

# ZIEGLER INVESTMENT BANKING

## SENIOR LIVING FINANCE Z-NEWS

## FEATURED ARTICLE

# SNAPSHOT! SENIOR LIVING STATS AND MORE

## Life Plan Communities: MONTHLY FEE INCREASES

2015 Average Annual Change in Monthly Fees:	3.16%
2016 Average Annual Change in Monthly Fees:	3.09%
2017 Average Annual Change in Monthly Fees:	3.12%
2018 Average Annual Change in Monthly Fees:	3.17%
2019 Average Annual Change in Monthly Fees:	3.14%
2020 Average Annual Change in Monthly Fees:	3.26%
2021 Average Annual Change in Monthly Fees:	2.98%
2022 Average Annual Change in Monthly Fees:	4.70%
2023 Projected Change in Monthly Fees:	5.33%

Source: Ziegler CFO Hotline<sup>SM</sup> (September, 2022)

## CPI CHANGES

<i>Medical Care Cost of Living Increases:</i>		
2010 increase: 3.4%	2015 increase: 2.6%	2020 increase: 2.8%
2011 increase: 3.5%	2016 increase: 2.6%	2021 increase: 2.2%
2012 increase: 3.2%	2017 increase: 2.3%	2022 increase: 2.7%
2013 increase: 2.5%	2018 increase: 2.0%	
2014 increase: 2.4%	2019 increase: 2.6%	
CPI Increase (All Items): For 2022: 6.4%		

Source: Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)) (December, 2022)

## STAFFING

<i>Annual U.S. Unemployment Rates* For:</i>		
2010: 9.6%	2015: 5.0%	2020: 6.7%**
2011: 8.5%	2016: 4.7%	2021: 3.9%
2012: 7.8%	2017: 4.1%	2022: 3.5%***
2013: 6.7%	2018: 3.9%	
2014: 5.6%	2019: 3.5%	

\*Year-end totals as of 12/31

\*\* Increase attributed to COVID-19

\*\*\*The unemployment statistic represents one data point in the overall labor picture. For more in-depth details on the latest unemployment figures, [click here](#).

Source: Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)) (December, 2022)

## LIFE PLAN COMMUNITY AVERAGE FTEs per RESIDENT

In Assisted Living/Alzheimer's Care: 0.55	In Skilled Nursing: 1.55
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Source: *The State of Seniors Housing 2022; Table 11.3. ASHA, ARGENTUM, LEADINGAGE, NCAL, NIC 2022*

## TOTAL NUMBER OF Life Plan Communities (LPCs)

2010 Year-end	1,924
2011 Year-end	1,930
2012 Year-end	1,935
2013 Year-end	1,944
2014 Year-end	1,946
2015 Year-end	1,954
2016 Year-end	1,963
2017 Year-end	1,955
2018 Year-end	1,957
2019 Year-end	1,950
2020 Year-end	1,938
2021 Year-end	1,936
2022 Year-end	1,918

Note: The decrease in the overall LPC count is attributed to a number of factors. The predominant driver has been communities who have removed a level of care (generally either SN or the dropping of IL when only a small number of units existed as part of a larger healthcare campus). There have been a small number of LPC closures. These trends in combination with slowdown in new LPC development has resulted in the decline in the full-continuum campuses.

Source: Ziegler National CCRC Listing

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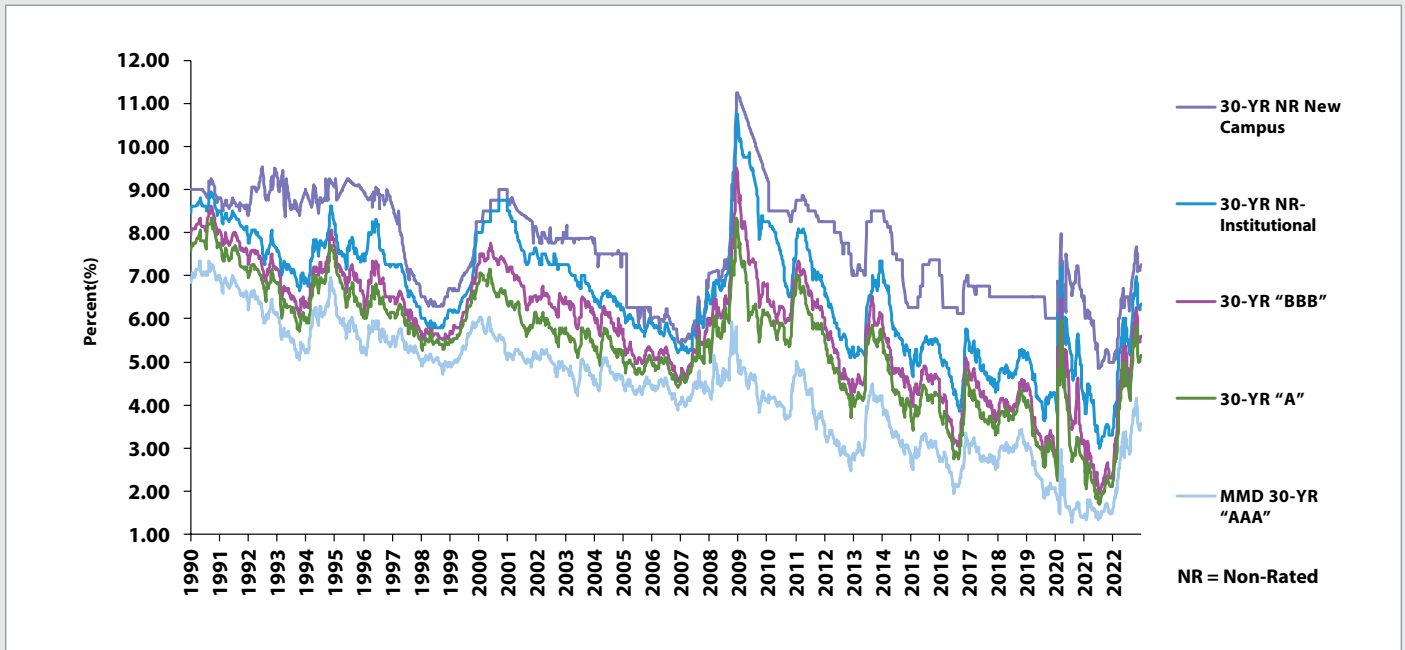
## CONTACT US

