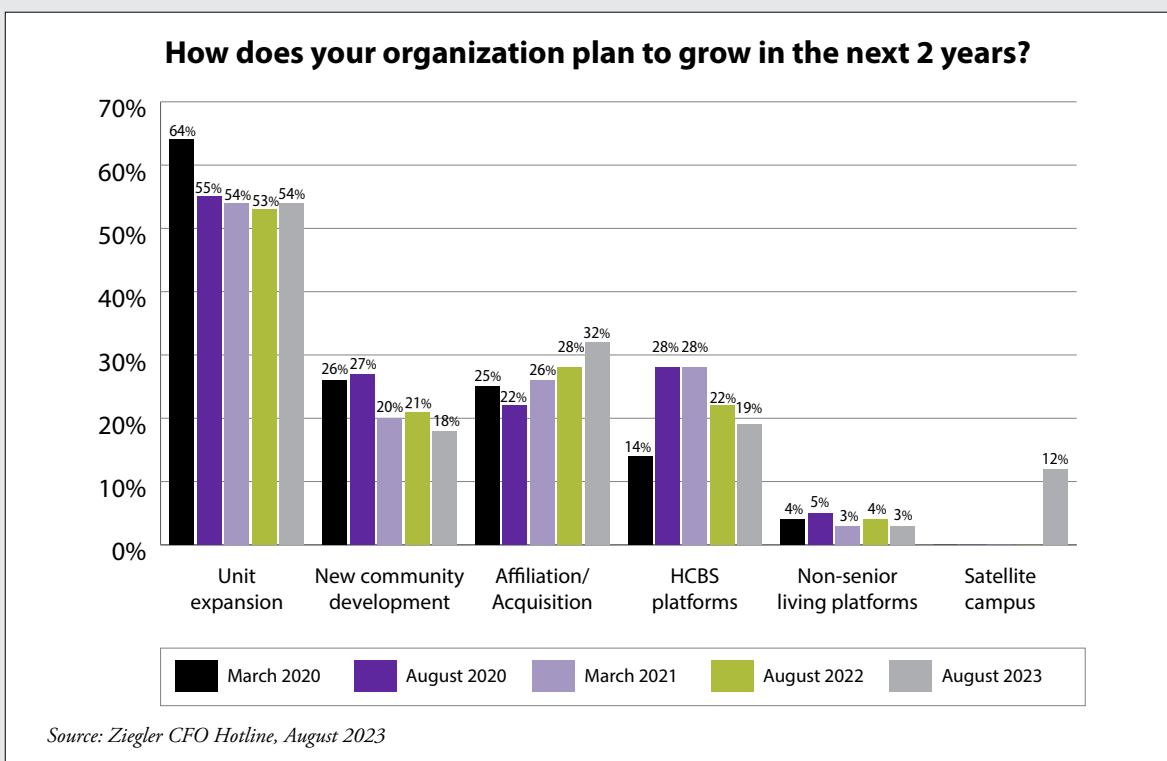


FEATURED ARTICLE

# ZIEGLER CFO HOTLINE<sup>SM</sup> REPORT: NFP GROWTH PROJECTIONS

Ziegler recently conducted a *CFO Hotline<sup>SM</sup>* poll devoted to the topic of Growth Projections. This survey topic was initially launched in early 2020, prior to the onset of the pandemic. It has been repeated a few times since then, which has allowed for a longitudinal comparison of how growth plans have unfolded during the pandemic years, and now during the post-pandemic period. More than 200 CFOs and finance professionals, from primarily not-for-profit senior living organizations, participated in the current survey. An overview of the key results follow.

When asked how their organization plans to grow over the next two years, some predictable and some unexpected results came to light. As shown in the graph below, the primary mode of growth is through unit expansion, which has fairly been consistent across the past few years. While the most recent survey period showed the lowest percentage of organizations exploring new campus development, it conversely showed the highest percentage over time of those planning to grow through affiliation or acquisition strategies. After the onset of the pandemic, the percentage of providers interested in growing HCBS platforms doubled. That number has been slowly declining since that initial survey period. This may be either a function of decreased interest in HCBS growth or growth initiatives for HCBS have already been executed. New to this year's survey was growth plans through the development of satellite campuses. Roughly 12% of respondents affirmed this as a growth strategy, which the figure being slightly higher for single-site providers than multi-sites. For the remainder of the growth strategies, the multi-sites report more aggressive growth plans than their single-site peers.



