equipped for wheelchair users	at least 1 room of 20 sqm, or 0.75 sqm/pers. in facilities of 20 pers. or more	flush toilet and washbasin shared by max. 8 people on the same floor, a bathroom with bathtub shared by 20 pers. max.	nurse call system, operable from bedside, phone/unit	at least 1 lift if residential area is accessed via stairs

Source: IREBS Pflegemarktbericht 2020, bulwiengesa

State-Level Regulations for Extra Care Housing

Extra care housing	BW	BY	BE	BB	HB	HH	HE	MV	NI	NW	RP	SL	SN	ST	SH	TH
Obligation to report/notify					X	X			X	X		X				X
Regulatory inspection					X	X					X				X	
Staff requirements						X										
Constraints/resident participation						X			X							
Spatial requirements						X			X							
Investment/loan funding programs	X	X	X	X		X		X	X	X	X			X	X	

Source: Barmer-Pflegereport 2019

State-Level Regulations for Shared Home Care

Residential care communities

	BW	BY	BE	BB	HB	HH	HE	MV	NI	NW	RP	SL	SN	ST	SH	TH
Limited to 2-person home shares or 24 persons	X	X	X							X	X			X		X
Independent inpatient facilities required	X	X	X		X			X				X		X		X
Obligation to report/notify	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X
Regulatory inspection	X	X	X	X	X	X				X	X	X		X	X	X
Staff requirements	X			X						X	X					
Participation of residents	X	X				X			X	X	X			X		X
Spatial requirements	X								X	X	X					
Operator offices not permitted within the living area	X	X	X					X				X			X	
Funding programs, investments, loans	X	X	X	X		X		X	X	X	X					X

Source: Federal Ministry of Health, 2017 and 2021, Bavarian State Ministry of Health and Care, Barmer-Pflegereport 2019; Pflegemarkt 2020

Cureus Workshop

Guideline Workshop

Examination matrix	Contents	Discussion/questions
Are there unique selling propositions? What is their rationale?		
Cureus: Self-perception	<ul style="list-style-type: none"> product concept quality regionality speed 	<ul style="list-style-type: none"> What are the unique selling propositions, and how are they rationalised? As what does Cureus wish to be seen? What distinguishes a system care home? What defines the product? In what ways does this modular approach make Cureus different/better than other market operators in the nursing care segment?
How does Cureus wish to be perceived in the market?		
Cureus marketing	<ul style="list-style-type: none"> optimisation uniqueness scalability highly efficient product higher cost-effectiveness enhanced service quality 	<ul style="list-style-type: none"> Which keywords and contents trigger effects/consequences for the internal and external view? Is the higher cost effectiveness measurable (self-perception vs. operator/occupier view)? How does the optimised quality of living and service manifest itself?
How and in what role is Cureus perceived in the market?		
Expert interviews: Guideline for the external view in the expert interviews	Structure and contents of the interviews <ul style="list-style-type: none"> questionnaire evaluation form and method for the survey 	<ul style="list-style-type: none"> Cureus advertises its services with the keywords "optimised," "standardised," "unique" and "scalable". How do these present themselves in the collaboration, project realisation, cost effectiveness, product, and to the outside viewer? What does the term "system care home" actually signify? In what ways does Cureus set itself apart from other providers in the care home real estate segment? How is Cureus perceived in the market?
Summarised representation of Cureus	Observations, criteria	Processed data material to bulwiengesa (20/05/2021)

Source: bulwiengesa



Workshop on
12 May 2021,
3:00 – 6:00 pm

Expert Interviews

Interviews

Institution	Interview partner	Scheduled date
Belia Seniorenresidenzen	Michael Burmester	18/05/2021
Bayern LB	Lothar Lohr	19/05/2021
plan & bauwerk	Jan von Hörsten	20/05/2021
WH Care	Marcus Mollik	25/05/2021
MBN	David Meyer	25/05/2021
Convivo Gruppe	Michael Müller	26/05/2021
Deputy Chief Mayor and Building Commissioner of Schwerin, Department for Business, Building and Public Order	Bernd Nottebaum	27/05/2021
Dehne Kruse Brandschutzingenieure	Michael Dehne	28/05/2021
Blank Ingenieurbüro	Bernward Blank	28/05/2021

Source: bulwiengesa



**Qualitative
method survey
through inter-
views with 8
experts**



**Market obser-
vation from an
operator's and
financier's
point of view,
and with a
view to engi-
neering and
political know-
how**

Guideline for the Expert Interviews

Guideline

Introduction: Collaboration with Cureus/Lindhorst Group as ...

1. What is the perceived role of Cureus in the market (property developer, property asset holder, service provider, ...)?
2. Cureus advertises its services with the keywords “optimised,” “standardised,” “unique” and “scalable”:

How does the approach suggested by the keywords set Cureus apart from other property developers in the extra care property segment?

- in the collaborative context
- in the property development context
- in the project realisation context
- in the product context
- in the context of cost effectiveness (for the occupier/operator/client/service provider)
- to the outside observer?

3. What does the term “system care home” mean to you? Are you familiar with the term? Is the term as such significant, or does everything depend on product and process?
4. Do the products and processes of Cureus principally differ from those of other property developers from the extra care property segment and, if so, what is the difference and why?

5. What is your perception of Cureus within the market for extra care properties? (soft facts)

6. Potential for development – suggested improvements and feedback on Cureus



View of Cureus from the outside



Does Cureus have a unique selling proposition in the care home real estate market?