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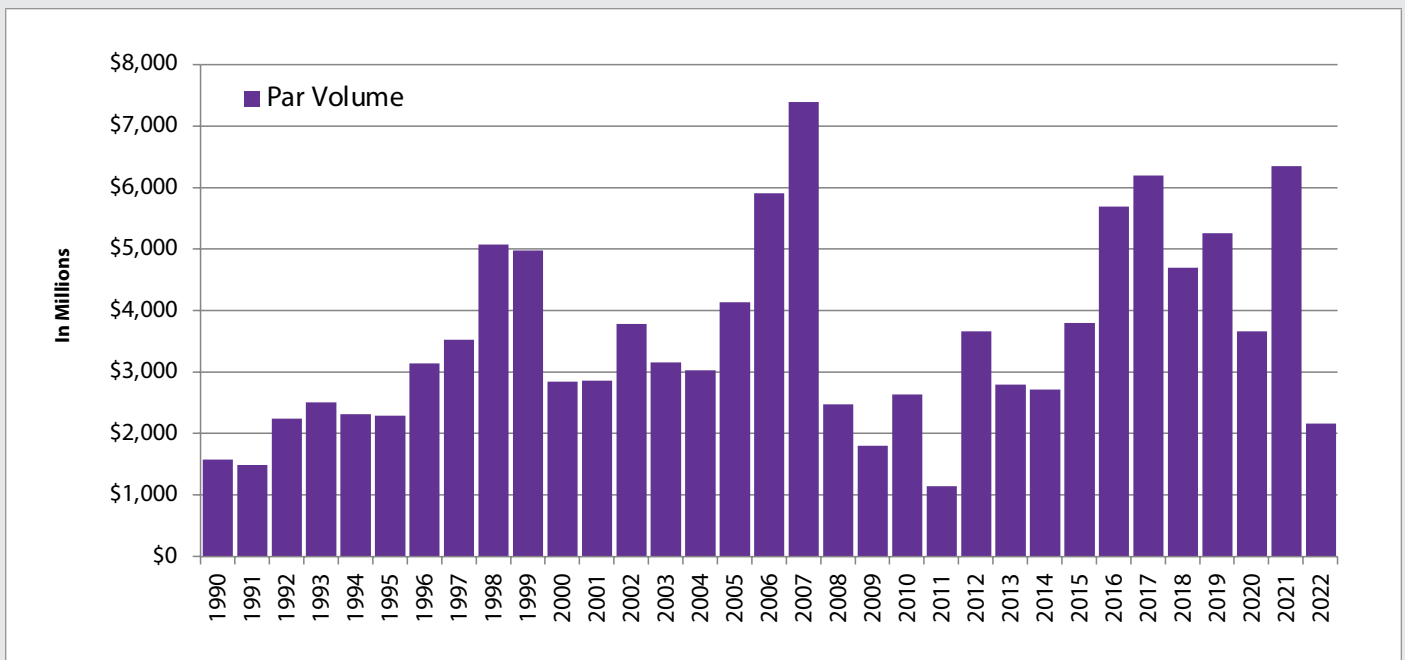
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### SENIOR LIVING TAX-EXEMPT INTEREST RATES



Source: Ziegler Investment Banking, as of 12/31/22

### NOT-FOR-PROFIT SENIOR LIVING VOLUME 1990-2022



Source: Refinitiv Data, and Ziegler Investment Banking as of 12/31/22

**Top Lead Managing Underwriters  
Senior Living Finance Issues  
2022**

Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler	25	1,514.3
2	Herbert J. Sims & Co.	6	253.5
3	Odeon Capital Group	4	171.3
4	RBC Capital Markets	2	88.6
5	Northland Securities	3	41.9
6	Truist Securities	1	27.2
7	Colliers Securities	2	20.6
8	KeyBanc Capital Markets	1	17.1
9	Jefferies LLC	1	13.3
10	Piper Sandler & Co.	1	12.4

