



*Q&A with Mary Leary, president/CEO, Mather*

# 'We punch above our weight'

**Mather CEO Mary Leary attributes the success of the targeted, not-for-profit operator to its financial strength, unique joint ventures and thought leadership.**



The Mather, Tysons, Va., will feature two high-rise towers when complete in 2024. Architectural rendering subject to change.

By Jane Adler

**As life begins** to hopefully return to normal, industry veteran Mary Leary has the advantage of perspective. She is president and CEO at Mather, a non-denominational not-for-profit organization based in Evanston, Illinois. It provides residences and programming for older adults, and conducts original research on how to improve aging services.

Over the course of the pandemic, Leary believes the industry has learned valuable lessons. And while she continues to have faith in the industry's potential, she recognizes that seniors housing has changed forever. Future success will depend on innovative thinking and bold leadership.

Leary is up for the challenge. She started her wide-ranging career on the for-profit side of seniors housing before joining Mather in 2002. She

understands both the business and its mission.

Also, Leary has deep connections to the American Seniors Housing Association (ASHA). She worked for an apartment developer when ASHA was spun off in 1991 from the National Multifamily Housing Council, where ASHA's longtime president David Schless worked at the time.

"That's how I knew David," she says, crediting Schless for helping to make the industry what it is today.



Mather and ASHA both mark special anniversaries this year: Mather its 80th; ASHA its 30th. Leary, who has served on ASHA’s executive board, sat down for an interview to discuss Mather and how the growing seniors housing industry will be different going forward after a difficult year.

**Non-profit, for-profit connection**

**Q: Can you briefly describe the Mather organization?**

**Mary Leary:** We are a not-for-profit organization whose mission is to create ways to age well. We are small but are often told we punch above our weight. This likely relates to our financial strength, industry thought leadership and the number of older adults served. We have a \$650 million investment portfolio with less than \$30 million in third-party debt.

Mather has four senior living

residences: The Mather, a life plan community in Evanston, Illinois; Splendido, a life plan community in Tucson, Arizona; and Mather Place, a boutique rental community in Wilmette, Illinois. We are currently developing a new life plan community, also called The Mather, just outside the nation’s capital in Tysons, Virginia.

Because of our good fortune, we seek to give back to the industry and serve underserved older adults. We do this by utilizing a small percentage of investments each year to pursue strategic innovations and initiatives. From a thought leadership perspective, we conduct applied research through the Mather Institute in collaboration with major universities, including Northwestern, Cornell and George Washington. We also serve the middle market through community-based programs. We have served nearly

40,000 older adults annually.

We also conceived of and oversee Novare, a consortium of best-in-class life plan community providers in non-competing markets, which is equivalent to the nation’s third largest multisite nonprofit provider.

Novare means to “make new” in Latin, which ties to Mather’s and Novare’s focus on innovation. We seek to implement next practices.

**Q: How else is Mather unique?**

**Leary:** Among not-for-profit organizations, we are unique because 50 percent of our portfolio consists of for-profit ventures with joint venture partners.

The Tysons project in Virginia and our Splendido residence in Tucson are both 50/50 partnerships with for-profit companies. Westminster Capital of Lake Forest, Illinois, is our partner in the Tysons project. Splendido is a joint venture with Plaza



WE KNOW YOUR MARKET

*Do You?*

For years we’ve helped investors, lenders, operators and developers make informed investment decisions in the healthcare and seniors housing industries.  
*How can we help you?*



Valuation | Consulting | Litigation | Feasibility | Tax | Transaction Support  
Management & Clinical Assessments | Asset Management



Boston | Denver | Los Angeles | Sarasota

healthtrust.com | 941.363.7500



Companies in Phoenix. We are the general partner for both communities and oversee development of the Tysons project. We handle the management and marketing for both communities. Splendido recently underwent a 50-unit villa expansion that was completed in 2020.

**Q: How would you characterize the position of not-for-profit organizations, especially as more for-profit companies develop and open competitive properties?**

**Leary:** For-profit and not-for-profit organizations are beginning to partner on different types of services, but our development and operations partnerships with for-profit entities is unusual. In the past, being a not-for-profit was a competitive marketing advantage to attract older adults. Many communities had a religious affiliation which gave them a halo

effect, a financial advantage due to their tax-exempt status, and even a marketing advantage because of their affinity groups.

