Intro
Welcome to season eight of Bridge the Gap, a podcast dedicated to informing, educating, and influencing the future of housing and services for seniors. The BTG network is powered by sponsors, Aline, NIC MAP, Procare HR, Sage, Hamilton CapTel, ServiceMaster, The Bridge Group Construction, and Solinty and produced by Solinity Marketing. Bridge the Gap in three, two.

0:36 - 0:47
Lucas McCurdy
Welcome to Bridge the Gap podcast, the senior living podcast with Josh and Lucas Florida Senior Living Association, here in Fort Lauderdale. Great conference and a great guest, our friend Greg Roderick. Frontier management.

0:47 - 0:49
Greg Roderick
Great to be here.

0:49 - 0:56
Lucas McCurdy
It's so good to see you. You know, the Pacific Northwest guy turned Dallasite.

0:56 - 1:00
Greg Roderick
I'm telling you, I'm liking the East. This whole weather thing works for me.

1:00 - 1:02
Lucas McCurdy
You love warm weather.

1:02 - 1:08
Greg Roderick
It turns out. It turns out I love the sunshine. I love, you know, taxes and Texas and Florida. They're good spots.

1:08 - 2:14
Lucas McCurdy
So, Greg, this is not your first week in the industry. You've seen some ups and downs and some challenges, and some changes. This is an incredible opportunity to pick an industry icon's brain about where senior housing is in 2025. And, let me frame it up even more, as I ramble a little bit here, Greg, your portfolio consists of literally every type of asset and class of senior housing from large luxury ground up great to legacy older standard. AL/MCs, and across a swath of the United States. In a lot of different states you've operated in. And so you have a deep perspective on, really, a lot going on in the industry. Development is really challenging. And we're gonna pick your brain about that. So does that spur up some thoughts that you want to share with our audience?

2:14 - 8:27
Greg Roderick
Candidly, our industry is struggling with older properties. We've got probably an average age of around 28, 29 years old for the senior housing space. With that, you would think that development would just be taking off like crazy right now.

In the last ten years, we've seen so many developers and investors really get comfortable with that 3 to 5% interest rate. And for those of us who have been doing this since, I hate to even tell you, you know, in the 90’s late 80s, we were used to building buildings between 12 and 20% interest.

We got into a pattern where we were thrilled in the 90s with a seven-and-a-half to 10% range. We just couldn't believe how reasonable that was. In the last 15 years or ten years at least, everyone has been doing three-five, whatever percent, and they're so comfortable with that. But the interest rate tick is just absolutely frozen.

So many people from development working for me, I would if I could, if I could develop ten buildings right now, I would build ten buildings. Right now, it seems like that would be really high risk at seven and a half to 9% interest. To me, that still seems reasonable. It seems so funny, but the demand is there. The senior or the silver tsunami everyone's been talking about for so long is literally here.

I was interviewed just a couple of days ago by a publication, and they said, How much of an increase are you seeing in leads for about 15% month over month of the new competition and new leads flowing in? In the past, our website would generate, conservatively, 10-15% of our leads. Today we're at 60%. They get 60%. A Place for Mom used to be 60%.

Now they're in that maybe 25-30% of our website. We're doing so much at home. And, social media, I do attribute social media to have done a beautiful job of allowing all of us to organically grow our brand. In the past, we would have to lean on a sales director to just go out and build the brand kind of on their own.

And now we've got social media, and everyone is on their phones. No, I don't know you guys, but when I see how many hours a day my phone's been used, I'm a little embarrassed because I have not. I either I'm having on some lunch, or I'm scrolling through LinkedIn and Facebook liking all of my buildings. But, that is pushing our algorithms up or giving them far more lead flow that way.

But that all leads into the development. Back to the development of our industry, new products. You've seen. I'm not sure if you've seen or if you've seen our new and our new winning Garland, Texas. It's filling up at such a rapid pace. You know, people like that. Aren't you worried about a new competitor? I'm like, oh no, there's less room. There's room for all at this point. In 2025, to kind of go back to your first part of this question, the state of the industry is we're healing quite nicely, from Covid, we had the worst four years of our industry I've ever seen.

