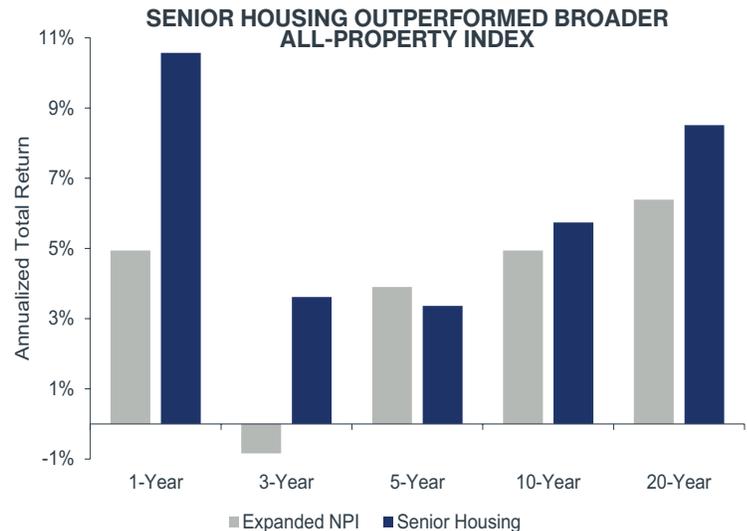


Clarion Calls: Senior Housing Positioned for Long-Term Growth

The Long-Anticipated “Silver Tsunami” Makes Landfall

What You Need to Know

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



Demand Drivers

› Healthy and wealthy senior demographic

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

› Increased healthcare spending has led to innovation

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

› Pent-up demand has led to firmer market conditions

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

Supply Dynamics

› Muted near-term new supply

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

› High barriers to entry for new construction benefits existing building owners

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

› Scale and age are critical to operational efficiency

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

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

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

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

Past performance is not indicative of future results. This material does not constitute investment advice, nor does it constitute an offer in any product or strategy offered by Clarion Partners LLC and should not be viewed as a current or past recommendation to buy or sell any securities. Any specific investment referenced may or may not be held in a Clarion Partners client account. It should not be assumed that any investment, in any property or other asset, was or will be profitable. Investment in real estate involves significant risk, including the risk of loss. Investors should consider their investment objectives, and it is strongly suggested that the reader seek his or her own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory risks and evaluate their own risk tolerance before investing. There can be no assurance that market conditions will perform according to any forecast.