But these advantages have eroded as for-profit companies have developed strong brands, competitiveness due to economies of scale, and by providing more options and choices across the continuum. Additionally, not-for-profit tax exemptions for real estate and sales tax are being eliminated in many parts of the country. In Illinois, a supreme court ruling virtually eliminated property tax exemptions for life plan communities.

Mather has conducted third-party research in key metro markets and found that not-for-profit senior living communities no longer have a halo effect. Prospects say they have as much interest in for-profit communities as in nonprofits, and sometimes even a preference for a

for-profit community. It varies by market, but the for-profit advantages are related to scale and are impacting the not-for-profit market share.

I would add that not-for-profits have traditionally been very collaborative. If we continue to work together to speed the implementation of new ideas, we will have a positive impact on the industry. One of my goals is to develop communities in new markets with a consortium of not-for-profit providers, capitalizing on the strengths of each provider.

**Q: Do you have concrete plans yet?**

**Leary:** We've had conversations within Novare about some possible opportunities, but there are no concrete plans yet.

**Mather marks 80 years**

**Q: How long have you worked at Mather? What is your background?**

**Leary:** I joined Mather 19 years

committed to seniors housing

for the long term

Building successful relationships in seniors housing is our top priority.

At Bridge Investment Group, we are committed to seniors housing. We invest through long-term, dedicated investment vehicles designed specifically to partner with operators and developers who are equally committed.

We believe business is built on long-term partnerships. That's why we make building them our business.

BRIDGE  
INVESTMENT  
GROUP

bridgeig.com | 407.999.2400  
ORLANDO | SALT LAKE CITY | NEW YORK | ATLANTA | SAN MATEO



ago as CEO and president. Prior to that, I served as chief operating officer at Classic Residence by Hyatt, the company’s senior living division, which was renamed Vi Living.

I originally started working on the real estate side for Oxford Development, the nation’s second largest multifamily developer at the time. That’s how I knew Dave Schless through the National Multifamily Housing Council, which created ASHA in 1991.

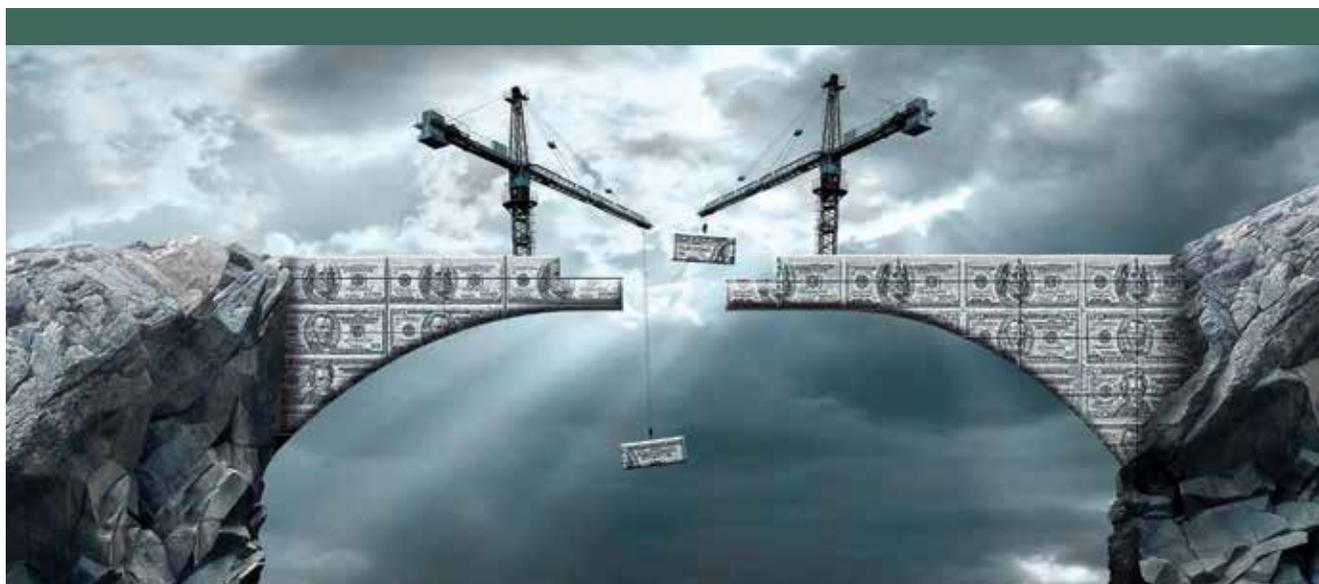
I have an undergraduate degree in health services administration from Cornell University and a master’s degree in health policy and management from Harvard University. Oxford saw my background as complimentary for its entry into market-rate seniors housing.