I would only liken it to the Resolution Trust Corporation days of the early 1990s, when the savings and loans failed. The government took them over and sold off our assets, including a lot of our senior living. It would be like the government taking over all the community banks today. That was a disaster for so many people. Of course, the winners made billions, but the losers lost everything, and that's what Covid was: the same thing. All of us took a hit, and a lot of people asked us during Covid, why aren't the buildings now in Covid, where weren't you filling these buildings up faster? I'm like, well, let's just say there were like 2,300 units of memory care in a particular market.

Everyone went down to an occupancy of, say, 20% right now. We got a lease up the other 80% together. And, you know, normally you'd build a building and you'd fill up one building out of 12 in that market, and it leaves nicely. Yeah. Now we're building it, filling all the buildings at the same time. So it was a grind.

You know, you're giving away incentives and losses. We're writing that. And so lenders are scared, investors are weary. And then you're developing some stuff too, right? Yeah. It's a great time to develop it. It's a great time. With young laborers, available materials are available. The tariffs, I don't know if they're really going to ever fully hit.

So I'm not so worried about that. And I think that's been. That's a political. I'm not really worried about politics. I'm I want to build buildings or operate buildings. I want to give seniors better choices. The buildings I used to operate in the late 80s, early 90s, we didn't have that. Yeah, we had a 50% over the head of banking.

It's a real, you know, a swimming pool was it was a dream today. So things are getting better. Seniors are really getting a better opportunity to live in a better environment. The headwinds are slow to slow down. So much staffing once we're we're not really struggling for it. We don't have we have agency in one building out of Florida right now, and we're trying to work that out as fast as we can, but we just aren't even using agency.

We're getting applicants online very quickly. So I feel great. I feel like it's a good environment to develop. I don't think people should be so afraid of the interest rates. I think they should price it accordingly and then deliver on what they're

8:27 - 9:25
Josh Crisp
I want to sort of dovetail a question on that. And this is going to be your opinion on it. But so everything in the emotions and the feelings that you have, we're talking to our partners at NIC MAP. Right. And they have the data to support the enthusiasm, the positive stories that we both know about our industry.

Occupancies are going back up, and mergers and acquisitions. The values are going up. All that's great. But they also have a data point that says development still, actually, I think Lucas, if I'm not right, hit an all-time low. So you and I are like in the best time to develop. Do you think, you know, it's just a matter of interest rates, coming down, and that's opening up this great tsunami of development towards this new generation? Or do you think it's going to take more than that to get back to trying to meet the pace of the demand?

9:25 - 10:05
Greg Roderick
I think it's going to take a lot more equity investors, whether it's private equity, hedge funds, family offices, REITs, or alternative lenders, they're going to have to come in. Well, they're not going to have to do anything. But if we're going to see a meaningful development pipeline spur nationwide, which is needed, it's going to take a very long time to actually get on this page here.

Now, right now, they don't have to you right now, they can go out and invest in and buy stuff on pennies on the dollar and do really well in older products by just putting some money in, rehabbing them, and putting them back out.

10:05 - 10:47
Josh Crisp
Not to not to chase too much of a tangent here, but you're a very sophisticated real estate developer investor, not only in senior housing but across a lot of sectors. You know, I'm just the common-sense guy that I am from little old East Tennessee, you know, I go around in every market in the South, I go to see apartments, multifamily, and other verticals development going up. And I'm like, wait, where is all this money coming from in the multifamily sector specifically? I see that. But then the story we have, I mean, how is one vertical going up? So fast, like multifamily, but senior housing with such demand and such a great story, like slower.

10:47 - 11:52
Greg Roderick
I really do believe that the lenders will square soon, unquote, with our space coming out of Covid. And the apartments were just getting all of the equity, all the debt. And it was just, it was easy, you know, today multifamily is struggling with the debt was the same when we faced. So when I say that while you have a five year loan, you five year, you have to refinance.

