

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: Q4 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 ranges in topics from demographic trends to the recent CMS proposed staffing mandate, among others. As always, we welcome feedback on potential future publications or articles to include for our readers.

- [“Vulnerability To Adverse Health Outcomes Amongst Senior Housing Residents”](#) September 2023. NORC study through a grant provided by NIC. Upon moving into senior housing, vulnerability increases for a short period as residents settle into their new community before leveling off and showing improvement.
- [CLA Report: CMS Proposed Staffing Mandate: In-Depth Analysis on Minimum Nurse Staffing Levels](#). September 2023. CLA estimates the additional staff necessary to meet the proposed staffing requirement, as well as the costs associated with the additional staff. The analysis demonstrates the financial and workforce challenges for skilled nursing facilities (SNFs) to provide direct care staffing at the levels CMS has indicated in the proposed rule.
- [Direct Care Workers in the United States Key Facts 2023](#): Direct Care Workers in the United States: Key Facts provides an annual snapshot of the direct care workforce, including its demographics, occupational roles, job quality challenges, and projected job openings. The report includes detailed overviews of three segments of this workforce: home care workers, residential care aides, and nursing assistants in nursing homes.
- [2023 ASHA 50](#): This special edition of Senior Housing Business features the 30th annual compilation by the American Seniors Housing Association (ASHA) of our industry's authoritative ranking of the nation's largest seniors housing owners and operators.
- [2023 Largest Providers Report – Argentum](#): Data on U.S. assisted living, independent living, memory care, and CCRCs. Plus, survey questions and answers, and upcoming provider growth.
- [Senior Care Conundrum: Skilled Nursing Rightsizing Strategies](#): RLPS Architects. September 2023. As healthcare becomes increasingly costly to operate, a hard look at every area is warranted so that subsidized service lines truly align with mission objectives. Engaging a multi-disciplined team of financial, development and design professionals can mean the difference between success and failure when considering future options. While it's fair to say that many non-profit Life Plan Communities have too many skilled nursing beds, the optimum mix of housing and services will be unique to each campus.
- [AHCA CLA Economic State of Skilled Nursing Facility \(SNF\) Industry](#): February 2023. An updated study of the current economic state of the SNF industry. This report highlights the negative operating margins, increasing costs of care, and contributing factors to revenue loss such as occupancy and staffing challenges incurred by SNFs.
- [Pike Construction – Construction Materials Market Report](#): August 2023. Most of the products tracked have decreased in cost over the last month, and two-thirds of the materials are no longer on the watch list for availability and delivery issues. Even with this good news, costs for all materials (except lumber) are higher than a year ago, and delayed delivery issues are still seriously impacting many jobs.
- [Where Senior Living Operators See the Most Promise Ahead for Tech Innovation](#): September 2023. In the years before the pandemic, the senior living industry was slow on the draw regarding the use of new technology. But the challenges of the last three years have led to big tech advances in areas including automation and telehealth – and operators are just getting started.
- [Senior Housing Occupancy Recovery: A Compelling Case for Optimism, Growth, and Renewed Purpose](#): October 2023. The senior housing market appears well-positioned for a steady and ongoing recovery, with occupancy levels expected to reach/exceed pre-pandemic levels in 2024, barring unforeseen challenges.

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 OCTOBER 27, 2023

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Aldersly (CA)	Fitch	NR	Rating & IDR* Withdrawn	10/25/23
Plantation Village (NC)	Fitch	BBB Stable	Review – No Action	10/25/23
Brewster Place (KS)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	10/26/23
Northcrest, Inc. (IA)	Fitch	BB+ Positive	Affirmed Rating Affirmed IDR* Outlook Revised	10/26/23

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING OCTOBER 27, 2023


	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	4.57%	4.53%	3.63%
Senior Living 30-Yr “A”	6.15%	6.19%	5.24%
Senior Living 30-Yr “BBB”	6.70%	6.59%	5.67%
Senior Living Unrated	7.50%	7.44%	6.48%
Senior Living New Campus	8.40%	8.29%	7.45%
SIFMA Muni Swap Index	4.09%	4.19%	3.14%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	6.69%	6.67%	2.12%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING



**SHENANDOAH VALLEY
WESTMINSTER-CANTERBURY**
Winchester, Virginia

Bank Placement / New Money

\$52,500,000
October, 2023

MARKET REVIEW

MONEY MARKET RATES

	10/27	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.45	5.47
30-Day Commercial Paper (taxable)	5.33	5.34
Libor (30-day)	5.44	5.44
SOFR	5.31	5.30
7 Day Tax-Exempt VRDB	4.09	4.19
Daily Rate Average	4.12	4.33

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
2 Year	5.04	5.79	1 Year	3.76	6.01	5.76	5.16	4.06	3.91
5 Year	4.79	5.79	5 Year	3.49	5.84	5.64	4.99	3.99	3.69
7 Year	4.86	6.26	7 Year	3.54	5.99	5.79	5.14	4.19	3.79
10 Year	4.84	6.64	10 Year	3.59	6.29	5.94	5.29	4.34	3.94
30 Year	4.98	7.33	30 Year	4.53	7.57	7.07	6.42	5.57	5.12

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE
Bond Buyer			
20 Bond Index	4.19	4.19	0.00
11 Bond Index	4.09	4.09	0.00
Revenue Bond Index	4.47	4.47	0.00
30 Year MMD	4.53	4.53	0.00
Weekly Tax-Exempt Volume (Bil)	6.07	6.07	0.00
30 Day T/E Visible Supply (Bil)	4.74	10.51	-5.77
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	111.8	108.2	+3.60

Source: Bloomberg