

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER CFO HOTLINESM REPORT: SUCCESSION PLANNING

The most recent *Ziegler CFO HotlineSM* poll was devoted to the topic of Succession Planning. This topic was previously covered in 2013, 2015 and 2018, and allows for historical comparisons. Over 230 not-for-profit senior living CFOs and financial professionals from around the country responded to the survey.

With many of today's C-Suite executives falling within the Baby Boomer cohort, much focus has been on the potential wave of retirements among today's CEOs. As shown below, nearly 34% of the organizations reported that their CEO will likely retire within the next five years. Another third will likely exit their role in the 5- to 10-year timeframe. The "more than 15 years" retirement timetable is a much lower percentage today than what was reported back in 2013 and 2015.

Only 38% of organizations have a formal, written plan of succession for when their CEO retires. Of that 38%, only a quarter affirmed that their organization has plans for a specific internal candidate to step into the CEO role. When asked which role that candidate currently holds within the company, the most common answers were

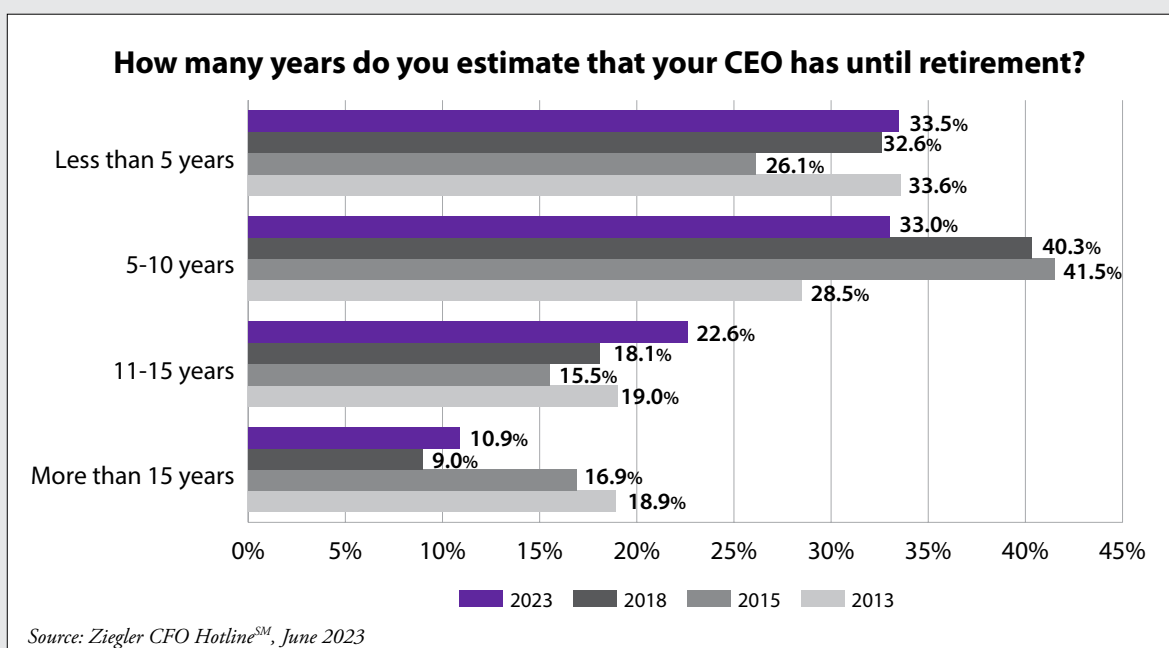
Chief Operating Officer, Chief Financial Officer, and Vice President/ Executive Vice President, respectively.

A vast majority of organizations (80%) have not considered affiliation as a plan for after their CEO retires. Ten percent have discussed this option, while the remaining ten percent are unsure whether affiliation is a possibility. This statistic was similar across both multi-site and single-site organizations.

Additional questions were asked on the survey related to pending retirements of other executive-level positions such as the CFO, COO, etc. We encourage readers to access the full report on the Ziegler [website](#) for additional survey findings.

If you have questions related to Ziegler's latest research or other related topics, we encourage readers to reach out to the Ziegler representative in the region.

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF JUNE 5, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Kendal at Lexington (VA)	Fitch	BBB- Stable	Review – No Action	6/2/23

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INTEREST RATES/YIELDS

WEEK ENDING JUNE 2, 2023

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.50%	3.62%	3.41%
Senior Living 30-Yr "A"	5.35%	5.40%	4.97%
Senior Living 30-Yr "BBB"	5.75%	5.75%	5.36%
Senior Living Unrated	6.50%	6.60%	6.13%
Senior Living New Campus	7.40%	7.50%	7.06%
SIFMA Muni Swap Index	3.56%	3.41%	2.35%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.94%	5.99%	2.42%

[†] Ziegler Senior Living Municipal Long Bond Index
 Source: Bloomberg BVALS

FEATURED FINANCING


MIRABELLA AT SOUTH WATERFRONT dba MIRABELLA PORTLAND

(Pacific Retirement Services)
Portland, Oregon

Cinderella Bonds
 New Money / Refunding

\$85,000,000

May, 2023

MARKET REVIEW

MONEY MARKET RATES

	06/02	Last week
Prime Rate	8.25	8.25
Federal Funds (weekly average)	5.07	5.07
90 Day T-Bills	5.36	5.30
30-Day Commercial Paper (taxable)	5.08	5.10
Libor (30-day)	5.16	5.16
SOFR	5.07	5.06
7 Day Tax-Exempt VRDB	3.56	3.41
Daily Rate Average	3.48	3.19

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.34	5.44	1 Year	3.16	5.36	4.91	4.31	3.61	3.26
5 Year	3.69	5.14	5 Year	2.70	5.00	4.55	3.95	3.35	2.85
7 Year	3.65	5.25	7 Year	2.59	4.99	4.64	4.04	3.34	2.79
10 Year	3.59	5.44	10 Year	2.59	5.14	4.79	4.29	3.44	2.84
30 Year	3.81	6.26	30 Year	3.50	6.30	5.90	5.40	4.55	3.95

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.67	3.74	-0.07
11 Bond Index	3.57	3.64	-0.07
Revenue Bond Index	3.95	4.02	-0.07
30 Year MMD	3.50	3.62	-0.12
Weekly Tax-Exempt Volume (Bil)	0.98	0.98	0.00
30 Day T/E Visible Supply (Bil)	9.25	5.21	+4.04
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	119.4	117.0	+2.40

Source: Bloomberg