Here we are. That was last year. Yeah. And that debt wall and senior housing were really big. It was a 22 billion or something along those lines that had to be refinanced or foreclosed, or what happened. And most of it went to foreclosure. So the multifamily is about 100 times that. Well, and they're hitting their debt walls now.

So there you're seeing some of those apartments quietly transition to new people. I've actually been doing some of that investing on this side as well, because it's it's a great opportunity. Yeah. For a, a price per unit in comparison, the historical value.

11:52 - 12:07
Josh Crisp
Is any of that product do you think would ever be able to even be converted to a senior housing product, because you see all these hotels, and that seems like that very seldom works. But what do you think about that multifamily?

12:07 - 12:43
Greg Roderick
Some multifamily, I think, is actually harder because you don't have the commercial kitchen. You don't necessarily even have to deliver. So there are some real inherent challenges there. I have been approached this year at a few hotels, and not to say all hotels would work, because they won't, but there are some. It's like, oh well, yeah, this is nice. I got some of these hotels have all suites, and it's like, okay, that's, that's it's a decent-sized apartment, 700ft². It's good. It's got a full kitchen, maybe not for a sister, but for me am I can see them.

12:43 - 13:18
Josh Crisp
And I'm wondering if, you know, I think, the hotel transition might have gotten a little bit of a bad rap early on, because I think most of the ones I've seen and heard of were hospitality companies that thought, hey, we can just convert this business to running, hospitality. So, how hard can senior living be, right?

It's not necessarily been the developer, owner operator that's experienced in senior housing looking to acquire a hotel to convert it. So do you think that's part of the the false start on the hotel front?

13:18 - 13:49
Greg Roderick
To your point, in the past, some hotel companies thought we could take these buildings and convert because to senior housing. I mean, what can go wrong? It's pretty easy because I think a lot of us in this industry we do kind of make it seem pretty simple. It's just what we do. So it just seems elusive. Right. I have had at least one in the past when it was a motel hotel, and it had outdoor corridors. I mean, and it was in Arizona, in this case, it was.

13:49 - 13:50
Lucas McCurdy
It gets hot.

13:50 - 13:58
Greg Roderick
It turns out that the heat does rise. There is quite a lot. It was tricky. Yeah, well, it's tricky.

13:58 - 14:10
Josh Crisp

For you, you've been doing this for a long time. So, give us a little bit of personal insight to Greg Roderick Ventures. What's next? And on the frontier of your adventures,

14:10 - 16:37
Greg Roderick
We put a lot of emphasis on training, and people talk about training all the time. And I, I fell into talking about training a lot in my training sessions are 10 to 20 minutes. We do we did 200 trainings in the first half of this year. But they're 10 to 20 minutes and they're on a wide variety of topics for each for different department. So that's been a big piece we've been focusing on. And we're going to continue doing that for quite some time. Value-based care. It's a big coin term.

Ask most people about it. They might know what it is. They might. We probably don't. So we have really built a full, long network of health care providers investing past my, you know, national providers, regional, state-wide segment closely. We've teamed up with on a health so many operators and they've done an amazing job. We've built a whole network, or I would call it an ecosystem, around each community to bring in more health care services to address residents' evolving health care needs much more quickly, to get the support to my clinical team that they need, to extend the length of stay to reduce ridiculous rehospitalization that shouldn't be happening.

And, I've been pushing this for four years, and I will tell you, that's not an easy one. So all of that sounds easy when I say it. It's very complicated to a lot of people who have never been exposed to the health care continuum or all these provider networks. And where I learned, we had a problem, was actually met with a discharge prior to a hospital.

I said, hey, you get some people, you'd be referred to your hospital in my place. She goes, That's not an excuse to call 911. So quick for the smallest things. I'm like, you know, I didn't have to answer any more. I knew she was right. You know, we should be doing lab work. We should be. We should be partnering with good people to come in and bring these great programs into our buildings so our residents can get quicker services.

We've got two great teams just asking for questions. Is anything going on with any of our residents differently than it was yesterday? Well, this morning, the lady seems a little confused. Great. Let's get a lab. Let's get therapy involved. Let's talk to a nutritionist. One, two, three. And we step back and let them intervene. It doesn't cost anything. So that's what we're doing here.

