

Sunrise To Acquire Marriott Senior Living

Sunrise Assisted Living will acquire Marriott's Senior Living Services unit for \$89 million in cash, which more than doubles its occupancy capacity and establishes Sunrise as the largest seniors living services company in the nation, company sources said.

McLean, Va.-based Sunrise assumes the management contracts for 126 Marriott properties, increasing Sunrise's occupancy from 17,000 to 39,000. More than 50 percent of Marriott's portfolio consists of assisted living units, 34 percent are independent living units, and the remaining 16 percent are skilled nursing units.

Sunrise purchased Marriott's outstanding stock and about six parcels of land, which will be used for future development. Sunrise will also assume \$38 million in working capital liabilities and funding obligations, plus another \$23 million of life-care endowments—cash that residents put up for future care. The deal is expected to close early in 2003.

In tandem with Sunrise's acquisition, co-bidder CNL Retirement Properties, Orlando, Fla., agreed to purchase Marriott's nine remaining facilities, valued at \$170 million. Prior to the acquisition announcement, CNL had bought 12 Marriott properties. CNL becomes Sunrise's second-largest landowner with 38 properties. Newton, Mass.-based Senior Housing Properties owns 45 properties managed by Sunrise.

To reflect the expansion of its seniors care services, Sunrise Assisted Living changed its company name to Sunrise Senior Living. Once the sale is completed, Bill Marriott, Marriott's chairman and chief executive officer, will join Sunrise's board of directors.

—Lisa Gelhaus