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# Streamlining Nursing Care with the support of Real Estate Investment Trusts (REIT)

## ESG-conscious REITs move toward a solution to care issues

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### Summary

- The nursing care field, where there are many micro-and small-scale businesses, has been behind in the improvement of operational efficiency through the utilization of information and communications technology (ICT), but in recent years, investment on the part of healthcare REITs has led to the introduction of ICT to operators (nursing care providers). Care providers do not need to raise funds for initial investment, and in addition to leveling the cost of ICT, they are expected to improve productivity of their businesses.
- Healthcare REITs which have implemented green leasing, which reduces operator costs, have also emerged. For example, a certain percentage of the reduction in cost of electricity usage fees and bulb replacement gained by having healthcare REITs switch nursing home lights to LED lights is paid to said healthcare REITs by nursing care providers in the form of green leasing fees.
- The ability of healthcare REITs to support capital expenditure by care providers with weak financing capabilities enabling them to realize efficient management has many advantages for REITs, such as stabilizing rental income and enhancing corporate value from the perspective of ESG.
- As financing focuses on environmentally and socially conscious businesses, some healthcare REITs use social loans to buy healthcare facilities. If the awareness of healthcare facilities as investment targets increases, it may become one of the solutions to the problem of insufficient supply of nursing care, while at the same time leading to the diversification and expansion of the domestic REIT market.

#### Attention

This report is a summary translation. The official document is only in Japanese.