



Redevelopment of Brethren Village is successfully completed despite challenges of the recession.

In 2008, Brethren Village's leadership embarked on the largest redevelopment effort in their history to enhance services, offer person centered care in a new health center and create additional residential options.

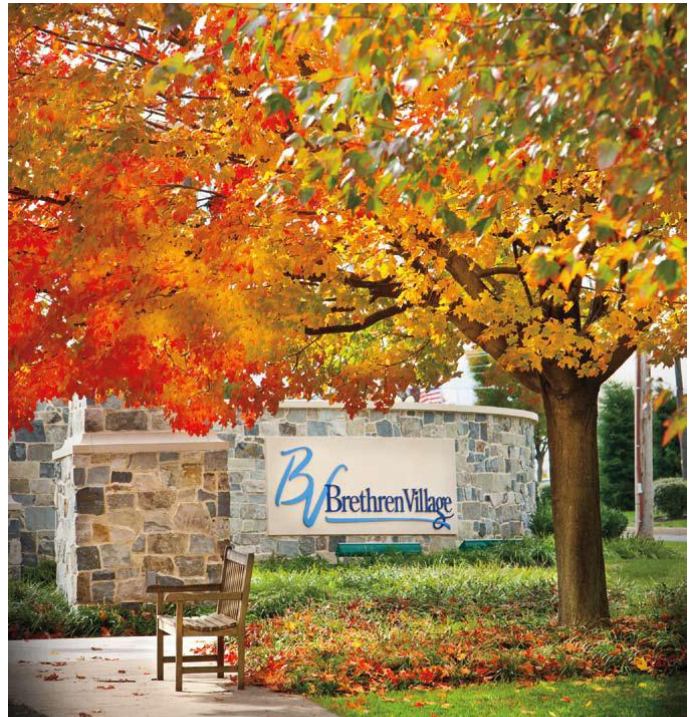
Why was Change Needed?

Lancaster County, Pa., has one of the highest concentrations of non-profit entrance fee-based CCRCs in the country. Brethren Village's leadership recognized in order to remain competitive in their market the following needed to be addressed:

- Business Model – unit mix weighted heavily toward nursing with limited assisted living (personal care) and no personal care memory support; limited balance sheet liquidity, and inability to offer the amenities desired by current and future residents; and
- Physical Plant – a deteriorating, institutional health center built decades ago offered an outdated product including 162 of the 175 beds semi-private or triple occupancy rooms.

The Redevelopment Team

Brethren Village had self-developed their campus throughout their history, but recognized the value of choosing a team that could assist the organization in realizing their vision. Greystone Communities was engaged to prepare a development plan and was selected as the development consultant for its fully integrated multi-disciplinary team, knowledge-based experience in non-profit CCRC development and resources to execute complex projects in a timely manner. BB&T Capital Markets and RBC Capital Markets were selected as the underwriters, RLPS as architect, and Wohlsen as the general contractor.



Founded in 1897, Brethren is located on 153 acres in Lancaster, Pennsylvania and is home to nearly 1,000 residents.

Description of the Project

Building on the reputation Brethren Village has established over the past 114 years, the project consisted of the following:

- Independent Living Apartments – 135 apartments expansion to an existing building;
- Assisted Living (licensed as personal care) – 36 additional personal care units;
- Memory Support Assisted Living (licensed as personal care) – 25 personal care memory support units;
- Health Care – downsized skilled nursing beds from 175 bed to 120 private and shared private room configured in a neighborhood design;
- Welcome Center including a 225 seat auditorium;
- Central energy plant that serves the campus; and
- Additional commons and support areas.

Solution

The redevelopment strategy made refinements to the business model and dramatically changed the physical plant to accomplish the following:

- Enhance market position with new amenities, programs and health care benefit;
- Increase liquidity through highly refundable entrance fees;
- Improve resident experience through person centered care delivered in a neighborhood design;
- Decrease reliance on reimbursement rates by state and local government;
- Capture internal demand for assisted living/personal care;
- Offer a more complete continuum of care through the addition of memory support; and
- Improve the physical plant and offered new amenities.

Challenges and Results

Like many other sectors of the U.S. economy, the CCRC sector has been affected by the current economic challenges that began in the fourth quarter of 2008. In January 2009, at the height of the recession, Brethren Village opened their doors on 135 independent living apartments. Brethren Village responded with a variety of move-in tools to aid residents to be able to move-in as planned. As of December 31, 2010, two years after opening, the collective efforts resulted in 87% of the new apartments occupied and 96% reserved.





Brethren Village successfully completed construction on the all phases of the 36-month construction project within two days of the timeline established at the start of construction. In addition, the project was completed for \$2.5 million under budget.

The Health Care Center has been fully stabilized since the time of opening. The new assisted living (personal care) was the last component to open November 29, 2010 and achieved 35% occupancy as of December 31, 2010 after just one month. The actual financial performance for the Organization has been better than planned.

Keys to Success

Brethren Village is characterized by a forward thinking board and management team with a commitment to providing innovative, quality services. A carefully managed development process and well-executed strategy have prepared Brethren Village for continued future success and further establishes Brethren Village as a provider of choice in the local market.

[Greystone](#) worked with Brethren Village to prepare a development plan for the expansion and then provided development and marketing services to bring the plan to reality. For more information, contact Mark Andrews, 972-402-3700.