



Dividend Stocks: 1 Stable Real Estate Company for Seniors

Description

Sienna Senior Living ([TSX:SIA](#)) is a [seniors' living provider](#) serving the continuum of independent living, independent supportive living, assisted living, memory care and long-term care (LTC) through the ownership and operation of seniors' living residences in the provinces of British Columbia and Ontario. The company owns and operates a total of 70 seniors' living residences, 27 retirement residences and 35 LTC residences. The company also provides management services to an additional 13 seniors' living residences.

Effective company strategy

Sienna provides quality resident experiences and builds and retains a [high performing team](#) with a strong culture. The company has strengthened Sienna's healthcare expertise to enhance and implement the company's infection prevention and other precautionary measures aimed at minimizing the spread of COVID-19. Further, the company has collaborated with all levels of government, sector associations, regulatory authorities and others to help shape and implement policies and protocols to manage COVID-19.

The company has increased communication and improved transparency with residents, families and key stakeholders by launching a new call centre and making enhancements to Sienna's family caregiver engagement program.

Solid balance sheet and liquidity

The company's long-term strategy, with respect to a strong and beneficial capital structure, is to maintain a stable level of liquidity. Sienna maintains ample liquidity to manage cash flow requirements and has created a 10-year debt maturity ladder to reduce refinancing risk and enhance the ability to refinance at favourable rates. At times, Sienna also issues debt as a source of capital to provide the company with additional financial flexibility to achieve growth objectives.

Achievable growth plan

The company plans to grow Sienna's portfolio organically by improving occupancy and expanding services to meet resident needs. Sienna maintains existing assets with preventative maintenance and ongoing capital improvements to ensure the long-term durability of assets. Further, Sienna continues to invest in the company's team culture and operating platform to deliver quality resident experiences. Recently, Sienna has intensified branding, communications and marketing programs to attract residents and these efforts have already started to pay dividends.

Measured acquisition and development approach

Sienna has entered into partnerships with hospitals for the development of LTC homes in providing integrated care. Further, the company has developed free-standing retirement residences with joint venture partners in markets with adequate projected demand.

The company has also made efforts to expand seniors' living capacity in existing retirement residences with excess land. Sienna's management has a track record of opportunistically making strategic and disciplined acquisitions of high-quality seniors' living residences in key markets in Canada.

Diverse portfolio mix

Long-term care residences represent 52.2% of Sienna's portfolio. A range of services and programs are provided at the seniors' living residences based on an individual's needs and level of independence. Independent living residences provides the privacy and freedom of home combined with the convenience and security of on-call assistance. Independent supportive living homes are designed for seniors who pay for services such as housekeeping, laundry, meals, transportation and accommodation as part of a rental rate.

Sienna's diverse service offerings are expected to increase revenues which should benefit the stock price.

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