

John: Hello this is John O'Connor from McKnight's. I'm here in Chicago at the 2012 NIC Show. Joining us today is Bob Kramer, president of NIC. Thanks for joining us Bob. To get quickly started, what's the buzz this year?

Bob: Well, I think with record numbers what you see is that a lot of lenders backed, and new lenders, there are an awful lot of equity investors, I'd say, investigating the space. It's different from investing but they're coming here to learn, which is what we're delighted with. There's clearly a buzz of energy because the sense is that there's a lot happening.

John: Very good. One of the new trends we're seeing, there's a lot more managed care coming into the field. Why do you think that is?

Bob: I think it's couple reasons, John. One is there's a real focus now on controlling costs and also demonstrating outcomes. And I think that combination, and in terms of cost control, one of the things you see happening with many states they're going into Medicaid managed care as a way to sort of shift the exposure to a managed care company that basically will be responsible for outcome but also is going to have a capitated situation they're going to have to live with.

John: And after the last few years, we've heard some people say, this isn't a recession-proof field, but it's recession resilient. Are there characteristics about this field that have contributed to that?

Bob: Absolutely. I think one of those is that the very need-driven nature of the demand for our residents in our communities means that though they may postpone some, ultimately they're going to move in. And because they move in I think the net effect is, for instance, we never saw negative rent growth. We're the only commercial real estate property type through the whole great recession and I think that that combined with the fact that we've shown stability and a lack of volatility in our investment returns compared to all the other commercial real estate property types since about 2003, especially since the recession, that's why we've got a lot of investors here, intrigued. Because the idea is hey, to seniors housing, do I have an obligation to have a diversified portfolio, partly for risk reasons.

John: Thanks for joining us here today, Bob.