**Q: Why did you switch to the not-for-profit side of the industry?**

*Leary:* I had traveled extensively



Mary Leary shows the model kitchen at The Mather, Tysons, Va.



Delivering creative capital solutions to get you to the other side



visit us @ [www.midcapfinancial.com](http://www.midcapfinancial.com)



throughout my career and never felt I had put down roots in my community. I wanted to find a way to give back but never had the time. When 9/11 occurred, I didn't care if I ever got on another plane.

I received a call from a recruitment firm about the opportunity at Mather. I had not heard of Mather, but two of its communities were two blocks from my house in Evanston, Illinois,

where I had relocated to work for Hyatt. Mather was a great fit for me. My office is six blocks from my house, and I can walk to work.

**Q: Mather marks its 80th anniversary this year. Can you tell us a little about its founding? How do founding principles inform its mission today?**

**Leary:** Alonzo Mather, the founder, was an inventor and entre-

preneur who earned his fortune by designing a humane animal stock car in 1881. He bequeathed his fortune in the 1930s to build a home for "ladies of refinement from good families," who lost their income when their husbands passed away. The original Mather Home was one of the earliest continuing care retirement communities in the nation.

Alonzo was as unique as Mather is today. He built the 43-story Mather Tower, at one time Chicago's tallest building, and he conceived of the Peace Bridge between the U.S. and Canada. (The international bridge connects Buffalo, New York to Fort Erie, Ontario, Canada.)

**Q: ASHA also marks an anniversary this year — its 30th. You've been an ASHA member since its start in 1991. How has ASHA evolved over the years?**

**Leary:** David Schless brought the strength of the National Multifamily Housing Council to the senior living industry, which was barely an industry in 1991. ASHA has helped catapult senior living to become an investment-grade industry. I was a board officer of ASHA in the early 2000s. I've seen the passion among staff and members working together to advance industry knowledge.

Whenever I have a question, David always picks up the phone and gets me what I need. The respect that ASHA has garnered on Capitol Hill over the years has greatly enabled the industry to address pandemic-related provider concerns. While ASHA's members have predominantly been for-profit companies to date, ASHA has always been responsive to the needs of its not-for-profit members. The growth of not-for-profit members will further strengthen ASHA and benefit the entire industry.

**Q: Mather underwent a rebranding in 2019. What was the thinking behind this change?**

**Leary:** Our brand and commit-

## CAPITALIZE ON THE POWER OF THE MERIDIAN NETWORK

DEMONSTRATED MARKET LEADERSHIP IN:  
DEBT FINANCING | EQUITY PLACEMENT | INVESTMENT SALES | ADVISORY SERVICES

- Ranked as the top financial intermediary for healthcare financing by the Mortgage Bankers Association in 2018, 2019 and 2020
- \$3.8 billion in transaction volume closed year-to-date in 2021

### LEADERSHIP



**ARI ADLERSTEIN**  
Co-Head, Senior Housing and Healthcare  
Senior Managing Director  
aadlerstein@meridiancapital.com  
212.612.0174



**ARI DOBKIN**  
Co-Head, Senior Housing and Healthcare  
Senior Managing Director  
adobkin@meridiancapital.com  
212.612.0165



