



## Unique Opportunity: Sienna Senior Living (TSX:SIA)

### Description

**Sienna Senior Living** ([TSX:SIA](#)) caters to the emerging and potentially lucrative field of providing long-term care solutions to seniors. While most investors or even companies operating in that segment may not yet realize just how big that opportunity could be, Sienna has and is capitalizing on that opportunity.

Let's take a look at Sienna in more detail and determine if this is the stock for your portfolio.

### The unique advantage

When considering Sienna, the opportunity for investors can be summarized into several key points, all of which are set to grow in the coming years.

First, there's the market opportunity. Canada, like many western nations, has an aging population that, when coupled with advances in medicine, means that Canadians are living longer, healthier lives than ever before. At the same time, we're also working longer hours and getting married and having children later than previous generations did, and most, if not all homes need two incomes to make ends meet.

Despite seniors living longer and having better access to advancements in medicine, they often lack the assistance from their families to care for them before and after receiving treatment, which is where Sienna, with its suite of long-term care and residency options comes into play.

That might not sound like a compelling argument, but when you consider that Canada's birth rate has remained just a tick over 1% over the past decade and that the number of seniors is steadily increasing, there is an emerging opportunity.

Adding to that appeal is the encouraging story told by Sienna's growing revenue base and continued high-occupancy rates — over 98% across Sienna's long-term care segment in the most recent quarter, despite maintaining a series of well-executed acquisitions to grow the company's footprint throughout both B.C. and Ontario.

Revenue in the most recent quarter surged 15.8% over the same period last year, while, perhaps more

importantly, Sienna diversified its portfolio to consist of both retirement and acquired residences, with the objective being a 50-50 mix across both within the next few years.

Finally, I would be remiss if I didn't at least mention Sienna's dividend. The company currently offers an annualized \$0.92 per share, which is distributed monthly and currently works out to a respectable yield of 4.90%, handily putting it into a league of [impressive high-yield investments](#).

Critics of Sienna often point out the company's payout level, debt, and overall financial health as reasons of concern to prospective investors. Fortunately, Sienna has made some advancements along all of those fronts in recent months.

By way of example, in the most recent quarter, Sienna managed to reduce its debt-to-gross book value by 190 bps to 47.7%. Looking towards fiscal 2019, Sienna is planning to refinance property-level debt to more favourable and optimized rates in line with the rest of its portfolio.

## What should you do?

Diversification is the key to every well-managed portfolio, and Sienna is no exception to that rule. The company has strong growth prospects over the next few years thanks to its unique and arguably still underserved market niche. Adding to that appeal is the fact that Sienna is executing its plan of trimming debt and growing revenue well.

In other words, Sienna is an intriguing opportunity that should provide investors with a [steady source of income](#) and years of growth, provided that it is part of a well-diversified portfolio and investors are comfortable with the risk.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:SIA (Sienna Senior Living Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Investing

### Date

2025/08/14

### Date Created

2019/03/27

### Author

dafxentiou

default watermark

default watermark