

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER CFO HOTLINESM: RESIDENT MONTHLY FEE INCREASES

Every year, Ziegler conducts a survey of Chief Financial Officers to gather input on the annual increase of resident monthly fees. The purpose of this year's survey was to track the level of resident monthly fee increases for 2017 and to predict potential changes in those monthly fees for the year ahead. Exactly 160 not-for-profit senior living CFOs and financial professionals from around the country responded to the survey.

When asked about the percentage change in monthly fees charged to existing senior living residents in 2017, the average percentage increase was slightly more than 3%. The table below details the various quartile figures for the 2017 rating increases. The maximum was 8%, with seven organizations increasing fees 4.75% or more. At the other end of the scale, another seven report a less than 2% increase, with two having no increase at all. No organizations reported a decrease in fees. The median increase has held steady across the past five years at 3.0%.

Statistic	2017 Percentage Increase	2016 Percentage Increase	2015 Percentage Increase	2014 Percentage Increase	2013 Percentage Increase
Minimum	0.00%	0.00%	0.00%	0.00%	0.00%
1st Quartile	2.89%	2.75%	2.94%	2.75%	2.50%
Median	3.00%	3.00%	3.00%	3.00%	3.00%
3rd Quartile	3.50%	3.50%	3.60%	3.50%	3.50%
Maximum	8.00%	5.50%	6.50%	5.00%	5.00%
Average	3.12%	3.09%	3.16%	3.05%	2.94%



A similar question was asked with regard to 2018 monthly fee increases. Respondents were asked to identify the percentage by which the organizations plan to increase or decrease their monthly fees charged to existing independent living residents in 2018. The results show similar increases for 2018 as organizations made in 2017, with the same median of 3.0%, and a slightly lower overall average of 3.10%.

For access to the full report with additional details from the survey, please [click here](#).

For questions about this issue of *Z-News* or other related topics, please refer to the Ziegler banker in your region.

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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

NOVEMBER 7 - 13, 2017

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
No Ratings Actions to Report.				

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.

INTEREST RATES

FOR THE WEEK ENDING NOVEMBER 10, 2017

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.62%	2.80%	2.92%
Senior Living 30-Yr "A"	3.47%	3.65%	4.00%
Senior Living 30-Yr "BBB"	3.72%	3.90%	4.42%
Senior Living Unrated	4.42%	4.60%	5.03%
Senior Living New Campus	6.50%	6.50%	6.73%
SIFMA Muni Swap Index	0.92%	0.92%	0.77%

Source: Ziegler Capital Markets

IN YOUR CORNER

ZIEGLER LEADINGAGE MARYLAND & DC FINANCE + STRATEGY SYMPOSIUM

Homewood at Frederick
Frederick, MD
November 30, 2017

Ziegler Participants: Amy Castleberry & Lisa McCracken

[Register Now!](#)

FEATURED FINANCINGS



\$44,140,000

California Municipal Finance Authority,
Insured Revenue Bonds, Series 2017B

CHANNING HOUSE

Palo Alto, California



\$53,587,764

Refunding
Bank Direct Purchase

PASSAVANT RETIREMENT AND HEALTH CENTER dba LUTHERAN SENIORLIFE PASSAVANT COMMUNITY

Zelienople, Pennsylvania

MARKET REVIEW

MONEY MARKET RATES

	11/10/17	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	4.25	4.25	4.25	3.50
Federal Funds (weekly average)	1.16	1.14	1.16	0.41
90 Day T-Bills	1.20	1.17	1.07	0.46
30-Day Commercial Paper (taxable)	1.15	1.13	1.13	0.41
Libor (30-day)	1.24	1.24	1.23	0.53
7 Day Tax-Exempt VRDB	0.92	0.92	0.91	0.55
Daily Rate Average	0.88	0.91	0.82	0.51

COMPARATIVE YIELDS
TAXABLE REVENUE

	GOVT	NR*	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	1.49	2.00	1.99	1 Year	1.06	2.31	2.38	2.21	1.81	1.51	1.31
5 Year	2.05	4.25	2.95	5 Year	1.44	2.84	3.30	2.69	2.44	2.09	1.84
7 Year	2.26	4.75	3.36	7 Year	1.63	3.28	3.70	3.03	2.73	2.43	2.13
10 Year	2.39	5.00	3.64	10 Year	1.93	3.73	4.14	3.43	3.03	2.78	2.43
30 Year	2.88	6.25	4.38	30 Year	2.62	4.42	4.75	4.12	3.72	3.47	3.12
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	3.49	3.67	-.18	4.02	3.49
11 Bond Index	2.99	3.17	-.18	3.53	2.99
Revenue Bond Index	3.86	4.04	-.18	4.17	3.70
30 Year MMD	2.62	2.80	-.18	3.24	2.62
Weekly Tax-Exempt Volume (Bil)	.63	2.07	-1.44	8.32	0.46
30 Day T/E Visible Supply (Bil)	6.56	7.36	-1.10	13.37	3.67
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	120.48	129.43	-8.95	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)		
11/10/17	0.92	4.25	1.16	1.20	1.15	1.24	3.47	-	3.12
11/03/17	0.92	4.25	1.14	1.17	1.13	1.24	3.65	-	3.30
10/27/17	0.92	4.25	1.16	1.09	1.14	1.23	3.74	-	3.44
10/20/17	0.91	4.25	1.16	1.09	1.15	1.23	3.59	-	3.29
10/13/17	0.91	4.25	1.16	1.07	1.13	1.23	3.68	-	3.38
10/06/17	0.92	4.25	1.16	1.04	1.10	1.23	3.73	-	3.43
09/29/17	0.94	4.25	1.16	1.05	1.09	1.23	3.75	-	3.45
09/22/17	.0.88	4.25	1.16	1.02	1.10	1.23	3.70	-	3.40
09/15/17	0.82	4.25	1.16	1.03	1.11	1.23	3.66	-	3.36
09/08/17	0.78	4.25	1.16	1.03	1.11	1.23	3.56	-	3.26
09/01/17	0.79	4.25	1.14	0.99	1.11	1.23	3.60	-	3.30
08/25/17	0.78	4.25	1.16	1.01	1.10	1.23	3.63	-	3.33
08/04/17	0.79	4.25	1.14	1.07	1.12	1.23	3.61	-	3.31
07/07/17	0.86	4.25	1.16	1.03	1.08	1.22	3.82	-	3.42
06/02/17	0.76	4.00	0.89	0.95	0.86	1.08	3.75	-	3.35
05/05/17	0.85	4.00	0.91	0.88	0.83	0.99	4.08	-	3.63
04/07/17	0.88	4.00	0.90	0.81	0.86	0.98	4.09	-	3.59
03/03/17	0.62	3.75	0.64	0.69	0.65	0.83	4.26	-	3.76
02/03/17	0.65	3.75	0.64	0.49	0.61	0.78	4.35	-	3.55
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

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