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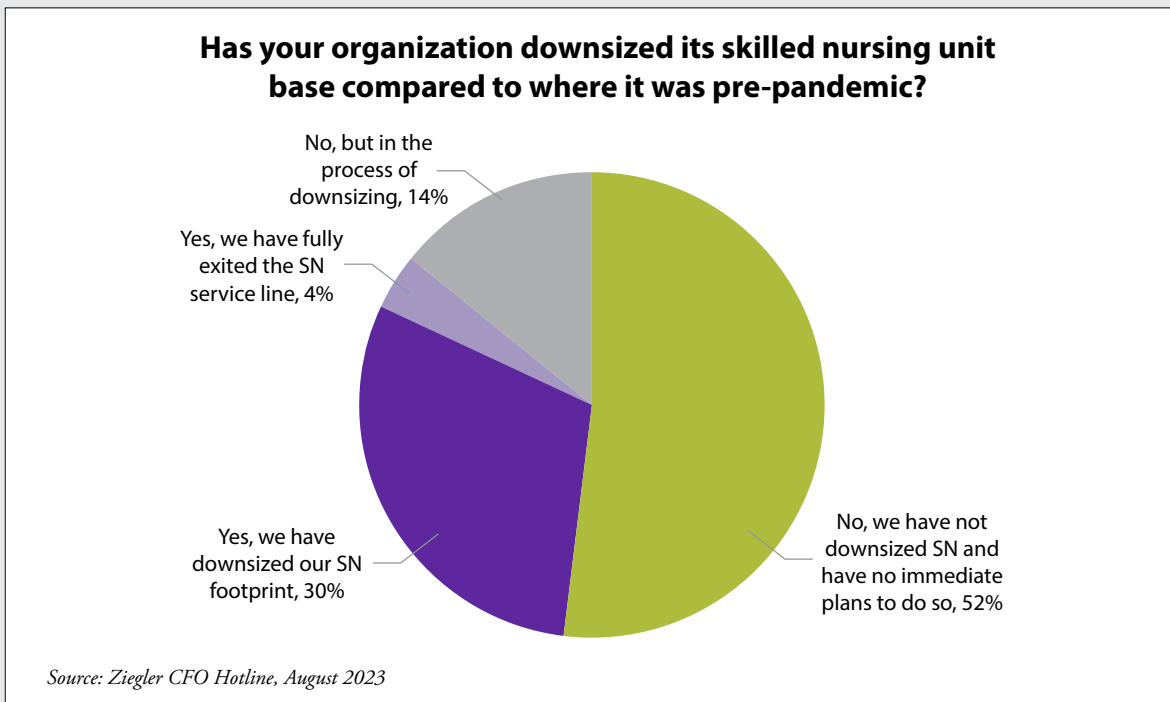
800 366 8899  
askziegler@ziegler.com



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The survey also aimed to garner feedback on any potential limiting factors that may be at-play with regards to the growth strategies. The two top mentions of barriers to growth were workforce shortages and the financial cost of growth. This was closely followed by construction pressures (material cost, labor challenges, etc.).

An area that has been pressured in recent years has been the skilled nursing segment. The sector is roughly evenly split between those that are planning to downsize or exit their skilled footprint versus those who have not and do not have any immediate plans to do so. The smallest percentage, 4%, reported that they have fully exited the skilled nursing service line.



We encourage readers to access the full report on the [Ziegler website](#). The full report provides greater detail into the mindset of senior living organizations related to growth and potential barriers that may stymie growth plans.

If you have questions about the information included in this issue of *Z-News* or related items, we encourage you to reach out to the Ziegler representative in your region.

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

AS OF AUGUST 7, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Charlestown Retirement Community (MD)	Fitch	A- Stable	Affirmed Rating Affirmed IDR*	7/28/23
Emerald Heights (WA)	Fitch	A- Stable	Assigned Rating Affirmed Rating Affirmed IDR*	7/28/23
Kendal at Hanover (NH)	Fitch	BBB+ Positive	Affirmed Rating Affirmed IDR*	7/28/23
Diakon Lutheran Social Ministries (PA)	Fitch	BBB+ Stable	Affirmed Rating Affirmed IDR*	7/31/23
Christian Horizons Obligated Group (IL)	Fitch	CCC+	Downgraded Rating Downgraded IDR*	8/2/23
Givens Estates (NC)	Fitch	A- Stable	Affirmed Rating Affirmed IDR*	8/3/23
Lifespace Communities (IA)	Fitch	BBB Negative	Affirmed Rating Affirmed IDR* Revised Outlook	8/4/23
The Presbyterian Homes, Inc. (nka Brightspire) (NC)	Fitch	BBB+ Stable	Review – No Action	8/7/23

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\* IDR – Issuer Default Rating

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

**INTEREST RATES/YIELDS**

WEEK ENDING AUGUST 4, 2023

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.73%	3.51%	3.47%
Senior Living 30-Yr “A”	5.32%	5.10%	5.06%
Senior Living 30-Yr “BBB”	5.77%	5.50%	5.46%
Senior Living Unrated	6.57%	6.35%	6.24%
Senior Living New Campus	7.72%	7.50%	7.20%
SIFMA Muni Swap Index	3.49%	3.98%	2.72%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index <sup>†</sup>	6.09%	6.00%	2.38%

<sup>†</sup> Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

**FEATURED FINANCING**


AT KIAWAH ISLAND

**Kiawah Life Plan Village, Inc.  
(Seafields at Kiawah Island)**

Kiawah Island, South Carolina

 South Carolina Jobs-Economic Development  
Authority, Retirement Community Revenue Bonds  
Series 2023

**\$212,930,000**

July, 2023

## MARKET REVIEW

## MONEY MARKET RATES

	08/04	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.32	5.32
90 Day T-Bills	5.40	5.42
30-Day Commercial Paper (taxable)	5.25	5.23
Libor (30-day)	5.43	5.43
SOFR	5.30	5.31
7 Day Tax-Exempt VRDB	3.49	3.98
Daily Rate Average	3.29	4.51

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	4.88	5.88	1 Year	3.33	5.58	5.18	4.43	3.63	3.43
5 Year	4.29	5.64	5 Year	2.84	5.19	4.79	4.09	3.34	2.99
7 Year	4.25	5.75	7 Year	2.73	5.18	4.78	4.13	3.33	2.93
10 Year	4.17	5.97	10 Year	2.77	5.47	4.92	4.37	3.47	3.02
30 Year	4.29	6.64	30 Year	3.73	6.73	6.18	5.58	4.63	4.13

(\* Representative of institutional sales)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	3.75	3.60	+0.15
11 Bond Index	3.65	3.50	+0.15
Revenue Bond Index	4.03	3.88	+0.15
30 Year MMD	3.73	3.51	+0.22
Weekly Tax-Exempt Volume (Bil)	7.21	3.49	+3.72
30 Day T/E Visible Supply (Bil)	7.30	8.78	-1.48
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	107.9	109.1	-1.20

Source: Bloomberg