

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER SENIOR LIVING FINANCE + STRATEGY CONFERENCE: HIGHLIGHTS (PART III)

Over the past two weeks, *Z-News* has been devoted to giving a preview of the upcoming **21st Annual Ziegler Senior Living Finance + Strategy Conference**. This week, Ziegler kicked off the annual event in San Antonio, Hill Country Texas, with more than 600 attendees ranging from the country's leading senior living executives, business firms, banks, and investors. The "Conference: Highlights (Parts I and II)" outlined the popular Wednesday afternoon and Thursday educational sessions. This issue focuses on the agenda for the final day of our conference on Friday.

The Friday morning sessions round out the hot topics and key trends for the conference. In an attempt to highlight the importance of corporate structure in growth and risk management, the session ***One Size Does Not Fit All: Sophistication in Corporate Structure***, will highlight three organizations of varying sizes and organizational structures. Lisa Hardy and Gary King (Emerald Communities), John Dattilo (BHI Senior Living) and Albert Reyes (Buckner International) will share insights about their respective structures and how structures have been adjusted over the years to align with organizational goals.

In ***Advancing Success in Sales & Marketing Techniques***, there will be both consultant experts and providers sharing their successes for both Independent Living sales, as well as healthcare marketing. The seasoned lineup of speakers will include Colleen Ryan Mallon (The Kendal Corporation), Tom Mann (Love & Company), and Dawn Sigmen (Life Care Services).

A recurring session each year is devoted to the latest in architectural design. Representatives from three leading architectural firms will participate in ***Architects Panel: Innovation in Planning and Design***. Daniel Cinelli (Perkins Eastman), Greg Huntteman (Pi Architects), and Eugene Guskowski (AG Architecture) will touch on topics such as growing memory care design, enhancing common areas such as dining and wellness, as well as versatility in design.

Two Friday morning sessions will be devoted to finance-related topics. The ***2018 Bank Financing Panel and An Exploration of FHA/ HUD Financing Structures*** will dive into regularly utilized financing options available to today's not-for-profit senior living providers. Bank panelists will include institutions who are active in the space: Evelyn Lee (SunTrust), Grant Simmons (Frost Bank) and Chris Smith (BBVA). The FHA/ HUD session will feature both Ziegler bankers and a provider who undertook a recent FHA/ HUD financing. Troy Hart (SantaFe Senior Living) will share a case study from their recent financing.

The closing general session wraps up the conference by focusing on what lies ahead. Entitled ***The Future of Senior Living***, this session will give various perspectives on the future of the senior living and services space. Attendees will hear from David Jarvis (John Burns Real Estate Consulting), Gary Marsh (Masonic Communities of Kentucky), and Joel Nelson (Life Care Services) about how they not only view the future of the space, but how provider organizations are responding, and planning to respond, to external forces shaping how we do business. A future issue of *Z-News* will delve into the prognostications and future plans highlighted in this closing session.

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

AUGUST 30 - SEPTEMBER 12, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
United Methodist Retirement Homes (NC)	Fitch	BBB Stable	Affirmed Rating	8/30/18
Capital Manor (OR)	Fitch	BBB Stable	Assigned Rating	9/6/18
Philadelphia Presbytery Homes (PA)	Fitch	BBB Negative	Affirmed Rating Revised Outlook	9/7/18
Brazos Presbyterian Homes (TX)	Fitch	BBB-Stable	Upgraded Rating	9/12/18

INTEREST RATES/YIELDS

(AS OF SEPTEMBER 7, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.06%	3.03%	2.88%
Senior Living 30-Yr "A"	3.86%	3.83%	3.69%
Senior Living 30-Yr "BBB"	4.06%	4.03%	3.94%
Senior Living Unrated	4.86%	4.83%	4.67%
Senior Living New Campus	6.50%	6.50%	6.51%
SIFMA Muni Swap Index	1.49%	1.56%	1.23%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.72%	4.71%	1.66%

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

FEATURED FINANCING


WISCONSIN ILLINOIS
SENIOR HOUSING INC.

WISCONSIN ILLINOIS SENIOR HOUSING, INC.
Wisconsin

Wisconsin Health and Educational Facilities Authority
Bank Cinderella Bonds

\$21,296,000

FEATURED FINANCING


WISCONSIN ILLINOIS
SENIOR HOUSING INC.

WISCONSIN ILLINOIS SENIOR HOUSING, INC.
Florida/Ohio/Tennessee

Wisconsin Health and Educational Facilities Authority,
Revenue Bonds, Series 2018A

\$33,570,000

MARKET REVIEW

MONEY MARKET RATES

	9/7/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.00	5.00	5.00	4.25
Federal Funds (weekly average)	1.91	1.91	1.90	1.16
90 Day T-Bills	2.13	2.09	2.04	1.03
30-Day Commercial Paper (taxable)	2.04	2.02	1.98	1.11
Libor (30-day)	2.12	2.07	2.06	1.23
7 Day Tax-Exempt VRDB	1.49	1.56	1.45	0.78
Daily Rate Average	1.47	1.53	1.35	0.76

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.50	2.95	1 Year	1.65	2.85	3.00	2.75	2.35	2.05	1.85
5 Year	2.81	3.66	5 Year	2.06	3.41	3.56	3.26	2.91	2.61	2.41
7 Year	2.88	3.93	7 Year	2.26	3.81	4.01	3.51	3.21	3.06	2.71
10 Year	2.93	4.18	10 Year	2.47	4.27	4.47	3.82	3.47	3.27	2.92
30 Year	3.10	4.70	30 Year	3.06	4.86	5.06	4.41	4.06	3.86	3.51

(* 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	3.98	3.96	+0.02	3.98	3.44
11 Bond Index	3.45	3.43	+0.02	3.46	2.94
Revenue Bond Index	4.49	4.47	+0.02	4.49	2.92
30 Year MMD	3.06	3.03	+0.03	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	1.63	2.75	-1.12	11.11	0.71
30 Day T/E Visible Supply (Bil)	7.14	4.17	+2.97	14.29	0.63
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	124.51	126.82	-2.31	128.37%	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)		
09/07/18	1.49	5.00	1.91	2.13	2.04	2.12	3.86	-	3.51
08/31/18	1.56	5.00	1.91	2.09	2.02	2.07	3.83	-	3.48
08/24/18	1.58	5.00	1.91	2.09	1.98	2.06	3.80	-	3.45
08/17/18	1.57	5.00	1.90	2.03	1.94	2.06	3.76	-	3.46
08/10/18	1.45	5.00	1.90	2.04	1.98	2.06	3.82	-	3.52
08/03/18	1.29	5.00	1.90	2.00	1.94	2.08	3.80	-	3.50
07/27/18	0.94	5.00	1.90	1.99	1.92	2.07	3.75	-	3.45
07/20/18	0.94	5.00	1.90	1.98	1.96	2.08	3.66	-	3.36
07/13/18	1.01	5.00	1.90	1.96	1.97	2.07	3.66	-	3.36
07/06/18	1.19	5.00	1.90	1.91	1.96	2.09	3.67	-	3.37
06/29/18	1.51	5.00	1.92	1.90	2.00	2.09	3.69	-	3.39
06/22/18	1.50	5.00	1.90	1.91	1.95	2.09	3.70	-	3.40
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32
05/04/18	1.61	4.75	1.68	1.83	1.85	1.92	3.80	-	3.50
04/06/18	1.60	4.75	1.68	1.71	1.82	1.89	3.78	-	3.48
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

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