

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: SECOND QUARTER 2018

Each quarter Ziegler provides a list of white papers, reports and recently released articles that providers add to their recommended reading list. These publications are often worthwhile to pass along to your leadership team and your board to stay on top of the latest trends. This quarter's list includes topics such as the ongoing staffing challenges, the fast-paced technology space, and the overall housing market to name a few. As always, if you have suggestions for future reading lists, please do not hesitate to pass your thoughts on to us.

1. **5 Ways Amazon Could Disrupt Healthcare:** We are increasingly seeing non-traditional partners entering the healthcare technology space. The data analytic platforms and voice-activated technologies behind companies, such as Amazon, have opportunities for post-acute care and senior living providers. This article provides an overview of potential solutions in the healthcare space.
2. **The Senior Living Employee- A Socioeconomic Portrait of Today's Worker:** Argentum has been aggressively working to provide resources and call attention to the challenges present in senior care with regard to staff shortages. This white paper provides insight into the demographics of workers within senior living, from healthcare positions to food service to management-level roles.
3. **2018 CLA Senior Living Trends:** CliftonLarsonAllen just released a new white paper that looks at the future of our senior living sector. The white paper touches on trends such as demographics, workforce pressures, healthcare reform and technology to name a few. It's a helpful overview for leadership teams and board members engaged in planning efforts.
4. **Inside the Science of Senior Living Sales:** We all know that the approach to sales and marketing in senior living has changed over the last decade. We have become more heavily reliant on data analytics and have needed to adjust to the changing consumer. This free white paper is worth the download.
5. **U.S. Markets Less Saturated with Home Health Providers:** This article gives some interesting statistics that have not been presented in the past. The average number of Medicare home health providers per U.S. County has decreased, while the average number of hospice providers has increased. Check out the full article to read further.
6. **Emerging Trends in Real Estate 2018:** In its 39th year, Emerging Trends in Real Estate is one of the most comprehensive overview reports on the state of the real estate market in the U.S. This report has a section devoted to seniors housing. This is an in-depth document of providers' perspective on the overall health of the sector and related real estate markets.
7. **Skilled Nursing Providers Need to Steady Vision to Survive Value-Based Struggles:** We know that the post-acute marketplace continues to be highly dynamic and is demanding providers adapt to the new normal of changing reimbursement streams, reliance on big data, and meaningful relationships across providers. This article presents a solid overview for providers who continue to compete with short-stay skilled nursing offerings.
8. **Technology: Changing the Future:** McKnight's June issue provides an in-depth overview of the technology solutions in senior living. This white paper dives into topics such as telehealth solutions, robots, big data, and cybersecurity to name a few. This is one of the more comprehensive publications on senior living and aging services technology as a whole in recent years.

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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

JUNE 12 - 18, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
The Moorings, Inc. (FL)	Fitch	A Stable	Downgraded Rating	6/12/18
The Moorings, Inc. (FL)	Fitch	A Stable	Assigned Rating	6/12/18
Moorings Park Institute (FL)	S&P	A+ Stable	Assigned Rating Affirmed Rating	6/12/18
American Baptist Homes of the West nka HumanGood (CA)	Fitch	BBB+ Stable	Affirmed Rating	6/18/18
Arbor Acres United Methodist Retirement Community (NC)	Fitch	BBB+ Stable	Assigned Issuer Default Rating	6/18/18
Pennswood Village (PA)	Fitch	BBB+ Stable	Assigned Rating Affirmed Rating	6/18/18

**IDR - Issuer Default Rating (FitchRatings)*

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/YIELDS

(AS OF JUNE 15, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.01%	2.98%	2.83%
Senior Living 30-Yr "A"	3.76%	3.73%	3.68%
Senior Living 30-Yr "BBB"	3.95%	3.93%	3.99%
Senior Living Unrated	4.76%	4.73%	4.68%
Senior Living New Campus	6.50%	6.50%	6.57%
SIFMA Muni Swap Index	1.33%	1.05%	1.11%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.67%	4.67%	1.67%

