

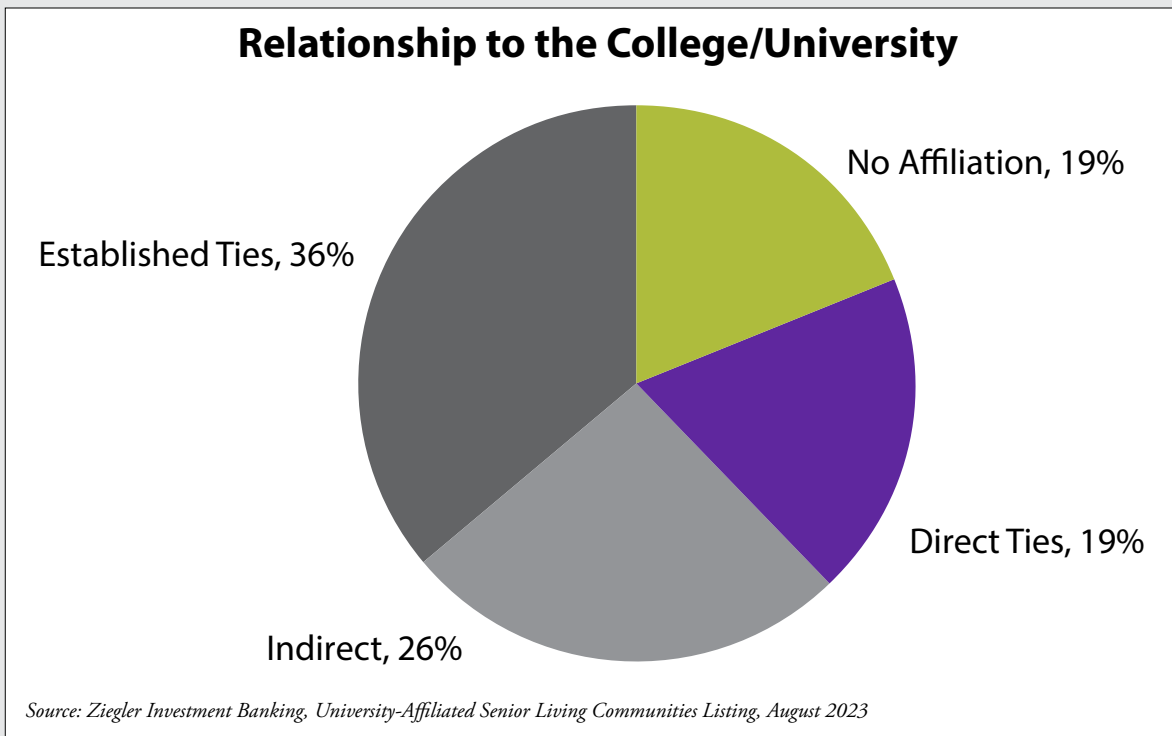
FEATURED ARTICLE

UNIVERSITY-AFFILIATED SENIOR LIVING COMMUNITIES

This week's *Z-News* highlights the affiliation between universities and senior living communities. With the Baby Boomer population retiring and seeking new experiences in senior living, University-Affiliated Senior Living Communities are continuing to take advantage of a popular trend. This group is the most highly educated retirement demographic in history. Currently, roughly 39% of adults 55 and older in the U.S. have a college degree⁽¹⁾. Educational attainment among seniors varies by income level, but roughly 57% of those in the high-income group will have a college degree by 2033⁽²⁾.

This generation is seeking retirement environments that offer opportunities to remain active, engaged, and connected; many through life-long learning and intergenerational activity. Through varying levels of affiliation with local universities, residents can pursue education programs, attend visual and performing arts events, join their college-age neighbors in cheering on their university sports team, and engage with a new generation of college students.

According to *UniversityRetirementCommunities.com*, "the first retirement communities associated with a university were established at Iowa State University (Green Hills Retirement Community, Ames, IA) and Indiana University (Meadowood, Bloomington, IN) in the mid-1980s." Ziegler tracks roughly 90 communities throughout the country who have some degree of university-affiliation. The level of that relationship can vary significantly, with a small number having direct ties with some degree of governance, sponsorship, or land lease relationships with the university. About a third are located adjacent to or on the campus of the university.



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Over the years, Ziegler has identified several senior living communities that have direct ties or established ties to universities and colleges, and a select number of them are listed below:

SELECT EXAMPLES OF UNIVERSITY-AFFILIATED SENIOR LIVING COMMUNITIES

SENIOR LIVING COMMUNITY	CITY	STATE	UNIVERSITY/COLLEGE
Capstone Village	Tuscaloosa	AL	University of Alabama
College Square	Conway	AR	University of Central Arkansas
Kendal at Ithaca	Ithaca	NY	Cornell
Kendal at Lexington	Lexington	VA	Washington and Lee University
Kendal at Oberlin	Oberlin	OH	Oberlin College
Larksfield Place	Wichita	KS	Wichita State University
Lasell Village	Newton	MA	Lasell College
Mary's Woods	Portland	OR	Marylhurst University
McKendree Village	Hermitage	TN	Vanderbilt University School of Medicine
Mirabella at South Waterfront	Portland	OR	Oregon Health & Science University
Oak Hammock	Gainesville	FL	University of Florida
Reeds Landing	Springfield	MA	Springfield College
The Clare at Water Tower	Chicago	IL	Loyola
The Forest at Duke	Durham	NC	Duke University
The Knolls at Oxford	Oxford	OH	Miami University of Ohio
The McAuley	Hartford	CT	St. Joseph's College
The Pines at Davidson	Davidson	NC	Davidson College
The Woodlands at Furman	Greenville	SC	Furman University
University Commons	Ann Arbor	MI	University of Michigan
University Place	West Lafayette	IN	Purdue University
University Retirement Community at Davis	Davis	CA	University of California at Davis
Villa St. Benedict	Lisle	IL	Benedictine University
Village at Penn State	State College	PA	Penn State
Westwood	Duluth	MN	College of St. Scholastica
Whitney Center	Hamden	CT	Yale University