**JOSH SIMPSON**  
Managing Director  
jsimpson@meridiancapital.com  
212.612.0234

### OUR TEAM

**AVI BEGUN**  
Senior Vice President  
abegun@meridiancapital.com  
646.502.3408

**SIM GOLDBERG**  
Vice President  
sgoldberg@meridiancapital.com  
646.502.3438

**MATT LESNIK**  
Vice President  
mlesnik@meridiancapital.com  
646.502.3418

**JESSE RAUCH**  
Vice President  
jrauch@meridiancapital.com  
646.502.3426

**RAFI SOD**  
VP of Lender Relationships  
rsod@meridiancapital.com  
646.502.3466

**YUVAL HANANYA**  
Senior Associate  
yhananya@meridiancapital.com  
212.612.0244

**DAVID GOTTLIEB**  
Associate  
dgottlieb@meridiancapital.com  
646.502.3462

**JACOB SCOTT**  
Associate  
jscott@meridiancapital.com  
646.502.3448

**BRETT HEBERT**  
Associate  
bhebert@meridiancapital.com  
212.612.0290



Experience Is Everything<sup>®</sup>

Health at Home<sup>™</sup>

LCS Real Estate<sup>™</sup>

LCS Development<sup>®</sup>

LCS

Life Care Services<sup>®</sup>

CPS<sup>®</sup>

Hexagon

## Experience

### Experience makes all the difference.

For 50 years, the LCS Family of Companies has dedicated itself to exceeding the expectations of every resident and partner we serve. As the second-largest operator of senior living communities, our team provides an expansive portfolio of support services, including expertise in the management and development of Life Plan and rental communities. We are committed to boosting your community's financial performance, increasing occupancy, and developing new lifestyle and health initiatives. **See what the LCS difference can do for you.**

Contact us at [515-875-4755](tel:515-875-4755) or email Earl Wade at [wadeearl@LCSnet.com](mailto:wadeearl@LCSnet.com) or Joe Weisenburger at [weisenburgerjoe@LCSnet.com](mailto:weisenburgerjoe@LCSnet.com)

See the difference at  
[LCSnet.com](http://LCSnet.com)



ment to aging well has served Mather well for many years, but we are always seeking to identify what's next. We wanted to ensure that our brand resonates with changing times and connects with consumers. As a result, we updated and shortened our name from Mather LifeWays to simply Mather. Our new tagline is "Be Nextaordinary," to embody our commitment to surpassing the ordinary. Our logo looks like it could be Alonzo's signature as a tribute to our rich history with a human touch. Our brand continues to feature the color orange, which symbolizes strength and vibrancy.

### **Community outreach**

**Q: Besides its residences, Mather offers community programs. Can you tell us about those efforts?**

**Leary:** We serve 40,000 older adults a year through a variety of



**The Mather, Tysons, Va., features spacious, modern apartments. Architectural rendering subject to change.**

programs, including online offerings. We operated several neighborhood cafes in Chicago that were closed during the pandemic for the safety of our customers and staff. But we remain deeply committed to serving older adults in the Chicago area and beyond.

We felt it was a good time during the pandemic to imagine new initia-

tives, particularly for disadvantaged black and brown adults. We are getting ready to launch a program for older adults in disadvantaged black communities to help them connect through technology. We'll provide access to tablets, help desk support, digital education programs and programming that we think will appeal to older adults.

# MONTICELLOAM

## CUSTOM CAPITAL SOLUTIONS

**Bridge and Fixed Rate Loans**

**Mezzanine Financing**

**Revolving Credit Facilities**

**Alan Litt**

(646) 844-3601

alitt@monticelloam.com

**Ashish Shah**

(646) 314-4329

ashah@monticelloam.com

600 Third Avenue, 21<sup>st</sup> Floor NY, NY 10016 – monticelloam.com



We're also in discussion with a leading technology company on voice-activated device initiatives. We're working with Northwestern University to develop new concepts that we hope to implement in the next six months. Our goal is to move from serving 40,000 to 400,000 older adults each year.

The majority that we serve through community-based programs are in the Chicago area, but as we expand our virtual programs, we're attracting people beyond Chicago. Last year, we entered an innovative partnership with the Chautauqua Institution, an arts and education organization. We're using its virtual platform to provide world-class programs. And we're offering that relationship to other senior living providers.

**Q: Mather conducts research through the Mather Institute. What is its focus?**

**Leary:** Our research informs our work in senior living and community-based programming and serves as an industry resource for research and information on wellness, aging, trends in senior living and aging services.

A big initiative is our Age Well study (*see life plan sidebar on this page*). We also have a significant diversity, equity and inclusion (DEI) initiative, and the Mather Institute is supporting that to focus on black and brown communities. We have several DEI research projects, including one with the University of Chicago to explore positive conceptions of aging among Latinx communities. We have a similar project planned with the University of California-Davis to explore positive conceptions of aging among South Asian adults.

We have conducted a study on avatars to reduce loneliness among older adults and the first national survey of adult children of residents living in life plan communities. The findings of the adult children study

## *Life plan residents happy and healthy, ongoing study says*

**While it's long** been thought that residents of life plan communities are happier and healthier than older adults living in the wider community, no credible studies had ever confirmed the idea.

