ZIEGLER INVESTMENT BANKING
SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: Q3 2023

Once a quarter, we feature an issue of *Z-News* that is devoted to recommended reading. These lists include newly released research reports, hot-topic white papers or noteworthy articles that have meaningful information for the senior living & care sector. The list of reading materials below range in topics from consumer preferences, demographic trends, artificial intelligence (AI) and managed care, among others. As always, we welcome feedback on potential future publications or articles to include for our readers.

- 93 Percent of Seniors Plan to Age in Place, Will Use More Tech: The technology boom in senior living is here to stay, and one new survey is measuring its impact in seniors' lives as they age in place. Ninety-three percent of US adults plan to age in place, which increases the need for health-related technologies, according to a study from U.S. News & World Report's 360 Reviews.

- Unlocking the future: Closing the gap between consumer expectations and community offerings in senior living — Unlocking the future: Closing the gap between consumer expectations and community offerings in senior living report captures and profiles the perspectives of those working within the senior living industry and adults 55+ who can be considered potential residents/customers. The intent is to better understand how well current industry offerings align with customer needs and expectations with an eye to identifying areas of opportunity for possible industry action, in the form of immediate steps or longer-term strategic planning.

- 2023 Marcum 3-Year Nursing Home Statistical Review: The 2023 Marcum 3-Year Nursing Home Statistical Review includes a deep dive into the distinct stages of the pandemic — the pre-COVID environment, the heart of COVID, and then what some might call the beginning of COVID recovery.

- America is Getting Older — New Population Estimates Highlight Increase in National Median Age: The nation's median age increased by 0.2 years to 38.9 years between 2021 and 2022, according to Vintage 2022 Population Estimates released today by the U.S. Census Bureau. Median age is the age at which half of the population is older and half of the population is younger.

- America Aged Rapidly in the Last Decade as Baby Boomers Grew Older and Births Dropped: The United States grew older, faster, last decade. The share of residents 65 or older grew by more than a third from 2010 to 2020 and at the fastest rate of any decade in 130 years, while the share of children declined, according to new figures from the most recent census.

- Painful and Getting Worse: Rise of Medicare Advantage Drains Vast Revenue from SNF Sector, Worsens Workforce Instability: The skilled nursing sector is under increasing pain due to the growth of Medicare Advantage, with the industry losing hundreds of millions of dollars while operators are also contending with a host of operational burdens.

- Are Seniors More Likely to Enroll in Medicaid if States Expand Home-Based Long-Term Care? While many states have expanded their Medicaid home and community-based services (HCBS) for frail older adults, others continue to steer many enrollees into nursing homes. One big reason: They fear that enhancing home supports will encourage more older adults to enroll in Medicaid long-term care services (LTSS) and increase state costs.

- The Future of AI and Older Adults: The technology industry is undergoing its first major disruption since the arrival of smart speakers and voice in 2014. The announcement of Open AI's ChatGPT, an example of Large Language Model (LLM) Artificial Intelligence, has taken the tech world (and massive investment money) by storm.

- Baby Boomers and the Future of Senior Living: (paid publication) Boomers and the Future of Senior Living is a definitive report detailing the senior living priorities of the Baby Boomer generation. The new report, prepared for ASHA by ProMatura Group, summarizes a survey of more than 7,000 people of which roughly 80% were Baby Boomers. The report includes information on participants' demographics, family and household characteristics, current living accommodations, and location preferences.

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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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS
AS OF AUGUST 21, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Trinity Terrace (TX)	Fitch	A- Stable	Affirmed Rating Affirmed IDR*	8/15/23
Messiah Lifeways (PA)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	8/18/23
Westminster at Lake Ridge (VA)	Fitch	BB Stable	Review – No Action	8/21/23

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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.

FEATURED FINANCING

EMERALD HEIGHTS™
REDMOND

A MEMBER OF EMERALD COMMUNITIES

Emerald Heights
Redmond, Washington

Washington State Housing Finance Commission,
Nonprofit Housing Revenue and Refunding
Revenue Bonds
Series 2023

$118,330,000

August, 2023

INTEREST RATES/YIELDS
WEEK ENDING AUGUST 18, 2023

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.82%	3.69%	3.51%
Senior Living 30-Yr "A"	5.41%	5.28%	5.10%
Senior Living 30-Yr "BBB"	5.86%	5.73%	5.51%
Senior Living Unrated	6.66%	6.53%	6.30%
Senior Living New Campus	7.81%	7.68%	7.26%
SIFMA Muni Swap Index	3.30%	3.00%	2.77%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index†	6.06%	6.01%	2.26%

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

MARKET REVIEW

MONEY MARKET RATES

	08/18	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.32	5.32
90 Day T-Bills	5.44	5.43
30-Day Commercial Paper (taxable)	5.28	5.27
Libor (30-day)	5.42	5.42
SOFR	5.30	5.30
7 Day Tax-Exempt VRDB	3.30	3.00
Daily Rate Average	3.78	2.46

COMPARATIVE YIELDS

TAXABLE REVENUE					MMD	NR*	BB	BBB	A	AAA
	GOVT	A								
2 Year	4.93	5.93		1 Year	3.25	5.50	5.10	4.35	3.55	3.35
5 Year	4.40	5.75		5 Year	2.84	5.19	4.79	4.09	3.34	2.99
7 Year	4.36	5.86		7 Year	2.79	5.24	4.84	4.19	3.39	2.99
10 Year	4.27	6.07		10 Year	2.84	5.54	4.99	4.44	3.54	3.09
30 Year	4.38	6.73		30 Year	3.82	6.82	6.27	5.67	4.72	4.22

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	3.75	3.71	+0.04
11 Bond Index	3.65	3.61	+0.04
Revenue Bond Index	4.03	3.99	+0.04
30 Year MMD	3.82	3.69	+0.13
Weekly Tax-Exempt Volume (Bil)	4.64	5.61	-0.97
30 Day T/E Visible Supply (Bil)	7.41	6.09	+1.32
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	107.7	108.2	-0.50

Source: Bloomberg