Source: Ziegler Investment Banking, University-Affiliated Senior Living Communities Listing, August 2023

According to the National Student Clearinghouse Research Center⁽³⁾, university freshman enrollment in 2023 declined by 3.6 percent, now at just 0.8 percent above fall 2021 enrollment. Universities need to find new ways to diversify revenue sources outside of tuition. Many are using the expansive acres of real estate they already own to generate revenue. This can include the sale of land to a senior living owner/operator, or a land lease agreement for yearly income.

One example of a Life Plan community that is affiliated with a college campus is The Spires at Berry College, Mt. Berry, Georgia. The community, developed and managed by Greenbrier, is affiliated with Berry College, who took advantage of a large plot of real estate they already owned and offered a land lease to the senior living community. Owned by Lavendar Mountain Senior Living, a not-for-profit corporation, whose Board of Directors includes three members serving on an ex officio basis: the President of the College, CFO of the College, and the chair of the real estate committee who is also the College's Board Trustee. Berry College benefits from the land lease agreement, while also being able to offer intergenerational benefits to both students and residents through a variety of activities at the college such as work programs, educational opportunities, and mentorship programs.

Another community with close ties to a college campus is Trinity Woods (Milwaukee, WI), a new intergenerational housing community at Mount Mary University formed by a three-way partnership between Mount Mary University, the School Sisters of Notre Dame, and Milwaukee Catholic Home. Trinity Woods residents benefit from life-long learning opportunities in audited courses, intergenerational experiences, and workforce development programs with the school. All buildings are fully interconnected by a Town Center that incorporates numerous spaces to bring people together in friendly conversation, dining, prayer, learning and socialization.

- The Milwaukee Catholic Home provides the operational and management support for the community with recurring management fees.
- Mt. Mary University provides basic management and oversight of the 24 student apartments with campus security making rounds and responding to emergencies.
- Situated on 10 acres, the community features 90 Independent market rate units, 20 units for high acuity assisted living, 32 private residences for The School Sisters of Notre Dame, 32 Private residences for student housing (Full time enrolled mothers with children up to age 12 and female graduate students), and a leased space for a Child Day Care Center for up to 100 children.

University-affiliated senior living can offer this unique generation of retirees the intergenerational experience they are looking for, while providing schools with opportunities for new revenue streams, workforce development and unique cross-generational experiences.

If you have any questions about this newsletter or related topics, we encourage readers to reach out to the Ziegler representative in the region.

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Sources:

¹*“Educational Attainment in the United States: 2021,” U.S. Census Bureau, released Feb. ‘22;*

²*“The Forgotten Middle,” NORC at the University of Chicago, August 2022.*

³*[National Student Clearinghouse Research Center.](#)*

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF DECEMBER 4, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Acts Retirement-Life Communities (PA)	Fitch	A- Stable	Assigned Rating Affirmed Rating Affirmed IDR*	11/28/23
Westminster-Canterbury on Chesapeake Bay (VA)	Fitch	BB+ Stable	Assigned Rating Affirmed Rating Affirmed IDR*	11/28/23
Casa de las Campanas (CA)	Fitch	BBB+ Stable	Affirmed IDR*	11/29/23
Oak Crest Village (MD)	Fitch	A Stable	Affirmed Rating Affirmed IDR*	11/29/23
Lutheran Retirement Ministries of Alamance County dba Twin Lakes (NC)	Fitch	BBB Stable	Review – No Action	11/30/23
The Village at Germantown (TN)	Fitch	BB- Negative	Downgraded Rating Downgraded IDR*	12/4/23

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING DECEMBER 1, 2023

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.77%	4.00%	3.65%
Senior Living 30-Yr “A”	5.30%	5.51%	5.25%
Senior Living 30-Yr “BBB”	5.75%	6.01%	5.68%
Senior Living Unrated	6.65%	6.91%	6.51%
Senior Living New Campus	7.90%	7.91%	7.50%
SIFMA Muni Swap Index	3.30%	3.60%	3.27%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.95%	6.01%	2.16%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

MARKET REVIEW

MONEY MARKET RATES

	12/1	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.39	5.42
30-Day Commercial Paper (taxable)	5.34	5.33
Libor (30-day)	5.45	5.46
SOFR	5.33	5.32
7 Day Tax-Exempt VRDB	3.30	3.60
Daily Rate Average	3.09	3.21

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.68	5.18	1 Year	3.00	5.25	4.90	4.05	3.30	3.10
5 Year	4.26	5.06	5 Year	2.59	4.94	4.59	3.79	3.09	2.74
7 Year	4.34	5.54	7 Year	2.60	5.05	4.70	3.90	3.15	2.80
10 Year	4.32	5.92	10 Year	2.63	5.28	4.83	4.03	3.28	2.88
30 Year	4.49	6.54	30 Year	3.77	6.67	6.17	5.42	4.67	4.22

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.49	3.74	-0.25
11 Bond Index	3.39	3.64	-0.25
Revenue Bond Index	3.77	4.02	-0.25
30 Year MMD	3.77	4.00	-0.23
Weekly Tax-Exempt Volume (Bil)	5.43	5.43	0.00
30 Day T/E Visible Supply (Bil)	7.67	8.82	-1.15
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	104.0	108.1	-4.10

Source: Bloomberg