So, Mather Institute, along with Northwestern University, decided to find out and launched the Age Well Study. It is a five-year research effort to evaluate the impact of living in a life plan community on residents' health and well-being.

The Age Well Study is taken annually and compares responses from nearly 6,000 residents in 122 life plan communities to older adults living in the wider community.

The third-year results of the study were announced in January. Here are brief highlights of the study's findings to date:

■ **Year One.** Residents of life plan communities rated their

wellness higher on five of six dimensions of health and wellness compared to other older adults.

■ **Year Two.** Residents reported greater satisfaction with life, more physical activity, and increased personal connections. They were more optimistic and reported fewer chronic conditions.

■ **Year Three.** The study looked at factors associated with happiness and life satisfaction, such as personal characteristics, physical health and social influences. Extroversion and agreeableness were both associated with greater happiness and life satisfaction. About 92 percent of respondents were highly satisfied with the life plan community in which they lived.

Results of Year 4 of the study, which included more questions about the pandemic and wellness, are being analyzed now. The findings are expected to be released in mid-January 2022.

— Jane Adler

foretold what today's prospects are looking for in a community.

We are also developing a senior living community happiness index inspired by Bhutan's Gross National Happiness Index.

### **COVID-19 aftermath**

**Q: How would you characterize Mather's response to the COVID-19 pandemic?**

**Leary:** Our COVID-19 response went well, all things considered. It's been a tough time for everybody in the world. We were very aggressive and conservative in our response and, looking back, I would say that Mather may have sacrificed some resident satisfaction in favor of a minimal number of cases of COVID.

I was fortunate to serve on a task force with one of the nation's preeminent emergency response and mitigation efforts by the city of Evanston. I led the senior living provider subgroup, and the level of transparency and cooperation was amazing. We were all in it together learning about this black swan event.

The effort had a profound positive impact on the low number of cases across Evanston as a whole and senior living communities.

We exchanged information with bordering towns. Local leaders and specialists from across the state participated, along with representatives from the Illinois Department of Public Health. The department helped to support the implementa-



tion of senior living subgroups across the state because they found the model to be so successful.

**Q: What lessons have you learned from the COVID-19 outbreak?**

**Leary:** From design to operations and marketing, the pandemic created a permanent sea change in how our communities operate.

From a communications perspective, we bit the bullet and decided to be very transparent on our website about the number of cases and vaccination status among residents and staff. It's not what you would do if you were trying to market a community. But it worked in our favor. Everyone appreciated the openness. The approach didn't backfire, but rather did the opposite.

**Q: How did you handle vaccinations for the staff?**

**Leary:** Mather did well encouraging employees to receive the vaccine. Our vaccination rate was in the low 80 percent range. We decided, however, to go a step further and we mandated the vaccine. So, 100 percent of our employees are vaccinated with a few exceptions for those who received a medical or religious accommodation.

**Q: How was occupancy impacted by the pandemic?**

**Leary:** We were fortunate to go into 2020 with high occupancy rates and wait lists.

The Mather in Evanston entered 2020 with a status of 99 percent occupancy and 100 percent reserved with a deposit. It ended 2020 at 99 percent occupancy and 100 percent reserved with a deposit.

In Tucson, we opened a 50-unit expansion amid the pandemic. We sold 50 percent of the units in 2020, which was less than our pro-forma forecast. But activity has picked up since early 2021.

**Next steps**

**Q: What is the status of the Tysons project?**

**Leary:** We have surpassed 80 percent presales for Phase I, which includes 186 apartment homes. We've begun presales of Phase II, which features 114 homes. We are working through a 150-person priority wait list.

Financing for the \$480 million project was slowed because lenders were on the sidelines, but now we're moving forward. Our financing will consist of a commercial bank loan for construction, taxable bonds, and sponsor equity. We expect the construction loan to close in September, and we've started rough grading of the site.

We expect Phase I to open in the first quarter of 2024, and Phase II in the third quarter of 2024.

**Q: What is the size and price range for units?**

**Leary:** Apartment homes average about 1,500 square feet. We offer a 90 percent refundable entrance fee, which is returned to residents within a maximum number of days whether or not the unit has been reserved by a new resident.

