



MOM'S HOUSE HOME STUDY COURSE

# CHAPTER TWO

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So, let's talk about the market size.

The first question with anything is, is there enough business for this to be valuable to me, the real estate investor? And the simple answer is, it's bigger than what you can handle. There's some stats out there that you'll learn and get to know, is that there's over two million Americans that already live in senior living. What feeds those two million people is the in-home health care market, which has about 4.7 million people in it.

So, when you talk about how many people move in there per year, around 300,000 people move into senior living.

Now, the 4.7 million that I have in-home health care, some move straight from their house and never have in-home healthcare, but in-home health care is usually the way people start, because when you have a mom that's ailing and she fell and she can't take her medication the way she could or bathe herself or these things, these normal life activities that mom used to be able to do, the first thing that every adult child does is try to put a bandaid on it, right?

Rightfully so, when I get old enough to need senior living, I'm sure I'm going to be the same exact way, where I don't want to move just straight into the senior living community, 24 hour care.

I'm going to start off with the least amount of care as possible. But what happens is very quickly, you find out that my level of care, I need more than just a couple hours a day, which by the way, in-home health care can easily be \$30 an hour. So, if you're there three or four hours a day, that's over \$100 a day, and then 30 days a month.

The point is if you need care very quickly, the in-home healthcare gets so expensive that you realize that mom or dad needs full-time, 24-hour care.

And so, an interesting stat is that the average stay with in-home health care is only six months. When I ask people this question, I always say, "How long do you think the average day is?" They usually say, "For years." And while some people are in it for years, really the reason why that number is so low is because that family decided to put the bandaid on it, and now they have outside help, outside RNs and nurses and doctors saying, "Hey, you know, mom should be in 24-hour care, not what you're doing currently." And that's why on the short end, it's only a six-month average stay with in-home healthcare, is because it wasn't the right care for mom anyway, and that's why it quickly moves into long-term care, which is what we're going to talk about a lot.

When we talk about the market size, there's 300,000 people moving into senior living each year, they're being fed from not only just straight direct move in, but also the 4.7 million Americans that use in-home healthcare.

There's a stat that you're going to hear a ton, which is 10,000 people a day turn 65. That's like the most famous stat of senior living.

And so, why is that important? It's important because your new opportunities are there and ongoing with 10,000 people a day turning 65. That's what's feeding into the in-home care, which feeds into the senior living. And so, not only do we see it not going down, but we see it actually increasing over 300,000.

If you think about your own metro area, do you see cranes in the sky right now, building senior living communities? If you're like the St Louis metro, it's going on everywhere, tons and tons of huge senior living communities are being built right now.

So, the market size is exponential. It's huge. These big, huge communities that you see being built, we've already talked about it, they only stay there for about two and a half years, is their average day. Every time somebody cycles out, that's a new opportunity to move somebody in, which every single time, that means there's a new house that needs to be sold. And so, if I haven't stressed it enough, the size of this market is huge.

It's full of the people that you want to buy houses from, people that have motivation and have equity.

When we talk about the size of the market, you might ask yourself, "Well, where are they going to move into?"

The long-term care world, the biggest market is the assisted living. And so there's many different levels of care. Today, we're not going to go in depth on every single one, but the one that you're going to deal with most is the assisted living. That's that first time when they most likely have taken the keys away from mom, she needs help with her day-to-day life. Independent living, you'll hear that terminology as well. Independent living means I have my own keys, I make my own food, I dress myself.

That's very different... When we go from the size of the market into when I'm important, is when we go from in-home to the assisted living community.

So, let's dig into the different types of communities that are out there.