**Top Lead Managing Underwriters  
Senior Living Finance Issues  
2015–2022**

Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler	297	17,685.6
2	Herbert J. Sims & Co.	73	4,735.7
3	Piper Sandler & Co.	65	3,102.4
4	Truist Securities	41	1,920.4
5	KeyBanc Capital Markets	16	1,554.8
6	RBC Capital Markets	24	1,498.4
7	Bank of America Merrill Lynch	8	1,118.2
8	Colliers Securities	38	798.1
9	Odeon Capital Group	30	580.2
10	Hilltop Securities	3	530.8

**Top Lead Managing Underwriters  
Senior Living Finance Issues  
2010–2022**

Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler	409	23,220.9
2	Herbert J. Sims & Co.	108	6,084.7
3	Piper Sandler & Co.	99	3,774.7
4	Truist Securities	73	3,228.8
5	KeyBanc Capital Markets	49	2,884.7
6	RBC Capital Markets	24	1,743.1
7	Bank of America Merrill Lynch	11	1,314.5
8	Colliers Securities	73	1,135.1
9	Northland Securities	74	771.7
10	Citi	11	699.2

**Top Lead Managing Underwriters  
Senior Living Finance Issues  
2000–2022**

Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler	746	36,250.1
2	Herbert J. Sims & Co	227	10,537.2
3	KeyBanc Capital Markets	149	5,985.6
4	Piper Sandler & Co.	194	5,649.6
5	Truist Securities	141	5,321.6
6	RBC Capital Markets	141	2,372.8
7	Colliers Securities	62	1,773.8
8	UBS Securities	34	1,728.4
9	Wachovia	133	1,436.4
10	Bank of America Merrill Lynch	11	1,314.5

*Based on full credit given to senior manager of lead-managed underwriting principal volume for senior living transactions completed nationally. Rankings and amounts through Refinitiv Data as of 12/31/22. Note: For-profit bond financings are excluded.*

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**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

AS OF FEBRUARY 13, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Meadowlark Hills (KS)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	2/8/23
Lifespace Communities (IA)	Fitch	BBB	Rating Watch Negative	2/9/23

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\* IDR – Issuer Default Rating (FitchRatings)

Any non-Ziegler sources referenced in this Z-News are believed to be reliable but cannot be guaranteed.

**INTEREST RATES/YIELDS**

(WEEK ENDING FEBRUARY 10, 2023)


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.24%	3.13%	3.17%
Senior Living 30-Yr “A”	4.81%	4.70%	4.64%
Senior Living 30-Yr “BBB”	5.21%	5.10%	5.04%
Senior Living Unrated	6.06%	5.95%	5.77%
Senior Living New Campus	7.21%	7.10%	6.65%
SIFMA Muni Swap Index	3.74%	1.87%	1.51%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index**	5.55%	5.49%	2.25%

 \*\*Ziegler Senior Living Municipal Long Bond Index  
 Source: Bloomberg BVALS

**FEATURED FINANCING**



**Ensō Verde<sup>SM</sup>**  
A KENDAL® AFFILIATE

**KENDAL AT VENTURA  
(ENSŌ VERDE<sup>SM</sup>)**  
Simi Valley, California

Revenue Bond Anticipation Notes

**\$29,000,000**  
February, 2022

## MARKET REVIEW

## MONEY MARKET RATES

	02/10	Last week
Prime Rate	7.75	7.75
Federal Funds (weekly average)	4.56	4.56
90 Day T-Bills	4.63	4.51
30-Day Commercial Paper (taxable)	4.50	4.49
Libor (30-day)	4.57	4.57
SOFR	4.55	4.30
7 Day Tax-Exempt VRDB	3.74	1.87
Daily Rate Average	3.69	1.72

## COMPARATIVE YIELDS

TAXABLE REVENUE									
	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.48	5.48	1 Year	2.58	4.78	4.23	3.68	2.83	2.63
5 Year	3.85	5.10	5 Year	2.09	4.39	3.84	3.24	2.44	2.19
7 Year	3.78	5.18	7 Year	2.11	4.51	4.01	3.41	2.51	2.26
10 Year	3.66	5.36	10 Year	2.21	4.71	4.21	3.76	2.76	2.41
30 Year	3.81	6.11	30 Year	3.24	5.99	5.44	4.99	3.99	3.59

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.51	3.39	+0.12
11 Bond Index	3.41	3.29	+0.12
Revenue Bond Index	3.79	3.67	+0.12
30 Year MMD	3.24	3.13	+0.11
Weekly Tax-Exempt Volume (Bil)	3.61	0.63	-2.98
30 Day T/E Visible Supply (Bil)	7.15	4.98	+3.05
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	104.7	109.6	-4.90

Source: Bloomberg