For example, The Mather Tysons has a maximum return time for the entrance fee of 180 days. The average entrance fee at Tysons is \$1.5 million, ranging from \$650,000 to \$4.2 million. We offer two healthcare plans, type A and type B. The health plan selected determines the monthly fee, ranging from \$3,660 to \$11,820

**Q: Were design changes made at the Tysons project because of the pandemic?**

**Leary:** Absolutely, we were very fortunate in terms of timing to be able to update the design to address pandemic concerns before obtaining a guaranteed maximum price contract and starting on construction.

Our HVAC system was redesigned with a UV light system with enhanced filtration. An array of UV-C lamps that inactivate bacteria and viruses will be installed inside ducts at all supply and exhaust air handlers. No exhaust air will be recirculated. Every elevator has an independent air purification system, and there are touch-free design features throughout the amenity spaces.

**LET SLIB WORK FOR YOU.**

**50+ TRANSACTIONS CLOSED IN 2021**

SENIOR LIVING INVESTMENT BROKERAGE

CHICAGO | 630.858.2501  
ST. LOUIS | 314.961.0070  
WWW.SLIBINC.COM

**LET'S START A CONVERSATION**

CONFIDENTIALITY  
COMMITMENT  
CREDIBILITY



*Dedication & Trust*

*years*

We honor our associates who have provided care and services to our residents over the past decade and beyond.

**Begin your legacy with Pegasus today at**  
**[PegasusSeniorLiving.com/careers](https://PegasusSeniorLiving.com/careers)**



**Pegasus**  
SENIOR LIVING™

WE'RE LOCAL. WE'RE PASSIONATE. WE CARE.

[PegasusSeniorLiving.com](https://PegasusSeniorLiving.com)





In addition to seeking LEED certification, we will seek WELL Health-Safety certification.

**Q: What else is different about the Tysons project?**

**Leary:** We were purposeful to design a community to attract a diverse group of baby boomers. More than 30 percent of depositors are non-Caucasian, reflecting the diversity of metro Washington, D.C. Residents will have backgrounds from a variety of cultures, including Japanese, Korean, Hispanic, Black, South Asian and Chinese.

Another unique aspect of the Tysons project is that we will be operating a lifelong learning center on the ground floor of one of the towers. As part of our give-back to the community, the center will be open to people age 50 and above living in Fairfax County.

We're excited about how that will engage the community with Mather residents.



**Propel knows senior care like nobody else.**

More than 200 senior care organizations nationwide trust Propel Insurance to keep their business thriving.  
**Let us show you what we know.**



[propelinsurance.com](http://propelinsurance.com)



**'We also conceived of and oversee Novare, a consortium of best-in-class life plan community providers in non-competing markets, which is equivalent to the nation's third largest multisite nonprofit provider.**

**'Novare means to 'make new' in Latin, which ties to Mather's and Novare's focus on innovation. We seek to implement next practices.'**

**— Mary Leary  
President/CEO  
Mather**

**Q: Are you planning more projects?**

**Leary:** We are in the planning stages of a couple ground-up life plan communities. And we continue to explore collaboration and affiliation opportunities with providers.

**Q: Since you've been in senior living going back to your work with Oxford and Hyatt, what are your thoughts on the evolution of the industry?**

**Leary:** The combination of the pandemic and the arrival of baby boomers has transformed the sales process. About 80 percent of leads now come from the website. Customers have

changed dramatically. Before they inquire, they've done extensive research and come with questions on every aspect of who we are, what we do, and what we will provide. We and other providers are upping our game.

Not all senior living communities are attracting baby boomers yet, but we are at The Mather Tysons. The baby boomers want transparency of communication. They want to be engaged. They want to be at the table to discuss how a community should operate. They want more choices and flexibility. Social consciousness is important to them. They ask about our DEI policies, sometimes during the first tour.

**Q: What else would you like to add?**

**Leary:** Senior living and healthcare are becoming more integrated, and that will continue. It will be interesting to see where we are in 10 years with big-tech companies like Amazon and Google dipping into the healthcare market. With the advent of telehealth, communities may not need extensive clinic spaces.

The design of communities will continue to evolve post-COVID. We are designing a next-generation life plan community. It would be smaller in size, with less amenity space and consist of only independent living units.

We envision more partnerships with companies in the wider community to provide services to help people as needed. The idea is to speed projects to market more quickly because they are smaller. That would open more opportunities for us in the urban infill locations that we prefer.

We also think this will attract a younger older adult who may wish to age in place in their apartment versus moving through the continuum of care, which can be disruptive. We're excited to see where this idea will go, and what's next. ■