16:39 - 17:51
Josh Crisp
Well, I like that. So I got a question. I know we're going to have to start wrapping this up. Lucas has given me the eye twitch I like, you know, we got limited time with Greg, so. But selfishly. So I talked to a lot of, guys like you that have been doing this a long time, and I get two sort of polarizing views on how they're steering their their companies as far as the future.

So it sounded like if I'm interpreting, you're really thinking, okay, we need to be educated on this. We need to position for this for this value based care. So without diving down the the rabbit hole of what is value based care, how do you position yourself? That's a whole nother podcast. But it seems like guys in the industry are kind of taking two frames of thought like, hey, that's scary, that's health care delivery or coordination.

I don't want to do that. It's too regulated. I'm going to go downstream and chase maybe active adult or independent living. It's the it's where senior living used to be. And that's that's kind of their talking points. Or you've got folks embracing in it like, hey, you've got to do this to survive. Is your opinion that there's going to be room for all? Or is it more like, hey, if you're not preparing for value-based care, you're never going to survive in the senior housing. Where do you think it's really going to shake out?

17:51 - 18:57
Greg Roderick
I think it's there is room for everyone. Okay. First of all, in 2030, every single person over the age of 65 will Medicare Medicare-qualified. They will have to be in a program, whether it's Medicare Advantage, I-SNP, ACO of a hospital, something that's just that's the law that's coming. That's in 2030. So value-based care, there's a reason that people are talking about they're trying to learn about it.

They just don't understand it. So that's coming. But to your point, a 55 and older age active adult is a great model. And it is what retirement used to be. There's a massive, massive population that likes it. And it's reasonably priced. Tell you about a 150% over-market rate. That's fairly reasonable. They're nice, I operate those terms. Yeah. So I do think that there's a broad need for all types of operators looking at all types of settings to offer. And there's a market it's a it's a big group of people.

18:57 - 18:59
Josh Crisp
Well, Lucas, positivity, a great outlook from an experienced veteran in the industry. That's what we like to hear.

18:59 - 19:50
Lucas McCurdy
We love that Greg is. Oh, he's he's. If you ever want to be encouraged, have a conversation with Greg. He's a great optimist, a great friend, and a great leader in the industry. And so our last question to end on, even here at FSLA, there are some students, and with our podcast platform, we actually engage and interact with a lot of different students in college and university who are looking at senior housing as a career step for them.

You know, you mentioned that you're not having a problem with staffing, but for that person who's at university or is considering this as a career, what would you say to encourage them and educate them about making that decision?

19:50 - 20:57
Greg Roderick
I would say that this is one of those industries that has an opportunity to go the whole gamut of a career path. Where you can start is on and learn the business from the ground up, but within a really reasonable period of time, you're going to have an opportunity to grow into supervisory or management and beyond.

And I'm talking about less than five years. And that's not in every industry. You can do that. Right? I think there's there's a great career path. I think it pays well. There's a good benefit program if you want to feel good about life, you not what you're contributing to society, to people's loved ones. This is a great industry, but I also want to make up for the last point.

If you want to learn about our industry and you want to really engage in real-world topics and great people, listen. The bridge, the gap bridge the gap is homeless companies and operations that are really filling a massive need in our industry. So thank you, thank you, thank you, and your team, Sara. Fantastic. You guys are awesome. Everyone loves you guys, and it's just fun to be here.

20:57 - 21:21
Lucas McCurdy
Thanks, Greg. Appreciate that. Well, great way to end. We're going to quote you on that for sure. And appreciate it. We know you have a busy schedule here at the conference in Fort Lauderdale. Great day. Great conversation. Thanks, Greg, so much for your time. Appreciate it. Yeah. And for our listeners back home, you can go to btgvoice.com. Listen to this content so much more. Thanks for listening to another great episode of Bridge The Gap.

Outro
Thanks for listening to Bridge the Gap podcast with Josh and Lucas. Connect with the BTG network team and use your voice to influence the industry by connecting with us at btgvoice.com.