

ZIEGLER INVESTMENT BANKING

SENIOR LIVING FINANCE Z-NEWS

FEATURED ARTICLE

ZIEGLER'S RECOMMENDED READING LIST: FIRST QUARTER 2019

It is that time again for Ziegler's quarterly recommended reading list. Each quarter Ziegler provides a list of white papers, reports and recently released articles that providers can add to their recommended reading list. These publications are often worthwhile to pass along to board members and the leadership team to stay on top of industry trends and innovations. This quarter's list includes topics such as construction costs, post-acute strategy, growth and technology 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. [Top Trends in Aging Services in 2019](#): The beginning of the year generally yields a number of articles on industry predictions for the coming 12 months. In this article, Health Dimensions Group outlines what they see as key themes for the year ahead. They provide commentary on ongoing payment reform, workforce challenges, and managed care models among others.
2. [Looking Ahead to the Top Skilled Nursing Trends of 2019](#): The skilled nursing sector is the focus of much attention right now and that will certainly continue throughout 2019. In this article, Skilled Nursing News talks about what nursing homes and skilled nursing providers can expect regarding reimbursement, the shift to PDPM (Patient-Driven Payment Model), and merger and acquisition activity.
3. [U.S. Seniors Housing Development Costs Report](#): It is clear to anyone undertaking a repositioning, expansion or new development project that costs have escalated in the last few years. This report provides a number of benchmarks and data points on national averages and changes observed in recent years. It is an insightful read for anyone planning for future projects.
4. [Employee Rewards for Every Budget](#): Everyone can benefit from additional insights into how to maximize staff retention. OnShift often releases white papers and articles on employee engagement and how to maximize the benefits to your staff. This tip sheet is one of their latest releases and focuses on creative reward ideas to enhance culture and complement existing benefits packages.
5. [The Age of Disruption: The Reasons for Growth](#): Love & Company has been pushing out articles and webinars the past few months that focus on growth in the sector. These resources not only outline the rationale for growth, but share provider perspective from some of the leading senior living organizations in the country.
6. [The State of Senior Living: An Industry Grappling with Autonomy](#): For the past several years, Perkins Eastman has conducted a survey of senior living providers and industry professionals. This year's report tackles all of the forces disrupting the industry and discusses how those elements are impacting the future of the sector.
7. [Telehealth no longer plays a junior role in senior care](#): This article, written by Ziegler's own Grant Chamberlain and Clayton Wilson, talks about the evolving telehealth marketplace and how it plays an increasingly prominent role in senior living.
8. [Alzheimer's Disease Facts and Figures 2018](#): This is an annual report released by the Alzheimer's Association. It provides a number of data points at the national level, but also state-by-state. It is a great resource to have for providers looking to understand the impact of cognitive impairment on caregiving resources, staff training, and future demand for services.

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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CAPITAL :: INVESTMENTS :: ADVICE

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

FEBRUARY 15 - 18, 2019

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Air Force Villages (TX)	Fitch	BB+ Stable	Affirmed Rating	2/15/19
Mayflower Retirement Center (FL)	Fitch	A- Negative Watch	Affirmed Rating	2/15/19

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INTEREST RATES/YIELDS

(AS OF FEBRUARY 15, 2019)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.00%	3.00%	3.03%
Senior Living 30-Yr "A"	4.00%	4.00%	3.91%
Senior Living 30-Yr "BBB"	4.40%	4.40%	4.17%
Senior Living Unrated	5.10%	5.10%	4.92%
Senior Living New Campus	6.50%	6.50%	6.50%
SIFMA Muni Swap Index	1.72%	1.51%	1.45%
	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.88%	4.88%	1.87%

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

MARKET REVIEW

MONEY MARKET RATES

	2/15/19	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.50	5.50	5.50	4.50
Federal Funds (weekly average)	2.40	2.40	2.40	1.41
90 Day T-Bills	2.42	2.41	2.35	1.59
30-Day Commercial Paper (taxable)	2.44	2.45	2.51	1.55
Libor (30-day)	2.48	2.51	2.50	1.58
7 Day Tax-Exempt VRDB	1.72	1.51	1.28	1.00
Daily Rate Average	1.70	1.48	1.20	1.05

COMPARATIVE YIELDS

TAXABLE REVENUE

	GOVT	A		MMD	NR*	BB	BBB	A	AAA
1 Year	2.54	2.99	1 Year	1.59	3.09	2.84	2.44	2.04	1.79
5 Year	2.49	3.34	5 Year	1.69	3.39	3.09	2.79	2.39	2.04
7 Year	2.56	3.61	7 Year	1.83	3.73	3.38	3.08	2.68	2.28
10 Year	2.66	3.91	10 Year	2.11	4.21	3.86	3.51	3.11	2.56
30 Year	2.99	4.64	30 Year	3.00	5.10	4.75	4.40	4.00	3.45

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2019 HIGH	LOW
Bond Buyer					
20 Bond Index	4.24	4.23	+01	4.24	4.09
11 Bond Index	3.71	3.70	+01	3.71	3.58
Revenue Bond Index	4.71	4.70	+01	4.71	4.56
30 Year MMD	3.00	3.00	-00	3.11	2.93
Weekly Tax-Exempt Volume (Bil)	4.95	5.58	-.63	5.80	0.20
30 Day T/E Visible Supply (Bil)	1.92	6.47	-3.55	6.60	1.92
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	133.77	134.22	-.45	134.42%	130.74%

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)		
02/15/19	1.72	5.50	2.40	2.42	2.44	2.48	4.00	-	3.45
02/08/19	1.51	5.50	2.40	2.41	2.45	2.51	4.00	-	3.45
02/01/19	1.43	5.50	2.40	2.39	2.40	2.51	4.02	-	3.47
01/25/19	1.29	5.50	2.40	2.36	2.45	2.51	4.10	-	3.55
01/18/19	1.28	5.50	2.40	2.35	2.51	2.50	4.04	-	3.49
01/11/19	1.39	5.50	2.40	2.42	2.51	2.51	4.05	-	3.50
01/04/19	1.63	5.50	2.40	2.42	2.47	2.52	3.93	-	3.38
12/28/18	1.71	5.50	2.39	2.33	2.42	2.51	4.02	-	3.47
12/21/18	1.68	5.50	2.24	2.37	2.50	2.47	4.04	-	3.49
12/14/18	1.64	5.25	2.19	2.41	2.46	2.45	4.17	-	3.62
12/07/18	1.65	5.25	2.19	2.39	2.30	2.38	4.08	-	3.55
11/30/18	1.69	5.25	2.18	2.35	2.27	2.34	4.14	-	3.69
11/02/18	1.61	5.25	2.18	2.25	2.25	2.31	3.83	-	3.38
10/05/18	1.53	5.25	2.16	2.21	2.21	2.28	4.11	-	3.76
09/07/18	1.49	5.00	1.91	2.13	2.04	2.12	3.86	-	3.51
08/03/18	1.29	5.00	1.90	2.00	1.94	2.08	3.80	-	3.50
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

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