

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: THIRD 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 impact of managed care, consumer trends, and the impact of Amazon on the overall healthcare landscape 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. As Open Enrollment Begins Record Medicare Advantage Growth

Expected: Rarely does a day go by without an article about Medicare Advantage plans and the changing payor landscape for senior living providers. This article, published by Forbes, provides some staggering statistics on the projected growth of Medicare Advantage enrollees in 2019, as well as the growth in the number of plans out there for older adults to choose from.

2. National Study Points to Wellness Benefits of Life Plan

Communities: Last year we shared about a longitudinal study launched by Mather LifeWays Institute on Aging, and Northwestern University. One year into the study, initial findings point to enhanced wellness among older adults living in a retirement community compared to those living in the greater community. It is worth a read to check in on the status of this important research.

3. Trends in Religion and the Future Impact on Faith-Based

Retirement Communities: The topic of faith and religion, among the Baby Boomer population in particular, has garnered a good bit of chatter in recent years. This blog post by GlynnDevins shares some interesting statistics, as well as an overview of potential implications for senior living providers.

4. Diversity in Senior Living Communities:

Love & Company released a report that gives an overview of diversity in U.S. retirement communities. This report combines an overview of emerging trends with original research, including insights from community leaders who are evolving their cultures and offerings.

5. Evolving partnerships in long-term and post-acute care:

This white paper requires a download from the publisher, Cerner, but it is well worth the effort. This publication highlights what providers are doing to position themselves to navigate the complex new future.

6. Hiring and Integrating Foreign-Born Nurses and Personal Care Assistants in Long-Term Services and Supports:

The workforce is top-of-mind for nearly all senior living providers. The LeadingAge LTSS Center released this "research snapshot" that covers topics such as recruitment and retention and presents practical guidance for providers who are hiring and integrating foreign-born staff.

7. Subjective Well-Being of Eldercare Providers: 2012-2013:

Do not let the years of this report mislead you. This report was released in 2018 by the U.S. Census Bureau. This report focuses on caregivers (aka "providers" in this report) and sheds interesting light on the well-being of demographic characteristics of U.S. caregivers.

8. Apple unveils Watch Series 4 with FDA-approved ECG:

We know that consumer wearables have become increasingly mainstream with relation to monitoring activity levels and general health-related metrics. Apple just took health monitoring via wearables to a whole new level. Read about it in this article from Healthcare IT News.

If you have any questions about the content of this issue of *Z-News* or other related items, please contact the Ziegler banker in your region.

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NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

SEPTEMBER 26 - OCTOBER 15, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Bethesda Health Group (MO)	Fitch	BBB Stable	Downgraded Rating	9/26/18
Greencroft Obligated Group (IN)	Fitch	BB+ Stable	Affirmed Rating	9/27/18
Friendship Village of St. Louis Obligated Group (MO)	Fitch	BB+ Stable	Downgraded Rating Assigned Rating	10/5/18
Carpenter's Home Estates (FL)	Fitch	BBB- Stable	Affirmed Rating	10/8/18
Oak Crest Village (MD)	Fitch	A Positive	Affirmed Rating Revised Outlook	10/10/18
Presbyterian Homes (IL)	S&P	BBB+ Stable	Affirmed Rating	10/10/18
Covenant Retirement Communities (IL)	Fitch	A- Stable	Upgraded Rating Assigned Rating	10/11/18
Meadowood Corporation (PA)	Fitch	BBB Stable	Assigned Rating	10/11/18
Trinity Terrace (TX)	Fitch	BBB+ Stable	Affirmed Rating	10/12/18

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INTEREST RATES/YIELDS

(AS OF OCTOBER 12, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.41%	3.31%	2.93%
Senior Living 30-Yr "A"	4.26%	4.11%	3.73%
Senior Living 30-Yr "BBB"	4.51%	4.36%	3.97%
Senior Living Unrated	5.26%	5.11%	4.71%
Senior Living New Campus	6.50%	6.50%	6.50%
SIFMA Muni Swap Index	1.53%	1.53%	1.29%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.87%	4.86%	1.45%

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

FEATURED FINANCING


PRESBYTERIAN
 VILLAGE NORTH

PRESBYTERIAN VILLAGE
NORTH
 Dallas, Texas

New Hope Cultural Education
 Facilities Finance Corporation,
 Retirement Facility Revenue Bonds,
 Series 2018

\$91,860,000

MARKET REVIEW

MONEY MARKET RATES

	10/12/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.25	5.25	5.00	4.25
Federal Funds (weekly average)	2.16	2.16	1.91	1.16
90 Day T-Bills	2.21	2.21	2.10	1.07
30-Day Commercial Paper (taxable)	2.24	2.21	2.06	1.13
Libor (30-day)	2.27	2.28	2.16	1.23
7 Day Tax-Exempt VRDB	1.53	1.53	1.49	0.91
Daily Rate Average	1.50	1.49	1.50	0.82

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.56	3.01	1 Year	1.90	3.15	3.25	3.05	2.60	2.30	2.10
5 Year	3.01	3.86	5 Year	2.30	3.70	3.80	3.55	3.15	2.90	2.65
7 Year	3.10	4.15	7 Year	2.48	4.03	4.23	3.83	3.48	3.28	2.93
10 Year	3.16	4.41	10 Year	2.73	4.58	4.73	4.23	3.83	3.58	3.18
30 Year	3.35	4.95	30 Year	3.41	5.26	5.41	4.91	4.51	4.26	3.86

(* 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	4.37	4.24	+ .13	4.37	3.44
11 Bond Index	3.84	3.71	+ .13	3.84	2.94
Revenue Bond Index	4.88	4.75	+ .13	4.88	2.92
30 Year MMD	3.41	3.31	+ .10	3.41	2.56
Weekly Tax-Exempt Volume (Bil)	3.62	5.01	-1.39	11.11	0.71
30 Day T/E Visible Supply (Bil)	7.70	5.17	+2.53	14.29	0.63
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	127.16	120.88	+6.28	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)		
10/12/18	1.53	5.25	2.16	2.21	2.24	2.27	4.26	-	3.86
10/05/18	1.53	5.25	2.16	2.21	2.21	2.28	4.11	-	3.76
09/28/18	1.56	5.25	1.97	2.19	2.13	2.24	4.01	-	3.66
09/21/18	1.48	5.00	1.91	2.12	2.10	2.21	4.03	-	3.68
09/14/18	1.49	5.00	1.91	2.10	2.06	2.16	3.94	-	3.59
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
07/06/18	1.19	5.00	1.90	1.91	1.96	2.09	3.67	-	3.37
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

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