**Ziegler Senior Living Municipal Long Bond Index
Source: Ziegler Capital Markets*

FEATURED FINANCINGS


RIVERWOODS DURHAM
Durham, New Hampshire

New Hampshire Health and Educational Facilities Authority

\$52,980,000

New Money | Bank Direct Purchase

\$45,400,000

New Money | Bank Direct Purchase

MARKET REVIEW

MONEY MARKET RATES

	6/15/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.00	4.75	4.75	4.25
Federal Funds (weekly average)	1.74	1.69	1.69	1.01
90 Day T-Bills	1.93	1.92	1.89	1.00
30-Day Commercial Paper (taxable)	1.97	1.92	1.82	1.11
Libor (30-day)	2.08	2.02	1.94	1.17
7 Day Tax-Exempt VRDB	1.33	1.05	1.38	0.81
Daily Rate Average	1.40	1.00	1.21	0.73

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.30	2.75	1 Year	1.47	2.72	2.82	2.57	2.17	1.87	1.67
5 Year	2.79	3.64	5 Year	2.00	3.40	3.50	3.20	2.85	2.55	2.35
7 Year	2.88	3.93	7 Year	2.25	3.85	4.00	3.50	3.20	3.00	2.70
10 Year	2.92	4.22	10 Year	2.49	4.24	4.49	3.84	3.44	3.24	2.94
30 Year	3.04	4.54	30 Year	3.01	4.76	5.01	4.36	3.96	3.76	3.46

(* Representative of retail sales.); (** Representative of institutional sales.)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2018 HIGH	LOW
Bond Buyer					
20 Bond Index	3.92	3.88	+04	3.97	3.44
11 Bond Index	3.40	3.36	+04	3.45	2.94
Revenue Bond Index	4.41	4.37	+04	4.46	2.92
30 Year MMD	3.01	2.98	+03	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	3.99	6.53	-2.54	6.62	0.71
30 Day T/E Visible Supply (Bil)	5.29	4.43	-.86	8.29	4.00
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	124.50	111.36	+13.14	126.26%	118.68%

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)		
06/15/18	1.33	5.00	1.74	1.93	1.97	2.08	3.76	-	3.46
06/08/18	1.05	4.75	1.69	1.92	1.92	2.02	3.73	-	3.43
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32
05/24/18	1.20	4.75	1.69	1.85	1.84	1.97	3.74	-	3.44
05/18/18	1.38	4.75	1.69	1.89	1.82	1.94	3.87	-	3.57
05/11/18	1.50	4.75	1.69	1.89	1.79	1.92	3.77	-	3.47
05/04/18	1.61	4.75	1.68	1.83	1.85	1.92	3.80	-	3.50
04/27/18	1.75	4.75	1.68	1.77	1.83	1.90	3.94	-	3.64
04/20/18	1.81	4.75	1.68	1.80	1.87	1.89	3.80	-	3.50
04/13/18	1.70	4.75	1.68	1.75	1.81	1.89	3.74	-	3.44
04/06/18	1.60	4.75	1.68	1.71	1.82	1.89	3.78	-	3.48
03/30/18	1.58	4.75	1.67	1.67	1.84	1.88	3.75	-	3.45
03/02/18	1.09	4.50	1.38	1.63	1.65	1.67	3.82	-	3.52
02/02/18	1.08	4.50	1.39	1.48	1.49	1.57	3.73	-	3.43
01/05/18	1.47	4.50	1.41	1.40	1.50	1.55	3.36	-	3.06
12/01/17	0.97	4.25	1.13	1.26	1.18	1.37	3.59	-	3.29
11/03/17	0.92	4.25	1.14	1.17	1.13	1.24	3.65	-	3.30
10/06/17	0.92	4.25	1.16	1.04	1.10	1.23	3.73	-	3.43
09/01/17	0.79	4.25	1.14	0.99	1.11	1.23	3.60	-	3.30
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

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