

ZIEGLER INVESTMENT BANKING

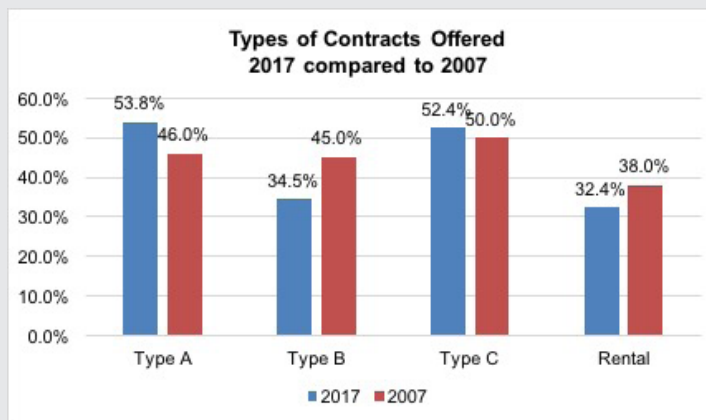
SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER CFO HOTLINESM: LIFE PLAN COMMUNITY (LPC) ENTRY FEES

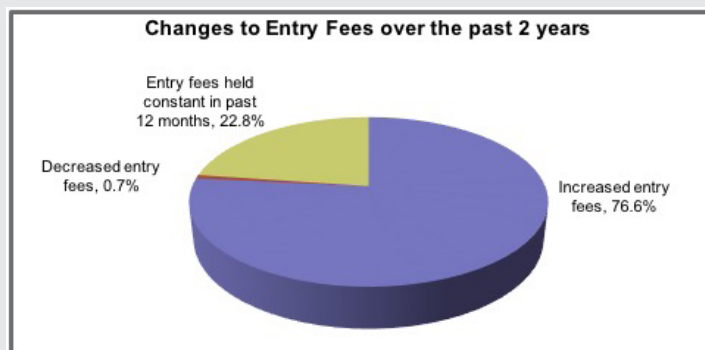
This week’s *Z-News* reveals the results from the March *Ziegler CFO HotlineSM* poll on Life Plan Community (LPC) Entry Fees. Chief Financial Officers (CFOs) and financial professionals throughout the country were invited to complete the survey and there were a total of 145 participants.

The initial question focused on the contract types being offered to residents and how many providers offered more than one contract type. Of the contract types offered, Types A and C are the most popular among residents. The chart below compares the March 2017 survey results to an earlier *Ziegler CFO HotlineSM* Survey conducted in 2007. Over the past 10 years, the use of Type A and Type C contracts has increased while Type B and Rental are down.



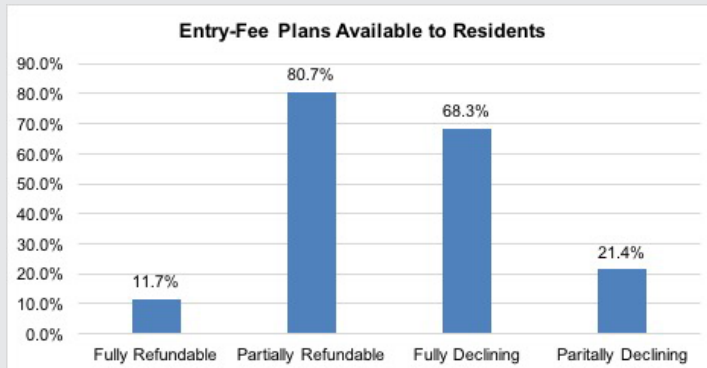
More than 55% of respondents offer two or more contract types, slightly more than 15% offer three or more, and 4% offer all contract types. For providers offering multiple contract types, the most common mix is Type A as the primary and Type C as the secondary (34.2% of respondents offer this combination).

The survey also evaluated changes in entry fees over the past two years. CFOs were asked whether entry fees had stayed the same, increased, or decreased. More than 75% said they increased entry fees in the past 2 years. The pie chart below details the findings.



Looking ahead over the next two years, 87% of providers said they plan to increase entry fees, while nearly all other respondents said they have no plans to change entry fees.

When asked about the entry-fee plans that are made available to residents and prospective residents, providers shared that a partially-refundable plan is the most common. More than 80% of the respondents reported offering this type of plan. Seven out of ten offer a fully-declining plan while less than 12% offer a fully-refundable entry-fee contract. The most common contract is 90% refundable (44% of respondents), with the next most common being a 50% refundable plan.



Respondents were asked to elaborate on what triggers entry fee refunds. The largest proportion (55.5%) reported that they refund the entry fee when the unit is reoccupied while more than 30% of providers refund the entrance fee after a fixed time period, regardless if the unit is reoccupied or not.

To access the full report on LPC Entry Fees, [click here](#). Additional information on other *Ziegler CFO HotlineSM* surveys can be obtained through the Ziegler website or through the Ziegler banker in your area.

CATHY OWEN, ASSISTANT VICE PRESIDENT
AND
LINDA BENDIXEN, RESEARCH ASSISTANT
SENIOR LIVING RESEARCH

The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

APRIL 6-12, 2017

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
No Ratings to Report This Week				

This ratings table represents review of the reports released by Fitch Ratings, Standard & Poor's, and Moody's Investors Service and has been compiled by Ziegler Investment Banking.

IN YOUR CORNER

LEADINGAGE MARYLAND 2017 ANNUAL CONFERENCE

Turf Valley Resort
Ellicott City, Maryland
April 24-25, 2017

Session F2

Leading and Thriving in 2017 and Beyond
Tuesday, April 25, 2017 | 2:00 pm - 3:30 pm
Ziegler Participant: Amy Castleberry

INTEREST RATES

FOR THE WEEK ENDING APRIL 7, 2017

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.99%	3.03%	2.63%
Senior Living 30-Yr "A"	4.09%	4.13%	3.62%
Senior Living 30-Yr "BBB"	4.54%	4.58%	3.98%
Senior Living Unrated	4.99%	5.03%	4.76%
Senior Living New Campus	6.57%	6.57%	6.45%
SIFMA Muni Swap Index	0.88%	0.91%	0.58%

Source: Ziegler Capital Markets

FEATURED FINANCING



\$63,995,000

Prince George's County, Maryland,
Revenue Bonds, Series 2017

COLLINGTON EPISCOPAL LIFE CARE COMMUNITY, INC.
Mitchellville, Maryland

MARKET REVIEW

MONEY MARKET RATES

	4/07/17	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	4.00	4.00	3.75	3.50
Federal Funds (weekly average)	0.90	0.88	0.66	0.37
90 Day T-Bills	0.81	0.76	0.72	0.22
30-Day Commercial Paper (taxable)	0.86	0.80	0.79	0.33
Libor (30-day)	0.98	0.98	0.85	0.43
7 Day Tax-Exempt VRDB	0.88	0.91	0.62	0.39
Daily Rate Average	0.85	0.93	0.57	0.27

COMPARATIVE YIELDS

TAXABLE REVENUE				TAX-EXEMPT REVENUE							
	GOVT	NR*	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	1.06	2.25	1.62	1 Year	0.86	2.36	2.25	2.36	1.86	1.36	1.11
5 Year	1.91	4.00	2.70	5 Year	1.51	3.26	3.30	3.16	2.76	2.26	1.91
7 Year	2.19	4.50	3.28	7 Year	1.83	3.73	3.90	3.58	3.23	2.83	2.43
10 Year	2.37	4.75	3.52	10 Year	2.19	4.19	4.40	4.09	3.74	3.29	2.79
30 Year	3.00	6.25	4.42	30 Year	2.99	4.99	5.10	4.89	4.54	4.09	3.59
				5 year ADJ RATE	4.25						

(* Representative of recent non-rated issues underwritten by Ziegler retail sales); (** Representative of institutional sales.)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2017 HIGH	LOW
Bond Buyer					
20 Bond Index	3.83	3.86	-0.03	4.02	3.72
11 Bond Index	3.34	3.37	-0.03	3.53	3.25
Revenue Bond Index	4.00	4.03	-0.03	4.17	3.83
30 Year MMD	2.99	3.03	-0.04	3.24	2.88
Weekly Tax-Exempt Volume (Bil)	6.75	4.52	+2.23	7.68	2.91
30 Day T/E Visible Supply (Bil)	5.61	9.59	-3.98	13.37	5.50
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	136.33	136.30	+0.03	147.05%	120.39%

INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK T-BILL RATE	C.P.RATE TAXABLE	LIBOR (30-DAY)	30-YEAR T/E BONDS (A-AAA)		
04/07/17	0.88	4.00	0.90	0.81	0.86	0.98	4.09	-	3.59
03/31/17	0.91	4.00	0.88	0.76	0.80	0.98	4.13	-	3.63
03/24/17	0.79	4.00	0.90	0.76	0.82	0.98	4.17	-	3.67
03/17/17	0.71	4.00	0.75	0.73	0.82	0.94	4.30	-	3.80
03/10/17	0.62	3.75	0.66	0.72	0.79	0.85	4.34	-	3.84
03/03/17	0.62	3.75	0.64	0.69	0.65	0.83	4.26	-	3.76
02/24/17	0.65	3.75	0.66	0.49	0.60	0.78	4.09	-	3.69
02/17/17	0.65	3.75	0.66	0.52	0.59	0.77	4.23	-	3.73
02/10/17	0.65	3.75	0.66	0.54	0.61	0.78	4.16	-	3.66
02/03/17	0.65	3.75	0.64	0.49	0.61	0.78	4.35	-	3.55
01/27/17	0.66	3.75	0.67	0.50	0.63	0.77	4.35	-	3.55
01/20/17	0.66	3.75	0.67	0.50	0.65	0.77	4.30	-	3.50
01/06/17	0.68	3.75	0.62	0.51	0.62	0.76	4.40	-	3.55
12/02/16	0.56	3.50	0.38	0.47	0.50	0.62	4.80	-	3.85
11/04/16	0.56	3.50	0.38	0.37	0.40	0.53	3.55	-	2.85
10/07/16	0.87	3.50	0.40	0.31	0.39	0.52	3.30	-	2.75
09/02/16	0.56	3.50	0.38	0.32	0.39	0.52	2.75	-	2.40
08/05/16	0.44	3.50	0.40	0.26	0.36	0.49	2.90	-	2.45
07/01/06	0.41	3.50	0.39	0.25	0.37	0.46	2.85	-	2.35
06/03/16	0.39	3.50	0.35	0.27	0.38	0.46	3.20	-	2.70
05/06/16	0.39	3.50	0.37	0.18	0.34	0.43	3.30	-	2.90
04/01/16	0.40	3.50	0.35	0.22	0.33	0.43	3.60	-	3.10

Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.